May 4, 2026

National Stock Exchange of India Limited
Exchange Plaza,
Plot No. C/1, G Block,
Bandra - Kurla Complex, Bandra (East),
Mumbai - 400 051.

BSE Limited
Corporate Relations Department,
1st Floor, New Trading Ring,
P. J. Towers, Dalal Street,
Mumbai - 400 001.

Symbol: LTF

Security Code No.: 533519

Kind Attn: Head - Listing Department / Dept. of Corporate Communications

Sub: Submission of the Integrated Annual Report for the financial year 2025-26 and Notice of the Annual General Meeting

Dear Sir / Madam,

Pursuant to the requirements of Regulation 34 and 53 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and other applicable regulations, please find enclosed the Integrated Annual Report of the Company for the financial year 2025-26 ("the Report") along with the Notice of the Eighteenth Annual General Meeting ("Notice") of the Company to be held on Friday, May 29, 2026 at 03.30 p.m. (IST) through electronic mode (video conference or other audio-visual means). In accordance with the circulars issued by the Ministry of Corporate Affairs and SEBI, the Report along with the Notice is sent through electronic mode to the Members and Debenture holders ("Investors") of the Company.

Further, as per the requirements of Listing Regulations, letter providing the weblink, including the exact path where the complete details of the Report are available along with a static Quick Response Code is being sent to the Investors who have not registered their e-mail address with the Company to access the Report and the Notice.

Further, the aforesaid Report along with the Notice has also been uploaded on the website of the Company at www.ltfinance.com/investors.

We request you to take the aforesaid on record.

For **L&T Finance Limited**

Apurva Neeraj Rathod

Digitally signed by Apurva Neeraj Rathod
Date: 2026.05.04 20:11:53 +05'30'

Apurva Rathod
Company Secretary and Compliance Officer

Encl: as above

L&T Finance

Lakshya Leads.
Technology Propels.

Integrated Annual Report

2025-26

CORPORATE INFORMATION

Board of Directors

S. N. Subrahmanyan
Chairman and Non-Executive Director

Sudipta Roy
Managing Director and Chief Executive Officer

R. Shankar Raman
Non-Executive Director

Rajani R. Gupte
Independent Director

R. Seetharaman
Independent Director

Nishi Vasudeva
Independent Director

Dhananjaya Tambe
Independent Director

Company Secretary

Apurva Rathod

Joint Statutory Auditors

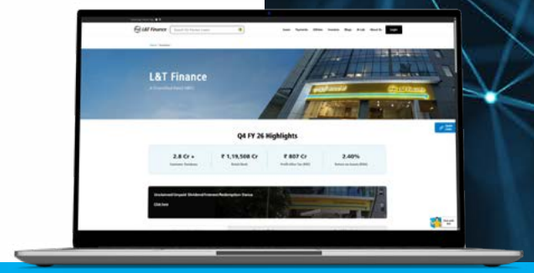
M/s T R Chadha & Co LLP
M/s Brahmayya & Co

Registered Office and Investor Service Centre

Brindavan, Plot No.177, C.S.T. Road,
Kalina, Santacruz (East),
Mumbai - 400098, Maharashtra, India
Phone: +91 22 6212 5000
Fax: +91 22 6212 5553
Website: www.ltfinance.com
Email: igrc@ltfs.com

Registrar and Share Transfer Agents

MUFG Intime India Private Limited (formerly known a s Link Intime India Private Limited)
C-101, Embassy 247, L.B.S. Marg,
Vikhroli (West),
Mumbai - 400083, Maharashtra, India
Phone: +91 810 811 6767
Fax: +91 22 4918 6060
Website: www.in.mpms.mufg.com
Email: investor.helpdesk@in.mpms.mufg.com



For more investor-related information, please visit:
https://www.ltfinance.com/investors

Investor Information	
Market Capitalisation (as of March 31, 2026)	₹60,155.35 Cr
BSE Code	533519
NSE Symbol	LTF
AGM Day, Date and Time	Friday, May 29, 2026 at 03:30 p.m. (IST)
AGM Mode	Video-Conference/Other Audio-Visual Means (OAVM)

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120 Sustainability@LTF
146 Stakeholder Engagement
158 Materiality Analysis

Our Capitals

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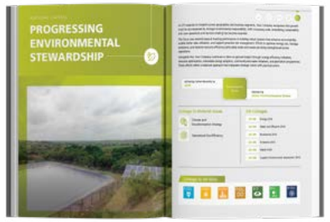
190 Manufactured and Intellectual Capital
216 Human Capital
256 Social and Relationship Capital
294 Natural Capital



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ABOUT THE REPORT

L&T Finance Limited, together with its subsidiaries (referred to as 'LTF' or 'your Company'), presents its Integrated Annual Report (referred to as 'the Report') for the financial year ended March 31, 2026.

The Report marks a pivotal milestone of your Company's journey, reflecting the successful culmination of Lakshya 2026 strategic roadmap, a phase during which your Company strengthened its position as a digitally agile and AI-led financial institution. Building on this progress, your Company has outlined its long-term strategic direction under Lakshya 2031, with a continued focus to become India's pre-eminent Risk-first, Technology-first, Multi-product Retail Financier of choice.

Central to this transformation has been emphasis on people, building capabilities and responsible innovation. Your Company remains committed to delivering customer-centric financial solutions supported by technology, while maintaining highest standards of governance and transparency with focus on stakeholder engagement. The strategy is anchored in financial inclusion, environmental stewardship and social responsibility, and disciplined execution.

The Report provides a holistic view of your Company's performance, covering financial outcomes, operational progress, sustainability initiatives, people priorities, value creation for shareholders, communities, and future outlook.

Reporting Principle

The financial information in this Report has been prepared in accordance with the Companies Act, 2013, applicable Indian Accounting Standards, the requirements of the Companies (Accounting Standards) Rules, 2006, and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, along with applicable guidelines issued by the Reserve Bank of India (RBI).

The non-financial disclosures have been prepared in line with globally accepted frameworks to ensure consistency, comparability, and reliability. The Report follows the Integrated Reporting (IR) Framework developed by the International Integrated Reporting Council (IIRC), with disclosures structured across six capitals.

Sustainability disclosures have been prepared with reference to the Global Reporting Initiative (GRI) 2021 standards for the reporting period April 1, 2025 to March 31, 2026.

The Report is aligned with:

- National Guidelines on Responsible Business Conduct (NGRBC)
- Business Responsibility and Sustainability Reporting (BRSR) requirements prescribed by the Securities and Exchange Board of India (SEBI)
- United Nations Sustainable Development Goals (UN SDGs)
- Incorporating the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD)

Scope and Boundaries

The Report covers the activities of your Company for the period from April 1, 2025 to March 31, 2026, unless otherwise stated. The scope includes the Head Office, branch network (including rural locations), and relevant operational footprint during the year. The reporting boundary is aligned with the requirements of the Business Responsibility and Sustainability Reporting framework (BRSR).

All material disclosures are presented within the Report or through references to publicly available information. Numerical data has been rounded off, wherever required.

Materiality and Target Audience

Your Company operates as a systemically important Non-Banking Financial Company (NBFC) and plays a significant role in enabling economic growth and financial inclusion.

The Report covers material matters that have a substantive impact on your Company's ability to create value over time. These have been identified through a structured materiality assessment process, incorporating inputs from internal and external stakeholders.

Your Company follows a double materiality approach, considering both:

- Impact of business activities on the economy, environment, and society, and;
- Financial implications of sustainability-related risks and opportunities

Your Company maintains continuous engagement with key stakeholders, including employees, investors, regulators, customers, partners, and communities, to ensure that disclosures remain relevant and decision-useful for stakeholders.

Approach to Responsible Reporting

Your Company adopts a precautionary approach in its lending and risk management practices, with a focus on minimising potential economic, environmental, and social risks while enabling sustainable value creation.

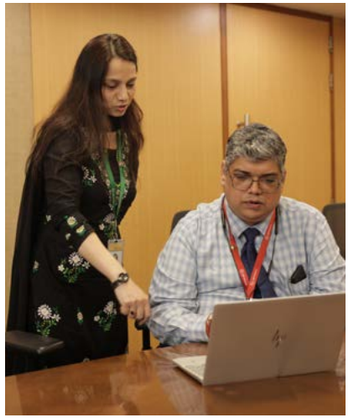
The preparation of the Report is guided by the principles of stakeholder inclusiveness, materiality, and completeness, ensuring balanced and transparent disclosure of performance.

Forward-looking Statements

The Report contains statements relating to your Company's future business outlook and performance. These statements may include words such as 'expects', 'anticipates', 'intends', or similar expressions.

Such statements are based on current assumptions and are subject to risks and uncertainties, including changes in economic conditions, regulatory developments, and geopolitical factors. Actual outcomes may differ materially from those expressed or implied.

Your Company does not undertake any obligation to update forward-looking statements, except as required by applicable laws.



Assurance

The standalone and consolidated annual financial statements have been audited by Statutory Auditors.

The non-financial information presented in the Report has been carefully reviewed through structured assurance process. Reasonable assurance on BRSR Core KPIs and limited assurance on the select indicators in the BRSR & Integrated Annual Report (IAR), respectively has been provided by BDO India Services Private Limited as per the SEBI guidelines in accordance with the ISAE 3000.

The assurance statement forms part of the Report.

Accessibility and Feedback

The Report includes cross-references to relevant sections and additional information available on your Company's website to facilitate ease of navigation.

Stakeholders may share their feedback or seek further information by writing to: **igrc@ltfs.com** or visit: **www.ltfinance.com/investors**

Navigating this Report

A QUICK GUIDE TO THIS REPORT

01

Who governs your Company, and how does it respond to market changes?

What's inside:

- Overview of leadership, governance, and core values
- Operating model and strategic priorities
- Highlights of business performance across major segments

Where to go:

- 32 Corporate Governance
- 20 Chairman's Message
- 26 MD & CEO's Message
- 88 Management Discussion & Analysis
- 120 Sustainability@LTF

02

How does your Company create value for its stakeholders?

What's inside:

- Value creation framework and strategy
- Financial and non-financial capital usage
- Real-world outcomes delivered to stakeholders

Where to go:

- 12 Performance Highlights
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03

What drives long-term growth and sustainability?

What's inside:

- Strategic priorities shaping business direction
- Alignment with long-term market opportunities and expansion plans

Where to go:

- 118 Value Creation Model
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04

How did your Company perform financially and operationally in FY26?

What's inside:

- Financial and operational highlights
- Performance of business segments
- Key milestones and challenges addressed

Where to go:

- 12 Performance Highlights
- 172 Financial Capital
- 20 Chairman's Message
- 26 MD & CEO's Message
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05

What risks and opportunities influence your Company's future?

What's inside:

- Key risks and mitigation strategies
- Innovation, market growth drivers, and digital initiatives
- Governance practices that strengthen resilience

Where to go:

- 32 Corporate Governance
- 158 Materiality Assessment
- 88 Management Discussion & Analysis
- 328 Business Responsibility & Sustainability Report

06

How is your Company advancing sustainability?

What's inside:

- Sustainability priorities and alignment with global sustainability standards
- Climate action, resource efficiency, and responsible financing efforts
- Community impact and CSR initiatives

Where to go:

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07

What is the strategic outlook for the future?

What's inside:

- Growth opportunities and market outlook
- Leadership perspective on the next phase of strategy
- Investments in technology, innovation, and expansion
- Leadership view on sustainability strategy

Where to go:

- 20 Chairman's Message
- 26 MD & CEO's Message
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08

What are your Company's statutory disclosures?

What's inside:

- Statutory financial statements
- Regulatory and governance disclosures

Where to go:

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- 723 Notice

Lakshya Leads.
Technology Propels.

Some years mark progress. Others define it.

FY26 stands as a defining moment in our journey where intent is translated into institutional strength, and ambition is evolved into execution excellence. As we conclude Lakshya 2026, we do so not as an endpoint, but as proof of a model that works-resilient, responsible, and ready for scale.

At the core of this transformation lies a clear philosophy.

Tech-First. AI-Led
Momentum Becomes Advantage

Technology has become the core engine of transformation

AI-led systems, automation, and data intelligence are enabling faster, sharper, and more accurate decision-making, turning momentum into a competitive advantage

Risk First
Direction Becomes Leadership

A risk-intelligent culture is embedded across the organisation anchored in foresight, discipline, and governance

Risk is not a control point anymore; it is the starting point of every decision, ensuring stability and sustainable growth

Responsible Finance
Trust Becomes Currency

Growth is anchored in responsibility

Every financial solution is designed to be transparent, ethical, and to be aligned with long-term stakeholder value for strengthening trust while expanding reach

Inclusive Growth
Scale Becomes Impact

Inclusion remains central to the organisation's progress

By expanding access to finance and enabling underserved communities, growth is not just faster but broader and more meaningful

Together, these pillars have shaped Lakshya into more than a strategy, they define how we operate, decide, and grow.

As we enter,

LAKSHYA 2031

we carry forward not just progress, but purpose.

The next phase will be defined by:

Deeper intelligence | **Stronger execution** | **Greater inclusion** | **Sustainable value creation**

Because at LTF, leadership is demonstrated through action, and progress is propelled through technology.

Lakshya Leads. Technology Propels.

WHO WE ARE

ONE OF THE LEADING UPPER LAYER NBFCs IN INDIA

L&T Finance Limited (LTF), headquartered in Mumbai, and part of the illustrious, Larsen & Toubro Group, is a leading AI-led NBFC transforming lending through digital-first, data-driven ecosystems and intelligent credit decisioning. Your Company empowers emerging India with responsible financial solutions across rural and urban markets.

Classified as an Upper Layer NBFC by the Reserve Bank of India (RBI), your Company maintains a strong Pan-India presence, reaching ~2 lakh villages and 450+ cities and towns, and serving 2.8 Cr+ customer base.

Your Company is one of the leading Risk-first, Tech-first, Multi-product Retail Financier, with three fulcrum products – Rural Group Loans & Micro Finance (JLG), Two-Wheeler Finance, and Farm Equipment Finance, while offering a wide suite of products including Personal Loans, Home Loans & Loan Against Property (LAP), SME Loans, Micro Loan Against Property (MLAP), and Gold Finance. The acquisition of a Gold Finance business in

June 2025 has strengthened your Company's retail portfolio, adding a secured high-yield product and solidifying your Company's position as a comprehensive financial partner for customers across the country.

Year of Incorporation
1994

Publicly Listed on BSE Limited and NSE Limited
2011

LTF has its equity shares and debt securities listed on the NSE Limited and BSE Ltd

Our Core Purpose

India's growth story is powered by the aspirations of individuals, entrepreneurs, farmers, and small businesses across both urban and rural markets, many of whom continue to face challenges in accessing timely, transparent, and responsible financing.

Your Company exists to bridge this gap by providing inclusive, technology-powered financial solutions that enable consumption, entrepreneurship, and economic participation. By delivering reliable credit through transparent and responsible lending and expanding digital access, your Company aims to empower livelihoods, strengthen communities, and contribute meaningfully to India's sustainable economic progress.

Vision

LTF envisions to be an admired and inspirational financial institution, creating sustainable value for all stakeholders.

Values

Ambition
LTF aspires to achieve something more and doing better than it did yesterday.

Pride
Confidence in LTF's abilities as a stable and sustainable organisation that always contributes to the customer and every stakeholder.

Discipline
Creating a culture of results and not reasons, LTF places responsibility on doing what is right day after day.

Integrity
Integrity beyond honesty, including focus, consistency.

Our Sustainability Vision

To be an environmentally and socially responsible financial institution built on the foundation of assurance. We are committed to generating long-term value for all our stakeholders.

WHAT
Sets Us Apart

- AI-native NBFC delivering speed, scale, and superior customer experience
- AI-powered intelligence stack (Cyclops, Nostradamus, Orion, Helios) driving smarter decisions and productivity
- 100% digital disbursements across rural and urban segments
- 2.8 Cr+ customer base enabled by strong distribution and digital reach
- Risk-first, tech first DNA with robust underwriting and governance
- Responsible, inclusive lending advancing sustainable finance
- Ethical and strong governance practices ensuring transparency
- Sustainability-led growth with carbon neutral pathway by FY35
- Driving Community finclusion through CSR initiatives like Digital Sakhi
- Great Place to Work® with a high-performance, people-first culture

Organisation Built on Trust, Scale, and Responsibility

- Part of the Illustrious L&T Group
- Upper Layer NBFC as per RBI Classification
- Amongst Top Retail NBFCs
- Highest Credit Rating – 'AAA'
  - S&P Global BBB- Stable/A2
  - Fitch Ratings BBB-/ Stable
- Top-Notch ESG Ratings

Our Physical Footprint

LTF operates a Pan-India distribution network, comprising an extensive branch footprint that enables your Company to serve a large and diverse customer base across both rural and urban India. Anchored in deep local insights and supported by a scalable operating model, the network strengthens last-mile connectivity while expanding presence in high-growth urban markets.

North India

	State	Rural Branches	Urban Branches
1	Uttar Pradesh	174	30
2	Haryana	39	58
3	Punjab	46	61
4	Rajasthan	87	42
	Total	**346**	**191**

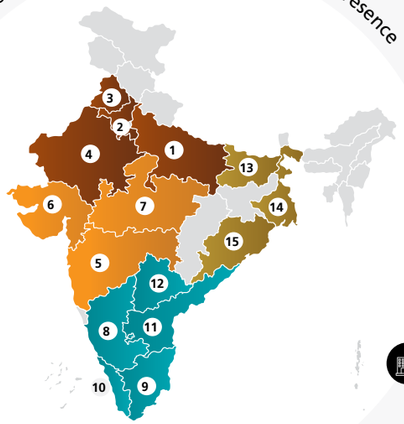
South India

	State	Rural Branches	Urban Branches
8	Karnataka	247	32
9	Tamil Nadu	419	7
10	Kerala	95	3
11	Andhra Pradesh	91	12
12	Telangana	73	14
	Total	**925**	**68**

2,311* Rural Branches

18 States | **~2,00,000** Villages

Regional and State-wise distribution of our presence



529 Urban Branches

23 States | **4** UT | **450+** Cities / Towns

Head Office
Mumbai, Maharashtra

Regional Offices
New Delhi
Bengaluru, Karnataka
Ahmedabad, Gujarat
Kolkata, West Bengal

West India

	State	Rural Branches	Urban Branches
5	Maharashtra	99	30
6	Gujarat	104	42
7	Madhya Pradesh	95	56
	Total	**298**	**128**

East India

	State	Rural Branches	Urban Branches
13	Bihar	426	10
14	West Bengal	124	34
15	Odisha	126	27
	Total	**676**	**71**

Others: Rural Branches **66** Urban Branches **71**

*Rural Branches include RGL & MFI meeting centres (2,167), MLAP branches (135) & dedicated Farmer Finance branches (9) | *Urban Branches includes dedicated Gold Finance branches (330) & other shared branches (199)

Disclaimer: This map is a generalised illustration only for the ease of the reader to understand the locations, and it is not intended to be used for reference purposes. The representation of political boundaries and the names of geographical features/states do not necessarily reflect the actual position. Your Company or any of our Directors, officers or employees cannot be held responsible for any misuse or misinterpretation of any information or design thereof. Your Company does not warrant or represent any kind of connection with its accuracy or completeness.

Performance Highlights

OUR ANNUAL PERFORMANCE

Financial Capital

98%
Retailisation

₹83,213 Cr
Retail Disbursements

₹1,21,728 Cr
Consolidated Book Size

₹2,981* Cr
PAT

2.88%
GS3

0.96%
NS3

2.37%
Return on Assets (RoA)

11.25%
Return on Equity (RoE)

₹18,220 Cr
Sustainability Focused/ Priority Sector Loans

18.34%
Capital to Risk (Weighted) Assets Ratio (CRAR)

3.93x
Debt-Equity Ratio

₹111.7
Book Value per Share

International

BBB (Stable)
S&P Global Ratings (Long-term)

BBB- (Stable)
Fitch Ratings (Long-term)

*PAT before one time labour code effect: ₹3,003 Cr

Manufactured and Intellectual Capital

2.8 Cr+
Customer Base

41.6%
Proportion of Rural Loan Book from Low-Income States

14,000+
Distribution Touchpoints

2 lakh+
Villages Served

450+
Cities/Towns Served

₹5,750 Cr+
Digital Collections

₹7,200 Cr+
Digital Sourcing

₹25,906 Cr
Digital Disbursements (Rural + Urban)

90%
Customer Servicing Experience through Digital Channels

~4,500
Participants at RAISE Event

Human Capital

41,000+
Workforce Enabling LTF's Nationwide Growth and Digital Transformation

66%
Workforce from Rural

7.46%
Women Representation across the Total Workforce

23.08%
Women Representation in the Management Committee

82%
Growth in Women Participation in RBF

84%
Employees Agree LTF is a Great Place to Work

48
Average Training Hours per Employee

28
Branches HIRA Conducted

ROAD SAFETY TRAINING
All New Field Level Officers

100%
Employment Opportunities in Local Areas

290+
Employees Recognised Monthly through Wall of Fame

Social & Relationship Capital

₹31.05 Cr
Total CSR Spend

₹12.92 Cr
Spend Over and Above the CSR Obligation

17.30 lakh+
CSR Beneficiaries

1.10 lakh+
Beneficiaries Linked to Social Schemes

₹240 Cr
Social Convergence Value

1 lakh+
Cyber Fraud Trainings for Community Members

60
Overall Net Promoter Score (NPS)

100%
Customer Grievances Resolved

17%
Reduction in Net Complaints

55 lakh+
Number of Women Borrowers

37 lakh+
Number of Repeat Women Borrowers

100%
Information Security Trainings for Employees

13+
Value Chain Partners Engaged through ESG Capacity-Building Initiatives

ISO 26000:2010
Social Responsibility Certificate of Conformance

Natural Capital

~20%
Carbon (Scope 1+2) Emission Saved/Sequestered Y-o-Y

2.68 lakh+
Saplings Planted

265 lakh KL
Water Replenished (Watershed Management)

5,500+ tCO_2e
Emissions Avoided (Green Power+ Green Attributes)

>94%
Overall Plantation Survival Rate

51+ tonnes
Waste Recycled

1,521 tCO_2e
Sequestered through Plantation

100%
Paperless Journey

50 Branches
Waste Assessment Conducted

6
Solar Rooftop Installation Piloted across Leased Branches

3 Retail Portfolios
Financed Emission Reported

39
Species of Flora Biodiversity Supported

~76%
Company Operations through Green Power

500+
Acres of Green Cover developed

118
Species of Fauna Biodiversity Supported

62,000+
EVs Financed

130+ tonnes
Paper Recycled in Operations

PCAF INDIA CHAPTER
Formal Inclusion

RATINGS

Credit Ratings

Domestic

AAA
Credit Rating by CRISIL, ICRA, CARE, India Ratings

International

BBB/Stable
S&P Global Ratings

BBB-/Stable
Fitch Ratings

ESG Ratings

CRISIL	NSE	Sustainalytics	S&P	SES
Score	Score	Score	Score	Score
70	75	16.8	54	82.9
'Strong' ESG rating category, Highest in NBFC sector (July 2025)	(December 2025)	ESG Risk Rating was assessed by Sustainalytics to be at 'low risk' of experiencing material financial impacts from ESG Factors* (September 2025)	Improved Score (October 2025) from 52 (September 2024), Performed in top decile in the FBN Diversified Financial Services and Capital Markets Industry	'High footprint' 'Low Risk' (July 2025)

For ESG Ratings, please access: www.ltfinance.com/sustainability

***Disclaimer:** As of September 2025, LTF received an ESG Risk Rating of 16.8 from Morningstar Sustainalytics and was assessed to be at a low risk of experiencing material financial impacts from ESG factors. In no event the ESG Risk Rating shall be construed as investment advice or expert opinion as defined by the applicable legislation.

AWARDS

Sustainability & Corporate Social Responsibility

Champions of Green Business Practices by Times Group Sustainable Organizations 2025

ETBFSI Exceller Award

8th Indian Chamber of Commerce Social Impact Awards
Women Empowerment and Gender Equality

Institute of Company Secretaries of India (ICSI) National Awards for Excellence in Corporate Governance
ICSI Business Responsibility & Sustainability (BRS) Award (service sector)

21st FICCI Corporate Social Responsibility (CSR) Award 2025
Special Appreciation Award

Business World India Awards
Rank #1 as Most Sustainable Companies Across Sectors

Mahatma Award 2025
Digital Transformation and Social Impact & Sustainable and Responsible Business Practice

Indian CSR Awards
Best Women Empowerment Initiative & Most Impactful ESG Initiatives of the Year - 2025

Rotary National CSR Awards (Eastern & Madurai Region)
Excellence in Education & Literacy

India CSR Awards
Excellence in Digital & Financial Inclusion

Digital Innovation & Technological Excellence

BT-KPMG Survey of India's Best Banks and NBFCs
Best in Innovation & Best in Human Capital Excellence

Global Fintech Fest 2025
Best Digital Experience in Finance

Best Data Performance Awards by TransUnion CIBIL
Best Data Performance

Republic AI Summit and Awards 2026
Best Leader for Tech
Transformation in NBFC

Operational Excellence & Governance

ET Global Legal Awards 2024-25
BFSI-NBFC

Shreshtha Award at the Institute of Internal Auditors (IIA) Awards
Excellence in Internal Audit – BFSI 2025

BW CFO World's India Tax Leaders Summit and Awards, 2025
'Automation and Tax Efficiency Team of the Year' Award

Best Data Quality Award by TransUnion CIBIL

Customer Experience

BFSI Technology Awards 2025
Customer Experience

Brand Communications

ETBFSI Exceller Award
Best Marketing Initiative of the Year in the NBFC/HFC/MFI category

MarcTech AI Awards 2025
Best Martech Transformation in BFSI

Adgully IMAGEXX 2025
Best Internal Communications Campaign

Afaqs! Communicon Awards 2026
Brand of the Year

Silver
Best Use of Innovation
(Impactful PR for 'Aapke Business Ka Game Changer' Campaign)

Silver
BFSI Category
(Impactful PR for the 'Just Zoom Two-Wheeler Loans' Campaign)

Silver
Best Employer Branding Campaign
(Building a Tech-First Employer Brand through the RAISE Event)

Indian Television PR & Communication Aces Awards
Bronze Award: Best Use of Internal Communications campaign

exchange4media The Maddies 2025
Best Emerging Technology Campaign
Artificial Intelligence & Machine Learning Campaign

exchange4media DigiOne Awards 2025
Brand of the Year
Gold: Best Product Launch category

Afaqs! Digies 2026
Brand of the Year

Gold
Best Product Launch Campaign (L&T Finance Just Zoom Two-wheeler Loans)

Gold
Best Campaign in BFSI (L&T Finance Business Loans, Aapke Business Ka Game Changer)

MESSAGE FROM CHAIRMAN'S DESK

Dear Stakeholders,

I am pleased to report that L&T Finance (LTF) has successfully completed its strategic evolution into a premier, customer-centric retail finance powerhouse, transforming lending through digital intelligence. This transformation marks a defining chapter in our journey, as we pivot our strengths toward the heart of the Indian economy.

The Report captures highlights of your Company's steady growth trajectory and its 'Risk-First, Tech-First' approach towards business and operations. This Integrated Annual Report also marks a significant breakthrough for your Company as it has concluded Lakshya 2026 and looking forward to its next strategic chapter, Lakshya 2031. Lakshya 2031 is driven by an execution-oriented culture emphasizing credit discipline, rapid tech and AI adoption, and innovation.

Macroeconomic Scenario

The year 2025 was challenging as geopolitical conflicts, trade tensions, and persistent policy uncertainty cast a shadow over the global economy and the financial system. Yet India's tenacity was visible in strong macro fundamentals, a large domestic economy, and a responsive policy framework that has improved the economy's ability to absorb external shocks. The Indian economy and the financial system, remained robust and resilient through FY26, supported by strong growth, benign inflation, healthy corporate balance sheets, sizeable buffers, and prudent policy reforms.

The finance minister, in the Union Budget FY27 speech, outlined three kartavyas towards nation building: to accelerate and sustain economic growth, by enhancing productivity and competitiveness; to fulfil aspirations of people and build their capacity, making them strong partners in India's path to prosperity; and to ensure that every family, community, region, and sector has access to resources, amenities, and opportunities for meaningful participation. These are in line with the objective of Viksit Bharat to help create a society that is prosperous, inclusive, and sustainable wherein all of its citizens have the opportunity to thrive and meaningfully contribute to the nation's progress.

As India continues on this transformative agenda, access to essential financial services, particularly credit, to every Indian, sits at the heart of this vision. The implementation of financial value chain with digital solutions can enhance credit access, boost consumption, and promote equitable growth, thereby contributing significantly to the vision of Viksit Bharat 2047.

Today, the financial ecosystem in India is setting the global benchmark for access, innovation, and customer engagement. The widespread penetration of UPI, Aadhaar-enabled payment system, and a full range of digital solutions have established a robust interoperative financial network. The sector is also witnessing a paradigm shift as Artificial Intelligence and GenAI have become pivotal in driving innovation. I am pleased to note that your Company is at the forefront of leveraging cutting-edge technologies, including AI applications and data analytics, in enhancing decision-making processes and optimizing customer experience and pioneering a high-tech, high-touch model of inclusive finance and development across society.

Year Under Review

Delivering on Lakshya 2026: A Milestone Year

This past year tested the financial sector with significant macroeconomic events especially for the microfinance segment and the geopolitical headwinds, yet your Company demonstrated exceptional resilience. This was achieved through unwavering commitment, disciplined execution, and by implementing advanced proprietary AI tech stacks built in-house. This includes AI engines like Project Cyclops for credit underwriting and Project Nostradamus, for risk assessment, early warning signals, and portfolio monitoring, thereby helping your Company to reduce credit costs and improve portfolio quality.

Your Company has also worked upon Tech Modernization and Resilience with focus on building operational resilience through observability, hybrid/multi-cloud deployment, and always-on architecture.

Above all, your Company remains a deeply customer-focused retail NBFC. Serving a growing franchise of over 2.8 Cr customers, your Company continuously invests in enriching the digital customer experience, which is reflected in strong Net Promoter Scores. Looking ahead, LTF will continue harnessing data and AI to deliver risk-calibrated, sustainable growth.

Performance against Lakshya 2026 Targets

Retailisation

Your Company successfully transformed to a retail franchise by re-orienting itself to achieve retailisation of 98% in Q4FY26 against the target of >95% (FY22 – 51%) with the retail book crossing the ₹1 lakh Cr milestone.

Retail Book Growth

Against the goal of achieving a retail asset book growth of >25% CAGR over the four-year plan period, your Company has achieved a CAGR of 28% thus exceeding its Lakshya 2026 goals.

Asset Quality

Despite a challenging macroeconomic environment, your Company maintained the consolidated asset quality within the set goals of Gross Stage 3 (GS3) <3% and Net Stage 3 (NS3) < 1% by FY26. Your Company achieved a GS3 of 2.88% and NS3 of 0.96% in Q4FY26.

Return on Assets (RoA)

Against the target of achieving a consolidated RoA of 2.8% to 3.0% by FY26, despite the prevailing headwinds, your Company reported a RoA of 2.40% in Q4FY26 and 2.37% in FY26. Your Company remains firmly on track and fully committed to achieving a consolidated target of 2.8%–3% in the medium term.

Expansion into Gold Finance: A Strategic Opportunity

With the objective of diversifying its product offerings and balancing the secured, unsecured asset ratio favorably, your Company forayed into a secured high-margin segment, i.e., Gold Finance, by completing the successful acquisition of the Gold Finance business of Paul Merchants. Within 8 months of acquisition, the Company has added over 200 new branches, doubling its Gold Finance branch network to over 330 branches nationwide.

As industry-wide gold loan outstandings crossed the historic ₹4 lakh Cr mark as of January 31, 2026, growing at 128% year-on-year, your Company is strategically poised to capitalise on this opportunity, especially in light of the rapid expansion of your Company's gold loan branch network.

This growth is a dual victory: it provides your Company's balance sheet with high-quality, secured assets while offering our customers a vital 'tailwind' for their personal and business needs.

Gold Finance business does more than just diversify your Company's assets; it creates a powerful synergy for cross-sell with existing customer base in Rural Group Loan and Microfinance, Farmer Finance and Two-Wheeler Finance who have substantial outstanding Gold Finance.

By leveraging the significant overlap within our existing customer base, we are uniquely positioned to deepen our relationships and provide a comprehensive suite of financial solutions to those we already serve. This transition from a single-product relationship to a holistic financial partnership is not just a growth milestone but a foundational pillar for our next phase of value creation.

Further, your Company with an aim of creating a comprehensive distribution model and driving operating leverage, is taking steps to enhance its offerings at the gold loan branches. With the inauguration of first Sampoorna branch, your Company has begun a strategic evolution from single-product touchpoints to integrated service hubs. This model shifts your Company's focus from transactional lending to holistic relationship management, enhancing customer lifetime value by positioning every branch as a gateway to our full suite of financial solutions. To date, your Company has successfully established 30 Sampoorna branches across cities.

Maximizing Profitability Through Advanced Analytics and Operational Efficiency

Your Company continues to drive sustainable profitability through a strong thrust on productivity enhancement and cost optimization, underpinned by advanced data and digital analytics. We have broadened our customer acquisition funnel and enhanced cross-selling capabilities by deploying futuristic digital architecture. Innovations like the 'Loan Offer Pod' strengthen the cross-sell engine, while proprietary AI models like Project Cyclops and Project Nostradamus optimize credit underwriting and risk management. This tech-first approach eliminates chokepoints and boosts operational efficiencies, ensuring growth remains structurally sound and resilient.

The implementation of Project Cyclops and Project Nostradamus has delivered a profound business impact, through superior credit performance and highly resilient credit indicators. In the Two-Wheeler segment, the Project Cyclops portfolio significantly outperformed industry peers by maintaining a delinquency rate of just 7%. Such precision highlights a stark departure from broader market trends, where delinquency rates hit 29% for Banks, 41% for NBFCs, and 20% for Captive Financiers.

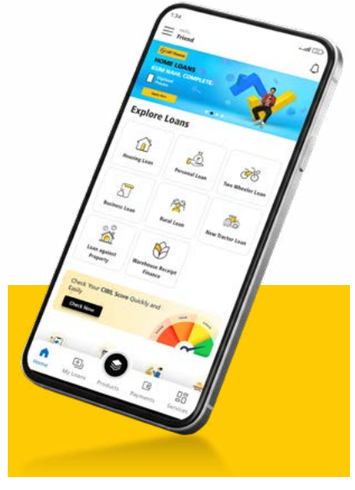
Beyond credit quality, these AI interventions have driven substantial gains in operational efficiency by streamlining the underwriting process. Within SME Finance, the combined power of Project Cyclops and the Project Helios co-pilot drastically reduced underwriting Turnaround Time (TAT). Specifically, TAT for Self-Employed Professionals dropped from 21 hours to 14 hours, while the processing time for Self-Employed Non-Professionals was cut from 37 hours to 25 hours, enabling a more agile and responsive lending environment.

PLANET App - Journeys and Achievements

PLANET app has been highly transformative, emerging as a powerful digital channel with over 2.4 Cr downloads facilitating end-to-end digital loan journeys and providing free access to credit scores. Validating our focus on global-standard user experience, it won the "Best Digital Experience in Finance" award at the Global Fintech Fest 2025.

PLANET 3.0 introduced features like a multi-lingual conversational voice agent and Do-it-Yourself (DIY) journeys for settlements. With over 236 servicing options, it acts as a force multiplier, accelerating cross-sell volumes by 4x and new-to-LTF volumes by 3x.

The new addition this year was launch of Partner PLANET to offer a complete service suite for our dealer partners. This enables seamless, end-to-end digital journeys, real-time servicing, and enhanced transparency, significantly accelerating digital adoption across segments.



Driving Service Excellence Through AI-Led Innovation

The digital ecosystem of your Company is designed to simplify customer journeys while leveraging AI to enhance service efficiency and personalization.

Your Company integrates AI not just for automation, but to drive meaningful engagement and cross-selling opportunities.

KAI

A sophisticated multilingual conversational assistant deployed across the website and app to provide instantaneous query resolution.

Intelligent Cross-Sell

The Loan Offer Pod, an AI-driven engine, analyzes customer data to deliver personalized financial offerings in real-time.

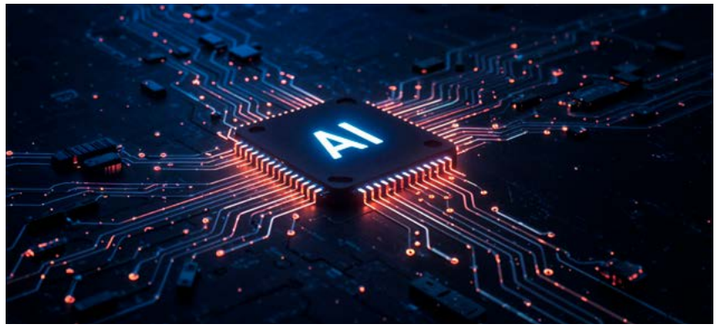
Marketing Innovation

AI-powered campaigns like the "Bowl Like Bumrah" contest and the Business Loan Poster Generator use interactive technology to deepen brand engagement.

Presence in India AI Impact Summit 2026

This year, your Company reached a significant milestone in its digital transformation journey by actively participating in the prestigious India AI Impact Summit 2026. LTF's presence at this global forum underscores a commitment to positioning the company at the vanguard of financial technology.

Engaging with industry leaders and innovators at the summit allowed your Company to showcase initiatives in leveraging AI to drive operational efficiency and hyper-personalized customer experiences.



Amplifying Brand Presence

This year, your Company significantly amplified its brand presence through high-impact integrated marketing campaigns with brand ambassador Jasprit Bumrah for two businesses, i.e., Two-Wheeler Finance, achieving a reach of 80% (76 mn) in campaign markets, resulting in a total spontaneous awareness increase to 38% from 15%. Similarly, Business Loans achieved a reach of 80% (8.8 mn) in campaign markets, resulting in a total spontaneous awareness increase to 31% from 12%. By leveraging the influence of brand ambassador, your Company achieved heightened visibility and deepened customer engagement. The brand association scores for Retail, Digital, and Sustainable were 32% in FY26. The LTF brand's reach through digital was 168 mn at 16% engagement rate.

Your Company's flagship BFSI-AI event, 'RAISE,' saw record-breaking success with over 4,500 attendees and over 40 expert speakers. It helped reach a 16 million audience with 1 mn engagements. Furthermore, the launch of 'Pitch Point,' a pioneering AI startup platform, reinforced your Company's commitment to nurturing the fintech AI ecosystem. Your Company amped up brand visibility through standardized branding at over 140 Gold Finance branches.

Geographical Expansion

Your Company significantly scaled its geographic footprint across multiple business verticals, marked by a strategic push into diverse new territories. The Gold Finance division led this expansion by entering eight new regions, including Assam, Karnataka, Telangana, Maharashtra, Odisha, West Bengal, Himachal Pradesh, and Rajasthan increasing its total reach to 18 States and Union Territories. Similarly, the Two-Wheeler Finance segment strengthened its presence in Rajasthan, Madhya Pradesh, Goa, and Western Uttar Pradesh, while the Home Loan and Loan Against Property division extended its services into Assam and Bihar. Growth also reached more specialized markets, with SME Finance launching operations in Jammu and Meghalaya, and Rural Business Finance marking its strategic re-entry into Assam.

Great Place To Work® Recertification

Your Company has been successfully recertified as a 'Great Place To Work®' for the second consecutive year. Demonstrating deep commitment to a people-first culture, the overall employee satisfaction score increased from 82 in FY24 to 84 in FY25. Notably, this improvement in rankings was achieved alongside a significantly higher employee participation rate, which rose from 73% last year to an impressive 89% this year. This recognition reflects ongoing efforts to create a caring, supportive, and cohesive organization.

Leadership

Your Company has built a powerful and stable team by combining homegrown leaders as well as expertise from outside that has led to the creation of this powerful, steady team. Overall, the leadership team possesses extensive experience to steer your Company's progress further in the future.

Focus on Human Capital

During the year, the Company significantly prioritized its Human Capital agenda, focusing on fostering an inclusive culture and enhancing employee well-being and capability. Your company is actively enhancing a specialized talent pool in areas like Artificial Intelligence, Machine Learning, Credit & Risk, and Engineering.

Your Company's focus on Diversity, Equity & Inclusion (DEI) led to the introduction of comprehensive women-friendly policies, including pre-maternity travel assistance, creche reimbursement, Comfort Days, and 52 weeks of flexible Work-from-Anywhere, which helped increase women's representation in the total workforce from 5.4% in FY25 to 7.4% in FY26, and 23.08% of representation in Management Committee. Concurrently, we drove significant capability building initiatives, achieving an average of 48 training hours per employee, with 97% receiving skill upgradation training and 100% completing mandatory ESG training, alongside rolling out strategic programs on agile ways of working, and next-gen leadership grooming. To strengthen employee engagement, your Company implemented an Integrated Listening Framework, launched targeted digital activities such as IdeaXpress and AIdeaXpress, and deployed app for employee engagement, with 11,000 downloads. Furthermore, the Company ensured 82.56% coverage for career development reviews and launched 'Boondein,' an employee volunteering program, reinforcing its commitment to holistic employee well-being and development.

100%

Employees Completing Mandatory ESG Training

Sustainability and Social Impact

Sustainability and social responsibility remain central to your Company's long-term value creation and strategic direction. Since embarking on its sustainability journey in 2018–19, your Company has steadily strengthened its commitment to responsible growth. In FY26, this commitment was recognized with your Company being rated as the Most Sustainable NBFC by BusinessWorld, while continuing to maintain best-in-class ESG ratings. As a signatory to the United Nations Global Compact, your Company aligns its strategies with globally accepted principles of responsible business conduct.

Your Company remains firmly on track to achieve carbon neutrality by 2035. Focused environmental initiatives including rooftop solar pilots across branches, energy audits, enhanced efficiency measures, and green infrastructure adoption reflect a disciplined approach to climate action. Capabilities to measure and manage financed emissions have been strengthened through association with the Partnership for Carbon Accounting Financials, while maintaining a water-surplus status underscores your Company's commitment to resource stewardship.

Corporate Social Responsibility (CSR) continues to be a powerful vehicle for inclusive development. Anchored in a robust governance framework, your Company's CSR efforts span Digital and Financial Inclusion, Climate Impact Management, Disaster Management, and Social Inclusion. The flagship 'Digital Sakhi' programme has enabled digital and financial empowerment of over 15 lakh community members across 8 states and 4,000+ villages. A cadre of 1,160 Digital Sakhis has nurtured more than 17,500 women entrepreneurs, fostering sustainable livelihoods. Through social convergence, linkages exceeding ₹240 Cr have been facilitated, impacting over 1.10 lakh beneficiaries. Environmental initiatives have delivered strong outcomes, with plantation survival rates exceeding 94% and water replenishment of 265 lakh kilolitres. During times of crisis, your Company extended relief support to over 1 lakh individuals affected by floods.

These efforts reflect your Company's unwavering commitment to building resilient communities and advancing sustainable development at scale, while creating enduring value for all stakeholders.

Path Ahead: Lakshya 2031

As part of the next phase of sustained growth, your Company will continue accelerating transformation. It has chartered its growth plan and identified growth areas towards building a 'Risk-first, Tech-first' multi-product retail franchise with a focus on:

- Positioning L&T Finance as the 'Premier AI-enabled retail BFSI institution in India' by accelerating innovation velocity
- Building and maintaining cycle-resilient portfolios with predictable risk amplitude variation through credit cycles
- Achieving and maintaining market leadership in Joint Liability Group lending, Two-Wheeler Finance, Farm Equipment Finance, Gold Finance, and Personal Loans
- Building and leveraging cross-sell momentum through AI-enabled cross-sell and service platform
- Unlocking opex and productivity gains by leveraging technology and operational streamlining

Lakshya 2031 goals:

- Book Growth: 20%+
- Credit Costs: <2%
- Return on Assets (RoA): 3.0%-3.2%
- Return on Equity (RoE): 16% - 18%

Your Company is confident that the Lakshya goals will be achieved and delivered well in time through reengineered AI-enabled organization framework.

I wish to express my deepest gratitude to our Board of Directors for their visionary guidance and to our stakeholders for your steadfast support and enduring belief in the LTF journey.

Your trust is the cornerstone of our success; it is the catalyst that inspires our team to strive for excellence every day. As your Company navigates the road ahead, it remains deeply committed to its fiduciary duty of generating sustainable value and securing long-term growth for all who have invested their confidence in us.

S. N. Subrahmanyan
Chairman

MD and CEO's Message

MESSAGE FROM MANAGING DIRECTOR AND CHIEF EXECUTIVE OFFICER'S DESK

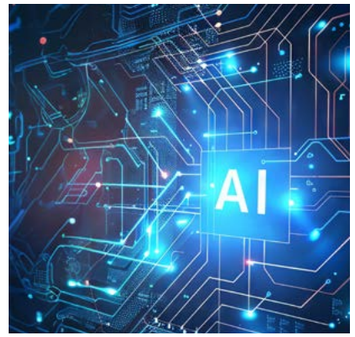
Dear Stakeholders,

I would like to extend my deepest gratitude to the Board members for their continued support and guidance throughout the year. The journey of L&T Finance (LTF) through FY26 has been truly transformative, driven by the exceptional talent of our teams who fuel our ambitious vision of becoming a Risk-first, Technology-first Multi-product Retail Financier of choice in the country.

Speaking about FY26, the year presented a complex economic landscape characterised by elevated global uncertainties, geopolitical tensions and sector-specific headwinds, particularly in the microfinance segment. However, despite the headwinds, we remained steadfast in our approach of tightening credit and risk administration frameworks, strengthening collections infrastructure, accelerating our AI-led technology transformation and continuously focusing on growth across all our business lines. This was positively supported by favourable domestic macroeconomic conditions - robust rural demand, favourable monsoons, and the catalyst of GST 2.0 reforms—which provided businesses a strong foundation to navigate these challenges. For LTF, this past year was not just about weathering uncertain and volatile business environment; it was about seizing opportunities, achieving groundbreaking milestones like highest ever annual retail disbursements and crossing the ₹1.20 lakh Cr consolidated book, while transforming the entity to a prime retail franchise.

We witnessed numerous 'firsts' throughout the year that actively future-proofed our organisation. We scaled Project Cyclops, our proprietary AI and Machine Learning-based credit underwriting engine, across multiple businesses at record speed, and launched Project Nostradamus, our industry-first AI-driven portfolio management engine. We further empowered our workforce with next-generation tools like Project Helios, and Project Orion. Additionally, we deepened strategic alliances with Big Tech platforms, and successfully integrated and rapidly expanded our newly acquired Gold Loan business while also launching and scaling our multi-product 'Sampoorna' branches.

During the year, we maintained a sharp focus on capability-building, proudly earning our Great Place To Work® recertification with an improved employee satisfaction score of 84 and an impressive 89% participation rate. We amplified our brand visibility through impactful campaigns featuring Jasprit Bumrah and successfully hosted the second edition of RAISE'25, our flagship BFSI-AI summit, which has successfully established our position as a premier AI thought leader in the BFSI space in the country. We also solidified our commitment to sustainability, with over 41% of our loan book now dedicated to financing sustainable livelihoods.



Despite the broader slowdown in certain unsecured and microfinance lending segments, your Company maintained a calibrated, sustainable growth momentum. This resilience continues to be driven by our robust five-pillar framework of execution. This Integrated Annual Report details how we are actively charting our course toward our Lakshya 2026 goals, while laying the groundwork for our upcoming Lakshya 2031 vision. The 'Management Discussion and Analysis' section provides a detailed account of our significant and measurable progress across these critical areas.

Achievements under Lakshya 2026

FY26 also marks the successful completion of our Lakshya 26 strategic plan, achieving most of our stated objectives even amid volatility in the credit environment. This reflects the resilience of our diversified franchise, disciplined execution, and the strength of the digital and analytics capabilities that we built during the plan period.

Under the Lakshya 2026 strategy, our primary objective of achieving >95% Retailisation has been surpassed, reaching 98%. As of FY26, our retail book stands at ₹1,19,508 Cr, representing a robust 26% Year-on-Year

(YoY) growth. We have outpaced our retail growth target of 25%.

On the asset quality front, we remain disciplined. Our consolidated NS3 stands at 0.96%, well within our <1% threshold, GS3 remains stable at 2.88%. While our Return on Assets (RoA) reached 2.39% (before the impact of Labour Code) for FY26, we are firmly committed to achieving a consolidated target of 2.8%-3% in the medium term.

Granular Execution on the 5-Pillar Strategy in FY26

The first pillar of our strategic roadmap is Enhancing Customer Acquisition. I am happy to share that throughout the year, our focus remained on maintaining customer acquisition momentum both vertically and horizontally while proactively implementing credit adjustments to ensure sustained portfolio quality, which enabled us to successfully broaden our customer funnel and increased velocity across both rural and urban geographies.

By strategically expanding our distribution footprint, our Company capitalised on the GST 2.0 implementation and a favourable monsoon to capture robust festive demand, driving our new customer acquisition to the highest ever customer addition of 8.3 lakh customers in the last quarter of FY26, taking our overall customer franchise stands at over 2.8 Cr unique customers, one of the highest in the BFSI space. A major highlight of this pillar is our Gold Finance business expansion. Since its acquisition, we rapidly gained momentum in Gold Finance branches expansion, exiting Q4FY26 with 330 branches, addition of 200 new branches since acquisition of the business in June 2025. Out of the 330 gold loan branches, 30 locations have been integrated into the multi-product Sampoorna branch network. In FY27, we intend to deploy over 400 new gold loan branches, and at least 100 of these are targeted to be Sampoorna branches.

Furthermore, we are aggressively leveraging our massive database of over 2.8 Cr customers. Through targeted cross-sell and up-sell initiatives, we continue to efficiently harvest this base, building a dominant, highly scalable retail franchise.

As of FY26, the Company has established a vast expansion of its presence across various geographic levels in India. The company operates its urban network across 23 states, while its rural network is present in 18 states. Additionally, the Company's urban network covers 4 Union Territories, and it has established its presence in more than 450 cities and towns across the country. Through its extensive rural franchise, the company reaches around 2 lakh villages. To support this pan-India presence, the company leverages a granular distribution network comprising over 14,000 distribution touchpoints, which includes a total of 673 branches (144 Rural and 529 Urban branches).

The second pillar of our strategy is Sharpening Credit Underwriting. We have revolutionised our risk assessment through Project Cyclops, our proprietary AI-based credit engine. Now operationalised across Two-Wheeler Finance, Farm Equipment Finance, SME Finance, and Personal Loans, Project Cyclops leverages over 55 algorithms to drive highly accurate underwriting at over 1,400 transactions per second. This empowers us to build a prime-dominant, resilient portfolio while significantly reducing credit costs. Complementing this, we launched Project Nostradamus for proactive portfolio management and introduced Project Helios, our AI co-pilot that cuts SME assessment times to under 30 minutes. These cutting-edge tech interventions maintain our industry-leading asset quality.

Our third pillar, Implementing Futuristic Digital Architecture, drives our vision of creating a top-class Fintech@Scale. Our commitment to digital transformation remains centered on the customer, with a primary focus on optimising every digital journey to eliminate chokepoints and deliver a truly superlative experience. By moving toward an in-house engineering model, we have significantly enhanced our agility and reduced time-to-market for new features. This strategic shift not only allows us to maintain greater control over our technological ecosystem but also ensures that we are positioned to respond rapidly to evolving market demands with precision and excellence.

With over 2.3 Cr downloads, the PLANET app now offers real-time, multi-lingual voice servicing and won "Best Digital Experience in Finance" at the 2025 Global Fintech Fest. Recent expansions include the Partner PLANET app for dealers and the Loan Offer Pod digital cross-sell engine. Operational efficiency is further enhanced by Knowledgeable AI (KAI), an agentic solution managing automated collection calls in 11 languages across multiple business lines. These initiatives solidify LTF's commitment to innovation and superior customer journeys within the Banking, Financial Services, and Insurance (BFSI) sector.

Heightened Brand Visibility, the fourth pillar of our strategy, was prioritised across all channels to support retail expansion and our shift toward the customer. Focused on expanding awareness and market presence, the company leveraged brand ambassador Jasprit Bumrah through targeted, tech-driven campaigns. The 'Aapke Business Ka Game Changer' integrated marketing campaign for Business Loans utilised AI-generated posters to turn MSME owners into micro-PR agents, driving organic advocacy. This was supported by a strategic media mix, including TVCs on business news channels, hoardings in major SME clusters, and premium branding at airports and in-flight magazines.

The digital microsite, www.ltfgamechanger.in, further boosted engagement via AI-powered tools. Following the acquisition of the Gold Finance business, LTF rebranded existing locations and doubled its network to over 260 branches within eight months.

During the year, we ran integrated marketing campaigns for our Two-Wheeler Finance, the "Just Zoom" campaign equated Bumrah's bowling speed with rapid, AI-driven approvals. This was timed with the Asia Cup '25, where LTF served as an associate sponsor, blending cricket and festive seasons to position credit as an aspirational lifestyle enabler. These integrated efforts successfully combined high-impact visibility with niche audience engagement across all core product lines.

The fifth pillar of our strategic roadmap is Capability Building and Employee Initiatives. On the capability building front, we have taken a series of measures during the year. We have completed our annual long-range planning cycle across all verticals reinforcing the alignment of function-level talent strategies with our overarching business objectives. On the employee initiative front, we launched the employee engagement service, including the third edition of the Great Place to Work survey, to enable the management to effectively listen to the voice of its employees.

To combat evolving digital fraud like phishing and deepfakes, LTF has launched 'Sachet with Sachet,' a cyber safety initiative led by the animated mascot Sachet Kumar. This campaign simplifies complex security concepts through a dedicated microsite, LTFSachet.in, which serves as a central hub for financial awareness.

Industry Titans and Tech Visionaries Unite at RAISE'25

I am also delighted to announce that we successfully concluded the second edition of our flagship BFSI-AI event RAISE'25 in November, with the theme 'Accelerating Financial Services with AI,' which attracted 4,500 attendees and 40 speakers. The event united industry leaders, including Mr. S.N. Subrahmanyan, Chairman & Managing Director, L&T and Chairman of LTF, Mr. Peter Norvig, Director of Engineering at Google, and IAS Bhuvnesh Kumar, CEO of Unique Identification Authority of India (UIDAI). A key highlight of the event was the launch of Pitch Point, an AI startup pitch platform to cultivate the fintech AI entrepreneur ecosystem.

Performance of Retail Finance Businesses

Today, your Company stands as one of the market leaders, a top financier in its fulcrum businesses, built carefully and strategically over the years, while rapidly making its mark in new business segments. Let's look at the performance of key businesses in FY26.

Farmer Finance

In this business segment, annual disbursements for FY26 stood at ₹8,674 Cr, up 9% YoY. Growth was catalyzed by favorable monsoon conditions and the strategic impact of GST 2.0 reforms, which lowered tractor tax rates and significantly boosted demand.

Rural Business Finance

The RBF business, which went through an adverse cycle in H1FY26 witnessed disbursements returning to pre-crisis levels, registering annual disbursements at ₹25,882 Cr, up 24% YoY. Performance was boosted by continuous efforts on improving collection efficiencies, which reached 99.8% by the end of FY26 and tapping disbursement opportunities as regional event risks abated. We remain committed to disciplined expansion through internal guardrails to manage legislative variances across states.

Urban Finance

This segment experienced a strong performance shift. In FY26, annual disbursements for Two-Wheeler Finance stood at ₹10,787 Cr, up 16% YoY and in Personal Loans stood at ₹12,220 Cr, up 100% YoY. We successfully scaled high-growth areas by leveraging festive demand, regulatory changes, and strengthened digital partnerships.

Housing Loans and Loan Against Property maintained a steady trajectory through network and partnership expansion. Annual disbursements for FY26 stood at ₹11,507 Cr, up 20% YoY.

SME Finance

Our SME Finance business segment focused on risk-calibrated growth. By integrating the Project Cyclops underwriting model and increasing direct sourcing, we effectively captured market opportunities while maintaining operational discipline. In FY26, annual disbursements in SME Finance stood at ₹6,130 Cr, up 23% YoY.

Some key achievements in our financial performance for FY26:

- Highest-ever annual full year Profit after Tax (PAT) of ₹3,003 Cr (before effect of Labour Code considered in Q3FY26), registering a 14% Y-o-Y growth
- Strong retail franchise with a retail book size of ₹1,19,508 Cr, recording a growth of 26% Y-o-Y
- Retail disbursements for FY26 stood at ₹83,213 Cr, a growth of 39% Y-o-Y
- Retailisation at 98% of overall book
- Return on Assets (RoA) at 2.37% for FY26
- Return on Equity (RoE) increased to 11.25% for FY26 from 10.87% in FY25

All our businesses have been primed for execution over the last financial year, and we can expect the positive outcomes to continue through FY27. Our asset quality will continue to improve through FY27 as Project Cyclops, underwritten portfolios take centre stage, and their share continues to increase. The improved business momentum, reduced credit costs, and continuous focus on operating efficiencies should lead to a continuous improvement in RoA and an improving RoE trajectory as the leverage increases.

Recognition of Excellence

Our pursuit of excellence yielded 47 prestigious awards this year. We secured major accolades for digital and AI transformation, including top recognitions at the Republic AI Summit and Global Fintech Fest. Additionally, at BT-KPMG Survey of India's Best Banks and NBFCs, your Company has been felicitated with the prestigious 'Best in Innovation' and 'Best in Human Capital Excellence' awards. Your Company has also won accolades for data integrity, marketing and communications from other institutions. Our commitment to ESG and social impact earned us the Institute of Company Secretaries Business Responsibility & Sustainability (BRS) Award and Mahatma Awards, alongside multiple CSR honours. These accolades strongly validate our strategic direction, robust governance, and unwavering dedication to creating sustainable value.

Building a High-Trust Culture

We are proud to be re-certified as a Great Place To Work® for a second consecutive year. Our score improved from 82 to 84 for FY25, supported by a significant jump in employee participation from 73% to 89%. This recognition affirms our high-trust culture of credibility, respect, and fairness. As a top employer in financial services, we remain committed to empowering our workforce through strategic HR investments and inclusive values.

LTF's Commitment to Customer Excellence and Sustainable Growth

Your Company is deeply committed to understanding and exceeding customer expectations. Since October 2023, LTF has been actively tracking our Net Promoter Score (NPS) to measure customer satisfaction. I'm happy to share that LTF has achieved an overall NPS of 60. Besides, we are continuously monitoring and analysing NPS, using these valuable insights to further strengthen customer relationships and build lasting loyalty.

LTF leads in Environmental, Social, and Governance (ESG) responsibility with top-tier ratings amongst NBFC and a robust commitment to sustainability. By FY26, we avoided 12,140 tCO_2e in emissions through financing 62,023 electric vehicles (EVs).

Our governance is equally strong, over 50% of our Board is independent, with women comprising half of those roles. Furthermore, independent members chair all eligible statutory committees, ensuring transparent and ethical leadership for a cleaner, more equitable future.

Sustainability and Social Impact

Sustainability is deeply embedded in your Company's strategic intent and is central to how we define long-term value creation. Over the years, we have steadily strengthened our ESG framework, and today, we take pride in being recognized as one of the most sustainable companies in the NBFC sector reflecting the consistency, discipline, and purpose that guide our journey.

As we scale our operations, we are equally strengthening our ability to identify and manage emerging risks. Climate risk integration is now a key component of our enterprise risk management framework, enabling us to proactively respond to evolving environmental challenges while safeguarding business resilience.

In alignment with global best practices, we have become a signatory to the United Nations Global Compact, reaffirming our commitment to universally accepted principles on human rights, environment, and governance. Further, our focus on operational excellence and employee well-being is reinforced through structured Hazard Identification and Risk Assessment (HIRA) processes and ISO certifications, including ISO 45001, across our larger offices and branches.

We continue to make steady progress towards our carbon neutrality ambition of FY35, while maintaining our water positive status through sustained conservation efforts. Our initiatives in energy efficiency across branches and offices are further strengthening our commitment to responsible resource utilization and operational sustainability.

Equally, our Corporate Social Responsibility (CSR) initiatives in four thematic areas of Digital & Financial Inclusion, Climate Impact Management, Disaster Management and Social Inclusion remain at the core of our purpose. Through our flagship Digital Sakhi program, we have reached over 15.80 Lakh beneficiaries, empowering more than 8.18 Lakh women with digital and financial literacy, fostering entrepreneurship skills of 11,000 women entrepreneurs by enabling inclusive growth at the grassroots level. During the year, four key projects were successfully completed across the states of Kerala and Karnataka, creating meaningful and lasting community impact.

We have been able to touch lives of 17.30 Lakh+ beneficiaries through our CSR interventions during the year.

Our climate-focused community interventions under Jalvaibhav continue to deliver measurable outcomes. Water conservation initiatives across Maharashtra and Karnataka have enabled us to sustain a replenishment of over 265 lakh kilolitres, reinforcing our commitment to ecological balance and community resilience.

In times of need, our disaster response initiatives have supported over one lakh beneficiaries, reflecting our commitment to standing by communities when it matters most. We have also expanded our footprint by entering new geographies, including Valsad in Gujarat and Bandhavgarh in Madhya Pradesh, under our Digital Sakhi and Jalvaibhav programs taking our impact to newer regions and underserved communities.

Looking ahead, we are preparing to launch an Integrated Community Development Programme, designed to create holistic and sustainable impact by addressing multi-dimensional needs at the grassroots level. This initiative will be driven by on-ground assessments and community engagement, ensuring that our interventions creates Social Impact, are Scalable and Sustainable.

Strategic Outlook: Scaling through Tech-First Resilience

As we embark on our next five-year strategic roadmap, Lakshya 2031, we are setting ourselves ambitious and measurable targets to drive consistent growth with improved profitability. This plan is the result of a rigorous, bottom-up granular business analysis and exhaustive peer benchmarking ensuring that our growth is risk calibrated while taking advantage of the market share gain in opportunities that we have identified. We are focusing on tech-enabled granular execution to sharpen our competitive edge, allowing us to maintain dominant market leadership in our fulcrum business segments while developing significant market presence in our new business lines.

As we look ahead, we remain optimistic about India's robust credit demand, driven by demographic dividends and policy support for semi-urban and rural sectors. While global geopolitical uncertainties persist, we remain confident that the solid foundation established during the Lakshya 26 period will enable us to deliver steady outcomes and create long-term value for all stakeholders.

As we enter FY27, the 1st year of our 5-year strategic plan Lakshya 2031, we expect the momentum gained in FY26 to sustain, with AUM growth of over 20%, supported by robust consumer demand in urban finance, gold loans, and our rural franchise, while maintaining a calibrated and quality-led approach to expansion, helping us achieve a consolidated target of 2.8%-3% RoA in the medium term. Overall, we see FY27 as a year where the foundation built over the last 12–18 months begins to deliver consistent, high-quality growth with lower credit cost profiles leading to improved profitability and return metrics.

Sudipta Roy
Managing Director and Chief Executive Officer

GOVERNANCE THAT BUILDS TRUST

LTF's governance framework, rooted in the enduring ethos of the L&T Group, provides the stability necessary to pursue long-term growth with unwavering discipline. Your Company's governance framework enables robust oversight, transparent disclosures, and effective risk management practices. These measures ensure responsible operations while consistently safeguarding stakeholder interests.

As your Company accelerates its growth journey, it remains anchored in a risk-first, ethics-led approach that strengthens resilience, enhances transparency, and reinforces long-term stakeholder trust. By safeguarding stakeholder value while scaling with discipline, your Company successfully achieved its Lakshya 2026 goals. This milestone lays a strong foundation for a sustained momentum toward LTF's Lakshya 2031 vision.

The governance framework ensures regulatory compliance while embedding integrity and responsible operations across all business functions. It also strengthens oversight mechanisms and integrates strategic foresight into operations. Together, these elements support sustainable growth while maintaining accountability and organisational discipline.

Governance Philosophy

Governance at LTF is designed to evolve in line with changes in the business environment, adapting to shifts in the regulatory landscape and stakeholder expectations. This dynamic approach ensures that governance frameworks remain relevant and effective.

Within this framework, the Board provides strategic guidance to strengthen governance practices and processes across the organisation, while ensuring that ethical conduct is embedded across strategic and operational decisions. It also actively identifies and addresses emerging risks in a timely manner, with regular reviews of policies, processes, and controls further strengthening institutional resilience. Your Company actively engages with investors, employees, customers, suppliers, and communities, recognising that their trust and support is critical for its success.

Your Company integrates the core values of ethics, transparency, accountability and responsible business conduct into its operations. Thereby ensuring strong governance practices, regulatory compliance and transparent disclosures.

Your Company's governance philosophy serves as the foundation of its decision making, reinforcing its commitment to ethical leadership, transparency, and long-term sustainable value creation.

Corporate Structure

Larsen & Toubro Limited
(Parent Company)
(65.99% stake)

L&T Finance Limited

Non-lending wholly owned subsidiaries

- **L&T Infra Investment Partners Advisory Private Limited@**
- **L&T Infra Investment Partners Trustee Private Limited@**
- **L&T Financial Consultants Limited**

@ Investment Manager and Trustee Company to L&T Infra Investment Partners, an AIF registered with SEBI

Governance Structure

Your Company's governance structure follows a multi-layered framework designed to promote transparency, strengthen oversight and ensure accountability across all levels of organisation. It processes key decisions through Board Committees with clearly defined roles and responsibilities. Internal working sub-committees and groups further support these Committees with cross-functional expertise.

This framework integrates senior management inputs with formal Board oversight to strengthen decision-making. This approach creates a continuous cycle of informed insight and disciplined decision-making across all levels of the organisation. As a result, your Company ensures consistency, accountability, and effective governance throughout its operations.

I	II	III	IV
Strong internal committee oversight mechanisms in place	All Committees, except required by regulations, are chaired by Independent Directors, ensuring objectivity	Inclusion of external expertise to strengthen governance effectiveness	Board / Committees / Directors evaluation mechanism in place

The governance structure comprises key supervision bodies and management forums:

Board Committees

In accordance with the Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations'), and applicable RBI regulations, the Board of Directors ('Board') has constituted the following Committees.

Together, these Committees deliver specialised administration within the overall governance framework, strengthening effectiveness, ensuring clear accountability across defined roles and responsibilities.

Knowing the Board

S. N. Subrahmanyan

Chairman and
Non-Executive Director

DIN: 02255382

Date of Appointment	Nationality	Age (Years)	Experience (Years)
February 28, 2022	Indian	66	>42

Expertise and Competencies

- Leadership Qualities
- Financial Sector Knowledge and Experience
- Exposure in Policy Shaping and Industry Advocacy
- Understanding of the Regulatory Framework
- Corporate Governance
- Financial Expertise
- Risk Management
- Global Experience/International Exposure
- Information Technology and Cybersecurity
- Sustainability/ESG Expertise

Committee membership

-

Sudipta Roy

Managing Director and
Chief Executive Officer

DIN: 08069653

Date of Appointment	Nationality	Age (Years)	Experience (Years)
January 24, 2024	Indian	54	>29

Expertise and Competencies

- Leadership Qualities
- Financial Sector Knowledge and Experience
- Exposure in Policy Shaping and Industry Advocacy
- Understanding of the Regulatory Framework
- Corporate Governance
- Financial Expertise
- Risk Management
- Global Experience/International Exposure
- Information Technology and Cybersecurity
- Sustainability/ESG Expertise

Committee membership

- Corporate Social Responsibility and Sustainability Committee
- Stakeholders Relationship and Customer Protection Committee
- Risk Management Committee
- IT Strategy Committee
- Asset Liability Management Committee
- Credit Committee
- Special Committee of the Board for Monitoring and Follow-up of Cases of Frauds
- Review Committee

R. Shankar Raman

Non-Executive Director

DIN: 00019798

Date of Appointment	Nationality	Age (Years)	Experience (Years)
May 1, 2008	Indian	67	>42

Expertise and Competencies

- Leadership Qualities
- Financial Sector Knowledge and Experience
- Exposure in Policy Shaping and Industry Advocacy
- Understanding of the Regulatory Framework
- Corporate Governance
- Financial Expertise
- Risk Management
- Global Experience/International Exposure
- Information Technology and Cybersecurity
- Sustainability/ESG Expertise

Committee membership

- Audit Committee
- Nomination and Remuneration Committee
- Risk Management Committee

Rajani R. Gupte

Independent Director

DIN: 03172965

Date of Appointment	Nationality	Age (Years)	Experience (Years)
June 28, 2018	Indian	70	>45

Expertise and Competencies

- Leadership Qualities
- Financial Sector Knowledge and Experience
- Exposure in Policy Shaping and Industry Advocacy
- Understanding of the Regulatory Framework
- Corporate Governance
- Financial Expertise
- Risk Management
- Global Experience/International Exposure
- Information Technology and Cybersecurity
- Sustainability/ESG Expertise

Committee membership

- Nomination and Remuneration Committee
- Corporate Social Responsibility and Sustainability Committee
- Stakeholders Relationship and Customer Protection Committee
- Risk Management Committee
- IT Strategy Committee

Nishi Vasudeva

Independent Director

DIN: 03016991

Date of Appointment	Nationality	Age (Years)	Experience (Years)
June 15, 2017	Indian	70	>44

Expertise and Competencies

- Leadership Qualities
- Financial Sector Knowledge and Experience
- Exposure in Policy Shaping and Industry Advocacy
- Understanding of the Regulatory Framework
- Corporate Governance
- Financial Expertise
- Risk Management
- Global Experience/International Exposure
- Information Technology and Cybersecurity
- Sustainability/ESG Expertise

Committee membership

- Audit Committee -
- Nomination and Remuneration Committee
- Stakeholders Relationship and Customer Protection Committee
- Risk Management Committee

R. Seetharaman

Independent Director

DIN: 01846777

Date of Appointment	Nationality	Age (Years)	Experience (Years)
January 23, 2024	Indian	66	>42

Expertise and Competencies

- Leadership Qualities
- Financial Sector Knowledge and Experience
- Exposure in Policy Shaping and Industry Advocacy
- Understanding of the Regulatory Framework
- Corporate Governance
- Financial Expertise
- Risk Management
- Global Experience/International Exposure
- Information Technology and Cybersecurity
- Sustainability/ESG Expertise

Committee membership

- Audit Committee
- Corporate Social Responsibility and Sustainability Committee
- Special Committee of the Board for Monitoring and Follow-up of Cases of Frauds
- Review Committee

Dhananjaya Tambe

Independent Director

DIN: 07260971

Date of Appointment	Nationality	Age (Years)	Experience (Years)
July 1, 2025	Indian	65	>40

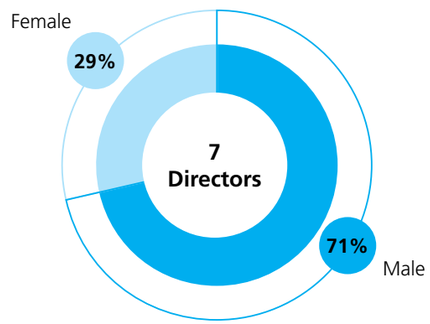
Expertise and Competencies

- Leadership Qualities
- Financial Sector Knowledge and Experience
- Exposure in Policy Shaping and Industry Advocacy
- Understanding of the Regulatory Framework
- Corporate Governance
- Financial Expertise
- Risk Management
- Global Experience/International Exposure
- Information Technology and Cybersecurity
- Sustainability/ESG Expertise

Committee membership

- Audit Committee
- IT Strategy Committee
- Special Committee of the Board for Monitoring and Follow-up of Cases of Frauds
- Review Committee

Board of Directors
(Gender-wise)



For detailed information, please visit:

https://www.ltfinance.com/about-us

Knowing the Senior Management

Sudipta Roy
Managing Director and Chief Executive Officer
(Experience - 29 years)

Sachinn Joshi
Whole-time Director (Designate) and Chief Financial Officer
(Experience - 35 years)

Raju Dodti
Whole-time Director (Designate) and Chief Operating Officer
(Experience - 27 years)

Asheesh Goel
Chief Executive, Farmer Finance
(Experience - 31 years)

Debarag Banerjee
Chief AI & Data Officer
(Experience - 27 years)

Ramesh Aithal
Chief Digital Officer
(Experience - 28 years)

Abhishek Sharma
Chief Executive, SME Finance
(Experience - 21 years)

Sonia Krishnankutty
Chief Executive, Rural Business Finance
(Experience - 26 years)

Apurva Rathod
Company Secretary and Chief Sustainability Officer
(Experience - 24 years)

Jinesh Shah
Chief Executive, Urban Secured Assets & Third-Party Products
(Experience - 30 years)

Manish Kumar Gupta
Chief Executive, Urban Unsecured Assets, Payments & Digital Partnerships
(Experience - 23 years)

Kavita Jagtiani
Chief Marketing Officer
(Experience - 26 years)

Driving Excellence through Governance

Governance at LTF operates through a structured decision-making framework that ensures proper evaluation at each level. This framework enables timely assessment of matters fostering informed decision making and prudent risk management.

Initially, defined internal and group-level mechanisms assess key matters through detailed analysis and cross-functional inputs. Subsequently, these matters are placed before the appropriate Board Committees for focused review and strategic oversight. Following Committee review, recommendations are placed before Board, as appropriate. The guidance from the Board/Committees are implemented through further strengthening of processes and controls.

Thus, the framework is anchored by clearly defined policies, authority matrices, and Committee charters or terms of reference. These ensure consistency, discipline, adaptability and robust governance across all processes.

Board Oversight and Governance Leadership

At the core of LTF's governance framework, the Board serves as the highest governing authority. It provides strategic direction, management oversight, and supervision across all operations. The Board also ensures accountability while safeguarding the interests of all stakeholders.

Operating within a dynamic and highly regulated financial services environment, the Board plays a critical role. Its responsibilities extend beyond statutory oversight to include long-term value creation and ethical conduct. The Board also focuses on organisational resilience to ensure sustained performance.

Through informed supervision and collective judgement, the Board strengthens the governance practices across the organisation. It ensures alignment with regulatory expectations, business priorities, and evolving stakeholder needs. This reinforces a strong governance framework that supports sustainable growth and responsible decision-making.

Board Composition and Independence

An effective Board structure remains central to strong governance, enabling balanced judgement, independent assessment and informed decision-making. The Board comprises members with diverse experience and expertise. This diversity strengthens oversight of your Company's governance and strategic priorities.

In this context, the Board Diversity Policy promotes a well-rounded and balanced Board composition. It encourages an appropriate mix of skills, experience, gender, age and professional backgrounds. This approach enhances the quality of deliberations and improves overall governance discipline. As a result, the Board remain better equipped to address complex business challenges.

As on March 31, 2026, the Board of LTF comprised seven Directors, with an appropriate mix of executive, non-executive, and independent members, in compliance with the Companies Act, 2013, SEBI Listing Regulations, and applicable RBI guidelines. The Board brings together members with diverse skills and competencies, enriched by experience across the public and private sectors, including professionals and academicians, further strengthened by expertise in sustainability and information technology.

Independent Directors constitute the majority of the Board, strengthening its objectivity and enhancing oversight of management and governance processes, while supporting disciplined decision-making across strategic and risk-related matters.

The Board continues to review and strengthen its governance practices and could consider additional appointments, where appropriate, to further enhance independence and oversight, ensuring alignment with evolving regulatory and business expectations.

A majority-independent Board supported by majority of Board Committees being chaired by Independent Directors reinforces governance credibility and promotes constructive challenge. It ensures that strategic and risk-related decisions are evaluated with strong accountability. The structure also balances executive insights with independent oversight. As a result, stakeholder interest remains central to all key decisions.

For detailed policy access, refer to section 'Policy Compendium'.

7
Total Directors

50%
Female Independent Directors

>50%
Independent Directors

1
Executive Director

2
Non-Executive Directors

Age Profile of the Board (Years)

1 Director
50-59 years

6 Directors
60-71 years

Average Tenure of the Board

5.87 Years
Board

4.25 Years
Independent Directors

11.05 Years
Non-Executive Directors

Average Tenure of the Board

1
>8 Years

3
4-8 Years

2
2-4 Years

1
<2 Years

Collectively, the Board's composition reflects an optimal blend of continuity, experience, diversity and independence, supporting robust management and long-term value creation.

Role of the Board

The Board provides strategic leadership and ensures strong governance oversight across the organisation. It guides your Company's long-term direction while aligning decisions with overall business objectives.

At the same time, the Board balances growth ambitions with prudent risk management practices. It also ensures regulatory compliance and accountability across all levels.

Key responsibilities of the Board include:

Strategic Direction
Setting your Company's long-term vision, approving strategic priorities, and reviewing progress against defined objectives

Risk and Capital Oversight
Overseeing the risk appetite framework, capital discipline, and key financial and non-financial risks to ensure sustainable growth

Performance Monitoring
Tracking business performance, operational discipline, and management execution against approved plans

Governance and Compliance
Ensuring adherence to applicable laws, regulatory requirements, and internal governance standards, while promoting ethical conduct across the organisation

Stakeholder Alignment
Safeguarding the interests of shareholders and other stakeholders by ensuring that strategy, risk, and conduct remain aligned with long-term value creation

Transparency and Disclosure
Ensuring timely, accurate, and transparent disclosures across financial and non-financial matters, including reporting and sustainable value creation

While specialised Committees support focused checks across key areas, the Board retains collective responsibility for governance and oversight. This integrated approach ensures that decision-making is not fragmented, but firmly anchored at the Board level, enabling balanced judgement and consistent governance outcomes.

Appointment/Reappointment of Directors

All appointments and reappointments to the Board are conducted in compliance with applicable legal provisions. A structured and transparent process is designed to ensure continuity, independence, and the availability of appropriate skills at the Board level.

Steps:

1 Initiation

Candidate identification starts about a year in advance

2 Expertise Mapping

Required competencies for Board roles are defined

3 Industry Assessment

Sector analysis is conducted; experts engaged, if necessary

4 Due Diligence

Comprehensive checks are conducted including:

- No conflict-of-interest checks
- Assessing the profile and experience to ensure proper fit
- Evaluating existing Directorships held by the candidate
- Scanning information available in the public domain for any adverse references
- Reference checks

The selection process is structured around a robust three-tier approval mechanism, as outlined below:

Nomination and Remuneration Committee (NRC)

Identifies and evaluates candidates based on qualifications, experience, skill sets, diversity parameters, leadership capabilities, and alignment with your Company's strategic objectives.

Board Review

Considers NRC recommendations in the context of overall Board composition, succession planning, and governance requirements.

Shareholder Approval

Final appointment or reappointment is subject to approval by the shareholders, in accordance with statutory provisions.

As per regulatory requirements, the reappointment of Directors who retire by rotation is subject to the approval of shareholders. Each Board member is elected through individual voting. The process for resignation or removal of Directors, including Independent Directors, is governed by sections 168 and 169 of the Companies Act, 2013, as well as the applicable SEBI Listing Regulations. None of the Independent Directors are due for re-appointment in FY27.

Board Effectiveness and Performance

In a constantly shifting business environment, the Board serves as a steady anchor. It guides direction, balancing priorities and responds to emerging complexities. At the same time, it remains focused on your Company's core purpose and long-term aspirations. Beyond oversight, the Board actively shapes strategic choices and ensures that your Company remains adaptable, resilient, and forward-looking.

The effectiveness of this stewardship is anchored in three interdependent levers. Collectively, these elements enable the Board to operate with agility while maintaining strategic focus.

People

Bringing together the right capabilities and perspectives

Enabling Depth, Diversity and Judgement

The Board's strength stems from the collective capability of its members. It brings together individuals with complementary skills, diverse industry experience, and diverse perspectives. This combination enables richer deliberations and more balanced outcomes.

At the same time, LTF reinforces this diversity, with clear expectations around preparedness and accountability. Directors are continuously engaged with evolving business priorities, regulatory developments, and industry trends. As a result, their contributions stay informed and forward-looking.

Such engagement allows the Board to challenge ideas constructively while providing effective guidance. It also ensures that decisions reflect both rigour and foresight.

Information Architecture

Providing clarity, context, and insight for decision-making

Driving Clarity and Insight

Effective governance depends on the quality of information that reaches the Board. The focus remains on relevance, clarity, and timeliness rather than volume of information shared. This approach ensures that key issues are surfaced, contextualised, and prioritised for a meaningful discussion.

Information flows are designed to distil complexity into actionable insight for decision-making. This is further strengthened by integrating external viewpoints, whether through market signals, peer benchmarking or broader stakeholder perspectives. Together, they provide the Board with a comprehensive understanding of the operating environment. Continuous updates beyond formal meetings keep members connected with organisational developments and priorities. As a result, the Board stays engaged, proactive, and better equipped to guide the organisation effectively.

Structures and Processes

Ensuring discipline, independence, and governance rigour

Embedding Discipline and Independence

Robust governance is anchored in well-defined structures and consistent processes, enabling independent oversight and accountability. It ensures that decision-making remains transparent, objective, and aligned with organisational priorities. Critical functions such as Risk, Compliance, and Internal Audit operate with direct reporting to Board-level committees. This reporting structure reinforces accountability across all governance layers.

This structural clarity is supported by a disciplined cadence of evaluations and strategic reviews. Regular risk assessments ensure that governance remains continuous and forward-looking. These mechanisms collectively strengthen the organisation's ability to anticipate and manage emerging risks effectively.

Regular engagement with Senior Management, along with on-ground exposure through field interactions, bridges the gap between strategy and execution, allowing the Board to stay closely aligned with operational realities while guiding long-term direction.

These mechanisms are further reinforced through a structured performance evaluation framework, enabling continuous improvement and accountability at the Board and Committee levels.

Board Capability and Expertise

The Board brings together a broad mix of skills aligned with your Company's operations. It remains committed to upholding high standards of governance across all aspects of its operations. LTF consistently strives to create sustainable long-term value for all stakeholders. It ensures comprehensive compliance with applicable laws, rules, and regulations, as well as adoption of best practices.

The governance culture is anchored in accountability, transparency and ethical conduct. These principles guide all strategic and operational decisions across the organisation. They also strengthen confidence among stakeholders and regulatory bodies. The Board understands your Company's operating context and strategic priorities. This understanding enables informed and balanced oversight. These capabilities are applied in an integrated manner, allowing the Board to assess interlinkages across growth, risk, technology, and sustainability.

Skills/Competencies

Names	S. N. Subrahmanyan	Sudipta Roy	R. Shankar Raman		Rajani R. Gupte	R. Seetharaman	Nishi Vasudeva	Dhananjaya Tambe
Designations	Non-Executive Director & Chairman	Managing Director and Chief Executive Officer	Non-Executive Director		Independent Director	Independent Director	Independent Director	Independent Director
Experience	>42 Years	>29 Years	>42 Years		>45 Years	>42 Years	>44 Years	>40 Years
Leadership Qualities	●	●	●		●	●	●	●
Financial Sector Knowledge and Experience	●	●	●		●	●	●	●
Exposure in Policy Shaping and Industry Advocacy	●	●	●		●	●	●	●
Understanding of Regulatory Framework	●	●	●		●	●	●	●
Corporate Governance	●	●	●		●	●	●	●
Financial Expertise	●	●	●		●	●	●	●
Risk Management	●	●	●		●	●	●	●
Global/International Exposure	●	●	●		●	●	●	●
Information Technology and Cybersecurity	●	●	●		●	●	●	●
Sustainability/ESG Expertise	●	●	●		●	●	●	●

Linkage of Skills with the Capitals

Financial Capital

Financial Sector Knowledge and Experience

Financial Expertise

Risk Management

Social & Relationship and Natural Capital

Understanding of Regulatory Framework

Corporate Governance

Exposure in Policy Shaping and Industry Advocacy

Global / International Exposure

Sustainability / ESG Expertise

Intellectual & Manufactured Capital

Information Technology & Cybersecurity

Human Capital

Leadership Qualities

Empowering the Board: Knowledge, Insight, Impact

Recognising the importance of continuous capability building, your Company has established a structured learning and development framework. This ensures that Directors remain well equipped to discharge their governance responsibilities efficiently.

Induction and Familiarisation

Newly appointed Directors undergo a comprehensive orientation programme that includes interactive sessions with Senior Management. These engagements provide insights into your Company's operations, financial performance, and strategic roadmap. They also cover governance responsibilities and explain how the Board and its Committees function. This structured approach enables Directors to integrate seamlessly and contribute meaningfully from the outset.

Directors further engage with business operations through on-ground familiarisation visits. These visits provide a deeper understanding of your Company's operating model, partner ecosystem, and customer engagement.

Ongoing Learning and Capability Enhancement

Beyond onboarding, the Board's learning journey is supported through ongoing updates and thematic training interventions aligned with evolving governance priorities. This approach extends beyond onboarding and ensures continuous capability building for Directors over time.

During the year, 100% of the Board participated in specialised training programmes covering key thematic areas. Directors accessed these programmes through your Company's Gurukul e-learning platform hosting curated training modules. Training covered key topics on sustainability and emerging trends/risks in information security.

These trainings are designed to strengthen understanding of the 'True Value' methodology and its application in the comprehensive economic, environmental, and societal impact of your Company's portfolio. Sessions further addressed cyber risks, data protection requirements, and digital resilience considerations.

To ensure continuous alignment with your Company's strategic priorities, Directors receive a regular Board Newsletter throughout the year. This publication keeps the Board well-connected with the operations of your Company by covering key developments across your Company, including thought leadership, product updates, departmental updates, and progress on key sustainability and CSR initiatives.

Experiential and On-Ground Exposure

To deepen strategic insight, Directors engage with business operations through branch visits, dealer interactions, and CSR project visits. These engagements enable a closer understanding of customer needs, partner ecosystems, and operational realities. This strengthens the linkage between Board-level oversight and execution-level insights, further enhancing organisational alignment consistently and effectively.

Board-Management Engagement

Your Company fosters open and consistent communication between the Board and Senior Management through both formal meetings and informal interactions. These engagements enable Directors to provide guidance, share expertise, and align closely with Management on strategic matters.

To ensure high-quality deliberation, LTF's Company Secretary ensures that agenda materials are structured, comprehensive, and circulated well in advance. This commitment to timely information-sharing supports focused discussions and upholds its standards for transparent and efficient governance.

Strengthening Board Accountability through Performance Evaluation

A structured performance evaluation framework underpins accountability and continuous improvement across the Board, its Committees, and individual Directors. Your Company conducts an annual evaluation process to assess effectiveness and strengthen governance in line with evolving strategic priorities.

Key elements of the evaluation framework include:

- Evaluation of the Board, Committees, and individual Directors through structured questionnaires
- Alignment with regulations issued by SEBI, global best practices, and industry benchmarks
- Inclusion of sustainability performance parameters

To ensure objectivity, independence and confidentiality, the evaluation process is administered by an external agency through a secure digital platform, providing consolidated insights for the NRC and the Board.

Post-evaluation actions:

- One-on-one feedback by the NRC Chairman
- Review of findings by the NRC and the Board
- Implementation of focused governance and development actions
- Monitoring of progress on action points

Through this structured approach, your Company reinforces accountability, strategic alignment, and sustained stakeholder value creation.

Remuneration Policy and Governance Framework

The remuneration of Directors, Key Managerial Personnel (KMP), Senior Management Personnel (SMP), and employees is governed by the Policy on Directors' Appointment and Remuneration/Compensation for Directors, Senior Management Personnel, Key Managerial Personnel and Other Employees, approved by the Board based on recommendations of the NRC.

The policy aims to:

- Align remuneration with long-term business strategy and shareholder interests
- Attract and retain competent leadership talent
- Encourage performance linked to sustainable value creation
- Maintain appropriate balance between fixed and variable compensation
- Ensure compliance with applicable regulatory requirements, including those prescribed by RBI, SEBI and the Companies Act, 2013
- Provides detail pertaining to malus and clawback arrangement for senior management and key managerial personnel, in line with the regulatory requirements.

The NRC periodically reviews the remuneration framework and recommends revisions to the Board where required.

Process for Determining Remuneration

Key parameters considered while determining remuneration include:

- Individual performance and achievement of Key Result Areas (KRAs)
- Company performance and financial outcomes
- Risk alignment and long-term sustainability considerations
- Market benchmarking and industry practices
- Regulatory guidelines and governance expectations

Your Company's remuneration philosophy seeks to maintain internal equity while rewarding performance and leadership contribution.

For further details, refer to section 'Policy Compendium'.

Board Committees

The Board Committees operate under clearly defined terms of reference and support the Board in discharging its fiduciary responsibilities. These Committees are a core component of your Company's governance framework, enabling focused oversight across critical functional areas.

Key features of the committee framework include:

- Committees constituted in accordance with the Companies Act, 2013, SEBI Listing Regulations, and applicable RBI directives
- Clearly defined charters outlining roles, responsibilities, and authority
- Periodic meetings
- Structured reporting and recommendation mechanisms to the Board

Your Company has also established internal committees and functional groups to support the execution of governance at the operational level.

These internal committees and functional groups support the execution of governance through oversight across:

- Operational and enterprise risks
- Information technology, data analytics, and information security
- Liquidity management and balance sheet oversight
- Customer service and grievance redressal
- Monitoring of fraud and defaults
- Sustainability initiatives

While Committees provide specialised focus across critical areas, they operate within an integrated governance architecture. Matters assessed at Committee levels are systematically escalated to the Board for further review and approval, as appropriate. This structure ensures that accountability remains centralised and decision-making is not fragmented.

Committee leadership and composition framework:

- Committees are structured to ensure appropriate independence, domain expertise, and balanced representation, in line with regulatory expectations
- The Asset Liability Management Committee ("ALCO") and the Review Committee are chaired by the Managing Director and Chief Executive Officer, in line with RBI requirements
- All other Board Committees are chaired by Independent Directors, ensuring independent oversight and objective decision-making

Through defined mandates, specialised focus areas and regular interactions with management, the Board Committees strengthen governance efficiency and support informed decision-making across the organisation.

Communication of Material Information to the Board

Your Company maintains a structured escalation framework to ensure that significant concerns relating to financial integrity, regulatory compliance, operational risks, ethical conduct, or stakeholder interests are communicated to the highest governance body in a timely manner.

Such matters may arise through internal audits, compliance testing programmes, whistleblower reports, risk management reviews, regulatory observations, or management oversight processes.

These are escalated through defined reporting channels to the relevant Board Committees, including the Audit Committee and Risk Management Committee, and, as required, to the Board.

Audit Committee

Composition

Name of the Director	Designation in the Committee	Nature of Directorship
R. Seetharaman	Chairman	Independent Director
R. Shankar Raman	Member	Non-Executive Director
Dhananjaya Tambe	Member	Independent Director
Nishi Vasudeva	Member	Independent Director

Overall attendance: 100%

5

Meetings held during the year

Key responsibilities

- Oversight of the financial reporting process to ensure accuracy, adequacy, and credibility
- Review of quarterly and annual financial statements prior to Board approval
- Recommendation of appointment, remuneration, and terms of statutory auditors
- Monitoring auditor independence, performance, and audit effectiveness
- Review of internal audit scope, findings, and follow-up actions
- Approval and review of related party transactions
- Evaluation of internal control systems and risk management processes
- Review of whistleblower/vigil mechanism
- Oversight of fraud cases, wilful defaults, and regulatory disclosures
- Review of utilisation of funds, loans and investments, mergers and restructuring proposals
- Approving annual compliance test plan

Independent Interaction

To promote open dialogue and independent oversight, the Chairman of the Audit Committee holds separate meetings with the Statutory Auditors and Internal Auditors, without management presence. These interactions enable candid discussions on audit findings, internal control frameworks, and emerging risk areas.

The Chairman of the Audit Committee also engages in dialogues with regulators to ensure alignment with evolving legal and policy frameworks, enabling the organisation to further strengthen governance standards.

Nomination and Remuneration Committee

Composition

Name of the Director	Designation in the Committee	Nature of Directorship
Rajani R. Gupte	Chairperson	Independent Director
R. Shankar Raman	Member	Non-Executive Director
Nishi Vasudeva	Member	Independent Director

Overall attendance: 100%

5

Meetings held during the year

Key responsibilities

- Identification and recommendation of qualified persons for appointment as Directors and senior management
- Formulation of criteria for determining qualifications, independence, and positive attributes of Directors
- Recommendation of remuneration policy for Directors, KMPs, and senior management
- Ensuring alignment of remuneration with performance benchmarks and long-term objectives
- Oversight of Board evaluation framework and performance review process
- Administration and supervision of ESOS
- Recommendation for the appointment of the Chief Compliance Officer in line with RBI regulations

To align the interests of our workforce with long-term value creation, your Company grants Employee Stock Option Plans (ESOPs) to eligible employees. This initiative fosters a culture of ownership and rewards LTF's employees' dedication to driving your Company's growth. The ESOPs are granted under the ESOPs schemes approved by the shareholders and monitored by the NRC.

Corporate Social Responsibility (CSR) and Sustainability Committee

Composition

Name of the Director	Designation in the Committee	Nature of Directorship
Rajani R. Gupte	Chairperson	Independent Director
Sudipta Roy	Member	Managing Director and Chief Executive Officer
R. Seetharaman	Member	Independent Director

Overall attendance: 100%

2

Meetings held during the year

Key responsibilities

- Formulation and recommendation of CSR policy in accordance with regulatory requirements
- Recommendation of annual CSR budget and action plan
- Monitoring utilisation of CSR expenditure
- Development of ESG policies, guidelines, and action plans
- Review of sustainability initiatives and performance
- Approval of sustainability and ESG reports

Risk Management Committee

Composition

Name of the Director	Designation in the Committee	Nature of Directorship
Nishi Vasudeva	Chairperson	Independent Director
Managing Director and Chief Executive Officer	Member	-
R. Shankar Raman	Member	Non-Executive Director
Rajani R. Gupte	Member	Independent Director
Chief Risk Officer	Member	-
Chief Financial Officer	Member	-
Company Secretary	Member	-

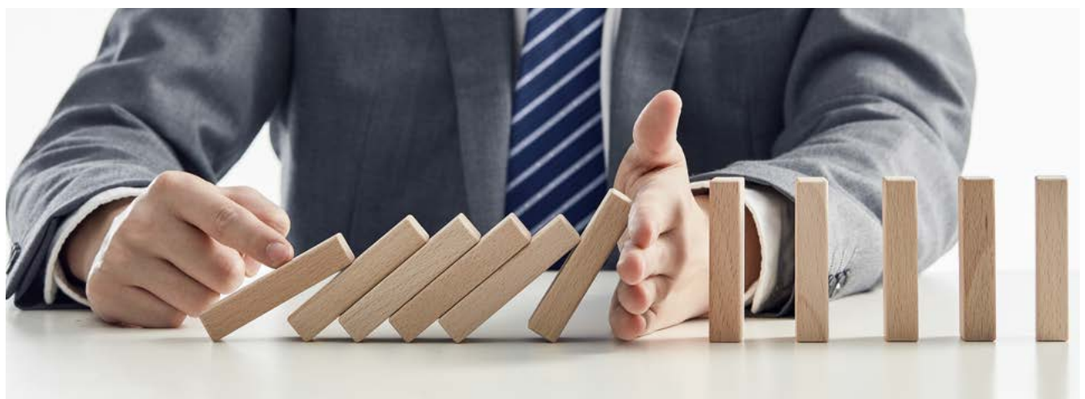
Overall attendance: 93%

4

Meetings held during the year

Key responsibilities

- Formulation and periodic review of the risk management policy
- Identification and assessment of internal and external risks
- Oversight of risk mitigation strategies and control mechanisms
- Monitoring adequacy of risk management systems
- Review of business continuity and disaster recovery plans
- Oversight of appointment, removal, and remuneration of Chief Risk Officer



IT Strategy Committee

Composition

Name of the Director	Designation in the Committee	Nature of Directorship
Dhananjaya Tambe	Chairman	Independent Director
Rajani R. Gupte	Member	Independent Director
Managing Director and Chief Executive Officer	Member	-
Chief Information Officer (Chief Digital Officer)	Member	-
Chief Technology Officer	Member	-
Chief Risk Officer	Member	-
Chief Information Security Officer	Member	-
Chief Financial Officer	Member	-

Overall attendance: 94%

4

Meetings held during the year

Key responsibilities

- Approval and review of IT strategy and policy framework
- Ensuring IT initiatives deliver value to business objectives
- Oversight of technology investments and budgets
- Monitoring IT risks, controls, and cybersecurity preparedness
- Governance of outsourced IT operations

Stakeholders Relationship and Customer Protection Committee

Composition

Name of the Director	Designation in the Committee	Nature of Directorship
Nishi Vasudeva	Chairperson	Independent Director
Managing Director and Chief Executive Officer	Member	-
Rajani R. Gupte	Member	Independent Director

Overall attendance: 100%

4
Meetings held during the year

Key responsibilities

- Redressal of investor and stakeholder grievances
- Monitoring service standards of Registrar and Share Transfer Agent
- Review of measures to reduce unclaimed dividends
- Supervision of Internal Ombudsman activities and rejected cases
- Approval of customer service and protection SOPs
- Evaluation of customer complaints and protection mechanisms

Asset Liability Management Committee (ALCO)

Composition

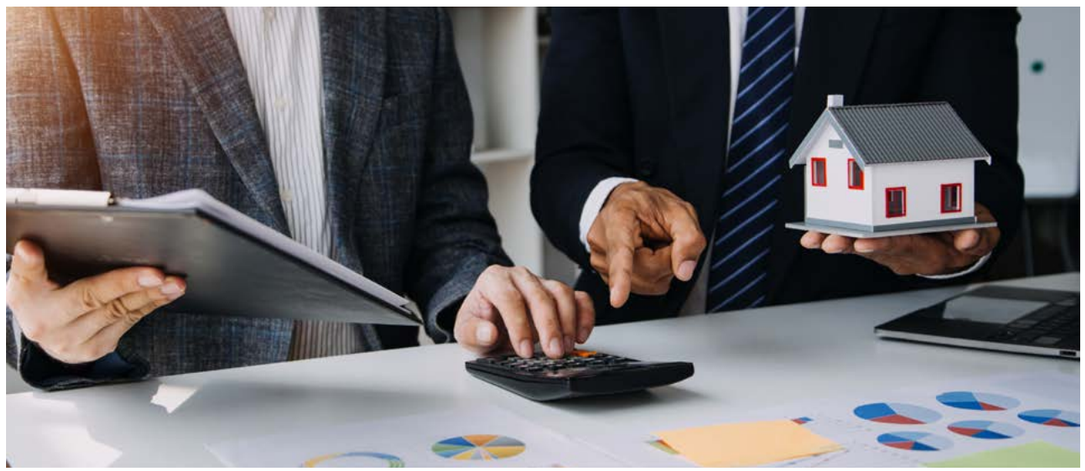
Name of the Director	Designation in the Committee	Nature of Directorship
Managing Director and Chief Executive Officer	Chairman	-
R. Govindan (Representative of L&T)	Member	-
Chief Financial Officer	Member	-
Chief Risk Officer	Member	-
Chief Economist	Member	-
Chief Executive of the respective business	Member	-
Treasurer	Member	-

Overall attendance: 81%

9
Meetings held during the year

Key responsibilities

- Monitoring of ALM gaps and tolerance limits
- Evaluation of liquidity position and funding profile
- Evaluation of the impact of market movements on the balance sheet
- Strategic balance sheet planning from a risk-return perspective
- Ensuring compliance with RBI ALM guidelines



Special Committee of the Board for Monitoring and Follow-up of Cases of Frauds

Composition

Name of the Director	Designation in the Committee	Nature of Directorship
R. Seetharaman	Chairman	Independent Director
Managing Director and Chief Executive Officer	Member	-
Dhananjaya Tambe	Member	Independent Director

Overall attendance: 100%

Key responsibilities

- Evaluation of fraud cases and root cause analysis
- Recommendation of corrective and preventive measures
- Strengthening internal controls and vigilance framework
- Review of early warning signal mechanisms

4

Meetings held during the year

Review Committee

Composition

Name of the Director	Designation in the Committee	Nature of Directorship
Managing Director and Chief Executive Officer	Chairman	-
R. Seetharaman	Member	Independent Director
Dhananjaya Tambe	Member	Independent Director

Overall attendance: 100%

Key responsibilities

- Review of wilful defaulter classification proposals
- Conduct of personal hearings
- Passing of reasoned orders in line with RBI guidelines

2

Meetings held during the year

Setting Benchmarks in Secretarial and Governance Excellence

Your Company's governance framework is anchored in transparency, integrity, fairness and responsibility. This ensures continuous alignment with stakeholder interests across all decision-making processes supported by robust Secretarial processes and controls.

Within this framework, the Corporate Secretarial function plays a central role. It strengthens Board processes through structured coordination and provision of complete and timely information. It also supports regulatory compliance, enhancing disclosures, and driving continuous governance improvement through structured, technology-enabled systems.

The Corporate Secretarial Department continued to operate as an ISO 9001:2015-certified function during the year. In the recent surveillance audit for FY26, the ISO Auditors commended its proactive KPI management approach.

Compliance with Laws and Regulations

LTF is committed to maintaining the highest standards of regulatory compliance and ethical conduct. Your Company operates within a comprehensive compliance framework that ensures adherence to applicable laws, regulations, and regulatory directives across jurisdictions. During FY26, your Company's compliance frameworks were further strengthened to ensure adherence to evolving regulatory requirements. No material monetary penalties or significant regulatory actions were imposed during the year.

Strengthening Regulatory Compliance and Assurance

The Compliance focus remained on preventive controls, early risk identification, and consistent last-mile execution. The Compliance function operates through three key pillars: Business Compliance, Compliance Advisory, and Compliance Testing. Together, these ensure effective regulatory oversight, guidance, and independent assurance across operations.

Key enhancements included

- Risk-based regulatory compliance testing mapped to a structured regulatory universe
- A comprehensive compliance assessment framework forming the basis of the annual compliance testing plan
- Quarterly compliance testing covering all applicable RBI regulations, circulars, and master directions
- Thematic reviews on high-risk regulations and emerging regulatory priorities
- Testing of new products/sub-products and businesses prior to and post-launch
- Peer-penalty analysis to proactively strengthen control design

Assurance mechanisms

- Oversight by the Chief Compliance Officer (CCO), who reports directly to the Audit Committee of the Board and has regular interaction with the Audit Committee Chairman
- Quarterly reporting of compliance testing outcomes to Board Committees
- Structured corrective and preventive action (CAPA) tracking with defined timelines
- Validation of closures through post-remediation testing

Technology enablement

- Compliance dashboards and automated alerts
- System-driven obligation tracking and ownership mapping
- Enhanced audit trails across regulatory obligation

Secretarial Audit

The Secretarial Audit of your Company is conducted annually in accordance with the provisions of the Companies Act, 2013 and applicable SEBI regulations. The Secretarial Auditor provides an independent assessment of compliance with corporate laws, governance standards, and regulatory requirements.

To support systematic implementation and stewardship, your Company follows a structured three-tier compliance architecture.

The report for FY26 has no observations or adverse remarks.

Three-tier Compliance Architecture

The Secretarial Audit Report is reviewed by the Board and forms part of the statutory disclosures in the Annual Report, which includes:

- Business compliance teams supporting implementation and gap closure
- Independent compliance testing under an approved annual plan
- Strengthened regional compliance presence to ensure last-mile adherence

This architecture supports timely corrective action and reduction in repeat observations across locations.

Integrating Learnings into Preventive Controls

Learnings from fraud reviews, wilful default assessments, and regulatory observations are examined through designated governance forums and translated into enterprise-wide control enhancements, which enable:

- Centralised action tracking with defined ownership
- Periodic validation of control adequacy through re-testing
- Continuous strengthening of preventive risk mechanisms

Governance over Digital, AI and Emerging Risks

As digital and analytics-driven models expand, governance over technology-enabled processes has been strengthened through:

- Dedicated Data & AI Office, strengthening governance over data-driven decision-making
- Defined control frameworks for AI-enabled credit journeys
- Review mechanisms to monitor model drift, bias, and explainability
- Enhanced governance over data privacy and cybersecurity risks

Cyber and data privacy training for frontline and customer-facing teams is supplemented with effectiveness assessments, rather than mere completion metrics and risk awareness.

Product Governance and Integration Oversight

Your Company has a strong governance discipline applied across new products and business integrations, ensuring alignment with regulatory expectations and risk frameworks:

- Structured governance reviews prior to product launch
- Enhanced compliance testing during the initial post-launch period
- Targeted branch visits and training during the Gold Finance integration

These measures support consistent regulatory adherence across geographies.

Customer Protection and Conduct Governance

Your Company continues to strengthen customer protection and conduct governance through a structured process. In addition to the internal Customer Servicing Committee which meets regularly, inputs from the Internal Ombudsman framework, Stakeholders' Relationship, and Customer Protection Committee are reviewed to identify systemic issues.

Insights are translated into updates to SOPs, system controls, and behavioural safeguards, strengthening customer protection and conduct risk management.

ESG Governance

Your Company continues to strengthen ESG governance by embedding sustainability priorities across operations. These priorities are translated into defined accountabilities across business and support functions through supervision by the Sustainability Steering Council.

Third-party Governance

Your Company maintains compliance checks to ensure continued adherence by vendors and partners to the Sustainable Procurement Framework and Third-Party Code of Conduct beyond initial onboarding.

Elevating Secretarial Standards

The Corporate Secretarial Department holds ISO 9001:2015 certification (TÜV Nord), reflecting strong process discipline in secretarial operations, regulatory coordination, corporate actions, and investor-related services. This certification reinforces consistency, accuracy and governance quality.

Strengthening Accountability and Board Effectiveness

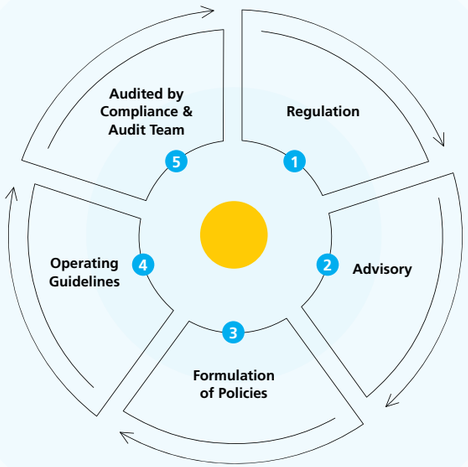
To ensure effective execution of Board and Committee decisions, your Company follows a structured Action Taken Report (ATR) mechanism.

Key features:

- Defined ownership and timelines
- Periodic status reporting
- Monitoring of closure efficiency

A Policy-Led Approach to Responsible Conduct

Your Company maintains a comprehensive policy framework grounded in the values of transparency, fairness and integrity, providing a consistent foundation for responsible conduct across the organisation.



The policies undergo annual review to ensure continued relevance and alignment with regulatory requirements.

Key policies guide your Company's commitments relating to:

- Regulatory compliance
- Ethical governance and anti-corruption, and bribery
- KYC
- Responsible lending and customer protection
- Environmental responsibility
- Human rights and fair labour practices
- Data privacy and information security
- Sustainability and ESG integration

These policies are approved by the Board or relevant Board Committees and are reviewed annually, typically during the Board meeting scheduled in October. Where regulatory developments require changes, amendments are implemented earlier for Board approval as required.

Policies are communicated to stakeholders through:

- Your Company's website and policy compendium
- Employee onboarding and training programmes through the Gurukul learning platform
- Vendor onboarding processes
- Internal circulars and compliance training programmes

LTF embeds policy commitments across its governance, risk management, and operational frameworks through structured mechanisms for implementation and monitoring.

The mechanism for implementation and monitoring includes:

- Oversight by the Board and relevant Committees
- Integration of policy requirements into internal control frameworks and operating procedures
- Periodic internal audits and compliance testing programmes
- Monitoring of vendor compliance through the Third-Party code of conduct
- Mandatory employee training and awareness initiatives
- Integration of ESG and governance metrics into leadership performance parameters

This structured approach ensures that policy commitments are translated into operational practices across the organisation and its value chain.

Vigil Mechanism

LTF's Vigil Mechanism Framework enables employees, Directors, and external stakeholders to report concerns relating to unethical conduct in a safe and confidential manner. Multiple secure reporting channels are available, including email, written communication, and oral reporting, with safeguards to protect the whistleblower's identity.

Reported matters are monitored by the Whistleblower Investigation Committee, which ensures objective assessment, timely resolution, and appropriate corrective action. Through this mechanism, your Company reinforces ethical conduct, accountability, and transparency across its operations.

For detailed policy access, refer to section 'Policy Compendium'.

Confidential Channels include:

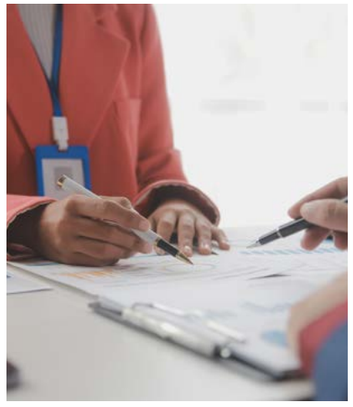
- Secure email access
- Written submissions
- Oral reporting

Structured Resolution Process

All complaints are addressed through a defined and impartial resolution process:

1. **Observation Reported**
   Channels: Email / Written / Oral
2. **Investigation**
   The Head of Internal Audit coordinates a formal investigation
3. **Initial Review**
   Whistleblower Investigation Committee reviews the cases and findings
4. **Oversight & Reporting**
   The Chairman of the Audit Committee has direct access to all complaints, strengthening independence

   Reporting is made to the Audit Committee at periodic intervals
5. **Recommendations & Resolution**
   Based on the investigation, recommendations are made for appropriate corrective actions



Policy on Prevention of Sexual Harassment at the Workplace (POSH)

LTF is committed to maintaining a respectful and secure work environment. The Prevention of Sexual Harassment (POSH) Policy, aligns with the Sexual Harassment of Women at Workplace Act, 2013, and extends to all employees, including temporary and contract staff.

An Internal Committee, comprising internal and one external independent member, is responsible for addressing complaints fairly. Training modules, including onboarding and annual sensitisation, are delivered through your Company's in-house learning portal, Gurukul.

For further details on LTF's Policy on POSH and incidences of sexual harassment, refer to 'BRSR Section C: Principle 5'.

Policy on Related Party Transactions (RPT)

LTF follows a robust governance framework to ensure that all Related Party Transactions (RPTs) are conducted transparently and in the ordinary course of business at arm's length.

In line with SEBI Listing Regulations and your Company's Related Party Transactions Policy, all RPTs are reviewed and approved by the Independent Directors, who are members of the Audit Committee.

Directors who have a direct or indirect interest in a transaction are required to disclose such interest and abstain from participating in discussions and voting on the relevant agenda item. This ensures that decisions relating to RPTs are evaluated independently and in the best interests of your Company and its stakeholders.

The Statutory Auditors reviews RPTs as part of the statutory audit process. This ensures compliance with applicable regulatory and relevant accounting standards.

100%

RPTs reviewed and approved by the Independent Directors of the Audit Committee

For further details on LTF's Policy on Related Party Transactions in the system, refer to 'BRSR Section C: Principle 1'.

Anti-Corruption Policy

Your Company enforces a strict Anti-Corruption Policy that outlines acceptable conduct in interactions with business and government entities. It clearly defines bribery, governs charitable donations, and restricts political contributions, unless legally permissible.

This policy applies to employees, Directors, and third parties representing LTF. A dedicated Risk Containment Unit (RCU), monitors and mitigates risks related to financial misconduct and corruption.

Policy details are available in the 'Policy Compendium' section.

For further details on LTF's Anti-Corruption Policy and incidences of corruption in the system, refer to 'BRSR Section C: Principle 1'.

Compliance Policy

LTF maintains a robust compliance structure designed to identify, monitor, and address compliance-related risks. The Chief Compliance Officer (CCO), along with Senior Management and the Board, ensures regular assessment of the framework.

The Compliance Insights tool facilitates enterprise-wide compliance tracking and reporting. Periodic check-ins and audits help align internal processes with regulatory developments, minimising exposure to risks. Consistent reporting to regulators and the Board reflects LTF's dedication to ethical and operational excellence.

Code of Conduct

At LTF, ethical conduct forms the foundation of all operations. A comprehensive Code of Conduct applies to employees across levels, including Executive Directors. This framework promotes responsible use of Company resources, prevents conflicts of interest, safeguards confidentiality, and reinforces fair employment practices, and anti-corruption standards.

Awareness and compliance are reinforced through periodic acknowledgements and structured training programmes. Any breaches are addressed through a defined process overseen by the CoC Committee, ensuring transparency and consistency in enforcement.

For more details refer to section 'Policy Compendium'.

For more details on LTF's incidences of breach, conflict, or anti-competitive behaviour, refer to 'BRSR Section C: Principle 7'.

Securities Dealing Code

To uphold transparency in trading practices, LTF has instituted a Securities Dealing Code that governs the handling of Unpublished Price Sensitive Information (UPSI). It applies to Directors, employees, and designated persons, outlining strict pre-clearance and disclosure norms.

Training programmes reinforce understanding of the policy, and any violations are met with disciplinary action, reinforcing your Company's commitment to ethical capital market engagement.

Third-Party Code of Conduct

To extend its ethical values across the value chain, LTF has established a Third-Party Code of Conduct. This applies to vendors, borrowers, and business associates, setting expectations for responsible conduct, legal compliance, environmental stewardship, and social responsibility.

Dividend Distribution Policy

The Dividend Distribution Policy is designed to strike a balance between rewarding shareholders and maintaining financial flexibility. Dividend decisions are based on profitability, retained earnings, liquidity, expansion plans, and regulatory guidelines.

The Board examines these parameters periodically to ensure compliance while delivering sustained value to shareholders. This disciplined approach underscores LTF's commitment to long-term growth and capital prudence.

For more information, refer to section 'Policy Compendium'.

Tax Strategy

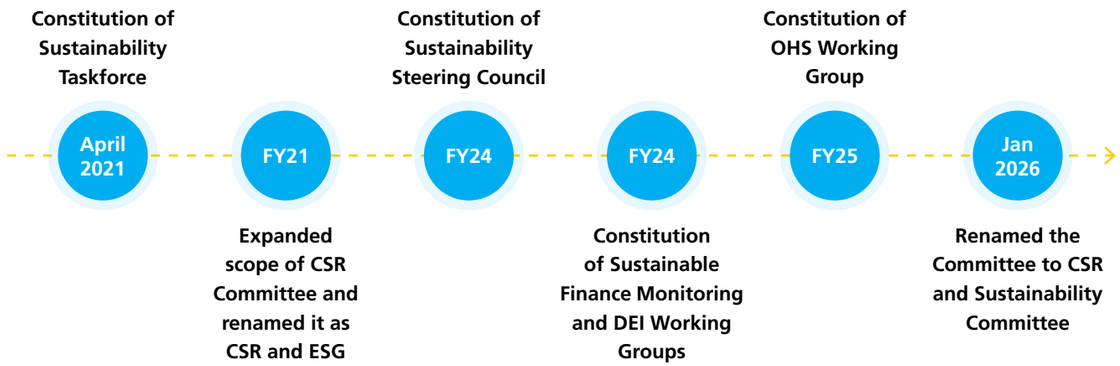
LTF's tax governance is grounded in compliance, transparency, and risk control. Your Company ensures accurate and timely tax filings in accordance with applicable laws, while legitimately availing tax benefits where permitted.

Internal reviews and regular updates to the tax framework are supported by employee training and proactive risk identification. This disciplined approach supports business continuity and reflects responsible corporate citizenship.

Sustainability Governance

While sustainability stewardship is embedded across Board processes, learning initiatives and performance evaluation mechanisms, this section outlines LTF's dedicated sustainability governance framework designed to ensure focused accountability and measurable progress.

LTF has established a robust, multi-tiered sustainability governance framework to ensure that environmental, social, and governance priorities are embedded into every aspect of its operations. This framework enables clear accountability, measurable progress, and strategic alignment with long-term goals and evolving regulatory requirements.



Leadership Commitment and Governance Structure

Level	Key Role	Core Responsibilities
Board: CSR and Sustainability Committee	Oversees CSR and ESG policies implementation	Provides strategic direction, monitors progress, and ensures regulatory compliance
Board-constituted CSR and Sustainability Committee	Formulation of action plans, policies, and guidelines	Oversees implementation and ensuring periodic reviews and alignment with strategic and governance objectives
Sustainability Steering Council (SSC)	Reviews and monitors ESG integration	Guides sustainability priorities, identifies material risks, and supports informed decision-making
LTF Sustainability Team	Implements ESG policies and initiatives	Develops strategies to embed sustainability into business operations and processes. Works closely with business and function heads

Integration of ESG KPIs and Accountability

- KPIs pertaining to sustainability are embedded into Senior Management performance metrics, ensuring leadership accountability for sustainability outcomes
- Business heads and function heads work directly with the sustainability team to drive ESG initiatives at the operational level
- **Dedicated working groups like**
  - **Sustainable Finance Working Group:** This dedicated group is responsible for operationalising the Sustainable Finance Framework, and maintains rigorous internal governance over product screening and manages the green and social tagging processes essential for directing capital toward sustainable development.
  - Diversity, Equity, and Inclusion (DEI) Council: Comprising of senior business leaders and functional heads, this council elevates DEI from a standard initiative to a core business outcome owned by leadership. It provides strategic direction and ensures inclusive practices are woven into your company's operational and management accountability.
  - Occupational Health and Safety (OHS) Working Group: A dedicated group ensuring workplace safety and regulatory compliance for health and safety practices. This group integrates expertise from facilities management and the sustainability team and drives a proactive safety culture to manage system-driven frameworks across entire branch network.

Capability Building and Strategic Focus

Materiality training for leaders to address emerging sustainability priorities

Continuous assessment of ESG performance to ensure alignment with business strategy

Adherence to regulatory requirements and responsible business practices for environmental and social obligations

ESG Risk Management

Rising expectations around non-financial and ESG disclosures have heightened the need for transparency, accountability, and disciplined integration of sustainability across financial services. Recognising this, LTF has embedded ESG considerations as a strategic lens for risk management, rather than treating them as standalone compliance requirements.

Guided by a clearly defined five-year roadmap, your Company integrates sustainability into decision-making to support resilience, risk mitigation, and long-term strategic alignment.

Integrated ESG Approach

Your Company views the global transition to a low-carbon economy as a strategic consideration, shaping both risk assessment and opportunity identification.

Robust Policy Framework

- ESG Policy
- Health and Safety Policy
- Diversity, Equity, and Inclusion Policy
- Human Rights Policy
- Data Privacy Policy
- Environment Policy
- Grievance Redressal Policy
- Vigil Mechanism Framework
- Policy on Appointment/ Remuneration/Compensation for Director, Senior Management Personnel, KMP, and Others
- E-Waste Policy
- Anti-Corruption Policy
- CSR Policy
- Investor Grievance Redressal Policy
- Fair Practice Code
- Business Continuity Policy
- Policy for KYC Norms/AML Standards/CFT
- Information Technology Policy
- Enterprise Risk Management Policy
- Protection Policy
- Policy on Planning and Raising of Resources
- Risk-Based Internal Audit Policy
- Information System Audit Framework
- Sustainable Procurement Policy
- Sustainable Finance Framework
- Environment and Social Management System (ESMS) Framework

Value Chain Governance

LTF extends its governance framework beyond internal operations to its value chain, ensuring that ethical conduct, compliance discipline, and responsible business practices are consistently applied across vendors, borrowers, and business associates.

A key element of this framework is the Third-Party Code of Conduct, which governs interactions with vendors, borrowers, and business associates. This code requires adherence to the highest legal and ethical benchmarks, including:

- Compliance with all applicable laws
- Prevention of conflicts of interest
- Zero tolerance for bribery and corruption
- Commitment to anti-trust regulations and data privacy protection
- Implementation of strong business continuity strategies

Beyond compliance, value chain partners are encouraged to adopt practices that reduce environmental impact. They are encouraged to adopt practices to monitor greenhouse gas emissions and minimise waste. This approach reinforces sustainability across the network.

Ethical employment standards form an integral part of value chain governance. This includes fair wages, prohibition of forced and child labour, and provision of safe working conditions. Partners are also encouraged to adopt sustainable sourcing practices and support inclusive engagement with marginalised communities.

Strengthening Shareholder Communication

Your Company remains committed to transparent and effective communication with shareholders.

Information relevant to investors, including financial results, corporate disclosures, investor presentations and governance documents, is made available through your Company's website and stock exchange filings.

Your Company continues to evaluate additional initiatives to further strengthen shareholder engagement, including enhanced investor guidance resources and improved digital access to shareholder information.

Policy Advocacy and Industry Association

Your Company actively participates in policy advocacy and industry associations to support transparent, responsible, and sustainable financial sector development. Through structured engagement, participation, and collaboration with industry bodies, policy positions are shaped with due consideration to transparency, accountability, and stakeholder alignment.

Engagement with regulatory authorities remains a key priority. LTF provides reasoned responses to consultation papers and contributes constructively to regulatory development. The Board is regularly apprised of key policy matters, ensuring strategic decisions are aligned with evolving regulatory developments.

Your Company also strengthens its position in the industry through active memberships and collaborations with leading trade and industry bodies. These platforms enable meaningful participation in policy discourse and contribute to the development of sector-wide standards. Further reinforcing your Company's role as a credible, well-informed participant in the financial services ecosystem.

LTF does not undertake political contributions or lobbying activities, nor does it engage in preparedness and sector development. Such engagements are guided by internal policies aligned with your Company's sustainability commitments and support participation in industry associations. It remains focused on constructive policy dialogue, regulatory transparency, and principled participation in the evolving financial services ecosystem.

For further details on LTF's participation in trade and industry chambers or associations, refer to 'BRSR Section C: Principle 7'.

Governance Driving Strategic Value

Your Company's governance goes beyond compliance to act as a strategic driver of sustainable growth and institutional resilience. This approach strengthens long-term institutional stability and decision-making discipline.

In FY26, your Company strengthened its governance architecture further. It enhanced key policies, committee charters, and authority matrices. These improvements ensured greater clarity in roles, accountability, and decision rights. As a result, governance clarity improved across the organisation.

The governance framework continued to mature during the year. It showed stronger alignment between Board oversight and management execution. This alignment enables agile and informed decision-making in a dynamic operating environment. The Board and its Committees continued to play a pivotal role in providing strategic guidance and robust oversight. The effectiveness of the Board was further reinforced through structured evaluation processes and continuous engagement, enabling high-quality governance.

Your Company also strengthened its focus on ethics, compliance, and integrity. It reinforced a culture of responsible business conduct. The Code of Conduct and whistleblower mechanisms remained effective in promoting transparency and accountability, with concerns resolved in a timely manner. Your Company maintained a zero-tolerance towards unethical practices. Compliance frameworks were further strengthened to ensure adherence to evolving regulatory requirements.

Significant progress was made in advancing ESG governance during FY26. LTF institutionalised a robust Environmental and Social Management System (ESMS). This system enables a structured approach to identifying, assessing, and managing environmental and social risks and impacts.

Your Company further advanced transparency and disclosure standards. Reporting depth improved in line with sustainability framework requirements. In addition, your Company was recognised by the Institute of Company Secretaries of India (ICSI) for its Business Responsibility Sustainability Reporting (BRSR). Data governance practices were also strengthened to ensure accurate, consistent, and timely disclosures, thereby reinforcing stakeholder confidence.

Your Company continues to maintain high governance and ethical standards. It has built a strong stakeholder trust over a period of time through consistent actions. This foundation supports navigation of an increasingly complex and evolving business landscape, continuing to deliver inclusive and sustainable growth.

RISK AS STRATEGIC VALUE ENABLER

At LTF, risk management goes beyond compliance and functions as a forward-looking driver of strategic growth. Your Company embeds risk-first thinking across operations to support expansions in an increasingly digital ecosystem. This approach is reinforced by a well-calibrated strategic risk posture. As a result, risk management actively enables sustainable and responsible growth.

LTF transforms potential vulnerabilities into strategic opportunities through structured risk intelligence and governance systems. It integrates risk insights into decision-making frameworks to strengthen long-term alignment and resilience. This integration ensures that growth remains controlled, scalable, and aligned with broader business objectives. Consequently, risk management supports both stability and strategic direction.

Proactive risk mitigation continues to drive the strength of your Company's digital lending ecosystem. LTF uses advanced AI-driven analytics to deliver precise and efficient credit underwriting. It combines multi-bureau data, account aggregator insights, and alternative trust signals to enhance decision accuracy. This approach enhances both speed and reliability in credit assessments.

This seamless integration of intelligent risk controls with digital architecture enables your Company to scale inclusive financial solutions into emerging geographies while maintaining uncompromising asset quality and superior portfolio performance.

Enabling Risk Discipline

In an evolving financial ecosystem, robust risk management is critical to institutional stability and sustainable growth. Your Company's risk management functions as a strategic discipline, enabling informed risk-taking while safeguarding stakeholder interests. As business models scale, technologies evolve, and regulatory expectations intensify, the ability to anticipate and manage uncertainty becomes essential. To this end, by embedding risk awareness across governance structures, operational processes, and strategic decision-making, your Company ensures that growth remains responsible, resilient, and aligned with its objectives.

A Multi-Tiered Framework for Strategic Oversight

LTF operates in a complex risk environment shaped by interlinked drivers, including macroeconomic volatility, interest rate movements, climate variability, digital disruption, regulatory evolution, and changing customer behaviour.

Adopting a forward-looking approach, your Company monitors both existing and emerging risks. Key risk indicators tracked include:

- Third-Party Risk arising from external vendors, suppliers and partners
- Credit quality trends and portfolio concentration exposures
- Liquidity adequacy and funding stability
- Market volatility and interest rate movements
- Operational vulnerabilities arising from people, processes, and systems
- Cybersecurity threats and technology dependencies
- Climate-related risks affecting asset quality and regional exposures
- Regulatory, geopolitical and reputational developments

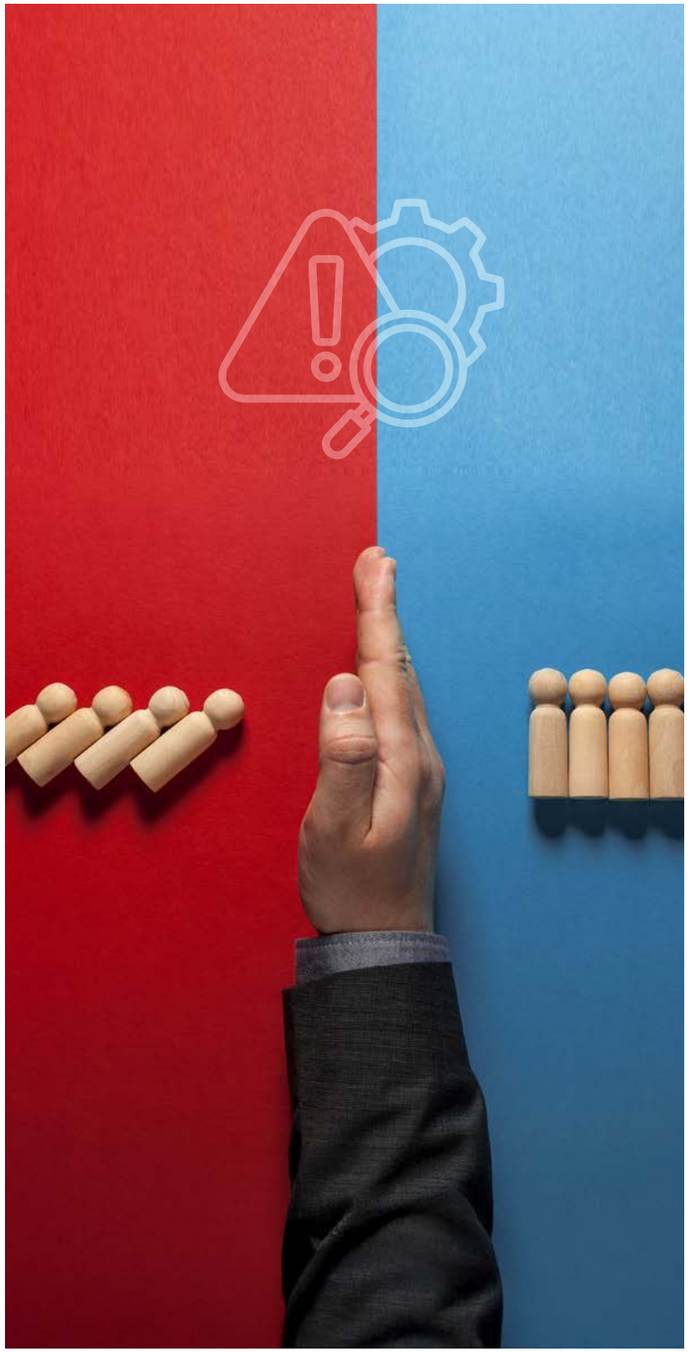
This anticipatory assessment enables early recognition of potential stress points, allowing the organisation to respond proactively instead of reactively.

Anticipation is translated into action through a structured, enterprise-wide risk management framework that integrates governance, analytics, technology and people.

The framework is designed to ensure that risks are:

- Identified early
- Assessed comprehensively
- Prioritised based on impact and likelihood
- Mitigated through timely and proportionate actions

By aligning risk responses with strategic objectives, LTF reinforces consistency between growth ambitions and prudence.



A Strategic and Forward-looking Risk Framework

LTF has established a robust enterprise-wide risk framework that enhances visibility across business verticals, functions and geographies. The framework integrates:

- Quantitative models and statistical tools
- Qualitative management judgment and sector insights
- Portfolio-level analytics and trend monitoring
- Scenario analysis and stress-testing methodologies

Together, these elements provide a holistic understanding of the risk landscape and support informed prioritisation.

To strengthen balance sheet resilience, LTF conducts periodic stress testing with a focus on liquidity and interest rate risks. It actively monitors interest rate sensitivity to maintain a positive gap over a one-year horizon. In parallel, liquidity stress testing is undertaken under multiple adverse scenarios to assess funding stability. Your Company also maintains adequate high-quality liquid assets to ensure a minimum 30-day survival period.

Strengthening Early Identification and Preparedness

Early Warning Signals (EWS) are embedded across credit and operational processes to enable timely identification of deteriorating trends and early intervention.

Preparedness is further reinforced through:

- Scenario-based stress testing covering economic shocks, regulatory changes, and natural disasters
- Forward-looking provisioning under the Expected Credit Loss (ECL) framework, incorporating macroeconomic assumptions
- Structured hindsight exercises to integrate learnings from past outcomes
- Annual long-range planning aligned with evolving risk realities

Integrating Risk with Strategy

Risk management is closely integrated with strategic planning and performance management to support disciplined growth and capital resilience.

The risk framework ensures that expansion remains aligned with the organisation's approved risk appetite. It also strengthens decision-making by embedding risk awareness across key business processes and strategic priorities.

Risk considerations are embedded into:

- Strategic planning cycles
- Capital allocation decisions
- Portfolio diversification initiatives
- Performance evaluation through risk-adjusted metrics

This integration ensures that growth initiatives are assessed not only for opportunity, but also for sustainability and resilience across economic cycles.

Risk Governance and Oversight

Risk oversight is anchored at the Board level and supported by specialised committees, including:

- Risk Management Committee (RMC)
- Asset Liability Management Committee (ALCO)
- IT Steering Committee
- Operational Risk Management Committee
- Outsourcing Management Committee
- Model Risk Management Committee
- Committees overseeing outsourcing and information security

To strengthen independence, the Risk function presents to the RMC independent assessments for each business vertical alongside business-led perspectives, enhancing transparency and Board-level decision-making.

Risk Capability Building

LTF regularly undertakes training and awareness initiatives focused on risk mitigation, regulatory developments, and emerging risks. These programmes strengthen the Board's and management's understanding of evolving risk landscapes.

Your Company periodically presents updates on risk management practices to the Risk Management Committee. These updates include training initiatives and emerging risk themes. This process ensures continuous monitoring, strengthens accountability, and aligns with governance expectations.

(Details on committee roles and reporting mechanisms are provided in the Corporate Governance section.)

Strengthening Risk Capabilities

Strengthened risk-first approach

Continued embedding of risk considerations at early stages of business decision-making

Enhanced independence in risk oversight

Introduction of business-vertical-wise independent risk views presented to the RMC

Expanded material risk coverage under ICAAP

Inclusion of Model Risk and Cyber/Information Security Risk as formally scored risk categories

Greater focus on forward-looking risk assessment

Enhanced focus on macroeconomic, geopolitical, and early stress indicators

Initiation of comprehensive Business Continuity Policy (BCP)

Initiation of a comprehensive BCP framework extending beyond IT to operational and human capital continuity

Progress in technology-enabled risk management

Continued deployment of AI-driven tools such as Project Cyclops and increased automation of risk processes

Advancement in live risk monitoring

Enhancements to real-time dashboards across credit, cyber risks

Strengthened climate and ESG risk integration

Deepened collaboration with the ESG team through identification of climate-related perils, climate risk mapping, development of ESG risk maps and impact matrices, and internal capability-building programmes

Reinforced people and reputational risk monitoring

Continued monitoring of people-related risks under the Reputational Risk framework, including senior leadership attrition and employee engagement indicators

Building future-ready risk capabilities

Initiated steps towards automation-led efficiency, development of a forward-looking dynamic risk register, and enhanced monitoring of emerging risks such as climate change, cyber threats, and geopolitical volatility

Risk Appetite

Your Company's risk management is anchored in a clearly defined Risk Appetite that establishes the boundaries within which growth is pursued. It provides a structured articulation of the level and types of risks LTF is willing to undertake. These risk levels remain closely aligned with strategic objectives and the evolving operating environment.

The Risk Appetite is calibrated across key dimensions of resilience, including capital adequacy, liquidity, earnings stability and franchise protection. The framework integrates both quantitative thresholds and qualitative guardrails for effective risk control. These parameters cover core risk areas as well as emerging risks such as cybersecurity, climate risk, and reputational considerations.

To ensure effective implementation, LTF cascades the Risk Appetite across businesses through structured limits. These controls include sectoral exposures, regional concentrations, unsecured portfolio thresholds, and management-level limits. Such structured controls strengthen accountability and enhance enterprise-wide risk discipline.

This approach enables disciplined decision-making and supports proactive risk monitoring across business functions. It also ensures balanced growth while safeguarding the long-term strength and stability of LTF.

Risk Management Tools and Systems

To enable a structured and forward-looking approach, your Company has institutionalised a suite of risk management tools and digital enablers. These tools strengthen the identification, assessment, and mitigation of risks across the enterprise. As a result, LTF ensures more consistent and proactive risk management practices.

At the core of this framework is a dynamic risk register, which provides a consolidated view of key risks across businesses and functions. The register is periodically updated and reviewed, capturing evolving risk scenarios, mitigation actions, ownership, and timelines. This process ensures strong accountability, and a timely response.

This framework is complemented by:

- Early Warning Systems (EWS) to proactively identify potential stress signals
- Scenario-based stress testing frameworks to assess resilience under adverse conditions
- Risk dashboards and Key Risk Indicators (KRIs) for real-time monitoring and escalation
- AI-driven analytics tools (such as digital credit engines) to enhance risk assessment and decision-making

Together, these tools provide end-to-end visibility of the risk landscape, enabling your Company to move from reactive risk management to a more predictive and data-driven approach.

Process Governance Through the Product & Process Approval Group (PPAG)

As operational complexity increases, structured process governance ensures standardisation and disciplined execution of changes.

The Product and Process Approval Group (PPAG) oversees:

- Standardisation of processes across products and functions
- Approval of all process, workflow and system-related changes involving the customer journey
- Supervision of key projects and initiatives

Over time, this framework was expanded into the Product and Process Approval Group, strengthening governance over product innovation through cross-functional participation.

Risk Management Process

Your Company follows a structured and continuous risk management process comprising:

Risk identification → **Risk measurement** → **Risk prioritisation** → **Risk mitigation and monitoring**

This process is supported by:

- **A comprehensive Enterprise Risk Management (ERM) framework**
- **A clearly articulated Risk Appetite Statement with cascading limits**
- **Prudent lending and asset quality monitoring practices**
- **Continuous surveillance through EWS, KRIs, and dashboards**

The framework has evolved to address emerging risks such as fraud, cyber threats, climate vulnerabilities and model risks, while retaining flexibility to adapt to changing market conditions and customer needs.

Embedding an Effective Risk Culture

A strong risk culture underpins the effectiveness of the risk management framework.

Your Company promotes risk awareness through:

Capability-building and leadership programmes	Case-study-based training and workshops	Mandatory training on cybersecurity, climate, and operational risks	Enhanced communication through dashboards, alerts, and centralised databases	Monthly newsletters and cross-functional assessments

Continuous improvement is supported through:

Root Cause Analysis (RCA)	Corrective and Preventive Action (CAPA) tracking	Operational Risk Event and Loss Data Reporting Policy governing classification, documentation and reporting of loss events

Broad Risk Framework

Operating in a dynamic and evolving business space, LTF employs a comprehensive risk management framework. This framework addresses a wide range of potential risks across operational and strategic areas. It enables systematic identification, assessment, and mitigation of threats through a structured and consistent approach. As a result, your Company can respond effectively to emerging challenges.

The framework integrates strong governance practices, data-driven analytics, and proactive control measures. These elements collectively enhance organisational resilience and support informed decision-making. In addition, they help safeguard business continuity. This approach ensures that risk management remains aligned with overall business objectives.

The table below outlines the primary risk categories overseen by LTF.

Risk Category	Sub-Risk	Mitigation Measures	Capitals Impacted
Credit Risk	**Default Risk** Risk of borrowers failing to meet repayment obligations leading to financial losses	▪ Using Cyclops 3D analytics for multidimensional borrower profiling and proactive risk detection ▪ Performing Early Warning Signals (EWS) reviews to spot potential defaulters ▪ Increasing focus on secured lending to minimise unsecured exposure ▪ Regular portfolio evaluations to identify trends and refine monitoring ▪ Leveraging geopolitical, behavioural, and credit history data for improved assessments	
Market Risk	**Interest Rate Risk** Impact from interest rate fluctuations on borrowing costs and investment returns	▪ Managing risks through ALCO as per Board-approved policies ▪ Asset Pricing Committee ensures market-aligned strategies ▪ Conducting scenario analyses for capital adequacy and profitability	
	Liquidity Risk Shortage of liquid assets to meet financial commitments	▪ Maintaining a positive liquidity gap ▪ Implementing Contingency Funding Plans for disruptions	
	Maturity Mismatch Asset-liability maturity gaps causing liquidity stress	▪ Monitoring mismatches proactively ▪ Aligning cash flows with obligations	
Operational Risk	**People and Process Risk** Inadequate or failed internal processes, people, and systems or external events	▪ Updating SOPs and metrics to boost efficiency. ▪ Applying hindsight reviews for quick fixes. ▪ Conducting internal audits and evaluations.	

Our Capitals: Financial Capital | Manufactured and Intellectual Capital | Human Capital | Social & Relationship Capital | Natural Capital

Risk Category	Sub-Risk	Mitigation Measures	Capitals Impacted
Operational Risk	**IT & Technology Risk** System failures, cybersecurity threats, and disruptions	▪ Increasing automation and digitalisation ▪ Implementing Information Security Manual for cyber protection	
	Outsourcing Risk Over-reliance on third-party service providers	▪ Strengthening third-party risk frameworks and compliance checks	
Other Risks	**Legal Risk** Exposure to legal disputes or non-compliance	▪ Conducting legal reviews for compliance ▪ Updating policies to align with evolving regulations	
	Regulatory Risk Risks from evolving laws and regulations	▪ Dedicated Compliance Department monitoring activities ▪ Regular manual updates to match legal changes ▪ Independent compliance reviews	
	Reputational Risk Negative publicity affecting brand value	▪ Reputation risk frameworks with proactive assessments ▪ Stakeholder-specific communications to maintain trust	
Other Risks	**Strategic & Political Risk** Policy or political changes disrupting business	▪ Aligning market and policy strategies to anticipate and mitigate such disruptions	
Cyber & Fraud Risk	**Cyber Risk** Threats from cyberattacks, breaches, and data theft	▪ Implementing micro-segmentation for security ▪ Enhancing application security and DSPM assessments ▪ Achieving ISO 27701 compliance ▪ Preventing phishing with DMARC ▪ Multi-tier cyber defence architecture ▪ Third-party risk and data security strengthening	
	Fraud Risk Internal and external fraud causing losses	▪ Fraud detection systems for suspicious activity ▪ 360-degree monitoring for fraud prevention ▪ Employee awareness programmes to strengthen controls	
Climate Risk	**Climate Change Impact** Effects on financial stability, operations, and asset quality	▪ Climate-linked, peril-based heat mapping, and scenario analysis ▪ Monitoring rainfall deviations, reservoir levels, and agricultural trends ▪ Economic Affairs Group inputs on environmental and social impacts	

Our Capitals: Financial Capital | Manufactured and Intellectual Capital | Human Capital | Social & Relationship Capital | Natural Capital

ESG-related Risks

ESG risks form an integral part of LTF's enterprise risk framework. They are assessed for their potential impact on resilience and risk sustainability. LTF adopts a structured and integrated approach to identify, assess, and manage environmental, social, and governance risks. This framework aligns closely with regulatory requirements and stakeholder expectations.

The key ESG risk focus areas, along with corresponding mitigation approaches and outcomes across each pillar are outlined below.

Environmental

Key Focus Areas

- Climate change risk management
- Weather pattern monitoring
- TCFD-aligned climate risk analysis

Actions & Initiatives

- Comprehensive business impact study to assess climate-related risks
- Monitoring of regional weather shifts, rainfall deviations, and agricultural trends
- Climate-linked, peril-based heat risk mapping

Impact & Outcomes

- Enhanced preparedness for climate-driven disruptions
- Protection of agricultural and rural lending portfolios
- Data-driven climate adaptation strategies

Social

Key Focus Areas

- Employee engagement
- Customer satisfaction
- Community development
- Inclusivity

Actions & Initiatives

- Health and safety risk assessments (ISO 45001 compliance, hazard identification and risk assessment of branches
- PWD accessibility at all large branches (1,500 sq. m)
- Employee engagement and customer satisfaction programmes
- Strengthening of community outreach and inclusion initiatives

Impact & Outcomes

- Safer, more inclusive workplace
- Higher employee retention and satisfaction
- Stronger community relationships

Governance

Key Focus Areas

- Regulatory compliance
- Ethical third-party standards
- ESG governance structures

Actions & Initiatives

- Establishment of the Sustainability Steering Council (SSC)
- Development of governance mechanisms for ESG compliance and oversight
- Continuous monitoring of ethical standards across supply chain

Impact & Outcomes

- Improved governance accountability
- Stronger compliance culture
- Transparency in ESG reporting

Performance Tracking

Key Focus Areas

- ESG metrics and benchmarks

Actions & Initiatives

- Business impact study
- Monitoring of the carbon footprint reduction progress
- Measured social impact against benchmarks
- Adherence to global sustainability standards

Impact & Outcomes

- Quantifiable ESG performance data
- Continuous improvement in sustainability scores

Emerging Risks

Commodity Price Volatility and Input Cost Inflation

Persistent geopolitical friction continues to drive unpredictable fluctuations in global commodity and input prices. We remain vigilant in evaluating the sensitivity of our loan book to these inflationary trends, employing rigorous credit appraisal processes that account for margin compression aiming to mitigate the impact of input-price shocks on our overall asset quality.

Model and Digital Operational Risk

As we integrate advanced analytics into our core operations, we face emerging risks related to model deterioration and implementation gaps. Emerging risks include potential "black-box" failures in Machine Learning (ML) algorithms and algorithmic bias in credit scoring, if such Machine Learning algorithms use case increases. To mitigate these, we have mandated upfront validation for all new models alongside the use of challenger models. Our robust governance framework includes quarterly model monitoring, strengthened BRE implementation testing under Digital Operational Risk to safeguard our digital ecosystem.

Cyber Security and Identity Risk

The digital frontier for financial institutions is under constant threat, with cyber-attacks historically increasing during periods of global conflict and domestic election cycles. To counter these evolving threats, we have transitioned toward a Zero Trust Architecture and an "Identity First" security approach. Our defense strategy includes increased frequency of vulnerability testing, the implementation of DevSecOps, and continuous monitoring through our Risk Appetite Framework (RAF). By closely tracking End of Life (EoL) and End of Service (EoS) systems, we ensure that our technological infrastructure remains resilient against unauthorized access and sophisticated external fraud

Integration across Business Units

Risk management is deeply embedded across all business units and functions within your Company. This integration ensures a unified and enterprise-wide approach to identifying and managing risks. As a result, risk awareness remains central to daily operations and decision-making.

The Enterprise Risk Management (ERM) framework enables consistent identification, assessment, and mitigation of risks. It applies across products, geographies, and operational functions within the organisation. Risk considerations are integrated into:

- Business strategy and planning processes
- Product and process approvals (through governance bodies such as PPAG)
- Credit underwriting and portfolio management
- Operational workflows and decision-making systems

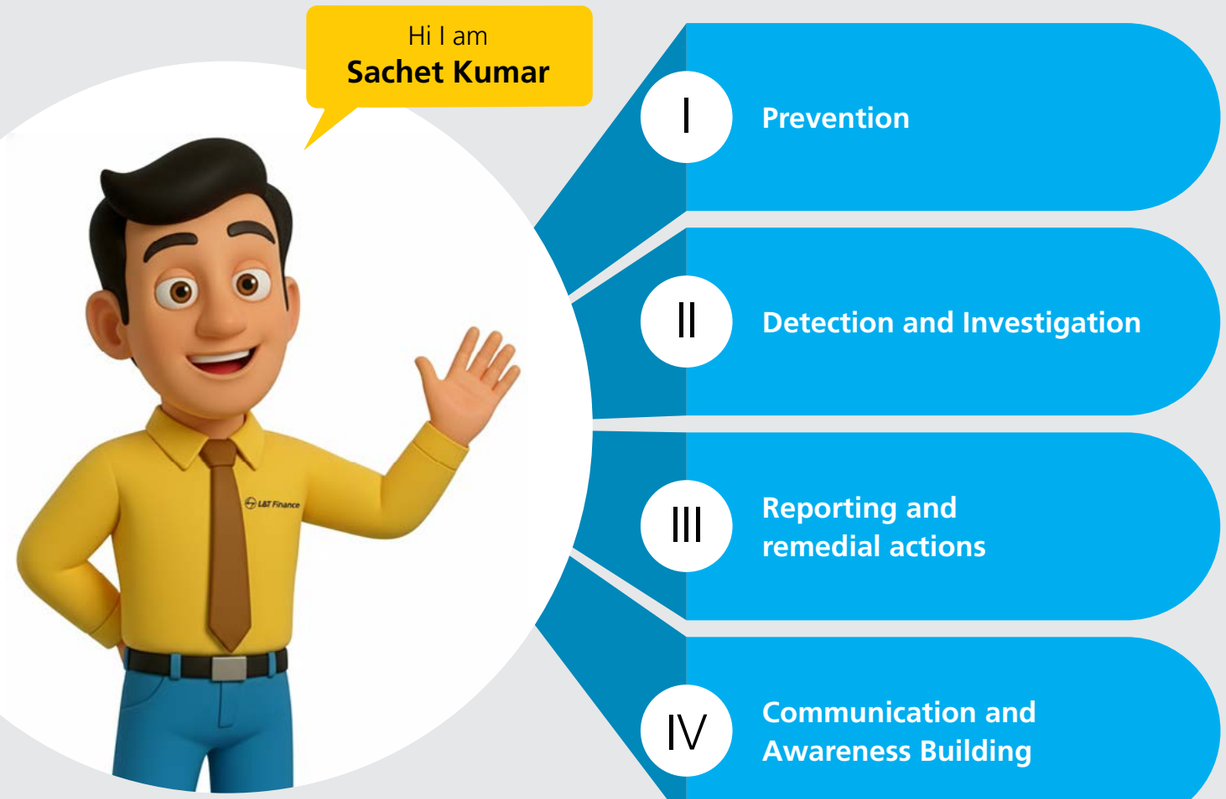
Your Company enables cross-functional collaboration through integrated committees, shared dashboards, and standardised processes. These ensure that risk insights are seamlessly embedded into day-to-day operations. This integrated approach ensures that risk management acts as a strategic enabler, supporting sustainable growth, operational resilience, and informed decision-making across the organisation.

Fraud Risk Management

In an era of rapid financial digitisation, at LTF, we recognise that a resilient Fraud Risk Management (FRM) framework is not merely a regulatory mandate but a fundamental pillar of our enterprise risk strategy. As an Upper Layer NBFC, your Company has institutionalised a comprehensive FRM framework that is meticulously aligned with the RBI Master Directions. Your Company's approach is predicated on the belief that safeguarding its financial integrity and the trust of stakeholders requires a dynamic, "Zero Tolerance" stance against unethical practices.

This commitment is reflected in our multi-layered governance architecture, where accountability is driven from the top. LTF has a dedicated Risk Containment Unit (RCU) entrusted with the responsibility of Fraud Risk Management and safeguarding Company against financial frauds. The Senior Management oversees initiatives being taken by this unit through the Fraud Risk Management Group (FRMG) which serves as the primary body for monitoring effectiveness of FRM framework. The Special Committee of the Board (SCBMF) and the Audit Committee (ACB) provide rigorous quarterly oversight, scrutinising root causes and enforcing staff accountability to ensure that the defensive posture remains impenetrable

At LTF, Fraud Risk Management is operationalised through 4 pillars:



We have fortified the first pillar: Prevention, by embedding real-time, multi-factor verification protocols and dynamic data analytics into the customer onboarding journey. By identifying discrepancies at the point of entry, LTF effectively neutralise threats prior to fund disbursement.

To address the evolving nature of sophisticated financial crimes, the second pillar is critical wherein detection capabilities are powered by an advanced Early Warning Signals (EWS) framework. This system is deeply integrated with your Company's central data warehouse, allowing for the continuous monitoring of portfolio behavioural patterns to flag latent risks. When anomalies are detected, the RCU takes immediate action, overseeing the end-to-end lifecycle of investigation to fraud detection to the recovery process.

The third pillar ensures that your Company remains fully compliant to all directives issued by Reserve Bank of India (RBI) with regards to Fraud reporting including all mandatory disclosures, reportings and remedial actions. Beyond compliance, this framework facilitates swift remedial actions, where investigative findings are translated into immediate systemic enhancements to fortify the defenses against evolving financial crimes.

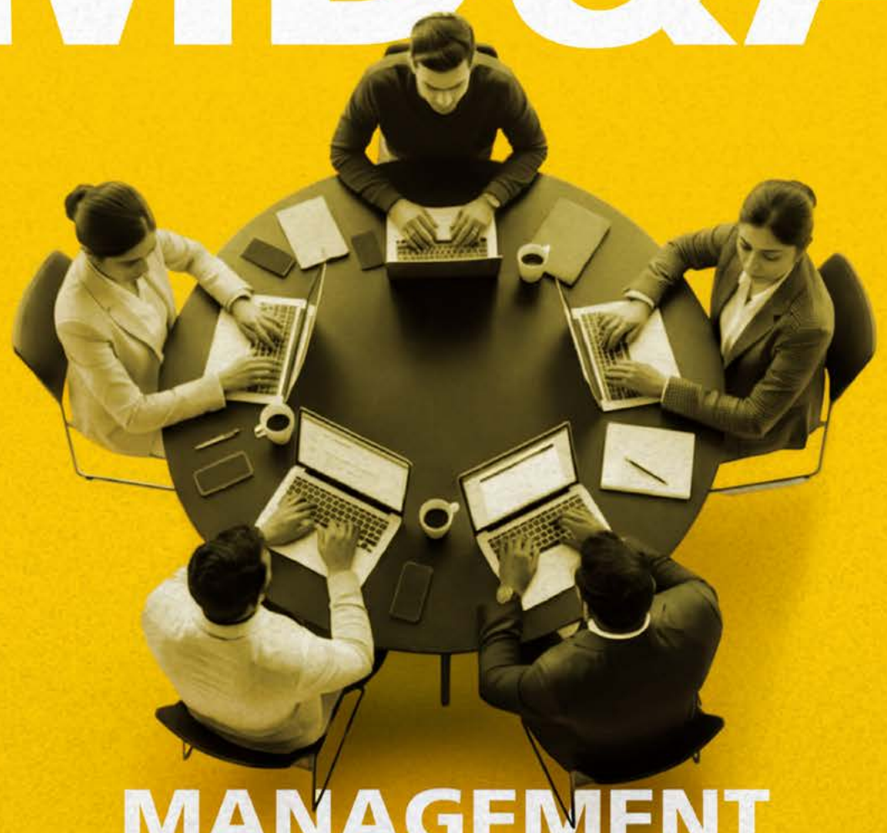
Through the fourth Pillar communication and awareness building, LTF fosters a pervasive risk-awareness culture through the persona of our mascot, "Sachet Kumar," who empowers employees to act as an informed first line of defense. Through engaging "Sachet Kumar" campaigns, the mascot simplifies complex fraud threats like phishing and identity theft into relatable advice, positioning your Company as a proactive partner in customer security and ensuring its customers remain equally informed and protected against evolving financial threats. LTF drives this commitment through customised risk awareness series, specialised training for sales and operations, reward programs like the "Sachet Awards" to promote and encourage people for identifying unique and innovative fraud detection and prevention ideas.

To further strengthen awareness building, your Company conducted 'Fraud Awareness Week' in the month of Oct 2025 by engaging 2000+ employees through knowledge series practical learning bites, special webinars and expert sessions on digital fraud trends through industry experts.

By integrating these rigorous internal controls with a transparent reporting mechanism, LTF continues to demonstrate its unwavering commitment to ethical excellence and long-term value preservation.

#JankaarBaniyeSavdhaanRahiye

MD&A



MANAGEMENT DISCUSSION & ANALYSIS

Macroeconomic Review

The global economy in 2025 navigated a landscape defined by divergent growth paths and a fundamental reordering of trade priorities. The most significant disruptor in 2025 was the implementation of tariff rates climb to levels not seen in a century, triggering a wave of global "front-loading" where businesses rushed to import goods early in the year. Nevertheless, global growth is estimated to have slowed to ~2.8-3.0% in 2025, down from the 3.3% seen in 2024. This slowdown, however, was not uniform across major economies. In the US, growth decelerated to 1.8% as policy uncertainty and the drag from higher input costs began to weigh on business environment. China's economic growth slipped toward 4%, hampered by a stagnant property sector and the adverse impact of trade barriers from the West. The Eurozone struggled with a meager 0.8-1.2% growth rate, particularly as Germany faced structural industrial challenges and fluctuating energy costs.

Amid the growth pangs, the disinflationary process that hit a milestone in 2024 became sticky and desynchronised in 2025. This led to divergences in monetary policy actions of major developed economies. The US Federal Reserve, after holding rates steady for much of the year due to tariff-induced inflation risks, finally initiated a series of 25 basis points cuts in late 2025 as the labor market showed signs of cooling. The European Central Bank (ECB) and Bank of England (BoE) moved aggressively with rate cuts as their economies cooled. In a historic shift, the Bank of Japan (BoJ) continued to raise rates toward 0.5% to manage domestic price pressures and a weakening Yen, ending its era of ultra-loose policy.

Despite a global backdrop of trade fragmentation, the Indian economy demonstrated remarkable resilience and structural strength through FY26 supported by buoyant private consumption, robust manufacturing sector, and strategic government capital expenditure. It remained the world's fastest-growing major economy for the fourth consecutive year and surpassed Japan in nominal GDP to become the world's fourth-largest economy.

Revisions in India's GDP Growth for FY26

IMF	6.20% (2025 Apr)	6.40% (2025 Jul)	6.60% (2025 Oct)	7.30% (2026 Jan)	7.60% (2026 Apr)	
RBI	6.50% (2025 Apr)	6.50% (2025 Jun)	6.50% (2025 Aug)	6.80% (2025 Oct)	7.30% (2025 Dec)	7.40% (2026 Feb)
Fitch	6.50% (2025 Mar)	6.50% (2025 Jun)	6.90% (2025 Sep)	7.40% (2025 Dec)	7.50% (2026 Mar)	
S&P	6.50% (2025 Jun)	6.50% (2025 Sep)	6.50% (2025 Nov)	7.60% (2026 Mar)		

According to the second advance estimates, India's real GDP growth for FY26 is estimated at 7.6%, surpassing previous projections. This growth is anchored in a robust manufacturing performance and resilient domestic demand despite external headwinds like geopolitical tensions in West Asia and tariff concerns. The economy showed strong momentum through the first three quarters of FY26, with a slight moderation expected in the final quarter due to the Middle East conflict and an unfavourable statistical base. The manufacturing sector maintained double-digit growth for five consecutive quarters as of Q3FY26, bolstered by inventory stocking and GST rationalisation. Services sector reached a seven-quarter high of 9.5% in Q3FY26. Growth was led by Financial, Real Estate & Professional Services and Trade, Hotels, and Transport. Growth in the Agriculture and allied sector moderated to a seven-quarter low of 1.4% in Q3FY26, partly due to unfavorable base effects and weather disruptions like unseasonal rainfall.

Headline inflation plummeted to an average of ~2.1% for FY26 (vs. 4.6% in FY25), driven by a prolonged nine-month decline in food prices and a favorable monsoon. Core inflation (excluding gold) remained stable at around 2.6%, indicating that the underlying price pressures were well-contained. The RBI delivered one of the sharpest easing cycles in recent history, cutting policy rates by a full percentage point within four months starting in February, 2025. The RBI delivered another rate cut of 25 basis points in December, 2025, even as macroeconomic fundamentals strengthened, signalling its commitment to sustain domestic demand through 2026 amid global uncertainty.

On the fiscal front, the Central Government is set to narrow its fiscal gap to 4.4% of GDP for FY26 compared to 4.8% in FY25. During Apr-Jan FY26, fiscal deficit stood at ₹9.8 lakh Cr, representing 63% of the budget estimate. Significant tax reforms in FY26 (personal income tax revisions and GST rationalisation) had a revenue-reducing effect, with an estimated tax revenue shortfall of ₹1.9 lakh Cr in FY26 (RE), which was balanced by higher non-tax revenue and expenditure adjustments.

Foreign direct investment (FDI) into India grew by 18% year-on-year to US$47.87 Bn during April-December, FY26, with inflows from the US nearly doubling to US$7.8 Bn during this period. Foreign portfolio investment (FPI) outflows were about US$16.4 Bn (up to March 25, 2026), highest ever in any financial year. Such investment withdrawals contributed significantly to currency depreciation with the Indian Rupee breaching the ₹94 per US dollar mark in late March 2026. Despite RBI's interventions in the forex market to contain rupee volatility, India's foreign exchange reserves at US$710 Bn are adequate to cover for more than 11 months of imports.

In 2025, S&P upgraded India's long-term sovereign credit rating to 'BBB' from 'BBB-' and its short-term rating to 'A-2' from 'A-3', with a Stable Outlook. This marked the country's first sovereign upgrade by S&P in 18 years. The rating upgrade reflects a combination of key factors, including India's buoyant and dynamic economic growth, the government's sustained commitment to fiscal consolidation, improved quality of public spending, particularly on capex and infrastructure, and strong corporate, financial, and external balance sheets. Credible inflation management and increasing policy predictability have also played a central role.

The GST 2.0 reform, implemented in September 2025, represents a landmark shift by aggressively streamlining India's once-complex rate structure. By collapsing the 12% and 28% brackets into more manageable 5% and 18% tiers, the GST Council has effectively lowered the cost of essential services, life-saving medicines, and middle-class consumer durables. While the introduction of a consolidated 40% peak rate for luxury and "sin" goods ensures revenue stability, the broader exemption of health and life insurance premiums highlights a pivot toward social welfare. Early data from 2026 suggests that this rationalisation has successfully balanced the scales: reducing the compliance burden for small businesses and cooling inflation, while simultaneously driving record-high monthly collections through increased volume.

The much-awaited Labour Code reforms finally came into force in FY26. By simplifying compliance while safeguarding worker rights, the reform is expected to improve ease of doing business, accelerate job formalisation, and attract fresh investment across manufacturing and services.

While domestic reforms progressed, FY26 was defined by a sophisticated shift in India's external economic strategy. The year marked a pivot toward deeper global integration through the conclusion of landmark trade agreements with the US, EU, UK, New Zealand, and Oman. These trade pacts materially expand market access, diversifying India's trade corridors and catalyzing new investment flows and export opportunities.

Outlook for FY27

The global economy had been on course for stronger-than-expected growth before the war in Iran erupted in the end of February 2026. The uncertainty surrounding the duration and magnitude of the war is testing the resilience of the global economy. The Organisation for Economic Co-operation and Development (OECD) has warned that escalating conflict in the Middle East has knocked the global economy off a stronger growth path as a near-halt in energy shipments through the Strait of Hormuz threatens to push inflation sharply higher. It projects global GDP growth to ease from 3.3% last year to 2.9% in 2026 as the unpredictable nature of the conflict offset tailwinds from strong technology-related investment, lower effective tariff rates and momentum carried over from 2025.

S&P Global Ratings projects India's GDP to grow at 7.1% in FY27 driven by strong private consumption, modest recovery in private investment and robust export performance. However, downside risks to the outlook could emanate from the Gulf conflict. It projects inflation to rise to 4.3% in FY27 as it normalises from low levels, with the RBI likely to keep interest rates unchanged while maintaining a neutral stance.

Projections for India's GDP Growth in FY27	IMF	World Bank	RBI	Fitch	S&P
	6.50%	6.60%	6.90%	6.70%	7.10%

India's financial system recorded steady credit expansion, low asset quality stress and evolving regulatory measures in FY26. The incremental bank credit growth for FY26 is estimated at ~₹26 Tn, ~14.5% Y-o-Y expansion.

As per the RBI's December 2025 Financial Stability Report, the Indian banking system is robust and resilient, boasting multi-decadal low Gross Non-Performing Assets (GNPA) ratios of 2.1%. Capital buffers are strong, with Commercial Banks well-positioned to handle financial shocks, though risks from surging unsecured retail loans and fintech lending require caution. Similarly, the RBI sees the NBFC sector as being stable, showing strong capital buffers, robust earnings, and improving asset quality.

While the overall health of banks and NBFCs are robust, the RBI has flagged specific areas that require constant vigilance. First, unsecured loans (personal loans, credit cards) accounted for 53.1% of all retail loan slippages. The RBI noted that private banks are particularly exposed, with 76% of their fresh slippages coming from this segment. Secondly, high impairment has been observed in borrowers who have unsecured loans from five or more lenders, a trend driven largely by rapid fintech credit expansion (36.1% Y-o-Y growth). Furthermore, while domestic fundamentals are strong, external risks such as, geopolitical tensions, trade uncertainty, and Rupee volatility remain elevated.

According to CRIF Highmark, India's retail lending market surged to ₹162.7 lakh Cr by December 2025, supported by 690 Mn active accounts. The market is undergoing a clear structural shift: secured products like gold and auto loans are now significantly outperforming unsecured segments. While rising asset values and favorable LTV ratios are boosting ticket sizes in top-tier categories, the real volume story is happening in Beyond Top 100 (BT-100) cities. Driven by robust digital infrastructure, these Tier 2 and Tier 3 markets have become the primary engines for personal loans, two-wheelers, and consumer durables.

L&T Finance

LAKSHYA 2026

CULMINATION OF A FOUR YEAR JOURNEY

DISCIPLINED EXECUTION IN A DYNAMIC BUSINESS ENVIRONMENT

While transforming from → Rural / Wholesale Lender → **Retail Lender**

RE-ORIENTED LAKSHYA 2026 STRATEGY MIDWAY THROUGH

- Focus on prime / near-prime customer profile
- Developed Digital AI stack
  - In house developed, first of it's kind
  - Project Cyclops & Nostradamus
    - (Underwriting)
    - (Portfolio Mgmt)

FOCUS ON BUILDING A RESILIENT CUSTOMER PORTFOLIO

LAKSHYA 2026 GOALS ACHIEVEMENT STATUS

LTF Lakshya 2026 Goals (Consolidated)

Retailisation	Retail Growth	Consol Asset Quality	Consol RoA
>95%	>25% CAGR	GS3 <3% NS3 <1%	2.8%-3%

FY22 (At launch)

Q4: 51%	Q4: 10% Y-o-Y	GS3 4.08% NS3 1.98%	Q4: 1.33% FY: 1.04%

FY26

98% ✓	**26%** **Y-o-Y** CAGR (FY22 - FY26): 28% ✓	**GS3 2.88%** **NS3 0.96%** ✓	**Q4: 2.40%** **FY: 2.37%**

LAKSHYA 2026

REPORT CARD

MAINTAINING CONSISTENT UPWARD TRAJECTORY

Particulars	FY22	FY23	FY24	FY25	FY26	FY26 vs FY22	Q4 FY26	
Retailisation	51%	75%	94%	97%	98%		98%	Retailisation momentum progressed on schedule
Yields	12.91%	13.61%	15.27%	15.20%	14.71%		14.80%	Low-yielding Wholesale book replaced by higher yield Retail assets
NIM	6.35%	7.12%	8.70%	8.71%	8.51%		8.78%	Maintaining a best-in-class trajectory in cost of borrowings
Fees	1.49%	1.55%	1.97%	1.88%	1.82%		1.70%	Calibrating secured: unsecured mix aiding NIM expansion; added secured high margin products - Gold Finance & Micro LAP
NIMs+Fees	7.84%	8.67%	10.67%	10.59%	10.33%	+249 bps	10.47%	
Opex	2.69%	3.28%	4.29%	4.31%	4.11%	+142 bps	4.14%	Investing in Retailisation & technology initiatives
Credit cost	3.44%	2.77%	2.45%	2.50%	2.54%	(90 bps)	2.64%	Sustainably reducing credit cost even across cycles
RoA	1.04%	1.53%	2.32%	2.44%	2.37%	+133 bps	2.40%	
RoE	5.54%	7.79%	10.35%	10.87%	11.25%	+571 bps	11.71%	

CONSCIOUSLY SCALING WITH EXECUTION DISCIPLINE

FY26 Business Performance

Retail Finance

Farmer Finance

The Farmer Finance vertical includes offerings across the farmer lifecycle.

Farm Equipment Finance

In FY26, LTF delivered a benchmark-setting performance in the Farm Equipment Finance business, effectively leveraging a highly favourable rural macroeconomic environment. Strong monsoons, healthy reservoir levels, robust Kharif and Rabi harvests, and timely mandi arrivals significantly strengthened farmer liquidity, creating a conducive environment.

A major external catalyst was the government's strategic reduction of GST on tractors from 18% to 5%, which sharply lowered acquisition costs and accelerated mechanisation demand nationwide. The tractor industry consequently grew by 23%, expanding from ~9.4 lakh to ~11.6 lakh units. Your Company responded with agility, aligning distribution, underwriting, and digital capabilities to fully capture this upswing.

LTF financed ~1.11 lakh units in FY26 (vs. ~95,000 in FY25), delivering disbursements of ~₹6,200 Cr excluding financing to existing customers which contributed a robust 22% to overall disbursements, total disbursements reached ~₹7,900 Cr, resulting in 11% book growth leading to a book-size of ~₹16,600 Cr. Additionally, collection efficiency enhanced by 110 bps, underlining continued strengthening of asset quality.

Project Cyclops, now fully implemented, has significantly strengthened your Company's new-age credit underwriting architecture. The platform integrates real-time land record retrieval, geospatial and hyperlocal data sets, decile-based customer profiling, video PD, account aggregator data, and seamless e-mandate registration. Together, these enhancements have sharpened risk discrimination, enabled a fully digitised employee-assisted sourcing journey, and delivered industry-leading turnaround times (TAT) across the underwriting process.

Dealer engagement and operational utility were further strengthened through the launch of PARTNER PLANET, a dedicated digital platform designed to enhance the effectiveness and efficiency of dealer interactions. The application provides real-time visibility into trade advances and incorporates comprehensive business management functionalities, enabling improved planning, tracking, and decision-making. By delivering a structured, high-utility engagement infrastructure, this initiative is expected to reinforce dealer relationships and support sustained improvements in throughput over the medium to long term.

Looking ahead to FY27, asset quality is expected to further improve as the Project Cyclops underwritten book seasons, complemented by strong demand momentum and continued digital innovation.

Warehouse Receipting Finance

In the Warehouse Receipting Finance business, your Company continued to scale its presence in the agricultural value chain through a fully digital, paperless process with API integration into collateral managers. A rule-based digital MTM mechanism further strengthened risk monitoring. The segment delivered sanctions of ~₹1,700 Cr and disbursals of ~₹800 Cr, establishing a strong competitive position in post-harvest financing.

Overall, FY26 marks a year of disciplined execution and digital leadership, positioning your Company strongly for sustained expansion in FY27.

Rural Business Finance

FY26 was a year of fortitude for Rural Group Loans & Microfinance franchise of LTF. Your Company was able to maintain the growth and portfolio quality despite industry wide overleveraging cycle. Due to LTF's prudent sourcing and portfolio monitoring mechanisms, your Company was able to maintain one of the lowest credit costs across the industry. Notably, LTF also effectively navigated the fallout of the Karnataka Micro Loan and Small Loan Ordinance, 2025 by Q3FY26, emerging far ahead of the competition due to resilient collection efforts coupled with on-field discipline and customer communication.

Despite a broader microfinance sector contraction where industry portfolio de-grew by 16% from ₹3.8 lakh Cr to ₹3.2 lakh Cr and the active customer base shrank from 8.9 Cr to 7.7 Cr, your Company defied the trend. LTF thus recorded a healthy growth to ₹29,367 Cr from ₹25,838 Cr in FY25 a robust 14% increase. This was backed by stringent sourcing guardrails and data backed underwriting. This disciplined approach resulted in a sustainable high-quality portfolio where 98.5% of the loan book consists of customers with less than 3 lenders, 53% of whom are exclusive to LTF. This has translated into one of the industry's best portfolios with collection efficiency of 99.8% and a 0-DPD book of 96.4%.

Heading into FY27, LTF intends to grow by expanding into under penetrated geographies. In the second half of FY27, your Company will further strengthen its portfolio monitoring with help of data analytics as it deploys Project Nostradamus, an advanced portfolio management engine. This will enable LTF to monitor early warning signals, customer location stability, customer leverage and other geo and demographic signals within the rural business finance segment.

Micro LAP: Building a secured high margin franchise

Building on its extensive rural expertise, LTF has established Micro Loan Against Property (Micro LAP) as a strategic high margin, secured growth engine. Over the past two years, the product has effectively addressed the financing requirements of rural segments by leveraging localised geo expertise, robust underwriting capabilities and data led customer insights.

In FY26, Micro LAP surpassed the loan book of ₹1,400 Cr milestone, a significant leap from ₹482 Cr in FY25. This momentum was driven by a granular network of over 260 branches, with existing branches in Tamil Nadu, Karnataka, Maharashtra, Gujarat, Andhra Pradesh, and Telangana and foray into high-opportunity markets of Rajasthan, Madhya Pradesh, and Uttar Pradesh.

Looking towards FY27, LTF aims to accelerate this trajectory by deepening its presence in existing states and expanding into high potential geographies. This expansion will solidify Micro LAP as a cornerstone of the Rural Business Finance portfolio, leveraging localised insights to drive sustainable, secured portfolio growth.

Urban Finance

Two-Wheeler Finance

In the Two-Wheeler sector, retail sales witnessed an annual growth of 12% from 1.9 Cr units to annual sales reaching approximately 2.1 Cr units. This growth highlights the continuing popularity of Two-Wheelers for commute and underscores the demand in the Two-Wheelers market. Two-Wheeler sales during the festive season witnessed support through government intervention of GST reduction thereby boosting sales. As a result, vehicle sales saw significant increase of about 20% growth Y-o-Y (October 2025 to November 2025) with sales of approximately 57 lakh units.

LTF's growth in FY26 continued to be driven by focus on sourcing prime customers and its deep distribution capabilities through 8,500+ sourcing points. This has resulted in the prime disbursement mix increasing to about 90% in March 2026 and the portfolio prime mix increasing from approximately 54% in FY25 to 76% in FY26. Additionally, the impetus on financing high end bikes, led to an increase in Average Ticket Size (ATS) from ₹1.07 lakh to ₹1.14 lakh.

Project Cyclops, the new three-dimensional underwriting engine, was implemented for 100% sourcing throughout the dealer network in FY26. The impact has resulted in drastic reduction of 0 DPD bounce rates on the portfolio by over 6% and Project Cyclops underwritten portfolio by over 12%. The Project Cyclops underwritten portfolio

comprises around 76% of the overall portfolio. This is beginning to have deep structural improvement in asset quality with sustained collection efficiencies in this pool. Our AI based portfolio management engine, Project Nostradamus saw its full-scale implementation in the Two-Wheeler business. This is expected to exhibit cutting edge early warning signals at a pin code, dealer and model level basis.

The PLANET App ecosystem saw an upward integration into the dealer ecosystem with the launch of PARTNER PLANET, a dealer engagement and retention app that provides real time trade advance and sales management. This we feel will augur well in the medium to long term to increase dealer mind space along with TAT improvement.

All these measures have resulted in a robust FY26 disbursement of ~₹10,800 Cr, which is a 16% increase Y-o-Y, and a strong growth of FY26 loan book of ₹14,400 Cr, which is a 17% increase Y-o-Y.

Home Loans and Loans Against Property

The mortgage market reached a milestone of ₹58 lakh Cr this year, growing at 13% YoY. Despite geopolitical instabilities and rising costs, the industry saw a 16% value-wise growth in absorption, heavily driven by premiumisation and the luxury segment.

In this backdrop, LTF has achieved significant growth this year reaching disbursements of over ₹11,500 Cr and a closing book of over ₹30,000 Cr – YoY growth of 20% each. This has been supported by expanding its footprints to 42 main branches & 19 new spoke branches to tap the semi-urban markets.

While the Home Loans segment has seen a steady growth of 11%, crossing ~₹7,600 Cr in disbursements this year, the Loan Against Property (LAP) segment growth story has continued with a 44% YoY increase to reach ~₹3,900 Cr. This year also witnessed the growth of 'Mortgage Plus' loans - specially designed for the industrial segment to tap its potential - reaching a monthly disbursement of ~ ₹50 Cr and poised for even higher growth next year. The same has given an impetus to the overall LAP segment with its share on disbursements reaching 34% vis-à-vis 28% last year.

The 'Complete Home loans' product

– specially designed around home décor and furnishing loans, launched last year - grew by ~66% Y-o-Y. Both products, Home Décor and Mortgage Plus, have led to increased yields with positive impact on the net interest margins.

Despite a one-time 25 bps rate cut passed to customers in July 2025 - amidst the continuous rate drops, your Company, maintained yields through case-to-case assessments.

With regards to its asset quality LTF has continued to control its GS3 while maintaining industry standards through rigorous monitoring and legal interventions.

On the digital front your Company launched Neo2 – an upgraded version of the 'Sales Assisted' journey, originally launched last year. With the launch of the 'native' application called Mortgage Policy and Pricing Assistant (MoPPA), LTF has empowered its field teams to access policy details accurately and immediately helping them structure deals efficiently. Furthermore LTF has launched initiatives such as Credit Assessment Memo (CAM) automation and an AI-based Co-pilot – helping in automated triangulation of bureau & banking data and income analysis - thereby resulting in improved underwriting efficiencies and reduced TAT.

Lastly, LTF has added another feather in its cap through the launch of 'Spoorthi' – a specialised program tailored for women entrepreneurs to live their dreams – with a higher loan amount at better rates of interest.

Personal Loans

The Personal Loan industry aggregates to a market size of ~₹15.9 lakh Cr for FY26 with a Y-o-Y industry growth of 11%, led by disbursements in high ticket size segments.

During the year, LTF successfully scaled its Personal Loans portfolio across all primary channels, including cross-sell initiatives, Large Partnerships, and Direct Selling Agents (DSAs). The strategic focus remained on driving risk-calibrated growth while engineering a tech-led, profitable consumer lending business dedicated to delivering a superior customer experience.

With 'data and technology-first' approach to lending, the business was built through LTF's proprietary underwriting engine – Project Cyclops, partnership-led alternate data models and rigorous portfolio monitoring. In Personal Loans, all the originations are digital in nature delivering superior customer experience along with enhanced risk controls.

These initiatives resulted in disbursement of ~₹12,200 Cr in FY26 with the book size crossing ₹14,600 Cr with a Y-o-Y growth of 70%. As the regulatory environment evolves alongside rapid technological advancements, your Company remains well-positioned to navigate industry shifts and maintain its upward growth trajectory.

SME Finance

The Micro, Small, and Medium Enterprises (MSME) sector continues to be a cornerstone of India's economy, contributing significantly to manufacturing, exports, and employment. As of January 2026, as a part of the details shared in Economic Survey 2025-2026, credit to MSMEs registered a Y-o-Y growth of 8.8%, surpassing the 6.2% growth observed in credit to large enterprises.

Among the factors that contributed to LTF's growth were comprehensive expansion in 100+ locations in addition to the existing 118 locations. Additionally, a new program variant; partially Collateralised Business Loans has been introduced to meet evolving customer needs that would enable smarter capital structuring along with expansion & scale up of Direct Sales Team.

Furthermore, Project Cyclops marked a significant milestone in transforming LTF's credit assessment framework by designing a scorecard to enable faster risk assessment, improved customer segmentation, and enhanced consistency and accuracy in decision-making. Alongside Project Cyclops was Project Helios – an AI driven underwriting co-pilot which was launched to enhance the speed, accuracy, and efficiency of SME credit decisions.

These initiatives contributed to the loan book scaling to over ₹8,500 Cr in FY26 vs ~₹6,500 Cr in FY25. LTF disbursed ~₹6,100 Cr during the year, a 23% increase from the previous year, with the on-book customer base growing to 49,000+. The Union Budget 2025-26 has further bolstered this sector by enhancing the investment and turnover limits for MSME classification by 2.5 and 2 times, respectively, facilitating business expansion and improved efficiency.

Gold Finance

LTF has significantly strengthened its retail portfolio by its foray into Gold Finance business – a secure high yield product. This was engineered through the acquisition of Paul Merchants Finance's gold loan business. This loan book acquisition completed in June 2025, brought in over 130 branches, approximately 700 employees, and a book outstanding of ~₹1,300 Cr. A notable highlight of this transaction was that both technology and personnel integration of the business was completed within just eight weeks, displaying high operational efficiency.

The Gold Finance vertical is now a core part of LTF's diversified retail franchise, serving as a high-yield secured product. LTF intends to scale this segment into a key "fulcrum" product. LTF has since added 200 new branches - focusing on high-potential areas - bringing its total distribution network to 330 gold finance branches. Going forward, LTF is poised to further expand on this strong physical base backbone of branches and grow its franchise. By balancing its presence across both rural and urban markets, your Company aims to turn the Gold Finance business into a significant driver of long-term retail growth.

Another key aspect and analogy to the acquisition is the synergy that it brings along – Cross-Sell potential. It is to be noted that LTF's existing customer base in Rural Group Loans (RGL) & Microfinance (MFI), Farm Equipment, and Two-Wheeler Finance indicate a high potential for availing Gold finance due to its already existing pertinent exposure to Gold Finance. LTF is expected to capitalise on this opportunity that could, over the course of time, funnel in sizeable amount of customers.

To drive lead generation and direct it towards its branches, LTF is leveraging its extensive rural network of over 15,000 field employees.

All these efforts have yielded rich results as LTF in a short period of just 10 months, has displayed strong disbursement of ₹6,700 Cr with loan book increasing to over ₹2,800 Cr. Going forward, the Gold Finance product is expected to emerge as the axis of RoA expansion to the LTF product propositions.

HUMAN RESOURCES

With a stronger operating foundation now in place, LTF is entering its next phase of growth. As your Company transitions from Lakshya 2026 to Lakshya 2031, it is evolving into a more data-driven, technology-led organisation, with a clear ambition to become India's leading risk-first, technology-first, multi-product retail financier of choice.

At the heart of this evolution is a clear focus on future-proofing the organisation through conscious culture change, aligning business priorities closely with people practices. A strong HR strategy remains central to this effort, with capability building at its core, alongside a continued focus on creating a learning, caring and performance-driven organisation. Together, these efforts ensure that talent, technology and culture work in tandem to drive long-term value.

The underlying factor contributing to the significant progress achieved is the "People" of your Company, who represent the L&T Finance brand to diverse customer groups across rural and urban areas, enabling your Company to fulfil the financial aspirations of Indians as a trusted partner in every customer's financial journey. As of March 31, 2026, your Company employs 41,301 employees across three different categories:

- The field force that comprises the sales, collections, and operations staff
- The supervisory and middle management personnel at the state and zonal levels
- The middle and top management located at the corporate office

The field force employees approximately form 71% of the workforce composition and are instrumental in delivering financial

services to geographically dispersed customer segments. Your Company serves the rural customer segment across the Rural Business Finance and Farmer Finance verticals, largely comprising women entrepreneurs and farmers. These segments are catered to by 27,133 employees, many of whom are recruited from deep rural areas, generating sustainable employment and advancement opportunities, while strengthening your Company's connection with local communities and empowering rural India. The remaining employees cater to Urban Finance, SME Finance, and Gold Finance customers.

To serve a diversified customer franchise, your Company has adopted a focused approach to engage, develop and support its employees. With a matrix structure and empowered regional leadership enhancing accountability and execution, LTF continues to invest in building future-ready capabilities, strengthening leadership pipelines, and embedding a growth-oriented and innovation-led culture. This ensures that the workforce remains central to translating strategic ambition into disciplined execution and long-term, sustainable growth.

LTF People Philosophy

In FY26, LTF reaffirmed its commitment to building a listening-led, employee-centric culture through its second consecutive company-wide survey conducted in partnership with Great Place to Work (GPTW). More than a feedback exercise, this survey serves as a critical barometer of employee trust, engagement, and organisational effectiveness.

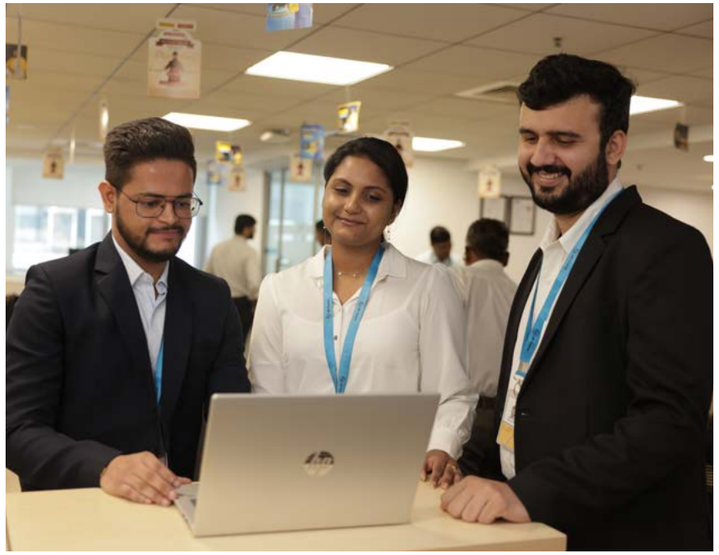
Participation increased significantly from 73% to 89%, with over 34,000 employees taking part. This sharp rise reflects growing confidence in the process, a stronger culture of openness, and the organisation's continued focus on acting on employee feedback.

Importantly, 84% of employees identified LTF as a 'Great Place to Work', improving from 82% in the previous year. This consistent upward movement stands as strong external validation of LTF's people practices and signals meaningful progress in enhancing the overall employee experience.

The organisation is systematically advancing action plans derived from survey insights, driving tangible improvements in employee experience and workplace effectiveness.

These outcomes are deeply rooted in LTF's People Philosophy, 'Experience the C.U.R.V.E. of Happiness' (Connected, Understood, Respected, Valued, and Enabled), which guides the organisation's efforts to create a workplace where employees feel heard, respected, and empowered to succeed.

Competency Framework:
To strengthen performance and leadership across the organisation, LTF has implemented a customised Competency Framework that connects strategy to day-to-day behaviour. The framework is structured around four pillars: Strategy, Execution, Philosophy, and Culture, anchored by eight core competencies and 21 observable behaviours. These competencies are embedded into daily work through high-visibility interventions such as themed dartboards, gamified board experiences, comic strips, videos, and digital badges on the one-stop engagement platform. This approach ensures continuous reinforcement, peer recognition, and integration of expected behaviours into everyday decision-making, fostering a culture of sustained performance and leadership development.



Communicating Purpose

Your Company's leaders drive the organisation's vision, mission and values - Pride, Ambition, Discipline and Integrity - through a multi-channel approach including townhalls, emails, mobile platforms and digital assets such as the HRMS portal. These channels are also used for information dissemination, strategy discussions and regular organisational updates, ensuring alignment across all levels.

Long Range Planning

An annual exercise where every vertical presents a comprehensive plan to the top leadership to support strategic priorities in an inclusive and cohesive manner. It ensures alignment, encourages collaboration and facilitates sustained growth.

Townhalls

Leadership-led townhalls are conducted and broadcast organisation-wide. In FY26, these focused on brainstorming for Lakshya 2031, with additional zonal townhalls across six cities to cascade goals and capture on-ground insights.

LTF Employee Connect

Updates and key messages are shared through mobile platforms, WhatsApp, email and org-wide announcements, enabling seamless and targeted communication.

Investing In People

LTF continues to invest in human capital through structured learning, development, and well-being programmes that enhance productivity, foster innovation, and strengthen long-term organisational capability. In FY26, Learning & Development focused heavily on AI adoption and upskilling, empowering employees with practical, bite-sized AI trainings, videos, and workshops under the Empower AI initiative, enabling workforce-wide adoption of AI in business processes and decision-making.

Employee Induction Programme (Parichay)

The Parichay programme remains the foundation for onboarding, familiarising new recruits with LTF's values, culture, business operations, and goals. Parichay is customised for different lines of business, with a dedicated module for Gold Finance employees to align new hires with product-specific operations and customer engagement strategies. Core training areas continue to include Know Your Customer, Code of Conduct, Prevention of Sexual Harassment, Information Security Awareness, Operational Risk Management, and ESG.

Role Appreciation Programme (RAP)

Targeted at frontline employees, RAP provides a four-day immersive experience combining field visits and interactive classroom sessions. The programme emphasises informed consent, allowing candidates to engage in experiential learning before committing to the organisation, ensuring alignment of expectations and readiness for their roles.

e-Gurukul

LTF's digital learning platform continues to provide gamified, bite-sized learning experiences with skill- and competency-based modules, integrated leaderboards, and interactive assessments. Employees across locations can access training on demand, promoting continuous learning and performance improvement.

Udaan

Udaan remains the flagship campus programme, onboarding Graduate Engineer Trainees and Management Trainees through orientation sessions by HR and senior leadership, followed by role-specific technical training. In FY26, Udaan emphasised Tier 1 campus hiring and employer branding, ensuring a robust pipeline of future talent.

Winspire

Aimed at fostering women's leadership, Winspire empowers women employees through structured development tracks tailored to different stages of their professional journey, enhancing career growth and representation at higher levels.

STRIDE

Launched in FY25, STRIDE continues to support self-driven learning, enabling employees to pursue courses, certifications, and degrees aligned with career goals. The initiative includes financial assistance and collaborations with reputed learning institutions, fostering a culture of continuous professional growth.

Rewarding Excellence

At LTF, recognising and celebrating employee achievements is a core value that energises the workforce. In FY26, your Company continued its commitment to excellence through structured recognition initiatives that honour employees for outstanding contributions.

Star Awards – Flagship Enterprise Recognition

The Star Awards remain LTF's premier recognition platform, celebrating employees and teams who demonstrate exceptional performance and deliver meaningful business impact. At the Star Awards 2025, your Company honoured 195 outstanding employees, selected from 1,791 eligible colleagues, for their exceptional contributions and embodiment of LTF's values of Pride and Ambition. A special highlight was the introduction of the Chairman's Award, presented to the team behind Project Cyclops for its transformative impact. Awards were presented across multiple categories including Bright Spark, Exemplar of Values, Teamwork, and Transformation, recognising both individual brilliance and collaborative success.

Zonal Star Awards

During FY26, LTF strengthened recognition through the elevation of Rising Star Awards to Zonal Star Awards (ZSA), designed to recognise frontline employees and first-level managers. The revamped programme expanded the proportion of recognised employees in the frontline band from 2% to 6%. A total of 1,025 employees were honoured across six cities in four zones, celebrating high-performing employees who play a critical role in driving customer engagement and business growth.

Wall of Fame – Recognising Everyday Performance

The Wall of Fame continues to recognise employees who demonstrate strong business performance aligned with monthly and quarterly priorities. Winners are selected through a structured process led by skip-level managers and business leaders who receive certificates and monetary rewards, reinforcing a culture of accountability and consistent performance.

Long Service Awards – Honouring Loyalty and Commitment

The Long Service Awards celebrate employees whose dedication and loyalty have contributed meaningfully to your Company's journey. In FY26, 14 employees were felicitated for completing over 15 years of service, reflecting sustained commitment to organisational growth.

Champions League – Celebrating the Best of the Best

The LTF Champions League 2025 brought together the organisation's top performers in Dubai for a celebration of achievement, pride, and excellence. The second edition recognised 2,076 high-performing employees from across business and enabling functions. The ceremony was attended by LTF's brand ambassador, Jasprit Bumrah, making it a memorable recognition event for your Company's top achievers. The Champions League continues to serve as a prestigious platform that celebrates outstanding performance and inspires employees across the organisation to strive for excellence.

Giving Employees A Voice

Following the launch of IdeaXpress in FY25, LTF re-introduced IdeaXpress in FY26, a structured platform enabling employees to propose AI-driven solutions to enhance business processes, customer outcomes, and operational efficiency. Selected ideas are evaluated for feasibility and impact, presented to senior leadership, recognised and rewarded, and integrated into live workflows where viable.

LTF also conducted an **AI Showcase**, providing visibility to innovative AI applications, celebrating employee contributions, and fostering enterprise-wide adoption of AI solutions. Through these initiatives, LTF democratises innovation, empowers employees across all levels, and accelerates the organisation's AI journey at scale.

Engaging Employees

LTF follows a structured annual plan for employee engagement, aligned with organisational goals and executed collaboratively by the HR team with zonal and regional representatives.

A key milestone in FY26 was the launch of the one-stop engagement platform, designed to engage, recognise and reward employees, while bringing together our geographically diverse workforce. With over 11,000 downloads, it enables employees to seamlessly participate in initiatives, access benefits, and stay connected across the organisation. Several organisation-wide programmes, including talent showcases, wellness challenges, and creative contests, have been successfully conducted through the platform.

Sports and Wellness

The LTF Premier League (LPL) brought employees together through cricket competitions across 20 cities, featuring 281 teams with mandatory female participation in each XI. Badminton and Pickleball tournaments further promoted inclusivity, teamwork, and healthy competition. The selection of the LTF Corporate Team provided employees an opportunity to represent the organisation externally. International Yoga Day was celebrated with desk yoga sessions and a "Strike a Yoga Pose" contest, fostering mindfulness and well-being.

Celebrating Creativity and Talent

Platforms like LTF Got Talent Season, the Photography Contest "Echoes of Life," and QuizWiz enabled employees to showcase artistic and intellectual abilities. LTF Got Talent received 123 entries across singing, dancing, drama, instrumental, and emcee categories, while the photography contest recorded 1,514 submissions, reflecting strong participation and enthusiasm.

Women's Day and Festival Celebrations

International Women's Day 2026 was celebrated under the theme "Give to Gain," recognising women employees through workshops, interactive sessions, and personalised gifts. LTF also celebrated Independence Day, Ganesh Chaturthi, Navratri, Diwali, Christmas and harvest festivals including Lohri, Bihu, Pongal, and Makar Sankranti, reinforcing inclusion, unity, and cultural pride across all locations. Family Connect and Pause Point zones further strengthened engagement and employee well-being.

Employee Volunteering, Boondein

The Employee Volunteering Program – Boondein has grown into a high-impact initiative. A total of 1,000+ employees, contributed 2,014 hours to social and environmental causes. Activities included recording audiobooks, creating braille books, developing teaching materials, upcycling T-shirts into tote bags, and crafting eco-friendly bangles. The program is driven by a strategic collaboration between HR and CSR teams to foster a culture of giving and community engagement.

Through these initiatives, LTF continues to foster a culture of participation, creativity, wellness, and inclusivity, connecting employees across locations and building a vibrant, people-first workplace.

Caring For Employees

A major step in strengthening employee healthcare in FY26 was the adoption of a corporate healthcare platform, marking a shift from periodic health interventions to a continuous, preventive care model. The platform enables employees to manage their health proactively by providing access to OPD consultations, concessional medicines, automated follow-ups with doctors and dieticians after health checkups, and ongoing engagement for lifestyle and preventive care. This continuous care approach ensures that health checkups translate into sustained follow-up and improved health outcomes, rather than remaining standalone events.

Employee Well-being and Support

LTF continues to prioritise holistic employee wellbeing through initiatives such as women-friendly policies offering extended leave, work-from-home options, childcare benefits, ergonomic seating, and priority facilities for expecting mothers. Healthy nutrition is promoted through mess facilities across **1,279** branches in **12** states, while frontline officers receive helmets for road safety. Additionally, through the Employee Welfare scheme, your Company provides structured financial, educational, and employability support to families in the event of an employee's death, including ex-gratia payments, continued salary for 24 months, educational assistance for children, and support for spouses' employability.

Elevating Employee Experience through Workplace Infrastructure

In FY26, LTF's Facilities and Channel Management team continued to strengthen infrastructure and workplace experience through key initiatives. This included the launch of the first multi product Sampoorna Branch in Ujjain, and expansion of Gold Finance branch network.

Driving A Culture of HR Excellence

In FY26, your Company participated in the CII HR Excellence Assessment for the first time, a nationally recognised benchmark for evaluating people practices and organisational effectiveness. The assessment involved a comprehensive review of key HR processes, focusing on both execution and measurable outcomes. It enabled structured identification of improvement areas, adoption of best practices, and creation of a roadmap for continuous enhancement. Your Company was felicitated with the recognition for "Strong Commitment to HR Excellence," reinforcing its focus on building a culture of excellence in HR.

Risk Management

As we navigate the fiscal year 2026, LTF continues to fortify its position as a premier, tech-enabled Non-Banking Financial Company (NBFC). LTF's commitment to a "Right to Win" strategy is underpinned by a sophisticated Risk Management Architecture that balances aggressive growth with systemic resilience. Your Company's Risk First, Tech First approach inculcates risk culture which directly contributes to long-term value creation, capital preservation, along with the prestigious domestic AAA credit rating by all four domestic rating agencies and international rating BBB by S&P and BBB- by Fitch (at par with Sovereign rating).

The Philosophy of Resilience: Enterprise Risk Management (ERM)

LTF views Risk Management not merely as a compliance requirement, but as a systematic approach to identifying, evaluating, and mitigating potential and existing threats. Our Enterprise Risk Management (ERM) Policy, reviewed annually or as needed, serves as the structural blueprint for our risk-intelligent culture. This framework ensures that your Company proactively address risks that could impede its strategic objectives.

Governance and Oversight

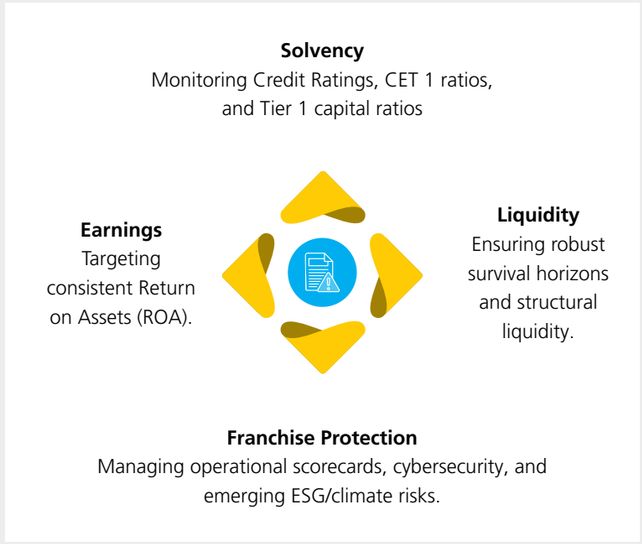
The Board of Directors maintain ultimate oversight through the Risk Management Committee (RMC), which convenes quarterly to monitor the implementation of your Company's risk frameworks. This committee scrutinises risk tolerance, exposure limits, and the efficacy of our early warning systems.

In addition, there are frequent senior management meetings where all emerging and existing risks are discussed along with appropriate strategies to mitigate the same. Various internal meetings like Risk Management Committee (RMC), Operational Risk Management Committee (ORMC), Outsourcing Management Committee (OMC), Model Risk Management Committee (MRMC), Reputational Risk Working Group Committee (RRWG) and Asset Liability Committee (ALCO) are conducted on periodical intervals for assessing and reviewing various aspects of risk arising from the business operations of LTF.

Furthermore, a collaborative synergy between your Company's business units and the risk department ensures that every strategic decision is informed by real-time risk data.

The Risk Appetite Statement (RAS)

LTF's strategic boundary is defined by the Risk Appetite Statement, a comprehensive articulation of the risks your Company chooses to accept or avoid to meet its business goals. This statement integrates both qualitative and quantitative measures across four critical pillars:



To ensure these objectives are met at the granular level, LTF utilises the Earnings at Risk (EAR) approach. This forward-looking metric allows LTF to set concentration limits across all retail businesses, ensuring that any potential loss remains within a predetermined, acceptable buffer.

Credit Risk: The Vanguard of Digital Underwriting

Credit risk, comprising transaction (default) and portfolio (intrinsic and concentration) risks, remains a focal point of our management strategy. LTF over the course of time has transitioned to a pragmatic framework that aligns every financing opportunity with our risk-return strategy.

Project Cyclops: AI-Driven Precision

The centerpiece of LTF's credit evolution is Project Cyclops, it's proprietary AI-driven digital credit engine. By leveraging advanced machine learning and big data analytics, Project Cyclops has streamlined the entire credit lifecycle from origination and underwriting to continuous monitoring. This platform integrates alternative data signals, such as account aggregator data and bureau insights, to enable:

- **Swift Credit Decisioning**
  Enabling real-time evaluations
- **Prime Onboarding**
  Facilitating faster acquisition of high-credit-quality customers
- **Strategic Sifting**
  Distinguishing between sensitive and resilient borrowers to optimise "swap-in/swap-out" rates

Project Nostradamus: Early Warning Intelligence

To complement Project Cyclops, LTF deployed Project Nostradamus, an advanced Early Warning Signals (EWS) engine. Operating at both macro and micro levels, Project Nostradamus analyzes behavioral patterns and macroeconomic variables to predict defaults before they manifest. LTF's in-house economic affairs team tracks multiple macro variables, issuing regular bulletins to steer it's portfolio away from potential headwinds. Further, your Company has established benchmark vintage thresholds based on budgeted credit costs to closely monitor the portfolio and take timely actions to navigate the portfolio towards envisaged returns.

Strategic Portfolio Reorientation

In it's journey toward maximum resilience, LTF is intentionally tilting the portfolio toward secured products, such as Gold Finance and Micro LAP. This shift, combined with real-time risk dashboards, ensures that your Company's other retail products including Rural Group Loans & Microfinance, SME loans, and Farm Equipment finance are monitored with unprecedented granularity.

Process Governance

Every new product or feature modification undergoes a strict approval process via the Product and Process Approval Group (PAG). To mitigate "People Risk"—including human error or fraud—the Operational Risk department periodically updates Standard Operating Procedures (SOPs).

Corrective Action & Resilience

When risk events occur, LTF employs Root Cause Analysis (RCA) to initiate corrective steps. Your Company's Corrective and Preventive Action (CAPA) plans are drafted with specific timelines and are monitored by senior leadership until closure. Furthermore, LTF also has an enterprise-level non-IT Business Continuity Plan (BCP) to ensure operational stability during crises.

Operational and Model Risk: Ensuring Execution Excellence

Operational Risk is a "process and people risk" that LTF manages through rigorous internal controls. The internal controls deployed utilises a Risk and Control Matrix (RCM) approach to identify and assess risks across customer onboarding, business operations, and collections.

Model Risk Management

As LTF's reliance on algorithms grows, your Company has established a dedicated Model Risk Management framework. Models are used in areas including credit risk management, collection decisions, market risk management, and financial reporting.

To govern model risk, a Board-approved Model Risk Management policy and Model Risk Management Committee was put in place in FY24. Overseen by a specialised committee, LTF reviews models at every stage development, active use, and retirement to prevent inaccuracies in risk assessment. All models within Project Cyclops and Nostradamus are validated before implementation and monitored periodically.

Technological Fortification: Cybersecurity & Infosec

In an increasingly digital landscape, protecting LTF's IT assets is paramount. The Infosec team at LTF secures business applications through Security by Design, and Zero Trust model with ethical hacking, and 24/7 monitoring.

Governance and Compliance

The Information Technology Strategy Committee (ITSC), comprising Board members, oversees LTF's security posture through quarterly meetings. Your Company holds an ISO 27001:2022 certification, ensuring that it's Information Security Management System (ISMS) meets international standards. Your Company's digital platform features a 3-tier Security Architecture with in-built disaster recovery to protect against ransomware, malware, and data leakage. Meetings discussing IT security infrastructure, applications, governance, data security, and business resiliency are held on a monthly basis.

Key Infosec Governance Policies

- *Master Cyber Security Policy*
- *Data Privacy Policy*
- *Cyber Crisis Management Plan*
- *Change Management Policy*
- *IT Outsourcing Policy*

Liquidity Risk

Heightened uncertainty fuelled by shifting global trade dynamics and evolving geopolitical conflicts has increased volatility in funding markets. Consequently, the need to proactively manage liquidity risk - defined as the risk of possessing insufficient liquid assets to meet financial obligations - has never been more critical.

Throughout FY26, LTF demonstrated robust liquidity risk management, maintaining positive cumulative gaps consistently within the structural liquidity statement for all buckets up to one year. Your Company remained in full compliance with both regulatory and Board-defined limits for its Structural Liquidity and Interest Rate Sensitivity Statements, Liquidity Coverage Ratio (LCR), and Stock Ratios. Furthermore, our Contingency Funding Plan remained highly effective; by proactively monitoring Early Warning Indicators (EWIs) on a daily basis, ensuring sufficient liquidity to navigate period-specific geopolitical events like Operation Sindoor and ongoing Middle East conflicts.

Future-Proofing: ESG, Climate, and Geopolitical Risks

LTF is a pioneer in integrating emerging risks into its core financial strategy. Your Company recognises that climate change can manifest as operational interruptions or altered asset values.

Climate Integration
LTF performs detailed analyses of variables like rainfall deviation and reservoir storage capacity to manage agricultural risk. Climate risk considerations are now embedded in it's decision-making protocols and periodic portfolio assessments.

ESG and ICAAP
In compliance with RBI directives, LTF has established an Internal Capital Adequacy Assessment Process (ICAAP) that formally incorporates ESG risks.

Geopolitical Vigilance
LTF proactively monitors global, domestic and economic uncertainties, calibrating strategies to protect collections at risk.

Regulatory Integrity & Compliance Culture

Compliance is the bedrock of LTF's franchise. Your Company's framework utilises a Compliance Testing Programme to identify gaps and suggest corrective & preventive action plans. Your Company prepares an annual test plan covering inter-alia major new circulars, KYC/AML compliance, and Fair Practice Codes. Testing results are reported directly to the Audit Committee, ensuring a top-down culture of integrity.

Note: For details on internal control systems and their adequacy, please refer the Board's Report.

Sustainability

Sustainability continues to be a core strategic priority for LTF, embedded across its business model, risk management practices, and operational processes. As a diversified retail financier, your Company recognises its role in enabling inclusive growth while managing environmental and social risks associated with its lending and operations. During the year, your Company strengthened ESG integration into lending, portfolio management, and governance frameworks encompassing enhanced assessment of environmental and social risks, expansion of sustainable finance initiatives, and continued focus on responsible lending practices. Your Company is also strengthening its data and digital capabilities, including automation of financed emissions measurement, to enable more accurate, timely, and forward-looking risk assessment and disclosures. Your Company's sustainability approach is supported by robust governance structures, including Board-level oversight and enterprise-wide integration through the Sustainability Steering Council and cross-functional working groups, ensuring continued alignment with evolving regulatory requirements and global frameworks, strengthening transparency and disclosures. As your Company enters its next phase of growth, sustainability will continue to serve as a key enabler of long-term value creation, with a sharper focus on climate risk, sustainable finance, and operational efficiency driving resilient growth while creating measurable environmental and social impact.

On the operational front, your Company continued improving resource efficiency and reducing its environmental footprint through increased adoption of renewable energy and energy-efficient infrastructure, including installation of solar rooftop panels at select strategic locations. Renewable energy share increased from 33% to 38%, with more than 62 branches transitioning to green power. Rooftop solar installations were undertaken on pilot basis in a few select leased branches, enabling on-site renewable energy generation and reducing dependence on grid-based power, contributing to a reduction in energy intensity. Digital transformation further supported low-carbon operations, with your Company achieving 100% digital disbursements and increasing digital collections to 96% in urban and 33% in rural areas, significantly reducing paper usage and physical processing. Your Company continues to strengthen its commitment to creating accessible, inclusive, and safe workplaces, with large branches being designed and upgraded to be PwD friendly, ensuring ease of access and an inclusive experience for all stakeholders.

Your Company maintained its water positive/surplus status for the fourth consecutive year, reinforcing its commitment to responsible water management. During the year, 265 lakh Kl of water were replenished through structured conservation initiatives. Water recycling efforts were strengthened through upgraded treatment infrastructure, enabling recycled water generation of approximately 50 KLD and reducing dependence on freshwater for non-potable use. On waste management, your Company continued to strengthen its circular resource management practices. 51 tonnes of waste were recycled through authorised recyclers, 100% of e-waste was disposed of responsibly, and waste assessments across 50 key branches improved segregation and recovery efficiency, supporting your Company's commitment to Zero Waste to Landfill.

Your Company also expanded its environmental stewardship through nature-based solutions, with over 2.68 lakh saplings planted across 500+ acres, including 68,444 native trees in degraded regions, contributing

an estimated carbon sequestration potential of 1,521 tCO_2e and supporting long-term climate resilience.

In FY 26, LTF expanded Occupational Health and Safety (OHS) practices across locations, supported by structured monitoring, periodic audits, and alignment with ISO 45001 standards. Hazard Identification and Risk Assessment (HIRA) exercises were conducted across 28 locations to identify and mitigate workplace risks, with 3 locations achieving ISO 45001 certification during the year. Your Company strengthened employee awareness on ethics, compliance, and sustainability through structured training programmes, with 100% of employees covered across vigilance, anti-harassment (POSH), anti-bribery, and dedicated sustainability modules on human rights, occupational health and safety, waste management, and environmental practices fostering a culture of integrity, accountability, and responsibility across the organisation. On sustainable finance and social impact, your Company continued to drive inclusive growth by supporting over 55 lakh active women borrowers and directing ₹18,220 Cr towards sustainability-focused and priority sector lending. With 60% of rural group loans extended to repeat borrowers and 50% of the portfolio originating from low-income states, your Company reinforced its commitment to financial inclusion. Women's representation increased to 7.4% of the workforce, with 29% on the Board and 27% at the Group Executive Committee level. Accessibility remained a priority, with 100% PWD-friendly infrastructure across large offices, supported by inclusive policies, targeted hiring, and sensitisation initiatives. Your Company also conducted value chain assessments covering the top 75% of partners, embedding ESG across its value chain and reinforcing human rights commitments and a zero-tolerance approach to bribery and corruption through a robust third-party code of conduct.

Your Company is actively aligned with leading sustainability frameworks and institutions, including the Confederation of Indian Industry (CII), and joined as a signatory to the United Nations Global Compact (UNGC), reflecting its commitment to globally recognised principles on responsible business conduct. The various recognition and alignment collectively underscore LTF's consistent focus on responsible finance, robust governance, and sustainable value creation where strategy, governance, and on-ground action converge to deliver resilient, responsible, and inclusive growth

Corporate Social Responsibility

FY26 marked a year of deepened community engagement for LTF, with CSR efforts anchored in the 3S philosophy of Social Impact, Scalability, and Sustainability. Interventions spanned four thrust areas Digital & Financial Inclusion, Disaster Management, Climate Impact Management, and Social Inclusion. The Digital Sakhi initiative remained a flagship programme. Across 8 states, the programme expanded digital and financial literacy to 15.80 lakh+ individuals and strengthened entrepreneurial capabilities of 8.18 lakh+ women. Over 1.10 lakh individuals were connected to government schemes, unlocking benefits worth approximately ₹240 Cr. Cyber awareness campaigns reached 1,000+ villages, engaging over 1 lakh individuals. Digital Sakhi 2.0 was further expanded into Valsad, Gujarat, onboarding 50 Digital Sakhis across 50 villages and supporting 500 women in entrepreneurship.

Under Climate Impact Management, Project Prakruti recorded a sapling survival rate exceeding 94% across 500+ acres in Karnataka. Jalvaibhav 2.0 advanced water stewardship in Bandhavgarh through 3 water structures and 10 Farmer Field Schools. In Maharashtra, 11 water structures were restored across 122 villages. In Valsad, 5 solar lift irrigation units enabled assured irrigation across 90 acres, supporting 119 marginal farmers.

Disaster Management efforts ensured distribution of relief kits across 7 districts in Punjab, Uttar Pradesh, Bihar, and Rajasthan. Social Inclusion initiatives included road safety

programmes reaching 18,000+ individuals across 20+ Mumbai schools and 100+ health camps in Nagpur. Employee volunteering through the Boondein programme grew 450%, from 448 hours in FY24 to 2,000+ hours in FY26.

Financial Ratios

Standalone

The Liquidity Coverage ratio improved by 91% increasing from 179% (for the quarter ended March 31, 2025) to 342% (for the quarter ended March 31, 2026). This is primarily attributable to comparatively increase in the stock of High-Quality Liquid Assets (HQLA) and a concurrent decline in short-term cash outflows, resulting in lower net cash outflows over the next 30-days period.

Consolidated

RONW (or RoE) increased from 10.87% in FY25 to 11.25% in FY26 on the back of book growth of 25% and disbursement growth of 38% YoY

L&T Finance

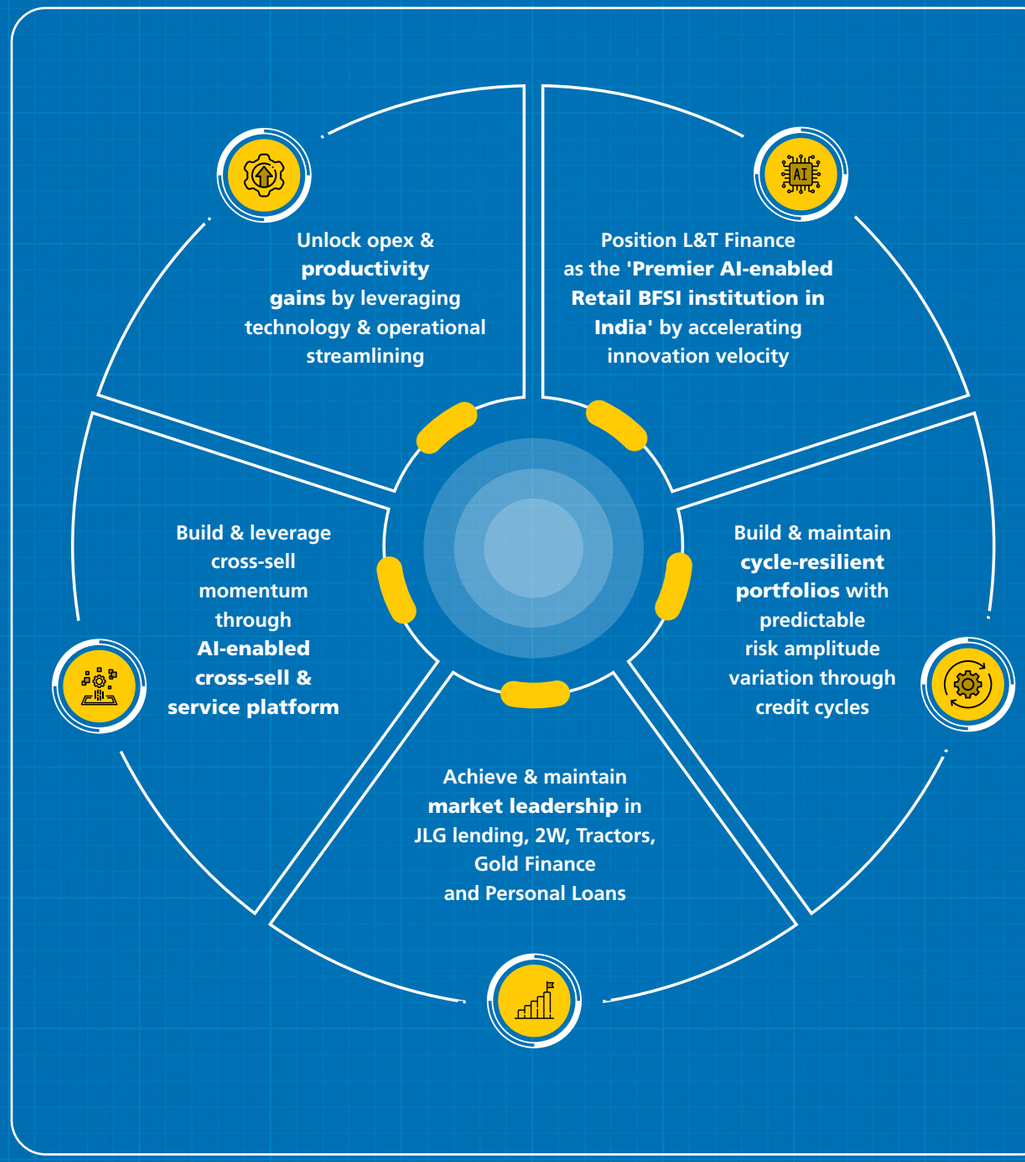
LAKSHYA 2031

NEXT FIVE YEAR LEAP

ACCELERATING TRANSFORMATION, DELIVERING SUSTAINABLE RETURNS

LAKSHYA 2031

PLANNING CYCLE BLUE PRINT



LAKSHYA 2031 GOALS

20%+
BOOK GROWTH

<2%
CREDIT COST

3.0%-3.2%
RoA

16%-18%
RoE

BALANCING RESILIENT GROWTH WITH CONSISTENT RETURNS

Early goal achievement should transition into sustained performance for the tenure of the plan

VALUE CREATION THROUGH EXCELLENCE

Risks

1 Credit Risk | 2 Market Risk | 3 Reputation Risk | 4 Model Risk | 5 Cyber Risk
6 Operational Risk | 7 Legal Risk | 8 Strategic Risk | 9 Regulatory Risk | 10 Fraud Risk

INPUTS

Financial Capital
- Longer Tenure of Borrowing
- 26% Y-o-Y Retail Book Growth
- ₹1,09,888 Cr Borrowings
- ₹18,220 Cr Sustainability Focused/Priority Sector Loans
- 3.93 Debt-To-Equity Ratio

Human Capital
- 41,301 Total Employee Base
- 7.46% Women Representation in Workplace
- ₹7.10 Cr Spent on L&D Programmes & Workshops
- 28 Branches - Site-Level Hazard Identification & Risk Assessment (HIRA) Conducted
- Initiatives Undertaken to Ease Employee Commute Experiences

Manufactured and Intellectual Capital
- 2,841 Total Branches (including Head Office)
- 14,000+ Distribution Touchpoints
- Business Impact Study for all Business Portfolios
- Launch of PLANET 3.0 (Beta) and New Website
- AI/ML-Driven Risk Assessment and Automation
- Customer 360 API for Risk Monitoring
- Implementation of Project Cyclops, Project Nostradamus, Project Helios, Project Orion
- Deployment of KAI, an AI-driven Chatbot, for Real-time Customer Query Resolution
- Organised R.AI.SE Conclave and AI Classrooms to Foster Learning and Innovation in Financial Services
- BigTech Partnerships

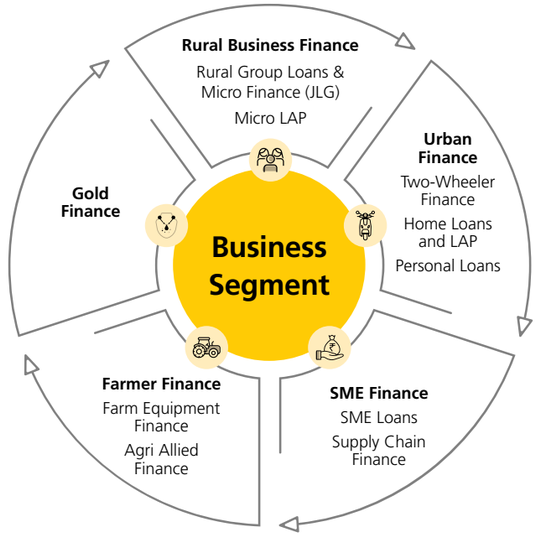
Social and Relationship Capital
- ₹31.05 Cr CSR Expenditure
- Stakeholder Assessment Study Conducted
- Robust Grievance Management Process Established
- Adopted an International Guidance to Embed CSR into your Company's Operations
- Enhanced NPS Methodology to Capture Customer Sentiment Across Multiple Touchpoints
- Implemented Value Chain Engagement Plan

Natural Capital
- 200+ Water Harvesting Structures Maintained
- ~28,302 GJ Total Energy Consumption from Renewable Sources
- Energy Audit / Assessment Conducted in 500 Branches
- Waste Assessment Conducted in 50 Branches
- 2.68 lakh+ Saplings Maintained
- Digitalisation Leading to Reduction in Customer Travel Emission
- Supporting Clean Mobility by Financing 62,000 + EVs

VALUE CREATION MODEL

Vision & Values

Ambition | **Pride** | **Discipline** | **Integrity**



UN SDG Alignment

Engines Powering LTF's Future Growth
- Depth of Distribution
- Technology Platforms
- Data & AI
- Risk & Controls
- People

Strong macro-economic fundamentals to drive industry credit growth
- Demographic Dividend & Urbanisation
- Expansion into Semi-Urban and Rural Markets
- MSME Credit Potential

Material Risks & Opportunities
- Credit Risk
- Digital Disruption Opportunity
- ESG Risk

Future proofing organisation through conscious culture change
- Credit Culture
- Collaboration Culture
- Learning & Caring Organisation
- Growth Orientation
- Tech Mindset
- Innovation Mindset

OUTPUTS

Financial Capital
- 89 lakh+ Active Customers Served
- ₹2,981 Cr Net Profit Generated
- 98% Retailisation of the Overall Loan Book
- 10.33% Net Interest Margin + Fees
- Dividend of ₹2.75 Per Equity Share Distributed

Human Capital
- 22,212+ New Hires Onboarded
- 47.96 Average Learning Hours Per Employee
- 100% Employees Trained on ESG Modules
- 22.7% Reduction in Attrition Rate
- 3 Branches including Head Office ISO 45001:2018 Certified

Manufactured and Intellectual Capital
- ~2.8 Cr Customer Database
- ₹5,750 Cr+ Digital Collections via PLANET App
- 5.96 Cr+ Customer Service Resolutions
- 2.3 Cr Downloads across Customer Segment using the PLANET App Platform
- Zero Data Breaches Reported
- 4,500 Participation at R.AI.SE
- Automated Underwriting through Project Cyclops and Predictive Monitoring through Project Nostradamus

Social and Relationship Capital
- 55 lakh+ Women Beneficiaries Receiving Rural Group Loans and Microfinance
- 1,160 Digital Sakhis Trained
- 11,000 Women Entrepreneurs Upskilled
- 500+ Farmers Supported through Horticulture Income Generation
- 1 lakh+ Disaster Relief Beneficiaries
- ESG Maturity Assessed for 75% of Value Chain Partners

Natural Capital
- ~265 lakh KL Water Replenished
- ~5,582 tCO_2e Avoided (Green Power)
- 1,521 tCO_2e sequestered (Plantation)
- ~38% of Operations Powered by Green Energy
- 50,785 kg of Waste Recycled
- ~12,140 tCO_2e Emissions Avoided through EV Financing
- 1.30 lakh+ kg Recycled Paper Used in Operations

OUTCOMES

Financial Capital
- Sustained Profitability and Strengthened Capital Adequacy
- Improved Shareholder Returns and consistent value creation

Human Capital
- Higher Employee Engagement, Retention, and Productivity
- Strengthened Organisational Capability through Upskilling
- Performance-Driven Culture with Aligned Rewards and Incentives
- Enhanced Employee Well-being and Career Development

Manufactured and Intellectual Capital
- Scalable, Technology-enabled Operating Infrastructure
- Improved Operational Efficiency and Faster Credit Processing
- Strengthened Risk Management through Data-led Monitoring
- Seamless, Reliable, and Accessible Customer Service Delivery

Social and Relationship Capital
- Expanded Reach across Rural and Underserved Markets
- Strengthened Stakeholder Trust and Brand Credibility
- Greater Financial Inclusion for Women and Rural Entrepreneurs
- Stronger Partner Ecosystem with Improved Collaboration and Transparency

Natural Capital
- Reduced Environmental Footprint and Improved Resource Efficiency
- Progress toward Carbon Neutrality and Climate Risk Mitigation
- Increased Adoption of Sustainable and Green Financing Solutions

RISK

1 2 3 4 5 6 7 8 9 10

3 5 6 8 9 10

1 3 4 8 9 10

3 5 7 9 10

3 6 7 8 9

Sustainability@LTF

SUSTAINABILITY AS A STRATEGIC IMPERATIVE

From the CS & CSO's Desk

"In line with the Risk-First, Tech-First philosophy, your Company adopted automation across critical environment data collection, financed emissions and is among the first in the NBFC sector to adopt a double materiality assessment."

Apurva Rathod

Company Secretary & Chief Sustainability Officer

At LTF, sustainability is not just about disclosures, it is embedded in who we are and how we operate. Our approach has evolved from a disclosure-led framework to one where sustainability is integrated into risk management, business strategy, and decision-making. The objective being building an ESG conscious Company.

As we move towards Lakshya 2031, sustainability will become more technology-led, risk-informed, and impact-driven. I am proud that your Company is ahead of the curve in the NBFC sector, which is reflected in our strong sustainability performance and various recognitions. In FY26, your Company became a signatory to the United Nations Global Compact and hosted India's first PCAF Summit for the financial sector.

Your Company has automated ESG data collection and financed emissions tracking, and is among the first in the NBFC sector to adopt a double materiality assessment. This approach is aligned with global frameworks such as the Task Force on Climate-related Financial Disclosures. ESG KPIs have been integrated into senior management scorecards, supported by strong oversight and continuous annual ESG training programmes.

Environmental responsibility remains central to your Company's growth story. Your Company has accelerated its Green Mission through renewable energy adoption, with the share of renewable energy increasing from 33% to 47%, and over 68 branches powered by green energy solutions, including rooftop solar installations. We maintain a water-positive position, with over 265 lakh litres of water conservation capacity created, alongside a structured focus on waste management and responsible resource utilisation.

Ensuring that growth is inclusive remains a core priority. Through digital and financial inclusion initiatives particularly for rural women and livelihood generation programmes, your Company is enabling sustainable socio-economic impact across India's hinterlands. Inclusivity is equally embedded within the organisation, with 100% of large branches being PwD-friendly and a continued focus on Diversity, Equity and Inclusion. Employee well-being is prioritised through ISO 45001-certified OHS frameworks, supported by regular HIRA audits.

Strong Governance remains the foundation of sustainable growth. With Board-led oversight, responsible finance practices, and technology-enabled monitoring, your Company is embedding accountability and long-term resilience into its operations.

Focus

LTF is guided by its commitment to responsible growth, embedding E, S and G consideration into its business and operations, supported by strong governance, robust risk management and a focus on delivering consistent, measurable and long-term value.

Vision

To be an environmentally and socially responsible financial institution built on the foundation of 'Assurance', focused on generating sustainable long-term value for all stakeholders.

Goals

- Ensure profitability with ethical, environmental and social responsibility
- Integrate Sustainability practices into LTF's business, operations and value chain
- Achieve 'Best-in-Class' ESG Ratings

To deliver on this vision, your Company's sustainability approach is anchored in three key focus areas.

Responsible Finance

Access to responsible and affordable credit is a cornerstone of inclusive growth. Your Company extends credit across rural and urban geographies, serving diverse customer segments with products designed to support livelihoods, enable climate-aligned financing, and empower women entrepreneurs.

People, Customer & Communities

People are the promise, and customers are the purpose. Your Company is building an organisation that is inclusive from the inside out advancing diversity, equity, and belonging within the workforce, protecting every customer's rights, and investing deeply in the communities where it operates.

Governance & Risk Excellence

Trust is the foundation of every financial relationship. Your Company upholds the highest standards of ethical conduct, Board oversight, and integrated risk management, ensuring that sustainability commitments are not aspirational statements, but governed, monitored, and accountable.

Our Sustainability Journey

At LTF, sustainability is backed by action, evidence and industry-first commitments. From being amongst first to conduct Double Materiality Assessments to measuring business impact in monetary terms, managing climate risks, achieving voluntary assurance ahead of regulatory mandates, and partnering for carbon accounting your Company's sustainability journey is defined by rigour, transparency and a determination to lead from the front.

Phase I
FY19–FY20

Disclosure Basis Existing Practices

Established sustainability foundation, constituting a dedicated Sustainability Taskforce, conducting a gap assessment on sustainability readiness, completing its first Materiality Assessment, publishing its inaugural Sustainability Report and securing inclusion in both the S&P Global Corporate Sustainability Index and the FTSE4Good Index Series.

Phase II
FY21–FY22

Enhanced Disclosures and Certification

Moved decisively from reporting to strategic integration, publishing its first Integrated Annual Report, becoming among the first in the industry to map BRSR disclosures, setting Carbon and Water Neutrality targets, establishing a Board-level ESG Committee comprising Independent Directors, and adopting ESG targets across both business and operations.

Phase III
FY23–FY26

Building an ESG-Conscious Organisation

Marked a period, advancing its sustainability journey by deepening integration across governance, partnerships, operations, workforce and customer engagement.

The Board-level CSR and ESG Committee was renamed to CSR and Sustainability Committee reflecting an evolved and broader approach, with sustainability embedded at the highest level of governance.

Short-term

Establishing the Foundations

Focus

Governance, structure, compliance, baseline development

- Strengthen sustainability governance and oversight
- Align disclosures with evolving regulatory requirements
- Establish baseline metrics and data management systems
- Integrate environmental and social considerations into core processes
- Initiate priority climate and social initiatives

Mid-term

Integration and Acceleration

Focus

Embedding sustainability into business and scaling impact

- Integrate sustainability into product design and lending decisions
- Expand sustainable and responsible finance initiatives
- Strengthen climate risk assessment and scenario analysis
- Deepen engagement with suppliers and stakeholders
- Embed ESG considerations into performance management

Long-term

Building a Sustainable Organisation

Focus

Driving strategic differentiation and long-term value creation

- Position the organisation as a leader in sustainable finance
- Embed sustainability into long-term strategy and capital allocation
- Deliver measurable environmental and social outcomes
- Strengthen value chain alignment and partnerships
- Drive continuous improvement in resource efficiency

OUTCOME

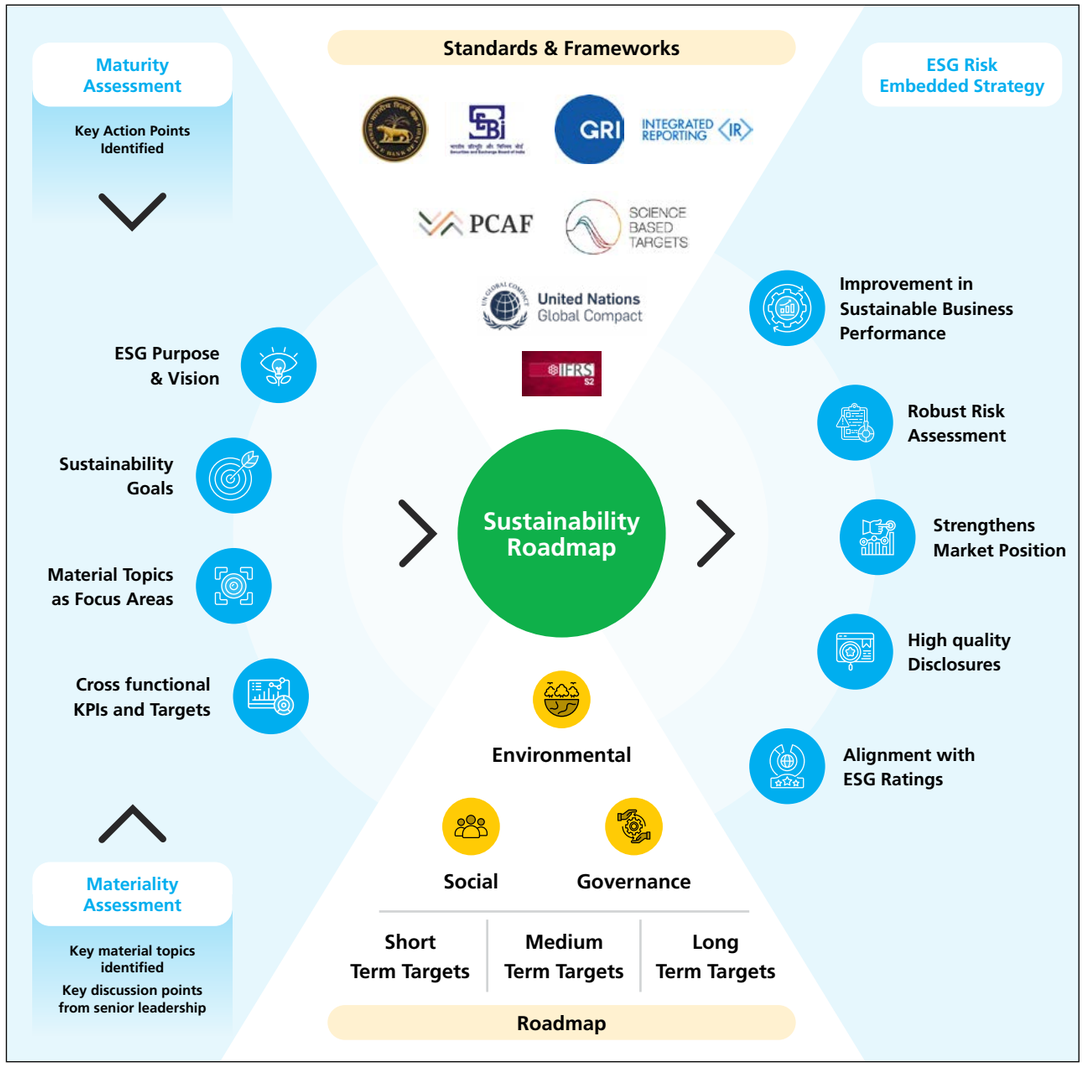
Enhanced transparency, improved regulatory readiness, and stronger sustainability controls

Improved operational efficiency, stronger risk management, and enhanced access to growth opportunities

Resilient growth, enhanced investor confidence and transformative sustainability leadership.

Building a Sustainability Strategy Roadmap

Your Company has a structured and forward-looking approach for embedding sustainability into its core business strategy. The approach begins with a maturity and materiality assessment, through which key action areas and material ESG priorities are identified, supported by leadership inputs. These insights shape your Company's ESG purpose, vision, sustainability goals, and cross functional defined KPIs, forming the foundation of its sustainability journey. Building on this, your Company's sustainability roadmap is aligned with globally recognised standards and frameworks such as those of regulators and international bodies, while also benchmarking against leading industry peers. This ensures that your Company's approach remains both compliant and competitive. The roadmap is then fed into an ESG risk-embedded strategy, where sustainability is integrated into decision-making and risk management. This enables tangible outcomes including improved sustainable business performance, robust risk assessment mechanisms, strengthened market positioning, enhanced quality of disclosures.



Sustainability Governance Structure

LTF continues to strengthen its governance to support deeper integration of sustainability across strategy and business operations. The governance framework ensures clear accountability, robust oversight, and alignment with regulatory requirements and best practices.

Sustainability Governance Structure

- Board of Directors
- Board Committee on CSR and Sustainability
- Sustainability Steering Council (SSC)
- Sustainability Working Groups

As your company's sustainability maturity deepened, it has strengthened its governance architecture to ensure clear accountability and effective oversight across the organisation.

Execution and Operational Oversight

To drive clear accountability for sustainability across the organisation, your Company has constituted dedicated functional working groups for implementation and monitoring of sustainability priorities within their respective domains.

- **Sustainable Finance Monitoring Group:** Tracks sustainability-linked portfolio performance and alignment with internal compliance and external reporting commitments
- **DEI Council:** A task force that drives diversity, equity, and inclusion strategy and monitors workforce representation
- **OHS Working Group:** Monitors and oversees workplace safety and ensures alignment with ISO 45001 standards

Sustainability Team

The Sustainability Team works closely with diverse stakeholders to ensure seamless coordination, shared ownership and effective on-ground implementation of sustainability initiatives. It acts as a central coordinating function, consolidating data, tracking sustainability KPIs, and enabling cross-functional execution. It supports reporting, analytics, and stakeholder engagement while ensuring alignment with strategic priorities.

Strategic Integration

The Sustainability Steering Council (SSC), chaired by the Chief Sustainability Officer (CSO) and comprising senior leadership including the CFO, CHRO, CRO and CE (respective business), provides enterprise-level oversight of your Company's sustainability agenda.

Board Oversight

The CSR & Sustainability Committee provides focused oversight on sustainability/ESG strategy, performance, and disclosures, ensuring alignment with regulatory expectations and long-term business objectives to support the Board.

At the apex of your Company's governance structure, the Board of Directors provides strategic direction and oversight on sustainability priorities.

For more details, refer to section 'Corporate Governance'.

Strengthening the Foundation of Responsible Growth

Your Company has established comprehensive sustainability policies that embeds sustainability, ethical conduct and responsible business practices across governance, lending, operations and its value chain.

- ESG Policy
- Human Rights Policy
- Health and Safety Policy
- Diversity, Equity and Inclusion (DEI) Policy
- Environment Policy
- E-waste Management Policy
- Sustainable Procurement Policy
- Data Privacy and Cybersecurity Policy
- Third-Party Code of Conduct (TPCOC)

Together, these policies ensure that your Company's growth is purposeful, its governance is accountable, and its impact, on people, planet and partners is measurable, transparent and lasting.

Responsible Business Conduct

ESG Policy and Exclusion Framework

The ESG Policy provides the overarching guidance for integrating environmental, social and governance considerations into lending, investments and operational decision-making.

A key component is the 'Exclusion List', which restricts financing of activities with significant environmental, social or ethical impacts.

Environmental and Social Management System (ESMS)

As part of your Company's commitment to responsible business, your Company has developed a comprehensive ESMS ensuring the highest standards of environmental integrity and social equity across all lending and micro finance activities. This policy ensures that your business is conducted with the highest standards of environmental integrity and social equity across lending activities and is applicable to Two-Wheeler and micro finance portfolios.

Sustainable Finance Framework

Your Company has a sustainable finance framework that guides financing decisions across portfolios, built-in monitoring and reporting mechanisms to track performance and impact.

The framework is aligned with the UN Sustainable Development Goals (SDGs) and supports the transition to a low-carbon and inclusive economy.

- Expansion of sustainable and priority sector lending
- Financing of electric mobility and climate-aligned assets
- Greater transparency through a second-party opinion
- Alignment of financing activities with environmental and social priorities and Integration into lending decisions

Responsible Operations

Sustainability in Natural Capital

Greening the Operational Footprint

Recognising energy consumption as a significant component of its operational footprint, your Company is actively transitioning to renewable sources, prioritising the integration of clean energy solutions across its infrastructure.

In FY26, your Company has initiated installation of rooftop solar panels across select locations/offices.

Solar Rooftop PV installation at leased branches

This initiative marks the beginning of a larger journey building on the success of the pilot, your Company is committed to expanding solar rooftop installations to additional branches in the coming years progressively reducing its dependence on grid-based power and advancing its carbon neutrality commitment.

Integrating Environmental Stewardship into Operations

As your Company continues to expand its branch network and accelerate digital transformation, environmental considerations remain embedded across operations. Your Company systematically integrates environmental stewardship into infrastructure planning, energy management, and operational risk processes to minimise its environmental footprint.

Process Automation Driving Environmental Accountability

Your Company strengthened its environmental governance systems through the introduction of digital tools and structured monitoring mechanisms. These enable improved tracking, assessment and management of energy, water and waste footprints across locations.

Your Company has moved from manual, periodic reporting to real-time, data-driven environmental monitoring. This has significantly improved the accuracy and consistency of environmental data, driving greater accountability across functions and locations.

Embedding Sustainability Consideration into Branch Operations

With continued growth in its branch network, your Company has integrated a branch due diligence and checklist process into its expansion planning.

Branch Due Diligence — Sustainability at the Design Stage

As your Company continues to expand its branch network, sustainability considerations are embedded into the expansion process from the very outset. Every new branch undergoes a comprehensive branch due diligence evaluation.

This structured checklist process ensures that expansion decisions are aligned with your Company's sustainability priorities.

This ensures that every new branch is not just commercially viable, but environmentally and socially responsible from day one.

To support sustained improvements, LTF conducted comprehensive energy audits and implemented real-time monitoring systems.

Key Highlights:

- Renewable energy share increased to 76% (green power and green attributes), reducing dependence on traditional energy sources
- More than 62 branches transitioned to green power
- All new facilities equipped with 5-star-rated air conditioners and BLDC fans.

Energy Assessments

Leveraging OCR and AI tools, your Company conducted energy assessments across 500 branches, setting a new benchmark for data-driven environmental accountability.

Your Company is committed to scaling these assessments further in the coming years.

Strengthening Circular Resource Management

Your Company's approach to circular resource management is built on three interconnected pillars energy transition, water stewardship and waste reduction, each reinforcing the other in the pursuit of a truly sustainable operational footprint.

These initiatives collectively reinforced LTF's commitment to Zero Waste to Landfill

Your Company's waste management practices have been significantly transformed across operations with:

- ~51 tonnes of waste recycled through authorised recyclers
- Waste recycling increased two-fold year-on-year
- Waste assessments conducted across the top 50 branches
- Roadmap developed to reduce per capita waste generation
- 100% E-waste responsibly disposed of through authorised recyclers

Water Positive/ Surplus 4th Consecutive Year

Your Company has maintained Water Positive/Surplus status, reflecting its sustained commitment to responsible water stewardship across operations.

Your Company this year has replenished 265 lakh Kl of water through Jalvaibhav programme, a structured CSR water conservation initiative.

Your Company has also strengthened its wastewater treatment and recycling capacity, alongside initiatives to reduce dependence on freshwater through increased reuse at its Head Office.

Together, these initiatives reflect your Company's commitment to a circular economy, eliminating waste, conserving water and transitioning to clean energy in pursuit of sustainable finance.

Decarbonisation Strategy

Your Company's approach to reducing its environmental footprint is powered by reinforcing strategies - decarbonisation of operations and digitalisation of processes, ensuring that every efficiency gain made through technology directly translates into a measurable reduction in carbon emissions, paper usage and physical resource dependency.

Resource Efficiency & Decarbonisation Initiatives

Your Company has implemented a multi-pronged strategy to improve resource efficiency and reduce emissions across operations, combining renewable energy adoption, digital optimisation, infrastructure efficiency, and employee-led initiatives.

Operational Decarbonisation	Portfolio Decarbonisation	Climate Finance	Carbon Sequestration	Water Stewardship
Solar Rooftop PV at select leased branches	Amongst the 1st NBFCs to report financed emissions	62,000+ EVs, 12,140 tCO_2e avoided	Project Prakruti, 2 lakh+ horticulture plantation	Project Jalvaibhav, 265 lakh KL water replenished
5-star ACs & BLDC fans, all new facilities	Calculation of financed emissions automated	Priority Sector lending ₹18,220 Cr	Project Prakruti, 68,000+ Miyawaki plantation	Water Positive, 4th consecutive year
Energy audits & real-time monitoring	PCAF signatory, global standard	1,52,490 farmers financed	ISO 14064-2:2019 validated	Improved surface water availability & agriculture practices
Energy-efficient cloud infrastructure	TCFD & RBI Climate Risk Study done		118 fauna & 39 native flora species	Sewage Treatment Plant (STP) at HO
Carpooling & sRide partnership				

DIGITISING SUSTAINABILITY

Financed emissions automated using PCAF methodology, standardised calculations, reduced errors, strengthened audit confidence	Energy assessment automated across 500+ branches using AI & OCR, automated bill reading, emissions insights, better benchmarking	Value chain data collection via digital BRSR-aligned platform, centralised partner submission, auto-population, improved compliance

Sustainability in Human Capital

Building a Safe, Inclusive and Future-Ready Workplace

Sustainable growth at LTF is underpinned by its people, with employee well-being, inclusion, safety, and capability development integral to long-term value creation.

FY26 focused on strengthening governance, deepening inclusion, and enhancing learning and workplace safety practices across locations. To sustain our trajectory as a tech-first financial institution, Your Company is embedding a deep 'Tech DNA' across the organisation.

Championing a Diverse, Equity and Inclusive (DEI) Ecosystem

In FY26, your Company deepened its diversity agenda through structured governance, targeted interventions, and focused hiring.

Your Company's Diversity, Equity and Inclusion (DEI) Council, comprising of the CSO, the CHRO, representatives from the HR and Sustainability functions and Business Heads, provides strategic oversight on all DEI matters. The Council monitors performance, develops targeted strategies and drives interventions to strengthen diversity and inclusion across your Company, meritocracy being the key, by bringing together HR and business leadership to proactively resolve DEI-related challenges.

In FY26, the DEI Council continued to drive focused interventions through:

- Empanelled a dedicated female hiring consultant - to drive focused women recruitment targeting increased representation of women
- Introduced new roles to expand opportunities for women at the frontline
- Sensitisation programmes for Zonal managers across locations,
- Facilitated senior women leadership visits and awareness creation through posters
- Learning and engagement through a dynamic, gamified DEI learning module
- Quarterly leadership connect sessions
- Campus hiring maintained a conscious focus on hiring female candidates during campus recruitment drives

Your Company has appointed a dedicated Liaison Officer for Persons with Disabilities (PWD) ensuring that employees with disabilities have a dedicated point of contact for support, assistance and resolution of concerns.

Key Highlights:

- 29% women representation on the Board and 27% in the Management Committee
- Women representation increased to 7.4% of the workforce, up from 5.4% in FY25
- 57.2% increase in female headcount as compared to FY25
- 100% accessibility for Persons with Disabilities (PwDs) across all large offices (15,000 sq. ft. and above)

Supporting Women and Inclusive Work Practices

Your Company continues to expand workplace initiatives designed to support employee well-being, inclusion, and work-life balance.

Branch infrastructure continues to be reviewed to ensure safe and supportive facilities for women employees.

Health and Safety Wellness and Preventive Care

As a people-first company, your Company is deeply committed to the health, safety and well-being of its entire workforce from corporate offices to frontline branch operations.

Occupational Health & Safety Management System

Your Company has implemented a structured, system-led Occupational Health and Safety (OHS) management system designed to protect employees across all offices, branches and frontline operations.

In FY26, environmental and social governance was further strengthened through progress towards achieving ISO 41001:2018 certification for the Head Office and branches at Ahmedabad and Bengaluru.

ISO 45001 Certification

HIRA covered 28 branch locations

100% of branches are equipped with firefighting equipment

On-Ground Safety Training

Your Company continues to implement and scale on-ground safety measures to enhance employee protection and emergency preparedness.

Key Highlights:

- Ongoing fire safety protocols and emergency preparedness across locations
- Continued emphasis on road safety for frontline employees
- Provision of safety gear, including helmets
- Availability of 24/7 ambulance services across locations
- Cardiopulmonary Resuscitation (CPR) training at the Head Office for the Emergency Response Team (ERT) and employees across functions.

These programme equipped employees with life-saving skills, fire-safety preparedness, enabling effective medical emergencies, in time support thereby strengthening on-ground emergency preparedness.

Employee Health and Wellness Initiatives

Your Company continues to implement and scale on-ground safety measures to enhance employee protection and emergency preparedness.

Your Company proactively drives holistic health and wellness programmes for its entire workforce.

Key Highlights:

- Periodic health check-ups and ergonomic interventions across locations
- Health platform providing OPD consultations and access to concessional medicines
- Mental health awareness programmes and counselling support
- Preventive health communication through awareness campaigns and emails
- Consistent internal communications keeping employees actively engaged with safety protocols and wellness benefits

Grievance Redressal and Human Rights

Your Company is committed to upholding human rights across its operations and ensuring every employee has access to a fair and transparent grievance redressal mechanism. In alignment with the UN Guiding Principles on Business and Human Rights, your Company has introduced a digital grievance redressal mechanism enabling employees to directly report workplace-related concerns, highlight observations and systematically track their resolution in a structured and confidential manner, regardless of role, location or level. This strengthens trust and accountability across the organisation, ensuring timely resolution of concerns related to workplace safety, dignity and equal treatment.

Strengthening Cyber Awareness and Digital Safety

Your Company continues to enhance customer trust and digital safety through focused cyber awareness initiatives across its branch network.

Cyber awareness programmes were conducted to equip customers with knowledge on:

1. Fraud prevention
2. Safe digital practices
3. Responsible use of financial services

Around 3,000 customers were sensitised in-person across 12 locations on cybercrime and fraud prevention, to support customers in an increasingly digital ecosystem.

Customers Awareness

Driving Alignment with Value Chain Partners

Your Company strengthened its engagement with value chain through the annual value chain meet, bringing together banks, investors, and partners by conducting a capacity building workshop to align on ESG priorities.

In FY26, assessments covering the top 75% of the value chain were undertaken, strengthening integration across the ecosystem.

Expanding Community Impact and Social Investment

Your Company continues to expand community engagement through long-term social investment programmes, focusing on financial inclusion, and digital literacy.

Refer Social and Relationship Capital for more information.

Key Highlights:

- 17.30 lakh+ lives impacted through CSR initiatives
- 1,160 Digital Sakhis empowered, promoting digital and financial literacy

These initiatives reinforce your Company's commitment to inclusive growth and community resilience.

Backed by Board oversight and guided by global standards, your Company's responsible business framework ensures that every policy and every process reflects its unwavering commitment to sustainable and ethical growth.

Responsible Finance

The role of financial institutions is evolving beyond capital provision to shaping inclusive growth. As a retail-focused NBFC serving diverse customer segments across India, your Company recognises that capital allocation influences livelihoods, enterprise resilience and environmental outcomes. Sustainability, therefore, needs to be embedded into credit evaluation, portfolio development and risk management processes.

Your Company advances responsible finance by expanding priority sector and sustainability-aligned lending, financing electric mobility and strengthening credit access for women entrepreneurs, farmers and underserved communities. It also tracks and discloses financed emissions and has defined an exclusion list to support disciplined underwriting and long-term portfolio resilience ensuring that growth remains responsible and future-ready

Your Company does not finance coal or coal-related activities, including thermal coal mining and coal-based power generation, aligning with its commitment to responsible and climate-conscious lending.

Expanding Financial Inclusion through Responsible Lending

Your Company is bridging credit gaps through responsible lending, backed by a strong governance foundation.

A significant share of credit is directed towards underserved regions and first-time borrowers, supported by digital innovation and targeted financial solutions.

Expanding Access Where It Matters Most

40%

Rural portfolio

Scaling Digital, Paperless Finance

₹5,750 Cr

Digital collections enabled through the PLANET App

Empowering Women Entrepreneurs

55 lakh

Active women borrowers supported

These efforts are strengthening financial inclusion and enabling broader participation in economic growth.

Supporting Livelihoods and Economic Participation

Responsible Finance plays a vital role in strengthening livelihoods, building local economies and creating pathways to sustainable growth.

Your Company's financing solutions are designed to support agriculture, entrepreneurship and employment generation, enabling inclusive and economic participation. Following are some of the outcomes of Business Impact Study (BIS):

1.52 lakh farmers supported

Access to dedicated farm financing solutions

These initiatives contribute to strengthening rural resilience, enhancing income stability, supporting sustainable economic development and strengthening local communities.

For more details, refer to section 'Sustainability@LTF'

Enabling Climate-aligned Financing

Your Company is actively supporting India's transition to a low-carbon economy through targeted lending and product innovation.

62,023 EVs

Financed in FY26

12,140 tCO_2e

Emission avoided in FY26 through 2W EVs Financing

These initiatives demonstrate the role of finance in accelerating climate action.

Spoorthi: Empowering Women Entrepreneurs

LTF launched Spoorthi in March 2026, a specialized program designed to empower women entrepreneurs by offering tailored home loans and loans against property (LAP) for business growth. The initiative provides relaxed eligibility criteria, such as better pricing and extended tenors (up to 25 years for home loans and 12 years for industrial LAP), targeting women who own or manage businesses

External Engagement and Media

Your Company actively participated in leading industry forums during FY26 — including the ET Global Sustainability Alliance, CII Western Region Conference on ESG & Corporate Governance 2025, UNGC 20th National Convention and CII Conference on Well-being at Work and Life. These engagements reinforced your Company's position as a thought leader in responsible finance and sustainability integration.

Industry Participation

Your Company was at the forefront of India's sustainability and ESG discourse in FY26, actively shaping conversations and earning a place at the most prestigious industry platforms. With media attention, hosting an AI event and participation across leading national forums, your Company's voice on sustainability, responsible finance, climate action and inclusive growth resonated far beyond its operations.

Key Highlights:

- ET Global Sustainability Alliance 4th Edition, recognised as a Champion of Green Business Practices at the Times Group Sustainable Organisations 2025 Awards
- Participation in:
  - CII Western Region Conference on ESG & Corporate Governance 2025 — Vision to Action for Viksit Bharat 2047
  - UNGC 20th National Convention — Financing a Sustainable Future: Aligning Capital with Climate, Equity and Growth
  - CII Western Region Conference on Well-being at Work and Life — Nurturing Mind and Body for Peak Performance

Thought Leadership and Media:

- Your Company's sustainability leadership was featured in leading publications including Business Standard, ET BFSI and Women Entrepreneurs magazine, covering ESG integration, responsible finance and the evolution of CSR in the Indian financial sector

Awareness Campaigns

Your Company maintained an active internal communication programme to build a sustainability-conscious workforce ensuring that sustainability is an organisational way of life. During FY26, your Company created awareness through various channels covering a wide range of sustainability themes including environment, health, safety, digital well-being and responsible behaviour.

Key Highlights:

- Ride with Purpose, promoting greener commuting in collaboration with sRide
- Plastic Waste Collection Drive, conducted on World Environment Day
- World Environment Day Quiz Competition 2025, driving employee engagement on sustainability
- Pause. Breathe. Begin Again, mindfulness and mental well-being at work
- Ergonomics at the Workplace and Your Safety Matters, health and safety awareness
- Digital Detox and Mindful Tech, encouraging responsible technology use
- Road Safety Initiative, Riding with Responsibility campaign for frontline employees

Progress on Sustainability Targets

Your Company adopted **30 Sustainability Targets** to translate its sustainability strategy into measurable outcomes across governance, customers, finance, people, environment and communities. Progress is tracked periodically to strengthen accountability and ensure alignment with long-term goals.

The following section summarises progress made during **FY26** across all target areas.

Governance and Compliance

Target	FY26 Progress	SDGs
Achieve ISO 37701:2019 Compliance Management Certification by 2028	**Certification planned in FY28**	16
Increase Independent Director engagement with stakeholders once a year for each Independent Director in FY26	**Ensured periodic engagement of all Independent Directors with external stakeholders**	16
Train the Risk team on ESG issues and its role in risk management in FY26	**Training completed**	11, 13, 15, 16

Customer Awareness and Digital Trust

Target	FY26 Progress	SDGs
Drive digital collections of more than ₹3,000 Cr through PLANET app in FY26	**₹5,782 Cr collected**	17
Service 5 Cr service resolutions through the PLANET app in FY26	**5.96 Cr customer service resolutions delivered**	17
Roll out Chatbot facility to guide customers on cybersecurity and safety in FY26	**KAI chatbot equipped with cybersecurity FAQs**	9
Quarterly consumer awareness programmes, including cybersecurity awareness for customers across various social media platforms and other sources, till FY27	**Communication on cybersecurity through various channels on track**	4, 9, 11
Improve customer satisfaction rate (NPS Score) to 70 by FY29	**NPS Score: 60 in FY26**	16

Climate Action and Environmental Stewardship

Target	FY26 Progress	SDGs
Become carbon neutral by FY35	**On track**	
Maintain 100% E-waste recycling rate in FY26	**Maintained**	
Increase disclosure on purchased goods beyond paper waste generation in FY26	**Disclosure made for all categories under Scope 3**	
Maintain the water positive or surplus status in FY26	**Maintained**	
Achieve ISO 14001 Certification for Environmental Management System for HO by FY27	**Certification planned in FY27**	
Expanding green cover by planting 5 lakh horticulture saplings, thereby augmenting farmers' income by FY28	**2.68 lakh saplings planted by FY26**	

Sustainable Finance and Financial Inclusion

Target	FY26 Progress	SDGs
Achieve a sustainability-focused loan/PSL of ₹1,000 Cr every quarter (Annual Target ₹4000 Cr) for FY26	**Raised ₹18,220 Cr**	
Encourage sustainable product financing by financing 90,000 EVs by FY27	**62,023 EVs financed**	
Support 75,000 farmers through Farmer Finance in FY26	**1,52,490 farmers supported**	

Learning and Engagement

Target	FY26 Progress	SDGs
Undertake employee engagement survey in FY26	**89% of employee participation completed the GPTW survey**	
Achieve 30,000 hours of employee training in ESG by FY26	**Achieved 40,295 hours of employee training in ESG**	
Achieve an average of 35 hours of training across all employee categories by FY26	**Achieved average of 48 hours of training**	
100% of employees to be trained on occupational health and safety practices in FY26	**Training completed**	

Workplace Safety

Target	FY26 Progress	SDGs
Achieve ISO 45001:2018 certification at 4 large offices/branches and ensure periodic reviews for compliance by FY27	**Certification in place for 3 large offices/ branches (including head office) in FY26**	
Conduct Hazard Identification and Risk Assessment (HIRA) at 25 branches, including zonal and small offices, to proactively identify hazards, assess risks, and implement measures for accident prevention and a safe working environment	**HIRA conducted for 28 branches**	
Conduct annual value chain awareness on human rights in FY26	**Annual value chain meeting conducted**	

Diversity, Inclusion and Accessibility

Target	FY26 Progress	SDGs
Increase the share of women representation to 8% of the total workforce by FY30	**7.46% women representation as of FY26**	
Increase the share of women representation to 15% in middle and Senior Management positions by FY26	**10.40%**	
Increase the share of women representation to 18% in Senior Management positions by FY26	**13.85%**	
Improve accessibility to workplace for Persons with Disability (PWDs) for all large offices and major branches by FY29	**100% accessibility for PWD across all large branches (15,000 sq. ft.)**	

Community Impact and Rural Development

Target	FY26 Progress	SDGs
Increase awareness on digital and financial inclusion amongst 10 million community members by FY28	**Awareness created for 6.90 million+ community members**	
Achieve 3x increase in villages covered through CSR activities by FY28 compared to FY24	**4,959 villages covered, i.e., 2.7x in FY26**	

Note: Target was taken in FY22. Considering the employee mix, your Company has undertaken various initiatives towards increasing the women workforce at the field level (on-ground) and at the branch level which witnessed a significant jump vis-à-vis the previous years, leading to an increase in the women workforce at the junior level vis-à-vis the middle and senior management.

Sustainability Targets FY27

Environmental

Time Horizon	Goal	Material Topics	SDG
Short Term	Maintain >80% survival for tree plantation	Climate and Decarbonisation Strategy	
	Maintain Water Positive status	Climate and Decarbonisation Strategy	
	Implement a 2x increase in solar rooftop solutions for branches vs. FY26	Climate and Decarbonisation Strategy	
	Maintain 100% E-waste recycling rate	Operational Eco efficiency	
	Finance 90,000 electric vehicles (EVs) by FY27	Sustainable & Responsible Finance	
	Achieve ISO 14001 Certification for Environmental Management System for HO by FY27	Operational Eco Efficiency	
Medium-Long Term	Become Carbon Neutral by FY35	Climate and Decarbonisation Strategy	
	Reach 35% renewable energy across operations FY28	Climate and Decarbonisation Strategy	

Social

Time Horizon	Goal	Material Topics	SDG
Short Term	Undertake Employee Engagement survey in FY27	Human Capital Development	
	Achieve ISO 45001:2018 certification at 4 large offices/branches and ensure periodic reviews for compliance by FY27	Human Capital Development	
	100% of employees to be trained on Occupational Health and Safety Practices in FY27	Human Capital Development	

Social

Time Horizon	Goal	Material Topics	SDG
Short Term	Conduct Hazard Identification and Risk Assessment (HIRA) at 40 Branches by FY27	Human Capital Development	3, 8, 16
	Achieve 38,000 hours of employee training on ESG by FY27	Human Capital Development	4, 8
	Support 1,25,000 Farmers through Farmer Finance in FY27	Sustainable & Responsible Finance	8, 10
	50% increase in Employee Volunteering in FY27 (v/s FY26)	Community Development	3, 4, 5, 16
	Achieve an average of 37–40 hours of training across all employee categories by FY27	Human Capital Development	4, 8
	Conduct annual Value Chain Awareness on Human Rights in FY27	Sustainable Value Chain	8, 16
	Achieve Sustainability focused Loan/PSL of ₹3,000 Cr every quarter	Financial Inclusion	12
Medium-Long Term	Improve Accessibility to workplace for Persons with Disability (PwDs) for 50 branches by FY28	Diversity, Equity and Inclusion	8, 9, 10
	Increase the share of Women Representation to 8% of the total workforce by FY30	Diversity, Equity and Inclusion	8, 10
	Improve Customer Satisfaction Rate (NPS Score) to 70 by FY29	Customer Experience & Satisfaction	11, 13, 16, 17
	Increase awareness on Digital and Financial Inclusion amongst 10 million community members by FY28	Community Development	17
	Plant 5 lakh horticulture saplings to augment farmer income by FY28	Community Development	8, 13
	Achieve 3x increase in villages covered through CSR activities by FY28 compared to FY24	Community Development	17

Governance

Time Horizon	Goal	Material Topics	SDG
Short Term	Continuing engagement of Directors with external stakeholders	Corporate Governance & Ethics	16
	Drive Digital Collections of more than ₹6,000 Cr through PLANET app in FY27	Innovation and Digitisation	13
	Conduct Double Materiality Assessment in FY27	Governance/Strategy	8
	Service 6 Cr Service Resolutions through the PLANET app in FY27	Innovation and Digitisation	17
	Cyber Security Sensitisation and Awareness Sessions for 150 Branches/MCs in FY27	Privacy and Data Security	4, 9, 11
Medium-Long Term	Achieve ISO 37001:2019 Compliance Management Certification by FY28	Legal and Regulatory Compliance	3, 8, 16

Powering Sustainability through Technology

At LTF, technology is the force that brings its sustainability ambitions to life. As sustainability becomes more data-intensive and interconnected, digital capabilities enable your Company to move from intent to measurable impact. By embedding advanced analytics, automation, and intelligent systems into its operations and decision-making, your Company is not only improving efficiency but also enhancing transparency, expanding access, and strengthening risk management. This integrated, tech-led approach allows your Company to scale responsibly while building a more resilient and future-ready financial ecosystem.

Data-driven Environmental Stewardship

Your Company leverages advanced analytics, IoT, and cloud-based ESG platforms to track energy and water consumption across its offices in real time. This granular visibility allows your Company to optimise usage, reduce carbon intensity, and improve operational efficiency. At the portfolio level, your Company is using geospatial tools and satellite imagery to assess risks, thus enabling business to support resilient and sustainable financing solutions.

IMPACT STUDY

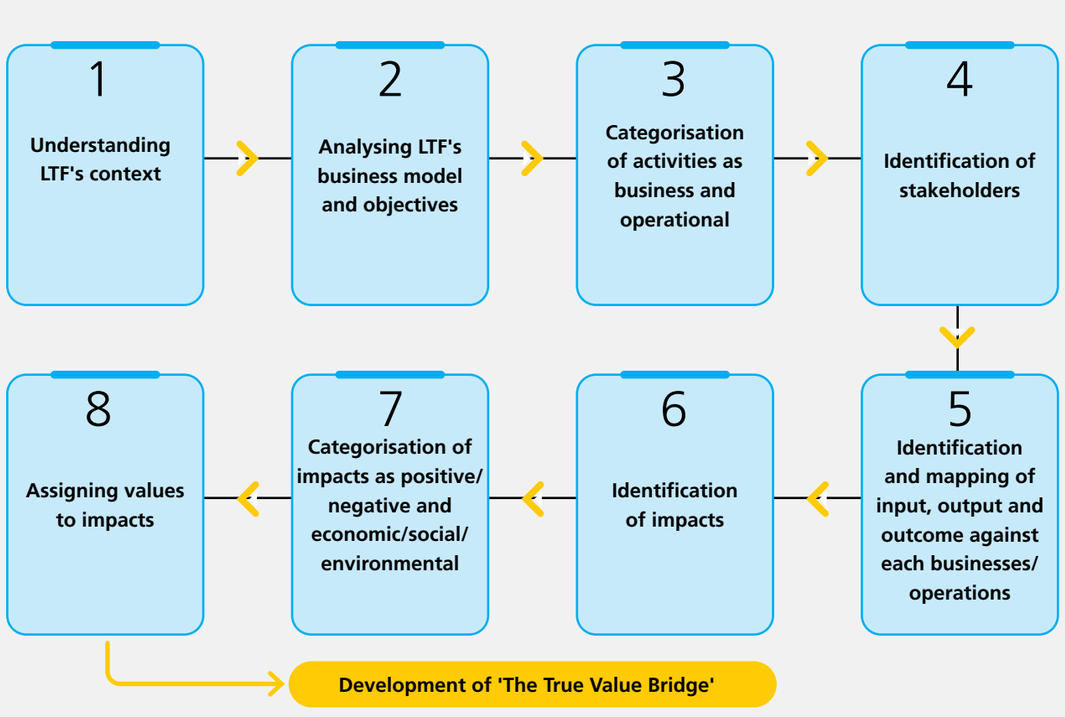
Business Impact Study

In FY26, your Company conducted its 2nd Business Impact Study with the support of an external consultant to assess the broader value created through its business activities. The study marks an important milestone in your Company's journey to measure performance beyond financial outcomes and understand how its business contributes to economic growth, social progress and environmental stewardship.

The assessment applies a True Value methodology, which evaluates how lending, operations and digital innovation create measurable outcomes for customers, communities, employees, the environment and the wider economy. By monetising these outcomes, the study provides a holistic view of performance and helps quantify your Company's True Earnings – the value created for society al**ongside financial returns.**

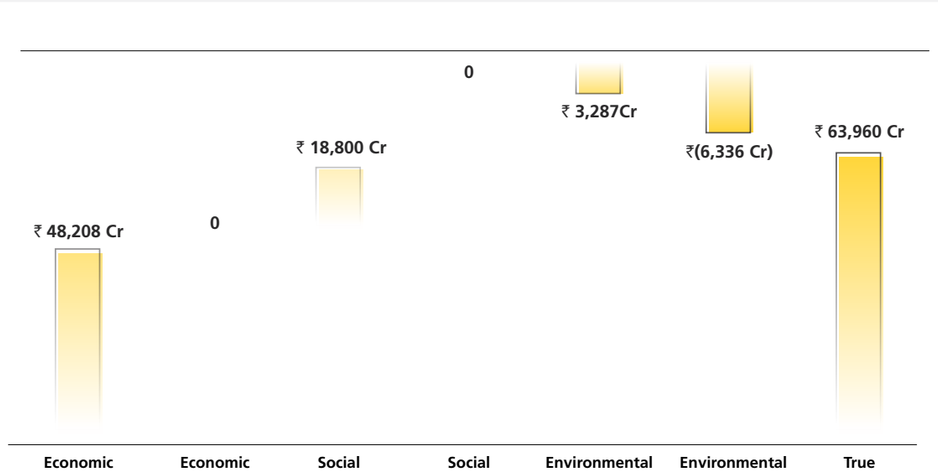
How the Study Was Conducted

The assessment followed a structured and globally aligned methodology designed to ensure transparency, credibility and comparability of results.



The True Value Bridge

A key output of the study is the **True Value Bridge,** which combines your Company's reported financial performance with the monetised economic, social and environmental impacts generated through its activities.



This bridge helps translate business performance into a broader value creation narrative by capturing:

- Economic value created through lending, job creation and tax contributions
- Social value generated through financial inclusion, entrepreneurship and improved quality of life
- Environmental value created and impacts managed through climate action and resource efficiency

The analysis shows that your Company generated ₹5.14 of True Earnings for every ₹1 of reported profit, demonstrating the strong multiplier effect of responsible finance.

Key Highlights:

- ₹63,960 Cr total economic, social and environmental impact generated
- 1,02,544 jobs supported through SME financing
- 55 lakh women entrepreneurs empowered through rural lending
- 12,140 tCO_2e emissions avoided through EV financing

These findings reinforce your Company's belief that long-term business success is inseparable from inclusive growth, financial empowerment and climate responsibility. The insights generated are being embedded into strategy, risk management and capital allocation to strengthen future decision-making and enhance stakeholder value creation.

Every rupee invested by LTF resulted in ₹ 5.14 worth of True Earnings

₹1 = ₹5.14

STRENGTHENING TRUST THROUGH STRATEGIC STAKEHOLDER ENGAGEMENT

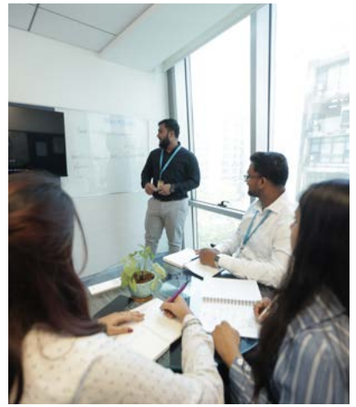
Meaningful stakeholder engagement lies at the heart of how your Company creates long-term value. This chapter outlines how LTF builds trust, captures insights, and translates engagement into informed and responsible action.

At LTF, stakeholder engagement is a key pillar of long-term value creation and responsible growth. Your Company recognises that sustainable success is closely linked to the strength, transparency, and depth of its relationships with customers, regulators, investors, partners, communities, and employees. Accordingly, stakeholder engagement acts as a strategic lever, shaping decision-making, strengthening risk management, and enhancing organisational resilience.

Guided by a risk-first, tech-first, multi-product retail financier of choice, your Company has established a robust engagement architecture. This integrates digital platforms, advanced analytics, and AI-enabled tools to enable continuous listening and real-time feedback. As a result, stakeholder insights are systematically embedded into business priorities, enabling proactive risk identification, sharper customer understanding, and informed decisions. At the same time, your Company upholds the highest standards of governance, regulatory compliance, and data privacy.

Your Company's expanding phygital distribution model strengthens its stakeholder connect across urban and rural markets. This enables deeper last-mile engagement and promotes inclusive access to financial services.

Stakeholder Engagement Framework: Driving Insight-Led Strategy



Your Company's stakeholder engagement framework functions as a dynamic feedback loop, aligning external expectations with strategic priorities. Stakeholders are viewed not merely as recipients of information, but as active partners and co-creators of long-term value.

This collaborative approach has shaped Lakshya 2026 and continues to evolve your Company's next strategic roadmap, Lakshya 2031.

As part of its ongoing strategic efforts, your Company adopts a structured approach to engagement, leveraging assessments and mechanisms to focus on material risks and opportunities.

Double Materiality Assessment (DMA)

Guides resource allocation and strategy by identifying opportunities and risks affecting both financial performance and the external environment.

For more details, refer to section 'Stakeholder Engagement'

Business Impact Study (BIS)

Assesses the tangible socio-economic impact of LTF's financial portfolios, reinforcing its commitment to responsible lending and financial inclusion.

For more details, refer to section 'Sustainability@LTF'

Customer Satisfaction Index/Net Promoter Score (NPS)

Converts stakeholder feedback into measurable insights, capturing customer experience and provides insights on actions to enhance service quality.

For more details, refer to section 'Social and Relationship Capital'

Voice of Customer (VoC) and In-Person Engagements

Captures real customer experiences through structured feedback and initiatives such as 'Green Hands Meets', which continuously enhances service delivery and proactively meets on-ground expectations.

For more details, refer to section 'Social and Relationship Capital'

Annual ESG Value Chain Connect

Drives alignment on sustainability priorities by bringing together banks, investors, and key value chain partners, reinforcing shared accountability and embedding transparent and responsible ESG practices across your Company's broader ecosystem.

For more details, refer to section 'Social and Relationship Capital'

CSR Third-Party Stakeholder Engagement Study

Systematically captures insights from community members, implementation partners, and local institutions to understand on-ground realities, ensuring that marginalised stakeholders actively shape CSR interventions and contribute to a more responsive and impact-driven development model.

For more details, refer to section 'Social and Relationship Capital'

Governance and Board-Level Oversight

Effective stakeholder engagement at your Company is anchored in strong governance, ensuring that every interaction is aligned with long-term strategy, accountability, and responsible growth.

Board Oversight and Strategic Direction

Your Company oversees stakeholder engagement through a structured governance framework. This ensures that your Company remains aligned with evolving stakeholder expectations and regulatory priorities. Oversight is further strengthened by a dedicated Stakeholders' Relationship & Customer Protection Committee, which periodically reviews customer feedback, grievance redressal trends, service quality metrics and investor (shareholders and bondholders) related updates.

For more details, refer to section 'Corporate Governance'

Additionally, Board Members and senior leadership undertake regular field / site visits to ground-level operations, engaging directly with customers, vendors, channel partners, and community members. This provides first-hand insights into stakeholder experiences and enables the Board to incorporate on-ground perspectives into strategic deliberations and decision-making.

This governance-led and field-informed approach ensures that stakeholder considerations remain central to business strategy, risk oversight, and operational execution.

Driving Industry Dialogue and Policy Advocacy

Your Company actively contributes to shaping the regulatory and policy landscape for the NBFC including the microfinance sector. It engages with key national trade and industry associations, including the Microfinance Institutions Network (MFIN), the Federation of Indian Chambers of Commerce and Industry (FICCI), the Finance Industry Development Council (FIDC), and the Confederation of Indian Industry (CII).

As an active member of the Microfinance Institutions Network (MFIN), your Company participates in sector-wide discussions on responsible lending, customer protection, and regulatory developments. This engagement reinforces LTF's commitment to ethical and sustainable microfinance practices.

Your Company's leadership plays a prominent role in industry forums and participates actively in policy dialogue and sectoral developments. The Managing Director and Chief Executive Officer, holds key positions across industry associations, including FIDC and FICCI. In parallel, the CSO, participates in sustainability-focused and corporate governance forums putting forth your Company's views. The Chief Economist, regularly shares expert perspectives on macroeconomic topics such as RBI monetary policy and India's economic growth.

LTF continues to strengthen its role as a thought leader within the NBFC and BFSI ecosystem. It advances industry dialogue, advocates AI adoption in financial services for inclusive growth, and contributes to evolving regulatory frameworks. This approach promotes sustainable and responsible business practices.

Alignment with Global Standards

Your Company contributes to the global sustainability dialogue by aligning with leading reporting frameworks and participating in industry platforms focused on responsible finance.

Key Highlights:

- **UNGC Signatory**
  LTF is a signatory to the United Nations Global Compact (UNGC), aligning with principles on human rights, labour, environment, and anti-corruption, reinforcing its commitment to responsible growth
- **PCAF Adoption**
  Your Company is an early adopter of the PCAF methodology to measure and disclose financed emissions
- **Global Sustainability Panel Participation**
  Your Company participates in global sustainability and climate panels, including the Global Sustainability Alliance (GSA) and UNGC climate action, supporting the advancement of climate-aligned finance aligning with social and economic priorities
- **Sustainable Finance Framework**
  LTF has implemented framework aligned with globally recognised ICMA and LMA principles, supported by an independent second-party opinion

Thought Leadership and Flagship Platforms

LTF drives sector-wide conversations through its annual AI conference, RAISE. It serves as a platform for technology experts, global leaders, BFSI experts, regulators, policymakers, and industry leaders to exchange ideas and shape the future of financial services. Following its successful launch in the previous year, **RAISE'25 was themed around 'Accelerating Financial Services with AI'**. It witnessed strong participation from over 4,500 attendees, reflecting growing industry interest in AI-led transformation.

The conference featured a three-pronged format, 'Accelerated, Applied, and Advanced'. It focused on both, practical and emerging AI use cases. In parallel, the 'Pitch Point' initiative provided AI start-ups with funding opportunities and avenues for collaboration with LTF and the broader L&T Group.

For more details, refer to section 'Intellectual Capital'.

LTF also hosted the first PCAF India Summit, 'Vision to Action'. The summit brought together leading financial institutions and key stakeholders, including regulators such as RBI, to deliberate inter alia on the measurement and disclosure of financed emissions. It further strengthened awareness and adoption of the financed emissions framework, while enabling discussions on standardising carbon accounting practices in the Indian context.

Transparency & Stakeholder Communication

LTF enhances trust through high-assurance reporting and focused investor engagement, reinforcing transparency and credibility across its stakeholder ecosystem.

Key Highlights:

- Maintained a strong regulatory standing as an Upper Layer NBFC, supported by 'AAA' ratings from multiple domestic rating agencies and BBB from S&P Global and BBB- from Fitch Ratings, reflecting financial strength and governance excellence
- Achieved reasonable assurance on BRSR Core and limited assurance on the Integrated Annual Report (IAR), strengthening the reliability and credibility of disclosures
- Hosted the Annual Investor Digital Day to share insights on business performance and strategic technologies such as Project Nostradamus, enabling deeper investor engagement

Customer Outreach and Regulatory Awareness

LTF advances regulatory compliance and customer protection through large-scale awareness initiatives, aimed at strengthening responsible financial behaviour and informed decision-making.

Key Highlights:

- Strengthened compliant collection practices and enhanced customer outreach in response to evolving regulatory developments, including the state ordinances, ensuring alignment with regulatory expectations
- Conducted large-scale financial awareness initiatives covering RBI-mandated topics such as customer rights, responsible lending, loan management, and digital fraud prevention, thereby improving customer awareness and financial literacy.
- Delivered cyber security awareness programmes across branches, promoting safe digital practices and strengthening customer understanding of fraud prevention measures.

Deepening Community-Centric Engagement

Your Company continues to strengthen its community engagement approach by institutionalising community advisory panels across key geographies. These panels bring together local stakeholders and community representatives to review programme progress and provide contextual insights. They also guide the implementation of CSR initiatives, ensuring relevance, inclusivity, and sustained impact.

In parallel, LTF organises state-level stakeholder workshops in collaboration with Government representatives, industry bodies such as NABARD, and other development agencies. These platforms enable multi-stakeholder dialogue and foster convergence across priorities. They also help align CSR interventions with local development needs and evolving regulatory expectations.

To further enhance impact and transparency, your Company actively leverages print and digital media platforms. These channels are used to disseminate programme outcomes, build awareness, and encourage community participation. Strategic media engagement also improves the visibility of CSR initiatives. In addition, it promotes knowledge-sharing, enables behavioural change, and strengthens broader stakeholder involvement.

CSR Stakeholder Assessment Study

To strengthen the effectiveness, inclusivity, and long-term sustainability of its CSR interventions, your Company undertook a comprehensive third-party stakeholder engagement study. This initiative recognises that meaningful development outcomes require active participation of all stakeholders across the ecosystem.

Accordingly, LTF engaged with an independent and reputed external agency to conduct an in-depth assessment across its areas of operation. The study covered a diverse range of stakeholders, including community members, beneficiaries, local governance institutions, implementation partners, subject-matter experts, media, and internal teams. This ensured that insights were both comprehensive and grounded in on-the-ground realities.

This initiative reflects a clear shift from a top-down approach to a participatory and co-creation model. Stakeholders are no longer seen merely as beneficiaries but as active partners in the development journey. By institutionalising third-party stakeholder engagement, your Company has also established a strong benchmark within the BFSI sector. At the same time, it reinforces its commitment to transparency, accountability, and measurable social impact.

Stakeholder Engagement Summary

EMPLOYEES

Key contributors in driving digital transformation, customer excellence, and organisational culture.

Engagement Methods

- Performance reviews
- GPTW survey
- Leadership programmes
- Workshop
- AI sessions
- Town halls
- Well-being initiatives
- Volunteering programs

Needs & Expectations

- Career growth
- Competitive compensation
- Well-being
- Recognition
- Inclusive workplace
- Democratisation of AI

Engagement Frequency

- Monthly
- Quarterly
- Half-yearly
- Annually
- As and when needed

Grievance Mechanism

- Code of Conduct Committee
- POSH Internal Committee
- Vigil Mechanism
- **Email:** code@ltfs.com whistleblower@ltfs.com wecare@ltfs.com

Linkage with Material Topics

- Human Capital Development
- Diversity, Equity & Inclusion
- Corporate Governance & Ethics

Linkage with Capitals

Human Capital | Intellectual Capital | Social and Relationship Capital

Key Highlights

- Recertified Great Place to Work® FY26
- Employee satisfaction score 84 with 89% participation
- Udaan 2025 onboarded 48 Management trainees and 65 GETs
- Empower AI-based capability building
- Average training hours 48
- 57.2% increase in female headcount
- 696 employees integrated through Gold Finance acquisition

INVESTORS & SHAREHOLDERS

Providers of financial capital and key influencers of market perception, seeking clarity on strategy execution, risk discipline, governance standards, and long-term sustainable performance.

Engagement Methods

- Annual general meetings
- Earnings calls
- Investor meetings
- Investor presentations
- Sustainability disclosures

Needs & Expectations

- Sustainable returns
- Transparency
- Good governance
- Growth visibility
- Risk management

Engagement Frequency

- Monthly
- Quarterly
- Annual
- As and when needed

Grievance Mechanism

- Secretarial Department
- Investor Relations Department
- **Email:** igrc@ltfs.com

Linkage with Material Topics

- Return on Equity
- Innovation & Digitisation
- Governance & Ethics
- Sustainability disclosures

Linkage with Capitals

Financial Capital | Social and Relationship Capital | Intellectual Capital

Key Highlights

- Debut international investment-grade rating; upgraded to BBB/Stable (S&P, Aug 2025)
- Retained AAA domestic rating
- Declared dividend of ₹2.75 per share
- Investor Digital Day organised
- RAISE'25 BFSI-AI conclave conducted
- Sustainability integration into operations and strategy
- Annual General Meeting convened

REGULATORS & POLICYMAKERS

Guardians of systemic stability, regulators and industry associations influence compliance, governance, policy direction and ethical conduct.

Engagement Methods

- Statutory filings
- Regulatory reporting
- Policy engagement
- Industry consultations
- Audits & Inspections

Needs & Expectations

- Compliance
- Transparency
- Ethical conduct
- Risk governance

Engagement Frequency

- As prescribed under regulations and need based

Grievance Mechanism

- Compliance department
- **Email:** compliance@ltfs.com secretarial@ltfs.com igrc@ltfs.com

Linkage with Material Topics

- Legal & Regulatory Compliance
- Risk & Crisis Management

Linkage with Capitals

Financial Capital | Intellectual Capital | Social and Relationship Capital

Key Highlights

- Timely statutory filings
- No major compliance breaches reported
- Compliance with RBI/SEBI circulars implemented within timelines
- BRSR disclosure completed in line with regulatory requirements
- PCAF for financed emissions measurement
- Education initiatives on RBI-mandated customer rights
- ERM framework strengthened
- Participation in industry consultation and regulator forums

CUSTOMERS

Core to digital-first retail and rural & urban finance business model and growth strategies.

Engagement Methods

- PLANET app
- Branch network
- Chatbots
- WhatsApp services
- NPS surveys
- Call centres
- Social media

Needs & Expectations

- Fast TAT
- Transparency
- Digital convenience
- Data privacy and cybersecurity
- Fair practices
- Personalised service
- Digital experience
- Accessible grievance redressal
- Inclusive credit

Engagement Frequency

- Ongoing
- Monthly
- Quarterly
- Annually
- Scheduled interactions
- As and when needed

Grievance Mechanism

- Customer care via website
- Helpline
- Ombudsman
- **Email:** customercare@ltfs.com gro@ltfs.com pno@ltfs.com

Linkage with Material Topics

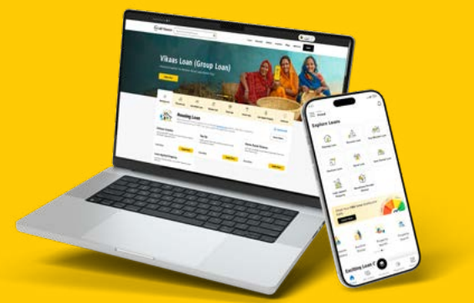
- Customer Experience & Satisfaction
- Data Privacy & Security
- Responsible Lending
- Innovation & Digitisation
- Financial Inclusion

Linkage with Capitals

Social and Relationship Capital | Financial Capital | Intellectual Capital

Key Highlights

- 89 lakh active customers
- PLANET App 2.3 Cr downloads
- 2-minute sanction via Project Cyclops
- NPS score 60
- 0 data breaches reported
- 100% grievances resolved
- 5,750 Cr Digital collection
- 5.96 Cr Customers service resolution delivered



VENDORS / CHANNEL PARTNERS & DEALERS

Essential contributors to business operations and technology infrastructure supporting delivery excellence and service reliability.

Engagement Methods

- Vendor screening
- Partner PLANET App
- Training
- Performance reviews
- Sustainable value chain capacity building
- Sustainability awareness sessions
- Director field visit

Needs & Expectations

- Fair and transparent contracts
- Timely payments
- Transparency
- Technology support
- Long-term partnership

Engagement Frequency

- Quarterly
- Annually
- As and when needed

Grievance Mechanism

- Code of Conduct Committee
- POSH Internal Committee
- Vigil Mechanism
- **Email:**
  code@ltfs.com
  whistleblower@ltfs.com
  wecare@ltfs.com

Linkage with Material Topics

- Sustainable Value Chain
- Risk Management
- Sustainable and Responsible Finance
- Innovation and Digitisation

Linkage with Capitals

Financial Capital

Manufactured and Intellectual Capital

Social and Relationship Capital

Key Highlights

- Partner PLANET App enabled 3,000+ touchpoints
- Value chain capacity building conducted across 75% of upstream and downstream partners
- Digital integration expanded

COMMUNITIES & NGOs

Communities form the social environment within which your Company operates, enabling the social license to operate and driving shared progress.

Engagement Methods

- CSR programmes
- NGO partnerships
- Impact assessments
- Financial literacy drives
- Volunteering initiatives
- Director field visit

Needs & Expectations

- Social empowerment
- Digital financial literacy
- Sustainability and livelihood support
- Agricultural support
- Climate resilience
- Community engagement

Engagement Frequency

- Annually
- Quarterly
- Ongoing

Grievance Mechanism

- CSR Department
- **Email:**
  csr@ltfs.com

Linkage with Material Topics

- Community Development
- Financial Inclusion
- Sustainable & Responsible Finance
- Climate & Decarbonisation

Linkage with Capitals

Social and Relationship Capital

Natural Capital

Financial Capital

Human Capital

Key Highlights

- 17.30 lakh+ beneficiaries reached
- Digital Sakhi outreach to 15.80+ lakh individuals
- Jalvaibhav 2.0 benefited 5,000+ farmers
- Financial awareness campaign reached 0.69 Cr individuals since 2017-18
- 2,000+ volunteering hours

PRIORITISING WHAT MATTERS

Your Company's approach to value creation is built on a clear and disciplined understanding of materiality, ensuring that strategic focus remains aligned with stakeholder expectations and long-term sustainability goals. In line with its alternate-year practice, a comprehensive Double Materiality Assessment (DMA) was undertaken in the previous financial year to identify and prioritise these critical themes.

The findings of this assessment continue to guide priorities in FY26, with no material shifts observed in the business model, operational footprint, or external environment that would warrant a reassessment. This continuity allows your Company to maintain strategic focus while driving consistent and disciplined execution across identified material areas.

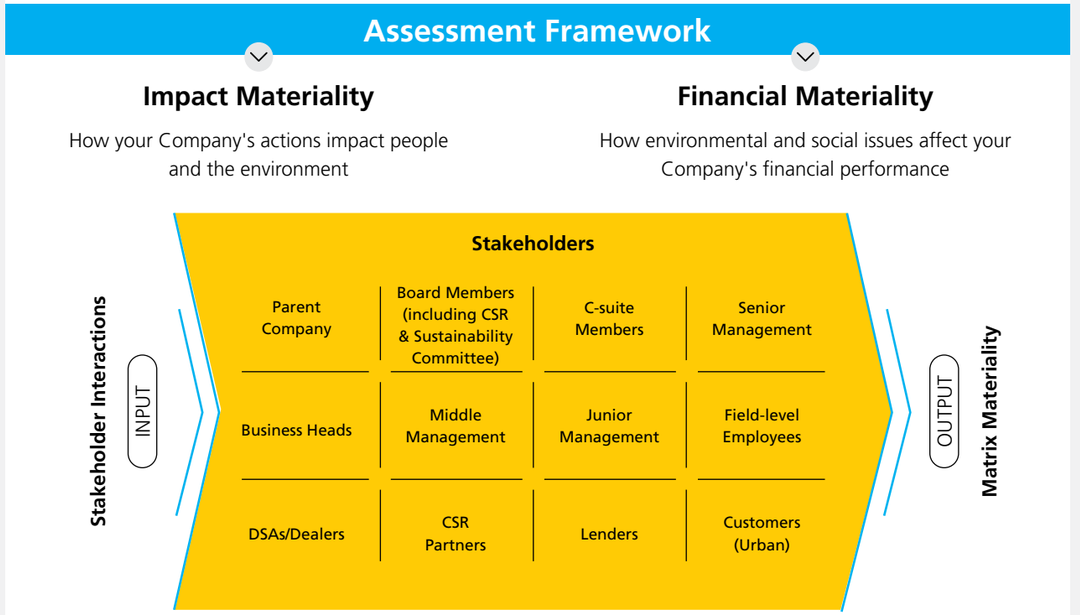
At the core of this approach lies a well-integrated DMA framework, supported by data and market analytics, which enables sharper visibility into value creation drivers, emerging risks, and areas requiring intervention. Rather than functioning as a static exercise, the framework acts as a decision-enabling tool that strengthens responsiveness and ensures that growth remains measured, responsible, and aligned with evolving stakeholder expectations.

Your Company remains cognisant of evolving external environment, including geo-political and macroeconomic developments, which are continuously evaluated and embedded into its risk and strategy frameworks. As part of this ongoing process, the next comprehensive DMA is planned for the upcoming financial year, ensuring that material priorities remain relevant, forward-looking, and complete.

Beyond prioritisation, the framework also enhances transparency and accountability by improving risk visibility. At the same time, a strong data governance architecture ensures that information remains standardised, reliable, and governed at source. This creates a solid foundation for scalable growth aligned with Lakshya 2031. Together, these elements move materiality beyond a compliance exercise, positioning it as a strategic tool that drives decisions, strengthens performance, and reinforces LTF's commitment to sustained value creation.

Double Materiality Assessment framework (DMA)

LTF's Double Materiality framework evaluates sustainability through two complementary perspectives:



Structured Double Materiality Assessment Process

To ensure that material priorities were identified with rigour and relevance, LTF followed a structured and multi-layered assessment process that combined analytical depth with inclusive stakeholder engagement:

1. **Identifying Material Topics**
2. **Stakeholder Engagement**
3. **Assessing Impact Materiality**
4. **Embedding Materiality into Strategy**
5. **Developing the Materiality Matrix**
6. **Integration into Strategy and Reporting**

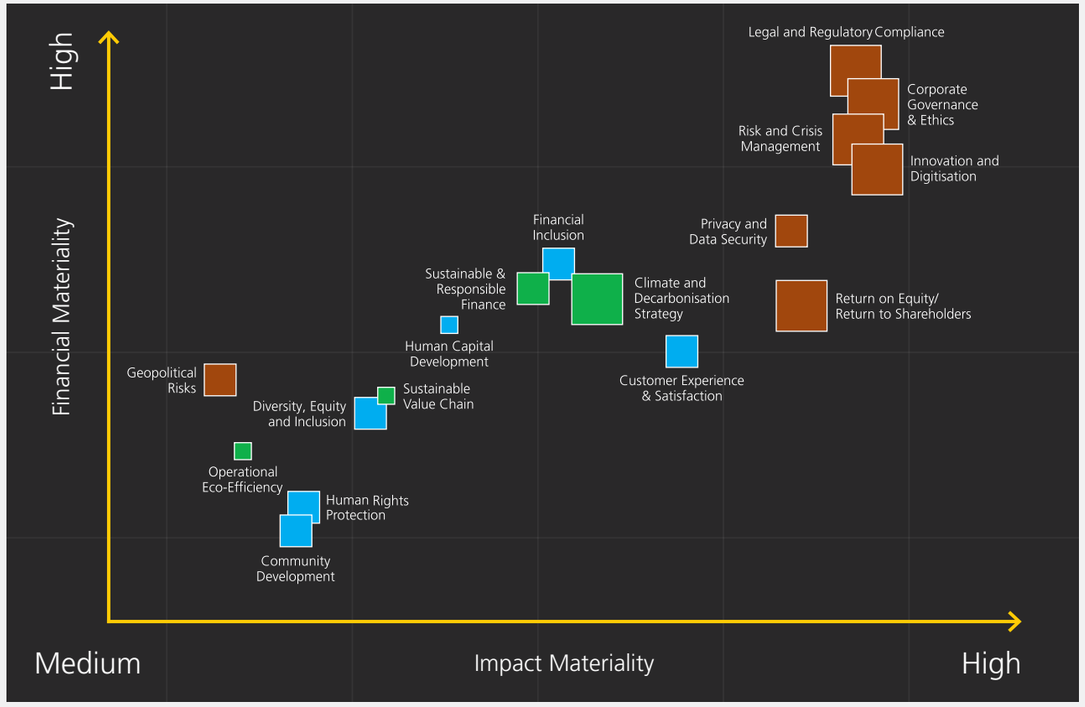
Continuity in material priorities for deeper impact

Your Company undertook a Double Materiality Assessment in the previous financial year. During the current reporting period, no material changes have been observed in the identified ESG topics, reflecting the stability in business operations and the external environment. As a result, LTF continues to deepen its focus on these priority areas, driving measurable progress and sustained impact, while the relative importance and positioning of these topics are reflected in the materiality matrix presented below.

The next comprehensive assessment is planned for the subsequent financial year, ensuring continued alignment with evolving stakeholder expectations, regulatory requirements, and the broader sustainability landscape.

Materiality Matrix

Double Materiality



Low intensity of the topic (positive & negative) on LTF	Medium intensity of the topic (positive & negative) on LTF	High intensity of the topic (positive & negative) on LTF
Environmental Topics	Social Topics	Governance Topics

Priority	Material Topic	Category of the Topic
1	Legal and Regulatory Compliance	Governance
2	Corporate Governance and Ethics	Governance
3	Risk and Crisis Management	Governance
4	Innovation and Digitisation	Governance
5	Privacy and Data Security	Governance
6	Return on Equity / Return to Shareholders	Governance
7	Customer Experience and Satisfaction	Social
8	Climate and Decarbonisation Strategy	Environmental
9	Financial Inclusion	Social
10	Sustainable and Responsible Finance	Environmental
11	Human Capital Development	Social
12	Sustainable Value Chain	Environmental
13	Diversity, Equity and Inclusion	Social
14	Geopolitical Risks	Governance
15	Operational Eco-Efficiency	Environmental
16	Human Rights Protection	Social
17	Community Development	Social

Material Topic	Risk/ Opportunity	Description	Management Approach	Implications	KPIs	Boundary	Capitals	Material Issues Mapping
Legal & Regulatory Compliance		Ensuring adherence to applicable laws and regulations across operations to mitigate legal, financial, operational, and reputational risks.	▪ Dedicated team for monitoring regulatory changes ▪ Regular employee training on compliance ▪ Marketing training to prevent mis-selling ▪ Legal advisory relationships ▪ Embedding a strong ethical culture ▪ Periodic risk assessments and audits	**Negative** Fines, lawsuits, loss of licenses, reputational damage, higher borrowing costs **Positive** Improved operational efficiency, enhanced stakeholders trust, improved access to stable capital and lower cost of finance	▪ Fines and penalties paid ▪ Regulatory notices/penalties; warnings; audit findings received from regulators	Internal, External	Financial Capital	8
Corporate Governance & Ethics		Implementation of robust governance frameworks and ethical guidelines to ensure accountability, transparency, and long-term business integrity.	▪ Processes and controls for Code of Conduct compliance ▪ Mandatory ethics training ▪ Whistleblower and grievance mechanisms ▪ Board and committee structures aligned with stakeholder interests ▪ Ethics committees and regular governance training	**Negative** Reduced investor confidence, legal fines, potential business suspension **Positive** Improved access to capital, enhanced customer trust, stronger ESG ratings	▪ Cases of corruption/insider trading ▪ % employees trained on ethics ▪ Number of Independent Board members ▪ KRAs linked to governance	Internal, External	Financial Capital, Human Capital, Social & Relationship Capital	8
Risk & Crisis Management		Frameworks to proactively identify, assess, and mitigate financial, operational, and strategic risks for business continuity.	▪ Strengthen risk assessment frameworks using predictive analytics ▪ Diversify assets ▪ Stress testing and scenario analysis ▪ Independent risk function ▪ Risk awareness training for Board and employees ▪ AI-driven risk identification ▪ Collaboration with regulators and industry peers	**Negative** Financial losses, poor portfolio quality, reputational damage, increased cost of capital	▪ Training hours on risk management ▪ ERM framework effectiveness ▪ Employee and Board participation	Internal	Financial Capital, Human Capital, Manufactured and Intellectual Capital	1, 2, 3, 11

Risk | Opportunity | Internal | External | Financial Capital | Manufactured and Intellectual Capital | Human Capital | Social & Relationship Capital | Natural Capital

Material Topic	Risk/ Opportunity	Description	Management Approach		Implications	KPIs	Boundary	Capitals	Material Issues Mapping
Innovation & Digitisation		Adoption of digital technologies to improve operational efficiency, decision-making, customer experience, and financial inclusion.	▪ Investment in digital platforms and infrastructure ▪ AI, ML, and data analytics for customer engagement ▪ Employee upskilling ▪ Partnerships with tech innovators ▪ Cybersecurity measures		**Positive** Operational efficiency, scalable revenue solutions, improved customer retention, access to new markets, improved credit underwriting	▪ % increase in digital adoption ▪ Operational cost reduction ▪ Loan approval/disbursement time ▪ Customer satisfaction/NPS ▪ Growth in digital financing offerings ▪ New-to-credit customers			4 9
Privacy & Data Security		Protecting sensitive financial and personal data to maintain trust and comply with regulations.	▪ Robust cybersecurity frameworks (encryption, access control) ▪ Employee training ▪ Partner with cybersecurity firms ▪ Customer awareness programs ▪ ISO 27001 certification		**Negative** Fines, legal costs, loss of business, decline in customer base and reduced investor confidence	▪ Number of data breaches ▪ Compliance with data protection regulations ▪ Customer satisfaction related to data security ▪ Avg. time to detect/respond to breaches ▪ Investment in cybersecurity ▪ Employees trained on data protection			9
Return on Equity / Shareholder Returns		Optimising capital utilisation to deliver robust returns to investors and enhance long-term financial health.	▪ Improve operational efficiency and cost optimisation ▪ Capital structure optimisation ▪ Strategic high-margin investments ▪ Efficient reinvestment of retained earnings		**Positive** Higher profitability, improved investor confidence, enhanced access to capital, potential stock price growth, lower cost of capital	▪ Return on Equity (ROE)			8
Customer Experience & Satisfaction		Enhancing customer satisfaction through personalised services, seamless interactions, and financial literacy initiatives.	▪ Feedback loops for improvement ▪ Technology investments for intuitive experiences ▪ Customer-facing team training ▪ Personalised financial solutions ▪ Optimisation of digital platforms ▪ Transparency and fair advice		**Negative** Reduced retention, revenue loss, higher acquisition costs, reputational damage	▪ Customer satisfaction/NPS ▪ Retention rates ▪ Resolution time for complaints ▪ Feedback response rates			12

Risk | Opportunity | Internal | External | Financial Capital | Manufactured and Intellectual Capital | Human Capital | Social & Relationship Capital | Natural Capital

Material Topic	Risk/ Opportunity	Description	Management Approach	Implications	KPIs	Boundary	Capitals	Material Issues Mapping
Climate & Decarbonisation Strategy	Risk, Opportunity	Mitigating climate risks and leveraging low-carbon opportunities across operations and financed portfolios.	• Portfolio climate risk assessment • Energy-efficient infrastructure • ERM integration of climate risks • Climate strategy development and regular review • Partnerships for climate risk management • Carbon offset programmes	**Negative** Compliance costs, penalties, reputational risk, high upfront capital **Positive** Enhanced resilience, brand equity, green financing, lower NPAs, operational efficiency	• Emission reductions • Energy savings • Scope 1, 2 & 3 and financed emissions reduction • Macroprudential provisions usage	Internal, External	Financial Capital, Natural Capital	7, 13
Financial Inclusion	Opportunity	Providing affordable financial services to underserved communities to drive economic participation and social development.	• Tailored products for underserved demographics • Partnerships with fintech and digital platforms • Financial literacy programmes • Collaborations with the Government or NGOs	**Positive** Expanded customer base, higher revenue potential, improved market share, improved finclusion of communities especially rural women	• Customers from low-income states • Rural women receiving loans • % New-to-Credit customers • Community members trained in digital literacy	Internal, External	Financial Capital, Human Capital, Social & Relationship Capital, Manufactured and Intellectual Capital	1, 2, 8
Sustainable & Responsible Finance	Opportunity	Integrating ESG factors into financing decisions to generate sustainable, equitable growth and manage ESG risks.	• ESG integration in financing decisions • Green and sustainable product development • Stakeholder engagement on ESG strategy • Innovative financial instruments to attract patient capital • ESG risk assessment frameworks	**Positive** Access to sustainable finance markets, competitive advantage, innovative revenue streams	• Sustainability linked / focused financing • Growth in sustainable finance offerings • Number of EVs financed • Number of women entrepreneurs financed	External	Financial Capital, Manufactured and Intellectual Capital, Social & Relationship Capital	1, 2, 3, 7
Human Capital Development	Opportunity	Building a future-ready workforce through learning, development, talent retention, and well-being initiatives.	• Continuous learning culture • Industry/academic partnerships • Internal mobility and cross-functional training • Performance management aligned with growth	**Positive** Improved employee performance, higher engagement, innovation, operational efficiency	• Retention rate • Employee satisfaction/ engagement scores • Completion of development programmes • Internal promotion metrics • Cost-benefit ratio of training	Internal	Human Capital	4, 8, 10

Risk | Opportunity | Internal | External | Financial Capital | Manufactured and Intellectual Capital | Human Capital | Social & Relationship Capital | Natural Capital

Material Topic	Risk/ Opportunity	Description	Management Approach	Implications	KPIs	Boundary	Capitals	Material Issues Mapping
Sustainable Value Chain		Integrating ESG standards across operations, including responsible supplier and client engagement, transparent reporting, and sustainable partnerships.	▪ Supplier partnerships meeting sustainability standards ▪ ESG due diligence ▪ Circular economy principles ▪ Investment in green technologies ▪ Regular audits and transparent reporting	**Positive** Cost savings, ESG-linked financing, brand value enhancement, lower supply chain risks	▪ Suppliers meeting sustainability criteria ▪ Carbon footprint reduction ▪ % products from renewable/ sustainable sources ▪ ESG compliance as per international standards and regulations			5, 7, 8, 10, 12, 13
Diversity, Equity & Inclusion		Promoting an inclusive workforce to enhance innovation, engagement, retention, and organisational performance.	▪ DEI policies, training, mentorship ▪ Integration into operations and decision-making ▪ Monitoring DEI metrics ▪ Inclusive recruitment and talent management ▪ Safe spaces for dialogue	**Positive** Better retention, enhanced brand reputation, higher productivity and innovation, and access to diverse talent pools	▪ Women in workforce ▪ Number of employees with disabilities ▪ Workforce by region			5, 8, 10
Geopolitical Risks		Managing risks arising from global political, economic, and social instability affecting business operations and financial stability.	▪ Investment diversification ▪ Continuous political risk monitoring ▪ Stress testing for geopolitical scenarios ▪ Flexible financial strategies and strong international partnerships	**Negative** Investment losses, higher financing costs, operational disruptions, trade/currency volatility	▪ Investment diversification ▪ Assets exposed to geopolitical risk ▪ Frequency of geopolitical risk assessments			16

Risk | Opportunity | Internal | External | Financial Capital | Manufactured and Intellectual Capital | Human Capital | Social & Relationship Capital | Natural Capital

Material Topic	Risk/ Opportunity	Description	Management Approach	Implications	KPIs	Boundary	Capitals	Material Issues Mapping
Operational Eco-efficiency		Maximising resource efficiency (energy, water, materials) to reduce environmental impact, drive cost savings, and enhance sustainability performance.	▪ Energy-efficient infrastructure and renewable energy ▪ Supply chain and process optimisation ▪ Data analytics to monitor resources ▪ Align operational practices with sustainability goals	**Positive** Cost savings, carbon reductions, improved profit margins, attractiveness to eco-conscious investors	▪ Energy consumption reduction (kWh/unit) ▪ Waste diversion percentage ▪ Water usage efficiency ▪ Carbon emission reduction ▪ Operations powered by renewable energy ▪ Savings from resource efficiency			7 9 12 13
Human Rights Protection		Upholding global human rights standards across all operations and the value chain.	▪ Compliance monitoring ▪ Employee and partner training ▪ Grievance mechanisms ▪ Periodic human rights assessments ▪ Supply chain audits	**Negative** Fines, lawsuits, reputational damage, revenue loss **Positive** Enhanced brand reputation, customer loyalty, investor confidence, reduced talent acquisition costs	▪ Employees trained on human rights ▪ Value chain partners covered by Third-Party Code of Conduct			3 4 5 8 10
Community Development		Supporting sustainable development in local communities to strengthen brand equity and regional impact.	▪ Community programmes in digital and financial inclusion, climate impact management, disaster management, social inclusion ▪ Partnerships with Government/ NGOs ▪ Social Impact assessments, field monitoring ▪ Employee engagement initiatives	**Positive** Brand appreciation, regulatory benefits, SDG contributions, long-term stakeholder engagement, strong community relations	▪ Number of CSR beneficiaries ▪ Number of villages covered ▪ Social Return on Investment (SROI)			11 17

Risk | Opportunity | Internal | External | Financial Capital | Manufactured and Intellectual Capital | Human Capital | Social & Relationship Capital | Natural Capital

FINANCIAL CAPITAL

DRIVING PERFORMANCE WITH DISCIPLINE

At LTF, performance is shaped by a disciplined approach to growth that carefully balances scale, stability, and efficiency. In a dynamic operating environment, your Company continues to strengthen profitability, enhance portfolio quality and reinforce balance sheet resilience through prudent financial management, diversified funding and robust risk governance. This is complemented by a sharp focus on improving operating efficiency, optimising cost of funds and driving productivity through technology-led interventions.

At the same time, your Company remains committed to maintaining asset quality and ensuring that growth is both, calibrated and sustainable. Strong underwriting practices, continuous portfolio monitoring and conservative provisioning provide resilience across cycles, while a granular and diversified retail franchise supports stable and predictable earnings. This integrated approach enables sustained growth, improves returns, and supports responsible expansion, while remaining firmly aligned with long-term strategic priorities and stakeholder expectations.

Impact on Material Issues

- Return on Equity/Return to Shareholders
- Sustainable and Responsible Finance

GRI Linkages

GRI 201	Economic Performance
GRI 203	Indirect Economic Impacts
GRI 401	Employment
GRI 302	Energy
GRI 305	Emissions
GRI 413	Local Communities
GRI 207	Tax

Alignment with UN SDGs

Key Highlights

98%
Retailisation

₹83,213 Cr
Retail Disbursements

₹1,21,728 Cr
Consolidated Book Size

₹2,981* Cr
PAT

2.88%
GS3

0.96%
NS3

2.37%
Return on Assets (ROA)

11.25%
Return on Equity (ROE)

₹18,220 Cr
Sustainability Focused/ Priority Sector Loans

18.34%
Capital to Risk (Weighted) Assets Ratio (CRAR)

3.93x
Debt-Equity Ratio

₹111.7
Book Value per Share

International

BBB (Stable)
S&P Global Ratings (Long-term)

BBB- (Stable)
Fitch Ratings (Long-term)

*PAT before one time labour code effect: ₹3,003 Cr

WHY
this matters

A strong and resilient financial foundation is essential to sustaining growth, maintaining stakeholder confidence, and delivering consistent value across economic cycles. At LTF, financial capital management operates through a disciplined cycle of mobilising capital from diversified funding sources, deploying it into productive lending opportunities, and recycling it through repayments and collections to support continued credit expansion. This efficient capital rotation enables your Company to scale its retail lending franchises while maintaining balance sheet stability, liquidity, and prudent risk discipline.

By maintaining strong capital buffers and disciplined financial management, LTF ensures that funds raised are deployed responsibly and continuously redeployed to support new lending opportunities. This approach not only strengthens operational resilience and supports investment in digital capabilities but also advances your Company's broader purpose of expanding access to credit, enabling entrepreneurship, and supporting inclusive economic development, while delivering sustainable, long-term value for stakeholders.

WHAT
LTF focuses on

LTF continues to focus on strengthening performance, enhancing portfolio quality, and enabling scalable, technology-led growth under Lakshya 2026. In this context, key areas of emphasis include:

- Financial Performance and Profitability Momentum
- Scaling Retail and Strengthening Portfolio Quality
- Technology-led Efficiency and Digital Enablement
- Risk Governance and Asset Quality Discipline
- Sustainable and Responsible Financing
- Funding Strength and Balance Sheet Resilience
- Economic Value Creation and Stakeholder Returns

Together, these focus areas provide a comprehensive view of how your Company sustains performance, reinforces stability, and enables long-term value creation.

HOW
LTF does it

LTF's ability to deliver consistent performance is anchored in disciplined financial management, robust risk governance, and prudent funding strategies. It maintains strong capital adequacy and conservative leverage levels, ensuring resilience and the capacity to support continued growth. Rigorous underwriting and portfolio monitoring practices enable your Company to preserve asset quality and proactively manage risks.

LTF also maintains a diversified funding base, supported by strong domestic and international credit ratings and access to multiple funding sources, enabling efficient and cost-effective resource mobilisation. Its disciplined asset-liability management framework ensures adequate liquidity and supports balance sheet stability across changing interest rate environments.

At the same time, your Company integrates sustainability considerations into its financing approach, ensuring that growth remains responsible and aligned with long-term priorities. This balanced and disciplined approach enables LTF to strengthen its institutional resilience, enhance operational efficiency, and deliver sustained value to stakeholders.

From the CFO's Desk

"Financial strength is not defined merely by scale, but by the discipline with which capital is deployed, managed and continuously recycled to support sustainable growth."

Sachinn Joshi
Whole-time Director (Designate) and Chief Financial Officer

FY26 was a year of exceptional financial execution for LTF, marking a pivotal milestone as we conclude the Lakshya 2026 journey. Our performance this year demonstrates a "Risk-First, Tech-First" philosophy that has successfully transformed our balance sheet into a high-quality retail franchise. Our approach is anchored in a disciplined financial cycle:

Strategic Capital Mobilisation

Leveraging our strong Domestic and International credit ratings (AAA/ Investment Grade), we secured diversified and cost-effective funding. We leveraged our focus on PSL-compliant assets to unlock lower-cost funding, driving a substantial reduction in our overall weighted average cost of funds.

Targeted Capital Allocation

We deployed capital into high-yield retail opportunities guided by rigorous AI-led underwriting. To optimise Net Interest Margins (NIMs), we maintained a precise balance between secured and unsecured lending while expanding into high-yielding assets, such as our newly introduced Gold Finance.

Operational Excellence in Collections

Through disciplined approach to collections and repayments, we ensure consistent liquidity. This virtuous cycle provides the necessary capital to fuel further credit expansion and sustainable growth.

In a dynamic macro-economic environment, we have always prioritised Balance Sheet Resilience over growth in a prudent way. By maintaining robust capital adequacy (CRAR) and conservative leverage, we have built the organisation capable of absorbing volatility while scaling our core segments. Our record-low cost of borrowing and best-in-class asset quality, exemplified by our 0 DPD performance, reflect the structural strength we have built.

While FY26 was defined by aggressive investments in our future, specifically in customer acquisition, cutting-edge technology, and the strategic rollout of new branches, we remained equally committed to operational excellence. By offsetting these growth-related outlays with a rigorous focus on productivity and systemic cost efficiencies, we successfully maintained a stable Cost-to-Income ratio. This 'invest-to-grow' approach was carefully balanced by lean internal processes, ensuring that our expansion did not come at the expense of our bottom line.

As we look toward Lakshya 2031, our focus gets extended from purely building scale to enhancing the Economic Value Generated for all stakeholders. Sustainability is now deeply integrated into our financial fabric; with approximately 40% of our loan book supporting sustainable livelihoods, we are proving that responsible lending is synonymous with profitable lending.

We remain committed to technology-led efficiency, using AI not just for speed, but as a primary tool for risk governance and operational leverage. By maintaining this rigorous discipline, LTF is uniquely positioned to drive inclusive economic development while delivering predictable, long-term value.

Financial Performance and Profitability Momentum

FY26 marked a year of exceptional execution and disciplined growth for LTF, reflecting the strength of its diversified retail franchise and sustained focus on building a scalable and technology-led lending platform. Despite operating in a dynamic macroeconomic environment, your Company delivered strong, consistent growth across its lending portfolio while improving profitability, strengthening margins, and enhancing capital efficiency.

This performance underscores the resilience of LTF's business model and its ability to scale sustainably while maintaining prudent risk discipline and operational efficiency.

Robust growth momentum and balance sheet expansion

During FY26, there was a structural momentum to drive all-time highs in retail disbursements and core profitability through execution and portfolio scaling. This resulted in strong upward disbursements momentum and strong expansion on ground.

₹83,213 Cr

Highest-ever annual retail disbursements in FY26

39% growth over FY25

Retail disbursements represent the flow of new business generated during the year and serve as a key indicator of market demand, distribution strength and customer acquisition capability. Sustained growth in disbursements reflects your Company's ability to scale origination while maintaining underwriting discipline.

This strong origination momentum translated into expansion of the retail loan book.

₹1,19,508 Cr

Retail Loan book as on March 31, 2026

The retail loan book represents the stock of earning assets on the balance sheet and is a key driver of interest income and long-term profitability. Growth in the loan book, therefore, indicates your Company's ability to convert disbursement momentum into sustainable balance sheet expansion.

Governance Structure

At the apex of the governance framework, the Board of Directors provides ultimate oversight over your Company's financial capital, serving as the highest governing authority to provide strategic direction and management supervision. It is directly responsible for setting the long-term strategic direction, defining the enterprise-wide risk appetite, and enforcing capital discipline.

The Risk Management Committee (RMC) ensures that financial growth is matched with risk discipline. The RMC formulates and periodically reviews the enterprise-wide risk management policy, actively identifying and mitigating credit, market, and liquidity risks. The Asset Liability Management Committee (ALCO) functions as the primary strategic decision-making body for the asset-liability management of the enterprise from a risk-return perspective. The ALCO provides critical guidance on interest rates, liquidity management, funding sources, and the investment of surplus funds. While these formal structures govern the capital framework, organizational cost optimization and capital efficiency are further driven through cost forum and other dynamic management forums through which continuous strategic reviews are undertaken to ensure sustained operational excellence.

Key highlights of scale expansion include:

A

Retail Disbursement Trend

Retail disbursements increased to **₹83,213 Cr in FY26**, demonstrating sustained growth in new lending activity.

Financial Year	Retail Disbursements (₹ Cr)	YoY Growth (%)
FY24	54,267	29
FY25	60,040	11
FY26	83,213	39

B

Loan Book Growth Trend

The retail loan book expanded to **₹1,19,508 Cr**, reflecting continued scale-up of your Company's core retail segments.

Financial Year	Retail Book Size (₹ Cr)	YoY Growth (%)
FY24	80,037	31
FY25	95,180	19
FY26	1,19,508	26

C

Consolidated Loan Book Trend

The consolidated loan book increased to **₹1,21,728 Cr**, reflecting overall balance sheet expansion.

Financial Year	Consolidated Book Size (₹ Cr)	YoY Growth (%)	Retail Mix (%)
FY24	85,565	6	94
FY25	97,762	14	97
FY26	1,21,728	25	98

Growth in the retail mix reflects your Company's strategic focus on building a granular, diversified retail portfolio, which typically offers better risk distribution, improved asset quality, and more predictable earnings over time.

Strengthening profitability and operational efficiency

Alongside balance sheet growth, LTF delivered strong earnings performance in FY26, supported by healthy portfolio expansion, stable yields, improved funding efficiency and continued operating leverage.

₹2,981 Cr*

Highest-ever annual Profit After Tax (PAT) in FY26

13% growth over FY25

Profitability growth reflects the combined impact of portfolio scale, margin stability and cost efficiency, indicating your Company's ability to convert business growth into sustainable earnings.

*PAT before one time labour code effect: ₹3,003 Cr

Key profitability indicators:

Profit After Tax Trend

Profit After Tax increased to ₹2,981 Cr* in FY26, representing the net earnings generated after all expenses and provisions, serving as the primary indicator of overall financial performance.

Financial Year	Profit before exceptional items (₹ Cr)	Profit after exceptional items (₹ Cr)	YoY Growth (%)
FY24	2,320	2,320	43
FY25	2,644	2,644	14
FY26**	3,003	2,981	13

** Exceptional items is towards one time impact of new labour code

Cost of Borrowing Trend

Through proactive treasury management and diversified funding sources, LTF achieved its lowest cost of borrowing of 7.35%, improving overall earnings efficiency.

Financial Year	Weighted Average Cost of Borrowing (%)
FY24	7.80
FY25	7.83
FY26	7.35

Additional profitability indicators further highlight operational performance:

Return on Assets (RoA): 2.37% – indicating the efficiency with which assets generate earnings

Return on Equity (RoE): 11.25% – reflecting returns delivered to shareholders

Net Interest Margin (NIM) + Fees: 10.33% – representing the core profitability of lending operations

Together, these indicators demonstrate LTF's continued focus on profitable growth, operating discipline, and balance sheet optimisation, ensuring that scale expansion translates into sustainable long-term financial performance.

Building structural strength through prudent financial management

Your Company continued to strengthen its financial position through disciplined capital allocation, prudent provisioning, and active portfolio monitoring. Provision coverage remained robust at 67%, reinforcing balance sheet resilience and ensuring adequate buffers against potential uncertainties.

At the same time, your Company maintained a calibrated growth approach, balancing expansion with risk discipline to ensure the long-term sustainability of returns.

This combination of strong growth, improving profitability, and prudent financial management positions LTF favourably to sustain consistent performance momentum while delivering long-term value to stakeholders.

Consolidated Statement of Economic Value Generated and Distributed for FY26

Particulars	Year Ended March 31, 2026 (₹ in Cr)	Year Ended March 31, 2025 (₹ in Cr)
(1) Economic Value Generated		
(a) Turnover	17,913.67	15,924.24
(b) Other Income	313.87	254.74
(c) Profit before Tax from Discontinued Operations	-	-
Total Economic Value Generated (a+b+c)	**18,227.54**	**16,178.98**
(2) Economic Value Distributed		
(a) Operating Cost	1,715.40	1,607.30
(b) Employee Wages and Benefits	2,455.00	2,216.51
(c) Payments to Providers of Capital	7,406.85	6,619.22
(d) Payments to Governments	1,381.16	1,003.81
(e) CSR Initiatives and Donation	44.31	21.86
Total Economic Value Distributed (a+b+c+d+e)	**13,002.72**	**11,468.70**
(3) Economic Value Retained (1-2)	**5,224.82**	**4,710.28**

Notes:
Numbers are reported as per IndAS
Non-cash items are not considered while calculating economic value retained

Scaling Retail and Strengthening Portfolio Quality

LTF's continued focus on building a high-quality, granular, and diversified retail portfolio has been central to its transformation into a retail-focused lending franchise. In FY26, your Company successfully strengthened its retail franchise while maintaining superior asset quality and portfolio resilience.

Scaling the retail franchise across diversified segments

Your Company sustained strong growth across its key retail lending segments, supported by deep distribution reach, strengthened partnerships, and improved sourcing capabilities.

Growth across major segments during FY26 was as follows:

₹30,805 Cr
Rural Business Finance book

₹8,507 Cr
SME Finance book

₹16,970 Cr
Farmer Finance book

₹2,845 Cr
Gold Finance book

₹14,372 Cr
Two-Wheeler Finance book

₹14,666 Cr
Personal Loans book

₹30,009 Cr
Home Loans and LAP book

This broad-based growth across secured and unsecured segments enabled your Company to diversify risk while strengthening its presence across customer segments and geographies.

The continued scaling of secured products such as Home Loans, LAP and Gold Finance further enhanced portfolio stability and strengthened the overall risk profile.

Strengthening portfolio stability through calibrated growth

LTF's growth strategy continues to prioritise portfolio quality alongside expansion, ensuring long-term sustainability and stability. Your Company's diversified retail portfolio, granular exposure profile, extensive distribution network, and strong provisioning buffers provide resilience across economic cycles.

This disciplined approach enables your Company to:

- Sustain stable and predictable earnings
- Maintain strong balance sheet quality
- Reduce portfolio volatility
- Strengthen long-term risk-adjusted returns

The continued focus on scaling retail, improving portfolio quality, and maintaining prudent risk discipline positions LTF well to sustain its growth trajectory while delivering consistent, sustainable performance.

Financial Strength and Credit Profile

Maintaining a strong capital base and resilient liability franchise remains fundamental to LTF's risk-first operating model and long-term financial strategy. In FY26, your Company further strengthened its balance sheet through disciplined capital management and prudent provisioning practices, ensuring adequate buffers to absorb potential credit volatility. At the same time, sustained growth in net worth and calibrated leverage levels enhances your Company's capacity to fund portfolio expansion while maintaining financial stability. These factors collectively support strong capital adequacy and provisioning coverage, reinforcing LTF's ability to scale its retail franchise while preserving balance sheet resilience and risk discipline.

Capital Strength

18.34%
Capital Adequacy Ratio (CRAR)

₹27,984 Cr
Net Worth

3.93x
Debt-to-Equity Ratio

67%
Provision Coverage Ratio

Strong capitalisation provides a robust buffer to absorb volatility while supporting calibrated growth across retail segments.

Sustained Credit Leadership

FY26 marked a significant milestone in our global credit journey, with LTF securing and strengthening investment-grade international and domestic credit ratings, aligned with India's sovereign rating profile.

Rating Agency	Long-term Rating	Outlook	Short-term Rating
International:			
S&P Global Ratings	BBB	Stable	A-2
Fitch Ratings	BBB-	Stable	-
Domestic:			
ICRA	ICRA AAA	Stable	ICRA A1+
India Ratings	IND AAA	Stable	IND A1+
CARE Ratings	CARE AAA	Stable	CARE A1+
CRISIL Ratings	CRISIL AAA	Stable	CRISIL A1+

These ratings reflect LTF's strong financial profile, supported by a strong parentage, granular retail loan book, robust capital buffers, prudent provisioning, and a disciplined risk management framework.

A strong credit profile also strengthens LTF's liability franchise by enabling diversified access to funding across domestic and international markets, expanding the global investor base, and supporting the optimisation of borrowing costs. Together, these strengths reinforce the balance sheet's resilience and position your Company to support continued retail expansion while maintaining long-term financial stability.

A Strong and Responsible Lending Framework

LTF's credit policy is the foundation upon which its lending decisions are based, ensuring alignment with your Company's principles of sustainability, responsibility, technology-led robust risk framework. The policy reflects a proactive approach to managing risk, incorporating both established industry standards and internal best practices.

The key aspects of your Company's credit policy include:

Adherence to Industry Standards

Follows industry-leading guidelines to assess borrowers and ensure regulatory compliance.

Dual Underwriting Approach

Combines conventional underwriting methods with a scorecard-based decision model, evaluating creditworthiness from multiple angles.

Ongoing Monitoring and Adaptability

Monitors market conditions and adjusts its policies continuously to address evolving risks and opportunities.

Commitment to Responsible Lending

Ensures responsible lending to guarantee that its policies are aligned with responsible finance practices and regulatory requirements.

As part of these strategic initiatives, LTF's policy includes a strict exclusion list, ensuring that its financing practices do not support activities that are harmful to society and the environment.

The exclusion list prohibits financing inter alia for:

- Forced Labour & Exploitative Child Labour
- Wildlife Trade
- Gambling, Casinos, and Equivalent Enterprises
- Weapons Production and Trade
- Hazardous Substances and Banned Chemicals
- Mining and Thermal Energy Projects

By maintaining these exclusions, LTF ensures its financial activities contribute constructively to society and align with your Company's core values. Additionally, your Company understands that environmental risk is a decisive factor in lending decisions. LTF's credit policy includes environmental evaluations, ensuring that loan approvals consider financial stability and resilience to environmental challenges.

Key environmental factors considered during loan appraisals include:

- Floods, droughts, cyclones, and extreme weather conditions
- Earthquakes and seismic risks

This focused approach to environmental risk ensures that LTF's financing decisions support areas that are resilient to climate-related challenges.

Technology-led Efficiency and Digital Enablement

As LTF continues to expand its retail franchise and scale operations across geographies and customer segments, enhancing operational efficiency and decision agility remains a strategic priority. Technology, therefore, plays a critical role in strengthening productivity, enabling faster credit decisions and supporting disciplined portfolio growth. Your Company has embedded artificial intelligence, automation, and digital infrastructure across the lending lifecycle, spanning sourcing, underwriting, monitoring, and servicing. Proprietary AI platforms such as Project Cyclops, Project Nostradamus, Project Orion, and Project Helios, together with end-to-end digital processes and engagement platforms such as PLANET 3.0 and Partner PLANET, enable paperless onboarding, improved turnaround times, and stronger ecosystem connectivity with customers and partners. These capabilities strengthen operating leverage while supporting scalable and responsible growth.

For more details on the AI platforms and digital capabilities, refer to section 'Manufactured and Intellectual Capital'.

Maintaining Asset Quality Discipline

Supporting its growth strategy, LTF continues to maintain a strong risk governance framework to ensure portfolio stability and balance sheet resilience. Your Company's disciplined credit practices and proactive risk monitoring enable it to sustain asset quality while scaling its lending operations.

Stable and resilient asset quality

- Gross Stage 3 ratio stood at 2.88%
- Net Stage 3 ratio stood at 0.96%
- Provision Coverage Ratio strengthened to 67%

These metrics reflect the stability and resilience of your Company's lending portfolio.

Retail Asset Quality

Your Company maintained best-in-class 0 DPD performance across its three core retail products, reflecting disciplined underwriting and strong collection frameworks.

Rural Group Loans and Micro Finance (JLG) (%)		Farm Equipment Finance (%)		Two-Wheeler Finance (%)	
Industry	LTF	Industry	LTF	Industry	LTF
75.5	96.4	80.7	89.0	81.0	91.6

Industry figures are for the immediately preceding quarter reported as per CRIF Highmark data
Best-in-class 0 DPD portfolio of LTF vis-à-vis the industry

Retail and Consolidated Asset Quality

Retail Asset Quality					
	Q4 FY25	Q1 FY26	Q2 FY26	Q3 FY26	Q4 FY26
GS3 (₹ in Cr)	2,763	2,928	3,053	3,175	3,029
NS3 (₹ in Cr)	753	812	870	847	973
GS3 (%)	2.90	2.93	2.92	2.83	2.53
NS3 (%)	0.81	0.83	0.85	0.77	0.83
PCR (%)	73	72	72	73	68

Consolidated Asset Quality					
	Q4 FY25	Q1 FY26	Q2 FY26	Q3 FY26	Q4 FY26
GS3 (₹ in Cr)	3,218	3,390	3,521	3,650	3,511
NS3 (₹ in Cr)	929	989	1,046	1,024	1,148
GS3 (%)	3.29	3.31	3.29	3.19	2.88
NS3 (%)	0.97	0.99	1.00	0.92	0.96
PCR (%)	71	71	70	72	67

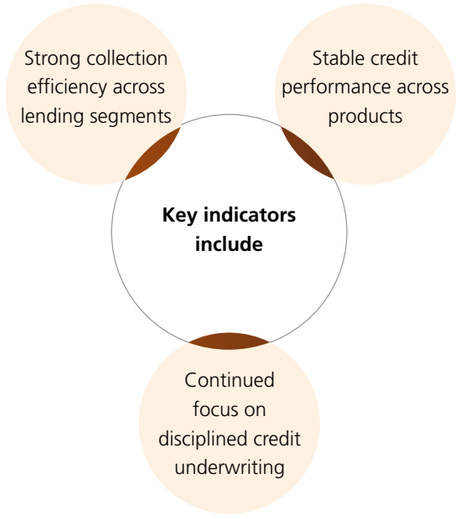
Strengthening portfolio monitoring and credit risk management

As the portfolio expanded, LTF continued to enhance its credit monitoring and risk oversight capabilities.

These initiatives ensure proactive risk management and portfolio stability.

Improving collection performance and portfolio discipline

Your Company also maintained strong collection performance, supported by disciplined credit selection and effective monitoring.



These efforts support long-term stability of asset quality.

Sustainable and Responsible Financing

At LTF, Sustainable and Responsible Financing remained a core strategic priority in FY26, aligned with your Company's Lakshya 2026 roadmap and its broader vision of building a technology-led, risk-calibrated retail finance franchise. As India advances toward its sustainable development ambitions alongside global frameworks championed by the G20 and the United Nations Sustainable Development Goals, your Company continued to embed ESG principles into its lending, funding, and operational ecosystems.

This integrated approach ensures that sustainability is not merely a compliance requirement but a strategic enabler of long-term portfolio resilience, responsible growth, and stakeholder value creation.

Strengthening the Sustainable Finance Framework and Governance

During FY26, your Company continued to operationalise its Sustainable Finance Framework (SFF), enabling structured deployment of capital toward environmentally and socially beneficial sectors. The framework aligns with globally recognised principles issued by the ICMA and LMA and remains validated through an independent Second-Party Opinion from CRISIL Ltd.

Your Company has a specialised working group that operates at the functional level to track the performance of our sustainability-linked portfolio and verify that allocated funds strictly align with both internal targets and external ESG commitments. Governed by the SFF, the group systematically monitors how environmental and social criteria are integrated into our lending decisions. Through this continuous tracking, the working group ensures accountability and transparency in the deployment of the capital, actively measuring the impact of strategic investments. In FY26, ₹18,220 Cr was directed towards sustainability-focused and priority sector lending.

The framework is anchored on six core pillars:

1. Use of proceeds
2. Project evaluation and selection
3. Management of proceeds
4. Reporting and disclosures
5. External review and validation
6. Sustainability-linked financing instruments

These pillars are informed by the best practices outlined in prominent global guidelines, including:

International Capital Market Association (ICMA) Guidelines

- Green Bond Principles (GBP) 2021
- Social Bond Principles (SBP) 2023
- Sustainability Bond Guidelines (SBG) 2021
- Sustainability-Linked Bond Principles (SLBP) 2023

Loan Market Association (LMA), Asia Pacific Loan Market Association (APLMA), and Loan Syndications and Trading Associations (LSTA) Guidelines

- Green Loan Principles (GLP) 2023
- Social Loan Principles (SLP) 2023
- Sustainability-Linked Loan Principles (SLLP) 2023

Climate bond initiative taxonomy serves as a crucial reference point, facilitating the identification and categorisation of eligible projects within the SFF

Robust internal governance mechanisms, including structured monitoring and periodic reviews, ensure that sustainable finance proceeds are deployed in alignment with defined ESG objectives and measurable impact outcomes.

Scaling ESG-Integrated Lending and Climate-aligned Portfolio Growth

In FY26, your Company further strengthened its ESG-integrated lending strategy, with approximately 41% of its total loan book supporting sustainable livelihoods across its following business portfolios.

Business Portfolios	Impact
Rural Business Finance	Upliftment of rural women
Farmer Finance	Improved Livelihoods of Farmers
EV Two-Wheeler Finance	Contribution to creation of 'Green Economy'
Housing Finance	Financing Green Buildings
SME Finance	Supporting growth of Small-Medium Entrepreneurs

ESG considerations are increasingly embedded into underwriting and credit evaluation processes. Paperless digital onboarding, governance-focused risk filters, and sustainability-aligned project selection frameworks ensure responsible credit growth.

Expanding Sustainability-Linked Funding and Strategic Capital Partnerships

During FY26, your Company continued to raise funds aligned with the SLL framework adopted. Strategic partnerships with leading global development institutions such as the Asian Development Bank and the Japan International Cooperation Agency enabled targeted funding toward priority sectors, including women borrowers, MSMEs, rural livelihoods, and climate-aligned financing.

These funding arrangements incorporate clearly defined sustainability-linked performance indicators, ensuring alignment between financial growth and ESG performance. This approach has strengthened funding resilience, enhanced capital efficiency, and reinforced your Company's ability to scale responsibly.

Reinforcing Long-Term Responsible Growth

Through disciplined implementation of its SFF, continued expansion of ESG-aligned lending, and diversification of sustainability-focused funding, LTF strengthened its position as a responsible and future-ready financial institution in FY26.

By integrating environmental stewardship, social inclusion, and governance excellence into its core business model, your Company is ensuring that its growth trajectory remains resilient, inclusive, and aligned with India's long-term sustainable development priorities, while delivering durable value to its stakeholders.

Tax Approach

At LTF, tax management is centrally embedded within its broader financial governance and compliance framework. Your Company's tax practices are strategically guided by regulatory compliance, transparency, and prudent financial management to ensure uninterrupted operations and long-term value creation.

Strong Compliance and Governance Framework

LTF ensures strict compliance with all applicable tax laws and regulations through established internal controls and robust financial reporting processes. Your Company's tax approach is anchored in:

Regulatory compliance

Adherence to all applicable direct and indirect tax requirements to uphold our commitment to operational transparency

Accurate reporting

Alignment of tax disclosures with audited financial statements and accounting standards, ensuring the highest level of integrity in our filings

Governance oversight

Regular internal evaluations, reviews and external audits to ensure correctness and transparency

Robust controls

Maintenance of clear documentation and audit trails to proactively identify, report and constantly monitor taxation risks

Tax Efficiency through Prudent Financial Management

Tax considerations form part of LTF's disciplined financial management approach. Your company is committed to its tax responsibilities while legitimately leveraging tax incentives as per applicable law.

Integrated with Financial and Risk Framework

Tax management is closely aligned with LTF's broader financial and risk management practices, including provisioning policies, capital management, and regulatory reporting. This pro-active approach involves seeking regular updates and providing specialized tax training to stakeholders. This ensures consistency, transparency, financial discipline, and mitigating potential risks.

LTF's disciplined approach to tax governance ensures full regulatory alignment and operational continuity, optimising financial outcomes while supporting your Company's trajectory of resilient, long-term growth.

MANUFACTURED AND INTELLECTUAL CAPITAL

TRANSFORMING LENDING THROUGH DIGITAL INTELLIGENCE

LTF has built a phygital platform-led lending ecosystem that combines AI, advanced analytics, and the PLANET App with a strong nationwide distribution network to deliver at scale and enable inclusive growth. At the core is an integrated digital lending architecture, where proprietary AI engines, Project Cyclops, Project Helios, Project Nostradamus, KAI (Kustomer AI), and Project Orion, power the entire lending lifecycle, from sourcing and underwriting to portfolio monitoring, collections, and customer engagement. Together, these engines enable faster decision-making, sharper risk management, and enhanced operational efficiency.

Customer and partner engagement is anchored through the PLANET App and Partner PLANET platforms, enabling seamless, end-to-end digital journeys, real-time servicing, and enhanced transparency, significantly accelerating digital adoption across segments.

Together, these capabilities position your Company to scale sustainably, enhance asset quality, improve customer experience, and advance financial inclusion, while delivering measurable impact across key material areas including innovation, compliance, and operational efficiency.

Impact on Material Issues

- Customer Experience and Satisfaction
- Innovation and Digitisation
- Operational Eco-Efficiency
- Privacy and Data Security
- Financial Inclusion
- Legal and Regulatory Compliance

GRI Linkages

GRI 201	Economic Performance
GRI 203	Indirect Economic Impacts
GRI 302	Energy
GRI 305	Emissions
GRI 404	Training and Education
GRI 413	Local Communities
GRI 416	Customer Health and Safety
GRI 417	Marketing and Labelling
GRI 418	Customer Privacy

Linkage to UN SDGs

Key Highlights

2.8 Cr+
Customer Base

41.6%
Proportion of Rural Loan Book from Low-Income States

14,000+
Distribution Touchpoints

2 lakh+
Villages Served

450+
Cities/Towns Served

₹5,750 Cr+
Digital Collections

₹7,200 Cr+
Digital Sourcing

₹25,906 Cr
Digital Disbursements (Rural + Urban)

90%
Customer Servicing Experience through Digital Channels

~4,500
Participants at RAISE Event

WHY
This Matters

Artificial Intelligence (AI) at LTF is no longer merely a tool but a central pillar of its transformation under the Lakshya strategy, which seeks to reposition your company as a Risk-first, Technology-first, Multi-product Retail Financier of Choice. Its growth agenda is anchored around diversifying customers and products, underpinned by laser sharp insights leveraging decision intelligence, and executed through a scalable, resilient digital architecture that enables these insights to be effectively deployed at customer level.

Against the backdrop of improved digital penetration in the remote corners of India, the credit options and customer expectations continue to evolve. In sync with digital revolution, the regulatory landscape is maturing and setting up a market for fair competition across lenders. In response to the evolving landscape, it is pertinent for financial institutions to make their decision-systems more effective and responsible, augmenting the traditional customer reach-out avenues. AI-driven insights enable faster underwriting, stronger portfolio monitoring, and more personalised customer engagement. While, digital platforms improve operational efficiency and accessibility, there is a need to make these systems responsible and robust to comply with regulatory frameworks while keeping security and customer satisfaction at the forefront for its growth strategy.

By investing in AI-powered systems, as a modern technology infrastructure and a strong distribution backbone, your Company strengthens its ability to scale responsibly, enhance customer experience, and expand financial inclusion across India.

WHAT
LTF Focuses on

Your Company has built an integrated ecosystem of technology platforms, AI-driven analytics and nationwide distribution infrastructure that powers a digital lending model, combining digital intelligence with on-ground reach.

Key focus areas across this capital include:

- **Nationwide distribution infrastructure,** ensuring last-mile connectivity and strong customer relationships across markets
- **Enterprise-wide AI adoption,** driving productivity, innovation, and operational efficiency
- **AI-enabled lending lifecycle management,** spanning customer acquisition, underwriting, monitoring, servicing, and collections
- **Digital engagement platforms,** including the PLANET App ecosystem for customers, Partner PLANET App for dealers and conversational AI interfaces that enable seamless customer and partner interactions. For more information www.ltfinance.com/planet
- **Core technology modernisation,** supported by cloud-native infrastructure and unified lending platforms
- **Advanced analytics and data intelligence,** enabling predictive risk monitoring and informed credit decisions
- **Cybersecurity and data governance,** safeguarding customer information and strengthening regulatory compliance

Together, these capabilities create a technology-enabled operating foundation that supports efficient, inclusive, and scalable lending.

HOW
LTF Does It

LTF delivers this strategy through a phygital architecture that integrates AI-driven technology platforms with a strong nationwide distribution network.

Proprietary intelligence engines power the lending lifecycle, from automated underwriting through Project Cyclops to predictive portfolio monitoring via Project Nostradamus, while Project Orion enables conversational access to portfolio insights, and Project Helios strengthens manual underwriters by removing their cognitive load.

Customer engagement is anchored through the PLANET digital ecosystem and conversational AI solutions such as KAI, supported by a cloud-first infrastructure, robust cybersecurity frameworks, and extensive on-ground distribution enabling faster decisions, stronger risk oversight, and effective last-mile service delivery.

From the Chief AI & Data Officer's Desk

"Sustainable growth today depends on the seamless integration of physical infrastructure, digital platforms, and intelligent data ecosystems."

Dr. Debarag Banerjee
Chief AI and Data Officer

At LTF, our approach to operations and technology is guided by a clear purpose to create a resilient, intelligent, and scalable ecosystem that supports the evolving needs of customers, partners, and markets. By integrating our physical network with digital platforms and advanced data capabilities, we are building a phygital foundation that enables seamless customer experiences while strengthening operational agility and governance.

Over the past year, we have continued to modernise our technology backbone to support this vision. With a significant share of our applications now operating on cloud infrastructure, our systems have become more scalable, secure, and responsive, enabling faster product innovation and reliable service delivery across geographies.

A key pillar of our strategy is the deep integration of AI and advanced analytics into our core decision-making processes. Proprietary AI engines are strengthening credit underwriting and portfolio intelligence, enabling more predictive risk assessment and proactive portfolio management. At the same time, emerging AI co-pilots and conversational systems are enhancing productivity, empowering our teams to make faster, more informed decisions while delivering more personalised customer engagement.

As we continue to cultivate an AI-first culture and strengthen our data architecture, our focus remains on translating technology investments into long-term enterprise value. Together, our infrastructure, digital capabilities, and intellectual capital are enabling your Company to build a future-ready organisation one that is resilient, data-driven, and well-positioned to lead in a rapidly evolving financial services landscape.

From the CDO's Desk

"As we transition into Lakshya 2031, our ambition is to build on this foundation and evolve into an intelligent, resilient and AI-augmented enterprise"

Ramesh Aithal
Chief Digital Officer

As we conclude Lakshya 2026, our journey has been centered on establishing a resilient, cloud-native technology foundation that can scale with the evolving needs of the business. This phase has focused on modernizing our core systems through modular architectures, enabling flexibility, faster integrations, and improved system reliability. Strong engineering practices have been a key pillar, ensuring consistency in development, deployment, and operations, while a security-by-design approach has helped embed cybersecurity considerations at every layer of our technology stack. Together, these efforts have created a robust and future-ready digital backbone.

As we transition into Lakshya 2031, our ambition is to build on this foundation and evolve into an intelligent, resilient and AI-augmented enterprise. The next phase will emphasize the adoption of automation, interoperable platforms, and real-time systems to enable faster decision-making, enhanced responsiveness, and greater operational efficiency. By integrating AI-driven capabilities into our platforms and workflows, we aim to unlock new levels of agility and innovation, allowing us to adapt dynamically to changing customer and market demands.

Our approach remains focused on balancing innovation with resilience. While we continue to push the boundaries of what technology can enable, we are equally committed to maintaining high standards of cybersecurity, system performance, and operational stability. Sustainability and efficiency are also integral to our strategy, as we optimize infrastructure and workloads to minimize environmental impact. Overall, Lakshya 2031 represents a shift from building strong digital foundations to orchestrating intelligent, adaptive systems that will power the next phase of growth.

The Phygital Core

Integrating Digital Intelligence with Physical Reach

LTF operates through a hybrid model that combines digital platforms, advanced analytics, and Artificial Intelligence with a strong physical distribution network. This integrated architecture allows your Company to deliver faster, deepen market reach, and more inclusive access to financial services.

By embedding technology across the lending lifecycle while maintaining strong on-ground engagement, your Company strengthens credit discipline, improves operational efficiency, and enhances customer relationships across urban and rural markets.

Nationwide Distribution Infrastructure

Scale, Reach, and Last-Mile Trust

While digital capabilities power velocity, your Company's expansive physical infrastructure ensures deep market penetration and financial inclusion.

Your Company operates:

- **2,841 branches**, including the Head Office
- **14,000+ distribution touchpoints**
- Presence across **450+ cities and towns**
- Reach into approximately **2 lakh villages**

This extensive footprint enables contextual understanding of local markets, stronger customer relationships, and effective last-mile delivery of financial services.

Segment-Aligned Distribution Architecture

The physical network is strategically aligned with product verticals to ensure focused execution:

- Rural Group Loans and Micro Finance supported by **2,167** Meeting Centre Branches
- Two-Wheeler Finance backed by **8,980+** active sourcing points
- Farm Equipment Finance supported by **2,750+** sourcing points and **2,700+** dealer partnerships
- Gold Finance delivered across **330** branches

This granular structure enables localised risk management and dynamic recalibration of lending strategies based on district-level economic indicators.

Technology Backbone and Operational Resilience

Supporting the digital ecosystem is a robust physical technology backbone that drives resilience, including:

- An Application Engineering Centre in Bengaluru
- An Integrated Tech Operations and Data Centre at Mahape

These facilities house specialised talent in cloud, AI, and data science, ensuring scalability, cybersecurity resilience, and operational continuity across the enterprise.

A Structural Competitive Advantage

The integration of digital intelligence with physical depth enables LTF to combine:

- The agility of a technology-led lender
- The reach of a nationwide distribution franchise
- The governance discipline of analytics-driven risk management

This phygital architecture allows your Company to scale responsibly, strengthen asset quality, enhance customer engagement, and expand financial inclusion across urban and rural India.

LTF has re-architected the lending lifecycle, anchoring advanced technology within a trusted physical network to build a resilient and future-ready financial institution.

The Digital Engine

Building a Connected, Technology-Led Lending Architecture

At LTF, digital is the structural backbone of a connected, intelligence-driven lending architecture. Your Company's digital engine integrates omnichannel customer interfaces, automated workflows, centralised data infrastructure, and embedded AI models into a unified, cloud-native ecosystem. Every interaction, from initial inquiry to servicing and collections, is digitally executed, monitored in real time and continuously refined through learning loops.

AI Across the Lifecycle

AI-led transformation is embedded across the entire lending lifecycle, ensuring precision, speed, and proactive risk management.

Lifecycle Stage	Platform / Engine
Acquire	KAI (Kustomer AI) chat
	KAI Voice AI
Underwrite	Project Cyclops
	Project Helios
Monitor	Project Nostradamus
	Project Orion
Serve	PLANET App
Act	AI Cross-Sell Engine
	KAI Voice Collections Bots
Enterprise Enablement	Empower AI

Each layer connects seamlessly to the next, creating a continuously learning system that enhances underwriting accuracy, strengthens portfolio oversight, and enables targeted customer engagement. The result is improved turnaround times, sharper risk calibration, and greater operating efficiency across product segments.

Digitalisation also extends to customer-centric platforms and enterprise resilience. The PLANET 3.0 App anchors servicing with real-time loan access, digital payments and streamlined service requests, strengthening transparency and convenience. Internally, straight-through processing (STP), workflow automation and analytics-driven governance, enhance control and scalability. This ecosystem is reinforced by a robust information security framework, comprising layered cybersecurity architecture, continuous threat monitoring, and strong data governance protocols.

Together, this integrated, AI-enabled and secure digital infrastructure forms the foundation of LTF's phygital model, where technology drives intelligence and efficiency, complementing the reach and trust of its physical network.

Core AI Platforms Powering the Lending Lifecycle

Project Cyclops

Next-Gen Omni-Product, Omni-Customer Underwriting Engine

Project Cyclops is LTF's proprietary, in-house-developed AI and machine learning-based credit underwriting engine. Conceptualised as a next-generation, omni-product and omni-customer underwriting platform, it fundamentally reshapes credit risk assessment – transitioning from manual, fragmented evaluations to a unified, automated and highly accurate decision-making framework.

Project Cyclops is being methodically scaled across business verticals

Two-Wheeler Finance

Powers 100% of disbursements; processed over 13.2 lakh cases

Farm Equipment Finance

Fully live across 100% dealership; ~89,100 cases processed

SME Finance

Fully live; 13,000 cases processed

Personal Loans

Implementation with full rollout targeted

Upcoming Rollouts

Planned expansion into Housing Loans/Mortgages and Rural Business Finance

Multi-Dimensional 'Trust Signals'

Project Cyclops extends beyond traditional bureau data and bank statements to evaluate a wide spectrum of alternative and contextual variables:

- Credit bureau records and repayment behaviour
- Bank statement cash-flow analytics
- Digital footprints and transactional trails
- Location stability and micro-geography indicators
- Dealer scorecards and ecosystem intelligence

For Farm Equipment Finance, the engine integrates satellite-based data to assess village-level agricultural health, incorporating soil type, soil depth, temperature, and rainfall patterns. This enables underwriting decisions that reflect real income potential rather than proxy assumptions.

High-Performance, Zero-Downtime Infrastructure

Project Cyclops operates on a Generation 3 Kubernetes-based architecture engineered for scale and resilience:

- Runs machine learning models simultaneously
- Calculates probability of default in milliseconds
- Processing capacity is scaled up at each API level
- Designed for zero-downtime, even during peak seasonal disbursement cycles

Continuous Evolution: A Learning Engine

Project Cyclops is designed as a progressively layered intelligence system.

Version-Based Model Enhancements:

Cyclops 1.0

Core field investigation and banking data

Cyclops 2.0

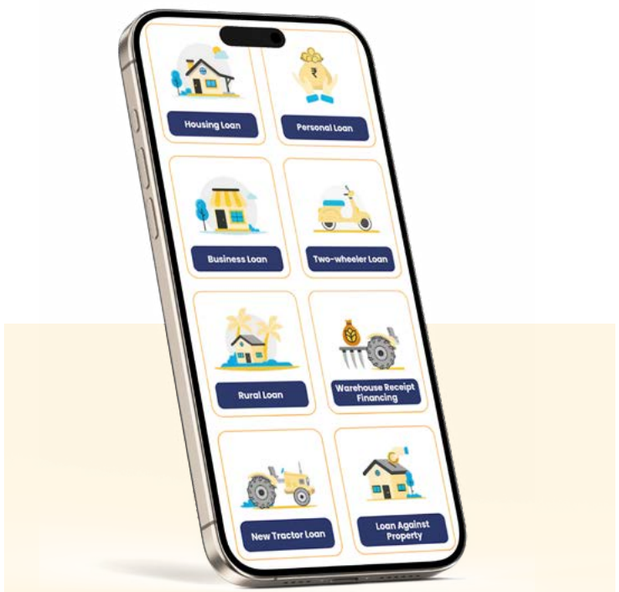
Inclusion of dealer scorecards and ecosystem analytics

Cyclops 1.5

Integration of digital footprints and bureau indices

Cyclops 3.0

Updated and upgraded model for enhanced decisioning



Strategic Impact

- Reduction in Net Non-Starters (NNS) and early delinquencies in Two-Wheeler and Farm Equipment Finance portfolios
- Prime customer share in the Two-Wheeler portfolio increased from 61% to 87%
- SME Finance underwriting turnaround time reduced from 21 hours to 14 hours
- Automated decisioning is improving onboarding quality and reducing manual intervention
- Policy-aligned guardrails are embedded in underwriting
- Standardised borrower segmentation across Premium, Value, and Core cohorts

Project Helios

Modernising the Core. Powering the Future.

Transforming Credit Decisioning through AI and Unified Underwriting Intelligence

Project Helios is an AI-driven underwriting intelligence platform designed to modernise how credit decisions are made across LTF's lending businesses. As credit evaluation processes became increasingly data-intensive, credit managers had to manually analyse multiple reports such as bureau reports, banking statements, financial statements, deviation notes, and personal discussions.

Project Helios addresses this challenge by bringing these fragmented signals together into a single intelligent decision support layer.

What Helios Enables

Unified Underwriting Intelligence

Project Helios consolidates insights from bureau data, banking statements, financial documents, deviations, probability of default (PD) discussions, and other underwriting signals into a single structured view, reducing the need to manually analyse multiple reports.

AI-Assisted Credit Decisioning

Through analysers such as Bureau Analyser, Banking Analyser, Financial Statement Analyser, and AI-assisted Credit Assisted Memorandum (CAM), Project Helios automatically highlights key observations, risk indicators, and probing questions to assist credit managers during underwriting.

Improved Risk Visibility

Project Helios leverages deviation intelligence, PD insights and cross-signal triangulation to detect hidden risks and highlight inconsistencies that may otherwise be missed during manual analysis.

Automation of Manual Underwriting Effort

Processes such as EMI mapping, financial document analysis, and PD transcription, among others, are automated, significantly reducing manual effort and review time.

Explainable and Governed AI Layer

All insights generated by Project Helios are explainable and auditable, ensuring that credit managers remain in control of final decisions while benefiting from AI-driven assistance.

Strategic Impact

By integrating multiple underwriting signals into one intelligent platform, Project Helios improves decision consistency, credit TAT reduced by 33% in Self Employed Non-Professionals (SENP) category and 33% in Self Employed Professionals (SEP) category, and strengthens credit governance. The platform enhances productivity of credit teams while maintaining robust risk controls.

In essence, Project Helios acts as a unified underwriting AI assistant, enabling faster, smarter, and more consistent credit decisioning while preserving human oversight in the underwriting process.

Project Nostradamus

AI-Driven, Real-Time Portfolio Intelligence Engine

Project Nostradamus is LTF's proprietary, first-in-industry AI-powered automated portfolio management engine. Designed as the intelligence layer that activates immediately after disbursement, it ensures that risk oversight does not end at underwriting but continues dynamically across the entire lifecycle of every loan.

As the live book scales across products and geographies, Project Nostradamus continuously evaluates millions of active accounts, shifting portfolio management from reactive monitoring to predictive, system-driven supervision.

Integrated, Multi-Layered Data Architecture

To generate forward-looking insights, Project Nostradamus unifies diverse data streams into a single analytical framework:

- Internal loan performance and repayment behaviour
- End to end monitoring via real time dashboards
- Bureau trends and banking liquidity at various geospatial granularities
- Digital signals, including device consistency and geolocation stability
- Macroeconomic and sectoral data

These inputs power advanced machine learning models that generate Early Warning Scores (EWS) for every account, detecting behavioural inflections well before delinquency manifests.

From Predictive Signals to Structured Action

The engine translates intelligence into calibrated execution:

Proactive Risk Containment

High-risk accounts trigger automated outreach, digital nudges, and prioritised collections workflows

Targeted Growth Activation

Stable customers are algorithmically identified for pre-approved cross-sell and top-up offers

Micro-Market Strategy Calibration

~1,200 geographic clusters are monitored for localised stress or growth momentum, guiding district-level risk appetite and feeding insights back into underwriting frameworks

Strategic Impact

- **Cash Flow and Recovery Impact**

  Delivered specialised recoveries leveraging Account Aggregator (AA) data for optimised EMI presentations.
- **Operational Efficiency and Cost Strategy**

  Realised bottom-line savings through channel optimisation powered by the B1 Model, effectively reducing collection overheads while maintaining portfolio performance.
- **Annual Revenue Pipeline**

  Identified annual incremental business opportunity through data-driven 'Swap-in' strategies, targeting Two-Wheeler customers and Personal Loan top-up prospects

Project Nostradamus institutionalises continuous intelligence, ensuring that growth, risk management, and geographic strategy remain interconnected, adaptive and data-led, throughout the lending lifecycle.

Project Orion

AI Conversational Co-Pilot for Portfolio Intelligence

Project Orion is LTF's next-generation AI conversational assistant and the interface layer to Project Nostradamus. While Project Nostradamus generates portfolio-wide predictive insights, Project Orion ensures that these signals are instantly accessible and actionable for credit and business teams across FY26.

Democratising Enterprise Data

Project Orion removes reliance on technical teams and static dashboards by enabling direct, self-serve interaction with portfolio intelligence.

- **Plain-English Querying:** Users can ask business questions conversationally and receive precise, instant responses
- **Dynamic Drill-Down:** Enables exploration beyond pre-built dashboards into segment, product, or geography-level trends
- **Live Interpretation Layer:** Translates portfolio alerts into contextual summaries for faster action

Core Capability Pillars

- **Conversational Intelligence:** Understands intent and context, enabling seamless human-like interaction with enterprise data
- **Real-Time Awareness:** Tracks live portfolio performance data for FY26 and surfaces actionable insights instantly
- **Workforce Empowerment:** Accelerates reporting and reduces turnaround times by enabling independent analysis
- **Continuous Learning:** Improves accuracy and contextual relevance as usage expands

Strategic Impact

- Faster risk-response cycles
- Automating data quicker and better

Project Orion enhances analytical agility by converting predictive intelligence into everyday operational clarity strengthening speed, accountability, and data-led execution across the portfolio lifecycle.

KAI

KAI (Kustomer AI) is an Agentic AI-powered conversational assistant designed to transform how customers engage with financial services through natural, human-like interactions. Built on Large Language Model (LLM) technology, KAI enables customers to interact using free-flowing text or voice, allowing them to query financial products, explore loan options, generate leads, and perform servicing activities seamlessly.

All AI interactions are unified under the KAI ecosystem. Currently KAI is active on the website chatbot and voice outreach. We are evolving into a seamless omnichannel presence with KAI expanding into integrations for WhatsApp and other digital engagement platforms.

From a technology perspective, KAI is powered by an agentic AI architecture, where LLMs orchestrate service execution through tools exposed via a local MCP (Model Context Protocol) server. This allows the AI to efficiently invoke enterprise APIs for operations such as eligibility checks, EMI calculations, lead generation, and loan servicing actions.

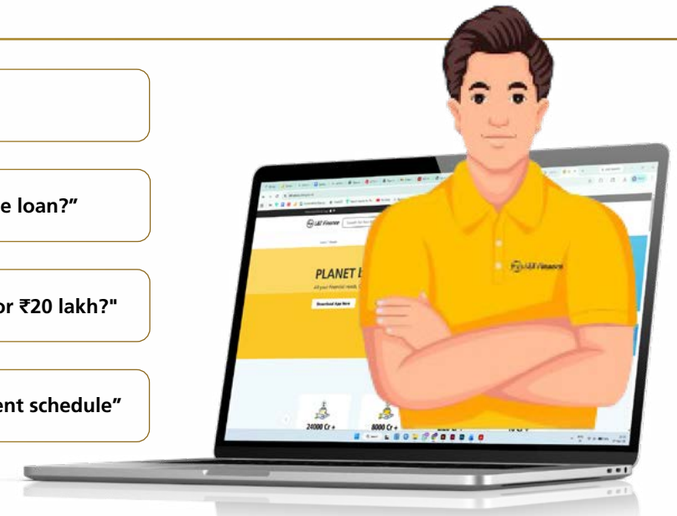
KAI also supports multilingual voice and text interactions in English, Hindi, Hinglish, Bengali, Tamil, Marathi, Telugu, Kannada, Malayalam, Oriya, Gujarati, and Punjabi, enabling inclusive access for a wide range of users. LTF has a KAI Chat Bot available on the website and KAI voice AI calling customers for sales and collections. With features such as LLM response streaming, voice streaming, and conversational UI components, the platform delivers a fast and natural user experience that closely resembles human conversation. We will be soon launching KAI on WhatsApp for customer acquisition, engagement, and servicing.

Democratising Customer Experience

KAI represents a shift from traditional menu-driven digital interfaces to an open conversational experience, enabling customers to interact with financial services using simple natural language.

Instead of navigating through multiple screens, forms, or IVR menus, customers can simply ask questions such as:

- **"Show my loan details"**
- **"Am I eligible for a home loan?"**
- **"What will be my EMI for ₹20 lakh?"**
- **"Download my repayment schedule"**



The system understands all these queries and dynamically retrieves the relevant information or executes the required service.

Through this approach, KAI democratises customer access to financial services by enabling plain, natural language querying, and conversational workflows. Customers can retrieve important financial documents, view their loan information, explore repayment schedules, and access insurance or vehicle details without needing assistance from a call centre agent.

For existing customers, KAI provides multiple servicing capabilities such as:

- **Statement of Account download**
- **Repayment Schedule retrieval**
- **No Objection Certificate generation for closed loans**
- **Loan details and personal information display**
- **Foreclosure simulation reports**
- **Insurance information**
- **Vehicle details view and update**
- **No Dues Certificate and Form 35**

All sensitive servicing actions are protected through OTP-based authentication to ensure secure access to financial data.

Core Capability Pillars

KAI is built around four foundational capability pillars that enable it to deliver intelligent and efficient conversational experiences.

Conversational Intelligence

At the core of KAI is an advanced conversational AI engine powered by LLM technology. The system understands natural language queries, interprets user intent, and maintains conversational context to enable smooth multi-step interactions.

Through contextual understanding and dynamic dialogue management, KAI enables users to interact naturally rather than following predefined scripts or rigid menu flows.

Real-Time Service Execution

Beyond answering questions, KAI is capable of executing real-time financial services by orchestrating enterprise APIs through its tool-based architecture. This allows the chatbot to perform actions such as:

- EMI calculations
- Loan eligibility assessments
- Lead creation
- Loan detail retrieval
- Servicing document downloads

This AI + API orchestration model transforms KAI from an informational chatbot into a transactional digital assistant.

Customer Empowerment

KAI ensures that customers can independently access financial services such as loan information, document downloads, and repayment insights without relying on manual support channels.

Continuous Learning

KAI improves the system's response accuracy and relevance over time through knowledge enhancements and feedback-driven improvements.

Strategic Impact

- KAI has significantly improved the organisation's digital customer engagement capabilities. By enabling conversational self-service, the platform has reduced query resolution turnaround time by approximately 80%, allowing customers to obtain information and complete servicing tasks almost instantly.
- The chatbot has also helped reduce dependency on manual support channels, improving operational efficiency while delivering faster service to customers.
- From a business perspective, KAI acts as a digital lead generation engine, guiding prospective customers through product discovery, eligibility checks, and EMI simulations to generate high-quality leads for loan products.

Overall, KAI has accelerated digital adoption, improved customer experience, and strengthened the organisation's AI-driven customer engagement strategy, positioning conversational AI as a key interface for future financial service interactions.

KAI Voice AI and Collections Bots

Autonomous Dialogue Engines for Sales and Recovery

LTF's Agentic Voice AI deploys human-like bots for outbound sales and collections. Capable of conversing in 11+ regional languages, these bots engage customers, drive early-stage recoveries, and execute structured payment journeys, ensuring operational efficiency while enhancing the customer experience.

Democratising Sales and Collections

These AI agents reduce reliance on manual calling and enable data-driven engagement:

- **Parallel Dialing and Qualification:** Engages multiple prospects simultaneously and identifies high-quality leads
- **Collections Automation:** Manages early bucket delinquencies, negotiates settlements, and triggers payment links
- **Real-Time CRM Integration:** Ensures seamless orchestration with backend systems

Core Capability Pillars

- **Intelligent Engagement:** Human-like conversation with dynamic response adaptation
- **Operational Scalability:** Handles higher call volumes without additional resources
- **Asset Quality Preservation:** Enhances early-stage recovery rates and reduces delinquencies
- **Continuous Learning:** Optimises dialogue strategy and settlement outcomes

Strategic Impact

- Lead engagement TAT improved
- Sustained early bucket recovery success
- Reduced dependency on human agents
- Scalable, multilingual outreach across geographies

Agentic AI in Product Development

LTF has embedded agentic AI across its software development lifecycle to accelerate coding, testing, and legacy application migration. AI agents assist engineers by converting business requirements into structured technical stories, suggesting optimised code, generating automated test cases, and supporting legacy refactoring. This collaboration allows developers to focus on innovation while AI handles routine, repetitive tasks.

Key Highlights:

- **Automated Requirement Translation:** Converts business briefs into actionable technical stories
- **AI Code Assistance:** Provides optimised, policy-compliant code suggestions
- **Testing and Migration Support:** Generates automated test cases and accelerates legacy upgrades
- **Continuous Learning:** Improves recommendations as agents learn from ongoing usage

Strategic Impact:

- 60% adoption of AI agents across engineering teams
- 30% code acceptance rate via AI suggestions
- Overall productivity improvement
- Faster release cycles and improved end-user experiences

Agentic AI in Production Support

Agentic AI bots monitor IT systems in real time, detect anomalies, execute self-healing routines, and strengthen security measures. By proactively identifying issues before they impact operations, these bots enhance uptime, optimise infrastructure usage, and maintain a resilient digital environment.

Key Highlights:

- **Predictive Monitoring:** Detects anomalies in performance, load, or latency before disruption
- **Intelligent Scaling:** Forecasts capacity needs and optimises infrastructure utilisation
- **Auto-Remediation:** Executes self-healing routines to resolve incidents automatically
- **Security Intelligence:** Detects behavioural anomalies and potential threats proactively

Strategic Impact:

- Reduced incident response times and improved uptime
- Optimised infrastructure usage and operational costs
- Strengthened digital security and trust
- Higher operational efficiency across IT systems

GeoGrid

To supplement traditional credit assessment, LTF has developed a patent-pending Lifestyle Index and a GeoGrid spatial model. The Lifestyle Index integrates structured financial data with unstructured sources like images and videos to produce a behavioural borrower score, while GeoGrid provides hyper-local lending insights by analysing urban development, building density, and growth patterns.

Key Highlights:

- **Behavioural Insights:** Adds a qualitative dimension to credit assessment
- **Spatial Risk Mapping:** Enables informed, localised lending decisions
- **Actionable Intelligence:** Supports portfolio risk stratification and urban lending strategies

Empower AI

LTF has introduced Empower AI, a crowdsourcing initiative to democratise AI innovation internally. Employees across the organisation are encouraged to submit 'prompt recipes' designed to improve daily productivity. Winning ideas are scaled across teams, creating a culture of bottom-up innovation and continuous learning.

Key Highlights:

- **Innovation Culture:** Encourages creative AI usage across functions
- **Scalable Productivity Gains:** High-impact solutions implemented enterprise-wide
- **Employee Engagement:** Builds AI literacy and experimentation

AiKarma

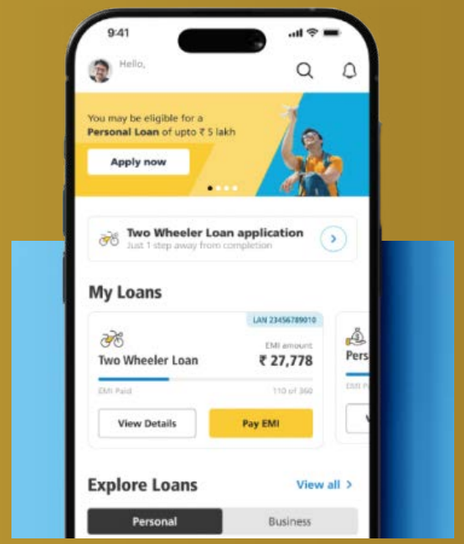
Recognising the sensitivity of financial data, LTF has deployed AiKarma, an offline, GPT-based AI assistant designed to run locally on standard PCs. AiKarma enables employees to analyse and fine-tune internal documents without exposure to cloud services, ensuring data privacy and compliance.

Key Highlights:

- **Secure Offline Processing:** Keeps proprietary and sensitive data internal
- **GPT Assistance:** Supports internal analytics, summarisation, and data handling
- **Compliance-First Design:** Reduces risk of external data exposure

L&T Finance

Digital Stakeholder Platforms



PLANET App

Powering Digital Customer Engagement

PLANET App is LTF's flagship customer-facing digital platform, designed to deliver a seamless, self-service financial experience. Launched in March 2022, the app anchors your Company's digital transformation by shifting customer interactions from branch-led servicing to a convenient, digital-first ecosystem.

Since its launch, the platform has evolved significantly, progressing from a basic loan-servicing interface to **PLANET 3.0 – a comprehensive digital engagement platform** that integrates loan origination, servicing, payments, and customer support within a unified ecosystem. The enhanced platform offers faster, more intuitive, and highly personalised journeys powered by advanced analytics and conversational AI.

PLANET 3.0 introduces several enhanced capabilities, including

End-to-end digital journeys for multiple lending products, enabling customers to apply for loans, track application status and complete onboarding digitally

Real-time account visibility allowing customers to access loan details, repayment schedules and key documents instantly

Integrated digital payments, supporting EMI payments, part-payments and foreclosures through UPI and other digital channels

Personalised customer engagement, using analytics-driven insights to recommend relevant services and products

By combining convenience, transparency, and intelligent assistance, the PLANET ecosystem enhances customer experience while improving operational efficiency and digital adoption across LTF's retail franchise.

PLANET 3.0

Scale and Adoption

The PLANET platform has achieved strong adoption and digital penetration:

2.3 Cr+
downloads across customer segments

₹7,200 Cr+
in digital sourcing facilitated

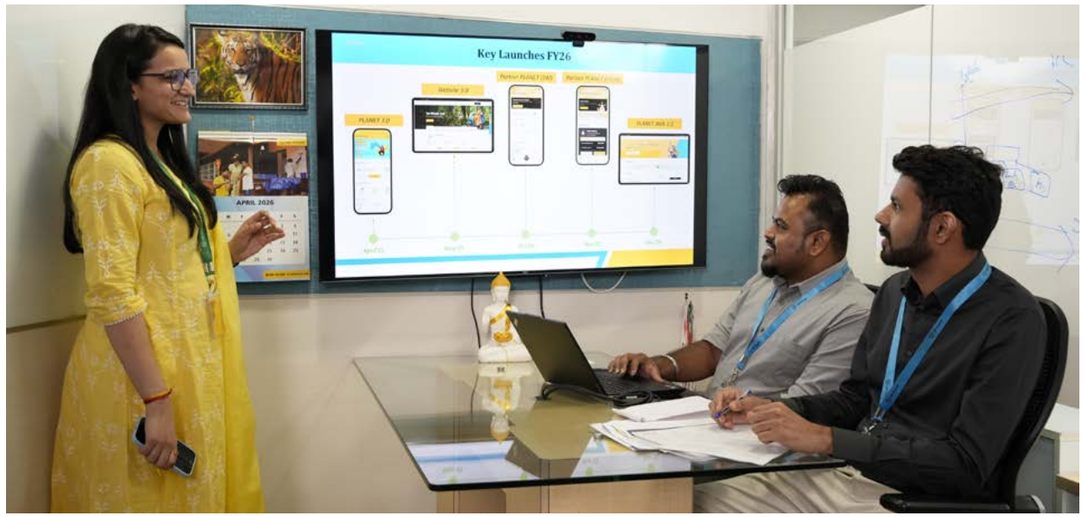
₹5,750 Cr+
in digital collections enabled

90%
of servicing interactions now handled through digital channels

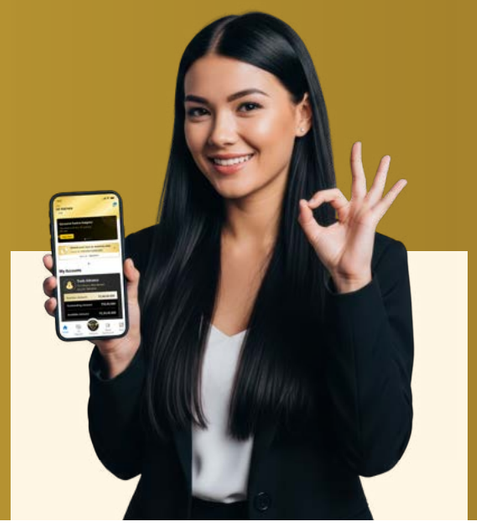
Key Capabilities

The app provides a comprehensive digital ecosystem with **230+ servicing features**, enabling customers to:

- View loan accounts and repayment schedules
- Download key documents such as SOA, NOC and interest certificates
- Make EMI payments, part-payments, and foreclosures through UPI and digital wallets
- Initiate direct digital journeys for lending products including Two-Wheeler Finance, Rural Business Finance, SME loans and Home Loans



L&T Finance



Partner PLANET App

Digitally Empowering the Dealer Ecosystem

The Partner PLANET App, launched in October 2025, extends LTF's digital ecosystem to its dealer and distribution partners. While the PLANET App serves retail customers, the Partner PLANET platform is designed to simplify and digitise interactions with B2B stakeholders, creating a more transparent and efficient dealer ecosystem.

The application acts as a one-stop digital interface for dealer partners, enabling them to manage financing transactions, track disbursements and access portfolio insights in real time. By digitising dealer workflows, the platform improves operational visibility while significantly reducing turnaround times across key financing processes.

Key Capabilities

The Partner PLANET App provides dealers with integrated tools to manage their financing activities:

Dealer Dashboards: Personalised dashboards offering real-time retail and portfolio summaries

Trade Advance (TA) Management: On-the-go TA withdrawals, limit enhancements and renewals

Operational Tracking: Real-time tracking of retail and TA disbursements, RC pendency status and document updates

Servicing Access: Instant download of key documents such as Statements of Account (SOA)

Business Impact

The digitisation of dealer interactions through the platform has strengthened dealer engagement while improving operational efficiency and transparency across transactions:

3,020 registered Farm and Two-Wheeler Dealers on the platform	**3,184 Monthly Active Users (MAU),** reflecting strong dealer engagement	**₹62 Cr in Trade Advance (TA) withdrawals** enabled through digital workflows	**900+ Statements of Account (SOA)** accessed digitally for servicing needs	**4.9 App rating,** indicating high dealer satisfaction and usability

By enabling faster transactions, improved transparency and real-time operational visibility, the Partner PLANET App strengthens LTF's distribution ecosystem and enhances collaboration with its dealer network.

Voices of the Partners

Mr. Amandeep Singh
Sukhmani Motors, Patna

"We have been using the Partner Planet App, and it has been extremely useful for our business operations. The platform seamlessly integrates key dealer requirements such as TA status, disbursement, delinquency, RC pendency, pre-approved TA limits, statement of account, and customer-wise case tracking – all in one unified interface. It brings everything together in a very structured manner, making it easier for us to manage and track our activities efficiently."

Mr. Ramu Yelamanchilli
Orange Auto Pvt. Ltd., Hyderabad

"We started using the Partner Planet App a couple of months ago, and it has proven to be very useful for dealers like us. It provides detailed information on logins, case processes, frequency of TA limits, and the journey availability of TA. It also gives access to dealer portfolio links, making it easier to stay updated and manage operations seamlessly."

Mr. Neeraj Kumar
Siddhi Vinayak Automobiles, Patna

"The App is very useful for tracking our business profile with just one click. It gives us clear visibility on RC pendency and highlights more than 90 sources of delinquency, helping us identify where delinquencies are increasing. This kind of insight allows us to take timely action and manage our business more effectively."

Mr. Suresh Babu
Bharat Automotives, Coimbatore

"The App is very easy to use, and we can navigate all our financial requirements for day-to-day business without any difficulty. While there are many useful features, what stands out for me is the ability to view overall business performance. We can track our YTD turnover with LTF, which helps us stay aligned with our business goals."

RAISE' 25: Accelerating Financial Services with AI

RAISE' 25, LTF's flagship AI conclave, marked a significant milestone in the organisation's journey towards becoming a risk-first, tech-first, multi-product retail financier of choice powered by artificial intelligence. Held on November 7, 2025, in Mumbai, the second edition of the event brought together over 4,500 participants, including global technology leaders, policymakers, fintech innovators, developers, and BFSI professionals.

Centred on the theme 'Accelerating Financial Services with AI', the conclave highlighted how artificial intelligence is transitioning from experimental pilots to enterprise-scale deployment across the financial services ecosystem transforming underwriting, fraud detection, portfolio monitoring, customer engagement, and operational efficiency.

Strategic Focus Areas

RAISE' 25 was structured around three core pillars reflecting the evolution of AI within the BFSI sector:

Accelerated AI

Exploring global AI trends, emerging regulatory frameworks, and the future of intelligent financial ecosystems.

Applied AI

Demonstrating real-world applications of AI across credit underwriting, portfolio monitoring, fraud detection, and customer servicing.

Advanced AI

Showcasing next-generation technologies including generative AI, predictive analytics, and agentic AI solutions.

The event featured dedicated Generative AI and Predictive AI experience zones, allowing participants to explore practical implementations of AI-driven financial technologies.

Global thought Leadership

RAISE' 25 featured keynote sessions from leading global experts who shared insights on the future of artificial intelligence in financial services:

> **Peter Norvig,** Director of Engineering at Google and Education Fellow at the Stanford Institute for Human-Centred AI, highlighted the pragmatic utility of AI in credit scoring, particularly for developing markets. He noted that AI's ability to analyse unstructured data is a game-changer for underwriting customers who lack traditional banking footprints.

> **Siavash Alamouti,** Marconi Fellow and Co-Founder of mimik, explored the shift from the 'App Economy' to the 'Agentic Economy', where intelligent agents proactively assist users and institutions in decision-making.

> **Tanusree Deb Barma, (IAS)** Deputy Director General at UIDAI Technology Centre, highlighted the role of Aadhaar-based digital identity infrastructure in enabling secure and inclusive financial services, while emphasising the growing importance of AI in fraud detection during KYC processes.

Source: https://www.etnownews.com/real-estate/lt-finance-raise-25-sets-a-new-blueprint-for-ai-in-bfsi-article-153331057

Showcasing LTF's AI Innovation Stack

RAISE' 25 also served as a platform to demonstrate LTF's AI-powered technology architecture, designed to enhance risk management, improve operational efficiency, and strengthen customer engagement.

Key innovations showcased included:

- Project Cyclops
- Project Nostradamus
- Project Orion
- Project Helios

These solutions collectively demonstrate LTF's transition towards predictive and conversational intelligence across the lending lifecycle.

Strengthening the Innovation Ecosystem

RAISE' 25 extended its impact beyond internal technology initiatives by fostering collaboration with the broader AI and fintech ecosystem.

Key initiatives included:

- **Pitch Point**

  An AI startup competition aimed at identifying innovative solutions across BFSI and adjacent sectors, offering funding opportunities and proof-of-concept collaborations with L&T Group companies.

- **Pearl Challenge**

  A hackathon focused on developing AI models to predict farmer income using datasets such as weather patterns, soil quality and crop yield, supporting more inclusive rural credit assessment.

- **Empower AI**

  An internal capability-building programme encouraging employees across functions to identify and deploy AI-driven solutions in their daily workflows.

These initiatives reflect LTF's commitment to democratising AI innovation across startups, academia, and internal teams.

Driving the Future of AI in BFSI

The conclave reinforced Your Company's commitment to leveraging data, predictive intelligence, and responsible AI to enhance financial inclusion, strengthen risk management and deliver superior customer experiences, positioning the organisation at the forefront of the AI-driven transformation of India's BFSI sector.

Strengthening a Scalable and Secure Technology Backbone

As LTF advances its technology-driven retail strategy, strengthening its digital infrastructure and cybersecurity framework remains critical to ensuring resilience, scalability, and secure service delivery. Your Company continues to invest in cloud infrastructure, high-availability systems, and robust information security practices to support growing digital volumes while safeguarding customer data.

Key elements of this technology backbone include:

Cloud-First Infrastructure

~85% of applications have been migrated to Google Cloud, with 100% of customer-facing platforms hosted on the cloud. Auto-scaling and on-demand provisioning enable the platform to manage peak transaction volumes efficiently while improving deployment agility.

Always-On Architecture and Operational Resilience

A microservices-based architecture, supported by real-time performance monitoring and AI-driven anomaly detection, enables predictive maintenance and high system availability, helping prevent potential disruptions before they impact operations.

Multi-Layered Cybersecurity Framework

LTF operates on a Zero-Trust security architecture, supported by advanced security solutions such as Next-Generation Firewalls, Network Access Control, Web Application Firewalls, Privileged Access Management, Database Activity Monitoring, and Cloud Access Security Brokers (CASB). Continuous monitoring, AI-powered threat detection and centralised patch management strengthen protection across systems.

Data Privacy and Protection

Sensitive customer data is safeguarded through end-to-end encryption, role-based access controls and data minimisation practices, supported by Data Leakage Prevention (DLP) mechanisms across endpoints and communication channels.

Risk Monitoring and Incident Management

Regular vulnerability assessments and penetration testing (VAPT), structured incident management workflows and third-party cybersecurity risk assessments help identify and mitigate potential threats proactively. Geo-redundant infrastructure and periodic disaster recovery drills further strengthen business continuity.

Data Privacy, Cybersecurity, and Digital Risk Management

Given the scale of customer data handled across the digital ecosystem, LTF has established a comprehensive data privacy and cybersecurity framework to safeguard sensitive information, ensure regulatory compliance, and maintain operational resilience. Oversight is provided through the Board-level IT Strategy Committee, IT Steering Committee, and Information Security Committee, supported by enterprise-wide policies aligned with key regulatory requirements and global standards.

Key pillars of the framework include:

Strong Governance and Regulatory Alignment

LTF operates under a Master Cybersecurity Policy and Data Privacy Policy, aligned with regulatory expectations from RBI and other authorities as well as the Digital Personal Data Protection (DPDP) Act. Its information security management systems are certified under ISO 27001:2022, ISO 27701:2019 for privacy management and ISO 20000-1:2018 for IT service management.

Privacy-by-Design Data Handling

Your Company follows principles of data minimisation, role-based access, and Zero-Trust authentication, ensuring that sensitive information is accessed strictly on a need-to-know basis. All Personally Identifiable Information (PII) is protected through end-to-end encryption, both in transit and at rest.

Advanced Cybersecurity Infrastructure

Multiple security technologies including Next-Generation Firewalls, Network Access Control, Web Application Firewalls, Privileged Access Management, Database Activity Monitoring, and Cloud Access Security Brokers, protect systems across network, application and cloud environments. DLP solutions further monitor and prevent unauthorised data transfers.

Continuous Risk Monitoring and Independent Audits

Regular vulnerability assessments, penetration testing (VAPT) and configuration reviews help identify and mitigate risks. All critical third-party vendors undergo formal cybersecurity risk assessments to strengthen supply-chain security.

Incident Response and Operational Resilience

Structured incident management workflows, supported by cyber crisis response protocols and geo-redundant infrastructure, ensure rapid threat containment and business continuity. Your Company also maintains cyber risk insurance to mitigate potential financial and operational impacts.

Security Awareness and Culture

Employees undergo mandatory cybersecurity and data privacy training, supported by periodic phishing simulations and ongoing awareness campaigns. Externally, initiatives such as ‘Sachet with Sachet’ promote secure digital practices and fraud awareness among customers.

These integrated controls have enabled LTF to maintain strong data security outcomes, with no identified customer data breaches or IT incidents resulting in financial penalties during FY26.

HUMAN CAPITAL

EMPOWERING TALENT. TRANSFORMING THE FUTURE.

At LTF, people are central to how the organisation grows, adapts and creates long-term value. This chapter explores how your Company is building a workplace where talent is nurtured, performance is enabled and individuals find meaning in their contributions.

LTF's transformation is being driven as much by its people as by its strategy. Growth is not only measured in scale, but also in how individuals evolve and contribute. As the organisation progresses, it is creating an environment where ambition is supported by opportunity, and performance is balanced with care.

The approach reflects multiple dimensions of the employee experience. Teams collaborate with greater agility, leaders enable with intent and everyday moments of support, recognition and learning strengthen a connected workplace. The focus extends beyond programmes and structures to the lived experience of being part of LTF, where trust is built, voices are valued and growth is both personal and shared.

This journey is anchored in a clear yet powerful idea: when people have space to grow, confidence to lead and support to succeed, they become the driving force behind sustained performance and meaningful impact.

Linkage to Material Issues

- Human Capital Development
- Human Rights Protection
- Diversity, Equity, Inclusion

GRI Linkages

GRI 2-7	Employees
GRI 2-21	Annual Total Compensation Ratio
GRI 201-3	Defined Benefit Plan Obligations and Other Retirement Plans
GRI 401	Employment
GRI 403	Occupational Health and Safety
GRI 404	Training and Education
GRI 405	Diversity and Equal Opportunity
GRI 406	Non-Discrimination
GRI 408	Child Labour
GRI 409	Forced or Compulsory Labour
GRI 411	Rights of Indigenous Peoples (411-1)

Linkage to UN SDGs

Key Highlights

41,000+
Workforce Enabling LTF's Nationwide Growth and Digital Transformation

66%
Workforce from Rural

7.46%
Women Representation Across the Total Workforce

23.08%
Women Representation in the Management Committee

82%
Growth in Women Participation in RBF

84%
Employees Agree LTF is a Great Place to Work

48
Average Training Hours per Employee

28
Branches HIRA Conducted

ROAD SAFETY TRAINING
All New Field Level Officers

100%
Employment Opportunities in Local Areas

290+
Employees Recognised Monthly through Wall of Fame

WHY
this matters

LTF's transformation is increasingly defined by how effectively it builds capability, strengthens culture, and enables its talent to grow alongside the business. As your Company progresses, the ability to build future-ready capabilities, foster a performance-led culture, and strengthen leadership depth will be critical to sustaining growth and delivering long-term value.

Your Company is building a learning, caring, and agile organisation where collaboration replaces hierarchy, credit discipline sharpens decision-making, and technology powers execution. A matrix structure with empowered regional leadership is accelerating outcomes while reinforcing accountability and transparency.

In an environment defined by agility, innovation, and execution, a skilled and empowered workforce is central to translating your Company's strategic ambition into consistent business outcomes.

Your Company adopts a structured, people-first approach, integrating capability building, performance management, employee well-being, and inclusion into its organisational framework. Digital academic platforms, leadership development programmes, and robust HR systems enable consistent talent development and engagement at scale.

WHAT
we focus on

Your Company is sharpening its focus on strategic talent priorities across the employee lifecycle by attracting high-quality talent and enabling sustained performance in a technology-driven environment. LTF's approach integrates culture, capability, and digital enablement to power long-term growth.

The approach is guided by a **5-Pillar HR Strategy**, which structures LTF's human capital priorities across the talent lifecycle.

The 5 Pillars of Human Resources Engagement

Hire Right	Challenge Right	Support Right	Nurture Right	Reward Right
Attract diverse, high-quality talent aligned with digital and growth ambition	Cultivate a culture of innovation by encouraging agile thinking and a platform to share innovative ideas	Build an inclusive and empowering workplace environment that supports diverse talent	Establish structured career pathways with learning and developmental opportunities for professional advancement	Drive a performance-driven culture by recognising and celebrating excellence
Revamped campus hiring programmes to build future-ready talent pipeline	Provide employees the right opportunities, encourage cross-functional collaborations and projects, elevating existing roles	Implement large-scale, continuous employee listening mechanisms and enhance the employee engagement platform to strengthen employee voice	Provide continuous learning opportunities in digital, analytical and leadership skills	Recognise and celebrate high performance and innovation
Leverage digital recruitment tools and 100% digital onboarding to enhance hiring efficiency and candidate experience	Enable assignments and cross-functional exposure to accelerate capability building	Provide holistic employee well-being initiatives that promote a safe, healthy and balanced workplace	Continue reinforcing the culture of appreciation and recognition to motivate the workforce	Differentiate rewards to motivate high-impact contributions

HOW
we deliver this

The framework discussed in the table above is anchored in your Company's guiding philosophy of the Experience C.U.R.V.E. of Happiness, which continues to serve as the organisation's cultural compass, guiding leadership behaviour, shaping workplace practices, and enhancing employee experience.

Building on this foundation, your Company is deepening the integration of C.U.R.V.E. principles across talent, performance, and engagement initiatives, with a sharper focus on measurable outcomes, workforce productivity, and employee well-being.

Elevating Everyday Experience of Employees with the C.U.R.V.E. of Happiness

C – Connected

Stronger Together, Always Connected

Fostering authentic bonds with other employees across teams, departments and hierarchies. This connection is genuine and beyond transactions.

- Collaboration
- Trust
- Sense of Belonging
- Great Place to Work

U – Understood

Your Voice, Truly Heard

Expressing thoughts, ideas, and divergent perspectives transparently.

Ensuring no fear of being judged, ridiculed, dismissed or rebutted is practised.

- Feeling Heard
- Transparency
- Breaking Down Silos
- Challenging the Status Quo

R – Respected

Respect That Resonates

Respecting the individual irrespective of the title/grade since everyone is contributing to the common vision. We are 'ONE LTF, ONE TEAM'.

- Inclusive Culture
- Active Listening
- Recognising Individuality
- Constructive Criticism
- Empathy

V – Valued

Your Worth, Our Priority

Feeling that each employee's work is contributing to the larger organisational objective and is important. Every employee in your Company is valuable.

- Encouraging Innovation
- Acknowledgement of Effort
- Culture of Appreciation
- Meritocracy
- Celebrating Wins & Victories

E – Enabled

Empowered to Excel

Ensuring employees have all the relevant tools, resources, and support to be the best version of themselves and deliver to the best of their abilities.

- Development Opportunities
- Autonomy
- Clarity in Communication
- Tolerance of Honest Mistakes

Together, these elements strengthen employee experience, engagement, and performance, supporting sustained productivity and long-term organisational growth.

A Listening-Led culture

Your Company has institutionalised a structured listening framework to continuously capture employee feedback, strengthen engagement, and enable data-driven decision-making. Moving beyond periodic surveys, this framework integrates multiple listening channels across the employee lifecycle, ensuring that insights are timely, actionable, and embedded into business and people strategies.

In FY26, your Company continued to leverage the Great Place to Work (GPTW) survey for the second consecutive year as a key anchor within its listening architecture. This was complemented by pulse surveys and structured employee interactions to capture real-time sentiment across functions and geographies. Participation increased significantly from 73% to 89%, covering over 34,000 employees, reflecting growing trust in the feedback process.

84%

of employees identified LTF as a 'Great Place to Work', up from 82% in the previous year

The improvement in both participation and affirmation underscores deeper engagement, stronger alignment, and sustained progress on the employee experience journey.

Insights derived from these mechanisms were systematically translated into targeted interventions across culture, capability building, leadership effectiveness, and workplace practices, reinforcing a continuous improvement loop. The survey also provided actionable insights across leadership effectiveness, collaboration, inclusion, learning opportunities, and employee support. These insights are being used to prioritise initiatives that strengthen engagement, improve experience across levels, and enhance employee retention.

Competency Framework

Building Future-Ready Capabilities

During the year, your Company institutionalised a structured Competency Framework to strengthen workforce capability, enhance role clarity, and align individual performance with strategic priorities. Designed to support LTF's transition towards a Risk-first, Tech-first organisation, the framework defines the capabilities required across roles and levels, enabling consistent and future-ready talent development.

The framework creates a unified foundation for hiring, performance management, leadership development, and capability building. It ensures employees across roles and locations operate with shared expectations and standards.

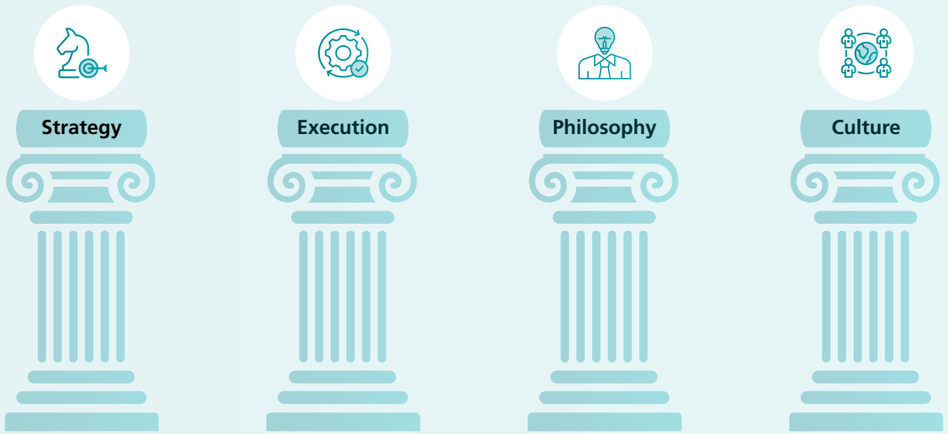
Through this structured approach, your Company is strengthening leadership depth, enhancing workforce readiness, and enabling consistent execution of its strategic ambition. While the C.U.R.V.E. philosophy shapes the employee experience, the Competency Framework translates organisational expectations into measurable behaviours that guide performance and delivery.

A Structured Behavioural Architecture

The framework is designed as a hierarchy that connects strategy with day-to-day behaviour.

4 Pillars » **8** Core Competencies » **21** Observable Behaviours

The four pillars are:



Each pillar is anchored by two core competencies, further articulated through clearly defined, observable behaviours. This structure enables objective assessment, targeted development, and stronger leadership calibration, embedding performance standards consistently across the organisation.

Embedding Competencies into Everyday Work

To drive enterprise-wide adoption, LTF has focused on embedding competencies into everyday work environment through a combination of structured interventions, engagement platforms, and simple yet high-visibility initiatives. Competency-themed dartboards are installed across meeting centres and common areas, turning informal spaces into touchpoints for repeated behavioural reinforcement.

This is complemented by gamified board experiences such as Ludo and Snakes & Ladders, an interactive digital learning course accessible to all employees, curated comic strips highlighting expected behaviours, and videos reinforcing key messages. Competency badges are also integrated into the Engagement platform, enabling recognition and peer visibility for demonstrated behaviours.

Together, these initiatives reflect LTF's belief that sustainable behavioural change requires continuous engagement, ensuring competencies move beyond documentation.

Hire Right

As your Company expands its branch network, integrates new businesses and accelerates digital adoption, workforce requirements continue to evolve. Hiring at scale is therefore not just about numbers, it is about capability, cultural fit and frontline readiness.

Key focus areas include:

Scaling Talent in Line with Business Growth	Building Diverse and Balanced Workforce	Aligning Hiring with Strategic Workforce Planning	Adopting a multi-channel hiring approach
Added 846 employees across 200 additional branches under the newly acquired Gold Finance Business	Focused on gender diversity to create a more inclusive and resilient organisation	Integrated recruitment closely with business requirements to ensure the right skills and capabilities for future growth	Used internal mobility, lateral hiring, campus and RPO partnership to enhance speed, quality, and cultural fit

From the CHRO's Desk

"An organisation rises as its people learn, adapt, and step up to lead."

Shatabdi Basu Gupta
Chief Human Resources Officer

Over the past year, LTF has continued strengthening a workforce that is continuously learning, deeply engaged, supported through holistic well-being and career growth, and aligned with the organisation's long-term vision. With over 41,000 employees, the focus has now moved beyond scale to building deeper capability, stronger leadership pipelines and a workforce increasingly equipped to thrive in a digital and AI-enabled environment. At the same time, the people agenda is becoming more data-driven and future-focussed. Women's representation has grown to 7.46% of the workforce and 23.08% of the Management Committee, while learning, performance and retention practices are increasingly powered by digital platforms, AI tools and real-time workforce insights. Together, these efforts reflect a clear priority: building a future-ready workforce that can harness technology, grow with the business and translate ambition into sustained long-term value.

Year	Category	Gender-Wise			Age-Wise		
		Male	Female	Total	<30 Years	30-50 Years	>50 Years
FY26	New Hires	20,269	1,943	22,212	15,323	6,879	10
	New Hiring Rate	56%	77%	57%	73%	39%	11%
FY25	New Hires	20,799	1,176	21,975	18,047	3,922	6
	New Hiring Rate	65%	70%	66%	95%	27%	9%

Building Stronger Talent Pipelines

Sustainable hiring outcomes increasingly depend on proactive engagement, strong employer visibility, and early role familiarisation. To strengthen its future talent pipeline, LTF has institutionalised structured early-career programmes such as Udaan and the Role Appreciation Programme (RAP).

These initiatives enhance candidate readiness, accelerate role assimilation and improve early-stage retention. This ensures a steady pipeline of aligned, performance-ready talent to support business expansion.

Workforce Diversity

FY26

Category	Gender-Wise			Age-Wise		
	Male	Female	Total	<30 Years	30-50 Years	>50 Years
Core Management and Senior Management	112	18	130	0	91	39
Middle Management	508	54	562	3	535	24
Junior Management	37,601	3,008	40,609	21,683	18,884	42
Total	**38,221**	**3,080**	**41,301**	**21,686**	**19,510**	**105**

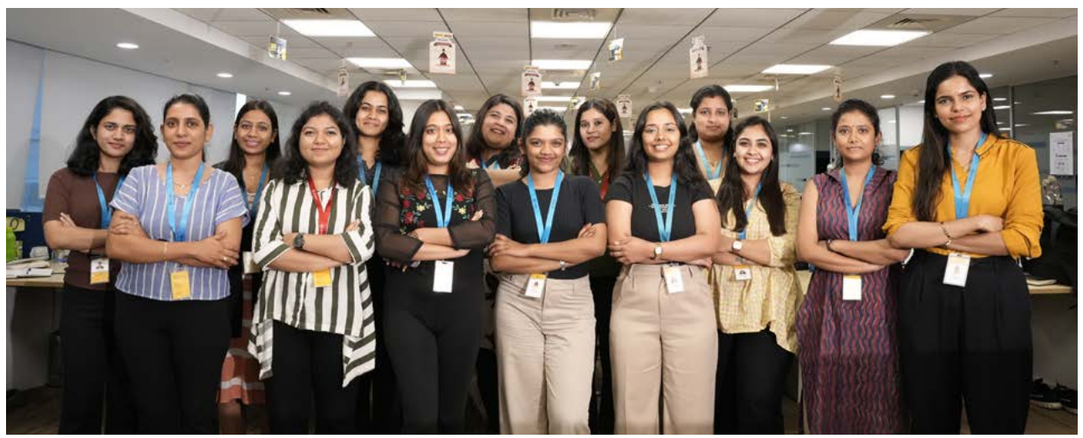
FY25

Category	Gender-Wise			Age-Wise		
	Male	Female	Total	<30 Years	30-50 Years	>50 Years
Core Management and Senior Management	96	17	113	0	77	36
Middle Management	433	36	469	2	442	25
Junior Management	34,033	1,906	35,939	20,551	15,344	44
Total	**34,562**	**1,959**	**36,521**	**20,553**	**15,863**	**105**

	FY24	FY25	FY26
Share of women in all management total workforce positions, including junior, middle and top management (as % of total management positions)	4.56	5.36	7.46
Share of women in junior management positions, i.e. first level of management (as % of total junior management positions)	4.49	5.30	7.41
Share of women in top management positions, i.e., maximum two levels away from the CEO or comparable positions (as % of total top management positions)	27.27	27.27	23.08
Share of women in management positions in revenue generating functions (e.g. sales) as % of all such managers (i.e. excluding support functions such as HR, IT, Legal, etc.)	3.39	4.23	6.53
Share of women in STEM-related positions (as % of total STEM positions)	21.96	23.62	23.53

While representation at entry and mid-career levels has increased significantly, your Company recognises that leadership diversity evolves over longer career cycles. Senior roles in financial services typically require 14–15 years of experience, making leadership representation a long-term investment that must be built through sustained pipeline development. As part of this journey, your Company had set FY26 targets for women representation in senior leadership roles. While progress continues in strengthening the leadership pipeline and expanding participation across key functions, these targets remain work in progress, reflecting the longer career cycles associated with leadership positions.

Employee Turnover Rate	FY 24	FY25	FY26
Employee Turnover Rate	25.6 %	22.1 %	22.7 %



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Role Appreciation Programme (RAP)

The RAP is a structured pre-joining experience designed for frontline officers. It was introduced to address early attrition by improving role clarity, and ensuring informed commitment prior to onboarding.

Key highlights include:

Blending Field Exposure with Structured Learning

Combined immersive on-ground experience with classroom-based sessions to strengthen readiness and alignment

Improving Role Clarity and Informed Decision-Making

Provides candidates with a realistic preview of responsibilities, reducing new-joiner anxiety and enabling informed commitment before joining

Operating at Scale across the Network

Delivered across 2,200+ branches and 115+ Regional Training Centres, ensuring consistency in experience and standards

Strengthening Early-Stage Retention and Stability

Enhances expectation alignment, improves first 30-day retention and supports frontline workforce stability

Strengthening Employer Brand and Campus Connect

To build a strong and sustainable early-career talent pipeline, your Company continues to strengthen its employer brand through the Campus Connect programme. The initiative engages premier institutions through a structured approach, including focused campus benchmarking and tiering, customised assessments, surveys, and a standardised, high-quality selection process.

New hires benefit from a well-designed induction programme that accelerates role familiarisation and readiness, ensuring alignment with organisational expectations. LTF's flagship RAISE AI conclave further enhances your Company's brand presence in the BFSI ecosystem, helping attract top-tier talent and reinforcing its positioning as a future-ready employer.

I

Engaging Premier Institutions Through Structured Outreach

Leveraging campus benchmarking, tiering, customised assessments and standardised selection processes to enhance hiring quality and consistency

II

Enhancing Candidate Readiness and Onboarding Effectiveness

Structured induction programmes accelerate role familiarisation and ensure alignment with organisational expectations

III

Strengthening Brand Visibility in the Talent Ecosystem

Flagship initiatives such as the RAISE AI Conference enhance your Company's positioning as a future-ready employer within the BFSI/NBFC sector

IV

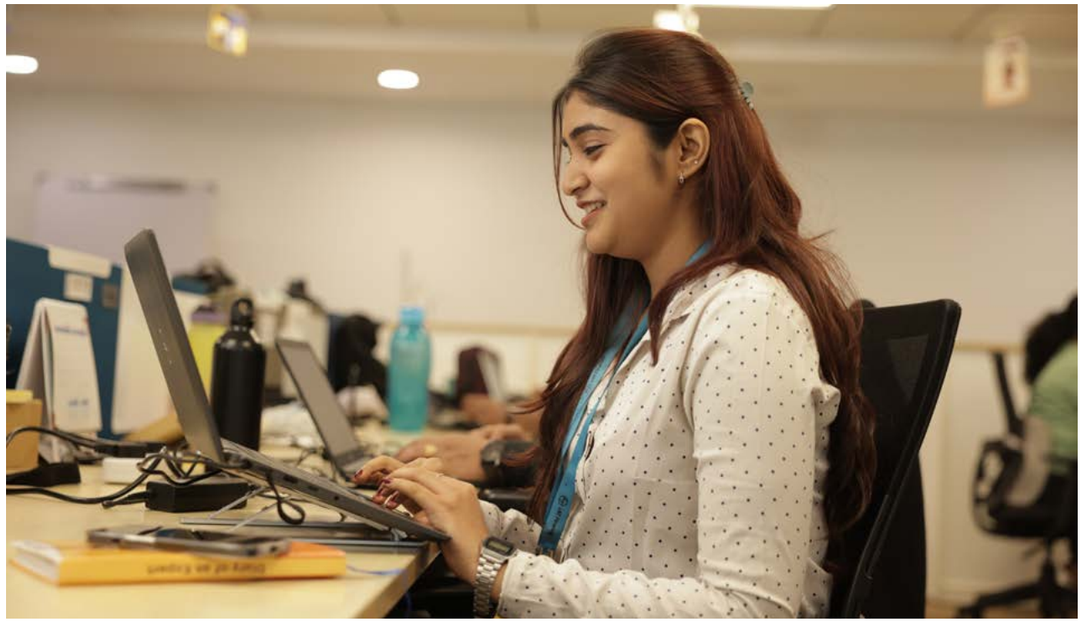
Driving Early Talent Engagement at Scale

Engaged 4,000+ participants, enabling early hiring opportunities and strengthening long-term campus relationships

V

Adopting Data-Driven Campus Hiring Approaches

Collaboration with EdTech partners supports structured and scalable hiring across graduate and management trainee programmes



Advancing Inclusive Hiring at the Frontline

Your Company is committed to building a diverse and inclusive workforce by embedding inclusion into its hiring practices. As LTF expands its field presence, it continues to improve representation across roles, including frontline positions. Inclusion is increasingly integrated into workforce planning and operational expansion, ensuring it remains a core pillar of growth.

Inclusive hiring in action

Efforts to make hiring more inclusive span partnerships, process redesign, and communication improvements:

Partnerships to improve women's participation across frontline, corporate, and technology roles

Inclusive recruitment communication using gender-neutral job descriptions and transparent messaging on safety, infrastructure, and growth

Diversity targets in campus hiring for management trainee, graduate engineer, and technology roles

Mandatory female interviewer in Rural Business Finance hiring panels, enabling better role understanding, open discussions, and improved offer acceptance

These interventions help ensure that candidates experience fairness and inclusion from their first interaction with your Company. The efforts are supported by a structured governance framework, anchored by a dedicated DEI council, which ensures effective implementation and continuous monitoring of diversity and inclusion priorities.

Digitising the Candidate Journey

Your Company continues to leverage technology to enhance the speed, consistency, and scalability of hiring and onboarding processes, progressing steadily towards end-to-end digitisation supported by automation and real-time verification.

Key highlights:

- 100% paperless onboarding using e-signatures and automated document storage
- Real-time pre-KYC verification via WhatsApp API prior to offer issuance
- Automated employment verification through PAN, UAN, and Aadhaar API checks
- Robotic Process Automation (RPA)-driven recruitment data consolidation, reducing timelines by 2-3 days

Your Company follows Monday-only onboarding model ensuring a consistent and seamless joining experience, with all documentation and verifications completed in advance

These initiatives are improving hiring efficiency, strengthening data governance, and enhancing the overall candidate experience.

Strengthening Internal Talent Mobility

Alongside external hiring, LTF continues to prioritise internal mobility to support leadership readiness and long-term retention.

Key highlights:

- Enabling structured career progression through programmes such as Aspire and the Ascend Internal Job Posting (IJP) Policy, facilitating movement across roles and functions while strengthening career visibility
- Building a strong, future-ready talent pipeline by encouraging long-term careers within your Company, ensuring continuity, deepening institutional knowledge, and reducing long-term talent risk

Together, these efforts reinforce a culture of growth, agility, and sustained career development within your Company.

Building Readiness from Day One

LTF is evolving onboarding beyond orientation to enable capability building, with a clear focus on role clarity, digital adoption, faster productivity, and seamless integration.

Key initiatives:

Structured Induction

The Parichay programme builds early clarity on your Company's culture, governance standards, compliance, risk frameworks, and sustainability priorities

Early Digital Enablement

Introduction to HRMS platforms, collaboration tools, and digital workflows from day one

Accelerating Team Integration

Enables guided support and feedback loops to help employees reach productivity milestones faster

Challenge Right

Your Company's transformation is increasingly shaped by employees who are encouraged to question existing approaches and improve outcomes. Curiosity and constructive challenge are becoming integral to how work gets done.

The focus is on strengthening problem-solving capabilities and encouraging cross-functional collaboration. It promotes ownership and enables employees to contribute ideas that enhance performance and customer experience.

As part of this shift, LTF continues to embed digital, technology and AI-enabled ways of working across functions. Experimentation is actively supported, productivity is strengthened through automation, and data-driven decision-making is becoming the norm.

Democratising the Use of Artificial Intelligence

During the year, LTF accelerated enterprise-wide adoption of AI through the secure rollout of Gemini AI. To ensure AI becomes a practical productivity tool rather than a specialised capability, your Company launched Empower AI, a structured internal communication and enablement campaign. This approach equips employees with role-specific AI use cases across functions, helping them integrate AI into daily workflows while strengthening productivity and analytical rigour.

Key Highlights:

- Enterprise-wide rollout of Gemini AI
- Ongoing Empower AI campaigns demonstrating practical, function-specific use cases
- Growing employee experimentation with AI in routine decision-making and process tasks

This approach is strengthening AI fluency while improving productivity and analytical rigour.

Driving AI Innovation

Following the success of IdeaXpress launched last year, LTF introduced AIdeaXpress, a structured platform where employees showcase how AI can improve business processes, customer outcomes, and operational efficiency.

The initiative goes beyond idea submission. Selected solutions:

- Are evaluated for feasibility and impact
- Are presented to senior leadership
- Receive recognition and rewards
- Are integrated into live workflows where viable

By providing visibility, leadership backing, and implementation pathways, AIdeaXpress ensures that high-potential AI solutions do not remain conceptual. Instead, they are embedded into daily operations, reinforcing accountability and measurable value creation.

Through this structured approach, LTF is democratising innovation and empowering employees at all levels to contribute to the organisation's AI journey, while accelerating enterprise-wide adoption at scale.

Strengthening Performance Transparency through Digital Tools

Creating clarity around performance expectations and outcomes is essential for building a high-performance culture. Your Company has strengthened performance visibility across sales teams by introducing digital sales scorecards that bring consistency, comparability, and objectivity to performance discussions.

Key Highlights:

- Automated data capture supporting more consistent and timely performance tracking
- Peer benchmarking across teams to encourage healthy competition and shared learning
- Improved visibility for managers and employees to enable more meaningful performance conversations

By combining clearer metrics, stronger accountability, and supportive tools, LTF continues to reinforce a culture where performance expectations are transparent, progress is measurable, and achievements are recognised.

Sustained leadership communication and organisation-wide engagement continue to translate this ambition into everyday behaviour, ensuring that a culture of experimentation and continuous improvement is embedded into how work is approached across your Company.

Support Right

Your Company's people approach is guided by the need to create an environment where employees feel secure, safe, and valued. Alongside capability and performance, LTF recognises the importance of systems and governance that prioritise workplace practices, inclusion, wellbeing, and safety. This approach integrates diversity and inclusion, engagement listening, workplace safety, holistic health, and comprehensive benefits, enabling individuals to grow with confidence and contribute meaningfully to LTF's long-term success.

As part of this approach, LTF continues to strengthen frameworks and policies that safeguard employee rights and promote fair and responsible practices across operations and the value chain. Human rights commitments are aligned with the UN Guiding Principles for Business and Human Rights and the ILO's Declaration on the Fundamental Principles, and are anchored in your Company's Human Rights Policy.

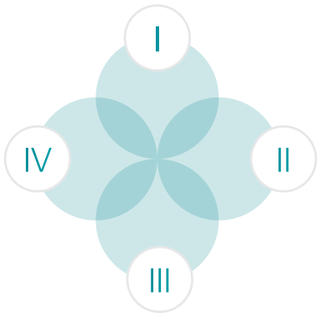
Your Company's commitment to human rights extends across all operational offices, branches, and value chain partners. It ensures compliance with applicable laws, including the Rights of Persons with Disabilities Act, 2016. Governance mechanisms are further strengthened through dedicated oversight, including the appointment of a liaison officer. Your Company also ensures adherence to principles such as freedom of association, non-discrimination, and the elimination of child and forced labour across its operations.

Vigil Mechanism/Whistleblower Framework

Enables confidential reporting of unethical practices, with independent oversight and protection against retaliation

Enhanced Grievance Redressal Systems

Digital and accessible platforms to report workplace safety concerns and operational issues



POSH and Code of Conduct Framework

Structured mechanisms to address workplace grievances, including harassment-related concerns

Training and Awareness

Mandatory programmes on human rights, workplace conduct, and compliance, integrated into induction and ongoing learning

Ensuring Safe, Ethical and Empowering Workplaces

Your Company has established robust governance mechanisms to ensure that employees operate in a safe, ethical, and inclusive work environment. Structured policies and oversight frameworks enable employees to raise concerns, report misconduct, and seek resolution with confidence, reinforcing a culture of trust, accountability, and transparency.

Through a combination of formal grievance channels, awareness programmes, and strengthened workplace safety systems, LTF continues to embed respect for human rights, dignity, and wellbeing into everyday operations. These efforts ensure that employee concerns are addressed promptly while enabling a secure and supportive work environment across locations.

Together, these mechanisms strengthen LTF's integrity while ensuring that employees feel safe, heard, and supported.

LTF believes in creating a cooperative, healthy, and safe working environment for its employees. To further strengthen workplace safety and employee confidence, your Company has enhanced its grievance redressal mechanism through a structured, technology-enabled platform. This system enables employees across locations to report concerns and ensures timely action.

Your Company ensures that physical safety, employee wellbeing, and daily working conditions are addressed promptly by the Occupational Health and Safety function, in coordination with the Facilities Management teams, reinforcing LTF's commitment to continuous improvement in workplace safety.

Advancing Diversity, Equity, and Inclusion

LTF's approach to Diversity, Equity, and Inclusion (DEI) has evolved from a focused HR initiative into a strategic business priority. Operating across diverse geographies and customer segments, your Company recognises the need for a workforce that reflects the communities it serves and supports inclusive growth.

Over time, the DEI journey has progressed from intent-led efforts to a more structured, data-driven approach. Efforts now span inclusive hiring, workforce representation, infrastructure readiness and employee experience, ensuring diversity is supported through both policy and practice.

Non-Discrimination, Harassment, and Equal Opportunity

Guided by its Diversity, Equity, and Inclusion (DEI) Policy, LTF is an equal opportunity employer with zero tolerance for any kind of discrimination. Your Company maintains a safe working environment and enforces a strict policy against workplace and sexual harassment.

Embedding DEI into governance and business strategy

A defining step in your Company's journey has been the institutionalisation of DEI governance mechanisms that embed inclusion into business strategy and decision-making.

A dedicated DEI Council, comprising Management Committee members, senior business leaders and functional heads, provides strategic direction and monitors progress. It oversees implementation across businesses and regions, ensuring consistency and accountability.

The DEI Council works closely with business leaders and functional teams to ensure DEI priorities are translated into business and operations, driving ownership, implementation, and sustained outcomes.

DEI is no longer treated as a standalone initiative. It is embedded into leadership accountability and business performance.

- DEI metrics integrated into leadership scorecards and performance frameworks
- Key diversity metrics, including representation and progress monitoring, linked to performance and remuneration

This governance framework marks a shift from programme-led interventions to **leadership-owned outcomes.**

Multi-year Workforce Transformation

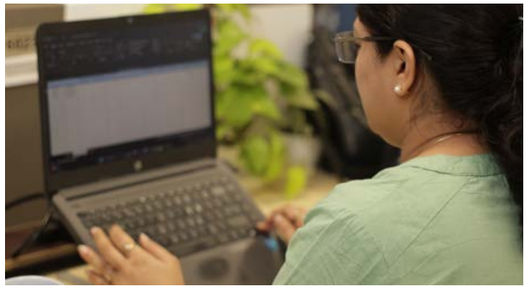
LTF has delivered consistent progress in strengthening workforce diversity over multiple years.

Year	FY23	FY24	FY25	FY26
Female Representation	3.6%	4.6%	5.4%	7.4%

Today, women represent 3,080 employees across a 41,301 employee workforce, reflecting sustained momentum as your Company scales its frontline and field workforce.

Women also constitute 23.08% of the Management Committee, demonstrating growing representation at senior decision-making levels. This commitment extends to the Board, where your Company has 2 women Independent Directors, exceeding the regulatory requirements and reinforcing its focus on diverse leadership.

Equity remains a foundational principle of LTF's workforce strategy. Your Company maintains equal pay for men and women across roles and levels. Structured compensation frameworks and periodic reviews of gender pay indicators reinforce this commitment.



Gender Pay Gaps

Indicators	Difference between Men and Women Employees (%)	
	FY26	FY25
Mean Gender Pay Gap	(8)	(27)
Median Gender Pay Gap	21	17
Mean Bonus Gap	10	15
Median Bonus Gap	6	9

For details about the gender-specific remuneration benefits to employees, refer to 'BRSR Section C: Principle 5'.

Recent assessments show continued progress in narrowing gender gaps

Mean gender pay gap significantly improved year-on-year.

Median gender pay gap continues to be actively monitored and addressed.

Bonus gap indicators are reviewed as part of the annual performance and rewards cycle.

These metrics are analysed alongside hiring, promotion and retention data to ensure that improvements in representation are accompanied by fair and equitable career progression outcomes.

Women Representation across Businesses

As LTF's diversity journey has evolved, the focus has moved beyond overall representation to strengthening women's participation across functions and levels. Representation improved during the year, supported by the organisation's expanding footprint and growing frontline workforce. Progress across customer-facing, business roles reflects a broader, more inclusive talent pipeline.

Given the scale of hiring, rising absolute numbers indicate that diversity is embedded in workforce expansion rather than driven by isolated interventions. New and expanding verticals have enabled inclusive hiring practices from the outset.

1,943

Women employees added during the year across all functions

995

Branches with Women Representation

Reimagining Women's Participation in Frontline Roles

Rural Business Finance (RBF) has undergone a meaningful workforce transformation, with LTF reshaping women's participation in frontline field roles. Historically, these roles were considered unsuitable for women due to safety, mobility, and infrastructure constraints. Recognising that representation cannot improve through hiring targets alone, your Company prioritised building the right enabling environment first.

Impact

- Women in RBF grew from **24 employees** in FY23 to **966 employees in FY26**

Infrastructure-first Inclusion

To support sustainable participation of women in field roles, LTF strengthened workplace readiness through focused infrastructure and safety interventions:

- Branches must meet women-friendly safety standards before hiring
- CCTV systems and sanitation facilities installed across locations
- Hiring paused in branches lacking required infrastructure
- A pilot initiative hiring two female frontline officers together to strengthen psychological safety and peer support

This approach strengthens trust and confidence, supports long-term retention, and ensures inclusion remains sustainable and scalable.

Business and Social Impact

The growing presence of women in field roles has strengthened customer engagement, improved field discipline, and brought renewed vibrancy to operations.

This journey shows that meaningful inclusion is achieved not through targets alone, but by redesigning systems that enable women to succeed in roles once considered out of reach.

Supporting Women Employees across Life Stages

As LTF's workforce continues to grow across geographies, employees are also progressing through different career and life stages. The objective is to enable long-term career continuity by building a workplace that recognises their evolving personal, health, and family responsibilities across the employee lifecycle.

Supporting life Transitions and Caregiving Responsibilities

Your Company has introduced a range of policies to support employees in balancing professional and personal commitments across life stages:

- Enhanced maternity and childcare leave provisions, along with flexible work arrangements
- Creche reimbursement for up to two children below six years of age
- Comfort Leave that allows women employees to take up to two wellness leave days each month
- Flexible work and work-from-home options available during critical phases

These measures enable employees to better manage caregiving, health and family responsibilities while continuing to build their careers.

Enabling Infrastructure and Workplace Support

Policy interventions are complemented by workplace infrastructure that further supports employees as they return to work and manage personal responsibilities:

- A dedicated Lactation Room at Head Office providing privacy and hygiene for nursing mothers.
- Local conveyance reimbursement and travel assistance for expecting mothers.
- Child attendant support during business travel.
- Ergonomic workplace arrangements and safety measures.
- Women Safety and Late-hour Cab Policy
- 7-Up Safety Advisory
- Women-friendly Branch Safety Standards

Together, these initiatives reflect a shift towards life-stage inclusion, recognising that employees' needs evolve over time and that sustained support drives retention, engagement, and long-term career growth.

Targeted Interventions and the Road Ahead

As LTF's DEI journey matures, it continues to translate learning into targeted, business-aligned actions. Recent interventions, including branch infrastructure upgrades, mandatory inclusion checkpoints in hiring, and expanded leadership development programmes, have strengthened the foundation for sustained progress.

Looking ahead, your Company has outlined focused commitments to accelerate representation across businesses:

- Increasing women's participation across Rural Business Finance micro-clusters currently staffed by a single resource
- Targeting increasing women representation in replacement hiring for Two-Wheeler Finance frontline roles, supported by buffer hiring across zones
- Targeting increased participation of women employees in every new Gold Finance branch
- Targeting women representation in campus hiring for IT and technology roles
- Strengthening women participation in SME sales and collection manager roles

Designing the Workplace for Inclusion

In parallel, your Company continues to strengthen workplace accessibility, achieving 100% accessibility across all large branches for persons with disabilities. These efforts reflect LTF's steady shift from commitment to execution, as it progresses towards its Lakshya 2031 aspirations.

For further details on DEI interventions, refer to section 'Sustainability@LTF'

Enhancing Employee Engagement and Experience

As LTF expands across geographies, employee engagement remains central to productivity, collaboration and retention. With a significant portion of employees operating from branches and field locations, fostering connection and cohesion is increasingly important.

Therefore, your Company remains focused on building a workplace where employees feel heard, supported and connected throughout their journey. In FY26, LTF strengthened its engagement approach through structured listening, leadership communication and scaled recognition platforms.

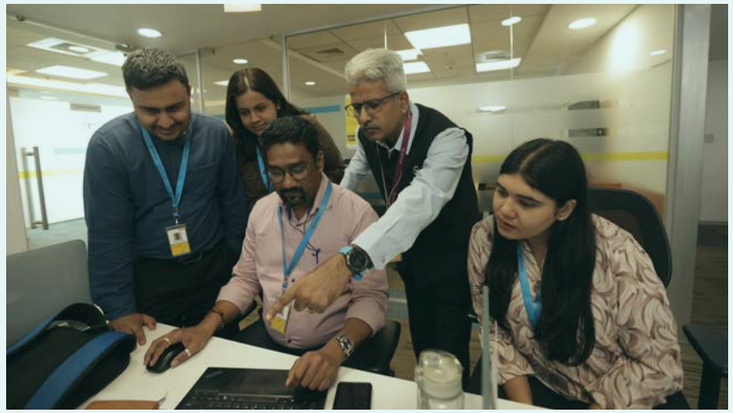
Digital tools and targeted wellbeing initiatives have further enhanced the employee experience across locations.

Digital Engagement through a One-Stop Engagement Platform

A key milestone during the year was the launch of a comprehensive digital engagement platform, designed as a one-stop hub for employee engagement. The platform has seen strong adoption, enabling employees across the Company to seamlessly participate in engagement initiatives, access benefits and stay connected with the broader LTF community.

Through this platform, your Company has enabled several organisation-wide initiatives, encouraging employees to showcase their talents, prioritise wellbeing and build stronger peer connections beyond their day-to-day roles.

A Structured Engagement Framework



Employee engagement at LTF is anchored in an annual plan developed collaboratively by HR along with Zonal and Regional teams. This ensures that initiatives remain relevant across diverse locations and business units.

The framework follows a continuous cycle of planning, execution, and feedback, enabling engagement efforts to remain agile and responsive to evolving employee needs.

Bringing Culture to Life

Culture Realisers

As your Company scales, embedding organisational values into everyday behaviours remains central to building a high-trust, high-performance workplace. LTF launched the Culture Realizers initiative during the year to translate Company values into consistent actions, encouraging employees and managers to demonstrate small but meaningful behaviours that strengthen culture across teams.

Rather than relying only on top-down messaging, Culture Realizers promotes a visible, locally driven culture shaped through everyday interactions, recognition and team conversations.

Four key interventions anchor this initiative:

Pat on the Back

This is a peer recognition platform that enables employees to appreciate colleagues in real time. To date, over 1,75,000 recognitions have been shared across the organisation, spanning peer-to-peer, manager-to-peer, and peer-to-manager appreciation, reinforcing a culture of recognition and gratitude.

Zero Hour

It is a dedicated space for open, informal conversations between managers and their teams, designed to build trust and encourage transparent dialogue. The initiative has facilitated more than 50,000 team conversations across locations.

Joy Stop

This is a wellbeing initiative that encourages employees to take short breaks during the workday to recharge. The programme includes simple wellness activities, a one-question happiness pulse check and weekly wellbeing themes, such as hydration walks, to support employee energy and wellbeing.

LevelUp

Under this initiative, senior leaders have conducted 20+ training sessions, equipping managers with practical tools to give and receive feedback constructively and foster continuous development within teams.

Together, these initiatives embed recognition, open dialogue, wellbeing, and developmental feedback into everyday interactions, helping bring LTF's culture to life across the organisation.

Leadership Visibility and Communication

Strong leadership communication remains critical to maintaining alignment, transparency and trust across your Company. Employees are regularly given opportunities to engage with leadership and stay informed about LTF's priorities and performance.

Key communication platforms include:

- Leadership Engagements, including townhalls led by senior management
- Leadership councils, regular branch visits and interactive forums
- Performance discussions and KPI alignment

Building Managerial Capability

CREW 2: Strengthening Organisational Behaviours

Strengthening managerial capability remains a key priority as LTF scales, with managers playing a critical role in driving performance, engagement and culture.

Insights from LTF's Manager Scorecards informed efforts to strengthen managerial effectiveness and enable focused development across teams. The analysis identified three priority areas:

- Strengthening leadership behaviours demonstrated by managers
- Building stronger manager–team connect and trust
- Enhancing managers' ability to communicate, coach and resolve workplace challenges effectively

Guided by these insights, LTF introduced CREW2, a focused development intervention for managers with identified improvement areas. The programme reinforces four core workplace behaviours:

Collaboration

Encouraging stronger teamwork and cross-functional support

Respect

Fostering a culture of inclusion and mutual regard

Empowerment

Enabling managers to build capability and confidence within their teams

Win–Win Outcomes

Promoting constructive problem-solving that benefits both employees and the organisation

Experiential Learning Approach

CREW2 adopts an experiential, scenario-driven learning model, enabling managers to engage with real situations and reflect on leadership practices. The programme emphasises practical tools and behavioural interventions to strengthen trust, improve communication and enhance team leadership.

Measurable Impact

The programme has delivered encouraging outcomes. Manager scorecard ratings improved from 3.64 to 4.17, indicating stronger leadership behaviours and improved team engagement. Attrition among participating managers declined significantly from 26% to 9%, reflecting improved managerial effectiveness and retention.

Your Company will continue to monitor the long-term impact of CREW2 through engagement surveys and manager scorecards

Building Connection through Sports, Wellness, and Shared Experiences

As LTF expands across geographies, enabling employees to connect beyond their day-to-day roles remains essential to strengthening engagement and culture. Sports and wellness initiatives create opportunities to collaborate across functions, celebrate diverse talents, and build a stronger sense of belonging while enhancing overall wellbeing.

In FY26, your Company curated a range of initiatives to promote physical wellbeing and teamwork across locations.

LPL: LTF Premier League (LPL)

The LPL emerged as a flagship engagement initiative during the year, bringing employees together through a shared passion for sports.

The tournament featured cricket competitions across regional teams, driving participation and strong team bonding. Selection rounds for LTF's corporate cricket team enabled employees to compete for opportunities to represent your Company in corporate tournaments.

To enhance inclusivity, the initiative expanded to include sports such as badminton and pickleball. This provided a platform to showcase sporting talent while strengthening team pride and workplace connections.

LPL: Participation of Senior Management

Senior Management at LTF actively participated in the LTF Premier League, demonstrating strong leadership commitment to employee engagement and workplace culture. Their involvement went beyond symbolic presence, as leaders joined teams on the field, fostering camaraderie, breaking hierarchical barriers, and encouraging a spirit of collaboration and healthy competition.

Celebrating Creativity and Talent

Your Company created opportunities for employees to express creativity and showcase talents beyond their professional roles.

- LTF Got Talent, hosted on the Engagement platform, invited participation across five categories: singing, dancing, instrumental music, emceeing, and drama. It offered an engaging stage for employees to share their artistic abilities with colleagues
- The Photography Contest, themed 'Echoes of Life', drew strong participation from employees capturing unique perspectives on everyday moments. The contest received 1,514 entries across categories, marking a notable increase over the previous year. Five winners were recognised for their exceptional work
- Employees also represented the organisation in L&T Group initiatives such as QuizWiz, reflecting strong participation in knowledge-based competitions

Community, Culture, and Shared Moments

Beyond formal programmes, LTF strengthened employee engagement through initiatives celebrating community, family, and social responsibility.

Employees participated in environmental initiatives such as the Earth Day Tree Plantation Drive, supporting sustainability across regions. LTF relaunched BOONDEIN, its employee volunteering programme, enabling contributions to causes spanning human wellbeing and environmental sustainability.

Engagement initiatives such as Family Connect, Friendship Day activities and festive celebrations, including Independence Day, Navratri, Ganesh Chaturthi, and Diwali, created shared experiences and strengthened workplace bonds.

To further support employee wellbeing, LTF introduced Pause Point, a dedicated recreation zone at the Head Office. It offers employees a space to recharge, connect, and return to work refreshed.

Enabling Safe, Transparent, and Responsive Communication

LTF fosters an open, fair, and respectful workplace where employees can confidently raise concerns and report misconduct. A structured grievance redressal framework ensures concerns are addressed promptly, confidentially, and fairly.

The framework reflects LTF's zero-tolerance approach to misconduct, harassment, and unethical behaviour, reinforcing accountability, trust, and transparency.

Structured Mechanisms for Raising Concerns

Employees can raise concerns, seek resolution, and report misconduct through secure, confidential channels supported by robust governance and oversight.

Code of Conduct Violations

Employees can report potential Code of Conduct breaches through a dedicated channel. All cases follow a structured review process to ensure fairness, accountability and timely resolution:

- The designated officer is responsible for end-to-end management of cases
- A regional enquiry committee is formed to investigate the case thoroughly
- The Disciplinary Action Committees (DAC) serve as the decision-making authority, with cases escalated based on employee band and nature of the case
- Every case is examined thoroughly, and appropriate disciplinary action is taken where required

Harassment and Workplace Misconduct

Complaints related to harassment are raised through a dedicated channel and managed under a defined process by the Internal Committee, ensuring confidentiality and employee dignity:

- Complaints are handled with sensitivity and confidentiality
- Investigations are conducted promptly and fairly
- Employee well-being and dignity remain central to the process

Whistleblower and Unethical Behaviour Reporting

Employees can report unethical behaviour anonymously through the Vigil Mechanism. The framework ensures:

- Confidentiality and anonymity
- Protection against retaliation
- Timely investigation and resolution

By providing multiple reporting channels and clear governance oversight, LTF continues to foster a culture where employees feel safe to speak up and confident that concerns will be addressed responsibly.

For details on employee grievances and complaints, refer to 'BRSR Section C: Principle 5'.

Building Safer Workplaces through Systems and Oversight

A safe and healthy workplace is central to employee well-being, operational continuity and long-term organisational resilience. LTF's Occupational Health and Safety (OHS) approach extends beyond regulatory compliance, reflecting a proactive commitment to employee safety across offices, branches, and frontline operations.

As your Company expands its branch footprint and field workforce, the OHS framework has evolved into a structured, system-driven and preventive approach anchored in strong governance, standardisation, and active employee participation.

A System-led Approach to Workplace Safety

LTF is committed to conducting business safely, guided by its Health & Safety Policy applicable across offices and branches. OHS management during the year was strengthened through defined governance structures, aligned with global standards and supported by a clear roadmap to scale safety practices.

Strengthened Governance and Oversight

To enhance coordination and accountability, a dedicated OHS Working Group was operationalised during the year. The group comprises representatives from:

Facilities management team

Human Resources team

Sustainability team

The Working Group reports to the Sustainability Steering Council (SSC), integrating safety into enterprise-level decision-making and ensuring cross-functional oversight of health and safety priorities.

Expanding ISO 45001 Certification Coverage

Your Company continues to strengthen alignment with global occupational health and safety standards through ISO 45001 certification. During the year, certification was retained at the Head Office following surveillance audits and extended to key branches-Ahmedabad and Bengaluru.

All certified locations reported zero major or minor non-conformities, reflecting robust safety systems and strong adherence to established standards. A clear roadmap has been defined to progressively expand ISO 45001 certification coverage across operations by FY27.

These efforts reflect a shift from location-specific compliance to a more integrated, enterprise-wide safety framework.

Proactive Hazard Identification and Risk Assessment

Your Company strengthened its focus on preventive risk management through continued expansion of the Hazard Identification and Risk Assessment (HIRA) programme. Assessments were conducted across 28 locations, enabling more comprehensive identification of potential hazards.

The programme emphasised timely implementation of preventive controls, supported by the development of internal safety champions and ongoing awareness initiatives. Together, these efforts are embedding a proactive, risk-aware safety culture across the organisation.

Strengthening Employee Participation and Preparedness

A key focus during the year was strengthening employee involvement in safety practices and improving emergency preparedness.

Enhanced Grievance Redressal for Safety

An enhanced digital grievance redressal mechanism was introduced, enabling employees to:

- Report safety concerns
- Highlight workplace observations
- Track resolution through a structured system

This initiative strengthens transparency and employee participation in workplace safety.

Frontline Safety and Awareness

As the field workforce continues to grow, road safety and frontline preparedness remain key priorities. Key initiatives include:

- Mandatory road safety training for all new field employees
- Helmet and safety gear distribution
- Safety awareness modules delivered in vernacular languages
- Road safety integrated into daily pledges

These initiatives help embed safe travel practices into everyday behaviour.

Emergency Preparedness and Infrastructure

LTF continues to strengthen emergency readiness and workplace safety infrastructure across locations. Key measures include:

- 100% branches equipped with firefighting equipment
- Fire safety monitoring and awareness
- 24/7 pan-India ambulance service for employees and families

In FY26, LTF initiated Cardiopulmonary Resuscitation (CPR), First Aid and fire safety training at the Head Office. Designed for the Emergency Response Team (ERT) and cross-functional groups, the programme builds on-ground preparedness and essential life-saving skills. It enables employees to respond effectively to cardiac and medical emergencies until professional assistance arrives. Through these efforts, your Company continues to strengthen workplace emergency preparedness and resilience. These initiatives enhance response readiness while reinforcing employee confidence.

Infrastructure and Workplace Safety

- 100% PWD-friendly large branches, ensuring inclusive infrastructure
- Certification of key offices under ISO 45001 for Occupational Health & Safety
- Continuous improvement in workplace safety and employee well-being

Health & Wellness Initiatives

LTF recognises that long-term organisational performance is closely linked to the physical, mental and emotional wellbeing of its people and their families. Accordingly, your Company is strengthening a preventive and holistic wellbeing ecosystem. The focus is shifting from episodic interventions to continuous, integrated and everyday support.

Building a Proactive Health Ecosystem

A major step in strengthening employee healthcare during the year was the adoption of dedicated wellness partner, marking a shift from periodic healthcare interventions to a more continuous and preventive care model. Traditionally, corporate healthcare programmes relied heavily on annual checkups and reactive consultations. With the growing scale and geographic spread of the workforce, LTF recognised the need for a more connected and ongoing healthcare experience that supports employees beyond one-time interactions.

The platform enables a continuous care journey by providing:

- Access to OPD consultations
- Concessional medicines
- Automated follow-ups with doctors and dieticians after health checkups
- Ongoing engagement to support lifestyle and preventive care

This approach ensures health check-ups lead to sustained follow-up and improved outcomes, rather than remaining standalone events.

Continuous engagement and personalised follow-ups support employees in managing their health proactively over time.

Through continuous monitoring, HIRA audits and branch-level safety governance, LTF tracks workplace incidents closely.

Work-related injuries:

There were zero high-consequence work-related injuries and zero fatalities as a result of work-related injury at LTF premises.

Healthy Meal Initiative – Promoting Better Nutrition

Recognising the role of nutrition in long-term health and productivity, your Company continued its Healthy Meal Initiative for employees in branches and meeting centres. Employees in these locations often operate in remote or high-travel environments with limited access to nutritious food.

The initiative provides hygienic, home-cooked meals, reducing reliance on fast food and encouraging healthier eating habits. It also creates opportunities for colleagues to connect during shared meal breaks, strengthening team interaction at branch locations.

Key benefits include:

- Improved daily nutrition and energy levels
- Greater convenience for branch and field employees
- Opportunities for social interaction during meal breaks

The initiative has been scaled to over 1,279 branches across 12 states, demonstrating its growing importance as part of everyday employee well-being.

Digital Emotional Well-being Support

Employees are provided free access to an emotional wellbeing app, enabling confidential and accessible mental health support.

The platform offers:

- Confidential counselling services
- Emotional wellbeing guidance
- Support for stress, anxiety, and personal challenges

This initiative enables employees to seek support in a safe and private manner, helping reduce stigma around mental health.

Well-being Workshops and Awareness Programmes

LTF also conducts health and well-being workshops designed to help employees manage the demands of modern work and life. These workshops equip employees with tools to:

- Manage stress and burnout
- Improve work-life balance
- Build healthy lifestyle habits
- Strengthen emotional resilience

By combining professional support with awareness programmes, LTF continues to promote a culture that prioritises both physical and emotional wellbeing.

Enabling Safe and Supportive Commuting

For many employees, particularly women and frontline staff, reliable transportation plays an important role in creating a secure and accessible work environment.

Last-mile Connectivity

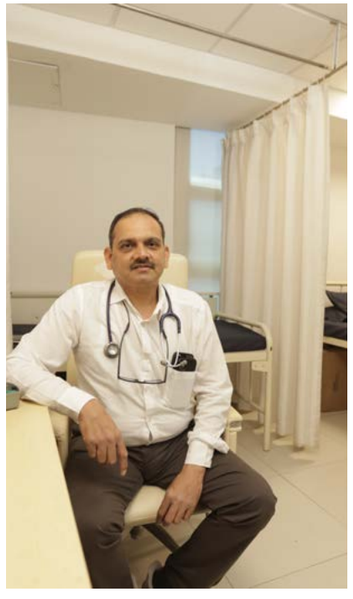
To improve commuting convenience, LTF provides shuttle services connecting office locations with nearby railway stations. This initiative helps employees:

- Avoid long walks and uncertain transport options
- Reduce commute stress
- Experience safer and more convenient daily travel

Carpool

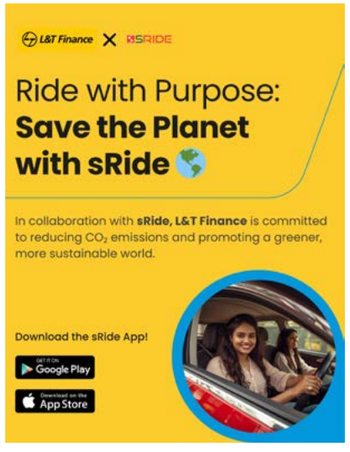
Your Company provided access to tech-enabled platform 'sRide' to promote and manage pool commutes for its employees, to reduce individual fuel consumption and minimise the overall carbon footprint associated with the employees daily travel.

For more details about the OHS interventions, refer to section 'Sustainability@LTF'.



Cab Services for Women Employees

Dedicated cab services are provided for women employees working late hours, ensuring safe and reliable transportation and reinforcing LTF's commitment to supporting its female workforce.



Employee Remuneration and Benefits

As LTF continues to expand its workforce, a comprehensive and competitive benefits framework remains central to attracting, retaining, and supporting talent across life stages. Your Company's approach combines financial security, healthcare access, family support, and long-term wealth creation, ensuring employees feel supported both professionally and personally.

Financial Security and Healthcare Protection

Employees are supported through a range of long-term financial and healthcare benefits, including:

Retirement and Savings

- Gratuity and Provident Fund contributions
- Defined contribution plans supporting long-term financial stability

Insurance and Medical Coverage

- Medical, accident and life insurance coverage
- Flexibility to include family members
- Group Mediclaim and digital healthcare access
- Eligibility of a large proportion of employees for Employee State Insurance (ESI)

These benefits help strengthen financial resilience and provide security for employees and their families.

Parental Leave and Return to Work

LTF supports employees across life stages through policies that enable them to balance professional responsibilities with family commitments. Your Company provides parental leave benefits in line with applicable regulations and internal HR policies.

Key provisions include:

- **Maternity Leave:** As per policy, eligible employees may avail 26 weeks of maternity leave, up to 14 weeks of childcare leave, and up to 26 weeks of Work From Anywhere (WFA), subject to eligibility criteria, with an overall cap of one year on time away from regular workplace duties
- **Paternity leave:** 5 days for eligible employees
- Additional support through childcare benefits, flexible work arrangements and reintegration support for returning employees

Parental Leave during FY26

Indicator	Male	Female
Employees who availed parental leave during the year	371	94
Employees who returned to work after parental leave	371	94

Return to Work and Retention Rates

Metric	Male	Female
Return to work rate	100%	100%

These measures support continued employability and help employees transition smoothly back into the workplace following parental leave.

For additional workforce disclosures, refer to 'BRSR Section A.

Long-term Wealth Creation and Incentives

To align employee growth with its success, LTF offers:

- Employee Stock Ownership Plans (ESOPs) to foster ownership and long-term commitment
- A Matching Grant Scheme that encourages savings and investment discipline

Support during Unforeseen Events

Through the Ex-gratia and Family Assistance Programme, LTF provides structured financial and educational support to families in the event of an employee's death.

The support includes:

- Ex-gratia payment and continued salary support for 24 months
- Educational assistance for children
- Employability support for spouses

This programme is overseen by the Employee Welfare Committee.

Notice Periods for Operational Changes

LTF follows applicable labour laws, employment contracts and internal HR policies when managing operational changes that may impact employees. Where relevant, employees are informed in advance in line with prescribed notice periods.

Your Company does not have collective bargaining agreements specifying separate notice period provisions.

Governance and Risk-aligned Leave

Mandatory leave for Senior Leaders and above prevents burnout and reinforces stable, accountable leadership.

Together, these benefits reinforce LTF's commitment to providing financial security, supporting families, and creating a workplace where employee well-being and organisational growth remain closely aligned.

Nurture Right

As employees grow within the organisation, the focus shifts to sustained development and meaningful career progression. This pillar brings together LTF's efforts to strengthen learning, enable career mobility, advance leadership capability, and reinforce retention through structured, transparent people practices.

By aligning development with progression and linking growth to long-term engagement, your Company creates an environment where employees evolve with the business and contribute to sustained success.

Building Capability through Experience, Exposure and Education

LTF's talent development approach focuses on continuous learning, capability building and long-term career progression. As the organisation evolves, nurturing talent remains central to building a resilient, future-ready workforce aligned with business priorities.

LTF enables experiential learning through multi-product Sampoorna branches. These branches provide frontline employees with hands-on exposure to multiple product lines, strengthening cross-functional understanding, and real-time decision-making.

Over time, the learning ecosystem has evolved from standalone training programmes to an integrated model supporting ongoing skill development, leadership readiness, and role-based capability building.

Efforts focus on strengthening learning frameworks, enabling internal mobility and building leadership capability across levels. Through a structured, forward-looking approach, your Company continues to build leadership depth, enhance workforce capability, and support sustained organisational growth.

This approach is anchored in three complementary pillars:

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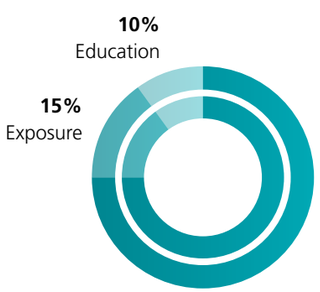


Experience

Learning through increased responsibilities, broader role exposure and hands-on decision-making opportunities

Exposure

Learning through collaboration, coaching, and leadership interaction

Education

Structured programmes, certifications, and academic partnerships

This framework ensures that employees learn while delivering business outcomes, strengthening both individual growth and organisational capability.

Learning Aligned to Business Priorities

Capability building is closely linked to evolving business priorities and role requirements. Training needs are identified through half-yearly and annual performance reviews, ensuring development interventions remain relevant and forward-looking.

The learning ecosystem combines:

- Internal subject matter experts
- External specialists and academic partners
- Digital platforms and certification programmes

Employees continue to receive access to Coursera certification libraries, enabling self-paced development of specialised and emerging skills.

e-Gurukul – the Learning Backbone

e-Gurukul continues to serve as LTF's central digital learning ecosystem, enabling continuous learning across locations and roles.

Key capabilities include:

- Gamified simulations and bite-sized modules
- Role-based learning pathways
- Learning access via WhatsApp
- Mobile-first delivery for frontline employees

The platform reflects your Company's shift from classroom training to continuous, accessible, and self-paced learning.

The e-Gurukul platform now hosts themed Learning Leagues with leaderboards and rewards. These initiatives:

- Encourage friendly competition across teams and regions
- Increase course completion rates
- Strengthen self-driven learning behaviour

This marks a shift from passive learning to engagement-driven capability building.

Strengthening Early Career Development

Parichay – Structured Induction

The Parichay programme provides new employees with a comprehensive introduction to LTF's culture, policies and operations.

Core modules include:

- KYC and regulatory awareness
- POSH and Code of Conduct
- Information security and operational risk
- Sustainability and ESG awareness

Sustainability training is delivered to all employees in 8 regional languages, enabling greater accessibility and reinforcing early alignment with organisational values.

Udaan – Campus Talent Development

The Udaan programme continues to shape campus hires into future leaders through structured onboarding and ongoing engagement.

Key elements include:

- Leadership sessions and cultural immersion
- Technical training tailored to roles
- Behavioural skill development
- Continued engagement beyond induction

Campus programmes

Management Trainee Programme

- Leadership immersion sessions
- Learning at LDA Lonavala
- Exposure to L&T legacy at Planet L&T

Graduate Engineer Trainee Programme

- Campus-to-corporate transition
- Leadership and team-building workshops
- Technical capability building

These programmes create a strong early leadership pipeline.

Aspire – Developing Next-generation Managers

The Aspire programme strengthens internal mobility by identifying high-performing frontline employees and preparing them for managerial roles.

Key features:

- Structured talent identification
- Expanded responsibilities
- Behavioural and functional training

Aspire reinforces a promote-from-within culture and supports succession planning.

Scaling Gamified DEI Learning

The gamified DEI learning programme continues to expand across workforce segments.

A new module for frontline officers (FL4) has been released in eight languages, enabling:

- Real-life scenario-based learning
- Stronger awareness of unconscious bias
- Inclusion across customer-facing roles

This ensures inclusive behaviours are embedded across geographies and workforce segments.

Sustainability and Climate Risk Training

In line with its commitment to future-ready capabilities, Your Company has prioritised targeted interventions in emerging risk areas.

- Climate risk training delivered to Risk and Policy teams
- ESG familiarisation sessions conducted for Board members

These initiatives strengthen enterprise-wide sustainability awareness and regulatory readiness.

Long-range Planning Boot Camp

The annual boot camp strengthens:

- Strategic thinking
- Cross-functional collaboration
- Business planning capability

This initiative aligns workforce capability with long-term strategy.

LTF received a special mention at the SHRM Excellence in Learning & Development Awards, reflecting the growing maturity and impact of its learning ecosystem.

Average Training Hours per Employee

LTF continues to invest in employee capability building through structured training programmes delivered through classroom sessions and the Gurukul learning platform. During FY26, employees received an average of 48 hours of training covering functional skills, leadership development, regulatory compliance, and digital capabilities.

Aligning Talent with Opportunity, Performance, and Long-term Growth

LTF's talent philosophy extends beyond capability building. It ensures employees are deployed, developed, and progress to maximise individual potential and organisational resilience.

Your Company continues to strengthen a structured, increasingly digital talent deployment framework. This framework aligns workforce capability with strategic priorities. The approach integrates strategic workforce deployment, internal mobility, performance management, and career visibility. It also enables employees to grow alongside your Company's evolving ambitions.

Strategic Talent Deployment: Maximising Potential

Talent deployment at LTF is designed to move beyond role-based allocation towards capability-based placement. Employees are viewed as part of a shared enterprise talent pool, enabling your Company to deploy skills where they create the greatest value.

This approach:

- Encourages cross-functional collaboration
- Strengthens organisational agility
- Builds a culture of ownership and accountability

As your Company evolves, this model supports the creation of a more flexible and resilient workforce.

Role Arbitrage: Building Leadership Depth

A key element of LTF's deployment strategy is role arbitrage, which enables employees to take on expanded responsibilities alongside their core roles.

This practice helps:

- Prepare employees for future leadership roles
- Strengthen organisational continuity
- Improve succession readiness

By encouraging multi-role exposure, your Company builds a workforce capable of adapting to changing business needs.

Digital Performance and Progression Ecosystem

LTF continues to strengthen a technology-enabled performance management framework, improving transparency, objectivity and alignment. The system integrates:

- Business growth goals
- Risk management objectives
- Long-range planning priorities

Performance is tracked through Workline HRMS and digital dashboards, enabling real-time visibility into key roles and outcomes. Key features include:

- Mid-term reviews focussed on developmental feedback
- Annual appraisal process
- Bias checks to strengthen fairness and consistency
- Direct linkage between performance, rewards, and promotions

Your Company continues to move towards greater automation and real-time performance tracking, reflecting the shift towards data-driven talent decisions.

Ascend – Internal Job Posting (IJP)

The Ascend Internal Job Policy continues to play a key role in strengthening internal mobility and career progression.

Key features include:

- Employees can apply without prior supervisor approval
- Mandatory panel interviews ensure fair selection
- 60-day transfer timeline after selection
- Protection of PMS ratings during transitions
- Vertical grade movement opportunities

The policy reinforces a promote-from-within culture.

Data-driven and Transparent Progression

The talent deployment and progression framework continues to evolve towards greater transparency, digitalisation, and fairness. Your Company is strengthening:

- Real-time performance visibility
- Alignment between rewards and outcomes
- Bias-aware evaluation processes

Skill Development and Transition Support

LTF provides learning programmes aimed at strengthening employee capabilities and supporting career progression. Training initiatives cover functional expertise, leadership development, digital skills, and regulatory awareness.

Your Company also supports employees during career transitions through internal mobility opportunities, role transition support, and retirement preparedness initiatives, enabling continued employability and responsible workforce management.

Performance Review Coverage

LTF follows a structured, technology-enabled performance management process that ensures periodic assessment of employee performance and development needs. Performance reviews are conducted through the Workline HRMS platform, supported by mid-year reviews and annual appraisals.

For a detailed gender-wise and employee category-wise breakup, refer to 'BRSR Section C: Principle 3'.

Strengthening Engagement, Listening, and Long-term Workforce Stability

With structured hiring, capability building and career development frameworks in place, the next priority is sustaining talent over the long term. Your Company's retention approach builds on these pillars, bringing together career progression, leadership support, rewards, and employee listening into a cohesive framework that sustains engagement and reduces attrition.

Over time, the focus has shifted from standalone retention programmes to a more proactive, insight-led and governance-driven model. In this structure, workforce feedback, performance data, and leadership accountability come together to shape and strengthen retention strategies.

Year	Category	Gender-wise			Age-wise		
		Male	Female	Total	<30 years	30-50 years	>50 years
FY26	Employee Turnover Number	8,313	539	8,852	5,148	3,697	7
	Employee Turnover Rate	23%	21%	23%	24%	21%	8%
FY25	Employee Turnover Number	7,003	396	7,399	4,292	3,102	5
	Employee Turnover Rate	22%	24%	22%	23%	22%	8%

Note: Employee turnover rate = (No. of persons who have left the employment of the entity in the FY *100)/Average no. of persons employed in the category in the FY; Only voluntary separations are considered.

Reward Right

A high-performance culture thrives when contributions are recognised, performance is rewarded, and employees see a clear link between effort, outcomes and growth. LTF's rewards philosophy is performance-linked, transparent, and future-focused, combining financial incentives with recognition platforms that celebrate individual and team achievements.

Through a balanced framework of short-term incentives, enterprise-wide recognition programmes, and long-term appreciation initiatives, your Company reinforces a culture where excellence is acknowledged and high performers are encouraged to keep raising the bar.

Short-term Incentives and Performance Recognition

Monthly and Quarterly Incentives

Performance-linked incentive programmes continue to reward employees for delivering business outcomes and achieving targets.

These incentives:

- **Encourage goal alignment**
- **Reinforce accountability**
- **Recognise consistent performance**

They form an important part of your Company's pay-for-performance philosophy.

Star Awards – Flagship Enterprise Recognition

The Star Awards remain LTF's premier recognition platform, celebrating employees and teams delivering exceptional performance and meaningful business impact.

At the Star Awards 2025 ceremony at A. M. Naik Tower, Powai, your Company honoured 195 employees from 1,791 eligible colleagues. They were recognised for strong contributions and for reflecting LTF's values of Pride and Ambition.

Senior leadership, including the MD & CEO, attended alongside other organisational leaders. A key highlight was the introduction of the Chairman's Award. It was presented to the Project Cyclops team for its transformative impact.

Awards spanned categories such as Bright Spark, Exemplar of Values, and Teamwork, and Transformation. These recognise both individual excellence and collaborative success across the organisation.

Zonal Star Awards

In FY26, LTF strengthened its recognition framework by elevating the Rising Star Awards to Zonal Star Awards (ZSA). This platform recognises frontline employees and first-level managers.

The revamped programme expanded scope by including first-level managers. This increased the proportion of recognised frontline employees from 2% to 6%.

A total of 1,025 employees were honoured across six cities in five zones. The ceremonies celebrated high performers driving customer engagement and business growth.

The East and West zones hosted ceremonies in Ahmedabad, Kolkata, and Patna. The South and North zones recognised employees in Bengaluru, Chennai, and Chandigarh. These events enabled regionally relevant celebrations of frontline excellence.

Wall of Fame – Recognising Everyday Performance

The Wall of Fame continues to recognise employees who deliver strong performance aligned with monthly and quarterly priorities. Each month, employees are selected through a structured process led by skip-level managers and business leaders. Winners receive certificates and monetary rewards, reinforcing accountability and consistent performance.

Long Service Awards – Honouring Loyalty and Commitment

The Long Service Awards celebrate employees whose dedication has contributed meaningfully to the organisation's journey. During the year, 14 employees were recognised for completing over 15 years of service. This reflects their sustained commitment and contribution to the organisation's growth.

Champions League – Celebrating the Best of the Best

The LTF Champions League 2025 brought together top performers in a celebration of achievement and excellence in Dubai.

Building on the inaugural edition in Sri Lanka, the second edition recognised 201 high performers across business and enabling functions.

Senior management attended, along with LTF's brand ambassador, Jasprit Bumrah.

The Champions League remains a prestigious platform that celebrates performance while inspiring employees to strive for excellence.

SOCIAL AND RELATIONSHIP CAPITAL

STRENGTHENING TRUST, EXPANDING INCLUSION

LTF's growth strategy is supported by its consistent focus on customer experience, partner engagement, and community development. By integrating digital innovations, responsible practices, and inclusive initiatives, your Company is building a connected ecosystem that enhances transparency, improves access, and delivers long-term value for all stakeholders. Your Company's CSR initiatives are designed to drive inclusive and sustainable development. The programmes focus on digital and financial inclusion, climate impact management, disaster management, and social inclusion. Across its value chain, your Company also builds strong partnerships with dealers and vendors. These relationships are anchored in sustainability aligned practices.

Alignment to Material Issues

- Customer Experience and Satisfaction
- Financial Inclusion
- Human Capital Development
- Community Development
- Corporate Governance and Ethics

GRI Linkages

GRI 201	Economic Performance 2016
GRI 202	Market Presence 2016
GRI 203	Indirect Economic Impacts 2016
GRI 205	Anti-corruption 2016
GRI 413	Local Communities 2016
GRI 416	Customer Health and Safety 2016
GRI 417	Marketing and Labelling 2016
GRI 418	Customer Privacy 2016

Alignment to UN SDGs

Key Highlights

₹31.05 Cr
Total CSR Spend

₹12.92 Cr
Spend Over and Above the CSR Obligation

17.30 lakh+
CSR Beneficiaries

1.10 lakh+
Beneficiaries Linked to Social Schemes

₹240 Cr
Social Convergence Value

1 lakh+
Cyber Fraud Trainings for Community Members

60
Overall Net Promoter Score (NPS)

100%
Customer Grievances Resolved

17%
Reduction in Net Complaints

55 lakh+
Number of Women Borrowers

37 lakh+
Number of Repeat Women Borrowers

100%
Information Security Trainings for Employees

13+
Value Chain Partners Engaged through ESG Capacity-Building Initiatives

ISO 26000:2010
Social Responsibility Certificate of Conformance

What
LTF does

Your Company continues to strengthen its Social and Relationship Capital by fostering sustained dialogue and meaningful engagement across its diverse stakeholder ecosystem. It remains committed to delivering accessible and inclusive financial solutions by integrating advanced digital capabilities with deep market insights. Thereby enhancing customer experience and satisfaction while promoting financial awareness.

Concurrently, your Company actively cultivates strong partnerships across its value chain. It also advances inclusive, sustainable community development programmes. Together, these efforts reinforce your Company's commitment to long-term stakeholder value creation.

WHY
this matters

As LTF expands across geographies and customer segments, strong relationships with customers, partners, and communities remain central to sustaining long-term growth. In a rapidly evolving financial ecosystem, transparent engagement, responsive action, and inclusive solutions are critical to value creation. Access to responsible financial services continues to play a vital role in strengthening economic participation and resilience.

Your Company places customers, partners, and communities at the core of its value creation framework, recognising them as key drivers of sustainable growth. It integrates stakeholder insights into decision-making through structured feedback mechanisms, supported by AI-led, data-driven intelligence. This enables proactive risk management and strengthens service delivery. It also ensures that products and solutions remain aligned with the evolving needs of a diverse customer base, while fostering long-term, trust-based relationships across the ecosystem.

Our Priorities

- Strengthening customer relationships through responsible financial solutions and seamless service delivery
- Embedding stakeholder priorities within strategy and governance frameworks to enable informed decision- making
- Building stakeholder trust through transparent communication and responsive engagement
- Enhancing digital accessibility by leveraging technology to simplify customer journeys and service access
- Promoting financial awareness to enable responsible borrowing and informed financial decisions
- Supporting community development through initiatives that strengthen livelihoods and social capability
- Strengthening value chain partnerships with dealers, vendors, and technology partners to support ecosystem growth
- Strengthening employee capabilities to reinforce a customer-centric and responsive culture

HOW
LTF delivers

Your Company adopts a structured and integrated approach to stakeholder engagement, embedding stakeholder priorities within its strategy and governance frameworks. This is supported by digital platforms, data-driven insights, and continuous feedback mechanisms that enhance service delivery and accessibility.

Your Company strengthens its ecosystem by building employee capabilities to reinforce a customer-centric culture. It collaborates with partners to expand distribution and operational efficiency. It also promotes responsible practices across the value chain. Complemented by community initiatives that foster inclusion and resilience, this approach enables your Company to deepen stakeholder relationships while advancing inclusive and sustainable growth.

From the COO's Desk

"We have invited representatives from various industries to share best practices and experiences regarding customer centricity"

Raju Dodti
Whole-time Director (Designate) and Chief Operating Officer

What is Customer Centricity and Why is it Important

Customer centricity means you put the customer at the centre of everything you do.

It is the art and science of delivering a compelling value proposition that addresses customers' ever-changing needs, aiming for customer relationships that build loyalty and trust.

Your products, digital experiences, and customer service at every touch point should all be designed to provide a consistently great experience and add value.

Customer centricity should not be restricted to one team; it is a collaborative effort of all functions across the organization.

Today, customers are no longer just a number or a name in the database. Instead, they are an empowered, connected, and engaged set of people.

Customers now expect more from everyone, and they are increasingly getting vocal about it. It is needless to say that the way companies interact with customers is becoming crucial, and the overall customer experience now dictates where they want to spend their money and develop loyalty.

The customer experience, thus, becomes the primary differentiator in a sea of sameness and has a voice in your Company's direction.

A customer-centric approach is essential in a company like ours, which has over 2.8 Cr+ customers. Studies suggest that one in three customers tends to leave the brand they love after having one bad experience.

At LTF, in our journey to establish a robust retail portfolio with quality assets, we are shifting the emphasis from a product-centric to a customer-centric company.

This will benefit us in numerous ways, including increasing customer loyalty, operating efficiency, and generating more business and revenue.

To reflect our commitment, the "Customer Service" team has been renamed as the "Customer Experience Team". Additionally, we have undertaken initiatives to foster a "Customer-Centric Culture" across the organization.

The Journey So Far

Our first milestone is complete! We began this initiative with our Customer Experience (CX) Team, diving deep into hands-on simulations, empathy mapping, and real-world problem-solving.

We are proud to announce that the entire CX Team is now officially certified as Customer Centric Champions! These champions are now equipped to be the North Star for the rest of the organization, ensuring that their daily operation is filtered through the lens of customer centricity.

We have invited representatives from various industries to share best practices and experiences regarding customer centricity.

Next Steps

Moving forward, we are expanding these workshops across the organization to build a stronger, customer-focused culture. Multiple sessions have already been conducted across various branches, including members of our Sales and Collection teams.

Governance Framework for Continuous Improvement

Your Company has established structured governance mechanisms to ensure that customer feedback is translated into measurable improvements across processes and service delivery.

Key governance practices include:

Customer Dashboards and Governance Forums that regularly review service performance and identify improvement opportunities.

Root Cause Analysis of Complaints, conducted collaboratively by the customer experience servicing team and functional units, enabling targeted improvements that reduced complaint volumes by 17% in FY26.

Project Seven, an initiative that strengthens complaint resolution governance by introducing an internal target of resolving issues within seven days, resulting in 33% of complaints being resolved within this timeframe.

Grievance Redressal Day, a quarterly initiative enabling direct customers to visit branches and share their concerns with designated senior officers, enhancing transparency and responsiveness.

Through these mechanisms, LTF ensures that customer insights and service performance are translated into operational improvements. Thus, reinforcing your Company's commitment to a customer-focused financial services ecosystem.

Safeguarding Customer Trust through Data Privacy and Cybersecurity

In an increasingly digital and financial ecosystem, protecting customer data is fundamental to maintaining and strengthening stakeholder trust. To safeguard sensitive customer information and ensure continuous operational resilience, your Company has received ISO 27701 certification, an international, accredited standard for managing Personally Identifiable Information (PII) acting as an extension to ISO 27001(June 2025). Your company is also in process of implementing the Digital Personal Data Protection Act, 2023 in adherence to provisions of DPDP Rules 2025.

16,794
No. of Complaints FY25

13,877
No. of Complaints FY26

17%
Reduction in Complaints

Demonstrating strong regulatory compliance, all customer complaints are addressed within the stipulated turnaround time as prescribed by regulators, with most cases resolved well within defined timelines. Initiatives such as Project Seven has further enhanced responsiveness by streamlining grievance redressal mechanisms, enabling faster resolution, improved tracking and greater transparency for customers.

Governance through the Stakeholders Relationship and Customer Protection Committee

To ensure governance of customer-centric initiatives and stakeholder interests, your Company operates a dedicated Board-level Stakeholder Relationship and Customer Protection Committee. This Committee provides strategic oversight over customer service standards, grievance redressal frameworks, and comprehensive consumer protection mechanisms. The Committee actively reviews insights generated from the grievance redressal and I.O frameworks to identify any underlying issues. The governance standard is further strengthened by the independent Internal Ombudsman briefing the Committee on the cases reviewed by the them and various process enhancements carried out to the existing processes.

For more details, refer to section 'Corporate Governance'.

Designing Solutions around Customer Needs

LTF follows a customer-first approach, addressing the diverse financial needs of customers across rural and urban India. Your Company strengthens its retail franchise through a combination of established lending businesses and targeted product innovations. These help improve accessibility, flexibility, and relevance across customer segments.

Your Company promotes responsible borrowing through clear and transparent communication across its branch networks and through digital platforms, and marketing channels. It outlines product features, pricing, repayment obligations, and customer rights in a simple and accessible manner. This approach aligns with regulatory requirements and internal governance standards, while strengthening customer understanding and trust.

Digital platforms and financial awareness initiatives further support informed decision-making. The PLANET App ecosystem, financial literacy programmes, and fraud awareness campaigns enable customers to better understand financial products, credit responsibilities, and digital safety practices.

Enhancing Customer Access through Multi-Product Sampoorna Branches

To improve accessibility and convenience for customers, your Company has introduced multi-product Sampoorna branches. These branches offer a comprehensive suite of financial solutions through a single touchpoint. The model enables customers to seamlessly access multiple products, enhancing engagement, and simplifying their financial journeys.

In FY26, LTF launched its first Sampoorna branch in Ujjain, Madhya Pradesh, and expanded the network to 30+ locations. These branches strengthen LTF's ability to serve diverse customer segments, particularly in emerging markets, thereby supporting financial inclusion and deeper customer relationships.

Expanding Offerings to Meet Evolving Customer Needs

- **Gold Finance** introduced through the acquisition of the gold loan business, enabling secured and accessible financing
- **Micro LAP and Supply Chain Finance** to support small entrepreneurs and MSMEs with working capital and business funding needs
- **Enhanced Mortgage Solutions** such as Mortgage Plus and Home Décor Loans, alongside expanded industrial LAP offerings
- **Customer-friendly Two-wheeler Schemes** including No Cost EMI, Prompt Payment Rebate and EMI Lite Festive to improve affordability
- **Empowering Women Entrepreneurs** launched **Spoorthi**, a specialised program designed to empower women entrepreneurs by offering tailored home loans and loans against property (LAP) for business growth

Strategic Vision Anchored in Customer Focus

Under its strategic roadmap, Lakshya 2026, LTF has transitioned from a product-led organisation to a customer-focused retail financial institution. The strategy emphasises building a digitally enabled business supported by advanced technology capabilities and an AI-led innovation. This transformation has focused on simplifying customer journeys, strengthening service delivery, and building long-term customer relationships.

Building on the progress achieved under Lakshya 2026, your Company is now shaping its next phase of strategic growth through Lakshya 2031 with a focus on leveraging technology, data and AI to strengthen customer engagement, and improve service efficiency.

89 lakh+
Active Customers

33%
Complaints Resolved within 7 Days

2.3 Cr+
PLANET App Users

These efforts reinforce LTF's focus on responsible product communication, transparency, and customer trust.

Leveraging Technology to Enhance Service Quality

Complementing its product suite, your Company has strengthened its digital and AI-enabled ecosystem to deliver seamless and personalised customer experiences.

Key Initiatives Include:

PLANET App ecosystem

Enabling digital servicing, end-to-end loan journeys and credit score access for over **2.3** Cr users.

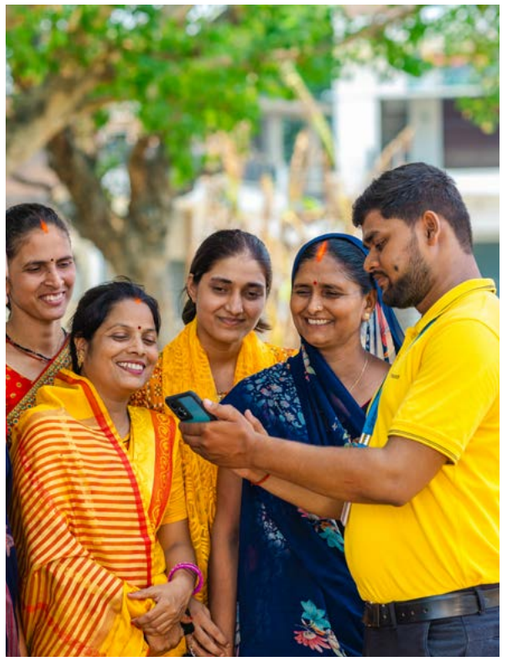
AI-powered Customer Engagement

Deployment of KAI, a multilingual conversational assistant, and the loan offer pod, an intelligent cross-sell engine to deliver personalised offerings.

Digital Utilities

Enhanced website capabilities, including multiple loan journeys and tools such as EMI calculators and ITR assistance.

Together, these initiatives reinforce LTF's focus on building a technology-enabled, customer-centric financial ecosystem that improves accessibility, convenience and long-term customer engagement.



Building a Customer-Centric Culture

LTF reinforces its customer-first philosophy through continuous training and capability development. Customer service teams undergo a comprehensive fifteen-day orientation programme focused on service excellence, responsible financial practices, and regulatory awareness.

Training programmes cover:

- Customer Relationship Management
- Consumer Protection and Regulatory Compliance
- Product and System Knowledge
- Communication and Service Skills

Your Company also conducts specialised cybersecurity and digital safety training for customer-facing employees and service partners to support customers effectively.

To strengthen this culture further, LTF conducts activity-based workshops that focus on improving everyday customer interactions. Employees who complete these programmes are certified as 'Customer-Centric Champions' and help strengthen service quality and consistency across your Company.

Strengthening Customer Engagement through Responsible Campaigns

LTF continues to strengthen its customer engagement strategy through a combination of high-impact marketing campaigns, interactive digital platforms and technology-enabled engagement initiatives. The integrated marketing approach strengthens brand visibility and deepens customer connections across markets.

LTF received the Best Customer Engagement Strategy (Financial Services) Recognition at the Excellence Awards 2025.

Integrated Marketing Campaigns and Brand Visibility

LTF leverages integrated marketing campaigns across in-person, television, digital and social media platforms with customers at scale. Featuring Indian international cricketer Jasprit Bumrah as your Company's brand ambassador, these campaigns reinforce speed, reliability, and accessibility of LTF's financial solutions.

Key campaigns include:

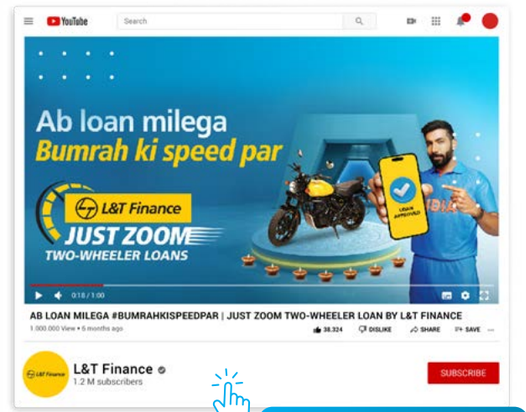
Just Zoom Two-Wheeler Loan Campaigns

Launched during the Asia Cup 2025, this campaign linked the speed of Jasprit Bumrah's bowling with LTF's fast, AI-enabled loan approvals for Two-Wheeler financing.

76 Mn
Reach on Live Television

40 Mn
Digital Views Generated across Platforms

5 Mn
Social Media Engagements



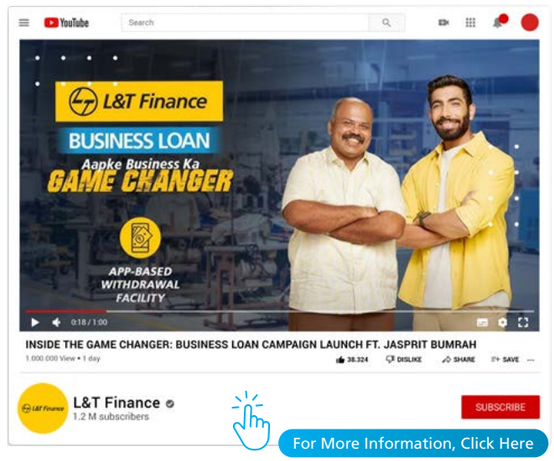
Aapke Business ka Game Changer Campaigns

This campaign celebrated entrepreneurs and SME owners, highlighting LTF's quick disbursals and flexible financing solutions.

11 Mn
Business owners reached

29 Mn
Digital Views

4.5 Mn
Social Media Engagements



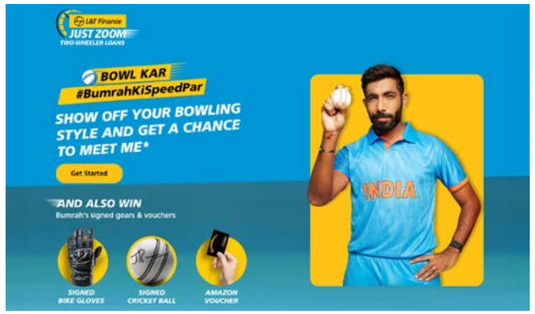
Interactive Digital Engagement

To create more immersive customer experiences, LTF complements traditional campaigns with AI-powered activations that encourage participation and engagement.

Key initiatives include:

Bowl Like Bumrah Contest

An AI-enabled interactive campaign for the two-wheeler segment that allowed participants to record and replicate Bumrah's bowling style. Participants had the opportunity to win signed merchandise and exclusive fan experiences.



AI-Powered Business Poster

An interactive microsite that enables small business owners to generate customised promotional posters featuring their business name alongside the brand ambassador. The initiative helps enhance visibility for local enterprises while strengthening brand engagement.

For more information refer, to 'ltfgamechanger.in'

Through these initiatives, your Company combines marketing innovation with digital engagement to build stronger customer relationships. It also reinforces brand recall across its retail and SME segments.

Empowering Customers through Financial Awareness and Inclusive Outreach

LTF integrates financial inclusion into its customer-centric strategy by expanding access to financial knowledge, digital tools, and responsible credit practices. Through large-scale awareness initiatives, grassroots programmes, and technology-enabled engagement, your Company works to empower underserved communities and enable more informed financial participation across rural and urban India.

Financial Awareness and Responsible Banking

LTF has launched a nationwide financial awareness initiative to strengthen financial literacy and encourage responsible financial behaviour across diverse groups. These initiatives are tailored to reach rural women, youth, senior citizens, students, and self-employed individuals, enabling financial inclusion and long-term resilience.

Financial Literacy

Customer rights, account usage, responsible borrowing, and credit management

Fraud & Cyber Safety

Awareness of recognising and preventing digital fraud, especially in rapidly digitising rural regions

Multi-Channel Outreach

SMS, WhatsApp, Social media, In-app notifications, Comic strips, Videos

89 lakh+

Customers Reached

To enhance engagement, your Company uses the risk-awareness mascot, Sachet Kumar, and the campaign message, 'Jaankaar Baniye Savdhaan Rahiye', to promote vigilance against digital fraud.

Measuring Customer Loyalty and Experience

LTF tracks customer satisfaction through a comprehensive Net Promoter Score (NPS) framework implemented across rural and urban businesses. This framework enables your Company to measure loyalty, identify service gaps, and continuously improve the customer journey across touchpoints.

Customer experience is assessed across key lifecycle stages, including onboarding, ongoing service interactions across branches, contact centres, and digital platforms.

Customer Experience Assessment across Key Lifecycle Stages:

Onboarding NPS measures customer satisfaction during the loan application and onboarding process

These improvements contributed to an overall Company's organisational NPS score, reflecting strong customer advocacy.

Voice of Customer and Continuous Feedback

LTF has established structured mechanisms to capture customer insights and convert feedback into actionable improvements.

Key Voice of Customer initiatives include:

- Continuous NPS monitoring across product segments and service channels
- Product-specific customer surveys to gather deeper service insights
- Customer feedback and testimonial programmes that capture real user experiences

In addition to digital channels, your Company undertakes several in-person engagement initiatives to strengthen customer relationships, among this is 'Green Hands Meets'. It enables customers to share their feedback, expectations, and experiences directly with Company representatives. These interactions generate valuable regional insights, supporting service enhancements and more customer-centric decision-making.

Transparent Grievance Redressal Mechanism

At LTF, ensuring exceptional customer satisfaction is foundational to its operations. Your Company has established a structured, multi-tiered Grievance Redressal framework to ensure customer complaints are acknowledged and resolved in a fair and timely manner. LTF has placed customer satisfaction at the core of its operations, supported by a comprehensive grievance redressal framework. Dedicated grievance teams are established to manage a clearly defined escalation path, where the customer can initially approach Level 1, then moving to the escalation channels, Grievance Redressal Office & Principal Nodal Office and finally may approach the Regulator. This approach ensures accountability at every stage while delivering the resolution and structured mechanism for addressing the customer concerns.

Technology-enabled Tracking and Escalation

Every customer interaction is meticulously logged and tracked, automatically categorising and routing complaints to centralised resolution teams. If an issue remains unresolved at the initial touchpoint, a strictly defined escalation matrix ensures that it is systematically escalated to the Grievance Redressal Officer (GRO), the Principal Nodal Officer, and ultimately to the regulator as appropriate.

Ensuring Absolute Fairness

To uphold the highest standards of equity and unbiased resolution, LTF has appointed an Internal Ombudsman in accordance with RBI directives. This independent authority rigorously reviews all customer complaints that are either partially or wholly rejected by your Company, ensuring fairness and regulatory compliance across the Board.

Omnichannel Accessibility and AI-Driven Resolutions

Recognising the need for seamless accessibility, your Company offers a wide spectrum of physical and digital touchpoints for raising grievances. Customers can easily connect through branch walk-ins, dedicated helplines, emails, and website submissions. Concurrently, digital-first solutions such as the PLANET App and the AI-powered multilingual conversational assistant, KAI, have fundamentally transformed query management. These advanced self-service platforms empower customers with real-time, instantaneous resolutions, significantly enhancing the customer experience.

Accelerating Complaint Resolution

Recognising that timely resolution is critical to customer satisfaction, LTF introduced Project Seven to significantly improve response timelines. The initiative established stricter internal benchmarks for complaint resolution while maintaining regulatory compliance.

Key Outcomes Include:

7-DAY

Internal Targets for Resolution Timelines

compared to the 30-day regulatory requirement

33%

Complaints Resolved in 7 Days

Improved turnaround time for customer grievance closure in FY26

Enhancing Service Efficiency

Your Company has implemented targeted operational improvements in areas that historically generated higher complaint volumes.

Dedicated Collection Hotline

Faster resolution of collection-related concerns with improved first-level support, resulting in a **42%** reduction.

Credit Related Concerns

Improved first time resolution of credit concerns has reduced credit and bureau complaints by **46%.**

Through a structured approach to measuring experience, capturing feedback and strengthening the resolution mechanism, LTF continues to embed a customer-first culture across its operations. This enables your Company to reinforce trust, transparency, and the value of long-term relationships.

For details regarding the customer complaints and their resolution, refer to 'BRSR Section C: Principle 9'.

LTF's Digital Ecosystem

PLANET App (PLANET 3.0)
Target Audience: Retail Customers

KAI (Kustomer AI)
Target Audience: Retail Customers

LTF Official Website
Target Audience: Prospective and Existing Customers

WhatsApp & Social Media Services
Target Audience: Retail Customers and General Public

Partner PLANET App
Target Audience: Dealer and Distribution Partners

Digital Sakhi Apps
Target Audience: Rural Women Entrepreneurs and Digital Sakhis (CSR)

Voices of the Customers

Housing Loan

"L&T Finance made my journey to homeownership seamless while also supporting my business ambitions. After taking a home loan from another bank, I needed additional funds to expand my business, and that's where L&T Finance truly stood out. Their quick response, pre-approved offer, and minimal paperwork made the entire process incredibly smooth. What impressed me most was the competitive interest rate and the maximum funding support I received. It was the perfect blend of efficiency, trust, and financial empowerment."

Amol Hirawadekar, Mumbai

Personal Loan

"L&T Finance supported me at a crucial step in my journey as I upskilled myself and prepared to start my own venture. The entire process was incredibly smooth, with loan disbursement completed within just 15 minutes of final approval. What truly stood out was the excellent support from the call centre team, who made the experience seamless and reassuring. I'm extremely satisfied with the overall service and responsiveness."

Jasbir Kaur, Punjab

Two-Wheeler Loan

"Getting a two-wheeler loan from L&T Finance was an incredibly smooth and hassle-free experience. With just my KYC documents, the entire process was completed within minutes, and I received the loan in no time. The low interest rate made it even more affordable. I am truly pleased with the speed, simplicity, and overall service."

Pramal Kumar, Bihar

Rural Loan

"L&T Finance has made a meaningful difference in my life and my farming business. Along with two of my friends, I was able to obtain a Micro Loan through a quick, hassle-free application process. The EMI repayments are manageable, and with this support, my farming income has grown significantly. I am truly grateful for the timely financial assistance and continued support."

Nirmala Dabi, Ratlam, Madhya Pradesh

Farmer Loan

"As a third-generation farmer, owning a tractor with the support of L&T Finance has truly transformed the way we work. The fully digital process made everything simple and efficient, with quick disbursement and flexible repayment options like EMI Protect. Today, our operational costs are lower, productivity has improved, and farming has become more efficient. L&T Finance has been a true partner in enabling our growth and prosperity."

Hardeep Soora, Hisar, Haryana

Building a Smarter Dealer Ecosystem

Dealer partners play a critical role in expanding LTF's retail reach. Guided by the philosophy that partner success drives shared growth, your Company continues to strengthen dealer engagement through digital enablement.

The Partner PLANET App, launched in October 2025, provides dealer partners with enhanced operational visibility and faster access to services through:

- Real-time retail dashboards for business insights and performance tracking
- One-step Trade Advance (TA) withdrawals, enabling quicker fund access
- Portfolio summaries and transaction visibility, improving transparency and efficiency

By digitising dealer interactions, LTF is building a more responsive and efficient dealer ecosystem.

"L&T Finance supported me at a crucial step in my journey as I upskilled myself and prepared to start my own venture. The entire process was incredibly smooth, with loan disbursement completed within just 15 minutes of final approval. What truly stood out was the excellent support from the call centre team, who made the experience seamless and reassuring. I'm extremely satisfied with the overall service and responsiveness."

Mr. Jagan Mohan Reddy
Maximus Honda, Hyderabad

"The Partner Planet App serves as a comprehensive, single-window platform that brings together all critical business information in one place. It provides clear visibility into programme participation, annual targets, TA details and utilisation, and pending and approved cases. This enables us to coordinate more effectively with our teams, strengthen follow-ups, and drive improved business outcomes, making our overall operations more streamlined and efficient."

Mr. Pranav Shah
Innovative Motors, Ahmedabad

Expanding Digital Partnerships

Your Company continues to scale its partnerships with leading technology and payment platforms to broaden its distribution network. Collaborations with BigTech partnerships such as CRED, PhonePe, Amazon Pay, Google Pay, and Super Money have strengthened digital disbursement channels and expanded access to new customer segments.

Your Company's tech architecture is designed to support rapid partner onboarding and scalable digital integration through:

- Open API infrastructure enabling seamless platform integrations
- Customised credit journeys and policies aligned to partner ecosystems
- Modular technology architecture supporting high-volume digital transactions

These partnerships create a wider digital ecosystem while unlocking new growth opportunities.

Enabling Liquidity across the Supply Chain

LTF also supports businesses within its ecosystem through targeted financing solutions designed to address working capital needs and strengthen financial resilience.

Through its SME Finance franchise, your Company offers:

- Supply chain financing solutions to support corporate ecosystems
- Vendor financing for supplier networks within value chains
- Invoice discounting facilities that help businesses unlock liquidity against receivables

These interventions help strengthen liquidity across the ecosystem while reinforcing long-term partnerships with businesses across LTF's value chain.

DEEPENING VALUE CHAIN ENGAGEMENT FOR LONG-TERM GROWTH

As LTF scales its retail franchise and prepares for the next phase of growth under Lakshya 2031, strengthening partnerships across its value chain remains a strategic priority. Your Company continues to deepen engagement with dealers, vendors, service providers and supply chain partners, enabling a more resilient, digitally connected, and responsible ecosystem. By integrating sustainability principles, expanding digital partnerships, and offering tailored financial solutions, your Company is enabling sustainable business growth across its value chain, supporting both business expansion and long-term stakeholder relationships.

Embedding Sustainability Practices across the Value Chain

Responsible value chain engagement remains central to LTF's sustainability journey. Your Company promotes ethical conduct, environmental responsibility and social accountability across its ecosystem through its Third-Party Code of Conduct (TPCoC) applicable to vendors, suppliers, dealers, and service providers.

To strengthen ESG alignment, LTF conducts structured value chain assessments covering a significant share of upstream and downstream partners by value. These assessments evaluate performance of suppliers and partners across environmental, social, and governance parameters, supporting responsible procurement, and sustainable business practices.

Key focus areas include:

- Promoting human rights safeguards and ethical labour practices across partner organisations
- Encouraging adoption of environmental policies and resource management practices
- Strengthening governance frameworks, including whistleblower mechanisms, compliance processes, and data protection measures
- Engaging partners on BRSR principles and responsible business conduct

During the reporting period, 75% of value chain partners were assessed for ESG maturity, supported by ongoing engagement, and capacity-building initiatives.

These initiatives support LTF's broader sustainability agenda, strengthen responsible practices, and contribute to financing sustainable livelihoods.

Sustainability Value Chain Assessment

To drive efficiency, and seamless tracking across partner ecosystem, LTF has successfully automated its value chain assessments. In FY26, your Company deployed a dedicated Value Chain Assessment Tool, marking a strategic transition from periodic manual reviews to real-time, automated monitoring of its supply chain.

Utilising this automated tool, LTF conducted structured Environmental, Social, and Governance (ESG) assessments covering the top 75% of its value chain partners by value.

The automated assessments comprehensively evaluate your Company's Value Chain partners to ensure their alignment with its sustainable business practices.

Specifically, the tool evaluates the overall ESG maturity of partners by focusing on the following key parameters:

- **Social & Human Rights:** Adherence to human rights safeguards, ethical labour practices, and employee well-being initiatives. The assessment tracked whether partners have formal human rights, anti-harassment, and diversity and inclusion frameworks in place
- **Governance & Compliance:** Alignment with policies of governance frameworks, verifying the presence of formal codes of conduct, whistleblower protection mechanisms, Business Continuity Plans (BCPs), and customer data protection measures
- **Environmental Impact:** Measures towards environmental awareness, monitoring of energy consumption and emissions, and the adoption of formal environmental policies and certifications

Through this value chain assessment tool, your Company ensures shared accountability and data-driven oversight of responsible business conduct across its ecosystem.

The assessment provides insights, indicating a growing maturity in sustainable business practices across LTF's partner ecosystem.

L&T Finance

Corporate Social Responsibility

FROM INTENT TO IMPACT

At LTF, Corporate Social Responsibility is not an adjunct to business; it is a direct extension of purpose. Rooted in the belief that sustainable businesses thrive only when communities prosper, your Company integrates CSR as a core strategic pillar of long-term growth.

Operating in segments often exposed to climate vulnerability and digital exclusion, your Company recognises that addressing structural inequalities is essential. Rural women outside formal financial systems, farmers facing climate uncertainty, and youth seeking sustainable livelihoods represent both critical challenges and transformative opportunities.

For us, therefore, CSR is not just about giving back; it is about building forward. Through focused interventions, your Company goes beyond access to drive meaningful outcomes in digital and financial inclusion, water conservation and management, and livelihood creation. All initiatives are aligned with national priorities and global frameworks such as the Sustainable Development Goals (SDGs), while remaining deeply anchored in the realities of rural India.

As you progress through this section of the report, you will discover how your Company's flagship CSR programme, Digital Sakhi, has empowered lakhs of women with digital and financial skills. Your Company has also successfully completed three Digital Sakhi projects, delivering measurable and scalable outcomes.

You will also know how timely disaster response enabled the distribution of relief kits to affected communities during floods, ensuring immediate support where it mattered most.

This section further highlights how water conservation and horticultural plantation initiatives have strengthened farmers' resilience, enhanced income levels, and improved surface water availability. It brings to life a series of compelling success stories that demonstrate real, on-ground impact and community transformation. You will also capture a glimpse of our pilot intervention on the Integrated Community Development Programme (ICDM).

A key differentiator in your Company's approach is its commitment to inclusivity and accountability. Through a third-party stakeholder engagement assessment, your Company has ensured that community voices, partners, and institutions are actively involved in shaping and strengthening CSR interventions.

Your Company continues to advance its CSR journey with deeper impact, moving forward with greater rigour, embedding technology in programme interventions, and delivering measurable, data-driven outcomes for the long-term impact and sustainability of initiatives.

VISION

Financial and digital transformation of rural communities and creating opportunities for sustainable livelihoods for them

MISSION

To revitalise and create sustainable livelihood and financial ecosystem of and for local communities with focus on farmers, rural women, and youth

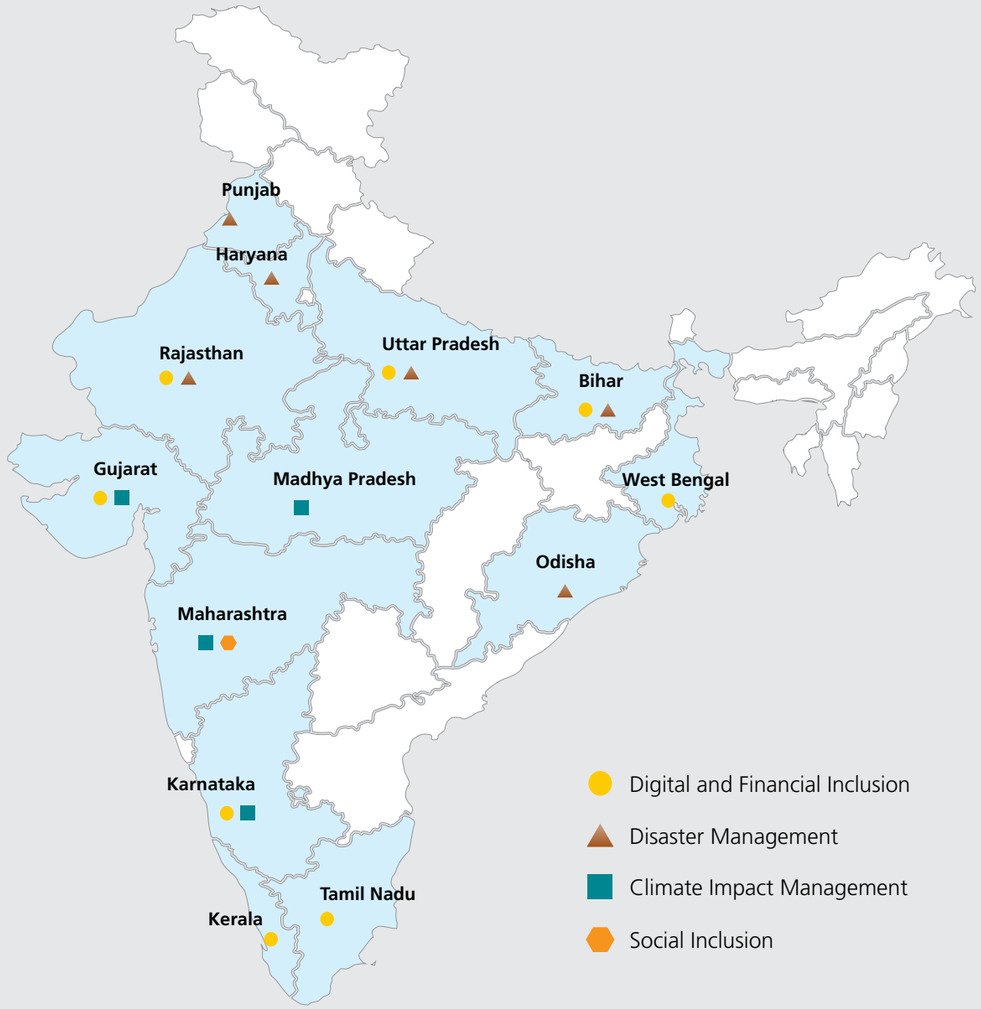
To translate this vision and mission into action, CSR initiatives are structured across four key thrust areas, addressing interconnected social, economic, and environmental priorities aligning with Government of India's programmes and SDGs.

CSR THRUST AREAS	GOVT. OF INDIA'S PROGRAMMES	SDGs
Digital and Financial Inclusion Digital Sakhi Project	Ministry of Women and Child Development; Ministry of Road Transport and Highways	1 No Poverty; 3 Good Health and Well-being
Climate Impact Management Jalvaibhav and Project Prakruti	National Digital Literacy Mission; NITI Aayog	5 Gender Equality; 8 Decent Work and Economic Growth
Disaster Management Disaster Relief initiatives	National Disaster Management Authority; National Horticulture Mission	10 Reduced Inequalities; 11 Sustainable Cities and Communities
Social Inclusion Road safety, healthcare, and allied interventions	NRLM; Jal Shakti Abhiyan; National Rural Health Mission	13 Climate Action; 15 Life on Land; 17 Partnerships for the Goals

Reach since 2017-18

15	29	4,950+	78 lakh+
States	Districts	Villages	Overall Outreach

CSR Footprint FY26



Reach FY26

12 States

23 Districts

1,513+ Intervention in new Villages

17.30 lakh+ Community Outreach

Disclaimer: This map is a generalised illustration only for the ease of the reader to understand the locations and is not intended to be used for reference purposes. The representation of political boundaries and the names of geographical features/States do not necessarily reflect the actual position. Your Company or any of its Directors, officers or employees cannot be held responsible for any misuse or misinterpretation of any information or design thereof.

How CSR is aligned with Business Strategy

Your Company's CSR strategy is closely aligned with LTF's core business priorities and its long-term Lakshya 2031 vision, creating a strong convergence between business growth and societal impact. As your Company advances as a digital-first, AI-enabled retail NBFC focused on financial inclusion and responsible lending, its CSR initiatives complement this direction by strengthening the very ecosystems it serves, such as rural communities, women, farmers, and youth. Through programmes implemented under Digital and Financial Inclusion, Climate Impact Management, Disaster Management, and Social Inclusion, your Company, not only enhances community resilience but also deepens social relevance. This shared value creation approach ensures that as your Company scales its business under Lakshya 2031, it simultaneously contributes and drives sustainable, inclusive, and responsible community development initiatives, creating long-term value for all sections of society.

3S Strategy

Execution is anchored in discipline and accountability. Your Company implements its CSR commitments through a structured, outcome-oriented framework, guided by the '3S Strategy' – Social Impact, Scale, and Sustainability. This strategy serves as the operational backbone for programme design, execution, and evaluation.

Social Impact

At the core, initiatives are designed with clearly defined and measurable outcomes. Progress is monitored using robust assessments, key performance indicators, and outcome-based metrics, supplemented by real-time digital data from programmes such as Digital Sakhi.

Scale

Building on proven models, programmes are designed for replication and geographic expansion. Partnerships and technology are leveraged to maximise reach, while ensuring consistency in delivery and effectiveness.

Sustainability

Over the long term, programme viability is ensured through local ownership, institutional linkages, and self-sufficient design. This enables communities to sustain outcomes well beyond the period of direct intervention.

CSR Governance

A strong governance framework forms the backbone of our CSR efforts, ensuring accountability, compliance, and strategic alignment. The Board of Directors and CSR & Sustainability Committee oversee the planning, execution, and monitoring of all initiatives, ensuring they align with organisational objectives and regulatory requirements.

CSR Governance Framework

This framework defines how responsibility flows from the boardroom to the field.

1 Board-Level Oversight

- Approves the CSR Policy and annual action plan
- Ensures alignment with business strategy and national priorities
- Reviews CSR performance and impact periodically

2 CSR & Sustainability Committee of the Board

- Formulate and recommend CSR Policy
- Recommend annual action plan and CSR expenditure
- Monitor implementation of CSR programmes
- Ensure compliance with Schedule VII of the Companies Act

3 Executive Leadership

- Translate strategy into actionable programmes
- Oversee execution across geographies
- Drive integration with sustainability and ESG priorities
- Present updates to the CSR Committee

4 CSR Implementation Team

- Identify project geographies aligned with focus areas (e.g. financial inclusion, livelihoods, climate impact, etc.)
- Partner with implementing agencies
- Manage budgets, timelines, and deliverables
- Ensure community engagement and participation

5 Implementation Partners

- Baseline and need assessment
- Execute projects on ground
- Liason with local stakeholders
- Reporting on project progress and financials

6 Monitoring & Evaluation Mechanism

- Regular field monitoring and progress tracking
- Use of digital tools and dashboards for reporting
- Third-party impact assessments
- Outcome and impact-based evaluation frameworks
- Midline and endline assessments

7 Risk, Compliance & Audit

- Internal audits of CSR spending
- Compliance with statutory requirements
- Community grievance mechanism

8 Stakeholder Engagement

- Stakeholder assessment
- Community Advisory Panels (CAPs)
- Feedback from beneficiaries
- Collaboration with Government line departments
- CSR Communication

9 Reporting & Disclosure

- Annual CSR Report (as per Companies Act)
- Disclosure of impact metrics and success stories
- Impact Assessment Studies
- Social Return of Investment (SROI)

I II III IV

Digital and Financial Inclusion

Building Systems of Inclusion that Endure

India's digital public infrastructure has significantly expanded access to banking and government services. However, access alone does not guarantee meaningful participation or long-term financial resilience, particularly in rural hinterlands.

Recognising this gap, your Company views digital and financial inclusion as a last-mile intervention that creates knowledge and awareness, enables informed decision-making, and supports households, especially women, through economic transitions. This is especially relevant for rural women, who often manage household finances but remain excluded from the formal financial ecosystem. Over time, this approach has evolved from enabling access to building capability and, increasingly, strengthening resilience, with Digital Sakhi emerging as your Company's CSR flagship program for women-led digital and financial empowerment.

Digital Sakhi: A Women-led Programme

The Digital Sakhi programme was launched in FY18 as a community-driven, women-led initiative to advance digital and financial literacy. Initially piloted in Maharashtra, its strong on-ground impact led to expansion across Madhya Pradesh, Tamil Nadu, West Bengal, and Odisha in the first phase. Building on the success and learnings of this model, in FY25, Digital Sakhi 2.0 emerged as an evolved, focussing more on leveraging technology and scalable version, deepening impact through enhanced capacity building and ecosystem integration.

With expansion in Karnataka and Kerala, marking a strategic shift from access and awareness to outcome-driven digital inclusion. Insights from earlier phases highlighted the need for deeper engagement, particularly around cyber safety, enterprise readiness, and real-time monitoring. The programme was further extended in Tamil Nadu, West Bengal, Bihar, Uttar Pradesh, Rajasthan (FY24 & FY25) and Gujarat (FY26).

The programme is designed across three core components. The first focuses on the identification and capacity building of Digital Sakhis, equipping women with digital and financial knowledge, tools, and leadership skills. The second component centres on women's entrepreneurship, in which existing and aspiring women entrepreneurs are identified, trained, and supported throughout their enterprise journey. The third component positions Digital Sakhis as community catalysts, enabling last-mile access to government schemes and entitlements by bringing services directly to rural households.

To ensure scale, sustainability, and convergence, the programme is implemented in partnership with like-minded implementation agencies and supported by active collaboration with Government stakeholders, creating a robust and inclusive ecosystem for community transformation.

Impact Created in FY26

As a result of this scaled and structured approach, Digital Sakhi has achieved the following outcomes:

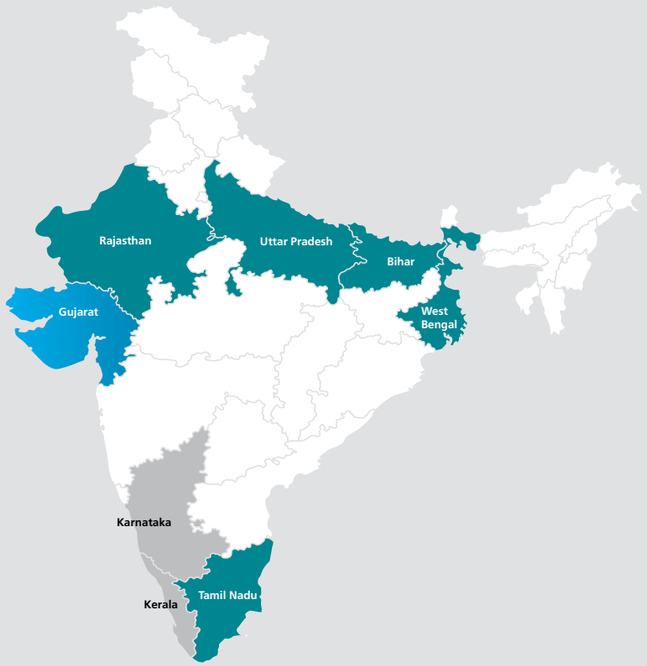
1,160
Active Digital Sakhis

15.80 lakh+
individuals reached

11,000+
Women entrepreneurs supported

8
States

Digital Sakhi Footprint



Gujarat
1. Valsad

West Bengal
2. Murshidabad

Tamil Nadu
3. Madurai

Bihar
4. Saharsa
5. Supaul

Uttar Pradesh
6. Kushinagar
7. Gorakhpur

Rajasthan
8. Rajsamand
9. Chittorgarh
10. Udaipur

Karnataka
11. Tumakuru
12. Kolar
13. Kalaburagi
14. Bidar

Kerala
15. Kottayam
16. Alappuzha

Expansion during the year

Existing | **Completed during the year**

Disclaimer: This map is a simplified illustration for general understanding only. It is not to be used for reference. The depiction of boundaries and names may not be accurate. The Trust and its personnel are not responsible for any errors, misuse, or misinterpretation, and make no warranty regarding its accuracy or completeness.

Successful Completion of Digital Sakhi Projects

A Milestone of Proven Success and Sustainable Impact

Project Period

FY23 | FY24 | FY25 | **FY26**

Project Outcomes – FY23 to FY26:

Metric	Karnataka	Kerala	Total
Districts	4	2	6
Villages	1,706	793	2,499
Digital Sakhis Trained	310	100	410
Finclusion (Community Reached)	14.20 lakh+	5 lakh+	19.20 lakh+
Women Entrepreneurs	4,100	1,000	5,100
Govt Scheme Convergence (₹ Cr.)	174+	50+	224+

Karnataka

99%
Increase in awareness levels of digital and financial literacy

93%
Increase in adoption levels of digital and financial tools

97%
Increase in Income levels of Women Entrepreneurs

92%
Increase in adoption of Govt. social entitlement schemes

Kerala

99%
Increase in awareness levels of digital and financial literacy

96%
Increase in adoption levels of digital and financial tools

98%
Increase in Income levels of Women Entrepreneurs

95%
Increase in adoption of Govt. social entitlement schemes

Notable Achievements & Enhancements in FY26

Universalisation of Savings, Insurance & Pension (SIP) Integration

SIP Saturation in Karnataka: A Story of 100% Financial Security in Karnataka

In Karnataka project areas, the initiative achieved 100% SIP saturation across 200+ villages, ensuring every household is covered under at least one financial entitlement.

- Universal access to bank accounts, insurance, and pension schemes
- End-to-end support by Digital Sakhis for enrolment and documentation
- Formal recognition by Gram Panchayats through Appreciation Certificates

Outcome

Communities have transitioned from financial awareness to financial security and resilience.

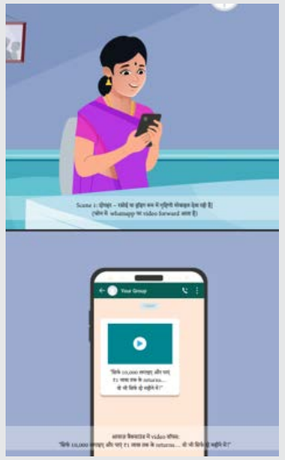
Cybersecurity & Digital Safety

Digital Sakhis as Cyber-Warriors Guarding the Last Mile

To address rising digital fraud risks, Digital Sakhis led a focused cybersecurity campaign across project locations.

Key Highlights:

- Specialised training on phishing, OTP safety, and secure banking practices
- Community outreach through camps in schools and public spaces
- 1,00,000+ individuals sensitised on digital safety



Outcome

Strengthened last-mile digital trust, ensuring that financial inclusion is safe and secure.

Convergence of Social Schemes

Maximising Social Value

At the heart of our Digital Sakhi initiative, one of the key components is the efficient delivery of Government Social Entitlement Schemes to the last mile. By bridging the gap between underserved communities and state-sponsored benefits, we ensure our interventions have a multiplier effect on social welfare.

Impact at Scale
Our convergence efforts have generated a total social value of over ₹240 Cr

High Social ROI
The project has achieved a remarkable investment-to-social benefit ratio of 1:12, where an initial investment of ₹20 Cr has yielded ₹240 Cr+ in tangible social value

Depth of Reach
We have facilitated access to over 100 different social entitlement schemes, serving over 1.10 lakh+ beneficiaries, with an average benefit transfer of approximately ₹21,000 per individual

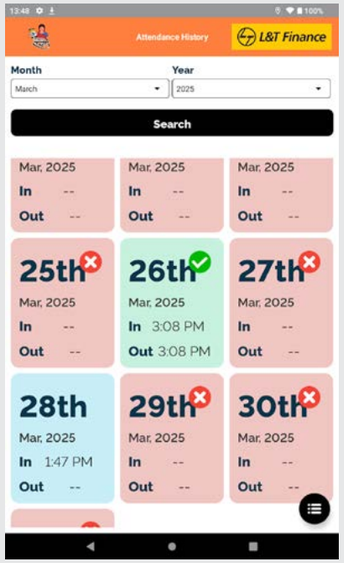
Digital Sakhi: Driving Transparency through Digitisation

The development of a dedicated Digital Sakhi mobile application has significantly strengthened monitoring, transparency, and governance across the programme.

- **Real-time tracking**
  Enables continuous monitoring of outreach, adoption, and outcomes
- **End-to-end digitisation**
  Streamlines planning, approvals, and training delivery
- **Offline functionality**
  Ensures seamless data capture even in low-connectivity areas
- **Gender-disaggregated data**
  Enhances visibility and inclusivity in impact measurement
- **Live dashboards**
  Support data-driven decision-making and timely course correction

Outcome

The platform transforms programme delivery into a transparent, accountable, and data-driven system, ensuring that financial literacy efforts translate into measurable and credible outcomes.



Extended Impact

Going Beyond Digital and Financial Inclusion

From Farmer to State-Recognised Entrepreneur

Ranjana Yadav from Unaula Doyam, Gorakhpur, transformed her livelihood after joining the Digital Sakhi Project. Leveraging entrepreneurship training, she shifted to medicinal plant cultivation, increasing her income through market linkages. She emerged as a local leader, sharing her learnings and representing her district at the Kisan Medicinal Fair, Lucknow. Recognised for her impact, she was honoured by Honourable Chief Minister of Uttar Pradesh, becoming a symbol of rural women-led agri-entrepreneurship.

Atta Chakki on Wheels: Mobile Enterprise

Sangeeta Devi from Ghata Mishra, Kushinagar, transformed her livelihood through Digital Sakhi-linked EDP training. Identifying the lack of local milling services, she took a ₹45,000 loan to launch an innovative mobile flour mill mounted on a tractor, serving multiple villages. Her enterprise now ensures steady income of ₹25,000/- per month. In a significant milestone, she funded her daughter's marriage entirely through her own earnings, becoming a strong example of rural women-led entrepreneurship and self-reliance.

From Local Venture to Award-Winning Enterprise

Shakthivel Food Products, a women-led enterprise nurtured under the Digital Sakhi programme in South Karnataka, showcases the power of structured entrepreneurship support. Through targeted training, the team strengthened capabilities in business management, quality control, and market expansion. Their efforts were recognised at the International Women Entrepreneurship Day in Bengaluru, where they received the **Best Enterprise Award from FKCCI**, presented by Minister Lakshmi Hebbalkar. Emerging from the Kolar clusters, the enterprise reflects the programme's sustainability model, transforming local initiatives into scalable, high-impact businesses and inspiring women-led entrepreneurship.

I II III IV

Disaster Management

Standing with Communities in Times of Crisis

Climate change continues to intensify the frequency and severity of natural disasters, disrupting lives, livelihoods, and local economies across India. In particular, floods, droughts, and extreme heat events disproportionately affect rural and low-income communities, exposing families to sudden losses of shelter, income, and stability.

Against this backdrop, Disaster Management forms an integral part of LTF's CSR and risk framework. In FY26, your Company further deepened its approach, strengthening integration, governance, and a long-term resilience orientation.

FY26 was influenced by the residual effects of severe climate events experienced in the previous year. As a result, these conditions required calibrated, geography-specific interventions, particularly in flood- and heat-affected agricultural belts where vulnerable households faced heightened income and livelihood stress.

Fast track Response: Relief, Risk and Recovery

LTF's Disaster Management framework is built on the understanding that timely relief and financial resilience must operate in tandem. On the ground, your Company partners with implementing agencies to deliver immediate relief, enabling rapid response in disaster-affected regions.

On-Ground Relief and Community Support

In response, your Company worked closely with CSR implementing agencies, local administrations, and community-based organisations to implement targeted disaster response interventions across affected districts in Bihar, Uttar Pradesh, Punjab, Haryana, Rajasthan, and Odisha. Operating amid waterlogged terrain, disrupted transport networks, and constrained last-mile access, field teams focused on delivering timely relief while adapting to evolving ground conditions.

Key areas of support included:

- Distribution of essential relief kits to flood- and heat-affected households
- Assistance to families impacted by extreme weather events, including floods, heatwaves, and storms

1 lakh+
Beneficiaries

Bihar **Punjab** **Uttar Pradesh**
Odisha **Haryana** **Rajasthan**

I II III IV

Climate Impact Management

From Climate Risk to Rural Resilience

Climate risk is increasingly shaping rural economic outcomes. For institutions deeply engaged with agrarian and rural ecosystems, environmental stress, particularly water scarcity and land degradation, has emerged as a material factor influencing livelihoods, productivity, and long-term sustainability.

In response to these realities, your Company positioned Climate Impact Management in FY26 as a preventive and resilience-building strategy, addressing climate risk at its source. By investing in water conservation and management, soil restoration, and climate-smart agriculture, your Company seeks to reduce vulnerability while enabling durable economic participation in climate-sensitive regions.

Our Climate Response

LTF's climate strategy focuses on practical, field-led interventions that deliver both environmental and economic outcomes. Rather than treating conservation as a standalone objective, initiatives are designed to strengthen rural systems that directly support livelihoods.

Core focus areas include

- Integrated Water Resource Management (IWRM)
- Agroforestry, horticulture plantation, and land restoration
- Climate-smart agricultural and allied practices
- Community-led stewardship of natural resources

Together, these interventions improve water availability, regenerate degraded land, enhance biodiversity, and stabilise farm-based incomes.

Since FY2016-17, your Company has been driving water conservation in Marathwada region of Maharashtra by creating harvesting structures and promoting water-efficient devices. To ensure these benefits last, we empowered 120 Water User Groups (WUGs), training over 500+ members, mostly small, and marginalised farmers to manage maintenance, crop planning, and user charges.

Jalvaibhav 2.0: Water Security as the Foundation

Building on earlier Integrated Water Resource Management efforts, Jalvaibhav 2.0 expanded into new climate-vulnerable regions in FY26, with water security positioned as the anchor for resilience. The Jalvaibhav 2.0 project is extended in the Valsad district in Gujarat and in the Umaria district (Bandhavgarh) of Madhya Pradesh.

Jalvaibhav 2.0 – Valsad, Gujarat

- Third-party need assessments and community participatory appraisals were conducted in 10 villages
- Created 400 kL of water harvesting capacity, bringing 400 acres under irrigation
- Installation of 5 solar irrigation units, providing 500+ farmers with sustainable energy
- Over 500 farmers received "Smart Agriculture" training, helping them adopt climate-resilient techniques to improve long-term crop yields
- Established 2 drinking water ATMs for community members and provided income-generating polyhouses for improving livelihood

Solar Lift Irrigation

Transforming Agriculture in Kaprada, Valsad

In Kaprada, despite high annual rainfall, small and marginal farmers have historically relied on single-season rainfed kharif monocropping. The lack of irrigation infrastructure prevented cultivation during the rabi season, forcing many households to migrate in search of alternative livelihoods. To address this, we installed five solar-based lift irrigation units, bridging the gap between available local water sources - such as rivers and check dams, and the farmers' fields.

Key Highlights

Expanded Infrastructure
Installed 5 solar lift irrigation units across 5 villages, bringing approximately 90 acres of land under assured irrigation.

Economic Empowerment
119 small and marginal farmers are now equipped to transition from single-season rainfed agriculture to multiple-cropping cycles.

Crop Diversification
The shift has enabled farmers to cultivate high-value cash crops and vegetables during the rabi season, boosting farm income and reducing the need for seasonal migration.

Community-Led Sustainability
Established Water User Groups (WUGs) at each site to ensure local ownership. With dedicated bank accounts and an initial maintenance grant of ₹10,000 per group, the community is empowered to manage operational costs and repairs through collective fee collection, ensuring the long-term functionality of the solar infrastructure.

Through these interventions, more reliable access to water is being created for both agricultural and domestic needs, directly supporting productivity and livelihood stability.

Jalvaibhav 2.0 – Bandhavgarh, Madhya Pradesh

- In Bandhavgarh, the project created and renovated ponds in Bhardua and Guruwahi, adding over 11,000 kL storage.
- Capacity building efforts reached over 1,000 participants, including farmers, women, and youth, through specialized environmental education materials.
- Local governance was established by forming four Water User Groups and Biodiversity Committees to manage regional resources.
- The initiative completed four dedicated training sessions to ensure effective community management of the new water assets.

Project Prakruti: Building on Strong Foundations

LTF's flagship environmental initiative, Project Prakruti, continued to anchor land restoration and biodiversity efforts, providing a strong foundation.

Scale

Under Project Prakruti, a cumulative total of 2,68,000 plantations were successfully maintained throughout FY26, driving significant environmental and local economic impact.

Karnataka Horticultural Drive

The initiative resulted in plantation of 2,00,000 horticulture saplings in Pavagada, Tumakuru.

Maharashtra Green Cover

Leveraging the efficient Miyawaki methodology, the project successfully established 68,000 saplings in Bhavthana, Pisegaon, and Salegaon to enhance regional biodiversity and green cover.

Key Highlights

- **2.60 lakh+** plantation maintained
  Across Karnataka (Tumakuru District) and Maharashtra (Beed and Dharashiv District)
  500+ acres of land brought under the horticulture plantation
- **200+** farmers
  Economically benefited through horticulture-based income generation
- **>94%** survival rate
  Achieved for horticulture plantation, indicating strong ecological outcomes (Third-party assessment study - Quercus)

I II III IV

Social Inclusion

Enabling Dignity, Safety and Opportunity

Even as India continues on a path of economic expansion, access to opportunity remains uneven. For large sections of the population, particularly rural youth, women, and underserved communities, persistent barriers to employability, preventive healthcare, and personal safety continue to restrict participation in growth.

In response, Social Inclusion at LTF is approached as a human development imperative. In FY26, health, and safety were addressed not in isolation, but as interconnected foundations of dignity, resilience, and economic agency.

Guided by this perspective, your Company's Social Inclusion strategy focuses on addressing everyday vulnerabilities through targeted interventions that strengthen individual capabilities and reinforce community resilience.

The approach is anchored on:

- Improving access to preventive healthcare in underserved regions
- Enhancing road safety awareness and infrastructure to reduce avoidable risk
- Establishing the animal welfare centre to provide health care services to the stray dogs from the region

By addressing these dimensions together, LTF aims to reduce structural disadvantages and enable long-term social mobility.

What Happened in FY26

Road Safety & Awareness

- Reached over 18,000 students across 20+ schools in Mumbai to build awareness on road safety and civic responsibilities.
- Leveraged specially developed digital and audio-visual modules to engage school children with interactive safety education.
- Supported 20 traffic wardens to assist the Mumbai Traffic Police in managing and mobilizing heavy traffic congestion.
- Focused on proactive community education and ground-level support to improve urban mobility and public safety standards.

Preventive Healthcare

- The project aims to dismantle barriers to healthcare for low-income residents in Nagpur's urban slums by providing free, comprehensive eye examinations and corrective spectacles directly within their communities
- Conducted 100 outreach camps, reaching out to 20,000+ beneficiaries and providing immediate vision support
- Beyond basic screenings, the model facilitates a referral system to government and charitable hospitals, ensuring that patients requiring advanced medical management or cataract surgeries receive timely, subsidised treatment

Project Ananda

- A cornerstone of the animal welfare strategy, Project Ananda serves as a specialised centre dedicated to animal care, specially for stray dogs

Strengthening CSR through Third-Party Stakeholder Engagement

In a first-of-its-kind initiative in the BFSI sector, we partnered with CRISIL to undertake a comprehensive third-party stakeholder engagement study, reinforcing our commitment to transparency, inclusivity, and impact-driven CSR. This exercise went beyond conventional assessments by systematically capturing insights from all key stakeholders, community members, Digital Sakhis, implementation partners, local institutions, and internal teams.

The study enabled us to understand on-ground realities, expectations, and gaps across programme geographies. By incorporating these diverse perspectives, we ensured that every stakeholder became an active participant in shaping the CSR interventions, rather than just a beneficiary.

It also helped align interventions more closely with community needs, ensuring higher adoption, ownership, and long-term sustainability.

This collaborative and evidence-led approach has significantly improved the effectiveness of programme execution on the ground. By embedding stakeholder voices into decision-making, we have built a more responsive and resilient CSR model setting a new benchmark for the BFSI sector in driving inclusive and participatory development.

CSR Communication: Building a 'Responsible Social Brand'

LTF employs a multi-channel communication strategy designed to foster a 'Responsible Social Brand' by engaging both external and internal stakeholders through transparent, storytelling-led content.

External Stakeholder Engagement

- **Digital & Multimedia:** Expanded our reach through 30+ social media posts and a 7 episode Digital Sakhi video podcast series
- **Media & Publications:** Impact is documented through 100+ regional print media mentions (including Economic Times and FICCI publications) and our संKALAN success story series, with Vol. II released in FY26
- **Community Outreach:** Partnered with All India Radio in rural locations like Kolar, Kalaburagi and Udaipur to amplify our grassroots message
- **Awards:** 9 CSR awards received in FY26 to reinforce our reputation as a trusted, responsible corporate citizen

THE LOGICAL INDIAN

PEOPLE OF PURPOSE

L&T Finance's Apurva Rathod on Digital Sakhi and the Future of Inclusive Finance

Ms. Apurva Rathod - Company Secretary and Chief Sustainability Officer, L&T Finance shares how L&T Finance integrates governance-based sustainability and initiatives like Digital Sakhi to drive long-term financial inclusion for rural women.

News Desk March 2, 2026

ADVERTORIAL

CORPORATE TRENDS

Driving impact: L&T Finance Ltd.'s inclusive approach to CSR

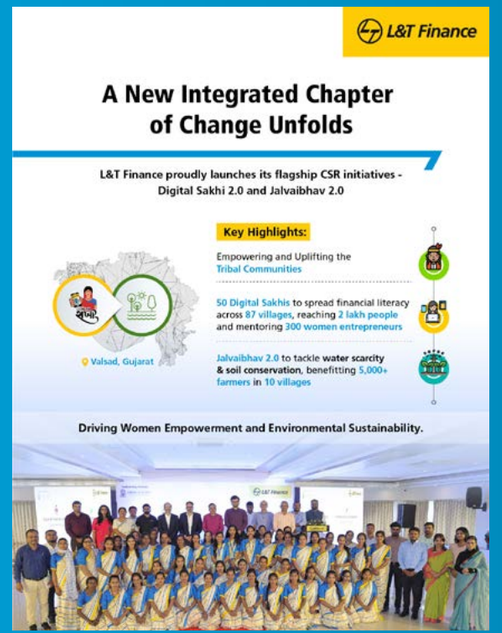
Synopsis

L&T Finance Ltd. demonstrates its commitment to India's sustainable growth through strategic CSR initiatives. In 2024-25, the company's efforts focused on digital and financial inclusion, climate impact management, disaster management, and social inclusion. These programs empowered rural communities, promoted climate resilience, provided disaster relief, and fostered social equity, all while upholding strong governance and transparency.

READ ON APP

Internal Stakeholder Engagement

- **Workforce Connection:** To ensure employees remain connected to our social goals, we maintained a steady cadence of over 75 internal emailers, averaging more than one per week, with a specific focus on boosting 'Internal Visibility' as a key campaign pillar.



L&T Finance Ltd. launches flagship CSR projects

संKALAN Volume 2

- **संKALAN** is a series of publication which captures success stories of beneficiaries from CSR interventions.

  संKALAN Volume 1 was published in FY25 capturing stories of Digital Sakhis and Women Entrepreneurs
- In FY26, **संKALAN Volume 2** was published showcasing success stories of farmers benefited under Project Prakruti and Jalvaibhav

Community Grievance Redressal Mechanism

Transparent governance and communication naturally extend to LTF's grievance redressal framework.

- **Dedicated Grievance Redressal Officers (GROs):** Operate independently to ensure impartial handling
- **Community Advisory Panels (CAPs):** Conduct quarterly meetings with local representatives to provide feedback and suggest improvements
- **Transparency:** All grievances and resolutions are publicly documented, reinforcing accountability

This mechanism demonstrates how governance, communication, and community engagement work together to create a transparent and accountable CSR ecosystem.

As of FY26 zero grievances have been recorded, reflecting robust oversight and strong community trust.

Boondein: Employee Volunteering Program: Reigniting the Spirit of Giving

Our Company reignited its employee volunteering initiative, Boondein, with a renewed focus on meaningful engagement and measurable impact. A diverse calendar of volunteer opportunities was designed to encourage employees to contribute their time and skills to inclusive, community-driven initiatives. These activities not only strengthened employee engagement but also reinforced your Company's commitment to empathy, inclusion and service.

The activities revolved around the themes of Environment & Human Well-being and saw enthusiastic participation, significantly increasing volunteering hours to 2,000+ in FY26.

Boondein

1,050+ Volunteers

2,000+ Hours

Core Volunteering Activities

Human Well-being & Accessibility

- **Audiobook Recording:** 161 participants recorded books to enhance knowledge accessibility for the visually impaired
- **Braille Book Making:** 272 volunteers in Kolkata, Mumbai, Bangalore, Ahmedabad, and Hyderabad created tactile resources for students
- **Teaching & Learning Material (TLM):** 293 volunteers across six cities developed educational tools specifically to support girls' education in under-resourced schools

Environment & Sustainability

- **T-Shirt to Tote:** 131 volunteers across major metros practised circularity by repurposing old clothing into reusable bags
- **Eco-Friendly Bangle Making:** A unique Women's Day initiative where 221 volunteers combined creative empowerment with sustainable materials

NATURAL CAPITAL

PROGRESSING ENVIRONMENTAL STEWARDSHIP

As LTF expands its footprint across geographies and business segments, your Company recognises that growth must be accompanied by stronger environmental responsibility. With increasing scale, embedding sustainability into core operations and decision-making has become essential.

The focus now extends beyond tracking performance to building robust systems that enhance accountability, enable better data utilisation, and support proactive risk management. Efforts to optimise energy use, manage emissions, and improve resource efficiency particularly water and waste are being strengthened across operations.

Alongside this, your Company continues to drive on-ground impact through energy-efficiency initiatives, resource optimisation, renewable energy adoption, community-led water initiatives, and plantation programmes. These efforts reflect a balanced approach that integrates strategic intent with practical action.

Achieving Carbon Neutrality by **2035**

Environmental Goals

Maintaining **Water Positive/Surplus Status**

Linkage to Material Issues

- Climate and Decarbonisation Strategy
- Operational Eco-Efficiency

GRI Linkages

GRI 302	Energy 2016
GRI 303	Water and Effluents 2018
GRI 304	Biodiversity 2016
GRI 305	Emissions 2016
GRI 306	Waste 2020
GRI 308	Supplier Environmental Assessment 2016

Linkage to UN SDGs

Key Highlights

~20%
Carbon (Scope 1+2) Emission Saved/Sequestered Y-o-Y

2.68 lakh+
Saplings Planted

265 lakh KL
Water Replenished (Watershed Management)

5,500+ tCO_2e
Emissions Avoided (Green Power+ Green Attributes)

>94%
Overall Plantation Survival Rate

51+ tonnes
Waste Recycled

1,521 tCO_2e
Sequestered through Plantation

100%
Paperless Journey

50 Branches
Waste Assessment Conducted

6
Solar Rooftop Installation Piloted Across Leased Branches

3 Retail Portfolios
Financed Emission Reported

39
Species of Flora Biodiversity Supported

~76%
Company Operations through Green Power

500+
Acres of Green Cover

118
Species of Fauna Biodiversity Supported

62,000+
EVs Financed

130+ tonnes
Recycled Paper in Operations

PCAF India Chapter
Formal Inclusion

WHY
this matters

As LTF advances its journey towards Lakshya 2031, environmental stewardship remains a core pillar of its responsible growth strategy.

At LTF, environmental stewardship is integral to how your Company scales its operations. As your Company expands its physical footprint and strengthens its presence across geographies, environmental factors play a critical role in ensuring efficient resource utilisation, operational resilience and value creation.

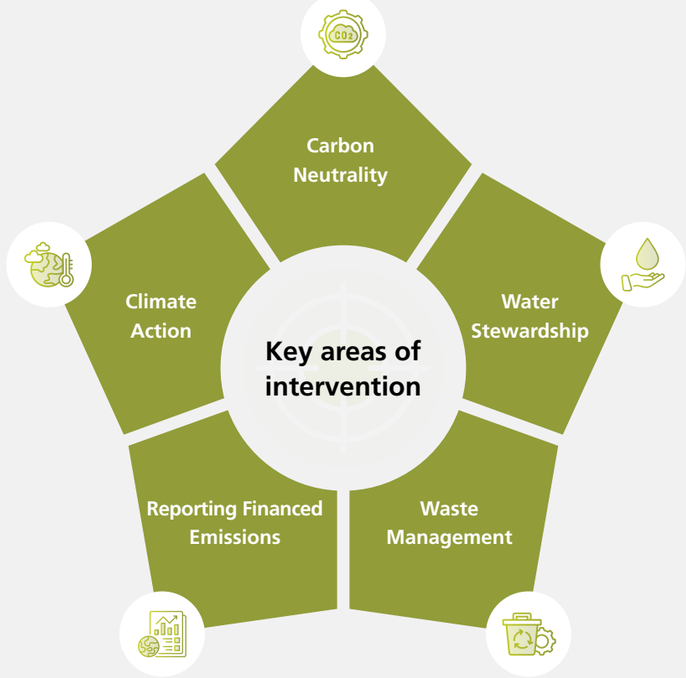
During the year, your Company has significantly expanded its pan-India footprint, including the strategic acquisition and scaling of its gold finance business, further deepening its reach across diverse geographies and customer segments. As operations expand, so does your Company's environmental footprint making it imperative to proactively embed sustainability into business growth.

Building on its legacy of enabling inclusive development, your Company has strengthened its commitment to climate action, resource efficiency, and nature-positive impact embedding environmental sustainability into both operations and financing decisions

Over the years, your Company has evolved from a progressive approach to a more data-driven and transformative sustainability framework, guided by Board oversight and cross-functional ownership. LTF has implemented double materiality assessments, climate risk evaluations, and third-party stakeholder engagements, ensuring that environmental priorities are aligned with both business resilience and societal expectations.

WHAT
we focus on

During this phase of accelerated growth, LTF is strengthening environmental management across both operations and portfolios, with a clear focus on efficiency, oversight and climate risk preparedness.



HOW
we deliver this

The delivery of the environmental agenda is anchored in the following 5 strategic enablers i.e. Strategic Oversight, Sustainability Governance, Accountability and Performance Linkage, Supported Policies and Technology-enabled execution.

1

Strategic Oversight

Environmental priorities are guided at the highest level through structured Board supervision.

Board-level Committees

- **CSR and Sustainability Committee:**
  Provides strategic direction, reviews ESG policies annually, and monitors performance
- **Risk Management Committee (RMC):**
  Oversees integration of climate-related risks into enterprise risk management

2

Integrated Sustainability Governance

Sustainability strategy is translated into action through cross-functional leadership.

Sustainability Steering Council

Chaired by the CSO, its members include the CFO, CHRO, and CRO. The council ensures alignment between sustainability, risk, operations, and business strategy.

During FY26, LTF further enhanced coordination across teams. This was achieved through a structured bi-monthly working group initiative. It supported climate risk assessment and strengthened regulatory preparedness, processes, and capabilities across the organisational framework alignment.

3

Accountability and Performance Linkage

Environmental responsibility is reinforced through clearly defined ownership and performance linkage.

- Sustainability-linked KPIs embedded within Senior Management KRAs
- Sustainability parameters included in the MD and CEO's performance evaluation and compensation framework

This ensures accountability is driven from leadership through execution.

4

Policy Backbone Supporting Execution

Environmental stewardship is underpinned by a comprehensive policy architecture that ensures consistency across operations and the value chain:

- Environmental Policy
- ESG Policy
- E-Waste Policy
- Third-Party Code of Conduct
- Sustainable Procurement Policy
- ESMS Policy

5

Technology-enabled Execution

Digital transformation continues to strengthen environmental execution across your Company's expanding footprint.

- Enhanced environmental data capture and monitoring through AI and OCR enabled systems to capture and analyse energy data for all branches
- Pilot deployment of smart meters to enable real-time energy monitoring
- Continued shift towards paperless customer journeys across select lending segments
- Measuring and monitoring of financed emissions for select portfolios through an automation tool
- Automated value chain engagement and assessment process

Together, robust governance mechanisms and technology-enabled execution provide a scalable and disciplined framework for delivering your Company's environmental agenda. Environmental governance is further strengthened through independent reasonable and limited assurance engagements for sustainability reporting. These processes are supplemented by the use of external experts assessing performance, validating key metrics, and conducting targeted sustainability studies.

Business Impact Study Environmental Value Ledger

LTF's environmental performance is assessed through the Business Impact Study (BIS), evaluating the societal value created through business activities. Using the Social Cost of Carbon methodology, the study translates certain climate-related outcomes into economic value.

It accounts for emissions avoided through EV financing and emissions associated with financed portfolios. This contextualises environmental performance not only in physical terms (tCO_2e, energy use, water consumption) but also through the lens of societal costs and benefits, strengthening your Company's understanding of long-term environmental value creation.

Impact Category	Metric	BIS Value Lens
Avoided emissions through EV financing	12,675 tCO_2e	₹21.68 Cr societal benefit
Carbon sequestration through plantation	1,521 tCO_2e	Positive natural capital contribution
Financed emissions	38.12 lakh tCO_2e	₹4,100 Cr societal cost
Operational emissions	Scope 1 and Scope 2	Reported footprint

Environmental Responsibility Inside and Outside the Fence

Your Company is committed to minimising the environmental footprint of its nationwide operations through energy efficiency, digitisation, and circularity.

Some of the key initiatives include:

- **Energy and Emissions Management**
  - Energy audits / assessments conducted across facilities
  - Increasing adoption of renewable energy solutions, including rooftop solar pilot projects
  - Transition towards energy-efficient infrastructure and smart monitoring systems

- **Water Stewardship**
  - Achieved water positivity (50x) through extensive water conservation initiatives
  - Rooftop rain water harvesting structure at Head office

- **Resource Efficiency and Circularity**
  - Significant reduction in paper usage through digitisation of processes
  - Adoption of recycled and sustainable materials across operations
  - Implementation of 4R principles (Reduce, Reuse, Recycle, Recover) in waste management

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Through CSR initiatives, your Company actively supports nature-based solutions that address climate change, biodiversity loss, and water security under Climate Impact Management and Disaster Management thrust areas which includes:

- Large-scale water conservation and management projects under Project Jalvaibhav
- Horticulture and Miyawaki plantation, biodiversity conservation initiatives under Project Prakruti
- Supporting communities in the times of adversities like disasters.

Internal Carbon Pricing

As part of Your Company's commitment to managing climate-related risks and facilitating investments in low-carbon initiatives, LTF has evaluated Internal Carbon Pricing (ICP) mechanisms to guide its decarbonization journey. The Gross ICP has been calculated using combined capital and operational expenditures (INR per tCO_2e) across your Company's Scope 1 and Scope 2 emissions and will be used for internal purposes.

Looking beyond its operational footprint, your Company is also exploring the application of a Shadow Price to the LTF lending portfolio. As this practice continues to evolve in the Indian NBFC market, your Company intends to incorporate ICP into its strategic decision-making as policy clarity develops.

Our Net-Zero Approach

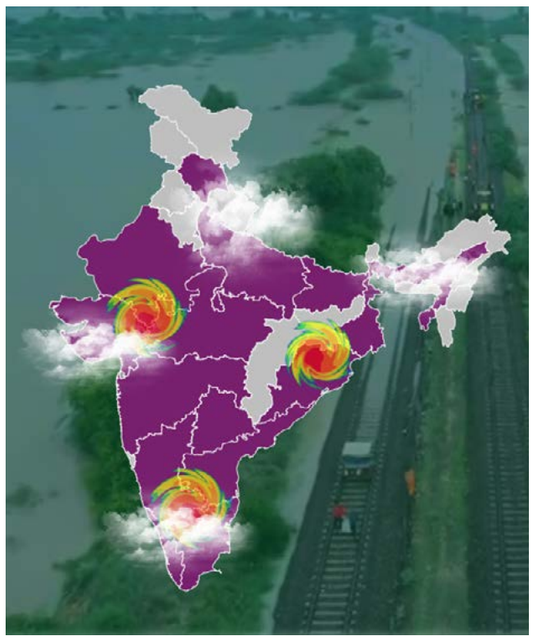
In FY26, your company has identified several levers across its Scope 1, Scope 2, Scope 3, and Financed Emissions to reduce the same. These strategies broadly encompass enhancing the energy efficiency and renewable energy mix of our physical operations, advancing sustainable digital workflows, and crucially, integrating climate-smart, low-carbon solutions across our core lending portfolios to support our customers' green transitions. Through these proactive measures, our organization is in line with continuous emission reductions which aligns with a Net-Zero approach, even though Net Zero has not been taken as a formal target and the same is under systematic evaluation.

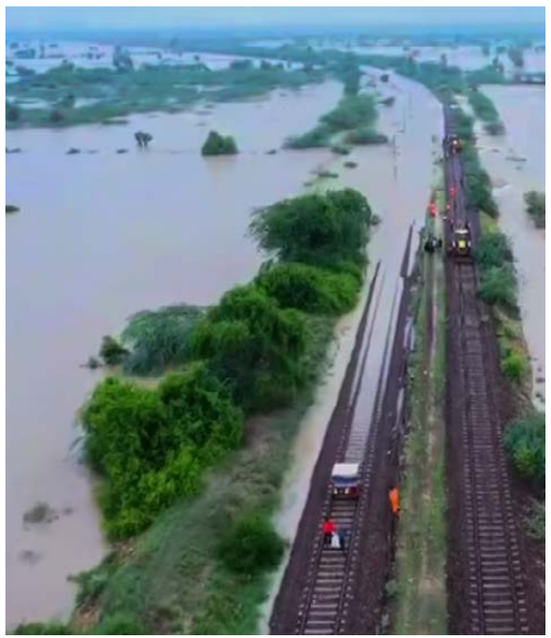
Climate Risk

Over the course of the year, the rising frequency and severity of natural disasters, including severe floods, cyclones, prolonged heatwaves, and droughts, have further underscored the urgency of climate action. These events are no longer isolated disruptions; they represent systemic risks with cascading economic and social consequences. Against this backdrop, Your Company remains cognisant of the growing environmental challenges arising from climate change, including extreme weather events, rising sea levels, and desertification. The environmental costs continue to escalate, with developing nations projected to face annual losses of US$ 447–894 billion by 2030. For businesses, operational disruptions, and transition risks, such as evolving regulations and carbon pricing, are reshaping markets and redefining business models. In this evolving landscape, your Company continues to recognise the critical role financial institutions play in enabling a low-carbon, climate-resilient future.

Your Company's climate action strategy has continued to advance into a comprehensive and forward-looking approach, with environmental considerations systematically integrated across its operations. With an increased focus on climate resilience, your Company is strengthening its business portfolio while delivering long-term, sustainable value for stakeholders. Sustainability-driven initiatives are incorporated not only within products and services but also across core operations, with a strong emphasis on resource efficiency and operational sustainability. This holistic integration ensures that sustainability remains central to decision-making, fostering a culture that is adaptive, forward-looking, and responsive to evolving environmental realities.

Your Company's climate action framework continues to be anchored by clearly defined targets, including achieving carbon neutrality by 2035 and maintaining water positive or surplus operations. These commitments guide strategic planning, and stakeholder engagement, reinforcing Your Company's long-term value creation agenda while aligning with broader environmental priorities.





Integrating Climate Risks into Business Operations

Climate-related risks have been integrated more deeply into the Risk Management Framework as an emerging risk and Early Warning Signals, strengthening your Company's ability to anticipate, monitor, and mitigate emerging risks.

Managing Physical and Transition Risks

Physical risks, including extreme weather events such as floods, droughts, and cyclones, are actively incorporated within your Company's emerging risk management processes. Your Company undertakes detailed assessments to anticipate potential disruptions and ensure operational continuity. These risks are evaluated not only in terms of immediate impact but also for their longer-term implications on borrower resilience.

During FY26, your Company expanded and refined its assessment of transition risks by incorporating a structured evaluation of policy and legal risks, technology risks, market and reputational risks, and governance-related considerations.

Climate Risk Assessment in Portfolios

LTF applies a robust and data-driven approach to assess climate risks across its key portfolios, including Urban Finance, SME Finance, and Rural Finance. Tools and analytical models are deployed to evaluate climatic variables such as rainfall variability, irrigation coverage, and temperature fluctuations.

In FY26, your Company transitioned to district-level assessment granularity, marking a decisive shift towards precision-led climate risk management. This enhanced level of detail enables your Company to move beyond generalized risk indicators and capture location-specific climate exposures with greater accuracy.

Identifying Climate-Related Opportunities

LTF increasingly approaches climate change as both a risk and a driver of innovation and sustainable growth. Your Company has actively identified opportunities aligned with the transition to a low-emission economy, particularly in areas such as electric vehicle financing, which supports the shift away from fossil fuel-based transportation. By aligning with regulatory developments and market shifts, Your Company continues to expand its green finance portfolio.

Governance and Oversight of Climate Risks

A robust governance structure underpins Your Company's approach to climate risk management. Oversight is exercised through the Board and the CSR and Sustainability Committee, ensuring that sustainability considerations are built into strategic and operational decision-making. The Chief Economist regularly updates the Board on environmental and climatic parameters, enabling informed oversight.

Your Company also undertakes periodic third-party assessments, audits, and scenario analyses to strengthen transparency, compliance, and the overall robustness of its climate risk approach. Climate considerations are increasingly aligned with enterprise-wide governance processes, supported by ongoing efforts to enhance internal capabilities and deepen climate-related expertise across functions.

Assessing Climate Risk in Line with TCFD

In alignment with regulatory guidance, including the Reserve Bank of India's discussion paper on climate risk and sustainable finance, your Company is progressing towards adopting a Task Force on Climate-related Financial Disclosures aligned framework. This includes integrating climate considerations across governance, strategy, risk management, and metrics and targets, while capturing the interlinkages of climate risks and opportunities.

For more information on your company TCFD alignment refer to 'TCFD index'

Portfolio Exposure and Risk Heatmapping

Your Company has a predominantly retail-focused portfolio, comprising asset classes such as Farm Equipment Finance, Rural Group Loans, Microfinance Loans, Two-Wheeler Finance, Personal Loans, Home Loans, Loan Against Property, and SME Finance, continues to be exposed to a range of physical climate risks. These include floods, droughts, and extreme weather events, which can impact borrowers' financial stability through asset damage, supply chain disruptions, increased costs, and shifting market dynamics.

To address this, your Company has undertaken detailed identification and measurement of climate-related risks through portfolio heatmapping and physical risk assessments. This exercise identifies concentrations of risk and areas of heightened vulnerability, providing granular insights into exposure across collateralised retail portfolios.

This analysis, supported by external data sources evaluates the likelihood and severity of key hazards, including coastal and riverine floods, cyclones, extreme heat, landslides, and water scarcity, at a highly granular level.

Climate Scenario Analysis

Recognising the increasing materiality of climate risks, LTF has advanced the integration of climate scenario analysis into its emerging risk management framework. This forward-looking approach enables your Company to assess potential impacts under different climate pathways across short, medium, and long-term horizons.

Your Company has considered multiple Representative Concentration Pathway scenarios for this analysis:

In FY26, two climate scenarios were assessed:

- RCP 2.6, representing a low-emission pathway aligned with strong climate action and accelerated mitigation efforts
- RCP 4.5, reflecting a stabilisation scenario with moderate policy intervention and adaptation
- RCP 8.5, representing a high-emission scenario with more severe climate impacts

Your Company's efforts towards emission reduction and sequestration of residual emissions remain aligned with its carbon neutrality goal for 2035. These metrics and initiatives support informed decision-making, strengthen accountability, and ensure alignment with evolving global best practices in climate action.

L&T Finance

Advancing Energy Management

With operations spread across multiple geographies, LTF manages energy as a critical operational input, recognising its impact on cost efficiency, business continuity and emissions performance. Energy management practices build on efficiency measures and monitoring disciplines established over previous years and were further strengthened in FY26 through improved systems, expanded renewable energy adoption, and efficiency-led interventions.

10%

Decrease in energy consumption from non-renewable sources

A System-led Approach to Energy Management

Energy management during the year was reinforced through defined processes, technology enablement and oversight mechanisms, with greater emphasis on data accuracy and real-time visibility. Key developments included:

- Deployment of IoT-enabled energy management systems across seven branches, enabling real-time monitoring, automated optimisation, and predictive maintenance
- Continued energy assessments/audits and system-based monitoring to identify optimisation opportunities and support continuous improvement
- Improved energy data visibility to support performance tracking, load management, and informed decision-making
- Continued adoption of energy-efficient infrastructure, including LED lighting, five-star-rated air-conditioning systems, BLDC fans, and high-efficiency HVAC systems as standard specifications across offices and branches
- Optimisation of diesel consumption for backup power through reduced run-time, improved fuel efficiency, and strengthened preventive maintenance practices
- Creating green backup for small branches through off-grid/ hybrid solar rooftop PV installations

₹1.70 Cr+

Spent on sustainable procurement of energy-efficient equipment

Advancing Renewable Energy Adoption

LTF continued progressing towards lower-carbon operations by expanding renewable electricity adoption across key facilities. At the same time, it addressed structural constraints with a predominantly leased branch network. During FY26, your Company implemented targeted renewable energy initiatives including:

- Pilot off grid solar PV installations were completed at 6 branches
- The Mumbai Tech Centre was transitioned to 100% renewable energy
- Renewable energy usage expanded across 62 branches compared to last year's 24 branches and the Head Office
- Green attributes (iRECs) were procured from verified renewable energy producers in India, aligned with RE100 principles, to offset electricity consumption at leased locations given that a large proportion of locations have a limited contract demand and low tension connection, constraints remain. Many facilities are leased or semi-leased facilities, which limits the feasibility of direct renewable integration. Therefore, LTF continues to engage with landlords and facility partners to explore viable solutions. It also leverages market-based instruments to progressively increase renewable energy coverage and sustain its decarbonisation pathway.

76%

Renewable energy consumption

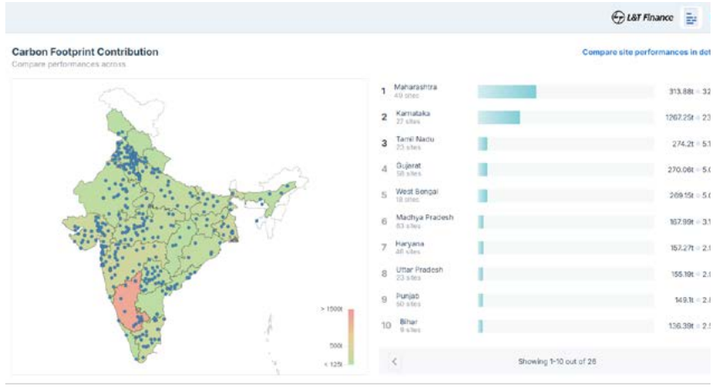
62

Branches operate on green power

Energy Audits/ Assessment

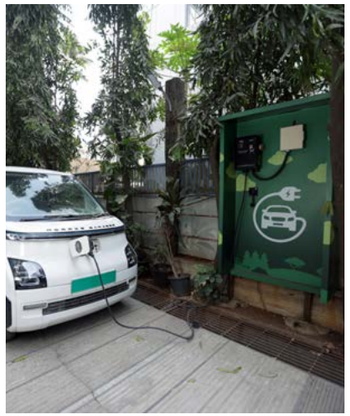
As part of its ongoing energy management process guided by its environment policy, LTF continues to conduct energy audits to assess energy usage patterns across its operations. These audits help identify further opportunities for saving energy and utilising them to continuously improve energy performance.

In FY26, LTF significantly advanced its energy monitoring capabilities by transitioning from manual reviews to a fully automated assessment framework. By evolving beyond localized energy audits and desk-based reviews for smaller locations, we implemented an automated system that analyzes utility data across 500 branches. This digital transformation provides real-time insights into branch energy consumption, allowing for more precise management and proactive efficiency improvements across our entire operational footprint.



Green Mobility Infrastructure

During the year, LTF expanded EV charging infrastructure beyond the Head Office campus to the Kalina City-2 office in Mumbai and Ahmedabad office location. This expansion improved on-site charging access and supported the adoption of low-emission mobility for employees and visitors.



Energy-efficient Branch Infrastructure

As part of branch modernisation and energy conservation efforts, LTF continued standardising energy-efficient infrastructure across its expanding branch network.

In FY26, 246

Branches fitted with energy-efficient LED Sign Boards (GSB)

including 83

Newly acquired Gold Finance branches

Driving Clean Energy Solar Rooftop Solutions

For LTF, the clean energy transition extends to the farthest points of its operational network. By prioritising decentralised solar adoption, LTF is ensuring that sustainability is embedded even at the last mile.

LTF has deployed rooftop solar PV systems using advanced TOPCon panels across multiple locations, including rural branches. This distributed approach enables smaller operational units to actively contribute to your Company's renewable energy goals. It also reduces dependence on conventional grid power while enhancing business continuity.

Key actions included

- Deployment of rooftop solar PV systems across 6 leased branches in Karnataka
- Integration of decentralised solar into rural operations
- Reduction in grid dependency to improve resilience
- Alignment of distributed infrastructure with clean energy targets

By taking solar to the edges of its network, LTF is demonstrating that meaningful climate action can be scaled across every level of operations.

Managing Emissions

For a lending-led financial institution, emissions management is intrinsically linked to long-term portfolio resilience and responsible growth. While LTF's direct operational emissions are limited, the most significant climate-related risks and impacts arise from its lending portfolio and value chain. Your Company understands that climate action is fundamental to long-term business resilience. We believe that proactive emissions management is a dual-purpose strategy: it significantly lessens our environmental footprint while simultaneously driving operational efficiency.

Your Company is also expanding financed emissions coverage in line with evolving methodologies. At the same time, it is enhancing data automation to support more robust measurement and disclosure. These initiatives help embed climate considerations into portfolio growth and risk management.

Accordingly, your Company adopts an integrated approach that:

- Measures emissions across Scope 1, Scope 2 and Scope 3 category
- Prioritises financed emissions as a key area of focus

Your Company has set a target to achieve carbon neutrality for Scope 1 and Scope 2 emissions by 2035. Emissions are measured and disclosed in line with the GHG Protocol Corporate Standard and the Partnership for Carbon Accounting Financials (PCAF) framework, ensuring transparency and consistency.

Simultaneously, your Company is charting its transition toward Net Zero by identifying key decarbonization levers and evaluating its alignment with the Science Based Targets initiative (SBTi). This ongoing planning phase focuses on assessing the feasibility of committing to formal, science-based targets over the coming years to ensure our long-term climate strategy remains robust and globally credible.

20%

Reduction in scope 1+2 emissions

L&T Finance

Digitising Sustainability

In FY26, LTF transitioned from manual processes to a more automated and integrated ecosystem. This shift was driven by rising data complexity and the need for accuracy and audit readiness.

A key focus was financed emissions, where large datasets across portfolios were streamlined using automation aligned with PCAF methodologies. This approach improved consistency while significantly reducing manual effort.

- Standardised calculations across portfolios
- Reduced errors and processing time
- Strengthened audit confidence

LTF also enhanced value chain data collection through a digital platform that enables direct engagement with partners via BRSR-aligned questionnaires.

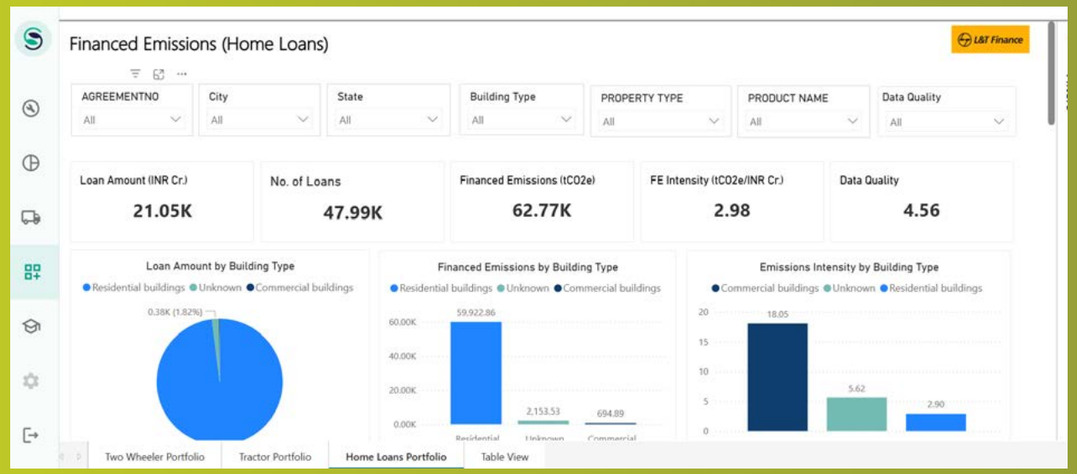
- Centralised platform for partner data submission
- Auto-population using public disclosures when needed
- Improved completeness and compliance

On the operational side, energy assessment across 500+ branches was automated using AI and OCR, enabling more efficient tracking and analysis.

- Automated bill reading across formats and languages
- Insights on energy use, emissions, and costs
- Better benchmarking and optimisation

Together, these initiatives have made ESG data at LTF more accurate, scalable, and insight-driven, strengthening both reporting and decision-making.

[]% Reduction in energy consumption



Note: Representation of the actual dashboard

Scope 1 Emissions

Direct Operational Emissions

Scope 1 emissions arise from sources directly controlled by your Company. While LTF's core financial services operations inherently have a low carbon footprint, certain operational activities contribute to direct greenhouse gas emissions.

Primary sources include:

- **Diesel consumption in backup power generators**
- **Fuel usage in company-owned vehicles**
- **LPG consumption at selected staff facilities**
- **Refrigerant leakage from air-conditioning and fire suppression systems**

During FY26, LTF strengthened operational controls across its expanding branch network and facilities to minimise direct emissions. This included expanding green power adoption across branches, installing EV charging infrastructure, piloting smart meters and automated energy data collection. In addition, preventive maintenance was enhanced through efficiency upgrades such as LED-based signage, STP revamp, and continued process digitisation. To enhance environmental stewardship, your Company has implemented rigorous maintenance protocols for its owned vehicles and diesel generators while transitioning to low-GWP (Global Warming Potential) refrigerants, such as R32, to replace legacy R22 models. By centralizing air conditioning maintenance under a single specialized vendor, your Company has streamlined oversight and ensured consistent performance across all facilities. Together, these proactive measures minimize your Company's impact on ozone depletion and climate change, ensuring strict regulatory compliance. Together, these measures supported reductions in carbon intensity while ensuring operational continuity across locations.

Scope 1 Emissions*

GHG Emissions	Unit	FY24	FY25	FY26
Fuel in DG Set	tCO_2e	3.25	2.17	2.17
LPG Consumption at Rural Branches	tCO_2e	9.89	17.15	1.00
Company-Owned Vehicles	tCO_2e	46.14	51.64	39.95
Refrigerant	tCO_2e	306.61	315.03	20.41
Fire Extinguisher	tCO_2e	39.58	0.24	0.26
Total	**tCO_2e**	**405.47**	**386.23**	**63.78**

Note: The emission factors are sourced from DEFRA 2025

*Fugitive Scope 1 emissions of Refrigerant have undergone methodology change due to availability of actual consumption data this year, as compared to assumption based conservative approach of the previous year.

Scope 2 Emissions

Indirect Emissions from Energy Consumption

Scope 2 emissions represent indirect emissions associated with purchased electricity consumed across offices, and branches, and data centres. Scope 2 emissions reflect electricity consumption across offices, branches, and data centres and are influenced by the energy management initiatives described earlier in this chapter.

Your Company has actively accelerated its transition to clean energy, successfully meeting 100% of the electricity requirements for its Head Office and 61 branches through green power. To ensure comprehensive accountability, your Company adopts both location-based and market-based approaches for calculating Scope 2 emissions. While the location-based method reflects grid consumption at operational sites, the market-based method highlights the positive impact of renewable energy procurement, providing a transparent and nuanced view of your Company's carbon footprint in line with global best practices.

Recognizing the operational constraints of small, leased branches without dedicated metering, where direct renewable procurement is not feasible, your Company bridged this gap by leveraging International Renewable Energy Certificates (iRECs). These certificates, sourced from verified Indian projects and compliant with RE100 criteria, allow your Company to claim green attributes for its total electricity consumption.

Beyond procurement, your Company has invested in on-site generation through solar rooftop PV projects at six rural branches. Complementing these energy transitions are significant infrastructure upgrades, including the deployment of IoT devices, LED lighting, and 5-star rated ACs. Collectively, these initiatives led to a ~8% tCO2e reduction in Scope 2 emissions. Notably, without your Company's dedicated efforts to secure green power and iRECs, Scope 2 emissions would have reached ~7,335 tCO2e under the location-based assessment.

Scope 2 Emissions* (market-based approach)

GHG Emissions	Unit	FY24	FY25	FY26
Electricity – Head Office	tCO_2e	0	0	0
Electricity – Branches	tCO_2e	1,485.48	1,909.16	1,763.07
Electricity – Branches (Small/Rural Group Loans and Micro Finance Branches)	tCO_2e	826.77	0**	0**
Total	**tCO_2e**	**2,312.25**	**1,909.16**	**1,763.07**

*Scope 2 has been reported based on market based approach in which green power consumption and green energy attributes i.e. iREC are considered
**The emissions are zero due to procurement of green attributes iRECs
Note: The emission factors are sourced from CEAv21.

Scope 3 Emissions

Other Indirect GHG Emissions

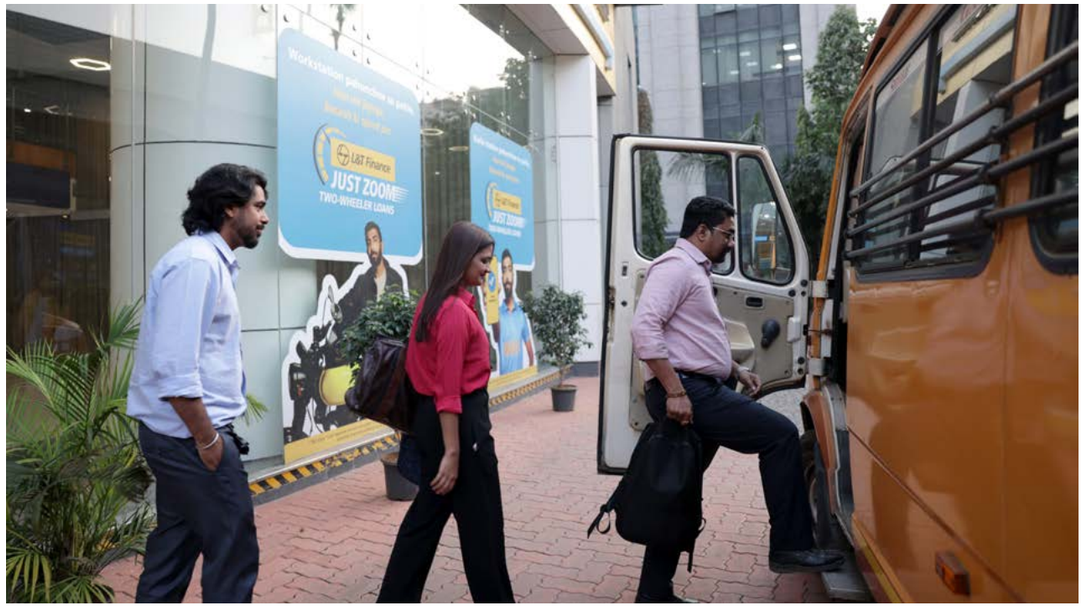
Scope 3 emissions encompass indirect activities across your Company's broader value chain, including capital goods procurement, employee commuting, business travel, and financed emissions linked to the lending portfolio. Recognizing that these represent a significant portion of the total environmental impact, your Company initiated strategic measures in FY26 to mitigate these emissions.

LTF measures and monitors relevant Scope 3 categories in line with the GHG Protocol, prioritising those most relevant to its business model.

Key categories assessed include:

- **Purchased Goods and Services**
- **Capital Goods**
- **Fuel and Energy related activities**
- **Waste generated in operations**
- **Business Travel**
- **Employee Commuting**
- **Upstream Leased Assets**

Categories such as downstream transportation, product use, and end-of-life treatment are not applicable given LTF's role as a non-banking financial institution. For applicable categories, targeted initiatives, such as centralised travel management, employee transport arrangements, waste reduction measures and collaboration with lessors, support ongoing mitigation.



Scope 3 Emissions

GHG Emission Categories	Unit	FY24	FY25	FY26	Remarks
C1: Purchased Capital Goods and Services	tCO_2e	453.29	12,165.37	20,994.21	The increase in emissions under Purchased Goods and Services in FY26 was primarily due to changes in procurement volume.
C2: Capital Goods	tCO_2e	3,893.92	4,891.42	1,080.97	The decrease in emissions from Capital Goods in FY26 was driven by lower capital expenditure related to technology infrastructure, office facilities, and operational assets during the reporting period.
C3: Fuel- and Energy- Related Activities	tCO_2e	-	335.50	303.59	The decrease in emissions under Fuel- and Energy- Related Activities in FY26 was attributed to changes in energy consumption patterns and/ or refinement in emission factor application and data coverage.
C5: Waste Generated in Operations	tCO_2e	-	134.34	660.74	The increase in emissions from Waste Generated in Operations in FY26 was primarily due to variations in waste generation volumes, waste management practices, change in calculation methodology, improved tracking of waste streams across facilities, operation and manpower expansion.
C6: Business Travel	tCO_2e	1,962.75	2,253.14	2,044.29	The decrease in Business Travel emissions in FY26 was driven by lower travel activity.
C7: Employee Commute	tCO_2e	-	28,766.10	38,863.21	The increase in Employee Commute emissions in FY26 was mainly due to changes in workforce size, commuting patterns, office attendance levels.
C8: Upstream Leased Assets	tCO_2e	388.39	594.13	665.68	The increase in emissions from Upstream Leased Assets in FY26 was attributable to changes in leased facility footprint, operational utilisation, or improvements in data coverage of leased assets.

Note: The emission factors are sourced from DEFRA 2025, the India GHG Programme, EEIO database, and WIOD database. The categories for which data has not been provided are not applicable to LTF.

Category 1

Purchased Goods and Services

Your Company is optimising procurement practices to reduce indirect emissions associated with purchased goods and services.

Category 2

Capital Goods

Your Company prioritises energy-efficient and lower-carbon alternatives while procuring infrastructure, office equipment, and other capital assets.

Category 3

Fuel and Energy-Related Activities

Emissions are being minimised through energy optimisation initiatives, increased renewable energy adoption, and energy efficiency measures.

Category 4

Upstream Transportation and Distribution

This category is not relevant to your Company operations and has therefore not been calculated in the base year.

Category 5

Waste Generated in Operations

Your Company is reducing operational waste through employee awareness initiatives, elimination of single-use plastics, and recycling programmes.

Category 6

Business Travel

Emissions from business travel are being managed through centralised travel management and efficient travel planning.

Category 7

Employee Commute

Your Company provides employee bus services at select locations and promotes shared mobility through carpool initiatives in collaboration with sRide.

Category 8

Upstream Leased Assets

Emissions from leased facilities are being reduced through energy efficiency improvements and collaboration with lessors to adopt sustainable practices.

Category 9

Downstream Transportation and Distribution

As your Company does not distribute physical goods, this category is not relevant to its operations.

Category 10

Processing of Sold Products

Your Company provides financial services rather than manufacturing or processing products; therefore, this category is not applicable.

Category 11

Use of Sold Products

As an NBFC, your Company provides financial services such as loans and mortgages rather than selling physical products, making this category not applicable to its operations.

Category 12

End-of-Life Treatment of Sold Products

Since your Company does not sell physical products, there are no items requiring disposal or recycling; hence, this category is not applicable.

Category 13

Downstream Leased Assets

Your Company does not lease physical assets to external parties; therefore, this category is not relevant to its operations.

Category 14

Franchises

Your Company does not operate under a franchise model, as all operations are directly managed.

Category 15

Investments

This category relates to emissions associated with financing and investment activities and is recognised as a key component of its indirect environmental impact and is working to strengthen methodologies to assess and manage portfolio-level emissions.

Financed Emissions

For a financial institution, the most significant share of climate impact lies within financed emissions. These are classified under Scope 3, representing emissions associated with assets and activities financed through lending. Financed emissions also serve as an important proxy for transition risk embedded within the portfolio.

PCAF Alignment and Measurement

Recognising the increasing focus on financed emissions within the global climate and financial risk discourse, LTF became a signatory to the Partnership for Carbon Accounting Financials (PCAF) in FY25. This move signalled its commitment to a globally recognised, standardised, and transparent approach to financed emissions accounting. As a result, this aligned your Company with evolving practices in climate-related financial disclosures.

Beyond adoption, your Company has taken an active role in advancing PCAF implementation within the Indian financial ecosystem. It has engaged closely with the PCAF India Chapter to support methodological alignment. Demonstrating sectoral leadership, your Company hosted the first PCAF India Summit during the year. The summit brought together financial institutions to discuss financed emissions measurement, methodological developments, and sector-wide collaboration.

In addition, your Company actively shared its experience and learnings of implementing financed emission methodologies with peer financial institutions through PCAF national and international forums.

FY26 progress

I
Credible baselines established

II
Data systems and internal processes strengthened

III
Organisational capability built for ongoing tracking

IV
Automation of financed emissions (FE) calculations

These steps lay the foundation for informed, long-term emissions management without disrupting access to finance.

Integrating Emissions Insights into Lending and Portfolio Decisions

Emissions measurement at your Company is not treated as a standalone reporting exercise. Instead, emissions insights, particularly from financed emissions, are progressively integrated into portfolio oversight and climate risk assessment.

Environmental considerations inform lending and portfolio decision-making by:

- Enhancing understanding of transition and physical climate risks across asset classes
- Supporting climate scenario analysis and portfolio-level stress assessments
- Identifying climate-sensitive segments, geographies, and asset types
- Informing strategic discussions on portfolio diversification and long-term resilience

Emissions metrics are used as decision-support inputs, rather than exclusionary credit filters. This approach enables your Company to balance responsible growth while strengthening preparedness for evolving regulatory, market, and technology dynamics.

For more details about GHG Emissions, refer to 'BRSR Section C: Principle 6'.

Building on this foundation, FY26 marked a shift from commitment to execution. During the year, LTF operationalised financed emissions measurement for select high-relevance retail portfolios, including:

- **Two-Wheeler Loans**
- **Tractor Loans**
- **Home Loans**

Financed emissions were calculated using outstanding loan exposure and asset-level or activity-based data. Where borrower-specific data remains limited, your Company used PCAF-prescribed emission factors to supplement calculations. Methodological continuity has been maintained to ensure comparability across reporting periods.

In parallel, your Company strengthened its financed emissions framework through:

- Automation of financed emissions calculations, improving efficiency, consistency, and data management
- Preparatory work to expand Scope 3 coverage to the SME portfolio
- Assessment of methodological and data challenges associated with unsecured retail lending, enabling a phased and credible implementation approach

This strengthens your Companies alignment with global best practices and supports India's Net Zero ambition by 2070.

Financed Emissions Categories

Portfolio	Two-Wheeler Loan Portfolio	Tractor Loan Portfolio	Home Loan Portfolio	Total
Asset Class	Automobile	Automobile	Mortgage	
Book Size (Reported)	14,166	16,025	21,965	**52,156**
Total Book Size	14,166	16,970	22,021	**53,157**
Percentage of coverage	100%	94%	100%	**98%**
Scope 1 (tCO_2e)	4,98,253	32,37,137	18,123	**37,53,514**
Scope 2 (tCO_2e)	16,441	-	42,510	**58,952**
Scope 1 + Scope 2 (tCO_2e)	5,14,694	32,37,137	60,634	**38,12,467**
Scope 3 (tCO_2e)	-	-	-	**-**
Scope 1 and 2 Emission Intensity (tCO_2e/₹ cr)	36.89	209.19	2.93	
Data Quality Score	3.03	4.00	4.57	

Note: The LTF-financed emission calculation methodology for FY26 has changed. The financed emissions calculations are now done through an automated tool provided by StepChange, which is an accredited partner of PCAF. The emissions have been calculated based on several open-source databases and the PCAF database and are aligned with PCAF methodology. The reported portfolio emissions represent ~43% of the total book size of your company.

Hosting the Inaugural PCAF India Summit

LTF partnered with the Partnership for Carbon Accounting Financials (PCAF) to host the inaugural PCAF India Summit in Mumbai. The event brought together leaders from financial institutions, regulators, policymakers and sustainability practitioners ahead of Mumbai Climate Week.

The summit marked a key milestone for the PCAF India chapter, which was launched to support financial institutions. It focuses on enabling the measurement and disclosure of greenhouse gas emissions associated with financial activities. Within its first year, the chapter grew to 14 signatories and 6 accredited partners. This growth reflects the increasing momentum towards adopting globally aligned carbon accounting practices in India's financial sector.

Through panel discussions, technical sessions, and knowledge-sharing, the summit addressed key implementation priorities. It focused on strengthening understanding of financed emissions measurement, improving data quality, and advancing standardised methodologies under the PCAF framework. The event further provided a platform for collaboration between financial institutions and regulators as the sector prepares for evolving climate disclosure expectations.

6

Accredited partners supporting methodology adoption

100+

Participants from financial institutions, regulators, and sustainability practitioners

14

Financial Institutions attended as PCAF India signatories

Air Emissions

Although air emissions such as NOx, SOx, and particulate matter are not core to an NBFC's primary activities, LTF recognises their importance. Your Company monitors emissions from operational sources such as backup power systems across facilities. This tracking supports responsible facility management and operational resilience. It also enables transparent environmental reporting, while ensuring continued alignment with regulatory expectations.

In addition to monitoring, LTF actively implements initiatives to improve air quality at operational locations. The development of a vertical garden at the Head Office is one such initiative. It serves as a small but visible step towards creating greener workspaces. This effort also signals LTF's broader commitment to reducing its environmental footprint.

Air Emissions Categories	Unit	FY24	FY25	FY26
NOx	ppm	42.80	51.6	50.1
SOx	mg/Nm^3	35.10	41.2	20
Particulate Matter	mg/Nm^3	58.20	64.4	27

Resource Stewardship

As a services-led organisation, your Company's environmental footprint is driven more by efficiency and stewardship than by scale of consumption. Your Company therefore approaches water and waste management through a disciplined, data-led lens. This approach minimises operational impact while generating positive outcomes beyond its immediate boundaries.

At the same time, your Company is strengthening its environmental management systems to support structured governance. It has initiated steps towards obtaining ISO 14001 certification for its Environmental Management System (EMS). This move further reinforces a structured environmental governance and continuous improvement.

Your Company strategy is anchored in:

- Reducing resource intensity across offices and branches
- Replenishing natural capital through community-led interventions
- Strengthening data, discipline, and accountability in waste management

Water Stewardship: From Neutrality to Positive Impact

LTF treats water as a shared and finite resource, requiring both responsible use within operations and active replenishment beyond them.

Water Performance Snapshot

- Achieved Water Neutrality in FY22
- Sustained Water Positive (Surplus) status from FY23 onwards
- Water consumption trends reflect business growth and workforce expansion, while replenishment outcomes are influenced by regional rainfall variability

Parameter	Unit	FY24	FY25	FY26
Total Water Consumption from Third-party Municipal Water	lakh kl	~3.41	~4.56	~5.14
Total Water Replenished	lakh kl	180+	176+	265+
Water Surplus Collected	lakh kl	~177	~171	~260

Note:
*Increase in total water consumption in FY26 compared to FY25 was due to increased employee headcount and branch expansions.

For more details about water management, refer to 'BRSR Section C: Principle 6'.

Turning Water Data into Discipline

Water management often remains fragmented without a consistent framework for measurement and action. To address this gap, LTF undertook a structured, expert-led assessment to standardise how water is tracked, analysed, and optimised across its operations.

The initiative mapped the full lifecycle of water across operational locations. It covered withdrawal from municipal and third-party sources, along with treatment efficiencies through Sewage Treatment Plants (STPs). This created a robust baseline, enabling targeted interventions and improved oversight.

To drive standardisation, a 'model branch' approach was introduced, where top-performing offices set benchmarks for replication. The Mumbai Brindavan office emerged as a leading example, achieving 100% wastewater treatment and reusing AC condensate water within its HVAC systems.

Key actions included

- End-to-end assessment of water sourcing, usage, and treatment
- Benchmarking through identification of high-performing branches
- Adoption of water reuse and efficiency best practices
- Refinement of measurement methodologies for improved reporting

This structured approach is enabling a shift from fragmented tracking to disciplined water management, creating a scalable pathway to reduce freshwater dependence and strengthen water stewardship across operations.

Enhancing Water Recycling through STP Operations

During FY26, LTF strengthened its water stewardship efforts through the successful revamp and operationalisation of the Sewage Treatment Plant (STP). This initiative was implemented at the Head Office campus in Kalina, Mumbai. The upgraded operational facility has enhanced on-site water recycling, reducing reliance on fresh water for non-potable uses like gardening and deep cleaning of premises.

~50 KLD

Average recycled water generated

Replenishing What is Consumed

LTF's water stewardship strategy extends well beyond office-level efficiency. Through long-standing community initiatives, LTF focuses on groundwater recharge, water availability, and climate resilience.

SPOTLIGHT

Flagship Intervention:

Jalvaibhav

Launched in 2016, Jalvaibhav addresses chronic water stress in drought-prone regions through an Integrated Water Resource Management (IWRM) approach.

Core elements include:

- Construction of village-level water harvesting structures
- Drainage line and area treatments to reduce runoff and soil erosion
- Direct groundwater recharge interventions

These measures support:

- Improved groundwater levels
- Enhanced agricultural productivity
- Greater resilience to rainfall variability

To ensure credibility, independent experts assess project performance using rainfall data, hydrological analysis, and on-ground studies.

For more details about Project Jalvaibhav, refer to section 'Social and Relationship Capital'.

Embedding Sustainability across the Procurement Value Chain

As part of its commitment to responsible growth, LTF recognised procurement as a critical lever to drive environmental impact at scale. With a vast operational footprint and an extensive vendor ecosystem, LTF aimed to integrate sustainability into every stage of its sourcing and procurement processes.

LTF established a **Sustainable Procurement Framework** anchored in environmental stewardship, resource efficiency, and value chain accountability. The policy prioritises partnerships with vendors aligned to high environmental standards and circular economy principles. It also embeds sustainability into internal operations and decision-making processes.

Key focus areas included:

- **Energy-Efficient Infrastructure**
  Standardisation of 5-star rated air conditioners, LED lighting, and energy-efficient equipment across offices and branches to reduce operational energy intensity.
- **Resource Conservation & Digitalisation**
  A dual approach of sourcing recycled paper and accelerating digital transformation enabled a shift towards digital disbursements, significantly reducing paper consumption.
- **Renewable Energy Integration**
  A strong push towards green power adoption has resulted in nearly 78% of branches in key regions like Maharashtra operating on renewable energy.
- **Eco-friendly Operations**
  Adoption of green housekeeping chemicals free from harmful VOCs ensures safer indoor environments and reduced ecological impact.
- **Waste Management & Circularity**
  Implementation of a robust 'Reduce, Reuse, Recycle' protocol, including colour-coded waste segregation, and certified e-waste recycling, supports LTF's ambition of zero waste to landfill.
- **Value Chain ESG Alignment**
  Over 75% of LTF's value chain undergoes annual ESG assessments, fostering transparency, accountability, and continuous improvement through structured engagement platforms such as the Annual Value Chain Meet.

Impact

LTF's sustainable procurement initiatives have strengthened environmental performance while creating a ripple effect across its value chain by sharing following best practices during the meet:

- Reduced energy consumption through efficient infrastructure
- Significant decline in paper usage driven by digital adoption
- Increased reliance on renewable energy sources
- Improved workplace health and safety standards
- Enhanced waste diversion and circularity outcomes
- Stronger ESG alignment across suppliers and partners

LTF continues to deepen its sustainable procurement practices by expanding ESG coverage across its value chain, increasing renewable energy adoption, and leveraging data-driven insights to enhance supplier performance. LTF remains committed to building a resilient, responsible, and future-ready procurement ecosystem.

Waste Management: Moving from Disposal to Discipline

While LTF's business model does not generate manufacturing or product waste, it remains focused on reducing operational waste, improving segregation, and strengthening recycling outcomes across its footprint.

During the year, your Company prioritised better measurement before reduction.

Scaling a Zero-Waste Operational Model

LTF identified operational waste as a key lever to strengthen its environmental performance. Building on a waste management study across its top 50 branches in FY25, LTF expanded the initiative in FY26 to 50 rural meeting centres across all four zones. This expansion marked a shift from assessment to on-ground implementation, while driving awareness at the grassroots.

The initiative began by establishing a scientific baseline by quantifying waste streams. These included organic, recyclable, and e-waste, providing clarity on LTF's waste footprint. This was followed by the introduction of a standardised methodology and scoring framework to capture site-level data and map disposal pathways, enabling consistent and actionable waste management practices.

Recognising that behaviour is critical to success, LTF implemented targeted training for housekeeping staff and responsible officers. The training was supported by visual aids and behavioural nudges to ensure effective waste segregation.

Key actions included:

- Expansion of waste management coverage to rural meeting centres
- Standardised assessment and site-level waste mapping
- Behavioural training and visual interventions for segregation
- Foundation for a structured 3-stream waste segregation system

Through this phased, data-driven approach, LTF is transitioning towards a more disciplined and scalable waste management model. This approach provides a clear pathway to achieve near zero-waste maturity, supported by stronger recycler partnerships.

Parameter	Unit	FY24	FY25	FY26
Waste Generated*	MT	62.98	266.08	766.40
Waste Recycled	MT	16.96	50.86	50.79
Waste Disposed	MT	62.98	215.22	715.62

*The numbers have increased due to increased operations, manpower and change in calculation approach

Note: Increase in total waste generated and waste disposed in FY26 compared to FY25 was due to increased employee headcount, branch expansions, and increased reporting to cover 100% branches using waste management study data.

For more details about Waste Management, refer to 'BRSR Section C: Principle 6'.

Embedding Better Waste Practices

At Offices and Branches

- Segregation of wet and dry waste
- Engagement with authorised waste handlers
- Employee awareness on responsible waste disposal

At the Head Office

- Zero single-use plastic status achieved
- 100% segregation and recycling of municipal waste
- Plastic bins replaced with steel alternatives

Waste Recycling

- Increase in waste recycling from 2 branches in FY25 to 5 branches in FY26

E-Waste Management

- Centralised collection of e-waste
- Disposal through authorised recyclers
- Compliance with applicable regulatory requirements

Digitalisation as a Waste Reduction Lever

LTF's digital transformation journey plays a critical role in reducing material intensity through which LTF has managed to:

- Reduce dependence on paper-based processes
- Streamline documentation and workflows
- Lower environmental impact associated with paper production and disposal

These initiatives support LTF's broader ambition of progressing towards zero waste to landfill over time.

Creating Natural Carbon Sinks and Biodiversity Value

As part of its Carbon Neutrality roadmap, LTF is scaling nature-based solutions that deliver measurable climate mitigation, ecological restoration, and community resilience outcomes. Project Prakruti, your Company's afforestation initiative, focuses on transforming degraded, erosion-prone, and low-productivity landscapes into high-density ecological systems. These landscapes are being developed to function as long-term carbon sinks while restoring biodiversity and strengthening ecosystem services.

Notably, the intervention sites were previously classified as drylands, characterised by sparse vegetation, soil degradation, and limited faunal presence. Their transformation highlights the effectiveness of nature-based solutions to drive ecological recovery in climate-vulnerable regions.

SPOTLIGHT

Flagship Intervention:

Restoring Biodiversity

Expanding beyond a conventional plantation programme, the initiative now reflects a multi-dimensional nature-based solution, combining carbon sequestration, ecosystem restoration, and community engagement across Maharashtra and Karnataka.

Afforestation with Scientific Rigour and Landscape Sensitivity

The programme adopts a multi-model plantation strategy, including:

- Miyawaki plantations for dense, native forest regeneration
- Agro-Horticulture (AH) and Dryland Horticulture (DH) models to enhance farmer participation and long-term sustainability

Across Maharashtra's Marathwada region including Pisegaon, Bhavthana, and Salegaon. Over 68,444 native trees have been planted on degraded, semi-arid land characterised by erratic rainfall, soil erosion, and temperature extremes. The project has been validated under ISO 14064-2:2019 in FY25.

The plantation design incorporates:

- Multi-layered vegetation structures replicating natural forests
- Native species selection for ecological compatibility
- Dense planting to accelerate canopy formation and biomass growth

Biodiversity Restoration: From Degraded Land to Living Ecosystems

Independent biodiversity assessments reveal a significant ecological transition across plantation sites:

- 118 terrestrial fauna species documented, including insects, birds, mammals, reptiles, and amphibians
- 39 native flora species within plantations, with an additional 95 species in surrounding landscapes
- Evidence-based mapping using 104 georeferenced observation points, combining transect walks, point counts, and indirect indicators such as burrows, nests, and tracks

(Source: Centre for Environment Education & Development Pvt Ltd)

Following locations in Dharashiv and Beed developing as ecological sites:

- **Bhavthana:** Emerging as a functional wildlife corridor, supporting species such as blackbuck and the vulnerable woolly-necked stork
- **Pisegaon:** Acting as a biodiversity refuge within an industrial landscape, especially for birds and pollinators
- **Salegaon:** Supporting cropland bird species, linking agricultural and ecological systems

These outcomes indicate increasing habitat complexity, trophic interactions, and ecosystem stability.

Carbon Sequestration

Carbon impact is assessed through a robust MRV framework aligned with CDM methodologies and IPCC-referenced approaches, ensuring transparency and scientific credibility.

Key outcomes:

- Carbon sequestration FY26: ~1,521 tCO_2e

Methodological rigour includes:

- Permanent Sample Plots (PSPs) with DBH and height measurements
- Use of AR-TOOL14 methodology
- Standard parameters (carbon fraction: 0.47; wood density: 0.57 t d.m./m^3)
- Integration of NDVI-based remote sensing for vegetation monitoring

This structured approach ensures that climate outcomes are measurable, verifiable, and scalable.

Socio-Ecological Integration and Community Impact

Project Prakruti integrates local knowledge systems with scientific restoration, creating both ecological and social value.

Community insights include:

- Use of native species for traditional medicine (e.g., neem, Vitex negundo, aloe vera)
- Cultural integration of trees like Banyan in local traditions (e.g., Vat Purnima)
- Reported increase in pollinators such as honeybees and butterflies
- Improved groundwater levels, reduced heat, and better microclimatic conditions
- Creation of local livelihood opportunities through plantation maintenance

The introduction of **beehives** further strengthens pollination cycles and ecosystem productivity.

Environmental Co-benefits

The plantations are delivering measurable ecosystem services:

- Reduced surface temperatures through canopy development
- Improved water infiltration and groundwater recharge
- Reduced soil erosion and enhanced nutrient cycling
- Increased biomass contributing to carbon storage

These outcomes position afforestation as both a climate mitigation and adaptation solution, particularly in drought-prone regions.

Integrated Impact: A Scalable Nature-Based Model

Through Project Prakruti and associated initiatives like Jalvaibhav, LTF is demonstrating a replicable blueprint for nature-based climate action, delivering:

- Verified carbon sequestration
- Enhanced biodiversity and ecosystem resilience
- Restoration of degraded landscapes
- Strengthened community stewardship and livelihoods

By combining science, technology, and community participation, the initiative represents a high-impact, scalable model for sustainable environmental transformation.

BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT (BRSR)

SECTION A: GENERAL DISCLOSURES

I. DETAILS OF THE LISTED ENTITY

1	Corporate Identity Number (CIN) of the Listed Entity	L67120MH2008PLC181833
2	Name of the Listed Entity	L&T Finance Limited
3	Year of incorporation	2008
4	Registered office address	Brindavan, Plot No. 177, C.S.T. Road, Kalina, Santacruz (East), Mumbai- 400098, Maharashtra, India
5	Corporate address	
6	E-mail	igrc@ltfs.com
7	Telephone	+912262125000
8	Website	www.ltfinance.com
9	Financial year for which reporting is being done	FY26
10	Name of the Stock Exchange(s) where shares are listed	BSE, NSE
11	Paid-up Capital	₹ 25,04,38,60,160
12	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	Name: Apurva Rathod Telephone: 022 6212 5000 Email: igrc@ltfs.com
13	Reporting boundary Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together)	Disclosures in this report are made on a consolidated basis
14	Name of assurance provider	BDO India Services Private Limited
15	Type of assurance obtained	1) Reasonable Assurance on BRSR Core 2) Limited Assurance on select BRSR non-Core

Note: In accordance with SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the requirement for assurance was replaced with "assessment or assurance of the specified parameter". For the BRSR FY2026 report, LTF has continued to undertake Reasonable Assurance (100% of data assurance) for core indicators and Limited Assurance on select non-core indicators.

II. PRODUCTS/SERVICES

16. Details of business activities (accounting for 90% of the turnover):

Description of main activity	Description of business activity	% of turnover of the entity (FY2025-26)
Financial and insurance service	A leading diversified retail Non-Banking Financial Company lending to rural and urban customers Pan-India	98%

17. Products/services sold by the entity (accounting for 90% of the entity's turnover):

Sr. No.	Product/service	NIC Code	% of total turnover contributed
1	Retail business	64200	98%

III. OPERATIONS

18. Number of locations where plants and/or operations/offices of the entity are situated:

Location	Number of plants	Number of offices	Total
National	Not Applicable*	2,841**	2,841
International	Not Applicable#		

*The Company is not engaged in any manufacturing activities, thus number of plants is not applicable.
**Offices include 1 registered/head office and 2,840 branches across India.
#The Company has no branches/operations outside India.

19. Markets served by the entity:

a. Number of locations

Locations	Number
National (No. of states)	23 states and 04 union territories
International (No. of countries)	Not Applicable

b. What is the contribution of exports as a percentage of the total turnover of the entity?

Not Applicable. LTF is a Non-banking financial institution (NBFC), with all operations in India and does not export internationally.

c. A brief on types of customers

LTF serves the lending needs of both the urban and rural sectors and has a customer base of 2.8 Cr+

Rural Finance:

- Rural Business Finance serves rural individuals and enterprises including Rural Group Loans, Micro Finance (JLG) and Micro LAP, Farmer Finance caters to farm-equipment and agri-allied needs
- Rural customers largely consist of women entrepreneurs and farmers with a customer base of 1.8 Cr+

Urban Finance:

- Urban Finance serves the needs of individuals and business owners for products including Home Loans, Loan Against Property (LAP), Personal Loans and Two-Wheeler Finance
- Urban customers consist of salaried, self-employed, business persons and professionals with a customer base of 1 Cr+
- SME Finance serves professionals, traders and other self-employed segments
- Gold Finance caters to the financing needs of individuals through gold loans

IV. EMPLOYEES

20. Details as at the end of financial year:

a. Employees and workers (including differently abled):

Sr. No.	Particulars	Total (A)	Male		Female		Other	
			No. (B)	% (B/A)	No. (C)	% (C/A)	No. (D)	% (D/A)
	EMPLOYEES							
1	Permanent (E)	41,301	38,221	92.54%	3,080	7.46%	-	-
2	Other than Permanent (F)	-	-	-	-	-	-	-
3	**Total employees (E + F)**	**41,301**	**38,221**	**92.54%**	**3,080**	**7.46%**	**-**	**-**
	WORKERS							
4	Permanent (G)	Not Applicable*						
5	Other than Permanent (H)							
6	**Total workers (G + H)**							

*As a Non-Banking Financial Company (NBFC) operating in the service sector, LTF does not engage any "workers" as defined under the BRSR framework. All personnel are classified as employees.

b. Differently abled employees and workers:

Sr. No.	Particulars	Total (A)	Male		Female		Other	
			No. (B)	% (B/A)	No. (C)	% (C/A)	No. (D)	% (D/A)
	DIFFERENTLY ABLED EMPLOYEES							
1	Permanent (E)	9	9	100%	0	0	0	0
2	Other than Permanent (F)	0	0	0	0	0	0	
3	**Total differently abled employees (E + F)**	**9**	**9**	**100%**	**0**	**0**	**0**	**0**
	DIFFERENTLY ABLED WORKERS							
4	Permanent (G)	Not Applicable						
5	Other than permanent (H)							
6	**Total differently-abled workers (G + H)**							

21. Participation/inclusion/representation of women:

	Total (A)	No. and percentage of Females	
		No. (B)	% (B/A)
Board of Directors	7	2	29%
Key Management Personnel	3	1	33%

22. Turnover rate for permanent employees and workers:

	FY 2025-26				FY 2024-25				FY 2023-24			
	Male	Female	Other	Total	Male	Female	Other	Total	Male	Female	Oher	Total
Permanent Employees	22.8%	21.4%	-	22.7%	22.0%	23.6%	-	22.1%	25.5%	28.8%	-	25.6%
Permanent Workers	-	-	-	-	-	-	-	-	-	-	-	-

V. HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES (INCLUDING JOINT VENTURES)

23. (a) Names of holding/subsidiary/associate companies/joint ventures

Sr. No.	Name of the holding/ subsidiary/associate	Indicate whether holding/subsidiary/ associate/joint venture	% of shares held by listed	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1	Larsen & Toubro Limited	Holding	65.99%	No*
2	L&T Financial Consultants Limited	Subsidiary	100%	Yes
3	L&T Infra Investment Partners Trustee Private Limited	Subsidiary	100%	Yes
4	L&T Infra Investment Partners Advisory Private Limited	Subsidiary	100%	Yes
5	Grameen Capital India Private Limited	Associate	26%	No#

*The holding Company is an equity listed entity and accordingly has a separate BRSR
#No significant influence as per IndAS 28 and no consolidation of accounts with LTF

VI. CSR DETAILS

24.

I	II	III
Yes	17,917.03 Cr	27,983.53 Cr
Whether CSR is applicable as per section 135 of Companies Act, 2013: (Yes/No)	Turnover (in ₹)	Net worth (in ₹)

25. Transparency and disclosures compliances:

Complaints/grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in place (Yes/No) (If yes, then provide web-link for grievance redress policy)	FY 2025-26 (Current financial year)			FY 2024-25 (Previous financial year)		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	Yes (https://www.ltfinance.com/docs/default-source/default-document-library/csr-and-esg-committee-csr-policy/csr-policy-fy27.pdf)	0	0	-	0	0	-
Investors* (other than shareholders)	Yes (https://www.ltfinance.com/grievance-redressal)	22	1	-	22	0	-
Shareholders	Yes (https://www.ltfinance.com/contact-us/get-intouch)	7	0	-	0	0	-

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in place (Yes/No) (If yes, then provide web-link for grievance redress policy)	FY 2025-26 (Current financial year)			FY 2024-25 (Previous financial year)		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Employees	Yes (https://www.ltfinance.com/docs/default-source/corporatedisclosure/policy-on-vigil-mechanism_.pdf)	50	0	-	5	1	-
Customers	Yes (https://www.ltfinance.com/grievance-redressal)	13,877	383	-	16,794	773	-
Value Chain Partners	Yes [(Third-Party Code of Conduct) https://www.ltfinance.com/docs/default-source/default-document-library/sutainability/policies/third-party-code-of-conduct.pdf]	0	0	-	0	0	-
Other	-	-	-	-	-	-	-

*Holders of Non-Convertible Debentures
All pending cases for FY26 will be resolved within guidelines specified, if any

26. Overview of the entity's material responsible business conduct issues:

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format.

Based on the Double Materiality Assessment (DMA) conducted with internal and external stakeholders, LTF evaluates sustainability through two complementary perspectives: Impact Materiality and Financial Materiality. The assessment identified 17 material topics that present risks, opportunities, or both Here is an overview of the material topics:

Sr. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1	Legal and Regulatory Compliance	Risk and Opportunity	NBFCs operate in a highly regulated environment, non-compliance may lead to penalties, restrictions and reputational loss. Regulatory engagement and adoption of compliance frame-work positions LTF as a preferred partner for regulators opening access to new business segments	Strong compliance framework, automated regulatory monitoring tools, internal audits, policy reviews, and periodic board oversight	Avoidance of penalties, improved regulatory standing, reduced legal costs

Sr. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
2	Corporate Governance and Ethics	Risk and Opportunity	Strong governance enhances investor confidence, strengthens long-term sustainability, and reduces misconduct risks Governance plays a significant role in standardisation of procedures and accountability, if not addressed can result into lapses and negligence	Independent Board oversight, robust ESG governance structure, Code of Conduct, whistle-blower mechanism	Higher investor trust, lower governance risk premium, long-term value creation
3	Risk and Crisis Management	Risk	Credit, liquidity, climate, cyber, and operational risks can impact portfolio stability	Enterprise Risk Management (ERM), climate risk assessment, early-warning signals through analytics, stress testing	Stable asset quality, reduced credit losses, better capital allocation
4	Innovation and Digitisation	Opportunity	Digital-first approach improves scale, reduces cost-to-serve, enhances customer experience	AI-led underwriting, Straight-Through Processing (STP), data-driven decisioning, digital collections	Reduced operational costs, higher productivity, increased customer acquisition
5	Privacy and Data Security	Risk	Data breaches can cause legal liabilities and loss of customer trust	Strong information security controls, ISO standards, encryption, data minimisation, cybersecurity audits	Avoided breach costs, maintained customer trust, reduced regulatory exposure
6	Return on Equity/Return to Shareholders	Opportunity	Optimising capital efficiency strengthens shareholder value	Balanced asset growth, prudent risk management, cost optimisation, responsible lending	Improved ROE, stable returns, enhanced market valuation
7	Customer Experience and Satisfaction	Opportunity	Better customer journeys increase loyalty and retention	Digital journeys, support in regional languages, grievance redressal frameworks, app-based journeys	Higher cross-sell, improved repayments, customer-led growth
8	Climate and Decarbonisation Strategy	Risk and Opportunity	Climate events impact credit performance; transition finance opportunities are growing	Carbon neutrality roadmap, green branches, renewable energy shift, EV financing, PCAF membership	Lower operating footprint, new green revenue pools, climate-aligned portfolio growth
9	Financial Inclusion	Opportunity	Serving rural/underserved segments expands market reach	Digital-first loans, rural reach strategies, STP journeys, assisted models, Social Impact programs (Digital Sakhi)	Portfolio expansion, new customer segments, stable ticket-size loan book
10	Sustainable and Responsible finance	Opportunity	Growing demand for green, inclusive, and sustainability-aligned financial products	Product screening, E&S tagging, exclusion list, responsible lending policy, climate-aligned product development	New sustainable finance portfolio, lower risk-weighted assets, improved sustainability scores
11	Human Capital Development	Opportunity	Skilled and engaged workforce enhances competitiveness	Capability building, digital upskilling, performance-linked training, retention programs	Higher productivity, lower attrition cost, stronger internal talent pipeline
12	Sustainable Value Chain	Opportunity	Building a responsible vendor ecosystem reduces operational risk	Vendor due-diligence, ESG criteria in procurement, onboarding standardisation, data security compliance	Reduced vendor risk, cost efficiency, strengthened supply chain reliability
13	Diversity, Equity and Inclusion	Opportunity	DEI drives innovation, performance, and culture	DEI policy, leadership goals, women-focused hiring, inclusive workplace practices, grievance redressal	Higher innovation, better talent attraction, reduced turnover cost
14	Geopolitical Risks	Risk	Global disruptions may impact supply chains, inflation, and financial markets	Scenario planning, diversified sourcing, monitoring macroeconomic indicators	Reduced exposure to volatility and economic shocks
15	Operational Eco-Efficiency	Opportunity	Reduce the overall environmental footprint (waste, water, and energy, among others) of the Company	Investing in energy-efficient infrastructure and renewable energy sources optimising operational processes to reduce waste	Cost savings from energy, waste, and resource efficiency improvements
16	Human Rights Protection	Risk	Non-compliance with human rights norms impacts reputation and legal standing Developing proactive human rights initiatives that align with global standards, partnering with organisations that promote and protect human rights and promoting transparency and responsible business practices across all operations.	Human rights policy, vendor screening, customer protection frameworks, dignified collections	Avoided legal/ operational risks; strengthened brand trust
17	Community Development	Opportunity	Community investment enhances goodwill, reduces social risk, and supports inclusive growth	CSR initiatives (Project Prakruti, water conservation, SHG empowerment, Digital Sakhi 2.0)	Social license to operate, stronger rural brand presence, long-term customer relationship building

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

PRINCIPLE DESCRIPTION

P1 Businesses should conduct and govern themselves with integrity, and in a manner that is ethical, transparent and accountable

P2 Businesses should provide goods and services in a manner that is sustainable and safe

P3 Businesses should respect and promote the well-being of all employees, including those in their value chains

P4 Businesses should respect the interests of and be responsive to all its stakeholders

P5 Businesses should respect and promote human rights

P6 Businesses should respect and make efforts to protect and restore the environment

P7 Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

P8 Businesses should promote inclusive growth and equitable development

P9 Businesses should engage with and provide value to their consumers in a responsible manner

Disclosure Questions		P1	P2	P3	P4	P5	P6	P7	P8	P9
POLICY AND MANAGEMENT PROCESSES										
1. a.	**Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)**	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
b.	**Has the policy been approved by the Board? (Yes/No)**	Yes								
c.	**Web link of the policies, if available**	Please refer the section policy compendium for the list of policies: https://www.ltfinance.com/investors/details?module=cd&sec=governance&cdcat=Policies+And+Code https://www.ltfinance.com/sustainability								
2.	**Whether the entity has translated the policy into procedures. (Yes/No)**	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
3.	**Do the enlisted policies extend to your value chain partners? (Yes/No)**	Yes The Company's policy extends to the value chain partners through its Third-Party Code of Conduct (TPCoC) policy								

4. Name of the national and international codes/certifications/labels/standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) mapped to each principle.

The Company adheres to globally recognised standards and frameworks such as:

- UN Sustainability Development Goals (SDGs)
- UN Guiding Principles on Business and Human Rights (UNGPs)

The Company is signatory to:

- United Nations Global Compact (UNGC)
- Partnerships for Carbon Accounting Financial (PCAF)

The Company's Sustainability performance is aligned with leading reporting frameworks, including

- Global Reporting Initiative (GRI) Standards
- The International Capital Markets Association (ICMA)
- International Integrated Annual Reporting Council (IIRC)

The Company has adopted the following certifications and standards mapped to NGRBC principles:

Principle 1: ISO 20000:2018 (Information Technology – Service Management), ISO 9001:2015 (Quality Management Systems)

Principle 2, 4, 5, 6: ISO 41001:2018 (Facilities Management System), Green Building Certificate, ISO 14064-2:2019 (Greenhouse gases — Part 2: Specification with guidance at the project level for quantification, monitoring, and reporting of greenhouse gas emission reductions or removal enhancements)

Principle 3: ISO 45001:2018 (Occupational Health and Safety Management System)

Principle 8: ISO 26000:2010 (Guidance on social responsibility)

Principle 5, 9: ISO 27001:2022- Information Security Management Systems (ISMS)

5. Specific commitments, goals and targets set by the entity with defined timelines, if any.

Yes

MEDIUM-TO-LONG-TERM TARGETS

- Become carbon neutral by FY35
- Increase the share of women representation to 8% of the total workforce by FY30
- Improve customer satisfaction rate (NPS Score) to 70 by FY29
- Improve accessibility to workplace for Persons with Disability (PwDs) for all large offices and major branches by FY29
- Achieve ISO 37701:2019 Compliance Management Certification by 2028
- Increase awareness on digital and financial inclusion amongst 1 Cr community members by FY28
- Achieve 3x increase in villages covered through CSR activities by FY28 compared to FY24
- Expanding green cover by planting 5 lakh horticulture saplings, thereby augmenting farmers' income by FY28
- Quarterly consumer awareness programmes including cybersecurity awareness for customers across various social media platforms and other sources till FY27
- Encourage sustainable product financing by financing 90,000 EVs by FY27
- Achieve ISO 45001:2018 certification at 4 large offices/branches and ensure periodic reviews for compliance by FY27
- Achieve ISO 14001 Certification for Environmental Management System for Head Office by FY27

SHORT-TERM TARGETS

- Engagement of Independent Director(s) with external stakeholders once a year
- Train risk team on ESG issues and its role in risk management in FY26
- Drive digital collections of more than ₹ 3,000 Cr through PLANET App in FY26
- 5 Cr service resolutions through the PLANET App in FY26
- Roll out chatbot facility to guide customers on cybersecurity and safety in FY26
- Achieve sustainability focused loan/PSL of ₹ 1,000 Cr every quarter. (annual target ₹ 4,000 Cr) for FY26
- Support 75,000 farmers through Farmer Finance in FY26
- Undertake employee engagement survey in FY26
- Achieve 30,000 hours of employee training on ESG by FY26
- Achieve an average of 35 hours of training across all employee categories in FY26
- 100% of employees to be trained on occupational health and safety practices in FY26
- Conduct Hazard Identification and Risk Assessment (HIRA) at 25 branches, including zonal and small offices, to proactively identify hazards, assess risks, and implement measures for accident prevention and a safe working environment
- Conduct annual value chain awareness on human rights in FY26
- Increase the share of women representation to 18% in Senior Management positions by FY26
- Increase the share of women representation to 15% in Middle and Senior Management positions by FY26
- Maintain 100% e-waste recycling rate in FY26
- Increase disclosure on purchased goods beyond paper waste generation in FY26
- Maintain Water Positive/Surplus status in FY26

6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met:

	TARGET	STATUS
1.	Achieve Sustainability focused loan/PSL of ₹1,000 Cr every quarter. (Annual Target ₹4000 Cr) for FY26	Raised ₹18,220 Cr
2.	Increase Independent Director engagement with stakeholders once a year for each independent director in FY26	Ensured periodic engagement of all Independent Directors with external stakeholders
3.	Train Risk team on ESG issues and its role in risk management in FY26	Training completed
4.	Roll out Chatbot facility to guide customers on cyber security and safety in FY26	KAI chatbot equipped with cybersecurity FAQs
5.	Achieve 30,000 hours of employee training in ESG by FY26	Achieved 40,295 hours
6.	Support 75,000 number of farmers through Farmer Finance in FY26	1,52,490 farmers supported
7.	Undertake employee engagement survey in FY26	89% of employee participated and completed the GPTW survey
8.	Achieve an average of 35 hours of training across all employee categories by FY26	Achieved average 47.96 hours of training
9.	Drive digital collections of more than ₹3,000 Cr through PLANET app in FY26	₹ 5,782 Cr collected
10.	Service 5 Cr service resolutions through the PLANET app in FY26	5.96 Cr customer service resolutions delivered
11.	Become carbon neutral by FY35	On track
12.	Achieve ISO 37701:2019 Compliance Management Certification by 2028	Certification planned in FY28
13.	Improve customer satisfaction rate (NPS Score) to 70 by FY29	NPS score: 60 in FY26
14.	Quarterly consumer awareness programs including cyber security awareness for customers across various social media platforms and other sources till FY27	Communication on Cybersecurity through various channels on track
15.	Encourage sustainable product financing by financing 90,000 EVs by FY27	62,023 EVs financed
16.	100% of employees to be trained on occupational health and safety practices in FY26	Training completed
17.	Achieve ISO 45001:2018 certification at 4 large offices/ branches and ensure periodic reviews for compliance by FY27	Certification in place for 3 large offices/branches (including head office) in FY26

	TARGET	STATUS
18.	Conduct Hazard Identification & Risk Assessment (HIRA) at 25 branches, including zonal and small offices, to proactively identify hazards, assess risks, and implement measures for accident prevention and a safe working environment.	HIRA conducted for 28 branches
19.	Conduct annual value chain awareness on human rights in FY26	Annual value chain meeting conducted
20.	Increase the share of women representation to 18% in Senior Management positions by FY26	13.85%
21.	Increase the share of women representation to 15% in middle and Senior Management positions by FY26	10.40%
22.	Increase the share of women representation to 8% of the total workforce by FY30	7.46% woman representation as of FY26
23.	Improve Accessibility to workplace for Persons with Disability (PwDs) for all large offices and major branches by FY29	100% accessibility for PwD across all large branches (15,000 sq. ft.)
24.	Maintain 100% E-waste recycling rate in FY26	Maintained
25.	Increase disclosure on purchased goods beyond paper waste generation in FY26	Disclosure made for all categories under scope 3
26.	Maintain the water positive or surplus status in FY26	Maintained
27.	Achieve ISO 14001 Certification for Environmental Management System for HO by FY27	Certification planned in FY27
28.	Increase awareness on digital and financial inclusion amongst 10 million community members by FY28	Awareness created for 6.9 million+ community members
29.	Achieve 3x increase in villages covered through CSR activities by FY28 compared to FY24	4,959 villages covered, i.e., 2.7x in FY26
30.	Expanding green cover by planting 5 lacs horticulture sapling, thereby augmenting farmers income by FY28	2.68 lakh saplings planted by FY26

Target was taken in FY22. Considering the employee mix, the Company has undertaken various initiatives towards increasing the women workforce at the field level (on-ground) and at the branch level, which witnessed a significant jump vis-à-vis previous years. This has led to an increase in the women workforce at the junior level vis-à-vis middle and senior management.

GOVERNANCE, LEADERSHIP AND OVERSIGHT

7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure)

Sustainability is deeply embedded in the Company's strategic intent and is central to how we define long-term value creation. Over the years, LTF has steadily strengthened its ESG framework and is recognised as one of the most sustainable companies in the NBFC sector, reflecting the consistency, discipline, and purpose that guides the organisation's sustainability journey. We have formulated sustainability targets across environmental, social, and governance dimensions and disclosed both the targets and the achievements in this year's Integrated Annual Report. Below is a brief description of our progress under E.S.G.

Environment

The Company is making steady progress toward its key environmental targets and remains firmly committed to achieving carbon neutrality by FY35. LTF has successfully maintained water-positive status through sustained conservation efforts for the last four consecutive years. By financing 62,023 electric vehicles (EVs), LTF successfully avoided 12,140 tCO_2e in emissions. We also continue to drive energy efficiency initiatives across our branches and offices to ensure responsible resource utilisation. This year, we piloted solar rooftop solutions at select leased branches, marking an important step towards cleaner energy adoption across our operations.

Social

The Company has been re-certified as a Great Place To Work® for a second consecutive year. The score improved from 82 to 84 for FY25, supported by a significant jump in employee participation from 73% to 89%, reaffirming our high-trust culture of credibility, respect, and fairness. Our focus on operational excellence and employee well-being is reinforced through structured Hazard Identification and Risk Assessment (HIRA) processes and ISO 45001 certifications across our larger offices and branches. We have made meaningful progress in building a more inclusive workplace. Women's representation in our workforce has grown to 7.4% from 5.4% last year, reflecting our sustained commitment to diversity, equity and inclusion and making our large branches PwD-friendly. Additionally, our focus on customer satisfaction resulted in a strong overall Net Promoter Score (NPS) of 60.

Through CSR interventions, the Company touched the lives of over 17.30 lakh+ beneficiaries this year. Our CSR flagship Digital Sakhi program reached over 15.80 lakh beneficiaries, empowering more than 8.18 lakh women with digital and financial literacy, and fostering 11,000 women entrepreneurs. Our climate-focused Jalvaibhav project sustained a replenishment of over 265 lakh kiloliters of water across Maharashtra and Karnataka. In times of need, our disaster response initiatives supported over one lakh beneficiaries.

Governance

Our commitment to strong governance is reflected in our board composition, over 50% of our board is independent, with women comprising half of those roles, and independent members chair all eligible statutory committees. This year, we further strengthened our governance architecture by establishing dedicated working groups to oversee and drive our sustainability agenda, ensuring greater accountability and structured oversight across ESG commitments.

Aligning with global best practices, we became a signatory to the United Nations Global Compact this year, reaffirming our commitment to universally accepted principles on human rights, environment, and governance. The Company also won accolades for data integrity, marketing, and communications from other institutions. Our commitment to ESG and social impact earned us the Institute of Company Secretaries' Business Responsibility & Sustainability (BRS) Award and Mahatma Awards, alongside multiple CSR honours.

As we look ahead, we remain confident that the solid foundation established enables us to deliver steady outcomes and create long-term value for all stakeholders. Across environment, social, and governance, we have demonstrated that sustainability and business performance are priorities. Having met our publicly committed sustainability targets for FY26, we enter the next phase of our journey with promising targets, deeper accountability, and an unwavering commitment to responsible growth.

8. Details of the highest authority responsible for implementation and oversight of the business responsibility policy/policies

Sudipta Roy, Managing Director and Chief Executive Officer

9. Does the entity have a specified Committee of the Board/Director responsible for decision making on sustainability related issues? (Yes/No). If yes, provide details.

Yes, CSR and Sustainability Committee. The role of the Corporate Social Responsibility (CSR) and Sustainability Committee is crucial in ensuring that the Company operates in a responsible and sustainable manner. The CSR and Sustainability Committee has been constituted by Board, with an Independent Director being the chairperson and 2/3rd of the members being Independent Directors. The said Committee is responsible for formulation of action plan and guidelines/policies on both, CSR as well as sustainability matters. The progress on various sustainability targets adopted by the Company is reviewed periodically by the said committee.

Composition of Committee

Name of the Committee Member	Designation	Nature of Directorship
Dr. Rajani R. Gupte	Chairperson	Independent Director
Mr. Sudipta Roy	Member	Managing Director and Chief Executive Officer
Dr. R. Seetharaman	Member	Independent Director

10. Details of Review of NGRBCs by the Company:

Subject for Review	Indicate whether review was undertaken by Director/Committee of the Board/Any other Committee									Frequency (annually/half yearly/ quarterly/any other – please specify)								
	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
Performance against above policies and follow up action.	LTF has established a structured mechanism to monitor performance against these policies, including ethics, sustainability, human rights, social and environmental commitments. Compliance is assessed through periodic internal reviews, audits, and governance oversight at the management and Board level, supported by defined KPIs and control frameworks. As part of its value chain governance, the Company has implemented a Third-party Code of Conduct (TPCoC) and a Sustainable Procurement Policy, which extend its ESG criteria to suppliers, vendors, and partners as applicable.																	
Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances.	The Company complies with the extant regulations and principles are as applicable. There were no material noncompliances with respect to statutory/regulatory requirements.																	

11. Has the entity carried out independent assessment/evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency:	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
	The Company policies and processes are subject to periodic evaluation through internal governance mechanism and independent reviews, where applicable, including evaluation by internal auditor and domain expert to ensure effectiveness, compliance and continuous improvement.								

12. If answer to question (1) above is "No" i.e. not all Principles are covered by a policy, reasons to be stated:

Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
The entity does not consider the Principles material to its business (Yes/No)	Not Applicable								
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)									
The entity does not have the financial or/human and technical resources available for the task (Yes/No)									
It is planned to be done in the next financial year (Yes/No)									
Any other reason (please specify)									

SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

This section is aimed at helping entities demonstrate their performance in integrating the Principles and Core Elements with key processes and decisions. The information sought is categorized as "Essential" and "Leadership". While the essential indicators are expected to be disclosed by every entity that is mandated to file this report, the leadership indicators may be voluntarily disclosed by entities which aspire to progress to a higher level in their quest to be socially, environmentally, and ethically responsible.

Principle 1

Businesses should conduct and govern themselves with integrity, and in a manner that is ethical, transparent and Accountable.

Essential Indicators

1. PERCENTAGE COVERAGE BY TRAINING AND AWARENESS PROGRAMMES ON ANY OF THE PRINCIPLES DURING THE FINANCIAL YEAR:

Segment	Total number of training and awareness programmes held	Topics/principles covered under the training and its impact	%age of persons in respective category covered by the awareness programmes
Board of Directors	7	**Principle 1, 2, 6 and 8:** 1) Macro environment 2) Industry outlook 3) IT, Data Analytics and Digital 4) Information and Security Awareness 5) CSR and Sustainability 6) Marketing strategies	100%
Key Managerial Personnel	25	**Principle 1, 2, 3, 5, 6 and 8:** 1) Prevention of Sexual Harassment 2) Culture of Compliance 3) Goal Alignment and Ideation Workshop 4) Finance for Non Finance 5) Google Workspace & Gemini AI Training 6) Gemini in Action - An AI Democratization Session 7) Level Up - Receiving and Giving Feedback 8) Climate Risk Training 9) Leading with Trust 10) Vigil Mechanism 11) Anti Money Laundering &Know your Customer 12) Code of Conduct 13) Operational Risk Management 14) Environment Social Governance 15) Information Security 16) Organizational Excellence Through Leadership 17) High Performance Leadership 18) Wharton - Advanced Management Program 19) INSEAD - Business Sustainability Program	100%

Segment	Total number of training and awareness programmes held	Topics/principles covered under the training and its impact	%age of persons in respective category covered by the awareness programmes
Employees other than BoD and KMPs	2,897	**Principle 1, 2, 3, 5, 6 and 8:** 1) Anti Money Laundering &Know your Customer 2) Code of Conduct [CoC] 3) Environment Social Governance [ESG] 4) Vigil Mechanism 5) Operational Risk Management 6) POSH 7) Information Security	100%*
Workers	Not Applicable		

*Data pertains to employees as on December 31st, 2025

2. DETAILS OF FINES/PENALTIES/PUNISHMENT/AWARD/COMPOUNDING FEES/SETTLEMENT AMOUNT PAID IN PROCEEDINGS (BY THE ENTITY OR BY DIRECTORS/KMPS) WITH REGULATORS/LAW ENFORCEMENT AGENCIES/ JUDICIAL INSTITUTIONS, IN THE FINANCIAL YEAR, IN THE FOLLOWING FORMAT (NOTE: THE ENTITY SHALL MAKE DISCLOSURES ON THE BASIS OF MATERIALITY AS SPECIFIED IN REGULATION 30 OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE OBLIGATIONS) REGULATIONS, 2015 AND AS DISCLOSED ON THE ENTITY'S WEBSITE):

MONETARY

	NGRBC Principle	Name of the regulatory/ Enforcement agencies/ judicial institutions	Amount (in ₹)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Penalty/Fine	-	Nil	Nil	-	-
Settlement	-	Nil	Nil	-	-
Compounding fee	-	Nil	Nil	-	-

NON-MONETARY

	NGRBC Principle	Name of the regulatory/ Enforcement agencies/ judicial institutions	Brief of the Case		Has an appeal been preferred? (Yes/No)
Imprisonment	-	Nil	Nil	-	
Punishment	-	Nil	Nil	-	

3. OF THE INSTANCES DISCLOSED IN QUESTION 2 ABOVE, DETAILS OF THE APPEAL/REVISION PREFERRED IN CASES WHERE MONETARY OR NON-MONETARY ACTION HAS BEEN APPEALED:

Case Details	Name of the regulatory/enforcement agencies/judicial institutions
Nil	

4. DOES THE ENTITY HAVE AN ANTI-CORRUPTION OR ANTI-BRIBERY POLICY? IF YES, PROVIDE DETAILS IN BRIEF AND IF AVAILABLE, PROVIDE A WEB-LINK TO THE POLICY:

Yes. LTF has an anti-corruption policy in place. The policy outlines the Company's commitment to complying with laws, rules and regulations governing officials with respect to the Company's business and other stakeholders. The policy prohibits any form of bribery or corrupt practices and provides guidance to help the Company's employees in identifying and avoiding situations that could potentially result in a violation of anti-bribery and anti-corruption laws or create any appearance of impropriety.

This policy is applicable to all Directors, officers, and employees, as well as third-parties acting on behalf of the Company in India as well as in foreign jurisdictions.

Link to the policy: https://www.ltfinance.com/docs/default-source/corporatedisclosure/anti-corruption-policy.pdf

5. NUMBER OF DIRECTORS/KMPS/EMPLOYEES/WORKERS AGAINST WHOM DISCIPLINARY ACTION WAS TAKEN BY ANY LAW ENFORCEMENT AGENCY FOR THE CHARGES OF BRIBERY/CORRUPTION:

	FY 2025-26 (Current financial year)	FY 2024-25 (Previous financial year)
Directors	0	0
KMPs	0	0
Employees	0	0
Workers	Not Applicable	Not Applicable

6. DETAILS OF COMPLAINTS WITH REGARD TO CONFLICT OF INTEREST:

	FY 2025-26 (Current financial year)		FY 2024-25 (Previous financial year)	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	0	-	0	-
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	0	-	0	-

7. PROVIDE DETAILS OF ANY CORRECTIVE ACTION TAKEN OR UNDERWAY ON ISSUES RELATED TO FINES/ PENALTIES/ACTION TAKEN BY REGULATORS/LAW ENFORCEMENT AGENCIES/JUDICIAL INSTITUTIONS, ON CASES OF CORRUPTION AND CONFLICTS OF INTEREST:

Not Applicable

8. NUMBER OF DAYS OF ACCOUNTS PAYABLES ((ACCOUNTS PAYABLE *365)/COST OF GOODS/SERVICES PROCURED):

	FY 2025-26 (Current financial year)	FY 2024-25 (Previous financial year)
Number of days of accounts payables	2.33	4.18

9. OPEN-NESS OF BUSINESS:

Provide details of concentration of purchases and sales with trading houses, dealers, and related parties along-with loans and advances & investments, with related parties, in the following format:

	Metrics	FY 2025-26 (Current financial year)	FY 2024-25 (Previous financial year)
Concentration of purchases	a. Purchases from trading houses as % of total purchases	Not Applicable	
	b. Number of trading houses where purchases are made from		
	c. Purchases from top 10 trading houses as % of total purchases from trading houses		
Concentration of sales*	a. Sales to dealers/distributors as % of total sales	Not Applicable	
	b. Number of dealers/distributors to whom sales are made		
	c. Sales to top 10 dealers/distributors as % of total sales to dealers/distributors		
Share of RPTs in	a. Purchases (Purchases with related parties/Total Purchases)	6.59%	6.57%
	b. Sales (Sales to related parties/ Total Sales)	0	0
	c. Loans & advances (Loans & advances given to related parties/Total loans & advances)	0	0
	d. Investments (Investments in related parties/Total Investments made)	0	0

*We have over 14,000+ distribution touch points through which we distribute our financial services products wherein customers who come to purchase farm equipment or two-wheeler may choose our services. These distribution touch points includes authorised dealers of farm and two - wheeler OEMs with whom we have tie-ups wherein we are present in their dealerships as a financier. Similarly, for our Personal Loans and Home Loans business, we have tie-ups with Direct Selling Agents ('DSA') and developers through which customers may choose to avail home loans, loan against property, personal loans and SME finance. However, all loans are disbursed directly by LTF and these tie ups with DSAs and developers are customer touchpoints only. Therefore, this performance indicator is not applicable in case of our business mode

Leadership Indicators

1. AWARENESS PROGRAMMES CONDUCTED FOR VALUE CHAIN PARTNERS ON ANY OF THE PRINCIPLES DURING THE FINANCIAL YEAR:

Total number of awareness programmes held	Topics/principles covered under the training	%age of value chain partners covered (by value of business done with such partners) under the awareness programmes
2	All 9 principles	>75%

LTF conducted awareness programs, aligned with NGRBC principles. As part of this initiative, LTF hosted its annual sustainability value chain partners connect event in December 2025 focusing on ESG criteria and responsible business conduct.

Key stakeholders, including eminent Indian banks, multilateral institutions, investors, and LTF's value chain partners, engaged in discussions on sustainability excellence, transparency, and shared accountability. The sessions covered double materiality, featuring financial implications of sustainability risks and their wider environmental and social impacts. The agenda highlighted financed emissions, focusing on climate accountability and the importance of accurate measurement and disclosure. Human rights was addressed, emphasising fair practices, non-discrimination, and responsible conduct the value chain.

Advancing its sector leadership, LTF hosted the inaugural PCAF India Summit in February 2026, strategically aligned with Mumbai Climate Week. The summit brought together financial institutions, accredited partners, regulators, industry leaders, and sustainability practitioners to collectively advance climate accountability. LTF continues to contribute to the development of robust methodologies for measuring financed emissions, strengthening climate transparency and accurate disclosure within the Indian financial sector.

By adopting a proactive approach to embedding sustainability principles through its TPCoC and Third-party assessments, LTF continues to drive accountability, strengthen climate-resilient practices, and enables sustainable commitments beyond its direct operations through structured partnerships and collaborations.

2. DOES THE ENTITY HAVE PROCESSES IN PLACE TO AVOID/MANAGE CONFLICT OF INTERESTS INVOLVING MEMBERS OF THE BOARD? (YES/NO) IF YES, PROVIDE DETAILS OF THE SAME:

Yes. As per LTF's Code of Conduct applicable to Non-Executive Directors, the Directors cannot be involved in a situation in which they may have a direct or indirect interest that conflicts or possibly may conflict with the interest of the Company. The Directors mandatorily confirm annually that they have no conflict of interest with the Company. The Company follows the principle of 'no conflict of interest' while inducting a Director on its Board and maintains the same throughout the Board member's tenure, as per regulatory requirements.

Further, the secretarial auditor, once every year, verifies the declaration given by the Directors confirming that there is no circumstance or situation, which could impair or impact ability of a Director to discharge duties with an objective independent judgement and without any external influence.

Principle 2 **Businesses should provide goods and services in a manner that is sustainable and safe.**

Essential Indicators

1. PERCENTAGE OF R&D AND CAPITAL EXPENDITURE (CAPEX) INVESTMENTS IN SPECIFIC TECHNOLOGIES TO IMPROVE THE ENVIRONMENTAL AND SOCIAL IMPACTS OF PRODUCT AND PROCESSES TO TOTAL R&D AND CAPEX INVESTMENTS MADE BY THE ENTITY, RESPECTIVELY:

	FY 2025-26 (Current financial year)	FY 2024-25 (Previous financial year)	Details of improvements in environmental and social impacts
R&D	-	-	-
Capex	-	-	-

In FY26, LTF invested ₹ 10.83 Cr on 'Project Cyclops its proprietary, AI-ML-based credit engine that offers deep customer insights by analysing bureau data, account aggregators, and alternate trust signals. Project Cyclops has significantly reduced delinquencies and improved efficiency. The Company also allocated ₹ 32.25 Cr for 'Project Nostradamus' an AI-driven, real-time portfolio monitoring and management engine.

2.

a. Does the entity have procedures in place for sustainable sourcing? (Yes/No)

Yes

LTF integrates sustainable sourcing through, the 'Sustainable Procurement Policy'. The policy integrates sustainability considerations into sourcing and supplier engagement through a structured approach.

b. If yes, what percentage of inputs were sourced sustainably?

0.1%

Aligned with the Sustainability Procurement policy, LTF has procured energy-efficient equipment, including 5-star rated ACs, to reduce energy consumption and recycled materials wherever feasible to support its environmental and sustainable objectives.

3. DESCRIBE THE PROCESSES IN PLACE TO SAFELY RECLAIM YOUR PRODUCTS FOR REUSING, RECYCLING AND DISPOSING AT THE END OF LIFE, FOR (A) PLASTICS (INCLUDING PACKAGING) (B) E-WASTE (C) HAZARDOUS WASTE AND (D) OTHER WASTE:

LTF does not manufacture any product that needs to be reclaimed for reusing, recycling and disposing at the end of life. The Company has taken up and achieved the target of Zero-Single Use plastic at its corporate office and uses steel bins instead of plastic bins for disposal of waste generated. Through awareness on recycling and segregation of waste, LTF encourages sustainable ways of handling its waste and has appointed a certified waste segregator at Head Office as part of its action towards zero waste to landfill.

The Company remains committed to a circular economy, ensuring that 100% of e-waste generated is processed through authorised recyclers. In FY26, LTF significantly scaled its environmental oversight by partnering with independent experts to conduct detailed waste assessments across an additional 50 branches. This expansion brings its total coverage to 100 branches, providing actionable insights that allow the Company to continuously refine waste management practices across the branch network. LTF does not generate hazardous waste in course of its core business operations.

Additionally, the Company follows a procedure where expired fire extinguishers are disposed in an environmentally responsible manner. This material is handled by an authorised third-party vendor, who provides necessary documentation and certification upon the completion of disposal or recycling.

4. WHETHER EXTENDED PRODUCER RESPONSIBILITY (EPR) IS APPLICABLE TO THE ENTITY'S ACTIVITIES (YES/NO):

No. As an NBFC, LTF is engaged in providing financial services and does not manufacture, sell, or distribute any physical products. Therefore, it is not applicable.

If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.

Not Applicable

Leadership Indicators

1. HAS THE ENTITY CONDUCTED LIFE CYCLE PERSPECTIVE/ASSESSMENTS (LCA) FOR ANY OF ITS PRODUCTS (FOR MANUFACTURING INDUSTRY) OR FOR ITS SERVICES (FOR SERVICE INDUSTRY)? IF YES, PROVIDE DETAILS IN THE FOLLOWING FORMAT?

NIC Code	Name of product/ service	% of total turnover contributed	Boundary for which the life cycle perspective/ Assessment was conducted	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No) If yes, provide the web-link.
No*					

*LTF has undertaken estimation of its financed emissions on select portfolios annually since FY24.

2. IF THERE ARE ANY SIGNIFICANT SOCIAL OR ENVIRONMENTAL CONCERNS AND/OR RISKS ARISING FROM PRODUCTION OR DISPOSAL OF YOUR PRODUCTS/SERVICES, AS IDENTIFIED IN THE LIFE CYCLE PERSPECTIVE/ ASSESSMENTS (LCA) OR THROUGH ANY OTHER MEANS, BRIEFLY DESCRIBE THE SAME ALONG-WITH ACTION TAKEN TO MITIGATE THE SAME:

Name of Product/Service	Description of the risk/concern	Action Taken
Not Applicable		

3. PERCENTAGE OF RECYCLED OR REUSED INPUT MATERIAL TO TOTAL MATERIAL (BY VALUE) USED IN PRODUCTION (FOR MANUFACTURING INDUSTRY) OR PROVIDING SERVICES (FOR SERVICE INDUSTRY):

Indicate input material	Recycled or re-used input material to total material	
	FY 2025-26 (Current financial year)	FY 2024-25 (Previous financial year)
Recycled paper*	92%	87%
E- Waste**	100%	100%

*Percentage of A4 recycled paper used in LTF's business operations, mainly desktop and partly business stationery. Business stationery that is required to be preserved as per regulatory guidelines is excluded.
**Percentage of e-waste recycled represents IT equipment including desktops, laptops and peripheral devices processed through authorised recyclers.

4. OF THE PRODUCTS AND PACKAGING RECLAIMED AT END OF LIFE OF PRODUCTS, AMOUNT (IN METRIC TONNES) REUSED, RECYCLED, AND SAFELY DISPOSED OF:

Not Applicable. As a Non-banking Financial Company (NBFC) providing financial services, LTF does not manufacture any product which needs to be safely reclaimed for reusing, recycling and disposing at the end of life.

	FY 2025-26 (Current financial year)			FY 2024-25 (Previous financial year)		
	Re-Used	Recycled	Safely Disposed	Re-Used	Recycled	Safely Disposed
Plastics (including packaging)	Not Applicable					
E-waste						
Hazardous waste						
Other waste						

5. RECLAIMED PRODUCTS AND THEIR PACKAGING MATERIALS (AS PERCENTAGE OF PRODUCTS SOLD) FOR EACH PRODUCT CATEGORY:

Indicate product category	Reclaimed products and their packaging materials as % of total products sold in respective category
Not Applicable	

Principle 3 — Businesses should respect and promote the well-being of all employees, including those in their value chains

Essential Indicators

1. a. Details of measures for the well-being of employees:

Category	Total (A)	% of employees covered by									
		Health insurance		Accident insurance		Maternity benefits		Paternity benefits		Day Care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent employees											
Male	38,221	38,221	100%	38,221	100%	0	0	38,221	100%	0	0
Female	3,080	3,080	100%	3,080	100%	3,080	100%	0	0	3,080	100%
Other	0	0	0	0	0	0	0	0	0	0	0
Total	**41,301**	**41,301**	**100%**	**41,301**	**100%**	**3,080**	**100%**	**38,221**	**100%**	**3,080**	**100%**
Other than Permanent employees											
Male	Not Applicable										
Female											
Other											
Total											

b. Details of measures for the well-being of workers:

Category	Total (A)	% of workers covered by									
		Health insurance		Accident insurance		Maternity benefits		Paternity benefits		Day Care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent workers											
Male	Not Applicable										
Female											
Other											
Total											
Other than Permanent workers											
Male	Not Applicable										
Female											
Other											
Total											

c. Spending on measures towards well-being of employees and workers (including permanent and other than permanent) in the following format:

Cost incurred on well- being measures as a % of total revenue of the Company	FY 2025-26 (Current financial year)	FY 2024-25 (Previous financial year)
	0.24%*	0.26%*

*Well-being measures spent is calculated in line with Industry Standard Note on BRSR Core reporting standard.

2. DETAILS OF RETIREMENT BENEFITS:

Benefits	FY 2025-26 (Current financial year)			FY 2024-25 (Previous financial year)		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	100%	Not Applicable	Yes	100%	Not Applicable	Yes
Gratuity	100%		Yes	100%		Yes
ESI	57%		Yes	63%		Yes
Others – please Specify	-		-	-		-

3. ACCESSIBILITY OF WORKPLACES:

Are the premises/offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

LTF has ensured that its corporate office and all large branches (over 15,000 sq. ft.) meet the accessibility standards required under the Rights of Persons with Disabilities Act, 2016.

To further expand this commitment, LTF has adopted a formal target to improve workplace accessibility for Persons with Disabilities (PwDs) across additional branch offices by FY28. The Company has appointment a Liaison Officer dedicated to oversee and streamline the recruitment of Persons with Disabilities.

4. DOES THE ENTITY HAVE AN EQUAL OPPORTUNITY POLICY AS PER THE RIGHTS OF PERSONS WITH DISABILITIES ACT, 2016? IF SO, PROVIDE A WEB-LINK TO THE POLICY:

Yes. LTF is an equal opportunity employer and ensures that the rights of differently-abled individuals are protected. The provisions and requirements of the Rights of Persons with Disabilities Act, 2016, are formally embedded within the Company's core sustainability policies and Human Resource frameworks.

The Company's DEI Policy, & Human Rights Policy specifically highlights Company's commitment to providing fair and easy access for Persons with Disabilities (PwDs) and states adherence to requirements, including the Rights of Persons with Disabilities Act, 2016.

Link to the policies:

https://www.ltfinance.com/docs/default-source/default-document-library/sutainability/policies/human-rights-policy.pdf

https://www.ltfinance.com/docs/default-source/default-document-library/sutainability/policies/diversity-equity-inclusion.pdf

5. RETURN TO WORK AND RETENTION RATES OF PERMANENT EMPLOYEES AND WORKERS THAT TOOK PARENTAL LEAVE:

Gender	Permanent employees		Permanent workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	100%	74%	Not Applicable	
Female	100%	49%		
Other	-	-		
Total	**100%**	**61.5%**		

6. IS THERE A MECHANISM AVAILABLE TO RECEIVE AND REDRESS GRIEVANCES FOR THE FOLLOWING CATEGORIES OF EMPLOYEES AND WORKERS? IF YES, GIVE DETAILS OF THE MECHANISM IN BRIEF:

	(If yes, then give details of the mechanism in brief)
Permanent Workers	Not Applicable
Other than Permanent Workers	Not Applicable
Permanent Employees	Yes
Other than Permanent Employees	-

Complaints and grievances can be reported through multiple channels:

Employees can report any breach of Code of Conduct by sending an email to code@ltfs.com. The Code of Conduct committee comprises of senior Company officials, who investigate the complaints thoroughly.

Incidents of sexual harassment can be reported by sending an email to wecare@ltfs.com. The Internal Committee, which consists of senior Company officials/leaders, conducts appropriate investigation into the complaints.

Any unethical conduct or any action that is against LTF's interests can be reported by sending an email to whistleblower@ltfs.com. The Company strives to ensure speedy resolution of grievances through various channels and ensuring confidentiality.

7. MEMBERSHIP OF EMPLOYEES AND WORKER IN ASSOCIATION(S) OR UNIONS RECOGNISED BY THE LISTED ENTITY:

Not Applicable.

Category	FY 2025-26 (Current financial year)			FY 2024-25 (Previous financial year)		
	Total employees/ workers in respective category (A)	No. of employees/ workers in respective category, who are part of association(s) or Union (B)	% (B/A)	Total employees/ workers in respective category (C)	No. of employees/ workers in respective category, who are part of association(s) or Union (D)	% (D/C)
Total Permanent Employees	LTF does not have any employee associations. We foster a culture of open communication and equal opportunity by enabling employees to directly raise queries with senior management and engagement portals or through dedicated e-mail IDs, which are actively addressed. Additionally, through grievance redressal channels the Company ensure timely and confidential resolution of employee concerns.					
- Male						
- Female						
- Other						
Total Permanent Workers						
- Male						
- Female						
- Other						

8. DETAILS OF TRAINING GIVEN TO EMPLOYEES AND WORKERS:

Category	FY 2025-26 (Current financial year)					FY 2024-25 (Previous financial year)				
	Total (A)	On Health and safety measures		On Skill upgradation		Total (D)	On Health and safety measures		On Skill upgradation	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Employees										
Male	38,221	37,355	97.7%	35,668	93.3%	34,562	33,451	97%	30,245	88%
Female	3,080	2,951	95.8%	2,741	89.0%	1,959	1,883	96%	1,660	85%
Other	-	-	-	-	-	0	0	0	0	0
Total	**41,301**	**40,306**	**97.6%**	**38,409**	**93.0%**	**36,521**	**35,334**	**97%**	**31,905**	**87%**
Workers										
Male	Not Applicable									
Female										
Other										
Total										

9. DETAILS OF PERFORMANCE AND CAREER DEVELOPMENT REVIEWS OF EMPLOYEES AND WORKER:

Category	FY 2025-26 (Current financial year)			FY 2024-25 (Previous financial year)		
	Total (A)	No. (B)	% (B/A)	Total (C)	No. (D)	% (D/C)
Employees						
Male	38,221	31,717	82.98%	34,562	29,498	85.35%
Female	3,080	2,381	77.31%	1,959	1,591	81.21%
Other	-	-	-	-	-	-
Total	**41,301**	**34,098**	**82.56%**	**36,521**	**31,089**	**85.13%**
Workers						
Male	Not Applicable					
Female						
Other						
Total						

10. HEALTH AND SAFETY MANAGEMENT SYSTEM:

a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, what is the coverage of such a system?

Yes. LTF has implemented a structured, Occupational Health and Safety (OHS) management system designed to protect employees across its offices, branches, and frontline operations.

The foundational Health and Safety Policy is applicable to all operational offices and branches. In FY26, LTF successfully re-certified ISO 45001:2018 for Head Office and expanded the certification to its Ahmedabad and Bangalore branches. The Company has established a clear roadmap to further expand this certification for additional branches by FY27. Additionally, the Company conducts Hazard Identification and Risk Assessment (HIRA) as part of its proactive risk management process and has covered 28 branches during FY26 to identify potential hazards and implement preventive safety controls.

100% of its branches are equipped with firefighting equipment and emergency preparedness protocols. LTF has 24/7 Pan-India ambulance service and safety systems such as CCTV surveillance across its premises to ensure safety. Additionally, to empower the entire workforce, LTF has deployed an enhanced digital grievance redressal mechanism, allowing employees to directly report safety concerns, highlight workplace observations.

Employee well-being and safety initiatives are driven through its holistic health and safety programs for its entire workforce. Key initiatives include, comprehensive awareness campaigns focused on mental and physical well-being, and consistent internal communications to keep employees actively engaged with the Company's safety protocols and wellness benefits.

A road safety pledge is incorporated into the daily pledge of the frontline employees, to uphold the best practices of safety. For new hires, dedicated training on road safety during their induction is carried out, helmets are distributed to frontline officers as safety gear. Regular monitoring and review of all safety appliances, such as firefighting equipment and artificial defibrillators, is conducted on a regular basis.

b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

Workplace safety and sustainability are embedded at the design stage. Before any new branch becomes operational, it undergoes a thorough due diligence evaluation to proactively identify potential risks, ensuring that Company's rapid expansion strictly aligns with its enterprise-wide sustainability priorities.

LTF has a Business Continuity Plan (non-IT) framework, risk assessment process that systematically identifies threats and vulnerabilities across units and locations for its delivered services and activities. The Company evaluates the impact and probabilities of these identified threats, factoring in the presence and effectiveness of existing controls.

c. Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks.

Not Applicable. LTF does not employ "workers" as defined under the BRSR framework.

d. Do the employees/workers of the entity have access to non-occupational medical and healthcare services?

Yes. LTF provides its employees with access to comprehensive non-occupational medical, healthcare, and wellness services, shifting from periodic health interventions to a continuous, preventive care model. The key services provided include:

Healthcare Platform:
The Company provides access to a digital health platform, which offers employees outpatient department (OPD) consultations, concessional medicines, and automated follow-ups with doctors and dieticians.

Mental and Emotional Well-being Support:
Employees are provided free access to a dedicated third-party emotional well-being app that offers confidential expert counseling services, guidance for stress and anxiety, and support for personal challenges.

Insurance and Medical Access:
LTF offers Group Mediclaim, personal accident, and life insurance coverage, with the flexibility to include family members. The Company encourages regular health check-ups, provides access to an on-call doctor. Additionally, the Company mandates annual health check-ups for employees at senior levels. Any deviations from the prescribed health protocols are reviewed, and appropriate actions are taken in accordance with Company policies.

11. DETAILS OF SAFETY RELATED INCIDENTS, IN THE FOLLOWING FORMAT:

Safety Incident/Number	Category	FY 2025-26* (Current financial year)	FY 2024-25* (Previous financial year)
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	NIL	NIL
	Workers	Not Applicable	Not Applicable
Total recordable work-related injuries	Employees	NIL	NIL
	Workers	Not Applicable	Not Applicable
No. of fatalities	Employees	NIL	Nil
	Workers	Not Applicable	Not Applicable
High consequence work-related injury or ill-health (excluding fatalities)	Employees	NIL	NIL
	Workers	Not Applicable	Not Applicable

*Data pertains to LTF premises

12. DESCRIBE THE MEASURES TAKEN BY THE ENTITY TO ENSURE A SAFE AND HEALTHY WORKPLACE:

LTF manages its occupational health and safety (OHS) through a comprehensive, system-led approach that integrates workplace safety, preventive healthcare, and emergency preparedness. The key measures undertaken by the Company include:

- A dedicated OHS Working Group has been formed, reporting to the Sustainability Steering Council (SSC), to ensure cross-functional oversight of safety priorities
- To proactively identify hazards and implement preventive controls, the Company conducted Hazard Identification and Risk Assessments (HIRA) across 28 branch locations during FY26
- Retained its ISO 45001:2018 certification at its Head Office
- Successfully expanded ISO 45001:2018 certification to the Ahmedabad and Bengaluru branches
- Cardiopulmonary Resuscitation (CPR), first aid, and fire safety training provided for its Emergency Response Team (ERT) and cross-functional employee group for preparedness at Head Office
- Enhanced digital grievance redressal platform that enables employees to directly report safety concerns, highlight workplace observations, and track their resolutions
- Recognising the unique risks of its field workforce, LTF provides mandatory road safety training to 100% of new field employees, distributes helmets and safety gear, and delivers safety awareness modules in vernacular languages
- Access to the healthcare platform for OPD consultations and automated doctor follow-ups was provided. Through the App, employees also have free access to an emotional well-being app for confidential mental health counseling
- A 24/7 Pan-India ambulance service has been made available for employees
- A healthy meal initiative has been introduced for branch employees
- Dedicated cab services are provided for women employees working late and last-mile shuttle services to ensure safe commuting
- Pregnant women receive dedicated workstations with best ergonomic infrastructure
- All branches are equipped with fire extinguishers that are regularly monitored and refilled, while emergency mock drills are conducted across branches to build employee awareness for emergency situations

13. NUMBER OF COMPLAINTS ON THE FOLLOWING MADE BY EMPLOYEES AND WORKERS:

	FY 2025-26 (Current financial year)			FY 2024-25 (Previous financial year)		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	0	0	-	0	0	-
Health & Safety	0	0	-	0	0	-

14. ASSESSMENTS FOR THE YEAR:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	1%
Working Conditions	1%

15. PROVIDE DETAILS OF ANY CORRECTIVE ACTION TAKEN OR UNDERWAY TO ADDRESS SAFETY-RELATED INCIDENTS (IF ANY) AND ON SIGNIFICANT RISKS/CONCERNS ARISING FROM ASSESSMENTS OF HEALTH & SAFETY PRACTICES AND WORKING CONDITIONS:

There were no corrective actions taken for FY26. Further, the Company is in compliance with ISO 45001:2018 certification, HIRA based considerations taken for mitigation and actions plans are implemented. The Company has been following standard operating procedures so as to comply with state/local level extant regulations and ensures safety and hygiene protocols. Necessary safety practices are being followed by employees, customers and other visitors on Company premises.

Leadership Indicators

1. DOES THE ENTITY EXTEND ANY LIFE INSURANCE OR ANY COMPENSATORY PACKAGE IN THE EVENT OF DEATH OF (A) EMPLOYEES (Y/N) (B) WORKERS (Y/N):

(A) Employees - Yes
(B) Workers - Not Applicable

2. PROVIDE THE MEASURES UNDERTAKEN BY THE ENTITY TO ENSURE THAT STATUTORY DUES HAVE BEEN DEDUCTED AND DEPOSITED BY THE VALUE CHAIN PARTNERS:

LTF has implemented a Third-party Code of Conduct since FY22. The code establishes standards and sets expectations from its value chain partners with regards to terms of ethical and responsible business practices and conduct, including interalia statutory compliance, governance, sustainable sourcing, environmental stewardship and socially sustainable practices. Thus, through awareness and necessary certifications, LTF ensures that statutory dues have been deducted and deposited by the value chain partners.

3. PROVIDE THE NUMBER OF EMPLOYEES/WORKERS HAVING SUFFERED HIGH CONSEQUENCE WORK RELATED INJURY/ILL-HEALTH/FATALITIES (AS REPORTED IN Q11 OF ESSENTIAL INDICATORS ABOVE), WHO HAVE BEEN REHABILITATED AND PLACED IN SUITABLE EMPLOYMENT OR WHOSE FAMILY MEMBERS HAVE BEEN PLACED IN SUITABLE EMPLOYMENT:

	Total no. of affected employees/workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY 2025-26 (Current financial year)	FY 2024-25 (Previous financial year)	FY 2025-26 (Current financial year)	FY 2024-25 (Previous financial year)
Employees	0	0	0	0
Workers	Not Applicable			

4. DOES THE ENTITY PROVIDE TRANSITION ASSISTANCE PROGRAMS TO FACILITATE CONTINUED EMPLOYABILITY AND THE MANAGEMENT OF CAREER ENDINGS RESULTING FROM RETIREMENT OR TERMINATION OF EMPLOYMENT? (YES/NO):

No

5. DETAILS ON ASSESSMENT OF VALUE CHAIN PARTNERS:

LTF conducts structured Value Chain Assessments annually to evaluate its suppliers, dealers, and service providers on environmental, social, and governance (ESG) parameters to ensure their alignment with sustainable business practices. In FY26, LTF automated its value chain assessment process, significantly strengthening its sustainability oversight across the supply chain process.

The assessments were conducted to evaluate <75% partners across three key dimensions, human rights and ethical labour practices, governance and compliance frameworks, and environmental stewardship. This included reviewing the presence of formal human rights policies, whistleblower mechanisms, anti-harassment and DEI frameworks, employee benefit structures, Code of Conduct adherence, data protection measures, and environmental policies including energy consumption and emissions monitoring.

	% of value chain partners (by value of business done with such partners) that were assessed
Health and safety conditions	>75%
Working conditions	>75%

6. PROVIDE DETAILS OF ANY CORRECTIVE ACTIONS TAKEN OR UNDERWAY TO ADDRESS SIGNIFICANT RISKS/ CONCERNS ARISING FROM ASSESSMENTS OF HEALTH AND SAFETY PRACTICES AND WORKING CONDITIONS OF VALUE CHAIN PARTNERS:

Nil. No significant risks or material concerns were identified.

Principle 4

Businesses should respect the interests of and be responsive to all its stakeholders

Essential Indicators

1. DESCRIBE THE PROCESSES FOR IDENTIFYING KEY STAKEHOLDER GROUPS OF THE ENTITY:

LTF adopts a structured approach to stakeholder engagement, integrating governance, technology, and community outreach to build strong relationships across its ecosystem. The Company identifies stakeholders, individuals and organisations that are impacted by its operations or capable of influencing business outcomes, through frameworks such as the Business Impact Study (BIS), Double Materiality Assessment (DMA), and third-party engagements. Stakeholders are mapped based on influence, dependency, responsibility, and vulnerability, covering key groups including investors, employees, customers, regulators, partners, and local communities.

To determine the needs and priorities of its stakeholders, LTF's ongoing engagement is increasingly enabled through a technology-first and risk-first approach. By utilising digital platforms, data analytics, and emerging AI-enabled tools, LTF maintains a continuous cycle of structured listening, learning, and faster feedback. This ensures that external expectations are integrated into core strategic priorities and that every business decision remains grounded in real needs and real impact.

To gain actionable insights into stakeholder views, concerns, and expectations, LTF uses a variety of structured engagement channels such as assessments, surveys, including Net Promoter Score, Voice of Customer, Grievance Redressal mechanism and Great Place to Work.

The Company conducted its third-party stakeholder engagement study for its CSR interventions, a proactive and one-of-its-kind initiative within the BFSI sector. The study meticulously mapped the expectations of diverse groups, including implementing partners, local communities, concerned government departments, members of Panchayat Raj institutions, local civic bodies, etc., ensuring that the CSR strategy is rooted in genuine materiality rather than internal assumptions.

2. LIST STAKEHOLDER GROUPS IDENTIFIED AS KEY FOR YOUR ENTITY AND THE FREQUENCY OF ENGAGEMENT WITH EACH STAKEHOLDER GROUP:

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly/others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Employees	No	E-Mail, Intranet, Website, Podcasts, Whatsapp, Town Halls, Employee Survey, One-On-One Skip-Level Discussions with Managers, Human Resource Engagement Events, 270-Degree Feedback for Business Leaders and Above, Mid Term Review, Annual Review, Long-Range Planning Sessions	▪ Monthly ▪ Quarterly ▪ Half yearly ▪ Annually ▪ Need based	a) Talent management and retention b) Employee engagement and well-being c) Learning and development d) Productivity enhancement e) Work-life balance f) Staff welfare g) Health and Safety h) Remuneration and employee benefits i) GPTW Survey and real-time feedback
Investors	No	Official Website, Quarterly Investor Presentations, Quarterly Investor Calls, Investor Meetings and Conferences, Non Deal Roadshows (NDR), Integrated Annual Report, Investor Digital Day, Stock Exchange Fillings and Regulatory Disclosures, Site Visits, Annual General Meeting	▪ Monthly (except during specified silent periods) ▪ Quarterly ▪ Annually	a) Market outlook b) Business strategy and performance updates c) Operational efficiency d) Long-term business performance and growth outlook e) Sustainability/ESG Risks and opportunities and sustainability strategy f) Technology adoption and digital transformation
Regulators	No	E-mail, Online/Physical Filing, Response to Draft Regulations	▪ As prescribed under regulations and need based	a) Compliance with rules and regulations b) Corporate governance framework c) Long-term business performance d) Financial performance e) Prudent business practices f) Regulatory reporting

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly/others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Customers	Yes	E-Mail, Sms, Calls, Digital Avenues like Chat-Bot, Whatsapp, Website, Planet App, Branch Walk-Ins, Dedicated Customer Helpline, Awareness Sessions	▪ Monthly ▪ Quarterly ▪ Annually ▪ Need based	a) Delivering best-in-class service for customer experience and timely support b) Effective and timely customer grievance redressal mechanism c) Measuring Net Promoter Score (NPS) for customer satisfaction d) Maintaining customer data privacy and security e) Ensuring suitability of products and services f) Providing transparent and fair responsible advice g) Financial literacy and awareness on responsible borrowing, digital fraud prevention h) Promoting safe and responsible usage of digital financial services
Vendors & CSR Partners	No	Official Website, Bi-lateral Meetings, Structured Surveys, Annual Value Chain Connect and Workshops, Annual Events Like Value Chain Assessment, R.AI.SE, PCAF India Summit, TPCoC	▪ Quarterly ▪ Annually ▪ As needed	a) Ensuring fair contractual terms and adherence b) ESG assessment covering sustainability across ESG c) Building transparent, ethical and long-term business relationships d) Regular exchange of technical know-how and best practices e) Promoting human rights and ethical labour practices across value chain f) Encouraging adoption of environmental policies and resource management practices g) Strengthening governance frameworks and compliance processes
Communities	Yes	Community Meetings, Household Visits, Stakeholder Workshops, Press Releases, Social Media Platforms, Community Advisory Panel (Caps), CSR Programs, Field Visits, NGO Partner Services, Digital Outreach Through Planet App, Digital Sakhi, Dedicated CSR Grievance Channel	▪ Annually, ▪ Monthly, ▪ At periodic intervals as part of implementing CSR initiatives, ▪ Monitoring through regularly field visits	a) Stakeholder programmes to advocate sustainable customer behaviour b) Promoting digital financial inclusion c) Advocacy of best practices in community development and social impact d) Social and environmental impact engagement with disaster management, road safety projects e) Integrated water resource management and conservation f) Sustainable livelihood through CSR engagements g) Women empowerment through SHGs programs

Leadership Indicators

1. PROVIDE THE PROCESSES FOR CONSULTATION BETWEEN STAKEHOLDERS AND THE BOARD ON ECONOMIC, ENVIRONMENTAL, AND SOCIAL TOPICS OR IF CONSULTATION IS DELEGATED, HOW IS FEEDBACK FROM SUCH CONSULTATIONS PROVIDED TO THE BOARD:

a) The management team of the Company regularly interacts with various stakeholders at periodic intervals through varied means to gather insights as well as seek their feedback and input on pertinent issues. The insights/feedback/inputs so received are discussed and if found feasible, presented to the Board as well as its committees through various means like incorporating them in the policy framework, carrying out process improvements, etc.

b) In addition to the aforesaid, Board members also interact with customers directly during the branch/field visits conducted by them. The Chairperson of the Audit Committee independently interacts with the auditors, credit rating agencies, and regulators and provides the feedback to the Board. Thus, there exists a strong process on consultation with the stakeholders and keeping the Board aware of the insights/feedback/inputs.

c) LTF's Directors undertake familiarisation visits to CSR project sites, whereby they interact directly with rural beneficiaries on-ground.

2. WHETHER STAKEHOLDER CONSULTATION IS USED TO SUPPORT THE IDENTIFICATION AND MANAGEMENT OF ENVIRONMENTAL, AND SOCIAL TOPICS (YES/NO). IF SO, PROVIDE DETAILS OF INSTANCES AS TO HOW THE INPUTS RECEIVED FROM STAKEHOLDERS ON THESE TOPICS WERE INCORPORATED INTO POLICIES AND ACTIVITIES OF THE ENTITY.

Yes. Stakeholder consultation is a key input in identifying and managing material ESG topics at LTF. Through its Double Materiality Assessment (DMA), the Company engaged a diverse set of internal and external stakeholders to assess both impact and financial materiality. Insights from this exercise directly informed the prioritisation of key Sustainable issues and the development of relevant policies, frameworks, and business strategies.

To strengthen its ESG roadmap, LTF also undertook peer benchmarking and aligned with globally recognised frameworks and standards. This enabled the Company to identify best practices and embed them into its sustainability approach and long-term roadmap.

Employee feedback is systematically captured through structured engagement platforms such as the GPTW survey, which provides insights into workplace practices, well-being, and inclusion. These insights have translated into targeted interventions and programmes to enhance employee experience and organisational culture.

Additionally, LTF has undertaken independent third-party studies, including impact assessments, to evaluate the effectiveness of its CSR initiatives. These studies have helped refine programme design and improve on-ground outcomes.

The Company also engages external consultants and domain experts across key areas in alignment with evolving regulatory and global expectations.

Overall, stakeholder inputs are actively integrated into decision-making, policy formulation, and business operations.

3. PROVIDE DETAILS OF INSTANCES OF ENGAGEMENT WITH, AND ACTIONS TAKEN TO, ADDRESS THE CONCERNS OF VULNERABLE/MARGINALIZED STAKEHOLDER GROUPS.

LTF has effectively reached out to communities through its CSR programmes. The Company remained resolute in its pursuit of the Sustainable Development Goals and the empowerment of Vulnerable populations.

Principle 5 — Businesses should respect and promote human rights

Essential Indicators

1. EMPLOYEES AND WORKERS WHO HAVE BEEN PROVIDED TRAINING ON HUMAN RIGHTS ISSUES AND POLICY(IES) OF THE ENTITY, IN THE FOLLOWING FORMAT:

Category	FY 2025-26			FY 2024-25		
	Total (A)	No. of employees/ workers covered (B)	% (B/A)	Total (C)	No. of employees/ workers covered (D)	% (D/C)
Employees						
Permanent	41,301	40,295	98%	36,521	35,255	97%
Other than permanent	-	-	-	-	-	-
Total employees	**41,301**	**40,295**	98%	**36,521**	**35,255**	**97%**
Workers						
Permanent	Not Applicable					
Other than permanent						
Total workers						

2. DETAILS OF MINIMUM WAGES PAID TO EMPLOYEES AND WORKERS, IN THE FOLLOWING FORMAT:

Category	FY 2025-26					FY 2024-25				
	Total (A)	Equal to minimum wage		More than minimum wage		Total (D)	Equal to minimum wage		More than minimum wage	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Employees										
Permanent										
Male	38,228	1,611	4%	36,617	96%	34,562	580	2%	33,892	98%
Female	3,073	246	8%	2,827	92%	1,959	94	5%	1,865	95%
Other	0	0	0	0	0	0	0	0	0	0
Other than permanent	0									
Total employees	**41,301**	**1,857**	**4%**	**39,444**	**96%**	**36,521**	**674**	**2%**	**35,757**	**98%**
Workers										
Permanent	0									
Other than permanent										
Total workers										

3. DETAILS OF REMUNERATION/SALARY/WAGES, IN THE FOLLOWING FORMAT:

a Median remuneration/wages:

	Male		Female		Other	
	Number	Median remuneration/ salary/wages of respective category	Number	Median remuneration/ salary/wages of respective category	Number	Median remuneration/ salary/wages of respective category
Board of Directors (BoD)	6*	35,70,000**	2	37,10,000	0	0
Key Managerial Personnel	2	7,56,59,832	1	Not Applicable	0	0
Employees other than BoD and KMP	38,203	3,45,673	3,095	2,71,965	0	0
Workers	0	0	0	0	0	0

*Remuneration of directors as on March 31, 2026 considered
**For Non-Executive Directors (except Mr. S.N. Subrahmanyan and Mr. R. Shankar Raman who do not draw remuneration from the Company), fees and commission paid in respect of the Company as per the criteria and structure approved is considered

b. Gross wages paid to females as % of total wages paid by the entity, in the following format:

	FY 2025-26 (Current financial year)	FY 2024-25 (Previous financial year)
Gross wages paid to females as % of total wages	8.07%	6.71%

4. DO YOU HAVE A FOCAL POINT (INDIVIDUAL/COMMITTEE) RESPONSIBLE FOR ADDRESSING HUMAN RIGHTS IMPACTS OR ISSUES CAUSED OR CONTRIBUTED TO BY THE BUSINESS? (YES/NO):

Yes.

5. DESCRIBE THE INTERNAL MECHANISMS IN PLACE TO REDRESS GRIEVANCES RELATED TO HUMAN RIGHTS ISSUES:

LTF has established structured, multi-channel internal mechanisms to redress grievances related to human rights, ensuring they are addressed safely, fairly, timely and effectively. These mechanisms are embedded within the Company's broader governance and compliance frameworks.

LTF's structured induction program 'Parichay' provides employees with a comprehensive introduction to the Company's culture, policies, and operations. It ensures early alignment with organisational expectations by covering regulatory awareness, the Code of Conduct and POSH, along with other code modules.

Code of Conduct Committee and Internal Committee, ensures adherence to human rights is a critical component of LTF Code of Conduct. Any violations or deviations from the human rights standards can be directly reported via email (code@ltfs.com) to the Code of Conduct Committee. The Company has constituted Disciplinary Action Committee (DAC1 and DAC2) to investigate matters related to misconduct and violations. Grievances relating specifically to sexual harassment and workplace misconduct are monitored by the Internal Committee. This committee includes an external independent member to ensure complaints are addressed fairly. Investigations are conducted promptly, with strict confidentiality and sensitivity to safeguard employee dignity.

The Company has established a Vigil Mechanism/Whistleblower Policy. This policy enables Directors and employees and external service providers to report genuine concerns regarding unethical behavior, fraud, or Code of Conduct violations. Reports can be submitted through multiple secure channels, including email, written communication, and oral reporting. All matters reported are monitored by the Whistleblower Investigation Committee, which ensures an objective assessment, timely resolution, and appropriate corrective action while maintaining strict anonymity.

6. NUMBER OF COMPLAINTS ON THE FOLLOWING MADE BY EMPLOYEES AND WORKERS:

Grievance Redressal Mechanism in Place (Yes/No) (If Yes, then provide web-link for grievance redress policy)	FY 2025-26 (Current financial year)			FY 2024-25 (Previous financial year)		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	7	4	These cases are under investigation and would be concluded within the timeline defined, if any.	10	1	-
Discrimination at workplace	0	0	-	0	0	-
Child Labour	0	0	-	0	0	-
Forced Labour/Involuntary Labour	0	0	-	0	0	-
Wages	0	0	-	0	0	-
Other human rights related issues	0	0	-	0	0	-

Note: As on March 31, 2026, 4 complaints were pending resolution of which 1 concluded before release of BRSR

7. COMPLAINTS FILED UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013, IN THE FOLLOWING FORMAT:

	FY 2025-26 (Current financial year)	FY 2024-25 (Previous financial year)
Total Complaints reported under Sexual Harassment on of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	7	10
Complaints on POSH as a % of female employees/workers	0.23%	0.51%
Complaints on POSH upheld	6	6

8. MECHANISMS TO PREVENT ADVERSE CONSEQUENCES TO THE COMPLAINANT IN DISCRIMINATION AND HARASSMENT CASES:

a) LTF has set up a dedicated email address for employees to report incidents of sexual harassment. To protect the complainant's privacy and maintain confidentiality, the Internal Committee only has access to this email box. An external member serves on the Internal Committee to ensure fair assessment.

b) In compliance with regulatory requirements, a Vigil Mechanism policy is in place, not only ensuring a structured process for reporting issues without fear of retaliation but also protecting employees from unfair prejudicial employment practices.

c) External complaints are received through the Whistleblower mechanism. The mechanism is strictly governed by the Whistleblower Investigation Committee, which conducts assessments, ensures timely resolutions, and recommends appropriate corrective actions.

9. DO HUMAN RIGHTS REQUIREMENTS FORM PART OF YOUR BUSINESS AGREEMENTS AND CONTRACTS? (YES/NO)

Yes.

10. ASSESSMENTS OF THE YEAR:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	100%
Forced/involuntary labour	100%
Sexual harassment	100%
Discrimination at workplace	100%
Wages	100%
Others – please specify	-

11. PROVIDE DETAILS OF ANY CORRECTIVE ACTIONS TAKEN OR UNDERWAY TO ADDRESS SIGNIFICANT RISKS/ CONCERNS ARISING FROM THE ASSESSMENTS AT QUESTION 9 ABOVE:

Nil. No significant risks or material concerns were identified that required corrective actions.

Leadership Indicators

1. DETAILS OF A BUSINESS PROCESS BEING MODIFIED/INTRODUCED AS A RESULT OF ADDRESSING HUMAN RIGHTS GRIEVANCES/COMPLAINTS:

No significant complaints were substantiated which required modification/introduction of business process. LTF manages grievances through a comprehensive, structured grievance redressal process with reporting channels easily accessible to all employees through the Company's intranet and website. In FY26, LTF further strengthened this process by launching grievance redressal mechanism on its HRMS portal (Workline) platform enabling employees to report concerns related to workplace conditions more effectively and confidentially.

2. DETAILS OF THE SCOPE AND COVERAGE OF ANY HUMAN RIGHTS DUE-DILIGENCE CONDUCTED

For promoting human rights and ethical labour practices, the Company has implemented formal policies. To strengthen human rights awareness across value Chain Partners, LTF hosted its annual ESG value chain Connect in December 2025, engaging partners specifically on human rights, and responsible business conduct.

Internally, human rights are governed continuously through the Company's Human Rights Policy, Code of Conduct, and structured grievance mechanisms which ensure a zero-tolerance approach to discrimination, child labour, forced labour, and harassment.

3. IS THE PREMISE/OFFICE OF THE ENTITY ACCESSIBLE TO DIFFERENTLY ABLED VISITORS, AS PER THE REQUIREMENTS OF THE RIGHTS OF PERSONS WITH DISABILITIES ACT, 2016?

LTF has successfully achieved 100% accessibility across its large offices and major branches (15,000 sq. ft. and above). The Company has adopted a formal target to further improve workplace accessibility for (PwDs) across additional branch offices by FY28. A Liaison Officer has been appointed to oversee and manage the recruitment and inclusion of PwDs. This commitment is formally documented and enforced through the Company's Human Rights Policy and Diversity, Equity and Inclusion (DEI) Policy.

4. DETAILS ON ASSESSMENT OF VALUE CHAIN PARTNERS:

To strengthen sustainability alignment, the Company has digitised its value chain oversight to ensure deeper sustainability integration.

Following structured assessments of key upstream and downstream partners, the Company now utilises a digital framework to measure and monitor value chain partners performance across critical ESG dimensions, including key focus areas:

- Promoting human rights and ethical labour practices across partner organisations
- Encouraging the adoption of environmental policies and resource management practices
- Strengthening governance frameworks, including whistleblower mechanisms, compliance processes, and data protection measures
- Engaging partners on BRSR principles and responsible business conduct

	% of value chain partners (by value of business done with such partners) that were assessed
Sexual harassment	top 75% of LTF's value chain
Discrimination at workplace	
Child labour	
Forced/involuntary labour	
Wages	
Others – please specify	

5. PROVIDE DETAILS OF ANY CORRECTIVE ACTIONS TAKEN OR UNDERWAY TO ADDRESS SIGNIFICANT RISKS/ CONCERNS ARISING FROM THE ASSESSMENTS AT QUESTION 4 ABOVE:

Based on the value chain assessments conducted in FY26, LTF did not identify any specific "significant risks" or material breaches requiring emergency remediation.

Principle 6 Businesses should respect and make efforts to protect and restore the environment.

Essential Indicators

1. DETAILS OF TOTAL ENERGY CONSUMPTION (IN JOULES OR MULTIPLES) AND ENERGY INTENSITY, IN THE FOLLOWING FORMAT:

Parameter	FY 2025-26 (Current financial year)	FY 2024-25 (Previous financial year)
From Renewable Sources		
Total electricity consumption (A)	28,302.54 GJ	18,242.38 GJ
Total fuel consumption (B)	0	0
Energy consumption through other sources (C)	0	0
Total energy consumption (A + B + C)	**28,302.54 GJ**	**18,242.38 GJ**
From Non-Renewable Sources		
Total electricity consumption (D)	8,891.64 GJ	9,506.46 GJ
Total fuel consumption (E)	619.45 GJ	1,053.32 GJ
Energy consumption through other sources (F)	0	0
Total energy consumed from non-renewable sources (D + E + F)	**9,511.09 GJ**	**10,559.78 GJ**
Total energy consumed (A + B + C + D + E + F)	**37,813.63 GJ**	**28,802.16 GJ**
Energy intensity per rupee of turnover (Total energy consumed/Revenue from operations)	0.000000211	0.000000181
Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total energy consumed/Revenue from operations adjusted for PPP)	0.000004293	0.000003733
Energy intensity in terms of physical output	-	-
Energy intensity (optional) – the relevant metric may be selected by the entity	0.92 GJ/FTE	0.79 GJ/FTE

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes, an independent reasonable assurance has been carried out by BDO India Services Private Limited. An assurance statement is attached as 'Annexure' to this report.

2. DOES THE ENTITY HAVE ANY SITES/FACILITIES IDENTIFIED AS DESIGNATED CONSUMERS (DCS) UNDER THE PERFORMANCE, ACHIEVE AND TRADE (PAT) SCHEME OF THE GOVERNMENT OF INDIA? (Y/N) IF YES, DISCLOSE WHETHER TARGETS SET UNDER THE PAT SCHEME HAVE BEEN ACHIEVED. IN CASE TARGETS HAVE NOT BEEN ACHIEVED, PROVIDE THE REMEDIAL ACTION TAKEN, IF ANY:

Not Applicable. LTF is an NBFC which does not fall under the energy-intensive sectors that are classified as Designated Consumers (DCs) under the Performance, Achieve and Trade (PAT) scheme of the Government of India.

However, LTF proactively implements rigorous energy efficiency measures across its network. As part of its infrastructure planning and branch selection process, LTF conducts environmental due diligence evaluation for every new branch.

Furthermore, to drive energy conservation efforts, the Company through its sustainable procurement policy encourages the sourcing of energy-efficient infrastructure, like LED lighting, 3-5-star-rated air-conditioning systems, high-efficiency HVAC systems, and BLDC fans across its branches.

3. PROVIDE DETAILS OF THE FOLLOWING DISCLOSURES RELATED TO WATER, IN THE FOLLOWING FORMAT:

Parameter	FY 2025-26 (Current financial year)	FY 2024-25 (Previous financial year)
Water withdrawal by source (in kilolitres)		
(i) Surface water	0	0
(ii) Groundwater	0	0
(iii) Third party water (Municipal water supplies)	5,13,644.55	4,55,914.44
(iv) Seawater/desalinated water	0	0
(v) Others	0	0
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	**5,13,644.55**	**4,55,914.44**
Total volume of water consumption (in kilolitres)	5,13,644.55	4,55,914.44
Water intensity per rupee of turnover (Total Water consumption/ Revenue from operations)	0.00000287	0.00000286
Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total water consumption/Revenue from operations adjusted for PPP)	0.00005831	0.00005909
Water intensity in terms of physical Output	-	-
Water intensity (optional) – the relevant metric may be selected by the entity	12.44	12.48

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes, an independent reasonable assurance has been carried out by BDO India Services Private Limited. An assurance statement is attached as 'Annexure' to this report.

4. PROVIDE THE FOLLOWING DETAILS RELATED TO WATER DISCHARGED:

As a financial services institution with office-based operations, LTF does not generate industrial effluents. The Company's wastewater primarily consists of domestic sewage. To manage this responsibly and enhance water recycling, LTF successfully revamped and fully operationalised a Sewage Treatment Plant (STP) at its Head Office, Mumbai during FY25. Recycled water, from the STP is effectively reused to meet a significant portion of the campus's non-potable water demands.

Parameter		FY 2025-26 (Current financial year)	FY 2024-25 (Previous financial year)
Water discharge by destination and level of treatment (in kilolitres)			
(i)	To Surface water	Not Applicable	
	No treatment		
	With treatment – please specify level of treatment		
(ii)	To Groundwater		
	No treatment		
	With treatment – please specify level of treatment		
(iii)	To Seawater		
	No treatment		
	With treatment – please specify level of treatment		
(iv)	Sent to third-parties		
	No treatment		
	With treatment – please specify level of treatment		
(v)	Others		
	No treatment		
	With treatment – please specify level of treatment		
Total water discharged (in kilolitres)			

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Not Applicable

5. HAS THE ENTITY IMPLEMENTED A MECHANISM FOR ZERO LIQUID DISCHARGE? IF YES, PROVIDE DETAILS OF ITS COVERAGE AND IMPLEMENTATION:

As an NBFC, LTF's operations are strictly office-based and do not generate industrial effluents that typically necessitate a formal Zero Liquid Discharge (ZLD) mechanism. As an office-based NBFC, LTF generates no industrial effluents requiring formal Zero Liquid Discharge (ZLD) mechanisms. However, the Company actively minimizes freshwater consumption through circular practices. In FY26, the Head Office Sewage Treatment Plant (STP) repurposed treated wastewater for non-potable uses, including gardening and deep cleaning. Additionally, LTF conducted third-party water assessments for its top 10 branches, identifying key initiatives to optimize usage and reduce discharge as part of its ongoing water stewardship.

6. PLEASE PROVIDE DETAILS OF AIR EMISSIONS (OTHER THAN GHG EMISSIONS) BY THE ENTITY, IN THE FOLLOWING FORMAT:

LTF operates as an NBFC with a service-oriented model and no manufacturing activities. Consequently, there are no industrial point-source emissions at any location. Air emission data (SOx, NOx, and PM) is reported exclusively for the Head Office (owned premises), which is the only facility under direct operational control where monitoring is applicable. Emissions at leased branches are considered immaterial due to the absence of independent industrial equipment and the nature of administrative operations.

Parameter	Please specify unit	FY 2025-26 (Current financial year)	FY 2024-25 (Previous financial year)
NOx	PPM	50.1	51.60
SOx	Mg/Nm3	20	41.20
Particulate matter (PM)	Mg/Nm3	27	64.40
Persistent organic pollutants (POP)	-	-	-
Volatile organic compounds (VOC)	-	-	-
Hazardous air pollutants (HAP)	-	-	-
Others – Please specify	-	-	-

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes, an independent limited assurance has been carried out by BDO India Services Private Limited. An assurance statement is attached as 'Annexure' to this report.

7. PROVIDE DETAILS OF GREENHOUSE GAS EMISSIONS (SCOPE 1 AND SCOPE 2 EMISSIONS) & ITS INTENSITY, IN THE FOLLOWING FORMAT:

Parameter	Unit	FY 2025-26 (Current financial year)	FY 2024-25 (Previous financial year)
***Total Scope 1 emissions** (Break-up of the GHG into CO_2, CH_4, N_2O, HFCs, PFCs, SF_6, NF_3, if available)	Metric tonnes of CO_2 equivalent	63.78	386.23
****Total Scope 2 emissions** (Break-up of the GHG into CO_2, CH_4, N_2O, HFCs, PFCs, SF_6, NF_3, if available)	Metric tonnes of CO_2 equivalent	1,763.07	1,909.16
Total Scope 1 and Scope 2 emission intensity per rupee of turnover (Total Scope 1 and Scope 2 GHG emissions/Revenue from operations)	Metric tonnes of CO_2 equivalent/₹	0.000000010	0.000000014
Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total Scope 1 and Scope 2 GHG emissions/Revenue from operations adjusted for PPP)	Metric tonnes of CO_2 equivalent/₹ Revenue from operations adjusted for PPP	0.000000207	0.0000002975

Parameter	Unit	FY 2025-26 (Current financial year)	FY 2024-25 (Previous financial year)
Total Scope 1 and Scope 2 emission intensity in terms of physical output	-	-	-
Total Scope 1 and Scope 2 emission intensity (optional) – the relevant metric may be selected by the entity	tCO_2 e/FTE	0.04	0.06

*Fugitive Scope 1 emissions of Refrigerant have undergone methodology change due to availability of actual consumption data this year, as compared to assumption based conservative approach of the previous year.
**Scope 2 has been reported based on market-based approach in which green power consumption and green energy attributes i.e. iREC are considered.

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes, an independent reasonable assurance has been carried out by BDO India Services Private Limited. An assurance statement is attached as 'Annexure' to this report.

8. DOES THE ENTITY HAVE ANY PROJECT RELATED TO REDUCING GREENHOUSE GAS EMISSION? IF YES, THEN PROVIDE DETAILS:

Yes, the Company's decarbonisation/Net-Zero transition plan is focused on energy-saving measures and switching to green power, solar rooftops and green attributes wherever available and feasible.

In FY26, the Company's renewable energy share, is ~76% through green power and green attributes in its operations. To help cut down on energy use, the Company has started implementing energy reduction initiatives identified in detailed energy audit/assessment of top 50 branches conducted in FY25 and in FY26 also undertook automated energy assessment of ~500 branches PAN India. These include the deployment of Internet of Things (IoT)-based energy management solutions across seven branches, piloting smart meters, supporting RE projects through procuring green attributes, and standardising energy-efficient equipment in all new offices—such as sensor-based LED lighting, variable frequency drives (VFDs) for air handling units, BLDC fans, high-efficiency HVAC systems, energy-efficient 5-star air conditioners and other operational and capex based initiatives.

Following comprehensive evaluations of renewable energy feasibility across our footprint, LTF has deployed rooftop solar installations at select significant locations and offices. During the reporting period, the Company installed ~18 KWp of rooftop solar PV across 6 locations. This initiative enables on-site renewable energy generation, reduces our reliance on grid-based power, and successfully avoided operational GHG emissions.

Other initiatives include using low GWP refrigerants like R32, an ATC system for chiller maintenance, replacing DG sets with inverters, optimising diesel consumption for backup power, deploying rooftop solar installations at select locations, and expanding EV charging stations beyond the corporate Head Office to the Kalina City-2 and Ahmedabad locations. Notably, ~78% of all Maharashtra branches operate on green power

The Company has taken up the initiatives of tree plantation through its "Project Prakruti" for sequester carbon, planting over 2.68 lakh saplings and has diligently implemented ISO 14064-2:2019 standards to ensure that its miyawaki plantation project's carbon sequestration measurements, monitoring processes, and subsequent reports adhere to international best practices, through rigorous adherence to ISO 14064-2:2019 guidelines, LTF has established robust protocols for accurately quantifying and verifying carbon sequestration levels.

Furthermore, the Company's decarbonisation strategy actively targets value-chain emissions. Waste recycling and structured assessments cut waste to landfills (Scope 3, Category 5). Shared mobility initiatives, such as carpooling and shuttle services, reduce fuel use and commuting emissions (Scope 3, Category 7). Additionally, digitalisation through platforms like the PLANET 3.0 App avoids emissions by significantly reducing paper consumption and physical branch visits.

9. PROVIDE DETAILS RELATED TO WASTE MANAGEMENT BY THE ENTITY, IN THE FOLLOWING FORMAT:

Parameter	FY 2025-26 (Current financial year)	FY 2024-25 (Previous financial year)
***Total Waste generated (in metric tonnes)**		
Plastic waste **(A)**	0	0
E-waste **(B)**	3.26	4.4
Bio-medical waste **(C)**	0	0
Construction and demolition waste **(D)**	0	18.48
Battery waste **(E)**	0	0.73
Radioactive waste **(F)**	0	0
Other Hazardous waste. Please specify, if any. **(G)**	0	0
Other Non-hazardous waste generated **(H)**. Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)	763.14	242.47
Total (A + B + C + D + E + F + G + H)	**766.40**	**266.08**
Waste intensity per rupee of turnover (Total waste generated/Revenue from operations)	0.0000000043	0.0000000017
Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total waste generated/Revenue from operations adjusted for PPP)	0.0000000870	0.0000000345
Waste intensity in terms of physical output	**-**	**-**
Waste intensity (optional) – the relevant metric may be selected by the entity	0.019	0.007
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of waste		
(i) Recycled	50.79	50.86
(ii) Re-used	0	0
(iii) Other recovery operations	0	0
Total	**50.79**	**50.86**
Intensity (Kg of Waste Recycled Recovered/Total Waste Generated)	**0.07**	**0.19**
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste		
(i) Incineration	0	0
(ii) Landfilling	715.62	215.22
(iii) Other disposal operations	0	0
Total	**715.62**	**215.22**
Intensity (Kg/MT of Waste disposed/Total Waste generated)	**0.93**	**0.81**

*The numbers have increased due to increased operations, manpower and change in the calculation approach

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes, an independent reasonable assurance has been carried out by BDO India Services Private Limited. An assurance statement is attached as 'Annexure' to this report.

10. BRIEFLY DESCRIBE THE WASTE MANAGEMENT PRACTICES ADOPTED IN YOUR ESTABLISHMENTS. DESCRIBE THE STRATEGY ADOPTED BY YOUR COMPANY TO REDUCE USAGE OF HAZARDOUS AND TOXIC CHEMICALS IN YOUR PRODUCTS AND PROCESSES AND THE PRACTICES ADOPTED TO MANAGE SUCH WASTES:

As a Non-Banking Financial Company (NBFC) engaged in providing financial services, LTF's operations are office-based and do not involve manufacturing or product processing. Consequently, the Company's products and processes do not involve the usage, generation, or disposal of any hazardous and toxic chemicals.

To minimise operational waste and advance towards its "Zero Waste to Landfill" ambition, the Company adopts a disciplined, approach. Key waste management practices include conducting structured waste assessments across a cumulative 100 branches (including 50 new branches assessed by an independent expert in FY26), achieving zero single-use plastic status at the Head Office and ensuring 100% segregation and recycling of municipal waste. As part of the assessment in FY26 waste awareness session were conducted by waste experts in 50 of our rural based branches. In FY26, LTF has tied up 3 additional branches total waste recycling to ensure zero waste to landfill branches to reach 5 branches (including Head Office).

Additionally, LTF has a dedicated E-Waste Policy, electronic waste is centrally collected and safely disposed of exclusively through authorised recyclers within 180 days. LTF also drives waste reduction through digitalisation, leveraging platforms like the PLANET 3.0 App and enabling 100% digital disbursements to significantly reduce paper dependence and material intensity. During the reporting period, these combined initiatives enabled the Company to recycle ~51 tonnes of waste, marking a two-fold year-on-year increase.

11. IF THE ENTITY HAS OPERATIONS/OFFICES IN/AROUND ECOLOGICALLY SENSITIVE AREAS (SUCH AS NATIONAL PARKS, WILDLIFE SANCTUARIES, BIOSPHERE RESERVES, WETLANDS, BIODIVERSITY HOTSPOTS, FORESTS, COASTAL REGULATION ZONES ETC.) WHERE ENVIRONMENTAL APPROVALS/CLEARANCES ARE REQUIRED, PLEASE SPECIFY DETAILS IN THE FOLLOWING FORMAT:

Sr. No.	Location of operations/offices	Type of operations	Whether the conditions of environmental approval/clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any.
Not Applicable None of our owned offices fall under ecologically sensitive areas.			

12. DETAILS OF ENVIRONMENTAL IMPACT ASSESSMENTS OF PROJECTS UNDERTAKEN BY THE ENTITY BASED ON APPLICABLE LAWS, IN THE CURRENT FINANCIAL YEAR:

Not Applicable As a Non-Banking Financial Company (NBFC), LTF is engaged in providing financial services and does not undertake any manufacturing operations or large-scale physical projects that mandate an Environmental Impact Assessment (EIA) under applicable environmental laws in India.

Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No)	Relevant Web link
LTF operates out of leased premises except its Head Office and the nature of business does not warrant Environmental Impact assessment.					

13. IS THE ENTITY COMPLIANT WITH THE APPLICABLE ENVIRONMENTAL LAW/REGULATIONS/GUIDELINES IN INDIA; SUCH AS THE WATER (PREVENTION AND CONTROL OF POLLUTION) ACT, AIR (PREVENTION AND CONTROL OF POLLUTION) ACT, ENVIRONMENT PROTECTION ACT AND RULES THEREUNDER (Y/N). IF NOT, PROVIDE DETAILS OF ALL SUCH NON-COMPLIANCES, IN THE FOLLOWING FORMAT:

Yes. LTF operates within a comprehensive compliance framework designed to ensure strict adherence to all applicable laws, regulations, and regulatory directives, which includes fulfilling obligations. During the reporting period, the Company did not record any significant instances of non-compliance with environmental laws, regulations, or guidelines

Sr. No.	Specify the law/regulation/ guidelines which was not complied with	Provide details of the non-compliance	Any fines/penalties/action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken, if any
Not Applicable The Company is in compliance with all applicable laws as per mandatory requirements.				

Leadership Indicators

1. WATER WITHDRAWAL, CONSUMPTION AND DISCHARGE IN AREAS OF WATER STRESS (IN KILOLITRES):

For each facility/plant located in areas of water stress, provide the following information:

(i) Name of the area:

(ii) Nature of operations:

(iii) Water withdrawal, consumption and discharge in the following format:

Not Applicable. All the branches of the Company are located in residential/commercial areas.

Parameter	FY 2025-26 (Current financial year)	FY 2024-25 (Previous financial year)
Water withdrawal by source (in kilolitres)		
(i) Surface water	Not Applicable	
(ii) Groundwater		
(iii) Third party water		
(iv) Seawater/desalinated water		
(v) Others		
Total volume of water withdrawal (in kilolitres)		
Total volume of water consumption (in kilolitres)		
Water intensity per rupee of turnover (Water consumed/turnover)		
Water intensity (optional) – the relevant metric may be selected by the entity		

Parameter		FY 2025-26 (Current financial year)	FY 2024-25 (Previous financial year)
Water discharge by destination and level of treatment (in kilolitres)			
(i)	Into Surface water	Not Applicable	
	- No treatment		
	- With treatment – please specify level of treatment		
(ii)	Into Groundwater		
	- No treatment		
	- With treatment – please specify level of treatment		
(iii)	Into Seawater		
	- No treatment		
	- With treatment – please specify level of treatment		
(iv)	Sent to third-parties		
	- No treatment		
	- With treatment – please specify level of treatment		
(v)	Others		
	- No treatment		
	- With treatment – please specify level of treatment		
Total water discharged (in kilolitres)			

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Not Applicable

2. PLEASE PROVIDE DETAILS OF TOTAL SCOPE 3 EMISSIONS & ITS INTENSITY, IN THE FOLLOWING FORMAT:

Parameter	Unit	FY 2025-26 (Current financial year)	FY 2024-25 (Previous financial year)
Total Scope 3 emissions (Break-up of the GHG into CO_2, CH_4, N_2O, HFCs, PFCs, SF_6, NF_3, if available)	tCO_2e	64,612.69	49,140.00*
Total Scope 3 emissions per rupee of turnover	tCO_2 e/₹	0.00000036	0.00000031
Total Scope 3 emission intensity (optional) – the relevant metric may be selected by the entity	tCO_2 e/FTE	1.56	1.35

*Increase in Scope 3 emissions is due to increased operations, procurement and manpower
Includes, S3 categories (C1, C2, C3, C5, C6, C7, C8)

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes, an independent limited assurance has been carried out by BDO India Services Private Limited. An assurance statement is attached as 'Annexure' to this report.

3. WITH RESPECT TO THE ECOLOGICALLY SENSITIVE AREAS REPORTED AT QUESTION 11 OF ESSENTIAL INDICATORS ABOVE, PROVIDE DETAILS OF SIGNIFICANT DIRECT & INDIRECT IMPACT OF THE ENTITY ON BIODIVERSITY IN SUCH AREAS ALONG-WITH PREVENTION AND REMEDIATION ACTIVITIES:

Not Applicable

4. IF THE ENTITY HAS UNDERTAKEN ANY SPECIFIC INITIATIVES OR USED INNOVATIVE TECHNOLOGY OR SOLUTIONS TO IMPROVE RESOURCE EFFICIENCY, OR REDUCE IMPACT DUE TO EMISSIONS/EFFLUENT DISCHARGE/WASTE GENERATED, PLEASE PROVIDE DETAILS OF THE SAME AS WELL AS OUTCOME OF SUCH INITIATIVES, AS PER THE FOLLOWING FORMAT:

Sr. No	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
1	Conversion of branches into green power	Sourcing green power through tie-up with distribution companies supplying power in the branches	Scope 2 emissions reduction: - The renewable energy share in the Company's operations increased from 33% to ~38% in FY26 purely from green power (excluding green attributes). Successfully avoiding ~2,741 tCO_2e of emissions
2	Sourcing of green attributes	Sourcing green attributes (iRECs) where green power is not feasible towards climate action commitments	Scope 2 emissions reduction: - The green attributes use in rural branches where due to technical challenges sourcing green power is not feasible iRECs were sourced avoiding ~2,840 tCO_2e of emissions
3	Rooftop solar installations	Deploying rooftop solar panels across select locations and offices	Scope 2 emissions reduction: - Installed 18 KWp of rooftop solar panels across 6 locations, successfully avoiding operational emissions
4	EV charging Infrastructure at HO and key offices	Renewable power sourcing for EVs through the expansion of EV charging infrastructure beyond the Head Office campus to the Kalina City-2 office in Mumbai and the Ahmedabad office	Encouragement for EV adoption: - Actively encourages employees and visitors to opt for Electric Vehicles (EVs) rather than diesel/petrol-based engines, supporting the broader adoption of low-emission mobility. Additionally in FY26 offices with EV charging station are operated on green power
5	5 Star AC for all new branches	Procurement of energy-efficient 5-star-rated ACs (with R32 refrigerant), which are now mandated as a standard specification for all new facilities and expanding branch networks where feasible	Increased energy efficiency: - Reduction in energy consumption and thus associated GHG emissions and energy cost
6	Scaling Waste Recycling Operations	Expanded the waste recycling program by increasing the number of participating branches from 2 in FY25 to 5 in FY26. This involves segregation of municipal waste and routing it exclusively through authorised waste handlers and recyclers	Reduction in waste to landfills: - Successfully diverted more waste from landfills, resulting in a direct reduction in Scope 3 (Category 5: Waste Generated in Operations) emissions

Sr. No	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
7	Carpool and shared mobility initiatives	Actively encouraged carpool commutes by collaborating with the 'sRide' platform to promote shared mobility among the workforce. Additionally, provided employee shuttle and bus services for last-mile connectivity at select branches from nearest railway station/public transport facility	Encouraging emission reduction savings: ▪ Reduced individual fuel consumption and carbon footprint, leading to a reduction in Scope 3 (Category 7: Employee Commute) emissions
8	Waste assessment study of 50 new branches and awareness sessions	Conducted a detailed waste assessment study across 50 new branches via an independent expert, taking the cumulative total to 100 branches assessed	Reduction in waste generation: ▪ Achieved better waste segregation and targeted reduction at the source, contributing to a further reduction in Scope 3 (Category 5: Waste Generated in Operations) emissions. Along with the assessment awareness creation sessions were also conducted through experts for the branch staff.
9	AI & OCR based Energy assessment	Deployed AI- and Optical Character Recognition (OCR) enabled systems to conduct assessment of energy consumption patterns across 500+ branches.	Resource optimisation: ▪ Enhanced energy efficiency across the network, driving a reduction in Scope 2 (Indirect Emissions from Energy Consumption)
10	Installation of smart meters at select locations	Installation of smart meters for small meeting centre branches in rural remote areas where direct meters are not present	Enhanced data accuracy and resource tracking: ▪ Significantly improved environmental data capture, enabling real-time energy visibility, better load management, and informed decision-making to support operational decarbonisation
11	Cloud Infrastructure Optimisation	The organisation has undertaken a structured cloud optimisation program by migrating workloads to energy-efficient cloud infrastructure and continuously optimising compute and storage utilisation. This includes: ▪ Right-sizing of virtual machines and storage ▪ Auto-scaling to match demand dynamically ▪ Decommissioning of idle/ underutilised resources ▪ Leveraging cloud-native, energy-efficient architectures	▪ Improved infrastructure utilisation efficiency
12	Business process re-engineering	During FY26, the organisation continued to scale its enterprise automation program across core business and support functions including disbursement, lead & sourcing, collection & services, finance, HR, IT Core, analytics, marketing, DevOps, call center and business operations. A combination of workflow automation, bots, system integrations, and digital process improvements were deployed to streamline high-volume and repetitive processes. During the year, 64 automation use cases were operationalised, of which several were newly launched in FY26 while others continued to generate sustained benefits from earlier deployments. The program focused on improving operational productivity, reducing manual dependency, enabling faster transaction processing, and creating scalable digital operations across functions	▪ Significant annualized cost savings realized through automation ▪ 90 lac+ transactions enabled through automated processes ▪ Faster turnaround times and improved process accuracy ▪ Reduced manual dependency and enhanced productivity ▪ Scalable digital operations across functions
13	Digital-First Customer Journeys (Paperless Operations)	LTF Finance has enabled end-to-end digital and paperless customer journeys across products, including critical processes such as customer ID verification, income assessment, risk based checks, e-signs, and approval workflows have been automated to deliver a seamless onboarding experience. Collections journeys have also been strengthened through automated case allocation, multi-modal touch-free payment options, and digital receipt issuance. Customer servicing has been extensively digitised through the PLANET app, PLANET web and LTF website. There is an integrated experience across channels	▪ Paperless and faster onboarding experience across product journeys ▪ Reduced physical documentation, branch dependency, and manual processing ▪ Improved efficiency in collections through digital allocation and payment journeys ▪ Enhanced customer convenience through touch-free servicing channels ▪ 89+% of customer servicing fulfilled through digital/self-service channels, reducing physical interactions and paper usage

5. DOES THE ENTITY HAVE A BUSINESS CONTINUITY AND DISASTER MANAGEMENT PLAN? GIVE DETAILS IN 100 WORDS/WEB LINK.

LTF maintains a comprehensive Business Continuity Policy (Non-IT) framework to encompass operational and human capital continuity. The Board's Risk Management Committee actively oversees and reviews the business continuity plans to ensure enterprise resilience.

The Business Continuity Plan (BCP) is a critical component of LTF's risk management framework. It is designed to ensure the continuity of essential business functions and services in the face of unforeseen disruptions. The primary objective of this plan is to provide a structured, actionable framework to respond effectively to an incident, minimize downtime, protect critical assets and facilitate a rapid and organized recovery. By defining key roles, responsibilities, and procedures, this document serves as a guide for maintaining operational stability and mitigating the impact of any interruption on our stakeholders, partners, and customers. The framework includes forward-looking scenario analysis, periodic testing under multiple adverse scenarios.

6. DISCLOSE ANY SIGNIFICANT ADVERSE IMPACT TO THE ENVIRONMENT, ARISING FROM THE VALUE CHAIN OF THE ENTITY. WHAT MITIGATION OR ADAPTATION MEASURES HAVE BEEN TAKEN BY THE ENTITY IN THIS REGARD:

LTF conducts structured assessments covering a significant share of its upstream and downstream partners. evaluating partners on environmental parameters, including formal climate policies, GHG emissions, renewable energy usage, and waste management tracking. To strengthen Value Chain governance, we have deployed a dedicated assessment tool that transitions our oversight from periodic manual reviews to a real-time, automated monitoring framework. LTF's value chain is also governed by its Sustainable Procurement Policy and TPCoC and LTF actively engages with its partners through capacity-building initiatives, sustainability dialogues, annual value chain connect to drive alignment on social and environmental priorities.

7. PERCENTAGE OF VALUE CHAIN PARTNERS (BY VALUE OF BUSINESS DONE WITH SUCH PARTNERS) THAT WERE ASSESSED FOR ENVIRONMENTAL IMPACTS:

In FY26, 75% of value chain partners were considered for assessment.

Principle 7

Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

Essential Indicators

1. a. Number of affiliations with trade and industry chambers/associations.

LTF's active memberships, leadership roles, and affiliations with seven (7) key trade, industry, and sustainability chambers/associations.

b. List the top 10 trade and industry chambers/associations (determined based on the total members of such a body) the entity is a member of/affiliated to.

Sr. No.	Name of the trade and industry chambers/associations	Reach of trade and industry chambers/associations (State/National)
1	NBFC Committee, FICCI	National
2	Confederation of Indian Industry	National
3	Microfinance Institutions Network	National
4	Finance Industry Development Council	National
5	CII WR Sub-Committee on Business Responsibility	State
6	United Nations Global Compact Network (UNGC)	International
7	Partnership for Carbon Accounting Financials (PCAF)	International

2. PROVIDE DETAILS OF CORRECTIVE ACTION TAKEN OR UNDERWAY ON ANY ISSUES RELATED TO ANTI-COMPETITIVE CONDUCT BY THE ENTITY, BASED ON ADVERSE ORDERS FROM REGULATORY AUTHORITIES:

Name of authority	Brief of the case	Corrective action taken
No adverse regulatory action taken or underway related to anti competitive conduct		

Leadership Indicators

1. DETAILS OF PUBLIC POLICY POSITIONS ADVOCATED BY THE ENTITY:

Sr. No.	Public policy advocated	Method resorted for such advocacy	Whether information available in the public domain? (Yes/No)	Frequency of Review by Board (Annually/Half yearly/Quarterly/ Others – please specify)	Web Link, if available
1	The Company has actively engaged in public policy advocacy, making several representations to various authorities regarding the practical challenges faced in implementing regulatory requirements. Additionally, we have made proactive suggestions to improve these frameworks. LTF promotes robust corporate governance standards, emphasising on transparency and accountability. The Company has made representations to regulatory bodies about the challenges in meeting extensive reporting requirements and have suggested streamlined reporting frameworks that reduce administrative burdens while maintaining transparency. Through direct engagement with regulatory bodies, participation in industry associations, and collaboration with other stakeholders, LTF strives to drive policy changes that uphold high standards while considering the practicalities of implementation for businesses. This not only addresses the practical challenges but also highlights the proactive steps the Company has taken to suggest improvements, demonstrating a forward thinking and collaborative approach to public policy advocacy.	As a proactive measure, the Company provides various suggestions/ proposals along with the necessary rationale to the regulators on various consultation papers issued from time to time prior to them becoming effective in the form of a statute. An update on the representations made to the regulatory authorities is placed before the Board along with other regulatory changes that currently impact/would impact the Company along with necessary synopsis	No	As and when needed	-

Principle 8 Businesses should promote inclusive growth and equitable development

Essential Indicators

1. DETAILS OF SOCIAL IMPACT ASSESSMENTS (SIA) OF PROJECTS UNDERTAKEN BY THE ENTITY BASED ON APPLICABLE LAWS, IN THE CURRENT FINANCIAL YEAR:

Name and brief details of project	SIA Notification No.	Date of notificati-on	Whether conducted by independent external agency (Yes/No)	Results Communicat-ed in public domain (Yes/No)	Relevant Web link
In accordance with CSR regulations, no projects required a Social Impact Assessment (SIA) during the current financial year					

2. PROVIDE INFORMATION ON PROJECT(S) FOR WHICH ONGOING REHABILITATION AND RESETTLEMENT (R&R) IS BEING UNDERTAKEN BY YOUR ENTITY, IN THE FOLLOWING FORMAT:

Sr. No.	Name of Project for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amounts paid to PAFs in the FY (In ₹)
Not Applicable						

LTF is a Non-banking Financial Company (NBFC) and provides financial services. It operates out of leased premises except its HO and the nature of business does not warrant Rehabilitation and Resettlement (R&R).

3. DESCRIBE THE MECHANISMS TO RECEIVE AND REDRESS GRIEVANCES OF THE COMMUNITY:

LTF ensures that its Corporate Social Responsibility (CSR) projects are conducted in a responsible and transparent manner, actively encouraging participation from community members and stakeholders. The establishment of a robust Community Grievance Redressal Mechanism underscores the Company's commitment to accountability when addressing any concerns related to its CSR programmes.

To strengthen transparency, LTF has ensured that at every project location, dedicated grievance redressal officers is designated, who operates idependently to ensure that all complaints are handled impartially and without bias. Additionally, it is ensured that POSH policy of its implementing agencies are displayed in the project offices and is adequately adhered and Community Advisory Panels (CAPs) a group of local people working together hold quarterly meetings with local representatives to gather on-ground feedback and suggest programmatic improvements.

Continuous monitoring and evaluation are undertaken through monthly reviews with NGO partners, enabling timely interventions. This is complemented by quarterly on-site field visits and real-time tracking via digital dashboards, which provide firsthand insights into project implementation and help identify and address potential challenges swiftly. This approach has resulted in strong community trust and zero grievances recorded in FY26.

Any concerns or questions regarding the CSR programmes can be directed to the dedicated channel at csr@ltfs.com

4. PERCENTAGE OF INPUT MATERIAL (INPUTS TO TOTAL INPUTS BY VALUE) SOURCED FROM SUPPLIERS:

	FY 2025-26 (Current financial year)	FY 2024-25 (Previous financial year)
Directly sourced from MSMEs/small producers	22.15%	18.22%
Sourced directly from within the district and neighboring districts	99.51%	99.57%

5. JOB CREATION IN SMALLER TOWNS – DISCLOSE WAGES PAID TO PERSONS EMPLOYED (INCLUDING EMPLOYEES OR WORKERS EMPLOYED ON A PERMANENT OR NON-PERMANENT/ON CONTRACT BASIS) IN THE FOLLOWING LOCATIONS, AS % OF TOTAL WAGE COST:

Location	FY 2025-26 (Current financial year)	FY 2024-25 (Previous financial year)
Rural	61%	57.63%
Semi-urban	5%	5.36%
Urban	8%	8.30%
Metropolitan	26%	28.71%

Leadership Indicators

1. PROVIDE DETAILS OF ACTIONS TAKEN TO MITIGATE ANY NEGATIVE SOCIAL IMPACTS IDENTIFIED IN THE SOCIAL IMPACT ASSESSMENTS (REFERENCE: QUESTION 1 OF ESSENTIAL INDICATORS ABOVE):

The Company has not undertaken any social impact assessment studies during the reporting period, as the requirement was not applicable based on the thresholds prescribed under the applicable regulatory provisions.

Details of negative social impact identified	Corrective action taken
Not Applicable	

2. PROVIDE THE FOLLOWING INFORMATION ON CSR PROJECTS UNDERTAKEN BY YOUR ENTITY IN DESIGNATED ASPIRATIONAL DISTRICTS AS IDENTIFIED BY GOVERNMENT BODIES:

Sr. No.	State	Aspirational District	Amount spent (In ₹)
1	West Bengal	Murshidabad	1,74,56,826
2	Maharashtra	Dharashiv (Osmanabad)	6,80,000
3	Punjab	Firozpur	2,11,250
4	Uttar Pradesh	Chandauli	24,42,664
5	Bihar	Begusarai	1,02,875
6	Bihar	Katihar	6,50,993
7	Bihar	Khagaria	49,380
8	Rajasthan	Baran	6,27,440
9	Rajasthan	Sirohi	2,76,000

3. (a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalised/vulnerable groups? (Yes/No)

Yes. The Company integrates social and environmental responsibility into its supplier engagements through its Sustainable Procurement Policy and Third-Party Code of Conduct. Under this value chain governance framework, LTF actively encourages its partners to adopt sustainable sourcing practices and support inclusive engagement.

(b) From which marginalized/vulnerable groups do you procure?

Not Applicable

(c) What percentage of total procurement (by value) does it constitute?

Not Applicable

4. DETAILS OF THE BENEFITS DERIVED AND SHARED FROM THE INTELLECTUAL PROPERTIES OWNED OR ACQUIRED BY YOUR ENTITY (IN THE CURRENT FINANCIAL YEAR), BASED ON TRADITIONAL KNOWLEDGE:

Sr. No.	Intellectual Property based on traditional knowledge	Owned/Acquired (Yes/No)	Benefit shared (Yes/No)	Basis of calculating benefit share
Not Applicable				
No intellectual properties acquired on traditional knowledge.				

5. DETAILS OF CORRECTIVE ACTIONS TAKEN OR UNDERWAY, BASED ON ANY ADVERSE ORDER IN INTELLECTUAL PROPERTY RELATED DISPUTES WHEREIN USAGE OF TRADITIONAL KNOWLEDGE IS INVOLVED:

Name of authority	Brief of the Case	Corrective action taken
Not Applicable		

6. DETAILS OF BENEFICIARIES OF CSR PROJECTS:

CSR Project	No. of persons benefited from CSR Projects	% of beneficiaries from vulnerable and marginalized groups
Digital Sakhi North Karnataka	2,51,506	66%
Digital Sakhi South Karnataka	1,88,320	66%
Digital Sakhi Kerala	1,43,296	57%
Digital Sakhi Tamil Nadu (Madurai)	1,45,283	64%
Digital Sakhi Uttar Pradesh (Gorakhpur)	1,40,433	62%
Digital Sakhi Bihar (Supaul)	1,46,059	57%
Digital Sakhi WB (Murshidabad)	1,41,440	68%
Digital Sakhi Uttar Pradesh (Kushinagar)	1,20,459	61%
Digital Sakhi Bihar (Saharsha)	1,21,446	62%
Digital Sakhi Rajasthan	1,20,769	75%
Digital Sakhi Gujarat	62,582	66%
Project Prakruti	204	48%
Road Safety Awareness	18,510	63%
Disaster Relief	1,00,000	66%
Health Camps	20,324	56%
Jalvaibhav	10,505	37%
Total	**17,31,136**	**-**

Principle 9 — **Businesses should engage with and provide value to their consumers in a responsible manner**

Essential Indicators

1. DESCRIBE THE MECHANISMS IN PLACE TO RECEIVE AND RESPOND TO CONSUMER COMPLAINTS AND FEEDBACK:

- Customer complaints are addressed through a variety of multi-layered grievance redressal processes that are hosted on platforms like emails, phones, websites, and the Planet App
- A CRM system is in place to record and handle all complaints received through various channels
- Depending on the nature of concern, complaints are categorised and are routed to dedicated complaint resolution teams with clearly defined escalation matrix – starting from the first touchpoint complaints, moving to the Grievance Redressal officer or Principal Nodal Officer and finally escalations raised to the Regulator
- The Customer Experience servicing team oversees the complaint management process, supported by functional teams across the Company with Root Cause Analysis (RCA) to identify the underlying causes of complaints, basis which the corrective measure and preventive measures are taken
- In line with the RBI directives, an Internal Ombudsman has been appointed to handle customer complaints which are partially or wholly rejected by the Company. Further based on the Internal Ombudsman's views and compliance recommendations, the focus is on continuous improvement on complaint reduction

2. TURNOVER OF PRODUCTS AND/SERVICES AS A PERCENTAGE OF TURNOVER FROM ALL PRODUCTS/SERVICE THAT CARRY INFORMATION ABOUT:

	As a percentage to total turnover
Environmental and social parameters relevant to the product	Not Applicable LTF is a Non-banking Financial Company (NBFC) and provides financial services. We do not manufacture any product or have a service that can carry information about the question.
Safe and responsible usage	
Recycling and/or safe disposal	

3. NUMBER OF CONSUMER COMPLAINTS IN RESPECT OF THE FOLLOWING:

	FY 2025-26 (Current financial year)		Remarks	FY 2024-25 (Previous financial year)		Remarks
	Received during the year	Pending resolution at end of year		Received during the year	Pending resolution at end of year	
Data privacy	0	0	-	0	0	-
Advertising	0	0	-	0	0	-
Cyber-security (Digital Complaints)	0	0	-	0	0	-
Delivery of essential services	13,877	383	-	16,794	773	-
Restrictive Trade Practices	0	0	-	0	0	-
Unfair Trade Practices	0	0	-	0	0	-
Other	0	0	-	0	0	-

4. DETAILS OF INSTANCES OF PRODUCT RECALLS ON ACCOUNT OF SAFETY ISSUES:

	Number	Reasons for recall
Voluntary recalls	Not Applicable	LTF is a Non-banking Financial Company (NBFC) and provides financial services. We do not manufacture any product which needs to be recalled voluntarily
Forced recalls		

5. DOES THE ENTITY HAVE A FRAMEWORK/POLICY ON CYBER SECURITY AND RISKS RELATED TO DATA PRIVACY? (YES/NO) IF AVAILABLE, PROVIDE A WEB-LINK OF THE POLICY:

Yes, LTF maintains a robust framework governed by its Data Privacy Policy and Cybersecurity Policy. This policy defines strict safeguards for protecting customer and business information to and mitigate cybersecurity risks across the Company the policy objectives are supported through continuous awareness programs, fraud prevention initiatives, and cybersecurity training.

The Company has implemented an Information Security Management System mapped to ISO 27001:2022 standards reinforcing its commitment to information security.

Web-link to the Policy: https://www.ltfinance.com/privacy-policy.

6. PROVIDE DETAILS OF ANY CORRECTIVE ACTIONS TAKEN OR UNDERWAY ON ISSUES RELATING TO ADVERTISING, AND DELIVERY OF ESSENTIAL SERVICES; CYBER SECURITY AND DATA PRIVACY OF CUSTOMERS; RE-OCCURRENCE OF INSTANCES OF PRODUCT RECALLS; PENALTY/ACTION TAKEN BY REGULATORY AUTHORITIES ON SAFETY OF PRODUCTS/SERVICES:

There were no issues identified and thus no corrective actions were required to be taken.

7. PROVIDE THE FOLLOWING INFORMATION RELATING TO DATA BREACHES:

a. Number of instances of data breaches	b. Percentage of data breaches involving personally identifiable information of Customers	c. Impact, if any, of the data breaches
0	0	NOT APPLICABLE

Leadership Indicators

1. CHANNELS/PLATFORMS WHERE INFORMATION ON PRODUCTS AND SERVICES OF THE ENTITY CAN BE ACCESSED (PROVIDE WEB LINK, IF AVAILABLE):

Information regarding LTF's products and services are available on its website. (https://www.ltfinance.com/)

Official Website

The Company's website offers detailed product information, multiple digital loan journeys, and financial tools such as EMI calculators. The official web link is www.ltfinance.com

Mobile Application

The **PLANET App** ecosystem (including the newly launched PLANET 3.0) allows users to access direct-to-consumer (D2C) loan journeys, product details, and digital servicing.

Physical Branch Network

Transparent product communication, which clearly outlines product features, pricing, repayment obligations, and customer rights, is made available across LTF's nationwide branch network.

Digital & Social Media Platforms

Product information and financial awareness campaigns are disseminated through various digital marketing channels, including SMS, WhatsApp, social media platforms, in-app notifications, and videos.

Conversational AI

Customers can also access real-time product information and query resolutions through AI-powered assistants like **KAI**, a multilingual conversational chatbot.

2. STEPS TAKEN TO INFORM AND EDUCATE CONSUMERS ABOUT SAFE AND RESPONSIBLE USAGE OF PRODUCTS AND/OR SERVICES:

LTF has implemented robust systems to ensure that the customers always have access to information on its products and services. Additionally, the Company has developed the customer awareness training module, which is available on its website (https://www.ltfinance.com/) and covers topics such as customer advisory, interest rate model, gradation of risk, schedule of charges, Prime Lending Rates (PLR), the ombudsman scheme, the self-help option, the list of terminated service providers and the process. Customer education blogs are also available on the website.

3. MECHANISMS IN PLACE TO INFORM CONSUMERS OF ANY RISK OF DISRUPTION/DISCONTINUATION OF ESSENTIAL SERVICES:

Yes. LTF has established a comprehensive Business Continuity Policy (BCP) to ensure operational resilience and manage potential disruptions. In the event of any risk of disruption or discontinuation of essential services, the Company leverages a robust, multi-channel communication framework to keep consumers informed.

The communication modes utilised include:

- **Targeted Digital Communication:** Direct notification via SMS, WhatsApp, and email to affected customers
- **App & Online Ecosystem:** In-app notifications and real-time alerts through the PLANET App ecosystem, as well as updates on the Company's website
- **Public Channels:** Regular updates across LTF's official social media platforms
- **On-Ground & Support Networks:** Information dissemination through the physical branch network, call centres, and dedicated helplines to ensure comprehensive customer reach

4. DOES THE ENTITY DISPLAY PRODUCT INFORMATION ON THE PRODUCT OVER AND ABOVE WHAT IS MANDATED AS PER LOCAL LAWS? (YES/NO/NOT APPLICABLE) IF YES, PROVIDE DETAILS IN BRIEF. DID YOUR ENTITY CARRY OUT ANY SURVEY WITH REGARD TO CONSUMER SATISFACTION RELATING TO THE MAJOR PRODUCTS/SERVICES OF THE ENTITY, SIGNIFICANT LOCATIONS OF OPERATION OF THE ENTITY OR THE ENTITY AS A WHOLE? (YES/NO):

Yes.

Product Information & Awareness Details:

Yes. LTF promotes responsible borrowing through transparent and customer-centric product communication across its branches, digital platforms, and marketing channels, clearly outlining product features, pricing, repayment obligations, and customer rights. Over and above regulatory requirements, the Company enables informed decision-making through PLANET App ecosystem and comprehensive financial literacy programmes. During this year, LTF further strengthened its outreach through a nationwide financial awareness drive educating customers on loan management, responsible borrowing, RBI-mandated rights, and digital fraud prevention, supported by the risk awareness mascot Sachet Kumar. Consumer Satisfaction Survey: Yes. LTF conducts satisfaction assessment through a comprehensive Net Promoter Score (NPS) framework implemented across its rural and urban businesses. This includes an Onboarding NPS to measure satisfaction during the loan application and onboarding process and a Transactional NPS to gauge satisfaction across service interactions at contact centres, branches, and digital platforms. Additionally, as part of its Voice of Customer framework, the Company undertakes product-specific customer surveys and hosts in-person engagement initiatives, such as Green Hands Meets, to capture deeper insights to continuously enhance service delivery.

VALUE CHAIN ASSESSMENT - BRSR CORE REPORTING FOR VALUE CHAIN PARTNERS

BRSR Core Indicators		Unit	Final Attributed Metric Value
1.	**Green-House Gas (GHG) footprint**		
	Total Scope 1 Emissions	tCO_2e	988.31
	Total Scope 2 Emissions	tCO_2e	2,487.91
	Scope 1 & 2 Emission Intensity	tCO_2e/INR	0.00000014
2.	**Water**		
	Total Water Consumption - Water Consumption	Kilo Litres	33,820.60
	Total Water consumption intensity - Water consumption intensity	Kilo Litres/INR	0.0013774
	Water Withdrawal by Source:		
	Surface Water	Kilo Litres	4,393.02
	Ground Water	Kilo Litres	11,587.71
	Sea Water/Desalinated Water	Kilo Litres	3.84
	Third Party Water	Kilo Litres	11,862.07
	Source: Others	Kilo Litres	13,887.69
	Water Discharge by Destination:		
	Surface Water -	Kilo Litres	1,119.36
	Ground Water -	Kilo Litres	1,135.81
	Sea Water -	Kilo Litres	42.61
	Third Party -	Kilo Litres	1,499.47
	Others -	Kilo Litres	4,196.97
	Water Discharge by Level of Treatment:		
	No treatment -	Kilo Litres	5,352.35
	Primary treatment	Kilo Litres	2,599.26
	Secondary treatment	Kilo Litres	42.61
3.	**Energy footprint**		
	Total Energy Consumed	GJ	13,998.18
	Energy Intensity	GJ/INR	0.0000006
	Percentage Energy from Renewable Sources	Fraction	0.07
4.	**Embracing circularity**		
	Total Waste Generated:	Metric Tonnes	604.36
	Construction and Demolition Waste	Metric Tonnes	345.93
	Other Non Hazardous	Metric Tonnes	247.42
	Other Hazardous Waste	Metric Tonnes	5.7
	Battery Waste	Metric Tonnes	2.01
	Electronic waste	Metric Tonnes	1.79
	Plastic Waste	Metric Tonnes	1.51
	Biomedical Waste	Metric Tonnes	0
	Radioactive Waste	Metric Tonnes	0

BRSR Core Indicators	Unit	Final Attributed Metric Value
Total Waste Generation Intensity:	Metric Tonnes/INR	0.00000002
Waste Reuse:	Metric Tonnes	80.18
Battery Waste	Metric Tonnes	0.04
Electronic waste	Metric Tonnes	0.02
Other Non Hazardous Waste	Metric Tonnes	80.13
Battery Waste Recovered through Other Options:	Metric Tonnes	0
Other Non Hazardous Waste Recovered through Other Options:	Metric Tonnes	0.36
Waste Recycled - Waste Recovery:	Metric Tonnes	29.38
Battery Waste	Metric Tonnes	0.29
Biomedical Waste	Metric Tonnes	0
Electronic waste	Metric Tonnes	1.3
Other Hazardous Waste	Metric Tonnes	0
Other Non Hazardous Waste	Metric Tonnes	27.75
Plastic Waste	Metric Tonnes	0.03
Waste Disposal Incineration:	Metric Tonnes	0.15
Battery Waste	Metric Tonnes	0.02
Biomedical Waste	Metric Tonnes	0
Electronic waste	Metric Tonnes	0.02
Other Hazardous Waste	Metric Tonnes	0
Plastic Waste Incinerated	Metric Tonnes	0.11
Waste Disposal Landfill:	Metric Tonnes	156.12
Battery Waste	Metric Tonnes	0.28
Biomedical Waste	Metric Tonnes	0
Construction & Demolition Waste	Metric Tonnes	9.89
Electronic waste	Metric Tonnes	0.18
Other Hazardous Waste	Metric Tonnes	5.66
Other Non Hazardous Waste	Metric Tonnes	138.89
Plastic Waste	Metric Tonnes	1.22
Radioactive Waste	Metric Tonnes	0
Other Disposal Options:	Metric Tonnes	339.49
Battery Waste	Metric Tonnes	0.36
Construction & Demolition Waste	Metric Tonnes	335.48
Other Non Hazardous Waste	Metric Tonnes	3.63
Plastic Waste	Metric Tonnes	0.02
5. Enhancing Employee Wellbeing and Safety		
Number of Fatalities	Number	0.04
Permanent Disabilities	Number	0.01
Work Related Injuries	Number	0.2
Final Lost Time Injury Frequency Rate (per one million person hours worked)	Ratio	0.01

BRSR Core Indicators	Unit	Final Attributed Metric Value
6. Enabling Gender Diversity in Business		
POSH:		
Complaints Filed	Number	0.59
Percent Complaints of Females	Fraction	0.14
Complaints Upheld	Number	0.27
Percentage of Gross Wages Paid to Females:	Fraction	0.18
7. Enabling Inclusive Development		
Input materials sourced:		
Sourced from MSMEs/Small Producers	Fraction	0.11
Sourced from within India	Fraction	0.76
Job Creation Wages paid to persons employed in:		
Rural Areas	Fraction	0.07
Semi Urban Areas	Fraction	0.11
Urban Areas	Fraction	0.18
Metropolitan Areas	Fraction	0.46
8. Fairness in Engaging with Customers and Suppliers		
Data Breaches:		
Data breaches involving information of customers	Fraction	-
Number of Data Breaches	Number	-
Final Number of days of accounts payables	Number	0.38
9. Open-ness of business		
Concentration of purchases and sales:		
Number of Dealers, Distributors to whom sales are made	Number	-
Number of Trading Houses Where Purchases are made from	Number	0.31
Percent Purchases from top 10 Trading Houses	Fraction	0.93
Percent Purchases from Trading Houses	Fraction	0.03
Percent Sales to Dealers/Distributers	Fraction	-
Percent Sales to top 10 Dealers, Distributors	Fraction	
Loans, Advances and Investments with Related party:		
Share of RPTs in Investments	Fraction	0.06
Share of RPTs in Loans and Advances	Fraction	0.02
Share of RPTs in Purchases	Fraction	0.03
Share of RPTs in Sales	Fraction	0.01

Note: In compliance with the SEBI BRSR Core framework for FY26, your Company has identified its significant value chain partners based on the prescribed threshold of individually comprising 2% or more of the entity's total purchases or sales by value. The assessment was conducted through a combination of direct stakeholder engagement via questionnaires and the review of latest (FY25) publicly available data to ensure reporting continuity. Total 13 value chain partners met the required 2% criterion. Out of the total 13 value chain partners data for 9 partners (Aggregating to 32% of total spend of the Company) has been disclosed herein. In accordance with the "voluntary" disclosure approach permitted by SEBI for the transition period, 4 partners have been excluded as India-specific data was neither shared by the entities nor available in the public domain, thus precluding their inclusion in the current reported metrics.

BDO India Services Private Limited
Magnum Global Park, Floor 21,
Sector 58, Golf Course Extension
Road, Gurgaon-122001, Haryana INDIA

Independent Assurance Statement

To

The Board of Directors
L&T Finance Limited,
6th Floor, Brindavan, Plot No. 177, C.S.T Road,
Kalina, Santacruz (East), Mumbai - 400 098.

Independent Assurance Statement on Business Responsibility and Sustainability Report (BRSR) disclosures and Integrated Annual Report (IR) for the financial year 2025-26.

Introduction and objective of engagement

L&T Finance Limited (the 'Company') has developed its Business Responsibility and Sustainability Report ('BRSR') including the BRSR Core Indicators[1], based on the BRSR reporting guidelines prescribed by SEBI for listed entities. The reporting criteria have been derived from the Principles of National Guidelines on Responsible Business Conduct, 2018 (NGRBC), and Greenhouse Gas (GHG) Protocol - A Corporate Accounting and Reporting Standard. The Company has also developed its Integrated Annual Report 2025-26 ('IR') based on the principles of the Integrated Reporting (<IR>) Framework published by the International Integrated Reporting Council (IIRC). The BRSR would form a part of the IR.

BDO India Services Private Limited (BDO) was engaged by the Company to provide independent assurance on select non-financial sustainability disclosures in the BRSR and IR (the 'Report') for the period 1st April 2025 to 31st March 2026.

The Company's responsibilities

The content of the Report and its presentation are the sole responsibilities of the Management of the Company. The Company's Management is also responsible for the design, implementation, and maintenance of internal controls relevant to the preparation of the Report, so that it is free from material misstatement.

BDO's responsibility

BDO's responsibility, as agreed with the Management of the Company, is to provide assurance on the BRSR Core Indicators and those of IR as described in the 'Scope & boundary of assurance' section below. We do not accept or assume any responsibility for any other purpose or to any other person or organization. Any reliance a third party may place on the Report is entirely at its own risk.

Assurance standard and criteria

We conducted our assurance engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised), "Assurance Engagements Other than Audits or Reviews of Historical Financial Information", and ISAE 3410, "Assurance Engagements on Greenhouse Gas Statement", issued by the International Auditing and Standards Board.

We applied the criteria of **'Reasonable' Assurance** for non-financial Core Indicators of BRSR (Business Responsibility & Sustainability Report), and criteria of **'Limited' Assurance** for select non-financial information of the IAR (Integrated Annual Report) and other than Core indicators of BRSR.

Scope & boundary of assurance

We have assured BRSR Core Indicators[1], selected BRSR Non-core Indicators and Integrated Annual Report sustainability indicators *(as set out under Appendix 1 to this statement)*, pertaining to the Company's non-financial performance for the period 1st April 2025 through 31st March 2026. We understand that the financial information in the BRSR Core is derived from the Company's audited financial records.

The reporting scope and boundary cover the Company's operations.

Assurance methodology

Our assurance process entailed conducting procedures to gather evidence regarding the reliability of the disclosures covered in the assurance scope. The physical verification on sample basis was carried out at the following locations:

- Corporate Office, Brindavan, Mumbai;
- Branch Office, Mahape;
- Branch Office, Goregaon;
- Branch Office, Borivali.

We used our professional judgement as Assurance Provider for selection of samples of the Company's locations/facilities and non-financial information for the verifications.

We conducted a review and verification of data collection, collation, and calculation methodologies, and a general review of the logic of inclusion/omission of relevant information/data in the Report. Our review process included:

- Evaluation of appropriateness of the quantification methods used to arrive at the non-financial/sustainability information of the BRSR Core Indicators and IR;
- Review of consistency of data/information within the Report as well as between the Report and source;
- Engagement through discussions with personnel at both corporate and plant/facility levels who are accountable for the data and information presented in the Report;
- Execution of an audit trail of claims and data streams, to determine the level of accuracy in collection, transcription, and aggregation;
- Review of data collection and management procedures, and related internal controls.

Limitations & exclusions

There are inherent limitations in assurance engagement, including, for example, the use of judgment and selective testing of data. Accordingly, there are possibilities that material misstatements in the sustainability information of the Report may remain undetected.

The assurance scope specifically excludes:

- Data and information outside the defined reporting period (1st April 2025 to 31st March 2026);
- Review of the 'economic and/or financial performance indicators' included in the Reports or on which reporting is based; we have been informed by the Company that these are derived from the Company's audited financial records;
- The Company's statements and claims related to any topics other than those listed in the 'Scope and boundary of assurance';
- The Company's statements that describe qualitative/quantitative assertions, expression of opinion, belief, inference, aspiration, expectation, aim or future intention.

Our observations

We have reviewed the disclosures in the "Report" for the reporting period from 1st April 2025 through 31st March 2026. The disclosures of the Company, covered under the 'Scope and boundary of assurance', are fairly reliable.

Our conclusions

Based on the scope of our review, we concluded the following:

- Reasonable Assurance of BRSR Core indicators: The non-financial sustainability disclosures of the BRSR Core indicators as mentioned in 'Scope and boundary of assurance' fulfil the criteria of relevance, completeness, reliability, neutrality, and understandability as per 'reasonable' assurance criteria;
- Limited Assurance of selected indicators for BRSR (other than core) and IR: Based on the procedures performed, nothing has come to our attention that causes us not to believe that the disclosures are presented fairly, in all material respects, as per 'limited' assurance criteria.

Our assurance team and independence

BDO India Services Private Limited is a professional services firm providing services in Advisory, Assurance, Tax, and Business Advisory Services, to both domestic and international organizations across industry sectors. Our non-financial assurance practitioners for this engagement are drawn from a dedicated Sustainability and ESG Team in the organization. This team is comprised of multidisciplinary professionals, with expertise across the domains of sustainability, global sustainability reporting standards and principles, and related assurance standards. This team has extensive experience in conducting independent assurance of sustainability data, systems, and processes across sectors and geographies. As an assurance provider, BDO India Services Private Limited is required to comply with the independence requirements set out in the International Federation of Accountants (IFAC) Code of Ethics for Professional Accountants. Our independence policies and procedures ensure compliance with the Code.

For BDO India Services Private Limited

Dipankar Ghosh
Partner| Sustainability & ESG
Business Advisory Services
Gurugram, Haryana
01 May 2026

[1] SEBI vide Circular SEBI/HO/CFD/CFD-SEC-2/P/CIR/2023/122 dated 12 July 2023

Appendix 1

The sustainability non-financial indicators considered during the engagement are based on GRI Standard and BRSR Framework, as presented below.

A. BRSR Core Indicators

Sr. No.	Principle/ Indicator/ Reference	Attribute	Parameter
1	Principle 6-E7	Green-house gas (GHG) footprint	1. Total scope 1 emissions 2. Total scope 2 emissions 3. GHG emission Intensity (Scope 1 + 2): a) Total Scope 1 and Scope 2 emissions per rupee of turnover b) Total Scope 1 and Scope 2 emission per rupee of turnover adjusted for Purchasing Power Parity (PPP) c) Total Scope 1 and Scope 2 emission intensity in terms of physical output
2	Principle 6-E3 Principle 6-E4	Water footprint	1. Total water withdrawn 2. Total volume of water consumption 3. Water consumption intensity: a) Water consumption per rupee of turnover b) Water consumption per rupee of turnover adjusted for Purchasing Power Parity (PPP) c) Water intensity in terms of physical output 4. Water Discharge by destination and levels of Treatment
3	Principle 6-E1	Energy footprint	1. Total energy consumed 2. % of energy consumed from renewable sources 3. Energy intensity: a) Energy consumed per rupee of turnover b) Energy consumed per rupee of turnover adjusted for Purchasing Power Parity (PPP) c) Energy intensity in terms of physical output
4	Principle 6 - E9	Embracing circularity-details related to waste management by the entity	1. Total waste generated 2. Waste generated intensity: a) Waste generated per rupee of turnover b) Waste generated per rupee of turnover adjusted for Purchasing Power Parity (PPP) c) Waste intensity in terms of physical output 3. For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations 4. For each category of waste generated, total waste disposed by nature of disposal method
5	Principle 3 - E1(C) Principle 3 - E11	Enhancing employee wellbeing and Safety	1. Spending on measures towards well- being of employees and workers- cost incurred as a % of total revenue of the company. 2. Details of safety related incidents for employees and workers a) Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked) b) Total recordable work-related injuries c) No. of fatalities d) High consequence work-related injury or ill-health (excluding fatalities)
6	Principle 5 - E3(b) Principle 5 - E7	Enabling Gender Diversity in Business	1. Gross wages paid to females as a % of total wages paid 2. Complaints on POSH a) Total Complaints reported under Sexual Harassment on of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH) b) Complaints on POSH as a % of female employees / workers c) Complaints on POSH upheld
7	Principle 8 - E4 Principle 8 - E5	Enabling Inclusive Development	1. Input material sourced from following sources as % of total purchases Directly sourced from MSMEs/ small producers and directly from within India 2. Job creation in smaller towns- wages paid to people employed in smaller towns (permanent or non-permanent/on contract) as % of total wage cost
8	Principle 9 - E7 Principle 1 - E8	Fairness in Engaging with Customers and Suppliers	1. Instances involving loss/ breach of data of customers as a percentage of total data breaches or cyber security events 2. Number of days of accounts payable
9	Principle 1 - E9	Open-ness of business	1. Concentration of purchases & sales done with trading houses, dealers, and related parties a) Purchases from trading houses as % of total purchases b) Number of trading houses where purchases are made from c) Purchases from top 10 trading houses as % of total purchases from trading houses d) Sales to dealers / distributors as % of total sales e) Number of dealers / distributors to whom sales are made f) Sales to top 10 dealers / distributors as % of total sales to dealers / distributors
			2. Loans and advances & investments with related parties Share of RPTs (as respective %age) in: a) Purchases b) Sales c) Loans & advances d) Investments

B. BRSR Indicators

Sr. No.	Principle Reference	Attribute	Indicator Description
1	Principle 1- E1	Details of training given to employees and workers.	1. BOD 2. KMP 3. Employees other than BoD and KMP 4. Workers
2	Principle 1- L1	Details of training given to value chain partners	1. Awareness programmes conducted for value chain partners on any of the principles during the financial year.
3	Principle 2- E2	Sustainable Sourcing	1. Does the entity have procedures in place for sustainable sourcing? (Yes/No) 2. If yes, what percentage of inputs were sourced sustainably
4	Principle 3 - E2	Retirement Benefits for employees	1. Employees covered under PF 2. Employees covered under Gratuity 3. Employees covered under ESIC
5	Principle 3- E8	Details of training given to employees and workers.	1. On Health and safety measures 2. On Skill upgradation
6	Principle 3- E9	Performance and career development reviews of employees and worker	1. Male 2. Female
3	Principle 5- E1	Training on human rights.	1. Training for permanent employees 2. Training for non-permanent employees
4	Principle 5- E2	Minimum wages paid to employees	1. Equal to minimum wage 2. More than minimum wage
5	Principle 5- E3 (a)	Median remuneration / wages	1. BOD 2. KMP 3. Employees other than BoD and KMP 4. Workers

C. GRI Indicators

Sr. No.	Indicator Reference	Indicator Description
1	2-7	Employees
2	3-1	Process to determine material topics
3	302-1	Energy consumption within the organization
4	303-5	Water consumption
5	305-1	Direct (Scope 1) GHG emissions
6	305-2	Energy indirect (Scope 2) GHG emissions
7	305-3	Other indirect (Scope 3) GHG emissions Specific Categories: Category 1: Purchased goods and services Category 2: Capital Goods Category 3: Fuel- and Energy-Related Activities Category 5: Waste Generated in Operations

BDO

		Category 6: Business travel Category 7: Employee Commute Category 8: Upstream leased assets Category 15: Financed Emissions
8	306-3	Waste generated
9	306-4	Waste diverted from disposal
10	306-5	Waste directed to disposal
11	401-1	New employee hires and employee turnover
12	401-3	Parental leaves
13	404-1	Average learning hours per year per employee
14	405-1	Diversity of governance bodies and employees
15	305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions

D. Internally defined management criteria

Sr. No.	Indicator title	Indicator Description
1	Responsible lending	Responsible lending to women entrepreneurs (no. of active women borrowers who received micro loans)
2	Water Replenishment	Water Replenishment considering storage capacity and type of soil of water structure and run off days calculated using SCS-CN (soil curve number) method
3	Carbon Sequestration	Carbon sequestration calculation basis guidance in clean Development Mechanism (CDM) A/R (Afforestation/reforestation) methodology
4	Value Chain Disclosures	Value Chain disclosure on select BRSR core indicators (aligned with SEBIs guideline of attributing to value chain partners individually comprising 2% or more of the listed entity's purchase and sales (by value) respectively, and under 75% of cumulative purchase and sales (by value) of the reporting entity) 1. Green-House Gas (GHG) footprint 2. Water 3. Energy footprint 4. Embracing circularity 5. Enhancing Employee Wellbeing and Safety 6. Enabling Gender Diversity in Business 7. Enabling Inclusive Development - Input materials sourced 8. Fairness in Engaging with Customers and Suppliers 9. Open-ness of business

GRI INDEX

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GRI 2: General Disclosures 2021	2-1 Organisational details	Y	Who We Are	Who We Are	8-9
	2-2 Entities included in the organisation's sustainability reporting	Y	About the Report	About the Report	2-3
	2-3 Reporting period, frequency and contact point	Y	About the Report	About the Report	2-3
	2-5 External assurance	Y	About the Report	About the Report	2-3
	2-6 Activities, value chain and other business relationships	Y	Social and Relationship Capital	Customer Centricity Building a Smarter Dealer Ecosystem	263 272-273
	2-7 Employees	Y	Human Capital	Maintaining Diversity, Equity and Inclusion in Workforce	224-225
	2-9 Governance structure and composition	Y	Corporate Governance	Board of Directors	36-39
	2-10 Nomination and selection of the highest governance body	Y	Corporate Governance	Board of Directors, Board Committees	36-39, 52-60
	2-11 Chair of the highest governance body	Y	Corporate Governance	Board of Directors, Board Committees	36-39, 52-60
	2-12 Role of the highest governance body in overseeing the management of impacts	Y	Board of Directors, Corporate Governance	Board Committees	52-60
	2-13 Delegation of responsibility for managing impacts	Y	Corporate Governance	Board Committees	52-60
	2-14 Role of the highest governance body in sustainability reporting	Y	Corporate Governance	Board Committees	52-60
	2-15 Conflicts of interest	Y	Corporate Governance	A Policy-Led Approach to Responsible Conduct	65-68

GRI Standard	Disclosures	Last Year IAR (Y/N)	Chapter Reference	Section Reference	Page No.
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	2-18 Evaluation of the performance of the highest governance body	Y	Corporate Governance	Board Effectiveness and Performance	47
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	2-20 Process to determine remuneration	Y	Corporate Governance	Nomination and Remuneration Committee	54
	2-21 Annual total compensation ratio	Y	Human Capital	Advancing Diversity, Equity, and Inclusion	232
	2-22 Statement on sustainable development strategy	Y	About the Report, Chairman's message, Sustainability@LTF	About the Report, Chairman's Message & MD and CEO's Message, From the CS & CSO's Desk	2-3, 20-31, 121
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GRI 207: Tax 2019	207-1 Approach to tax	N	Financial Capital	Tax Approach	189
	207-2 Tax governance, control, and risk management	N	Financial Capital	Tax Approach	189
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	302-4 Reduction of energy consumption	Y	BRSR	Principle 6	370, 379-381
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	Y	Natural Capital	Water Stewardship	320-321
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GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	Y	Natural Capital	Waste Management	324-325
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	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Y	Human Capital	Support Right	244-245
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GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	Y	Human Capital	Support Right	240
	403-2 Hazard identification, risk assessment, and incident investigation	Y	Human Capital	Support Right	240
	403-3 Occupational health services	Y	Human Capital	Support Right	240-243
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GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	Y	Human Capital	Nurture Right	249
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			BRSR	Principle 5	366
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GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labour	Y	BRSR	Principle 5	367-369
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labour	Y	BRSR	Principle 5	367-369
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	Y	BRSR	Principle 5	367-369
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GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	Y	Social and Relationship Capital	Deepening Value Chain Engagement for Long-Term Growth	273
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TCFD DISCLOSURE

TCFD Pillar	Recommended Pillar	Chapter	Pg. No.
Governance	Board's oversight of climate-related risks and opportunities	**Corporate Governance** Governance Structure Corporate Social Responsibility (CSR) and Sustainability Committee Sustainability Governance Policy Advocacy and Industry Association Risk Management - Risk Governance and Oversight Strengthening Risk Capabilities During the Year	34-35 55 69-71 72 76 77
		Sustainability@LTF Sustainability Governance Structure Responsible Operations	126-127 128-133
		Natural Capital How we deliver this - Strategic Oversight	298
	Management's role in assessing and managing climate-related risks and opportunities	**Corporate Governance** Sustainability Governance Integrated ESG Approach Risk Management - Risk Governance and Oversight	69-71 70 76
		Sustainability@LTF Sustainability Governance Structure	126-127
		Natural Capital How we deliver this - Integrated Sustainability Governance Technology-enabled Execution	298 299
Strategy	Climate-related risks and opportunities the organisation has identified over the short, medium, and long term	**Materiality Analysis** Prioritising what matters	158
		Sustainability@LTF Building a Sustainability Strategy Roadmap	125
		Natural Capital Climate-Related Risks and Opportunities Assessing TCFD-led Climate Risk	302-305 304
		Financial Capital A Strong and Ethical Lending Framework Maintaining Asset Quality Discipline	183-184 185-186

TCFD Pillar	Recommended Pillar	Chapter	Pg. No.
	Impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning	**Sustainability@LTF** Building a Sustainability Strategy Roadmap Responsible Finance	125 134-136
		Financial Capital Sustainable and Responsible Financing	187-188
		Social & Relationship Capital Embedding Sustainability Practices across the Value Chain	273
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	Resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2-degree or lower scenario	**Natural Capital** Climate Risk	302-305
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		Corporate Governance Risk Management	74-80
Risk Management	Organisation's processes for identifying and assessing climate-related risks	**Management Discussion and Analysis** Risk Management	108-110
		Corporate Governance Risk Management ESG Risk Management	74-80 84-85
		Materiality Analysis Prioritising what matters	158-161
		Natural Capital Climate Risk Managing Emissions	302-305 309-317
	Organisation's processes for managing climate-related risks	**Materiality Analysis** Structured Double Materiality Assessment Process	159-160
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		Financial Capital Maintaining Asset Quality Discipline	185-186
		Natural Capital Climate Risk Managing Emissions	302-305 309-317
		Sustainability@LTF Building a Sustainability Strategy Roadmap Progress on Sustainability Targets Responsible Finance	125 137-143 134-135
		Stakeholder Engagement Stakeholder Engagement	146-157
		Social and Relationship Capital Strengthening Trust, Inclusion and Stakeholder Partnerships Customer Centricity Building a Smarter Dealer Ecosystem Corporate Social Responsibility	256-260 261-271 271-273 274-293
	Processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management	**Corporate Governance** Risk Management ESG Risk Management	74-87
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		Natural Capital IClimate Risk Managing Emissions	302-305 309-317
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TCFD Pillar	Recommended Pillar	Chapter	Pg. No.
Metrics and Targets	Metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process	**Sustainability@LTF** Our Sustainability Focus Progress on Sustainability Targets	122 137-143
		Value Creation Model	118-119
		Materiality Analysis Material Issues	162-171
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POLICY COMPENDIUM

Name of Policy/Document
Anti-Corruption Policy
Code of Conduct
CSR Policy
Data Privacy Policy
Diversity, Equity and Inclusion Policy
Dividend Distribution Policy
Environment Policy
ESG Policy
E-Waste Policy
Grievance Redressal Policy
Health and Safety Policy
Human Rights Policy
Policy on Appointment/Remuneration/Compensation for Director, Senior Management Personnel, KMP and Others
Policy on Board Diversity
Policy for Determining Material Subsidiaries
Policy on Related Party Transactions
Policy on Vigil Mechanism
Sustainable Procurement Policy
Third-Party Code of Conduct
ESMS Policy

BOARD'S REPORT

Dear Members,

The Directors of your Company have the pleasure in presenting the Eighteenth Annual Report together with the audited financial statements for the financial year ("FY") ended March 31, 2026.

FINANCIAL RESULTS

The summary of the Company's financial performance, both on a consolidated and standalone basis, for FY26 as compared to the previous FY i.e., FY25 is given below:

(₹ in Cr)

	Consolidated		Standalone	
	2025–26	**2024–25**	**2025–26**	**2024–25**
Continuing Operations				
Total income	17,917.03	15,940.98	18,054.20	15,930.12
Less: Total expenses	13,890.35	12,449.72	13,919.40	12,475.19
Profit before exceptional items and tax	**4,026.68**	**3,491.26**	**4,134.80**	**3,454.93**
Exceptional items	(28.51)	–	(28.43)	–
Profit before tax	**3,998.17**	**3,491.26**	**4,106.37**	**3,454.93**
Less: Tax expense	1,015.30	847.84	1,006.06	837.12
Profit after tax from continuing operations	**2,982.87**	**2,643.42**	**3,100.31**	**2,617.81**
Add: Share in profit of associate company	–	–		–
Net profit after tax from continuing operations and share in profit of associate company	2,982.87	2,643.42	3,100.31	2,617.81
Discontinued operations				
Profit before tax from discontinued operations	–	–		–
Tax expense from discontinued operations	–	–		–
Profit after tax from discontinued operations		–		–
Profit for the year	**2,982.87**	**2,643.42**	**3,100.31**	**2,617.81**
Add: Profit / (Loss) attributable to Non Controlling Interest	1.69	(0.24)	–	–
Profit for the year (owners of the Company)	**2,981.18**	**2,643.66**	**3,100.31**	**2,617.81**
Actuarial gain on defined benefit plan (gratuity) net of income tax	(9.44)	(2.28)	(9.48)	(2.27)
Total comprehensive income for the year (owners of the Company)	2,971.74	2,641.38	3,090.83	2,615.54
Add: Balance brought forward from previous year	9,134.43	7,649.06	4,881.72	3,422.21
Balance Available	**12,106.17**	**10,290.44**	**7,972.55**	**6,037.75**
Appropriations				
Dividend paid (including dividend distribution tax)	686.77	622.46	686.77	622.46
Transfer to/(from) Reserve u/s 45–IC of Reserve Bank of India Act, 1934	620.06	523.56	620.06	523.56
Transfer to impairment reserve		–		–
Transfer to/(from) General Reserve		–		–
Transfer to Reserve u/s 36(1)(viii) of Income Tax Act, 1961	7.50	10.00	7.50	10.00
Transfer to Capital Redemption Reserve		–		–
Others		0.01	–	0.01
Surplus in the Statement of Profit and Loss	**10,791.84**	**9,134.43**	**6,658.22**	**4,881.72**

Figures for the previous year have been regrouped/re-classified to confirm to the figures of the current year.

The Company has not transferred any amount from profit and loss to General Reserve during the year.

FINANCIAL PERFORMANCE HIGHLIGHTS

The Company's performance during the year ended March 31, 2026 in comparison with the year ended March 31, 2025 is summarized as follows:

Consolidated

- Total income was ₹ 17,917.03 Cr in FY26 as compared to ₹ 15,940.98 Cr in FY25.
- Profit before exceptional items and tax was ₹ 4,026.68 Cr in FY26 as compared to ₹ 3,491.26 Cr in FY25.
- Profit for the year attributable to owners of the Company was ₹ 2,981.18 Cr in FY26 as compared to ₹ 2,643.66 Cr in FY25.

During the year, the net loan book increased from ₹ 93,773.06 Cr to ₹ 1,17,821.03 Cr primarily on account of growth in retail loan book.

Standalone

- Total income was ₹ 18,054.20 Cr in FY26 as compared to ₹ 15,930.12 Cr in FY25.
- Profit before exceptional items and tax was ₹ 4,134.80 Cr in FY26 as compared to ₹ 3,454.93 Cr in FY25.
- Profit for the year was ₹ 3,100.31 Cr in FY26 as compared to ₹ 2,617.81 Cr in FY25.

There are no proceedings admitted against the Company under the Insolvency and Bankruptcy Code, 2016.

APPROPRIATIONS

As required u/s 45–IC of the Reserve Bank of India Act, 1934, ₹ 620.06 Cr has been transferred to Special Reserve during the year (previous year ₹ 523.56 Cr).

COST RECORDS

The Company is not required to maintain cost records as per the provisions of Section 148 (1) of the Companies Act, 2013 ("the Act").

INFORMATION ON THE STATE OF AFFAIRS OF THE COMPANY

The information on the affairs of the Company has been given as part of the Management Discussion and Analysis section of the Report.

During the year under review, the Company completed the acquisition of the Gold loan business of Paul Merchants Finance Private Limited, a wholly owned subsidiary of Paul Merchants Limited.

MATERIAL CHANGES AND COMMITMENTS

There were no material changes and commitments affecting the financial position of the Company which occurred between the end of the financial year to which these financial statements relate and the date of the Board's Report.

DIVIDEND DISTRIBUTION POLICY

The Dividend Distribution Policy of the Company approved by the Board of Directors ("Board") is in line with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and RBI regulations. The policy is available on the website of the Company at *https://www.ltfinance.com/investors*. Please refer to the section, 'Policy Compendium' for accessing the policy.

DIVIDEND

The Board has recommended a final dividend of ₹ 2.75 per equity share (face value of ₹ 10 each) subject to approval of the Members at the ensuing Annual General Meeting ("AGM"). The dividend recommended is in accordance with the Dividend Distribution Policy.

In terms of Ind AS 10, events after the reporting period as notified by the Ministry of Corporate Affairs, the proposed dividend of ₹ 688.71 Cr is not recognised as liability as on March 31, 2026.

The dividend, if approved at the ensuing AGM, would be paid to those Members whose names appear in the Register of Members maintained by the Registrar and Share Transfer Agents / Beneficial Owners maintained by the depositories as stated in notice of the ensuing AGM.

CREDIT RATING

During the year under review, there have been no changes to the credit ratings assigned to the Company in FY25.

Further during the year under review, Crisil Ratings Limited ("CRISIL"), CARE Ratings Limited ("CARE") India Ratings and Research Private Limited ("India Ratings") and ICRA Limited ("ICRA") have reviewed and reaffirmed the ratings as stated below:

Rating agencies / instrument type	CRISIL	CARE	India Ratings	ICRA
Long-term rating	CRISIL AAA (Stable)	CARE AAA (Stable)	IND AAA (Stable)	ICRA AAA (Stable)
Short-term rating	CRISIL A1+	CARE A1+	IND A1+	ICRA A1+
Instrument-wise details of long-term ratings				
Non-Convertible Debentures	CRISIL AAA (Stable)	CARE AAA (Stable)	IND AAA (Stable)	ICRA AAA (Stable)
Non-Convertible Debentures (Public Issue)	CRISIL AAA (Stable)	CARE AAA (Stable)	IND AAA (Stable)	ICRA AAA (Stable)
Long-term rating of bank facilities	CRISIL AAA (Stable)	CARE AAA (Stable)	IND AAA (Stable)	ICRA AAA (Stable)
Subordinate debt	CRISIL AAA (Stable)	CARE AAA (Stable)	IND AAA (Stable)	ICRA AAA (Stable)
Principal Protected Market Linked Debentures	CRISIL PPMLD AAA (Stable)	CARE PP-MLD AAA (Stable)	IND PP-MLD AAA (Stable)	PP-MLD ICRA AAA (Stable)
Perpetual Debt	-	CARE AA+ (Stable)	-	ICRA AA+ (Stable)
Instrument-wise details of short-term rating				
Commercial Paper	CRISIL A1+	CARE A1+	-	ICRA A1+

The instruments / bank facilities with long term ratings of AAA are considered to have highest degree of safety regarding timely servicing of financial obligations. Such instruments carry lowest credit risk.

The instruments with long-term ratings of AA+ are considered to have high degree of safety regarding timely servicing of financial obligations. Such instruments carry very low credit risk.

The instruments with a short-term rating of A1+ are considered to have a very strong degree of safety regarding timely payment of financial obligations. Such instruments carry the lowest credit risk.

During the year under review, the Company secured its maiden International Credit Rating from S&P Global and Fitch Ratings.

In July 2025, S&P Global Ratings assigned a long-term issuer credit rating of 'BBB-', while Fitch Ratings assigned a Long-Term Foreign-Currency Issuer Default Rating (IDR) of 'BBB-', both with a 'Stable' outlook. Further, rating from S&P Global was upgraded to 'BBB' in line with the upgrade to the India Sovereign Rating in August 2025. These investment-grade ratings, aligned with India's sovereign rating, reflect the agencies' confidence in the Company's 'Lakshya' strategic transformation, diversified retail portfolio, asset quality, capitalization and the strong brand association and support from our parent, Larsen & Toubro Limited.

FUND RAISING

During the year under review, the Company met its funding requirements through issue of Non-Convertible Debentures, Commercial Papers, borrowings from banks, External Commercial Borrowings, Securitisation Borrowings (PTC), Treasury Bills Repurchase and Borrowings (including Repo Borrowings). As on March 31, 2026, the Company doesn't have any listed green debt securities.

During the year under review, the net borrowings saw an increase of ₹ 17,640.79 Cr vis-à-vis an increase of ₹ 15,706.03 Cr in the previous year.

The aggregate debt outstanding as on March 31, 2026 was ₹ 1,09,887.69 Cr.

During the year, there have been no instances of one time settlement with any bank or financial institution.

CHANGES TO THE SHARE CAPITAL

During the year under review, the Company has issued 95,17,915 equity shares to employees of the Company pursuant to the exercise of stock options under the Employee Stock Option Scheme – 2013 ("ESOP Scheme").

Pursuant to the allotment of equity shares under the ESOP Scheme, the paid-up share capital of the Company was ₹ 2,504.39 Cr as at March 31, 2026 as compared to ₹ 2,494.87 Cr as at March 31, 2025.

During the year under review, the Company has not raised funds by way of public issue, rights issue or preferential issue and hence, the disclosure under Regulation 32(4) of SEBI Listing Regulations is not applicable.

EMPLOYEE STOCK OPTION SCHEME

There has been no change in the ESOP Schemes during the year under review. The ESOP Schemes are in compliance with the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 ("SBSE Regulations").

The disclosures required to be made under the Act and SBSE Regulations are available on the website of the Company at *https://www.ltfinance.com/investors* (click - ESOP Disclosure). The certificate from the Secretarial Auditors, confirming compliance with the aforesaid provisions has been appended as **Annexure A** to the Board's Report.

INVESTMENT IN SUBSIDIARIES

During the year under review, the Company has not made any investments in its subsidiaries.

RBI REGISTRATION

The Company is a Non-Banking Financial Company-Investment and Credit Company ("NBFC-ICC") registered with Reserve Bank of India, bearing reference number N-13.02052 dated August 2, 2024.

STATUTORY DISCLAIMER

RBI does not accept any responsibility or guarantee about the present position as to the financial soundness of the Company or for the correctness of any of the statements or representations made or opinions expressed by the Company and discharge of liabilities by the Company.

FIXED DEPOSITS

The Company being a non-deposit taking Non-Banking Financial Company ("NBFC"), has not accepted any deposits from the public during the year under review.

DIRECTORS

As on March 31, 2026, the composition of the Board is in accordance with the provisions of Section 149 of the Act and Regulation 17 of the SEBI Listing Regulations, with an appropriate combination of Executive Director, Non-Executive Directors and Independent Directors. The list of Directors of the Company has been disclosed as part of the Corporate Governance Report.

Mr. Thomas Mathew T. (DIN: 00130282) Independent Director of the Company, who was appointed for second term of five years, from July 01, 2020 to June 30, 2025, has ceased to be the Independent Director of the Company w.e.f. July 01, 2025 pursuant to completion of the term.

The Board records its deepest appreciation for contribution by Mr. Thomas Mathew T. in guiding and supporting the management during his tenure as an Independent Director of the Company over the last so many years.

Mr. Dhananjaya Tambe (DIN: 07260971) was appointed as an Independent Director on the Board of the Company for a first term of up to five years with effect from July 1, 2025 till June 30, 2030, by the Board based on recommendation of the Nomination and Remuneration Committee ("NRC") of the Company. Further, the said appointment was approved by the Members by way of a special resolution passed at the AGM held on June 3, 2025.

The terms and conditions of appointment of Independent Directors are available on the website of the Company at *https://www.ltfinance.com/investors*. Please refer to the section, 'Policy Compendium' for accessing the policy. The Board is of the opinion that the Independent Directors of the Company possess requisite qualifications, experience, expertise (including proficiency, as applicable) and hold highest standards of integrity.

Section 152 of the Act provides that unless the Articles of Association provide for retirement of all directors at every AGM, not less than two-third of the total number of directors of a public company (excluding the Independent Directors) shall be persons whose period of office is liable to determination by retirement of directors by rotation, of which one-third are liable to retire by rotation. Accordingly, Mr. S.N. Subrahmanyan (DIN: 02255382) will retire by rotation at the ensuing AGM and being eligible, has offered himself for re-appointment.

Declaration by Independent Directors

All Independent Directors have submitted the declaration of independence, pursuant to the provisions of Section 149(7) of the Act and Regulation 25(8) of the SEBI Listing Regulations, stating that they meet the criteria of independence as provided in Section 149(6) of the Act and Regulations 16(1)(b) of the SEBI Listing Regulations and they are not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact his/ her ability to discharge his/her duties with an objective independent judgment and without any external influence.

Familiarization Programme

The Company has familiarized the Independent Directors with the Company, their roles and responsibility in the Company, nature of industry in which the Company operates, business model of the Company, etc. Additionally, dedicated field visits (visits to the Company's branches, dealers and CSR projects)

were undertaken to familiarize the Directors with the on ground operations. The specific details of trainings are covered in the Business Responsibility & Sustainability Report ("BRSR") forming part of the Report.

The details relating to the familiarisation programme are available on the website of the Company at *https://www.ltfinance.com/investors* (click – Familiarisation Programme).

Fit and Proper Criteria & Code of Conduct

All the Directors meet the fit and proper criteria stipulated by RBI. All the Directors and Senior Management Personnel ("SMP") of the Company under the SEBI Listing Regulations have affirmed compliance with the Code of Conduct of the Company.

KEY MANAGERIAL PERSONNEL ("KMPs")

There was no change in the KMPs of the Company during the year under review. As on March 31, 2026, the Company had the following KMPs:

1) Mr. Sudipta Roy – Managing Director & Chief Executive Officer
2) Mr. Sachinn Joshi – Chief Financial Officer
3) Ms. Apurva Rathod – Company Secretary

POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION / COMPENSATION FOR DIRECTORS, SENIOR MANAGEMENT PERSONNEL, KEY MANAGERIAL PERSONNEL AND OTHER EMPLOYEES

A. Background and objectives:

Section 178 of the Act and Regulation 19 read with Part D of Schedule II of the SEBI Listing Regulations, requires the Nomination and Remuneration Committee ("NRC") to formulate a policy relating to the remuneration of the Directors, SMP/ KMPs and other employees of the Company and recommend the same for approval of the Board.

Further as per requirements of Reserve Bank of India (Non-Banking Financial Companies - Governance) Directions, 2025, the Company is required to put in place a Board approved compensation policy.

Further, Section 134 of the Act stipulates that the Board's Report is required to include a statement on the Company's policy on Directors' appointment and remuneration including criteria for determining qualifications, positive attributes, independence of director and remuneration for KMPs and other employees ("the Policy").

In view of the aforesaid, the Board has, based on the recommendation of the NRC of the Company, approved the Policy which is available on the website of the Company at *https://www.ltfinance.com/investors*. Please refer to the section, 'Policy Compendium' for accessing the Policy.

B. Brief framework of the Policy

The objective of this Policy is:

a) to guide the Board in relation to appointment and removal of Directors.

b) to formulate criteria for evaluation of Independent Directors and the members of the Board.

c) to evaluate the performance of the members of the Board including Independent Directors.

d) to determine criteria for payment of remuneration/compensation to Directors, SMPs/KMPs and employees.

e) to recommend to the Board, remuneration / compensation payable to the Directors including SMPs, KMPs and employees, if required.

f) to ensure relationship of remuneration/ compensation to performance is clear and meets appropriate performance benchmarks.

C. Appointment of Director(s) – Criteria and requirements:

The NRC identifies and ascertains the integrity, professional qualification, areas of expertise and experience of the person, who is proposed to be appointed as a director and appropriate recommendation is made to the Board with respect to his / her appointment to maintain balance, ensure effective functioning of the Board and ensure orderly succession planning.

The Committee ensures that at least 1 (one) of the Directors on the Board has relevant experience of having worked in a Bank / NBFC.

Appointment of Independent Directors is subject to the provisions of Section 149 of the Act read with Schedule IV and rules thereunder and SEBI Listing Regulations. The NRC satisfies itself that the proposed person satisfies the criteria of independence as stipulated under Section 149(6) of the Act and SEBI Listing Regulations, before the appointment as an Independent Director.

No person is eligible to be appointed as a Director, if he/she is subject to any disqualifications as stipulated under the Act or any other law(s) for the time being in force.

Appointment of a Director is subject to the provisions of the Act and rules thereunder, SEBI Listing Regulations, RBI regulations and other applicable regulations, as the case may be.

Appointment of Managing Director and Whole-time Director is subject to the provisions of Sections 196, 197, 198 and 203 of the Act read with Schedule V and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, RBI regulations, SEBI Listing Regulations and such other applicable regulations. A person cannot occupy the position as a Managing Director / Whole-time Director beyond the age of seventy years, unless the appointment is approved by a special resolution passed by the Company in general meeting. No re-appointment is made earlier than 1 (one) year before the expiry of term.

D. Evaluation criteria of Directors and SMPs / KMPs / Employees

- **Independent Directors / Non-Executive Directors**

  The Board/NRC carries out evaluation of performance of Independent Directors/ Non-Executive Directors every year ending March 31 on the basis of the following criteria:

  a) Membership & Attendance - Board and Committee meetings;

  b) Contribution during such meetings;

  c) Active participation in strategic decision making;

  d) Inputs to executive management on matters of strategic importance;

  e) Performance of the directors;

  f) Fulfilment of the independence criteria and their independence from the management, as applicable; and

  g) Such other matters, as the NRC / Board may determine from time to time.

- **Executive Directors**

  The NRC carries out evaluation of performance of Executive Directors ("EDs") every year ending March 31. The evaluation is on the basis of key performance indicators ("KPIs"), which are identified well in advance for EDs and weights assigned for each measure of performance keeping in view the distinct roles of EDs. The identified KPIs for EDs are approved by the NRC or the Board, pursuant to recommendation of the NRC, if required.

- **SMPs / KMPs (other than EDs) / Employees**

  The Human Resource ("HR") department initiates the process of evaluation of the aforementioned persons every year ending March 31, with the Department Head(s) / Management concerned. KPIs are identified well in advance at the commencement of the financial year. Performance benchmarks are set and evaluation of employees is done by the respective reporting Manager(s)/Management/ Department Head(s) / NRC as prescribed by law or regulator to determine whether the performance benchmarks are achieved. The payment of remuneration / compensation / annual increment to the aforementioned persons is determined after the satisfactory completion of evaluation process.

The HR department of the Company is authorised to design the framework for evaluating the EDs / SMPs / KMPs / employees. The objective of carrying out the evaluation by the Company is to identify and reward those with exceptional performances during the financial year. Training and development orientation programmes on a need basis are provided to employees, whose performance during any financial year does not meet the benchmark criteria.

E. Criteria for Remuneration

The NRC, while determining and/or recommending the criteria for remuneration / remuneration for Directors, SMPs / KMPs and other employees ensures that:

a) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully;

b) the relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and

c) the remuneration to Directors, SMPs and KMPs involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.

The NRC with respect to SMPs and KMPs, further ensures that:

i. the compensation levels are supported by the need to retain earnings of the Company and the need to maintain adequate capital based on Internal Capital Adequacy Assessment Process Policy;

ii. the remuneration is reasonable, recognising all relevant factors including adherence to statutory requirements and industry practices; and

iii. the remuneration / compensation packages may comprise of fixed and variable pay components aligned effectively with prudent risk taking to ensure that compensation is adjusted for all types of risks, the compensation outcomes are symmetric with risk outcomes, compensation pay-outs are sensitive to the time horizon of the risks, and the mix of cash, equity and other forms of compensation are consistent with risk alignment.

During the year under review, the Policy was amended to reflect the changes approved by the NRC to the Company's compensation framework.

PERFORMANCE EVALUATION

Pursuant to the provisions of the Act and the SEBI Listing Regulations, the Board has carried out an annual evaluation of its own performance, performance of the Directors individually and the Committees of the Board.

Manner of Evaluation

The NRC and the Board have laid down the manner in which formal annual evaluation of the performance of the Board, its Committees and individual Directors is required to be carried out.

It includes circulation of evaluation forms separately for evaluation of the Board and its Committees, Independent Directors / Non-Executive Directors / Executive Directors / Managing Director and Chief Executive Officer and Chairman of the Board, as applicable.

During the year under review, the aforesaid annual performance evaluation was conducted through an independent external service provider's platform. The results of the evaluation were sent to the Chairperson of the NRC, after which necessary feedback was provided to the NRC / Board. This process ensured that the evaluation process was carried out in a confidential manner and Independent Directors feedback was obtained on the performance.

The process of the annual performance evaluation broadly comprises:

a) Board and Committee Evaluation:

- Evaluation of Board as a whole and the Committees is done by the individual Directors / members, followed by submission of collation to NRC, discussion at NRC and feedback to the Board by the NRC post discussion.

b) Independent / Non-Executive Directors Evaluation:

- Evaluation done by Board members excluding the Director being evaluated is received and individual feedback is provided to each Director as per the policy for performance evaluation of the Board / its Committees / Directors.

c) Chairperson / Managing Director & Chief Executive Officer Evaluation:

- Evaluation as done by the individual directors is submitted to the Chairperson of the NRC and Chairperson of the NRC presents the feedback at the NRC Meeting and subsequently at the Board Meeting.

BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT

In accordance with the requirements of Regulation 34 of the SEBI Listing Regulations, the Report includes the Company's BRSR. The Company has prepared the report in line with the BRSR framework prescribed by SEBI, which is based on the National Guidelines on Responsible Business Conduct. The Company also aligns its Sustainability disclosures with Integrated Reporting Framework and the Global Reporting Initiative standards. The Company remains committed to embedding environmental, social and governance principles into the strategy, operations and decision-making processes to create sustainable long-term value for all stakeholders.

REPORT ON CORPORATE GOVERNANCE

The report on Corporate Governance for the year under review, is forming a part of the Board's Report and the same is prepared in accordance with SEBI Listing Regulations and other applicable regulations, if any. The certificate from the Secretarial Auditor of the Company confirming compliance with the conditions of corporate governance is appended to the Corporate Governance Report.

STATUTORY AUDITORS

Pursuant to the provisions of Section 139(2) of the Act and the rules made thereunder and RBI requirements, the Members at their Sixteenth AGM held on June 25, 2024, had appointed M/s. T. R. Chaddha & Co. LLP, Chartered Accountants (ICAI Firm Registration Number: 006711N/N500028) and M/s. Brahmayya & Co., Chartered Accountants (ICAI Firm Registration Number: 000515S) as the Joint Statutory Auditors of the Company for a term of 3 (three) years, i.e., from the conclusion of Sixteenth AGM till the conclusion of the Nineteenth AGM.

STATUTORY AUDITORS' REPORT

The Auditors' Report to the Members for the year under review is unmodified. The notes to the accounts referred to in the Auditors' Report are self-explanatory and therefore do not call for any further clarifications under Section 134(3)(f) of the Act.

SECRETARIAL AUDITOR

Pursuant to the provisions of Regulation 24A of the SEBI Listing Regulations, the Members at their Seventeenth AGM held on June 3, 2025, had appointed M/s. Alwyn Jay and Co., Company Secretaries (Firm Registration Number: P2010MH021500) as the Secretarial Auditor of the Company for a term of five years, i.e., from FY2025-26 up to FY2029-30.

The Secretarial Auditor has confirmed that they have subjected themselves to Peer Review process by the Institute of Company Secretaries of India ("ICSI") and hold valid certificate issued by the Peer Review Board of ICSI.

SECRETARIAL AUDIT

The Secretarial Audit Report for the year under review confirming compliance by the Company with the Act (including circulars issued thereunder) and applicable regulations and circulars / guidelines / directions issued by SEBI and RBI is appended as **Annexure B** to the Board's Report. There is no adverse remark, qualification, reservation or disclaimer in the Secretarial Audit Report.

REPORTING OF FRAUDS BY AUDITORS

There were no frauds reported by the Auditors of the Company under Section 143(12) of the Act to the Audit Committee ("AC").

PARTICULARS OF EMPLOYEES

The information required pursuant to the provisions of Section 197 of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company has been appended as **Annexure C** to the Board's Report.

In terms of second proviso to Section 136 of the Act, the Report and accounts are being sent to the Members and others entitled thereto, excluding the information on employees' particulars as required pursuant to provisions of Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. The said information is available for inspection by the Members.

The Board of Directors affirms that the remuneration paid to the employees of the Company is as per the policy on Directors' appointment and remuneration/ compensation for Directors, Senior Management Personnel, Key Managerial Personnel and other employees and is in accordance with the requirements of the Act and SEBI Listing Regulations and none of the employees listed in the said Annexure are related to any Directors of the Company.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The details of conservation of energy, technology absorption and foreign exchange earnings and outgo of the Company are as follows:

a. Conservation of Energy:

The details regarding measures taken towards conservation of energy and capital investment thereof are covered as part of the Natural Capital section of the Report.

b. Technology Absorption:

The details pertaining to technology absorption at the Company (usage of digital and data analytics

to build sustainable competitive advantage) are covered as part of the Management Discussion and Analysis section of the Report and Manufactured & Intellectual Capital section of the Report.

c. Foreign Exchange Earnings and Outgo:

There were no foreign exchange earnings during the year (previous year also Nil); while the expenditure in foreign currency by the Company during the year was ₹ 493.43 Cr towards professional fees, license fees and finance cost (previous year: ₹ 193.02 Cr towards professional fees).

DEPOSITORY SYSTEM

The Company's Equity Shares are compulsorily tradable in electronic form. As on March 31, 2026, out of the Company's total equity paid-up share capital comprising of 2,50,43,86,016 equity shares, only 1,139 equity shares were in physical form, the rest being in dematerialised form.

As per notifications issued by SEBI from time to time, requests for effecting transfer of securities are not processed unless the securities are held in the dematerialised form with the depositories. Further, transmission or transposition of securities held in physical or dematerialised form is also effected only in dematerialised form.

Therefore, Members holding securities in physical form are requested to take necessary action to dematerialise their holdings.

SUBSIDIARY AND ASSOCIATE COMPANIES

As on March 31, 2026, the Company had 3 (three) subsidiaries. The list of the subsidiary Companies is covered in the Corporate Governance section of the Report.

MATERIAL SUBSIDIARIES

There is no material subsidiary of the Company as on March 31, 2026. Further, as required under Regulations 16(1)(c) and 46 of the SEBI Listing Regulations, the Board has approved the policy for determining Material Subsidiaries which is available on the website of the Company at *https://www.ltfinance.com/investors*. Please refer to the section, Policy Compendium for accessing the policy.

PERFORMANCE AND FINANCIAL POSITION OF EACH SUBSIDIARY / ASSOCIATE AND JOINT VENTURE COMPANIES

L&T Infra Investment Partners ("AIF Fund") is a private investment fund focused on the Indian infrastructure sector. The AIF Fund is registered as a Category I Alternative Investment Fund Infrastructure Fund with SEBI under the under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012.

L&T Infra Investment Partners Advisory Private Limited acts as an Investment Manager to the AIF Fund, whereas, L&T Infra Investment Partners Trustee Private Limited acts as the Trustee to the AIF Fund. The Company is the sponsor of the AIF Fund.

L&T Financial Consultants Limited is inter alia engaged in the business of leasing of its own properties, rendering consultancy services and advising and assisting in due diligence, providing technical assistance, financing loans or advisory services.

The highlights of performance of the businesses of subsidiaries are available on the website of the Company at *https://www.ltfinance.com/investors*.

Further, as required under Rule 5 and Rule 8(1) of the Companies (Accounts) Rules, 2014, a report on the performance and financial position of each of the subsidiaries and associates of the Company has been appended as **Annexure D** to the Board's Report.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the provisions of Section 134(5) of the Act, the Board of Directors confirm that, to the best of its knowledge and belief:

1) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;

2) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2026 and of the profit of the Company for that period;

3) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

4) the Directors have prepared the annual accounts on a going concern basis;

5) the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and operating effectively; and

6) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

SECRETARIAL STANDARDS

The Company has complied with all applicable Secretarial Standards issued by ICSI on Board meetings and General meetings.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has an internal control system, commensurate with the size, scale and complexity of its operations. Testing of such systems forms a part of review by the Internal Audit ("IA") function. The scope and authority of the IA function is defined in the IA Charter in line with the Board approved Risk Based Internal Audit Policy.

The IA function of the Company monitors and evaluates the efficacy and adequacy of the internal control system in the Company to ensure that financial reports are reliable, operations are effective and efficient and activities comply with applicable laws and regulations. Based on the report of the IA function, process owners undertake preventive and corrective action, if any, in their respective areas and thereby strengthen the controls. Significant audit observations and preventive and corrective actions thereon are presented to the AC of the Company from time to time.

BOARD MEETINGS

The details of the Board meetings held during FY26 are disclosed in the Corporate Governance Report.

AUDIT COMMITTEE

The Company has constituted an AC in terms of the requirements of the Act, Regulation 18 of the SEBI Listing Regulations and RBI regulations. The details of the same are disclosed in the Corporate Governance Report.

CORPORATE SOCIAL RESPONSIBILITY

In accordance with the requirements of the provisions of Section 135 of the Act, the Company has constituted a Corporate Social Responsibility ("CSR") and Sustainability Committee. The composition and terms of reference of the CSR and Sustainability Committee are covered in the Corporate Governance Report.

During the year under review, the Committee was renamed as CSR and Sustainability Committee (earlier known as CSR and ESG Committee). Sustainability provides a broader and more integrated framework covering environmental, social and governance aspects. Thus, the renaming was undertaken keeping in mind the aforesaid and also in alignment with SEBI's BRSR.

The Company has also formulated a CSR policy in accordance with the requirements of the Act containing details specified therein. The CSR Policy along with details of the projects approved by the Board are available on the website of the Company at *https://www.ltfinance.com/*. Please refer to the section, 'Policy Compendium' for accessing the CSR Policy.

The Company has a strong commitment towards promoting inclusive social transformation in rural communities through its CSR efforts. The CSR interventions are aligned with the Sustainable Development Goals ("SDGs"), which indicate a holistic approach towards social responsibility. The project-based accountability approach with a focus on social impact, scale, and sustainability reflects the Company's commitment to creating shared value for all stakeholders.

The CSR Policy was amended in April 2026 to reflect the changes pertaining to adoption of Integrated Community Development approach, adoption of new interventions under the existing thrust areas and to update the name of the Committee.

During the year, the Company spent ₹ 30.29 Cr in respect of its CSR obligation. During the year, the Company spent ₹ 12.92 Cr in excess of its CSR obligations and the excess amount will be set off against the required 2% CSR budget over the next 3 (three) immediate succeeding financial years, as required under regulations.

During the year, the overall CSR spend at L&T Finance (including its subsidiaries) was ₹ 31.05 Cr.

The Company's CSR efforts are well-aligned with its business objectives, regulatory requirements, and social responsibility principles.

An annual report on activities as required under Companies (Corporate Social Responsibility Policy) Rules, 2014 has been appended as **Annexure E** to the Board's Report.

VIGIL MECHANISM

Pursuant to Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014 read with Section 177(9) of the Act and Regulation 22 of the SEBI Listing Regulations, the Company has adopted a Vigil Mechanism Framework, under which the Whistle Blower Investigation Committee has been set up. The objective of the framework is to establish a redressal forum, which addresses all concerns raised on questionable practices and through which all the stakeholders such as Employees, Directors and service providers (agency, vendor, contractor or any outsourced partner) can raise actual or suspected violations.

The Vigil Mechanism Framework provides for adequate safeguards against victimization of the persons who use such mechanism and make provisions for direct access to chairman of AC.

The effectiveness of the vigil mechanism is regularly reviewed by the AC, which ensures that all grievances are handled promptly and judiciously. The AC's oversight ensures that the framework is accessible to all stakeholders and that it aligns with best practices.

Necessary details pertaining to the framework are disclosed in the Corporate Governance Report.

PARTICULARS OF LOANS GIVEN, INVESTMENTS MADE, GUARANTEES GIVEN OR SECURITY PROVIDED BY THE COMPANY

The particulars of loans, guarantees and investments as per Section 186 of the Act by the Company, as applicable, have been disclosed in the financial statements.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

The Board has approved the policy on transactions with related parties ("RPT Policy"), pursuant to the recommendation of the AC. In line with the requirements of the Act, RBI regulations and the SEBI Listing Regulations, the Company has formulated the RPT Policy. The RPT Policy intends to ensure that proper reporting, approval and disclosure processes are in place for all transactions between the Company and the related parties. The RPT Policy is available on the website of the Company at *https://www.ltfinance.com/investors*. Please refer to the section, 'Policy Compendium' for accessing the RPT Policy.

Key features of the RPT Policy are as under:

- All transactions with related parties ("RPTs") irrespective of its materiality and any subsequent material modification to any existing RPTs are referred to the AC of the Company for prior approval. The process of approval of RPTs by the AC, Board and shareholders is as under:

a) Audit Committee:

All RPTs and subsequent material modification, irrespective of whether they are in the ordinary course of business or at an arm's length basis require prior approval of AC.

Only those members of the AC, who are independent directors, approve RPTs.

RPTs above ₹ 1 Cr, whether entered into individually or taken together with previous transactions during a financial year, to which the subsidiary of the Company is a party, but the Company is not a party, requires prior approval of the AC if the value of such transaction, exceeds the lower of the following:

(i) 10% of the annual standalone turnover of the subsidiary as per the last audited financial statements of the subsidiary; or

(ii) the threshold for material RPT of the Company

In the event of a RPT above ₹ 1 Cr, if such subsidiary does not have audited financial statements for a period of at least one year, prior approval of the AC of the Company is obtained if the value of such transaction exceeds the lower of the following:

(i) 10% of the aggregate value of paid-up share capital and securities premium account of the subsidiary; or

(ii) the threshold for material RPT of the Company

The aggregate value of paid-up share capital and securities premium account of the subsidiary is taken as on a date, not older than three months prior to the date of seeking approval of the AC.

Prior approval of the AC is not required for RPTs to which the listed subsidiary is a party but the Company is not a party, if Regulation 23 and sub-regulation (2) of Regulation 15 of these regulations are applicable to such listed subsidiary.

For RPT of unlisted subsidiaries of the Company as referred above, prior approval of the AC of the Company is sufficient.

Additionally, all the RPTs are placed before the AC at regular intervals to ensure that all necessary requirements are being complied with. Additionally, the AC reviews the status of long-term (more than one year) or recurring RPTs on an annual basis.

Ratification of RPTs:

The members of the AC, who are independent directors, may ratify RPTs within 3 months from the date of the transaction or in the immediate next meeting of the AC, whichever is earlier, subject to the following conditions:

a. The value of the ratified transaction(s) with a related party, whether entered into individually or taken together, during a financial year shall not exceed ₹ 1 Cr

b. The transaction is not material in terms of the provisions of Regulation 23(1) of the SEBI Listing Regulations

c. Rationale for inability to seek prior approval for the transaction is placed before the AC at the time of seeking ratification

d. Details of ratification is disclosed along with the disclosures of RPT in terms of the provisions of Regulation 23(9) of the SEBI Listing Regulations

e. Any other condition as may be specified by the AC

Failure to seek ratification of the AC shall render the transaction voidable at the option of the AC and if the transaction is with a related party to any Director, or is authorised by any other Director, the director(s) concerned shall indemnify the Company against any loss incurred by it.

b) Board:

Generally, all RPTs are in the ordinary course of business and at arm's length price.

RPTs which are not at arm's length and which are not in the ordinary course of business and / or which requires shareholders' approval are approved by the Board.

c) Shareholders:

All Material RPTs and subsequent material modification thereof, require approval of the shareholders, based on recommendation of the Board, through ordinary resolution passed at the general meeting.

Where any contract or arrangement is entered into by a Director or any other employee without obtaining the consent of the Board or approval by an ordinary resolution in the general meeting, it is required to be ratified by the Board or the shareholders at a meeting, as the case may be, within 3 (three) months from the date on which such contract or arrangement was entered into.

The related parties shall not vote to approve on such resolutions whether the entity is a related party to the particular transaction or not.

TRANSACTIONS WITH RELATED PARTIES

All RPTs that were entered into during FY26 were on an arm's length basis and in the ordinary course of business and disclosed in the Financial Statements. There were no materially significant RPTs made by the Company with Promoters, Directors, KMPs or Body Corporate(s), which had a potential conflict with the interest of the Company at large. Accordingly, the disclosure of RPTs as required under the provisions of Section 134(3)(h) of the Act in Form AOC-2 is not applicable. The Directors draw attention of the Members to notes to the Financial Statements which sets out related party disclosures.

RISK MANAGEMENT FRAMEWORK

The Company has constituted a Risk Management Committee ("RMC") in terms of the requirements of Regulation 21 of the SEBI Listing Regulations and RBI regulations and has also adopted an Enterprise Risk Management Policy. The details are covered as part of the Corporate Governance Report.

The Company has a risk management framework and Board members are informed about risk assessment and minimization procedures and periodical review to ensure management controls risk by means of a properly designed framework. The AC and the Board are kept apprised of the proceedings of the meetings of the RMC. The Company, as it advances towards its business objectives and goals, is often subjected to various risks. Credit risk, market risk, liquidity risk, climate risk, transition risk, model risk, reputation and strategic risk and operational risk are some of the risks that your

Company is exposed to and details of the same are covered in the Management Discussion and Analysis and Corporate Governance section of the Report.

POLICY FOR PREVENTION, PROHIBITION AND REDRESSAL OF SEXUAL HARASSMENT AT WORKPLACE

The Company has in place a policy for prevention, prohibition and redressal of sexual harassment at workplace. Further, the Company has constituted an Internal Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, where complaints in the nature of sexual harassment can be registered. Appropriate reporting mechanisms are in place for ensuring protection against sexual harassment and the right to work with dignity.

During the year under review, the Company received 7 (seven) complaints in this regard. Out of the 7 (seven) complaints, 3 (three) complaints have been disposed off, while 4 (four) complaints were pending as of March 31, 2026 and 90 days period was not over. The said complaints will be disposed off within the regulatory timeline. Due to the complexity of the case, 1 (one) case was disposed off during the year beyond 90 days i.e. in 97 days.

ANNUAL RETURN

The Annual Return in Form MGT-7 as required under Section 92(3) of the Act is available on the website of the Company at *https://www.ltfinance.com/investors* (click - Annual Return).

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

There are no significant and material orders passed by the regulators / courts which would impact the going concern status of the Company and its future operations.

RBI REGULATIONS

The Company has complied with the applicable regulations of RBI.

MATERNITY BENEFITS ACT, 1961

The Company has complied with the provisions relating to the Maternity Benefits Act, 1961.

OTHER DISCLOSURES

During the year under review, the Company has received the license key from Unique Identification Authority of India (UIDAI) for Authentication User Agency (AUA) and e-KYC User Agency (KUA).

The Company has not obtained any other registration/ license / authorisation, by whatever name called from any other financial sector regulators.

ACKNOWLEDGEMENT

The Directors express their sincere gratitude and appreciation towards all those who have contributed to the success of the Company during the past year. It is through the collective effort and dedication of many stakeholders that we have achieved our goals and milestones.

We express our sincere gratitude to RBI, SEBI, BSE Limited, National Stock Exchange of India Limited, Ministry of Finance, Ministry of Corporate Affairs, Registrar of Companies, Insurance Regulatory and Development Authority of India, other government and regulatory authorities, lenders, financial institutions and the Company's bankers for the ongoing support extended by them.

We would also like to thank our esteemed customers and shareholders. As we reflect on the accomplishments of the past year, we are deeply grateful for your unwavering support and partnership. Your loyalty and trust have been the cornerstone of our success, empowering us to overcome challenges and pursue new opportunities with confidence. We recognize the importance of your continued commitment, and we remain steadfast in our dedication to delivering value and excellence in all that we do.

Lastly, we extend our deepest appreciation to our employees, whose hard work, commitment, and innovative ideas have been instrumental in driving our growth and success. Their unwavering dedication and professionalism have played a significant role in overcoming challenges and seizing opportunities.

For and on behalf of the Board of Directors
L&T Finance Limited

S.N. Subrahmanyan
Chairman
DIN: 02255382

Sudipta Roy
Managing Director and
Chief Executive Officer
DIN: 08069653

Place: Mumbai
Date: April 24, 2026

ANNEXURE A TO BOARD'S REPORT

COMPLIANCE CERTIFICATE

[Pursuant to Regulation 13 of the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021]

To,
The Members,
L&T Finance Limited

We, **Alwyn Jay & Co.**, Company Secretary in practice, have been appointed as the Secretarial Auditor vide a resolution passed at its meeting held on April 25, 2025 by the Board of Directors and subsequently by the Members of the Company at the Annual General Meeting held on June 3, 2025 of **L&T Finance Limited** (hereinafter referred to as **"the Company"**) having CIN: L67120MH2008PLC181833 and having its registered office at Brindavan, Plot No. 177, C.S.T Road, Kalina, Santacruz (East), Mumbai - 400098. This certificate is issued under Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (hereinafter referred to as **"the Regulations"**), for the year ended **March 31, 2026**.

Management Responsibility:

It is the responsibility of the Management of the Company to implement the scheme(s) including designing, maintaining records and devising proper systems to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operate effectively.

Verification:

a) L&T Finance Limited - Employee Stock Option Scheme 2010 and L&T Finance Limited - Employee Stock Option Scheme 2013 ("the Schemes") implemented by the Company is in accordance with Regulation 13 of the Regulations; and

b) the Schemes are in accordance with the special resolution passed by the Shareholders of the Company at the Extra Ordinary General Meeting held on November 29, 2010 for approval of the L&T Finance Limited Employee Stock Option Scheme 2010; special resolution passed by the shareholders of the Company through Postal Ballot on June 14, 2012 for ratification of L&T Finance Limited Employee Stock Option Scheme - 2010 instituted by the Company prior to the Initial Public Offer and special resolution passed by the shareholders of the Company through Postal Ballot on April 04, 2014 for approval of the L&T Finance Limited Employee Stock Option Scheme 2013.

For the purpose of verifying the compliance of the Regulations, we have examined the following:

1. Scheme(s) received from/furnished by the Company;
2. Articles of Association of the Company;
3. Resolutions passed at the meeting of the Board of Directors;
4. Shareholders resolutions passed at the General Meeting(s);
5. Minutes of the meetings of the Nomination & Remuneration Committee;
6. Relevant Accounting Standards as prescribed by the Central Government;
7. Detailed terms and conditions of the scheme as approved by Nomination & Remuneration Committee;
8. Bank Statements towards Application money received under the scheme(s);
9. Exercise Price / Pricing formula;
10. Statement filed with recognised Stock Exchange(s) in accordance with Regulation 10 of these Regulations;

11. Disclosure by the Board of Directors;
12. Relevant provisions of the Regulations, Companies Act, 2013 and Rules made thereunder.

Certification:

In our opinion and to the best of our knowledge and according to the verifications as considered necessary and explanations furnished to us by the Company and its Officers, we certify that the Company has implemented the ESOP Scheme – 2010 and ESOP Scheme – 2013 in accordance with the applicable provisions of the Regulations and Resolutions of the Company in the General Meeting(s).

Assumption & Limitation of Scope and Review:

1. Ensuring the authenticity of documents and information furnished is the responsibility of the Board of Directors of the Company.
2. Our responsibility is to give certificate based upon our examination of relevant documents and information. It is neither an audit nor an investigation.
3. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.
4. This certificate is solely for your information and it is not to be used, circulated, quoted, or otherwise referred to for any purpose other than for the Regulations.

Place : Mumbai
Date : April 14, 2026

ALWYN JAY & Co.
Company Secretaries

[Jay D'Souza FCS.3058]
(Partner)
[Certificate of Practice No.6915]
[UDIN : F003058H000087967]

Office Address :
Annex-103, Dimple Arcade,
Asha Nagar, Kandivali (East),
Mumbai - 400101.

ANNEXURE B TO BOARD'S REPORT

FORM NO. MR-3
SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2026

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
L&T FINANCE LIMITED

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **L&T Finance Limited** (CIN: L67120MH2008PLC181833) (hereinafter called "the Company").

The Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's statutory registers, books, papers, minute books, forms and returns filed and other records maintained by the Company and the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on **March 31, 2026** complied with the statutory provisions listed hereunder and also that the Company has followed proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on **March 31, 2026** according to the provisions of:

(i) The Companies Act, 2013 ("the Act") and the Rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 ("SCRA") and the Rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder for compliance to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings, **as applicable**;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ("SEBI Act") **as amended from time to time**:-

  (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

  (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

  (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

  (d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;

  (e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;

  (f) The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018.

(g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 2025 regarding the Companies Act and dealing with client – **Not Applicable to the Company during the period under review**;

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 - **Not Applicable to the Company during the period under review**;

(i) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 - **Not applicable to the Company during the period under review**;

(vi) Other specific business/industry related laws applicable to the Company:

The Company has complied with the Reserve Bank of India Act, 1934, Master Directions and Circulars issued by Reserve Bank of India from time to time, IRDAI Guidelines and other applicable general laws, rules, regulations and guidelines.

We have also examined compliance with the applicable clauses of the following:

(i) Secretarial Standards with regard to Meeting of Board of Directors (SS-1) and General Meetings (SS-2) issued by the Institute of Company Secretaries of India; and

(ii) SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The change in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for a meaningful participation at the meeting.

The minutes of the Board Meetings and Committee Meetings have not identified any dissent by members of the Board/Committee of the Board; hence we have no reason to believe that the decisions by the Board were not approved by all the directors present. The Minutes of the Board Meetings and Committee Meetings were duly approved at the meeting by the Chairperson of the Meeting.

We further report that there are adequate systems and processes in the Company commensurate with its size and operations, to monitor and ensure compliance with applicable laws, rules, regulations and guidelines. As informed, the Company has responded appropriately to communication received from various statutory / regulatory authorities including initiating actions for corrective measures, wherever found necessary.

We further report that during the audit period the following events/actions have taken place, having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines and standards:

1. Approval of the Shareholders of the Company was obtained at the Annual General Meeting of the Company held on June 3, 2025 for alteration of the Articles of Association of the Company.
2. During the financial year, the Company has issued and allotted 95,17,915 Equity Shares of Rs.10 each under the L&T Finance Limited Employee Stock Option Scheme – 2013.
3. During the financial year, the Company has allotted 7,47,500 Senior, Secured, Rated, Listed, Redeemable, Non-Convertible Debentures of ₹ 1,00,000/- each for cash at par on a private placement basis.
4. During the financial year, the Company has allotted 50 Subordinated, Unsecured, Rated, Listed, Redeemable, Non-Convertible Debentures having face value of ₹ 1,00,00,000 each, aggregating to ₹ 50,00,00,000/- for cash at par on a private placement basis.

Note: This report is to be read with our letter of even date which is annexed as **Annexure A** and forms an integral part of this report.

Place : Mumbai
Date : April 14, 2026

ALWYN JAY & Co.
Company Secretaries

Office Address :
Annex-103, Dimple Arcade,
Asha Nagar, Kandivali (East),
Mumbai - 400101.

[Jay D'Souza FCS.3058]
(Partner)
[Certificate of Practice No.6915]
[UDIN : F003058H000088319]

Annexure A

To
The Members,
L&T FINANCE LIMITED

Our Secretarial Audit Report of even date is to be read along with this letter.

1. The compliance of provisions of all laws, rules, regulations, standards applicable to **L&T Finance Limited** (hereinafter called "the Company") is the responsibility of the management of the Company. Our examination was limited to the verification of records and procedures on test check basis for the purpose of issue of the Secretarial Audit Report.
2. Maintenance of secretarial and other records of applicable laws is the responsibility of the management of the Company. Our responsibility is to issue Secretarial Audit Report, based on the audit of the relevant records maintained and furnished to us by the Company, along with explanations where so required.
3. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial and other legal records, legal compliance mechanism and corporate conduct. Further, part of the verification was done on the basis of electronic data provided to us by the Company on test check basis to ensure that correct facts as reflected in secretarial and other records produced to us. We believe that the processes and practices we followed, provides a reasonable basis for our opinion for the purpose of issue of the Secretarial Audit Report.
4. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
5. Wherever required, we have obtained the management representation about list of applicable laws, compliance of laws, rules and regulations and major events during the audit period.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Place : Mumbai
Date : April 14, 2026

ALWYN JAY & Co.
Company Secretaries

Office Address :
Annex-103, Dimple Arcade,
Asha Nagar, Kandivali (East),
Mumbai - 400101.

[Jay D'Souza FCS.3058]
(Partner)
[Certificate of Practice No.6915]
[UDIN : F003058H000088319]

ANNEXURE C TO BOARD'S REPORT

PARTICULARS OF EMPLOYEES

Information required pursuant to Section 197 read with Rule 5(1) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

Sr. No.	Particulars	Name of Directors/ KMPs	Disclosure
1	The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year. [1]	S.N. Subrahmanyan	–
		Sudipta Roy[2]	192.73
		R. Shankar Raman	–
		Thomas Mathew T.[3]	–
		Nishi Vasudeva	14.01
		Rajani R. Gupte	14.12
		R. Seetharaman	13.53
		Dhananjaya Tambe[4]	–
2	The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year. [1]	S.N. Subrahmanyan	–
		Sudipta Roy	7%
		R. Shankar Raman	–
		Thomas Mathew T.[3]	–
		Rajani R. Gupte	23.14%
		R. Seetharaman	29.11%
		Nishi Vasudeva	31.96%
		Dhananjaya Tambe[4]	–
		Sachinn Joshi	6%
		Apurva Rathod	11%
3	The percentage increase in the median remuneration of employees in the financial year.	8%	
4	The number of permanent employees on the rolls of Company.	41,253	
5	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.	Employees other than managerial personnel	Managerial personnel
		8%	8%
6	Affirmation that the remuneration is as per remuneration policy of the Company	We affirm that the remuneration is as per the nomination and remuneration policy of the Company.	

Notes:

(1) For Non-Executive Directors (except Mr. S.N. Subrahmanyan and Mr. R. Shankar Raman who do not draw remuneration from the Company), fees and commission paid/payable in respect of the Company as per the criteria and structure recommended by NRC and approved by Board are considered. There was no change in the commission structure during the year and the increase, is solely attributable to increase in the number of committee meetings and change in composition of committees during the year.

(2) Remuneration includes variable remuneration payable for FY26, subject to approval of the NRC.

(3) Mr. Thomas Mathew T. ceased to be an Independent Director w.e.f. July 1, 2025 post completion of his tenure.

(4) Mr. Dhananjaya Tambe appointed w.e.f. July 01, 2025.

For and on behalf of the Board of Directors
L&T Finance Limited

S.N. Subrahmanyan
Chairman
DIN: 02255382

Sudipta Roy
Managing Director and
Chief Executive Officer
DIN: 08069653

Place: Mumbai
Date: April 24, 2026

ANNEXURE D TO BOARD'S REPORT

Form AOC - I

[Statement pursuant to first proviso to sub-section (3) of Section 129 read with Rule 5 of the Companies (Accounts) Rules, 2014]

Statement containing salient features of the financial statement of subsidiaries, associate companies and joint ventures

Part - A: Subsidiaries

Sr. No.	1	2	3
Name of the subsidiary	**L&T Financial Consultants Limited**	**L&T Infra Investment Partners Advisory Private Limited**	**L&T Infra Investment Partners Trustee Private Limited**
Financial year ending on	March 31, 2026		
Reporting currency	INR	INR	INR
Exchange rate on the last day of financial year	–	–	–
Date of acquisition	–	–	–
Share capital	27.75	5.00	0.10
Reserves and surplus	257.17	24.20	0.01
Total assets	348.02	31.26	0.12
Total liabilities	63.10	2.06	0.01
Investments	5.28	28.93	–
Turnover	59.70	1.73	0.03
Profit before taxation	39.23	0.42	–
Provision for taxation	8.63	0.61	–
Profit after taxation	30.60	(0.19)	–
Proposed Dividend	–	–	–
% of shareholding	100%	100%	100%

Name of subsidiaries which are yet to commence operations: Nil

Name of subsidiaries which have been liquidated or sold during the year: Nil

Part - B: Associate and Joint Venture

[Statement pursuant to Section 129(3) of the Companies Act, 2013 related to Associate Company and Joint Venture]

Name of Associate	Grameen Capital India Private Limited
1. Latest audited Balance Sheet Date	March 31, 2025
2. Date on which the Associate was associated	June 5, 2015
3. Shares of Associate held by the company as at March 31, 2026	
Number of shares	21,26,000
Amount of equity investment in Associate (₹ cr)	2.13
Amount of preference investment in Associate (₹ cr)	3.87
4. Holding % / Description of significant influence	26% of shareholding
5. Reason of non consolidation of the associate	No significant influence as per IndAS 28
6. Networth attributable to Shareholding as per latest Audited Balance Sheet (₹ cr)	–
7. Profit / Loss for the year:	–
i. Considered in Consolidation (₹ cr)	–
ii. Not Considered in Consolidation (₹ cr)	–

Name of associates or joint ventures which are yet to commence operations Nil

Name of associates or joint ventures which have been liquidated or sold during the year Nil

For and on behalf of the Board of Directors
L&T Finance Limited

S.N. Subrahmanyan
Chairman
DIN: 02255382

Sudipta Roy
Managing Director and
Chief Executive Officer
DIN: 08069653

Sachinn Joshi
Chief Financial Officer

Apurva Rathod
Company Secretary
Membership No.: F13729

Place: Mumbai
Date: April 24, 2026

ANNEXURE E TO BOARD'S REPORT

Annual Report on Corporate Social Responsibility ("CSR") Activities [Pursuant to Companies (Corporate Social Responsibility Policy) Rules, 2014]

1) Brief outline on CSR policy of the Company:

CSR Vision:

Financial and digital transformation of rural communities and creating opportunities for sustainable livelihoods for them.

CSR Mission:

We strive to revitalize and create sustainable livelihood and financial ecosystem of and for farmers, rural women and youth.

CSR Thrust Areas:

The CSR strategy revolves around 4 (four) key thrust areas, meticulously aligned with UN Sustainability Goals and actively contributing to national development objectives. The thrust areas of your Company as on March 31, 2026 include:

1. Digital & Financial Inclusion, exemplified by our flagship program "Digital Sakhi," aimed at addressing Sustainable Development Goals (SDGs) 1 (No Poverty) and 8 (Decent Work and Economic Growth).
2. Disaster Management providing crucial relief aid to communities affected by natural calamities, in line with SDG 11 (Sustainable Cities & Communities).
3. Climate Impact Management, ensures environmental sustainability, ecological balance, agroforestry, conservation of natural resources and maintaining quality of soil, air and water through initiatives such as "Project Prakruti", "Jalvaibhav" and "Capacity Building of Water User Groups", in line with SDGs 13 (Climate Action) and SDG 15 (Life on Land)
4. The diverse range of interventions under 'Social Inclusion' encompasses endeavors like skill training of youth for enhancing employability opportunities, road safety campaigns, and healthcare programs, all contributing to SDG 3 (Good Health and Well-being) and SDG 17 (Partnership for the goals).

CSR Approach:

A project-based accountability approach is adopted, emphasizing on the three aspects of Social impact, Scale and Sustainability. Baseline and end line assessments are carried out for each project with clearly defined measurable results.

Monitoring:

A three-tier structure exists with the CSR & Sustainability Committee formulating & recommending the annual action plan to the Board, in line with the CSR vision of the Company. The CSR team conducts periodic review of the projects and documents the progress. The Board verifies that the CSR funds have been utilised for the projects as approved by it.

2) Composition of CSR and Sustainability Committee:

Sr. No.	Name of Director	Designation/Nature of Directorship	Number of meetings of CSR and Sustainability Committee held during the year	Number of meetings of CSR and Sustainability Committee attended during the year
1	Rajani R. Gupte	Chairperson, Independent Director	2	2
2	Sudipta Roy	Member, Managing Director and Chief Executive Officer	2	2
3	R. Seetharaman	Member, Independent Director	2	2

3) Web-link where Composition of CSR and Sustainability Committee, CSR Policy and CSR projects approved by the Board are disclosed on the website of the Company:

The composition of CSR and Sustainability Committee, CSR Policy and CSR projects approved by the Board can be accessed on the website at the following link - *https://www.ltfinance.com/csr*

4) The executive summary along with the web-link(s) of impact assessment of CSR projects carried out in pursuance of sub-rule (3) of Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable: Not Applicable

5) a) Average net profit of the company as per sub-section (5) of Section 135: ₹ 21,77,72,67,596.16

b) Two percent of average net profit of the company as per sub-section (5) of Section 135: ₹ 43,55,45,351.92

c) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: Nil

d) Amount required to be set-off for the financial year, if any: ₹ 26,17,22,364.19

e) Total CSR obligation for the financial year [(b)+(c)-(d)]: ₹ 17,38,22,987.73

6) a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project): ₹ 28,85,68,587.00

b) Amount spent in Administrative Overheads: ₹ 1,44,28,429.35

c) Amount spent on Impact Assessment, if applicable: Nil

d) Total amount spent for the Financial Year [(a)+(b)+(c)]: ₹ 30,29,97,016.34

e) CSR amount spent or unspent for the Financial Year:

Total Amount Spent for the Financial Year (in ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per sub-section (6) of Section 135		Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of Section 135		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
30,29,97,016.34	Nil	–	–	Nil	–

f) Excess amount for set-off, if any:

Sr. No.	Particular	Amount (in ₹)
i.	Two percent of average net profit of the Company as per sub-section (5) of Section 135*	17,38,22,987.73
ii.	Total amount spent for the financial year	30,29,97,016.34
iii.	Excess amount spent for the financial year [(ii)-(i)]	12,91,74,028.61
iv.	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
v.	Amount available for set-off in succeeding financial years [(iii)-(iv)]	12,91,74,028.61

** The amount represents the total CSR obligation for FY26 post taking into consideration the set-off of ₹ 26,17,22,364.19 for FY25.*

Details of Unspent CSR amount for the preceding three financial years:

Sr. No.	Preceding Financial year	Amount transferred to Unspent CSR Account under sub-section (6) of Section 135 (in ₹)	Balance Amount in Unspent Account under sub-section (6) of Section 135 (in ₹)	Amount spent in the reporting Financial year (in ₹)	Amount transferred to any fund specified under schedule VII as per sub-section (5) of Section 135, if any		Amount remaining to be spent in succeeding financial years (in ₹)	Deficiency, if any
					Amount (in ₹)	Date of transfer		
1	FY25	Nil	Nil	Nil	Nil	Nil	Nil	Nil
2	FY24	Nil	Nil	Nil	Nil	Nil	Nil	Nil
3	FY23	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	TOTAL	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**

7) Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

◯ **Yes** ● **No**

8) Specify the reason(s), if the Company has failed to spend two per cent of the average net profit as per sub-section (5) of Section 135: Not Applicable

Rajani R. Gupte
Chairperson
CSR and Sustainability Committee
DIN: 03172965

Sudipta Roy
Managing Director and
Chief Executive Officer
DIN: 08069653

Place: Mumbai
Date: April 24, 2026

Corporate Governance Report

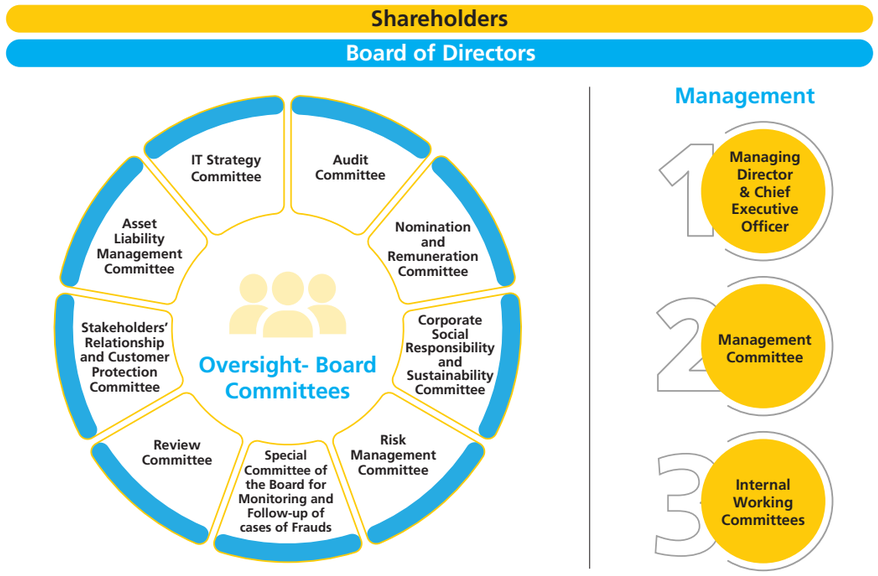
[Pursuant to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

A. Philosophy on Corporate Governance

At L&T Finance ("LTF / Company"), corporate governance is more than a policy - it is the foundation of our culture. At LTF, corporate governance transcends mere compliance; it is a direct reflection of the Board of Directors ("Board") values and leadership ethos demonstrated in conduct across LTF. We recognize that true governance is the hallmark of a responsible global citizen. It moves beyond daily operations, focusing instead on the Board's duty to set strategic direction, mentor management, and maintain absolute accountability to shareholders. Through this synergy between the Board, its Committees, and management, we remain steadfast in our commitment to integrity and responsible growth. We believe that effective leadership, robust governance, and a rich legacy of values define our approach. These principles are deeply embedded in our culture, business conduct, and disclosure standards.

The Board through its supervisory role and oversight ensures that appropriate processes and controls are in place, to support our operations and protect the stakeholders' interest. The Board fully supports and endorses the corporate governance practices as envisaged in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

Corporate Governance Structure



Key Governance Practices

- Independent Directors with distinguished track records, contributing to objective and balanced decision-making
- Periodic meetings of Independent Directors held without the presence of non-independent Directors and management
- Formal and rigorous evaluation of the Board, its Committees, the Chairperson, and individual Directors through a structured and confidential process
- Timely circulation of comprehensive agenda papers and relevant information to facilitate informed decision-making and meaningful deliberations

- Ongoing benchmarking against governance standards followed by leading listed entities and financial institutions

The Company has complied with all the requirements under the SEBI Listing Regulations.

A report on compliance with the SEBI Listing Regulations is given subsequently in this report.

B. Board Framework:-

The Board provides strategic direction and oversight within the Company's broader corporate governance framework, which is anchored in transparency, accountability, integrity, and ethical conduct. Through a balanced composition, defined competencies, and a robust appointment process, the Board ensures effective governance, informed decision-making, and alignment with the Company's long-term strategic objectives.

Core Pillars of the Board Framework

Composition:

- Balanced mix of Executive, Non-Executive, and Independent Directors
- Diverse backgrounds with significant industry and functional experience
- Directors of high integrity and strong professional standing, enabling objective and independent judgement

Competence:

- Skills matrix aligned with the Company's strategic priorities
- Expertise across leadership, industry, finance, regulatory, and technology domains
- Strong capabilities in risk management, corporate governance, and policy advocacy

Process:

- Structured and multi-layered framework for appointment and succession planning
- Early identification of candidates based on Board-approved criteria
- Rigorous due diligence, including conflict checks, background verification, and reference checks
- Evaluation by the Nomination and Remuneration Committee ("NRC"), followed by Board and Members approval

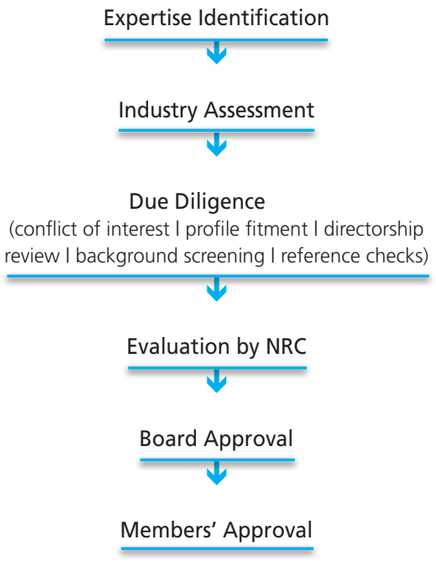
Board skills matrix

The Board's collective expertise is aligned with the Company's business and governance requirements:

Competency	Focus Area
Leadership	Strategic direction and oversight
Industry Experience	Sectoral expertise and insights
Financial Literacy	Financial reporting and controls
Regulatory & Legal	Compliance and governance
Technology	Digital transformation and innovation
Risk Management	Identification and mitigation of risks
Policy & Advocacy	External environment and regulatory engagement
Corporate Governance	Strengthening governance standards

Director Appointment Framework

The Company follows a structured and rigorous process for appointment of Directors, ensuring alignment with its governance standards and long-term requirements.



As stewards of corporate governance, the Board ensures that the Company operates with integrity, transparency, and adheres to legal and ethical standards. They oversee the formulation and implementation of effective policies, risk management strategies, and long-term strategic plans. Through their collective wisdom and experience, they provide guidance to the leadership team, offering valuable insights and oversight to steer the Company towards achieving its goals, driving innovation, and creating sustainable value for all the stakeholders.

1. Composition of Board:

As on March 31, 2026, the Board consists of 7 (seven) Directors, comprising 4 (four) Independent Directors (including 2 (two) women Independent Directors), 1 (one) Executive Director and 2 (two) Non-Executive Directors. Further, the Company does not have any Directors on the Board with a permanent Board seat. The Board consists of members with diverse skills and competencies, enriched by experience across the public and private sectors, including professionals and academicians, and further strengthened by expertise in sustainability and information technology.

During the year under review, the Board based on the recommendation of the NRC approved the appointment of Mr. Dhananjaya Tambe (DIN: 07260971) as an Independent Director on the Board of the Company for a term of 5 consecutive years in accordance with the provisions of Section 149 and Section 152 of the Companies Act, 2013 ("Act") with effect from July 01, 2025 to June 30, 2030. The Members approved the said appointment by a special resolution passed at the Annual General Meeting of the Company on June 3, 2025.

Pursuant to the provisions of Section 149 of the Act read with relevant rules made thereunder, an independent director can hold the office for a term of up to 5 (five) consecutive years on the Board of a company, but is eligible for re-appointment on passing of a special resolution by the company, based on the report of evaluation of performance for another term of up to 5 (five) years. No independent director can hold office for more than 2 (two) consecutive terms.

In light of the aforesaid, Mr. Thomas Mathew T., an Independent Director of the Company, who was appointed for a term of 5 (five) years i.e., from July 23, 2015 to June 30, 2020 and re-appointed for the second term of 5 (five) years i.e., from July 1, 2020 to June 30, 2025, has ceased to be an Independent Director of the Company w.e.f. July 01, 2025 post completion of his tenure.

The Board records its deepest appreciation for contribution by Mr. Thomas Mathew T. during his tenure on the Board of the Company.

The composition of the Board of your Company is commensurate with the size of the Company, complexity and nature of various underlying businesses, and represents an optimal mix of professionalism, knowledge and experience and enables the Board to discharge its responsibilities and provides effective leadership to the Company.

All the Independent Directors have confirmed to the Board that they meet the criteria for independence in terms of the definition of 'Independent Director' stipulated under Regulation 16(1)(b) of the SEBI Listing Regulations and Section 149(6) of the Act. These confirmations have been placed before the Board.

None of the Directors of the Company are inter-se related to each other.

2. Board Procedure:

The Board meets at regular intervals (including the committees) throughout the year, which provides a dedicated forum for Directors to engage in rigorous deliberation over the Company's most critical pillars: strategy, operations, financial performance, governance, and sustainability. To ensure that each member can contribute meaningfully, the Company maintains a disciplined planning cycle. A tentative annual calendar of all meetings is circulated to the Directors well in advance, allowing them plan their schedule and ensure meaningful participation in the meetings.

Recognizing that the business environment often demands agility, the Board remains responsive to urgent or unforeseen developments. In such instances, special meetings are convened outside the standard schedule. Alternatively, as permitted by law, the Board may exercise its authority through resolutions passed by circulation.

The Corporate secretarial team is the secretariat to the Board and approaches various business / department heads in advance with regard to matters requiring the approval of the Board / Committee to enable inclusion of the same in

the agenda for the Board / Committee meetings. The Board members receive detailed agendas including relevant materials, such as reports, statements, and other necessary documents, well in advance of the meetings enabling them to review and prepare for discussions. During the meeting, the Board engages in structured discussions, allowing each member to share insights, ask questions, and express their viewpoints.

Where it is not practicable to circulate any document in advance or if the agenda is of a confidential nature, the same is presented directly at the meeting. In special and exceptional circumstances, consideration of additional or supplementary items are taken up with the approval of the Chair and majority of Directors. Senior Management (including chief executives for each business) ("Senior Management") as defined under the SEBI Listing Regulations are invited to the Board / Committee meeting(s) to provide additional inputs for the items pertaining to their line of business / function being discussed by the Board / Committee(s). The Board members interact with the Senior Management frequently including at the Board meetings.

Further, presentations are made on business operations to the Board / Committee by the respective Senior Management covering macro-economic updates, strategy and updates on business, IT and data analytics, risk, customer services, brand management, Corporate Social Responsibility ("CSR") and initiatives under Environmental, Social and Governance ("ESG"). Additionally, presentations are made on various matters including the financial statements, fund raising program, operations related issues, customers/investors complaints and the redressal thereof, regulatory changes, Internal audit, compliance or any other issue which the Board is required / wants to be apprised of. The Company Secretary is responsible for preparation of the agenda and convening of the Board and Committee meetings. The Company Secretary attends all the meetings of the Board and its Committees, advises / assures the Board on compliance and governance principles and ensures appropriate recording of minutes of the meetings.

With a view to leveraging technology and reducing paper consumption, the Company has adopted a web-based application for transmitting Board / Committee agenda and minutes. The Directors of the Company receive the agenda in electronic form through this application, which can be accessed through i-Pad and web version. The application meets the high standards of security and integrity that is required for storage and transmission of Board / Committee agenda and minutes in electronic form.

The draft minutes of the proceedings of the meetings of the Board / Committee(s) are circulated to all the members of the Board or the Committee for their perusal, within 15 (fifteen) days from the date of the conclusion of the meeting. Comments, if any, received from the Directors are incorporated in the minutes. The minutes are approved by the members of the Board / Committee(s) and confirmed in accordance with the regulatory requirements.

Necessary actions were taken in respect of the actionable points, if any, which arose during the discussions at the Meeting.

3. Meeting of Independent Directors:

Section 149(8) read with Schedule IV of the Act and Regulation 25(3) of SEBI Listing Regulations require the Independent Directors of the Company to hold at least one meeting as per regulatory requirements without the attendance of non-independent directors and members of the management. In view of the aforesaid requirements, the Independent Directors of the Company met twice, on April 25, 2025 and October 14, 2025.

4. Meetings and Attendance:

During the financial year ended March 31, 2026, 5 (five) Board meetings were held on April 25, 2025, July 18, 2025, October 15, 2025, January 16, 2026 and March 11, 2026. The meetings of the Board are generally held at 8th Floor, Brindavan, Plot No. 177, C.S.T. Road, Kalina, Santacruz (East), Mumbai – 400098 i.e., registered office of the Company.

The details of attendance of the members of the Board at the meetings held during the year and also the number of other Directorships and Memberships / Chairmanships of Committees held by them as on March 31, 2026 are as follows:

Name of the Director	Nature of Directorship	Board meetings held/ conducted during the year	No. of Board meetings attended	Attendance at the last AGM	No. of directorships in other companies[1]	No. of committee memberships/ chairmanships (including the Company)[2]		No. of independent directorships (including the Company)[3]
						Member	Chairman	
S.N. Subrahmanyan (DIN: 02255382)	C (NED)	5	5	✓	8	–	–	–
Sudipta Roy (DIN: 08069653)	MD & CEO	5	5	✓	1	1	–	–
R. Shankar Raman (DIN: 00019798)	NED	5	5	✓	6	2	–	–
Thomas Mathew T.[4] (DIN: 00130282)	ID	1	1	✓	–	–	–	–
Rajani R. Gupte (DIN: 03172965)	ID	5	5	✓	–	1	–	1
R. Seetharaman (DIN: 01846777)	ID	5	5	✓	–	1	1	1
Nishi Vasudeva (DIN: 03016991)	ID	5	5	✓	6	9	3	3
Dhananjaya Tambe[5] (DIN: 07260971)	ID	4	3	–	5	2	–	1

C – Chairman MD – Managing Director CEO – Chief Executive Officer NED – Non-Executive Director ID – Independent Director
✓ – Present

Notes:

(1) Excludes Directorship in foreign company & Section 8 company
(2) Memberships include chairmanships. Only memberships of audit committee and stakeholders relationship committee are considered. This also includes memberships in deemed public company
(3) Only equity listed companies are considered
(4) Mr. Thomas Mathew T. ceased to be Independent Director of the Company w.e.f. July 01, 2025
(5) Mr. Dhananjaya Tambe appointed as an Independent Director of the Company w.e.f. July 01, 2025

The details pertaining to the directorships held by a Director in other listed companies other than the Company as on March 31, 2026 is as follows:

Name of the Director	Name of other listed entity [1]	Nature of Directorship
S.N. Subrahmanyan	Larsen & Toubro Limited	Chairman & Managing Director
	L&T Technology Services Limited	Chairman & Non-Executive Director
	LTM Limited (formerly known as LTIMindtree Limited)	Chairman & Non-Executive Director
Sudipta Roy	–	–
R. Shankar Raman	Larsen & Toubro Limited	Whole Time Director & Chief Financial Officer
	LTM Limited (formerly known as LTIMindtree Limited)	Non-Executive Director
Rajani R. Gupte	–	–
R. Seetharaman	–	–
Nishi Vasudeva	CRISIL Limited	Independent Director
	HCL Technologies Limited	Independent Director
Dhananjaya Tambe	–	–

(1) Only equity listed companies are considered.

5. Information to the Board:

The Board of Directors has access to the information within the Company, which inter alia includes –

- Annual revenue budgets and capital expenditure plans of the Company;
- Quarterly results and results of operations of subsidiaries;
- Minutes of the meetings of the Board of Directors and Committees;
- Minutes of the Board meetings of subsidiaries;
- Details of potential acquisitions or collaboration agreement, if any;
- Material default, if any, in the financial obligations to and by the Company or substantial non-payment;
- Any issue, which involves possible public liability claims of substantial nature, including any judgment or order, if any, which may have strictures on the conduct of the Company;
- Developments in respect of human resources; and
- Non-compliance of any regulatory, statutory nature or listing requirements and investor service such as non-payment of dividend, delay in share transfer, etc., if any.

6. Post-meeting internal communication system:

Any action to be taken following the deliberations at the Board/ Committee meetings are recorded, disseminated to relevant stakeholders for taking necessary steps and status of thereof is reported back to the Board/ Committee. This ensures accountability, focus and transparency.

7. Board-skills / expertise / competencies:

For details on the Board-skills/expertise/competencies, please refer to the Corporate Governance section of the Integrated Annual Report.

8. Performance Evaluation:

The NRC has recommended a policy for evaluation of the Board, its Committees and Directors and the same has been approved by the Board of the Company. The process for the aforesaid evaluation as required under the Act is given in the Board's Report.

9. Succession Planning:

To ensure the long-term sustainability and continued success of your Company, the Company has a mechanism in place for ensuring orderly succession for appointments to the Board and to Senior Management by identification of talent and further development process, to build a pipeline of talent to meet future leadership needs. The NRC is responsible for overseeing the succession planning for the Board and Senior Management as per the Policy on Directors' Appointment and Remuneration / Compensation for Directors, Senior Management Personnel, Key Managerial Personnel and other Employees policy of the Company ("NRC Policy").

For more details on approach to the succession planning, please refer to the Corporate Governance section of the Integrated Annual Report.

10. Familiarization programme:

The Company has designed a familiarization program to introduce/ induct all new Independent Directors to the Company and its business & operations. This program plays a vital role in enabling the Board members to understand the organization, its operations, culture, governance practices and also their roles, responsibilities, and expectations, thereby facilitating their effective contribution to the Board's work. Systems and resources are made available to the members of the Board.

The Company also provides its Directors with regular interactions opportunities related to its business, during the induction process and periodically (including during Board / Committee Meetings). The Board conducts a dedicated meeting annually to discuss the strategy and budget of the Company. During the year, 100% of the Board participated in specialised training programmes covering key thematic areas. Directors accessed these programmes through the Company's Gurukul e-learning platform hosting curated training management modules. Training covered key topics on sustainability and emerging trends / risks in information securities. For details on the number of training hours of the Board, please refer to the Business Responsibility and Sustainability Report.

Additionally, regular field visits i.e., visits to the branches and meeting centers, dealers and CSR projects, are arranged for the Directors which help them to understand the businesses and the on-ground functioning, thus facilitating stakeholders' interactions. It also gives the Board an opportunity to communicate directly with the borrowers and dealers and understand the on-ground perception of the services provided by the Company and factors which differentiates its offerings from the others. The visits to the CSR projects of the Company and meeting with CSR beneficiaries help the Board understand the social impact of your Company's CSR initiatives.

For the Independent Director appointed during the year, specific one to one interaction with Senior Management were facilitated. Additionally, a dedicated field visit was arranged to familiarize the Director with on-field operations.

The details relating to the familiarization programme are available on the website of the Company at *https://www.ltfinance.com/investors* (click- Familiarization Programme).

11. Confirmation of Independent Directors:

In the opinion of the Board, Independent Directors fulfill the conditions required for independent directors as per the provisions of the Act, the SEBI Listing Regulations and all other applicable laws and are independent of the management.

C. Board Committees

Board level committees are essential for effective governance and efficient decision making within a Company. Board level committees provide a structured approach to address specific areas of operations, allowing Board Members to focus on other issues in more depth. By delegating certain responsibilities to committees, the Board can leverage the expertise and specialized knowledge of committee members, leading to better informed decisions. Establishing Board level committees also ensures checks and balances system within the Company, with committees independently reviewing and evaluating key aspects of operations and decision making. Overall, Board level committees enhance governance practices, strengthen board effectiveness, and contribute to the long-term success of the Company. The Board is regularly briefed about the deliberations at the meetings of the Committees and a summary of discussions as well as the minutes of such meetings are circulated to the Board. Further, business transacted by the committees of the Board is placed before the Board for noting/ recommendation/approval as applicable.

Additionally, the Chairperson of each Committee briefs the Board on the material discussions, suggestions and recommendation.

The Board has currently constituted the following Committees including pursuant to the provisions of the Act, SEBI Listing Regulations and Directions/ guidelines of Reserve Bank of India:

1. Audit Committee
2. Nomination and remuneration Committee
3. Stakeholders Relationship and Customer Protection Committee
4. Risk Management Committee
5. Corporate Social Responsibility and Sustainability Committee
6. Special Committee of the Board for Monitoring and Follow-up of cases of Frauds
7. Review Committee
8. IT Strategy Committee
9. Asset Liability Management Committee
10. Committee of Directors

In addition to the aforesaid Committees, various internal committees / groups are formed to help the Committees discharge their functions effectively by reviewing the relevant items before they are taken up by at the Board / Committee meetings.

1. Audit Committee ("AC"):

Terms of reference:

The role of the AC includes the following:

- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- Recommendation for appointment, remuneration and terms of appointment of the auditors of the Company;
- Approval of payment of fees to statutory auditors for any other services rendered by the statutory auditors;
- Reviewing, with the management, the Annual Financial Statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
  a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of Section 134(3)(c) of the Act

b. Changes, if any, in the accounting policies and practices and reasons for the same

c. Major accounting entries involving estimates based on the exercise of judgment by management

d. Significant adjustments made in the financial statements arising out of audit findings

e. Compliance with listing and other legal requirements relating to financial statements

f. Disclosure of any related party transactions

g. Qualifications in the draft audit report

- Reviewing, with the management, the quarterly financial statements before submission to the Board for approval;
- Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
- Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
- Approval or any subsequent modification of transactions of the Company with related parties;
- Scrutiny of inter-corporate loans and investments;
- Valuation of undertakings or assets of the Company, wherever it is necessary;
- Evaluation of internal financial controls and risk management systems;
- Reviewing with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- Discussion with internal auditors of any significant findings and follow up there on;
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
- Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- Looking into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- Reviewing the functioning of the Whistle Blower Mechanism / Vigil Mechanism;
- Approval of appointment of Chief Financial Officer (i.e., the Whole-Time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
- Investigating into any matter in relation to the items given above or referred to it by the Board and power to obtain professional advice from external sources and have full access to information contained in the records of the Company;
- Right to call for the comments of the auditors about internal control systems, the scope of audit, including the observations of the auditors and review of financial statement before their submission to the Board and discuss any related issues with the internal and statutory auditors and the management of the Company;
- Reviewing of the utilization of loans and / or advances from / investment by the holding company in the subsidiary exceeding ₹ 100 crores or 10% of the asset size of the subsidiary, whichever is lower;
- Considering and commenting on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders;
- Conducting a periodic review of incidents of fraud cases;
- With respect to fraud cases involving very senior executives of the Company (i.e. MD & CEO / Executive Director / Executives of equivalent rank, initiation of examination of the accountability and placing it before the Board;
- Taking appropriate action w.r.t. cases where the auditors have highlighted possibility of fraudulent transactions in the account;
- Reviewing the cases of wilful default on a regular basis and recommending steps to be taken to prevent such occurrences and their early detection;
- Reviewing of information as prescribed under the SEBI Listing Regulations (as amended from time to time); and
- Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
- Such other functions as may be delegated by the Board from time-to-time or prescribed under law.

Composition as on the date of the Board's Report:

Name of the Director	Designation in the Committee	Nature of Directorship
R. Seetharaman	Chairman	ID
R. Shankar Raman	Member	NED
Nishi Vasudeva	Member	ID
Dhananjaya Tambe	Member	ID

Meetings and Attendance:

The AC met 5 (five) times during the year on April 25, 2025, July 18, 2025, October 15, 2025, January 16, 2026 and March 11, 2026. In addition to the members of the AC, these meetings were attended by Chief Financial Officer, Internal Auditor, Chief Compliance Officer, Statutory Auditors and other Chief executives who were considered necessary for providing inputs to the Committee.

The attendance of members at the meetings was as follows:

Name of the Director	No. of Meetings held/conducted during the tenure of the Member/year	No. of Meetings attended
R. Seetharaman	5	5
R. Shankar Raman	5	5
Thomas Mathew T. (1)	1	1
Nishi Vasudeva	5	5
Dhananjaya Tambe (2)	4	4

(1) *Ceased to be a member post completion of his tenure as an Independent Director w.e.f. July 1, 2025*

(2) *Appointed as a member w.e.f. July 1, 2025*

All the recommendations by the AC to the Board during the year have been accepted.

All the members of the AC are financially literate and have accounting or related financial management expertise. The Company Secretary is the Secretary to the Committee.

2. Nomination and Remuneration Committee ("NRC"):

Terms of reference:

The role of the NRC includes the following:

- Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and carrying out evaluation of Board / Committees / Directors;
- Formulating the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees;
- Recommending to the Board appointment of Chief Compliance Officer in accordance with RBI regulations;

- Ensuring that:
  a. the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the Company successfully.
  b. relationship of remuneration to performance is clear and meets appropriate performance benchmarks.
  c. remuneration to directors, key managerial personnel and senior management personnel involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.
- Laying down the evaluation criteria for performance evaluation of Independent Directors and the Board;
- Devising a policy on Board diversity;
- Formulating the Employee Stock Option Scheme (ESOS), decide the terms and conditions, make appropriate recommendations to the Board of Directors and administering and superintending ESOS;
- Determining the remuneration payable to the senior management personnel as defined under the SEBI Listing Regulations including Chief Financial Officer and Company Secretary of the Company; and
- Such other functions as may be delegated by the Board from time-to-time or prescribed under law.

Composition as on the date of the Board's Report:

Name of the Director	Designation in the Committee	Nature of Directorship
Rajani R. Gupte	Chairperson	ID
R. Shankar Raman	Member	NED
Nishi Vasudeva	Member	ID

Meetings and Attendance:

The NRC met 5 (five) times during the year on April 24, 2025, May 29, 2025, September 25, 2025, October 15, 2025, and January 16, 2026.

The attendance of members at the meetings was as follows:

Name of the Director	No. of Meetings held/conducted during the tenure of the Member/year	No. of Meetings attended
Thomas Mathew T.[1]	2	2
Rajani R. Gupte[2]	5	5
R. Shankar Raman	5	5
Nishi Vasudeva[3]	3	3

[1] *Ceased to be a Chairperson and member post completion of his tenure as an Independent Director w.e.f. July 1, 2025*

[2] *Appointed as a Chairperson w.e.f. July 1, 2025*

[3] *Appointed as a member w.e.f. July 1, 2025*

Remuneration Policy:

The remuneration of the Board members is based on the Company's size, its economic and financial position, industrial trends and compensation paid by peer companies. The compensation reflects each Board member's responsibility and performance. The Directors on the Board who are in the services of L&T Group are not paid any commission or sitting fees for attending the meetings of the Board and / or any Committee.

While the Company pays remuneration to Executive Director(s) by way of salary, perquisites, retirement benefits (fixed components) and variable remuneration, the Non-Executive Directors ("NEDs") are paid remuneration by way of commission and sitting fees. The remuneration to NEDs is based on the recommendations of the NRC and approval of the Board, subject to the limits approved by the Members, to the extent required as per regulatory requirements.

None of the NEDs have any pecuniary relationship with the Company, except the sitting fees and commission as approved by the Board.

As required under Schedule V of the SEBI Listing Regulations, the criteria for payment to NEDs is available on the website of the Company at *https://www.ltfinance.com/investors* (click-Criteria for Payment to NEDs). Further, the performance evaluation criteria for Independent Directors as required under Schedule V of the SEBI Listing Regulations is included in the Board's Report.

Details of remuneration paid/payable to Directors for the financial year ended March 31, 2026:

a) Remuneration to Executive Director(s)

The details of remuneration paid/payable to Mr. Sudipta Roy, Managing Director & Chief Executive Officer:

(₹ in Cr)

Name of the Director	Salary (including Retention Bonus & Perquisites)	Performance linked Incentive/ Variable Remuneration[1] (up to)	Retirement Benefits	Total
Sudipta Roy	3.98 [2]	1.10 [2]	–	5.08

[1] *Based on policy formulated by the NRC and approved by the Board.*

[2] *Amount for retention and variable pay are provisional. Amount to be determined by the NRC, based on policy approved by the Board.*

Note:

- *Notice period for termination of appointment of Managing Director and Chief Executive Officer is three months on either side.*
- *No severance pay is payable on termination of appointment.*
- *Details of options granted, if any, under Employees Stock Options Schemes are provided on the website of the Company at https://www.ltfinance.com/investors.*

b) Remuneration to Non-Executive Directors

The Company follows a transparent process for determining the remuneration of NEDs. Their remuneration is governed by the role assumed, number of meetings of the Board and the Committees thereof attended by them, active participation in strategic decision making and inputs to executive management on matters of strategic importance. Besides this, the Board also takes into consideration the external competitive environment, track record, individual performance of such Directors and performance of the Company as well as the industry standards in determining the remuneration of NEDs including Independent Directors.

In the backdrop of growing complexities and increasing regulatory requirements, the NEDs have contributed significantly and given useful feedback from time to time. The commission payable / paid in respect of NEDs for the year is mentioned below. The commission paid is as per the limits approved by the Members, subject to the limit not exceeding 1% p.a. of the net profits of the Company.

In addition to the commission, during the year under review, the Company has paid sitting fees of ₹ 60,000 per Board and Independent Directors meeting, ₹ 50,000 per Audit Committee and Nomination and Remuneration Committee meeting and ₹ 40,000 per meeting for other Committee meetings.

The details of remuneration paid/payable to the NEDs for FY26 are as follows:

(₹ in lakhs)

Name of the Director	Sitting fees for Board Meeting/ Independent Director Meeting	Sitting fees for Committee Meetings	Commission[1]	Total
S.N. Subrahmanyan[2]	–	–	–	**–**
R. Shankar Raman[2]	–	–	–	**–**
Thomas Mathew T.[3]	1.20	2.30	8.55	**12.05**
Rajani R. Gupte	4.20	7.70	25.35	**37.25**
R. Seetharaman	4.20	6.10	25.40	**35.70**
Nishi Vasudeva	4.20	7.20	25.55	**36.95**
Dhananjaya Tambe[4]	2.40	5.20	19.30	**26.90**

[1] *Amount for commission is provisional. Amount to be determined by the NRC and Board, based on policy approved by the Board.*

[2] *Mr. S.N. Subrahmanyan and Mr. R. Shankar Raman are in the services of Larsen & Toubro Limited and draw remuneration from Larsen & Toubro Limited. They are not paid any commission or sitting fees separately for attending the meetings of the Board and/ or any Committee of the Company.*

[3] *Ceased to be an Independent Director post completion of his tenure w.e.f. July 1, 2025.*

[4] *Appointed as an Independent Director of the Company w.e.f. July 1, 2025.*

Details of shares / convertible instruments, if any, held by the NEDs as on March 31, 2026 are as follows:

Name of the Director	No. of equity shares
S.N. Subrahmanyan	4,987
R. Shankar Raman	30,080
Rajani R. Gupte	–
R. Seetharaman	–
Nishi Vasudeva	–
Dhananjaya Tambe	–

3. Stakeholders Relationship and Customer Protection Committee ("SRCPC"):

Terms of reference:

The role of the SRCPC includes the following:

- Reviewing of cases for refusal of transfer / transmission of shares, debentures and other securities, if any;
- Redressal of stakeholders and investor complaints like transfer of shares, non-receipt of balance sheet, non-receipt of declared dividends, non-receipt of interest, etc;
- Reference to statutory and regulatory authorities regarding security holders' grievances;
- Ensuring proper and timely attendance and redressal of security holders' queries and grievances;
- Reviewing of measures taken for effective exercise of voting rights by shareholders;
- Reviewing of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent;
- Reviewing of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants / annual reports / statutory notices by the shareholders of the Company;
- Review of activities of Internal Ombudsman;
- Review of cases rejected by Internal Ombudsman;
- Approving the standard operating procedure for handling customer service and customer protection;
- Determining the structure of emoluments, facilities and benefits for the Internal Ombudsman / Deputy Internal Ombudsman; and
- Such other functions as may be delegated by the Board from time-to-time or prescribed under law.

Composition as on the date of the Board's Report:

Name of the Director	Designation in the Committee	Nature of Directorship
Nishi Vasudeva	Chairperson	ID
Sudipta Roy	Member	MD & CEO
Rajani R. Gupte	Member	ID

Meetings and Attendance:

The Committee met 4 (four) times during the year on April 25, 2025, July 17, 2025, October 14, 2025 and January 16, 2026.

The attendance of members at the meetings was as follows:

Name of the Director	No. of Meetings held/ conducted during the tenure of the Member/year	No. of Meetings attended
Nishi Vasudeva [1]	3	3
Rajani R. Gupte [2]	4	4
Sudipta Roy	4	4
R. Seetharaman [3]	1	1

[1] Appointed as a Chairperson w.e.f. July 1, 2025
[2] Re-designated as member w.e.f. July 1, 2025
[3] Ceased to be a member w.e.f. July 1, 2025

Details of Shareholders' requests / complaints:

The Company resolves investor grievances expeditiously and to the satisfaction of investors. The Company / its Registrar and Share Transfer Agents received the following complaints from SEBI / Stock Exchanges, which were resolved within the time frame laid down by SEBI:

Particulars	Opening	Received	Resolved	Pending
Complaints:				
SEBI/Stock Exchanges[1]	0	25	24	1
Others	0	1	1	0

[1] SEBI-25 Stock Exchange- 0

The Board has delegated the powers to approve transfer / transmissions of physical shares and to remat shares to a Share Transfer Committee comprising of 3 (three) Chief Executives i.e. Mr. Sachinn Joshi (Chief Financial Officer), Mr. Raju Dodti (Chief Operating Officer) and Ms. Apurva Rathod (Company Secretary). Ms. Apurva Rathod, Company Secretary of the Company, is the Compliance Officer / Investor Relations Officer.

4. Risk Management Committee ("RMC"):

Terms of reference:

The role of the RMC includes the following:

- Formulating a detailed risk management policy including:
  a. A framework for identification of internal and external risks specifically faced by the Company, in particular including financial, market, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee;
  b. Measures for risk mitigation including systems and processes for internal control of identified risks; and
  c. Business continuity plan.
- Ensuring that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
- Monitoring and overseeing implementation of the risk management policy, including evaluating the adequacy of risk management systems;
- Periodically reviewing the risk management policy, at least once a year including by considering the changing industry dynamics and evolving complexity;
- Keeping the Board informed about the nature and content of its discussions, recommendations and actions to be taken;
- Reviewing the appointment, removal and terms of remuneration of the Chief Risk Officer (if any); and
- Such other functions as the Board may from time-to-time delegate to it or may be prescribed under law.

Composition as on the date of the Board's Report:

Name of the Member	Designation in the Committee	Nature of Directorship
Nishi Vasudeva	Chairperson	ID
Managing Director & Chief Executive Officer	Member	–
R. Shankar Raman	Member	NED
Rajani R. Gupte	Member	ID
Chief Risk Officer	Member	–
Chief Financial Officer	Member	–
Company Secretary	Member	–

Meetings and Attendance:

The Committee met 4 (four) times during the year on June 28, 2025, September 29, 2025, December 22, 2025 and March 28, 2026.

The attendance of members at the meetings was as follows:

Details of the Member	No. of Meetings held/conducted during the tenure of the Member/year	No. of Meetings attended
Nishi Vasudeva	4	4
Managing Director & Chief Executive Officer	4	4
R. Shankar Raman	4	2
Rajani R. Gupte	4	4
Chief Risk Officer	4	4
Chief Financial Officer	4	4
Company Secretary	4	4

5. Corporate Social Responsibility ("CSR") and Sustainability Committee:

During the year, the Board approved the renaming of the CSR and ESG Committee to CSR and Sustainability Committee.

Terms of reference:

The role of CSR and Sustainability Committee includes the following:

- Formulation of the CSR policy indicating the activities to be undertaken by the Company as per regulatory requirements and recommend the same to the Board;
- Recommending to the Board the annual action plan and the amount to be spent on CSR activities;

- Monitoring the implementation of the CSR policy;
- Formulation of action plan / guidelines / policies with regard to Sustainability / ESG;
- Reviewing implementation of the action plan; and
- Approving the sustainability report(s).

Composition as on the date of the Board's Report:

Name of the Director	Designation in the Committee	Nature of Directorship
Rajani R. Gupte	Chairperson	ID
Sudipta Roy	Member	MD & CEO
R. Seetharaman	Member	ID

Meetings and Attendance:

The Committee met 2 (two) times in the year on April 24, 2025 and January 15, 2026.

The attendance of members at the meetings was as follows:

Name of the Director	No. of Meetings held / conducted during the tenure of the Member / year	No. of Meetings attended
Rajani R. Gupte	2	2
Sudipta Roy	2	2
R. Seetharaman	2	2

6. Special Committee of the Board for Monitoring and Follow-up of cases of Frauds ("SCBMF")

Terms of reference:

The role of the SCBMF includes the following

- Overseeing the effectiveness of the fraud risk management in the Company;
- Reviewing and monitor cases of frauds, including root cause analysis, and suggest mitigating measures for strengthening the internal controls, risk management framework and minimising the incidence of frauds;
- Overseeing effectiveness of framework for Early Warning Signals; and
- Such other functions as the Board may from time-to-time delegate to it or as may be prescribed under law.

Composition as on the date of the Board's Report:

Name of the Director	Designation in the Committee	Nature of Directorship
R. Seetharaman	Chairman	ID
Managing Director and Chief Executive Officer	Member	–
Dhananjaya Tambe	Member	ID

Meetings and Attendance:

The Committee met 4 (four) times during the year on April 24, 2025, July 17, 2025, October 14, 2025 and January 15, 2026.

The attendance of members at the meetings was as follows:

Name of the Director	No. of Meetings held / conducted during the tenure of the Member / year	No. of Meetings attended
R. Seetharaman	4	4
Managing Director and Chief Executive Officer	4	4
Thomas Mathew T. (1)	1	1
Dhananjaya Tambe (2)	3	3

(1) *Ceased to be a member post completion of his tenure as an Independent Director w.e.f. July 1, 2025*

(2) *Appointed as a member w.e.f. July 1, 2025*

7. Review Committee ("RC"):

Terms of reference:

The role of the RC includes the following

- Reviewing the proposals made by the Identification Committee for the classification of wilful defaulters;
- Providing opportunity for a personal hearing to such wilful defaulters;
- Assessing the facts, materials on record, review submissions and written representations made by the borrower, etc. and to pass reasoned order / decisions for cases reviewed by the Committee; and
- Such other functions as the Board may from time-to-time delegate to it or as may be prescribed under law.

Composition as on the date of the Board's Report:

Name of the Director	Designation in the Committee	Nature of Directorship
Managing Director and Chief Executive Officer	Chairman	–
Dhananjaya Tambe	Member	ID
R. Seetharaman	Member	ID

Meetings and Attendance:

The Committee met 2 (two) times during the year on July 18, 2025 and October 14, 2025.

The attendance of members at the meetings was as follows:

Name of the Director	No. of Meetings held/conducted during the tenure of the Member/ year	No. of Meetings attended
Managing Director and Chief Executive Officer	2	2
R. Seetharaman	2	2
Thomas Mathew T. (1)	–	–
Dhananjaya Tambe (2)	2	2

(1) *Ceased to be a member post completion of his tenure as an Independent Director w.e.f. July 1, 2025*

(2) *Appointed as a member w.e.f. July 1, 2025*

8. IT Strategy Committee ("ITSC"):

Terms of Reference:

The role of ITSC includes the following:

- Approving Information Technology ("IT") strategy and policy documents and ensuring that the management has put an effective strategic planning process in place;
- Ascertaining that management has implemented processes and practices that ensure that the IT delivers value to the business;
- Ensuring IT investments represent a balance of risks and benefits and that budgets are acceptable;
- Monitoring the method that management uses to determine the IT resources needed to achieve strategic goals and provide high-level direction for sourcing and use of IT resources;
- Ensuring proper balance of IT investments for sustaining NBFC's growth and becoming aware about exposure towards IT risks and controls; and
- Instituting an effective governance mechanism and risk management processes for all outsourced IT operations.

Composition as on the date of the Board's Report:

Name of the Member	Designation in the Committee	Nature of Directorship
Dhananjaya Tambe	Chairman	ID
Rajani R. Gupte	Member	ID
Managing Director & Chief Executive Officer	Member	–
Chief Information Officer (Chief Digital Officer)	Member	–
Chief Technology Officer	Member	–
Chief Risk Officer	Member	–
Chief Information Security Officer	Member	–
Chief Financial Officer	Member	–

Meetings and Attendance:

The Committee met four times during the year on June 28, 2025, September 24, 2025, December 22, 2025 and March 26, 2026.

The attendance of members at the meetings was as follows:

Details of the Member	No. of Meetings held/conducted during the tenure of the Member/year	No. of Meetings attended
Thomas Mathew T. (1)	1	1
Dhananjaya Tambe (2)	3	3
Nishi Vasudeva (3)	1	1
Rajani R. Gupte (4)	3	3
Managing Director & Chief Executive Officer	4	4
Chief Information Officer (Chief Digital Officer)	4	4
Chief Technology Officer	4	4
Chief Risk Officer	4	3
Chief Information Security Officer	4	2
Chief Financial Officer	4	4

(1) *Ceased to be a member post completion of his tenure as an Independent Director w.e.f. July 1, 2025*

(2) *Appointed as a Chairperson w.e.f. July 1, 2025*

(3) *Ceased to be a member w.e.f. July 1, 2025*

(4) *Appointed as a member w.e.f. July 1, 2025*

9. Asset Liability Management Committee ("ALCO")

Terms of reference:

The role of the ALCO includes the following:

- Monitoring market risk management systems, compliance with the asset liability management policy and prudent gaps and tolerance limits and reporting systems set out by the Board of Directors and ensuring adherence to the RBI Guidelines issued in this behalf from time to time;
- Monitoring the business strategy of the Company (on the assets and liabilities sides) in line with the Company's budget and decided risk management objectives;
- Reviewing the effects of various possible changes in the market conditions related to the balance sheet and recommend the action needed to adhere to the Company's internal limits;
- Balance Sheet planning from risk-return perspective including the strategic management of interest rate and liquidity risks; and
- Such other functions as provided under the Asset Liability Management (ALM) Policy.

Composition as on the date of the Board's Report:

Name of the Member	Designation in the Committee	Nature of Directorship
Managing Director & Chief Executive Officer	Chairman	–
R. Govindan*	Member	–
Chief Financial Officer	Member	–
Chief Risk Officer	Member	–
Chief Economist	Member	–
Chief Executive of respective business	Member	–
Treasurer	Member	–

**representative of L&T*

Meeting details:

The Committee met 12 times during the year on April 21, 2025, May 26, 2025, June 26, 2025, July 25, 2025, August 28, 2025, September 15, 2025, October 23, 2025, November 27, 2025, December 19, 2025, January 21, 2026, February 25, 2026 and March 26, 2026.

10. Committee of Directors ("COD")

Terms of reference:

The COD of the Company was constituted to facilitate the operational decisions within the broad framework laid down by the Board such as day-to-day operational decisions of the Company in terms of borrowing power, additional investment in subsidiaries, etc.

Composition:

Name of the Director	Designation in the Committee	Nature of Directorship
S.N. Subrahmanyan	Member	NED
R. Shankar Raman	Member	NED
Sudipta Roy	Member	MD & CEO

Meetings and Attendance:

The Committee met once in the year on October 15, 2025 and all the members, of the COD had attended the meeting.

D. Particulars of Senior Management:

The details of Senior Management Personnel ("SMP") as per SEBI Listing Regulations as on March 31, 2026 and the changes during the year are as follows:

Name	Designation
Sachinn Joshi	Chief Financial Officer
Apurva Rathod	Company Secretary and Chief Sustainability Officer
Raju Dodti	Chief Operating Officer
Santosh Parab [(1)]	General Counsel
Abhishek Sharma	Chief Executive-SME Finance
Sonia Krishnankutty	Chief Executive - Rural Business Finance
Asheesh Goel	Chief Executive Officer- Farmer Finance
Kavita Jagtiani	Chief Marketing Officer
Ramesh Aithal	Chief Digital Officer
Nilesh Dange [(2)]	Chief Human Resource Officer
Debarag Banerjee	Chief Data and AI Officer
Jinesh Shah	Chief Executive – Urban Secured Assets & 3rd Party Products
Manish Kumar Gupta [(3)]	Chief Executive – Urban Unsecured Assets, Payments & Digital Partnerships

(1) Ceased to be a SMP of the Company w.e.f. October 1, 2025
(2) Ceased to be a SMP of the Company w.e.f. April 1, 2026
(3) Appointed as a SMP of the Company w.e.f. May 19, 2025

E. Directors on Boards of Material Subsidiaries

There is no material subsidiary of the Company as on March 31, 2026.

F. Other Information

Training of Directors:

All Directors of the Company are aware of and are also updated as and when required, of their roles, responsibilities and liabilities.

Information to Directors:

The Directors have access to the information within the Company, which inter alia, includes items as mentioned in point no. B5 of the Corporate Governance Report. Presentations are made regularly to the Board and its Committees, where Directors get an opportunity to interact with the Senior Management. Independent Directors have the freedom to interact with the Company's management. Interactions happen during Board / Committee meetings, when senior management personnel make presentations about the performance of the Company / business to the Board and even outside the meetings.

Statutory Auditors:

Mr. Vikas Kumar, Partner of M/s T R Chadha & Co. LLP and Mr. P.S. Kumar, Partner of M/s Brahmayya & Co., Statutory Auditors of the Company have signed the Audit Report for FY26.

Code of Conduct:

The Company has laid down a Code of Conduct for all the Board members including Independent Directors and Senior Management. The Code of Conduct is available on the website of the Company at *https://www.ltfinance.com/investors* (click-Code of Conduct). The declaration of Managing Director & Chief Executive Officer is given below:

To the Members of
L&T Finance Limited

Sub: Compliance with Code of Conduct

I hereby declare that all the Board members and senior management personnel have affirmed compliance with the Code of Conduct of the Company as adopted by the Board of Directors.

Sudipta Roy
Managing Director and Chief Executive Officer

Date: April 24, 2026
Place: Mumbai

Vigil Mechanism Framework/ Whistle Blower Mechanism:

The Company has formulated a vigil mechanism framework for Directors, employees and service providers (agency, vendor, contractor or any outsourced partner) ("collectively known as stakeholders") to report their concerns. The objective of the framework is to establish a redressal forum, which addresses all concerns raised on questionable practices and through which the stakeholders can raise actual or suspected violations. The Vigil Mechanism Policy empowers all levels of employees including top management and service providers to raise voice against actual / suspected violations. The implementation of the framework is monitored through the Whistle-blower Investigation Committee which meets on a quarterly basis and all cases are discussed in detail before it is presented to the AC. It addresses all concerns raised on questionable practices. The framework ensures protection to the whistle-blower to avoid any sort of unfair or prejudicial employment practices. The Whistle-blower Investigation Committee and management maintain the anonymity of the whistle blower at all times.

The details of establishment of such mechanism have been disclosed on the website of the Company at *https://www.ltfinance.com/investors*.

As on March 31, 2026, no complaint has been received by the Company from any Directors or employees of the Company with respect to any wrong doings that may have an adverse impact on Company's image or financials of the Company.

During the year, no person has been declined access to the AC, wherever desired.

General Body Meetings:

The details of AGM of the Company for the previous three years are as under:

Year	Date	Time	Venue/Mode of conducting the meeting
2022-23	July 28, 2023	4:00 p.m.	Through electronic mode video conferencing ('VC') / other audio-visual means ('OAVM') being held through VC / OAVM. The deemed venue of the AGM shall be the Registered Office of the Company.
2023-24	June 25, 2024	10:00 a.m.	Through electronic mode video conferencing ('VC') / other audio-visual means ('OAVM') being held through VC / OAVM. The deemed venue of the AGM shall be the Registered Office of the Company.
2024-25	June 03, 2025	10:30 a.m.	Through electronic mode video conferencing ('VC') / other audio-visual means ('OAVM') being held through VC / OAVM. The deemed venue of the AGM shall be the Registered Office of the Company.

The previous AGM was conducted within 3 (three) months from the end of FY2024-25.

The following special resolutions were passed by the Shareholders during the past three Annual General Meetings:

Year	Date	Resolution
2022-23	July 28, 2023	➢ Re-appointment of Dr. Rajani R. Gupte (DIN: 03172965) as an independent director of the Company; ➢ Amendment to the object clause of the memorandum of association of the Company; ➢ Alteration of articles of association of the Company.
2023-24	June 25, 2024	–
2024-25	June 03, 2025	➢ Appointment of Mr. Dhananjaya Tambe (DIN: 07260971) as an Independent Director of the Company ➢ Alteration of articles of association of the Company

Postal Ballot:

The Company had not passed any special resolution through postal ballot during FY26. Further, during the year there could be proposal(s) requiring approval of members through postal ballot and the Company will follow the process as per regulatory requirements.

Other Disclosures:

- During the year, there were no transactions of material nature with the Directors, management, their relatives or the subsidiaries, which had potential conflict with the interests of the Company.
- Details of all related party transactions form a part of the Financial Statements as required under Ind AS 24 and the same forms part of the Annual Report.
- The Company has followed all relevant Accounting Standards notified by the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time while preparing the Financial Statements.

There were no instances of non-compliance by the Company, penalties, strictures imposed on the Company by stock exchange(s) or the board or any statutory authority, on any matter related to capital markets, during the last three years.

However, the RBI by an order dated October 17, 2023, had imposed a monetary penalty of ₹ 2.50 crores on erstwhile L&T Finance Limited which has been merged with the Company effective December 4, 2023 for non-compliance with certain provisions of the Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016. The said penalty was paid on November 02, 2023.

The Company has already taken corrective actions and strengthened various processes and controls in relation to the deficiencies observed and it has no material impact on financial, operation or other activities of the Company.

- As on March 31, 2026 the Company has complied with the Corporate Governance requirements specified in Regulations 17 to 27 and Regulation 46(2)(b) to (i) and other applicable provisions of the SEBI Listing Regulations.
- The web link with respect to the policy for determining material subsidiaries and RPT Policy are mentioned in the Board's Report.
- The Company has also substantially complied with the discretionary requirements stipulated under Regulation 27 of the SEBI Listing Regulations.
- As on March 31, 2026, there were no funds unutilized requiring disclosure as specified under Regulation 32(7A) of the SEBI Listing Regulations.
- M/s. Alwyn Jay & Co., Practicing Company Secretary has certified that none of the Directors of the Company have been debarred or disqualified from being appointed or continuing as a Director of the Company by SEBI or Ministry of Corporate Affairs or any other statutory authority. The said certificate forms part of this report.
- During FY 2025-26, total consolidated fees of ₹ 423 lakhs was paid to the Statutory Auditors {i.e., M/s T R Chadha & Co. LLP and M/s Brahmayya & Co} and entities forming part of the network entity of which the Statutory Auditors are a part of for all the services rendered to the Company. No services were rendered by the Statutory Auditors to the subsidiaries of the Company.
- Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

  During the year under review, the Company received 7 (seven) complaints in this regard. Out of the 7 (seven) complaints, 3 (three) complaints have been disposed off, while 4 (four) complaints were pending as of March 31, 2026 and 90 days period was not over. The said complaints will be disposed off within the regulatory timeline. Due to the complexity of the case, 1 (one) case was disposed off beyond 90 days i.e. in 97 days.
- The Board of Directors confirm that during the year, it has accepted all mandatory recommendations received from its committees.
- For disclosure pertaining to credit rating, please refer the Board's Report.
- The details pertaining to loans and advances in the nature of loans to firms/companies in which directors are interested by name and amount are given in the Notes to the Financial Statements, as applicable.
- The Company does not have any material subsidiary as on March 31, 2026. Hence, the details of material subsidiaries of the listed entity are not applicable.
- The Company has complied with requirements under sub-para 2 to 10 of Schedule V of SEBI Listing Regulations.

Means of Communication:

- Quarterly results are communicated through a newspaper advertisements in prominent national and regional dailies like Financial Express and Navshakti and through investor calls / meets.
- The financial results, official news releases and presentations are also displayed on the website of the Company at *https://www.ltfinance.com/investors*.
- The Report is circulated to all the Members, Debenture holders, Statutory Auditors, Secretarial Auditor, debenture trustees and such other persons who are entitled to receive.
- Management Discussion and Analysis section forms a part of the Report is sent to the Members of the Company.

AGM through electronic mode:

The Company will provide two-way video conferencing facility to the members for participating in the Eighteenth AGM. For more details, please refer the Notice of the Eighteenth AGM, which is placed on the Company's *https://www.ltfinance.com/investors* and on the website of Stock Exchanges.

General Shareholders' Information:

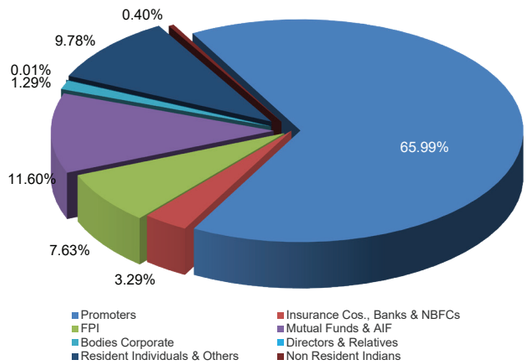
Annual General Meeting	Friday, May 29, 2026 at 03:30 p.m. (IST) through video conferencing / other audio-visual means (deemed venue - Registered Office of the Company)
Financial Year	April 1, 2025 to March 31, 2026
Record Date for Dividend	May 22, 2026
Dividend Payment Date	The dividend of ₹ 2.75 per equity share of face value of ₹10 each, if approved by the Members at the ensuing AGM, will be credited / dispatched on or before June 27, 2026.
Listing on Stock Exchanges (Equity Shares)	1. BSE Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001. 2. National Stock Exchange of India Limited, Exchange Plaza, Plot No. C-1, Block G, Bandra - Kurla Complex, Bandra (East), Mumbai - 400 051. The Company has paid the listing fees to the Stock Exchanges for FY26.
Stock Code (NCDs)	As on March 31, 2026, the Company has 88 active ISINs listed on Stock Exchanges.
CIN	L67120MH2008PLC181833
Debenture Trustee	The Debenture Trustee of the Company are: IDBI Trusteeship Services Limited Ground Floor, Universal Insurance Building, Sir Phirozshah Mehta Rd, Fort, Mumbai, Maharashtra, 400001. Tel: +91 022 4080 7000 Fax: +91 022 66311776 E-mail: *itsl@idbitrustee.com* Website: *https://idbitrustee.com/*
	Catalyst Trusteeship Limited GDA House, Plot No. 85, Bhusari Colony (Right), Kothrud, Pune, Maharashtra, 411038. Tel: +91 (022) 4922 0555 Fax: +91 (022) 4922 0505 E-mail: *ComplianceCTL-Mumbai@ctltrustee.com* Website: *www.catalysttrustee.com*
In case the securities are suspended from trading, the Board's Report shall explain the reason thereof	Not applicable
Registrar and Share Transfer Agent ("RTA")	MUFG Intime India Private Limited (formerly known as Link Intime India Private Limited) C-101, Embassy 247, L. B. S. Marg, Vikhroli (West), Mumbai 400083, Maharashtra, India. Tel: +91 810 811 6767 Fax: +91 22 4918 6060 E-mail: *investor.helpdesk@in.mpms.mufg.com*;
Share Transfer System	The Board has delegated the authority for approving transfer, transmission etc. of the Company's securities to the Share Transfer Committee. As per SEBI Listing Regulations, transmission or transposition of securities held in physical form can be effected only in dematerialized form. Therefore, Members holding shares in physical form are requested to take necessary action to dematerialize the holdings.

Distribution of Shareholding as on March 31, 2026:

Category (shares)	Shareholders		Shareholding	
	Number	%	Number	%
Up to 500	6,87,730	89.65	6,66,82,209	2.66
501-1000	41,588	5.42	3,12,12,037	1.25
1001-2000	20,955	2.73	3,03,45,212	1.21
2001-3000	6,357	0.83	1,59,64,156	0.64
3001-4000	2,953	0.38	1,04,73,588	0.42
4001-5000	1,944	0.25	90,52,898	0.36
5001-10000	2,975	0.39	2,12,72,235	0.85
10001 and above	2,588	0.34	2,31,93,83,681	92.61
Total	**7,67,090**	**100.00**	**2,50,43,86,016**	**100.00**

Categories of the Shareholders as on March 31, 2026:

Category	No. of shares	%
Promoters	1,65,25,30,125	65.99
Insurance Companies, Banks & NBFCs	8,24,95,893	3.29
Foreign Portfolio Investors	19,12,05,706	7.63
Mutual Funds & Alternate Investment Funds	29,05,65,986	11.60
Bodies Corporate	3,23,85,942	1.29
Directors & Relatives	1,94,685	0.01
Resident Individuals & Others	24,50,27,154	9.78
Non-Resident Indians	99,80,525	0.40
Total	**2,50,43,86,016**	**100.00**



Dematerialization of Shares:

The Company's shares are required to be compulsorily traded on the stock exchanges in dematerialized form. The number of shares held in dematerialized and physical form are as under:

Particulars	No. of shares	%
National Securities Depository Limited ("NSDL")	2,34,61,55,042	93.68
Central Depository Services (India) Limited ("CDSL")	15,82,29,835	6.32
Physical	1,139	0.00
TOTAL	**2,50,43,86,016**	**100.00**

Dematerialization of shares and liquidity	As on March 31, 2026 almost the entire equity capital was held in the dematerialized form with NSDL and CDSL. Only 1,139 shares were held in physical form.
Outstanding GDRs/ ADRs/ Warrants or any Convertible instruments, conversion date and likely impact on equity	The Company does not have any outstanding GDRs/ ADRs/ Warrants or any Convertible instruments as on March 31, 2026.

Commodity price risk or foreign exchange risk and hedging activities	Commodity price risk: Not applicable During the year, the Company has hedged its foreign currency risk related to external commercial borrowings by entering into forward contracts.
Plant locations	The Company does not have any plant location being a Non-Banking Financial Company. As on March 31, 2026, the Company had 673 branches.
Address for correspondence	**MUFG Intime India Private Limited (formerly known as Link Intime India Private Limited)** C 101, Embassy 247, L. B. S. Marg, Vikhroli (West), Mumbai - 400083, Maharashtra, India. Tel: +91 810 811 6767 Fax: +91 22 4918 6060 E-mail: *investor.helpdesk@in.mpms.mufg.com*
Name and address of the Compliance Officer	**Ms. Apurva Rathod,** Company Secretary and Compliance Officer L&T Finance Limited Brindavan, Plot No. 177, C.S.T Road, Kalina, Santacruz (East), Mumbai - 400 098, Maharashtra, India. Phone: +91 22 6212 5000 Fax: +91 22 6212 5553 E-mail: *igrc@ltfs.com*

Unclaimed shares lying in the Suspense Account:

In terms of Regulation 34 and Schedule V of the SEBI Listing Regulations, the following are the details in respect of Equity Shares lying in the suspense account which were issued in dematerialized form:

Sr. No.	Particulars	No. of shareholders	No. of equity shares outstanding
(i)	Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the financial year, i.e., April 1, 2025.	0	0
(ii)	Number of shareholders who approached the Company for transfer of shares from suspense account during the financial year 2025-26.	0	0
(iii)	Number of shareholders to whom shares were transferred from suspense account during the financial year 2025-26.	0	0
(iv)	Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the financial year i.e., March 31, 2026.	0	0

Transfer of amounts / shares to Investor Education and Protection Fund ("IEPF"):

Pursuant to the provisions of Sections 124 and 125 of the Act read with the IEPF (Accounting, Audit, Transfer and Refund) Rules, 2016, dividend / interest / refund of applications which remains unclaimed / unpaid for a period of 7 years is required to be transferred to IEPF. Further, the IEPF Rules mandate the companies to transfer all shares on which dividend remains unclaimed / unpaid for a period of 7 consecutive years to the demat account of the IEPF Authority.

During the year under review, the Company has transferred to IEPF a sum of ₹ 14,57,154 being the amount towards unpaid / unclaimed dividend on the Equity Shares of the Company. The unclaimed / unpaid dividend amount transferred is out of the dividend declared in FY18.

Further, 61,480 shares in respect of which the dividend was unpaid / unclaimed for a period of 7 consecutive years was also transferred to IEPF on October 28, 2025.

In FY27, the amount which is unpaid / unclaimed for a period exceeding 7 years is due to be transferred to IEPF by August 30, 2026. Subsequently, the shares in respect of which dividend is unpaid / unclaimed for a period of 7 consecutive years will also be transferred to IEPF. The details of unpaid and unclaimed amounts lying with the Company as on June 03, 2025 (date of last AGM) are available on the website of the Company at *https://www.ltfinance.com/investors* (click-Details of Unpaid and Unclaimed Dividend) and Ministry of Corporate Affairs at *https://www.iepf.gov.in*. The Company requests the Members to claim the unclaimed dividend within the prescribed period. The Members can contact MUFG Intime India Private Limited (formerly known as Link Intime India Private Limited), the Registrar and Share Transfer Agents of the Company for claiming the unclaimed amount standing to the credit in their account. The Members / claimants whose shares or unclaimed dividends get transferred to IEPF may claim the shares or apply for refund from the IEPF Authority by following the refund procedure as detailed on the website of IEPF Authority at *https://www.iepf.gov.in/IEPF/refund.html*.

Securities Dealing Code:

The Company has framed the Securities Dealing Code ("Code") in line with the requirements of SEBI (Prohibition of Insider Trading) Regulations, 2015. The objective of the Code is to prevent purchase and / or sale of shares of the Company by an insider on the basis of unpublished price sensitive information.

Under this Code, Designated Persons are prohibited from dealing in the shares of the Company during the closure of Trading Window. They are required to obtain compliance approval when trading in securities beyond a specified limit. They are prohibited from executing a contra trade for a period of six months and from taking positions in the derivatives segment. They are also required to make relevant periodic disclosures as defined in the Code.

Ms. Kavita Shetty is the Chief Compliance Officer for monitoring compliances with this Code. Ms. Apurva Rathod, Company Secretary has been designated as the Chief Investor Relations Officer under the Code to deal with dissemination of information and disclosure of unpublished price sensitive information.

Secretarial Audit:

The Board of Directors of the Company at its meeting held on April 25, 2025 and Members at its meeting held on June 3, 2025 had appointed M/s Alwyn Jay & Co., Practicing Company Secretary as the Secretarial Auditor of the Company for a period of 5 (five) consecutive years from FY2025-26 up to FY2029-30.

Reconciliation of Share Capital Audit:

As stipulated by SEBI, a Practicing Company Secretary carries out Reconciliation of Share Capital Audit to reconcile the total admitted capital with NSDL and CDSL and the total issued and listed capital. This audit is carried out every quarter and the report thereon is submitted to the Stock Exchanges. The Audit confirms that the total listed and paid-up capital is in agreement with the aggregate of the total number of shares in dematerialised form and in physical form as at March 31, 2026.

CHIEF EXECUTIVE OFFICER (CEO) AND CHIEF FINANCIAL OFFICER (CFO) CERTIFICATION

[Issued in accordance with the provisions of Regulation 17(8) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015]

To the Board of Directors of
L&T Finance Limited

Dear Sirs/Madams,

We have reviewed the consolidated financial statements read with the cash flow statement of L&T Finance Limited for the year ended March 31, 2026 and that to the best of our knowledge and belief, we state that;

a) (i) these financial statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

(ii) these financial statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the period which are fraudulent, illegal or in violation of the Company's code of conduct.

c) We accept responsibility for establishing and maintaining internal controls for financial reporting. We have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and have disclosed to the Auditors and the Audit Committee, deficiencies, if any, in the design or operation of such internal controls of which we are aware and steps taken or proposed to be taken for rectifying these deficiencies.

d) We have indicated to the Auditors and the Audit Committee:

(i) that there were no significant changes in internal control over financial reporting during the period;

(ii) that there were no significant changes in accounting policies made during the year; and

(iii) that there were no instances of significant fraud of which we have become aware of.

Yours sincerely,

Sudipta Roy
Managing Director
and Chief Executive Officer
DIN: 08069653

Sachinn Joshi
Chief Financial Officer

Place: Mumbai
Date: April 24, 2026

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

[Pursuant to Regulation 34(3) read with sub-clause (10)(i) of Clause C of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To,

The Members of
L&T Finance Limited
Brindavan, Plot No. 177, C.S.T Road,
Kalina, Santacruz (East), Mumbai - 400098 IN

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of L&T Finance Limited having CIN L67120MH2008PLC181833 and having registered office at Brindavan, Plot No. 177, C.S.T Road, Kalina, Santacruz (East), Mumbai - 400098 IN (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Sub-clause 10(i) of Clause C of Schedule V of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on March 31, 2026 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Sr. No.	Name of the Director	DIN	Designation	Date of appointment/ re-appointment
1.	Sekharipuram Narayanan Subrahmanyan	02255382	Non-Executive Director and Chairman	28/02/2022
2.	Sudipta Roy	08069653	Managing Director & Chief Executive Officer	24/01/2024
3.	Ramamurthi Shankar Raman	00019798	Non-Executive Director	01/05/2008
4.	Rajani Rajiv Gupte	03172965	Independent Director	28/06/2018
5.	Rahavan Seetharaman	01846777	Independent Director	23/01/2024
6.	Nishi Vasudeva	03016991	Independent Director	15/06/2017
7.	Dhananjay Tambe*	07260971	Independent Director	01/07/2025

* Mr. Dhananjay Tambe appointed as an Independent Director w.e.f. July 1, 2025.

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place : Mumbai
Date : April 14, 2026

ALWYN JAY & Co.
Company Secretaries

Office Address :
Annex-103, Dimple Arcade,
Asha Nagar, Kandivali (East),
Mumbai - 400101.

Jay D'Souza FCS.3058
(Partner)
Certificate of Practice No.6915
UDIN : F003058H000087912

PRACTICING COMPANY SECRETARIES' CERTIFICATE ON COMPLIANCE WITH THE CORPORATE GOVERNANCE REQUIREMENTS UNDER SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

To,

The Members of
L&T Finance Limited

1. We have examined the compliances of the conditions of Corporate Governance by **L&T Finance Limited** ("the Company") for the financial year ended **March 31, 2026**, as stipulated in Regulations 17 to 27, clauses (b) to (i) of Regulation 46(2) and paras C, D and E of Schedule V of SEBI (Listing Obligations and Disclosures Requirements) Regulations 2015 ('SEBI Listing Regulations').
2. The compliance of the conditions of Corporate Governance is the responsibility of the management of the Company. Our examination was limited to review of procedures and implementation thereof, as adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
3. In our opinion and to the best of our information and according to the explanations given to us and representations made by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations for the financial year ended **March 31, 2026**.
4. We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

Place : Mumbai
Date : April 14, 2026

ALWYN JAY & Co.
Company Secretaries

Jay D'Souza FCS.3058
(Partner)
Certificate of Practice No.6915
UDIN : F003058H000087736

Office Address :
Annex-103, Dimple Arcade,
Asha Nagar, Kandivali (East),
Mumbai - 400101.

Independent Auditors' Report

To
The Members of
L&T Finance Limited

Report on the Audit of the Standalone Financial Statements

Opinion

1. We have audited the accompanying Standalone Financial Statements of L&T Finance Limited (the "Company"), which comprise the Standalone Balance Sheet as at March 31, 2026, and the Standalone Statement of Profit and Loss (including Other Comprehensive Income), and the Standalone Statement of Cash Flows and the Standalone Statement of Changes in Equity for the year then ended, and notes to the Standalone Financial Statements, including a summary of material accounting policies and other explanatory information (hereinafter referred to as "Standalone Financial Statements").
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards ("Ind AS") prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India, of the state of affairs (financial position) of the Company as at March 31, 2026, and its profit (financial performance including other comprehensive income), and its cash flows and the statement of changes in equity for the year ended on that date.

Basis for Opinion

3. We conducted our audit of the financial statements in accordance with the Standards on Auditing ("SAs") specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditors' Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

4. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Standalone Financial Statements of the current year. These matters were addressed in the context of our audit of the Standalone Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Sr. No.	Key Audit Matter	How the matter was addressed in our audit
1.	**Allowance for Expected Credit Loss on Retail Loan Assets** [Refer to the Accounting Policies Note 1.10 Financial Instruments in the Balance Sheet, Note 06 & 48 to the Standalone Financial Statements]	
	As at March 31, 2026, Retail loan assets aggregated ₹ 1,16,049.11 crores (net of expected credit losses of ₹ 3,457.84 crores), constituting 98.50% of the Company's loan book. Significant judgement is used in classifying these loan assets and applying appropriate measurement principles. ECL on such loans carried at amortised cost is a critical estimate involving a greater level of management judgement.	Our audit procedures were focused on assessing the appropriateness of management's judgement and estimates used in the impairment analysis that included, but were not limited to, the following: ➢ Reviewed the Board Approved Policy and procedures & associates design/controls and expected credit loss memo concerning the assessment of credit and other risks.

Sr. No.	Key Audit Matter	How the matter was addressed in our audit
	As part of our risk assessment, we determined that the ECL on such loan assets has a high degree of estimation uncertainty, with a potential range of reasonable outcomes for the standalone financial statements. The significant assumptions that we focused on in our audit included those with greater levels of management judgement and for which variations had the most significant impact on ECL. The key areas where we identified greater levels of management judgement and therefore increased levels of audit focus in the Company's estimation of ECLs are: Each borrower is classified into Stage 1, 2, 3 based on the objective criteria of Day Past Due (DPD) status as of the reporting date and other loss indicators, as applicable. Such classification by borrower is done across all facilities provided to the borrower, i.e. maximum of the DPDs from among the different facilities ["Max DPD"] provided to that borrower. Inherently, significant judgment is involved in the use of models to estimate ECL which includes determining Exposures at Default ("EAD"), Probabilities of Default ("PD") and Loss Given Default ("LGD"). The PD and the LGD are the key drivers of estimation complexity and as a result are considered the most significant judgments in the Company's modelling approach. The modelling methodologies used to estimate ECL are developed using historical experience. The impact of the prevailing macroeconomic conditions has also resulted in certain limitations in the reliability of these methodologies to forecast the extent and timing of future customer defaults or potential credit risks and therefore in estimates of ECL. In addition, modelling methodologies do not necessarily incorporate all factors that are relevant to estimating ECL, such as differentiating the impact on industry sectors and economic conditions. These limitations are attempted to be addressed with management overlay, the measurement of which is inherently judgmental and subject to a high level of estimation uncertainty.	➢ Obtained an understanding of the modelling techniques adopted by the Company including the key inputs and assumptions. ➢ Assessing the design, implementation and operating effectiveness of key internal financial controls including monitoring process of overdue loans (including those which became overdue after the reporting date), measurement of provision, stage-wise classification of loans, identification of NPA accounts, assessing the reliability of management information. ➢ Evaluated the appropriateness of the Company's determination of Significant Increase in Credit Risk ("SICR") in accordance with the applicable accounting standard and the basis for classification of various exposures into various stages. ➢ Testing key controls relating to selection and implementation of material macro-economic variables and the controls over the scenario selection and application of probability weights and computation of probability of default and loss given default percentages. ➢ Reviewed the critical assumptions and input data used in the estimation of expected credit loss for specific key credit risk parameters, such as the movement between stages, Exposure at default (EAD), probability of default (PD) or loss given default (LGD). ➢ Involved Information system resource to obtain comfort over data integrity and process of report generation through interface of various information systems. ➢ Tested controls placed over key inputs, data and assumptions impacting ECL calculations to assess the completeness, accuracy and relevance of data and reasonableness of economic forecasts, weights, and model assumptions applied as detailed below: • Verified the completeness and accuracy of the Exposure at Default ("EAD") and the classification thereof into stages consistent with the definitions applied in accordance with the policy approved by the Board of Directors. • Checked the appropriateness of information used in the estimation of the Probability of Default ("PD") and Loss given Default ("LGD") for the different stages depending on the nature of the portfolio reconciled the total retail considered for ECL assessment with the books of accounts to ensure the completeness. • Performed test of details over model calculations testing through re-performance, where possible. • Tested appropriateness of staging of borrowers based on DPD and other loss indicators. • Tested the factual accuracy of information such as period of default and other related information used in estimating the PD. • Evaluated the reasonableness of applicable assumptions included in LGD computation. • Evaluated the methodology used to determine macroeconomic overlays and adjustments to the output of the ECL model. ➢ Assessed whether the disclosures on key judgements, assumptions and quantitative data with respect to impairment of loans (including restructuring related disclosures) in the Standalone Financial Statements are appropriate and sufficient. ➢ Verified the manner of preparation of information w.r.t. to provisions and disclosures in the Standalone Financial Statements. ➢ Obtained written representations from management and those charged with governance on whether they believe significant assumptions used in calculation of expected credit losses are reasonable.
2.	**Information Technology ("IT") Systems and Controls**	
	The Company has a complex IT architecture to support its day-to-day business operations. High volume of transactions are processed and recorded on single or multiple applications. The reliability and security of IT systems plays a key role in the business operations of the Company. Since large volume of transactions are processed daily, IT controls are required to ensure that applications process	Our Audit procedures included the following, but not limited to: Involved IT specialists as part of the audit for the purpose of testing the IT general controls and application controls (automated and semi automated controls) to determine the accuracy of the information produced by the Company's IT systems.

Sr. No.	Key Audit Matter	How the matter was addressed in our audit
	data as expected and that changes are made in an appropriate manner. Appropriate IT general controls and application controls are required to ensure that such IT systems are able to process the data, as required, completely, accurately and consistently for reliable financial reporting. We have identified 'IT systems and controls' as a key audit matter because of the high-level of automation, significant number of systems being used by the management and the complexity of the IT architecture and its impact on the financial reporting system.	With respect to the "In-scope IT systems" identified as relevant to the audit of the financial statements and financial reporting process of the Company, we have evaluated and tested relevant IT general controls. On such "In-scope IT systems" we have performed the following procedures: Obtained an understanding of IT applications landscape implemented by the Company, including an understanding of the process, mapping of applications and understanding financial risks posed by people, process and technology. Tested design and operating effectiveness of key controls over user access management (including user access provisioning, de-provisioning, user access review, password configuration review and privilege access), change management (including compliance of change release in production environment to the defined procedures), program development (including review of data migration activity), computer operations (including testing of key controls pertaining to, backup, batch processing, incident management and data centre security. Also tested entity level controls pertaining to IT policy and procedure and business continuity plan assessment. Tested the design and operating effectiveness of certain automated controls that were considered as key internal controls over the financial reporting system.

Other information

5. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Company's annual report but does not include the Standalone Financial Statements and our auditors' report thereon. The Other Information is expected to be made available to us after the date of this auditor's report.
6. Our opinion on the Standalone Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.
7. In connection with our audit of the Standalone Financial Statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the Standalone Financial Statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.
8. When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate action as applicable under the relevant laws and regulations.

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

9. The accompanying Standalone Financial Statements have been approved by the Company's Board of Directors. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act, with respect to the preparation of these Standalone Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Ind AS specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of accounting records, relevant to the preparation and presentation of the Standalone Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.
10. In preparing the Standalone Financial Statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
11. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Standalone Financial Statements:

12. Our objectives are to obtain reasonable assurance about whether the Standalone Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Standalone Financial Statements.
13. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
    (i) Identify and assess the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
    (ii) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system with reference to Standalone Financial Statements in place and the operating effectiveness of such controls.
    (iii) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
    (iv) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Standalone Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

(v) Evaluate the overall presentation, structure and content of the Standalone Financial Statements, including the disclosures, and whether the Standalone Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

14. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

15. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

16. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone Financial Statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

17. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub section (11) of section 143 of the Companies Act, 2013, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

18. As required by Section 143(3) of the Act, we report that:

(i) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

(ii) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

(iii) The Standalone Balance Sheet, the Standalone Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

(iv) In our opinion, the aforesaid Standalone Financial Statements comply with the Ind AS specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.

(v) On the basis of written representations received from the directors as on March 31, 2026 taken on record by the board of directors, none of the directors is disqualified as on March 31, 2026 from being appointed as a director in terms of Section 164(2) of the Act.

(vi) With respect to the adequacy of the internal financial controls with reference to Standalone Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to Standalone Financial Statements.

(vii) In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act.

19. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

(i) The Company has disclosed the impact of pending litigations as on March 31, 2026 on its financial position in its Standalone Financial Statements – Refer Note 37 to the Standalone Financial Statements.

(ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

(iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

(iv) The management has represented, to the best of its knowledge and belief, that no funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Company to or in any persons or entities, including foreign entities ('the intermediaries'), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ('the Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf the Ultimate Beneficiaries.

(v) The management has represented, to the best of its knowledge and belief, that no funds have been received by the Company from any persons or entities, including foreign entities ('the Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(vi) Based on such audit procedures performed as considered reasonable and appropriate in the circumstances, nothing has come to our attention that causes us to believe that the representations under para 19(iv) and 19(v) contain any material misstatement.

(vii) In our opinion and according to the information and explanations given to us, the final dividend proposed in the previous year, declared and paid by the Company during the year is in accordance with section 123 of the Act, as applicable.

As stated in Note 19 to the Standalone Financial Statements, the Board of Directors of the Company has proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with Section 123 of the Act, as applicable.

(viii) Based on our examination, which included test checks, the Company has used accounting software for maintaining its books of account, which has a feature of recording audit trail (edit log) facility and that has operated throughout the year for all relevant transactions recorded in these software.

However, audit trail (edit logs) for direct changes made at the database level were enabled from June 25, 2025.

Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with, where such functionality was enabled and logs were maintained. Additionally, except for the database-level changes as mentioned above, the audit trail has been preserved by the Company as per the statutory requirements for record retention.

For **Brahmayya & Co.**
Chartered Accountants
ICAI Firm Registration No. 000515S

P.S. Kumar
Partner
Membership No. 015590
UDIN: 26015590SXPWGX2718

Place: Mumbai
Date: April 24, 2026

For **T R Chadha & Co LLP**
Chartered Accountants
Firm Registration No. 006711N/N500028

Vikas Kumar
Partner
Membership No. 075363
UDIN: 26075363HSHNJY3951

Place: Mumbai
Date: April 24, 2026

Annexure 'A' to the Independent Auditors' Report

Annexure 'A' to the Independent Auditor's Report on the Standalone Financial Statements of L&T Finance Limited for the year ended 31 March 2026.

(Referred to in paragraph 17 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date to the members of L&T Finance Limited.)

To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that :

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment ('PPE') and relevant details of right of use assets.

The Company has maintained proper records showing full particulars of intangible assets including intangible assets under development.

(b) The Company has a regular programme of physical verification of its PPE by which all PPE are verified in a phased manner annually. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, certain PPE were physically verified by the Management during the year. In our opinion, and according to the information and explanations given to us, no material discrepancies were noticed on such verification.

(c) In our opinion and according to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in the financial statements are held in the name of the Company except for the following which are not held in the name of the Company.

Description of property	Gross carrying value (₹ in crores)	Held in name of	Whether promoter, director or their relative or employee	Period held	Reason for not being held in name of company
Building at Baroda	0.38	Erstwhile L&T Finance Limited	No	25 Years	The title deeds are in the name of erstwhile entity, which was merged with the Company in terms of the approval of the Hon'ble High Courts of Judicature

(d) The Company has not revalued any of its Property, Plant and Equipment (including Right of Use Assets) or intangible assets or both during the year.

(e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2026 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

(ii) (a) The Company is engaged primarily in lending activities and consequently does not hold any physical inventories. Accordingly, paragraph 3(ii)(a) of the Order is not applicable.

(b) The Company has been sanctioned working capital limits in excess of ₹ 5 crores, in aggregate, at various point of time during the year, from banks or financial institutions which are secured on the basis of security of current assets. In our opinion, the quarterly returns filed by the Company with such banks or financial institutions are in agreement with the unaudited books of account of the Company of the respective quarters and no material discrepancies have been observed.

(iii) (a) The provisions of paragraph 3(iii)(a) of the Order are not applicable to the Company as its principal business is to give loans;

(b) In our opinion and according to the information and explanations given to us, the investments made, guarantees provided, security given and the terms and conditions of the grant of all loans and advances in the nature of loans and guarantees provided are not prejudicial to the Company's interest.

(c) In respect of the loans/advances in nature of loan, the schedule of repayment of principal and payment of interest has been stipulated by the Company. Considering that the Company is a non-banking financial company engaged in the business of granting loans, the entity-wise details of the amount, due date for payment and extent of delay (that has been suggested in the Guidance Note on CARO 2020 issued by the Institute of Chartered Accountants of India for reporting under this clause) have not been reported because it is not practicable to furnish such details owing to the voluminous nature of data generated in the normal course of the Company's business. Further, except for the instances where there are delays or defaults in repayment of principal and/ or interest and in respect of which the Company has recognised necessary provisions in accordance with the principles of Indian Accounting Standards (Ind AS) and the guidelines issued by the Reserve Bank of India ("RBI") for Income Recognition and Asset Classification (which has been disclosed by the Company in Note 6 and 48 to the Standalone Financial Statements), the parties are repaying the principal amounts, as stipulated, and are also regular in payment of interest, as applicable.

(d) In respect of the loans/advances in nature of loans, the total amount overdue for more than ninety days as at March 31, 2026, is ₹ 3509.03 crores. In such instances, in our opinion, based on information and explanations provided to us, reasonable steps have been taken by the Company for the recovery of the principal amounts and the interest thereon. Refer Note 6 in the standalone financial statements as at March 31, 2026.

(e) The Company is a Non-Banking Finance Company, and its principal business is to give loans. Accordingly, reporting under clause 3(iii)(e) of the Order is not applicable to the Company.

(f) The Company has not granted any loans or advances in the nature of loans that were either repayable on demand or without specifying any terms or period of repayment. Hence, reporting under clause (iii) (f) is not applicable.

(iv) The Company has not granted any loans, made investments, or provided guarantees in contravention of provisions of section 185 of the Act. The Company has complied with the provisions of Section 186 of the Act to the extent applicable.

(v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits or amounts which are deemed to be deposits from the public during the year in terms of directives issued by the Reserve Bank of India or the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under. Accordingly, the provisions of paragraph 3(v) of the Order are not applicable to the Company.

(vi) The maintenance of cost records has not been specified by the Central Government under section 148(1) of the Companies Act, 2013, for the business activities carried out by the Company. Hence reporting under paragraph 3(vi) of the Order is not applicable.

(vii) (a) The Company has generally been regular in depositing undisputed statutory dues, including goods and services tax, provident fund, employees' state insurance, income tax, cess and other material statutory dues applicable to it, to the appropriate authorities. As explained to us, the Company does not have any dues on account of sales tax, service tax, duty of customs, duty of excise and value added tax.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, Goods and Services Tax, duty of customs, cess and other material statutory dues were in arrears as at March 31, 2026, for a period of more than six months from the date they became payable.

(b) The details of statutory dues referred to in sub- paragraph (a) above which have not been deposited with the concerned authorities as on March 31, 2026, on account of dispute are given below:

Name of the Statute & Forum where Dispute is pending	Nature of the Dues	Period to which the amount relates	Amount Involved	Amount Unpaid
VAT CST-Tribunal	Disallowance of exemption claimed for deemed sale in the course of interstate and import transactions	2004-05	1.11	1.04
VAT CST-Tribunal	Demand of Tax on Repossessed Assets	2014-15	13.32	13.32
VAT CST-D.C.(Appeal)	Disallowance of exemption claimed for deemed sale in the course of interstate and import transactions	1998-99	0.01	0.01
VAT CST-D.C.(Appeal)	Disallowance of exemption claimed for deemed sale in the course of interstate and import transactions	2000-01	0.00*	0.00*
VAT CST-D.C.(Appeal)	Disallowance of exemption claimed for deemed sale in the course of interstate and import transactions	2012-13	0.04	0.04
VAT CST-D.C.(Appeal)	Disallowance of exemption claimed for deemed sale in the course of interstate and import transactions	1995-96	0.00*	0.00*
VAT CST-D.C.(Appeal)	Disallowance of exemption claimed for deemed sale in the course of interstate and import transactions	1996-97	0.05	0.04
VAT CST-D.C.(Appeal)	Disallowance of exemption claimed for deemed sale in the course of interstate and import transactions	2000-01	0.00*	0.00*
VAT CST-D.C.(Appeal)	Disallowance of exemption claimed for deemed sale in the course of interstate and import transactions	2002-03	0.00*	0.00*
VAT CST-Kerala High Court	Local hire purchase turnover made taxable	1999-00	0.07	0.07
VAT CST-J.C.(Appeal)	Refusal of input tax credit (ITC)	2012-13	0.06	0.06
VAT CST-J.C.(Appeal)	Refusal of input tax credit (ITC)	2013-14	0.09	0.09
VAT CST-J.C.(Appeal)	Refusal of input tax credit (ITC)	2014-15	0.06	0.06
Service Tax-CESTAT	Refusal of input tax credit (ITC)	2007-08	0.24	0.24
Service Tax-CESTAT	Refusal of input tax credit (ITC)	2007-10	0.00*	0.00*
Service Tax-CESTAT	Refusal of input tax credit (ITC)	2008-09	0.30	0.30
Service Tax-CESTAT	Refusal of input tax credit (ITC)	2009-10	13.05	12.54
Service Tax-CESTAT	Refusal of input tax credit (ITC)	2008-09	3.25	2.80
Service Tax-CESTAT	Refusal of input tax credit (ITC)	2008-11	0.00*	0.00*
Service Tax-CESTAT	Refusal of input tax credit (ITC)	2009-10	3.60	3.60
Service Tax-CESTAT	Refusal of input tax credit (ITC)	2010-11	5.03	5.03
Service Tax-The Commissioner - Service Tax -1, Mumbai	Service Tax levied on upfront fees collected	2006-07	0.27	0.02
Service Tax-The Commissioner - Service Tax -1, Mumbai	Service Tax levied on upfront fees collected	2007-08	3.68	0.33
Service Tax-The Commissioner - Service Tax -1, Mumbai	Service Tax levied on upfront fees collected	2008-09	0.85	0.08
GST-GST Appellate Authority	Towards Input Credit Short Reversal & Deemed Supply	2018-19	2.20	2.07
GST-GST Appellate Authority	Towards Input Credit Short Reversal & Deemed Supply	2019-20	1.94	1.81
GST-GST Appellate Authority	Trans1 Credit Disallowed	2017-18	0.39	0.37
GST-GST Appellate Authority	Towards unmatched & Ineligible Input Credit Demand	2017-18	0.00*	0.00*
GST-GST Appellate Authority	ITC claimed from cancelled dealers/ return defaulters & tax non payers.	2017-18	0.09	0.08
GST-GST Appellate Authority	Towards Audit Observations	2018-19	0.91	0.67
GST-GST Appellate Authority	Demand towards ITC mismatch	2018-19	0.08	0.06
GST-GST Appellate Authority	Demand towards Output Liability mismatch & ITC mismatch	2018-19	0.37	0.34
GST-GST Appellate Authority	Towards Audit Observations	2018-19	16.55	15.80
GST-GST Appellate Authority	Demand towards Output Liability mismatch & ITC mismatch	2018-19	0.51	0.49

Name of the Statute & Forum where Dispute is pending	Nature of the Dues	Period to which the amount relates	Amount Involved	Amount Unpaid
GST-GST Appellate Authority	Demand towards ITC mismatch & Turnover clarification as per Annual Returns	2018-19	3.03	2.88
GST-GST Appellate Authority	Demand towards ITC mismatch & Turnover clarification as per Annual Returns	2018-19	0.26	0.14
GST-GST Appellate Authority	Demand towards ITC mismatch	2018-19	0.43	0.39
GST-GST Appellate Authority	Mismatch in RCM liability paid and ITC availed	2018-19	0.04	0.03
GST-GST Appellate Authority	Demand towards ITC mismatch	2019-20	0.04	0.04
GST-GST Appellate Authority	Excess ITC, Short payment of RCM, Other Expenses, etc	2019-20	5.36	5.07
GST-GST Appellate Authority	Demand towards ITC mismatch	2019-20	2.96	2.81
GST-GST Appellate Authority	Demand towards ITC mismatch	2019-20	1.38	1.31
GST-GST Appellate Authority	Towards Audit Observations	2020-21	18.67	17.79
GST-GST Appellate Authority	Towards Audit Observations	2020-21	1.92	1.83
GST-GST Appellate Authority	Disallowance of Marketing & Support Services	2018-19	13.51	13.51
GST-GST Appellate Authority	Disallowance of Marketing & Support Services	2019-20	22.67	22.67
GST-GST Appellate Authority	Disallowance of Marketing & Support Services	2020-21	20.66	20.66
GST-GST Appellate Authority	Disallowance of Marketing & Support Services	2021-22	35.19	35.19
GST-GST Appellate Authority	Disallowance of Marketing & Support Services	2022-23	19.99	19.99
GST-GST Appellate Authority	Short reversal of ITC / ineligible ITC	2020-21	0.30	0.28
GST-GST Appellate Authority	Under declaration of Output tax	2020-21	4.68	4.42
GST-GST Appellate Authority	Towards Audit Observations	2020-21	0.04	0.04
GST-GST Appellate Authority	Under declaration of Output tax	2020-21	0.05	0.04
GST-GST Appellate Authority	Demand towards ITC mismatch	2020-21	0.51	0.48
Service Tax-Commissioner (Appeal-II), Mumbai	Mismatch in declared turnover ITR vs ST3	2014-15	0.88	0.84
Income Tax – CIT (Appeals)-NFAC	1) Reassessment proceeding is bad in law based on change of opinion 2) Disallowance of hedging loss (actual in nature) 3) Disallowance of mark to market loss (actual in nature)	2007-08	0.71	0.71
Income Tax – CIT (Appeals)-NFAC	1) Disallowance of expenses pertaining to earning exempt income 2) Disallowance of ESOP Reimbursement expenses	2012-13	7.95	7.95
Income Tax – CIT (Appeals)-NFAC	1) Disallowance of expense provision on which TDS not deducted	2017-18	0.20	0.20
Income Tax – CIT (Appeals)-NFAC	1) Disallowance of expense provision on which TDS not deducted	2019-20	0.09	0.09
Income Tax – CIT (Appeals)-NFAC	1) Disallowance of ESOP expense 2) Disallowance of interest expense	2021-22	2.41	2.41

*Note: Amount less than ₹ 1,00,000 shown as 0.00**

(viii) There were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.

(ix) (a) In our opinion, during the year, the Company has not defaulted in the repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.

(b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(c) In our opinion, term loans availed by the Company during the year, were applied by the Company for the purposes for which the loans were obtained, other than temporary parking of funds for a few days pending utilizations towards purpose for which the same are obtained.

(d) According to the information and explanations provided to us and based on the overall examination of Standalone Financial Statements, and further considering the Asset Liability management mechanism of the Company, no funds raised on short-term basis have, prima facie, been used for long-term purposes by the Company.

(e) On an overall examination of the Standalone Financial Statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.

(f) The Company has not raised any loans during the year on the pledge of securities held in its subsidiaries. Accordingly, paragraph 3(ix)(f) of the Order is not applicable.

(x) (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under paragraph 3(x)(a) of the Order is not applicable.

(b) The company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year and hence reporting under paragraph 3(x)(b) of the Order is not applicable.

(xi) (a) According to the information and explanations provided to us and based on the overall examination of Standalone Financial Statements, no fraud by the Company or no material fraud on the Company has been noticed or reported during the period, other than the instances of fraud noticed and reported by the management to the regulator. Refer Note No. 52.15 to the Financial Statements.

(b) To the best of our knowledge, report under sub-section (12) of section 143 of the Companies Act has been filed by us in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government during the year.

(c) We have taken into consideration the whistle blower complaints received by the Company during the year (and upto the date of this report), while determining the nature, timing and extent of our audit procedures.

(xii) The Company is not a Nidhi company and hence reporting under paragraph 3(xii) of the Order is not applicable.

(xiii) In our opinion, the Company is in compliance with section 188 and 177 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements, etc., as required by the applicable accounting standards.

(xiv) (a) In our opinion, the Company has an adequate internal audit system commensurate with the size and the nature of its business.

(b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.

(xv) In our opinion, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with them and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.

(xvi) (a) The Company is required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 ('RBI Act') and it has obtained the registration.

(b) During the year, the Company has not conducted any non-banking financial activities or housing financial activities without a valid Certificate of Registration ('CoR') from the RBI as per the RBI Act, 1934.

(c) The Company is not a Core Investment Company ('CIC') and hence reporting under paragraph 3(xvi)(c) of the Order is not applicable to the Company.

(d) As per the information provided in course of our audit, the Group to which the Company belongs, does not have any CIC.

(xvii) The Company has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors of the Company during the year.

(xix) On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report, that Company is not capable of meeting its liabilities existing at the date of Balance Sheet as and when they fall due within a period of one year from the Balance Sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the Balance Sheet date, will get discharged by the Company as and when they fall due.

(xx) (a) There are no unspent amounts towards Corporate Social Responsibility (CSR) on other than ongoing projects requiring a transfer to a fund specified in schedule VII to the Companies Act in compliance with second proviso to sub-section (5) of Section 135 of the said Act. Accordingly, reporting under paragraph 3(xx)(a) of the Order is not applicable for the year.

(b) There are no amount remaining unspent under sub section (5) of section 135 of the Companies Act, pursuant to any ongoing project, has been transferred to special account in compliance with the provision of sub-section (6) of section 135 of the said Act.

(xxi) The reporting under clause 3(xxi) is not applicable in respect of audit of Standalone Financial Statements of the Company. Accordingly, no comment has been included in respect of said clause under this report.

For **Brahmayya & Co.**
Chartered Accountants
ICAI Firm Registration No. 000515S

P.S. Kumar
Partner
Membership No. 015590
UDIN: 26015590SXPWGX2718

Place: Mumbai
Date: April 24, 2026

For **T R Chadha & Co LLP**
Chartered Accountants
Firm Registration No. 006711N/N500028

Vikas Kumar
Partner
Membership No. 075363
UDIN: 26075363HSHNJY3951

Place: Mumbai
Date: April 24, 2026

Annexure 'B' to the Independent Auditors' Report

Annexure 'B' to the Independent Auditors' report on the Consolidated Financial Statements of L&T Finance Limited for the year ended March 31, 2026.

(Referred to in paragraph "18 (vi)" under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls with reference to Standalone Financial Statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

1. We have audited the internal financial controls with reference to Standalone Financial Statements of L&T Finance Limited ("the Company") as of March 31, 2026, in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

2. The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control with reference to Standalone Financial Statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (the "Act").

Auditors' Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to Standalone Financial Statements of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by ICAI and the Standards on Auditing ('SA's) prescribed under section 143(10) of the Act to the extent applicable to an audit of internal financial controls with reference to Standalone Financial Statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to Standalone Financial Statements and their operating effectiveness. Our audit of internal financial controls with reference to Standalone Financial Statements includes obtaining an understanding of internal financial controls with reference to Standalone Financial Statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error.

Meaning of Internal Financial Controls with reference to Standalone Financial Statements.

5. A Company's internal financial controls with reference to Standalone Financial Statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Standalone Financial Statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial controls with reference to Standalone Financial Statements includes those policies and procedures that

   (a) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;

   (b) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Standalone Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the Company;

   (c) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the Standalone Financial Statements.

Inherent Limitations of Internal Financial Controls with reference to Standalone Financial Statements.

6. Because of the inherent limitations of internal financial controls with reference to Standalone Financial Statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to Standalone Financial Statements to future periods are subject to the risk that the internal financial controls with respect to the Standalone Financial Statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

7 In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls with reference to Standalone Financial Statements and such internal financial controls with reference to Standalone Financial Statements were operating effectively as at March 31, 2026, based on the criteria for internal control with reference to Standalone Financial Statements established by the respective Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Brahmayya & Co.**
Chartered Accountants
ICAI Firm Registration No. 000515S

P.S. Kumar
Partner
Membership No. 015590
UDIN: 26015590SXPWGX2718

Place: Mumbai
Date: April 24, 2026

For **T R Chadha & Co LLP**
Chartered Accountants
Firm Registration No. 006711N/N500028

Vikas Kumar
Partner
Membership No. 075363
UDIN: 26075363HSHNJY3951

Place: Mumbai
Date: April 24, 2026

Standalone Balance Sheet as at March 31, 2026

(₹ in crore)

Particulars	Note No.	As at March 31, 2026	As at March 31, 2025
A. ASSETS:			
1. Financial assets			
(a) Cash and cash equivalents	2	4,487.86	2,893.66
(b) Bank balance other than (a) above	3	3,464.24	7,929.11
(c) Derivative financial instruments	4	875.85	0.55
(d) Receivables	5		
(i) Trade receivables		102.47	116.95
(ii) Other receivables		4.97	5.57
(e) Loans	6	1,17,821.03	93,773.06
(f) Investments	7	10,632.51	11,835.98
(g) Other financial assets	8	774.58	388.65
		1,38,163.51	**1,16,943.53**
2. Non-financial assets			
(a) Current tax assets (net)		392.55	311.40
(b) Deferred tax assets (net)	49	1,805.15	1,768.62
(c) Property, plant and equipment	9	169.39	101.93
(d) Intangible assets under development	10	61.87	45.00
(e) Goodwill	10	182.39	–
(f) Other Intangible assets	10	253.29	113.82
(g) Right of use assets	34	397.13	116.99
(h) Other non-financial assets	11	517.23	631.50
		3,779.00	**3,089.26**
Total Assets		**1,41,942.51**	**1,20,032.79**
B. LIABILITIES AND EQUITY :			
1. LIABILITIES			
a. Financial liabilities			
(a) Payables	12		
(i) Trade payables			
(i) total outstanding dues of micro enterprises and small enterprises		0.22	3.76
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		1,766.29	1,364.04
(ii) Other payables			
(i) total outstanding dues of micro enterprises and small enterprises		–	–
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		–	–
(b) Debt securities	13	32,039.53	28,854.39
(c) Borrowings (other than debt securities)	14	77,146.02	61,559.22
(d) Subordinated liabilities	15	702.14	1,833.29
(e) Lease liabilities	34	409.97	125.54
(f) Other financial liabilities	16	1,468.39	620.14
		1,13,532.56	**94,360.38**
b. Non-financial liabilities			
(a) Current tax liabilities (net)		369.00	248.89
(b) Provisions	17	105.55	50.41
(c) Other non-financial liabilities	18	102.12	78.39
		576.67	**377.69**
2. Equity			
(a) Equity share capital	19	2,504.39	2,494.87
(b) Other equity	20	25,328.89	22,799.85
		27,833.28	**25,294.72**
Total Liabilities and Equity		**1,41,942.51**	**1,20,032.79**
Material accounting policies	1		
See accompanying notes forming part of the standalone financial statements	2 to 56		

In terms of our report attached of even date
For Brahmayya and Co.
Chartered Accountants
ICAI FRN: 000515S

P.S. Kumar
Partner
Membership No. 015590

For T R Chadha & Co LLP
Chartered Accountants
ICAI FRN: 006711N/N500028

Vikas Kumar
Partner
Membership No. 075363

Place : Mumbai
Date : April 24, 2026

For and on behalf of the Board of Directors of
L&T Finance Limited

S. N. Subrahmanyan
Non-Executive Chairman
(DIN: 02255382)

Sachinn Joshi
Chief Financial Officer

Place : Mumbai
Date : April 24, 2026

Sudipta Roy
Managing Director &
Chief Executive Officer
(DIN: 08069653)

Apurva Rathod
Company Secretary
Membership No: F13729

Place : Mumbai
Date : April 24, 2026

Standalone Statement of Profit and Loss for the year ended March 31, 2026

(₹ in crore)

Particulars	Note No.	Year ended March 31, 2026	Year ended March 31, 2025
Revenue from operations			
(i) Interest income	21	16,615.65	14,661.86
(ii) Dividend income	22	150.02	0.50
(iii) Fees and commission income	23	1,233.27	1,077.34
(iv) Net gain on fair value changes	24	50.71	172.43
I Total revenue from operations		**18,049.65**	**15,912.13**
II Other income	25	4.55	17.99
III Total income (I + II)		**18,054.20**	**15,930.12**
Expenses			
(i) Finance costs	26	6,720.04	5,996.73
(ii) Net loss on derecognition of financial instruments under amortised cost category	27	561.77	275.04
(iii) Impairment on financial instruments	28	2,184.10	2,193.35
(iv) Employee benefits expenses	29	2,452.77	2,214.40
(v) Depreciation, amortisation and impairment	30	203.84	132.97
(vi) Other expenses	31	1,796.88	1,662.70
IV Total expenses		**13,919.40**	**12,475.19**
V Profit before exceptional items and tax (III - IV)		**4,134.80**	**3,454.93**
VI Exceptional items	51	(28.43)	–
VII Profit before tax (V + VI)		**4,106.37**	**3,454.93**
VIII Tax expense			
(1) Current tax	49	1,057.39	756.97
(2) Deferred tax	49	(51.33)	80.15
Total tax expense		**1,006.06**	**837.12**
IX Profit for the year (VII - VIII)		**3,100.31**	**2,617.81**
X Other comprehensive income			
A. (i) Items that will not be reclassified to profit or loss			
a) Remeasurements of the defined benefit plans		(12.67)	(3.03)
(ii) Income tax relating to items that will not be reclassified to profit or loss		3.19	0.76
Subtotal (A)		**(9.48)**	**(2.27)**
B. (i) Items that will be reclassified to profit or loss			
a) Change in fair value of debt instruments measured at fair value through other comprehensive income		(33.66)	54.78
b) The effective portion of gains and loss on hedging instruments in a cash flow hedge		71.48	(37.47)
(ii) Income tax relating to items that will be reclassified to profit or loss		(17.99)	9.43
Subtotal (B)		**19.83**	**26.74**
Total other comprehensive income (A+B)		**10.35**	**24.47**
XI Total comprehensive income for the year (IX+X)		**3,110.66**	**2,642.28**
XII Earnings per equity share:	36		
Basic earnings per equity share (₹)		12.40	10.50
Diluted earnings per equity share (₹)		12.36	10.47
Material accounting policies	1		
See accompanying notes forming part of the standalone financial statements	2 to 56		

In terms of our report attached of even date
For Brahmayya and Co.
Chartered Accountants
ICAI FRN: 000515S

P.S. Kumar
Partner
Membership No. 015590

For T R Chadha & Co LLP
Chartered Accountants
ICAI FRN: 006711N/N500028

Vikas Kumar
Partner
Membership No. 075363

Place : Mumbai
Date : April 24, 2026

For and on behalf of the Board of Directors of
L&T Finance Limited

S. N. Subrahmanyan
Non-Executive Chairman
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Sachinn Joshi
Chief Financial Officer

Place : Mumbai
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Chief Executive Officer
(DIN: 08069653)

Apurva Rathod
Company Secretary
Membership No: F13729

Place : Mumbai
Date : April 24, 2026

Standalone Statement of Changes in Equity for the year ended March 31, 2026

A. Equity share capital

Particulars	As at March 31, 2026		As at March 31, 2025	
	No. of Shares	Equity share capital (₹ in crore)	No. of Shares	Equity share capital (₹ in crore)
Issued, subscribed and fully paid up equity shares outstanding as at the beginning of the year	2,49,48,68,101	2,494.87	2,48,89,40,310	2,488.94
Changes in equity share capital due to prior period errors	–	–	–	–
Restated balance at the beginning of the current reporting year	**2,49,48,68,101**	**2,494.87**	**2,48,89,40,310**	**2,488.94**
Changes in equity share capital during the year	95,17,915	9.52	59,27,791	5.93
Issued, subscribed and fully paid up equity shares outstanding as at the end of the year	**2,50,43,86,016**	**2,504.39**	**2,49,48,68,101**	**2,494.87**

B. Other equity

(₹ in crore)

Particulars	Reserves and Surplus										Fair value changes of debt instruments measured at fair value through other comprehensive income	Cash flow hedging reserve	Total
	Capital redemption reserve	Debenture redemption reserve	Securities premium	General reserve	Reserve u/s 45-IC of Reserve Bank of India Act, 1934	Reserve u/s 29C of National Housing Bank Act, 1987	Reserve u/s 36(1)(viii) of Income tax Act, 1961	Employee stock option outstanding account	Impairment Reserve	Retained earnings			
Balance as at April 1, 2024	72.05	0.29	12,464.39	391.65	3,137.70	27.42	1,051.28	109.69	32.39	3,422.21	1.41	(4.46)	20,706.02
Changes in Accounting policy/ prior period errors	–	–	–	–	–	–	–	–	–	–	–	–	–
Restated balance at the beginning of the current reporting year	**72.05**	**0.29**	**12,464.39**	**391.65**	**3,137.70**	**27.42**	**1,051.28**	**109.69**	**32.39**	**3,422.21**	**1.41**	**(4.46)**	**20,706.02**
Profit for the year	–	–	–	–	–	–	–	–	–	2,617.81	–	–	2,617.81
Actuarial gain/(loss) on defined benefit plan (gratuity) (net of tax)	–	–	–	–	–	–	–	–	–	(2.27)	–	–	(2.27)
Other Comprehensive income for the year (net of tax)	–	–	–	–	–	–	–	–	–	–	54.78	(28.04)	26.74
Total comprehensive income for the year	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**2,615.54**	**54.78**	**(28.04)**	**2,642.28**
Issue of equity shares	–	–	34.47	–	–	–	–	–	–	–	–	–	34.47
Employee share options (net)	–	–	39.09	–	–	–	–	0.39	–	–	–	–	39.48
Transfer to general reserve	–	–	–	0.51	–	–	–	(0.44)	–	–	–	–	0.07
Transfer to reserve u/s 45-IC of Reserve Bank of India Act, 1934	–	–	–	–	523.56	–	–	–	–	(523.56)	–	–	–
Dividend paid	–	–	–	–	–	–	–	–	–	(622.46)	–	–	(622.46)
Transfer to reserve u/s 36(1)(viii) of Income tax Act	–	–	–	–	–	–	10.00	–	–	(10.00)	–	–	–
Others	–	–	–	–	–	–	–	–	–	(0.01)	–	–	(0.01)
Balance as at March 31, 2025	**72.05**	**0.29**	**12,537.95**	**392.16**	**3,661.26**	**27.42**	**1,061.28**	**109.64**	**32.39**	**4,881.72**	**56.19**	**(32.50)**	**22,799.85**

Note:

1. There is no share application money pending allotment and no monies received against share warrant.
2. There is no increase in carrying value of asset on account of revaluation as per IND AS 16 and IND AS 38, hence revaluation reserve is not required.
3. There is no compound financial instrument having equity component.
4. There is no foreign operation of the company, hence no exchange difference on translating the financial statement of foreign operations is required as per IND AS 21.

Standalone Statement of Changes in Equity for the year ended March 31, 2026

Particulars	Reserves and Surplus										Fair value changes of debt instruments measured at fair value through other comprehensive income	Cash flow hedging reserve	Total
	Capital redemption reserve	Debenture redemption reserve	Securities premium	General reserve	Reserve u/s 45-IC of Reserve Bank of India Act, 1934	Reserve u/s 29C of National Housing Bank Act, 1987	Reserve u/s 36(1)(viii) of Income tax Act, 1961	Employee stock option outstanding account	Impairment Reserve	Retained earnings			
Balance as at April 1, 2025	72.05	0.29	12,537.95	392.16	3,661.26	27.42	1,061.28	109.64	32.39	4,881.72	56.19	(32.50)	22,799.85
Changes in Accounting policy/ prior period errors	–	–	–	–	–	–	–	–	–	–	–	–	–
Restated balance at the beginning of the current reporting year	**72.05**	**0.29**	**12,537.95**	**392.16**	**3,661.26**	**27.42**	**1,061.28**	**109.64**	**32.39**	**4,881.72**	**56.19**	**(32.50)**	**22,799.85**
Profit for the year	–	–	–	–	–	–	–	–	–	3,100.31	–	–	3,100.31
Actuarial gain/(loss) on defined benefit plan (gratuity) (net of tax)	–	–	–	–	–	–	–	–	–	(9.48)	–	–	(9.48)
Other Comprehensive income for the year (net of tax)	–	–	–	–	–	–	–	–	–	–	(33.66)	53.49	19.83
Total comprehensive income for the year	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**3,090.83**	**(33.66)**	**53.49**	**3,110.66**
Issue of equity shares	–	–	–	–	–	–	–	–	–	–	–	–	–
Employee share options (net)	–	–	143.85	2.18	–	–	–	(40.88)	–	–	–	–	105.15
Transfer to reserve u/s 45-IC of Reserve Bank of India Act, 1934	–	–	–	–	620.06	–	–	–	–	(620.06)	–	–	–
Transfer to general reserve	–	–	–	–	–	–	–	–	–	–	–	–	–
Transfer to reserve u/s 36(1)(viii) of Income tax Act	–	–	–	–	–	–	7.50	–	–	(7.50)	–	–	–
Dividend paid	–	–	–	–	–	–	–	–	–	(686.77)	–	–	(686.77)
Balance as at March 31, 2026	**72.05**	**0.29**	**12,681.80**	**394.34**	**4,281.32**	**27.42**	**1,068.78**	**68.76**	**32.39**	**6,658.22**	**22.53**	**20.99**	**25,328.89**

1. There is no share application money pending allotment and no monies received against share warrant.
2. There is no increase in carrying value of asset on account of revaluation as per IND AS 16 and IND AS 38, hence revaluation reserve is not required.
3. There is no compound financial instrument having equity component.
4. There is no foreign operation of the company, hence no exchange difference on translating the financial statement of foreign operations is required as per IND AS 21.

Material accounting policies **1**

See accompanying notes forming part of the standalone financial statements **2 to 56**

In terms of our report attached of even date

For Brahmayya and Co.
Chartered Accountants
ICAI FRN: 000515S

P.S. Kumar
Partner
Membership No. 015590

For T R Chadha & Co LLP
Chartered Accountants
ICAI FRN: 006711N/N500028

Vikas Kumar
Partner
Membership No. 075363

Place : Mumbai
Date : April 24, 2026

For and on behalf of the Board of Directors of
L&T Finance Limited

S. N. Subrahmanyan
Non-Executive Chairman
(DIN: 02255382)

Sudipta Roy
Managing Director &
Chief Executive Officer
(DIN: 08069653)

Sachinn Joshi
Chief Financial Officer

Apurva Rathod
Company Secretary
Membership No: F13729

Place : Mumbai
Date : April 24, 2026

Place : Mumbai
Date : April 24, 2026

Standalone Statement of Cash Flows for the year ended March 31, 2026

(₹ in crore)

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
A. Cash flows from operating activities :		
Profit before tax	4,106.37	3,454.93
Adjustments for:		
Interest income	(16,615.65)	(14,661.86)
Net loss/(profit) on sale of property, plant and equipment	0.94	0.48
Net loss on fair value changes	(50.71)	(172.43)
Net loss on derecognition of financial instruments under amortised cost category	561.77	275.04
Impairment on financial instruments	2,184.10	2,193.35
Finance cost	6,653.86	5,968.21
Dividend Income	(150.02)	(0.50)
Depreciation, amortisation and impairment	203.84	132.97
Share based payment to employees	25.94	39.53
Cash inflow from interest on loans	15,717.74	14,022.55
Cash inflow from interest on Investment	328.29	276.10
Cash inflow from interest on Deposits	286.06	195.77
Cash outflow from finance cost	(6,856.72)	(6,120.63)
Operating profit before working capital changes	**6,395.81**	**5,603.51**
Changes in working capital		
Adjustments for increase/(decrease) in operating liabilities		
Other financial liabilities	848.08	(471.20)
Provisions	41.50	12.88
Trade and other payables	398.87	147.99
Other non-financial liabilities	25.22	6.53
Adjustments for (increase)/decrease in operating assets		
Other non-financial assets	133.84	(156.13)
Other financial assets	(383.15)	245.90
Trade and other receivables	14.98	131.29
Change in other bank balances	4,461.30	(6,832.13)
Cash generated from operations	**11,936.45**	**(1,311.36)**
Direct taxes paid (net of refund)	(1,018.43)	(700.54)
Loans (disbursed)/repayment (net)	(25,154.71)	(14,596.27)
Net cash used in from operating activities (A)	**(14,236.69)**	**(16,608.17)**
B. Cash flows from investing activities :		
Purchase of property, plant and equipment[2]	(113.14)	(87.17)
Proceeds from sale of property, plant and equipment	1.81	5.87
Purchase of intangible assets[2]	(123.10)	(104.13)
Acquisition of gold loan business[6]	(709.52)	-
Dividend Income	150.02	0.50
Purchase of investments	(1,890.26)	(4,478.81)
Proceeds on sale of investments	3,831.72	2,813.49
(Purchase)/Proceeds of mutual funds[3]	(749.96)	2,349.88
Net cash generated from investing activities (B)	**397.57**	**499.63**

Standalone Statement of Cash Flows for the year ended March 31, 2026

(₹ in crore)

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
C. Cash flows from financing activities		
Proceeds from issue of share capital including security premium on account of employee stock options	88.74	40.40
Payment of lease liabilities	(39.80)	(18.02)
Dividend paid	(686.77)	(622.46)
Proceeds from borrowings[4]	43,747.98	40,299.97
Repayment of borrowings[4]	(27,676.83)	(24,259.13)
Net cash generated from financing activities (C)	**15,433.32**	**15,440.76**
Net increase/(decrease) in cash and cash equivalents (A+B+C)	**1,594.20**	**(667.78)**
Cash and cash equivalents at beginning of the year	2,893.66	3,561.44
Cash and cash equivalents at the end of the year	4,487.86	2,893.66
Net increase/(decrease) in cash and cash equivalents	**1,594.20**	**(667.78)**

Components of cash and cash equivalents **(₹ in crore)**

Particulars	As at March 31, 2026	As at March 31, 2025
Cash on hand	1.73	1.20
Balances with banks in current accounts	2,633.93	2,527.89
Bank deposits with original maturity less than three months	1,852.20	364.57
Total cash and cash equivalents	**4,487.86**	**2,893.66**

Notes:

1. Statement of standalone cash flows has been prepared under the indirect method as set out in the Ind AS 7 "Statement of Cash Flows" as specified in the Companies (Indian Accounting Standards) Rules, 2015, as amended.
2. Purchase of Property, Plant and Equipment (PPE), represents additions to PPE and intangible assets adjusted for movement of (a) capital-work-in-progress for PPE and (b) intangible assets under development during the year.
3. Net of purchase and sale of mutual funds.
4. Includes proceeds and repayment of debt securities, borrowings (other than debt securities) and subordinate liabilities.
5. The above standalone statement of cash flows includes ₹ 30.30 crore (previous period: ₹ 28.68 crore) towards corporate social responsibility (refer note 35).
6. Net of cash & cash equivalents amounting to ₹ 2.41 crore received on acquisition of gold loan business of Paul Merchants Finance Private Limited (PMFL).

Material accounting policies	1
See accompanying notes forming part of the financial statements	2 to 56

In terms of our report attached of even date

For Brahmayya and Co.,
Chartered Accountants
ICAI FRN: 000515S

P.S. Kumar
Partner
Membership No. 015590

Place : Mumbai
Date : April 24, 2026

For T R Chadha & Co LLP
Chartered Accountants
ICAI FRN: 006711N/N500028

Vikas Kumar
Partner
Membership No. 075363

For and on behalf of the Board of Directors of
L&T Finance Limited

S. N. Subrahmanyan
Non-Executive Chairman
(DIN: 02255382)

Sachinn Joshi
Chief Financial Officer

Place : Mumbai
Date : April 24, 2026

Sudipta Roy
Managing Director &
Chief Executive Officer
(DIN: 08069653)

Apurva Rathod
Company Secretary
Membership No: F13729

Place : Mumbai
Date : April 24, 2026

Notes forming part of standalone financial statements

Corporate Information:

L&T Finance Limited (the "Company") has been incorporated under the Companies Act 1956. The Company is a subsidiary of Larsen & Toubro Limited and is registered with the Reserve Bank of India ("RBI") as a non-deposit taking Systemically Important (NBFC-ND-SI) Company. Its equity shares and non-convertible debentures are listed on Bombay Stock Exchange Limited and National Stock Exchange of India Limited. The RBI, under Scale Based Regulations (SBR) had categorised the Company in Upper Layer (NBFC-UL) vide its circular dated September 30, 2022 and affirmed the same vide its Press release dated January 16, 2025.

The Company is registered with the Ministry of Corporate Affairs (MCA), Reserve Bank of India (RBI) and Insurance Regulatory and Development Authority of India (IRDA). The registration details are as follows:

Corporate Identity Number (CIN)	L67120MH2008PLC181833
RBI	N-13.02052
IRDA	CA0867

The registered office of the Company is Brindavan, Plot no. 177, CST Road, Kalina, Santacruz (East), Mumbai - 400 098, Maharashtra, India.

The standalone financial statements of the Company for the year ended March 31, 2026 were approved for issue in accordance with the resolution of the Board of Directors on April 24, 2026.

1. Material Accounting Policies:

1.1. Statement of compliance:

The financial statements have been prepared in accordance with the provisions of the Companies Act, 2013 and the Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) issued by Ministry of Corporate Affairs in exercise of the powers conferred by section 133 of the Companies Act, 2013. In addition, applicable regulations of Reserve Bank of India (RBI) and the guidance notes/announcements issued by the Institute of Chartered Accountants of India (ICAI) are also applied along with compliance with other statutory promulgations.

1.2. Basis of preparation:

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time, notified under Section 133 of the Companies Act, 2013 (the Act) and other relevant provisions of the Act. The financial statements have been prepared under the historical cost convention, as modified by the application of fair value measurements required or allowed by relevant Accounting Standards, except for assets and liabilities acquired under business combination which are measured at fair value.

The financial statements have been prepared as per the guidelines issued by the RBI as applicable to Non-Banking Finance Companies (NBFCs), including the Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023, and any applicable guidance, clarifications, or directions issued by RBI or other regulators which are implemented as and when they are issued.

The financial statements are prepared on a going concern basis in accordance with Ind AS 1, as the Management is satisfied that the Company shall be able to continue its business for the foreseeable future and no material uncertainty exists. In making this assessment, the Management has considered a wide range of information relating to present and future conditions, including projections of profitability, cash flows, and capital resources.

Notes forming part of standalone financial statements

Accounting policies have been consistently applied except where a newly issued accounting standard is adopted or a revision requires a change in policy.

A financial asset and a financial liability are offset and presented on net basis in the balance sheet when there is a current legally enforceable right to set-off the recognised amounts and it is intended to either settle on net basis or to realise the asset and settle the liability simultaneously.

1.3. Presentation of financial statements:

The Balance Sheet, the Statement of Profit and Loss and Statement of Changes in Equity for the year are prepared and presented in the format prescribed in the Division III of Schedule III of the Companies Act, 2013 applicable for NBFCs. The Statement of Cash Flows has been prepared and presented as per the requirements of Ind AS 7 "Statement of Cash Flows".

The disclosure requirements with respect to items in the Balance Sheet and the Statement of Profit and Loss, as prescribed in the Division III of Schedule III of the Act, are presented by way of notes forming part of the financial statements along with the other notes required to be disclosed under the notified accounting Standards and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Amounts in the financial statements are presented in functional currency being Indian Rupees in Crore rounded off to two decimal places as permitted by Division III to Schedule III to the Act. Per share data are presented in Indian Rupee to two decimal places.

1.4. Business Combination:

(i) Business combination involving entities or business other than those under common control

The acquisition method of accounting in accordance with Ind AS 103 is used to account for all business combinations other than those under common control, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a business comprises the:

- Fair values of the assets transferred;
- Liabilities incurred to the former owners of the acquired business;
- Equity instruments issued by the Company; and
- Fair value of any asset or liability resulting from a contingent consideration arrangement

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The Company recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

Acquisition-related costs are expensed as incurred.

The excess of the

- Consideration transferred;
- Amount of any non-controlling interest in the acquired entity, and
- Acquisition-date fair value of any previous equity interest in the acquired entity

Over the fair value of the net identifiable assets acquired is recorded as goodwill, after initial recognition, goodwill is measured at cost less any accumulated impairment losses. Any impairment loss for goodwill is recognised in the statement of profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

Notes forming part of standalone financial statements

If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised as capital reserve in other equity.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in profit or loss.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognised in profit or loss or other comprehensive income, as appropriate.

(ii) Common control business combination

Business combination, involving entities or business under Common Control are accounted for in accordance with Appendix C to Ind AS 103 "Business Combination" using the pooling of interest method. Such combinations involve entities or businesses that are ultimately controlled by the same party or parties both before and after the business combination and where such control is not transitory.

The company accounts for such Business Combinations using the pooling of interest method as follows:

- The assets and liabilities of the combining entities are reflected at their carrying amounts.
- No adjustments are made to reflect fair values, or recognize new assets or liabilities. Adjustments are made only to harmonize Material accounting policies.
- The financial information in the financial statements in respect of prior period are restated as if the business combination had occurred from the beginning of the preceding period in the financial statements, irrespective of the actual date of the combination.
- The identity of the reserves is preserved and appear in the financial statements of the transferee in same form in which they appeared in the financial statements of the transferor.

The difference, if any, between the amounts recorded as share capital issued plus any additional consideration in the form of cash or other assets and the amount of share capital of the transferor is transferred to capital reserve and is presented separately from other capital reserve with disclosure of its nature and purpose in the notes.

1.5. Revenue recognition:

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured and there exists reasonable certainty of its recovery.

(i) Interest and dividend income

Interest income is recognised in the statement of Profit and Loss using effective interest rate (EIR) as per Ind AS 109 'Financial Instruments' on all financial assets subsequently measured under amortised cost or fair value through other comprehensive income (FVTOCI) except for those classified as held for trading.

The calculation of the EIR includes all fees paid or received between parties to the contract that are incremental and directly attributable to the specific lending arrangement, transaction costs, and all other premiums or discounts. For financial assets at FVTPL transaction costs are recognised in profit or loss at initial recognition.

The interest income is calculated by applying the EIR to the gross carrying amount of non-credit impaired financial assets (i.e. at the amortised cost of the financial asset before adjusting for any expected credit loss allowance). For credit-impaired financial assets the interest income is calculated by applying the EIR to the amortised cost of the credit-impaired financial assets (i.e. the gross carrying amount less the allowance for expected credit losses (ECLs)). For financial assets originated or purchased credit-impaired (POCI) the EIR reflects the ECLs in determining the future cash flows expected to be received from the financial asset.

Interest on delayed payments by customers are treated to accrue only on realisation, due to uncertainty of realisation and are accounted accordingly.

Dividend income is recognised when the Company's right to receive dividend is established by the reporting date and no significant uncertainty as to collectability exists.

(ii) Revenue from operations other than interest income and dividend

The Company recognises revenue from contracts with customers (other than financial assets to which Ind AS 109 'Financial instruments' is applicable) based on a comprehensive assessment model as set out in Ind AS 115 'Revenue from contracts with customers'.

Fees and commission income:

Fee and commission income and expense include fees other than those that are an integral part of EIR and is recognised only on satisfactory completion of performance obligation.

The fees included in the statement of profit and loss, include among other things, fees charged for servicing a loan, non-utilisation fees relating to loan commitments when it is unlikely that these will result in a specific lending arrangement and loan advisory fees.

Bounce charges levied on customers for non-payment of instalment on the contractual date is recognised on realisation.

Distribution income on distribution of insurance/other products are earned by distribution of services and products of other entities under distribution arrangements. The income is recognised on distribution on behalf of other entities subject to there being reasonable certainty of its recovery. Fees and commission expenses with regards to services are accounted for as the services are received.

(iii) Net gain on fair value change:

Any differences between the fair values of the financial assets classified as fair value through the profit or loss, held by the Company on the balance sheet date is recognised as an unrealised gain/loss in the statement of profit and loss. In cases there is a net gain in aggregate, the same is recognised in "Net gains on fair value changes" under revenue from operations and if there is a net loss the same is disclosed "Expenses", in the statement of profit and loss.

(iv) Income from financial instruments at FVTPL:

Income from financial instruments at FVTPL includes all gains and losses from changes in the fair value of financial assets and financial liabilities at FVTPL except those that are held for trading. Interest income on financial assets held at FVTPL, is recognised under "interest income on financial assets classified at fair value through profit or loss".

Notes forming part of standalone financial statements

(v) Other operational revenue:

Other operational revenue represents income earned from the activities incidental to the business and is recognised when the right to receive the income is established as per the terms of the contract. Guarantee fees is recognised on pro rata basis over the period of the guarantee.

1.6. Expenses

(i) Finance costs:

Finance costs include interest expense calculated using the effective interest rate method as per Ind AS 109 'Financial Instruments', finance charges in respect of assets acquired on finance lease and exchange differences arising from foreign currency borrowings, to the extent they are regarded as an adjustment to interest costs.

Finance costs net of any investment income from the temporary investment of related borrowings, that are attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of cost of such asset till such time the asset is ready for its intended use or sale. A qualifying asset is an asset that necessarily requires a substantial period of time to get ready for its intended use or sale. All other finance costs are recognised in profit or loss in the period in which they are incurred.

(ii) Employee benefits:

(a) Short term employee benefits:

Employee benefits falling due wholly within twelve months of rendering the service are classified as short term employee benefits and are expensed in the period in which the employee renders the related service. Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

(b) Post-employment benefits:

- Defined contribution plans: The Company's superannuation scheme, state governed provident fund scheme, employee state insurance scheme and employee pension scheme are defined contribution plans. The contribution paid/payable under the schemes is recognised during the period in which the employee renders the related service.
- Defined benefit plans: The employees' gratuity fund schemes and employee provident fund schemes managed by board of trustees established by the Company, the post-retirement medical care plan and the Parent Company pension plan represent defined benefit plans. The present value of the obligation under defined benefit plans is determined based on actuarial valuation using the Projected Unit Credit Method.

The obligation is measured at the present value of the estimated future cash flows using a discount rate based on the market yield on government securities of a maturity period equivalent to the weighted average maturity profile of the defined benefit obligations at the Balance Sheet date.

Remeasurement, comprising actuarial gains and losses, the return on plan assets (excluding amounts included in net interest on the net defined benefit liability or asset) and any change in the effect of asset ceiling (if applicable) is recognised in other comprehensive income and is reflected in retained earnings and the same is not eligible to be reclassified to profit or loss.

Defined benefit costs comprising current service cost, past service cost and gains or losses on settlements are recognised in the Statement of Profit and Loss as employee benefit expenses.

Notes forming part of standalone financial statements

Interest cost implicit in defined benefit employee cost is recognised in the Statement of Profit and Loss under finance cost. Gains or losses on settlement of any defined benefit plan are recognised when the settlement occurs. Past service cost is recognised as expense at the earlier of the plan amendment or curtailment and when the Company recognises related restructuring costs or termination benefits.

In case of funded plans, the fair value of the plan assets is reduced from the gross obligation under the defined benefit plans to recognise the obligation on a net basis.

(c) Long term employee benefits:

The obligation recognised in respect of long term benefits such as long term compensated absences is measured at present value of estimated future cash flows expected to be made by the Company and is recognised in a similar manner as in the case of defined benefit plans vide (ii) (b) above.

(d) Termination benefits:

Termination benefits such as compensation under employee separation schemes are recognised as expense when the Company's offer of the termination benefit is accepted or when the Company recognises the related restructuring costs whichever is earlier.

(iii) Other expenses

All other expenses are accounted on accrual basis in the period they are incurred.

1.7. Exceptional items

An item of income or expense which by its size, type or incidence requires disclosure in order to improve an understanding of the performance of the Company is treated as an exceptional item and disclosed as such in the financial statements.

1.8. Cash and Cash equivalents:

Cash and cash equivalents include cash on hand, bank balances in current accounts and fixed deposits and other short term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

1.9. Statement of cash flows:

Statement of cash flows is prepared segregating the cash flows into operating, investing and financing activities. Cash flow from operating activities is reported using indirect method adjusting the profit before tax for the effects of:

(i) changes during the period in operating receivables and payables transactions of a non-cash nature;

(ii) non-cash items such as depreciation, provisions, deferred taxes, unrealised gains and losses; and

(iii) all other items for which the cash effects are investing or financing cash flows.

Cash and cash equivalents (including bank balances) shown in the Statement of Cash Flows exclude items which are not available for general use as on the date of Balance Sheet.

1.10. Financial instruments:

Financial assets and financial liabilities are recognised in the Company's balance sheet when the Company becomes a party to the contractual provisions of the instrument.

Notes forming part of standalone financial statements

(i) Financial assets

Initial measurement

All financial assets are initially recognised at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets (other than financial assets at FVTPL, Investment in subsidiaries and associates which are recorded at cost as permissible under Ind AS 27 'Separate Financial Statements and Trade receivables that do not contain a significant financing component as defined in Ind AS 115 which are recorded at transaction price) are added to or deducted from the fair value of the financial asset, as appropriate, on initial recognition.

Subsequent measurement

For subsequent measurement, financial assets are classified into four categories:

(a) Financial assets at amortised cost

(b) Financial assets at fair value through other comprehensive income (FVTOCI)

(c) Financial assets at fair value through profit or loss (FVTPL)

(d) Debt instruments at amortised cost or at FVTOCI

The Company assesses the classification and measurement of a financial asset based on the contractual cash flow characteristics of the asset and the Company's business model for managing the asset. The said classification methodology is explained below -

Business model assessment

The Company has more than one business model for managing its financial instruments, assessed at portfolio level, which reflects how the Company manages its financial assets in order to generate cash flows. The Company's business models determine whether cash flows will result from collecting contractual cash flows, selling financial assets or both.

The Company considers all relevant information available when making the business model assessment. However, this assessment is performed on the basis of scenarios that the Company expects to occur and not to occur, such as so-called 'worst case' or 'stress case' scenarios. The Company takes into account all relevant evidence available such as:

- how the performance of the business model and the financial assets held within that business model are evaluated and reported to the entity's key management personnel;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way in which those risks are managed.

The Company reassess its business models each reporting period to determine whether the business models have changed since the preceding period.

If the business model under which the Company holds financial assets changes, the financial assets affected are reclassified. The classification and measurement requirements related to the new category apply prospectively from the first day of the first reporting period following the change in business model that results in the reclassification.

The Company considers sale of financial assets measured at amortised cost portfolio as consistent with a business model whose objective is to hold financial assets in order to collect contractual cash flows if these sales are

- due to an increase in the assets' credit risk or
- due to other reasons such as sales made to manage credit concentration risk (without an increase in the assets' credit risk) and are infrequent (even if significant in value) or insignificant in value both individually and in aggregate (even if frequent).

In addition, the Company also considers sale of such financial assets as consistent with the objective of holding financial assets in order to collect contractual cash flows if the sale is made close to the maturity of the financial assets and the proceeds from sale approximate the collection of the remaining contractual cash flows.

Solely payments of principal and interest (SPPI) assessment

The Company assesses the contractual terms of its financial assets to identify whether they meet the SPPI test.

For this purpose, Principal refers to the fair value of the financial asset at initial recognition, which may change over its life due to repayments or amortisation. In making this assessment, the Company considers whether the cash flows are consistent with a basic lending arrangement, where interest includes only consideration for the time value of money, credit risk, other basic lending risks, and a profit margin. Assets with contractual terms introducing risks inconsistent with a basic lending arrangement are classified and measured at Fair Value Through Profit or Loss (FVTPL).

(a) Financial assets at amortised cost

Financial assets are measured at amortised cost using the effective interest rate (EIR) as per Ind AS 109 'Financial Instruments' if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Trade Receivables are initially measured at their transaction price as defined in Ind AS 115.

(b) Financial assets at fair value through other comprehensive income (FVTOCI)

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business model whose objective is achieved by both collecting contractual cash flows that give rise on specified dates to sole payments of principal and interest on the principal amount outstanding and by selling financial assets.

(c) Financial assets at fair value through profit or loss (FVTPL)

Financial assets are measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognised in profit or loss.

Investments in equity instruments are classified as FVTPL, unless the related instruments are not held for trading and the Company irrevocably elects on initial recognition of financial asset on an asset-by-asset basis to present subsequent changes in fair value in other comprehensive income.

(d) Debt instruments at amortised cost or at FVTOCI

For an asset to be classified and measured at FVTOCI, the asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets;

Notes forming part of standalone financial statements

and the contractual terms of instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that are subsequently measured at amortised cost or at FVTOCI are subject to impairment.

(e) De-recognition

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily de-recognised when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and
- either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

On derecognition of a financial asset in its entirety, the difference between the carrying amount (measured at the date of derecognition) and the consideration received (including any new asset obtained less any new liability assumed) is recognised in profit or loss.

Write off:

Loans and debt securities are written off when the Company has no reasonable expectations of recovering the financial asset (either in its entirety or a portion of it). This is the case when the Company determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. A write-off constitutes a derecognition event. The Company may apply enforcement activities to financial assets written off. Recoveries resulting from the Company's enforcement activities are recorded in statement of profit and loss.

Modification and derecognition of financial assets:

A modification of a financial asset occurs when the contractual terms governing the cash flows of a financial asset are renegotiated or otherwise modified between initial recognition and maturity of the financial asset. A modification affects the amount and/or timing of the contractual cash flows either immediately or at a future date. In addition, the introduction or adjustment of existing covenants of an existing loan may constitute a modification even if these new or adjusted covenants do not yet affect the cash flows immediately but may affect the cash flows depending on whether the covenant is or is not met (e.g. a change to the increase in the interest rate that arises when covenants are breached).

The Company renegotiates loans to customers in financial difficulty to maximise collection and minimise the risk of default. A loan forbearance is granted in cases where although the borrower made all reasonable efforts to pay under the original contractual terms, there is a high risk of default or default has already happened and the borrower is expected to be able to meet the revised terms. The revised terms in most of the cases include an extension of the maturity of the loan, changes to the timing of the cash flows of the loan (principal and interest repayment), reduction in the amount of cash flows due (principal and interest forgiveness) and amendments to covenants.

Notes forming part of standalone financial statements

When a financial asset is modified the Company assesses whether this modification results in derecognition. In accordance with the Company's policy a modification results in derecognition when it gives rise to substantially different terms. To determine if the modified terms are substantially different from the original contractual terms the Company considers the following:

- Qualitative factors, such as contractual cash flows after modification are no longer SPPI,
- Change in currency or change of counterparty,
- The extent of change in interest rates, maturity, covenants.

If these do not clearly indicate a substantial modification, then;

(a) In the case where the financial asset is derecognised the loss allowance for ECL is remeasured at the date of derecognition to determine the net carrying amount of the asset at that date. The difference between this revised carrying amount and the fair value of the new financial asset with the new terms will lead to a gain or loss on derecognition. The new financial asset will have a loss allowance measured based on 12-month ECL except in the rare occasions where the new loan is considered to be originated-credit impaired. This applies only in the case where the fair value of the new loan is recognised at a significant discount to its revised par amount because there remains a high risk of default which has not been reduced by the modification. The Company monitors credit risk of modified financial assets by evaluating qualitative and quantitative information, such as if the borrower is in past due status under the new terms.

(b) When the contractual terms of a financial asset are modified and the modification does not result in derecognition, the Company determines if the financial asset's credit risk has increased significantly since initial recognition by comparing:

- the remaining lifetime PD estimated based on data at initial recognition and the original contractual terms; with
- the remaining lifetime PD at the reporting date based on the modified terms.

For financial assets modified, where modification did not result in derecognition, the estimate of PD reflects the Company's ability to collect the modified cash flows taking into account the Company's previous experience of similar forbearance action, as well as various behavioural indicators, including the borrower's payment performance against the modified contractual terms. If the credit risk remains significantly higher than what was expected at initial recognition the loss allowance will continue to be measured at an amount equal to lifetime ECL. The loss allowance on forborne loans will generally only be measured based on 12-month ECL when there is evidence of the borrower's improved repayment behaviour following modification leading to a reversal of the previous significant increase in credit risk.

Where a modification does not lead to derecognition the Company calculates the modification gain/loss comparing the gross carrying amount before and after the modification (excluding the ECL allowance). Then the Company measures ECL for the modified asset, where the expected cash flows arising from the modified financial asset are included in calculating the expected cash shortfalls from the original asset.

The Company derecognises a financial asset only when the contractual rights to the asset's cash flows expire (including expiry arising from a modification with substantially different terms), or when the financial asset and substantially all the risks and rewards of ownership of the asset are transferred to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises

Notes forming part of standalone financial statements

its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain/loss that had been recognised in OCI and accumulated in equity is recognised in profit or loss, with the exception of equity investment designated as measured at FVTOCI, where the cumulative gain/loss previously recognised in OCI is not subsequently reclassified to profit or loss.

On derecognition of a financial asset other than in its entirety (e.g. when the Company retains an option to repurchase part of a transferred asset), the Company allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain/loss allocated to it that had been recognised in OCI is recognised in profit or loss. A cumulative gain/loss that had been recognised in OCI is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts. This does not apply for equity investments designated as measured at FVTOCI, as the cumulative gain/loss previously recognised in OCI is not subsequently reclassified to profit or loss.

Impairment of financial assets - General approach:

The Company recognises loss allowances for Expected Credit Losses (ECLs) for all financial assets except those classified as FVTPL and equity instruments.

The Company categorizes financial assets into three stages to determine the appropriate Expected Credit Loss (ECL) measurement:

- Stage 1: Assets with no significant increase in credit risk since inception.
- Stage 2: Assets exhibiting a significant increase in credit risk since inception, but which are not credit-impaired.
- Stage 3: Defaulted assets or those with objective evidence of impairment.

Significant increase in credit risk

The Company monitors all financial assets and financial guarantee contracts that are subject to the impairment requirements to assess whether there has been a significant increase in credit risk since initial recognition. If there has been a significant increase in credit risk the Company will measure the loss allowance based on lifetime rather than 12-month ECL.

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Company compares the risk of a default occurring on the financial instrument at the reporting date based on the remaining maturity of the instrument with the risk of a default occurring that was anticipated for the remaining maturity at the current reporting date when the financial instrument was first recognised. In making this assessment, the Company considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort, based on the Company's historical experience and expert credit assessment.

Given that a significant increase in credit risk since initial recognition is a relative measure, a given change, in absolute terms, in the Probability of Default will be more significant for a financial instrument with a lower initial PD than compared to a financial instrument with a higher PD.

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Hitherto, in respect of the Company's corporate loan assets, the threshold for shifting to Stage 2 was being rebutted using historical evidence from the Company's own portfolio to 60 days past due.

For the purpose of counting of day past due for the assessment of significant increase in credit risk, the special dispensations to any class of assets in accordance with COVID19 Regulatory Package notified by the Reserve Bank of India (RBI) has been applied by the company.

Definition of default

Critical to the determination of ECL is the definition of default. The definition of default is used in measuring the amount of ECL and in the determination of whether the loss allowance is based on 12-month or lifetime ECL, as default is a component of the probability of default (PD) which affects both the measurement of ECLs and the identification of a significant increase in credit risk.

The Company considers the following as constituting an event of default:

- the borrower is past due more than 90 days on any material credit obligation to the Company; or
- the borrower is unlikely to pay its credit obligations to the Company in full.

The forbearance granted to borrowers in accordance with COVID 19 Regulatory Package notified by the Reserve Bank of India (RBI) is excluded in determining the period of default (Days Past Due) in the assessment of default

When assessing if the borrower is unlikely to pay its credit obligation, the Company takes into account both qualitative and quantitative indicators. The information assessed depends on the type of the asset, for example in corporate lending a qualitative indicator used is the admittance of bankruptcy petition by National Company Law Tribunal, which is not relevant for retail lending. Quantitative indicators, such as overdue status and non-payment on another obligation of the same counterparty are key inputs in this analysis.

The Company uses a variety of sources of information to assess default which are either developed internally or obtained from external sources. The definition of default is applied consistently to all financial instruments unless information becomes available that demonstrates that another default definition is more appropriate for a particular financial asset.

Credit-impaired financial assets

A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Credit-impaired financial assets are referred to as Stage 3 assets. Evidence of credit-impairment includes observable data about the following events:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or past due event;
- the lender of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession that the lender would not otherwise consider;
- the disappearance of an active market for a security because of financial difficulties; or
- the purchase of a financial asset at a deep discount that reflects the incurred credit losses.

It may not be possible to identify a single discrete event—instead, the combined effect of several events may have caused financial assets to become credit-impaired. The Company assesses whether

Notes forming part of standalone financial statements

debt instruments that are financial assets measured at amortised cost or FVTOCI are credit-impaired at each reporting date. To assess if corporate debt instruments are credit impaired, the Company considers factors such as bond yields, credit ratings and the ability of the borrower to raise funding.

A loan is considered credit-impaired when a concession is granted to the borrower due to a deterioration in the borrower's financial condition, unless there is evidence that as a result of granting the concession the risk of not receiving the contractual cash flows has reduced significantly and there are no other indicators of impairment. For financial assets where concessions are contemplated but not granted the asset is deemed credit impaired when there is observable evidence of credit-impairment including meeting the definition of default. The definition of default (see below) includes unlikeliness to pay indicators and a back-stop if amounts are overdue for more than 90 days. The 90-day criterion is applicable unless there is reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Purchased or originated credit-impaired (POCI) financial assets

POCI financial assets are treated differently because the asset is credit-impaired at initial recognition. For these assets, the Company recognises all changes in lifetime ECL since initial recognition as a loss allowance with any changes recognised in profit or loss. A favourable change for such assets creates an impairment gain.

With the exception of Purchased or originated credit-impaired (POCI) financial assets (which are considered separately above), ECLs are required to be measured through a loss allowance at an amount equal to:

- Stage 1 ECL, i.e. 12-month ECL that result from those default events on the financial instrument that are possible within 12-month after the reporting date, or
- Stage 2 and stage 3 ECL, i.e. lifetime ECL that result from all possible default events over the life of the financial instrument.

A loss allowance for lifetime ECL is required for a financial instrument if the credit risk on that financial instrument has increased significantly since initial recognition (and consequently to credit impaired financial assets). For all other financial instruments, ECLs are measured at an amount equal to the 12-month ECL.

ECLs are a probability-weighted estimate of the present value of credit losses. These are measured as the present value of the difference between the cash flows due to the Company under the contract and the cash flows that the Company expects to receive arising from the weighting of multiple future economic scenarios, discounted at the asset's EIR.

- for financial guarantee contracts, the ECL is the difference between the expected payments to reimburse the holder of the guaranteed debt instrument less any amounts that the Company expects to receive from the holder, the debtor or any other party.

The Company measures ECL on an individual basis, or on a collective basis for portfolios of loans that share similar economic risk characteristics.

Presentation of allowance for ECL in the Balance Sheet:

Loss allowances for ECL are presented in the Balance Sheet for financial assets measured at amortised cost, as a deduction from the gross carrying amount of the assets.

Simplified approach for trade and other receivables

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade and other receivables that do not contain a significant financing component.

Notes forming part of standalone financial statements

(ii) Financial liabilities

(a) Initial measurement

The Company recognises all financial liabilities initially at fair value adjusted for transaction costs that are directly attributable to the issue of financial liabilities except in the case of financial liabilities recorded at FVTPL where the transaction costs are charged to profit or loss. Generally, the transaction price is treated as fair value unless there are circumstances which prove to the contrary in which case, the difference, if material, is charged to profit or loss.

(b) Subsequent measurement

The Company subsequently measures all financial liabilities at amortised cost using the EIR method, except for derivative contracts which are measured at FVTPL and accounted for by applying the hedge accounting requirements under Ind AS 109.

(c) Derecognition

A financial liability is derecognised when the related obligation expires or is discharged or cancelled.

1.11. Investment in subsidiaries, associates and joint venture

The Company recognises investments in subsidiaries, associates and joint venture at cost and are not adjusted to fair value at the end of each reporting period as allowed by Ind AS 27 'Separate Financial Statement'.

1.12. Fair value:

Fair value is defined as the price that would be received upon the sale of an asset or paid to settle a liability in an orderly transaction between market participants at the measurement date. This measurement represents an exit price under prevailing market conditions, regardless of whether the price is directly observable or derived via valuation techniques.

The Company estimates fair value based on the presumption that the transaction occurs in the principal market for the asset or liability. In the absence of a principal market, the measurement identifies the most advantageous market, provided such market is accessible by the Company.

In determining fair value, the Company utilizes the same underlying assumptions that market participants would employ when pricing the asset or liability, operating under the premise that these participants act in their economic best interest.

Fair value measurements under Ind AS are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at reporting date
- Level 2 inputs are inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the valuation of assets or liabilities

1.13. Taxation:

Current Tax:

Tax on income for the current period is determined on the basis of taxable income (or on the basis of book profits wherever minimum alternate tax is applicable) and tax credits computed in accordance with the provisions of the Income Tax Act 1961, and based on the expected outcome of assessments/appeals.

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Deferred Tax:

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the Company's financial statements and the corresponding tax bases used in computation of taxable profit and quantified using the tax rates and laws enacted or substantively enacted as on the Balance Sheet date.

Deferred tax assets are generally recognised for all taxable temporary differences to the extent that is probable that taxable profits will be available against which those deductible temporary differences can be utilised. The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets relating to unabsorbed depreciation/business losses/losses under the head "capital gains" are recognised and carried forward to the extent of available taxable temporary differences or where there is convincing other evidence that sufficient future taxable income will be available against which such deferred tax assets can be realised. Deferred tax assets in respect of unutilised tax credits are recognised to the extent it is probable of such unutilised tax credits will get realised.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of reporting period, to recover or settle the carrying amount of its assets and liabilities.

Transaction or event which is recognised outside profit or loss, either in other comprehensive income or in equity, is recorded along with the tax as applicable.

1.14. Property, plant and equipment (PPE):

PPE including subsequent expenditure, if any, is recognised when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. PPE is stated at original cost net of tax/duty credits availed, if any, less accumulated depreciation and cumulative impairment, if any. Cost includes all direct cost related to the acquisition of PPE and, for qualifying assets, borrowing costs capitalised in accordance with the Company's accounting policy.

Land and buildings held for use are stated in the balance sheet at cost less accumulated impairment losses and accumulated depreciation, respectively. Freehold land is not depreciated.

PPE not ready for the intended use on the date of the Balance Sheet are disclosed as "capital work-in-progress".

Depreciation

Depreciation is recognised using straight line method so as to write off the cost of the assets (other than freehold land)) less their residual values over their useful lives specified in Schedule II to the Companies Act, 2013, or in case of assets where the useful life was determined by technical evaluation, over the useful life so determined. Depreciation method is reviewed at each financial year end to reflect expected pattern of consumption of the future economic benefits embodied in the asset. The estimated useful life and residual values are also reviewed at each financial year end with the effect of any change in the estimates of useful life/residual value is accounted on prospective basis.

Depreciation for additions to/deductions from, owned assets is calculated pro rata to the period of use. Depreciation charge for impaired assets is adjusted in future periods in such a manner that the revised carrying amount of the asset is allocated over its remaining useful life.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is recognised in profit or loss.

Notes forming part of standalone financial statements

1.15. Intangible assets:

Intangible assets are recognised when it is probable that the future economic benefits that are attributable to the asset will flow to the enterprise and the cost of the asset can be measured reliably. Intangible assets are stated at original cost net of tax/duty credits availed, if any, less accumulated amortisation and cumulative impairment. Direct expenses and administrative and other general overhead expenses that are specifically attributable to acquisition of intangible assets are allocated and capitalised as a part of the cost of the intangible assets.

Subsequent expenditure related to an item of intangible asset are added to its gross value only if it increases the future benefits of the existing asset, if it is probable that future economic benefit will flow to the Company from that expenditure and cost can be measured reliably. Other repairs and maintenance costs are expensed off as and when incurred.

The Company's intangible assets consist of specialised software, Distribution & customer network rights, branch network & customer contract and non-compete fees with finite life and goodwill with indefinite life.

Intangible assets not ready for the intended use on the date of Balance Sheet are disclosed as "Intangible assets under development".

Amortisation

Intangible assets are amortised on straight line basis over the estimated useful life. The method of amortisation and the remaining useful life are reviewed at the end of each accounting year with the effect of any changes in the estimate being accounted for on a prospective basis.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset are recognised in profit or loss when the asset is derecognised.

1.16. Impairment of tangible, intangible assets and goodwill:

As at the end of each accounting year, the Company reviews the carrying amounts of its PPE and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If such indication exists, the PPE, and intangible assets are tested for impairment so as to determine the impairment loss, if any. Goodwill with indefinite life is tested for impairment each year.

Impairment loss is recognised when the carrying amount of an asset exceeds its recoverable amount. Recoverable amount is determined:

a. in the case of an individual asset, at the higher of the net selling price and the value in use; and

b. in the case of a cash generating unit (the smallest identifiable Company of assets that generates independent cash flows), at the higher of the cash generating unit's net selling price and the value in use.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If recoverable amount of an asset (or cash generating unit) is estimated to be less than its carrying amount, such deficit is recognised immediately in the Statement of Profit and Loss as impairment loss and the carrying amount of the asset (or cash generating unit) is reduced to its recoverable amount. For this purpose, the impairment loss recognised in respect of a cash generating unit is allocated first to reduce the carrying amount of any goodwill allocated to such cash generating unit and then to reduce the carrying amount of the other assets of the cash generating unit on a pro-rata basis.

Notes forming part of standalone financial statements

When an impairment loss subsequently reverses, the carrying amount of the asset (or cash generating unit), except for allocated goodwill, is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss is recognised for the asset (or cash generating unit) in prior years. A reversal of an impairment loss (other than impairment loss allocated to goodwill) is recognised immediately in the Statement of Profit and Loss.

1.17. Assets acquired under settlement of claims:

Assets acquired under settlement of claims are initially recognised on acquisition of the assets based on the fair value of the property, including cost of acquisition. Assets acquired under settlement of claims are subsequently measured at the prevailing market price/fair valuation or acquisition cost, whichever is lower, on periodic basis.

Any profit or loss arising on the sale of complete unit is recognised in Statement of Profit and Loss.

1.18. Derivative financial instruments:

The Company enters into swap contracts and other derivative financial instruments to hedge its exposure to foreign exchange and interest rates. Hedges of foreign exchange risk on firm commitments are accounted as cash flow hedges. The Company does not hold derivative financial instruments for speculative purpose.

Cash flow hedges: In case of transaction related hedges, the effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income and accumulated in equity as 'Cash flow hedging reserve'. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss. Amounts previously recognised in other comprehensive income and accumulated in equity relating to the effective portion are reclassified to profit or loss in the periods when the hedged item affects profit or loss, in the same head as the hedged item. The effective portion of the hedge is determined at the lower of the cumulative gain or loss on the hedging instrument from inception of the hedge and the cumulative change in the fair value of the hedged item from the inception of the hedge and the remaining gain or loss on the hedging instrument is treated as ineffective portion.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. Any gain or loss recognised in other comprehensive income and accumulated in equity at that time remains in equity and is recognised in profit or loss when the forecast transaction is ultimately recognised in profit or loss. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is recognised immediately in profit or loss.

A derivative with a positive fair value is recognised as a financial asset whereas a derivative with a negative fair value is recognised as a financial liability.

Fair Value Hedge: Fair value hedges hedge the exposure to changes in the fair value of a recognised asset or liability, or an identified portion of such an asset, liability, that is attributable to a particular risk and could affect profit or loss.

For designated and qualifying fair value hedges, the cumulative change in the fair value of a hedging derivative is recognised in the statement of profit and loss in Finance Costs. Meanwhile, the cumulative change in the fair value of the hedged item attributable to the risk hedged is recorded as part of the carrying value of the hedged item in the balance sheet and is also recognised in the statement of profit and loss in Finance Cost.

The Company classifies a fair value hedge relationship when the hedged item (or group of items) is a distinctively identifiable asset or liability hedged by one or a few hedging instruments. The financial instruments hedged for interest rate risk in a fair value hedge relationship are fixed rate debt issued and other borrowed funds. If the hedging instrument expires or is sold, terminated or exercised, or where the hedge no longer meets the criteria for hedge accounting, the hedge relationship is discontinued prospectively. If the relationship does not meet hedge effectiveness criteria, the Company discontinues hedge accounting from the date on which the qualifying criteria are no longer met. For hedged items recorded at amortised cost, the accumulated fair value hedge adjustment to the carrying amount of the hedged item on termination of the hedge accounting relationship is amortised over the remaining term of the original hedge using the recalculated EIR method by recalculating the EIR at the date when the amortisation begins. If the hedged item is derecognised, the unamortised fair value adjustment is recognised immediately in the statement of profit and loss.

1.19. Leases:

(i) The Company as a lessee, recognises the right-of-use asset and lease liability at the lease commencement date. Initially the right-of-use asset is measured at cost which comprises the initial amount of the lease liability adjusted for any lease payments, less any lease incentives received made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the Company's incremental borrowing rate. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, or a change in the estimate of the amount expected to be payable under a residual value guarantee, or a change in the assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero. The right-of-use asset is measured by applying cost model i.e. right-of-use asset at cost less accumulated depreciation /impairment losses.

The right-of-use assets are depreciated from the date of commencement of the lease on a straight-line basis over the shorter of the lease term and the useful life of the underlying asset. Carrying amount of lease liability is increased by interest on lease liability and reduced by lease payments made.

Lease payments associated with following leases are recognised as expense on straight-line basis:

- Low value leases; and
- Leases which are short-term.

(ii) The Company as a lessor, classifies leases as either operating lease or finance lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset. Initially asset held under finance lease is recognised in balance sheet and presented as a receivable at an amount equal to the net investment in the lease. Finance income is recognised over the lease term, based on a pattern reflecting a constant periodic rate of return on Company's net investment in the lease. A lease which is not classified as a finance lease is an operating lease. Accordingly, the Company recognises lease payments as income on a straight-line basis in case of assets given on operating leases. The Company presents underlying assets subject to operating lease in its balance sheet under the respective class of asset.

1.20. Securities premium account:

(i) Securities premium includes:

- The difference between the face value of the equity shares and the consideration received in respect of shares issued pursuant to Stock Option Scheme.
- The fair value of the stock options which are treated as expense, if any, in respect of shares allotted pursuant to Stock Options Scheme.

Notes forming part of standalone financial statements

(ii) The issue expenses of securities which qualify as equity instruments are written off against securities premium account.

1.21. Share-based payment arrangements:

The stock options granted to employees pursuant to the Company's Stock Options Schemes, are measured at the fair value of the options at the grant date. The fair value of the options is treated as discount and accounted as employee compensation cost over the vesting period on a straight-line basis. The amount recognised as expense in each year is arrived at based on the number of grants expected to vest. If a grant lapses after the vesting period, the cumulative discount recognised as expense in respect of such grant is transferred to the general reserve within equity.

1.22. Accounting and reporting of information for Operating Segments:

Operating segments are those components of the business whose operating results are regularly reviewed by the chief operating decision making body in the Company to make decisions for performance assessment and resource allocation. The reporting of segment information is the same as provided to the management for the purpose of the performance assessment and resource allocation to the segments. Segment accounting policies are in line with the accounting policies of the Company.

1.23. Foreign currencies:

(i) The functional currency and presentation currency of the Company is Indian Rupee. Functional currency of the Company and foreign operations has been determined based on the primary economic environment in which the Company and its foreign operations operate considering the currency in which funds are generated, spent and retained.

(ii) Transactions in currencies other than the Company's functional currency are recorded on initial recognition using the exchange rate at the transaction date. At each Balance Sheet date, foreign currency monetary items are reported at the prevailing closing spot rate. Non-monetary items that are measured in terms of historical cost in foreign currency are not retranslated.

(iii) Exchange differences that arise on settlement of monetary items or on reporting of monetary items at each Balance Sheet date at the closing spot rate are recognised in the Statement of Profit and Loss in the period in which they arise.

(iv) Financial statements of foreign operations whose functional currency is different than Indian Rupees are translated into Indian Rupees as follows:

a. assets and liabilities for each Balance Sheet presented are translated at the closing rate at the date of that Balance Sheet;

b. income and expenses for each income statement are translated at average exchange rates; and

c. all resulting exchange differences are recognised in other comprehensive income and accumulated in equity as foreign currency translation reserve for subsequent reclassification to profit or loss on disposal of such foreign operations.

1.24. Provisions, contingent liabilities and contingent assets:

Provisions are recognised only when:

(i) an company entity has a present obligation (legal or constructive) as a result of a past event; and

(ii) it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and

Notes forming part of standalone financial statements

(iii) a reliable estimate can be made of the amount of the obligation

Provision is measured using the cash flows estimated to settle the present obligation and when the effect of time value of money is material, the carrying amount of the provision is the present value of those cash flows. Reimbursement expected in respect of expenditure required to settle a provision is recognised only when it is virtually certain that the reimbursement will be received.

Contingent liability is disclosed in case of:

(i) a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation; and

(ii) a present obligation arising from past events, when no reliable estimate is possible.

Contingent assets are disclosed where an inflow of economic benefits is probable. Provisions, contingent liabilities and contingent assets are reviewed at each Balance Sheet date.

Where the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under such contract, the present obligation under the contract is recognised and measured as a provision.

1.25. Commitment:

Commitments are future liabilities for contractual expenditure, classified and disclosed as follows:

(i) estimated amount of contracts remaining to be executed on capital account and not provided for;

(ii) uncalled liability on shares and other investments partly paid;

(iii) funding related commitment to associate companies; and

(iv) other non-cancellable commitments, if any, to the extent they are considered material and relevant in the opinion of management.

Other commitments related to sales/procurements made in the normal course of business are not disclosed to avoid excessive details.

1.26. Key source of estimation:

The preparation of financial statements in conformity with Ind AS requires that the management of the Company makes estimates and assumptions that affect the reported amounts of income and expenses of the period, the reported balances of assets and liabilities and the disclosures relating to contingent liabilities as of the date of the financial statements. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates include useful lives of property, plant and equipment & intangible assets, expected credit loss on loan books, future obligations in respect of retirement benefit plans, fair value measurement etc. Difference, if any, between the actual results and estimates is recognised in the period in which the results are known.

Material accounting estimates and judgements used in various line items in the financial statements are as below:

- Business model assessment (Refer note no. 1.10 (i) and 6)
- Impairment of financial assets (Refer note no. 1.10 (i), 6 and 47)
- Provisions and contingent liabilities (Refer note no. 1.24 and 37)
- Fair value of financial instruments (Refer note no. 1.12)

Notes forming part of standalone financial statements

1.27. Earnings per share:

The Company presents basic and diluted earnings per share data for its ordinary shares. Basic earnings per share is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year. Diluted earnings per share is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares.

1.28. Recent Pronouncements:

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time.

In May 2025, MCA notified amendments to:

Ind AS 21 - The Effects of Changes in Foreign Exchange Rates, applicable w.e.f. April 1, 2025. The Company has reviewed the amendment and based on its evaluation has determined that it does not have any significant impact in its financial statements.

In August 2025, MCA notified the following amendments to:

Ind AS 7, Statement of Cash Flows and Ind AS 107, Financial Instruments: Disclosures, applicable w.e.f. April 1, 2025 – the amendment in Ind AS 7 requires to inform users of financial statements of the existence of supplier finance arrangements and explain the nature of the arrangements, the carrying amount of liabilities and the range of payment due dates. Ind AS 107 has been amended to add supplier finance arrangements as a factor that may cause concentration of liquidity risk. The Company has reviewed the amendment and based on its evaluation has determined that it does not have any impact in its financial statements.

Ind AS 12, International Tax Reform – Pillar Two Model Rules applicable immediately - The amendments provide a temporary mandatory relief from deferred tax accounting for top-up tax and disclose that they have applied the relief. This relief is immediate and applies retrospectively (refer note 49).

Notes forming part of standalone financial statements

2 Cash and cash equivalents

(₹ in crore)

Particulars	As at March 31, 2026	As at March 31, 2025
Cash on hand	1.73	1.20
Balances with banks in current accounts	2,633.93	2,527.89
Bank deposits with original maturity less than three months	1,852.20	364.57
Total cash and cash equivalents	**4,487.86**	**2,893.66**

3 Bank balance other than note 2 above

(₹ in crore)

Particulars	As at March 31, 2026	As at March 31, 2025
Earmarked balances with banks		
- Unclaimed dividend on equity shares	1.14	1.31
- Unclaimed redemption proceeds and dividend on preference shares	0.52	0.78
- Unclaimed matured debentures	135.85	156.86
Balances with banks to the extent held as margin money or security against borrowing, guarantees, other commitments	2,673.19	4,686.30
Banks deposits with maturity greater than three months and less than twelve months	653.54	3,083.86
Total bank balance other than note 2 above	**3,464.24**	**7,929.11**

4 Derivative financial instruments

(₹ in crore)

Particulars	As at March 31, 2026	As at March 31, 2025
Part I		
(i) Currency derivatives:		
Notional Amounts		
– Cross currency Interest rate swap	7,378.54	7,492.08
Fair value assets		
– Cross currency Interest rate swap	879.12	48.49
Fair value liabilities		
– Cross currency Interest rate swap	–	(47.94)
Subtotal (i)	**879.12**	**0.55**

Notes forming part of standalone financial statements

(₹ in crore)

Particulars	As at March 31, 2026	As at March 31, 2025
(ii) Interest rate derivatives:		
Notional Amounts		
– Overnight Interest rate swaps	275.00	–
Fair Value Assets		
– Overnight Interest rate swaps	0.09	–
Fair Value Liabilities		
– Overnight Interest rate swaps	(3.36)	–
Subtotal (ii)	**(3.27)**	**–**
Total derivative financial instruments	**875.85**	**0.55**
Part II		
Included in above (Part I) are derivatives held for hedging and risk management purposes as follows:		
(i) Cash flow hedging:		
Notional Amounts		
– Currency derivatives	7,378.54	7,492.08
– Interest rate derivatives	275.00	–
Fair value assets		
– Currency derivatives	879.12	48.49
– Interest rate derivatives	0.09	–
Fair Value Liabilities		
– Currency derivatives	–	(47.94)
– Interest rate derivatives	(3.35)	–
Total derivative financial instruments	**875.85**	**0.55**

Note:

1. The company has a board approved policy for entering in to derivative transcations. Derivative comprises of currency and interest rate swap. Refer the accounting policy for derivative financial instruments.

5 Receivables

(₹ in crore)

Particulars	As at March 31, 2026	As at March 31, 2025
(i) Trade receivables (refer note 5(iv))		
(a) Receivables considered good – secured	–	–
(b) Receivables considered good – unsecured	102.47	116.95
(c) Receivables which have significant increase in credit risk	–	–
(d) Receivables – credit impaired		
Receivables	7.69	7.59
Less : Impairment loss allowance (refer note 5(iii))	(7.69)	(7.59)
Total trade receivables (i)	**102.47**	**116.95**

Notes forming part of standalone financial statements

(₹ in crore)

Particulars	As at March 31, 2026	As at March 31, 2025
(ii) Other receivables		
(a) Receivables considered good – Secured	–	–
(b) Receivables considered good – unsecured	4.97	5.56
(c) Receivables which have significant increase in Credit Risk	–	–
(d) Receivables from related parties* (refer note : 32)	–	0.01
(e) Receivables – credit impaired		
Receivables	10.07	10.07
Impairment loss allowance (refer note 5(iii))	(10.07)	(10.07)
Total other receivables (ii)	**4.97**	**5.57**
Total receivables (i+ii)	**107.44**	**122.52**

*There are no dues by Directors or other officers of the company or any of them either severally or jointly with any other person or debts due by firms or private companies respectively in which any director is a partner or a director or a member.

(iii) Reconciliation of impairment loss allowance on trade and other receivables

(₹ in crore)

Particulars	As at March 31, 2026	As at March 31, 2025
Impairment loss allowance as at beginning of the year	(17.66)	(18.52)
Net increase/(decrease) during the year	(0.10)	0.86
Impairment loss allowance as at the end of the year	**(17.76)**	**(17.66)**

(iv) Ageing Schedule for Trade Receivables#

(₹ in crore)

	Particulars	Outstanding as on March 31, 2026						
		Unbilled	Less than 6 Months	6 Months - 1 Year	1-2 years	2-3 years	More than 3 years	Total
(i)	Undisputed Trade receivables – considered good	5.73	96.74	–	–	–	–	102.47
(ii)	Undisputed Trade Receivables – which have significant increase in credit risk	–	–	–	–	–	–	–
(iii)	Receivables which have significant increase in credit risk	–	–	–	–	–	–	–
(iv)	Undisputed Trade Receivables – credit impaired	–	–	–	0.01	0.09	7.59	7.69
(v)	Less : Impairment loss allowance	–	–	–	(0.01)	(0.09)	(7.59)	(7.69)
(vi)	Disputed Trade Receivables–considered good	–	–	–	–	–	–	–
(vii)	Disputed Trade Receivables – which have significant increase in credit risk	–	–	–	–	–	–	–
(viii)	Disputed Trade Receivables – credit impaired	–	–	–	–	–	–	–
	Total	**5.73**	**96.74**	**–**	**–**	**–**	**–**	**102.47**

Notes forming part of standalone financial statements

(₹ in crore)

	Particulars	Outstanding as on March 31, 2025						Total
		Unbilled	Less than 6 Months	6 Months - 1 Year	1-2 years	2-3 years	More than 3 years	
(i)	Undisputed Trade receivables – considered good	7.05	109.30	0.27	0.33	–	–	116.95
(ii)	Undisputed Trade Receivables – which have significant increase in credit risk	–	–	–	–	–	–	–
(iii)	Receivables which have significant increase in credit risk	–	–	–	–	–	–	–
(iv)	Undisputed Trade Receivables – credit impaired	–	–	–	–	–	7.59	7.59
(v)	Less : Impairment loss allowance	–	–	–	–	–	(7.59)	(7.59)
(vi)	Disputed Trade Receivables–considered good	–	–	–	–	–	–	–
(vii)	Disputed Trade Receivables – which have significant increase in credit risk	–	–	–	–	–	–	–
(viii)	Disputed Trade Receivables – credit impaired	–	–	–	–	–	–	–
	Total	**7.05**	**109.30**	**0.27**	**0.33**	**–**	**–**	**116.95**

The above ageing is prepared on the basis of date of transaction.

6 Loans

(₹ in crore)

Particulars	As at March 31, 2026	As at March 31, 2025
(A) (i) At amortised cost		
– Term loans@	1,19,506.95	95,179.11
Total gross loans at amortised cost	**1,19,506.95**	**95,179.11**
Less: Impairment loss allowance #	(3,457.84)	(3,536.75)
Total net loans at amortised cost (i)	**1,16,049.11**	**91,642.36**
(ii) At fair value through profit or Loss		
– Loans repayable on demand	–	–
– Term loans	1,985.02	2,333.93
– Debentures*	235.93	248.43
Total gross loans at fair value through profit or loss	**2,220.95**	**2,582.36**
Less: Impact of fair value changes	(449.03)	(451.66)
Total net loans at fair value through profit or loss (ii)	**1,771.92**	**2,130.70**
Total net loans (A) = (i)+(ii)	**1,17,821.03**	**93,773.06**

@Includes dealer advances
*Debentures in the nature of loans

Notes forming part of standalone financial statements

(₹ in crore)

Particulars	As at March 31, 2026	As at March 31, 2025
(B) (i) At amortised cost		
– Secured by tangible assets@	62,012.51	51,579.46
– Unsecured	57,494.44	43,599.65
Total gross loans at amortised cost	**1,19,506.95**	**95,179.11**
Less: Impairment loss allowance#	(3,457.84)	(3,536.75)
Total net loans at amortised cost (i)	**1,16,049.11**	**91,642.36**
(ii) At fair value through profit or loss:		
– Secured by tangible assets	2,220.95	2,582.36
– Unsecured	–	–
Total gross loans at fair value through profit or loss	**2,220.95**	**2,582.36**
Less: Impact of fair value changes	(449.03)	(451.66)
Total net loans at fair value through profit or loss (ii)	**1,771.92**	**2,130.70**
Total net loans (B) = (i)+(ii)	**1,17,821.03**	**93,773.06**
@ Includes hypothecation / mortgage under process		
(C) (I) Loans in India		
(i) At amortised cost		
– Public sector	–	–
– Others	1,19,506.95	95,179.11
Total gross loans at amortised cost	**1,19,506.95**	**95,179.11**
Less: Impairment loss allowance#	(3,457.84)	(3,536.75)
Total net loans in India at amortised cost (i)	**1,16,049.11**	**91,642.36**
(ii) At fair value through profit or loss:		
– Public sector	–	–
– Others	2,220.95	2,582.36
Total gross loans at fair value through profit or loss	**2,220.95**	**2,582.36**
Less: Impact of fair value changes	(449.03)	(451.66)
Total net loans at fair value through profit or loss (ii)	**1,771.92**	**2,130.70**
Total net loans in India (C)(I) = (i)+(ii)	**1,17,821.03**	**93,773.06**
(II) Loans outside India		
(i) At amortised cost	**–**	**–**
Less: Impairment loss allowance	–	–
Total net loans outside India at amortised cost (i)	**–**	**–**
(ii) At fair value through profit or loss:	**–**	**–**
Less: Impact of fair value changes	–	–
Total net loans at fair value through profit or loss (ii)	**–**	**–**
Total net loans outside India (C)(II) = (i)+(ii)	**–**	**–**
Total net loans (C) = (I)+(II)	**1,17,821.03**	**93,773.06**

Note: There are no loans or advances, in the natures of loans, granted to promoters, directors, KMPs and the related parties (as defined under the Companies Act 2013), either severally or jointly with any other person.
Includes macro prudential provision of ₹ nil (previous year ₹ 575 crores) for Rural Group Loans and Micro Finance Business (RGL & MFI).

Notes forming part of standalone financial statements

7 Investments

(₹ in crore)

Particulars	As at March 31, 2026	As at March 31, 2025
A. Investments at cost		
(i) In equity share of Subsidiaries – Unquoted	167.85	167.85
Total (A)	**167.85**	**167.85**
B. Investments carried at fair value through profit or loss		
(i) In quoted equity shares	7.89	10.23
(ii) In unquoted equity shares	39.54	39.54
(iii) In debt securities	90.02	90.02
(iv) In mutual funds	751.32	–
(v) In other securities– Subsidiaries	27.10	46.81
(vi) In other securities– Other than subsidiaries	21.85	22.22
(vii) In security receipts	4,807.72	5,862.44
Total (B)	**5,745.44**	**6,071.26**
C. Investments carried at fair value through other comprehensive income (FVOCI)		
(i) In Debt securities	–	409.75
(ii) In Bonds	93.86	94.47
(iii) In Government securities*	3,723.54	5,092.65
(iv) In Pass through certificates	–	–
(v) In State development loan	158.32	–
(vi) In Certificate of deposit	743.50	–
Total (C)	**4,719.22**	**5,596.87**
Total investments (A+B+C)	**10,632.51**	**11,835.98**
(i) Investments outside India	**–**	**–**
(ii) Investments in India	**10,632.51**	**11,835.98**
Total Investments	**10,632.51**	**11,835.98**

* Government securities amounting to ₹ 507.76 crore (PY: ₹ 422.58 crore)pledged as collateral against TREPS borrowings.

Name of the entity	Relationship	Principal place of business	Principal activities	Proportion of the ownership interest	
				As at March 31, 2026	As at March 31, 2025
L&T Financial Consultants Limited	Subsidiary	Mumbai	Leasing own properties	100%	100%
L&T Infra Investment Partners Advisory Private Limited	Subsidiary	Mumbai	Investment manager to AIF Fund	100%	100%
L&T Infra Investment Partners Trustee Private Limited	Subsidiary	Mumbai	Trustee to AIF Fund	100%	100%
L&T Infra Investments Partners	Subsidiary	Mumbai	AIF Fund	55.00%	54.99%

Notes forming part of standalone financial statements

8 Other financials assets

(₹ in crore)

Particulars	As at March 31, 2026	As at March 31, 2025
Security deposit	81.67	73.45
Banks deposits with maturity greater than twelve months	668.58	–
Collateralized borrowing and lending obligation (TREPS)	–	299.95
Others	24.33	15.25
Total other financials assets	**774.58**	**388.65**

9 Property, plant and equipment

(₹ in crore)

Particulars	Gross carrying value[3]					Accumulated depreciation[3]				Net carrying value[3]	
	As at April 1, 2025	Additions	Business Combination (Refer note: 46)	Disposals/ Adjustment	As at March 31, 2026	As at April 1, 2025	For the year	Disposals/ Adjustment	As at March 31, 2026	As at March 31, 2026	As at March 31, 2025
Buildings : Owned[1 & 2]	0.38	–	–	–	0.38	0.08	0.04	–	0.12	0.26	0.30
Lease hold renovation	39.03	32.77	–	0.89	70.91	9.00	9.68	0.83	17.85	53.06	30.03
Computers	45.99	36.03	0.70	2.40	80.32	23.18	16.50	2.19	37.49	42.83	22.81
Furniture and fixtures	18.70	8.81	2.68	0.20	29.99	9.43	5.75	0.16	15.02	14.97	9.27
Office equipment	42.11	25.27	3.79	0.41	70.76	22.03	10.74	0.37	32.40	38.36	20.08
Vehicles	31.19	10.26	–	5.94	35.51	11.75	8.11	4.26	15.60	19.91	19.44
Total	**177.40**	**113.14**	**7.17**	**9.84**	**287.88**	**75.47**	**50.82**	**7.80**	**118.49**	**169.39**	**101.93**

Note:

1. The tittle deed of the immovable property acquired under the scheme of amalgamation, is held in the name of erstwhile L&T Finance Limited which was merged with the Company with effect from 01 April, 2016, also the tittle deed holder is not a promoter, director or related party of the company.
2. Pledged as security against secured redeemable non convertible dedentures.
3. The Company has not revalued its property plant and equipment during the year and hence there is no movement for revaluation shown separately.

Assets	Gross carrying value***				Accumulated depreciation***				Net carrying value***	
	As at April 01, 2024	Additions	Disposals/ Adjustment	As at March 31, 2025	As at April 01, 2024	For the Year	Disposals/ Adjustment	As at March 31, 2025	As at March 31, 2025	As at March 31, 2024
Buildings : Owned*	0.38	–	–	0.38	0.07	0.01	–	0.08	0.30	0.31
Lease hold renovation : Owned	13.05	28.25	2.27	39.03	7.12	4.08	2.20	9.00	30.03	5.93
Plant and equipment : Lease out	2.80	–	2.80	–	2.16	0.01	2.17	–	–	0.64
Computers : Owned	57.70	18.48	30.19	45.99	40.94	9.86	27.62	23.18	22.81	16.76
Furniture and fixtures										
Owned	11.74	10.26	3.30	18.70	6.92	5.32	2.81	9.43	9.27	4.82
Leased out	4.74	–	4.74	–	4.06	–	4.06	–	–	0.68
Sub total – Furniture and fixtures	**16.48**	**10.26**	**8.04**	**18.70**	**10.98**	**5.32**	**6.87**	**9.43**	**9.27**	**5.50**

Notes forming part of standalone financial statements

Assets	Gross carrying value***				Accumulated depreciation***				Net carrying value***	
	As at April 01, 2024	Additions	Disposals/ Adjust-ment	As at March 31, 2025	As at April 01, 2024	For the Year	Disposals/ Adjust-ment	As at March 31, 2025	As at March 31, 2025	As at March 31, 2024
Office equipment										
Owned	28.67	17.75	4.31	42.11	16.68	8.95	3.60	22.03	20.08	11.99
Leased out	0.01	–	0.01	–	–	–	–	–	–	0.01
Sub total – Office equipment	**28.68**	**17.75**	**4.32**	**42.11**	**16.68**	**8.95**	**3.60**	**22.03**	**20.08**	**12.00**
Vehicles										
Owned	21.65	12.43	2.89	31.19	6.95	6.58	1.78	11.75	19.44	14.70
Leased out	0.22	–	0.22	–	0.14	–	0.14	–	–	0.08
Sub total – Vehicles	**21.87**	**12.43**	**3.11**	**31.19**	**7.09**	**6.58**	**1.92**	**11.75**	**19.44**	**14.78**
Total	**140.96**	**87.17**	**50.73**	**177.40**	**85.04**	**34.81**	**44.38**	**75.47**	**101.93**	**55.92**

Note:

*The tittle deed of the immovable property acquired under the scheme of amalgamation, is held in the name of erstwhile L&T Finance Limited which was merged with the Company with effect from 01 April, 2016, also the tittle deed holder is not a promoter, director or related party of the company.

***The Company has not revalued its property plant and equipment during the year and hence there is no movement for revaluation shown separately.

10 (a) Other intangible assets

(₹ in crore)

Particulars	Gross carrying value[1]					Accumulated Amortization[1]				Net carrying value[1]	
	As at April 1, 2025	Addi-tions	Business Combi-nation (Refer note: 46)	Disposals/ Adjust-ment	As at March 31, 2026	As at April 1, 2025	For the year	Disposals/ Adjust-ment	As at March 31, 2026	As at March 31, 2026	As at March 31, 2025
Other intangible assets											
Specialised software	551.52	98.92	0.59	154.54	496.49	437.70	82.46	153.83	366.33	130.16	113.82
Branch Network and customer contract	–	–	94.91	–	94.91	–	15.39	–	15.39	79.52	–
Non–Compete fees	–	–	54.69	–	54.69	–	11.08	–	11.08	43.61	–
Distribution and customer network rights (refer footnote)	438.80	–	–	–	438.80	438.80	–	–	438.80	–	–
(a) Total other intangible assets	**990.32**	**98.92**	**150.19**	**154.54**	**1,084.89**	**876.50**	**108.93**	**153.83**	**831.60**	**253.29**	**113.82**

Notes forming part of standalone financial statements

10 (a) Other intangible assets

(₹ in crore)

Particulars	Gross carrying value[1]					Accumulated Amortization[1]				Net carrying value[1]	
	As at April 1, 2024	Addi-tions	Business Combina-tion (Refer note: 46)	Disposals/ Adjust-ment	As at March 31, 2025	As at April 1, 2024	For the year	Disposals/ Adjust-ment	As at March 31, 2025	As at March 31, 2025	As at March 31, 2024
Other intangible assets											
Specialised software	455.30	96.22	–	–	551.52	359.17	78.53	–	437.70	113.82	96.13
Branch Network and customer contract	–	–	–	–	–	–	–	–	–	–	–
Non–Compete fees	–	–	–	–	–	–	–	–	–	–	–
Distribution and customer network rights (refer footnote)	438.80	–	–	–	438.80	438.80	–	–	438.80	–	–
(a) Total other intangible assets	**894.10**	**96.22**	**–**	**–**	**990.32**	**797.97**	**78.53**	**–**	**876.50**	**113.82**	**96.13**

1. The Company has not revalued its intangible assets during the year and hence there is no movement for revaluation shown separately.

10(b) Intangible assets under development

(i) Schdedule of ageing of Intangible assets under development as at March 31, 2026*

(₹ in crore)

Particulars	Amount in Intangible asset under development for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	54.54	7.33	–	–	61.87
Total	**54.54**	**7.33**	**–**	**–**	**61.87**

(ii) Schedule of Ageing of completion of Intangible assets under development as at March 31, 2025*

(₹ in crore)

Particulars	Amount in Intangible asset under development for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	45.00	–	–	–	45.00
Total	**45.00**	**–**	**–**	**–**	**45.00**

* Above Intangible asset under development is not overdue or has not exceeded its cost compared to its original plan.

Movement of Intangible assets under development

Particulars	As at March 31, 2026	As at March 31, 2025
Opening Balance	45.00	35.62
Addition	115.79	105.60
Deduction/adjustment	98.92	96.22
Closing Balance	**61.87**	**45.00**

Notes forming part of standalone financial statements

10(c) Goodwill

Particulars	As at April 1, 2025	Business Combination (Refer note: 46)	Impairment	As at March 31, 2026**
(c) Goodwill*	**–**	**182.39**	**–**	**182.39**

*The above goodwill is attributed to Gold loan business

**The Company has assessed the carrying value of goodwill in accordance with Ind AS 36 and determined that the recoverable amount exceeds the carrying amount; accordingly, no impairment is required as at the reporting date.

Particulars	As at April 1, 2024	Business Combination	Impairment	As at March 31, 2025
(c) Goodwill*	**–**	**–**	**–**	**–**

11 Other non-financials assets

(₹ in crore)

Particulars	As at March 31, 2026	As at March 31, 2025
Prepaid expenses	32.21	53.36
Taxes and duties paid under protest	23.67	32.85
Assets acquired in settlement of claims/loans (Net)	347.34	438.48
Other advances	114.01	106.81
Total other non-financials Assets	**517.23**	**631.50**

12 Payables

(₹ in crore)

Particulars	As at March 31, 2026	As at March 31, 2025
(i) Trade payables (refer note 12(iii))		
Micro enterprises and small enterprises (refer note: 40)	0.22	3.76
Due to others	1,611.72	1,229.95
Due to related parties (refer note: 32)	154.57	134.09
Total trade payables (i)	**1,766.51**	**1,367.80**
(ii) Other payables		
Micro enterprises and small enterprises	–	–
Due to others	–	–
Due to related parties	–	–
Total other payables (ii)	**–**	**–**
Total payables (i+ii)	**1,766.51**	**1,367.80**

Notes forming part of standalone financial statements

12 Payables

(iii) Trade Payables ageing schedule

(₹ in crore)

Particulars	Outstanding as on March 31, 2026 *						Total
	Unbilled	Bill Raised But not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed							
– MSME	–	–	0.22	–	–	–	0.22
– Others	1,655.21	92.94	16.71	–	1.43	–	1,766.29
Disputed							
– MSME	–	–	–	–	–	–	–
– Others	–	–	–	–	–	–	–
Total	**1,655.21**	**92.94**	**16.93**	**–**	**1.43**	**–**	**1,766.51**

(₹ in crore)

Particulars	Outstanding as on March 31, 2025 *						Total
	Unbilled	Bill Raised But not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed							
– MSME	–	–	3.76	–	–	–	3.76
– Others	1,271.96	67.92	22.73	1.43	–	–	1,364.04
Disputed							
– MSME	–	–	–	–	–	–	–
– Others	–	–	–	–	–	–	–
Total	**1,271.96**	**67.92**	**26.49**	**1.43**	**–**	**–**	**1,367.80**

* The above ageing is preapared on the basis of date of transaction.

13 Debt Securities

(₹ in crore)

Particulars	As at March 31, 2026	As at March 31, 2025
(A) (i) At amortised cost		
- Redeemable non convertible debentures (refer note 13 (a))	23,976.17	22,781.30
- Commercial papers - Unsecured (refer note 13 (b))	8,063.36	6,073.09
Total debt securities at amortised cost (i)	**32,039.53**	**28,854.39**
Total debt securities (A)	**32,039.53**	**28,854.39**
(B) (I) Debt securities in India		
(i) At amortised cost	32,039.53	28,854.39
(ii) At fair value through profit or loss	–	–
(iii) Designated at fair value through profit or loss	–	–
Total debt securities in India (I = i+ii+iii)	**32,039.53**	**28,854.39**

Notes forming part of standalone financial statements

Particulars	As at March 31, 2026	As at March 31, 2025
(II) Debt securities outside India		
(i) At amortised cost	–	–
(ii) At fair value through profit or loss	–	–
(iii) Designated at fair value through profit or loss	–	–
Total debt securities in outside India (II = i+ii+iii)	**–**	**–**
Total debt securities (B) = (I)+(II)	**32,039.53**	**28,854.39**

13(a) Secured redeemable non convertible debentures

Series details	Face value per debenture	Date of allotment	Balance as at March 31, 2026 (₹ in crore)	Balance as at March 31, 2025 (₹ in crore)	Interest rate % p.a.	Date of redemption	Redeemable terms
Series J FY 2015–16 opt 3	₹ 25 lakh each	19–05–2015	–	47.91	8.84%	19–05–2025	Redeemable at par at the end of 3653 days from the date of allotment
Series C FY 2015–16 opt 5	₹ 25 lakh each	26–05–2015	–	32.26	8.90%	26–05–2025	Redeemable at par at the end of 3653 days from the date of allotment
Series M FY 2015–16 opt 2	₹ 25 lakh each	26–05–2015	–	21.50	8.85%	26–05–2025	Redeemable at par at the end of 3653 days from the date of allotment
Series D FY 2015–16 opt 5	₹ 25 lakh each	05–06–2015	–	26.83	8.90%	05–06–2025	Redeemable at par at the end of 3653 days from the date of allotment
Series R FY 2015–16	₹ 25 lakh each	05–06–2015	–	53.63	8.84%	05–06–2025	Redeemable at par at the end of 3653 days from the date of allotment
Series M FY 2022–23 – MLD	₹ 10 lakh each	20–12–2022	–	202.72	7.73%	20–06–2025	Redeemable at par at the end of 913 days from the date of allotment
Series B FY 2020–21	₹ 10 lakh each	09–07–2020	–	294.89	7.85%	09–07–2025	Redeemable at par at the end of 1826 days from the date of allotment
Series D FY 2020–21	₹ 10 lakh each	10–07–2020	–	364.36	7.75%	10–07–2025	Redeemable at par at the end of 1826 days from the date of allotment
Series I FY 2015–16 opt 4	₹ 25 lakh each	17–07–2015	–	10.63	8.95%	17–07–2025	Redeemable at par at the end of 3653 days from the date of allotment
Series E FY 2018–19	₹ 10 lakh each	23–07–2018	–	15.94	9.05%	23–07–2025	Redeemable at par at the end of 2557 days from the date of allotment
Series E FY 2020–21 opt 1	₹ 10 lakh each	13–07–2020	–	528.40	7.95%	28–07–2025	Redeemable at par at the end of 1841 days from the date of allotment
Series B FY 2022–23 Option 1	₹ 10 lakh each	15–07–2022	–	211.03	7.75%	14–08–2025	Redeemable at par at the end of 1126 days from the date of allotment

Notes forming part of standalone financial statements

Series details	Face value per debenture	Date of allotment	Balance as at March 31, 2026 (₹ in crore)	Balance as at March 31, 2025 (₹ in crore)	Interest rate % p.a.	Date of redemption	Redeemable terms
Series B FY 2022–23 Option 2	₹ 10 lakh each	15–07–2022	–	367.44	7.74%	15–09–2025	Redeemable at par at the end of 1158 days from the date of allotment
Series D FY 2022–23 (Reissuance of Series B FY 2022–23 opt 2)	₹ 10 lakh each	02–08–2022	–	268.10	7.87%	15–09–2025	Redeemable at par at the end of 1140 days from the date of allotment
Series M FY 2021–22	₹ 10 lakh each	01–02–2022	–	40.42	6.45%	26–09–2025	Redeemable at par at the end of 1333 days from the date of allotment
Series M FY 2021–22	₹ 10 lakh each	01–02–2022	–	25.26	6.45%	26–09–2025	Redeemable at par at the end of 1333 days from the date of allotment
Series M FY 2021–22	₹ 10 lakh each	01–02–2022	–	505.21	6.45%	26–09–2025	Redeemable at par at the end of 1333 days from the date of allotment
Series H FY 2022–23	₹ 10 lakh each	19–10–2022	–	517.70	7.95%	31–10–2025	Redeemable at par at the end of 1108 days from the date of allotment
Series I FY 2022–23 – MLD	₹ 10 lakh each	09–11–2022	–	204.77	7.81%	10–11–2025	Redeemable at par at the end of 1097 days from the date of allotment
Series G FY 2022–23	₹ 10 lakh each	29–08–2022	–	605.68	7.53%	28–11–2025	Redeemable at par at the end of 1187 days from the date of allotment
Sr C FY16 Opt 3	₹ 25 lakh each	04–12–2015	–	15.41	8.55%	04–12–2025	Redeemable at par at the end of 3653 days from the date of allotment
Sr D FY16 Opt 3	₹ 25 lakh each	07–01–2016	–	156.03	8.63%	07–01–2026	Redeemable at par at the end of 3653 days from the date of allotment
Series AJ FY 2015–16 opt 2	₹ 25 lakh each	08–02–2016	–	52.62	8.75%	06–02–2026	Redeemable at par at the end of 3651 days from the date of allotment
Series L FY 2022–23 – MLD option 1	₹ 10 lakh each	07–12–2022	–	357.36	7.84%	10–02–2026	Redeemable at par at the end of 1161 days from the date of allotment
Series P FY 2022–23 (Reissuance of Series L FY 2022–23 opt 1)	₹ 10 lakh each	24–01–2023	–	23.84	7.84%	10–02–2026	Redeemable at par at the end of 1113 days from the date of allotment
Sr E FY16 Opt 3	₹ 25 lakh each	24–02–2016	–	136.07	8.73%	24–02–2026	Redeemable at par at the end of 3653 days from the date of allotment
Series N FY 2022–23	₹ 10 lakh each	29–12–2022	–	393.27	7.95%	27–02–2026	Redeemable at par at the end of 1156 days from the date of allotment
Series N FY 2022–23	₹ 10 lakh each	29–12–2022	–	510.13	7.95%	27–02–2026	Redeemable at par at the end of 1156 days from the date of allotment
Sr G FY16 OPT 3	₹ 25 lakh each	22–03–2016	–	90.12	8.75%	20–03–2026	Redeemable at par at the end of 3650 days from the date of allotment

Notes forming part of standalone financial statements

Series details	Face value per debenture	Date of allotment	Balance as at March 31, 2026 (₹ in crore)	Balance as at March 31, 2025 (₹ in crore)	Interest rate % p.a.	Date of redemption	Redeemable terms
Sr H FY 15–16	₹ 25 lakh each	29–03–2016	–	325.91	8.72%	27–03–2026	Redeemable at par at the end of 3650 days from the date of allotment
Series R FY 2022–23 Option 1	₹ 1 lakh each	31–03–2023	–	162.51	8.33%	30–03–2026	Redeemable at par at the end of 1095 days from the date of allotment
Series B FY 2016–17 opt 3	₹ 25 lakh each	20–04–2016	5.41	5.41	8.65%	20–04–2026	Redeemable at par at the end of 3652 days from the date of allotment
Series B FY 2016–17 opt 3	₹ 25 lakh each	06–05–2016	21.57	21.57	8.67%	06–05–2026	Redeemable at par at the end of 3652 days from the date of allotment
Series B FY 2019–20	₹ 10 lakh each	28–05–2019	913.12	913.12	8.80%	28–05–2026	Redeemable at par at the end of 2557 days from the date of allotment
Sr D FY17 OPT 3	₹ 25 lakh each	10–06–2016	10.71	10.71	8.75%	10–06–2026	Redeemable at par at the end of 3652 days from the date of allotment
Sr E FY17 OPT 2	₹ 25 lakh each	17–06–2016	53.47	53.46	8.80%	17–06–2026	Redeemable at par at the end of 3652 days from the date of allotment
Sr F FY17 OPT 2	₹ 25 lakh each	23–06–2016	112.13	112.09	8.80%	23–06–2026	Redeemable at par at the end of 3652 days from the date of allotment
Sr G FY 16–17	₹ 25 lakh each	13–07–2016	15.94	15.94	8.77%	13–07–2026	Redeemable at par at the end of 3652 days from the date of allotment
Series C FY 2019–20	₹ 10 lakh each	31–07–2019	15.86	15.86	8.55%	31–07–2026	Redeemable at par at the end of 2557 days from the date of allotment
Series B FY 2023–24	₹ 1 lakh each	05–06–2023	26.63	26.63	7.91%	25–09–2026	Redeemable at par at the end of 1208 days from the date of allotment
Series B FY 2023–24	₹ 1 lakh each	05–06–2023	505.88	505.88	7.91%	25–09–2026	Redeemable at par at the end of 1208 days from the date of allotment
Sr J FY 16–17	₹ 25 lakh each	28–09–2016	75.84	75.81	8.43%	28–09–2026	Redeemable at par at the end of 3652 days from the date of allotment
Sr K FY17 OPT 1	₹ 25 lakh each	03–10–2016	106.49	106.48	8.43%	01–10–2026	Redeemable at par at the end of 3650 days from the date of allotment
Sr M FY17 OPT 2	₹ 25 lakh each	13–10–2016	77.89	77.87	8.30%	13–10–2026	Redeemable at par at the end of 3652 days from the date of allotment
Sr N FY 16–17	₹ 25 lakh each	20–10–2016	134.81	134.76	8.30%	20–10–2026	Redeemable at par at the end of 3652 days from the date of allotment
Series S FY 2016–17	₹ 25 lakh each	25–10–2016	10.34	10.34	7.90%	23–10–2026	Redeemable at par at the end of 3650 days from the date of allotment

Notes forming part of standalone financial statements

Series details	Face value per debenture	Date of allotment	Balance as at March 31, 2026 (₹ in crore)	Balance as at March 31, 2025 (₹ in crore)	Interest rate % p.a.	Date of redemption	Redeemable terms
Sr P FY 16–17	₹ 25 lakh each	15–11–2016	25.75	25.76	8.15%	13–11–2026	Redeemable at par at the end of 3650 days from the date of allotment
Series T FY 2016–17	₹ 25 lakh each	16–11–2016	48.38	48.36	7.95%	16–11–2026	Redeemable at par at the end of 3652 days from the date of allotment
Series VI option 1 FY 2019–20 (Public issue–2)	₹ 1,000.00	23–12–2019	25.57	25.53	8.50%	23–12–2026	Redeemable at par at the end of 2557 days from the date of allotment
Series VI option 2 FY 2019–20 (Public issue–2)	₹ 1,000.00	23–12–2019	407.02	406.32	8.65%	23–12–2026	Redeemable at par at the end of 2557 days from the date of allotment
Series F FY 2023–24	₹ 1 lakh each	04–01–2024	509.67	509.62	8.15%	04–01–2027	Redeemable at par at the end of 1096 days from the date of allotment
Series G FY 2023–24 (Reissuance of Series F FY 2023–24)	₹ 1 lakh each	18–01–2024	152.85	152.77	8.15%	04–01–2027	Redeemable at par at the end of 1082 days from the date of allotment
Series "I" (FY 2024–25) Reissuance of SR F 2023–24 & SR G 2023–24	₹ 1 lakh each	13–03–2025	163.32	163.62	8.15%	04–01–2027	Redeemable at par at the end of 662 days from the date of allotment
SR C 19–20	₹ 10 lakh each	08–01–2020	15.91	15.91	8.75%	08–01–2027	Redeemable at par at the end of 2557 days from the date of allotment
Series "D" (FY 2024–25)	₹ 1 lakh each	05–09–2024	182.87	182.77	7.99%	25–03–2027	Redeemable at par at the end of 931 days from the date of allotment
Series VI option 1 FY 2019–20 (Public issue–1)	₹ 1,000.00	15–04–2019	11.40	11.38	8.85%	15–04–2027	Redeemable at par at the end of 2922 days from the date of allotment
Series VI option 2 FY 2019–20 (Public issue–1)	₹ 1,000.00	15–04–2019	382.05	381.48	9.05%	15–04–2027	Redeemable at par at the end of 2922 days from the date of allotment
Series IV option 1 FY 2019–20 (Public issue–1)	₹ 1,000.00	15–04–2019	0.46	0.46	8.52%	15–04–2027	Redeemable at par at the end of 2922 days from the date of allotment
Series VII option 2 FY 2019–20 (Public issue–1)	₹ 1,000.00	15–04–2019	17.53	17.50	8.70%	15–04–2027	Redeemable at par at the end of 2922 days from the date of allotment
Series J FY 2023–24	₹ 1 lakh each	15–03–2024	301.11	301.05	8.24%	16–06–2027	Redeemable at par at the end of 1188 days from the date of allotment
Series A FY 2024–25 (Reissuance of Series J FY 2023–24)	₹ 1 lakh each	30–05–2024	100.35	100.32	8.24%	16–06–2027	Redeemable at par at the end of 1112 days from the date of allotment
Series A FY 2024–25 (Reissuance of Series J FY 2023–24)	₹ 1 lakh each	30–05–2024	200.87	200.96	8.24%	16–06–2027	Redeemable at par at the end of 1112 days from the date of allotment

Notes forming part of standalone financial statements

Series details	Face value per debenture	Date of allotment	Balance as at March 31, 2026 (₹ in crore)	Balance as at March 31, 2025 (₹ in crore)	Interest rate % p.a.	Date of redemption	Redeemable terms
Series E FY 2024–25 Opt 1 (Reissuance of Series J FY 2023–24 & Series A FY 2024–25)	₹ 1 lakh each	04–10–2024	100.67	100.90	8.24%	16–06–2027	Redeemable at par at the end of 985 days from the date of allotment
Series E FY 2024–25 Opt 1 (Reissuance of Series J FY 2023–24 & Series A FY 2024–25)	₹ 1 lakh each	04–10–2024	50.25	50.30	8.24%	16–06–2027	Redeemable at par at the end of 985 days from the date of allotment
Series "C" (FY 2024–25)	₹ 1 lakh each	28–06–2024	300.39	300.29	8.16%	30–09–2027	Redeemable at par at the end of 1189 days from the date of allotment
Series E FY 2024–25 Opt 2 (Reissuance of Series C FY 2024–25)	₹ 1 lakh each	04–10–2024	53.24	53.33	8.16%	30–09–2027	Redeemable at par at the end of 1091 days from the date of allotment
Series E FY 2024–25 Opt 2 (Reissuance of Series C FY 2024–25)	₹ 1 lakh each	04–10–2024	53.22	53.31	8.16%	30–09–2027	Redeemable at par at the end of 1091 days from the date of allotment
Series E FY 2024–25 Opt 2 (Reissuance of Series C FY 2024–25)	₹ 1 lakh each	04–10–2024	53.12	53.13	8.16%	30–09–2027	Redeemable at par at the end of 1091 days from the date of allotment
Series "G" (FY 2024–25)	₹ 1 lakh each	13–12–2024	511.37	511.25	7.75%	13–12–2027	Redeemable at par at the end of 1095 days from the date of allotment
Series R FY 2022–23	₹ 1 lakh each	01–03–2023	201.38	201.38	8.15%	01–03–2028	Redeemable at par at the end of 1827 days from the date of allotment
Series R FY 2022–23	₹ 1 lakh each	01–03–2023	143.46	143.44	8.15%	01–03–2028	Redeemable at par at the end of 1827 days from the date of allotment
Series S FY 2022–23 opt 2 (Reissuance of Series R FY 2022–23 option 2)	₹ 1 lakh each	31–03–2023	281.60	281.42	8.15%	01–03–2028	Redeemable at par at the end of 1797 days from the date of allotment
Series A FY 2023–24 Opt I	₹ 1 lakh each	26–05–2023	151.49	151.48	7.90%	26–05–2028	Redeemable at par at the end of 1827 days from the date of allotment
Series A FY 2011–12	₹ 4,28,571.43	18–10–2011	218.56	291.33	9.70%	18–10–2028	Redeemable at par in 7 installments
Series V option 1 FY 2018–19 (Public issue–1)	₹ 1,000.00	13–03–2019	8.02	8.01	9.20%	13–03–2029	Redeemable at par at the end of 3653 days from the date of allotment
Series V option 1 FY 2018–19 (Public issue–1)	₹ 1,000.00	13–03–2019	111.06	110.92	9.35%	13–03–2029	Redeemable at par at the end of 3653 days from the date of allotment
Series VI option 1 FY 2018–19 (Public issue–1)	₹ 1,000.00	13–03–2019	0.70	0.70	8.84%	13–03–2029	Redeemable at par at the end of 3653 days from the date of allotment
Series VI option 2 FY 2018–19 (Public issue–1)	₹ 1,000.00	13–03–2019	101.86	101.73	8.98%	13–03–2029	Redeemable at par at the end of 3653 days from the date of allotment

Notes forming part of standalone financial statements

Series details	Face value per debenture	Date of allotment	Balance as at March 31, 2026 (₹ in crore)	Balance as at March 31, 2025 (₹ in crore)	Interest rate % p.a.	Date of redemption	Redeemable terms
Series H FY 2023–24	₹ 1 lakh each	29–01–2024	207.76	207.74	8.13%	23–03–2029	Redeemable at par at the end of 1880 days from the date of allotment
Series I FY 2023–24 (Reissuance of Series H FY 2023–24)	₹ 1 lakh each	21–02–2024	223.94	223.90	8.13%	23–03–2029	Redeemable at par at the end of 1857 days from the date of allotment
NCDSR A(19–20)	₹ 10 lakh each	24–09–2019	701.29	701.29	8.42%	24–09–2029	Redeemable at par at the end of 3653 days from the date of allotment
NCDSR B(19–20)	₹ 10 lakh each	25–10–2019	12.43	12.43	8.80%	25–10–2029	Redeemable at par at the end of 3653 days from the date of allotment
Series "F" (FY 2024–25)	₹ 1 lakh each	28–10–2024	309.60	309.52	7.80%	28–12–2029	Redeemable at par at the end of 1887 days from the date of allotment
Sr B FY15 Opt 2	₹ 25 lakh each	28–01–2015	101.36	101.34	8.51%	28–01–2030	Redeemable at par at the end of 5479 days from the date of allotment
Series B FY 2019–20 opt 2	₹ 10 lakh each	28–01–2020	55.79	55.78	8.55%	28–01–2030	Redeemable at par at the end of 3653 days from the date of allotment
Series B2 FY 2019–20 opt 2 (Reissuance of Series B FY 2019–20 opt 2)	₹ 10 lakh each	11–02–2020	223.08	223.04	8.55%	28–01–2030	Redeemable at par at the end of 3639 days from the date of allotment
Series "H" (FY 2024–25)	₹ 1 lakh each	13–02–2025	363.22	363.12	7.80%	29–03–2030	Redeemable at par at the end of 1870 days from the date of allotment
Series B FY 2020–21	₹ 10 lakh each	30–06–2020	126.49	126.46	8.10%	28–06–2030	Redeemable at par at the end of 3650 days from the date of allotment
Series E FY 2020–21 opt 3 (Reissuance of Series B FY 2020–21)	₹ 10 lakh each	13–07–2020	266.94	267.01	8.10%	28–06–2030	Redeemable at par at the end of 3637 days from the date of allotment
Series J FY 2020–21 opt 2	₹ 10 lakh each	09–09–2020	104.10	104.06	7.66%	09–09–2030	Redeemable at par at the end of 3652 days from the date of allotment
Series K FY 2020–21 opt 1 (Reissuance of Series J FY 2020–21 opt 2)	₹ 10 lakh each	16–09–2020	52.19	52.20	7.66%	09–09–2030	Redeemable at par at the end of 3645 days from the date of allotment
Series N FY 2020–21	₹ 10 lakh each	30–12–2020	1,533.58	1,534.91	7.62%	30–12–2030	Redeemable at par at the end of 3652 days from the date of allotment
Sr D FY16 Opt 4	₹ 25 lakh each	07–01–2016	15.29	15.29	8.63%	07–01–2031	Redeemable at par at the end of 5479 days from the date of allotment
Sr E FY16 Opt 4	₹ 25 lakh each	24–02–2016	5.03	5.02	8.73%	24–02–2031	Redeemable at par at the end of 5479 days from the date of allotment

Notes forming part of standalone financial statements

Series details	Face value per debenture	Date of allotment	Balance as at March 31, 2026 (₹ in crore)	Balance as at March 31, 2025 (₹ in crore)	Interest rate % p.a.	Date of redemption	Redeemable terms
Series B FY 2021–22	₹ 10 lakh each	19–05–2021	1,064.27	1,064.27	7.40%	19–05–2031	Redeemable at par in 5 installments
Sr K FY17 OPT 2	₹ 25 lakh each	03–10–2016	26.02	26.02	8.43%	03–10–2031	Redeemable at par at the end of 5478 days from the date of allotment
NCD SRC STRPP 1	₹ 2 lakh each	21–10–2020	26.93	26.93	8.10%	21–10–2031	Redeemable at par at the end of 4017 days from the date of allotment
NCD SRD STRPP 1	₹ 2 lakh each	25–11–2020	10.28	10.28	7.95%	25–11–2031	Redeemable at par at the end of 4017 days from the date of allotment
Sr G FY18 Opt 2	₹ 25 lakh each	31–05–2017	112.12	112.11	8.20%	31–05–2032	Redeemable at par at the end of 5479 days from the date of allotment
NCD SRC STRPP 2	₹ 2 lakh each	21–10–2020	26.93	26.93	8.10%	21–10–2032	Redeemable at par at the end of 4383 days from the date of allotment
NCD SRD STRPP 2	₹ 2 lakh each	25–11–2020	10.28	10.28	7.95%	25–11–2032	Redeemable at par at the end of 4383 days from the date of allotment
Series Q FY 2022–23	₹ 1 lakh each	14–02–2023	274.30	277.61	8.05%	14–02–2033	Redeemable at par at the end of 3653 days from the date of allotment
Series A FY 2023–24 Opt II	₹ 1 lakh each	26–05–2023	266.48	266.45	7.85%	26–05–2033	Redeemable at par at the end of 3653 days from the date of allotment
Series C FY 2023–24 (Reissuance of Series A FY 2023–24)	₹ 1 lakh each	13–06–2023	117.50	117.52	7.85%	26–05–2033	Redeemable at par at the end of 3635 days from the date of allotment
Series E FY 2023–24 (Reissuance of Series A FY 2023–24)	₹ 1 lakh each	27–09–2023	79.70	79.66	7.85%	26–05–2033	Redeemable at par at the end of 3529 days from the date of allotment
Series D FY 2023–24	₹ 1 lakh each	13–09–2023	1,669.26	1,669.26	7.90%	13–09–2033	Redeemable at par in 4 installments
NCD SRC STRPP 3	₹ 2 lakh each	21–10–2020	26.93	26.93	8.10%	21–10–2033	Redeemable at par at the end of 4748 days from the date of allotment
NCD SRD STRPP 3	₹ 2 lakh each	25–11–2020	10.28	10.28	7.95%	25–11–2033	Redeemable at par at the end of 4748 days from the date of allotment
NCDSR I (18–19)	₹ 10 lakh each	20–02–2019	20.20	20.20	9.22%	20–02–2034	Redeemable at par at the end of 5479 days from the date of allotment
Series "B" (FY 2024–25)	₹ 1 lakh each	13–09–2024	521.43	521.41	7.90%	08–09–2034	Redeemable at par in 4 installments
Series "B" (FY 2024–25)	₹ 1 lakh each	13–12–2024	521.64	511.80	7.90%	08–09–2034	Redeemable at par in 4 installments
NCD SRC STRPP 4	₹ 2 lakh each	21–10–2020	26.93	26.93	8.10%	20–10–2034	Redeemable at par at the end of 5112 days from the date of allotment

Notes forming part of standalone financial statements

Series details	Face value per debenture	Date of allotment	Balance as at March 31, 2026 (₹ in crore)	Balance as at March 31, 2025 (₹ in crore)	Interest rate % p.a.	Date of redemption	Redeemable terms
NCD SRD STRPP 4	₹ 2 lakh each	25–11–2020	10.28	10.28	7.95%	24–11–2034	Redeemable at par at the end of 5112 days from the date of allotment
NCD SRC STRPP 5	₹ 2 lakh each	21–10–2020	26.93	26.93	8.10%	19–10–2035	Redeemable at par at the end of 5476 days from the date of allotment
NCD SRD STRPP 5	₹ 2 lakh each	25–11–2020	10.28	10.28	7.95%	23–11–2035	Redeemable at par at the end of 5476 days from the date of allotment
Sr D FY16 Opt 5	₹ 25 lakh each	07–01–2016	10.19	10.19	8.63%	07–01–2036	Redeemable at par at the end of 7305 days from the date of allotment
Sr E FY16 Opt 5	₹ 25 lakh each	24–02–2016	5.01	5.01	8.73%	22–02–2036	Redeemable at par at the end of 7303 days from the date of allotment
Series "A" (FY 2025–26) Reissuance of SR H 2024–25	₹ 1 lakh each	15–04–2025	50.84	–	7.80%	29–03–2030	Redeemable at par at the end of 1809 days from the date of allotment
Series "A" (FY 2025–26) Reissuance of SR H 2024–25	₹ 1 lakh each	15–04–2025	254.17	–	7.80%	29–03–2030	Redeemable at par at the end of 1809 days from the date of allotment
Series "A" (FY 2025–26) Reissuance of SR H 2024–25	₹ 1 lakh each	15–04–2025	50.82	–	7.80%	29–03–2030	Redeemable at par at the end of 1809 days from the date of allotment
Series "A" (FY 2025–26) Reissuance of SR H 2024–25	₹ 1 lakh each	15–04–2025	76.22	–	7.80%	29–03–2030	Redeemable at par at the end of 1809 days from the date of allotment
Series "A" (FY 2025–26) Reissuance of SR H 2024–25	₹ 1 lakh each	15–04–2025	75.90	–	7.80%	29–03–2030	Redeemable at par at the end of 1809 days from the date of allotment
Series A FY 2025–26 Opt II	₹ 1 lakh each	15–04–2025	268.44	–	7.59%	29–06–2028	Redeemable at par at the end of 1171 days from the date of allotment
Series A FY 2025–26 Opt II	₹ 1 lakh each	15–04–2025	5.31	–	7.59%	29–06–2028	Redeemable at par at the end of 1171 days from the date of allotment
Series A FY 2025–26 Opt II	₹ 1 lakh each	15–04–2025	48.31	–	7.59%	29–06–2028	Redeemable at par at the end of 1171 days from the date of allotment
Series A FY 2025–26 Opt II	₹ 1 lakh each	15–04–2025	161.12	–	7.59%	29–06–2028	Redeemable at par at the end of 1171 days from the date of allotment
Series A FY 2025–26 Opt II	₹ 1 lakh each	15–04–2025	53.72	–	7.59%	29–06–2028	Redeemable at par at the end of 1171 days from the date of allotment
Series B FY 2025–26 Opt II Reissuance of SR A Opt II FY 2025–26	₹ 1 lakh each	27–05–2025	269.85	–	7.59%	29–06–2028	Redeemable at par at the end of 1129 days from the date of allotment

Notes forming part of standalone financial statements

Series details	Face value per debenture	Date of allotment	Balance as at March 31, 2026 (₹ in crore)	Balance as at March 31, 2025 (₹ in crore)	Interest rate % p.a.	Date of redemption	Redeemable terms
Series B FY 2025–26 Opt II Reissuance of SR A Opt II FY 2025–26	₹ 1 lakh each	27–05–2025	269.86	–	7.59%	29–06–2028	Redeemable at par at the end of 1129 days from the date of allotment
Series B FY 2025–26 Opt II Reissuance of SR A Opt II FY 2025–26	₹ 1 lakh each	27–05–2025	53.98	–	7.59%	29–06–2028	Redeemable at par at the end of 1129 days from the date of allotment
Series B FY 2025–26 Opt II Reissuance of SR A Opt II FY 2025–26	₹ 1 lakh each	27–05–2025	215.80	–	7.59%	29–06–2028	Redeemable at par at the end of 1129 days from the date of allotment
Series B FY 2025–26 Opt I	₹ 1 lakh each	27–05–2025	210.75	–	7.21%	29–06–2027	Redeemable at par at the end of 763 days from the date of allotment
Series B FY 2025–26 Opt I	₹ 1 lakh each	27–05–2025	474.47	–	7.21%	29–06–2027	Redeemable at par at the end of 763 days from the date of allotment
Series B FY 2025–26 Opt I	₹ 1 lakh each	27–05–2025	105.44	–	7.21%	29–06–2027	Redeemable at par at the end of 763 days from the date of allotment
Series "C" (FY 2025–26) OPTI Reissuance of SR B 2025–26 OPT I	₹ 1 lakh each	12–06–2025	949.42	–	7.21%	29–06–2027	Redeemable at par at the end of 747 days from the date of allotment
Series C FY 2025–26 Opt II	₹ 1 lakh each	12–06–2025	951.85	–	7.23%	12–06–2028	Redeemable at par at the end of 1096 days from the date of allotment
Series "D" (FY 2025–26) Reissuance of SR J 2023–24, SR A 2024–25 & SR E 2024–25 OPT I	₹ 1 lakh each	18–06–2025	406.18	–	8.24%	16–06–2027	Redeemable at par at the end of 728 days from the date of allotment
Series E FY 2025–26	₹ 1 lakh each	26–06–2025	237.13	–	7.19%	21–09–2028	Redeemable at par at the end of 1183 days from the date of allotment
Series F FY 2025–26	₹ 1 lakh each	15–07–2025	236.39	–	7.12%	15–07–2027	Redeemable at par at the end of 730 days from the date of allotment
Series F FY 2025–26	₹ 1 lakh each	15–07–2025	52.54	–	7.12%	15–07–2027	Redeemable at par at the end of 730 days from the date of allotment
Series F FY 2025–26	₹ 1 lakh each	15–07–2025	761.46	–	7.12%	15–07–2027	Redeemable at par at the end of 730 days from the date of allotment
Series G FY 2025–26	₹ 1 lakh each	29–07–2025	258.91	–	7.12%	25–09–2028	Redeemable at par at the end of 1154 days from the date of allotment
Series H FY 2025–26	₹ 1 lakh each	13–08–2025	250.59	–	7.08%	15–03–2028	Redeemable at par at the end of 945 days from the date of allotment
Series I FY 2025–26	₹ 1 lakh each	10–10–2025	1,078.84	–	7.22%	10–11–2028	Redeemable at par at the end of 1127 days from the date of allotment
Total 13(a)			**23,976.17**	**22,781.30**			

Notes forming part of standalone financial statements

Nature of Security :

The secured Debentures are secured by way of charge on the company's specific fixed deposits, hypothecation of receivables and immovable property as the case may be.

Secured redeemable non convertible debentures public issue :

The Company has utilised the funds raised through public issue for the purpose of onward lending, financing, refinancing the existing indebtedness of the Company (payment of interest and/or repayment/prepayment of principal of borrowings) and general corporate purpose.

13(b) Commercial papers (Unsecured)

Repayment Term	Tenure	Interest Range	Balance as at March 31, 2026 (₹ in crore)	Balance as at March 31, 2025 (₹ in crore)
Bullet	Up to 1 Year	Upto 7.00%	2,636.28	6,073.09
		7.01%-8.00%	5,427.08	–
	Total 13(b)		**8,063.36**	**6,073.09**

14 Borrowings (other than debt securities)

(₹ in crore)

Particulars	As at March 31, 2026	As at March 31, 2025
(A) (i) At amortised cost		
(a) Term loans		
(i) from banks (refer note 14 (a))	35,212.82	26,648.82
(ii) from financial institutions (refer note 14 (b))	5,824.58	2,723.37
(b) External commercial borrowings (refer note 14 (c))	8,252.61	7,544.01
(c) Loan repayable on demand		
(i) from banks (refer note 14 (d))	24,304.13	22,451.83
(d) Collateralized borrowing and lending obligation (refer note 14 (e))	499.92	399.93
(e) Associated liability related to securitisation transactions (refer note 14 (f))	3,051.96	1,791.26
Total borrowings other than debt securities at amortised cost (A)	**77,146.02**	**61,559.22**
(B) (I) Borrowings (other than debt securities) in India		
(i) At amortised cost	68,893.41	54,015.21
(ii) At fair value through profit or loss	–	–
(iii) Designated at fair value through profit or loss	–	–
Total borrowings (other than debt securities) in India (I = i+ii+iii)	**68,893.41**	**54,015.21**

Notes forming part of standalone financial statements

Particulars	As at March 31, 2026	As at March 31, 2025
(II) Borrowings (other than debt securities) outside India		
(i) At amortised Cost	8,252.61	7,544.01
(ii) At fair value through profit or loss	–	–
(iii) Designated at fair value through profit or loss	–	–
Total borrowings (other than debt securities) in outside India (II = i+ii+iii)	**8,252.61**	**7,544.01**
Total borrowings (other than debt securities) (B) = (I)+(II)	**77,146.02**	**61,559.22**

14(a) Term loans from bank : Secured

Repayment Term	Interest Range	Residual Tenure as on the Balance sheet date	Balance as at March 31, 2026 (₹ in crore)	Balance as at March 31, 2025 (₹ in crore)
Quarterly	Upto 7.00%	Upto 1 Year	2,823.00	2,039.35
		1 To 3 Years	8,603.12	4,303.62
		3 – 5 Years	2,117.04	199.81
	7.01%–8.00%	Upto 1 Year	187.32	79.49
		1 To 3 Years	165.29	5,091.09
		3 – 5 Years	–	1,799.98
	8.01%–9.00%	Upto 1 Year	–	924.90
		1 To 3 Years	174.94	274.85
		3 – 5 Years	–	–
Semi Annually	Upto 7.00%	Upto 1 Year	354.95	333.69
		1 To 3 Years	4,349.06	565.40
		3 To 5 Yrs	4,896.69	202.50
	7.01%–8.00%	Upto 1 Year	657.96	200.04
		1 To 3 Years	4,715.19	4,604.78
		3 To 5 Yrs	214.38	4,148.40
	8.01%–9.00%	1 To 3 Years	571.73	952.88
		3 To 5 Yrs	–	–
Bullet	7.01%–8.00%	Upto 1 Year	1,499.95	–
	8.01%–9.00%		–	50.03
	Upto 7.00%	1 – 3 Year	1,050.08	–
	7.01%–8.00%		–	500.00
	Upto 7.00%	Upto 1 Year	57.00	–
	8.01%–9.00%		–	34.00
Annually	Upto 7.00%	1 To 3 Years	775.00	115.00
	7.01%–8.00%		–	229.01
	Upto 7.00%	3 To 5 Yrs	2,000.11	–
Total (a)			**35,212.82**	**26,648.84**

Notes forming part of standalone financial statements

Nature of Security :

Term loan from bank is secured by hypothecation of specified term loan receivables.

14(b) Term loans from financial institutions : Secured

Repayment Term	Interest Range	Residual Tenure as on the Balance sheet date	Balance as at March 31, 2026 (₹ in crore)	Balance as at March 31, 2025 (₹ in crore)
Quarterly	Upto 7.00%	Upto 1 Year	348.77	–
	Upto 7.00%	1 – 3 Year	732.98	747.13
	7.01%–8.00%	1 – 3 Year	–	1,155.09
	8.01%–9.00%	1 – 3 Year	228.48	–
		3 – 5 Years	–	319.80
Semi Annually	7.01%–8.00%	3 – 5 Years	502.00	–
	8.01%–9.00%	Above 5 years	–	501.34
Bullet	Upto 7.00%	1 – 3 Year	1,004.20	–
	7.01%–8.00%	1 – 3 Year	2,008.45	–
		3 – 5 Years	999.70	–
Total (b)			**5,824.58**	**2,723.37**

Nature of Security :

Term loan from financial institutions is secured by hypothecation of specified term loan receivables.

14(c) External commercial borrowings : Secured

Repayment Term	Interest Range	Residual Tenure as on the Balance sheet date	Balance as at March 31, 2026 (₹ in crore)	Balance as at March 31, 2025 (₹ in crore)
Bullet	8.01%–9.00%	Upto 1 Year	472.82	–
	7.01%–8.00%	1 – 3 Year	5,852.56	5,688.93
Semi Annually	7.01%–8.00%	1 – 3 Year	316.71	–
		3 – 5 Years	842.87	1,019.97
	8.01%–9.00%	1 – 3 Year	160.19	–
		3 – 5 Years	607.46	835.11
Total (c)			**8,252.61**	**7,544.01**

Nature of Security :

External commercial borrowings Loan is secured against first charge on specific receivables.

Notes forming part of standalone financial statements

14(d) Loan repayable on demand from bank : Secured

Nature	Repayment Term	Residual Tenure as on the Balance sheet date	Interest Range	Balance as at March 31, 2026 (₹ in crore)	Balance as at March 31, 2025 (₹ in crore)
Working Capital Demand Loan	Bullet	Up to 1 Year	Upto 7.00%	3,360.22	–
			7.01%–8.00%	3,500.29	3,910.13
			8.01%–9.00%	3,475.04	3,575.00
			9.01%–10.00%	180.04	180.00
Line of Credit (LOC)	Bullet	Up to 1 Year	Upto 7.00%	3,000.71	–
			7.01%–8.00%	5,052.28	2,500.25
			Upto 7.00%	1,500.33	8,051.49
Cash Credit	Bullet	Upto 1 Year	Upto 7.00%	239.90	–
			7.01%–8.00%	–	239.97
			8.01%–9.00%	200.00	–
			9.01%–10.00%	44.77	244.95
Total (A)				**20,553.59**	**18,701.78**

Nature of Security :

Loan repayable on demand from bank is secured by hypothecation of specified term loan receivables.

Loan repayable on demand : Unsecured

Nature	Repayment Term	Residual Tenure as on the Balance sheet date	Interest Range	Balance as at March 31, 2026 (₹ in crore)	Balance as at March 31, 2025 (₹ in crore)
Working Capital Demand Loan	Bullet	Up to 1 Year	Upto 7.00%	799.97	–
			7.01%–8.00%	2,950.56	800.00
			8.01%–9.00%	–	2,700.00
			9.01%–10.00%	–	250.00
Cash Credit	Bullet	Up to 1 Year	8.01%–9.00%	–	–
			9.01%–10.00%	–	0.05
Total (B)				**3,750.53**	**3,750.05**
Tota Loan repayable on demand (d) = (A+B)				**24,304.13**	**22,451.83**

14(e) Collateralized borrowing and lending obligation: Secured

Nature	Repayment Term	Residual Tenure as on the Balance sheet date	Interest Range	Balance as at March 31, 2026 (₹ in crore)	Balance as at March 31, 2025 (₹ in crore)
Collateralized borrowing and lending obligation (TREPS)	Bullet	Up to 1 Year	Upto 7.00%	499.92	399.93
Total (e)				**499.92**	**399.93**

Nature of Security :

Collateralized borrowing and lending obligation (TREPS) is secured by government securities,Treasury Bills and State Development Loans.

14(f) Associated liability related to securitisation transactions

Nature	Repayment Term	Residual Tenure as on the Balance sheet date	Interest Range	Balance as at March 31, 2026 (₹ in crore)	Balance as at March 31, 2025 (₹ in crore)
Associated liability related to securitisation transactions	Monthly	1 - 3 Year	Upto 7.00%	683.14	317.46
		3 - 5 Years	Upto 7.00%	2,368.82	1,473.80
Total (f)				**3,051.96**	**1,791.26**

Nature of Security :

Associated liability related to securitisation transactions is secured against specific receivables pertaining to Farm Equipments.

Note: The above outstanding disclosure are presented based on the residual tenure as on the balance sheet date for current and previous year.

Disclosure pertaining to stock statement filed with banks or financial institutions

The Company has availed secured credit facilities from various banks and financial institutions. These facilities are secured by way of a charge on the Company's specified loan receivables hypothecated to the lenders.

For the Financial year ended 31 March 2026 and previous year ended 31 March 2025, the quarterly statements or returns of current assets filed by the Company with banks are in agreement with books of accounts.

15 Subordinated liabilities (unsecured)

(₹ in crore)

Particulars	As at March 31, 2026	As at March 31, 2025
(A) (I) At amortised cost		
(a) Perpetual debt Instruments to the extent that do not qualify as equity (Refer note 15 (a))	16.19	367.72
(b) Subordinate debt Instruments (Refer note 15 (b))	685.95	1,465.57
Total subordinated liabilities (A) = (i)+(ii)+(iii)	**702.14**	**1,833.29**
(B) (I) Subordinated liabilities in India		
(i) At amortised cost	702.14	1,833.29
(ii) At fair value through profit or loss	–	–
(iii) Designated at fair value through profit or loss	–	–
Total subordinated liabilities in India (I = i+ii+iii)	**702.14**	**1,833.29**
(II) Subordinated liabilities outside India		
(i) At amortised cost	–	–
(ii) At fair value through profit or loss	–	–
(iii) Designated at fair value through profit or loss	–	–
Total subordinated liabilities in outside India (II = i+ii+iii)	–	–
Total subordinated liabilities (B) = (I)+(II)	**702.14**	**1,833.29**

Notes forming part of standalone financial statements

15(a) Unsecured redeemable non convertible debentures: Perpetual debt instruments

Series details	Face value per debenture	Date of allotment	Balance as at March 31, 2026 (₹ crore)	Balance as at March 31, 2025 (₹ crore)	Interest rate % p.a.	Date of redemption	Redeemable terms
Series X FY 2015–16	₹ 10 lakh each	27–08–2015	–	158.74	9.90%	27–08–2025	Redeemable at par at the end of 3653 days from the date of allotment
Series AL FY 2015–16	₹ 10 lakh each	18–03–2016	–	50.07	9.50%	18–03–2026	Redeemable at par at the end of 3652 days from the date of allotment
Series I FY 2015–16	₹ 10 lakh each	30–03–2016	–	55.04	10.10%	30–03–2026	Redeemable at par at the end of 3652 days from the date of allotment
Series U FY 2015–16	₹ 10 lakh each	30–03–2016	–	54.91	9.90%	30–03–2026	Redeemable at par at the end of 3652 days from the date of allotment
Series AO FY 2015–16	₹ 10 lakh each	30–03–2016	–	32.77	9.50%	30–03–2026	Redeemable at par at the end of 3652 days from the date of allotment
Series E FY 2016–17	₹ 10 lakh each	03–06–2016	16.19	16.19	9.60%	03–06–2026	Redeemable at par at the end of 3652 days from the date of allotment
Total (a)			**16.19**	**367.72**			

15(b) Unsecured redeemable non convertible debentures: Subordinate debt instruments

Series details	Face value per debenture	Date of allotment	Balance as at March 31, 2026 (₹ in crore)	Balance as at March 31, 2025 (₹ in crore)	Interest rate % p.a.	Date of redemption	Redeemable terms
Series A FY 2015–16	₹ 10 lakh each	17–04–2015	–	108.51	8.90%	17–04–2025	Redeemable at par at the end of 3653 days from the date of allotment
Series C FY 2015–16	₹ 10 lakh each	21–04–2015	–	86.17	8.90%	21–04–2025	Redeemable at par at the end of 3653 days from the date of allotment
Series D FY 2015–16	₹ 10 lakh each	22–04–2015	–	48.77	8.90%	22–04–2025	Redeemable at par at the end of 3653 days from the date of allotment
Series G FY 2015–16	₹ 10 lakh each	29–04–2015	–	81.16	8.90%	29–04–2025	Redeemable at par at the end of 3653 days from the date of allotment
Series I FY 2015–16	₹ 10 lakh each	15–05–2015	–	46.36	8.90%	15–05–2025	Redeemable at par at the end of 3653 days from the date of allotment
Series P FY 2015–16	₹ 10 lakh each	03–06–2015	–	64.40	8.87%	03–06–2025	Redeemable at par at the end of 3653 days from the date of allotment
Series H FY 2015–16	₹ 10 lakh each	14–07–2015	–	14.93	9.32%	14–07–2025	Redeemable at par at the end of 3653 days from the date of allotment
Series J FY 2015–16	₹ 10 lakh each	25–07–2015	–	53.20	9.30%	24–07–2025	Redeemable at par at the end of 3652 days from the date of allotment

Notes forming part of standalone financial statements

Series details	Face value per debenture	Date of allotment	Balance as at March 31, 2026 (₹ in crore)	Balance as at March 31, 2025 (₹ in crore)	Interest rate % p.a.	Date of redemption	Redeemable terms
Series J FY 2015–16	₹ 10 lakh each	25–07–2015	–	105.17	9.30%	24–07–2025	Redeemable at par at the end of 3652 days from the date of allotment
Series AB FY 2015–16	₹ 10 lakh each	15–09–2015	–	20.96	8.90%	15–09–2025	Redeemable at par at the end of 3653 days from the date of allotment
Series F FY 2015–16	₹ 10 lakh each	30–01–2016	–	32.51	9.35%	29–01–2026	Redeemable at par at the end of 3652 days from the date of allotment
Series G FY 2015–16	₹ 10 lakh each	29–04–2015	–	18.23	8.90%	29–04–2025	Redeemable at par at the end of 3653 days from the date of allotment
Series H FY 2015–16	₹ 10 lakh each	14–07–2015	–	50.36	9.32%	14–07–2025	Redeemable at par at the end of 3653 days from the date of allotment
Series M FY 2015–16	₹ 10 lakh each	23–03–2016	–	100.20	9.30%	23–03–2026	Redeemable at par at the end of 3652 days from the date of allotment
Series H FY 2016–17	₹ 10 lakh each	21–07–2016	84.88	84.83	8.78%	21–07–2026	Redeemable at par at the end of 3652 days from the date of allotment
Series U FY 2016–17	₹ 10 lakh each	04–01–2017	127.34	127.26	8.05%	04–01–2027	Redeemable at par at the end of 3652 days from the date of allotment
Series V FY 2016–17	₹ 10 lakh each	30–01–2017	15.20	15.19	8.05%	29–01–2027	Redeemable at par at the end of 3651 days from the date of allotment
Series B FY 2018–19	₹ 10 lakh each	31–10–2018	46.64	46.62	9.10%	31–10–2028	Redeemable at par at the end of 3653 days from the date of allotment
Series B FY 2017–18	₹ 10 lakh each	14–07–2017	63.28	63.26	7.80%	13–07–2029	Redeemable at par at the end of 4382 days from the date of allotment
Series D FY 2019–20	₹ 10 lakh each	13–09–2019	27.16	27.13	8.90%	13–09–2029	Redeemable at par at the end of 3653 days from the date of allotment
Series A FY 2020–21	₹ 10 lakh each	10–06–2020	91.51	91.45	8.30%	10–06–2030	Redeemable at par at the end of 3652 days from the date of allotment
Series F FY 2020–21	₹ 10 lakh each	20–07–2020	105.37	105.29	8.15%	19–07–2030	Redeemable at par at the end of 3651 days from the date of allotment
Series K FY 2016–17	₹ 10 lakh each	09–08–2016	26.34	26.35	8.65%	08–08–2031	Redeemable at par at the end of 5477 days from the date of allotment
Series L FY 2016–17	₹ 10 lakh each	12–08–2016	26.33	26.33	8.63%	12–08–2031	Redeemable at par at the end of 5478 days from the date of allotment

Notes forming part of standalone financial statements

Series details	Face value per debenture	Date of allotment	Balance as at March 31, 2026 (₹ in crore)	Balance as at March 31, 2025 (₹ in crore)	Interest rate % p.a.	Date of redemption	Redeemable terms
Series P FY 2016–17	₹ 10 lakh each	07–09–2016	20.94	20.93	8.55%	05–09–2031	Redeemable at par at the end of 5476 days from the date of allotment
Series J FY 2025–26	₹ 1 crore each	31–12–2025	50.96	–	7.75%	31–12–2035	Redeemable at par at the end of 3652 days from the date of allotment
Total 15(b)			**685.95**	**1,465.57**			

16 Other financial liabilities

(₹ in crore)

Particulars	As at March 31, 2026	As at March 31, 2025
Unclaimed matured debentures	135.85	156.86
Unclaimed redemption proceeds and dividend on preference shares	0.52	0.78
Unclaimed dividend on equity shares	1.14	1.31
Liability for expenses	399.46	347.00
Other payables	931.42	114.19
Total other financial liabilities	**1,468.39**	**620.14**

17 Provisions

(₹ in crore)

Particulars	As at March 31, 2026	As at March 31, 2025
Provision for employee benefits		
Compensated absences (refer note 33 & 51)	45.09	33.26
Gratuity (refer note 33 & 51)	60.22	16.91
Super annuation fund	0.24	0.24
Total provisions	**105.55**	**50.41**

18 Other non-financial liabilities

(₹ in crore)

Particulars	As at March 31, 2026	As at March 31, 2025
Statutory dues payable	102.12	78.39
Total other non-financial liabilities	**102.12**	**78.39**

Notes forming part of standalone financial statements

19 Equity share capital

(a) Share capital authorised, issued, subscribed and paid up:

Particulars	As at March 31, 2026		As at March 31, 2025	
	No. of Shares	₹ in crore	No. of Shares	₹ in crore
Authorised				
Equity shares of ₹10 each	10,87,45,59,610	10,874.56	10,87,45,59,610	10,874.56
Preference shares of ₹ 10,00,000 each	10,000	1,000.00	10,000	1,000.00
Preference shares of ₹ 100 each	50,12,00,000	5,012.00	50,12,00,000	5,012.00
Issued, subscribed and paid up				
Equity shares of ₹ 10 each fully paid up	2,50,43,86,016	2,504.39	2,49,48,68,101	2,494.87
		2,504.39		**2,494.87**

(b) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the year:

Particulars	As at March 31, 2026		As at March 31, 2025	
	No. of Shares	₹ in crore	No. of Shares	₹ in crore
At the beginning of the year	2,49,48,68,101	2,494.87	2,48,89,40,310	2,488.94
Add: Shares issued on exercise of employee stock options during the year	95,17,915	9.52	59,27,791	5.93
At the end of the year	**2,50,43,86,016**	**2,504.39**	**2,49,48,68,101**	**2,494.87**

(c) Terms/rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 10 per share. Members of the Company holding equity shares capital therein have a right to vote, on every resolution placed before the Company and right to receive dividend. The voting rights on a poll is in proportion to the share of the paid up equity capital of the Company held by the shareholders. The Company declares dividends in Indian rupees. The final dividend proposed by the Board of Directors is subject to the approval of the Shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(d) Shares held by Promoters

Particulars	As at March 31, 2026		As at March 31, 2025	
	No. of Shares	% holding	No. of Shares	% holding
Larsen & Toubro Limited and it's nominee (Equity shares of ₹ 10 each fully paid up)	1,65,25,30,125	65.99%	1,65,25,30,125	66.24%

There is decrease by 0.25% (PY: 0.38%) change in equity shares holding during the year by Promoters.

(e) Shares held by holding company:

Particulars	As at March 31, 2026		As at March 31, 2025	
	No. of Shares	(₹ in crore)	No. of Shares	(₹ in crore)
Larsen & Toubro Limited and it's nominee (Equity shares of ₹ 10 each fully paid up)	1,65,25,30,125	1,652.53	1,65,25,30,125	1,652.53

Notes forming part of standalone financial statements

(f) Shareholder holding more than 5% of equity shares as at the end of the year:

Particulars	As at March 31, 2026		As at March 31, 2025	
	No. of Shares	% holding	No. of Shares	% holding
Larsen & Toubro Limited and it's nominee (Equity shares of ₹ 10 each fully paid up)	1,65,25,30,125	65.99%	1,65,25,30,125	66.24%

(g) Details of shares reserved to be issued under ESOP:

Particulars	As at March 31, 2026		As at March 31, 2025	
	No. of Shares	₹ in crore	No. of Shares	₹ in crore
Equity shares of ₹ 10 each	77,78,269	7.78	1,77,54,264	17.75

(h) Capital Management

– The objective of the Company's Capital Management is to maximise shareholder value, safeguard business continuity and support the growth of its Group. The Group determines the capital requirement based on annual operating plans and long-term and other strategic investment plans. The funding requirements are met through loans and operating cash flows generated. The debt equity ratio is 3.95 as at March 31, 2026 (as at March 31, 2025 was 3.65).

– During the year ended March 31, 2026, the Company has paid the final dividend of ₹ 2.75 per equity share for the year ended March 31, 2025 amounting to ₹ 686.77 crore. (PY 2024-25 ₹ 622.46 crore).

The Company has proposed a final dividend of ₹ 2.75 per share in the Board meeting subject to approval from shareholders.

(I) Employee Stock Option Scheme

– The Company has formulated Employee Stock Option Schemes 2010 (ESOP Scheme-2010) and 2013 (ESOP Scheme 2013). The grant of options to the employees under the stock option schemes is on the basis of their performance and other eligibility criteria. The options allotted under the scheme 2010 are vested over a period of four years in the ratio of 15%, 20%, 30% and 35% respectively from the end of 12 months from the date of grant, subject to the discretion of the management and fulfilment of certain conditions. The options granted under the scheme 2013 are vested in a graded manner over a period of four years with 0%, 33%, 33% and 34% of grants vesting each year, commencing from the end of 24 months from the date of grant or w.e.f. July 10, 2019 vested in a graded manner over a period of four years with 25%, 25%, 25% and 25% of grants vesting each year, commencing from the end of 12 months from the date of grant.

– Options allotted under scheme 2010 can be exercised anytime within a period of 7 years from the date of grant and would be settled by way of equity. The option granted under scheme 2013 can be exercised anytime within a period of 8 years from the date of grant. Management has discretion to modify the exercise period.

– The option granted under scheme 2010 is at exercise price of ₹ 44.20. The option granted under scheme 2013 can be exercised either at market price which was the last closing price on National stock exchange preceding the date of grant or w.e.f. July 10,2019 ₹ 10 respectively.

– During the year ended March 31, 2026 Nil (Previous year - 65,000) and 95,17,915 (Previous year - 58,62,791) options were allotted under the scheme 2010 and 2013 respectively.

Notes forming part of standalone financial statements

– The details of the grants are summarised below:

Particulars	Scheme 2010		Scheme 2013	
	2025-26	2024-25	2025-26	2024-25
Options granted and outstanding at the beginning of the year	–	65,000	1,77,54,264	2,22,60,003
Options granted during the year	–	–	4,65,000	21,40,000
Options cancelled/ lapsed during the year	–	–	9,23,080	7,82,948
Options exercised during the year	–	65,000	95,17,915	58,62,791
Options granted and outstanding at the end of the year of which:				
– Options vested	–	–	28,50,324	90,47,375
– Options yet to vest	–	–	49,27,945	87,06,889
Weighted average remaining contractual life of options (in years)	–	–	5.76	4.80

- During the year, the Company has debited to the Statement of Profit and Loss ₹ 25.94 crore (previous year ₹ 39.53 crore) {net of recovery from its subsidiary companies during the year Nil (Previous year Nil)} towards the stock options granted to their employees, pursuant to the employee stock option schemes.
- Weighted average fair values of options granted during the year is ₹ 178.30 (Previous year: ₹ 142.71) per option.
- Weighted average share price of options exercised during the year is ₹ 235.48 (Previous year: ₹ 173.01) per option.
- The Fair value has been calculated using the Black-Scholes Option Pricing Model and the significant assumptions and inputs to estimate the fair value of options granted during the year are as follows:

Particulars	2025-26	2024-25
Weighted average risk-free interest rate	6.04%	6.99%
Weighted average expected life of options	2.94 years	3 years
Weighted average expected volatility	36.71%	36.78%
Weighted average expected dividend over the life of the options (₹)	8.08 per option	7.49 per option
Weighted average share price (₹)	193.32 per option	156.80 per option
Weighted average exercise price (₹)	10 per option	10 per option
Method used to determine expected volatility	Expected volatility is based on the historical volatility of the Company shares price applicable to the expected life of each option.	

Notes forming part of standalone financial statements

20 Other equity

(₹ in crore)

Particulars	As at March 31, 2026	As at March 31, 2025
Capital redemption reserve[1]	72.05	72.05
Debenture redemption reserve[2]	0.29	0.29
Securities premium[3]	12,681.80	12,537.95
General reserve[4]	394.34	392.16
Reserve u/s 45 IC of Reserve Bank of India Act, 1934[5]	4,281.32	3,661.26
Reserve u/s 29C of National Housing Bank,1987[6]	27.42	27.42
Reserve u/s 36(1)(viii) of Income tax Act, 1961[7]	1,068.78	1,061.28
Retained earnings[8]	6,658.22	4,881.72
Employee stock option outstanding account[9]	68.76	109.64
Impairment reserve[10]	32.39	32.39
Change in fair value of debt instruments classified at fair value through other comprehensive income	22.53	56.19
Cash flow hedging reserve	20.99	(32.50)
Total other equity	**25,328.89**	**22,799.85**

Notes:

1. **Capital Redemption Reserve:** Capital redemption reserve (CRR) represents reserve created pursuant to Section 55 (2) (c) of the Companies Act, 2013 by transfer of an amount equivalent to nominal value of the Preference shares redeemed. The CRR may be utilised by the Company, in paying up unissued shares of the Company to be issued to the members of the Company as fully paid bonus shares in accordance with the provisions of the Companies Act, 2013.
2. **Debenture redemption reserve:** The Ministry of Corporate Affairs vide notification dated August 16, 2019, amended the Companies (Share capital and Debenture) Rules, 2014 by which the Company is no longer required to create DRR towards the debentures issued. Earlier to this amendment, the Company was required to maintain a DRR of 25% of the value of debentures issued, either by a public issue or on a private placement basis and the amounts credited to the DRR was not to be utilised by the Company except to redeem debentures. The above amount represents the DRR created out of profits of the Company prior to the said notification.
3. **Securities premium:** The amount received in excess of face value of the equity shares is recognised in Securities Premium. The reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013.
4. **General Reserve:** The Companies (Transfer of Profits to Reserves) Rules, 1975 read with Section 205(2A) of the Companies Act, 1956, prohibited declaration of dividend for any financial year out of profits of the company for that year except after the transfer of a specified percentage of the profits not exceeding 10%, to its reserves. Amounts were transferred to General Reserve to comply with these provisions. The Companies Act, 2013, does not mandate such a transfer.General reserve is a free reserve available to the Company.
5. **Reserve u/s 45 IC of Reserve Bank of India Act, 1934:** The Company created a reserve pursuant to section 45 IC the Reserve Bank of India Act, 1934 by transferring amount not less than twenty per cent of its net profit every year as disclosed in the Statement of Profit and Loss and before any dividend is declared.
6. **Reserve u/s 29C of National Housing Bank, 1987:** During the financial year 2020-21, upon amalgamation of the erstwhile L&T Housing Finance Limited (the "Transferor Companies") with erstwhile L&T Finance Limited (the "Transferee Company"), the statutory reserves (i.e. Reserve under section 29C of National Housing Bank, 1987) of the Transferor Companies is also transferred to the Transferee Company.
7. **Reserve u/s 36(1)(viii) of Income tax Act, 1961:** In respect of any special reserve created and maintained by a specified entity, an amount not exceeding twenty percent of the profits derived from eligible business computed under the head "Profits and gains of business or profession" (before making any deduction under this clause) is carried to such reserve account.
8. **Retained earnings:** Retained earnings represent the amount of accumulated earnings of the Company.
9. **Employee stock option outstanding account:** The reserve is used to recognise the fair value of the options issued to employees of the Company and subsidiary companies under Company's employee stock option scheme.
10. **Impairment Reserve:** As per the RBI circular RBI/2019-20/170 dated March 13, 2020, where the guidelines require NBFCs to hold impairment allowances as required by Ind AS. In parallel NBFCs are required to compute provisions as per extant prudential norms on Income Recognition, Asset Classification and Provisioning (IRACP). A comparison, as prescribed, between provisions required under IRACP and impairment allowances made under Ind AS 109 is required to be disclosed by NBFCs in the notes to their financial statements to provide a benchmark to their Boards, RBI supervisors and other stakeholders, on the adequacy of provisioning for credit losses. Where impairment allowance under Ind AS 109 is lower than the provisioning required under IRACP (including standard asset provisioning), NBFCs are required to appropriate the difference from their net profit or loss after tax to a separate 'Impairment Reserve'. The balance in the 'Impairment Reserve' shall not be reckoned for regulatory capital. Further, no withdrawals shall be permitted from this reserve without prior permission from the Department of Supervision, RBI. The said reserve was created in erstwhile L&T Infra Credit Limited which has been merged with the Company.

21 Interest Income

(₹ in crore)

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
(i) On financial assets measured at amortised cost		
– Interest on loans	15,777.78	13,675.70
– Interest on deposits with banks	276.66	210.07
– Other interest income	26.03	3.70
Total interest income on financial assets measured at amortised cost (i)	**16,080.47**	**13,889.47**
(ii) On financial assets measured at fair value through other comprehensive income		
– Interest income from investments	285.24	321.68
Total interest income on financial assets measured at fair value through other comprehensive income (ii)	**285.24**	**321.68**
(iii) On financial assets classified at fair value through profit or loss		
– Interest on loans	246.35	436.84
– Interest income from investments	3.59	13.87
Total interest income on financial assets classified at fair value through profit or loss (iii)	**249.94**	**450.71**
Total interest income (i+ii+iii)	**16,615.65**	**14,661.86**

Notes forming part of standalone financial statements

22 Dividend income

(₹ in crore)

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Dividend received	150.02	0.50
Total dividend income	**150.02**	**0.50**

23 Fees and commission income

(₹ in crore)

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Distribution income*	1,047.35	879.86
Other financial activities	185.92	197.48
Total fees and commission income	**1,233.27**	**1,077.34**

***Breakup of Distribution income**

(₹ in crore)

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Distribution income - Life Insurance	879.57	677.39
Distribution income - General Insurance	150.75	187.17
Distribution income - Others	17.02	15.30
Total Distrubution income	**1,047.35**	**879.86**

24 Net gain / (loss) on fair value changes

(₹ in crore)

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
(A) Net gain/(loss) on financial instruments classified at fair value through profit or loss		
On trading portfolio		
– Investment	48.08	(41.57)
– Loans	2.63	236.63
Total (A)	**50.71**	**195.06**
(B) Net gain/(loss) on disposal of financial instruments classified at fair value through other comprehensive income		
– Gain /(loss) on sale of Investments	–	(17.91)
– Derivatives	–	(4.72)
Total (B)	**–**	**(22.63)**
Total net gain/(loss) on fair value changes (A+B)	**50.71**	**172.43**
(C) Fair value changes:		
– Realised	87.50	113.50
– Unrealised	(36.79)	58.93
Total net gain/(loss) on fair value changes (C)	**50.71**	**172.43**

Notes forming part of standalone financial statements

25 Other income

(₹ in crore)

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Income on cross sell	–	8.42
Other income	4.55	9.57
Total other income	**4.55**	**17.99**

26 Finance costs

(₹ in crore)

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
On financial liabilities measured at amortised cost		
Interest on debt securities	2,563.27	2,471.35
Interest on borrowings	3,986.49	3,290.44
Interest on subordinated liabilities	104.10	206.42
Other interest expense*	66.18	28.52
Total finance costs	**6,720.04**	**5,996.73**

*Includes ₹ 19.80 crore (previous period: ₹ 5.65 crore) towards interest on lease liabilities

27 Net loss on derecognition of financial instruments under amortised cost category

(₹ in crore)

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Loss on foreclosure and writeoff of loans	2,826.80	2,510.23
Less: Provision held reversed on derecognition of financial instruments	(2,265.03)	(2,235.19)
Total net loss on derecognition of financial instruments under amortised cost category	**561.77**	**275.04**

28 Impairment on financial instruments

(₹ in crore)

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
On financial instruments measured at amortised cost:		
– Loans	2,184.00	2,234.18
– Trade receivables	0.10	(0.86)
– Others	–	(39.97)
Total impairment on financial instruments	**2,184.10**	**2,193.35**

29 Employee benefits expenses

(₹ in crore)

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Salaries	2,199.91	1,991.39
Contribution to provident and pension fund (refer note: 33)	95.38	73.91
Contribution to gratuity fund (refer note: 33)	21.36	13.51
Contribution to superannuation fund	–	0.02
Share based payments to employees (refer note: 19)	25.94	39.53
Staff welfare expenses	110.18	96.04
Total employee benefits expenses	**2,452.77**	**2,214.40**

Notes forming part of standalone financial statements

30 Depreciation, amortization and impairment

(₹ in crore)

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Depreciation on property, plant and equipment (refer note: 9)	50.82	34.81
Depreciation on Right of use assets (refer note : 34)	44.09	19.63
Amortisation of Intangible assets (refer note: 10)	108.93	78.53
Total depreciation, amortization and impairment	**203.84**	**132.97**

31 Other expenses

(₹ in crore)

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Rent, taxes and energy expenses	119.84	80.87
Repairs and maintenance	53.30	38.99
Advertisement and publicity	84.29	70.05
Printing and stationery	8.89	8.54
Communication expenses	20.10	18.12
Director's fees and allowances	1.63	1.15
Auditor's remuneration (refer footnote)	4.23	2.05
Legal and professional charges	99.98	108.92
Insurance	3.54	2.09
Travelling and conveyance	84.85	69.35
Collection charges	518.03	557.47
Management fees	122.50	159.34
Loan processing charges	180.91	145.48
Expenditure towards corporate social responsibility activities (refer note: 35)	43.55	20.54
Bank charges	13.74	9.92
Net loss on disposal of property, plant and equipment and intangible assets	0.94	0.48
Information & Technology expenses	229.93	195.03
Brand license fees	169.79	148.82
Other expenses	36.84	25.49
Total other expenses	**1,796.88**	**1,662.70**
footnote: Auditor's remuneration comprises the following		
Statutory audit fees	1.45	0.96
Limited review fees	0.75	0.60
Tax audit Fees	0.10	0.14
Certification and other service	1.63	0.30
Expenses reimbursed	0.31	0.05
	4.23	**2.05**

Notes forming part of standalone financial statements

32 Disclosure pursuant to Ind AS 24 "Related Party Disclosures"

(a) List of Related Parties

A. Holding Company

1 Larsen & Toubro Limited

B. Subsidiary Companies

1 L&T Infra Investment Partners Advisory Private Limited

2 L&T Infra Investment Partners Trustee Private Limited

3 L&T Financial Consultants Limited

4 L&T Infra Investment Partners

C. Fellow Subsidiary Companies (with whom transactions were carried out during the period ended March 31, 2026)

1 LTM LIMITED (formerly known as LTIMindtree Limited) *(name changed effective from March 17, 2026)*

2 Larsen & Toubro Electromech LLC

D. Key Management Personnel

1 Mr. S.N.Subrahmanyan

2 Mr.R Shankar Raman

3 Mr. Sudipta Roy

4 Mr. Dinanath Dubhashi *(ceased to be a Whole-Time Director of the Company with effect from May 01, 2024)*

5 Dr. (Mrs.) Rajani Gupte

6 Dr. R. Seetharaman

7 Mr. Thomas Methwa T. *(ceased to be a director (nominee) w.e.f July 1, 2025)*

8 Ms. Nishi Vasudeva

9 Mr. Pavninder Singh *(ceased to be a director (nominee) w.e.f June 13, 2024)*

10 Mr.Dhananjay Tambe *(Appointed as director with effect from July 1, 2025)*

(b) Disclosure of related party transactions :

(₹ in crore)

Sr. No.	Nature of transaction[1]	2025–26	2024–25
1	**Rent and maintenance cost paid to**		
	L&T Financial Consultants Limited	53.21	48.85
	Larsen & Toubro Limited	12.03	5.01
2	**Professional charges paid to**		
	Larsen & Toubro Limited	9.45	5.40
3	**IT professional charges paid to**		
	Larsen & Toubro Limited	1.95	1.53
	LTM LIMITED (formerly known as LTIMindtree Limited)	1.99	3.45

Notes forming part of standalone financial statements

(₹ in crore)

Sr. No.	Nature of transaction[1]	2025–26	2024–25
4	**Brand license fees paid to**		
	Larsen & Toubro Limited	155.77	136.53
5	**Income received from Investment**		
	L&T Infra Investment Partners	19.28	0.43
6	**Corporate support charges recovered from**		
	L&T Infra Investment Partners Advisory Private Limited	1.19	1.50
7	**Investment/(Redemption) in Units**		
	L&T Infra Investment Partners	(2.48)	(25.99)
8	**Security deposit Paid/(Received)**		
	L&T Financial Consultants Limited	1.76	(1.53)
	Larsen & Toubro Limited	0.28	1.59
9	**Corporate social responsibility expenses recovered from**		
	L&T Financial Consultants Limited	0.03	–
10	**Dividend income**		
	L&T Financial Consultants Limited	149.85	–
11	**Interest paid on non convertible debenture (Borrowings)**		
	Larsen & Toubro Limited	2.70	14.72
	LTM LIMITED (formerly known as LTIMindtree Limited)	6.53	9.12
	L&T Technology Services Limited	–	0.18
12	**Employee Cost Reimbursed to**		
	L&T Infra Investment Partners Advisory Private Limited	1.56	1.67
	L&T Infra Investment Partners Trustee Private Limited	0.07	0.08

13 Compensation Paid to Key Managerial Personnel[2]

(₹ in crore)

Name of Key Management Personnel	2025-26 Short-Term employee benefits	Post Employment Benefits	Other Long Term Benefits	Share based payments	Total	2024-25 Short-Term employee benefits	Post Employment Benefits	Other Long Term Benefits	Share based payments	Total
Mr. Sudipta Roy	5.23	–	–	1.27	6.51	3.91	–	–	2.40	6.31
Mr. Dinanath Dubashi	–	–	–	–	–	1.09	–	–	–	1.09
Dr. (Mrs.) Rajani Gupte										
Sitting fees	0.13	–	–	–	0.13	0.09	–	–	–	0.09
Commission	0.28	–	–	–	0.28	0.21	–	–	–	0.21
Mr. Pavninder Singh										
Sitting fees	–	–	–	–	–	0.01	–	–	–	0.01
Commission	–	–	–	–	–	0.01	–	–	–	0.01
Mr. Thomas Mathew T.										
Sitting fees	0.04	–	–	–	0.04	0.11	–	–	–	0.11
Commission	0.09	–	–	–	0.09	0.24	–	–	–	0.24

Notes forming part of standalone financial statements

(₹ in crore)

Name of Key Management Personnel	2025-26 Short-Term employee benefits	Post Employment Benefits	Other Long Term Benefits	Share based payments	Total	2024-25 Short-Term employee benefits	Post Employment Benefits	Other Long Term Benefits	Share based payments	Total
Ms. Nishi Vasudeva										
Sitting fees	0.12	–	–	–	0.12	0.08	–	–	–	0.08
Commission	0.28	–	–	–	0.28	0.20	–	–	–	0.20
Dr. R. Seetharaman										
Sitting fees	0.11	–	–	–	0.11	0.09	–	–	–	0.09
Commission	0.28	–	–	–	0.28	0.19	–	–	–	0.19
Mr.Dhananjay Tambe										
Sitting fees	0.08	–	–	–	0.08	–	–	–	–	–
Commission	0.21	–	–	–	0.21	–	–	–	–	–

(c) Amount due to/from related parties:

(₹ in crore)

Sr. No.	Nature of transactions	As at March 31, 2026	As at March 31, 2025
1	**Investment in subsidiaries**		
	L&T Infra Investment Partners Advisory Private Limited	5.00	5.00
	L&T Infra Investment Partners Trustee Private Limited	0.10	0.10
	L&T Financial Consultants Limited	162.75	162.75
2	**Investment in units of fund**		
	L&T Infra Investments Partners	27.09	46.81
3	**Non convertible debenture (Borrowings) from[3]**		
	Larsen & Toubro Limited	–	105.00
	LTM LIMITED (formerly known as LTIMindtree Limited)	75.00	99.50
	L&T Technology Services Limited		–
4	**Interest accrued on non convertible debenture (borrowings)**		
	Larsen & Toubro Limited	–	5.99
	LTM LIMITED (formerly known as LTIMindtree Limited)	2.21	7.04
5	**Rent deposit to**		
	L&T Financial Consultants Limited	21.39	19.63
	Larsen & Toubro Limited	1.86	1.59
6	**Account payable**		
	Larsen & Toubro Electromech LLC	0.01	0.01
	LTM LIMITED (formerly known as LTIMindtree Limited)	0.17	0.75
	Larsen & Tourbo Limited	154.36	133.32
	L&T Infra Investment Partners Advisory Private Limited	0.03	–
	L&T Infra Investment Partners Trustee Private Limited *	–	0.00
7	**Account receivable**		
	L&T Infra Investment Partners Advisory Private Limited	–	0.01

**less than 50,000*

Notes forming part of standalone financial statements

Notes:

1 Transactions shown above are excluding GST, if any.

2 Managerial Remuneration excludes provision for gratuity, pension and compensated absences, since it is provided on actuarial basis for the company as a whole and includes director sitting fees and commission.

3 The above NCD balance includes purchase from primary market and are held by related party as on reporting date

4 Transactions with related parties are carried out in the normal course of business and at standard market rates on an arm's length basis.

5 During the financial year, there were no transactions entered into with any entity in which KMP or their relatives exercise significant influence.

6 The Company has not engaged in any transactions with the relatives of its KMP during the financial year.

7 The Company has not engaged in any transactions pertaining to loans,advances or investments with companies in which the director's have a vested interest.Hence,the disclosure pursuant to Schedule V of Clause A.2 of Regulation 34 (3) and Regulation 53(f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are not applicable to the company.

33 Disclosure pursuant to Ind AS 19 "Employee Benefits"

(i) Defined Contribution Plan:

The Company's state governed provident fund scheme are defined contribution plan for its employees and for a certain categories of employees made to a trust viz. The Larsen & Toubro Officers & Supervisory Staff Provident Fund constituted by the ultimate parent company, which is permitted under The employee's Provident Funds and Miscellaneous Provisions Act, 1952. The Contribution by the employer and employee together with interest accumulated there on are payable to the employee at the time of separation from company or retirement whichever is earlier. The benefit vets immediately on rendering of services by the employee. In addition to the above, information relating to the scheme operated by the trust constituted by the holding company is given in the note (iii) below.

The Company has recognised charges of ₹ 95.38 crore (previous year: ₹ 73.91 crore) for provident fund contribution is included in "Note 29 Employee Benefits Expenses" in the Statement of Profit and Loss.

(ii) Defined Benefits Gratuity Plan :

The Company has a gratuity plan for its employees which is governed by the Payment of Gratuity Act, 1972.The gratuity benefit payable to the employees of the Company is higher of the provisions of the Payment of Gratuity Act, 1972 and the Company's gratuity scheme. The level of benefits provided depends on the employee's length of service and last drawn salary.

The gratuity liability of the Company is funded through contributions to an approved gratuity fund managed by an independent third-party fund manager/insurer. Any deficits in plan assets as compared to actuarial liability determined by an actuary are recognised as a liability.

The contributions are determined based on actuarial valuation carried out at the end of each financial year using the projected unit credit method. The calculation includes assumptions in actuarial valuations with regard to discount rate, salary escalation rate, attrition rate,mortality rate risks and investment risk as follows.

Notes forming part of standalone financial statements

Risk associated with defined benefit plan

Sr no.	Type of Risk	Description of Risk
i	Changes in discount rate	The present value of defined benefit plan liabilities is calculated using a discount rate which is determined by reference to Government bonds' yields at the end of the reporting period. A decrease/(increase) in discount rate will increase/(decrease) present values of plan liabilities, although this will be partially offset by an increase in the value of the plan assets.
ii	Salary escalation risk	The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants calculated by applying estimated salary escalation rate. Any deviation in actual salary escalation can have impact on plan liability.
iii	Attrition rate risk	If the actual employee withdrawal rate in the future turns out to be more or less than expected then it may result in increase/decrease in the liability.
iv	Longevity/ Mortality rate risk	The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase/decrease in the life expectancy of the plan participants can have impact on plan liability.
v	Investment risk	This risk arises if the actual return on plan assets is lower than the discount rate used to value the liabilities. The plan assets are primarily invested in Equity/ Debt/Government Bonds, which are subject to market volatility. Any shortfall in the expected returns versus actual market performance would necessitate additional contributions by the Company to meet its gratuity obligations.

(iii) Exceptional items: The Code on Social Security, 2020 (New Labour Code) :

Effective November 21, 2025, the Government of India consolidated 29 existing labour regulations into four Labour codes, namely, The Code on Wages, 2019, The Industrial Relations Code, 2020, The Code on Social Security, 2020 and the Occupational Safety, Health and Working Conditions Code, 2020, collectively referred to as the 'New Labour Codes'. The New Labour Codes has resulted in a one-time material increase in provision for employee benefits on account of recognition of past service costs. Based on the requirements as per the of New Labour Codes and relevant Accounting Standard, the Company has assessed and accounted the estimated incremental impact as Exceptional Item in the statement of profit and loss for the year ended March 31, 2026 amounting to ₹ 27.01 crores. Upon notification of the related Rules to the New Labour Codes by the Government and any further clarification from the Government on other aspects of the New Labour Codes, the Company will evaluate and account for additional impact if any, determined in subsequent periods.

Notes forming part of standalone financial statements

(a) The amounts recognised in Balance Sheet are as follows: (₹ in crore)

	Particulars	Gratuity Plan	
		As at March 31, 2026	As at March 31, 2025
A)	**Present Value of Defined Benefit Obligation**		
	- Wholly funded	132.64	77.55
	- Wholly unfunded	–	
		132.64	**77.55**
	Less : Fair value of plan assets	(72.42)	(60.64)
	Amount to be recognised as liability or (asset)	**60.22**	**16.91**
B)	**Amounts reflected in Balance Sheet**		
	Liabilities	60.22	16.91
	Assets	–	–
	Net liability	**60.22**	**16.91**

(b) The amounts recognised in the Statement of Profit and Loss are as follows: (₹ in crore)

Sr. No.	Particulars	Gratuity Plan	
		As at March 31, 2026	As at March 31, 2025
1	Current Service Cost	21.36	13.51
2	Net Interest Cost	1.52	0.26
3	Actuarial losses/(gains):		
	i) Actuarial (gains)/losses arising from changes in financial assumptions	1.25	2.13
	ii) Actuarial (gains)/losses arising from changes in demographic assumptions	–	–
	iii) Actuarial (gains)/losses arising from changes in experience adjustments	8.09	1.19
	iv) Actuarial losses/(gains) - difference between actuarial return on plan assets	3.33	(0.28)
	v) Adjustment to recognize as asset celing	–	–
4	Past Service Cost	27.01	–
	Total (1 to 4)	**62.56**	**16.80**
i	Amount included in "employee benefits expenses"	21.36	13.51
ii	Amount included in as part of "finance cost'	1.52	0.26
iii	Amount included as part of "Other Comprehensive income"	12.67	3.03
iv	Amount included as part of "Exceptional items"	27.01	–
	Total (i + ii + iii + iv)	**62.56**	**16.80**

Notes forming part of standalone financial statements

(c) The changes in the present value of defined benefit obligation representing reconciliation of opening and closing balance thereof are as follows: (₹ in crore)

Particulars	Gratuity Plan	
	As at March 31, 2026	As at March 31, 2025
Opening balance of the present value of defined benefit obligation	77.55	60.19
Add : Current Service Cost	21.36	13.51
Add : Interest Cost	5.31	3.74
Add : Actuarial losses/(gains)		
i) Actuarial (gains)/losses arising from changes in financial assumptions	1.25	2.13
ii) Actuarial (gains)/losses arising from changes in demographic assumptions	–	–
iii) Actuarial (gains)/losses arising from changes in experience adjustments	8.09	1.19
Less : Benefits paid	(7.92)	(3.21)
Add : Past service cost	27.01	–
Add : Liability assumed/(settled)*	–	(0.00)
Closing balance of the present value of defined benefit obligation	**132.65**	**77.55**

*On account of business combination or inter group transfer

(d) Changes in the fair value of plan assets representing reconciliation of the opening and closing balances thereof are as follows: (₹ in crore)

Particulars	Gratuity Plan	
	As at March 31, 2026	As at March 31, 2025
Opening balance of the fair value of the plan assets	60.63	51.51
Add : interest income of plan assets	3.78	3.48
Add/(less) : Actuarial gains/(losses)		
Difference between actual return on plan assets and interest income	(3.33)	0.28
Add : Contribution by the employer	19.26	8.56
Less : Benefits paid	(7.92)	(3.21)
Add: Assets acquired/(settled)*	–	–
Closing balance of the fair value of the plan assets	**72.42**	**60.63**

*On account of business combination or inter group transfer

Notes forming part of standalone financial statements

(e) The fair value of major categories of plan assets are as follows: (₹ in crore)

	Particulars	Gratuity Plan	
		As at March 31, 2026	As at March 31, 2025
1	Government of India Securities	1.18	1.23
2	Insurer managed funds - unquoted	63.00	51.54
3	Others debt instruments	0.04	0.55
4	Others - unquoted (including balance in bank account)	8.20	7.32
	Total plan assets	**72.42**	**60.64**

(f) Principal actuarial assumptions at the valuation date:

	Particulars	Gratuity Plan	
		As at March 31, 2026	As at March 31, 2025
1	Discount rate	6.35%	6.55%
2	Salary escalation rate	9.00%	9.00%

(A) Discount rate:

The discount rate based on the prevailing market yields of Indian government securities as at the balance sheet date for the estimated term of the obligations.

(B) Salary escalation rate:

The estimates of future salary increase considered takes into account the inflation, seniority, promotion and other relevant factors.

(g) Attrition Rate:

The attrition rate varies from 6% to 44% (previous year: 6% to 44%) for various age groups.

(h) Mortality:

Published rates under the Indian Assured Lives Mortality (2012-14) Ult table.

(i) Sensitivity Analysis:

One percentage point change in actuarial assumption would have the following effects on the defined benefit obligation: (₹ in crore)

	Particulars	Gratuity Plan			
		Effect of 1% Increase		Effect of 1% Decrease	
		As at March 31, 2026	As at March 31, 2025	As at March 31, 2026	As at March 31, 2025
1	Impact of change in discount rate	(6.01)	(3.48)	6.59	3.69
2	Impact of change salary escalation rate	6.36	3.81	(5.93)	(3.44)

Notes forming part of standalone financial statements

(j) Projected Plan cash flows: (₹ in crore)

Maturity profile	As at March 31, 2026	As at March 31, 2025
Expected benefits for Year 1	27.75	16.56
Expected benefits for Year 2	23.55	13.85
Expected benefits for Year 3	19.86	11.95
Expected benefits for Year 4	18.39	9.99
Expected benefits for Year 5	13.75	9.09
Expected benefits for Year 6	12.61	6.54
Expected benefits for Year 7	10.22	6.32
Expected benefits for Year 8	8.79	5.16
Expected benefits for Year 9	7.49	4.52
Expected benefits for Year 10 and above	46.04	27.18

(iv) Other long-term employee benefits

Compensated absences: (₹ in crore)

Particulars	As at March 31, 2026	As at March 31, 2025
Maturity profile		
Present value of unfunded obligations	45.09	33.26
Discount rate (p.a.)	6.35%	6.55%
Salary escalation rate (p.a.)	9.00%	9.00%

(₹ in crore)

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Expense recognised in the Statement of Profit and Loss :		
- Amount included in "Employee benefits expenses"	23.29	17.69
- Amount included as part of "Exceptional items"	1.31	–

(v) Defined Benefits Provident Fund Plan

The Company contributes to a defined contribution provident fund for current employees under the Employees' Provident Funds and Miscellaneous Provisions Act, 1952, with monthly contributions expensed to the Statement of Profit and Loss as incurred.

Additionally, pursuant to a scheme of amalgamation in earlier years, Provident Fund Trust constituted by the parent company are continued to manage and settle the accumulated balances of past employees from the merged entity. No fresh contributions are made to this trust. In accordance with the guidance issued by the Institute of Actuaries of India, the Company's actuary has provided the following information regarding these provident fund arrangements:

Notes forming part of standalone financial statements

(a) The amounts recognised in Balance Sheet are as follows: (₹ in crore)

	Particulars	Provident Fund Plan	
		As at March 31, 2026	As at March 31, 2025
A)	**Present Value of Defined Benefit Obligation**		
	– Wholly funded	15.80	15.28
	– Wholly unfunded		–
		15.80	**15.28**
	Assets acquired on acquisition		
	Less : Fair Value of plan assets	(16.01)	(16.04)
	Add : Amount not recognised as an asset		–
	Amount to be recognised as liability or (asset)	**(0.21)**	**(0.76)**
B)	**Amounts reflected in Balance Sheet**		
	Liabilities	–	–
	Assets	(0.21)	(0.76)
	Net liability/(asset)	**(0.21)**	**(0.76)**

(b) The amounts recognised in the Statement of Profit and Loss are as follows: (₹ in crore)

	Particulars	Provident Fund Plan	
		As at March 31, 2026	As at March 31, 2025
1	Current Service Cost	–	–
2	Interest Cost	1.21	1.17
3	Interest Income on Plan Assets	–	–
4	Expected return on Plan Assets	(1.21)	(1.17)
5	Actuarial losses/(gains)	(0.56)	(0.08)
6	Actuarial gain/(loss) not recognised in Books	0.56	0.08
	Total (1 to 6)	**–**	**–**
i	Amount included in "Employee Benefit Expenses"	–	–
ii	Amount included in as part of "Finance Cost"	–	–
iii	Amount included as part of "Other Comprehensive Income"	–	–
	Total (i + ii + iii)	**–**	**–**

Notes forming part of standalone financial statements

(c) The changes in the present value of defined benefit obligation representing reconciliation of opening and closing balance thereof are as follows: (₹ in crore)

Particulars	Provident Fund Plan	
	As at March 31, 2026	As at March 31, 2025
Opening balance of the present value of defined benefit obligation	15.28	14.73
Add : Assets acquired on acquisition	–	–
Add : Current Service Cost	–	–
Add : Interest Cost	1.21	1.17
Add : Actuarial (gains)/losses	–	
i) Actuarial (gains)/losses arising from changes in financial assumptions	–	–
ii) Actuarial (gains)/losses arising from changes in demographic assumptions	–	–
iii) Actuarial (gains)/losses arising from changes in experience adjustments	–	–
Less : Benefits paid	(0.71)	(0.72)
Add : Contribution by the employer	(0.00)	(0.02)
Add : Liability assumed/(settled)*	0.03	0.10
Closing balance of the present value of defined benefit obligation	**15.81**	**15.28**

*On account of business combination or inter group transfer

(d) Changes in the fair value of plan assets representing reconciliation of the opening and closing balances thereof are as follows: (₹ in crore)

Particulars	Provident Fund Plan	
	As at March 31, 2026	As at March 31, 2025
Opening balance of the fair value of the plan assets	16.04	15.40
Add : Assets acquired on acquisition	–	–
Add : interest income of plan assets	1.21	1.17
Add/(less) : Actuarial gains/(losses)	(0.56)	0.08
Difference between actual return on plan assets and interest income	0.03	0.10
Less : Benefits paid	(0.71)	(0.72)
Add: Assets acquired/(settled)*	–	–
Closing balance of plan assets	**16.01**	**16.04**

*On account of business combination or inter group transfer

Notes forming part of standalone financial statements

(e) The fair value of major categories of plan assets are as follows: (₹ in crore)

	Particulars	Provident Fund Plan	
		As at March 31, 2026	As at March 31, 2025
1	Government of India Securities	7.15	7.36
2	Corporate Bonds	5.49	5.50
3	Special Deposit Scheme	0.26	0.29
4	Public Sector Unit Bond	0.12	0.17
5	Others	2.99	2.71
	Total plan assets	**16.01**	**16.04**

(f) Principal actuarial assumptions at the valuation date:

	Particulars	Provident Fund Plan	
		As at March 31, 2026	As at March 31, 2025
1	Discount rate for the term of the obligation	6.35%	6.85%
2	Average historic yield on the investment portfolio	8.07%	8.08%
3	Discount rate for the remaining term to maturity of the investment portfolio	7.15%	6.70%
4	Future derived return on assets	7.27%	8.23%
5	Guaranteed rate of return	8.25%	8.25%

(A) Discount rate:

The discount rate is based on the prevailing market yields of Indian government securities as at the valuation date for the estimated term of the obligations.

(B) Average historic yield on the investment portfolio:

The average rate of return earned on the investment portfolio of provident fund in the previous three years.

(C) Expected investment return:

Expected investment return is determined by adding the yield spread to the discount rate for a term of the obligation, where yield spread is the difference between the average historic yield on the investment portfolio & discount rate for the remaining term to maturity of the investment portfolio.

(D) Guaranteed rate of return:

The Regional Provident Fund Commissioner has not yet declared the interest rate for its own subscribers for the current financial year 2025-26.

However, in view of the fall in equity values as at March 31, 2026 and fall in the returns on fixed income instruments, we are of the view that going forward the future guaranteed rate is unlikely to be in excess of 8.25% p.a. (previous year: 8.25% p.a.).

Notes forming part of standalone financial statements

34 Disclosures pursuant to Indian Accounting Standards (Ind AS) 116 - Leases

I) Company as Lessee

a) Operating Lease

i) The company has taken various assets on lease such as buildings and office premises. Generally, leases are renewed only on mutual consent and at a prevalent market price.

ii) Details with respect to right of use assets:- (₹ in crore)

Class of Assets (Building and office premises)	Opening balance	Addition during the year	Derecognize during the year	Depreciation for the year	Closing balance
As at March 2026	116.99	337.82	13.59	44.09	397.13
As at March 2025	55.64	89.81	8.83	19.63	116.99

iii) Details with respect to lease liabilities (₹ in crore)

Particulars	As at March 31, 2026	As at March 31, 2025
Opening Lease liability	125.54	62.58
Add: Additions during the year	329.23	89.81
Add: Interest accrued during the year	19.80	5.65
Less: Interest paid during the year	(19.80)	(5.65)
Less: Terminated	(14.53)	(9.93)
Less: Principal Repayment during the year	(30.26)	(16.92)
Closing Lease liability	**409.97**	**125.54**

iv) Interest expense on lease liabilities for F.Y. 2025-26 is ₹ 19.80 crore and for F.Y. 2024-25 is ₹ 5.65 crore

v) Expense relating to leases for which underlying asset is of low value for F.Y. 2025-26 is ₹ 28.75 crore and for F.Y. 2024-25 is ₹ 1.43 crore

vi) Expense related to short-term leases for F.Y. 2025-26 is ₹ 46.79 crore and for F.Y. 2024-25 is ₹ 45.25 crore

vii) Expense related to variable lease payments for F.Y. 2025-26 is Nil and F.Y. 2024-25 is Nil

viii) Income from sub-leasing of right of use assets for F.Y. 2025-26 is Nil and for F.Y. 2024-25 is Nil

ix) There are no gains or losses arising from sale and leaseback transactions for F.Y. 2025-26 and F.Y. 2024-25

x) Maturity analysis of carrying value of lease liability

(₹ in crore)

Particulars	As at March 31, 2026	As at March 31, 2025
Within 12 months	41.43	20.36
After 12 months	368.54	105.18

Notes forming part of standalone financial statements

xi) Undiscounted cash outflows for all leased assets

(₹ in crore)

Particulars	As at March 31, 2026	As at March 31, 2025
Not later than one year	71.52	22.04
Later than one year but not later than five years	260.47	71.96
Later than five years	254.93	58.02

35 Corporate Social Responsibility (CSR)

Amount required to be spent by the Company on Corporate Social Responsibility (CSR) related activities during the year is ₹ 43.55 crore (previous year: ₹ 20.54 crore).

(a) The amount recognised as expense in the Statement of Profit and Loss on CSR related activities is ₹ 43.55 crore (previous year: ₹ 20.54 crore) (Refer note no. 31 of financial statements), which comprises of:

(₹ in crore)

Particulars	2025-26			2024-25		
	In cash	Set off from previous years	Total	In cash	Set off from previous years	Total
(a) Amount spent during the year on:						
(i) Construction/ acquisition of any asset	–	–	–	–	–	–
(ii) On purposes other than (i) above	17.38	26.17	43.55	2.51	18.03	20.54

(b) Amount of surplus to be carried forward in subsequent years for Set off :

(₹ in crore)

Amount spent in excess/(short) of requirements as per Companies Act, 2013 as on March 31, 2024 available for set off in subsequent years	Actual amounts spent during FY 24-25	Amounts to be spent in FY 24-25 as per the requirements of Companies Act, 2013	Excess/(Shortfall) at the end of the year
18.03	28.68	20.54	26.17

(₹ in crore)

Amount spent in excess/(short) of requirements as per Companies Act, 2013 as on March 31, 2025 available for set off in subsequent years	Actual amounts spent during FY 25-26	Amounts to be spent in FY 25-26 as per the requirements of Companies Act, 2013	Excess/(Shortfall) at the end of the year
26.17	30.30	43.55	12.92

(c) Excess during the financial year 2024-25

The Company has spent excess amount towards new project(s) / program(s) and the excess spent amount shall be set off against the required 2% CSR expenditure in the next three financial years.

Notes forming part of standalone financial statements

(d) Nature of CSR activities during the financial year 2024-25

The payment for the CSR activities are done for Digital Financial Literacy and Entrepreneurship Development, Tree Plantation, Capacity Building of Water User Groups, Creating Awareness on Road Safety, Skill Training of Youth and Healthcare.

(e) Excess during the financial year 2025-26

The Company has spent excess amount towards ongoing CSR project(s) / program(s) and the excess spent amount shall be set off against the required 2% CSR expenditure in the next three financial years.

(f) Nature of CSR activities during the financial year 2025-26

The payment for the CSR activities are done for Digital Financial Literacy and Entrepreneurship Development, Water Conservation Initiatives, Tree Plantation Maintenance, Capacity Building of Water User Groups, Creating Awareness on Road Safety and Healthcare.

36 Basic and Diluted Earnings per share [EPS] computed in accordance with Ind AS 33 "Earnings Per Share"

Particulars		2025-26	2024-25
Basic Earning Per Share			
Profit after tax as per statement of profit and loss (₹ in crore)	A	3,100.31	2,617.81
Weighted average number of equity shares outstanding during the year (Nos.)	B	2,50,02,61,620	2,49,26,29,247
Basic Earning Per Share (₹)	**A/B**	**12.40**	**10.50**
Diluted Earning Per Share			
Profit after tax as per statement of profit and loss (₹ in crore)	A	3,100.31	2,617.81
Weighted average number of equity shares outstanding	B	2,50,02,61,620	2,49,26,29,247
Add: Weighted average no. of potential equity shares on account of employee stock options	C	87,85,273	80,34,211
Weighted average number of equity shares outstanding (Nos.)	D (B+C)	2,50,90,46,893	2,50,06,63,458
Diluted Earning Per Share (₹)	**A/D**	**12.36**	**10.47**
Face value of shares (₹)		**10.00**	**10.00**

37 Disclosures pursuant to Ind AS 37 "Provisions, Contingent Liabilities and Contingent Assets"

(₹ in crore)

Particulars	As at March 31, 2026	As at March 31, 2025
Contingent Liabilities:		
a) Claim against the Company not acknowledged as debt:		
- Income Tax matter in dispute*	11.37	11.15
- GST / Sales tax/ VAT / Service Tax / Stamp duty matter in dispute*	235.27	257.22
- Legal matter in dispute*	2.11	1.78
b) Bank Guarantees	56.00	56.00
Commitments:		
a) Estimated amount of contracts remaining to be executed on capital account and not provided for#	64.48	52.81
b) Undisbursed Commitment towards loan	2,516.70	2,035.76

Note: *In respect of disputes, the company is of view of succeeding in appeals and does not expect any significant liabilities to materialise.
Figures reported above are excluding GST

Notes forming part of standalone financial statements

38 The Company has invoked pledge of equity shares and Non-convertible debentures ("NCD") in the following companies, pledged with the Company as collateral by the borrowers and these shares and NCD are being held by the Company as bailee.

Sr. No.	Name of Company	Quantity held as bailee	
		As at March 31, 2026	As at March 31, 2025
1	Tata Steel Limited	47,92,720	47,92,720
2	Saumya Mining Limited	5,13,012	5,13,012
3	Punj Lloyd Limited	5	5
4	GHCL Limited	70,000	70,000
5	Golden Tobacco Limited	10,000	10,000
6	Hindustan National Glass & Industries Limited	–	15,00,716
7	Sterling International Enterprises Limited	2,17,309	2,17,309
8	Tulip Telecom Limited	14,01,762	14,01,762
9	Hanjer Biotech Energies Private Limited	3,25,096	3,25,096
10	VMC Systems Limited	7,17,736	7,17,736
11	KSK Energy Ventures Limited	3,08,446	3,08,446
12	Avantha Holdings Limited	4,500	4,500
13	Su Toll Road Private Limited	–	7,912
14	KSK Mineral Resources Private Limited	–	34,22,910
15	Diamond Power Infrastructure Limited	3,000	3,000
16	Ghcl Textiles Limited	70,000	70,000
17	Dewas Bhopal Corridor Private Limited	17,000	17,000
18	Bhoruka Power Corporation Ltd	25,771	25,771
19	Almond Infrabuild Private Limited	1,20,08,100	1,20,08,100
20	Anand Divine Developers Private Limited	9,900	9,900
21	Valdel Projects Corporation Private Limited	–	1,532

39 Expenditure in foreign currency:

(₹ in crore)

Particulars	2025–26	2024–25
Professional Fees	7.88	4.66
License Fees	6.00	6.07
Finance Cost	479.50	182.29
Others	0.05	–

Notes forming part of standalone financial statements

40 Dues to micro enterprises and small enterprises:

(₹ in crore)

Sr. No.	Particulars	2025–26	2024–25
i	the principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year;	0.22	3.76
ii.	the amount of interest paid by the Company in terms of section 16 of MSMED Act, 2006, along with the amounts of the payment made to the suppliers beyond the appointed day during the year;	–	–
iii.	the amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006;	–	–
iv.	the amount of interest accrued and remaining unpaid at the end of each accounting year;	–	–
v.	the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006.	–	–

footnote: The management has identified micro and small enterprises as defined under Micro, Small and Medium Enterprises Development Act, 2006 (MSMED) on the basis of information made available by the supplier or vendors of the Company.

41 Relationship with Struck Off Companies

(a) Amount outstanding as at March 31, 2026:

Sr. No.	Name of Struck off company	Nature of transactions with struck off company	Balance outstanding (Gross) (₹ in crore)	Relationship with the struck off company, if any, to be disclosed
1	Shopforprop Realty Private Limited	Receivable (Loan outstanding)	2.66	Not Related Party
2	Unicon Fincap Private Limited	Shares held by struck off Company	0.01	Not Related Party
3	Zenith Insurance Services Private Limited	Shares held by struck off Company	0*	Not Related Party
4	Vitalink Wealth Advisory Services Private Limited	Shares held by struck off Company	0*	Not Related Party
5	Kothari Intergroup Limited	Shares held by struck off Company	0*	Not Related Party
6	Fam Ensemble Facon Private Limited	Shares held by struck off Company	0*	Not Related Party
7	Pegasus Mercantile Private Limited	Shares held by struck off Company	0*	Not Related Party
8	Mahila Credit And Investment Co (P) Limited	Shares held by struck off Company	0*	Not Related Party
9	Sanvi Fincare Consultancy Private Limited	Shares held by struck off Company	0*	Not Related Party

* less than ₹ 50,000

Notes forming part of standalone financial statements

(b) Amount outstanding as at March 31, 2025:

Sr. No.	Name of Struck off company	Nature of transactions with struck off company	Balance outstanding (Gross) (₹ in crore)	Relationship with the struck off company, if any, to be disclosed
1	Digikore Studios Private Limited	Receivable (Loan outstanding)	0.29	Not Related Party
2	Underground Pipeline And Non Destructive Testing Services Private Limited	Receivable (Loan outstanding)	0.11	Not Related Party
3	B S R Engineers Private Limited	Receivable (Loan outstanding)	0.19	Not Related Party
4	Shopforprop Realty Private Limited	Receivable (Loan outstanding)	2.66	Not Related Party
5	S D Motors Private Limited	Receivable (Loan outstanding)	0.17	Not Related Party
6	S D Motors Private Limited	Commision Paid to struck off Company	–	Not Related Party
7	Unicon Fincap Private Limited	Equity Shares of the company held by struck off company	0.01	Not Related Party
8	Zenith Insurance Services Private Limited	Equity Shares of the company held by struck off company	0*	Not Related Party
9	Architectural Glass Private Limited	Equity Shares of the company held by struck off company	0*	Not Related Party
10	Victor Properties Private Limited	Equity Shares of the company held by struck off company	0*	Not Related Party
11	Vitalink Wealth Advisory Services Private Limited	Equity Shares of the company held by struck off company	0*	Not Related Party
12	Kothari Intergroup Limited	Equity Shares of the company held by struck off company	0*	Not Related Party
13	Fam Ensemble Facon Private Limited	Equity Shares of the company held by struck off company	0*	Not Related Party
14	Pegasus Mercantile Private Limited	Equity Shares of the company held by struck off company	0*	Not Related Party
15	Mahila Credit And Investment Co (P) Limited	Equity Shares of the company held by struck off company	0*	Not Related Party
16	Sanvi Fincare Consultancy Private Limited	Equity Shares of the company held by struck off company	0*	Not Related Party
17	Banadurga Tele Service Private Limited	Corporate Vendor	0*	Not Related Party

* less than ₹ 50,000

42 Disclosure pursuant to Ind AS 1 and Ind AS 107 "Maturity analysis of assets and liabilities"

(₹ in crore)

Sr. No.	Particulars	As at March 31, 2026			As at March 31, 2025		
		Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
	ASSETS:						
(1)	**Financial assets**						
(a)	Cash and cash equivalents	4,487.86	–	4,487.86	2,893.66	–	2,893.66
(b)	Bank balance other than (a) above	3,209.27	254.97	3,464.24	7,565.87	363.24	7,929.11
(c)	Derivative financial instruments	–	875.85	875.85	–	0.55	0.55
(d)	Receivables		–		–	–	
	(I) Trade receivables	102.47	–	102.47	116.95	–	116.95
	(II) Other receivables	4.97	–	4.97	5.57	–	5.57
(e)	Loans	42,825.60	74,995.43	1,17,821.03	35,860.78	57,912.28	93,773.06
(f)	Investments	5,384.58	5,247.93	10,632.51	5,512.63	6,323.35	11,835.98
(g)	Other financial assets	774.58	–	774.58	388.65	–	388.65
(2)	**Non–financial assets**						
(a)	Current tax asset (net)	–	392.55	392.55	–	311.40	311.40
(b)	Deferred tax assets (net)	–	1,805.15	1,805.15	–	1,768.62	1,768.62
(c)	Property, plant and equipment	–	169.39	169.39	–	101.93	101.93
(d)	Intangible assets under development	–	61.87	61.87	–	45.00	45.00
(e)	Goodwill	–	182.39	182.39	–	–	–
(f)	Other intangible assets	–	253.29	253.29	–	113.82	113.82
(g)	Right of use asset	–	397.13	397.13	–	116.99	116.99
(h)	Other non–financial assets	146.22	371.01	517.23	158.56	472.94	631.50
	Total Assets	**56,935.55**	**85,006.96**	**1,41,942.51**	**52,502.68**	**67,530.11**	**1,20,032.79**

Notes forming part of standalone financial statements

(₹ in crore)

Sr. No.	Particulars	As at March 31, 2026			As at March 31, 2025		
		Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
	LIABILITIES						
(1)	**Financial Liabilities**						
(a)	Trade payables						
	(i) Total outstanding dues of micro enterprises and small enterprises	0.22	–	0.22	3.76	–	3.76
	(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	1,766.29	–	1,766.29	1,364.04	–	1,364.04
(b)	Other payables				–	–	
	(i) Total outstanding dues of micro enterprises and small enterprises	–	–	–	–	–	–
	(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	–	–	–	–	–	–
(c)	Debt securities	12,482.72	19,556.81	32,039.53	13,266.34	15,588.05	28,854.39
(d)	Borrowings (other than debt securities)	43,950.80	33,195.22	77,146.02	38,174.46	23,384.76	61,559.22
(e)	Subordinated liabilities	266.06	436.08	702.14	1,212.57	620.72	1,833.29
(f)	Lease liability	41.43	368.54	409.97	20.36	105.18	125.54
(g)	Other financial liabilities	1,468.39	–	1,468.39	620.14	–	620.14
(2)	**Non–Financial Liabilities**						
(a)	Current tax liability (net)	369.00	–	369.00	248.89	–	248.89
(b)	Provisions	16.19	89.36	105.55	12.07	38.34	50.41
(c)	Other non–financial liabilities	102.12	–	102.12	78.39	–	78.39
	Total liabilities	**60,463.22**	**53,646.01**	**1,14,109.23**	**55,001.01**	**39,737.06**	**94,738.07**

The above information is based on certain management estimates which has been relied upon by the auditors.

43 Disclosure pursuant to Ind AS 7 "Statement of Cash Flows"

Change in liabilities arising from financing activities:

(₹ in crore)

Particulars	As at April 1, 2025	Net Cash flows	Non - cash changes			As at March 31, 2026
			Changes in fair values	Exchange Difference	Others	
Debt securities	28,854.39	3,358.77	–	–	(173.63)	32,039.53
Borrowings (other than debt securities)	61,559.22	14,748.97	–	807.09	30.74	77,146.02
Subordinated liabilities	1,833.29	(1,066.50)	–	–	(64.65)	702.14
Lease Liabilities	125.54	(50.77)	–	–	335.20	409.97
Total liabilities from financing activities	**92,372.44**	**16,990.47**	**–**	**807.09**	**127.66**	**1,10,297.66**

Notes forming part of standalone financial statements

(₹ in crore)

Particulars	As at April 1, 2024	Net Cash flows	Non - cash changes			As at March 31, 2025
			Changes in fair values	Exchange Difference	Others	
Debt securities	29,569.45	(557.66)	–	–	(157.40)	28,854.39
Borrowings (other than debt securities)	44,430.47	17,288.49	0.74	(138.89)	(21.59)	61,559.22
Subordinated liabilities	2,540.95	(690.00)	–	–	(17.66)	1,833.29
Lease Liabilities	62.58	(22.57)	–	–	85.53	125.54
Total liabilities from financing activities	**76,603.45**	**16,018.27**	**0.74**	**(138.89)**	**(111.13)**	**92,372.44**

Footnote: Others include mainly amortisation of issue cost, changes in accrued interest and changes in lease liabilities.

44 Revenue from contracts with customers

Set out below is the revenue from contracts with customers and reconciliation to the statement of profit and loss:

(₹ in crore)

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Type of services or service		
Fees and commission income	1,233.27	1,077.34
Total revenue from contract with customers	**1,233.27**	**1,077.34**
Geographical markets		
– India	1,233.27	1,077.34
– Outside India	–	–
Total revenue from contract with customers	**1,233.27**	**1,077.34**
Timing of revenue recognition		
Services transferred at a point in time	1,233.27	1,077.34
Services transferred over time	–	–
Total revenue from contracts with customers	**1,233.27**	**1,077.34**

Contract balance

(₹ in crore)

Particulars	As at March 31, 2026	As at March 31, 2025
Trade receivables	102.47	116.95
Contract assets/liabilities	–	–

45 Disclosure pursuant to Ind AS 108 "Operating Segment"

a) The Company is engaged primarily in the business of financing and accordingly, there are no separate reportable segments as per Ind AS 108 "Operating Segments".

b) **Geographical Information**

The Company operates primarily within India and therefore there is no separate reportable geographic segment.

c) Revenue contributed by any single customer in any of the operating segments, whether reportable or otherwise, does not exceed ten percent of the company's total revenue.

Notes forming part of standalone financial statements

46 Disclosures pursuant to Ind AS 103 "Business Combination":

(a) Acquisition of gold loan business of Paul Merchants Finance Private Limited

(i) On June 9, 2025, L&T Finance Limited acquired the gold loan business of Paul Merchants Finance Private Limited "Transferor" through a business acquisition (Business transfer arrangement). The transferor operates in the Financial Services Segment. The primary objective of the acquisition was to enter and expand in the gold loan business .The acquisition includes PMFL's 130 branches, 696 employees, and business transfer of its gold loan book size of around 1,334.83 crore.

(ii) Assets acquired and liabilities recognised on the date of acquisition are as follows:

(₹ in crore)

Particulars	Gold loan business of Paul Merchants Finance Private Limited	
Assets		
Financial Assets		
Cash and Cash Equivalents	3.36	
Bank Balance Other than (a) above	5.83	
Trade receivables	0.16	
Loans	1,334.83	**1,344.18**
Non - Financial Assets		
Property, Plant and Equipment	7.17	
Other Non Financial Assets	5.02	
Intangible Assets:		
Branch network	94.91	
Non-Compete Fees	54.69	
Other intangible assets	0.59	**162.38**
Total Assets		**1,506.56**
Liabilities		
Financial Liabilities		
Payables:		
Trade payables	0.01	
Other payables	3.41	
Borrowing (other than Debt Securities)	970.52	**973.94**
Non Financial Liabilities		
Provisions	3.08	3.08
Total Liabilities		**977.02**
Net Assets acquired		**529.54**

(iii) Calculation of Goodwill:

(₹ in crore)

Particulars	Gold loan business of Paul Merchants Finance Private Limited
Cash consideration upfront	711.93
Less: Fair value of net assets acquired	529.54
Goodwill	**182.39**

(iv) Goodwill is attributable to future growth of business out of synergies from the acquisition and assembled workforce. The Goodwill is not deductible for income tax purposes.

(v) Under the Business Transfer Arrangement, the Company acquired the gold loan undertaking of the Transferor as a slump sale rather than as a separate legal entity. Following the acquisition, these operations were fully integrated into the Company's existing operations. Consequently, the revenue and profit / (loss) of the acquired business are not separately identifiable, as the business now leverages shared resources and unified overhead structures to achieve operational synergies.

(vi) Out of ₹ 1,334.83 crore of Loan book acquired ₹ 1,261.56 crore have been collected during the year.

(vii) The company has recognised consideration payable in accordance with terms of Business Transfer Arrangement. No consideration is payable to the erstwhile promoters of the gold loan business upon the achievement of certain targets and other conditions.

47 Risk Management

Basis

Robust risk management involves a systematic approach to identification, measurement and control of various risks. All employees of the Company are responsible for the management of risks, including the Board of Directors. The Board of Directors and its Risk Management Committee ensure that Management takes into consideration all the relevant risk factors which could lead to unexpected fluctuations in financials or loss of capital employed. Risks are evaluated from time to time and control measures as per defined frameworks as approved by the board are executed. This helps in aligning the risk appetite to the Company's strategy to deliver sustainable, long-term returns to its investors.

Types of risk

As a lending non-banking financial company, the most important risks faced are as follows:

- Credit risk
- Market risk
- Capital risk

In addition to the above Risks, Enterprise Risks, Operational Risks, Model Risks and Information Security risks are also identified and monitored.

Credit risk

Credit risk is the risk of suffering financial loss due to customers or counterparties failing to fulfil their contractual obligations which can result in losses for the company.

Credit risk arises mainly from retail and wholesale loans and advances and loan commitments arising from such lending activities; but could also arise from credit enhancement provided, such as financial guarantees. Credit risk arises due to

a) Default Risk – Borrower fails to repay

b) Credit worthiness risk – Borrower's credit profile deteriorates

c) Concentration Risk – over exposure to an industry or borrower or geography

The Company is also exposed to other credit risks arising from investments in debt securities and exposures arising from its trading activities ("Trading Exposures") as well as settlement balances with market counterparties.

Credit risk is the one of the largest risk for the Company's business. Management therefore carefully manages its exposure to credit risk. A centralized risk management function oversees the risk management framework, and an overview of credit risk of portfolio is periodically presented to the Risk Management Committee.

Notes forming part of standalone financial statements

Credit-worthiness in terms of intention to pay and cashflows assessment is evaluated prior to signing any contracts, based on underwriting process including employing market information. Management endeavors to constantly upgrade and improve its underwriting standards to reduce the credit risk and build a risk calibrated portfolio.

Loans and advances (including loan commitments and guarantees)

The estimation of the risk of credit exposures is complex, as the same varies with changes in market conditions, expected cash flow and the passage of time. Wholesale and retail portfolios are managed separately to reflect the differing nature of the business strategy. As the Company is completely exiting the wholesale business by way of sell down, the wholesale portfolio is classified as Fair Value through Profit and Loss Account ("FVTPL") and valued accordingly as per Ind AS 109. As regards the retail portfolio, the same is classified as amortized cost as per Ind AS 109 and assessed accordingly. The assessment of credit risk of the retail portfolio entails estimations as to the likelihood of defaults occurring and of the associated loss ratios. The Company measures credit risk for each class of loan assets using inputs such as Probability of Default (PD) and Loss Given Default (LGD). PD and LGD are ascertained as per applicable standards culminating in Expected Credit Loss ("ECL").

Retail Business - (Rural and Urban Finance)

A combination of credit models along with policy rules are deployed as approved by the designated officials for the respective product. The rules are regularly monitored and updated to ensure that the learnings from the portfolio performance and changes in the economic environment are factored in to strengthen the credit portfolio.

Trading Exposures

For debt securities in the trading portfolio, external rating agency credit grades are used for evaluating the credit risk.

Expected Credit Loss ('ECL')

The Company prepares its financial statements in accordance with the IND AS framework. As per the RBI notification, on acceptance of IND AS for regulatory reporting, the Company computes provision as per IND AS 109 as well as per extant prudential norms on Income Recognition, Asset Classification and Provisioning (IRACP). Where impairment allowance in aggregate for the Company under Ind AS 109 is lower than the provisioning required under IRACP (including standard asset provisioning) for the Company, the difference is appropriated from net profit or loss after tax, to a separate 'Impairment Reserve'. Any withdrawals from this reserve shall be made only with prior permission from the RBI.

ECL allowances recognized in the financial statements also reflect the effect of a range of possible economic outcomes, calculated on a probability weighted basis, based on certain economic scenarios. The recognition and measurement of ECL involves the use of significant judgment and estimation. Forward looking economic forecasts are used in developing the ECL estimates. The multi-variable regression framework is used to establish a linkage between company's default rates and various macroeconomic variables like unemployment rate, commodity price index, general government final consumption expenditure, domestic credit to private sector, gross domestic product, gross capital formation, lending interest rate, final consumption expenditure and farm reservoir levels amongst others. Three scenarios sufficient to calculate unbiased ECL are used - representing the "most likely outcome" (the "Central" scenario) and two "less likely outcome" scenarios (the "Upside" and "Downside" scenarios). Probability weights have been assigned to each scenario based on past patterns observed in the multi variable regression process. However, for FY26-27, in the light of the recent geopolitical conflicts and uncertainty, the management will not consider any reduction in ECL estimates that may be arising through the Point in time (PIT) model outcome using the macro-economic variables.

Notes forming part of standalone financial statements

Management oversees the estimation of ECL including:

(i) setting requirements in policy, including key assumptions and the application of key judgements

(ii) the design and execution of models; and

(iii) review of ECL results.

As required by Ind AS 109, a 'three-stage' model for impairment based on changes in credit quality since initial recognition was built as summarized below:

- A loan asset that is not credit-impaired, on initial recognition, is classified in 'Stage 1' and has its credit risk continuously monitored by Management. The company categorises loan assets as 'Stage 1' primarily based on 0-30 Days Past Dues status.
- If a significant increase in credit risk ('SICR') since initial recognition is identified, the loan asset is moved to 'Stage 2' but is not yet deemed to be credit impaired. (See note 1.10(i) for a description of how the Company determines when a significant increase in credit risk has occurred). The company categorizes loan assets as 'Stage 2' primarily based on 31-90 Days Past Dues status.
- If the financial instrument is credit-impaired, the financial instrument is then moved to 'Stage 3'. (See note 1.10(i) for a description of how the Company defines credit-impaired and default). The company categorizes loan assets as 'Stage 3' primarily based on more than 90 Days Past Dues status.

  (Refer note 48 for Stage wise gross carrying amount of loans and loss allowance provisioning).

The following are additional considerations for each type of portfolio held by the Company:

Retail Business- (Rural and Urban Finance)

Retail lending credit quality is determined on a collective basis based on a 12-month point in time ("PIT") probability weighted PD for all loan asset that are not credit-impaired and for assets with SICR, lifetime probability weighted PIT PD is used. PD for assets in Stage 3 are considered as 1.

A centralized impairment model summarizes the historical payment behaviors of the borrowers within a retail portfolio for which data are used to build the PD estimates. For estimating PD, day-past-due (DPD) status, vintage of customer as measured by the Month-on-Book (MOB) and/ or a few other product specific parameters (Prime/Non-Prime customers, New Book/ Old Book split, etc.) are considered for segmenting the portfolio to differentiate the default risk within the respective retail products.

LGD has been estimated for all the retail products using the defaulted accounts which are eventually closed (either through normal repayments or through settlement/waivers) along with defaulted active accounts with high DPD as of the end of the performance period allowing a reasonable window for collections post the default. LGD is computed as average of 1 minus the ratio of net recoveries (i.e., total recoveries adjusted for direct recovery costs) to the Principal Outstanding (POS) at the time of default., the average being computed over the accounts considered for the LGD estimation. The PD and LGD rates are used to arrive at the ECL for all stages of loan assets.

Exposure at Default (EAD)

EAD represents the expected balance at default, taking into account the repayment of principal and interest from the Balance Sheet date to the date of default together with any expected drawdowns of committed facilities.

Notes forming part of standalone financial statements

The Company's net exposure to credit risk, after taking into account credit risk mitigation, have been tabulated below:

(₹ in crore)

Particulars	As at March 31, 2026			As at March 31, 2025		
	Outstanding	Cash collateral	Nature of Non-cash collateral	Outstanding	Cash collateral	Nature of Non-cash collateral
Financial assets						
Equity instrument (Subsidiary)	167.85	–		167.85	–	
Cash and cash equivalent and other bank balances	7,952.10	–		10,822.77	–	
Loans and advances at amortised cost	116,049.11	–	Refer note below	91,642.36	–	Refer note below
Trade receivables	102.47	–		116.95	–	
Other receivables	4.97	–		5.57	–	
Other financial assets	774.58	–		388.65	–	
Total financial assets at amortised cost	**1,25,051.08**	–		**1,03,144.15**	–	
Financial assets at fair value through profit or loss	7,517.36	–		8,201.96	–	
Total financial instruments at fair value through profit or loss	**7,517.36**	–		**8,201.96**	–	
Derivative financial instruments	875.85	–		0.55	–	
Financial instruments at fair value through Other Comprehensive Income	4,719.22	–		5,596.87	–	
Total Financial instruments at fair value through Other Comprehensive Income	**5,595.07**	–		**5,597.42**	–	
Total on–balance sheet	**1,38,163.51**	–		**1,16,943.53**	–	
Off balance sheet						
Contingent liabilities	304.75	–		327.15	–	
Other commitments	2,581.18	–		2,088.57	–	
Total off–balance sheet	**2,885.93**	–		**2,414.72**	–	
Total	**1,41,049.44**	–		**1,19,358.25**	–	

Footnote:

Retail loans, other than unsecured loans aggregating ₹ 62,012.51 crore as of March 31, 2026, are generally secured by a charge on the asset financed (farm equipment loans, two-wheeler loans, home loans and loans against property) (as of March 31, 2025: ₹ 51,579.46 crore). If the customer fails to pay, the Company would, as applicable, liquidate collateral and/or set off accounts. For most products, the Company obtains direct debit instructions from the customer. It is a criminal offence in India to issue a bad cheque.

Of the unmitigated on balance sheet exposure, a significant portion relates to cash held with banks, settlement balances, and debt securities issued by governments all of which are considered to be lower risk.

Notes forming part of standalone financial statements

Besides growth in the loan assets portfolio, increases in trading portfolio assets and financial assets at fair value through the Statement of Profit and Loss have also contributed to the increase in the Company's net exposure to credit risk. Investments in debt instruments are predominantly investment grade except where the instrument is received in connection with loans granted.

Where collateral has been obtained in the event of default, the Company does not, ordinarily, use such assets for its own operations and they are usually sold and off set against the outstanding loan assets.

The Company has invoked pledge of equity shares and non-convertible debentures ("NCD") in the companies, pledged with the Company as collateral by the borrowers and these shares are being held by the Company as bailee. (Refer note 38).

Concentration of exposure:

Concentrations of credit risk arise when a number of counterparties or exposures have comparable economic characteristics, or such counterparties are engaged in similar activities or operate in the same geographical areas or industry sectors so that their collective ability to meet contractual obligations is uniformly affected by changes in economic, political or other conditions. The Company has established a diversified borrower base as at March 31, 2026. The Company has put in place a framework of Risk Limits, which are monitored on a quarterly basis to ensure that the overall portfolio is steered within the approved limits to minimize concentration risk. The Risk Limits cover risk of concentration to a particular geography, industry, Company/ borrower or revenue counterparty of the borrowers etc. as are relevant to the respective product.

Market Risk Management:

Liquidity Risk:

This is the risk that the Company may be unable to service its contractual or contingent liabilities or support its committed disbursements due to lack of adequate funding or liquidity.

Liquidity risk management in the Company is guided by the Board-approved Asset-Liability Management ('ALM') Policy, which provides the framework for the identification, measurement, monitoring and reporting of liquidity risk arising from the Company's lending and borrowing activities. This risk is measured and managed by setting up limits on structural liquidity gaps across various time-buckets and on relevant liquidity stock ratios. Monthly reports on actual liquidity gaps against established limits are submitted to the Asset Liability Management Committee (ALCO). The Company has been maintaining positive cumulative liquidity gaps for all the time-buckets up to 1 year as a prudent risk management practice.

The Company manages liquidity risk through periodic stress testing and maintains a substantial liquidity buffer. This buffer, designed to withstand a 30-day survival period under a severe stress scenario, includes High-Quality Liquid Assets, Fixed Deposits, and Mutual Funds. The Company also continuously monitors its Liquidity Coverage Ratio (LCR) above regulatory minimums and uses Early Warning Indicators (EWI) within its Contingency Funding Plan to proactively address potential liquidity challenges. These EWIs are monitored on a regular basis.

Further, RBI has issued final guidelines on Liquidity Risk Management Framework under Master Direction - Reserve Bank of India (Non-Banking Financial Company– Scale Based Regulation) Directions, 2023. As per the said guidelines, NBFC are required to publicly disclose the below information related to liquidity risk on a quarterly basis. Basis the above, the disclosure on liquidity risk for L&T Finance Limited as at March 31, 2026 is given below:

(i) Funding Concentration based on significant counterparty

FY	No. of Significant Counterparties	Amount (₹ in crore)	% of Total Deposits	% of Total Liabilities
2025-26	23	81,057	N.A.	70%
2024-25	23	66,465	N.A.	69%

Notes forming part of standalone financial statements

Notes:

- A "Significant counterparty" is defined as a single counterparty or group of connected or affiliated counterparties accounting in aggregate for more than 1% of the NBFC-NDSI's, NBFC-Ds total liabilities and 10% for other non-deposit taking NBFCs
- Total Liabilities has been computed as Total Assets less Equity share capital less Reserve & Surplus and computed basis extant regulatory ALM guidelines

(ii) Top 20 large deposits (amount in ₹ crore and % of total deposits) – Not Applicable

(iii) Top 10 borrowings:

FY	Amount (₹ in crore)	% of Total Borrowings
2025-26	53,096	49%
2024-25	46,778	51%

Note:

- Total Borrowing has been computed as Gross Total Debt basis extant regulatory ALM guidelines.

(iv) Funding Concentration based on significant instrument / product

Sr. No.	Name of the product	FY 2025-26		FY 2024-25	
		Amount (₹ in crore)	% of Total Liabilities	Amount (₹ in crore)	% of Total Liabilities
1	Borrowings from Banks and Financial Institutions (FIs)	65,318	56%	51,817	54%
2	NCDs raised through Private Placement	22,710	20%	22,498	23%
3	Commercial Papers	8,215	7%	6,135	6%
4	NCDs raised through Public Issue			1,025	1%
5	External Commercial Borrowings	7,379	6%	7,492	8%
6	Securitisation Borrowings (PTC)	3,050	3%	1,788	2%
	Total	**1,06,672**	**92%**	**90,754**	**94%**

Note:

- A "significant instrument/product" is defined as a single instrument/product of group of similar instruments/products which in aggregate amount to more than 1% of the NBFC-NDSI's, NBFC-Ds total liabilities and 10% for other non-deposit taking NBFCs.
- Total Liabilities has been computed as Total Assets less Equity share capital less Reserve & Surplus and computed basis extant regulatory ALM guidelines.

(v) Stock Ratios:

Sr. No.	Stock Ratio	FY 2025-26 (%)	FY 2024-25 (%)
1	Commercial papers as a % of total liabilities	7%	6%
2	Commercial papers as a % of total assets	6%	5%
3	Non-convertible debentures (original maturity of less than one year) as a % of total liabilities	0%	0%
4	Non-convertible debentures (original maturity of less than one year) as a % of total assets	0%	0%
5	Other short-term liabilities as a % of total liabilities	24%	27%
6	Other short-term liabilities as a % of total assets	19%	22%

Notes forming part of standalone financial statements

Note:

- Commercial Paper for stock ratio is the Gross outstanding (i.e. Maturity amount).
- Other Short-term Liabilities has been computed as Total Short-term Liabilities less Commercial paper less Non-convertible debentures (Original maturity of less than one year), basis extant regulatory ALM guidelines.

Institutional set-up for Liquidity Risk Management:

The Company's Board of Directors is responsible for overseeing and managing all risks, including liquidity risk, in the Company's business. The Board approves the governance structure, policies, strategy and the risk limits for the management of liquidity risk. The Board of Directors approves the constitution of the Risk Management Committee (RMC) for the effective supervision, evaluation, monitoring and review of various aspects and types of risks, including liquidity risk, faced by the Company. The meetings of RMC are held at quarterly interval. Further, the Board of Directors also approves constitution of Asset Liability Committee (ALCO), which functions as the strategic decision-making body for the asset-liability management of the Component from risk-return perspective and within the risk appetite and guard-rails/ limit approved by the Board. The main objective of ALCO is to assist the Board and RMC in effective discharge of the responsibilities of asset-liability management, market risk management, liquidity and interest rate risk management and also to ensure adherence to risk tolerance/limits set up by the Board. ALCO provides guidance and directions in terms of interest rate, liquidity, funding sources, and investment of surplus funds. ALCO meetings are held once in a month or more frequently as warranted from time to time. The minutes of ALCO meetings are placed before the RMC and the Board of Directors in its next meeting for its perusal/approval/ratification.

(vi) Disclosure on Liquidity Coverage Ratio

RBI has issued final guidelines on Liquidity Risk Management Framework for Non-Banking Financial Companies and Core Investment Companies on November 04, 2019. As per the said guidelines, LCR requirement shall be binding on all non-deposit taking systemically important NBFCs with asset size of ₹ 10,000 crore and above from December 1, 2020, with the minimum LCR to be 50%, progressively increasing, till it reaches the required level of 100%, by December 1, 2024, as per the time-line given below:

From	December 1, 2020	December 1, 2021	December 1, 2022	December 1, 2023	December 1, 2024
Minimum LCR	50%	60%	70%	85%	100%

Further, NBFC are required to publicly disclose the information related to Liquidity Coverage Ratio on a quarterly basis. Accordingly, the disclosure on Liquidity Coverage Ratio of L&T Finance Limited is as under:

LCR Disclosure	Q1 FY 2025-26		Q2 FY 2025-26		Q3 FY 2025-26		Q4 FY 2025-26	
₹ in crore	Total Unweighted* Value (average)	Total Weighted** Value (average)	Total Unweighted* Value (average)	Total Weighted** Value (average)	Total Unweighted* Value (average)	Total Weighted** Value (average)	Total Unweighted* Value (average)	Total Weighted** Value (average)
High Quality Liquid Assets								
1 Total High Quality Liquid Assets (HQLA)	3887.51	3873.83	3455.29	3441.44	3495.38	3481.53	5801.42	5787.75
Cash in hand & Bank balance	417.73	417.73	345.28	345.28	396.05	396.05	475.02	475.02

Notes forming part of standalone financial statements

LCR Disclosure	Q1 FY 2025-26		Q2 FY 2025-26		Q3 FY 2025-26		Q4 FY 2025-26	
₹ in crore	Total Unweighted* Value (average)	Total Weighted** Value (average)	Total Unweighted* Value (average)	Total Weighted** Value (average)	Total Unweighted* Value (average)	Total Weighted** Value (average)	Total Unweighted* Value (average)	Total Weighted** Value (average)
Government Securities (unencumbered)	3288.76	3288.76	3002.19	3002.19	2983.06	2983.06	3371.39	3371.39
Marketable Securities issued by sovereigns, PSEs or multidevelopment banks with < 20% risk weight (not by bank/FI/NBFC)	91.19	77.51	92.33	78.48	92.36	78.51	91.18	77.50
Corporate bonds with LT credit rating AA- (not by bank/FI/NBFC)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
CBLO (Treps Lending)	89.84	89.84	15.49	15.49	23.91	23.91	1863.83	1863.83
Cash Outflows								
2 Deposits (for deposit taking companies)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3 Unsecured wholesale funding ***	2966.68	3411.68	2665.84	3065.71	2683.36	3085.86	2261.62	2600.87
4 Secured wholesale funding ****	1669.88	1920.36	2069.52	2379.95	1926.64	2215.64	2157.86	2481.53
5 Additional requirements, of which	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(i) Outflows related to derivative exposures and other collateral requirements	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(ii) Outflows related to loss of funding on debt products	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(iii) Credit and liquidity facilities	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6 Other contractual funding obligations	1070.39	1230.95	1155.36	1328.67	1149.78	1322.25	1314.01	1511.11
7 Other contingent funding obligations	314.66	361.86	120.62	138.71	140.77	161.88	149.73	172.19
8 TOTAL CASH OUTFLOWS	**6021.61**	**6924.86**	**6011.34**	**6913.04**	**5900.55**	**6785.63**	**5883.21**	**6765.69**
Cash Inflows								
9 Secured lending	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
10 Inflows from fully performing exposures	2978.54	2233.91	2840.22	2130.17	3122.79	2342.10	3129.78	2347.33
11 Other cash inflows	20740.25	15555.18	20330.45	15247.84	20467.68	15350.76	14676.53	11007.39
12 TOTAL CASH INFLOWS	**23718.79**	**17789.09**	**23170.67**	**17378.01**	**23590.48**	**17692.86**	**17806.30**	**13354.73**
13 TOTAL HQLA		**3873.83**		**3441.44**		**3481.53**		**5787.75**
14 TOTAL NET CASH OUTFLOWS OVER 30 DAYS PERIOD		**1731.21**		**1728.26**		**1696.41**		**1691.42**
15 LIQUIDITY COVERAGE RATIO (%)		**224%**		**199%**		**205%**		**342%**

* Unweighted values must be calculated as outstanding balances maturing or callable within 30 days (for inflows and outflows)

** Weighted values must be calculated after the application of respective haircuts (for HQLA) and stress factors on inflow and outflow

*** Unsecured wholesale funding includes cash outflow on account of CP, ICD & unsecured Debenture repayments

**** Secured wholesale funding includes all other borrowing repayments

Foreign Exchange Rate Risk:

In the normal course of its business, the Company does not deal in foreign exchange in a significant way. Any foreign exchange exposure on account of foreign exchange borrowings is fully hedged to safeguard against exchange rate risk. The Company's treasury risk management policy covers the framework for managing currency risk including hedging. The Company determines hedge effectiveness for hedging instrument at the inception of the hedge relationship and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and hedging instrument. The Company enters into hedge relationships where the critical terms of the hedging instrument match with the terms of the hedged item, and so a qualitative and quantitative assessment of effectiveness is performed.

Interest Rate Risk:

Interest rate risk, which arises from changes in market interest rates affecting the Company's Net Interest Income (NII) is mitigated by the Company's ALM Policy, which stipulates Interest Rate Sensitive Gaps for all the time-buckets. An Interest Rate Sensitivity Statement, prepared monthly and presented to ALCO, tracks these gaps, specifically the mismatch between the Rate Sensitive Assets and Liabilities across various time buckets.

Security Prices:

The Company's investment portfolios consist of government securities, corporate bonds and debentures. To mitigate credit and interest rate risk, risk limits in the form of portfolio size limits, concentration limits and mark to market (MTM) limit are stipulated. Early warning indicators in the form of alarm limits have also been put in place. Reporting periodicity and escalation matrix upon the breach of alarm limits as well as risk limits have been clearly defined. The Company does not invest in Equity stocks and therefore is not exposed to equity price risk.

Notes forming part of standalone financial statements

48.1 Disclosure pursuant to Ind AS 107 "Financial Instruments: Disclosures"

(a) Expected credit loss - Loans at amortised cost:

(₹ in crore)

Particulars		As at March 31, 2026			As at March 31, 2025		
		Gross carrying amount	Expected Credit Loss *	Carrying amount (net of impairment provision)	Gross carrying amount	Expected Credit Loss *	Carrying amount (net of impairment provision)
Loss allowance measured at 12 month expected credit losses	Financial assets for which credit risk has not increased significantly since initial recognition	1,14,101.90	880.80	1,13,221.10	89,618.70	1,051.42	88,567.28
Loss allowance measured at life-time expected credit losses	Financial assets for which credit risk has increased significantly and not credit-impaired	2,377.79	515.17	1,862.62	2,797.09	468.84	2,328.25
	Financial assets for which credit risk has increased significantly and credit-impaired	3,027.26	2,061.87	965.39	2,763.32	2,016.49	746.83
Total		**1,19,506.95**	**3,457.84**	**1,16,049.11**	**95,179.11**	**3,536.75**	**91,642.36**

* Includes macro prudential provision of ₹ Nil (previous year ₹ 575 crores) for Rural Group Loans and Micro Finance Business (RGL & MFI).

48.2 Disclosure pursuant to Ind AS 107 "Financial Instruments: Disclosures"

(a) Reconciliation of loss allowance provision - Loans at amortised cost: (₹ in crore)

Particulars	Stage 1	Stage 2	Stage 3	Total
Expected Credit Loss as on March 31, 2024	**1,323.86**	**421.98**	**1,791.91**	**3,537.75**
New assets originated or purchased*	712.20	89.11	289.44	1,090.75
Transfers to Stage 1	21.29	(9.84)	(11.45)	–
Transfers to Stage 2	(17.48)	23.83	(6.35)	–
Transfers to Stage 3	(50.06)	(113.44)	163.50	–
Amount written off	–	–	(2,382.19)	(2,382.19)
Impact of changes in credit risk on account of stage movements	(21.01)	246.27	2,142.86	2,368.12
Increase/ (Decrease) provision on existing financial assets including recovery	(917.38)	(189.07)	28.77	(1,077.68)
Expected Credit Loss as on March 31, 2025	**1,051.42**	**468.84**	**2,016.49**	**3,536.75**
New assets originated or purchased*	609.58	77.58	128.73	815.89
Business Combination (Refer note 46)	1.83	0.25	0.04	2.12
Transfers to Stage 1	26.51	(13.93)	(12.58)	–
Transfers to Stage 2	(11.51)	29.46	(17.95)	–
Transfers to Stage 3	(39.67)	(184.24)	223.91	–
Amount written off	–	–	(2,413.41)	(2,413.41)
Impact of changes in credit risk on account of stage movements	(25.98)	183.80	2,318.27	2,476.10
Increase/ (Decrease) provision on existing financial assets including recovery	(731.38)	(46.59)	(181.63)	(959.60)
Expected Credit Loss as on March 31, 2026	**880.80**	**515.17**	**2,061.87**	**3,457.84**

(b) Reconciliation of Gross carrying amount - Loans at amortised cost: (₹ in crore)

Particulars	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount as on March 31, 2024	**75,295.93**	**2,468.78**	**2,270.82**	**80,035.53**
New assets originated or purchased*	52,884.95	450.48	363.92	53,699.35
Transfers to Stage 1	94.79	(76.90)	(17.90)	–
Transfers to Stage 2	(1,369.15)	1,379.47	(10.32)	–
Transfers to Stage 3	(2,305.31)	(565.51)	2,870.82	–
Amount written off	–	–	(2,395.39)	(2,395.39)
Net recovery	(34,982.51)	(859.23)	(318.64)	(36,160.38)
Gross carrying amount as on March 31, 2025	**89,618.70**	**2,797.09**	**2,763.32**	**95,179.11**
New assets originated or purchased*	69,576.08	282.30	177.97	70,036.34
Business Combination (Refer note 46)	1,259.11	72.86	2.86	1,334.83
Transfers to Stage 1	127.10	(103.50)	(23.60)	–
Transfers to Stage 2	(1,166.41)	1,199.07	(32.66)	–
Transfers to Stage 3	(2,323.15)	(886.16)	3,209.31	–
Amount written off	–	–	(2,456.49)	(2,456.49)
Net recovery	(42,989.53)	(983.88)	(613.44)	(44,586.85)
Gross carrying amount as on March 31, 2026	**1,14,101.90**	**2,377.79**	**3,027.26**	**1,19,506.95**

* excludes assets originated or purchased and derecognised during the year

48.3 Other disclosure pursuant to Ind AS 107 "Financial Instruments: Disclosures":

(a) Category-wise classification for applicable financial assets:

(₹ in crore)

Sr. No.	Particulars	As at March 31, 2026	As at March 31, 2025
I	**Measured at fair value through profit or loss (FVTPL):**		
	(i) Investment in equity instruments	47.43	49.77
	(ii) Investment in bonds/debentures	90.02	90.02
	(iii) Investment in mutual funds	751.32	–
	(iv) Investment in security receipt(net)	4,807.72	5,862.44
	(v) Investment in units of fund	48.95	69.03
	(vi) Loans	1,771.92	2,130.70
	Sub–total (I)	**7,517.36**	**8,201.96**

Notes forming part of standalone financial statements

(₹ in crore)

Sr. No.	Particulars	As at March 31, 2026	As at March 31, 2025
II	**Measured at amortised cost:**		
	(i) Loans	1,16,049.11	91,642.36
	(ii) Trade receivables	102.47	116.95
	(iii) Other receivables	4.97	5.57
	(iv) Other financial assets	774.58	388.65
	(v) Cash and cash equivalents and bank balances	7,952.10	10,822.77
	Sub–total (II)	**1,24,883.23**	**1,02,976.30**
III	**Measured at fair value through other comprehensive income (FVTOCI):**		
	(i) Investment in bonds/Debentures	93.86	504.22
	(ii) Investment in government securities	3,723.54	5,092.65
	(iii) Investment in State development loan	158.32	–
	(iv) Investment in Certificate of deposit	743.50	–
	(v) Derivative financial instruments	875.85	0.55
	Sub–total (III)	**5,595.07**	**5,597.42**
	Total (I+II+III)	**1,37,995.66**	**1,16,775.68**

Foot note: Investment in subsidiaries valued at cost current year: ₹ 167.85 crore (previous year: ₹ 167.85 crore).

(b) Category-wise classification for applicable financial liabilities:

(₹ in crore)

Sr. No.	Particulars	As at March 31, 2026	As at March 31, 2025
I	**Measured at fair value through profit or loss (FVTPL):**		
	(i) Derivative Instruments not designated as cash flow hedges	–	–
	Sub–total (I)	**–**	**–**
II	**Measured at amortised cost:**		
	(i) Debt securities	32,039.53	28,854.39
	(ii) Borrowings (other than debt securities)	77,146.02	61,559.22
	(iii) Subordinated liabilities	702.14	1,833.29
	(iv) Trade payables	1,766.51	1,367.80
	(v) Other payables	–	–
	(vi) Lease liabilities	409.97	125.54
	(vii) Other financial liabilities	1,468.39	620.14
	Sub–total (II)	**1,13,532.56**	**94,360.38**
III	**Measured at fair value through other comprehensive income (FVTOCI):**	**–**	**–**
	Sub–total (III)	**–**	**–**
	Total (I+II+III)	**1,13,532.56**	**94,360.38**

Notes forming part of standalone financial statements

48.4 Disclosure pursuant to Ind AS 107 "Financial Instruments: Disclosures"

(a) Fair value of financial assets and financial liabilities measured at amortised cost:

(₹ in crore)

Particulars	As at March 31, 2026		As at March 31, 2025	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets:				
Loans	1,16,049.11	1,17,249.49	91,642.36	91,642.36
Total	**1,16,049.11**	**1,17,249.49**	**91,642.36**	**91,642.36**
Financial liabilities:				
Debt Securities	32,039.53	31,833.39	28,854.39	28,839.65
Borrowings (other than debt securities)	77,146.02	76,203.23	61,559.22	61,322.54
Subordinated liabilities	702.14	686.84	1,833.29	1,826.19
Lease liabilities	409.97	409.97	125.54	125.54
Total	**1,10,297.66**	**1,09,133.43**	**92,372.44**	**92,113.92**

The carrying amounts of cash & cash equivalents, bank balance, trade receivables, other receivables, other financial assets, trade payables, other payables and other financial liabilities are considered to be the same as their fair values, due to their short-term nature.

(b) Disclosure pursuant to Ind AS 113 "Fair Value Measurement" - Fair value hierarchy of financial assets and financial liabilities measured at amortised cost:

(₹ in crore)

As at March 31, 2026	Level 1	Level 2	Level 3	Total	Valuation technique for level 3 items
Financial assets:					
Loans	–	–	1,17,249.49	1,17,249.49	Discounted cashflow approach
Total financial assets	**–**	**–**	**1,17,249.49**	**1,17,249.49**	
Financial liabilities:					
Debt Securities	–	–	31,833.39	31,833.39	Discounted cashflow approach
Borrowings (other than debt securities)	–	–	76,203.23	76,203.23	Discounted cashflow approach
Subordinated liabilities	–	–	686.84	686.84	Discounted cashflow approach
Lease liabilities	–	–	409.97	409.97	Discounted cashflow approach
Total financial liabilities	**–**	**–**	**1,09,133.43**	**1,09,133.43**	

(₹ in crore)

As at March 31, 2025	Level 1	Level 2	Level 3	Total	Valuation technique for level 3 items
Financial assets:					
Loans	–	–	91,642.36	91,642.36	Discounted cashflow approach
Total financial assets	**–**	**–**	**91,642.36**	**91,642.36**	
Financial liabilities:					
Debt Securities	–	–	28,839.65	28,839.65	Discounted cashflow approach
Borrowings (other than debt securities)	–	–	61,322.54	61,322.54	Discounted cashflow approach
Subordinated liabilities	–	–	1,826.19	1,826.19	Discounted cashflow approach
Lease liabilities	–	–	125.54	125.54	Discounted cashflow approach
Total financial liabilities	**–**	**–**	**92,113.92**	**92,113.92**	

Notes forming part of standalone financial statements

48.5 Disclosure pursuant to Ind AS 113 "Fair Value Measurement"

(₹ in crore)

Particulars	As at March 31, 2026				As at March 31, 2025			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Financial assets:								
Financial assets at fair value through profit and loss:								
Investments								
– Equity instruments	7.89	–	39.54	47.43	10.23	–	39.54	49.77
– Bonds and debentures	–	–	90.02	90.02	–	–	90.02	90.02
– Mutual funds	751.32	–	–	751.32	–	–	–	–
– Pass through certificates	–	–	–	–	–	–	–	–
– Security receipts	–	–	4,807.72	4,807.72	–	–	5,862.44	5,862.44
– Units of fund	–	–	48.95	48.95	–	–	69.03	69.03
Loans	–	–	1,771.92	1,771.92	–	–	2,130.70	2,130.70
Derivative financial instruments	–	–	–	–	–	–	–	–
Sub total	**759.21**	**–**	**6,758.15**	**7,517.36**	**10.23**	**–**	**8,191.73**	**8,201.96**
Financial assets at fair value through other comprehensive income:								
Investments								
– Bonds and debentures	–	93.86	–	93.86	–	504.22	–	504.22
– Mutual funds	–	–	–	–	–	–	–	–
– Government securities	–	3,723.54	–	3,723.54	–	5,092.65	–	5,092.65
– State development loan	–	158.32	–	158.32	–	–	–	–
– Certificate of deposit	–	743.50	–	743.50	–	–	–	–
Derivative financial instruments	–	875.85	–	875.85	–	0.55	–	0.55
Sub total	**–**	**5,595.07**	**–**	**5,595.07**	**–**	**5,597.42**	**–**	**5,597.42**
Total Financial assets at fair value	**759.21**	**5,595.07**	**6,758.15**	**13,112.43**	**10.23**	**5,597.42**	**8,191.73**	**13,799.38**
Financial liabilities:								
Financial liabilities at fair value through profit and loss:	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Total Financial liabilities at fair value	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**

Note: Quoted investments having inactive markets are classified in Level 2.

Notes forming part of standalone financial statements

48.6 Disclosure pursuant to Ind AS 113 "Fair Value Measurement"

The following table presents the changes in level 3 items for the year ended March 31, 2025 and March 31, 2026:

(₹ in crore)

Particulars	– Equity instruments	– Bonds and debentures	– Security Receipts	– Units of fund	Loans	Total
Balance as at April 1, 2024	**1.73**	**113.84**	**6,769.51**	**100.14**	**4,861.62**	**11,846.82**
Acquisitions	–	11.22	708.25	5.65	265.20	990.32
Deletions/redemption	–	–	(1,463.44)	(36.79)	(3,211.84)	(4,712.07)
Gains/(losses) recognised in profit or loss	37.81	(35.04)	(151.88)	0.03	215.72	66.66
As at March 31, 2025	**39.54**	**90.02**	**5,862.44**	**69.03**	**2,130.70**	**8,191.73**
Acquisitions	–	–	132.49	3.69	13.00	149.18
Deletions/redemption	–	–	(1,142.65)	(7.21)	(374.41)	(1,524.27)
Gains/(losses) recognised in profit or loss	–	–	(44.56)	(16.56)	2.63	(58.49)
As at March 31, 2026	**39.54**	**90.02**	**4,807.72**	**48.95**	**1,771.92**	**6,758.15**
Unrealised gains/(losses) recognised in profit and loss related to assets and liabilities held at the end of the reporting period						
As at March 31, 2025	**37.81**	**(35.04)**	**(151.88)**	**0.03**	**215.72**	**66.64**
As at March 31, 2026	**–**	**–**	**(44.56)**	**(16.56)**	**2.63**	**(58.49)**
Unrealised gains/(losses) recognised in Other Comprehensive Income related to assets and liabilities held at the end of the reporting period						
As at March 31, 2025	–	–	–	–	–	–
As at March 31, 2026	–	–	–	–	–	–

48.7 Disclosure pursuant to Ind AS 113 "Fair Value Measurement"

The following table summarises the quantitative information about the significant unobservable inputs used in level 3 fair value measurements.

(₹ in crore)

Particulars	Fair value as at		Rates for Sensitivity	Impact of Increase in Rates on Total Comprehensive Income statement			
	March 31, 2026	March 31, 2025		March 31, 2026	March 31, 2026	March 31, 2025	March 31, 2025
				Favourable	Unfavourable	Favourable	Unfavourable
Investments							
– Equity instruments	39.54	39.54	5.00%	1.98	(1.98)	1.98	(1.98)
– Bonds and debentures	90.02	90.02	0.25%	0.23	(0.23)	0.23	(0.23)
– Pass Through Certificates	–	–	0.25%	–	–	–	–
– Security Receipts	4,807.72	5,862.44	5.00%	240.39	(240.39)	293.12	(293.12)
– Units of fund	48.95	69.03	5.00%	2.45	(2.45)	3.45	(3.45)
Loans	1,771.92	2,130.70	0.25%	4.43	(4.43)	5.33	(5.33)
Total	**6,758.15**	**8,191.73**		**249.47**	**(249.47)**	**304.10**	**(304.10)**

Notes forming part of standalone financial statements

48.8 Disclosure pursuant to Ind AS 107 "Financial Instruments: Disclosures"

Liquidity risk management :

(a) Maturity profile of financial liabilities based on undiscounted cashflows

(₹ in crore)

Particulars	As at March 31, 2026			As at March 31, 2025		
	Within twelve month	After twelve month	Total	Within twelve month	After twelve month	Total
A. Non-derivative liabilities:						
Borrowings	59,269.84	52,088.25	1,11,358.09	55,521.86	38,403.28	93,925.14
Trade payables	1,766.51	–	1,766.51	1,367.80	–	1,367.80
Other payables	–	–	–	–	–	–
Lease liabilities	41.43	368.54	409.97	20.36	105.18	125.54
Other financial liabilities	1,468.39	–	1,468.39	620.14	–	620.14
Total	**62,546.17**	**52,456.79**	**1,15,002.96**	**57,530.16**	**38,508.46**	**96,038.62**
B. Derivative liabilities:						
Currency swap	1,458.01	7,388.23	8,846.25	894.81	8,163.72	9,058.52
Total	**1,458.01**	**7,388.23**	**8,846.25**	**894.81**	**8,163.72**	**9,058.52**

(b) Financing arrangements

The Company had access to the following undrawn borrowing facilities at the end of the reporting period:

(₹ in crore)

Particulars	As at March 31, 2026	As at March 31, 2025
Undrawn backup lines	12,871.55	9,594.33

(c) Ind AS 107 - Financial Instruments: Disclosures - Carrying amount of collateral given

(₹ in crore)

Particulars	As at March 31, 2026	As at March 31, 2025
Bank Balances other than cash and cash equivalent	2,673.19	4,686.30
Investments	1,712.55	1,162.65
Loans	1,06,694.73	88,276.78
Total	**1,11,080.47**	**94,125.73**

48.9 Capital management

(i) Risk management

As an NBFC, the RBI requires us to maintain a minimum capital to risk weighted assets ratio ("CRAR") consisting of Tier I and Tier II capital of 15% of our aggregate risk weighted assets out of which Tier I Capital should be at least 9% of risk weighted assets. Further, the total of our Tier II capital cannot exceed 100% of our Tier I capital at any point of time. The capital management process of the Company ensures to maintain a healthy CRAR at all the times. Refer note 52.1 for the Company's Capital ratios.

Notes forming part of standalone financial statements

The Company's objectives when managing capital are to

(a) safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and

(b) Maintain an optimal capital structure to reduce the cost of capital.

(c) The Company's assessment of capital requirement is aligned to its planned growth which forms part of an annual operating plan which is approved by the Board and also a long range strategy. These growth plans are aligned to assessment of risks - which include credit, liquidity and market.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Company monitors capital on the basis of the following gearing ratio:

(₹ in crore)

Particulars	31 March, 2026	31 March, 2025
Total debt	1,09,887.69	92,246.90
Networth	27,833.28	25,294.72
Debt to equity ratio	**3.95**	**3.65**

1. Debt-equity ratio = (Debt securities + Borrowings (other than debt securities) + Subordinated liabilities) / Networth.
2. Net worth = Equity Share Capital + Other equity.

(ii) There were no defaults/delay in repayment of loans or payment of interest. Further, there were no breaches of loan agreement during the year which enables the lender to demand accelerated repayment.

(iii) Dividends

(₹ in crore)

Particulars	31 March, 2026	31 March, 2025
(a) Equity shares		
Final dividend for the year ended March 31, 2025 of ₹ 2.75 per fully paid share (Previous year : ₹ 2.50 per fully paid share)	686.77	622.46
Interim dividend for the year ended March 31, 2026 of ₹ Nil per fully paid share (Previous year : ₹ Nil)	–	–
(b) Dividends not recognised at the end of the reporting year	–	–

48.10 Market risk management :

(a) Foreign currency risk :

Particulars	As at March 31, 2026	As at March 31, 2025
Liability – External Commercial Borrowings	USD 86,77,79,999.97	USD 88,16,67,222
Assets – Cross Currency Interest Rate Swap Contracts	USD 86,77,79,999.97	USD 88,16,67,222

Notes forming part of standalone financial statements

(b) Interest rate risk :

On assets and liabilities

An analysis of the Company's interest rate risk profile, categorizing outstanding loans and borrowings into fixed and floating rate instruments at the end of the reporting period, is as follows:

(₹ in crore)

Particulars	As at March 31, 2026	As at March 31, 2025
Variable rate loans	31,801.35	26,966.75
Fixed rate loans	88,115.92	69,223.17
Total Loans	**1,19,917.27**	**96,189.93**

(₹ in crore)

Particulars	As at March 31, 2026	As at March 31, 2025
Variable rate borrowings	31,997.05	20,124.54
Fixed rate borrowings	76,198.75	71,030.03
Total Borrowings	**1,08,195.80**	**91,154.57**

As at the end of the reporting period, the Company had the following variable rate borrowings including interest rate swap contracts outstanding:

Particulars	As at March 31, 2026			As at March 31, 2025		
	Weighted average interest rate	Balance	% of total borrowing	Weighted average interest rate	Balance	% of total borrowing
Variable rate borrowings	6.51%	31,997.05	29.57%	7.46%	20,124.54	22.08%
Net exposure to cash flow interest rate risk	**6.51%**	**31,997.05**	**29.57%**	**7.46%**	**20,124.54**	**22.08%**

(c) Sensitivity :

(i) Loans

In evaluating interest rate risk, the Company prepares a sensitivity analysis assuming that floating rate assets remained outstanding for the entire financial year.

The following table demonstrate the sensitivity to a reasonably possible change in interest rate on that portion of loans affected. With all other variable held constant, the Company's profit before tax is affected through the impact on floating rate financial assets, as follows:

(₹ in crore)

Particulars	Principle Outstanding		Impact on profit before tax	
	FY 2025-26	FY 2024-25	FY 2025-26	FY 2024-25
Interest rates – increase by 25 basis points	29,834.58	24,790.41	74.59	61.98
Interest rates – decrease by 25 basis points			(74.59)	(61.98)

(ii) Borrowings

Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of changes in interest rates. With all other variable held constant, the Company's profit before tax is affected through the impact on floating rate financial liabilities, as follows:

(₹ in crore)

Particulars	Principle Outstanding		Impact on profit before tax	
	FY 2025-26	FY 2024-25	FY 2025-26	FY 2024-25
Interest rates – increase by 25 basis points	31,997.05	20,124.54	(73.14)	(46.17)
Interest rates – decrease by 25 basis points			73.14	46.17

48.11 Other disclosure pursuant to Ind AS 107 "Financial Instruments: Disclosures"

There is no financial asset that have been transferred in such a way that part or all of the transferred financial assets do not qualify for derecognition, together with the associated liabilities.

49 Disclosure pursuant to Ind AS 12 "Income Taxes"

(a) Major components of tax expense/(income):

(₹ in crore)

Sr. No.	Particulars	F.Y. 2025-26	F.Y. 2024-25
	Statement of Profit and Loss:		
(a)	**Profit and Loss section:**		
	(i) Current tax :		
	Current tax expense for the year	1,057.39	756.97
		1,057.39	**756.97**
	(ii) Deferred Tax:		
	Tax expense on origination and reversal of temporary differences	(51.33)	80.15
	Effect on deferred tax balances due to the change in income tax rate	–	–
		(51.33)	**80.15**
	Income tax expense reported in the statement of profit or loss[(i)+(ii)]	**1,006.06**	**837.12**
(b)	**Other Comprehensive Income (OCI) Section:**		
	(i) Items that will not be reclassified to profit or loss in subsequent years:		
	(A) Deferred tax expense/(income):		
	On re–measurement of the defined benefit plans	(3.19)	(0.76)
		(3.19)	**(0.76)**
	(ii) Items that will be reclassified to profit or loss in subsequent years:		
	(A) Deferred tax expense/(income):		
	Net gain/(loss) on cost of hedging Reserve	–	–
	On gains and loss on hedging instruments in a cash flow hedge	17.99	(9.43)
		17.99	**(9.43)**
	Income tax expenses reported in the other comprehensive income [i+ii]	**14.80**	**(10.19)**

Notes forming part of standalone financial statements

(₹ in crore)

Sr. No.	Particulars	F.Y. 2025-26	F.Y. 2024-25
(c)	**Other directly reported in balance sheet through reserve:**		
	Current tax (assets)/liabilities		
	– Merger related expenses	–	(3.89)
	Deferred tax (assets)/liabilities		
	– Merger related expenses	–	3.89
	Income tax expense reported directly in balance sheet	**–**	**–**

(b) Reconciliation of Income tax expense and accounting profit multiplied by domestic tax rate applicable in India:

(₹ in crore)

Sr. No.	Particulars		F.Y. 2025-26	F.Y. 2024-25
(a)	Profit/(loss) before tax		4,106.37	3,454.93
(b)	Corporate tax rate as per Income tax Act, 1961		25.17%	25.17%
(c)	Tax on accounting profit	**(c)=(a)*(b)**	1,033.49	869.54
(d)	(i) Tax on Income exempt from tax :			
	(A) Deduction of Dividend under Section 80M		(37.76)	–
	(B) Deduction u/s 80JJA of the Income Tax Act, 1961		(15.14)	(13.43)
	(ii) Tax on non deductible expenses:			
	(A) Corporate Social Responsibility (CSR) expenses		10.96	5.17
	(B) Provision for dimunition of investments		(0.95)	0.06
	(C) Others		3.28	3.46
	(iii) Tax effect on other item:		5.53	(27.68)
	(iv) Tax effect of losses/timing differences of current year on which no deferred tax benefit is recognised		6.65	–
	Total effect of tax adjustments [(i) to (iii)]		**(27.43)**	**(32.42)**
(e)	**Tax expense**	**(e)=(c)+(d)**	**1,006.06**	**837.11**
(f)	**Effective tax rate**	**(f)=(e)/(a)**	24.50%	24.23%
(g)	**Tax expense recognised during the year**		**1,006.06**	**837.11**
(h)	**Effective tax rate**	**(h)=(g)/(a)**	**24.50%**	**24.23%**

(c) (i) Unused tax losses and unused tax credits for which no deferred tax asset is recognised in Balance sheet due to no reasonable certainty

Particulars	As at March 31, 2026		As at March 31, 2025	
	₹ in crore	Expiry year	₹ in crore	Expiry year
Carried forward Capital loss	209.18	AY 2032–33	209.18	AY 2032–33
Total	**209.18**	**–**	**209.18**	

Notes forming part of standalone financial statements

(ii) Unrecognised deductible temporary differences for which no deferred tax asset is recognised in Balance Sheet due to no reasonable certainty

(₹ in crore)

Sr. No.	Particulars	As at March 31, 2026	As at March 31, 2025
(a)	Towards provision for diminution in value of investments	722.49	704.28
(b)	Other items	80.07	53.60
	Total	**802.56**	**757.88**

(d) Major components of deferred tax liabilities and deferred tax assets:

(₹ in crore)

Particulars	Deferred tax (liabilities)/ assets as at March 31, 2024	Charge/ (credit) to Statement of Profit and Loss	Charge/(credit) to other comprehensive income	Charge/ (credit) directly in balance sheet (Opening retained earning)	Deferred tax (liabilities)/ assets as at March 31, 2025
Deferred tax (liabilities):					
– Deduction under Secion 36(1) (viia)	–	(42.01)	–	–	(42.01)
Net deferred tax (liabilities)	**–**	**(42.01)**	**–**	**–**	**(42.01)**
Deferred tax assets:					
– Provision on loan assets based on expected credit loss and fair value impact	1,049.53	(54.54)	–	–	994.99
– Provision on trade receivables	5.14	(0.22)	–	–	4.92
– Fair value of investments	619.12	38.22	–	–	657.34
– Defined benefit obligation (Gratuity and Leave encashment)	8.96	1.55	0.76	–	11.27
– Amortisation of expenditure incurred for amalgamation	8.45	(1.54)	–	(3.89)	3.02
– Fair valuation of derivative financial instrument	1.50	–	9.43	–	10.93
– Impact on account of Ind AS 116 – Leases	4.78	0.29	–	–	5.06
– Liability for expenses	75.15	(17.87)	–	–	57.28
– Difference between book base and tax base of property, plant & equipement, other intangible assets and goodwill	69.85	(4.03)	–	–	65.82
Net Deferred tax assets	**1,842.48**	**(38.14)**	**10.19**	**(3.89)**	**1,810.63**
Net deferred tax (liability)/assets	**1,842.48**	**(80.15)**	**10.19**	**(3.89)**	**1,768.62**

Notes forming part of standalone financial statements

(₹ in crore)

Particulars	Deferred tax (liabilities)/ assets as at March 31, 2025	Charge/ (credit) to Statement of Profit and Loss	Charge/(credit) to other comprehensive income	Charge/ (credit) directly in balance sheet (Opening retained earning)	Deferred tax (liabilities)/ assets as at March 31, 2026
Deferred tax (liabilities):					
– Deduction under Secion 36(1)(viia)	42.01	(42.01)	–	–	–
Net deferred tax (liabilities)	**42.01**	**(42.01)**	**–**	**–**	**–**
Deferred tax assets:					
– Provision on loan assets based on expected credit loss and fair value impact	994.99	(20.52)	–	–	974.47
– Provision on trade receivables	4.92	0.03	–	–	4.94
– Fair value of investments	657.34	10.87	–	–	668.21
– Defined benefit obligation (Gratuity and Leave encashment)	11.27	(0.21)	3.19	–	14.25
– Amortisation of expenditure incurred for amalgamation	3.02	(1.01)	–	–	2.01
– Fair valuation of derivative financial instrument	10.93	–	(17.99)	–	(7.06)
– Impact on account of Ind AS 116 – Leases	5.06	3.30	–	–	8.36
– Liability for expenses	57.28	22.54	–	–	79.82
– Difference between book base and tax base of property, plant & equipement, other intangible assets and goodwill	65.82	(5.68)	–	–	60.14
Net Deferred tax assets	**1,810.63**	**9.32**	**(14.80)**	**–**	**1,805.15**
Net deferred tax (liability)/assets	**1,852.64**	**(32.69)**	**(14.80)**	**–**	**1,805.15**

Note: "The Organisation for Economic Co-operation and Development (OECD) has released model rules for a global minimum tax under the Pillar Two framework (Pillar Two model rules). The Company's ultimate parent entity (UPE) i.e. Larsen & Toubro Limited has consolidated revenues exceeding the threshold prescribed under the OECD framework, and accordingly the Group falls within the scope of Pillar Two. The Pillar Two legislation has not been enacted by the Government of India, where the parent entity is incorporated.

The Company does not operate in any overseas jurisdiction; accordingly, there is no impact from the application of Pillar Two rules."

Notes forming part of standalone financial statements

50 The Company utilizes accounting software equipped with an audit trail (edit log) feature to maintain its books of account. This facility operated throughout the year for all transactions recorded within the software.

While comprehensive audit logs for direct database-level changes were fully enabled during the year, the Company employed an alternate monitoring tool for such changes prior to that date. Furthermore, all audit trail records have been preserved in accordance with statutory requirements for the retention of books of account.

51 Exceptional item: Impact of social security codes (New Labour Codes):

Effective November 21, 2025, the Government of India consolidated 29 existing labour regulations into four Labour codes, namely, The Code on Wages, 2019, The Industrial Relations Code, 2020, The Code on Social Security, 2020 and the Occupational Safety, Health and Working Conditions Code, 2020, collectively referred to as the 'New Labour Codes'. The New Labour Codes has resulted in a one-time material increase in provision for employee benefits on account of recognition of past service costs. Based on the requirements as per the of New Labour Codes and relevant Accounting Standard, the Company has assessed and accounted the estimated incremental impact as Exceptional Item in the results for the year ended March 31, 2026 amounting to ₹ 28.43 crores (Net of tax ₹ 21.27 crores). Upon notification of the related Rules to the New Labour Codes by the Government and any further clarification from the Government on other aspects of the New Labour Codes, the Company will evaluate and account for additional impact if any, determined in subsequent periods.

52 The following additional information is disclosed in the terms of Master Direction – Reserve Bank of India (Non-Banking Financial Companies – Financial Statements: Presentation and Disclosures) Directions, 2025, issued by Reserve Bank of India vide circular no. RBI/DOR/2025-26/359 DOR.ACC. REC.No.278/21.04.018/2025-26 - November 28, 2025 as amended.

52.1 Capital :

(₹ in crore)

Sr. No.	Particulars	As at March 31, 2026	As at March 31, 2025
i)	CRAR (%)	18.34%	22.27%
ii)	CRAR - Tier I Capital (%)	17.60%	20.76%
iii)	CRAR - Tier II Capital (%)	0.74%	1.51%
iv)	Amount of subordinated debt raised as Tier-II capital* (Raised during the year ₹ 50 crore, previous year Nil)	685.95	1,465.57
v)	Amount raised by issue of Perpetual Debt Instruments (Raised during the year ₹ Nil, previous year ₹ Nil)	16.19	367.72
vi)	Percentage of the amount of Perpetual Debt Instruments of the amount of its Tier I Capital	0.07%	1.57%

* Discounted value of ₹ 355.00 crore (Previous year ₹ 416.08 crore) considered for Tier II capital against the book value of ₹ 685.95 crore (Previous year ₹ 1,465.57 crore).

Notes forming part of standalone financial statements

52.2 Investments :

(₹ in crore)

Sr. No.	Particulars	As at March 31, 2026	As at March 31, 2025
(1)	**Value of Investments**		
	(i) Gross Value of Investments		
	(a) In India	13,979.80	15,110.18
	(b) Outside India	–	–
	(ii) Provisions for Depreciation*		
	(a) In India	3,347.29	3,274.20
	(b) Outside India	–	–
	(iii) Net Value of Investments		
	(a) In India	10,632.51	11,835.98
	(b) Outside India	–	–
(2)	**Movement of provisions held towards depreciation on investments***		
	(i) Opening balance	3,274.20	3,176.91
	(ii) Add : Provisions made during the year	505.57	447.59
	(iii) Less : Write-off / write-back of excess provisions during the year	432.48	350.30
	(iv) Closing balance	3,347.29	3,274.20

*Provision for depreciation on Investments includes fair value changes and provision towards impairment of financial instruments.

52.3 Derivatives :

I) Forward Rate Agreement / Interest Rate Swap (also includes currency interest rate swaps)

(₹ in crore)

	Particulars	As at March 31, 2026	As at March 31, 2025
(i)	The notional principal of swap agreements	7,653.54	7,492.08
(ii)	Losses which would be incurred if counterparties failed to fulfil their obligations under the agreements	879.21	48.49
(iii)	Collateral required by the NBFC upon entering into swaps	–	–
(iv)	Concentration of credit risk arising from the swaps	–	–
(v)	The fair value of the swap book	879.21	48.49

II) Exchange Traded Interest Rate (IR) Derivatives: The Company has not traded in exchange traded Interest Rate Derivative during the financial year ended March 31, 2026 (Previous year : Nil).

III) Disclosures on Risk Exposure in Derivatives

Qualitative Disclosure

The Company has a Treasury Risk Management Policy approved by the Assets Liability Committee and the Board. This policy provides the framework for managing various risks including interest rate risk and currency risk. The policy provides for use of derivative instruments in managing the risks.

The Company has sourced External Commercial Borrowing in foreign currency. The same has been hedged as required by RBI.

Quantitative Disclosures for Financial Year 2025-26

(₹ in crore)

	Particulars	Currency Derivatives	Interest Rate Derivatives
(i)	Derivatives (Notional principal amount)	7,378.54	275.00
(ii)	Market to Market position		
	(a) Asset (+)	879.12	0.09
	(b) Liability (–)	–	(3.35)
(iii)	Credit exposure	–	–
(iv)	Unhedged exposure	–	–

Quantitative Disclosures for Financial Year 2024-25

(₹ in crore)

	Particulars	Currency Derivatives	Interest Rate Derivatives
(i)	Derivatives (Notional principal amount)	7,492.08	–
(ii)	Market to Market position	–	–
	(a) Asset (+)	48.49	–
	(b) Liability (–)	(47.94)	–
(iii)	Credit exposure	–	–
(iv)	Unhedged exposure	–	–

52.4 Disclosures relating to securitisation:

The information on securitisation of the Company as an originator in respect of outstanding amount of securitised assets is given below:

(₹ in crore)

S. No.	Particulars	Non-STC Transactions No. / Amount	
		As at March 31, 2026	As at March 31, 2025
1	No of SPEs holding assets for securitisation transactions originated by the originator	13	10
2	Total amount of securitised assets as per books of the SPEs*	3,049.54	1,788.30
3	Total amount of exposures retained by the originator to comply with MRR as on the date of balance sheet		
	a) Off–balance sheet exposures		
	First loss		
	– Credit enhancement in form of corporate undertaking	36.46	36.46
	– Others	–	–
	b) On–balance sheet exposures		
	First loss		
	– Cash collateral in the form of term deposits with banks	429.59	289.91
	– Others	–	–

Notes forming part of standalone financial statements

(₹ in crore)

S. No.	Particulars	Non-STC Transactions No. / Amount As at March 31, 2026	Non-STC Transactions No. / Amount As at March 31, 2025
4	Amount of exposures to securitisation transactions other than MRR		
	a) Off–balance sheet exposures		
	i) Exposure to own securitisations		
	First loss		
	– Excess interest Spread	23.04	106.28
	– Others	–	–
	ii) Exposure to third party securitisations		
	– First loss	–	–
	– Others	–	–
	b) On–balance sheet exposures		
	i) Exposure to own securitisations		
	– First loss	–	–
	– Others	–	–
	ii) Exposure to third party securitisations		
	– First loss	–	–
	– Others	–	–
5	Sale consideration received for the securitised assets	4,660.55	3,263.75
	Gain/loss on sale on account of securitisation	–	–
6	Form and quantum (outstanding value) of services provided by way of, liquidity support, post–securitisation asset servicing, etc. The Company has assumed Role of Servicer for all outstanding securitisation transactions. Servicing fee received during the financial year is disclosed.	0.04	0.22
7	Performance of facility provided		
	Credit enhancement & Cash Colleteral		
	(a) Opening Balance Outstanding	326.37	149.76
	(b) Additions during the year (Fresh Transactions)	289.44	176.61
	(c) Repayment/Maturity received (during the year)	149.76	–
	(d) Closing Balance Outstanding	466.05	326.37
8	Average default rate of portfolios observed in the past (previous financial year) Agriculture & allied activities* * % of NPA to total advances to that asset class	7.22%	8.14%
9	Amount and number of additional/top up loan given on same underlying asset		
	– Number of Additional/Top up Loan	–	5
	– Amount of Additional/Top up Loan	–	0.13
10	Investor complaints (a) Directly/Indirectly received and; (b) Complaints outstanding	–	–

Notes forming part of standalone financial statements

*Amount represents principle outstanding of securitisation assets as on reporting date
Note: There are no Simple, Transparent and Comparable (STC) transactions in the financial years ended March 31, 2026 and March 31, 2025

52.5 Disclosure of transfer of loan exposure

a) Loans not in default:

i) Details of transfer through assignment in respect of loans not in default

The Company has not transferd any loans not in default through assigment during the year ended March 31, 2026 (previous year Nil).

ii) Details of Loans acquired through assignment in respect of loans not in default#

(₹ in crore)

Sr No	Particulars	As at March 31, 2026	As at March 31, 2025
1	Count of loans accounts acquired through assignment	158	–
2	Amount of loan accounts acquired through assignment (₹ in crores)	48.92	–
3	Weighted average maturity (years) (from the date of transfer)	15.96	–
4	Weighted average holding period (years) (Upto the date of acquisition)	0.75	–
5	Retention of beneficial economic interest assignor	10%	–
6	Coverage of tangible security	Greater than 1x	–
7	Rating wise distribution of rated loans	Unrated	–

Exclude the gold loan portfolio acquired from Paul Merchants Finance Private Limited (PMFL) during the financial year.(refer note 46 of Business Combination)

iii) Details of loans not in default transferred during the year to other than Assignment *:

(₹ in crore)

Sr No	Particulars	As at March 31, 2026	As at March 31, 2025
1	Count of loans assigned	1	1
2	Amount of loan account assigned (₹ in crore)	66.36	350.00
3	Weighted average maturity (years) (from the date of transfer)	14.85	15.71
4	Weighted average holding period (years)	2.46	1.60
5	Retention of beneficial economic interest	NIL	NIL
6	Coverage of tangible security	Greater than 1x	Greater than 1x
7	Rating wise distribution of rated loans	Category A-	Category A-

*There are no instances of transfer of loans where the entity has agreed to replace loans transferred to transferee(s) or pay damages arising out of any representation or warranty.

Notes forming part of standalone financial statements

b) Stressed Loans:

i) Details of Stressed loans transferred during the financial year ended March 31, 2026

(₹ in crore)

Sr No	Particulars	Asset sold to ARCs			
		2025–26		2024–25	
		NPA	SMA	NPA	SMA
1	No. of accounts sold	5.00	–	8.00	–
2	Aggregate principal outstanding of loans transferred (₹ in crores)	127.52	–	776.37	–
3	Weighted average residual tenor of the loans transferred (months)	1.50	–	1.69	–
4	Net book value of loans transferred (at the time of transfer) (₹ in crores)	146.99	–	562.68	–
5	Aggregate consideration (₹ in crores)	155.87	–	833.24	–
6	Additional consideration realized in respect of accounts transferred in earlier years (₹ in crores)	–	–	–	–
7	Provision reversed to the profit and loss account (₹ in crores)	8.88	–	249.65	–

ii) The company has not transferred any stressed loans except mentioned in the above point to other permitted transferees/other transferees during the year (Previous year: Nil)

iii) The company has not acquired any stressed assets during the year (Previous year: Nil).

Exclude the gold loan portfolio acquired from Paul Merchants Finance Private Limited (PMFL) during the financial year.(refer note 46 of Business Combination)

iv) Security Receipts (SRs) rating for the transactions during the year:

Particulars	2025-26		2024-25	
	Rating Agency	Rating	Rating Agency	Rating
PRUDENT TRUST- 89/23	Infomerics Valuation and Rating Private Limited	IVR RR1	Infomerics Valuation and Rating Private Limited	IVR RR1
ARCIL-TRUST-2025-009	ICRA LIMITED	RR1	NA	NA
Phoenix Trust FY 26-15#	NA	NA	–	–

These transactions were done during the financial year. The initial rating of ARC trust is under process.

52.6 Registration obtained from other financial sector regulators

Regulator	Registration no	Valid Up to
Insurance Regulatory and Development Authority - Corporate agent	CA0867	Valid Till 30-Aug-26
Insurance Regulatory and Development Authority - Permission for undertaking Insurance E-commerce Activities in India through Insurance Self Networking Platform (ISNP)	ISNP-IRDAI/ISNP/CA/0867	Valid Till 30-Aug-26

Notes forming part of standalone financial statements

52.7 Ratings assigned by credit rating agencies and migration of ratings during the year

Particular		FY 2025–2026				FY 2024–2025			
		CRISIL	CARE	ICRA	India Ratings	CRISIL	CARE	ICRA	India Ratings
(i)	Commercial Paper	CRISIL A1+	CARE A1+	[ICRA] A1+	–	CRISIL A1+	CARE A1+	ICRA A1+	–
(ii)	Non–Convertible Debentures	CRISIL AAA (Stable)	CARE AAA (Stable)	[ICRA] AAA (Stable)	IND AAA (Stable)	CRISIL AAA (Stable)	CARE AAA (Stable)	ICRA AAA (Stable)	IND AAA (Stable)
(iii)	Bank facilities	CRISIL AAA (Stable)	CARE AAA (Stable)	[ICRA] AAA (Stable)	IND AAA (Stable) IND A1+	CRISIL AAA (Stable)	CARE AAA (Stable)	ICRA AAA (Stable)	IND AAA (Stable) IND A1+
(iv)	Subordinate Debts	CRISIL AAA (Stable)	CARE AAA (Stable)	[ICRA] AAA (Stable)	IND AAA (Stable)	CRISIL AAA (Stable)	CARE AAA (Stable)	ICRA AAA (Stable)	IND AAA (Stable)
(v)	Perpetual Debt	–	CARE AA+ (Stable)	[ICRA] AA+ (Stable)	–	–	CARE AA+ (Stable)	ICRA AA+ (Stable)	–
(vi)	Non–Convertible Debentures (Public Issue)	CRISIL AAA (Stable)	CARE AAA (Stable)	[ICRA] AAA (Stable)	IND AAA (Stable)	CRISIL AAA (Stable)	CARE AAA (Stable)	ICRA AAA (Stable)	IND AAA (Stable)
(vii)	Principal Protected Market–Linked Debentures	CRISIL PPMLD AAA (Stable)	CARE PP–MLD AAA (Stable)	PP–MLD [ICRA] AAA (Stable)	IND PP–MLD AAA (Stable)	CRISIL PPMLD AAA (Stable)	CARE PP–MLD AAA (Stable)	PP–MLD ICRA AAA (Stable)	IND PP–MLD AAA (Stable)
(viii)	CRPS	CRISIL AAA (Stable)	CARE AAA (Stable)	–	–	CRISIL AAA (Stable)	CARE AAA (Stable)	–	–

52.8 Provisions and Contingencies :

Break up of 'Provisions and Contingencies' shown under the head Expenditure in Profit and Loss Account

(₹ in crore)

Particulars	FY 2025-2026	FY 2024-2025
Provision for depreciation on investments (including fair value change)	73.09	97.29
Provision towards NPA (Impairment loss allowance on loans)	159.34	301.32
Provision towards NPA (fair value changes on loans)	28.00	27.40
Provision for Standard Assets (impairment loss allowance on loans)	(240.37)	(302.33)
Provision for Standard Assets (fair value changes on loans)	(30.63)	(243.12)
Provision made towards Income tax	1,006.06	837.12
Other Provision and Contingencies (with details)**	0.10	*(40.83)*

**Includes Provision on trade receivables and others

Notes forming part of standalone financial statements

52.9 Concentration of Advances, Exposures and NPAs

(I) Concentration of Advances

(₹ in crore)

Particulars	As at March 31, 2026	As at March 31, 2025
Total Advances to twenty largest borrowers	2,384.94	2,771.30
Percentage of advances to twenty largest borrowers to total advances of the Company	1.96%	2.83%

(II) Concentration of Exposures

(₹ in crore)

Particulars	As at March 31, 2026*	As at March 31, 2025*
Total Exposure to twenty largest borrowers / customers#	2,384.94	2,771.30
Percentage of total exposure to twenty largest borrowers / customers to total exposure of the Company on borrowers / customers #	1.96%	2.83%

Undisbursed commitments are considered as Nil on account of conditions precedent to disbursements.
*Excludes security receipts

(III) Concentration of NPA

(₹ in crore)

Particulars	As at March 31, 2026	As at March 31, 2025
Total Exposure to top four NPA accounts	514.28	481.07

52.10 Movement of NPAs

(₹ in crore)

	Particulars	FY 2025-2026	FY 2024-2025
(i)	Net NPAs to Net Advances (%)	1.79%	1.71%
(ii)	Movement of NPAs (Gross)		
	(a) Opening balance	4,040.43	3,505.03
	(b) Additions during the year	4,975.23	4,409.19
	(c) Reductions during the year	4,450.10	3,873.79
	(d) Closing balance	4,565.56	4,040.43
(iii)	Movement of Net NPAs		
	(a) Opening balance	1,631.70	1,397.62
	(b) Additions during the year	1,389.88	1,173.72
	(c) Reductions during the year	1,024.09	939.64
	(d) Closing balance	1,997.49	1,631.70
(iv)	Movement of provisions for NPAs (excluding provisions on standard assets)		
	(a) Opening balance	2,408.73	2,107.41
	(b) Provisions made during the year	3,585.35	3,235.47
	(c) Write-off / write-back of excess provisions	3,426.01	2,934.15
	(d) Closing balance	2,568.07	2,408.73

Note: Above numbers are based on quarterly movement.

Notes forming part of standalone financial statements

52.11 Resolution of stressed assets

During the year ended March 31, 2026, the Company has not implemented resolution plan under the prudential framework for stressed assets issued by RBI vide circular no RBI/DOR/2025-26/357/DOR.STR.REC.276/21.04.048/2025-26 dated November 28, 2025.

52.12 Disclosure on Resolution Framework – 1.0: Resolution Framework for COVID-19-related Stress in terms of RBI circular RBI/2020-21/16 DOR.No.BP.BC/3/21.04.048/2020-21 dated August 06, 2020 ("Resolution Framework – 1.0"):

Format B: (₹ in crore)

Type of borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of the previous half-year**	Of (A), aggregate debt that slipped into NPA during the half-year	Of (A) amount written off during the half-year	Of (A) amount paid by the borrowers during the half-year	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of this half-year**
	(A)	(B)	(C)	(D)	(E)
Personal Loans	375.41	10.39	–	18.97	346.22
Corporate persons*/**	55.53	14.56	–	3.18	37.94
Of which, MSMEs	–	–	–	–	–
Others	–	–	–	–	–
Total	**430.94**	**24.95**	**–**	**22.15**	**384.16**

*As defined in Section 3(7) of the Insolvency and Bankruptcy Code, 2016.

** includes additional disbursement post implementation and interest accrued upto March 31, 2026.

52.13 Loans to directors, senior officers and relatives of directors

Particulars	Aggregate amount of Sanctioned Loans to Directors, Senior Officers and Relatives of Directors	
	As at March 31, 2026	As at March 31, 2025
Directors and their relatives	–	–
Entities associated with directors and their relatives	–	–
Senior Officers and their relatives	–	–

52.14 Divergence in Asset Classification and Provisioning

During the financial year 2025-26, RBI has conducted an Inspection for the FY 2024-25 and

a) No additional provisioning requirements assessed by RBI exceeds 5 percent of the reported profits before tax and impairment loss on financial instruments.

b) No additional Gross NPAs identified by RBI exceeds 5 percent of the reported Gross NPAs.

Notes forming part of standalone financial statements

52.15 Disclosure as required by the Master Direction -Fraud Risk Management in NBFCs (Reserve Bank) Directions, 2024 RBI/DOS/2024-25/120 DOS.CO.FMG.SEC.No.7/23.04.001/2024-25 dated July 15, 2024:

Frauds committed against the company:

(₹ in crore)

Particulars	2025-26	2024-25
No. of cases of fraud which occurred during the year	165	136
Amount involved	12.47	11.45
Amount recovered	0.83	0.47
Amount provided/loss*	11.64	10.98

*net of recoveries.

52.16 Loans againts gold and silver

(I) Details of loans extended against eligible gold collateral

Sl No.	Particulars	FY 2025-2026				
		Loan Outstanding		Average ticket size (₹ crore)	Average LTV ratio	Gross NPA (%)
		₹ Crore	As % of Total Loans			
1	**Opening balance of the FY** (a)+(b)	-	-	-	-	-
(a)	Consumption loans:					
	of which bullet repayment loans	Not Applicable (refer foot note)				
(b)	Income generating loans					
1(A)	**Business Combination (refer note-1)**	1,289.20	100%	0.01	59%	0.22%
2	**New Loans Sanctioned and disbursed during the FY** (c)+(d)	5,365.09	100%	0.02	68%	NA
(c)	Consumption loans:					NA
	of which bullet repayment loans					NA
(d)	Income generating loans					NA
3	**Renewals sanctioned & disbursed during the FY**	Not Applicable (refer foot note)				NA
4	**Top-up loans sanctioned and disbursed during the FY**					NA
5	**Loans repaid during the FY** (e)+(f)	3,804.92	100%	0.02	NA	NA
(e)	Consumption loans				NA	NA
	of which bullet repayment loans	Not Applicable (refer foot note)			NA	NA
(f)	Income generating loans				NA	NA
6	**Non-Performing loans recovered during the FY** (g) + (h)	42.08	100%	0.01	NA	NA
(g)	Consumption loans				NA	NA
	of which bullet repayment loans	Not Applicable (refer foot note)			NA	NA
(h)	Income generating loans				NA	NA
7	**Loans written off during the FY** (i) + (j)	-	-	-	NA	NA
(i)	Consumption loans				NA	NA
	of which bullet repayment loans	Not Applicable (refer foot note)			NA	NA
(j)	Income generating loans				NA	NA
8	**Closing balance at the end of FY** (k) + (l)	2,807.28	100%	0.02	65%	0.09%
(k)	Consumption loans					
	of which bullet repayment loans	Not Applicable (refer foot note)				
(l)	**Income generating loans**					

The above disclosure is based on the information currently available with the Company. Fields where specific details required in the above table were unavailable have been marked as 'Not Applicable' in accordance the "Reserve Bank of India (Non-Banking Financial Companies – Credit Facilities) Directions, 2025", issued vide Circular No. RBI/DOR/2025-26/347/DOR.CRE.REC.266/07-01-008/2025-26 dated 28 January 2026, further the said circular is effective for implementation from April 1, 2026.

Note:

1. The above figures represents gold loans acquired by the company during the year from Paul Merchants Finance Private Limited (PMFL), a wholly owned subsidiary of Paul Merchants Limited. (refer note 46 of Business Combination)
2. The above note has been prepared on a gross loans basis which represents principal balance of loans.

(II) Details of loans extended against eligible silver collateral: Nil

(III) Detials of gold collateral and auctions

Sl No.	Particulars	FY 25–26
a)	Unclaimed gold collateral at the end of the financial year (in grams)	–
b)	Number of loan accounts in which auctions were conducted	1,816
c)	Total outstanding in loan accounts mentioned in (b) (₹ in crore)	8.83
d)	Gold collateral acquired during the FY due to default of loans (in grams)	NA
e)	Gold collateral auctioned during the FY (in grams)	13,624.25
f)	Recovery made through auctions during the FY (₹ in crore)	12.63
g)	Recovery Percentage:	
h)	as % of value of gold collateral	87%
i)	as % of outstanding loan	143%

Note-

1) Amount of recoveries realized through auction are exclusive of applicable GST.
2) Weight of gold collateral auctioned during the year represntes net weight of gold.

(IV) Details of Silver collateral and auctions: Nil

(V) No sister concerns or related parties of the Company participated in any auctions conducted during the financial year

(VI) Disclosure of Gold Loan Portfolio

₹ in crore

Sl No.	Particulars	As at March 31, 2026	
		Amount	Percentage (%)
1	Total asset	1,41,942.51	NA
(a)	Loan againt gold*	2,807.00	1.98%
(b)	Loan againt silver	–	–

* Represents principal outstanding balance of gold loans.

Notes forming part of standalone financial statements

52.17 Disclosure related to project finance

Sl No.	Item Description	For the Quarter ended December 31, 2025		For the Quarter ended March 31, 2026	
		Number of accounts	Total outstanding (in ₹ crore)	Number of accounts	Total outstanding (in ₹ crore)
1	Projects under implementation accounts at the beginning of the quarter.	5	1,189.14	4	1,039.18
2	Projects under implementation accounts sanctioned during the quarter.	–	–	–	–
3	Projects under implementation accounts where DCCO has been achieved during the quarter	–	–	–	–
3A	Movement in balance for accounts appearing in beginning of the quarter	1	149.95	–	33.11
4	Projects under implementation accounts at the end of the quarter. (1+2–3–3A)	4	1,039.18	4	1,006.07
5	Out of '4' – accounts in respect of which resolution process involving extension in original / extended DCCO, as the case may be, has been invoked.	2	556.30	2	540.85
5.1	Out of '5' – accounts in respect of which Resolution plan has been implemented.	–	–	–	–
5.2	Out of '5' – accounts in respect of which Resolution plan is under implementation.	2	556.30	1	321.92
5.3	Out of '5' – accounts in respect of which Resolution plan has failed.	–	–	1	218.93
6	Out of '5', accounts in respect of which resolution process involving extension in original / extended DCCO, as the case may be, has been invoked due to change in scope and size of the project.	–	–	–	–
7	Out of '5', account in respect of which cost overrun associated with extension in original / extended DCCO, as the case may be, was funded	–	–	–	–
7.1	Out of '7', accounts where SBCF was sanctioned during financial closure and renewed continuously	–	–	–	–
7.2	Out of '7', accounts where SBCF was not pre–sanctioned or renewed continuously	–	–	–	–
8	Out of '4' – accounts in respect of which resolution process not involving extension in original / extended DCCO, as the case may be, has been invoked.	–	–	–	–
8.1	Out of '8' – accounts in respect of which Resolution plan has been implemented.	–	–	–	–
8.2	Out of '8' – accounts in respect of which Resolution plan is under implementation.	–	–	–	–
8.3	Out of '8' – accounts in respect of which Resolution plan has failed.	–	–	–	–

Notes forming part of standalone financial statements

52.18 Non-Fund Based (NFB) Credit Facilities

(₹ in crore)

Sl No.	Particulars	As at March 31, 2026 Secured Portion	As at March 31, 2026 Unsecured Portion	As at March 31, 2025 Secured Portion	As at March 31, 2025 Unsecured Portion
1	Outstanding Guarantees (₹ crore)				
1.1	In India	–	56.00	–	56.00
1.2	Outside India	–	–	–	–
2	Acceptances, Endorsements and other Obligations (₹ crore)	–	–	–	–
3	Other NFB Credit facilities (₹ crore)	–	–	–	–

The above disclosure is given in accordance with the" Reserve Bank of India (Non-Banking Financial Companies – Credit Facilities) Directions,2025,issues vide circular no. RBI/DOR/2025-26/347DOR.CRE.REC.266/07-01-008/2025-26 dated 28th November,2025,however the said circular is effective for implementation from April 1, 2026.

52.19 Disclosures on Co-Lending Arrangements

Sl No.	Particulars	As at March 31, 2026
1	Number of Co- Lending Arrangement	1
2	Number of Outstanding Cases (No.)	1,42,797
3	Amount of Gross outstanding (₹ in crore)	1,994.17
4	Weighted average rate of interest (%)	12.17%
5	Fees Paid during the year	Nil
6	Sector of Co- Lending Arrangement	Personal Loan
7	Performance of loans under Co- Lending Arrangement	
	- Standard Loans (₹ in crore)	1978.03
	- Non- Performing loans (₹ in crore)	16.14
8	Default loss guarantee(if any)	Not Appilcable

52.20 Off-balance sheet exposures and structured products

(A) Off- Balance sheet exposures

(₹ in crore)

Sl No.	Particulars	As at March 31, 2026	As at March 31, 2025
A	**Contingent liabilities**		
i	Claims against the Company not acknowledged as debt		
	- Income Tax matter in dispute*	11.37	11.15
	- Sales tax/ VAT / Service Tax matter in dispute*	235.27	257.22
	- Legal matter in dispute*	2.11	1.78
ii	Bank Guarantees	56.00	56.00
B	**Commitments**		
i	Estimated amount of contracts remaining to be executed on capital account and not provided for#	64.48	52.81
ii	Undisbursed Commitment	2,516.70	2,035.76

Notes forming part of standalone financial statements

Note:
*In respect of disputes, the company is of view of succeeding in appeals and does not expect any significant liabilities to materialise.
Figures reported above are excluding GST

(B) Structured Products

The company has disclosed all the details of loan exposures outstanding in note 6 of the financial statement and there is no other loan exposure as of March 31, 2026.

52.21 Exposures to Related Parties

The following additional information is disclosed on related parties as defined in Reserve Bank of India (Non-Banking Financial Companies – Credit Risk Management) Directions, 2025 issued by Reserve Bank of India vide circular no. RBI/2025-26/187

I Loans to Related Parties

(₹ in crore)

Sl No.	Particulars	As at March 31, 2026	As at March 31, 2025
1	Aggregate value of loans sanctioned to related parties during the year	–	–
2	Aggregate value of outstanding loans to related parties as on 31st March	–	–
3	Aggregate value of outstanding loans to related parties as a proportion of total credit exposure as on 31st March	–	–
4	Aggregate value of outstanding loans to related parties which are categorized as:		
4.1	Special Mention Accounts as on 31st March	–	–
4.2	Non-Performing Assets as on 31st March	–	–
5	Amount of provisions held in respect of loans to related parties as on 31st March	–	–

II Contracts and Arrangements involving Related Parties

(₹ in crore)

Sl No.	Particulars	As at 31st March 2026	As at 31st March 2025
1	Aggregate value of contracts and arrangements awarded to related parties during the year*	54.80	55.36
2	Aggregate value of outstanding contracts and arrangements involving related parties as on 31st March	0.06	0.47

* The value represents contracts awarded and transactions incured during the financial year

The above disclosure is given in accordance with the "Reserve Bank of India (Non-Banking Financial Companies – Credit Risk Management) Directions, 2025", issued vide Circular No. DOR.CRE.REC.380/07-02-008/2025-26 dated 05 January 2026, however the said circular is effective for implementation from April 1, 2026.

Notes forming part of standalone financial statements

52.22 Asset Liability Management Maturity pattern of certain items of Assets and Liabilities:

(₹ in crore)

March 31, 2026	1–7 Days	8–14 Days	15 days to 30/31 days (One month)	Over 1 month to 2 months	Over 2 months to 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 years	Total
Assets:											
Deposits	–	–	–	–	–	–	–	–	–	–	**–**
Advances (gross)	2,539.67	631.66	213.20	3,615.52	3,808.29	10,704.47	22,496.38	41,188.71	12,060.43	22,658.93	**1,19,917.26**
Investments (net)	751.32	250.03	206.96	693.81	3,486.36	–	97.91	–	–	5,064.06	**10,550.45**
Foreign Currency assets	–	–	–	–	–	–	–	–	–	–	**–**
Liabilities:											
Borrowings*	527.50	76.44	380.45	5,396.96	6,876.88	5,542.91	12,675.69	64,150.71	9,093.26	3,475.00	**1,08,195.80**
Foreign Currency liabilities	–	–	–	–	23.17	212.80	649.65	6,182.32	310.60	–	**7,378.54**

* Including ECB loan

footnote: The above bucketing has been arrived at based on the extant regulatory guidelines and the policy approved by the Board of Directors at its meeting held on October 15,2025 and relied upon by the auditors.

(₹ in crore)

March 31, 2025	1–7 Days	8–14 Days	15 days to 30/31 days (One month)	Over 1 month to 2 months	Over 2 months to 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 years	Total
Assets:											
Deposits	–	–	–	–	–	–	–	–	–	–	**–**
Advances (gross)	2,161.75	584.99	185.52	3,098.95	3,308.53	9,236.59	17,310.25	31,617.52	9,387.89	19,297.93	**96,189.92**
Investments (net)	–	149.65	2,402.52	198.10	2,353.84	–	10.23	90.02	409.75	6,138.86	**11,752.97**
Foreign Currency assets	–	–	–	–	–	–	–	–	–	–	**–**
Liabilities:											
Borrowings*	407.50	13.66	2,109.99	4,380.97	4,447.83	6,899.21	10,831.57	50,623.07	5,183.57	6,257.20	**91,154.57**
Foreign Currency liabilities	–	–	–	–	23.17	92.73	212.14	6,500.63	663.40	–	**7,492.07**

* Including ECB loan

footnote: The above bucketing has been arrived at based on the extant regulatory guidelines and the policy approved by the Board of Directors at its meeting held on October 18,2024 and relied upon by the auditors.

Notes forming part of standalone financial statements

52.23 Comparison between provisions required under IRACP and impairment allowances made under Ind AS 109

March 31, 2026

(₹ in crore)

Asset Classification as per RBI Norms	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS as on March 31, 2026*	Loss Allowances (Provisions) as required under Ind AS 109 as on March 31, 2026*	Net Carrying Amount as on March 31, 2026	Provisions required as per IRACP norms as on 31, 2026	Difference between Ind AS 109 provisions and IRACP norms as on 31, 2026
(1)	(2)	(3)	(4)	(5)=(3)–(4)	(6)	(7) = (4)–(6)
Performing Assets						
Standard	Stage 1	1,15,150.82	904.13	1,14,246.69	446.41	457.72
	Stage 2	2,011.52	433.50	1,578.02	59.04	374.46
Subtotal of Performing Assets		**1,17,162.34**	**1,337.63**	**1,15,824.71**	**505.45**	**832.18**
Non–Performing Assets (NPA)						
Substandard and Doubtful	Stage 1	13.13	1.05	12.08	3.13	–2.08
Substandard and Doubtful	Stage 2	1,043.40	204.60	838.80	139.64	64.96
Substandard	Stage 3	2,490.79	1,639.58	851.21	383.27	1,256.31
Doubtful – up to 1 year	Stage 3	281.24	183.39	97.85	90.42	92.97
1 to 3 years	Stage 3	634.77	431.39	203.38	169.09	262.30
More than 3 years	Stage 3	92.02	91.85	0.17	47.45	44.40
Loss	Stage 3	10.21	10.21	–	9.95	0.26
Subtotal of Non–Performing Assets		**4,565.56**	**2,562.07**	**2,003.49**	**842.95**	**1,719.12**
Subtotal		**1,21,727.90**	**3,899.70**	**1,17,828.20**	**1,348.40**	**2,551.30**
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms						
	Stage 1	2,111.46	1.04	2,110.42	–	1.04
Non fund base exposure	Stage 2	0.68	0.13	0.55	–	0.13
	Stage 3	57.73	6.00	51.73	–	6.00
Subtotal		**2,169.87**	**7.17**	**2,162.70**	**–**	**7.17**
	Stage 1	**1,17,275.41**	**906.22**	**1,16,369.19**	**449.54**	**456.68**
Total	**Stage 2**	**3,055.60**	**638.23**	**2,417.37**	**198.68**	**439.55**
	Stage 3	**3,566.76**	**2,362.42**	**1,204.34**	**700.18**	**1,662.24**
	Total	**1,23,897.77**	**3,906.87**	**1,19,990.90**	**1,348.40**	**2,558.47**

* includes fair valuation impact on loans classified as Fair value through Profit & Loss (FVTPL).

Notes forming part of standalone financial statements

Footnote: As per para 35 of of Master Direction – Reserve Bank of India (Non-Banking Financial Companies – Income Recognition, Asset Classification and Provisioning) Directions, 2025, issued by Reserve Bank of India vide circular no. RBI/DOR/2025-26/356 DOR.STR.REC.No.275/21.04.048/2025-26 - November 28, 2025 as amended., Where impairment allowance under Ind AS 109 is lower than the provisioning required under Income Recognition, Asset Classification and Provisioning (IRACP) (including standard asset provisioning), NBFCs shall appropriate the difference from their net profit or loss after tax to a separate 'Impairment Reserve'. However total IND AS 109 impairment allowance is higher by ₹ 2,558.47 crore as compare to IRACP, hence appropriation to impairment reserve is not required during the financial year.

52.23 Comparison between provisions required under IRACP and impairment allowances made under Ind AS 109

March 31, 2025

(₹ in crore)

Asset Classification as per RBI Norms	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS as on March 31, 2025*	Loss Allowances (Provisions) as required under Ind AS 109 as on March 31, 2025*	Net Carrying Amount as on March 31, 2025	Provisions required as per IRACP norms as on 31, 2025	Difference between Ind AS 109 provisions and IRACP norms as on 31, 2025
(1)	(2)	(3)	(4)	(5)=(3)–(4)	(6)	(7) = (4)–(6)
Performing Assets						
Standard	Stage 1	91,444.27	1,206.09	90,238.18	349.26	856.83
	Stage 2	2,276.78	371.58	1,905.20	58.04	313.54
Subtotal of Performing Assets		**93,721.05**	**1,577.67**	**92,143.38**	**407.30**	**1,170.37**
Non–Performing Assets (NPA)						
Substandard and Doubtful	Stage 1	–	–	–	–	–
Substandard and Doubtful	Stage 2	822.59	119.70	702.89	135.13	–15.43
Substandard	Stage 3	2,394.61	1,772.11	622.50	370.44	1,401.67
Doubtful – up to 1 year	Stage 3	241.99	116.16	125.83	71.91	44.25
1 to 3 years	Stage 3	543.88	357.85	186.03	258.02	99.83
More than 3 years	Stage 3	28.13	28.10	0.03	15.41	12.69
Loss	Stage 3	9.22	9.22	–	8.85	0.37
Subtotal of Non–Performing Assets		**4,040.42**	**2,403.14**	**1,637.28**	**859.76**	**1,543.38**
Subtotal		**97,761.47**	**3,980.81**	**93,780.66**	**1,267.06**	**2,713.75**
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms						

Notes forming part of standalone financial statements

Asset Classification as per RBI Norms	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS as on March 31, 2025*	Loss Allowances (Provisions) as required under Ind AS 109 as on March 31, 2025*	Net Carrying Amount as on March 31, 2025	Provisions required as per IRACP norms as on 31, 2025	Difference between Ind AS 109 provisions and IRACP norms as on 31, 2025
(1)	(2)	(3)	(4)	(5)=(3)–(4)	(6)	(7) = (4)–(6)
	Stage 1	1,321.22	2.00	1,319.22	–	2.00
Non fund base exposure	Stage 2	–	–	–	–	–
	Stage 3	56.00	5.60	50.40	–	5.60
Subtotal		**1,377.22**	**7.60**	**1,369.62**	**–**	**7.60**
	Stage 1	**92,765.49**	**1,208.09**	**91,557.40**	**349.26**	**858.83**
Total	**Stage 2**	**3,099.37**	**491.28**	**2,608.09**	**193.17**	**298.11**
	Stage 3	**3,273.83**	**2,289.04**	**984.79**	**724.63**	**1,564.41**
	Total	**99,138.69**	**3,988.41**	**95,150.28**	**1,267.06**	**2,721.35**

* includes fair valuation impact on loans classified as Fair value through Profit & Loss (FVTPL).

Footnote: As per para 35 of of Master Direction – Reserve Bank of India (Non-Banking Financial Companies – Income Recognition, Asset Classification and Provisioning) Directions, 2025, issued by Reserve Bank of India vide circular no. RBI/DOR/2025-26/356 DOR.STR.REC.No.275/21.04.048/2025-26 - November 28, 2025 as amended. Where impairment allowance under Ind AS 109 is lower than the provisioning required under Income Recognition, Asset Classification and Provisioning (IRACP) (including standard asset provisioning), NBFCs shall appropriate the difference from their net profit or loss after tax to a separate 'Impairment Reserve'. However total IND AS 109 impairment allowance is higher by ₹ 2721.35 crore as compare to IRACP, hence appropriation to impairment reserve is not required during the financial year.

52.24 Schedule to the Balance Sheet of non-banking financial company (as required in terms of Reserve Bank of India (Non-Banking Financial Companies – Financial Statements: Presentation and Disclosures) Directions, 2025, issued by Reserve Bank of India vide circular no. RBI/DOR/2025-26/359 DOR.ACC.REC.No.278/21.04.018/2025-26 - November 28, 2025 as amended.

Liabilities Side:

1. Loans and advances availed by the non-banking financial company inclusive of interest accrued thereon but not paid:

(₹ in crore)

Particulars	As at March 31, 2026		As at March 31, 2025	
	Amount Outstanding	Amount Overdue	Amount Outstanding	Amount Overdue
(a) Debentures :				
– Secured	23,976.17	–	22,781.30	–
– Unsecured (Other than falling within the meaning of Public Deposits)*	–	–	–	–
(b) Deferred Credits	–	–	–	–
(c) Term Loans	41,037.40	–	29,372.19	–

Notes forming part of standalone financial statements

Particulars	As at March 31, 2026		As at March 31, 2025	
	Amount Outstanding	Amount Overdue	Amount Outstanding	Amount Overdue
(d) Inter–Corporate Loans and borrowings	–	–	–	–
(e) Commercial Paper (Net off unexpired discounting charges)	8,063.36	–	6,073.09	–
(f) Public Deposits	–	–	–	–
(g) Other Loans	–	–	–	–
i) Foreign Currency Loan	–	–	–	–
ii) External commercial borrowings	8,252.61	–	7,544.01	–
iii) Bank Overdraft, Cash credit & Working Capital Demand Loan	23,819.47	–	21,966.86	–
iv) Corporate Bond Repo and Collateralized Borrowing and Lending Obligation	499.92	–	399.93	–
v) Cash Credit	484.66	–	484.97	–
vi) Associated liability related to securitisation transactions	3,051.96	–	1,791.26	–
vii) Perpetual debt Instruments	16.19	–	367.72	–
viii) Subordinate debt Instruments	685.95	–	1,465.57	–

*** Refer footnote 1 below**

2 Break-up of 1(f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid) :

(₹ in crore)

Particulars	As at March 31, 2026		As at March 31, 2025	
	Amount Outstanding	Amount Overdue	Amount Outstanding	Amount Overdue
(a) In the form of Unsecured debentures	–	–	–	–
(b) In the form of partly secured debentures i.e. debentures where there is a shortfall in the value of security	–	–	–	–
(c) Other public deposits	–	–	–	–

Assets Side:

3. Break-up of Loans and Advances including bills receivables [Other than those included in (4) below] :

(₹ in crore)

Particulars	Amount Outstanding	
	As at March 31, 2026	As at March 31, 2025
(a) Secured (net of provision)	62,434.15	52,441.11
(b) Unsecured (net of provision)	55,386.88	41,331.95

Notes forming part of standalone financial statements

4. Break-up of Leased Assets and Stock on Hire and hypothecation loans counting towards Asset Finance Company (AFC) activities

(₹ in crore)

Particulars	Amount Outstanding	
	As at March 31, 2026	As at March 31, 2025
(i) Lease assets including lease rentals under sundry debtors :		
(a) Financial Lease	–	–
(b) Operating Lease (net of provision)	–	–
(ii) Stock on hire including hire charges under sundry debtors :		
(a) Assets on Hire	–	–
(b) Repossessed Assets	–	–
(iii) Other loans counting towards AFC activities :		
(a) Loans where assets have been repossessed	–	–
(b) Loans other than (a) above	–	–

5. Break-up of Investments (net off diminution) :

(₹ in crore)

Particulars	Amount Outstanding	
	As at March 31, 2026	As at March 31, 2025
Current Investments		
1 Quoted		
(i) Shares :		
(a) Equity	7.89	10.23
(b) Preference	–	–
(ii) Debentures and Bonds	93.86	504.22
(iii) Units of Mutual Funds	751.32	–
(iv) Government Securities	3,723.54	5,092.65
(v) Others:		
a) Certificate of deposit	743.50	–
b) State development loan	158.32	–
2 Unquoted		
(i) Shares :		
(a) Equity	–	–
(b) Preference	–	–
(ii) Debentures and Bonds	–	–
(iii) Units of Mutual Funds	–	–
(iv) Government Securities	–	–
(v) Investment in Units/Pass Through Certificates	–	–

Notes forming part of standalone financial statements

(₹ in crore)

Particulars	Amount Outstanding	
	As at March 31, 2026	As at March 31, 2025
Long Term Investments		
1 Quoted		
(i) Shares :		
(a) Equity	–	–
(b) Preference	–	–
(ii) Debentures and Bonds	–	–
(iii) Units of Mutual Funds	–	–
(iv) Government Securities	–	–
(v) Others	–	–
2 Unquoted		
(i) Shares :		
(a) Equity	207.39	207.39
(b) Preference	–	–
(ii) Debentures and Bonds	90.02	90.02
(iii) Units of Mutual Funds	–	–
(iv) Government Securities	–	–
(v) Others :		
(a) Security receipts	4,807.72	5,862.44
(b) Investment in Units/Pass Through Certificates/Venture Capital Fund	48.95	69.03

6. Borrower group-wise classification of assets financed as in (3) and (4) above (see footnote 2 below) :

(₹ in crore)

Category	As at March 31, 2026		As at March 31, 2025	
	Secured (net of provision)	Unsecured (net of provision)	Secured (net of provision)	Unsecured (net of provision)
1 Related Parties **				
(a) Subsidiaries	–	–	–	–
(b) Companies in the same group	–	–	–	–
(c) Other related parties	–	–	–	–
2 Other than related parties	62,434.15	55,386.88	52,441.11	41,331.95
Total	**62,434.15**	**55,386.88**	**52,441.11**	**41,331.95**

**** As per Accounting Standard of ICAI (Please see footnote 3)**

Notes forming part of standalone financial statements

7. Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted):

(₹ in crore)

Category	As at March 31, 2026		As at March 31, 2025	
	Market value/ Breakup Value/ Fair Value / NAV	Book Value (Net of Provision)	Market value/ Breakup Value/ Fair Value / NAV	Book Value (Net of Provision)
1 Related Parties**				
(a) Subsidiaries	194.95	194.95	214.66	214.66
(b) Companies in the same group	–	–	–	–
(c) Other related parties	–	–	–	–
2 Other than related parties	10,437.56	10,437.56	11,621.32	11,621.32
Total	**10,632.51**	**10,632.51**	**11,835.98**	**11,835.98**

**** As per Accounting Standard of ICAI (Please see footnote 3)**

8. Other Information

(₹ in crore)

Particulars	As at March 31, 2026	As at March 31, 2025
(i) Gross Non–Performing Assets	**4,565.56**	**4,040.43**
(a) Related parties	–	–
(b) Other than related parties	4,565.56	4,040.43
(ii) Net Non–Performing Assets		
(a) Related parties	–	–
(b) Other than related parties	1,997.49	1,631.70
(iii) Assets acquired in satisfaction of debt (Gross)	**764.97**	**800.14**

Footnotes:

1. As defined in the Reserve Bank of India (Non-Banking Financial Companies – Acceptance of Public Deposits) Directions, 2025
2. Provisioning norms shall be applicable as prescribed in these Directions.
3. All notified Accounting Standards and Guidance Notes issued by ICAI are applicable including for valuation of investments and other assets as also assets acquired in satisfaction of debt. However, market value in respect of quoted investments and break up / fair value / NAV in respect of unquoted investments shall be disclosed irrespective of whether they are classified as long term (amortised cost in the case of Ind AS) or current (fair value in the case of Ind AS) in (5) above.

Notes forming part of standalone financial statements

53 The following additional information is disclosed in the terms of Master Direction – Reserve Bank of India (Non-Banking Financial Companies – Financial Statements: Presentation and Disclosures) Directions, 2025, issued by Reserve Bank of India vide circular no. RBI/DOR/2025-26/359 DOR.ACC.REC.No.278/21.04.018/2025-26 - November 28, 2025 as amended.

53.1 Exposure

1) Exposure to real estate sector

(₹ in crore)

Category	As at March 31, 2026	As at March 31, 2025
i) Direct exposure		
a) Residential Mortgages – Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented. Exposure would also include non–fund based (NFB) limits.	28,710.72	21,359.94
b) Commercial Real Estate – Lending secured by mortgages on commercial real estate (office buildings, retail space, multipurpose commercial premises, multifamily residential buildings, multi tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non–fund based (NFB) limits.	4,043.04	6,019.52
c) Investments in Mortgage–Backed Securities (MBS) and other securitized exposures –		
i. Residential	4,499.89	4,786.29
ii. Commercial Real Estate	146.65	393.35
ii) Indirect Exposure Fund based and non–fund–based exposures on National Housing Bank and Housing Finance Companies.	–	–
Total Exposure to Real Estate Sector	**37,400.30**	**32,559.10**

2) Exposure to capital Market

(₹ in crore)

Category	As at March 31, 2026	As at March 31, 2025
i) Direct investment in equity shares, convertible bonds, convertible debentures and units of equity oriented mutual funds the corpus of which is not exclusively invested in corporate debt	605.34	628.02
ii) Advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity oriented mutual funds	–	–

Notes forming part of standalone financial statements

(₹ in crore)

Category	As at March 31, 2026	As at March 31, 2025
iii) Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security	–	–
iv) Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds does not fully cover the advances	–	–
v) Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers	–	–
vi) Loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources	–	–
vii) Bridge loans to companies against expected equity flows / issues	–	–
viii) Underwriting commitments taken up by the NBFCs in respect of primary issue of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds	–	–
ix) Financing to stockbrokers for margin trading	–	–
x) All exposures to Alternative Investment Funds:		
(i) Category I	208.20	233.83
(ii) Category II	17.17	17.77
(iii) Category III	–	–
(xi) all exposures to Venture Capital Funds (both registered and unregistered)	2.23	2.73
(xii) Others	–	–
Total exposure to capital market	**832.93**	**882.35**

Notes forming part of standalone financial statements

3) Sectoral exposure

Sectors	As at March 31, 2026			As at March 31, 2025		
	Total Exposure (includes on balance sheet and off-balance sheet exposure) (₹ in crore)	Gross NPAs (₹ in crore)	Percentage of Gross NPAs to total exposure in that sector	Total Exposure (includes on balance sheet and off-balance sheet exposure) (₹ in crore)	Gross NPAs (₹ in crore)	Percentage of Gross NPAs to total exposure in that sector
1. Agriculture and Allied Activities	**17,020.88**	**1,135.74**	**6.67%**	**15,304.38**	**1,104.80**	**7.22%**
2. Industry						
i. Electricity Generation	134.56	–	0.00%	161.20	–	0.00%
ii. Roads	1,159.75	218.93	5.43%	1,241.54	–	0.00%
iii. Others	2,737.26	120.85	3.00%	2,321.10	43.33	1.16%
Total–Industry (i+ii+others)	**4,031.57**	**339.78**	**8.43%**	**3,723.84**	**43.33**	**1.16%**
3. Services						
i. Commercial Real Estate	946.32	481.65	8.42%	1,236.06	510.38	11.57%
ii. Others	4,771.93	88.05	1.54%	3,175.48	51.62	1.17%
Total of Services (i+ii)	**5,718.25**	**569.70**	**9.96%**	**4,411.54**	**562.00**	**12.74%**
4. Personal Loans	**14,971.75**	**494.27**	**3.30%**	**8,647.83**	**563.80**	**6.52%**
5. Others						
i. Housing Loans	21,118.13	337.25	1.60%	20,351.34	312.82	1.54%
ii. Vehicle Loans	14,396.72	650.37	4.52%	12,577.36	575.87	4.58%
iii. Micro Finance Loans	605.59	21.77	3.59%	736.93	32.55	4.42%
iv. Loans Against Property	11,619.66	267.86	2.31%	6,228.11	220.54	3.54%
v. Business Loans	2,794.19	32.01	1.15%	1,867.95	28.94	1.55%
vi. Rural Group Loans	28,893.98	768.91	2.66%	25,979.22	651.77	2.51%
vii Gold Loans	3,129.87	3.90	0.12%	–	–	–
Total of Others (i+ii+iii+iv+v+vi+vii)	**82,558.14**	**2,082.07**	**2.52%**	**67,740.91**	**1,822.49**	**2.69%**
Grand Total	**1,24,300.59**	**4,621.56**	**3.72%**	**99,828.51**	**4,096.43**	**4.10%**

4) Intra-group exposures

(₹ in crore)

S. No.	Particulars	As at March 31, 2026	As at March 31, 2025
i)	Total amount of intra-group exposures	–	–
ii)	Total amount of top 20 intra-group exposures	–	–
iii)	Percentage of intra-group exposures to total exposure of the NBFC on borrowers/customers	–	–

5) Unhedged foreign currency exposure

There is no Unhedged foreign currency exposure as at March 31, 2026. (Previous year Nil)

53.2 Related Party Disclosure

i) Related Party Transactions during the year

(₹ in crore)

Related Party	Parent (as per ownership or control)		Subsidiaries		Associates/ Joint ventures		Directors		Relatives of Directors		Other Key Management Personnel		Relatives of Other Key Management Personnel		Others[1]		Total	
Items	As at March 31, 2026	As at March 31, 2025	As at March 31, 2026	As at March 31, 2025	As at March 31, 2026	As at March 31, 2025	As at March 31, 2026	As at March 31, 2025	As at March 31, 2026	As at March 31, 2025	As at March 31, 2026	As at March 31, 2025	As at March 31, 2026	As at March 31, 2025	As at March 31, 2026	As at March 31, 2025	As at March 31, 2026	As at March 31, 2025
Borrowings	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Deposits	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Placement of deposits	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Advances	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Investments	–	–	–	4.71	–	–	–	–	–	–	–	–	–	–	–	–	–	4.71
Purchase of fixed/other assets	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Sale of fixed/other assets	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Interest paid	2.70	14.72	–	–	–	–	–	–	–	–	–	–	–	–	6.53	9.30	9.23	24.02
Interest received	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Others – Rent and maintenance cost paid	–	–	53.21	48.85	–	–	–	–	–	–	–	–	–	–	–	–	53.21	48.85
Others – Dividend income	–	–	149.85	–	–	–	–	–	–	–	–	–	–	–	–	–	149.85	–
Others – Brand license fees paid	155.77	136.53	–	–	–	–	–	–	–	–	–	–	–	–	–	–	155.77	136.53
Others	23.71	13.53	26.37	3.68	–	–	1.62	1.23	–	–	15.18	11.41	–	–	1.99	3.45	68.87	33.30

1. Transactions with Fellow Subsidiary Companies

ii) Related Party Balances - At the end of the year

(₹ in crore)

Related Party	Parent (as per ownership or control)		Subsidiaries		Associates/ Joint ventures		Directors		Relatives of Directors		Key Management Personnel		Relatives of Key Management Personnel		Others[1]		Total	
Items	As at March 31, 2026	As at March 31, 2025	As at March 31, 2026	As at March 31, 2025	As at March 31, 2026	As at March 31, 2025	As at March 31, 2026	As at March 31, 2025	As at March 31, 2026	As at March 31, 2025	As at March 31, 2026	As at March 31, 2025	As at March 31, 2026	As at March 31, 2025	As at March 31, 2026	As at March 31, 2025	As at March 31, 2026	As at March 31, 2025
Borrowings	–	105.00	–	–	–	–	–	–	–	–	–	–	–	–	75.00	99.50	75.00	204.50
Deposits	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Placement of deposits	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Advances	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Investments	–	–	194.94	214.66	–	–	–	–	–	–	–	–	–	–	–	–	194.94	214.66
Purchase of fixed/ other assets	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Sale of fixed/other assets	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Interest paid	–	5.99	–	–	–	–	–	–	–	–	–	–	–	–	2.21	7.04	2.21	13.03
Interest received	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Others – Rent and maintenance cost paid	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Others – Dividend income	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Others – Brand license fees paid	154.21	135.38	–	–	–	–	–	–	–	–	–	–	–	–	–	–	154.21	135.38
Others	2.01	3.45	21.42	19.64	–	–	1.62	0.86	–	–	15.18	2.34	–	–	0.18	0.79	40.41	27.08

1. Balance outstanding with Fellow Subsidiary Companies

Notes forming part of standalone financial statements

Notes forming part of standalone financial statements

iii) Maximum related party outstanding during the year

(₹ in crore)

Related Party	Parent (as per ownership or control)		Subsidiaries		Associates/ Joint ventures		Directors		Relatives of Directors		Key Management Personnel		Relatives of Key Management Personnel		Others[1]		Total	
Items	FY 2025-26	FY 2024-25	FY 2025-26	FY 2024-25	FY 2025-26	FY 2024-25	FY 2025-26	FY 2024-25	FY 2025-26	FY 2024-25	FY 2025-26	FY 2024-25	FY 2025-26	FY 2024-25	FY 2025-26	FY 2024-25	FY 2025-26	FY 2024-25
Borrowings	105.00	280.38	–	–	–	–	–	–	–	–	–	–	–	–	99.50	149.50	204.50	429.88
Deposits	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Placement of deposits	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Advances	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Investments	–	–	214.66	243.37	–	–	–	–	–	–	–	–	–	–	–	–	214.66	243.37

1. Balance outstanding with Fellow Subsidiary Companies

Notes forming part of standalone financial statements

53.3 Disclosure of complaints

1) Summary information on complaints received by the NBFCs from customers and from the offices of Ombudsman

Sr. No.	Particulars	As at March 31, 2026	As at March 31, 2025
	Complaints received by the NBFC from its customers		
1.	Number of complaints pending at beginning of the year	773	767
2.	Number of complaints received during the year	13,877	16,794
3.	Number of complaints disposed during the year	14,267	16,788
	3.1 Of which, number of complaints rejected by the NBFC	4,923	3,255
4.	Number of complaints pending at the end of the year	383	773
	Maintainable complaints received by the NBFC from Office of Ombudsman		
5.*	Number of maintainable complaints received by the NBFC from Office of Ombudsman	703	477
	5.1 of 6, number of complaints resolved in favour of the NBFC by Office of Ombudsman	653	449
	5.2 of 6, number of complaints resolved through conciliation/ mediation/advisories issued by Office of Ombudsman	50	28
	5.3 of 6, number of complaints resolved after passing of Awards by Office of Ombudsman against the NBFC	–	–
6.*	Number of Awards unimplemented within the stipulated time (other than those appealed)	–	–

Note: Maintainable complaints refer to complaints on the grounds specifically mentioned in Integrated Ombudsman Scheme, 2021 (Previously The Ombudsman Scheme for Non-Banking Financial Companies, 2018) and covered within the ambit of the Scheme.

* It shall only be applicable to NBFCS which are included under The Reserve Bank - Integrated Ombudsman Scheme, 2021.

2) Top five grounds of complaints received by the NBFCs from customers

Grounds of complaints, (i.e. complaints relating to)	Number of complaints pending at the beginning of the year	Number of complaints received during the year	% increase/ decrease in the number of complaints received over the previous year	Number of complaints pending at the end of the year	of 6, number of complaints pending beyond 30 days
1	2	3	4	5	6
		As at March 31, 2026			
Service Related	126	2,507	6%	43	–
Account Closure	155	2,363	17%	43	–
Payment, Refund & EMI Related	73	1,849	–17%	50	–
Collection Related	111	1,570	–41%	72	–
Credit Report	145	1,560	–43%	43	–
Others	163	4,028	–16%	132	–
Total	**773**	**13,877**		**383**	**–**

Notes forming part of standalone financial statements

Grounds of complaints, (i.e. complaints relating to)	Number of complaints pending at the beginning of the year	Number of complaints received during the year	% increase/ decrease in the number of complaints received over the previous year	Number of complaints pending at the end of the year	of 6, number of complaints pending beyond 30 days
1	2	3	4	5	6
			As at March 31, 2025		
Credit Report	125	2,756	–42%	145	–
Collection Related	89	2,661	36%	111	–
Service Related	110	2,355	27%	126	–
Payment & Refund	157	2,235	–71%	73	–
Sourcing Related	52	2,020	–4%	54	–
Others	234	4,767	–47%	264	–
Total	**767**	**16,794**	**NA**	**773**	**–**

53.4 Details of financing of parent company products: Nil (Previous year : Nil)

53.5 Single Borrower Limit (SBL) or Group Borrower Limit (GBL) as prescribed by the RBI.

The company has not exceeded the Single Borrower Limit (SBL) or Group Borrower Limit (GBL) as prescribed by the RBI based on the tier I capital as on March 31, 2026.

53.6 Unsecured Advances (net off provision):

₹ in crore

Particulars	As at March 31, 2026	As at March 31, 2025
Term loans	41,397.40	33,369.41
Debentures	–	–
Intercorporate Deposit	–	–
Personal Loans	13,989.48	7,962.54
Total	**55,386.88**	**41,331.95**

Note : There are no advances outstanding as on March 31, 2026 against which intangible securities has been taken as collateral. (Previous year : Nil)

53.7 Disclosure of restructured accounts

(i) Details of restructured accounts as on March 31, 2026

(₹ in crores except no. of borrowers)

Type of Restructuring		Others				
Sr. No.	Asset Classification		Standard	Sub–Standard	Doubtful	Loss	Total
1	Restructured Accounts as on April 1, 2025	No. of borrowers	1,052	211	374	5	1,642
		Amount outstanding Restructured facility only	821.30	93.70	111.60	1.98	1,028.58
		Provision thereon	126.68	21.31	35.61	1.98	185.58
2	Movement in balance for accounts appearing under opening balance*	No. of borrowers	(174)	(76)	(106)	–	(356)
		Amount outstanding Restructured facility only	(188.40)	(25.24)	(28.68)	–	(242.32)
		Provision thereon	9.38	3.09	18.21	–	30.68
3	Fresh restructuring during the year	No. of borrowers	3	–	–	–	3
		Amount outstanding Restructured facility only	323.75	–	–	–	323.75
		Provision thereon	75.30	–	–	–	75.30
4	Upgradations to restructured standard category during the FY	No. of borrowers	32	(15)	(17)	–	–
		Amount outstanding Restructured facility only	13.19	(4.35)	(8.84)	–	–
		Provision thereon	2.61	(0.85)	(1.76)	–	–
5	Restructured standard advances which cease to attract higher provisioning and / or additional risk weight at the end of the FY and hence need not be shown as restructured standard advances at the beginning of the next FY	No. of borrowers	–	–	–	–	–
		Amount outstanding Restructured facility only	–	–	–	–	–
		Provision thereon	–	–	–	–	–
6	Downgradations of restructured accounts during the FY	No. of borrowers	(71)	(37)	106	2	–
		Amount outstanding Restructured facility only	(269.39)	199.77	69.10	0.52	–
		Provision thereon	(63.70)	26.22	36.96	0.52	–
7	Write–offs of restructured accounts during the FY	No. of borrowers	–	(15)	(4)	–	(19)
		Amount outstanding Restructured facility only	–	(0.02)	(0.01)	–	(0.03)
		Provision thereon	–	(0.02)	–	–	(0.02)
8	Restructured Accounts as on March 31, 2026	No. of borrowers	842	68	353	7	1,270
		Amount outstanding Restructured facility only	700.45	263.85	143.18	2.50	1,109.98
		Provision thereon	150.26	49.75	89.01	2.50	291.52

*Included for the purpose of arithmetical accuracy

Note : 1 This includes one-time restructuring implemented as prescribed in the notifcation no. RBI/2020-21/16 DOR.NO.BP.BC/3/21.04.048/2020-21 Resolution Framework for COVID-19-related Stress and RBI/2021-22/31/DOR.STR.REC.11 /21.04.048/2021-22 Resolution Framework – 2.0: Resolution of Covid-19 related stress of Individuals and Small Businesses dated May 05, 2021.

2 Since the disclosure of restructured accounts pertains to section "Others", the first two sections namely "Under CDR Mechanism" and "Under SME Debt Restructuring Mechanism" as per the format prescribed in the Reserve Bank of India (Non-Banking Financial Companies – Financial Statements: Presentation and Disclosures) Directions, 2025, company are not included above.

(ii) Details of restructured accounts as on March 31, 2025

(₹ in crores except no. of borrowers)

Type of Restructuring		Others				
Sr. No.	Asset Classification		Standard	Sub–Standard	Doubtful	Loss	Total
1	Restructured Accounts as on April 1, 2024	No. of borrowers	1,865	14,241	14,824	–	30,930
		Amount outstanding Restructured facility only	656.74	166.19	44.72	–	867.65
		Provision thereon	123.43	106.88	37.40	–	267.71
2	Movement in balance for accounts appearing under opening balance*	No. of borrowers	(440)	(798)	(684)	–	(1,922)
		Amount outstanding Restructured facility only	(66.39)	(37.75)	(8.15)	–	(112.29)
		Provision thereon	(24.54)	(59.96)	(2.03)	–	(86.53)
3	Fresh restructuring during the year	No. of borrowers	3	–	–	–	3
		Amount outstanding Restructured facility only	317.84	–	–	–	317.84
		Provision thereon	48.99	–	–	–	48.99

Notes forming part of standalone financial statements

Sr. No.	Asset Classification		Type of Restructuring: Others – Standard	Sub–Standard	Doubtful	Loss	Total
4	Upgradations to restructured standard category during the FY	No. of borrowers	30	(28)	(2)	–	–
		Amount outstanding Restructured facility only	8.09	(7.96)	(0.13)	–	–
		Provision thereon	1.31	(1.29)	(0.02)	–	–
5	Restructured standard advances which cease to attract higher provisioning and / or additional risk weight at the end of the FY and hence need not be shown as restructured standard advances at the beginning of the next FY	No. of borrowers	–	–	–	–	–
		Amount outstanding Restructured facility only	–	–	–	–	–
		Provision thereon	–	–	–	–	–
6	Downgradations of restructured accounts during the FY	No. of borrowers	(216)	(90)	301	5	–
		Amount outstanding Restructured facility only	(94.79)	(8.07)	100.88	1.98	–
		Provision thereon	(22.32)	(5.62)	25.96	1.98	–
7	Write–offs of restructured accounts during the FY	No. of borrowers	(190)	(13,114)	(14,065)	–	(27,369)
		Amount outstanding Restructured facility only	(0.19)	(18.71)	(25.71)	–	(44.61)
		Provision thereon	(0.19)	(18.70)	(25.71)	–	(44.60)
8	Restructured Accounts as on March 31, 2025	No. of borrowers	1,052	211	374	5	1,642
		Amount outstanding Restructured facility only	821.30	93.70	111.60	1.98	1,028.58
		Provision thereon	126.68	21.31	35.61	1.98	185.58

*Included for the purpose of arithmetical accuracy

Note : 1 This includes one-time restructuring implemented as prescribed in the notifcation no. RBI/2020-21/16 DOR.NO.BP.BC/3/21.04.048/2020-21 Resolution Framework for COVID-19-related Stress and RBI/2021-22/31/DOR.STR.REC.11/21.04.048/2021-22 Resolution Framework – 2.0: Resolution of Covid-19 related stress of Individuals and Small Businesses dated May 05, 2021.

2 Since the disclosure of restructured accounts pertains to section "Others", the first two sections namely "Under CDR Mechanism" and "Under SME Debt Restructuring Mechanism" as per the format prescribed in the Reserve Bank of India (Non-Banking Financial Companies – Financial Statements: Presentation and Disclosures) Directions, 2025 , company are not included above.

53.8 Other Miscellaneous

i) **Breach of Covenant-** During the financial year ended March 31, 2026, there are no instances of breach of covenants of loan availed or debt securities issued (applicable if any) by the company.(Previous year: Nil)

ii) **Overseas Assets (for those with Joint Ventures and Subsidiaries abroad)-** The company does not have any joint venture or subsidiary abroad, hence not applicable.

iii) **Off-balance Sheet SPVs sponsored-** The company does not have any off-balance Sheet SPVs sponsored, hence not applicable.

iv) **Credit Default Swaps-** The company has not undertaken any credit default swaps transaction during the financial year ended March 31, 2026. (Previous year: Nil)

v) **Currency Options-** The company has not undertaken any currency options transaction during the financial year ended March 31, 2026. (Previous year: Nil)

vi) **Currency Futures-** The company has not undertaken any currency futures transaction during the financial year ended March 31, 2026. (Previous year: Nil)

Notes forming part of standalone financial statements

vii) **Area of Operation-**The company operates in India and does not have any overseas joint ventures and subsidiaries.

viii) **Remuneration of Directors-** Please refer the note no. 32 of related party transactions.

ix) **Net Profit or Loss for the period, prior period items and changes in accounting policies-** There are no prior period items which are impacting company's current year profit and loss.

x) **Sales Out Of Amortised Cost Business Model Portfolios-** The Company's policy for sales out of amortised cost business model portfolios is given at note 1.10 (i)(e) of material accounting policies.

xi) **Drawn down from reserves-** No draw down from reserves during the financial year ended March 31, 2026. (Previous year: Nil)

xii) **Penalties imposed by RBI and other regulators-** No penalties have been imposed by RBI or other regulators during the financial year ended March 31, 2026. (Previous Year: Nil)

xiii) **Postponement of revenue recognition-** There are no circumstances under which revenue recognition has been postponed in the financial year ended March 31,2026 (Previous year: Nil).

54 The following additional information (other than what is already disclosed elsewhere) is disclosed in terms of amendments dated March 24, 2021 in Schedule III to the Companies Act 2013 with effect from 1st day of April, 2021:-

(a) There is no proceeding initiated or pending against the company during the year for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder.

(b) The company is not declared wilful defaulter by any bank or financial Institution or any other lenders.

(c) Being a systemically important non-banking financial company registered with the Reserve Bank of India as per Reserve Bank of India Act, 1934 (2 of 1934), the provisions prescribed under clause (87) of section 2 of the companies Act 2013 read with Companies (Restriction on number of Layers) Rules, 2017 is not applicable to the company.

(d) There is no scheme of arrangements has been approved during the year by the Competent Authority in terms of sections 230 to 237 of the Companies Act, 2013 other than disclosed under note 53.

(e) There is no transaction that has not been recorded in the books of accounts and surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.

(f) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

(g) The Company has obtained borrowings from banks or financial institutions on the basis of security of current assets and quarterly returns or statements of current assets filed by the Company with banks or financial institutions are in agreement with the books of accounts.

(h) The Company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall :

(i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or

(ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries;

(i) The Company has not received any funds from any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Company shall :

Notes forming part of standalone financial statements

(i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

(ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries;

(j) There are no creation or satisfaction of charges as at March 31, 2026 pending with ROC beyond the statutory period.

(k) The Company has utilised all the borrowings for the purpose for which they have been borrowed.

55 There are no due and outstanding amount to be credited to Investor Education & Protection Fund as at March 31, 2026.

56 Previous year figures have been regrouped/reclassified wherever necessary, to make them comparable with the current year figures.

In terms of our report attached of even date

For Brahmayya and Co.
Chartered Accountants
ICAI FRN: 000515S

P.S. Kumar
Partner
Membership No. 015590

For T R Chadha & Co LLP
Chartered Accountants
ICAI FRN: 006711N/N500028

Vikas Kumar
Partner
Membership No. 075363

Place : Mumbai
Date : April 24, 2026

For and on behalf of the Board of Directors of
L&T Finance Limited

S. N. Subrahmanyan
Non-Executive Chairman
(DIN: 02255382)

Sachinn Joshi
Chief Financial Officer

Place : Mumbai
Date : April 24, 2026

Sudipta Roy
Managing Director &
Chief Executive Officer
(DIN: 08069653)

Apurva Rathod
Company Secretary
Membership No: F13729

Place : Mumbai
Date : April 24, 2026

Independent Auditors' Report

To
The Members of
L&T Finance Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

1. We have audited the accompanying Consolidated Financial Statements of L&T Finance Limited ("the Holding Company" or "the Parent" or "the Company") and its subsidiaries (the parent and its subsidiaries together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2026, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and Consolidated Statement of Cash Flows for the year ended on that date, and notes to the Consolidated Financial Statements, including a summary of material accounting policy information and other explanatory information ("the Consolidated Financial Statements").

2. In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements of such subsidiaries, as were audited by the other auditors, the aforesaid Consolidated Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the Consolidated State of Affairs of the Group, as at March 31, 2026, and its Consolidated Profit and Other Comprehensive Income, Consolidated Changes in Equity and its Consolidated Cash Flows for the year ended on that date.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing ("SAs") specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group, in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the Consolidated Financial Statements under the provisions of the Act, and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained along with the consideration of audit reports of the other auditors referred to in the "Other Matters" paragraph below is sufficient and appropriate to provide a basis for our opinion on the Consolidated Financial Statements.

Key Audit Matters

4. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Consolidated Financial Statements of the current year. These matters were addressed in the context of our audit of the Consolidated Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Sr. No.	Key Audit Matter	How the matter was addressed in our audit
1.	**Allowance for Expected Credit Loss on Retail Loan Assets** [Refer to the Accounting Policies Note 1.13 Financial Instruments in the Balance Sheet, Note 06 & 45 to the Consolidated Financial Statements]	
	As at March 31, 2026, Retail loan assets aggregated ₹ 1,16,049.11 crores (net of expected credit losses of ₹ 3,457.84 crores), constituting 98.50% of the Company's loan book. Significant judgement is used in classifying these loan assets and applying appropriate measurement principles. ECL on such loans carried at amortised cost is a critical estimate involving a greater level of management judgement. As part of our risk assessment, we determined that the ECL on such loan assets has a high degree of estimation uncertainty, with a potential range of reasonable outcomes for the Consolidated financial statements. The significant assumptions that we focused on in our audit included those with greater levels of management judgement and for which variations had the most significant impact on ECL. The key areas where we identified greater levels of management judgement and therefore increased levels of audit focus in the Company's estimation of ECLs are: Each borrower is classified into Stage 1, 2, 3 based on the objective criteria of Day Past Due (DPD) status as of the reporting date and other loss indicators, as applicable. Such classification by borrower is done across all facilities provided to the borrower, i.e. maximum of the DPDs from among the different facilities ["Max DPD"] provided to that borrower. Inherently, significant judgment is involved in the use of models to estimate ECL which includes determining Exposures at Default ("EAD"), Probabilities of Default ("PD") and Loss Given Default ("LGD"). The PD and the LGD are the key drivers of estimation complexity and as a result are considered the most significant judgments in the Company's modelling approach. The modelling methodologies used to estimate ECL are developed using historical experience. The impact of the prevailing macroeconomic conditions has also resulted in certain limitations in the reliability of these methodologies to forecast the extent and timing of future customer defaults or potential credit risks and therefore in estimates of ECL. In addition, modelling methodologies do not necessarily incorporate all factors that are relevant to estimating ECL, such as	Our audit procedures were focused on assessing the appropriateness of management's judgement and estimates used in the impairment analysis that included, but were not limited to, the following: ➢ Reviewed the Board Approved Policy and procedures & associates design/controls and expected credit loss memo concerning the assessment of credit and other risks. ➢ Obtained an understanding of the modelling techniques adopted by the Company including the key inputs and assumptions. ➢ Assessing the design, implementation and operating effectiveness of key internal financial controls including monitoring process of overdue loans (including those which became overdue after the reporting date), measurement of provision, stage-wise classification of loans, identification of NPA accounts, assessing the reliability of management information. ➢ Evaluated the appropriateness of the Company's determination of Significant Increase in Credit Risk ("SICR") in accordance with the applicable accounting standard and the basis for classification of various exposures into various stages. ➢ Testing key controls relating to selection and implementation of material macro-economic variables and the controls over the scenario selection and application of probability weights and computation of probability of default and loss given default percentages. ➢ Reviewed the critical assumptions and input data used in the estimation of expected credit loss for specific key credit risk parameters, such as the movement between stages, Exposure at default (EAD), probability of default (PD) or loss given default (LGD). ➢ Involved Information system resource to obtain comfort over data integrity and process of report generation through interface of various information systems.
	differentiating the impact on industry sectors and economic conditions. These limitations are attempted to be addressed with management overlay, the measurement of which is inherently judgmental and subject to a high level of estimation uncertainty.	➢ Tested controls placed over key inputs, data and assumptions impacting ECL calculations to assess the completeness, accuracy and relevance of data and reasonableness of economic forecasts, weights, and model assumptions applied as detailed below: • Verified the completeness and accuracy of the Exposure at Default ("EAD") and the classification thereof into stages consistent with the definitions applied in accordance with the policy approved by the Board of Directors. • Checked the appropriateness of information used in the estimation of the Probability of Default ("PD") and Loss given Default ("LGD") for the different stages depending on the nature of the portfolio reconciled the total retail considered for ECL assessment with the books of accounts to ensure the completeness. • Performed test of details over model calculations testing through re-performance, where possible. • Tested appropriateness of staging of borrowers based on DPD and other loss indicators. • Tested the factual accuracy of information such as period of default and other related information used in estimating the PD. • Evaluated the reasonableness of applicable assumptions included in LGD computation. • Evaluated the methodology used to determine macroeconomic overlays and adjustments to the output of the ECL model. ➢ Assessed whether the disclosures on key judgements, assumptions and quantitative data with respect to impairment of loans (including restructuring related disclosures) in the Consolidated Financial Statements are appropriate and sufficient. ➢ Verified the manner of preparation of information w.r.t. to provisions and disclosures in the Consolidated Financial Statements.

Sr. No.	Key Audit Matter	How the matter was addressed in our audit
		➢ Obtained written representations from management and those charged with governance on whether they believe significant assumptions used in calculation of expected credit losses are reasonable.
2.	**Information Technology ("IT") Systems and Controls**	
	The Company has a complex IT architecture to support its day-to-day business operations. High volume of transactions are processed and recorded on single or multiple applications. The reliability and security of IT systems plays a key role in the business operations of the Company. Since large volume of transactions are processed daily, IT controls are required to ensure that applications process data as expected and that changes are made in an appropriate manner. Appropriate IT general controls and application controls are required to ensure that such IT systems are able to process the data, as required, completely, accurately and consistently for reliable financial reporting. We have identified 'IT systems and controls' as a key audit matter because of the high-level of automation, significant number of systems being used by the management and the complexity of the IT architecture and its impact on the financial reporting system.	Our Audit procedures included the following, but not limited to: Involved IT specialists as part of the audit for the purpose of testing the IT general controls and application controls (automated and semi automated controls) to determine the accuracy of the information produced by the Company's IT systems. With respect to the "In-scope IT systems" identified as relevant to the audit of the financial statements and financial reporting process of the Company, we have evaluated and tested relevant IT general controls. On such "In-scope IT systems" we have performed the following procedures: Obtained an understanding of IT applications landscape implemented by the Company, including an understanding of the process, mapping of applications and understanding financial risks posed by people, process and technology. Tested design and operating effectiveness of key controls over user access management (including user access provisioning, de-provisioning, user access review, password configuration review and privilege access), change management (including compliance of change release in production environment to the defined procedures), program development (including review of data migration activity), computer operations (including testing of key controls pertaining to, backup, batch processing, incident management and data centre security. Also tested entity level controls pertaining to IT policy and procedure and business continuity plan assessment. Tested the design and operating effectiveness of certain automated controls that were considered as key internal controls over the financial reporting system.

Other Information

5. The Parent Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Parent Company's annual report but does not include the Consolidated Financial Statements and our auditors' report thereon. The Other Information is expected to be made available to us after the date of this auditor's report.
6. Our opinion on the Consolidated Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.
7. In connection with our audit of the Consolidated Financial Statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the Consolidated Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed and based on the work done / audit report of other auditors, we conclude that there is a material misstatement of this other information, we are required to report that fact.
8. When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate action as applicable under the relevant laws and regulations.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

9. The Parent Company's Board of Directors are responsible for the preparation and presentation of these Consolidated Financial Statements, that give a true and fair view of the Consolidated State of Affairs, Consolidated Profit and Other Comprehensive Income, Consolidated Statement of Changes in Equity and Consolidated Cash Flows of the Group is in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection of the appropriate accounting software for ensuring compliance with applicable laws and regulations including those related to retention of audit logs; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Consolidated Financial Statements by the Directors of the Parent Company, as aforesaid.
10. In preparing the Consolidated Financial Statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of each company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.
11. The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements:

12. Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated Financial Statements.

13. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

    (i) Identify and assess the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

    (ii) Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Parent Company has adequate internal financial controls with reference to the Consolidated Financial Statements and the operating effectiveness of such controls.

    (iii) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

    (iv) Conclude on the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

    (v) Evaluate the overall presentation, structure and content of the Consolidated Financial Statements, including the disclosures, and whether the Consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

    (vi) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the audit of financial statements of such entities included in the Consolidated Financial Statements of which we are the independent auditors. For the other entities included in the Consolidated Financial Statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

14. We communicate with those charged with governance of the Parent Company and such other entities included in the Consolidated Financial Statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

15. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

16. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Consolidated Financial Statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

17. We did not audit the financial statements of 3 subsidiaries, whose financial statements reflect total assets of ₹ 379.39 crores as at March 31, 2026, total revenues of ₹ 51.03 crores and net cash flows amounting to ₹ (2.15) crores for the year ended on that date, as considered in the Consolidated Financial Statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of section 143(3) of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors.

18. We did not audit the financial statements of 1 subsidiary, L&T Infra Investment Partners, whose financial statement reflect total assets of ₹ 132.94 crores as at March 31, 2026, total revenues of ₹ 7.73 crores and net cash flows amounting to ₹ 0.67 crores for the year ended on that date, as considered in the Consolidated Financial Statements. These financial statements are unaudited and have been furnished to us by the Management and our opinion on the Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of section 143(3) of the Act in so far as it relates to the aforesaid subsidiaries, is based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the Management, these financial statements are not material to the Group.

19. Our opinion on the Consolidated Financial Statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements certified by the Management.

Report on Other Legal and Regulatory Requirements

20. As required by section 143(3) of the Act, based on our audit and on the consideration of the reports of the other auditors on the separate financial statements of the subsidiaries referred to in the Other Matters section above we report, to the extent applicable that:

    (i) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Consolidated Financial Statements.

    (ii) In our opinion, proper books of account as required by law have been kept by the Group including relevant records relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

    (iii) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

    (iv) In our opinion, the aforesaid Consolidated Financial Statements comply with the Ind AS specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.

    (v) On the basis of the written representations received from the directors of the Parent Company as on March 31, 2026, taken on record by the Board of Directors of the Company and the reports of the statutory auditors of its subsidiary companies, none of the directors of the Group is disqualified as on March 31, 2026, from being appointed as a director in terms of section 164(2) of the Act.

    (vi) With respect to the adequacy of the internal financial controls with reference to Consolidated Financial Statements and the operating effectiveness of such controls, refer to our separate Report in 'Annexure A' which is based on the Auditors' Reports of the Parent Company, and subsidiaries company. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls with reference to consolidated financial statements of those companies.

    (vii) With respect to the other matters to be included in the Auditors' Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information

and according to the explanations given to us, the remuneration paid by the Parent Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

21. With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

(i) The Consolidated Financial Statements disclose the impact of pending litigations as at March 31, 2026, on the consolidated financial position of the Group, – Refer Note 41 to the Consolidated Financial Statements.

(ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

(iii) There has been no delay in transferring amounts required to be transferred, to the Investor Education and Protection Fund by the Parent Company and/or its subsidiary companies, incorporated in India during the year ended March 31, 2026.

(iv) The respective managements of the Parent Company, its subsidiaries, incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries, to best of their knowledge and belief, that no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Parent Company or any of such subsidiaries, to or in any other person(s) or entity(ies), including foreign entities ('Intermediaries'), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Parent Company or any of such subsidiaries, ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(v) The respective managements of the Parent Company, its subsidiaries, which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries, to best of their knowledge and belief, that no funds have been received by the Parent Company or any of such subsidiaries, from any person(s) or entity(ies), including foreign entities ('Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Parent Company or any of such subsidiaries, shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(vi) Based on such audit procedures, that have been considered reasonable and appropriate in the circumstances, performed by us and those performed by auditors of the subsidiaries in India whose financial statements have been audited under the Act, nothing has come to our or other auditor's notice that has caused us or the other auditors to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (iv) and (v) above, contain any material misstatement.

(vii) In our opinion and according to the information and explanations given to us, the final dividend proposed in the previous year, declared and paid by the Parent Company during the year is in accordance with section 123 of the Act, as applicable.

As stated in note no. 19 to the Consolidated Financial Statements, the Board of Directors of the Parent Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend proposed is in accordance with section 123 of the Act, as applicable.

(viii) Based on our examination which included test checks and that performed by respective auditors of the subsidiaries, which are the companies incorporated in India whose financial statements have been audited under the Act, the Parent company and its subsidiary companies incorporated in India have used an accounting software for maintaining its books of accounts which has a feature of recording audit trail facility (edit log) and the same has operated throughout the year for all relevant transactions recorded in the software.

However, audit trail (edit logs) for direct changes made at the database level (SAP), were enabled from June 25, 2025.

Further, during the course of audit, we and respective other auditors, whose reports have been furnished to us by the Management of the Parent Company, have not come across any instance of the audit trail feature being tampered with.

Additionally, except for the database-level changes as mentioned above, the audit trail has been preserved by the Company as per the statutory requirements for record retention.

22. With respect to the matters specified in paragraphs 3(xxi) and 4 of the Companies (Auditors' Report) Order, 2020 (the 'Order') issued by the Central Government in terms of section 143(11) of the Act, to be included in the Auditors' Report, according to the information and explanations given to us, and based on the CARO reports issued by the auditors of the respective companies included in the Consolidated Financial Statements of the Company, to which reporting under CARO is applicable, as provided to us by the Management of the Parent Company and based on the identification of matters of qualifications or adverse remarks in their CARO reports by the respective component auditors and provided to us, we report that the auditors of such companies have not reported any qualifications or adverse remarks in their CARO report.

For **Brahmayya & Co.**
Chartered Accountants
ICAI Firm Registration No. 000515S

P.S. Kumar
Partner
Membership No. 015590
UDIN: 26015590PTVFEC7705

Place: Mumbai
Date: April 24, 2026

For **T R Chadha & Co LLP**
Chartered Accountants
Firm Registration No. 006711N/N500028

Vikas Kumar
Partner
Membership No. 075363
UDIN: 26075363JXRJCD8515

Place: Mumbai
Date: April 24, 2026

Annexure 'A' to the Independent Auditors' Report

Annexure 'A' to the Independent Auditors' report on the Consolidated Financial Statements of L&T Finance Limited for the year ended March 31, 2026

(Referred to in paragraph 20 (vi) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls with reference to Consolidated Financial Statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

Opinion

1. In conjunction with our audit of the Consolidated Financial Statements of L&T Finance Limited as of and for the year ended March 31, 2026, we have audited the internal financial controls with reference to the Consolidated Financial Statements of L&T Finance Limited 'the Parent Company' and its subsidiary companies, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

2. The respective Boards of Directors of the 'Parent Company', and its subsidiaries, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls with reference to consolidated financial statements based on the internal control with reference to consolidated financial statements criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of internal financial controls over financial reporting (the 'Guidance Note') issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

3. Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements of the 'Parent Company', and its subsidiaries, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls with reference to consolidated financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements was established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

5. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the subsidiaries, which are companies incorporated in India, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements of the 'Parent Company', its subsidiaries and its associate, which are companies incorporated in India.

Meaning of Internal Financial Controls with reference to Consolidated Financial Statements

6. A Company's internal financial control with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial controls with reference to consolidated financial statements includes those policies and procedures that

   (a) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;

   (b) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Consolidated Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the Company;

   (c) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the Consolidated Financial Statements.

Inherent Limitations of Internal Financial Controls with reference to Consolidated Financial Statements.

7. Because of the inherent limitations of internal financial controls with reference to consolidated financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to consolidated financial statements to future periods are subject to the risk that the internal financial control with reference to consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors referred to in the other matters paragraph below, the 'Parent Company', and its subsidiaries, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at March 31, 2026, based on the criteria for internal financial controls with reference to consolidated financial statements established by the respective companies considering the essential components of internal control stated in the Guidance Note.

Other Matters

9. Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements insofar as it relates to three subsidiary companies, which are companies incorporated in India, is based solely on the corresponding report of the auditors of those companies and our opinion on the internal financial controls with reference to consolidated financial statements, insofar as it relates to the internal financial controls in respect of this subsidiary companies is based solely on the corresponding report of the other auditors.

For **Brahmayya & Co.**
Chartered Accountants
ICAI Firm Registration No. 000515S

P.S. Kumar
Partner
Membership No. 015590
UDIN: 26015590PTVFEC7705

Place: Mumbai
Date: April 24, 2026

For **T R Chadha & Co LLP**
Chartered Accountants
Firm Registration No. 006711N/N500028

Vikas Kumar
Partner
Membership No. 075363
UDIN: 26075363JXRJCD8515

Place: Mumbai
Date: April 24, 2026

Consolidated Balance Sheet as at March 31, 2026

(₹ in crore)

Particulars	Note	As at March 31, 2026	As at March 31, 2025
ASSETS			
1 Financial assets			
(a) Cash and cash equivalents	2	4,488.94	2,896.22
(b) Bank balance other than (a) above	3	3,470.10	7,936.70
(c) Derivative financial instruments	4	875.85	0.55
(d) Receivables	5		
(I) Trade receivables		102.47	116.95
(II) Other receivables		4.97	5.56
(e) Loans	6	1,17,821.03	93,773.06
(f) Investments	7	10,563.81	11,875.97
(g) Other financial assets	8	772.08	387.91
		1,38,099.25	**1,16,992.92**
2 Non-financial assets			
(a) Current tax assets (net)		394.93	313.66
(b) Deferred tax assets (net)	40	1,822.31	1,783.13
(c) Property, plant and equipment	9	461.87	397.37
(d) Intangible assets under development	9	61.87	45.00
(e) Goodwill	9	195.79	13.40
(f) Other intangible assets	9	253.29	113.82
(g) Right of use asset	10, 38	396.68	116.37
(h) Other non-financial assets	11	519.32	633.69
		4,106.06	**3,416.44**
Total assets		**1,42,205.31**	**1,20,409.36**
LIABILITIES AND EQUITY			
LIABILITIES			
1 Financial liabilities			
(a) Payables	12		
(I) Trade payables			
(i) total outstanding dues of micro enterprises and small enterprises		0.22	3.78
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		1,769.79	1,367.92
(II) Other payables			
(i) total outstanding dues of micro enterprises and small enterprises		–	–
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		–	–
(b) Debt securities	13	32,039.53	28,854.39
(c) Borrowings (other than debt securities)	14	77,146.02	61,559.22
(d) Subordinated liabilities	15	702.14	1,833.29
(e) Lease Liability	38	409.97	125.54
(f) Other financial liabilities	16	1,487.21	621.45
		1,13,554.88	**94,365.59**

Consolidated Balance Sheet as at March 31, 2026 (Contd...)

Particulars	Note	As at March 31, 2026	As at March 31, 2025
2 Non-Financial Liabilities			
(a) Current tax liabilities (net)		385.54	256.86
(b) Provisions	17	106.44	51.08
(c) Deferred tax liabilities (net)	40	21.58	25.58
(d) Other non-financial liabilities	18	102.84	79.13
		616.40	**412.65**
3 EQUITY			
(a) Equity share capital	19	2,504.39	2,494.87
(b) Other equity	20	25,479.14	23,069.19
Equity attributable to owners of the Company		**27,983.53**	**25,564.06**
4 Non-controlling interest		50.50	67.06
Total liabilities and equity		**1,42,205.31**	**1,20,409.36**
Material accounting policies	1		
See accompanying notes forming part of the consolidated financial statements	2 to 54		

In terms of our report attached of even date

For Brahmayya and Co.
Chartered Accountants
ICAI FRN: 000515S

P. S. Kumar
Partner
Membership no. 015590

For T R Chadha & Co LLP
Chartered Accountants
ICAI FRN: 006711N/N500028

Vikas Kumar
Partner
Membership no. 075363

For and on behalf of the Board of Directors of

L&T Finance Limited

S. N. Subrahmanyan
Non-Executive Chairman
(DIN: 02255382)

Sudipta Roy
Managing Director &
Chief Executive Officer
(DIN: 08069653)

Sachinn Joshi
Chief Financial Officer

Apurva Rathod
Company Secretary
Membership No.: F13729

Place : Mumbai
Date : April 24, 2026

Place : Mumbai
Date : April 24, 2026

Place : Mumbai
Date : April 24, 2026

Consolidated Statement of Profit and Loss for the year ended March 31, 2026

(₹ in crore)

Particulars		Note	Year ended March 31, 2026	Year ended March 31, 2025
	Revenue from operations			
(i)	Interest income	**21**	16,616.01	14,663.29
(ii)	Dividend income	**22**	0.17	0.97
(iii)	Fees and commission income	**23**	1,233.27	1,077.34
(iv)	Net gain on fair value changes	**24**	64.22	182.64
I	**Total revenue from operations**		**17,913.67**	**15,924.24**
II	Other income	**25**	3.36	16.74
III	**Total income (I + II)**		**17,917.03**	**15,940.98**
	Expenses			
(i)	Finance costs	**26**	6,720.08	5,996.76
(ii)	Net loss on derecognition of financial instruments under amortised cost category	**27**	561.77	275.04
(iii)	Impairment on financial instruments	**28**	2,184.10	2,193.35
(iv)	Employee benefits expenses	**29**	2,455.00	2,216.51
(v)	Depreciation, amortization and impairment	**30**	209.69	138.90
(vi)	Other expenses	**31**	1,759.71	1,629.16
IV	**Total expenses**		**13,890.35**	**12,449.72**
V	**Profit before exceptional items and tax (III - IV)**		**4,026.68**	**3,491.26**
VI	Exceptional items	**51**	(28.51)	–
VII	**Profit before tax (V+VI)**		**3,998.17**	**3,491.26**
VIII	**Tax expense**			
(i)	Current tax	**32**	1,070.65	765.81
(ii)	Deferred tax	**32**	(55.35)	82.03
IX	**Profit after tax (VII -VIII)**		**2,982.87**	**2,643.42**
X	Share in profit of associates		–	–
XI	**Profit after tax and share in profit of associate company (IX+X)**		**2,982.87**	**2,643.42**
XII	**Profit for the year attributable to:**			
	Owners of the company		2,981.18	2,643.66
	Non-controlling interest		1.69	(0.24)
XIII	**Other comprehensive income**		**10.39**	**24.46**
A	**Items that will not be reclassified to profit or loss**			
	(a) Remeasurements of the defined benefit plans		(12.62)	(3.04)
	(b) Income tax relating to items that will not be reclassified to profit or loss		3.18	0.76

Consolidated Statement of Profit and Loss for the year ended March 31, 2026 (Contd....)

Particulars		Note	Year ended March 31, 2026	Year ended March 31, 2025
B	**Items that will be reclassified to profit or loss**			
	(a) Change in fair value of debt instruments measured at fair value through other comprehensive income		(33.66)	54.78
	(b) The effective portion of gains and loss on hedging instruments in a cash flow hedge		71.48	(37.47)
	(c) Income tax relating to items that will be reclassified to profit or loss		(17.99)	9.43
	Other comprehensive income for the year attributable to:			
	Owners of the company		10.39	24.46
	Non-controlling interest		–	–
XIV	**Total comprehensive income (XII+XIII)**		**2,993.26**	**2,667.88**
	Total comprehensive income for the year attributable to:			
	Owners of the company		2,991.57	2,668.12
	Non-controlling interest		1.69	(0.24)
XV	**Earnings per equity share**			
	Basic (₹)	**39**	11.92	10.61
	Diluted (₹)	**39**	11.88	10.57
	Material accounting policies	**1**		
	See accompanying notes forming part of the consolidated financial statements	**2 to 54**		

In terms of our report attached of even date

For Brahmayya and Co.
Chartered Accountants
ICAI FRN: 000515S

P. S. Kumar
Partner
Membership no. 015590

Place : Mumbai
Date : April 24, 2026

For T R Chadha & Co LLP
Chartered Accountants
ICAI FRN: 006711N/N500028

Vikas Kumar
Partner
Membership no. 075363

For and on behalf of the Board of Directors of
L&T Finance Limited

S. N. Subrahmanyan
Non-Executive Chairman
(DIN: 02255382)

Sudipta Roy
Managing Director &
Chief Executive Officer
(DIN: 08069653)

Sachinn Joshi
Chief Financial Officer

Place : Mumbai
Date : April 24, 2026

Apurva Rathod
Company Secretary
Membership No.: F13729

Place : Mumbai
Date : April 24, 2026

Consolidated Statement of Changes in Equity for the year ended March 31, 2026

A. EQUITY SHARE CAPITAL

Particulars	As at March 31, 2026		As at March 31, 2025	
	No. of Shares	(₹ in crore)	No. of Shares	(₹ in crore)
Issued, subscribed and fully paid up equity shares outstanding at the beginning of the year	2,49,48,68,101	2,494.87	2,48,89,40,310	2,488.94
Changes in Equity Share Capital due to prior year errors	–	–	–	–
Restated balance at the beginning of the current reporting year	–	–	–	–
Add: Shares issued during the year:				
- Against employee stock option	95,17,915	9.52	59,27,791	5.93
Issued, subscribed and fully paid up equity shares outstanding at the end of the year	**2,50,43,86,016**	**2,504.39**	**2,49,48,68,101**	**2,494.87**

B. OTHER EQUITY

(₹ in crore)

Particulars	Reserve and surplus							
	Securities premium account	General reserve	Debenture redemption reserve	Capital Redemption Reserve	Capital reserve on consolidation	Reserve under section 36 (1)(viii) of Income tax Act, 1961	Reserve u/s 45-IC of Reserve Bank of India Act, 1934	Reserve under section 29C of National Housing Bank Act, 1987
Balance as at April 1, 2024	**7,892.99**	**490.51**	**0.29**	**68.85**	**492.36**	**1,051.28**	**3,137.70**	**27.43**
Change in accounting policy / prior year errors (a)	–	–	–	–	–	–	–	–
Restated balance at the beginning of the current reporting year (b)	–	–	–	–	–	–	–	–
Profit for the year (c)	–	–	–	–	–	–	–	–
Other comprehensive income, net of tax (d)	–	–	–	–	–	–	–	–
Total comprehensive income for the year (e)=(a)+(b)+(c)+(d)	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Issue of equity shares	34.47	–	–	–	–	–	–	–
Employee share options (net)	39.09	–	–	–	–	–	–	–
Transfer to general reserve	–	0.51	–	–	–	–	–	–
Transfer to reserve u/s 45-IC of Reserve Bank of India Act, 1934	–	–	–	–	–	–	523.56	–
Transfer to reserve u/s 36(1)(viii) of Income tax Act, 1961	–	–	–	–	–	10.00	–	–
Transfer to debenture redemption reserve	–	–	–	–	–	–	–	–
Balance as at March 31, 2025	**7,966.55**	**491.02**	**0.29**	**68.85**	**492.36**	**1,061.28**	**3,661.26**	**27.43**

Consolidated Statement of Changes in Equity for the year ended March 31, 2026 (Contd....)

(₹ in crore)

Particulars	Reserve and surplus			Items of other comprehensive income		Total Other Equity	Non-Controlling interest	Total
	Retained earnings	Employee stock option outstanding account	Impairment Reserve	Fair value changes of financial instrument measured at fair value through other comprehensive income	Effective portion of cash flow hedge			
Balance as at April 1, 2024	**7,649.06**	**109.69**	**32.39**	**1.41**	**(4.46)**	**20,949.50**	**89.55**	**21,039.05**
Change in accounting policy / prior year errors (a)	–	–	–	–	–	–	–	–
Restated balance at the beginning of the current reporting year (b)	–	–	–	–	–	–	–	–
Profit for the year (c)	2,643.66	–	–	–	–	2,643.66	(0.24)	2,643.42
Other comprehensive income, net of tax (d)	(2.28)	–	–	54.78	(28.04)	24.46	–	24.46
Total comprehensive income for the year (e)=(a)+(b)+(c)+(d)	**2,641.38**	**–**	**–**	**54.78**	**(28.04)**	**2,668.12**	**(0.24)**	**2,667.88**
Issue of equity shares	–	–	–	–	–	34.47	–	34.47
Employee share options (net)	–	0.39	–	–	–	39.48	–	39.48
Transfer to general reserve	–	(0.44)	–	–	–	0.07	–	0.07
Transfer to reserve u/s 45-IC of Reserve Bank of India Act, 1934	(523.56)	–	–	–	–	–	–	–
Transfer to reserve u/s 36(1)(viii) of Income tax Act, 1961	(10.00)	–	–	–	–	–	–	–
Dividend paid	(622.46)	–	–	–	–	(622.46)	–	(622.46)
Others	0.01	–	–	–	–	0.01	–	0.01
Transactions with non-controlling interest (net)	–	–	–	–	–	–	(22.25)	(22.25)
Balance as at March 31, 2025	**9,134.43**	**109.64**	**32.39**	**56.19**	**(32.50)**	**23,069.19**	**67.06**	**23,136.25**

Consolidated Statement of Changes in Equity for the year ended March 31, 2026 (Contd....)

(₹ in crore)

Particulars	Reserve and surplus							
	Securities premium account	General reserve	Debenture redemption reserve	Capital Redemption Reserve	Capital reserve on consolidation	Reserve under section 36 (1) (viii) of Income tax Act, 1961	Reserve u/s 45-IC of Reserve Bank of India Act, 1934	Reserve under section 29C of National Housing Bank Act, 1987
Balance as at April 1, 2025	**7,966.55**	**491.02**	**0.29**	**68.85**	**492.36**	**1,061.28**	**3,661.26**	**27.43**
Change in accounting policy / prior year errors (a)	–	–	–	–	–	–	–	–
Restated balance at the beginning of the current reporting year (b)	–	–	–	–	–	–	–	–
Profit for the year (c)	–	–	–	–	–	–	–	–
Other comprehensive income, net of tax (d)	–	–	–	–	–	–	–	–
Total comprehensive income for the year (e)=(a)+(b)+(c)+(d)	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Issue of equity shares	97.31	–	–	–	–	–	–	–
Employee share options (net)	46.54	–	–	–	–	–	–	–
Transfer to general reserve	–	2.18	–	–	–	–	–	–
Transfer to reserve u/s 45-IC of Reserve Bank of India Act, 1934	–	–	–	–	–	–	620.06	–
Transfer to reserve u/s 36(1)(viii) of Income tax Act, 1961	–	–	–	–	–	7.50	–	–
Balance as at March 31, 2026	**8,110.40**	**493.20**	**0.29**	**68.85**	**492.36**	**1,068.78**	**4,281.32**	**27.43**

Consolidated Statement of Changes in Equity for the year ended March 31, 2026 (Contd....)

(₹ in crore)

Particulars	Reserve and surplus			Items of other comprehensive income		Total Other Equity	Non-Controlling interest	Total
	Retained earnings	Employee stock option outstanding account	Impairment Reserve	Fair value changes of financial instrument measured at fair value through other comprehensive income	Effective portion of cash flow hedge			
Balance as at April 1, 2025	**9,134.43**	**109.64**	**32.39**	**56.19**	**(32.50)**	**23,069.19**	**67.06**	**23,136.25**
Change in accounting policy / prior year errors (a)	–	–	–	–	–	–	–	–
Restated balance at the beginning of the current reporting year (b)	–	–	–	–	–	–	–	–
Profit for the year (c)	2,981.18	–	–	–	–	2,981.18	1.69	2,982.87
Other comprehensive income, net of tax (d)	(9.44)	–	–	(33.66)	53.49	10.39	–	10.39
Total comprehensive income for the year (e)=(a)+(b)+(c)+(d)	**2,971.74**	**–**	**–**	**(33.66)**	**53.49**	**2,991.57**	**1.69**	**2,993.26**
Issue of equity shares	–	–	–	–	–	97.31	–	97.31
Employee share options (net)	–	(38.70)	–	–	–	7.84	–	7.84
Transfer to general reserve	–	(2.18)	–	–	–	–	–	–
Transfer to reserve u/s 45-IC of Reserve Bank of India Act, 1934	(620.06)	–	–	–	–	–	–	–
Transfer to reserve u/s 36(1)(viii) of Income tax Act, 1961	(7.50)	–	–	–	–	–	–	–
Dividend paid	(686.77)	–	–	–	–	(686.77)	–	(686.77)
Transactions with non-controlling interest (net)	–	–	–	–	–	–	(18.25)	(18.25)
Balance as at March 31, 2026	**10,791.84**	**68.76**	**32.39**	**22.53**	**20.99**	**25,479.14**	**50.50**	**25,529.64**

Material accounting policies — Note 1

See accompanying notes to the consolidated financial statements — Note 2 to 54

In terms of our report attached of even date

For Brahmayya and Co.
Chartered Accountants
ICAI FRN: 000515S

P. S. Kumar
Partner
Membership no. 015590

For T R Chadha & Co LLP
Chartered Accountants
ICAI FRN: 006711N/N500028

Vikas Kumar
Partner
Membership no. 075363

Place : Mumbai
Date : April 24, 2026

For and on behalf of the Board of Directors of
L&T Finance Limited

S. N. Subrahmanyan
Non-Executive Chairman
(DIN: 02255382)

Sudipta Roy
Managing Director &
Chief Executive Officer
(DIN: 08069653)

Sachinn Joshi
Chief Financial Officer

Apurva Rathod
Company Secretary
Membership No.: F13729

Place : Mumbai
Date : April 24, 2026

Place : Mumbai
Date : April 24, 2026

Consolidated Statement of Cash Flows for the year ended March 31, 2026

(₹ in crore)

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
A. Cash flow from operating activities		
Profit before tax	3,998.17	3,491.26
Adjustment for:		
Interest Income	(16,616.01)	(14,663.29)
Depreciation, amortization and impairment	209.69	138.90
Loss on sale of property, plant and equipment (net)	1.01	0.48
Dividend Income	(0.17)	(0.97)
Net fair value (gain) / loss on financial instruments	(2.63)	(236.63)
Net fair value (gain)/ loss on Investments	(61.59)	53.99
Net loss on derecognition of financial instruments under amortised cost category	561.77	275.04
Impairment on financial instruments	2,184.10	2,193.35
Finance cost	6,653.86	5,968.21
Cash inflow from interest on loans	15,717.74	14,022.55
Cash inflow from interest on Investment	328.29	276.10
Cash inflow from interest on Deposits	286.26	197.53
Cash outflow from finance cost	(6,856.72)	(6,120.63)
Share based payment to employees	25.94	39.53
Operating profit before working capital changes	**6,429.70**	**5,635.42**
Changes in working capital		
(Increase) / Decrease in financial and non-financial assets	4,230.90	(6,630.38)
Increase / (decrease) in financial and non-financial liabilities	1,328.10	(289.95)
Cash (used in)/ generated from operations	**11,988.70**	**(1,284.91)**
Direct taxes paid	(1,023.23)	(706.29)
Loans (disbursed) / repaid (net)	(25,154.71)	(14,596.27)
Net cash flow used in from operating activities (A)	**(14,189.24)**	**(16,587.47)**
B. Cash flows from investing activities		
Add: Inflow from investing activities		
Proceed from sale of property, plant and equipments	1.89	5.89
Proceed from sale of investments	3,837.60	2,839.36
Dividend Income	0.17	0.97
Proceed from sale of short term investments (net)	–	2,350.80
Less: Outflow from investing activities		
Purchase of property, plant and equipment and Intangible assets[2]	(239.46)	(195.28)
Acquisition of Gold Loan business[5]	(709.52)	–
Purchase of short term investments (net)[3]	(633.52)	–
Purchase of investments	(1,890.26)	(4,529.91)
Net cash flow generated from investing activities (B)	**366.90**	**471.83**
C. Cash flows from financing activities		
Add: Inflow from financing activities		
Proceeds from issue of share capital including security premium on account of ESOPs	88.74	40.40
Proceeds from borrowings[4]	43,747.98	40,299.97
Receipt from non-controlling interests	–	3.93
Less: Outflow from financing activities		
Payment to non-controlling interests	(18.26)	(26.18)

Consolidated Statement of Cash Flows for the year ended March 31, 2026 (Contd....)

(₹ in crore)

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Payment of lease liabilities	(39.80)	(18.02)
Dividend paid	(686.77)	(622.46)
Repayment of borrowing[4]	(27,676.83)	(24,259.13)
Net cash generated from / (used in) financing activities (C)	**15,415.06**	**15,418.51**
Net increase/(decrease) in cash and cash equivalents (A+B+C)	**1,592.72**	**(697.13)**
Cash and cash equivalents as at beginning of the year	2,896.22	3,593.35
Cash and cash equivalents as at end of the year	**4,488.94**	**2,896.22**

Component of cash and cash equivalents:

Particulars	As at March 31, 2026	As at March 31, 2025
Cash on hand	1.73	1.20
Balances with banks in current accounts (of the nature of cash and cash equivalents)	2,635.01	2,528.44
Balance with banks in fixed deposit with maturity less than 3 months	1,852.20	366.58
Total	**4,488.94**	**2,896.22**

Notes:

1. Statement of consolidated cash flows has been prepared under the indirect method as set out in the Ind AS 7 "Statement of Cash Flows" as specified in the Companies (Indian Accounting Standards) Rules, 2015, as amended.
2. Purchase of property, plant and equipment and Intangible assets represents additions to property, plant and equipment and other intangible assets adjusted for movement of (a) capital-work-in-progress for property, plant and equipment and (b) intangible assets under development during the year.
3. Net purchase and sale of short term investments.
4. Includes proceeds and repayment of debt securities, borrowings (other than debt securities) and subordinate liabilities.
5. Net of cash & cash equivalents amounting to ₹ 2.41 crores received on acquisition of gold loan business of Paul Merchants Finance Private Limited (PMFL).

Material accounting policies	Note 1
See accompanying notes to the consolidated financial statements	Note 2 to 54

In terms of our report attached of even date

For Brahmayya and Co.
Chartered Accountants
ICAI FRN: 000515S

P. S. Kumar
Partner
Membership no. 015590

Place : Mumbai
Date : April 24, 2026

For T R Chadha & Co LLP
Chartered Accountants
ICAI FRN: 006711N/N500028

Vikas Kumar
Partner
Membership no. 075363

For and on behalf of the Board of Directors of
L&T Finance Limited

S. N. Subrahmanyan
Non-Executive Chairman
(DIN: 02255382)

Sachinn Joshi
Chief Financial Officer

Place : Mumbai
Date : April 24, 2026

Sudipta Roy
Managing Director &
Chief Executive Officer
(DIN: 08069653)

Apurva Rathod
Company Secretary
Membership No.: F13729

Place : Mumbai
Date : April 24, 2026

Notes forming part of consolidated financial statements

Corporate Information:

L&T Finance Limited (the "Company") has been incorporated under the Companies Act 1956. The Company is a subsidiary of Larsen & Toubro Limited and is registered with the Reserve Bank of India ("RBI") as a non-deposit taking Systemically Important (NBFC-ND-SI) Company. Its equity shares and non-convertible debentures are listed on Bombay Stock Exchange Limited and National Stock Exchange of India Limited. The RBI, under Scale Based Regulations (SBR) had categorised the Company in Upper Layer (NBFC-UL) vide its circular dated September 30, 2022 and affirmed the same vide its Press release dated January 16, 2025.

The Company is registered with the Ministry of Corporate Affairs (MCA), Reserve Bank of India (RBI) and Insurance Regulatory and Development Authority of India (IRDA). The registration details are as follows:

Corporate Identity Number (CIN)	L67120MH2008PLC181833
RBI	N-13.02052
IRDA	CA0867

The registered office of the Company is Brindavan, Plot no. 177, CST Road, Kalina, Santacruz (East), Mumbai - 400098, Maharashtra, India.

The consolidated financial statements of the Company for the year ended March 31, 2026 were approved for issue in accordance with the resolution of the Board of Directors on April 24, 2026.

1. Material Accounting Policies:

1.1 Statement of compliance:

The Consolidated financial statements of L&T Finance Limited (the "Company") and its subsidiaries (together the "Group") have been prepared in accordance with the provisions of the Companies Act, 2013 and the Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) issued by Ministry of Corporate Affairs in exercise of the powers conferred by section 133 of the Companies Act, 2013. In addition, the applicable regulations of Reserve Bank of Indi (RBI) and the guidance notes/announcements issued by the Institute of Chartered Accountants of India (ICAI) are also applied along with compliance with statutory promulgations.

1.2 Basis of preparation:

The consolidate financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time, notified under Section 133 of the Companies Act, 2013 (the Act) and other relevant provisions of the Act. The consolidated financial statements have been prepared under the historical cost convention, as modified by the application of fair value measurements required or allowed by relevant Accounting Standards, except for assets and liabilities acquired under business combination which are measured at fair value.

The consolidated financial statements have been prepared as per the guidelines issued by the RBI as applicable to Non-Banking Finance Companies NBFCs, including the Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023, and any applicable guidance, clarifications, or directions issued by RBI or other regulators which are implemented as and when they are issued.

The consolidated financial statements are prepared on a going concern basis in accordance with Ind AS 1, as the Management is satisfied that the Company shall be able to continue its business for the foreseeable future and no material uncertainty exists. In making this assessment, the Management has considered a wide range of information relating to present and future conditions, including projections of profitability, cash flows, and capital resources.

Accounting policies have been consistently applied except where a newly issued accounting standard is adopted or a revision requires a change in policy.

A financial asset and a financial liability are offset and presented on net basis in the balance sheet when there is a current legally enforceable right to set-off the recognised amounts and it is intended to either settle on net basis or to realise the asset and settle the liability simultaneously.

Notes forming part of consolidated financial statements

1.3 Presentation of financial statements:

The Balance Sheet, the Statement of Profit and Loss and Statement of Changes in Equity for the year are prepared and presented in the format prescribed in the Division III of Schedule III of the Companies Act, 2013 applicable for NBFC. The Statement of Cash Flows has been prepared and presented as per the requirements of Ind AS 7 "Statement of Cash Flows".

The disclosure requirements with respect to items in the Balance Sheet and the Statement of Profit and Loss, as prescribed in the Division III of Schedule III of the Act, are presented by way of notes forming part of the financial statements along with the other notes required to be disclosed under the notified accounting Standards and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Amounts in the financial statements are presented in functional currency being Indian Rupees in Crore rounded off to two decimal places as permitted by Division III of Schedule III to the Act. Per share data are presented in Indian Rupee to two decimal places.

1.4 Basis of consolidation:

a) The consolidated financial statements incorporate the financial statements of the Parent Company and its subsidiaries. For this purpose, an entity which is, directly or indirectly, controlled by the Parent Company is treated as subsidiary. The Parent Company together with its subsidiaries constitute the Group. Control is achieved when the Group, directly or indirectly:

- has power over the investee.
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

b) The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

c) Profit or loss and each component of other comprehensive income are attributed to the owners of the Parent Company and to the non-controlling interests (NCI) and have been shown separately in the financial statements. Total comprehensive income of the subsidiaries is attributed to the owners of the Parent Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

d) Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the Parent Company.

e) All intragroup assets and liabilities, equity, income, expenses, unrealised profits/losses and cash flows relating to transactions between the members of the Group are eliminated on consolidation.

f) The consolidated financial statements of the Group combine financial statements of the Parent Company and its subsidiaries line-by-line by adding together the like items of assets, liabilities, income and expenses.

g) Non-controlling interest represents that part of the total comprehensive income and net assets of subsidiaries attributable to interests which are not owned, directly or indirectly, by the Parent Company.

1.5 Investments in associates:

An Associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The results and assets and liabilities of associates are incorporated in these consolidated financial

Notes forming part of consolidated financial statements

statements using equity method of accounting. Under the equity method, an investment in associate is initially recognised in the consolidated balance sheet at cost and adjusted thereafter to recognises the Group's share of profit or loss and other comprehensive income of the associate. Distributions received from an associate reduce the carrying amount of the investment. When the Group's share of losses of an associate exceeds the Group's interest in that associate, the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

The carrying amount of investment in associates is reduced to recognize impairment, if any, when there is objective evidence of impairment.

1.6 Business combinations:

The Group accounts for its business combinations under acquisition method of accounting. Acquisition related costs are recognised in profit or loss as incurred. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the condition for recognition are recognised at their fair values at the acquisition date except deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements, which are recognised and measured in accordance with Ind AS 12- Income taxes and Ind AS 19- Employee benefits, respectively.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of non-controlling interest in the acquiree, and the fair value of acquirer's previously held equity instrument in the acquiree (if any) over the net of acquisition date fair value of identifiable assets acquired and liabilities assumed. Where the fair value of identifiable assets and liabilities exceed the cost of acquisition, after reassessing the fair values of the net assets and contingent liabilities, the excess is recognised as capital reserve.

The interest of non-controlling shareholders is initially measured either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets. The choice of measurement basis is made on an acquisition-by-acquisition basis.

1.7 Goodwill:

Goodwill on consolidation as on the date of transition represents the excess of cost of acquisition at each point of time of making the investment in the subsidiary over the Group's share in the net worth of a subsidiary. For this purpose, the Group's share of net worth is determined on the basis of the latest financial statements, prior to the acquisition, after making necessary adjustments for material events between the date of such financial statements and the date of respective acquisition. Capital reserve on consolidation represents excess of the Group's share in the net worth of a subsidiary over the cost of acquisition at each point of time of making the investment in the subsidiary. Goodwill arising on consolidation is not amortised, however, it is tested for impairment annually. In the event of cessation of operations of a subsidiary, the unimpaired goodwill is written off fully.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash generating units (or groups of cash generating units) that is expected to benefit from the synergies of the combination.

A cash generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying of each asset in the unit. Any impairment loss for goodwill is recognised directly in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

Notes forming part of consolidated financial statements

1.8 Revenue recognition:

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured and there exists reasonable certainty of its recovery.

(i) Interest and dividend income:

Interest income is recognised in the consolidated statement of Profit and Loss using effective interest rate (EIR) as per Ind AS 109 'Financial Instruments' on all financial assets subsequently measured under amortised cost or fair value through other comprehensive income (FVOCI) except for those classified as held for trading.

The calculation of the EIR includes all fees paid or received between parties to the contract that are incremental and directly attributable to the specific lending arrangement, transaction costs, and all other premiums or discounts. For financial assets at FVTPL, transaction costs are recognised in profit or loss at initial recognition.

The interest income is calculated by applying the EIR to the gross carrying amount of non-credit impaired financial assets (i.e. at the amortised cost of the financial asset before adjusting for any expected credit loss allowance). For credit-impaired financial assets the interest income is calculated by applying the EIR to the amortised cost of the credit-impaired financial assets (i.e. the gross carrying amount less the allowance for expected credit losses (ECLs)). For financial assets originated or purchased credit-impaired (POCI) the EIR reflects the ECLs in determining the future cash flows expected to be received from the financial asset.

Interest on delayed payments by customers are treated to accrue only on realisation, due to uncertainty of realisation and are accounted accordingly.

Dividend income is recognised when the Group's right to receive dividend is established by the reporting date and no significant uncertainty as to collectability exists.

(ii) Revenue from operations other than interest income and dividend

The Group recognises revenue from contracts with customers (other than financial assets to which Ind AS 109 'Financial instruments' is applicable) based on a comprehensive assessment model as set out in Ind AS 115 'Revenue from contracts with customers'.

Fees and commission income:

Fee and commission income and expense include fees other than those that are an integral part of EIR is recognised only on satisfactory completion of performance obligation.

The fees included in the Consolidated statement of profit and loss include among other things fees charged for servicing a loan, non-utilisation fees relating to loan commitments when it is unlikely that these will result in a specific lending arrangement and loan advisory fees.

Bounce charges levied on customers for non-payment of instalment on the contractual date is recognised on realisation.

Distribution income on distribution of insurance/other products are earned by distribution of services and products of other entities under distribution arrangements. The income is recognised on distribution on behalf of other entities subject to there being reasonable certainty of its recovery.

Fee and commission expenses with regards to services are accounted for as the services are received.

(iii) Net gain or fair value change:

Any differences between the fair values of the financial assets classified as fair value through the profit or loss, held by the Group on the balance sheet date is recognised as

Notes forming part of consolidated financial statements

an unrealised gain/loss in the statement of profit and loss. In cases there is a net gain in aggregate, the same is recognised in "Net gains or fair value changes" under revenue from operations and if there is a net loss the same is disclosed "Expenses", in the statement of profit and loss.

(iv) Income from financial instruments at FVTPL:

Income from financial instruments at FVTPL includes all gains and losses from changes in the fair value of financial assets and financial liabilities at FVTPL except those that are held for trading. Interest income on financial assets held at FVTPL, is recognised under "interest income on financial assets classified at fair value through profit or loss".

(v) Investment management fees, guarantee fees and portfolio management fees:

Income from investment management fees is recognised in accordance with the Investment Management Agreement and the SEBI regulations based on average Assets Under Management (AUM) of mutual fund schemes over the period of the agreement in terms of which services are performed.

Guarantee fees is recognised on pro rata basis over the period of the guarantee.

Portfolio management fees are recognised on accrual basis in accordance with Portfolio Management Agreement entered into with respective clients over the period of the agreement in terms of which the services are rendered.

(vi) Other operational revenue:

Other operational revenue represents income earned from the activities incidental to the business and is recognised when the right to receive the income is established as per the terms of the contract.

1.9 Expenses

(i) Finance costs:

Finance costs include interest expense calculated using the effective interest rate method as per Ind AS 109 'Financial Instruments', finance charges in respect of assets acquired on finance lease and exchange differences arising from foreign currency borrowings, to the extent they are regarded as an adjustment to interest costs.

Finance costs net of any investment income from the temporary investment of related borrowings, that are attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of cost of such asset till such time the asset is ready for its intended use or sale. A qualifying asset is an asset that necessarily requires a substantial period of time to get ready for its intended use or sale. All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

(ii) Employee benefits:

(a) Short term employee benefits:

Employee benefits falling due wholly within twelve months of rendering the service are classified as short-term employee benefits and are expensed in the period in which the employee renders the related service. Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

(b) Post-employment benefits:

- Defined contribution plans: The Group's superannuation scheme, state governed provident fund scheme, employee state insurance scheme and employee pension scheme are defined contribution plans. The contribution paid/ payable under the schemes is recognised during the period in which the employee renders the related service.
- Defined benefit plans: The employees' gratuity fund schemes and employee provident fund schemes managed by board of trustees established by the Group, the post-retirement medical care plan and the Parent Company pension plan represent defined benefit plans. The present value of the obligation under defined benefit plans is determined based on actuarial valuation using the Projected Unit Credit Method.

The obligation is measured at the present value of the estimated future cash flows using a discount rate based on the market yield on government securities of a maturity period equivalent to the weighted average maturity profile of the defined benefit obligations at the Balance Sheet date.

Remeasurement, comprising actuarial gains and losses, the return on plan assets (excluding amounts included in net interest on the net defined benefit liability or asset) and any change in the effect of asset ceiling (if applicable) is recognised in other comprehensive income and is reflected in retained earnings and the same is not eligible to be reclassified to profit or loss.

Defined benefit costs comprising current service cost, past service cost and gains or losses on settlements are recognised in the Statement of Profit and Loss as employee benefit expenses. Interest cost implicit in defined benefit employee cost is recognised in the Statement of Profit and Loss under finance cost. Gains or losses on settlement of any defined benefit plan are recognised when the settlement occurs. Past service cost is recognised as expense at the earlier of the plan amendment or curtailment and when the Group recognises related restructuring costs or termination benefits.

In case of funded plans, the fair value of the plan assets is reduced from the gross obligation under the defined benefit plans to recognise the obligation on a net basis.

(c) Long term employee benefits:

The obligation recognised in respect of long-term benefits such as long term compensated absences is measured at present value of estimated future cash flows expected to be made by the Group and is recognised in a similar manner as in the case of defined benefit plans vide (ii) (b) above.

(d) Termination benefits:

Termination benefits such as compensation under employee separation schemes are recognised as expense when the Group's offer of the termination benefit is accepted or when the Group recognises the related restructuring costs whichever is earlier.

(iii) Other expenses:

All other expenses are accounted on accrual basis in the period they are incurred.

1.10 Exceptional item

An item of income or expense which by its size, type or incidence requires disclosure in order to improve an understanding of the performance of the group is treated as an exceptional item and disclosed as such in the financial statements.

1.11 Cash and cash equivalents:

Cash and cash equivalents include cash on hand, bank balances in current accounts and fixed deposits and other short term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Notes forming part of consolidated financial statements

1.12 Statement of cash flows:

Statement of cash flows is prepared segregating the cash flows into operating, investing and financing activities. cash flow from operating activities is reported using indirect method adjusting the net profit for the effects of:

(i) changes during the period in operating receivables and payables transactions of a non-cash nature

(ii) non-cash items such as depreciation, provisions, deferred taxes, unrealised gains and losses; and

(iii) all other items for which the cash effects are investing or financing cash flows.

Cash and cash equivalents (including bank balances) shown in the Statement of Cash Flows exclude items which are not available for general use as on the date of Balance Sheet.

1.13 Financial instruments:

Financial assets and financial liabilities are recognised in the consolidated balance sheet when the Group becomes a party to the contractual provisions of the instrument.

(i) Financial assets:

Initial measurement

All financial assets are initially recognised at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets (other than financial assets at FVTPL, Investment in subsidiaries and associates which are recorded at cost as permissible under Ind AS 27 'Separate Financial Statements and Trade receivables that do not contain a significant financing component as defined in Ind AS 115 which are recorded at transaction price) are added to or deducted from the fair value of the financial asset, as appropriate, on initial recognition.

Subsequent measurement

For subsequent measurement, financial assets are classified into four categories:

(a) Financial assets at amortised cost

(b) Financial assets at fair value through other comprehensive income (FVTOCI)

(c) Financial assets at fair value through profit or loss (FVTPL)

(d) Debt instruments at amortised cost or at FVTOCI

The Group assesses the classification and measurement of a financial asset based on the contractual cash flow characteristics of the asset and the Group's business model for managing the asset. The said classification methodology is detailed below:

Business model assessment

The Group has more than one business model for managing its financial instruments, assessed at portfolio level, which reflect how the Group manages its financial assets in order to generate cash flows. The Group's business models determine whether cash flows will result from collecting contractual cash flows, selling financial assets or both.

The Group considers all relevant information available when making the business model assessment. However, this assessment is performed on the basis of scenarios that the Group reasonably expects to occur and not so-called 'worst case' or 'stress case' scenarios. The Group takes into account all relevant evidence available such as:

- how the performance of the business model and the financial assets held within that business model are evaluated and reported to the entity's key management personnel; and
- the risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way in which those risks are managed.

The Group reassess its business models each reporting period to determine whether the business models have changed since the preceding period. If the business model under which the Group holds financial assets changes, the financial assets affected are reclassified. The classification and measurement requirements related to the new category apply prospectively from the first day of the first reporting period following the change in business model that results in reclassifying the Group's financial assets.

The Group considers sale of financial assets measured at amortised cost portfolio as consistent with a business model whose objective is to hold financial assets in order to collect contractual cash flows if these sales are

a) due to an increase in the assets' credit risk or
   - due to other reasons such as sales made to manage credit concentration risk (without an increase in the assets' credit risk) and are infrequent (even if significant in value) or insignificant in value both individually and in aggregate (even if frequent).

In addition, the Group also considers sale of such financial assets as consistent with the objective of holding financial assets in order to collect contractual cash flows if the sale is made close to the maturity of the financial assets and the proceeds from sale approximate the collection of the remaining contractual cash flows.

Solely payments of principal and interest (SPPI) assessment

The Group assesses the contractual terms of its financial assets to identify whether they meet the SPPI test.

For this purpose, Principal refers to the fair value of the financial asset at initial recognition, which may change over its life due to repayments or amortisation. In making this assessment, the Group considers whether the cash flows are consistent with a basic lending arrangement, where interest includes only consideration for the time value of money, credit risk, other basic lending risks, and a profit margin. Assets with contractual terms introducing risks inconsistent with a basic lending arrangement are classified and measured at Fair Value Through Profit or Loss (FVTPL).

(a) Financial assets at amortised cost:

Financial assets are measured at amortised cost using the effective interest rate (EIR) as per Ind AS 109 'Financial Instruments', if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Trade Receivables are initially measured at their transaction price as defined in Ind AS 115.

(b) Financial assets at fair value through other comprehensive income (FVTOCI):

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business model whose objective is achieved by both collecting contractual cash flows that give rise on specified dates to sole payments of principal and interest on the principal amount outstanding and by selling financial assets.

(c) Financial assets at fair value through profit or loss (FVTPL):

Financial assets are measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognised in profit or loss.

Investments in equity instruments are classified as FVTPL, unless the related instruments are not held for trading and

Notes forming part of consolidated financial statements

the Group irrevocably elects on initial recognition of financial asset on an asset-by-asset basis to present subsequent changes in fair value in other comprehensive income.

Change in the fair value of financial asset at FVTPL are recognised in the statement of profit and loss.

(d) Debt instruments at amortised cost or at FVTOCI:

For an asset to be classified and measured at FVTOCI, the asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets; and the contractual terms of instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that are subsequently measured at amortised cost or at FVTOCI are subject to impairment.

(e) De-recognition:

A financial asset (or, where applicable, a part of a financial asset or part of a Group of similar financial assets) is primarily de-recognised when:

- The rights to receive cash flows from the asset have expired, or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and
- either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

On derecognition of a financial asset in its entirety, the difference between the carrying amount (measured at the date of derecognition) and the consideration received (including any new asset obtained less any new liability assumed) is recognised in profit or loss.

Write off:

Loans and debt securities are written off when the Group has no reasonable expectations of recovering the financial asset (either in its entirety or a portion of it). This is the case when the Group determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. A write-off constitutes a derecognition event. The Group may apply enforcement activities to financial assets written off. Recoveries resulting from the Group's enforcement activities are recorded in statement of profit & loss.

Modification and derecognition of financial assets:

A modification of a financial asset occurs when the contractual terms governing the cash flows of a financial asset are renegotiated or otherwise modified between initial recognition and maturity of the financial asset. A modification affects the amount and/or timing of the contractual cash flows either immediately or at a future date. In addition, the introduction or adjustment of existing covenants of an existing loan may constitute a modification even if these new or adjusted covenants do not yet affect the cash flows immediately but may affect the cash flows depending on whether the covenant is or is not met (e.g. a change to the increase in the interest rate that arises when covenants are breached).

Notes forming part of consolidated financial statements

The Group renegotiates loans to customers in financial difficulty to maximise collection and minimise the risk of default. A loan forbearance is granted in cases where although the borrower made all reasonable efforts to pay under the original contractual terms, there is a high risk of default or default has already happened and the borrower is expected to be able to meet the revised terms. The revised terms in most of the cases include an extension of the maturity of the loan, changes to the timing of the cash flows of the loan (principal and interest repayment), reduction in the amount of cash flows due (principal and interest forgiveness) and amendments to covenants.

When a financial asset is modified the Group assesses whether this modification results in derecognition. In accordance with the Group's policy a modification results in derecognition when it gives rise to substantially different terms. To determine if the modified terms are substantially different from the original contractual terms the Group considers the following:

- Qualitative factors, such as contractual cash flows after modification are no longer SPPI,
- Change in currency or change of counterparty,
- The extent of change in interest rates, maturity, covenants.

If these do not clearly indicate a substantial modification, then;

(a) In the case where the financial asset is derecognised the loss allowance for ECL is remeasured at the date of derecognition to determine the net carrying amount of the asset at that date. The difference between this revised carrying amount and the fair value of the new financial asset with the new terms will lead to a gain or loss on derecognition. The new financial asset will have a loss allowance measured based on 12-month ECL except in the rare occasions where the new loan is considered to be originated-credit impaired. This applies only in the case where the fair value of the new loan is recognised at a significant discount to its revised par amount because there remains a high risk of default which has not been reduced by the modification. The Group monitors credit risk of modified financial assets by evaluating qualitative and quantitative information, such as if the borrower is in past due status under the new terms.

(b) When the contractual terms of a financial asset are modified and the modification does not result in derecognition, the Group determines if the financial asset's credit risk has increased significantly since initial recognition by comparing:

- the remaining lifetime PD estimated based on data at initial recognition and the original contractual terms; with
- the remaining lifetime PD at the reporting date based on the modified terms.

For financial assets modified, where modification did not result in derecognition, the estimate of PD reflects the Group's ability to collect the modified cash flows taking into account the Group's previous experience of similar forbearance action, as well as various behavioral indicators, including the borrower's payment performance against the modified contractual terms. If the credit risk remains significantly higher than what was expected at initial recognition the loss allowance will continue to be measured at an

Notes forming part of consolidated financial statements

amount equal to lifetime ECL. The loss allowance on forborne loans will generally only be measured based on 12-month ECL when there is evidence of the borrower's improved repayment behavior following modification leading to a reversal of the previous significant increase in credit risk.

Where a modification does not lead to derecognition the Group calculates the modification gain/loss comparing the gross carrying amount before and after the modification (excluding the ECL allowance). Then the Group measures ECL for the modified asset, where the expected cash flows arising from the modified financial asset are included in calculating the expected cash shortfalls from the original asset.

The Group derecognises a financial asset only when the contractual rights to the asset's cash flows expire (including expiry arising from a modification with substantially different terms), or when the financial asset and substantially all the risks and rewards of ownership of the asset are transferred to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain/loss that had been recognised in OCI and accumulated in equity is recognised in profit or loss, with the exception of equity investment designated as measured at FVTOCI, where the cumulative gain/loss previously recognised in OCI is not subsequently reclassified to profit or loss.

On derecognition of a financial asset other than in its entirety (e.g. when the Group retains an option to repurchase part of a transferred asset), the Group allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain/loss allocated to it that had been recognised in OCI is recognised in profit or loss. A cumulative gain/loss that had been recognised in OCI is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts. This does not apply for equity investments designated as measured at FVTOCI, as the cumulative gain/loss previously recognised in OCI is not subsequently reclassified to profit or loss.

Impairment of financial assets - General approach:

The Group recognises loss allowances for Expected Credit Losses (ECLs) for all financial assets except those classified as FVTPL and equity instruments.

Notes forming part of consolidated financial statements

The Group categorizes financial assets into three stages to determine the appropriate Expected Credit Loss (ECL) measurement:

- Stage 1: Assets with no significant increase in credit risk since inception.
- Stage 2: Assets exhibiting a significant increase in credit risk since inception, but which are not credit-impaired.
- Stage 3: Defaulted assets or those with objective evidence of impairment.

Significant increase in credit risk

The Group monitors all financial assets and financial guarantee contracts that are subject to the impairment requirements to assess whether there has been a significant increase in credit risk since initial recognition. If there has been a significant increase in credit risk the Group will measure the loss allowance based on lifetime rather than 12-month ECL.

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument at the reporting date based on the remaining maturity of the instrument with the risk of a default occurring that was anticipated for the remaining maturity at the current reporting date when the financial instrument was first recognised. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort, based on the Group's historical experience and expert credit assessment.

Given that a significant increase in credit risk since initial recognition is a relative measure, a given change, in absolute terms, in the Probability of Default will be more significant for a financial instrument with a lower initial PD than compared to a financial instrument with a higher PD.

Hitherto, in respect of the Group's corporate loan assets, the threshold for shifting to Stage 2 was being rebutted using historical evidence from the Group's own portfolio to 60 days past due.

For the purpose of counting of day past due for the assessment of significant increase in credit risk, the special dispensations to any class of assets in accordance with COVID19 Regulatory Package notified by the Reserve Bank of India (RBI) has been applied by the company.

Definition of default

Critical to the determination of ECL is the definition of default. The definition of default is used in measuring the amount of ECL and in the determination of whether the loss allowance is based on 12-month or lifetime ECL, as default is a component of the probability of default (PD) which affects both the measurement of ECLs and the identification of a significant increase in credit risk.

The Group considers the following as constituting an event of default:

- The borrower is past due more than 90 days on any material credit obligation to the Group; or
- The borrower is unlikely to pay its credit obligations to the Group in full.

The forbearance granted to borrowers in accordance with COVID 19 Regulatory Package notified by the Reserve Bank of India (RBI) is excluded in determining the period of default (Days Past Due) in the assessment of default

When assessing if the borrower is unlikely to pay its credit obligation, the Group takes into account both qualitative and quantitative indicators. The information assessed depends on the type of the asset, for example in corporate lending a qualitative indicator used is the admittance of bankruptcy petition by National

Notes forming part of consolidated financial statements

Company Law Tribunal, which is not relevant for retail lending. Quantitative indicators, such as overdue status and non-payment on another obligation of the same counterparty are key inputs in this analysis.

The Group uses a variety of sources of information to assess default which are either developed internally or obtained from external sources. The definition of default is applied consistently to all financial instruments unless information becomes available that demonstrates that another default definition is more appropriate for a particular financial asset.

Credit-impaired financial assets

A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Credit-impaired financial assets are referred to as Stage 3 assets. Evidence of credit-impairment includes observable data about the following events:

- Significant financial difficulty of the borrower or issuer;
- A breach of contract such as a default or past due event;
- The lender of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession that the lender would not otherwise consider;
- The disappearance of an active market for a security because of financial difficulties; or
- The purchase of a financial asset at a deep discount that reflects the incurred credit losses.

It may not be possible to identify a single discrete event—instead, the combined effect of several events may have caused financial assets to become credit-impaired. The Group assesses whether debt instruments that are financial assets measured at amortised cost or FVTOCI are credit-impaired at each reporting date. To assess if corporate debt instruments are credit impaired, the Group considers factors such as bond yields, credit ratings and the ability of the borrower to raise funding.

A loan is considered credit-impaired when a concession is granted to the borrower due to a deterioration in the borrower's financial condition, unless there is evidence that as a result of granting the concession the risk of not receiving the contractual cash flows has reduced significantly and there are no other indicators of impairment. For financial assets where concessions are contemplated but not granted the asset is deemed credit impaired when there is observable evidence of credit-impairment including meeting the definition of default. The definition of default (see below) includes unlikeliness to pay indicators and a back-stop if amounts are overdue for more than 90 days. The 90-day criterion is applicable unless there is reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Purchased or originated credit-impaired (POCI) financial assets

POCI financial assets are treated differently because the asset is credit-impaired at initial recognition. For these assets, the Group recognises all changes in lifetime ECL since initial recognition as a loss allowance with any changes recognised in profit or loss. A favourable change for such assets creates an impairment gain.

With the exception of Purchased or originated credit-impaired (POCI) financial assets (which are considered separately above), ECLs are required to be measured through a loss allowance at an amount equal to:

- Stage 1 ECL, i.e. 12-month ECL that result from those default events on the financial instrument that are possible within 12-month after the reporting date, or
- Stage 2 and stage 3 ECL, i.e. lifetime ECL that result from all possible default events over the life of the financial instrument.

A loss allowance for lifetime ECL is required for a financial instrument if the credit risk on that financial instrument has increased significantly since initial recognition (and consequently to credit impaired financial assets). For all other financial instruments, ECLs are measured at an amount equal to the 12-month ECL.

ECLs are a probability-weighted estimate of the present value of credit losses. These are measured as the present value of the difference between the cash flows due to the Company under the contract and the cash flows that the Group expects to receive arising from the weighting of multiple future economic scenarios, discounted at the asset's EIR.

- for financial guarantee contracts, the ECL is the difference between the expected payments to reimburse the holder of the guaranteed debt instrument less any amounts that the Group expects to receive from the holder, the debtor or any other party.

The Group measures ECL on an individual basis, or on a collective basis for portfolios of loans that share similar economic risk characteristics.

Presentation of allowance for ECL in the Balance Sheet:

Loss allowances for ECL are presented in the Balance Sheet for financial assets measured at amortised cost, as a deduction from the gross carrying amount of the assets.

Simplified approach for trade and other receivables

The Group follows 'simplified approach' for recognition of impairment loss allowance on trade and other receivables that do not contain a significant financing component.

(ii) Financial liabilities:

a) Initial measurement

The Group recognises all financial liabilities initially at fair value adjusted for transaction costs that are directly attributable to the issue of financial liabilities except in the case of financial liabilities recorded at FVTPL where the transaction costs are charged to profit or loss. Generally, the transaction price is treated as fair value unless there are circumstances which prove to the contrary in which case, the difference, if material, is charged to profit or loss.

b) Subsequent measurement

The Group subsequently measures all financial liabilities at amortised cost using the EIR method, except for derivative contracts which are measured at FVTPL and accounted for by applying the hedge accounting requirements under Ind AS 109.

c) Derecognition

A financial liability is derecognised when the related obligation expires or is discharged or cancelled.

1.14 Fair Value

Fair value is defined as the price that would be received upon the sale of an asset or paid to settle a liability in an orderly transaction between market participants at the measurement date. This measurement represents an exit price under prevailing market conditions, regardless of whether the price is directly observable or derived via valuation techniques.

The Group estimates fair value based on the presumption that the transaction occurs in the principal market for the asset or liability. In the absence of a principal market, the measurement identifies the most advantageous market, provided such market is accessible by the Group.

Notes forming part of consolidated financial statements

In determining fair value, the Group utilizes the same underlying assumptions that market participants would employ when pricing the asset or liability, operating under the premise that these participants act in their economic best interest.

Fair value measurements under Ind AS are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at reporting date
- Level 2 inputs are inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the valuation of assets or liabilities

1.15 Taxation:

Current tax:

Tax on income for the current period is determined on the basis of taxable income (or on the basis of book profits wherever minimum alternate tax is applicable) and tax credits computed in accordance with the provisions of the Income Tax Act, 1961 and based on the expected outcome of assessments/appeals.

Deferred Tax:

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the Group's financial statements and the corresponding tax bases used in computation of taxable profit and quantified using the tax rates and laws enacted or substantively enacted as on the Balance Sheet date.

Deferred tax assets are generally recognised for all taxable temporary differences to the extent that is probable that taxable profits will be available against which those deductible temporary differences can be utilised. The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets relating to unabsorbed depreciation/business losses/losses under the head "capital gains" are recognised and carried forward to the extent of available taxable temporary differences or where there is convincing other evidence that sufficient future taxable income will be available against which such deferred tax assets can be realised. Deferred tax assets in respect of unutilised tax credits which mainly relate to minimum alternate tax are recognised to the extent it is probable of such unutilised tax credits will get realised.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of reporting period, to recover or settle the carrying amount of its assets and liabilities.

Transaction or event which is recognised outside profit or loss, either in other comprehensive income or in equity, is recorded along with the tax as applicable.

1.16 Property, plant and equipment (PPE):

PPE is recognised when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. PPE is stated at original cost net of tax/duty credits availed, if any, less accumulated depreciation and cumulative impairment, if any. Cost includes all direct cost related to the acquisition of PPE and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy.

Land and buildings held for use are stated in the consolidated balance sheet at cost less accumulated depreciation and accumulated impairment losses. Freehold land is not depreciated.

Notes forming part of consolidated financial statements

PPE not ready for the intended use on the date of the Balance Sheet are disclosed as "capital work-in-progress".

Depreciation:

Depreciation is recognised using straight line method so as to write off the cost of the assets (other than freehold land) less their residual values over their useful lives specified in Schedule II to the Companies Act, 2013, or in case of assets where the useful life was determined by technical evaluation, over the useful life so determined.

Depreciation method is reviewed at each financial year end to reflect expected pattern of consumption of the future economic benefits embodied in the asset. The estimated useful life and residual values are also reviewed at each financial year end with the effect of any change in the estimates of useful life/residual value is accounted on prospective basis.

Depreciation for additions to/deductions from, owned assets is calculated pro rata to the period of use. Depreciation charge for impaired assets is adjusted in future periods in such a manner that the revised carrying amount of the asset is allocated over its remaining useful life.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is recognised in profit or loss.

1.17 Investment property:

Investment properties are properties (including those under construction) held to earn rentals and/or capital appreciation are classified as investment property and are measured and reported at cost, including transaction costs.

Depreciation is recognised using straight line method so as to write off the cost of the investment property less their residual values over their useful lives specified in Schedule II to the Companies Act, 2013, or in the case of assets where the useful life was determined by technical evaluation, over the useful life so determined.

Depreciation method is reviewed at each financial year end to reflect the expected pattern of consumption of the future benefits embodied in the investment property. The estimated useful life and residual values are also reviewed at each financial year end and the effect of any change in the estimates of useful life/ residual value is accounted on prospective basis. Freehold land and properties under construction are not depreciated. An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on de-recognition of property is recognised in the Statement of Profit and Loss in the same period.

1.18 Intangible assets:

Intangible assets are recognised when it is probable that the future economic benefits that are attributable to the asset will flow to the enterprise and the cost of the asset can be measured reliably. Intangible assets are stated at original cost net of tax/duty credits availed, if any, less accumulated amortisation and cumulative impairment. Direct expenses and administrative and other general overhead expenses that are specifically attributable to acquisition of intangible assets are allocated and capitalised as a part of the cost of the intangible assets.

Subsequent expenditure related to an item of intangible asset are added to its gross value only if it increases the future benefits of the existing asset, if it is probable that future economic benefit will flow to the Group from that expenditure and cost can be measured reliably. Other repairs and maintenance costs are expensed off as and when incurred.

The Group's intangible assets consist of specialised software, Distribution & customer network rights, branch network & customer contract and non-compete fees with finite life and goodwill with indefinite life.

Intangible assets not ready for the intended use on the date of Balance Sheet are disclosed as "Intangible assets under development".

Notes forming part of consolidated financial statements

Amortisation:

Intangible assets are amortised on straight line basis over the estimated useful life. The method of amortisation and useful life are reviewed at the end of each accounting year with the effect of any changes in the estimate being accounted for on a prospective basis.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset are recognised in profit or loss when the asset is derecognised.

1.19 Impairment of tangible and intangible assets and goodwill:

As at the end of each accounting year, the Group reviews the carrying amounts of its PPE, investment property and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If such indication exists, the PPE, investment property and intangible assets are tested for impairment so as to determine the impairment loss, if any. Goodwill and the intangible assets with indefinite life are tested for impairment each year.

Impairment loss is recognised when the carrying amount of an asset exceeds its recoverable amount. Recoverable amount is determined:

a) in the case of an individual asset, at the higher of the net selling price and the value in use; and

b) in the case of a cash generating unit (the smallest identifiable group of assets that generates independent cash flows), at the higher of the cash generating unit's net selling price and the value in use.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If recoverable amount of an asset (or cash generating unit) is estimated to be less than its carrying amount, such deficit is recognised immediately in the Statement of Profit and Loss as impairment loss and the carrying amount of the asset (or cash generating unit) is reduced to its recoverable amount. For this purpose, the impairment loss recognised in respect of a cash generating unit is allocated first to reduce the carrying amount of any goodwill allocated to such cash generating unit and then to reduce the carrying amount of the other assets of the cash generating unit on a pro-rata basis.

When an impairment loss subsequently reverses, the carrying amount of the asset (or cash generating unit), except for allocated goodwill, is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss is recognised for the asset (or cash generating unit) in prior years. A reversal of an impairment loss (other than impairment loss allocated to goodwill) is recognised immediately in the Statement of Profit and Loss.

1.20 Assets acquired under settlement of claims:

Assets acquired under settlement of claims are initially recognised on acquisition of the assets based on the fair value of the property, including cost of acquisition. Assets acquired under settlement of claims are subsequently measured at the prevailing market price/fair valuation or acquisition cost, whichever is lower, on periodic basis.

Any profit or loss arising on the sale of complete unit is recognised in Statement of Profit and Loss.

1.21 Derivative financial instruments:

The Group enters into swap contracts and other derivative financial instruments to hedge its exposure to foreign exchange and interest rates. The Group does not hold derivative financial instruments for speculative purpose. Hedges of foreign exchange risk on firm commitments are accounted as cash flow hedges.

Notes forming part of consolidated financial statements

Fair value hedge:

Fair value hedges hedge the exposure to changes in the fair value of a recognised asset or liability, or an identified portion of such an asset, liability, that is attributable to a particular risk and could affect profit or loss.

For designated and qualifying fair value hedges, the cumulative change in the fair value of a hedging derivative is recognised in the statement of profit and loss in Finance Costs. Meanwhile, the cumulative change in the fair value of the hedged item attributable to the risk hedged is recorded as part of the carrying value of the hedged item in the balance sheet and is also recognised in the statement of profit and loss in Finance Cost.

The Group classifies a fair value hedge relationship when the hedged item (or group of items) is a distinctively identifiable asset or liability hedged by one or a few hedging instruments. The financial instruments hedged for interest rate risk in a fair value hedge relationship are fixed rate debt issued and other borrowed funds. If the hedging instrument expires or is sold, terminated or exercised, or where the hedge no longer meets the criteria for hedge accounting, the hedge relationship is discontinued prospectively. If the relationship does not meet hedge effectiveness criteria, the Corporation discontinues hedge accounting from the date on which the qualifying criteria are no longer met. For hedged items recorded at amortised cost, the accumulated fair value hedge adjustment to the carrying amount of the hedged item on termination of the hedge accounting relationship is amortised over the remaining term of the original hedge using the recalculated EIR method by recalculating the EIR at the date when the amortisation begins. If the hedged item is derecognised, the unamortised fair value adjustment is recognised immediately in the statement of profit and loss.

Cash flow hedge:

In case of transaction related hedges, the effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income and accumulated in equity as 'hedging reserve'. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss. Amounts previously recognised in other comprehensive income and accumulated in equity relating to the effective portion are reclassified to profit or loss in the periods when the hedged item affects profit or loss, in the same head as the hedged item. The effective portion of the hedge is determined at the lower of the cumulative gain or loss on the hedging instrument from inception of the hedge and the cumulative change in the fair value of the hedged item from the inception of the hedge and the remaining gain or loss on the hedging instrument is treated as ineffective portion.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. Any gain or loss recognised in other comprehensive income and accumulated in equity at that time remains in equity and is recognised in profit or loss when the forecast transaction is ultimately recognised in profit or loss. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is recognised immediately in profit or loss.

A derivative with a positive fair value is recognised as a financial asset whereas a derivative with a negative fair value is recognised as a financial liability.

1.22 Leases:

The Group as a lessee, recognises the right-of-use asset and lease liability at the lease commencement date. Initially the right-of-use asset is measured at cost which comprises the initial amount of the lease liability adjusted for any lease payments, less any lease incentives received made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The lease liability is initially measured at the present value of the lease payments that are not

Notes forming part of consolidated financial statements

paid at the commencement date, discounted using the Group's incremental borrowing rate. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, or a change in the estimate of the amount expected to be payable under a residual value guarantee, or a change in the assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero. The right-of-use asset is measured by applying cost model i.e. right-of-use asset at cost less accumulated depreciation / impairment losses.

The right-of-use assets are depreciated from the date of commencement of the lease on a straight-line basis over the shorter of the lease term and the useful life of the underlying asset. Carrying amount of lease liability is increased by interest on lease liability and reduced by lease payments made.

Lease payments associated with following leases are recognised as expense on straight-line basis:

- Low value leases; and
- Leases which are short-term.

The Group as a lessor, classifies leases as either operating lease or finance lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset. Initially asset held under finance lease is recognised in balance sheet and presented as a receivable at an amount equal to the net investment in the lease. Finance income is recognised over the lease term, based on a pattern reflecting a constant periodic rate of return on Group's net investment in the lease. A lease which is not classified as a finance lease is an operating lease. Accordingly, the Group recognises lease payments as income on a straight-line basis in case of assets given on operating leases. The Group presents underlying assets subject to operating lease in its balance sheet under the respective class of asset.

1.23 Securities premium account:

(i) Securities premium includes:

- The difference between the face value of the equity shares and the consideration received in respect of shares issued pursuant to Stock Option Scheme.
- The fair value of the stock options which are treated as expense, if any, in respect of shares allotted pursuant to Stock Options Scheme.

(ii) The issue expenses of securities which qualify as equity instruments are written off against securities premium account.

1.24 Share-based payment arrangements:

The stock options granted to employees pursuant to the Group's Stock Options Schemes, are measured at the fair value of the options at the grant date. The fair value of the options is treated as discount and accounted as employee compensation cost over the vesting period on a straight-line basis. The amount recognised as expense in each year is arrived at based on the number of grants expected to vest. If a grant lapses after the vesting period, the cumulative discount recognised as expense in respect of such grant is transferred to the general reserve within equity.

1.25 Accounting and reporting of information for Operating Segments:

Operating segments are those components of the business whose operating results are regularly reviewed by the chief operating decision making body in the Group to make decisions for performance assessment and resource allocation. The reporting of segment information is the same as provided to the management for the purpose of the performance assessment and resource allocation to the segments. Segment accounting policies are in line with the accounting policies of the Group.

1.26 Foreign currencies:

(i) The functional currency and presentation currency of the Group is Indian Rupee. Functional currency of the Group and foreign operations has been determined based on the primary economic environment in which the Group and its foreign operations operate considering the currency in which funds are generated, spent and retained.

(ii) Transactions in currencies other than the Group's functional currency are recorded on initial recognition using the exchange rate at the transaction date. At each Balance Sheet date, foreign currency monetary items are reported at the prevailing closing spot rate. Non-monetary items that are measured in terms of historical cost in foreign currency are not retranslated.

(iii) Exchange differences that arise on settlement of monetary items or on reporting of monetary items at each Balance Sheet date at the closing spot rate are recognised in the Statement of Profit and Loss in the period in which they arise.

(iv) Financial statements of foreign operations whose functional currency is different than Indian Rupees are translated into Indian Rupees as follows:

a) assets and liabilities for each Balance Sheet presented are translated at the closing rate at the date of that Balance Sheet

b) income and expenses for each income statement are translated at average exchange rates; and

c) all resulting exchange differences are recognised in other comprehensive income and accumulated in equity as foreign currency translation reserve for subsequent reclassification to profit or loss on disposal of such foreign operations.

1.27 Provisions, contingent liabilities and contingent assets:

Provisions are recognised only when:

(i) an Group entity has a present obligation (legal or constructive) as a result of a past event; and

(ii) it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and

(iii) a reliable estimate can be made of the amount of the obligation.

Provision is measured using the cash flows estimated to settle the present obligation and when the effect of time value of money is material, the carrying amount of the provision is the present value of those cash flows. Reimbursement expected in respect of expenditure required to settle a provision is recognised only when it is virtually certain that the reimbursement will be received.

Contingent liability is disclosed in case of:

(i) a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation; and

(ii) a present obligation arising from past events, when no reliable estimate is possible.

Contingent assets are disclosed where an inflow of economic benefits is probable. Provisions, contingent liabilities and contingent assets are reviewed at each Balance Sheet date. Where the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under such contract, the present obligation under the contract is recognised and measured as a provision.

1.28 Commitment:

Commitments are future liabilities for contractual expenditure, classified and disclosed as follows:

a) estimated amounts of contracts remaining to be executed on capital account and not provided for

b) uncalled liability on shares and other investments partly paid

c) funding related commitment to associate companies and

d) other non-cancellable commitments, if any, to the extent they are considered material and relevant in the opinion of management.

Other commitments related to sales/procurements made in the normal course of business are not disclosed to avoid excessive details.

Notes forming part of consolidated financial statements

1.29 Key source of estimation:

The preparation of financial statements in conformity with Ind AS requires that the management of the Group makes estimates and assumptions that affect the reported amounts of income and expenses of the period, the reported balances of assets and liabilities and the disclosures relating to contingent liabilities as of the date of the financial statements. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates include useful lives of property, plant and equipment & intangible assets, expected credit loss on loan books, future obligations in respect of retirement benefit plans, fair value measurement etc. Difference, if any, between the actual results and estimates is recognised in the period in which the results are known.

Material accounting estimates and judgements used in various line items in the financial statements are as below:

- Business model assessment (Refer note no. 1.13 (i) and 6)
- Impairment of financial assets (Refer note no. 1.13 (i), 6 and 46)
- Provisions and contingent liabilities (Refer note no. 1.27 and 41)
- Fair value of financial instruments (Refer note no. 1.14)

1.30 Earnings per share:

The Group presents basic and diluted earnings per share data for its ordinary shares. Basic earnings per share is calculated by dividing the profit or loss attributable to ordinary shareholders of the Group by the weighted average number of ordinary shares outstanding during the year. Diluted earnings per share is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares.

1.31 Recent Pronouncements:

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time.

In May 2025, MCA notified amendments to:

Ind AS 21 - The Effects of Changes in Foreign Exchange Rates, applicable w.e.f. April 1, 2025. The Company has reviewed the amendment and based on its evaluation has determined that it does not have any significant impact in its financial statements.

In August 2025, MCA notified the following amendments to:

Ind AS 7, Statement of Cash Flows and Ind AS 107, Financial Instruments: Disclosures, applicable w.e.f. April 1, 2025 – the amendment in Ind AS 7 requires to inform users of financial statements of the existence of supplier finance arrangements and explain the nature of the arrangements, the carrying amount of liabilities and the range of payment due dates. Ind AS 107 has been amended to add supplier finance arrangements as a factor that may cause concentration of liquidity risk. The Group has reviewed the amendment and based on its evaluation has determined that it does not have any impact in its financial statements.

Ind AS 12, International Tax Reform – Pillar Two Model Rules applicable immediately - The amendments provide a temporary mandatory relief from deferred tax accounting for top-up tax and disclose that they have applied the relief. This relief is immediate and applies retrospectively (refer note 40).

Notes forming part of consolidated financial statements

2 Cash and cash equivalents

(₹ in crore)

Particulars	As at March 31, 2026	As at March 31, 2025
Cash on hand	1.73	1.20
Balances with banks in current accounts (of the nature of cash and cash equivalents)	2,635.01	2,528.44
Balance with banks in fixed deposit with maturity less than 3 months	1,852.20	366.58
Total	**4,488.94**	**2,896.22**

3 Bank balance other than (Note 2) above

(₹ in crore)

Particulars	As at March 31, 2026	As at March 31, 2025
Earmarked balances with banks		
Unclaimed infrastructure bonds	135.85	156.86
Unclaimed dividend on equity shares	1.14	1.31
Unclaimed redemption proceeds and dividend on preference shares	0.52	0.78
Balance with banks in fixed deposit with maturity greater than 3 months and less than 12 months	659.40	3,091.45
Balances with banks held as margin money or security against borrowing, guarantees, other commitments	2,673.19	4,686.30
Total	**3,470.10**	**7,936.70**

4 Derivative financial instruments

(₹ in crore)

Particulars	As at March 31, 2026	As at March 31, 2025
Currency derivatives:		
Notional amounts		
- Cross currency Interest rate swaps	7,378.54	7,492.08
Fair value assets		
- Cross currency Interest rate swaps	879.12	48.49
Fair value liabilities		
- Cross currency Interest rate swaps	–	(47.94)
Subtotal (i)	**879.12**	**0.55**
Fair value liabilities		
-Currency swaps	–	–
Interest rate derivatives:		
Notional amounts		
- Overnight Interest rate swaps	275.00	–
Fair value assets		
- Overnight Interest rate swaps	0.09	–
Fair value assets		
- Overnight Interest rate swaps	(3.36)	–
Subtotal (ii)	**(3.27)**	**–**
Total (i+ii)	**875.85**	**0.55**

Notes forming part of consolidated financial statements

(₹ in crore)

Particulars	As at March 31, 2026	As at March 31, 2025
Included in above are derivatives held for hedging and risk management purposes as follows:		
Fair value hedging:	–	–
Subtotal (A)	**–**	**–**
Cash flow hedging:		
Notional Amounts		
- Currency derivatives	7,378.54	7,492.08
- Interest rate derivatives	275.00	–
Fair value assets		
- Currency derivatives (i)	879.12	48.49
- Interest rate derivatives (ii)	0.09	–
Fair value liabilities		
- Currency derivatives (iii)	–	(47.94)
- Interest rate derivatives	(3.36)	–
Subtotal (B) = (i + ii + iii)	**875.85**	**0.55**
Total derivative financial instruments (A) + (B)	**875.85**	**0.55**

5 Receivables

(₹ in crore)

Particulars	As at March 31, 2026	As at March 31, 2025
Trade receivables (Refer note 5a)		
(a) Receivables considered good - Unsecured (Refer note 37)	102.47	116.95
(b) Receivables - credit impaired	7.69	7.59
(c) Impairment loss allowance	(7.69)	(7.59)
	102.47	**116.95**
Other receivables		
(a) Receivables considered good - Unsecured	4.97	5.56
(b) Receivables - credit impaired	10.07	10.07
(c) Impairment loss allowance	(10.07)	(10.07)
	4.97	**5.56**
Total	**107.44**	**122.51**

Notes forming part of consolidated financial statements

5a Ageing of Trade Receivables

(₹ in crore)

Particulars	Outstanding as on March 31, 2026 *						Total
	Not Due	Less than 6 Months	6 Months - 1 Year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade Receivable Considered Good	5.73	96.74	–	–	–	–	102.47
Undisputed Trade Receivable which have significant increase in credit risk	–	–	–	–	–	–	–
Undisputed Trade Receivable credit impaired	–	–	–	0.01	0.09	7.68	7.78
Less : Impairment loss	–	–	–	(0.01)	(0.09)	(7.68)	(7.78)
Disputed Trade Receivable Considered Good	–	–	–	–	–	–	–
Disputed Trade Receivable which have significant increase in credit risk	–	–	–	–	–	–	–
Disputed Trade Receivable credit impaired	–	–	–	–	–	–	–
Total	**5.73**	**96.74**	**–**	**–**	**–**	**–**	**102.47**

Ageing of Trade Receivables

(₹ in crore)

Particulars	Outstanding as on March 31, 2025 *						Total
	Not Due	Less than 6 Months	6 Months - 1 Year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade Receivable Considered Good	–	116.34	0.27	0.34	–	–	116.95
Undisputed Trade Receivable which have significant increase in credit risk	–	–	–	–	–	–	–
Undisputed Trade Receivable credit impaired	–	–	–	–	–	7.59	7.59
Less : Impairment loss	–	–	–	–	–	(7.59)	(7.59)
Disputed Trade Receivable Considered Good	–	–	–	–	–	–	–
Disputed Trade Receivable which have significant increase in credit risk	–	–	–	–	–	–	–
Disputed Trade Receivable credit impaired	–	–	–	–	–	–	–
Total	**–**	**116.34**	**0.27**	**0.34**	**–**	**–**	**116.95**

* The above ageing is prepared on the basis of date of the transaction.

Notes forming part of consolidated financial statements

6 Loans

(₹ in crore)

Particulars	As at March 31, 2026	As at March 31, 2025
(A) (i) At Amortised Cost		
- Term loans[@]	1,19,506.95	95,179.11
- Less: Impairment loss allowance	(3,457.84)	(3,536.75)
Subtotal (i)	**1,16,049.11**	**91,642.36**
(ii) At Fair Value Through Profit or Loss:		
- Term loans	1,985.02	2,333.93
- Debentures*	235.93	248.43
- Loans repayable on demand	–	–
Total gross loans at fair value through profit or loss	**2,220.95**	**2,582.36**
- Less: Impact of fair value changes	(449.03)	(451.66)
Subtotal (ii)	**1,771.92**	**2,130.70**
Total	**1,17,821.03**	**93,773.06**
[@]includes dealer advances		
*Debentures in the nature of loans		
(B) (i) At Amortised Cost		
- Secured by tangible assets #	62,012.51	51,579.46
- Unsecured	57,494.44	43,599.65
Total gross loans at amortised cost	**1,19,506.95**	**95,179.11**
- Less: Impairment loss allowance	(3,457.84)	(3,536.75)
Subtotal (i)	**1,16,049.11**	**91,642.36**
(ii) At Fair Value Through Profit or Loss		
-Secured by tangible assets@	2,220.95	2,582.36
- Unsecured	–	–
Total gross loans at fair value through profit or loss	**2,220.95**	**2,582.36**
- Less: Impact on fair value changes	(449.03)	(451.66)
Subtotal (ii)	**1,771.92**	**2,130.70**
Subtotal (i)+(ii)	**1,17,821.03**	**93,773.06**
@ Includes hypothecation / mortgage under process		
(C) (I) Loans in India		
(i) At Amortised Cost		
- Public Sector	–	–
- Others	1,19,506.95	95,179.11
- Less: Impairment loss allowance#	(3,457.84)	(3,536.75)
Subtotal (i)	**1,16,049.11**	**91,642.36**
(ii) At Fair Value Through Profit or Loss:		
- Public Sector	–	–
- Others	2,220.95	2,582.36
- Less: Impact on fair value changes	(449.03)	(451.66)
Subtotal (ii)	**1,771.92**	**2,130.70**

Notes forming part of consolidated financial statements

(₹ in crore)

Particulars	As at March 31, 2026	As at March 31, 2025
(II) Loans outside India		
(i) At Amortised Cost		
- Public Sector	–	–
- Others	–	–
- Less: Impairment loss allowance#	–	–
Subtotal (i)	**–**	**–**
(ii) At Fair Value Through Profit or Loss		
- Public Sector	–	–
- Others	–	–
- Less: Impact on fair value changes	–	–
Subtotal (ii)	**–**	**–**
Total	**1,17,821.03**	**93,773.06**

Includes macro prudential provision of ₹ nil (previous year ₹ 575 crores) for Rural Group Loans and Micro Finance Business (RGL & MFI).

7 Investments

(₹ in crore)

Particulars	As at March 31, 2026	As at March 31, 2025
A. Investments carried at fair value through profit or loss		
(i) In equity shares - quoted	7.89	10.23
(ii) In equity shares - unquoted	64.04	62.79
(iii) In debt securities - unquoted	119.39	128.73
(iv) In mutual funds	788.54	145.36
(v) In preference shares - Unquoted	35.16	47.33
(vi) In other securities - Other than subsidiaries	21.85	22.22
(vii) In security receipts	4,807.72	5,862.44
Total (A)	**5,844.59**	**6,279.10**
B. Investments carried at fair value through other comprehensive income		
(i) In debt securities	–	409.75
(ii) In government securities*	3,723.54	5,092.65
(iii) In bonds	93.86	94.47
(iv) In State development loan	158.32	–
(v) In Certificate of deposit	743.50	–
Total (B)	**4,719.22**	**5,596.87**
Total investments (A+B)	**10,563.81**	**11,875.97**
(i) Investments outside India	–	–
(ii) Investments in India	10,563.81	11,875.97
Total	**10,563.81**	**11,875.97**

*Government securities amounting to ₹ 507.76 crore (PY: ₹ 422.58 crore) pledged as collateral against TREPS borrowings.

Notes forming part of consolidated financial statements

8 Other financials assets

(₹ in crore)

Particulars	As at March 31, 2026	As at March 31, 2025
Security deposits	60.71	54.13
Collateralized borrowing and lending obligation (TREPS)	–	299.95
Receivable from a related party (Refer note 37)	0.08	0.18
Balance with Banks in fixed deposit with maturity > 12 months	668.58	–
Others	42.71	33.65
Total	**772.08**	**387.91**

9 Property, plant and equipment

(₹ in crore)

Particulars	Gross carrying amount*					Accumulated depreciation*				Net carrying amount	
	As at April 01, 2025	Additions	Business Combination (Refer note: 34)	Deductions / Adjustments	As at March 31, 2026	As at April 01, 2025	For the year	Deductions / Adjustments	As at March 31, 2026	As at March 31, 2026	As at March 31, 2025
Tangible											
Land :											
Freehold	155.93	–	–	–	155.93	–	–	–	–	155.93	155.93
Buildings :											
Owned**	154.99	0.74	–	–	155.73	23.12	2.49`	–	25.61	130.12	132.11
Leasehold Improvements	0.71	–	–	–	0.71	0.52	–	–	0.52	0.19	0.19
Leasehold renovation											
Owned	39.38	33.57	–	0.89	72.06	8.52	9.96	0.83	17.65	54.41	30.86
Electrical & Installation											
Owned	26.77	–	–	0.87	25.90	23.10	2.13	0.83	24.40	1.50	3.67
Computers											
Owned	46.09	36.06	0.70	2.46	80.39	23.51	16.50	2.26	37.75	42.64	22.58
Furniture and fixtures											
Owned	25.42	9.12	2.68	0.74	36.48	14.35	6.37	0.64	20.08	16.40	11.07
Office equipments											
Owned	48.52	26.84	3.79	1.21	77.94	26.96	11.28	1.11	37.13	40.81	21.56
Vehicles											
Owned	31.20	10.26	–	5.94	35.52	11.80	8.11	4.26	15.65	19.87	19.40
Leased out	0.16	–	–	–	0.16	0.16	–	–	0.16	–	–
Total	**529.17**	**116.59**	**7.17**	**12.11**	**640.82**	**132.04**	**56.84**	**9.93**	**178.95**	**461.87**	**397.13**
Previous year	490.34	89.44	–	50.61	529.17	135.37	40.91	44.24	132.04	397.13	–

* The Company has not revalued its property, plant and equipment during the year and hence there is no movement for revaluation shown separately.

**Includes Building having gross value of ₹ 0.38 crores pledged as security against non convertible dedentures.

**The tittle deed of the immovable property acquired under the scheme of amalgamation, is held in the name of erstwhile subsidiary which was merged with one of the subsidiary with effect from 01 April, 2016, also the title deed holder is not a promoter, director or related party.

Notes forming part of consolidated financial statements

Other Intangible assets :

(₹ in crore)

Particulars	Gross carrying amount*					Accumulated amortisation*				Net carrying amount*	
	As at April 01, 2025	Additions	Business Combination (Refer note: 34)	Deductions / Adjustments	As at March 31, 2026	As at April 01, 2025	For the year	Deductions / Adjustments	As at March 31, 2026	As at March 31, 2026	As at March 31, 2025
Specialised softwares	551.52	98.92	0.59	154.54	496.49	437.70	82.46	153.83	366.32	130.16	113.82
Customer network rights	–	–	94.91	–	94.91	–	15.39	–	15.39	79.52	–
Non-Compete fees	–	–	54.69	–	54.69	–	11.08	–	11.08	43.61	–
Distribution and Customer Network Rights	438.80	–	–	–	438.80	438.80	–	–	438.80	–	–
Total	**990.32**	**98.92**	**150.19**	**154.54**	**1,084.89**	**876.50**	**108.93**	**153.83**	**831.59**	**253.29**	**113.82**
Previous year	455.30	96.22	–	–	551.52	359.17	78.53	–	437.70	113.82	–
Add: Intangible assets under development										**61.87**	**45.00**

* The Company has not revalued its intangible assets during the year and hence there is no movement for revaluation shown separately.

(a) Movement of Intangible assets under development

(₹ in crore)

Particulars	As at March 31, 2026	As at March 31, 2025
Opening Balance	45.00	35.62
Addition	115.79	105.60
Deduction/adjustment	(98.92)	(96.22)
Closing Balance	**61.87**	**45.00**

(b) Intangible assets under development ageing as on March 31, 2026 :

(₹ in crore)

Particulars	Amount in Intangible asset under development for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	54.54	7.33	–	–	61.87

(c) Intangible assets under development ageing as on March 31, 2025 :

(₹ in crore)

Particulars	Amount in Intangible asset under development for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	45.00	–		–	45.00

(d) Goodwill

(₹ in crore)

Particulars	As at April 1, 2025	Business combination* (Refer note: 34)	Impairment	As at March 31, 2026
Goodwill	13.40	182.39	–	195.79

*The above goodwill is attributed to Gold loan business

Particulars	As at April 1, 2024	Business combination	Impairment	As at March 31, 2025
Goodwill	13.40	–	–	13.40

Notes forming part of consolidated financial statements

10 Right of use asset

(₹ in crore)

Particulars	As at March 31, 2026	As at March 31, 2025
Opening balance		
Opening gross carrying amount	116.37	54.85
Add: Additions during the year	337.82	89.81
Less: Depreciation during the year	(43.92)	(19.46)
Less: Right of use asset decrognised	(13.59)	(8.83)
Closing balance	**396.68**	**116.37**

11 Other non-financials assets

(₹ in crore)

Particulars	As at March 31, 2026	As at March 31, 2025
Prepaid expenses	32.21	53.37
Amount paid under protest	23.72	32.85
Assets acquired in settlement of claims/loans (Net)	347.34	438.48
Others	116.05	108.99
Total	**519.32**	**633.69**

12 Payables

(₹ in crore)

Particulars	As at March 31, 2026	As at March 31, 2025
Trade payables (Refer note 12a)		
Micro and small enterprises	0.22	3.78
Due to others	1,614.46	1,233.16
Due to related parties (Refer note 37)	155.33	134.76
Sub total	**1,770.01**	**1,371.70**
Other payables		
Due to others	–	–
Due to related parties	–	–
Sub total	**–**	**–**
Total	**1,770.01**	**1,371.70**

Notes forming part of consolidated financial statements

12a Ageing of Trade Payables

(₹ in crore)

Particulars	Outstanding as on March 31, 2026 *						Total
	Unbilled dues	Bill Raised but not due	Less than 1 years	1-2 years	2-3 years	More than 3 years	
Undisputed							
- MSME	–	–	0.22	–	–	–	0.22
- Others	1,668.42	92.95	17.57	–	1.43	–	1,780.37
Disputed	–	–	–	–	–	–	
- MSME	–	–	–	–	–	–	–
- Others	–	–	–	–	–	–	–
Total Trade Payable	**1,668.42**	**92.95**	**17.79**	**–**	**1.43**	**–**	**1,780.59**

Ageing of Trade Payables

(₹ in crore)

Particulars	Outstanding as on March 31, 2025 *						Total
	Unbilled dues	Bill Raised but not due	Less than 1 years	1-2 years	2-3 years	More than 3 years	
Undisputed							
- MSME	–	–	3.78	–	–	–	3.78
- Others	1,275.34	68.30	22.86	1.43	–	–	1,367.93
Disputed	–	–	–	–	–	–	
- MSME	–	–	–	–	–	–	–
- Others	–	–	–	–	–	–	–
Total Trade Payable	**1,275.34**	**68.30**	**26.64**	**1.43**	**–**	**–**	**1,371.71**

* The above ageing is prepared on the basis of date of the transaction.

Notes forming part of consolidated financial statements

13 Debt securities

(₹ in crore)

Particulars	As at March 31, 2026	As at March 31, 2025
(A) At Amortised Cost*		
- Commercial papers	8,063.36	6,073.09
- Non convertible debentures (Refer note 37)	23,976.17	22,781.30
Total	**32,039.53**	**28,854.39**
(B) (a) Debt securities in India		
(i) At Amortised cost	32,039.53	28,854.39
Total	**32,039.53**	**28,854.39**
(b) Debt securities outside India		
(i) At Amortised Cost	–	–
Total	**–**	**–**
Total (a+b)	**32,039.53**	**28,854.39**
(C) At Amortised cost		
- Secured	23,976.17	22,781.30
- Unsecured	8,063.36	6,073.09
Total	**32,039.53**	**28,854.39**

* All the borrowings are utlised for the pupose for which there were borrowed.

14 Borrowings (other than debt securities)

(₹ in crore)

Particulars	As at March 31, 2026	As at March 31, 2025
(A) At Amortised Cost		
(a) Term Loans		
(i) From banks	35,212.82	26,648.82
(ii) From financial institutions	5,824.58	2,723.37
(b) Loan repayable on demand		
(i) From banks	24,304.13	22,451.83
(c) External commercial borrowings	8,252.61	7,544.01
(d) Associated liability related to securitisation transactions	3,051.96	1,791.26
(e) Collateralized borrowing and lending obligation	499.92	399.93
Total	**77,146.02**	**61,559.22**
(B) (a) Borrowings (other than debt securities) in India		
(i) At Amortised Cost	68,893.41	54,015.21
Total	**68,893.41**	**54,015.21**
(b) Borrowings (other than debt securities) outside India		
(i) At Amortised Cost	8,252.61	7,544.01
Total	**8,252.61**	**7,544.01**
Total (a+b)	**77,146.02**	**61,559.22**
(C) At Amortised cost		
- Secured	73,395.97	57,809.17
- Unsecured	3,750.05	3,750.05
Total	**77,146.02**	**61,559.22**

* All the borrowings are utlised for the pupose for which there were borrowed

15 Subordinated liabilities (Unsecured)

(₹ in crore)

Particulars	As at March 31, 2026	As at March 31, 2025
(A) At amortised cost		
Perpetual debt instruments to the extent that do not qualify as equity	16.19	367.72
Subordinate debt instruments	685.95	1,465.57
Total	**702.14**	**1,833.29**
(B) (a) Subordinated liabilities in India		
(i) At amortised cost	702.14	1,833.29
Subtotal	**702.14**	**1,833.29**
(b) Subordinated liabilities outside India		
(i) At amortised cost	–	–
Subtotal	**–**	**–**
Total	**702.14**	**1,833.29**
(C) At Amortised cost		
- Secured	–	–
- Unsecured	702.14	1,833.29
Total	**702.14**	**1,833.29**

16 Other financial liabilities

(₹ in crore)

Particulars	As at March 31, 2026	As at March 31, 2025
Liabilities for expenses	400.56	347.82
Unclaimed infrastructure bonds	135.85	156.86
Unclaimed dividend on equity shares	1.14	1.31
Unclaimed redemption proceeds and dividend on preference shares	0.52	0.78
Other payables	949.14	114.68
Total	**1,487.21**	**621.45**

17 Provisions

(₹ in crore)

Particulars	As at March 31, 2026	As at March 31, 2025
Provision for employee benefits		
Compensated absences (Refer note 35 and 51)	45.17	33.36
Super annuation fund	0.24	0.24
Gratuity (Refer note 35 and 51)	61.03	17.48
Total	**106.44**	**51.08**

Notes forming part of consolidated financial statements

18 Other non-financial liabilities

(₹ in crore)

Particulars	As at March 31, 2026	As at March 31, 2025
Statutory dues payable	102.84	79.13
Total	**102.84**	**79.13**

19 Equity share capital

(I) Share capital authorised, issued, subscribed and paid up

Particulars	As at March 31, 2026		As at March 31, 2025	
	No. of Shares	(₹ in crore)	No. of Shares	(₹ in crore)
Authorised:				
Equity Shares of ₹ 10 each	10,87,45,59,610	10,874.56	10,87,45,59,610	10,874.56
Preference shares of ₹ 10,00,000 each	10,000	1,000.00	10,000	1,000.00
Preference shares of ₹ 100 each	50,12,00,000	5,012.00	50,12,00,000	5,012.00
Issued, Subscribed & Paid up:				
Equity shares of ₹ 10 each fully paid	**2,50,43,86,016**	**2,504.39**	**2,49,48,68,101**	**2,494.87**

(II) Terms/rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 10 per share. Members of the Company holding equity shares capital therein have a right to vote, on every resolution placed before the Company and right to receive dividend. The voting rights on a poll is in proportion to the share of the paid up equity capital of the Company held by the shareholders. The Company declares dividends in Indian rupees. The final dividend proposed by the Board of Directors is subject to the approval of the Shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(III) Reconciliation of the shares outstanding at the beginning and at the end of the year

Particulars	As at March 31, 2026		As at March 31, 2025	
	No. of Shares	(₹ in crore)	No. of Shares	(₹ in crore)
At the beginning of the year	2,49,48,68,101	2,494.87	2,48,89,40,310	2,488.94
Issued during the year				
- Against employee stock option	95,17,915	9.52	59,27,791	5.93
Outstanding at the end of the year	**2,50,43,86,016**	**2,504.39**	**2,49,48,68,101**	**2,494.87**

(IV) Equity shares in the Company held by the holding company

Particulars	As at March 31, 2026		As at March 31, 2025	
	No. of Shares	(₹ in crore)	No. of Shares	(₹ in crore)
Larsen & Toubro Limited and it's nominee	1,65,25,30,125	1,652.53	1,65,25,30,125	1,652.53
	1,65,25,30,125	**1,652.53**	**1,65,25,30,125**	**1,652.53**

Notes forming part of consolidated financial statements

(V) Details of shareholders holding more than 5% shares in the company

Equity Shares	As at March 31, 2026		As at March 31, 2025	
	No. of Shares	% holding	No. of Shares	% holding
Larsen & Toubro Limited and it's nominee	1,65,25,30,125	65.99%	1,65,25,30,125	66.24%

(VI) Details of shares held by promoters in the company as at March 31, 2026

Particulars	No. of Shares	% of total shares	% Change during the year
Larsen & Toubro Limited and it's nominee	**1,65,25,30,125**	**65.99%**	**-0.25%**

Details of shares held by promoters in the company as at March 31, 2025

Particulars	No. of Shares	% of total shares	% Change during the year
Larsen & Toubro Limited and it's nominee	**1,65,25,30,125**	**66.24%**	**0.38%**

(VII) Details of shares reserved to be issued under ESOP

Particulars	As at March 31, 2026		As at March 31, 2025	
	No. of Shares	(₹ in crore)	No. of Shares	(₹ in crore)
Equity Shares of ₹ 10 each	77,78,269	7.78	1,77,54,264	17.75
	77,78,269	**7.78**	**1,77,54,264**	**17.75**

(VIII) Capital Management

The objective of the Group's Capital Management is to maximise shareholder value, safeguard business continuity and support the growth of its Group. The Group determines the capital requirement based on annual operating plans and long-term and other strategic investment plans. The funding requirements are met through loans and operating cash flows generated.

During the period ended March 31, 2026, the Company has paid the final dividend of ₹ 2.75 per equity share for the year ended March 31, 2025 amounting to ₹ 686.77 crore. (PY 2024-25 - ₹ 622.46 crore)

The company had proposed a final dividend of ₹ 2.75 per share for the year ended 31st March, 2026 in the Board meeting.

(IX) Employee stock option scheme

The Company has formulated Employee Stock Option Schemes 2010 (ESOP Scheme-2010) and 2013 (ESOP Scheme 2013). The grant of options to the employees under the stock option schemes is on the basis of their performance and other eligibility criteria. The options allotted under the scheme 2010 are vested over a period of four years in the ratio of 15%, 20%, 30% and 35% respectively from the end of 12 months from the date of grant, subject to the discretion of the management and fulfillment of certain conditions. The options granted under the scheme 2013 are vested in a graded manner over a period of four years with 0%, 33%, 33% and 34% of grants vesting each year, commencing from the end of 24 months from the date of grant or w.e.f. July 10, 2019 vested in a graded manner over a period of four years with 25%, 25%, 25% and 25% of grants vesting each year, commencing from the end of 12 months from the date of grant.

Notes forming part of consolidated financial statements

Options allotted under scheme 2010 can be exercised anytime within a period of 7 years from the date of grant and would be settled by way of equity. The option granted under scheme 2013 can be exercised anytime within a period of 8 years from the date of grant. Management has discretion to modify the exercise period.

The option granted under scheme 2010 is at exercise price of ₹ 44.20. The option granted under scheme 2013 can be exercised either at market price which was the last closing price on National stock exchange preceding the date of grant or w.e.f. July 10,2019 ₹ 10 respectively.

During the year ended March 31, 2026 Nil (previous year: 65,000) and 95,17,915 (previous year: 58,62,791) options were allotted under the scheme 2010 and 2013 respectively.

The details of the grants are summarised below:

Particulars	Scheme 2010		Scheme 2013	
	2025 - 26	2024 - 25	2025 - 26	2024 - 25
Options granted and outstanding at the beginning of the year	–	65,000	1,77,54,264	2,22,60,003
Options granted during the year	–	–	4,65,000	21,40,000
Options cancelled/ lapsed during the year	–	–	9,23,080	7,82,948
Options exercised during the year	–	65,000	95,17,915	58,62,791
Options granted and outstanding at the end of the year of which:	–	–	–	–
- Options vested	–	–	28,50,324	90,47,375
- Options yet to vest	–	–	49,27,945	87,06,889
Weighted average remaining contractual life of options (in years)	–	–	5.76	4.80

During the year, the Group has debited to the Statement of Profit and Loss ₹ 25.94 crore (Previous year ₹ 39.53 crore) towards the stock options granted to their employees, pursuant to the employee stock option schemes.

Weighted average fair values of options granted during the year is ₹ 178.30 (Previous year: ₹ 142.71) per option.

Weighted average share price of options exercised during the year is ₹ 235.48 (Previous year: ₹ 173.01) per option.

The Fair value has been calculated using the Black-Scholes Option Pricing Model and the significant assumptions and inputs to estimate the fair value of options granted during the year are as follows:

Particulars	2025 - 26	2024 - 25
Weighted average risk-free interest rate	6.04%	6.99%
Weighted average expected life of options	2.94 years	3 years
Weighted average expected volatility	36.71%	36.78%
Weighted average expected dividend over the life of the options	8.08 per option	7.49 per option
Weighted average share price	193.32 per option	156.80 per option
Weighted average exercise price	10 per option	10 per option
Method used to determine expected volatility	Expected volatility is based on the historical volatility of the Company shares price applicable to the expected life of each option.	

Notes forming part of consolidated financial statements

20 Other equity

(₹ in crore)

Particular	As at March 31, 2026	As at March 31, 2025
Securities premium account[1]	8,110.40	7966.55
General reserve[2]	493.20	491.02
Debenture redemption reserve[3]	0.29	0.29
Capital redemption reserve[10]	68.85	68.85
Capital reserve on consolidation	492.36	492.36
Reserve u/s 36 (1)(viii) of Income tax Act 1961[4]	1,068.78	1,061.28
Reserve u/s 45-IC of Reserve Bank of India Act, 1934[5]	4,281.32	3,661.26
Reserve u/s 29C of National Housing Bank Act 1987[6]	27.43	27.43
Employee stock option outstanding account[7]	68.76	109.64
Retained earnings[8]	10,791.84	9,134.43
Impairment Reserve[9]	32.39	32.39
Other comprehensive income		
- Fair value changes of financial instrument measured at fair value through OCI	22.53	56.19
- Effective portion of cash flow hedge	20.99	(32.50)
Total	**25,479.14**	**23,069.19**

1 **Securities premium account:** The amount received in excess of face value of the equity shares is recognised in Securities Premium Account. In case of equity-settled share based payment transactions, the difference between fair value on grant date and nominal value of share is accounted as securities premium account. The account is utilised in accordance with the provisions of the Companies Act 2013.

2 **General reserve:** The Company created a General reserve in earlier years pursuant to the provisions of the Companies Act,1956 where in certain percentage of profits was required to be transferred to General reserve before declaring dividends. As per Companies Act 2013, the requirements to transfer profits to General reserve is not mandatory. General reserve is a free reserve available to the Company.

3 **Debenture redemption reserve:** As the Subsidiaries has issued redeemable non-convertible debentures, it has created Debenture Redemption Reserve out of its profits available for payment of dividend in accordance with the provisions of section 71(4) of the Companies Act, 2013 to be utilised for the redemption of debentures. The Ministry of Corporate Affairs, vide notification dated 19-August-2019 has amended the Companies (Share Capital & Debentures) Rules and accordingly the Company is no longer required to create Debenture Redemption Reserve on issuance of redeemable non-covertible debentures.

4 **Reserve u/s 36(1)(viii) of Income tax Act 1961:** In respect of any special reserve created and maintained by a specified entity, an amount not exceeding twenty percent of the profits derived from eligible business computed under the head "Profits and gains of business or profession" (before making any deduction under this clause) carried to such reserve account.

5 **Reserve u/s 45 IC of Reserve Bank of India Act, 1934:** The Parent and Subsidiaries created a reserve pursuant to section 45 IC the Reserve Bank of India Act, 1934 by transferring amount not less than twenty per cent of its net profit every year as disclosed in the Statement of Profit and Loss and before any dividend is declared.

6 **Reserve u/s 29C of National Housing Bank act 1987:** The Subsidiary created a reserve pursuant to the National Housing Bank, 1987 wherein a sum not less than twenty per cent of its net profit every year as disclosed in the profit and loss account and before any dividend is declared.

Notes forming part of consolidated financial statements

7 **Employee stock option outstanding account:** The reserve is used to recognise the fair value of the options issued to employees of the Company and subsidiary companies under Company's employee stock option scheme.

8 **Retained earnings:** Retained earnings represent the amount of accumulated earnings of the Company.

9 **Impairment reserve:** As per the RBI circular RBI/2019-20/170 dated March 13, 2020, where the guidelines require NBFCs to hold impairment allowances as required by Ind AS. In parallel NBFCs are required to compute provisions as per extant prudential norms on Income Recognition, Asset Classification and Provisioning (IRACP). A comparison, as prescribed, between provisions required under IRACP and impairment allowances made under Ind AS 109 is required to be disclosed by NBFCs in the notes to their financial statements to provide a benchmark to their Boards, RBI supervisors and other stakeholders, on the adequacy of provisioning for credit losses. Where impairment allowance under Ind AS 109 is lower than the provisioning required under IRACP (including standard asset provisioning), NBFCs are required to appropriate the difference from their net profit or loss after tax to a separate 'Impairment Reserve'. The balance in the 'Impairment Reserve' shall not be reckoned for regulatory capital. Further, no withdrawals shall be permitted from this reserve without prior permission from the Department of Supervision, RBI. The said reserve was created in erstwhile L&T Infra Credit Limited which has been merged with the Company.

10 **Capital redemption reserve :** Capital redemption reserve (CRR) represents reserve created pursuant to Section 55 (2) (c) of the Companies Act, 2013 by transfer of an amount equivalent to nominal value of the Preference shares redeemed. The CRR may be utilised by the Company, in paying up unissued shares of the Company to be issued to the members of the Company as fully paid bonus shares in accordance with the provisions of the Companies Act, 2013.

21 Interest income

(₹ in crore)

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
On financial assets measured at:		
(i) Amortised cost		
Interest on loans	15,777.78	13,675.70
Interest on deposits with banks	277.02	211.93
Other interest income	26.03	3.70
(ii) Fair value through profit or loss		
Interest on loans	246.35	436.84
Interest income from investments	3.59	13.44
(iii) Fair value through other comprehensive income		
Income from other investments	285.24	321.68
Total	**16,616.01**	**14,663.29**

22 Dividend income

(₹ in crore)

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Dividend income on investments	0.17	0.97
Total	**0.17**	**0.97**

23 Fees and commission Income

(₹ in crore)

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Distribution income*	1,047.35	879.86
Other financial activities	185.92	197.48
Total	**1,233.27**	**1,077.34**

*Breakup of Distribution income

(₹ in crore)

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Distribution income - Life Insurance	879.57	677.39
Distribution income - General Insurance	150.75	187.17
Distribution income - Others	17.02	15.30
Total	**1,047.35**	**879.86**

24 Net gain/(loss) on fair value changes

(₹ in crore)

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
(A) Net gain/(loss) on financial instruments classified at fair value through profit or loss		
On trading portfolio		
Fair value changes on investments	61.59	(31.37)
Fair value changes on loans	2.63	236.63
(B) Net gain/(loss) on financial instruments classified at fair value through other comprehensive income		
Derivative financial instruments	–	(4.72)
Loss on sale of investment	–	(17.90)
Total	**64.22**	**182.64**

25 Other income

(₹ in crore)

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Income from cross sell	–	8.42
Other income	3.36	8.32
Total	**3.36**	**16.74**

Notes forming part of consolidated financial statements

26 Finance costs

(₹ in crore)

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
On financial liabilities measured at amortised cost		
Interest on borrowings	3,986.49	3,290.44
Interest on debt securities	2,563.27	2,471.35
Interest on subordinated liabilities	104.10	206.42
Other interest expenses*	66.22	28.55
Total	**6,720.08**	**5,996.76**

* Includes ₹ 19.80 crore (previous period: ₹ 5.65 crore) towards interest on lease liabilities

27 Net loss/(gain) on derecognition of financial instruments under amortised cost category

(₹ in crore)

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Loss on foreclosure and writeoff of loans	2,826.80	2,510.23
Less: Provision held reversed on derecognition of financial instruments	(2,265.03)	(2,235.19)
Total	**561.77**	**275.04**

28 Impairment on financial instruments

(₹ in crore)

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
On financial instruments measured at amortised cost:		
Loans	2,184.00	2,194.21
Trade receivables	0.10	(0.86)
Total	**2,184.10**	**2,193.35**

29 Employee benefits expenses

(₹ in crore)

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Salaries	2,201.83	1,993.22
Contribution to provident, ESIC and superannuation fund	95.56	74.06
Contribution to gratuity fund (Refer note 35)	21.41	13.57
Share based payments to employees (Refer note 19 (IX))	25.94	39.53
Staff welfare expenses	110.26	96.13
Total	**2,455.00**	**2,216.51**

30 Depreciation, amortisation and impairment

(₹ in crore)

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Depreciation (Refer note 9)	56.84	40.91
Amortisation on right of use asset (Refer note 10)	43.92	19.46
Amortisation on other intangible assets (Refer note 9)	108.93	78.53
Total	**209.69**	**138.90**

Notes forming part of consolidated financial statements

31 Other expenses

(₹ in crore)

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Rent, taxes and energy expenses	79.65	44.95
Repairs and maintenance	45.20	31.96
Communication expenses	20.21	18.15
Director's fees and allowances	1.63	1.15
Auditor's fees and expenses (Refer note below)	4.38	2.20
Legal and professional charges	104.11	112.36
Insurance	3.64	2.21
Travelling and conveyance	84.88	69.41
Advertisement and publicity	84.31	70.10
Printing and stationery	8.89	8.54
Bank charges	13.74	9.92
Brand license fee	171.12	149.54
Collection charges	521.08	560.14
Management fees expenses	122.50	159.33
Loan processing charges	180.91	145.48
Net loss on disposal of property, plant and equipment and intangible assets	1.01	0.48
Expenditure towards corporate responsibility activities	44.31	21.86
Information & Technology expenses	229.93	195.03
Other expenses	38.21	26.35
Total	**1,759.71**	**1,629.16**

Auditor's fees and expenses:

(₹ in crore)

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Statutory audit fees	1.53	1.05
Limited review fees	0.79	0.64
Tax audit fees	0.11	0.15
Certification fees	1.64	0.31
Expenses reimbursed	0.31	0.05
Total	**4.38**	**2.20**

32 Tax expense

(₹ in crore)

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Current tax	1,070.65	765.81
Deferred tax charge/(reversal) (Refer note 40)	(55.35)	82.03
Total	**1,015.30**	**847.84**

Notes forming part of consolidated financial statements

33 The list of subsidiaries included in the consolidated financial statement are as under:

Sr. No.	Name of subsidiaries/associates	Country of Incorporation	As at March 31, 2026		As at March 31, 2025	
			Proportion of ownership interest (%)	Proportion of voting power held (%)	Proportion of ownership interest (%)	Proportion of voting power held (%)
	Subsidiaries					
1	L&T Financial Consultants Limited	India	100%	100%	100%	100%
2	L&T Infra Investment Partners Advisory Private Limited	India	100%	100%	100%	100%
3	L&T Infra Investment Partners Trustee Private Limited	India	100%	100%	100%	100%
4	L&T Infra Investment Partners	India	55.00%	55.00%	54.99%	54.99%

34 Disclosures pursuant to Ind AS 103 "Business Combinations":

(a) Acquisition of gold loan business of Paul Merchants Finance Private Limited

(i) On June 9, 2025, L&T Finance Limited acquired the gold loan business of Paul Merchants Finance Private Limited "Transferor" through a business acquisition "Business Transfer Arrangement". The transferor operates in the Financial Services Segment primary in the gold loan business. The primary objective of the acquisition was to enter and expand in the gold loan business.

The acquisition includes PMFL's 130 branches, 696 employees, and business transfer of its gold loan book size of 1,334.83 crore.

(ii) Assets acquired and liabilities recognised on the date of acquisition are as follows:

(₹ in crore)

Particulars	Gold loan business of Paul Merchants Finance Private Limited	
Assets		
Financial Assets		
Cash and Cash Equivalents	3.36	
Bank Balance Other than (a) above	5.83	
Trade receivables	0.16	
Loans	1,334.83	**1,344.18**
Non - Financial Assets		
Property, Plant and Equipment	7.17	
Other Non Financial Assets	5.02	
Intangible Assets:		
Branch network	94.91	
Non-compete fees	54.69	
Other intangible assets	0.59	162.38
Total Assets		**1,506.56**

(₹ in crore)

Particulars	Gold loan business of Paul Merchants Finance Private Limited	
Liabilities		
Financial Liabilities		
Payables:		
Trade payables	0.01	
Other payables	3.41	
Borrowing (other than Debt Securities)	970.52	**973.94**
Non Financial Liabilities		
Provisions	3.08	**3.08**
Total Liabilities		**977.02**
Net Assets acquired		**529.54**

(iii) Calculation of Goodwill:

(₹ in crore)

Particulars	Gold loan business of Paul Merchants Finance Private Limited
Cash consideration upfront	711.93
Less: Fair value of net assets acquired	529.54
Goodwill	**182.39**

(iv) Goodwill is attributable to future growth of business out of synergies from the acquisition and assembled workforce. The Goodwill of is not deductible for income tax purposes.

(v) Under the Business Transfer Arrangement, the group acquired the gold loan undertaking of the Transferor as a slump sale rather than as a separate legal entity. Following the acquisition, these operations were fully integrated into the group's existing operations. Consequently, the revenue and profit / (loss) of the acquired business are not separately identifiable, as the business now leverages shared resources and unified overhead structures to achieve operational synergies.

(vi) Out of ₹1,334.83 crore of Loan book acquired ₹1,261.56 crore have been collected during the year.

(vii) The group has recognised consideration payable in accordance with terms of Business Transfer Arrangement. No consideration is payable to the erstwhile promoters of the gold loan business upon the achievement of certain targets and other conditions.

35 Disclosure pursuant to Ind AS 19 "Employee benefits"

(i) Defined contribution plans

The Group recognised charges of ₹ 95.56 crores (Previous year: ₹ 74.06 crores) for provident fund contribution, Employee State Insurance Scheme and Superannuation fund in the Consolidated Statement of Profit and Loss.

Notes forming part of consolidated financial statements

(ii) Defined benefits gratuity Plan

The Group has a gratuity plan for its employees which is governed by the Payment of Gratuity Act, 1972. The gratuity benefit payable to the employees of the Group is greater of the provisions of the Payment of Gratuity Act, 1972 and the Group's gratuity scheme. The level of benefits provided depends on the employee's length of service and last drawn salary.

The gratuity liability of the Group is funded through contributions to an approved gratuity fund managed by an independent third-party fund manager/insurer. Any deficits in plan assets as compared to actuarial liability determined by an actuary are recognised as a liability.

The contributions are determined based on actuarial valuation carried out at the end of each financial year using the projected unit credit method. The calculation includes assumptions in actuarial valuations with regard to discount rate, salary escalation rate, attrition rate,mortality rate risks and investment risk as follows.

Risk associated with defined benefit plan

Sr no.	Type of Risk	Description of Risk
i	Changes in discount rate	The present value of defined benefit plan liabilities is calculated using a discount rate which is determined by reference to Government bonds' yields at the end of the reporting period. A decrease/(increase) in discount rate will increase/(decrease) present values of plan liabilities, although this will be partially offset by an increase in the value of the plan assets.
ii	Salary escalation risk	The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants calculated by applying estimated salary escalation rate. Any deviation in actual salary escalation can have impact on plan liability.
iii	Attrition rate risk	If the actual employee withdrawal rate in the future turns out to be more or less than expected then it may result in increase/ decrease in the liability.
iv	Longevity/Mortality rate risk	The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase/decrease in the life expectancy of the plan participants can have impact on plan liability.
v	Investment risk	This risk arises if the actual return on plan assets is lower than the discount rate used to value the liabilities. The plan assets are primarily invested in Equity/Debt/Government Bonds, which are subject to market volatility. Any shortfall in the expected returns versus actual market performance would necessitate additional contributions by the Company to meet its gratuity obligations.

(iii) Exceptional item - The Code on Social Security, 2020 (New Labour Code) :

Effective November 21, 2025, the Government of India consolidated 29 existing labour regulations into four Labour codes, namely, The Code on Wages, 2019, The Industrial Relations Code, 2020, The Code on Social Security, 2020 and the Occupational Safety, Health and Working Conditions Code, 2020, collectively referred to as the 'New Labour Codes'. The New Labour Codes has resulted in a one-time material increase in provision for employee benefits on account of recognition of past service costs. Based on the requirements as per the of New Labour Codes and relevant Accounting Standard, the Company has assessed and accounted the estimated incremental impact as Exceptional Item in the statement of profit and loss for the year ended March 31, 2026 amounting to ₹ 27.20 crores. Upon notification of the related Rules to the New Labour Codes by the Government and any further clarification from the Government on other aspects of the New Labour Codes, the Company will evaluate and account for additional impact if any, determined in subsequent periods.

(a) The amounts recognised in Balance Sheet:

(₹ in crore)

	Particulars	Gratuity Plan	
		As at March 31, 2026	As at March 31, 2025
A)	**Present value of defined benefit obligation**		
	- Wholly funded	132.64	77.55
	- Wholly unfunded	0.81	0.57
		133.45	78.12
	Less : Fair value of plan assets	(72.42)	(60.64)
	Amount to be recognised as liability or (asset)	**61.03**	**17.48**
B)	**Amounts reflected in Balance Sheet**		
	Liabilities	61.03	17.48
	Assets	–	–
	Net liability/(asset)	**61.03**	**17.48**

(b) The amounts recognised in the Statement of Profit and Loss:

(₹ in crore)

	Particulars	Gratuity Plan	
		As at March 31, 2026	As at March 31, 2025
1	Current service cost	21.41	13.57
2	Interest cost (net of interest income on plan asset)	1.56	0.30
3	Interest on plan assets	–	–
4	Actuarial losses/(gains):	–	–
	i) Actuarial (gains)/losses arising from changes in financial assumptions	1.25	2.12
	ii) Actuarial (gains)/losses arising from changes in demographic assumptions	–	–
	iii) Actuarial (gains)/losses arising from changes in experience adjustments	8.05	1.19
	iv) Actuarial losses/(gains) - difference between actuarial return on plan assets	3.32	(0.28)
	v) Adjustment to recognize as asset celing	–	–
5	Past Service Cost	27.20	–
Total		**62.79**	**16.90**

Notes forming part of consolidated financial statements

(₹ in crore)

Particulars		Gratuity Plan	
		As at March 31, 2026	As at March 31, 2025
i	Amount included in "employee benefits expenses"	21.41	13.57
ii	Amount included in as part of "finance cost'	1.56	0.30
iii	Amount included as part of "other comprehensive income"	12.62	3.03
iv	Amount included as part of "Exceptional items"	27.20	–
Total		**62.79**	**16.90**

(c) The changes in the present value of defined benefit obligation representing reconciliation of opening and closing balance thereof are as follows:

(₹ in crore)

Particulars	Gratuity Plan	
	As at March 31, 2026	As at March 31, 2025
Opening balance of the present value of defined benefit obligation	78.12	60.70
Add : Current service cost	21.41	13.57
Add : Interest cost	5.35	3.78
Add : Acturial losses/(gains)		
i) Acturial (gains)/losses arising from changes in financial assumptions	1.25	2.14
ii) Acturial (gains)/losses arising from changes in demographic assumptions	–	–
iii) Acturial (gains)/losses arising from changes in experience adjustments	8.05	1.19
Less : Benefits paid	(7.93)	(3.27)
Add : Past service cost	27.20	0.01
Add/(Less) : Liability assumed/(settled)*	–	–
Closing balance of the present value of defined benefit obligation	**133.45**	**78.12**

* On account of Business Combination or Inter Group transfer

Notes forming part of consolidated financial statements

(d) Changes in the fair value of plan assets representing reconciliation of the opening and closing balances:

(₹ in crore)

Particulars	Gratuity Plan	
	As at March 31, 2026	As at March 31, 2025
Opening balance of the fair value of the plan assets	60.64	51.51
Add : Interest income of plan assets	3.78	3.48
Add/(less) : Acturial gains/(losses)		
Difference between actual return on plan assets and interest income	(3.32)	0.28
Add : Contribution by the employer	19.25	8.60
Less : Benefits paid	(7.93)	(3.23)
Closing balance of plan assets	**72.42**	**60.64**

(e) The fair value of major categories of plan assets:

(₹ in crore)

Particulars	Gratuity Plan	
	As at March 31, 2026	As at March 31, 2025
Government of India securities	1.18	1.23
Insurer managed funds (unquoted)	63.00	51.54
Others debt instruments	0.04	0.55
Others - unquoted (including balance in bank accounts)	8.20	7.32
Total	**72.42**	**60.64**

(f) Principal acturial assumptions at the valuation date:

Particulars		Gratuity Plan	
		As at March 31, 2026	As at March 31, 2025
(i)	Discount rate (per annum)	6.35% to 7.00%	6.55% to 7.00%
(ii)	Salary escalation rate (per annum)	9.00%	9.00%

Discount rate:

Discount rate based on the prevailing market yields of Indian government securities as at the balance sheet date for the estimated term of the obligations.

Salary escalation rate:

The estimates of future salary increase considered takes into account the inflation, seniority, promotion and other relevant factors.

(g) Attrition rate:

The attrition rate varies from 0% to 48% (previous year: 0% to 48%) for various age groups.

Notes forming part of consolidated financial statements

(h) Mortality:

Published rates under the Indian Assured Lives Mortality (2012-14) Ult table.

(i) Sensitivity analysis

One percentage point change in actuarial assumption would have the following effects on the defined benefit obligation:

(₹ in crore)

Particulars	Gratuity Plan			
	Effect of 1% increase		Effect of 1% decrease	
	2025-26	2024-25	2025-26	2024-25
Impact of change in discount rate	(6.05)	(3.51)	6.62	3.72
Impact of change in salary escalation rate	6.40	3.84	(5.96)	(3.46)

(j) Projected Plan cash flows:

(₹ in crore)

Maturity profile	As at March 31, 2026	As at March 31, 2025
Expected benefits for Year 1	27.84	16.62
Expected benefits for Year 2	23.91	13.90
Expected benefits for Year 3	19.89	12.22
Expected benefits for Year 4	18.41	10.00
Expected benefits for Year 5	13.77	9.10
Expected benefits for Year 6	12.86	6.55
Expected benefits for Year 7	10.23	6.51
Expected benefits for Year 8	9.02	5.16
Expected benefits for Year 9	7.50	4.65
Expected benefits for Year 10 and above	46.15	27.30

(iv) Other long-term employee benefits

Compensated absences:

(₹ in crore)

Particulars	As at March 31, 2026	As at March 31, 2025
Maturity profile		
Present value of unfunded obligations	45.17	33.36
Discount rate (p.a.)	6.35% to 7.00%	6.55% to 7.00%
Salary escalation rate (p.a.)	9.00%	9.00%

Notes forming part of consolidated financial statements

(₹ in crore)

Particulars	As at March 31, 2026	As at March 31, 2025
Expense recognised in the Statement of Profit and Loss :		
- Amount included in "Employee benefits expenses"	23.31	17.73
- Amount included as part of "Exceptional items"	1.31	–

(v) Defined benefits provident fund plan:

In respect of the contribution by the employer and employee to the provident fund trust constituted by the ultimate parent company, in terms of the guidance note issued by the Institution of Acturial of India for the measurement of provident fund liabilities, the actuary engaged by the Group has provided the following information in this regards.

(a) The amounts recognised in Balance Sheet:

(₹ in crore)

Particulars	Provident Fund Plan	
	As at March 31, 2026	As at March 31, 2025
A) Present value of defined benefit obligations		
- Wholly funded	15.80	15.28
- Wholly unfunded	–	–
	15.80	**15.28**
Assets acquired on acquisition	–	–
Less: Fair value of plan assets	(16.01)	(16.04)
Add : Amount not recognised as an asset	–	–
Amount to be recognised as liability or (assets)	(0.21)	(0.76)
B) Amount reflected in Balance sheet		
Liabilities	–	(0.76)
Assets	(0.21)	–
Net liability/(assets)	(0.21)	(0.76)

(b) The amounts recognised in the Statement of Profit and Loss:

(₹ in crore)

Particulars	Provident Fund Plan	
	Year ended March 31, 2026	Year ended March 31, 2025
Current service cost	–	–
Interest cost	1.21	1.17
Expected return on plan assets	(1.21)	(1.17)
Acturial gain/(losses)	(0.56)	(0.08)
Acturial losses/(gain) not recognised in books (limit in para 64(b) of Ind AS 19)	0.56	0.08
Total	**–**	**–**
Amount included in "Employee benefits expenses"	–	–
Amount included in as part of "Finance cost"	–	–
Amount included as part of "Other comprehensive income"	–	–
Total	**–**	**–**

Notes forming part of consolidated financial statements

(c) The changes in the present value of defined benefit obligation representing reconciliation of opening and closing balances:

(₹ in crore)

Particulars	Provident Fund Plan	
	Year ended March 31, 2026	Year ended March 31, 2025
Opening balance of the present value of defined benefit obligation	15.28	14.73
Add: Assets acquired on acquisition	–	–
Add: Current service cost	–	–
Add: Interest cost	1.21	1.17
Add : Actuarial (gains)/losses		
i) Actuarial (gains)/losses arising from changes in financial assumptions		
ii) Actuarial (gains)/losses arising from changes in demographic assumptions		
iii) Actuarial (gains)/losses arising from changes in experience adjustments		
Less: Benefits paid	(0.71)	(0.70)
Add: Contribution by the employer	(0.00)	(0.02)
Add: Liability assumed/(settled)*	0.03	0.10
Closing balance of the present value of defined benefit obligation	**15.81**	**15.28**

* On account of Business Combination or Inter Group transfer

(d) Changes in the fair value of plan assets representing reconciliation of the opening and closing balances:

(₹ in crore)

Particulars	Provident Fund Plan	
	Year ended March 31, 2026	Year ended March 31, 2025
Opening fair value of the plan assets	16.04	15.40
Add: Assets acquired on acquisition	–	–
Add: Interest income of plan assets	1.21	1.17
Add/(less): Acturial gains/(losses)	(0.56)	0.08
Difference between actual return on plan assets and interest income	0.03	0.10
Less: Benefits paid	(0.71)	(0.71)
Add: Assets acquired/(settled)	–	–
Closing fair value of the plan assets	**16.01**	**16.04**

Notes forming part of consolidated financial statements

(e) The fair value of major categories of plan assets:

(₹ in crore)

Particulars	Provident Fund Plan	
	Year ended March 31, 2026	Year ended March 31, 2025
Government of india securities	7.15	7.36
Corporate bonds	5.49	5.50
Special deposit scheme	0.26	0.29
Public sector unit bond	0.12	0.17
Others	2.99	2.72
Total	**16.01**	**16.04**

(f) Principal actuarial assumptions at the valuation date:

(₹ in crore)

Particulars	Provident Fund Plan	
	Year ended March 31, 2026	Year ended March 31, 2025
Discount rate for the term of the obligation	6.35%	6.85%
Average historic yield on the investment portfolio	8.07%	8.08%
Discount rate for the remaining term to maturity of the investment portfolio	7.15%	6.70%
Future derived return on assets	7.27%	8.23%
Guaranteed rate of return	8.25%	8.25%

(i) Discount rate:

The discount rate is based on the prevailing market yields of Indian government securities as at the valuation date for the estimated term of the obligations. The government security yields for the relevant tenure of the obligations have been derived from the rates published by Financial Benchmarks India Pvt. Ltd. (FBIL).

(ii) Average historic yield on the investment portfolio:

The average rate of return earned on the investment portfolio of provident fund in the previous three years.

(iii) Expected investment return:

Expected investment return is determined by adding the yield spread to the discount rate for a term of the obligation, where yield spread is the difference between the average historic yield on the investment portfolio & discount rate for the remaining term to maturity of the investment portfolio.

(iv) Guaranteed rate of return:

The Regional Provident Fund Commissioner has not yet declared the interest rate for its own subscribers for the current financial year 2025-26.

Notes forming part of consolidated financial statements

However, in view of the fall in equity values as at March 31, 2026 and fall in the returns on fixed income instruments, we are of the view that going forward the future guaranteed rate is unlikely to be in excess of 8.25% p.a. (previous year: 8.25% p.a.).

36 Disclosure pursuant to Ind AS 108 "Operating Segment"

(a) The Group is engaged primarily in the business of financing and accordingly, there are no separate reportable segments as per Ind AS 108 "Operating Segments".

(b) Geographical Information

The Group operates primarily within India and therefore there is no separate reportable geographic segment.

(c) Revenue contributed by any single customer in any of the operating segments, whether reportable or otherwise, does not exceed ten percent of the group's total revenue.

37 Disclosure pursuant to Ind AS 24 "Related Party Disclosures"

(a) List of Related Parties

A. Holding Company

1 Larsen & Toubro Limited

B. Fellow Subsidiary Companies (with whom transactions were carried out during the period ended March 31, 2026)

1	LTM Limited (formerly known as LTIMindtree Limited)	*(name changed effective from March 17, 2026)*
2	L&T Technology Services Limited	
3	Larsen & Toubro Electromech LLC	

C. Key Management Personnel

1	Mr. S.N.Subrahmanyan	
2	Mr.R Shankar Raman	
3	Mr. Sudipta Roy	
4	Mr. Dinanath Dubhashi	*(Ceased to be a Whole-Time Director of the Company with effect from May 01, 2024)*
5	Dr. (Mrs.) Rajani Gupte	
6	Dr. R. Seetharaman	
7	Mr. Thomas Methwa T.	*(Ceased to be a director (nominee) w.e.f July 1, 2025)*
8	Ms. Nishi Vasudeva	*(Appointed as director with effect from March 15, 2024)*
9	Mr. Pavninder Singh	*(Ceased to be a director (nominee) w.e.f June 13, 2024)*
10	Mr.Dhananjay Tambe	*(Appointed as director with effect from July 1, 2025)*

Notes forming part of consolidated financial statements

(b) Disclosure of related party transactions :

(₹ in crore)

Sr. No	Nature of transaction	2025-26	2024-25
1	**Brand license fees to**		
	Larsen & Toubro Limited	157.10	137.25
2	**Rent and maintenance cost paid to**		
	Larsen & Toubro Limited (Net)	12.03	5.01
3	**Interest paid on Non-Convertible debentures (Borrowings)**		
	LTM Limited (formerly known as LTIMindtree Limited)	6.53	9.12
	Larsen & Toubro Limited	2.70	14.72
	L&T Technology Services Limited	–	0.18
4	**Professional fees to**		
	Larsen & Toubro Limited	11.44	6.97
	LTM Limited (formerly known as LTIMindtree Limited)	1.99	3.45
5	**Purchase of consumables / materials from**		
	Larsen & Toubro Limited	–	–
6	**Rent Deposit paid to**		
	Larsen & Toubro Limited	0.28	1.59

(c) Remuneration to key management personnel ***

Name of key management personnel	FY 2025-26					FY 2024-25				
	Short-Term employee benefits	Post Employment Benefits	Other Long Term Benefits	Share based payments	Total	Short-Term employee benefits	Post Employment Benefits	Other Long Term Benefits	Share based payments	Total
Mr. Sudipta Roy	5.23	–	–	1.27	6.51	3.91	–	–	2.40	6.31
Mr. Dinanath Dubashi	–	–	–	–	–	1.09	–	–	–	1.09
Dr. (Mrs.) Rajani Gupte										
Sitting fees	0.13	–	–	–	0.13	0.09	–	–	–	0.09
Commission	0.28	–	–	–	0.28	0.21	–	–	–	0.21
Mr. Pavninder Singh										
Sitting fees	–	–	–	–	–	0.01	–	–	–	0.01
Commission	–	–	–	–	–	0.01	–	–	–	0.01
Mr. Thomas Mathew T.										
Sitting fees	0.04	–	–	–	0.04	0.11	–	–	–	0.11
Commission	0.09	–	–	–	0.09	0.24	–	–	–	0.24
Ms. Nishi Vasudeva										
Sitting fees	0.12	–	–	–	0.12	0.08	–	–	–	0.08
Commission	0.28	–	–	–	0.28	0.20	–	–	–	0.20

Notes forming part of consolidated financial statements

Name of key management personnel	FY 2025-26 Short-Term employee benefits	Post Employment Benefits	Other Long Term Benefits	Share based payments	Total	FY 2024-25 Short-Term employee benefits	Post Employment Benefits	Other Long Term Benefits	Share based payments	Total
Dr. R. Seetharaman										
Sitting fees	0.11	–	–	–	0.11	0.09	–	–	–	0.09
Commission	0.28	–	–	–	0.28	0.19	–	–	–	0.19
Mr.Dhananjay Tambe										
Sitting fees	0.08	–	–	–	0.08	–	–	–	–	–
Commission	0.21	–	–	–	0.21	–	–	–	–	–

*** Key management remuneration excludes provision for gratuity, pension and compensated absences, since it is provided on actuarial basis for the Company as a whole.

(c) Amount due to/from related parties:

(₹ in crore)

S. No.	Nature of transactions	As at March 31, 2026	As at March 31, 2025
1	**Security deposit receivable**		
	Larsen & Toubro Limited	1.86	1.59
2	**Trade and other receivable**		
	Larsen & Toubro Limited	0.26	0.18
3	**Non convertible debenture (borrowings)**		
	Larsen & Toubro Limited	–	105.00
	LTM Limited (formerly known as LTIMindtree Limited)	75.00	99.50
	L&T Technology Services Limited	–	–
4	**Interest accrued on non convertible debenture (borrowings)**		
	Larsen & Toubro Limited	–	5.99
	LTM Limited (formerly known as LTIMindtree Limited)	2.21	7.04
5	**Trade and other payable**		
	Larsen & Toubro Electromech LLC	0.01	0.01
	LTM Limited (formerly known as LTIMindtree Limited)	0.17	0.75
	Larsen & Tourbo Limited	155.15	134.00

*less than 50,000

Notes:

1 Transactions shown above are excluding GST, if any.

2 Managerial Remuneration excludes provision for gratuity, pension and compensated absences, since it is provided on actuarial basis for the company as a whole and includes director sitting fees and commission.

3 The above NCD balance includes purchase from primary market and are held by related party as on reporting date.

Notes forming part of consolidated financial statements

4 Transactions with related parties are carried out in the normal course of business and at standard market rates on an arm's length basis.

5 During the financial year, there were no transactions entered into with any entity in which KMP or their relatives exercise significant influence.

6 The Group has not engaged in any transactions with the relatives of its KMP during the financial year.

7 The Group has not engaged in any transactions pertaining to loans, advances or investments with companies in which the directors have a vested interest. Hence, the disclosure pursuant to Schedule V of Clause A.2 of Regulation 34 (3) and Regulation 53(f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are not applicable to the Group.

38 Disclosures pursuant to Indian Accounting Standards (Ind AS) 116 - Leases

I) Group as lessee

a) Operating lease

1 Rights to use assets:

(₹ in crore)

Particulars	As at March 31, 2026	As at March 31, 2025
Opening balance	116.37	54.85
Add: Additions during the year	337.82	89.81
Less: Depreciation during the year	(43.92)	(19.46)
Less: Right of use asset derecognised	(13.59)	(8.83)
Closing balance	**396.68**	**116.37**

2 Lease liability:

(₹ in crore)

Particulars	As at March 31, 2026	As at March 31, 2025
Opening balance	125.54	62.58
Add: Additions during the year	329.23	89.81
Add: Interest accrued during the year	19.80	5.65
Less: Interest paid during the year	(19.80)	(5.65)
Less: Terminated	(14.53)	(9.93)
Less: Principal repayment during the year	(30.26)	(16.92)
Closing balance	**409.97**	**125.54**

3 Low value leases/short term leases

Expenses recogonised

(₹ in crore)

Particulars	As at March 31, 2026	As at March 31, 2025
- Low value assets (net)	28.75	1.43
- Short term leases	4.01	61.64

Notes forming part of consolidated financial statements

Actual cashflow (₹ in crore)

Particulars	As at March 31, 2026	As at March 31, 2025
- Low value assets	28.75	1.43
- Short term leases	4.01	61.64

Maturity analysis of carrying value of lease liability (₹ in crore)

Particulars	As at March 31, 2026	As at March 31, 2025
Within 12 months	41.43	20.36
After 12 months	368.54	105.18

Undiscounted cash outflows for all leased assets (₹ in crore)

Particulars	As at March 31, 2026	As at March 31, 2025
Not later than one year	71.52	22.04
Later than one year but not later than five years	260.47	71.96
Later than five years	254.93	58.02

39 Basic and Diluted Earnings per share [EPS] computed in accordance with Indian Accounting Standard (Ind AS) 33 "Earnings per Share":

Particulars		For the year ended March 31, 2026	For the year ended March 31, 2025
Basic			
Profit after tax attributable to the owners of the Company (₹ in crore)	A	2,981.18	2,643.66
Weighted average number of equity shares outstanding	B	2,50,02,61,620	2,49,26,29,247
Basic earning per share (₹)	A/B	11.92	10.61
Diluted			
Profit after tax attributable to the owners of the Company (₹ in crore)	A	2,981.18	2,643.66
Weighted average number of equity shares outstanding	B	2,50,02,61,620	2,49,26,29,247
Add: Weighted average number of potential equity shares on account of employee stock options	C	87,85,273	80,34,211
Weighted average number of shares outstanding for diluted EPS	D=B+C	2,50,90,46,893	2,50,06,63,458
Diluted earning per share (₹)	A/D	11.88	10.57
Face value of shares (₹)		10.00	10.00

Notes forming part of consolidated financial statements

40 Disclosure pursuant to Ind AS 12 "Income Taxes"

(a) Major components of tax expense/(income):

(₹ in crore)

S. No	Particulars	2025-26	2024-25
	Consolidated statement of Profit and Loss:		
(a)	**Profit and Loss section:**		
	(i) Current income tax :		
	(A) Current income tax expense	1,070.65	765.81
	(B) Tax expense of discontinued operations	–	–
		1,070.65	765.81
	(ii) Deferred Tax:		
	(A) Tax expense on origination and reversal of temporary differences	(55.35)	82.03
	(B) Tax expense of discontinued operations	–	–
		(55.35)	82.03
	Income tax expense reported in the consolidated statement of profit or loss[(i)+(ii)]	1,015.30	847.84
(b)	**Other Comprehensive Income (OCI) Section:**		
	(i) Items not to be reclassified to profit or loss in subsequent periods:		
	(A) Current tax expense/(income):	–	–
	(B) Deferred tax expense/(income):		
	(a) On re-measurement of defined benefit plans	(3.18)	(0.76)
		(3.18)	(0.76)
	(ii) Items to be reclassified to profit or loss in subsequent periods:		
	(A) Current tax expense/(income):	–	–
	(B) Deferred tax expense/(income):		
	(a) On Mark-to-Market (MTM) of cash flow hedges	–	–
	(b) On gain/(loss) on fair value of debt securities	17.99	(9.43)
		17.99	(9.43)
	Income tax expense reported in the other comprehensive income [(i)+(ii)]	14.81	(10.19)
(c)	**Balance sheet:**		
	Current income tax	–	(3.89)
	Deferred tax	(2.65)	3.89
	Income tax expense reported in balance sheet	**–**	**–**

Notes forming part of consolidated financial statements

(b) Reconciliation of Income tax expense and accounting profit multiplied by domestic tax rate applicable in India:

(₹ in crore)

S.No	Particulars		2025-26	2024-25
(a)	**Profit before tax**		3,998.17	3,491.26
(b)	Corporate tax rate as per Income tax Act, 1961		25.17%	25.17%
(c)	Tax on accounting profit	(c)=(a)*(b)	1,006.26	878.68
(d)	(i) Tax on Income exempt/deductible from tax :			
	(A) Deduction under Section 80M		–	–
	(B) Deduction under Section 80JJAA		(15.14)	(13.43)
	(ii) Tax on Income which are taxed at different rates		–	–
	(iii) Tax on expense not tax deductible :			
	(A) Corporate social responsibility (CSR) expenses		11.18	5.55
	(B) Provision for dimunition of investments		(0.95)	0.06
	(C) Other disallowances		4.92	3.47
	(iv) Impact of consolidation adjustments		0.61	1.19
	(v) Tax effect of losses/timing differences of current year on which no deferred tax benefit is recognised		7.16	–
	(v) Tax effect on various other Items		1.26	(27.68)
	(vi) Total effect of tax adjustments [(i) to (v)]		9.04	(30.84)
(e)	Tax expense (before tax impact due to amendment in tax regulations)	(e)=(c)–(d)	1,015.30	847.84
(f)	Effective tax rate (before tax impact due to amendment in tax regulations)	(f)=(e)/(a)	25.39%	24.28%
(g)	**Tax expense recognised during the year (g)=(f)+(e)**		**1,015.30**	**847.84**
(h)	**Effective tax Rate (h)=(g)/(a)**		**25.39%**	**24.28%**

(c) (i) Unused tax losses and unused tax credits for which no deferred tax asset is recognised in Balance sheet:

(₹ in crore)

Particulars	As at March 31, 2026		As at March 31, 2025	
	Amount	Expiry year	Amount	Expiry year
Tax losses (business loss and unabsorbed depreciation)				
- Amount of losses having expiry	264.01	Upto AY2032-33	266.38	Upto AY2032-33
Total	**264.01**		**266.38**	

Notes forming part of consolidated financial statements

(ii) Unrecognised deductible temporary differences for which no deferred tax asset is recognised in Balance Sheet:

(₹ in crore)

Particulars	As at March 31, 2026	As at March 31, 2025
Towards provision for diminution in value of investments and other impairments	722.49	704.28
Other items	80.07	53.60
Total	**802.56**	**757.88**

(d) Major components of deferred tax assets and deferred tax liabilities:

(₹ in crore)

Particulars	Deferred tax assets / (liabilities) as at April 1, 2025	Charge/ (credit) to Statement of Profit and Loss	Recognised through Balance Sheet	Charge/(credit) to other comprehensive income	Deferred tax assets / (liabilities) as at March 31, 2026
Deferred tax assets:					
Expected credit loss provision on loans	996.15	(20.68)	–	–	975.47
Fair value of investments*	654.01	12.83	–	–	666.84
Carried forward tax losses	0.28	(0.28)	–	–	–
Unutilised MAT credit	14.51	–	2.65	–	17.16
Other items giving rise to temporary differences	91.71	24.21	–	(14.81)	101.11
Deferred tax assets	**1,756.66**	**16.09**	**2.65**	**(14.81)**	**1,760.58**
Offsetting of deferred tax assets with deferred tax liabilities	71.13	–	–	–	61.73
Net deferred tax assets	**1,827.79**	**16.09**	**2.65**	**(14.81)**	**1,822.31**

(₹ in crore)

Particulars	Deferred tax assets / (liabilities) as at April 1, 2025	Charge/ (credit) to Statement of Profit and Loss	Recognised through Balance Sheet	Charge/(credit) to other comprehensive income	Deferred tax assets / (liabilities) as at March 31, 2026
Deferred tax liabilities:					
Difference between book base and tax base of property, plant and equipement, investment property and intangible assets	42.88	(2.74)	–	–	40.14
Other items giving rise to temporary differences	(41.98)	41.98	–	–	–
Deferred tax liabilities	**0.90**	**39.24**	**–**	**–**	**40.15**
Offsetting of deferred tax liabilities with deferred tax assets	(71.13)	–	–	–	(61.73)
Net deferred tax liabilities	**(70.23)**	**39.24**	**–**	**–**	**(21.58)**
Net deferred tax assets/(liabilities)	**1,757.56**	**55.33**	**2.65**	**(14.81)**	**1,800.73**

*internal regrouped / separately shown during the year

Notes forming part of consolidated financial statements

(₹ in crore)

Particulars	Deferred tax assets / (liabilities) as at April 1, 2024	Charge/(credit) to Statement of Profit and Loss	Recognised through Balance Sheet	Charge/(credit) to other comprehensive income	Deferred tax assets / (liabilities) as at March 31, 2025
Deferred tax assets:					
Expected credit loss provision on loans	1,050.69	(54.54)	–	–	996.15
Fair value of investments	617.74	36.27	–	–	654.01
Carried forward tax losses	–	0.27	–	–	0.28
Unutilised MAT credit	14.51	–	–	–	14.51
Other items giving rise to temporary differences	102.92	(17.51)	(3.89)	10.19	91.71
Deferred tax assets	**1,785.86**	**(35.51)**	**(3.89)**	**10.19**	**1,756.66**
Offsetting of deferred tax assets with deferred tax liabilities	71.13	–	–	–	71.13
Net deferred tax assets	**1,856.99**	**(35.51)**	**(3.89)**	**10.19**	**1,827.79**

(₹ in crore)

Particulars	Deferred tax assets / (liabilities) as at April 1, 2024	Charge/(credit) to Statement of Profit and Loss	Recognised through Balance Sheet	Charge/(credit) to other comprehensive income	Deferred tax assets / (liabilities) as at March 31, 2025
Deferred tax liabilities:					
Difference between book base and tax base of property, plant and equipement, investment property and intangible assets	47.42	(4.54)	–	–	42.88
Other items giving rise to temporary differences	–	(41.98)	–	–	(41.98)
Deferred tax liabilities	**47.42**	**(46.52)**	**–**	**–**	**0.90**
Offsetting of deferred tax liabilities with deferred tax assets	(71.13)	–	–	–	(71.13)
Net deferred tax liabilities	**(23.71)**	**(46.52)**	**–**	**–**	**(70.23)**
Net deferred tax assets/(liabilities)	**1,833.28**	**(82.03)**	**(3.89)**	**10.19**	**1,757.56**

*internal regrouped / saperately shown during the year

Note: "The Organisation for Economic Co-operation and Development (OECD) has released model rules for a global minimum tax under the Pillar Two framework (Pillar Two model rules). The Company's ultimate parent entity (UPE) i.e. Larsen & Toubro Limited has consolidated revenues exceeding the threshold prescribed under the OECD framework, and accordingly the Group falls within the scope of Pillar Two. The Pillar Two legislation has not been enacted by the Government of India, where the parent entity is incorporated.

The Company does not operate in any overseas jurisdiction; accordingly, there is no impact from the application of Pillar Two rules."

Notes forming part of consolidated financial statements

41 Contingent liabilities and commitments

(₹ in crore)

S. No	Particulars	As at March 31, 2026	As at March 31, 2025
	Contingent liabilities		
1	Claims against the group not acknowledged as debt: *		
	(i) Income tax matter in dispute	13.28	11.15
	(ii) GST / Sales tax/ VAT / Service Tax / Stamp duty matter in dispute	236.27	258.22
	(iii) Legal matters in dispute	2.11	1.78
2	Bank guarantees	56.00	56.00
	Total (a)	**307.66**	**327.15**
	Commitments		
1	Estimated amount of contracts remaining to be executed on capital account and not provided for	64.48	52.81
2	Other Undrawn/Undisbursed commitments (standby facilities)	2,516.70	2,035.76
	Total (b)	**2,581.18**	**2,088.57**
	Total (a)+(b)	**2,888.84**	**2,415.72**

All figures reported above are excluding GST.

* In respect of disputes, the company is of view of succeeding in appeals and does not expect any significant liabilities to materialise.

The Group has assessed its obligations arising in the normal course of business, proceedings pending with tax authorities and other contracts including derivative and long term contracts wherever applicable. In accordance with the provisions of Indian Accounting Standard (Ind AS) - 37 on 'Provisions, Contingent Liabilities and Contingent Assets', the Group recognises a provision for material foreseeable losses when it has a present obligation as a result of a past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. In cases where the available information indicates that the loss on the contingency is reasonably possible but the amount of loss cannot be reasonably estimated, a disclosure to this effect is made as contingent liabilities in the financial statements. The Group does not expect the outcome of these proceedings to have a materially adverse effect on its financial statements.

42 Disclosure pursuant to Ind AS 107 "Financial Instruments: Disclosures"

Market risk management :

(a) Foreign currency risk :

Particulars	As at March 31, 2026	As at March 31, 2025
Liability – External Commercial Borrowings	USD 86,77,79,999.97	USD 88,16,67,222
Assets – Cross Currency Interest Rate Swap Contracts	USD 86,77,79,999.97	USD 88,16,67,222

Notes forming part of consolidated financial statements

(b) Interest rate risk :

On assets and liabilities

An analysis of the Group's interest rate risk profile, categorizing outstanding loans and borrowings into fixed and floating rate instruments at the end of the reporting period, is as follows:

(₹ in crore)

Particulars	As at March 31, 2026	As at March 31, 2025
Variable rate loans	31,801.35	26,966.75
Fixed rate loans	88,115.92	69,223.17
Total Loans	**1,19,917.27**	**96,189.93**

(₹ in crore)

Particulars	As at March 31, 2026	As at March 31, 2025
Variable rate borrowings	31,997.05	20,124.54
Fixed rate borrowings	76,198.75	71,030.03
Total Borrowings	**1,08,195.80**	**91,154.57**

As at the end of the reporting period, the Group had the following variable rate borrowings including interest rate swap contracts outstanding:

(₹ in crore)

Particulars	As at March 31, 2026			As at March 31, 2025		
	Weighted average interest rate	Balance	% of total borrowing	Weighted average interest rate	Balance	% of total borrowing
Variable rate borrowings	6.51%	31,997.05	29.57%	7.46%	20,124.54	22.08%
Net exposure to cash flow interest rate risk	**6.51%**	**31,997.05**	**29.57%**	**7.46%**	**20,124.54**	**22.08%**

(c) Sensitivity :

(i) Loans

In evaluating interest rate risk, the Group prepares a sensitivity analysis assuming that floating rate assets remained outstanding for the entire financial year.

The following table demonstrate the sensitivity to a reasonably possible change in interest rate on that portion of loans affected. With all other variable held constant, the Group's profit before tax is affected through the impact on floating rate financial assets, as follows:

(₹ in crore)

Particulars	Principle Outstanding		Impact on profit before tax	
	FY 2025-26	FY 2024-25	FY 2025-26	FY 2024-25
Interest rates – increase by 25 basis points	29,834.58	24,790.41	74.59	61.98
Interest rates – decrease by 25 basis points			(74.59)	(61.98)

Notes forming part of consolidated financial statements

(ii) Borrowings

Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of changes in interest rates. With all other variable held constant, the Group's profit before tax is affected through the impact on floating rate financial liabilities, as follows:

(₹ in crore)

Particulars	Principle Outstanding		Impact on profit before tax	
	FY 2025-26	FY 2024-25	FY 2025-26	FY 2024-25
Interest rates – increase by 25 basis points	31,997.05	20,124.54	(73.14)	(46.17)
Interest rates – decrease by 25 basis points			73.14	46.17

43 Disclosure pursuant to Ind AS 1 and Ind AS 107 "Maturity analysis of assets and liabilities"

(₹ in crore)

S. No.	Particulars	As at March 31, 2026			As at March 31, 2025		
		Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
	ASSETS:						
(1)	**Financial assets**						
(a)	Cash and cash equivalents	4,488.94	–	4,488.94	2,896.22	–	2,896.22
(b)	Bank balance other than (a) above	3,215.13	254.97	3,470.10	7,569.14	367.56	7,936.70
(c)	Derivative financial instruments	–	875.85	875.85	–	0.55	0.55
(d)	Receivables						
	(I) Trade receivables	102.47	–	102.47	116.95	–	116.95
	(II) Other receivables	4.97	–	4.97	5.56	–	5.56
(e)	Loans	42,825.60	74,995.43	1,17,821.03	35,860.78	57,912.28	93,773.06
(f)	Investments	5,421.79	5,142.02	10,563.81	5,657.95	6,218.02	11,875.97
(g)	Other financial assets	771.65	0.43	772.08	387.60	0.31	387.91
(2)	**Non–financial assets**						
(a)	Current tax asset (net)	–	394.93	394.93	–	313.66	313.66
(b)	Deferred tax assets (net)	–	1,822.31	1,822.31	–	1,783.13	1,783.13
(c)	Property, plant and equipment	–	461.87	461.87	–	397.37	397.37
(d)	Intangible assets under development	–	61.87	61.87	–	45.00	45.00
(e)	Goodwill on consolidation	–	195.79	195.79	–	13.40	13.40
(f)	Other intangible assets	–	253.29	253.29	–	113.82	113.82
(g)	Right of use asset	–	396.68	396.68	–	116.37	116.37
(h)	Other non–financial assets	148.31	371.01	519.32	160.75	472.94	633.69
	Total Assets	**56,978.86**	**85,226.45**	**1,42,205.31**	**52,654.95**	**67,754.41**	**1,20,409.36**

Notes forming part of consolidated financial statements

(₹ in crore)

S. No.	Particulars	As at March 31, 2026			As at March 31, 2025		
		Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
	LIABILITIES *						
(1)	**Financial Liabilities**						
(a)	Derivative financial instruments	–		–	–		–
(b)	Trade payables						
	(i) Total outstanding dues of micro enterprises and small enterprises	0.22	–	0.22	3.78	–	3.78
	(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	1,769.79	–	1,769.79	1,367.92	–	1,367.92
(c)	Other payables						
	(i) Total outstanding dues of micro enterprises and small enterprises	–	–	–	–	–	–
	(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	–	–	–	–	–	–
(d)	Debt securities	12,482.72	19,556.81	32,039.53	13,266.34	15,588.05	28,854.39
(e)	Borrowings (other than debt securities)	43,950.80	33,195.22	77,146.02	38,174.46	23,384.76	61,559.22
(f)	Subordinated liabilities	266.06	436.08	702.14	1,212.57	620.72	1,833.29
(g)	Lease liability	41.43	368.54	409.97	20.36	105.18	125.54
(h)	Other financial liabilities	1,465.84	21.37	1,487.21	601.83	19.62	621.45
(2)	**Non–Financial Liabilities**						
(a)	Current tax liability (net)	385.54	–	385.54	256.86	–	256.86
(b)	Provisions	16.30	90.14	106.44	12.56	38.52	51.08
(c)	Deferred tax liabilities (net)	–	21.58	21.58	–	25.58	25.58
(d)	Other non–financial liabilities	102.84	–	102.84	79.13	–	79.13
	Total liabilities	**60,481.54**	**53,689.74**	**1,14,171.28**	**54,995.81**	**39,782.43**	**94,778.24**

*excluding non controlling interest

The above information is based on certain management estimates which has been relied upon by the auditors.

Notes forming part of consolidated financial statements

44 Other disclosure pursuant to Ind AS 107 "Financial Instruments: Disclosures":

(a) Category-wise classification for applicable financial assets and financial liabilities:

(₹ in crore)

Particulars		As at March 31, 2026				As at March 31, 2025			
		FVTPL	FVTOCI	Amortised cost	Total	FVTPL	FVTOCI	Amortised cost	Total
	Financial assets								
1	Cash and cash equivalents	–	–	4,488.94	4,488.94	–	–	2,896.22	2,896.22
2	Bank balance other than (1) above	–	–	3,470.10	3,470.10	–	–	7,936.70	7,936.70
3	Derivative financial instruments	–	875.85	–	875.85	–	0.55	–	0.55
4	Receivables								
	Trade receivables	–	–	102.47	102.47	–	–	116.95	116.95
	Other receivable	–	–	4.97	4.97	–	–	5.56	5.56
5	Loans	1,771.92	–	1,16,049.11	1,17,821.03	2,130.70	–	91,642.36	93,773.06
6	Investments								
	Equity instruments	71.93	–	–	71.93	73.02	–	–	73.02
	Preference share	35.16	–	–	35.16	47.33	–	–	47.33
	Mutual funds	788.54	–	–	788.54	145.36	–	–	145.36
	Bonds and debentures	119.39	93.86	–	213.25	128.73	504.22	–	632.95
	Security receipts	4,807.72	–	–	4,807.72	5,862.44	–	–	5,862.44
	Units of fund	21.85	–	–	21.85	22.22	–	–	22.22
	Government securities	–	3,723.54	–	3,723.54	–	5,092.65	–	5,092.65
	State development loan	–	158.32	–	158.32	–	–	–	–
	Certificate of deposit	–	743.50	–	743.50	–	–	–	–
7	Other financial assets	–	–	772.08	772.08	–	–	387.91	387.91
	Total financial assets	**7,616.51**	**5,595.07**	**1,24,887.67**	**1,38,099.25**	**8,409.80**	**5,597.42**	**1,02,985.70**	**1,16,992.92**
	Financial liabilities								
1	Derivative financial instruments	–	–	–	–	–	–	–	–
2	Trade payables	–	–	1,770.01	1,770.01	–	–	1,371.70	1,371.70
3	Other payables	–	–	–	–	–	–	–	–
4	Lease liabilities	–	–	409.97	409.97	–	–	125.54	125.54
5	Debt securities	–	–	32,039.53	32,039.53	–	–	28,854.39	28,854.39
6	Borrowings (other than debt securities)	–	–	77,146.02	77,146.02	–	–	61,559.22	61,559.22
7	Subordinated liabilities	–	–	702.14	702.14	–	–	1,833.29	1,833.29
8	Other financial liabilities	–	–	1,487.21	1,487.21	–	–	621.45	621.45
	Total financial liabilities	**–**	**–**	**1,13,554.88**	**1,13,554.88**	**–**	**–**	**94,365.59**	**94,365.59**

Notes forming part of consolidated financial statements

(b) Fair value hierarchy of financial assets and financial liabilities at fair value:

(₹ in crore)

Particulars	As at March 31, 2026				As at March 31, 2025			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Financial assets:								
1 Investments at FVTPL:								
Equity shares	7.89	–	64.04	71.93	10.23	–	62.79	73.02
Preference shares	–	–	35.16	35.16	–	–	47.33	47.33
Mutual fund	788.54	–	–	788.54	145.36	–	–	145.36
Debentures	–	–	119.39	119.39	–	–	128.73	128.73
Security receipts	–	–	4,807.72	4,807.72	–	–	5,862.44	5,862.44
Units of fund	–	–	21.85	21.85	–	–	22.22	22.22
2 Derivative financial instruments	–	875.85	–	875.85	–	0.55	–	0.55
3 Loans	–	–	1,771.92	1,771.92	–	–	2,130.70	2,130.70
4 Investments at FVTOCI:								
Bonds and debentures	–	93.86	–	93.86	–	504.22	–	504.22
Government securities	–	3,723.54	–	3,723.54	–	5,092.65	–	5,092.65
State development loan	–	158.32	–	158.32	–	–	–	–
Certificate of deposit	–	743.50	–	743.50	–	–	–	–
Total financial assets	**796.43**	**5,595.07**	**6,820.08**	**13,211.58**	**155.59**	**5,597.42**	**8,254.21**	**14,007.22**
Financial liabilities:	–	–	–	–	–	–	–	–
1 Derivative financial instruments	–	–	–	–	–	–	–	–
Total financial liabilities	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**

(c) Movement of items measured using unobservable inputs (Level 3):

(₹ in crore)

Particular	Equity share	Preference share	Deben-tures	Security receipts	Units of fund	Loans	Total
Balance as at April 1, 2025	**62.79**	**47.33**	**128.73**	**5,862.44**	**22.22**	**2,130.70**	**8,254.21**
Addition during the year	–	–	–	132.49	3.69	13.00	149.18
Disposal during the year	–	(20.37)	–	(1,142.65)	(4.74)	(374.41)	(1,542.17)
Gain/(Loss) recognised in Profit or Loss	1.25	8.20	(9.34)	(44.56)	0.68	2.63	(41.14)
Balance as at March 31, 2026	**64.04**	**35.16**	**119.39**	**4,807.72**	**21.85**	**1,771.92**	**6,820.08**
Unrealised gains/(losses) recognised in profit and loss related to assets and liabilities held at the end of the reporting period							
As at March 31, 2026	**1.25**	**8.20**	**(9.34)**	**(44.56)**	**0.68**	**2.63**	**(41.14)**
As at March 31, 2025	35.39	(16.15)	(0.65)	(151.87)	–	215.72	82.44
Unrealised gains/(losses) recognised in Other Comprehensive Income related to assets and liabilities held at the end of the reporting period							
As at March 31, 2026	**–**	**–**	**–**	**–**	**–**	**–**	**–**
As at March 31, 2025	–	–	–	–	–	–	–

Notes forming part of consolidated financial statements

(d) Sensitivity disclosure for level 3 fair value measurements:

(₹ in crore)

Particular	Fair value as at		Sensitivity	Impact of change in rates on total comprehensive income statement			
	As at March 31, 2026	As at March 31, 2025		March 31, 2026	March 31, 2026	March 31, 2025	March 31, 2025
				Favourable	Unfavourable	Favourable	Unfavourable
Equity share	64.04	62.79	5.00%	3.20	(3.20)	3.14	(3.14)
Preference share	35.16	47.33	5.00%	1.76	(1.76)	2.37	(2.37)
Debt instruments	119.39	128.73	0.25%	0.30	(0.30)	0.32	(0.32)
Security receipts	4,807.72	5,862.44	5.00%	240.39	(240.39)	293.12	(293.12)
Units of fund	21.85	22.22	5.00%	1.09	(1.09)	1.11	(1.11)
Loans	1,771.92	2,130.70	0.25%	4.43	(4.43)	5.33	(5.33)
Total	**6,820.08**	**8,254.21**		**251.17**	**(251.17)**	**305.39**	**(305.39)**

(e) Maturity profile of financial liabilities based on undiscounted cash flows:

(₹ in crore)

Particulars	As at March 31, 2026			As at March 31, 2025		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Non–derivative liabilities						
Borrowings	59,269.84	52,088.25	1,11,358.09	55,521.86	38,403.28	93,925.14
Trade and other payables	1,770.01	–	1,770.01	1,371.70	–	1,371.70
Lease liabilities	41.43	368.54	409.97	20.36	105.18	125.54
Other financial liabilities	1,487.21	–	1,487.21	621.45	–	621.45
Total	**62,568.49**	**52,456.79**	**1,15,025.28**	**57,535.37**	**38,508.46**	**96,043.83**
Derivative liabilities						
Currency swap	1,458.01	7,388.23	8,846.25	894.81	8,163.72	9,058.52
Total	**1,458.01**	**7,388.23**	**8,846.25**	**894.81**	**8,163.72**	**9,058.52**

(f) Financing arrangements

The Group had access to the following undrawn borrowing facilities at the end of the reporting period:

(₹ in crore)

Particulars	As at March 31, 2026	As at March 31, 2025
Undrawn backup lines	12,871.55	9,594.33

(g) Ind AS 107 - Financial Instruments: Disclosures - Carrying amount of collateral given

(₹ in crore)

Assets type	As at March 31, 2026	As at March 31, 2025
Bank Balances other than cash and cash equivalent	2,673.19	4,686.30
Investments	1,712.55	1,162.65
Loans	1,06,694.73	88,276.78
Total	**1,11,080.47**	**94,125.73**

Notes forming part of consolidated financial statements

(h) Fair value of financial assets and financial liabilities measured at amortised cost:

(₹ in crore)

Particulars	As at March 31, 2026		As at March 31, 2025	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets:				
Loans*	1,16,049.11	1,17,249.49	91,642.36	91,642.36
Total	**1,16,049.11**	**1,17,249.49**	**91,642.36**	**91,642.36**
Financial liabilities:				
Debt securities	32,039.53	31,833.39	28,854.39	28,839.65
Borrowings	77,146.02	76,203.23	61,559.22	61,322.54
Subordinated liabilities	702.14	686.84	1,833.29	1,826.19
Lease liabilities	409.97	409.97	125.54	125.54
Total	**1,10,297.66**	**1,09,133.43**	**92,372.44**	**92,113.92**

The carrying amounts of cash & cash equivalents, bank balance, trade receivables, other receivables, other financial assets, trade payables, other payables and other financial liabilities are considered to be the same as their fair values, due to their short-term nature.

(i) Disclosure pursuant to Ind AS 113 "Fair Value Measurement" - Fair value hierarchy of financial assets and financial liabilities measured at amortised cost:

(₹ in crore)

As at March 31, 2026	Level 1	Level 2	Level 3	Total	Valuation technique for level 3 items
Financial assets:					
Loans	–	–	1,17,249.49	1,17,249.49	Discounted cash flow approach
Total	**–**	**–**	**1,17,249.49**	**1,17,249.49**	
Financial liabilities:					
Debt securities	–	–	31,833.39	31,833.39	Discounted cash flow approach
Borrowings (other than government securities)	–	–	76,203.23	76,203.23	Discounted cash flow approach
Subordinated liabilities	–	–	686.84	686.84	Discounted cash flow approach
Lease liabilities	–	–	409.97	409.97	Discounted cash flow approach
Total	**–**	**–**	**1,09,133.43**	**1,09,133.43**	

(₹ in crore)

As at March 31, 2025	Level 1	Level 2	Level 3	Total	Valuation technique for level 3 items
Financial assets:					
Loans	–	–	91,642.36	91,642.36	Discounted cash flow approach
Total	**–**	**–**	**91,642.36**	**91,642.36**	
Financial liabilities:					
Debt securities	–	–	28,839.65	28,839.65	Discounted cash flow approach
Borrowings (other than government securities)	–	–	61,322.54	61,322.54	Discounted cash flow approach
Subordinated liabilities	–	–	1,826.19	1,826.19	Discounted cash flow approach
Lease liabilities	–	–	125.54	125.54	Discounted cash flow approach
Total	**–**	**–**	**92,113.92**	**92,113.92**	

Notes forming part of consolidated financial statements

(j) Other disclosure pursuant to Ind AS 107 "Financial Instruments: Disclosures"

There is no financial asset that have been transferred in such a way that part or all of the transferred financial assets do not qualify for derecognition, together with the associated liabilities.

45 Disclosure pursuant to Ind AS 107 "Financial Instruments: Disclosures:"

(a) Expected credit loss - loans:

(₹ in crore)

Particulars		As at March 31, 2026			As at March 31, 2025		
		Gross carrying amount	Expected Credit Loss *	Carrying amount net of impairment provision	Gross carrying amount	Expected Credit Loss *	Carrying amount net of impairment provision
Loss allowance measured at 12 month expected credit losses	Financial assets for which credit risk has not increased significantly since initial recognition (Stage 1)	1,14,101.90	880.80	1,13,221.10	89,618.70	1,051.42	88,567.28
Loss allowance measured at life-time expected credit losses	Financial assets for which credit risk has increased significantly and not credit-impaired (Stage 2)	2,377.79	515.17	1,862.62	2,797.09	468.84	2,328.25
	Financial assets for which credit risk has increased significantly and credit-impaired (Stage 3)	3,027.26	2,061.87	965.39	2,763.32	2,016.49	746.83
Total		**1,19,506.95**	**3,457.84**	**1,16,049.11**	**95,179.11**	**3,536.75**	**91,642.36**

* Includes macro prudential provision of ₹ Nil (previous year ₹ 575 crores) for Rural Group Loans and Micro Finance Business (RGL & MFI).

(b) Reconciliation of loss allowance provision - Loans:

(₹ in crore)

Particulars	Stage 1	Stage 2	Stage 3	Total
Loss allowance as on April 1, 2024	**1,323.87**	**422.03**	**1,791.85**	**3,537.75**
New assets originated or purchased	712.20	89.11	289.44	1,090.75
Amount written off	–	–	(2,382.15)	(2,382.15)
Transfers to Stage 1	21.29	(9.84)	(11.45)	–
Transfers to Stage 2	(17.48)	23.83	(6.35)	–
Transfers to Stage 3	(50.06)	(113.44)	163.50	–
Impact on year end ECL of exposure transferred between stages during the year	(21.01)	246.27	2,142.86	2,368.12
Increase / (decrease) in provision on existing financial assets (net of recovery)	(917.39)	(189.12)	28.79	(1,077.72)
Loss allowance as on March 31, 2025	**1,051.42**	**468.84**	**2,016.49**	**3,536.75**

Notes forming part of consolidated financial statements

Particulars	Stage 1	Stage 2	Stage 3	Total
New assets originated or purchased	609.58	77.58	128.73	815.89
Business Combination (Refer note 34)	1.83	0.25	0.04	2.12
Amount written off	–	–	(2,413.41)	(2,413.41)
Transfers to Stage 1	26.51	(13.93)	(12.58)	–
Transfers to Stage 2	(11.51)	29.46	(17.95)	–
Transfers to Stage 3	(39.67)	(184.24)	223.91	–
Impact on year end ECL of exposure transferred between stages during the year	(25.98)	183.80	2,318.27	2,476.09
Increase / (decrease) in provision on existing financial assets (Net of recovery)	(731.38)	(46.59)	(181.63)	(959.60)
Loss allowance as on March 31, 2026	**880.80**	**515.17**	**2,061.87**	**3,457.84**

(c) Reconciliation of Gross carrying amount - loans:

(₹ in crore)

Particulars	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount as at April 1, 2024	**75,295.93**	**2,468.78**	**2,270.82**	**80,035.53**
New assets originated or purchased	52,884.95	450.48	363.92	53,699.35
Amount written off	–	–	(2,395.39)	(2,395.39)
Transfers to Stage 1	94.80	(76.90)	(17.90)	–
Transfers to Stage 2	(1,369.15)	1,379.47	(10.32)	–
Transfers to Stage 3	(2,305.31)	(565.51)	2,870.82	–
Net recovery	(34,982.52)	(859.23)	(318.63)	(36,160.38)
Gross carrying amount as at March 31, 2025	**89,618.70**	**2,797.09**	**2,763.32**	**95,179.11**
New assets originated or purchased	69,576.08	282.30	177.97	70,036.35
Business Combination (Refer note 34)	1,259.11	72.86	2.86	1,334.83
Amount written off	127.10	(103.50)	(23.60)	–
Transfers to Stage 1	(1,166.41)	1,199.07	(32.66)	–
Transfers to Stage 2	(2,323.15)	(886.16)	3,209.31	–
Transfers to Stage 3	–	–	(2,456.49)	(2,456.49)
Net recovery	(42,989.53)	(983.87)	(613.45)	(44,586.85)
Gross carrying amount as at March 31, 2026	**1,14,101.90**	**2,377.79**	**3,027.26**	**1,19,506.95**

* excludes assets originated or purchased and derecognised during the year

46 Risk Management:

Basis

Robust risk management involves a systematic approach to identification, measurement and control of various risks. All employees of the Group are responsible for the management of risks, including the Board of Directors. The Board of Directors and its Risk Management Committee ensure that Management takes into consideration all the relevant risk factors which could lead to unexpected fluctuations in financials or loss of capital employed. Risks are evaluated from time to time and control measures as per defined frameworks as approved by the board are executed. This helps in aligning the risk appetite to the Group's strategy to deliver sustainable, long-term returns to its investors.

Notes forming part of consolidated financial statements

Types of risk

As a lending non-banking financial Group, the most important risks faced are as follows:

- Credit risk
- Market risk
- Capital risk

In addition to the above Risks, Enterprise Risks, Operational Risks, Model Risks and Information Security risks are also identified and monitored.

Credit risk

Credit risk is the risk of suffering financial loss due to customers or counterparties failing to fulfil their contractual obligations which can result in losses for the Group.

Credit risk arises mainly from retail and wholesale loans and advances and loan commitments arising from such lending activities; but could also arise from credit enhancement provided, such as financial guarantees. Credit risk arises due to

a) Default Risk – Borrower fails to repay

b) Credit worthiness risk – Borrower's credit profile deteriorates

c) Concentration Risk – over exposure to an industry or borrower or geography

The Group is also exposed to other credit risks arising from investments in debt securities and exposures arising from its trading activities ("Trading Exposures") as well as settlement balances with market counterparties.

Credit risk is the one of the largest risk for the Group's business. Management therefore carefully manages its exposure to credit risk. A centralized risk management function oversees the risk management framework, and an overview of credit risk of portfolio is periodically presented to the Risk Management Committee.

Credit-worthiness in terms of intention to pay and cashflows assessment is evaluated prior to signing any contracts, based on underwriting process including employing market information. Management endeavors to constantly upgrade and improve its underwriting standards to reduce the credit risk and build a risk calibrated portfolio.

Loans and advances (including loan commitments and guarantees)

The estimation of the risk of credit exposures is complex, as the same varies with changes in market conditions, expected cash flow and the passage of time. Wholesale and retail portfolios are managed separately to reflect the differing nature of the business strategy. As the Company is completely exiting the wholesale business by way of sell down, the wholesale portfolio is classified as Fair Value through Profit and Loss Account ("FVTPL") and valued accordingly as per Ind AS 109. As regards the retail portfolio, the same is classified as amortized cost as per Ind AS 109 and assessed accordingly. The assessment of credit risk of the retail portfolio entails estimations as to the likelihood of defaults occurring and of the associated loss ratios. The Company measures credit risk for each class of loan assets using inputs such as ¬Probability of Default (PD) and Loss Given Default (LGD). PD and LGD are ascertained as per applicable standards culminating in Expected Credit Loss ("ECL").

Retail Business- (Rural and Urban Finance)

A combination of credit models along with policy rules are deployed as approved by the designated officials for the respective product. The rules are regularly monitored and updated to ensure that the learnings from the portfolio performance and changes in the economic environment are factored in to strengthen the credit portfolio..

Notes forming part of consolidated financial statements

Trading Exposures

For debt securities in the trading portfolio, external rating agency credit grades are used for evaluating the credit risk.

Expected Credit Loss ('ECL')

The Group prepares its financial statements in accordance with the IND AS framework. As per the RBI notification, on acceptance of IND AS for regulatory reporting, the Group computes provision as per IND AS 109 as well as per extant prudential norms on Income Recognition, Asset Classification and Provisioning (IRACP). Where impairment allowance in aggregate for the Company under Ind AS 109 is lower than the provisioning required under IRACP (including standard asset provisioning) for the Company, the difference is appropriated from net profit or loss after tax, to a separate 'Impairment Reserve'. Any withdrawals from this reserve shall be made only with prior permission from the RBI.

ECL allowances recognized in the financial statements also reflect the effect of a range of possible economic outcomes, calculated on a probability weighted basis, based on certain economic scenarios. The recognition and measurement of ECL involves the use of significant judgment and estimation. Forward looking economic forecasts are used in developing the ECL estimates. The multi-variable regression framework is used to establish a linkage between company's default rates and various macroeconomic variables like unemployment rate, commodity price index, general government final consumption expenditure, domestic credit to private sector, gross domestic product, gross capital formation ,lending interest rate, final consumption expenditure, and farm reservoir levels amongst others.Three scenarios sufficient to calculate unbiased ECL are used - representing the "most likely outcome" (the "Central" scenario) and two "less likely outcome" scenarios (the "Upside" and "Downside" scenarios). Probability weights have been assigned to each scenario based on past patterns observed in the multi variable regression process. However, for FY26-27, in the light of the recent geopolitical conflicts and uncertainty, the management will not consider any reduction in ECL estimates that may be arising through the Point in time (PIT) model outcome using the macro-economic variables.

Management oversees the estimation of ECL including:

(i) setting requirements in policy, including key assumptions and the application of key judgements

(ii) the design and execution of models; and

(iii) review of ECL results.

As required by Ind AS 109, a 'three-stage' model for impairment based on changes in credit quality since initial recognition was built as summarized below:

- A loan asset that is not credit-impaired, on initial recognition, is classified in 'Stage 1' and has its credit risk continuously monitored by Management. The Group categorises loan assets as 'Stage 1' primarily based on 0-30 Days Past Dues status.
- If a significant increase in credit risk ('SICR') since initial recognition is identified, the loan asset is moved to 'Stage 2' but is not yet deemed to be credit impaired. (See note 1.15 for a description of how the Group determines when a significant increase in credit risk has occurred). The Group categorizes loan assets as 'Stage 2' primarily based on 31-90 Days Past Dues status.
- If the financial instrument is credit-impaired, the financial instrument is then moved to 'Stage 3'. (See note 1.15 for a description of how the Group defines credit-impaired and default). The Group categorizes loan assets as 'Stage 3' primarily based on more than 90 Days Past Dues status.

(Refer Note 45 for Stage wise gross carrying amount of loans and loss allowance provisioning)

Notes forming part of consolidated financial statements

The following are additional considerations for each type of portfolio held by the Group:

Retail Business- (Rural and Urban Finance)

Retail lending credit quality is determined on a collective basis based on a 12-month point in time ("PIT") probability weighted PD for all loan asset that are not credit-impaired and for assets with SICR, lifetime probability weighted PIT PD is used. PD for assets in Stage 3 are considered as 1.

A centralized impairment model summarizes the historical payment behaviors of the borrowers within a retail portfolio for which data are used to build the PD estimates. For estimating PD, day-past-due (DPD) status, vintage of customer as measured by the Month-on-Book (MOB) and/ or a few other product specific parameters (Prime/Non-Prime customers, New Book/ Old Book split, etc.) are considered for segmenting the portfolio to differentiate the default risk within the respective retail products.

LGD has been estimated for all the retail products using the defaulted accounts which are eventually closed (either through normal repayments or through settlement/waivers) along with defaulted active accounts with high DPD as of the end of the performance period allowing a reasonable window for collections post the default. LGD is computed as average of 1 minus the ratio of net recovery (i.e., total recoveries adjusted for direct recovery costs) to the Principal Outstanding (POS) at the time of default., the average being computed over the accounts considered for the LGD estimation. The PD and LGD rates are used to arrive at the ECL for all stages of loan assets.

Exposure at Default (EAD)

EAD represents the expected balance at default, taking into account the repayment of principal and interest from the Balance Sheet date to the date of default together with any expected drawdowns of committed facilities.

The Group's net exposure to credit risk, after taking into account credit risk mitigation, have been tabulated below:

(₹ in crore)

Particulars	As at March 31, 2026			As at March 31, 2025		
	Outstanding	Cash collateral	Nature of Non-cash collateral	Outstanding	Cash collateral	Nature of Non-cash collateral
Financial assets						
Cash and cash equivalent and other bank balances	7,959.04	–		10,832.92	–	
Loans and advances at amortised cost	1,16,049.11	–	Refer note below	91,642.36	–	Refer note below
Trade receivables	102.47	–		116.95	–	
Other receivables	4.97	–		5.56	–	
Other financial assets	772.08	–		387.91	–	
Total financial assets at amortised cost	**1,24,887.67**	**–**		**1,02,985.70**	**–**	
Financial assets at fair value through profit or loss	7,616.51	–		8,409.80	–	
Total financial instruments at fair value through profit or loss	**7,616.51**	**–**		**8,409.80**	**–**	

Notes forming part of consolidated financial statements

(₹ in crore)

Particulars	As at March 31, 2026			As at March 31, 2025		
	Outstanding	Cash collateral	Nature of Non-cash collateral	Outstanding	Cash collateral	Nature of Non-cash collateral
Derivative financial instruments	875.85	–		0.55	–	
Financial instruments at fair value through Other Comprehensive Income	4,719.22	–		5,596.87	–	
Total Financial instruments at fair value through Other Comprehensive Income	**5595.07**	**–**		**5,597.42**	**–**	
Total on-balance sheet	**1,38,099.25**	**–**		**1,16,992.92**	**–**	
Off balance sheet						
Contingent liabilities	307.66	–		326.15	–	
Other commitments	2,581.18	–		2,089.57	–	
Total off-balance sheet	**2,888.84**	**–**		**2,415.72**	**–**	
Total	**1,40,988.09**	**–**		**119,408.64**	**–**	

Footnote

Retail loans, other than unsecured loans aggregating ₹ 62,012.51 crore as of March 31, 2026, are generally secured by a charge on the asset financed (farm equipment loans, two-wheeler loans, home loans and loans against property) (as of March 31, 2025: ₹ 51,579.46 crore). If the customer fails to pay, the Group would, as applicable, liquidate collateral and/or set off accounts. For most products, the Group obtains direct debit instructions from the customer. It is a criminal offence in India to issue a bad cheque.

Of the unmitigated on balance sheet exposure, a significant portion relates to cash held with banks, settlement balances, and debt securities issued by governments all of which are considered to be lower risk.

Besides growth in the loan assets portfolio, increases in trading portfolio assets and financial assets at fair value through the Statement of Profit and Loss have also contributed to the increase in the Group's net exposure to credit risk. Investments in debt instruments are predominantly investment grade except where the instrument is received in connection with loans granted.

Where collateral has been obtained in the event of default, the Group does not, ordinarily, use such assets for its own operations and they are usually sold and off set against the outstanding loan assets.

The Group has invoked pledge of equity shares and non-convertible debentures ("NCD") in the following companies, pledged with the Group as collateral by the borrowers and these shares are being held by the Group as bailee:

S. No.	Name of the Company	As at March 31, 2026	As at March 31, 2025
1	Tata Steel Limited	47,92,720	47,92,720
2	Saumya Mining Limited	5,13,012	5,13,012
3	Punj Lloyd Limited	5	5
4	GHCL Limited	70,000	70,000
5	Golden Tobacco Limited	10,000	10,000
6	Hindustan National Glass & Industries Limited	–	15,00,716

Notes forming part of consolidated financial statements

S. No.	Name of the Company	As at March 31, 2026	As at March 31, 2025
7	Sterling International Enterprises Limited	2,17,309	2,17,309
8	Tulip Telecom Limited	14,01,762	14,01,762
9	Hanjer Biotech Energies Private Limited	3,25,096	3,25,096
10	VMC Systems Limited	7,17,736	7,17,736
11	KSK Energy Ventures Limited	3,08,446	3,08,446
12	Avantha Holdings Limited	4,500	4,500
13	Su Toll Road Private Limited	–	7,912
14	KSK Mineral Resources Private Limited	–	34,22,910
15	Diamond Power Infrastructure Limited	3,000	3,000
16	GHCL Textiles Limited	70,000	70,000
17	Dewas Bhopal Corridor Private Limited	17,000	17,000
18	Bhoruka Power Corporation Ltd	25,771	25,771
19	Almond Infrabuild Private Limited	1,20,08,100	1,20,08,100
20	Anand Divine Developers Private Limited	9,900	9,900
21	Valdel Projects Corporation Private Limited	–	1,532

Concentration of exposure:

Concentrations of credit risk arise when a number of counterparties or exposures have comparable economic characteristics, or such counterparties are engaged in similar activities or operate in the same geographical areas or industry sectors so that their collective ability to meet contractual obligations is uniformly affected by changes in economic, political or other conditions. The Group has established a diversified borrower base as at March 31, 2026. The Group has put in place a framework of Risk Limits, which are monitored on a quarterly basis to ensure that the overall portfolio is steered within the approved limits to minimize concentration risk. The Risk Limits cover risk of concentration to a particular geography, industry, Company/borrower or revenue counterparty of the borrowers etc. as are relevant to the respective product.

Market Risk Management:

Liquidity Risk:

This is the risk that the Group may be unable to service its contractual or contingent liabilities or support its committed disbursements due to lack of adequate funding or liquidity.

Liquidity risk management in the Group is guided by the Board-approved Asset-Liability Management ('ALM') Policy, which provides the framework for the identification, measurement, monitoring and reporting of liquidity risk arising from the Group's lending and borrowing activities. This risk is measured and managed by setting up limits on structural liquidity gaps across various time-buckets and on relevant liquidity stock ratios. Monthly reports on actual liquidity gaps against established limits are submitted to the Asset Liability Management Committee (ALCO). The Group has been maintaining positive cumulative liquidity gaps for all the time-buckets up to 1 year as a prudent risk management practice.

The Group manages liquidity risk through periodic stress testing and maintains a substantial liquidity buffer. This buffer, designed to withstand a 30-day survival period under a severe stress scenario, includes High-Quality Liquid Assets, Fixed Deposits, and Mutual Funds. The Group also continuously monitors its Liquidity Coverage

Notes forming part of consolidated financial statements

Ratio (LCR) above regulatory minimums and uses Early Warning Indicators (EWI) within its Contingency Funding Plan to proactively address potential liquidity challenges. These EWIs are monitored on a regular basis.

Institutional set-up for Liquidity Risk Management:

The Group's Board of Directors is responsible for overseeing and managing all risks, including liquidity risk, in the Group's business. The Board approves the governance structure, policies, strategy and the risk limits for the management of liquidity risk. The Board of Directors approves the constitution of the Risk Management Committee (RMC) for the effective supervision, evaluation, monitoring and review of various aspects and types of risks, including liquidity risk, faced by the Group. The meetings of RMC are held at quarterly interval. Further, the Board of Directors also approves constitution of Asset Liability Committee (ALCO), which functions as the strategic decision-making body for the asset-liability management of the Component from risk-return perspective and within the risk appetite and guard-rails/ limit approved by the Board. The main objective of ALCO is to assist the Board and RMC in effective discharge of the responsibilities of asset-liability management, market risk management, liquidity and interest rate risk management and also to ensure adherence to risk tolerance/limits set up by the Board. ALCO provides guidance and directions in terms of interest rate, liquidity, funding sources, and investment of surplus funds. ALCO meetings are held once in a month or more frequently as warranted from time to time. The minutes of ALCO meetings are placed before the RMC and the Board of Directors in its next meeting for its perusal/approval/ratification.

Foreign Exchange Rate Risk:

In the normal course of its business, the Group does not deal in foreign exchange in a significant way. Any foreign exchange exposure on account of foreign exchange borrowings is fully hedged to safeguard against exchange rate risk. The Group's treasury risk management policy covers the framework for managing currency risk including hedging. The Group determines hedge effectiveness for hedging instrument at the inception of the hedge relationship and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and hedging instrument. The Group enters into hedge relationships where the critical terms of the hedging instrument match with the terms of the hedged item, and so a qualitative and quantitative assessment of effectiveness is performed.

Interest Rate Risk:

Interest rate risk, which arises from changes in market interest rates affecting the Group's Net Interest Income (NII) is mitigated by the Group's ALM Policy, which stipulates Interest Rate Sensitive Gaps for all the time-buckets. An Interest Rate Sensitivity Statement, prepared monthly and presented to ALCO, tracks these gaps, specifically the mismatch between the Rate Sensitive Assets and Liabilities across various time buckets.

Security Prices:

The Group's investment portfolios consist of government securities, corporate bonds and debentures. To mitigate credit and interest rate risk, risk limits in the form of portfolio size limits, concentration limits and mark to market (MTM) limit are stipulated. Early warning indicators in the form of alarm limits have also been put in place. Reporting periodicity and escalation matrix upon the breach of alarm limits as well as risk limits have been clearly defined. The Group does not invest in Equity stocks and therefore is not exposed to equity price risk.

Notes forming part of consolidated financial statements

47 Revenue from contracts with customers

Set out below is the revenue from contracts with customers and reconciliation to the statement of profit and loss

(₹ in crore)

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Type of services or service		
Fees and commission income	1,233.27	1,077.34
Total revenue from contract with customers	**1,233.27**	**1,077.34**
Geographical markets		
- India	1,233.27	1,077.34
- Outside India	–	–
Total revenue from contract with customers	**1,233.27**	**1,077.34**
Timing of revenue recognition		
Services transferred at a point in time	1,233.27	1,077.34
Services transferred over time	–	–
Total revenue from contracts with customers	**1,233.27**	**1,077.34**

Contract balance

(₹ in crore)

Particulars	As at March 31, 2026	As at March 31, 2025
Trade receivables	102.47	116.95
Contract assets/liabilities	–	–

48 Additional information pursuant to Schedule III to the Companies Act, 2013 for the year ended March 31, 2026

(₹ in crore)

Name of the entity		Net Assets, i.e., total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income (OCI)		Share in total comprehensive income	
		As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated OCI	Amount	As % of consolidated total comprehensive income	Amount
Parent									
L&T Finance Limited	**(A)**	99.46%	27,833.28	103.94%	3,100.31	99.62%	10.35	103.92%	3,110.66
Subsidiaries									
L&T Infra Investment Partners		0.41%	114.60	0.00%	3.75	–	–	0.00%	3.75
L&T Financial Consultants Limited		1.02%	284.92	1.03%	30.60	0.00%	–	1.02%	30.60
L&T Infra Investment Partners Advisory Private Limited		0.10%	29.20	-0.01%	(0.19)	0.00%	0.04	-0.01%	(0.15)
L&T infra Investment Partners Trustee Private Limited		0.00%	0.11	0.00%	–	0.00%	–	0.00%	–
Total Subsidiaries	**(B)**		**428.83**		**34.16**		**0.04**		**34.20**
Non-controlling interests in subsidiaries	**(C)**	-0.18%	(50.50)	0.06%	1.69	0.00%	–	0.00%	1.69
Consol adjustment and elimination	**(D)**	-0.82%	(228.08)	-5.14%	(153.29)	0.00%	–	-5.12%	(153.29)
Total (A+B+C+D)		**100.00%**	**27,983.53**	**100.00%**	**2,982.87**	**100.00%**	**10.39**	**100.00%**	**2,993.26**

Notes forming part of consolidated financial statements

49 Disclosure pursuant to Ind AS 7 "Statement of Cash Flows" - Changes in liabilities arising from financing activities:

(₹ in crore)

Particulars	April 1, 2025	Cash flows	Others*	March 31, 2026
Debt securities	28,854.39	3,358.77	(173.63)	32,039.53
Borrowings (other than debt securities)	61,559.22	14,748.97	837.83	77,146.02
Subordinated liabilities	1,833.29	(1,066.50)	(64.65)	702.14
Lease liabilities	125.54	(50.77)	335.20	409.97
Total	**92,372.44**	**16,990.47**	**934.75**	**1,10,297.66**

(₹ in crore)

Particulars	April 1, 2024	Cash flows	Others*	March 31, 2025
Debt securities	29,569.45	(557.66)	(157.40)	28,854.39
Borrowings (other than debt securities)	44,430.47	17,288.50	(159.75)	61,559.22
Subordinated liabilities	2,540.95	(690.00)	(17.66)	1,833.29
Lease liabilities	62.58	(22.57)	85.53	125.54
Total	**76,603.45**	**16,018.27**	**(249.28)**	**92,372.44**

*Others include mainly amortisation of issue cost, changes in accrued interest and changes in lease liabilities.

50 Relationship with Struck off Companies

Name of struck off Company	Nature of transactions with struck off Company	Balance Outstanding as at March 31, 2026 (₹ in crore)	Balance Outstanding as at March 31, 2025 (₹ in crore)	Relationship with the struck off Company
Digikore Studios Private Limited	Receivable (Loan outstanding)	–	0.29	Not Related Party
Underground Pipeline And Non Destructive Testing Services Private Limited	Receivable (Loan outstanding)	–	0.11	Not Related Party
B S R Engineers Private Limited	Receivable (Loan outstanding)	–	0.19	Not Related Party
Shopforprop Realty Private Limited	Receivable (Loan outstanding)	2.66	2.66	Not Related Party
S D Motors Private Limited	Receivable (Loan outstanding)	–	0.17	Not Related Party
Unicon Fincap Private Limited	Equity shares of the company held by struck off company	0.01	0.01	Not Related Party
Zenith Insurance Services Private Limited	Equity shares of the company held by struck off company	0*	0*	Not Related Party
Architectural Glass Private Limited	Equity shares of the company held by struck off company	–	0*	Not Related Party
Victor Properties Private Limited	Equity shares of the company held by struck off company	–	0*	Not Related Party
Vitalink Wealth Advisory Services Private Limited	Equity shares of the company held by struck off company	0*	0*	Not Related Party
Kothari Intergroup Limited	Equity shares of the company held by struck off company	0*	0*	Not Related Party
Fam Ensemble Facon Private Limited	Equity shares of the company held by struck off company	0*	0*	Not Related Party
Pegasus Mercantile Private Limited	Equity shares of the company held by struck off company	0*	0*	Not Related Party
Mahila Credit And Investment Co Private Limited	Equity shares of the company held by struck off company	0*	0*	Not Related Party
Sanvi Fincare Consultancy Private Limited	Equity shares of the company held by struck off company	0*	0*	Not Related Party
Banadurga Tele Service Private Limited	Corporate Vendor	–	0*	Not Related Party

*Amount less than ₹ 50,000

51 Exceptional items - Impact of social security codes (New Labour Codes)

Effective November 21, 2025, the Government of India consolidated 29 existing labour regulations into four Labour codes, namely, The Code on Wages, 2019, The Industrial Relations Code, 2020, The Code on Social Security, 2020 and the Occupational Safety, Health and Working Conditions Code, 2020, collectively referred to as the 'New Labour Codes'. The New Labour Codes has resulted in a one-time material increase in provision for employee benefits on account of recognition of past service costs. Based on the requirements as per the of New Labour Codes and relevant Accounting Standard, the Group has assessed and accounted the estimated incremental impact as Exceptional Item in the results for the year ended March 31, 2026 amounting to ₹ 28.43 crores (Net of tax ₹ 21.27 crores). Upon notification of the related Rules to the New Labour Codes by the Government and any further clarification from the Government on other aspects of the New Labour Codes, the Group will evaluate and account for additional impact if any, determined in subsequent periods.

52 The following additional information (other than what is already disclosed elsewhere) is disclosed in terms of amendments dated March 24, 2021 in Schedule III to the Companies Act 2013 with effect from April 01, 2021 :

1. There are no charges or satisfaction yet to be registered with Registrar of Companies beyond the statutory period as applicable.

Notes forming part of consolidated financial statements

2. The Group has not traded or invested in Crypto currency or Virtual Currency during the financial year 2025-26.
3. There is no proceeding has been initiated or pending against the Group for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
4. The details is not applicable to the Group, releated to transactions not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961), unless there is immunity for disclosure under any scheme and shall also state whether the previously unrecorded income and related assets have been properly recorded in the books of account during the year.
5. The Group is not declared wilful defaulter by any bank or financial Institution or other lender.
6. The Group has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall :
   (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (Ultimate Beneficiaries) or
   (ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries;
7. The Group has not received any funds from any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Group shall :
   (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
   (ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries;

53 There are no amounts due and outstanding to be credited to Investor Education & Protection Fund as at March 31, 2026.

54 Figures for the previous year have been regrouped/re-classified to confirm to the figures of the current year.

In terms of our report attached of even date

For Brahmayya and Co.,
Chartered Accountants
ICAI FRN: 000515S

P. S. Kumar
Partner
Membership no. 015590

For T R Chadha & Co LLP
Chartered Accountants
ICAI FRN: 006711N/N500028

Vikas Kumar
Partner
Membership no. 075363

Place : Mumbai
Date : April 24, 2026

For and on behalf of the Board of Directors of
L&T Finance Limited

S. N. Subrahmanyan
Non-Executive Chairman
(DIN: 02255382)

Sudipta Roy
Managing Director &
Chief Executive Officer
(DIN: 08069653)

Sachinn Joshi
Chief Financial Officer

Apurva Rathod
Company Secretary
Membership No.: F13729

Place : Mumbai
Date : April 24, 2026

Place : Mumbai
Date : April 24, 2026

L&T Finance Limited

Regd. Office: Brindavan, Plot No. 177, C.S.T. Road, Kalina, Santacruz (East),
Mumbai – 400098, Maharashtra, India. CIN: L67120MH2008PLC181833
E-mail: igrc@ltfs.com; Website: www.ltfinance.com; Phone: +91 22 6212 5000; Fax: +91 22 6212 5553

Notice of the Eighteenth Annual General Meeting

Notice is hereby given that the **Eighteenth Annual General Meeting** ("AGM") of the Members of **L&T Finance Limited** will be held on Friday, May 29, 2026 at 03:30 p.m. (IST) through electronic mode [video conference ("VC") or other audio-visual means ("OAVM")] to transact the following business:

Ordinary Business:

1. To consider and adopt the audited standalone financial statements of the Company together with the report of the Board of Directors and the Auditors thereon for the financial year ended March 31, 2026 and audited consolidated financial statements of the Company together with the report of the Auditors thereon for the financial year ended March 31, 2026.
2. To declare a final dividend of ₹ 2.75 per equity share of face value of ₹ 10 each for FY26.
3. To appoint a director in place of Mr. S. N. Subrahmanyan (DIN: 02255382), who retires by rotation, and being eligible, offers himself for re-appointment.

Special Business:

4. **Amendment to the authorised preference share capital in the Memorandum of Association of the Company:**

   To consider and, if thought fit, to pass with or without modification, if any, the following resolution as an **ORDINARY RESOLUTION**

   "RESOLVED THAT pursuant to the provisions of sections 13, 61 and 64 of the Companies Act, 2013 ("the Act") read with the relevant rules framed thereunder and any other applicable provisions, if any, (including any amendment(s), statutory modification(s) or re-enactment(s) thereof for the time being in force) and all other applicable provisions, if any, of the Act (including any amendment(s), statutory modification(s) or re-enactment thereof for the time being in force), subject to necessary registrations, approvals, consents, permissions and sanctions required, if any, and subject to such terms, conditions, amendments or modifications as may be required or suggested by any appropriate authorities, Clause V.A. of the Memorandum of Association of the Company be and is hereby amended to read as under:

   The Authorised Share Capital of the Company is ₹ 1,68,86,55,96,100 (Rupees Sixteen Thousand Eight Hundred and Eighty Six Crores Fifty Five Lakh Ninety Six Thousand One Hundred only) divided into 10,87,45,59,610 equity shares (One Thousand and Eighty Seven Crores Forty Five Lakh Fifty Nine Thousand Six Hundred and Ten only) of ₹ 10 (Rupees Ten only) each, 5,01,200 (Five Lakh One Thousand and Two Hundred only) Preference Shares of ₹ 1,00,000 (Rupees One Lakh only) each and 10,00,000 (Ten Lakh only) Preference Shares of ₹ 10,000 (Rupees Ten Thousand only) each.

   RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to undertake and perform all such acts, deeds, matters and things as may be deemed necessary, proper, desirable and expedient in its absolute discretion, for the purpose of giving effect to this resolution or to settle any question, difficulty or doubt that may arise in this regard or incidental thereto, take any other steps which may be incidental, consequential, relevant or ancillary in this regard, as it may in its absolute discretion deem fit in the interest of the Company, without being required to seek any further consent or approval of the Members and the decision of the Board of Directors shall be final and conclusive.

   RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to delegate all or any of the powers conferred herein, to a committee or any such person(s) as the Board of Directors may deem fit in its absolute discretion, with the power to take such steps and to do all such acts, deeds, matters and things as may be deemed fit

and proper for the purposes of giving effect to the aforesaid resolution including without limitation to settle any question, difficulty or doubt that may arise in this regard."

5. Issuance of Cumulative Compulsorily Redeemable Non-Convertible Preference Shares by way of public offer or on a private placement basis:

To consider and, if thought fit, to pass the following resolution as a **SPECIAL RESOLUTION**:

"**RESOLVED THAT** pursuant to the provisions of sections 23, 40, 42, 55, 62 and any other applicable provisions of the Companies Act, 2013 ("the Act"), the Companies (Prospectus and Allotment of Securities) Rules, 2014 and the Companies (Share Capital and Debentures) Rules, 2014 and other relevant provisions of the Act (including any amendment(s), statutory modification(s) or re-enactment(s) thereof for the time being in force) and in accordance with the provisions of the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the master directions, rules, regulations, guidelines and circulars issued by the Reserve Bank of India, as amended from time to time, the Memorandum and Articles of Association of the Company, any other applicable laws for the time being in force and subject to such other approvals as may be required from regulatory authorities from time to time, consent of the Company be and is hereby accorded to the Board of Directors ("Board", which term shall include any committee thereof which the Board may have constituted or may hereinafter constitute to exercise its powers including the powers conferred by this resolution) to create, offer, issue and allot, in one or more tranches (i) 5,01,200 (Five Lakhs One Thousand and Two Hundred only) Cumulative Compulsorily Redeemable Non-Convertible Preference Shares of the face value of ₹ 1,00,000 each for cash at par or at premium aggregating to a nominal value of ₹ 5,012 Crore (Rupees Five Thousand and Twelve Crore only); and (ii) 10,00,000 (Ten Lakhs) Cumulative Compulsorily Redeemable Non-Convertible Preference Shares of the face value of ₹ 10,000 each for cash at par or at a premium aggregating to a nominal value of ₹ 1,000 Crores (Rupees One Thousand Crore only) (each of (i) and (ii) "Preference Shares") to various persons either through public offer or on a private placement basis, in one or more tranches to various institutions / entities viz. companies / bodies corporate / persons including Promoters / Promoter Group and Associates, whether or not they are the member(s) of the Company on such terms and conditions as may be decided by the Board, including but not limited to as to the rate of dividend, period and manner of redemption, amount of premium, if any, as the Board in its absolute discretion may determine, provided the aggregate amount up to which the Preference Shares shall be issued shall not exceed the limits set out in this resolution, and subject to the following rights:

- The Preference shares shall carry a fixed cumulative preference dividend to be determined by the Board at the time of issue of the Preference Shares, on the capital for the time being paid-up thereon and shall be redeemable not later than the date determined by the Board at the time of issue or such other date as may be determined by the Board but not later than a period exceeding 7 (Seven) years from the date of issue of the relevant Preference Shares.
- The Preference shares shall be non-participating in the surplus funds of the Company.
- The Preference Shares shall rank for dividend in priority to the equity shares for the time being of the Company and payment of dividend shall be on a cumulative basis. The Preference Shares shall not be convertible into equity shares of the Company.
- In the case of winding up of the Company, the Preference Shares shall be entitled to rank, as regards repayment of capital and arrears of dividend, whether declared or not, up to the commencement of the winding up, in priority to the equity shares but shall not be entitled to any further participation in profits or assets.
- Voting rights of the persons holding the Preference Shares shall be in accordance with the provisions of section 47 of the Act.

RESOLVED FURTHER THAT the Board be and is hereby authorised to make arrangements with any financial institution / bank or any other body or person(s) to underwrite the whole or any part of the issue of the Preference Shares, subject to the provisions of section 40 (6) of the Act.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorised to do all such acts, deeds, matters and things, as it may, in its absolute discretion, deem necessary or desirable, including without limitation to settle any question, difficulty or doubt that may arise in this regard."

By Order of the Board of Directors
For L&T Finance Limited

Apurva Rathod
Company Secretary
Membership No.: F13729

Date: April 24, 2026
Place: Mumbai

Notes:

1. The explanatory statement as required under section 102 of the Companies Act, 2013 ("the Act") setting out all material facts and reasons for the proposal(s) is annexed to the notice of the AGM ("Notice").
2. Additional information for items 3, 4 and 5 as required under Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and Clause 1.2.5 of the Secretarial Standards -2 ("SS-2") is annexed to the Notice.
3. Ministry of Corporate Affairs ("MCA") has vide its various circulars issued from time to time (the latest circular being circular dated September 22, 2025) ("MCA Circulars") permitted the holding of the AGM through VC / OAVM. In compliance with the provisions of the Act, MCA Circulars and SEBI Listing Regulations, the AGM is being held through VC / OAVM on Friday, May 29, 2026 at 03:30 p.m. (IST). The deemed venue of the AGM shall be the registered office of the Company.

   The procedure for joining the AGM through VC / OAVM is mentioned in the Notice.
4. Since the AGM is being held through VC / OAVM, physical attendance of Members has been dispensed with and in accordance with the requirements of Regulation 44(4) of SEBI Listing Regulations, the requirement to send proxy forms is not applicable to general meetings held only through electronic mode.

   The route map, proxy form as well as the attendance slip are therefore, not annexed to this Notice.
5. Members shall have the option to vote electronically ("E-voting") either before the AGM ("remote E-voting") or during the AGM. In compliance with the provisions of section 108 of the Act and Rule 20 of the Companies (Management and Administration) Rules, 2014 and any amendments thereto, SS-2, Regulation 44 of the SEBI Listing Regulations and MCA Circulars, the facility for remote E-voting and E-voting during the AGM in respect of the business to be transacted at the AGM is being provided by the Company through Central Depository Services (India) Limited ("CDSL"). Necessary arrangements have been made by the Company with CDSL to facilitate remote E-voting and E-voting during the AGM.
6. The Company has appointed Mr. S. N. Ananthasubramanian, Practicing Company Secretary (Membership No.: FCS – 4206) or failing him Mr. S. N. Vishwanathan, Practicing Company Secretary (Membership No.: ACS – 61955) as the scrutinizer for scrutinizing the entire voting process i.e., remote E-voting and E-voting during the AGM to ensure that the process is carried out in a fair and transparent manner.
7. Members are permitted to join the AGM through VC / OAVM, 15 minutes before the scheduled time of commencement of AGM and while the AGM is in progress, by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC / OAVM will be made available to at least 1,000 Members on a first come first served basis. This will not include large shareholders (shareholders holding 2% or more shareholding),

Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship and Customer Protection Committee, Auditors, etc. who are allowed to attend the AGM without any restrictions pertaining to joining the AGM on a first come first served basis. Institutional Investors who are Members of the Company, are encouraged to attend the AGM and vote.

8. The attendance of the Members joining the AGM through VC / OAVM will be counted for the purpose of ascertaining the quorum under section 103 of the Act.

9. Members attending the AGM through VC / OAVM should note that those who are entitled to vote but have not exercised their right to vote by remote E-voting, may vote during the AGM through E-voting for the business specified in the Notice. The Members who have exercised their right to vote by remote E-voting may attend the AGM but cannot vote again.

10. Voting rights shall be reckoned on the paid-up value of the shares registered in the name of Members / list of beneficial owners maintained by National Securities Depository Limited ("NSDL") and CDSL (NSDL and CDSL collectively referred as "Depositories") as on the cut-off date i.e., Friday, May 22, 2026 ("cut-off date").

11. A person, whose name is recorded in the Register of Members / list of beneficial owners maintained by the Depositories as on the cut-off date shall only be entitled to avail the facility of remote E-voting or E-voting during the AGM.

12. Any person who becomes a Member of the Company after sending of the Integrated Annual Report ("the Report") and holding shares as on the cut-off date shall also follow the procedure stated herein.

    A person who is not a Member as on the cut-off date should treat this Notice for information purposes only.

13. In case of joint holders, only such joint holder who is higher in the order of names will be entitled to vote during the AGM.

14. The Company has fixed May 22, 2026 as the record date for determining entitlement of Members to receive dividend for the financial year ended March 31, 2026, if approved by the Members at the AGM.

15. If the dividend as recommended by the Board is approved at the AGM, payment of such dividend will be made on or before June 27, 2026 subject to deduction of tax at source, as applicable:

    - to all the Members in respect of shares held in physical form whose names appear in the Company's Register of Members as at the close of business hours on the record date; and
    - to all beneficial owners in respect of shares held in dematerialised form whose names appear in the list of beneficial owners furnished by Depositories as at the close of business hours on the record date.

16. Dividend income on equity shares is taxable in the hands of shareholders and the Company is required to deduct tax at source from dividend paid to shareholders at the prescribed rates in accordance with the provisions of the Income Tax Act, 2025 ("IT Act") read with amendments thereof. The shareholders are requested to update their PAN with the Company / Registrar & Transfer Agents viz. MUFG Intime India Private Limited (formerly known as Link Intime India Private Limited) ("RTA") (in case of shares held in physical form) and with the Depositories / Depository Participants ("DPs") (in case of shares held in demat form).

Resident shareholders:

For resident shareholders, who have provided PAN, tax shall be deducted at source under section 393(1) of the IT Act at 10% on the amount of dividend.

Tax shall be deducted at source at 20% wherein:

a. shareholders do not have PAN / have not registered their valid PAN details in their demat account / with the Company / RTA.

b. shareholders who have not linked PAN with Aadhaar as per the guidelines issued by Central Board of Direct Taxes ("CBDT").

No tax shall be deducted on the dividend payable to a resident shareholder:

- If the total dividend paid or likely to be paid to the resident individual shareholders during FY27 does not exceed ₹ 10,000 through any mode other than cash.
- Individual shareholder submits Form 121 under section 393(6) of the IT Act read with rule 211 of Income Tax Rules 2026 / Nil withholding certificate / lower withholding certificate u/s 395(1) of the IT Act and meets all the required eligibility conditions.
- Shareholders (other than individual) submits Nil withholding certificate / other exemption documents and meets all the required eligibility conditions.

Apart from the cases stated above, following categories of shareholders are exempt from tax deduction at source as per section 393(4) [Table Sl. no. 10] of the IT Act:

a. Life Insurance Corporation of India

b. General Insurance Corporation of India / The New India Assurance Company Limited / United India Insurance Company Limited / The Oriental Insurance Company Limited / National Insurance Company Limited

c. Any other insurer in respect of any shares owned by it or in which it has full beneficial interest

d. Dividend income credited / paid to a "business trust", as defined in section 2(21), by a special purpose vehicle referred to in Schedule V (Note 2).

The following payees are also not subject to tax deducted at source in view of the provisions of sections 393(5) and 393(9) of the IT Act and CBDT notification:

a. Government [section 393(5)(a)]

b. Reserve Bank of India [section 393(5)(b)]

c. A corporation established by or under a Central Act which is, under any law in force, exempt from income-tax on its income [section 393(5)(c)]

d. Mutual Fund specified under Schedule VII (Table: Sl. No. 20 or 21) [section 393(5)(d)]

e. any person for, or on behalf of, the New Pension System Trust referred to in Schedule VII (Table: Sl. No. 41) [section 393(9)]

f. Category I or a Category II Alternative Investment Fund (registered with Securities and Exchange Board of India ("SEBI") as per section 224) as per notification 51/2015 dated June 25, 2015.

g. Provident Fund, Approved Superannuation Fund, and Approved Gratuity Fund.

In case, dividend income is assessed/taxable in the hands of a person other than the shareholder and TDS is applicable on such dividend, then such shareholder should file declaration with Company in the manner prescribed in Rule 203 of IT Rules 2026.

Non-resident shareholders:

For a Foreign Institutional Investor ("FII") / Foreign Portfolio Investor ("FPI"), taxes shall be deducted at source under section 393(2) [Sl. No. 15] of the IT Act at 20% (plus applicable surcharge and cess).

For other non-resident shareholders, taxes are required to be deducted in accordance with the provisions of section 393(2) of the IT Act, at the rates in force. As per the relevant provisions of the IT Act, the tax shall be deducted at the rate of 20% (plus applicable surcharge and cess) on the amount of dividend payable to them.

No tax shall be deducted on the dividend payable to a non-resident shareholder if the shareholder submits Nil withholding certificate and meets all the required eligibility conditions.

FII / FPI and the non-resident shareholders have the option to be governed by the provisions of the Double Tax Avoidance Agreement ("DTAA") between India and the country of tax residence of the shareholder, if they are more beneficial to them.

To avail benefit of rate of deduction of tax at source under DTAA, such FPI / non-resident shareholders will have to provide the following:

a. Self-attested copy of PAN allotted by the Indian Income Tax authorities.

   In case of non-availability of PAN, following details and documents to be furnished:

(i) name, e-mail address, contact number;

(ii) address in the country of which the deductee is a resident;

(iii) tax residency certificate;

(iv) Tax Identification Number of the deductee in the country or specified territory of his residence and in case no such number is available, then a unique number on the basis of which the deductee is identified by the Government of that country or the specified territory of which he claims to be a resident.

b. Tax residency certificate from the jurisdictional tax authorities confirming residential status which covers FY27 period.

c. Form 41 by the non-resident shareholder filed electronically on Income Tax Portal.

d. Self-declaration by the non-resident shareholder for the following:

- Eligibility to claim tax treaty benefits based on the tax residential status of the shareholder, including having regard to the Principal Purpose Test (if any), introduced in the applicable tax treaty with India;
- No Permanent Establishment / fixed base in India in accordance with the applicable tax treaty;
- Shareholder being the beneficial owner of the dividend income to be received on the equity shares;

e. In case of FII and FPI, copy of SEBI registration Certificate.

General:

In order to enable the Company to determine the appropriate tax rate at which tax has to be deducted at source under the respective provisions of the IT Act, the Company requests resident shareholders, FPI and non-resident shareholders to upload the details and documents referred to in the Notice in the specified format and as applicable, on the link *https://web.in.mpms.mufg.com/formsreg/submission-of-Form-121-41.html*. No communication on the tax determination / deduction shall be entertained beyond 11:59 p.m. (IST) on May 15, 2026.

Deduction of tax at a rate lower than statutory rate or no deduction of tax shall depend upon the completeness of the documents and the satisfactory review of the forms and the documents, submitted by resident shareholders, to the Company / RTA.

Please note that the Company is not obligated to apply the beneficial DTAA rates at the time of tax deduction / withholding on dividend amounts. Application of beneficial DTAA rate shall depend upon the completeness and satisfactory review of the documents submitted, by FPI / non-resident shareholders to the Company / RTA.

Tax deducted by the Company is final and the Company shall not refund / adjust the tax so deducted subsequently.

17. Members who still hold share certificate(s) in physical form are advised to dematerialise their shareholding to avail the benefits of dematerialisation, which includes easy liquidity since trading is permitted in dematerialised form only, electronic transfer and elimination of any possibility of loss of documents. Any requests for transfer of securities are not permitted unless the securities are held in dematerialised form with a depository. Further, transmission or transposition of securities held in physical form can be effected only in dematerialised form.

18. Members holding shares in dematerialised form are requested to update with their respective DPs, their bank account details (account number, 9 digit MICR and 11 digit IFSC), e-mail address and mobile number. Members holding shares in physical form may communicate details to the Company / RTA before the record date, by quoting the folio no. and attaching a scanned copy of the cancelled cheque leaf of their bank account and a self-attested scanned copy of the PAN card.

    In accordance with the SEBI Listing Regulations, all dividend payments will be made through electronic modes. We therefore, request Members to update their bank account details as stated above.

19. Members can avail of the facility of nomination in respect of shares held by them pursuant to the provisions of section 72 of the Act.

20. In line with MCA Circulars and circulars issued by SEBI, the Notice calling the AGM along with the Report is being sent through electronic mode to those Members whose e-mail addresses are registered with the DPs / Company / RTA. A Member can request for a physical copy of the Report by sending an e-mail to the Company at *igrc@ltfs.com*. Members may note that the Report (including the Notice) will also be available on the website of the Company at *https://www.ltfinance.com/*, the website of the stock exchanges i.e., BSE Limited and National Stock Exchange of India Limited at *www.bseindia.com* and *www.nseindia.com* respectively. The Notice is also disseminated on the website of CDSL (agency providing the remote E-voting facility and E-voting during the AGM) at *https://www.evotingindia.com/*.

    In terms of Regulations 36 and 58 of the SEBI Listing Regulations, a letter providing the web-link, including the exact path where the complete details of the Annual report are available alongwith a static Quick Response Code has been sent to the Members / Debenture Holders who have not registered their e-mail address with the DPs / Company / RTA.

    For the purpose of receiving the Notice of the AGM and the Report through electronic mode in case the e-mail address is not registered with the respective DPs / Company / RTA, Members may register the e-mail addresses by sending an e-mail to the Company at *igrc@ltfs.com*. Please provide the below mentioned details in the e-mail:

    - For Members holding shares in physical form: folio no., name of shareholder, scanned copy of the share certificate, PAN (self-attested scanned copy of PAN card).
    - For Members holding shares in dematerialised form: DP ID & Client ID, name of the shareholder and PAN.

    Members who have not yet registered their e-mail addresses are requested to register the same with their DPs in case the shares are held in dematerialised form and with Company / RTA in case the shares are held in physical form.

21. All the documents referred to in the Notice / as required under the Act are available for inspection electronically from the date of dispatch of Notice till Friday, May 29, 2026 (until conclusion of the AGM). Members seeking to inspect such documents are requested to write to the Company at *igrc@ltfs.com*. Alternatively, all the documents are available for inspection at the registered office of the Company on any working day, between 11:00 a.m. (IST) to 1:00 p.m. (IST).

22. **Investor Grievance Redressal:** The Company has designated an exclusive e-mail address i.e., *igrc@ltfs.com* to enable the investors to register their complaints / send correspondence, if any.

    Members may note that in case they have any dispute against the Company and / or its RTA, as per SEBI directives, they can file for Online Resolution of Dispute which harnesses online conciliation and online arbitration for resolution of disputes arising in the Indian securities market. Members can use this mechanism only after they have lodged their grievance with the Company and SEBI SCORES system and are not satisfied with the outcome.

    For more details, please see the following weblinks of the stock exchanges:

    BSE Limited:

    https://bsecrs.bseindia.com/ecomplaint/frmInvestorHome.aspx

    National Stock Exchange of India Limited:

    https://www.nseindia.com/static/complaints/online-dispute-resolution

23. **Webcast:** The Company is providing the facility of live webcast of proceedings of the AGM. Members who are entitled to participate in the AGM can view the proceedings of AGM by following the procedure stated herein for E-voting.

24. **Unclaimed Dividends:** Pursuant to the provisions of Sections 124 and 125 of the Act read with the Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016, dividends which remain unclaimed / unpaid for a period of 7 years are required to be transferred to Investor Education and Protection Fund.

    The Company requests the Members to claim the unclaimed dividends within the prescribed period. The details of the unclaimed dividends are available on the website of the Company at *https://www.ltfinance.com/* and Ministry of Corporate Affairs at *www.iepf.gov.in*. Members can contact the RTA for claiming the unclaimed dividends standing to the credit in their account.

Feedback: In order to give an opportunity to the Members to provide their valuable feedback, on their overall satisfaction with the Company's investor servicing, the feedback form is made available at *https://www.ltfinance.com/investors*. Members can also provide by sending an e-mail to *igrc@ltfs.com*. The feedback of Members is crucial in helping the Company understand and address investors' expectations and further enhance value.

PROCEDURE FOR REMOTE E-VOTING, ATTENDING THE AGM AND E-VOTING DURING THE AGM:

The remote E-voting period begins on Tuesday, May 26, 2026 from 9:30 a.m. (IST) and ends on Thursday, May 28, 2026 at 5:00 p.m. (IST). During this period, Members of the Company, holding shares either in physical form or dematerialised form, as on the cut-off date, may cast their vote electronically. The E-voting module shall be disabled by CDSL for voting thereafter and the same will be enabled during the AGM for the Members who have not casted their vote through remote E-voting.

The Members who have casted their vote by remote E-voting prior to the AGM may also attend / participate in the AGM through VC / OAVM but shall not be entitled to cast their vote again.

A.1 Procedure and instructions for individual Members holding shares in dematerialised form:

Type of Members	Login Method
Individual Members holding securities in dematerialised form with CDSL	1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach E-voting page without any further authentication. To login to Easi / Easiest, users are requested to visit CDSL website *www.cdslindia.com* and click on login icon & New System Myeasi Tab. 2) After successful login, the Easi / Easiest user will be able to see the E-voting option for eligible companies where the E-voting is in progress as per the information provided by the Company. On clicking the E-voting option, the user will be able to see E-voting page of the E-voting service provider ("ESP") for casting the vote during the remote E-voting period or joining the meeting through VC / OVAM & voting during the AGM. Additionally, there are also links provided to access the system of all ESPs, so that the user can visit the ESPs website directly. 3) If the user is not registered for Easi / Easiest, option to register is available at the website of CDSL at *www.cdslindia.com*, click on login & New System Myeasi Tab and then click on registration option. 4) Alternatively, the user can directly access E-voting page by providing demat account number and PAN from a E-voting link available on *www.cdslindia.com* home page. The system will authenticate the user by sending OTP on registered mobile & e-mail address as recorded in the demat account. After successful authentication, user will be able to see the E-voting option where the E-voting is in progress and also be able to directly access the system of all ESPs.
Individual Members holding securities dematerialised form with NSDL	1) If the user is already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: *https://eservices.nsdl.com* either on a personal computer or on mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. The user will have to enter the user ID and password. After successful authentication, the user will be able to see E-voting services. Click on "Access to E-voting" under E-voting services and the user will be able to see E-voting page. Click on company name or name of the ESP and the user will be re-directed to ESP website for casting vote during the remote E-voting period or joining the AGM through VC / OAVM & voting during the AGM. 2) If the user is not registered for IDeAS e-Services, option to register is available at *https://eservices.nsdl.com*. Select "Register Online for IDeAS Portal" or click at *https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp* 3) Visit the E-voting website of NSDL. Open web browser by typing the following URL: *https://www.evoting.nsdl.com/* either on a personal computer or on mobile. Once the home page of E-voting system is launched, click on the icon "Login" which is available under "Shareholder / Member" section. A new screen will open. The user will have to enter the user ID (i.e. the 16 digit demat account number held with NSDL), password / OTP and a verification code as shown on the screen. After successful authentication, the user will be redirected to NSDL Depository site wherein the user can see the E-voting page. Click on company name or ESP name and user will be redirected to the website of ESP for casting vote during the remote E-voting period or joining the AGM through VC / OAVM & voting during the AGM. For OTP based login, user can click on *https://eservices.nsdl.com/SecureWeb/evoting/evotinglogin.jsp*. User will have to enter 8-digit DP ID,8-digit Client Id, PAN, verification code and generate OTP. Enter the OTP received on registered email id/ mobile number and click on login. After successful authentication, user will be redirected to NSDL Depository site wherein user can see E-voting page. Click on company name or E-voting service provider name and user will be re-directed to E-voting service provider website for casting vote during the remote E-voting period or joining virtual meeting & voting during the meeting.
Individual Members (holding securities in dematerialised form) logging in through their DPs	User can also login using the login credentials of demat account through user's DP registered with NSDL / CDSL for E-voting facility. After successful login, the user will be able to see E-voting option. Once the user clicks on E-voting option, the user will be redirected to NSDL / CDSL Depository site after successful authentication, wherein the user can see E-voting feature. Click on company name or name of the ESP and user will be redirected to ESP website for casting vote during the remote E-voting period or for joining the AGM through VC / OAVM & voting during the AGM.

Important note: Members who are unable to retrieve user ID / password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for individual Members holding securities in dematerialised form for any technical issues related to login through Depositories:

Login type	Helpdesk details
Individual Members holding securities in dematerialised form with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at *helpdesk.evoting@cdslindia.com* or contact at toll free no.: 1800 21 09911.
Individual Members holding securities in dematerialised form with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at *evoting@nsdl.co.in* or contact at: 022-48867000 or 022-24997000

A.2 Procedure and instructions for non-individual Members holding shares in dematerialized form and Members holding shares in physical form:

(i) The user should log on to the E-voting website *www.evotingindia.com*.

(ii) Click on "Shareholders/Members".

(iii) Now enter the User ID

a. For CDSL: 16 digits beneficiary ID

b. For NSDL: 8 character DP ID followed by 8 digits client ID

c. Members holding shares in physical form should enter folio no. registered with the Company.

(iv) Next: Enter the image verification as displayed and click on "Login".

(v) If you are holding shares in dematerialised form and had logged on to *www.evotingindia.com* and voted on an earlier resolution of any other company, then your existing password is to be used.

If a demat account holder has forgotten the login password then enter the user ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(vi) If you are a first time user follow the steps given below:

For Members holding shares in dematerialised form and physical form	
PAN	• Enter your 10 digit alpha-numeric PAN issued by Income Tax Department. • Members who have not updated their PAN with the DPs / Company / RTA are requested to contact the Company through e-mail on *igrc@ltfs.com*.
Dividend bank details or date of birth (DOB)	• Enter the dividend bank details or DOB (in dd/mm/yyyy format) as recorded in the demat account or in the Company / RTA records in order to login. • If both the details are not recorded with the Depositories or Company / RTA, please enter the Member ID / folio no. in the dividend bank details field by following the instructions.

(vii) After entering these details appropriately, click on "SUBMIT" tab.

(viii) Members holding shares in physical form will then directly reach the Company selection screen. However, Members holding shares in dematerialized form will now reach "Password Creation" menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that the said company opts for E-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(ix) For Members holding shares in physical form, the details can be used only for E-voting on the resolutions contained in this Notice.

(x) Note for Non - individual Members and Custodians:

- Non-individual Members (i.e. other than individuals, HUF, NRI etc.) and custodians are required to log onto *www.evotingindia.com* and register themselves as Corporates.
- A scanned copy of the registration form bearing the stamp and sign of the entity should be emailed to *helpdesk.evoting@cdslindia.com*.
- After receiving the login details, a compliance user should be created using the admin login and password. The compliance user would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login will be mapped automatically & can be delink in case of any wrong mapping.
- It is mandatory that a scanned copy of the board resolution and Power of Attorney (POA) issued in favour of the custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- Alternatively, non-individual Members are required to mandatorily send the relevant board resolution / authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the scrutinizer and to the Company, if the aforesaid documents are not uploaded on the CDSL E-voting system, for verification by the scrutinizer.

➢ Click on Electronic Voting Sequence Number ("EVSN") of "L&T Finance Limited".

➢ On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES / NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

➢ Click on the "RESOLUTIONS FILE LINK" if you wish to view the details of the resolution.

➢ After selecting the resolution(s) you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and modify your vote.

➢ Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

➢ You can also take a print of the votes cast by clicking on "Click here to print" option on the voting page.

B. Procedure and instructions for Members attending the AGM through VC / OAVM:

(i) The procedure for attending the AGM & E-voting on the day of the AGM is same as the instructions mentioned above for E-voting.

(ii) The link for VC / OAVM to attend the AGM will be available where the EVSN of the Company will be displayed after successful login as per the instructions mentioned above for E-voting.

(iii) Members are encouraged to join the AGM through laptops / iPads for better experience.

(iv) Members connecting through mobile devices or tablets or laptop connecting via mobile hotspot may experience loss of audio / video due to fluctuation in the network. Members are required to allow camera and use an internet facility with a good bandwidth to avoid facing any disturbance during the AGM.

(v) Members who would like to express their views or ask questions during the AGM may register themselves as a speaker by sending their request from their registered e-mail address mentioning their name, DP ID and Client ID / folio no., PAN, mobile number along with their queries at *igrc@ltfs.com* from May 21, 2026 from 9:30 a.m (IST) to May 24, 2026 till 5:00 p.m (IST). Those Members who have registered themselves as a speaker will be allowed to express their views / ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.

(vi) Only those Members, who are present at the AGM through VC / OAVM and have not casted their vote on the resolutions through remote E-voting and are otherwise not barred from doing so, shall be eligible to vote through E-voting during the AGM.

(vii) If any votes are cast by the Members through the E-voting facility available during the AGM and if the said Members have not participated in the AGM through VC / OAVM facility, then the votes cast by such Members shall be considered invalid as the facility of E-voting during the AGM is available only to the Members attending the AGM.

Members who have any queries or issues regarding attending AGM & E-voting from the CDSL E-voting system, can write an email to *helpdesk.evoting@cdslindia.com* or contact at toll free no. 1800 21 09911.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, AVP, Central Depository Services (India) Limited, A-Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or an email can be sent to *helpdesk.evoting@cdslindia.com* or call at toll free no. 1800 21 09911.

Declaration of Results:

1) The scrutinizer shall, immediately after the conclusion of voting at the AGM, first count the votes cast during the AGM, thereafter unblock the votes cast through remote E-voting and submit, not later than two days of conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman of the Company or the person authorized by him, who shall countersign the same.

2) Based on the scrutinizer's report, the Company will submit within two working days of the conclusion of the AGM to the stock exchanges, details of the voting results as required under Regulation 44(3) of the SEBI Listing Regulations.

3) The results declared along with the scrutinizer's report, will be hosted on the website of the Company at *https://www.ltfinance.com/* and on the website of CDSL at *https://www.evotingindia.com* immediately after the declaration of the result by the Chairman or a person authorised by him in writing and communicated to the stock exchanges.

Important notice for investors holding non-convertible securities of the Company:

SEBI has released a procedural framework for dealing with unclaimed interest, dividend and redemption amounts lying with entities having listed non-convertible securities and manner of claiming such amounts by investors. The Company has formulated a framework specifying the process to be followed by the investors for claiming their unclaimed amounts which is available on the website of the Company at *www.ltfinance.com/investors*.

EXPLANATORY STATEMENT PURSUANT TO PROVISIONS OF SECTION 102 OF THE COMPANIES ACT, 2013 FORMING PART OF THE NOTICE DATED APRIL 24, 2026:

The following Explanatory Statement relating to the accompanying Notice sets out all material facts in respect of the resolutions:

ITEM NO. 4:

In order to meet the long term growth plans of the Company and in line with the Lakshya 2031 strategy, the Company would require regular levels of equity and Tier I or Tier II capital infusion. As a means of bridge financing and also as an additional fund-raising avenue, the Company may consider raising funds through issuance of instruments falling under Tier II capital (which may be raised inter-alia either in the form of subordinated bonds or Preference Shares).

Post completion of the corporate restructuring through mergers, the authorised preference share capital of the Company stands at 50,12,00,000 (Fifty Crores Twelve Lakh only) Preference Shares of ₹ 100 (Rupees Hundred only) each and 10,000 (Ten Thousand only) Preference Shares of ₹10,00,000 (Rupees Ten Lakh only) each.

Pursuant to the Master Circular for Issue and Listing of Non-convertible Securities, Securitised Debt Instruments, Security Receipts, Municipal Debt Securities and Commercial Paper dated October 15, 2025 ("Master Circular"), the face value of each non-convertible redeemable preference share issued on private placement basis is required to be ₹ 1,00,000 or ₹ 10,000 (subject to compliance with conditions specified under the Master Circular). The Master Circular does not specify the minimum face value in case of public issue.

Considering the aforesaid, and to enable the Company to issue Preference Shares by way of public issue / private placement it is proposed to alter the authorised preference share capital in the Memorandum of Association ("MOA") as follows:

Existing	Proposed
The Authorised Share Capital of the Company is ₹ 1,68,86,55,96,100 (Rupees Sixteen Thousand Eight Hundred and Eighty Six Crores Fifty Five Lakh Ninety Six Thousand One Hundred only) divided into 10,87,45,59,610 equity shares (One Thousand and Eighty Seven Crores Forty Five Lakh Fifty Nine Thousand Six Hundred and Ten only) of ₹ 10 (Rupees Ten only) each, 50,12,00,000 (Fifty Crores Twelve Lakh only) Preference Shares of ₹ 100 (Rupees Hundred only) each and 10,000 (Ten Thousand only) Preference Shares of ₹ 10,00,000 (Rupees Ten Lakh only) each.	The Authorised Share Capital of the Company is ₹ 1,68,86,55,96,100 (Rupees Sixteen Thousand Eight Hundred and Eighty Six Crores Fifty Five Lakh Ninety Six Thousand One Hundred only) divided into 10,87,45,59,610 equity shares (One Thousand and Eighty Seven Crores Forty Five Lakh Fifty Nine Thousand Six Hundred and Ten only) of ₹ 10 (Rupees Ten only) each, 5,01,200 (Five Lakh One Thousand and Two Hundred only) Preference Shares of ₹ 1,00,000 (Rupees One Lakh only) each and 10,00,000 (Ten Lakh only) Preference Shares of ₹ 10,000 (Rupees Ten Thousand only) each.

The Board of Directors at its Meeting held on April 24, 2026 has approved the aforementioned amendment to the MOA of the Company, subject to approval of the Members of the Company.

A copy of the proposed amended MOA is available for inspection as specified in the Notice.

As per the provisions of section 13 of the Companies Act, 2013 read with relevant rules made thereunder, a Company can alter the provisions of its memorandum, in regards to the aforesaid, subject to approval of the Members by the way of an ordinary resolution.

The Board is of the opinion that the aforementioned change in the MOA will enable the Company to raise funds through Preference Shares and is in the best interest of the Company and accordingly recommends the ordinary resolution set forth in Item No. 4 of the Notice for approval of the Members.

None of the Directors or Key Managerial Personnel of the Company including their relatives are interested or concerned in the Resolution except to the extent of their shareholding, if any, in the Company.

ITEM NO. 5:

In line with the Company's long-term growth plans, Lakshya 2031 strategy and business expansion, the Company would require periodic infusion of capital, including Tier II capital (one of its components being preference shares).

In connection with the aforesaid, approval of the Members is sought for the issue of preference shares ("Preference Shares"). The Preference Shares may be issued either by way of a public offer or on a private placement basis in one or more tranches to various institutions / entities viz. companies / bodies corporate / persons including Promoters / Promoter Group and Associates, whether or not they are Member(s) of the Company, considering the viable options available. The said enabling resolution empowers the Board to create, offer, issue and allot Preference Shares on such terms and conditions including but not limited as to the rate of dividend, period and manner of redemption, amount of premium, if any, as the Board in its absolute discretion may determine, provided the aggregate amount up to which the Preference Shares shall be issued shall not exceed the limits set out in the special resolution set forth in Item No. 5 for approval of the Members. The Board shall also be authorised to approve any modification, alteration and re-setting of all or any of the terms and conditions of the Preference Shares from time-to-time in consultation and agreement with the subscribers / holders of Preference Shares. The terms and conditions of the Preference Shares shall however be subject to the provisions of the Companies Act, 2013, or any modification(s) / re-enactment(s) thereof, any other applicable laws and the Memorandum and Articles of Association of the Company.

In order to enable the Company to raise funds through issuance of Preference Shares, the Board believes that the aforesaid proposal is in the best interest of the Company and accordingly recommends the special resolution set forth in Item No. 5 for approval of the Members.

As required under Rule 9(3) of the Companies (Share Capital and Debentures) Rules, 2014 and Rule 14(1) of the Companies (Prospectus and Allotment of Securities) Rules, 2014, the material facts in connection with the aforesaid issue of Preference Shares are as follows:

(a)	**Particulars of the offer including date of passing of Board resolution**	The Preference Shares shall be issued for an amount not exceeding in aggregate ₹ 1,000 Crore (Rupees One Thousand Crore only) for the face value of ₹ 10,000 each, and ₹ 5,012 Crore (Rupees Five Thousand and Twelve Crore only) for the face value of ₹ 1,00,000 each, in one or more tranches by way of a public offer or on a private placement basis at such rates and on such terms and conditions as may be determined by the Board (including any Committee constituted by the Board) ("Board"). Date of passing of Board Resolution: April 24, 2026.
(b)	**Size of the issue and number of Preference Shares to be issued and nominal value of each share**	The Company proposes to create, offer, issue and allot Preference Shares of the face value of ₹ 10,000 and ₹ 1,00,000 each for cash at par or at a premium either by way of a public offer or on a private placement to various entities / persons including Promoters / Promoter Group [& Associates], whether or not they are member(s) of the Company.
(c)	**Nature of such shares i.e. cumulative or non - cumulative, participating or non - participating, convertible or non- convertible**	Cumulative, Non-Participating and Non-Convertible.
(d)	**Objectives of the issue**	To maintain adequate working capital including redemption of Preference Shares, if any, and funding the operations of the Company subsidiaries.
(e)	**Manner of issue of shares**	Public offer / private placement as decided by the Board.
(f)	**Price at which such shares are proposed to be issued**	At par or at premium as decided by the Board.
(g)	**Basis on which the price has been arrived at**	While the issuances would generally be made at par, in case the issuance is made at premium, the same would be at a price determined on the basis of valuation by a registered valuer in accordance with applicable rules.
(h)	**Terms of issue, including terms and rate of dividend on each share, etc.**	The tenure shall be for a period not exceeding 7 (Seven) years for the relevant Preference Shares. The issuances would be subject to conditions of market, appetite of the investors, prevalent tax regulations, credit rating of the instrument etc., and the rate of dividend would be linked to the returns provided by similar instruments.
(i)	**Terms of redemption, including the tenure of redemption, redemption of shares at premium and if the Preference Shares are convertible, the terms of conversion**	Terms of redemption, including the tenure of redemption, redemption of shares at premium and if the Preference Shares are convertible, the terms of conversion would be based on cash flow forecasts of the Company which in turn would be linked to ongoing performance of the Company and the growth opportunities.
(j)	**Manner and modes of redemption**	The redemption of Preference Shares will be done in accordance with the provisions of the Companies Act, 2013 and out of profit and / or out of fresh issue of capital or as otherwise permitted under applicable laws.
(k)	**Current shareholding pattern of the Company**	Equity shareholding pattern as on March 31, 2026:

Sr. no.	Category	No. of shares	% of share holding
1	Promoters	1,65,25,30,125	65.99
2	Insurance Companies, Banks & NBFCs	8,24,95,893	3.29
3	Foreign Portfolio Investors	19,12,05,706	7.63
4	Mutual Funds & Alternate Investment Funds	29,05,65,986	11.60
5	Bodies Corporate	3,23,85,942	1.29
6	Directors & Relatives	1,94,685	0.01
7	Resident Individuals & Others	24,50,27,154	9.78
8	Non-Resident Indians	99,80,525	0.40
	Total	**2,50,43,86,016**	**100.00**

(1) Detailed shareholding pattern is available on the website of the Company i.e. www.ltfinance.com and is also available on the website of BSE Ltd. i.e. www.bseindia.com and National Stock Exchange of India Ltd. i.e. www.nseindia.com.

(l)	**Expected dilution in equity share capital upon conversion of Preference Shares**	Not applicable
(m)	**Material terms of raising such securities**	Since the issuance would be in one or more tranches, material terms will be determined by the Board, in accordance with the applicable provisions of the Companies Act, 2013 and the rules framed thereunder and other applicable laws for the time being in force.
(n)	**Proposed time schedule**	From the conclusion of this Annual General Meeting to the conclusion of the next Annual General Meeting.
(o)	**Contribution being made by the promoters or directors either as part of the offer or separately in furtherance of objects**	The issuance will be in one or more tranches and the contribution, if any, will be in accordance with the applicable provisions of the Companies Act, 2013 and the rules framed thereunder and other applicable laws for the time being in force.
(p)	**Principle terms of assets charged as securities**	Not applicable
(q)	**Details of valuer**	Since the issuance would be in one or more tranches, the valuer will be determined by the Board, in accordance with the applicable provisions of the Companies Act, 2013 and the rules framed thereunder and other applicable laws for the time being in force.

None of the Directors or Key Managerial Personnel of the Company including their relatives are interested or concerned in the Resolution except to the extent of their shareholding, if any, in the Company.

Additional Information of the Director seeking re-appointment at the Eighteenth Annual General Meeting pursuant to SS-2 and SEBI Listing Regulations:

Name of the Director	**Mr. S.N. Subrahmanyan (DIN: 02255382)**
Date of Birth/Age	March 16, 1960 (66 years)
Qualifications	B.Sc., Engg. (Civil) and MBA Finance
Date of first appointment on the Board	February 28, 2022
Remuneration	N.A.[1]
Experience / brief profile / nature of expertise in specific functional areas	S.N. Subrahmanyan (SNS) is the Chairman & Managing Director of Larsen & Toubro, a multi-billion-dollar conglomerate, spanning across Engineering, Infrastructure, Information Technology and Financial Services. He also holds diverse leadership positions as Chairman of the Company, LTM (formerly known as LTIMindtree Limited), L&T Technology Services Limited and L&T Metro Rail (Hyderabad) Limited. SNS, over the years, has played a pivotal role in guiding the Company's infrastructure business to become the largest in India and among the biggest globally. Now, he is focused on driving L&T's diverse business interests towards new heights by leveraging the power of digitalisation, technology, energy transition and fostering a people-centric culture. This multi-pronged approach has already started pivoting L&T into a tech-driven engineering solutions and services powerhouse. Hailing from Chennai, SNS embarked on his professional journey with L&T in 1984 as a Project Planning Engineer with a degree in civil engineering from the National Institute of Technology, Kurukshetra and a postgraduate degree in business management from Symbiosis Institute of Business Management, Pune. He furthered his education with an Executive Management Programme from the London Business School. Mentored by industry stalwarts, he took on roles of increasing responsibility across various business verticals and joined the L&T Board in 2011. Notable achievements under SNS's leadership include the execution of diverse projects like the Statue of Unity, airports at Bengaluru, Hyderabad and New Delhi, ITER Cryostat, Dual Feed Crackers, Offshore Platforms, K9 Vajra, Atal Setu, Ayodhya Ram Mandir, in the offing Bullet Train and more – each recognised for being the 'tallest', 'largest, 'longest', 'smartest', 'most complex', or 'first' in their respective categories. His entrepreneurial mindset propelled L&T into untapped geographies, including the Middle East, Africa, and ASEAN, establishing the Company's credentials globally. This has led to L&T being recognised among Asia's Most Honoured Companies by Institutional Investor, the Company of the Year by Business Standard in 2020, among the world's best employers on the Forbes' list and as a certified 'Great Place to Work' for the third consecutive year in 2025. SNS himself has garnered numerous accolades. In 2025, he was named the 'Best CEO' in the 'Super Large Corporate' category by Fortune Magazine. SNS won the Eminent Engineer award from the Engineering Council of India in 2024. Apart from being featured on the cover of Fortune magazine's October 2023 edition as India's Best CEO, he is also the winner in the Infrastructure & Engineering category of the Business Today-PwC India's Best CEOs ranking in March 2022, was ranked 8th in the Construction Week Power 100 Ranking for 2022 and was honoured as the Infrastructure Person of the Year in 2012. In 2020, he achieved the Top CEO (Sell Side) and the 3rd Best CEO (Overall) in the All-Asia Executive Team Survey

Name of the Director	Mr. S.N. Subrahmanyan (DIN: 02255382)
	conducted by Institutional Investor and recognised as the CEO of the Year by the leading Indian news channel, CNBC-Awaaz. His exemplary leadership was also recognised with the Emergent CEO Award in 2019, and he received the Leading Engineering Personality award from the Institution of Engineers (India) in 2014. SNS holds prominent positions within various industry bodies, construction institutions and councils, showcasing his influential presence in these domains. He serves as the regular honorary chairperson of the Board of Governors at the National Institute of Technology-Rourkela and the National Institute of Technology-Durgapur, positions bestowed upon him by the Education Ministry. In February 2021, he was appointed by the Union Ministry of Labour & Employment as the Chairman of the National Safety Council for two years. In this capacity, he guided the council in playing a crucial role in ensuring workplace safety under the new Occupational Safety, Health, and Working Conditions Code, 2020 (OSH Code, 2020). Beyond his professional pursuits, SNS embodies a diverse range of interests that reveal the multi-faceted dimensions of his personality. A cricket aficionado and a passionate runner, he emphasises the importance of physical activity through his daily walks and runs. Notably, his appreciation extends beyond sports and fitness, as he also finds solace and passion in the world of Western classical music.
Terms and conditions of appointment / re-appointment	Appointed as a Director liable to retire by rotation.
Directorships held in other companies (excluding foreign companies) as on April 24, 2026	1. Larsen & Toubro Limited 2. LTM Limited (formerly known as LTIMindtree Limited) 3. L&T Technology Services Limited 4. L&T Realty Developers Limited 5. L&T Metro Rail (Hyderabad) Limited 6. L&T Semiconductor Technologies Limited 7. Indian Foundation for Quality Management 8. L&T Realty Properties Limited 9. Sufin Limited
Memberships / Chairpersonship of committees across companies as on April 24, 2026 (only statutory committees as required to be constituted under the Act considered)	**A. Nomination and Remuneration Committee** Larsen & Toubro Limited (M) **B. Nomination and Remuneration Committee** LTM Limited (formerly known as LTIMindtree Limited) (M) **C. Nomination and Remuneration Committee** L&T Technology Services Limited (M)
Listed entities from which the Director has resigned in the past three years	Not applicable
In case of independent directors, the skills and capabilities required for the role and the manner in which the proposed person meets such requirements	Not applicable
Shareholding in the Company (equity) including shareholding as a beneficial owner as on March 31, 2026	4,987
Relationship with other Directors / Manager / Key Managerial Personnel	None
Number of Board Meetings attended during FY26	All meetings (i.e. five out of five meetings)

1) Mr. S.N.Subrahmanyan is in the services of Larsen & Toubro Limited and draws remuneration from Larsen & Toubro Limited. He is not paid any commission or sitting fees separately for attending the meetings of the Board and/or any Committee of the Company

M : Member

By Order of the Board of Directors
For L&T Finance Limited

Apurva Rathod
Company Secretary
Membership No.: F13729

Date: April 24, 2026
Place: Mumbai

INFORMATION AT A GLANCE

1 Day, Date and Time of AGM
Friday, May 29, 2026 at 03:30 p.m. (IST)

2 Mode
Video Conference ("VC") or Other Audio-Visual Means ("OAVM")

3 Participation through VC/OAVM
Members can login from 03:15 p.m. (IST) on the date of the AGM at *www.evotingindia.com* *https://eservices.nsdl.com*

4 Contact information for VC or E-voting related issues
Email: *helpdesk.evoting@cdslindia.com* or contact at toll free no. 1800 21 09911

5 Cut-Off Date for reckoning voting rights
Friday, May 22, 2026

6 Speaker Shareholder Registration before AGM
E-mail at *igrc@ltfs.com* mentioning the name, DP ID and Client ID / folio no., PAN, mobile number along with the queries from May 21, 2026, 9:30 a.m. (IST) to May 24, 2026, 5:00 p.m. (IST)

7 EVSN
L&T Finance Limited

8 Remote E-voting start date and time
Tuesday, May 26, 2026 from 9.30 a.m. (IST)

9 Remote E-voting end date and time
Thursday, May 28, 2026 at 5:00 p.m. (IST)

10 Remote E-voting website
www.evotingindia.com *https://eservices.nsdl.com*

11 Name of E-voting Service Provider
Central Depository Services (India) Limited

12 Name of Registrar & Share Transfer Agents
MUFG Intime India Private Limited (formerly known as Link Intime India Private Limited)

13 Registration of Members' e-mail ID's for the purpose of the report through electronic Mode
In case the e-mail address is not registered with the respective DP's / Company / RTA, Members may register the e-mail addresses by sending e-mail to the Company at *igrc@ltfs.com*

14 Record date for Dividend
Friday, May 22, 2026

15 Dividend payment date
On or before Saturday, June 27, 2026

16 Information of tax on Dividend FY26
The same is available on the Company's website at *https://www.ltfinance.com/investors*

GLOSSARY

Abbreviation	Full form
A2IC	Application and Analytics Innovation Centre
AA	Account Aggregator
AC	Audit Committee
ADB	Asian Development Bank
AGM	Annual General Meeting
AH	Agro Horticulture
AI	Artificial Intelligence
ALCO	Asset Liability Management Committee
ALM	Asset-Liability Management
AML	Anti-Money Laundering
APC	Asset Pricing Committee
APLMA	Asia Pacific Loan Market Association
ATR	Action Taken Report
ATS	Average Ticket Size
AUM	Assets Under Management
B2B	Business-to-Business
BCP	Business Continuity Plan
BFSI	Banking, Financial Services, and Insurance
BIS	Business Impact Study
BL	Business Line
BLS	Business Leadership Team
BRE	Business Rules Engine
BRSR	Business Responsibility and Sustainability Reporting
BSE	BSE Limited (formerly Bombay Stock Exchange)
BUs	Business Units
CADO	Chief AI and Data Officer
CAGR	Compound Annual Growth Rate
CAM	Credit Approval Memorandum
CAPA	Corrective Action and Preventive Action
CAPEX	Capital Expenditure

Abbreviation	Full form
CARE	Credit Analysis and Research Limited
CCO	Chief Compliance Officer
CDO	Chief Data Officer
CDP	Carbon Disclosure Project
CE	Chief Executive
CEA	Central Electricity Authority
CFO	Chief Financial Officer
CFT	Combating the Financing of Terrorism
CIBIL	Credit Information Bureau (India) Limited
CII	Confederation of Indian Industry
CMDB	Configuration Management Database
CMs	Collateral Managers
CNN	Cable News Network
CoC	Code of Conduct
CoR	Certificate of Registration
CP	Commercial Paper
CPI	Consumer Price Index
CRAR	Capital to Risk (Weighted) Assets Ratio
CRISIL	Credit Rating Information Services of India Limited
CRO	Chief Risk Officer
CRPS	Cumulative Redeemable Preference Shares
CSO	Chief Sustainability Officer
CSR	Corporate Social Responsibility
D2C	Direct-to-Consumer
DCs	Designated Consumers
DEI	Diversity, Equity and Inclusion
DEFRA	Department for Environment, Food and Rural Affairs
DFI	Digital and Financial Inclusion
DIY Home Loan	Do-it-Yourself Home Loan
DJSI	Dow Jones Sustainability Index

Abbreviation	Full form
DLS	Direct Selling Agent
DMA	Double Materiality Assessment / Data Market Analytics
DMARC	Domain-Based Message Authentication, Reporting, and Conformance
DPD	Days Past Due
DR	Disaster Recovery
DS	Digital Sakhi
DSAs	Direct Selling Agents
DSK	Digital Seva Kendras
DSPM	Data Security Posture Management
DTAA	Double Tax Avoidance Agreement
EAD	Exposure at Default
E-Aggregators	Electronic Aggregators
EAP	Employee Assistance Programme
EAR	Earnings at Risk
ECB	External Commercial Borrowing
ECL	Expected Credit Loss
ELs	Executive Leaders
EPR	Extended Producer Responsibility
ERM	Enterprise Risk Management
ESG	Environmental, Social and Governance
ESMS	Environment and Social Management System
ESOS	Employee Stock Option Scheme
ET	Economic Times
ETC	Electronic Toll Collection
EVs	Electric Vehicles
EWS	Early Warning Signals
FBN	Financial Brand Network
FICCI	Federation of Indian Chambers of Commerce and Industry
FIDC	Finance Industry Development Council
FLOs	Field Level Officers
FLS	Field Loan Services
FML	Frontline Management Leadership
FPI	Foreign Portfolio Investor
FTSE	Financial Times Stock Exchange
FVTPL	Fair Value Through Profit or Loss

Abbreviation	Full form
GBP	Green Bond Principles
GCP	Google Cloud Platform
GDP	Gross Domestic Product
GECs	Group Executive Committees
GHG	Greenhouse Gas
GLP	Green Loan Principles
GNPA	Gross Non-Performing Assets
GPTW	Great Place to Work
GRI	Global Reporting Initiative
GROs	Grievance Redressal Officers
GS3	Gross Stage 3
GVA	Gross Value Added
GWP	Global Warming Potential
HIRA	Hazard Identification and Risk Assessment
HL	Home loan
HO	Head Office
HREM	HR Excellence Mode
HRMS	Human Resource Management System
ICAAP	Internal Capital Adequacy Assessment Process
ICDP	Integrated Community Development Program
ICMA	International Capital Market Association
ICRA	Investment Information and Credit Rating Agency of India Limited
IDP	Individual Development Plan
IFC	International Finance Corporation
IFRS	International Financial Reporting Standards
IIRC	International Integrated Reporting Council
IMF	International Monetary Fund
Ind AS	Indian Accounting Standards
IO	Internal Ombudsman
IOT	Internet of Things
IRACP	Income Recognition, Asset Classification and Provisioning
IRDA	Insurance Regulatory and Development Authority

Abbreviation	Full form
iRECs	International Renewable Energy Certificates
ISC	Information Security Committee
ISO	International Organisation for Standardisation
ISSB	International Sustainability Standard Board
ITSC	Information Technology Strategy Committee
IVR	Interactive Voice Response
JICA	Japan International Cooperation Agency
JLG	Joint Liability Group
KMP	Key Managerial Personnel
KPIs	Key Performance Indicators
KRAs	Key Result Areas
KRIs	Key Risk Indicators
KYC	Know Your Customer
LAP	Loan Against Property
LCA	Life Cycle Perspective / Assessments
LGD	Loss Given Default
LLMs	Large Language Models
LMA	Loan Market Association
LOS	Loan Origination System
LRP	Long Range Planning
LRR	LTF's Reporting Repository
LSTA	Loan Syndications and Trading Associations
MCA	Ministry of Corporate Affairs
MFI	Microfinance Institutions
MFIN	Microfinance Institutions Network
ML	Machine Learning
ML	Middle Layer
MLAP	Micro Loan against Property
MORC	Management of Risk Committee
MPC	Monetary Policy Committee
MRMC	Model Risk Management Committee
MSCI	Morgan Stanley Capital International
MSMEs	Micro, Small and Medium Enterprises
MT	Management Trainee

Abbreviation	Full form
MTM	Mark-to-Market
NABL	National Accreditation Board for Testing and Calibration Laboratories
NBFC-CIC	Non-Banking Financial Core Investment Company
NBFCs	Non-Banking Financial Companies
NCD	Non-Convertible Debentures
NDRs	Non-Deal Roadshows
NGOs	Non-Governmental Organisations
NGRBC	National Guidelines on Responsible Business Conduct
NIC	National Industrial Classification
NIM	Net Interest Margin
NPAs	Non-Performing Assets
NPS	Net Promoter Score
NRC	Nomination and Remuneration Committee
NS3	Net Stage 3
NSE	National Stock Exchange of India Limited
NTC	New-to-Credit
OAVM	Other Audio-Visual Means
OHS	Occupational Health and Safety
OLIII	Operational Losses due to Internal Issues and Infrastructural Impact
OLS	Operations and Logistics Services
OMC	Outsourcing Management Committee
ORM	Operational Risk Management
ORMC	Operational Risk Management Committee
PAFs	Project Affected Families
PAG	Product/Process Approval Group
PAT	Profit after Tax
PAT	Performance, Achieve and Trade (Scheme)
PCAF	Partnership for Carbon Accounting Financials
PCR	Provision Coverage Ratio
PD	Probability of Default
PD	Proof of Default

Abbreviation	Full form
PD	Probability of Default
PI Loan	Placement Institutional Loan
POSH	Prevention of Sexual Harassment at the Workplace
PPAG	Product & Process Approval Group
PPMLD / PP-MLD	Principal Protected Market Linked Debentures
PSL	Priority Sector Lending
PWDs	Persons with Disabilities
R&D	Research and Development
R&R	Rehabilitation and Resettlement
RAP	Role Appreciation Programme
RBI	Reserve Bank of India
RC	Review Committee
RCA	Root Cause Analysis
RCU	Risk Control Unit
RE	Renewable Energy
RGL	Rural Group Loan
RMC	Risk Management Committee
ROA	Return on Asset
ROE	Return on Equity
RPOs	Recruitment Process Outsourcings
RPTs	Related Party Transactions
RRWG	Reputational Risk Working Group
S&P Global	Standard and Poor's Global
SASB	Sustainability Accounting Standards Board
SBG	Sustainability Bond Guidelines
SBP	Social Bond Principle
SCBMF	Special Committee of the Board for Monitoring and Follow-up of Cases of Frauds
SDGs	Sustainable Development Goals
SEBI	Securities and Exchange Board of
SFF	Sustainable Finance Framework
SIA	Social Impact Assessment
SIP	Savings, Insurance & Pension
SLBP	Sustainability-Linked Bond Principles
SLLP	Sustainability-Linked Loan Principles
SLP	Social Loan Principles

Abbreviation	Full form
SME	Small and Medium Enterprises
SMP	Senior Management Personnel
SOC	Security Operations Centre
SOP	Standard Operating Procedure
SROI	Social Return on Investment
SSAE	Statement on Standards for Attestation Engagements
SSC	Sustainability Steering Council
SSODL	Symbiosis School for Online and Digital Learning
STP	Sewage Treatment Plant
STRIDE	Skilling and Training for Rounded Individual Development and Enhance-ment
TAT	Turnaround Time
TCFD	Taskforce on Climate-Related Financial Disclosures
tCO2e	Tonnes of Carbon Dioxide Equivalent
TGIF	Thank God It's Friday
ToR	Terms of Reference
TPRM	Third-Party Risk Management
TPS	Transactions Per Second
TREPS	Collateralized Borrowing and Lending Obligation
UL	Upper Layer
UN SDGs	United Nations Sustainable Development Goals
UNGC	United Nations Global Compact
UPSI	Unpublished Price Sensitive Information
VC	Video-Conference
VFDs	Variable Frequency Drives
VPP	Valued Partner Programme
WACB	Weighted Average Cost of Borrowing
WEs	Women Entrepreneurs
WIOD	World Input-Output Database
ZLF	Zonal Leadership Forum

NOTES

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