L&T Finance

L&T Finance
30 Years of trusted excellence

Technology Driven
Responsible Growth

Integrated Annual Report
2024-25

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

Thomas Mathew T.
Independent Director

Rajani R. Gupte
Independent Director

R. Seetharaman
Independent Director

Nishi Vasudeva
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 as Link Intime India Private Limited)
C-101, 247 Park, L.B.S. Marg, Vikhroli (West),
Mumbai - 400083, Maharashtra, India
Phone: +91 810 811 6767
Fax: +91 22 4918 6060
Website: in.mpms.mufg.com
Email: rnt.helpdesk@in.mpms.mufg.com

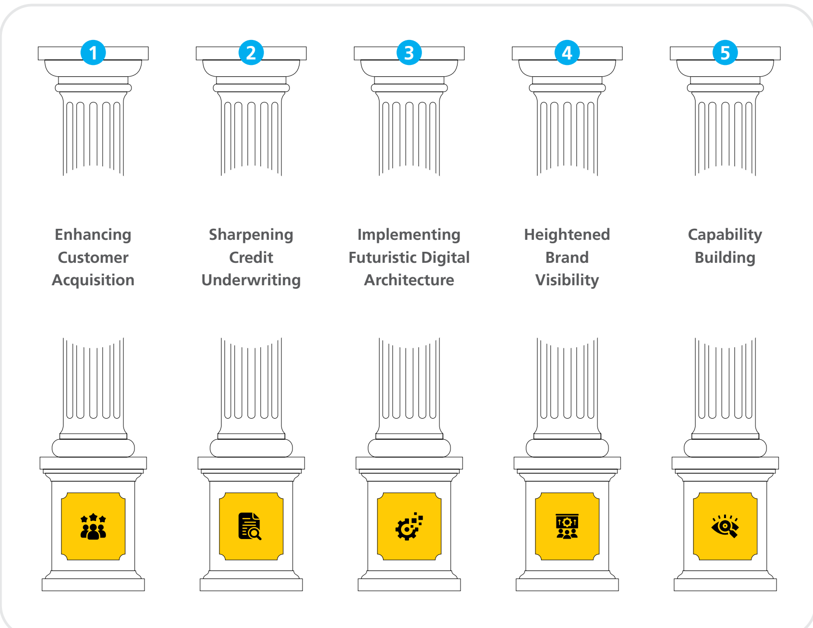
Across the Pages

Investor Information

Market Capitalisation (March 31, 2025)	₹ 38,226.37 Cr
BSE Code	533519
NSE Symbol	LTF
AGM Day, Date and Time	Tuesday, June 3, 2025 at 10:30 a.m. (IST)
AGM Mode	Video-Conference/Other Audio-Visual Means (OAVM)

About THE REPORT

At L&T Finance Limited ('LTF'), formerly known as L&T Finance Holdings Limited, and its subsidiaries, collectively referred to as 'LTF' or 'your Company', the commitment remains firmly rooted in delivering customer-oriented, technology driven innovative-driven offerings in a responsible and sustainable manner. Moving forward with the Lakshya 2026 strategic framework, your Company is now focusing on advancing progress at the consolidated level through consistent adherence to the five key pillars:



Upholding a legacy of transparency, accountability, and commitment to stakeholder value, your Company has consistently reported its financial and non-financial performance through Sustainability and Integrated Reports since FY19. The Integrated Annual Report for FY25 ('the Report') aims to provide stakeholders with an in-depth understanding of your Company's achievements, and future aspirations. It presents a holistic perspective on your Company's goals, performance, impact, and strategic path forward.

Reporting Principle

The financial and statutory data presented in this report complies with the requirements of the Companies Act, 2013 ('the Act') (including the rules made thereunder), Indian Accounting Standards, the Companies (Accounting Standards) Rules, 2006, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations'), and other applicable RBI regulations.

The non-financial information in the Report has been prepared in line with the framework set by the International Integrated Reporting Council ('IIRC') and includes Key Performance Indicators ('KPIs') across the six capitals. Sustainability disclosures are provided in accordance with the Global Reporting Initiative ('GRI'), 2021 Standards, covering the period from April 1, 2024, to March 31, 2025, or as specified in the Report.

Furthermore, the Report aligns with the National Guidelines on Responsible Business Conduct ('NGRBC'), Business Responsibility and Sustainability Reporting ('BRSR') requirements prescribed by SEBI, the United Nations Sustainable Development Goals ('UN SDGs'), and the Taskforce on Climate-related Financial Disclosures ('TCFD').

Scope and Boundaries

The Report covers the disclosures for the period from April 1, 2024, and/or as on March 31, 2025, or as specified in the Report. The information presented herein seeks to provide a comprehensive, accurate, and balanced overview of LTF's economic, social, and environmental performance, covering the Head Office and 2,296 branches (including rural branches), including those that have been closed. The reporting parameters align with the specific boundaries outlined in Questions 13 and 23(a) of Section A: General Disclosures in the BRSR framework.

The scope and boundaries for each material topic and metric are detailed either in the text where the topic is introduced or by references to the LTF website and public documents. Numbers, wherever required, have been rounded off.

Precautionary Principle

LTF adopts a precautionary approach in risk management and lending decisions to mitigate any adverse social and environmental impacts. Principles such as stakeholder inclusiveness, completeness, and materiality have been followed while preparing this report. These principles are outlined across various sections of the Report.

Materiality and Target Audience

As one of the leading Non-Banking Financial Companies, LTF has a direct economic, social, and environmental impact, along with a significant indirect impact through its financial activities. In compiling the Report, topics that could materially affect stakeholders, including business and management systems, are accounted for. Other relevant matters are also reflected in the 'Value Creation Model'.

LTF continually and systematically gathers the views and opinions of stakeholders and aligns its execution/ strategy and reporting to meet evolving expectations. For the double materiality analysis, both internal and external stakeholder groups were consulted in a qualitative and quantitative manner.

The Report is designed to communicate your Company's progress to diverse groups of stakeholders who influence or are affected by LTF. These groups include employees, investors (shareholders and bond holders), regulators, customers, vendors, other value chain partners, CSR project implementing partners, and communities. The primary objective is to provide stakeholders with a clear perspective on your Company's businesses and its ability to create and sustain value.

Forward-Looking Statements

The Integrated Annual Report incorporates 'forward-looking' statements pertaining to LTF's anticipated performance and future events, expressed through terms such as 'plans', 'expects', 'will', 'anticipates', 'believes', and 'intends.' Recognising the inherent uncertainty and risks associated with these assumptions and predictions, your Company emphasises its disclaimer of any obligation to update such statements post-publication. Stakeholders are urged to exercise prudence and refrain from undue reliance on these statements, as actual future outcomes may differ significantly due to various external factors beyond your Company's control, introducing an element of unpredictability.

Assurance

The information in the Report has undergone a thorough internal validation process and a robust assurance procedure, leveraging both your Company's internal expertise and external validation conducted by BDO India LLP, an independent third-party assurance provider renowned in the professional sphere. An assurance review has also been conducted on the Report, adhering to SSAE 3000 Assurance Standards. The corresponding Assurance Statement is included in the Report.

For ease of information access, links are embedded to relevant pages on your Company's corporate website and the Report. Any questions or feedback on the Report can be sent to us by writing to igrc@ltfs.com.

How to Navigate THIS REPORT

1
Who governs your Company, and how does it approach evolving market dynamics?

What you will find
- An overview of your Company's leadership, governance structure, and core values.
- Details about your Company's operating model and its strategic focus.
- Key highlights showcasing the performance of business verticals in a dynamic market.

Where to look

2
How does your Company create value for its stakeholders?

What you will find
- A comprehensive explanation of your Company's value creation framework.
- Insights into financial and non-financial capital deployment.
- Case studies demonstrating value delivered to customers, communities, and investors.

Where to look

3
What are your Company's key strategies for sustainable growth?

What you will find
- Strategic priorities driving business performance.
- Focused approaches that align with the Company's vision for long-term value generation and market expansion.

Where to look

4
How has L&T Finance Limited performed financially and operationally in FY25?

What you will find
- Key highlights of financial and operational performance.
- Sectoral contributions of your Company's core business segments.
- Challenges encountered and achievements realised during the year.

Where to look

5
What are the material risks and opportunities for your Company, and how are they addressed?

What you will find
- An analysis of risks affecting business performance, and the mitigation strategies employed.
- Insights into opportunities driving growth and innovation.
- Governance practices and risk management frameworks that enable resilience and adaptability.
- The role of technology in mitigating risks and leveraging opportunities.

Where to look

6
How is your Company contributing to a sustainable future?

What you will find
- Key ESG initiatives and their alignment with global sustainability standards.
- Efforts towards climate action, green financing, and resource efficiency.
- Highlights of CSR projects and their impact on local communities.

Where to look

7
What lies ahead for your Company?

What you will find
- A vision for the next phase of growth, including key opportunities and trends.
- Leadership perspectives on your Company's long-term strategy.
- Plans for innovation, digitalisation, and market expansion.

Where to look

8
What are your Company's statutory disclosures?

What you will find
- Financial statements and regulatory disclosures.

Where to look

Technology Driven Responsible Growth

Growth, in its most resilient form, does not unfold by chance. It is designed. Shaped by insight, tempered by discipline, and rooted in a clear understanding of both opportunity and constraint. FY25 was a continuation of this belief, unfolding at the intersection of shifting macroeconomic currents and rising stakeholder expectations. In this landscape, balance mattered, and clarity and discipline were the real differentiators.

Technology and growth are not parallel tracks, but interwoven principles that direct how the business operates, scales, and creates long-term sustainable value.

Technology is integral to how LTF operates – embedded across every stage of the value chain to enable smarter decisions and better outcomes. From smart underwriting and predictive analytics to digital onboarding, self-serve journeys, and automated operations, every process is being reimagined for speed, precision, and experience. Your Company's tech stack connects data to decisions, enabling real-time insights, scalable platforms, and seamless customer interactions. In a world of rising complexity, it is this digital backbone that ensures agility, resilience, and readiness for tomorrow. But technology is not the end goal, it is the propeller. It powers the direction, pace, and precision of what matters most—responsible growth.

Responsible growth is about building with balance—expanding reach without compromising quality, managing scale while safeguarding trust. At LTF, responsibility is embedded in how risk is assessed, how customers are served, and how governance frameworks are upheld. With strong portfolio-level controls, early warning systems, and scenario-based planning, your Company ensures that every decision reflects both opportunity and foresight.

This approach is visible in how LTF continues to deepen its presence in high-potential segments, expand its distribution network in rural, semi-urban, and urban markets, and embrace technology to scale efficiently. At the same time, a disciplined approach to governance and productivity, along with a clear focus on customer lifecycle value, ensures LTF not only grows but does so sustainably, adapting to market dynamics while maintaining profitability and operational efficiency.

By using advanced AI to enhance credit decisions, forming digital partnerships to scale the business, focusing on secured lending, and strengthening tech-driven risk management, LTF has adopted a strong technology-first approach. This has helped unlock new markets, create customer value, and most importantly, empowered the business to gain a competitive edge by becoming more agile and responsive to evolving market needs.

Who We Are

About L&T Finance

LEADING WITH PURPOSE FOR OVER 3 DECADES

As LTF marks three decades of excellence, your Company has established itself as one of the nation's foremost NBFCs, playing a pivotal role in India's financial ecosystem. Over these years, your Company has consistently demonstrated its commitment to empowering individuals and businesses, providing financial solutions that connect aspirations to opportunities, catering to diverse demographics, from unserved and underserved rural areas to urban centres. As part of the prestigious L&T Group, your Company leverages the legacy of its parent—rooted in excellence, trust, and an unshakeable dedication to corporate integrity.

Driven by innovation and a customer-centric philosophy developed over three decades, your Company has established a strong national presence. Through digital transformation and innovation, LTF enhances accessibility and promotes financial inclusion. Your Company has earned 'AAA' credit ratings from four top credit rating agencies, underscoring its financial strength and reliability. Distinguished by its robust environmental, social, and governance ('ESG') framework and practices, LTF embodies trust, resilience, and excellence in every aspect of its operations.

2011
Publicly Listed on BSE Ltd. and NSE Limited

1994
Year of Incorporation

Your Company has received a Certificate of Registration (CoR) as a Non-Banking Financial Core Investment Company (NBFC-CIC).

LTF has its shares and debt securities listed on the stock exchanges in India

BSE | NSE

VISION

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

SUSTAINABILITY COMMITMENTS

- Become Carbon Neutral (Scope 1 and Scope 2) by 2035
- Maintain Water Positive/Surplus status
- Achieve the set sustainability targets

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.

Built on the Foundation of Trust and Commitment

- Part of the Illustrious L&T Group
- Upper Layer NBFC as per RBI Classification
- Amongst Top Retail NBFCs
- Highest Credit Rating – 'AAA'
- Top-Notch ESG Ratings

Performance Highlights

LTF's ANNUAL PERFORMANCE

Financial Capital

97%
Retailisation

₹ 60,040 Cr
Total Retail Disbursements

₹ 97,762 Cr
Book Size

₹ 2,644 Cr
Highest-Ever Annual PAT

3.29%
GS3

0.97%
NS3

2.44%
Highest-Ever Annual Return on Assets (RoA)

10.87%
Return on Equity (ROE)

3.35
Debt-to-Equity Ratio

₹ 20,480 Cr
Sustainability Focused/ Priority Sector Loans

22.27%
Capital to Risk (Weighted) Assets Ratio (CRAR)

₹ 102.5
Book Value per Share

Manufactured Capital

~2.6 Cr
Customer Database

13,000+
Distribution Touchpoints

2,297
Number of Branches PAN India (Including Head Office)

~2 lakh
Villages Served

100+
Cities/Towns Served

44:56
Rural to Urban Book Ratio

Intellectual Capital

₹ 12,700 Cr+
Digital Sourcing (PLANET App)

100%
Digital Disbursements (Rural + Urban)

₹ 3,800 Cr+
Digital Collection (PLANET App)

685 lakh+
Customer Servicing Experience through Digital Channels

R.AI.SE 2024
Amongst 1st in BFSI to organise an AI Event

Zero
Cybersecurity Breaches

Project Cyclops
Next-Gen Underwriting Platform

LTF Pearl Challenge
Innovation-Led Financial Inclusion AI Hackathon

Knowledgeable AI (KAI)
AI-Powered Virtual Advisor

Human Capital

36,521
Total Employee Headcount

27%
Women in Group Executive Committee

23.6%
Share of Women in STEM Related Positions

~4.5x
Increase in Women FLOs in Rural Business Finance

5.4%
Women in the Workforce

1.35
Female to Male Compensation Ratio

38.5
Average Training Hours per Employee

8 Languages
Focused DE&I Sensitisation and Awareness Session

27,217
Field Force

86%
Rated LTF as 'Great Place to Work'

8 Projects
Implemented under GPTW Based on Employee Feedback

Women-Centric Policies
Rolled out to Support Inclusion, Safety, and Career Progression

ISO 45001:2018
Occupational Health & Safety Certification for Workplace Safety (HO)

63%
Employees from Rural & Semi-Urban Areas (smaller towns)

270° Feedback
Launched for Leadership Development

All Active Field Level Officers
Equipped with Helmets

300-400 Employees/Month
Recognised under Wall of Fame

For Employees Across Grades
Launched DE&I Training through Gamified Module

Note: For female to male compensation ratio, only basic pay considered.

Social and Relationship Capital

Amongst 1st
To Conduct Double Materiality

Amongst 1st
To Conduct Business Impact Study

54
Overall Net Promoter Score (NPS)

0 Complaints
Regarding Breaches of Customer Privacy from Customers, Outside Parties or Regulators

39%
Y-o-Y Grievance Reduction

61.06 lakh+
Number of Women Borrowers

60%
Repeat Women Borrowers

9
Number of Low-Income States Served*

1 lakh+
Beneficiaries of Digital Seva Kendras

₹ 30 Cr
Total CSR Spend

>75% of Value Chain
Annual ESG Assessment

ISO 26000:2010
Social Responsibility Certificate of Conformance

2.40 lakh+
Beneficiaries Linked to Social Schemes

₹ 28.18 Cr
Spend over and above the CSR Obligation

16.90 lakh+
CSR Beneficiaries

₹ 180 Cr+
Social Convergence Value

Attended by Top Banks & Vendors
Value Chain Connect & ESG Workshop

* Low-income states are per National Statistical Office, Ministry of Statistics and Programme Implementation, Government of India

Natural Capital

On Track
Carbon Neutrality by 2035

~16%
Carbon (Scope 1+2) Emission Saved/ Sequestered Y-o-Y

~3,692 tCO_2e
Emissions Avoided (Green Power+ Green Attributes)

~33%
Company Operations on Green Power

1 lakh+
Saplings Planted

> 90%
Overall Plantation Survival Rate

39 Flora & 69 Fauna Species
Biodiversity Supported through Miyawaki Plantation

250+
Acers Green Cover

Amongst the 1st
NBFCs to Join Partnership for Carbon Accounting Financials (PCAF)

64,000+
Number of EVs Financed

~176 lakh kl
Water Replenished (Watershed Management)

Retained
Water Positive/Surplus Status

>90% increase in waste water Recycling | **>60**% decrease in fresh water usage
Water Management at Head Office through STP

~973 tCO_2e
Sequestered through Plantation

Adopted
Sustainable Procurement Policy

25 Branches
Site level HIRA Conducted

50 Branches
Waste Assesment Study Conducted

RATINGS

ESG Ratings

CDP Score – Climate Change 2023
A-

MSCI ESG Rating – As of March 2025, LTF received an MSCI ESG Rating of
A

In October 2024, LTF received an ESG Risk Rating of **16.1** and was assessed by Sustainalytics to be at low risk of experiencing material financial impacts from ESG Factors*

S&P Global – Performed in **top decile** in the FBN Diversified Financial Services and Capital Markets Industry in the S&P Global Corporate Sustainability Assessment (Score as of January 2024)

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

***Disclaimer:** As of October 2024, LTF received an ESG Risk Rating of 16.1 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 constructed as investment advice or expert opinion as defined by the applicable legislation.

CDP score for FY24, is under re-assessment

Awards and RECOGNITION

Fintech for Good - Champions of ESG Award

Mahatma Award for ESG Excellence

Great Indian Overall Sustainable Performance in Finance

Business World - Amongst top 5 Sustainable Companies - Sectoral

Diamond Award

Certificate of Excellence and Award

India CSR Leadership Award

Winner in the Mega Enterprise Category for Women Empowerment: Digital Sakhi

Social Impact Award

FAME National Award 2024 Platinum Award towards Excellence in Best CSR Practices

Bronze Award in the Best Digital Brand Strategy Category

Best Digital Campaign Award

Silver Award in the Best User Interface in an App Category for PLANET App

Best Banking & Finance Legal Team of the Year

Best BFSI App for PLANET App and Best BFSI Website for LTF Website

ET Legal World - The Economic Times Global Legal Awards

Silver for Best Campaign in BFSI

Gold for the Best Influencer-Led Product Launch

ISO Certifications (FY25)

ISO 45001:2018 Certification

ISO 9001:2015 Certification

Chairman's Message

From the CHAIRMAN'S DESK

Investments in the thriving AI and technology sectors are expected to play a key role in the digitisation drive.

Dear Stakeholders,

This Integrated Annual Report marks a significant milestone for your Company as it completes 30 glorious years of empowering aspirations. The financial arm of the Larsen & Toubro Group has successfully transitioned into a customer-centric retail finance company over the years, financially uplifting people across rural and urban India and helping them achieve their dreams. The Report captures the essence of your Company's 'Digital@Core' philosophy and its unwavering commitment to deliver customer-oriented and technology driven innovative offerings in a responsible manner.

Macroeconomic Scenario

In 2024, the global economy has shown remarkable resilience in the face of an array of challenges such as geopolitical tensions, high inflation, climate events, and financial volatility. This adaptability has been instrumental in averting an economic downturn. The Indian economy has remained steady as well, duly supported by strong macroeconomic fundamentals, large domestic consumption, and consistent policy support to emerge as the fastest-growing major economy in the world.

In India, financial inclusion is pivotal to achieving the 'Viksit Bharat' goal by 2047 to ensure that growth is both broad-based and equitable. As the country progresses, demand for credit is expected to grow multifold, especially among the Micro, Small and Medium Enterprises (MSMEs) and the retail sector. Providing access to credit to cater to the diverse needs across geographies in the fastest and most efficient manner through transformational Artificial Intelligence (AI) and technology will be crucial in the financial inclusion of economically unserved and underserved people.

Thus, investments in the thriving AI and technology sectors are expected to play a key role in this digitisation drive. The finance minister in the Union Budget FY26 speech referred to sectors like Agriculture, MSME, Investment, and Exports as four powerful engines of the development journey. As these sectors drive India's growth story and more people gain access to formal lending systems, transforming the Indian financial services landscape, it gives me great pleasure to note that your Company is at the forefront of this transformation story.

Reflecting its commitment to 'Technology-Driven, Responsible Growth', this year's Integrated Annual Report highlights your Company's performance and delivery during FY25. Driven by the adoption of futuristic digital architecture and sustaining a responsible expansion trajectory in line with Lakshya 2026 goals even during cycles, it underlines the growth philosophy of your Company.

Before we move to FY25 performance, it is important for me to take a pause and reflect on the progress of our Lakshya 2026 goals and strategic initiatives undertaken by your Company.

In India, financial inclusion is pivotal to achieving the 'Viksit Bharat' goal by 2047 to ensure that growth is both broad-based and equitable.

Our Transformational Journey – Lakshya 2026

Strategic Choices

Your Company, with a view to effectuate the transformation from a wholesale dominated franchise to a technology-driven retail finance company, carried out a reorganisation of its business verticals and exited non-lending businesses like wealth management in the year 2020 and mutual fund business in 2022, coupled with a systematic accelerated reduction of the wholesale (infrastructure and real estate) business.

To make this transformation seamless, another strategic initiative taken was the creation of a 'Single Lending Entity' by consolidating all lending businesses under one operating NBFC in FY24. This led to the creation of a simplified corporate structure which helped build robust execution structures.

Human Capital

As part of its succession planning, your Company also witnessed a smooth transition of leadership in FY24, with Mr. Sudipta Roy, having extensive experience in retail and digital lending, taking over as the Managing Director and Chief Executive Officer of your Company in January 2024. This aimed at accelerating your Company on the path of becoming a cutting-edge digital retail finance company.

Further, with an aim to quicken the decision-making process, localising problem-solving at the origin and significantly enhancing customer experience, a new structure of Regional Business Head was created within your Company. This role is entrusted with the ownership of regional P&L spanning across businesses and shouldering the responsibilities of delivery and growth, compliance and quality improvement, product promotion and marketing, and capability building.

Portfolio/Book

As a move towards enhancing its high-yield secured book exposure, both in rural and urban regions, your Company announced its entry into the gold loan business. This also aligns with your Company's Lakshya 2026 strategy, which focuses on tapping new geographies and growing its customer base while delivering value to its stakeholders.

Additionally, the gold loan business undertaking complements your Company's existing portfolio and allows it to capitalise on the significant overlap with its current customer base of Rural Group Loan and Micro Finance operations. I am confident that this will be a key driver of future profitability.

Performance against Lakshya 2026 Goals

In FY24, your Company achieved 'Lakshya 2026' goals at a retail level as per the plan and reoriented itself to converge at a consolidated level by FY26, with the goals being:

- >95%: Retailisation
- >25%: Retail Growth CAGR
- GS3 <3% and NS3 <1%: Asset Quality
- 2.8-3%: Return on Assets

Today, as we reflect on the milestones achieved against Lakshya 2026, your Company has achieved 97% retailisation at the end of FY25, while rapidly reducing the wholesale book. The retail book grew at 19% Y-o-Y (28% CAGR growth - Q4 FY22 – Q4 FY25), and the wholesale book was reduced to ₹ 2,582 Cr at the end of FY25, a reduction of 53% Y-o-Y. On the asset quality side, our portfolio has shown resilience in a difficult credit environment, with consolidated GS3 and NS3 remaining stable at 3.29% and 0.97%, respectively, while achieving the highest-ever annual consolidated RoA of 2.44% in FY25.

The aforesaid performance was achieved by your Company despite a challenging operating environment and credit quality challenges in the microfinance sector during the year. Your Company has a robust business model, strengthened credit and risk guardrails, proactive on-ground measures and a relentless focus on restoring collection efficiency.

Year under Review

- **Enhanced New Customer Acquisition and Farming of Good customers**

The focus has been on enhancing your Company's new customer acquisition funnel while harvesting its existing customer database of ~2.6 Cr customers and increasing up-sell and cross-sell of products to its good customers. Your Company's rural franchise is among one of the highest in the NBFC sector, with ~1.7 Cr rural customers and 90 lakh customers from urban areas.

The deep PAN India retail franchise is led by its distribution capabilities covering ~2 lakh villages from 2,000 + rural meeting centres/ branches and over 200 branches across urban centres. This extensive geographic presence is also supported by 13,000+ distribution touchpoints built over a decade.

- **Extensive Use of Digital and Data Analytics**

Your Company remains committed to becoming one of the preeminent technology driven lenders in the country, with building technology infrastructure to drive variety, volume, velocity, and veracity. Towards this, the next-gen initiatives undertaken during the year were:

- Launched Project Cyclops, an in-house-developed AI-driven, next-gen digital credit engine determining the repayment capability and credit quality of potential customers using ML-based ensemble scorecards. With this, your Company is on the path to make its underwriting capabilities even more comprehensive and accurate, enabling it to make faster and more informed decisions at scale. This will result in improving the quality of customers being onboarded, thereby improving overall asset quality.
- Sealed partnerships with key fintechs like CRED and market leaders like Amazon Pay and PhonePe. Partnered with leading industry players to offer credit products to its members, enhancing product diversification strategy and improving credit availability for consumers.
- Our customer-facing application - PLANET App, which was soft launched in March 2022 has emerged as a powerful digital channel for our customers. The app has already crossed 17 Mn downloads, which also comprises ~16 lakh downloads by our rural customers. As of this date, this channel has done collections of more than ₹ 3,800 Cr while servicing more than 6.80 Cr requests and sourcing loans of more than ₹ 12,700 Cr (including web).

- **Recognised as a Great Place To Work®**

The certification reflects our dedication towards our employees and on creating a workplace culture that is built on credibility, respect, fairness, pride, and camaraderie. Your Company has also introduced a series of employee-friendly policies for better employee engagement.

- **Significantly Ramped-Up Presence of Brand LTF**

Your Company successfully conducted integrated marketing campaigns for its products, leading to a ramp-up of brand LTF in both urban and rural geographies and onboarded Jasprit Bumrah, the ace Indian cricketer, as the Brand Ambassador of your Company, as a part of the multi-channel brand building efforts.

Your Company also conducted R.AI.SE, India's premier BFSI-focused Artificial Intelligence conference showcasing practical use cases of AI in the financial services domain to BFSI industry and fintech participants.

- **ESG Focus**

Your Company's ESG journey started in 2018-19, and currently it has the best-in-class ESG ratings in the BFSI sector. Your Company has adopted the goal of achieving carbon neutrality by 2035 and is well on track to achieve the same. In FY25, your Company also maintained the status of being water surplus.

Your Company is among the 1st in the Indian NBFC sector to conduct a Double Materiality Assessment as well as becoming a signatory to the Partnership for Carbon Accounting Financials for measuring its environmental footprint.

Recognising the importance of diversity, the Company has also rolled out various programmes specifically designed to empower women, alongside significant policy changes that support a more inclusive environment. The efforts taken during the year have led to an uptick of women hirings by 4x in the field-level positions in the Rural Business Finance, with the overall women representation standing at 5.4% against 4.6% last year.

On the social front, your Company's flagship CSR programme, the 'Digital Sakhi' project, has created a cadre of 2,000+ Digital Sakhis who have benefitted 54 lakh+ individuals and helped upskill 17,000+ women entrepreneurs since its inception in 2017.

I am confident that by embracing innovation, we will continue to redefine the boundaries for growth while driving efficiency and productivity across all aspects of our businesses. Our ambitious goal is to emerge as a 'Bigger, Leaner, and Stronger' organisation. Our 'Can Do, Will Do, Will Get It Done' mindset encapsulates our unshakeable determination to deliver results and exceed expectations.

Finally, I wish to express our sincere appreciation to all our stakeholders and board members for their steadfast support and belief in LTF. Your trust is fundamental to our success and inspires us every day. As we move forward, we remain deeply committed to generating value and achieving sustainable growth.

Thanks,

S. N. Subrahmanyan

Chairman

From the Managing Director and CHIEF EXECUTIVE OFFICER'S DESK

Your Company celebrated three decades of successful operations in FY25 and is strategically future-proofing its growth with each passing year.

Dear Stakeholders,

I would like to extend my deepest gratitude to the Board members for their continued support and guidance throughout the year. My journey at LTF over the last almost 2 years has truly been a transformative experience, fuelled by the exceptional talent of our teams and inspiring individuals who drive our ambitious vision of becoming the best digital retail NBFC in the country.

Speaking about FY25, I must admit that the year was a challenging one, but the resilience showcased both by the global and domestic economies, provided businesses some cushion to navigate the challenges. However, for LTF, the year gone by was not just about navigating challenges; it was also about seizing opportunities, achieving groundbreaking milestones, and building a foundation for delivering sustainable and predictable growth for our stakeholders. We witnessed several 'firsts' throughout the year, from large strategic alliances to the introduction of next-generation credit and risk governance frameworks, new product launches and the implemention of Project Cyclops, our proprietary Artificial Intelligence (AI) and Machine Learning (ML)-based credit underwriting engine at a record speed, that will propel us forward. During the year, we focused on various capability-building and employee initiatives, while also earning the prestigious Great Place To Work® (GPTW) Certification™, amplified our brand-building framework through impactful marketing campaigns, announced our foray into the gold loan business, and solidified our commitment to sustainability, all while navigating a complex economic environment.

Your Company celebrated three decades of successful operations in FY25 and is strategically future-proofing its growth with each passing year by embracing transformative engineering and technology initiatives to solidify our position as a digital-first, digital-native lender. This Integrated Annual Report for FY25 details how we have actively charted our course towards a sustained growth trajectory, all while consistently pursuing our Lakshya 2026 goals.

In 2024, India maintained steady progress amid a rapidly evolving financial landscape. Consumer credit is expanding, alongside the growth of Non-Banking Financial Companies (NBFCs). Digitalisation is transforming service delivery, while regulatory focus on stability and inclusion is shaping the sector's future. These factors, alongside the government's flagship programmes like Make in India, Start-up India, Digital India, and Smart City Mission, among others, are creating a dynamic environment that is enabling NBFCs to thrive.

Your Company maintained a calibrated growth momentum despite the broader slowdown in certain sectors such as microfinance and sections of the urban unsecured lending segment. This resilience was driven by a robust five-pillar framework of execution. While the 'Management Discussion and Analysis' section provides a detailed account of our efforts and actions on these pillars, I am delighted to share some significant and measurable progress across each of these critical areas.

The first pillar, **Enhancing Customer Acquisition**, focuses on broadening the rural and urban customer funnel by increasing distribution footprint. Your Company continues to engage with its robust ~2.6 Cr existing database to unlock the potential for strategic cross-selling, all while upholding the highest standards of prudent credit and risk management. This year, LTF proudly welcomed over 24 lakh new customers, a testament to its focussed acquisition strategy and granular expansion efforts. As of FY25, the Company's expansive presence is in 21 states, 2 union territories, over 100 cities and towns, and around 2 lakh villages. Further, with the proposed acquisition of the gold loan business undertaking of Paul Merchants Finance Pvt. Ltd., a wholly owned subsidiary of Paul Merchants Ltd., we are set to enhance a high-quality customer franchise of about 1 lakh customers and 130 branches spread across 11 states. We will also be adding 700 employees to our current workforce of over 35,000.

Digitalisation is transforming service delivery, while regulatory focus on stability and inclusion is shaping the sector's future.

The second pillar, **Sharpening Credit Underwriting**, encouraged your Company to take a big leap and operationalised 'Project Cyclops', a state-of-the-art self-learning AI-ML-powered credit engine, by leveraging datasets from bureaus, account aggregators, and alternate data signals for more robust underwriting. Following its successful pilot and its full deployment across the dealership network of the Two-Wheeler finance business, we extended it to the Farm Equipment Finance business in Q3 FY25 and plan to extend it to our Personal Loans and Business Loans business verticals in FY26. Besides, LTF has maintained stringent portfolio and sourcing norms across all businesses and continued to uphold robust credit guardrails.

Complementing the first two pillars, the third pillar focuses on **Implementing a Futuristic Digital Architecture**. Your Company is accelerating digital transformation, prioritising seamless and unified customer experiences by leveraging in-house engineering. It is swiftly building robust infrastructure for speed and agility. Partnerships with Amazon Pay, CRED, and PhonePe are revolutionising lending products. Your Company is pioneering AI-driven solutions like 'Knowledgeable

AI' (KAI), a virtual home loan advisor; 'Project Nostradamus', a-state-of-the-art, first in the industry AI-driven automated real-time portfolio and credit risk management engine for enhanced customer intelligence' and 'Lifestyle Index Calculator', which optimises data collection. Besides, your Company launched PLANET App 3.0 and redesigned its website to offer a differentiated Direct2Consumer experience through integrated AI workflows. These initiatives solidify LTF's commitment to innovation and superior customer journeys within the Banking, Financial Services, and Insurance (BFSI) sector. These digital advancements are beginning to yield significant positive results.

To support the retail growth and customer-centric shift, your Company prioritised **Heightened Brand Visibility** across all channels. This pillar ensures wider awareness of its offerings among diverse audiences, solidifying its market presence. We refreshed our Housing Finance category with an integrated marketing campaign featuring TV commercials emphasising key differentiators. We also amplified our digital presence and on-ground activations, while foraying into areas like rural influencer marketing and AI-led festive campaigns. In addition, we actively participated in events like Global Fintech Fest, India Bike Week, and Krishi Expo Hisar to foster direct consumer engagement. We are strategically enhancing our brand presence with Indian cricketer Jasprit Bumrah as our brand ambassador for our select businesses. Notably, the inaugural edition of R.AI.SE' 24, the AI-focussed event, united industry leaders, including Mr. S.N. Subrahmanyan, Chairman & Managing Director, L&T and Chairman of LTF, and Mr. Rajesh Bansal, CEO, Reserve Bank Innovation Hub. At the event, we also launched the 'LTF Pearl Anniversary Challenge' Hackathon, aiming to revolutionise farmer credit assessments and solidifying our commitment to innovation.

Further, recognising the need for robust resources, we established the '**Capability Building**' pillar. We created a Chief of AI & Data Officer role, a BFSI first, and Regional Business Head positions for enhanced regional oversight. Your Company is investing in AI/ML skills, especially in Credit & Risk and Tech & Engineering.

The GPTW recognition underscores our commitment to a culture of credibility, respect, and fairness, driven by our core values. In pursuit of a supportive work environment, we are standardising branch operations across India, and as a result, we relocated several teams, including tech, to upgraded office spaces in Bengaluru and Navi Mumbai. We implemented strategic GPTW initiatives, including enhanced employee engagement and women empowerment. Our Human Resources vertical launched the Continuous Education Policy and Skilling and Training for Rounded Individual Development and Enhancement (STRIDE) to foster continuous employee learning. We will continue to prioritise and invest in our employees through such strategic HR programmes.

These initiatives, driven by the five pillars, have translated into remarkable financial performance. Today, your Company stands as one of the market leaders, a top financier in its anchor businesses, built carefully and strategically over the past decade. These include our flagship Rural Group Loans and Micro Finance (JLG), Farm Equipment Finance, and Two- Wheeler Finance. I'm incredibly delighted to share some key achievements on our financial performance for FY25.

- Highest ever annual full year Profit after Tax (PAT) of ₹ 2,644 Cr, registering a 14% Y-o-Y growth
- Strong retail franchise with a retail book size of ₹ 95,180 Cr, recording a growth of 19% Y-o-Y
- Retail disbursements for FY25 stood at ₹ 60,040 Cr, a growth of 11% Y-o-Y
- Retailisation at 97% of overall book
- Highest ever annual Return on Assets (RoA) of 2.44% vs 2.32%, up 12 bps Y-o-Y
- Maintained resilient asset quality with consolidated GS3 and NS3 at 3.29% and 0.97%, respectively, at the end of FY25

One of the key drivers that strengthened your Company's financial position was a strategic initiative focused on enhancing efficiency. This involved a comprehensive rightsizing restructure and streamlining operational workflows with a focus on profitability. It demonstrated our commitment to operational excellence.

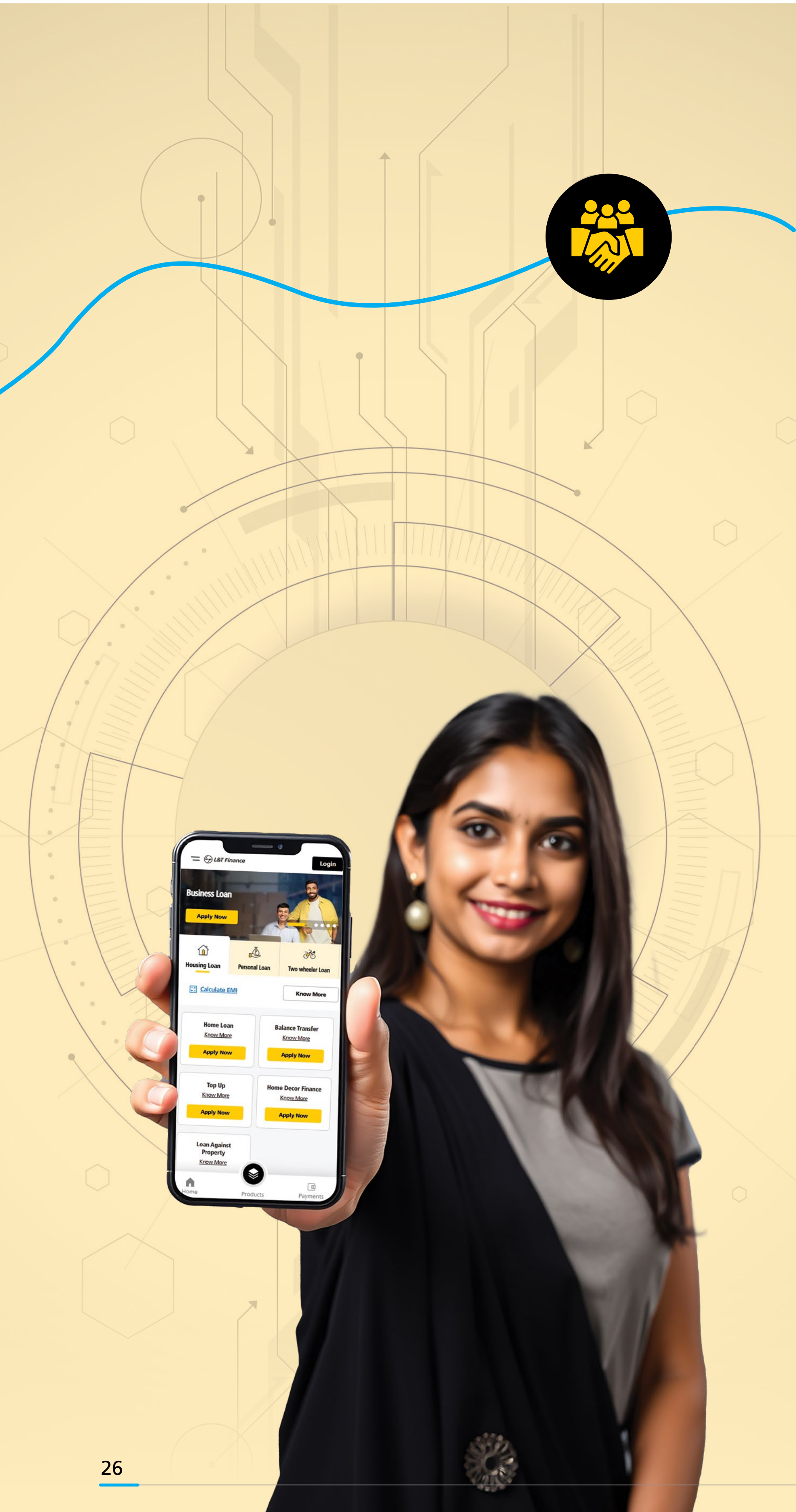
LTF's Direct-to-Consumer PLANET App is rapidly becoming a preferred channel, transforming how it delivers financial services. Through the app, we are streamlining collections, sourcing new customers, and providing seamless service – all digitally. This has led to significant improvements in rural digital collections, demonstrating the power of a digital-first approach.

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 54. Besides, we are continuously monitoring and analysing NPS, using these valuable insights to further strengthen customer relationships and build lasting loyalty.

LTF's security strategy centres on a Zero Trust framework, 'never trust, always verify', fortified by AI-driven real-time threat detection. We proactively manage vulnerabilities across all platforms (web, mobile, and API) with robust patching and conduct regular third-party risk assessments. A dedicated cyber crisis plan and isolated backups ensure business continuity.

Your Company is leading the charge in Environmental, Social, and Governance (ESG) responsibility and has contributed towards reducing its carbon footprint by reducing the Greenhouse Gas (GHG) emissions while increasing reliance on renewable energy in operations. I am proud to share that your Company has top notch ESG ratings. By embracing green power, your Company has avoided over 1,800 tCO_2e in carbon emissions. The EV financing initiatives further prevented an additional 12,675 tCO_2e emissions. As of Q4 FY25, we have financed close to 65,000 EVs, contributing significantly to a cleaner future. LTF's commitment to strong governance is reflected in our board composition: over 50% independent members, half of whom are women, with all statutory committees, where legally permissible, chaired by independent members.

We conducted an inaugural Double Materiality Assessment, engaging internal and external stakeholders



to identify 17 key material topics, achieving exceptional response rates. A first-ever Business Impact study using the 'True Value Methodology' evaluated our portfolio's societal impact. Becoming a 'Partnership for Carbon Accounting Financials' (PCAF) signatory, we are committed to transparent GHG emissions reporting. Achieving ISO 45001:2018 certification for our Head Office underscores our focus on workplace safety. We reinforced Diversity, Equity, and Inclusion (DEI) through mandatory, gamified modules translated into multiple languages and rolled out across management levels.

On the Corporate Social Responsibility front, the flagship 'Digital Sakhi' project has empowered over 2,000 Digital Sakhis since its inception, who in turn have positively impacted over 54 lakh individuals and upskilled more than 17,000 women entrepreneurs. As of FY25, the Digital Sakhi project is flourishing across West Bengal, Tamil Nadu, Karnataka, Kerala, Bihar, Uttar Pradesh, and Rajasthan. The other key initiative, the 'Jalvaibhav' project, is actively replenishing water resources and promoting climate-smart agriculture. With 'Jalvaibhav', LTF is providing integrated water resource management, creating additional water harvesting capacity, and benefitting over 12,000 farmers across 134 villages. Through 'Project Prakruti', your Company has partnered with farmers to plant over 2 lakh horticulture saplings, empowering small and marginal farmers to increase their income through diversified cropping. Beyond these initiatives, we are actively involved in disaster relief, mitigating the impact of natural calamities like floods.

Looking back at our journey, I am genuinely filled with enthusiasm for our collective achievements, a testament to the dedication of our teams. As we gaze towards the horizon, the future of lending appears bright, illuminated by the transformative power of technological innovation. The credit landscape continues to offer opportunities across a multitude of sectors, driven by concerted efforts to foster entrepreneurship, accelerate digital adoption, domestic manufacturing, and enhanced urban infrastructure. With this promising environment as our backdrop, I am confident that a diversified NBFC like ours, we are poised to ascend to the leadership ranks among the Non-Banking Financial Companies in the country while delivering on our Lakshya goals. Our unwavering commitment to democratising credit for every Indian citizen will be the driving force behind this ascent.

To achieve this vision, we have consciously organised ourselves around three core themes, namely (a) laser-sharp focus on productivity enhancement, (b) customer selection for a resilient and profitable portfolio, and (c) granular focus on cost selection, in addition to our five pillars of execution. We are strategically focusing on four key execution engines, each meticulously designed for sustained growth. The four engines are as follows:

- **Technology**: Transitioning to an integrated, modular product technology approach, leveraging AI/ML, UI/UX, and cloud computing.
- **People**: Creating a desirable work environment that attracts and retains top talent by offering challenging work, providing necessary tools, and rewarding results.
- **Product**: Focusing on customer-centric innovation, moving beyond commoditised offerings.
- **Execution**: Prioritising focused, team-orientated execution to achieve ambitious goals, emphasising hard work and a '1% inspiration, 99% execution' philosophy.

Finally, I want to express my sincere gratitude to all our stakeholders, especially our Board members for their invaluable guidance and my exceptional colleagues for their unwavering dedication.

Thank you,

Sudipta Roy

Managing Director and Chief Executive Officer

Corporate Governance

Driving Integrity, BUILDING TRUST

Transforming Governance into Competitive Advantage

Governance transcends the confines of rulemaking, evolving into a framework that fosters transparency, accountability, and ethical stewardship.

For LTF, governance is a strategic imperative that shapes its vision and underlines its long-term success. Inheriting the L&T Group's legacy, your Company proactively integrates transparency, ethical behaviour, and accountability into its core values. At the helm, our Board of Directors, comprising diverse and seasoned members, stand at the forefront of governance. In collaboration with its Committees, the Board establishes policies and frameworks governing our business and operations. Your Company is unwavering in its commitment to the highest corporate governance standards with the primary objective being upholding long-term interests of our varied stakeholders through robust policy frameworks and prudent risk management and governance practices. Through the concerted efforts of your Company under the guidance and direction of its Board (including its Committees), your Company upholds the pinnacle of corporate governance principles in its functioning.

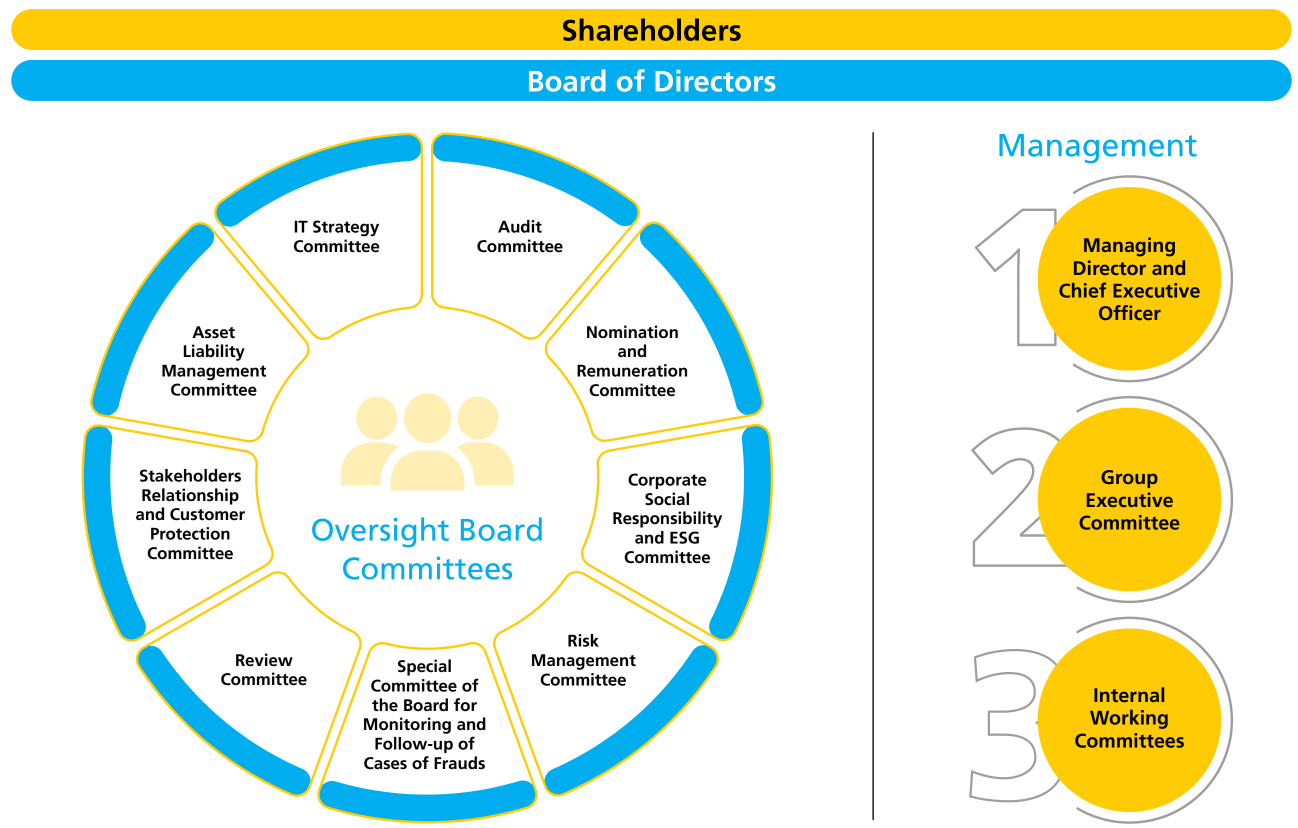
LTF's governance philosophy is deeply rooted in the fundamental tenets of the L&T Group: Integrity, Customer Focus, Commitment to Excellence, and Respect for Individuals. These values are not mere words, they are the guiding principles that shape every decision, from Board-level strategies to daily operational choices.

Group Structure

Governance Framework

Your Company's governance framework is built on a strong foundation of institutional decision-making, where key matters are deliberated through structured group mechanisms. The Board functions through various committees, each governed by a defined Charter or Terms of Reference ('ToR'), which clearly outlines its roles and responsibilities. The minutes and recommendations of these committees are regularly placed before the Board, facilitating informed and transparent decisions. Beyond the regulatory committees, your Company has constituted several internal working Committees, comprising senior management and cross-functional stakeholders, which feed valuable inputs into the committees and, in turn, to the Board. This layered governance model ensures a continuous flow of insight, accountability, and collective wisdom across all levels of the organisation.

The structure included herein provides a snapshot of your Company's governance framework and its key constituents.



Our Leadership

Board of Directors

S. N. Subrahmanyan

Chairman and Non-Executive Director

DIN: 02255382

Date of appointment

February 28, 2022

Nationality	Age
Indian	65 years

Committee Membership

-

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 & Cybersecurity, Sustainability/ESG Expertise

Sudipta Roy

Managing Director and Chief Executive Officer

DIN: 08069653

Date of appointment

January 24, 2024

Nationality	Age
Indian	53 years

Committee Membership

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

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 & Cybersecurity, Sustainability/ESG Expertise

R. Shankar Raman

Non-Executive Director

DIN: 00019798

Date of appointment

May 1, 2008

Nationality	Age
Indian	66 years

Committee Membership

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

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 & Cybersecurity, Sustainability/ESG Expertise

Thomas Mathew T.

Independent Director

DIN: 00130282

Date of appointment

July 23, 2015

Nationality	Age
Indian	71 years

Committee Membership

- Nomination and Remuneration Committee (Chairman)
- IT Strategy Committee (Chairman)
- Audit Committee
- Special Committee of the Board for Monitoring and Follow-up of Cases of Frauds
- Review Committee

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 & Cybersecurity, Sustainability/ESG Expertise

Rajani R. Gupte

Independent Director

DIN: 03172965

Date of appointment

June 28, 2018

Nationality	Age
Indian	69 years

Committee Membership

- Corporate Social Responsibility and ESG Committee (Chairperson)
- Stakeholders Relationship and Customer Protection Committee (Chairperson)
- Nomination and Remuneration Committee
- Risk Management Committee

Expertise and Competencies

Leadership Qualities, Financial Sector Knowledge and Experience, Understanding of the Regulatory Framework, Corporate Governance, Financial Expertise, Risk Management, Information Technology & Cybersecurity, Sustainability/ESG Expertise

R. Seetharaman

Independent Director

DIN: 01846777

Date of appointment

January 23, 2024

Nationality	Age
Indian	66 years

Committee Membership

- Audit Committee (Chairman)
- Special Committee of the Board for Monitoring and Follow-up of Cases of Frauds (Chairman)
- Corporate Social Responsibility and ESG Committee
- Stakeholders Relationship and Customer Protection Committee
- Review Committee

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 & Cybersecurity, Sustainability/ESG Expertise

Nishi Vasudeva

Independent Director

DIN: 03016991

Date of appointment

June 15, 2017

Nationality	Age
Indian	69 years

Committee Membership

- Risk Management Committee (Chairperson)
- Audit Committee
- IT Strategy Committee

Expertise and Competencies

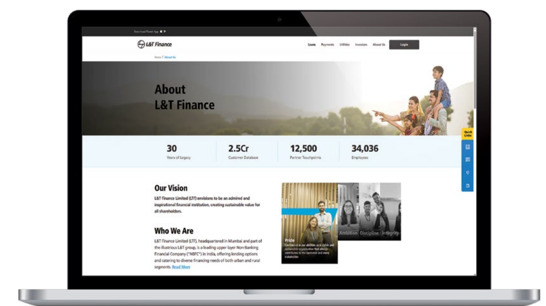
Leadership Qualities, Financial Sector Knowledge and Experience, Understanding of the Regulatory Framework, Corporate Governance, Financial Expertise, Risk Management, Information Technology & Cybersecurity, Sustainability/ESG Expertise

Particulars	Age			Total
FY25	<30 Years	30-50 Years	>50 Years	
Male	–	0	5	5
Female	–	0	2	2
Total	–	0	7	7

Particulars	Independence		Total
	Independent	Non-Independent	
Male	2	3	5
Female	2	–	2
Total	4	3	7

For detailed information, please visit:

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



Senior Management

Sudipta Roy
Managing Director and Chief Executive Officer

Sachinn Joshi
Chief Financial Officer

Raju Dodti
Chief Operating Officer

Santosh B. Parab
General Counsel

Kavita Jagtiani
Chief Marketing Officer

Ramesh Aithal
Chief Digital Officer

Jinesh Shah
Chief Executive – Urban Secured Assets & Third Party Products

Abhishek Sharma
Chief Executive – SME Finance

Sonia Krishnankutty
Chief Executive – Rural Business Finance

Apurva Rathod
Company Secretary and Chief Sustainability Officer

Asheesh Goel
Chief Executive – Farmer Finance

Debarag Banerjee
Chief AI & Data Officer

Nilesh Dange
Chief Human Resources Officer

Board of Directors

The Board, as the governing body, provides strategic direction, sets the vision, and oversees and guides management. Committed to responsible corporate governance, it implements a framework to ensure regulatory compliance, while fostering stakeholder confidence to drive the long-term success of your Company and setting strategic direction.

A well-rounded Board is crucial in navigating a dynamic business landscape, as it fosters inclusivity, supports robust risk management, and guides your Company towards achieving its long-term goals while protecting the interests of all stakeholders. As of March 31, 2025, the Board's composition aligns with the requirements of the SEBI Listing Regulations, the Act, and RBI regulations.

The Board comprises a diverse group of individuals with varied skills, experiences, and gender representation. A balanced mix of executive and non-executive directors strengthens the Board's effectiveness, with the majority being Independent Directors, including Independent Women Directors. As of March 31, 2025, the Board consists of seven directors: four Independent Directors

(two of whom are women), one Executive Director, and two Non-Executive Directors. More than 50% of the Directors are independent. Their collective expertise spans *inter alia* finance, information technology, risk management, ESG, international markets, and policy development. This composition is vital for ensuring a well-governed, forward-looking organisation, where independent judgement and strategic guidance are at the forefront. The Board comprises professionals from diverse industries such as multinational conglomerate, banking, finance, technology, and public policy, among others. This diversity enables the Board to draw on a wide range of perspectives and expertise, which helps address complex challenges, drive innovation, and ensure sound, balanced decision-making across all aspects of governance. Unless otherwise mandated by law, the Board Committees are chaired by Independent Directors. The chairs of various committees are carefully selected based on the specific expertise and domain knowledge of the Directors, thereby enhancing the quality and depth of Committee deliberations.

The Board plays a pivotal role in overseeing governance and risk management, extending beyond the scope of its committees. While committees provide critical support, the Board as a whole is actively engaged in shaping strategy, addressing key risks, and ensuring adherence to regulatory, operational, and ethical standards. Its involvement is instrumental in defining your Company's growth trajectory and strengthening the overall governance framework, ensuring alignment with stakeholder interests. Further, your Company does not have any members on the Board with a permanent board seat.

Key Performance Indicators

7
Total Number of Board Members

>50%
Board members are Independent Directors

29%
Independent Women Directors

Separate Role
Board Chairman and the Managing Director and Chief Executive Officer

~97%
Average Attendance in Board Meetings

100%
Directors Trained (Familiarisation Programmes)

Policies Reviewed Annually
by Committees and the Board

Average Tenure of the Board (Years)

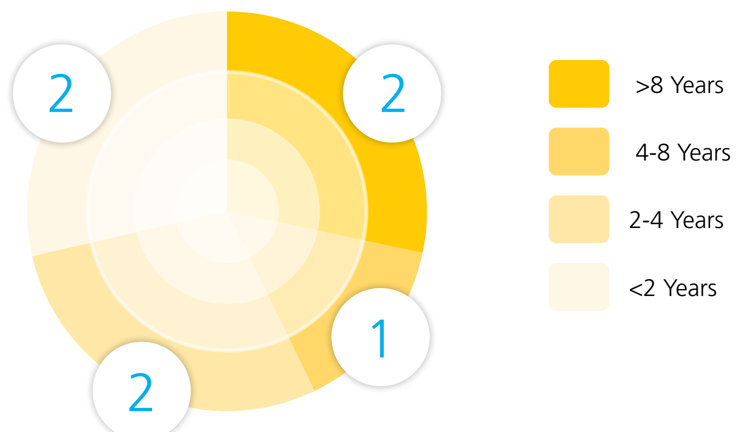
6.34 Years
Board

1.2 years
Managing Director and Chief Executive Officer

6.05 Years
Independent Directors

9.50 Years
Non-Executive Directors

Average Number of Years of Association of Directors



Independent Directors

The Act and the SEBI Listing Regulations define an 'Independent Director,' and your Company ensures full compliance with these definitions. Based on disclosures received from all Independent Directors and the Board's assessment, the Independent Directors meet the conditions specified under the Act and the SEBI Listing Regulations and remain independent of the Management.

In adherence to the RBI's Scale-Based Regulations, none of the Independent Directors serve on the Boards of more than three NBFCs, whether Middle Layer or Upper Layer, simultaneously. Additionally, the Managing Director of your Company does not serve as an Independent Director in any other company.

4
Independent Directors

7 out of 9
Committees Led by Independent Directors

50%
Of Independent Directors are Women

Appointment/ Reappointment of Directors

All appointments and reappointments to the Board comply with the applicable legal requirements. Before selection of any director, the key areas of expertise required are identified, followed by industry analysis and engagement of HR consultant (if required) for identification of potential candidate. A multi-layer process for appointment of a Director on the Board is undertaken, ensuring orderly succession planning through the following steps:

- I Initiation of the process for identification of the proposed candidate well in advance (generally a year)
- II Identification and finalisation of key areas of expertise required on the Board
- III Analysis of the industry and if required, empanelment of experts to help in the identification process
- IV Undertaking due diligence:
  - No conflict of interest checks
  - Reviewing the profile and experience to ensure proper fit
  - Screening of existing directorships
  - Scanning information available in public domain for any negative news
  - Reference checks

Basis the due diligence undertaken, the selection process follows a three-tier approval framework:

- Evaluation and recommendation of candidates by the Nomination and Remuneration Committee
- Review and recommendation by the Board
- Approval by shareholders/ members

The NRC evaluates the candidates across several key parameters, including age, gender, educational qualifications, professional background, experience, skills, and alignment with your Company's strategic goals. None of the Independent Director of your Company is due for re-appointment in FY26.

Furthermore, the reappointment of Directors retiring by rotation, as per regulatory requirements, is subject to shareholder/member approval. Each Board member is individually elected.

The resignation and removal of Directors, including Independent Directors, are governed by the provisions of Sections 168 and 169 of the Act and the SEBI Listing Regulations.

Board Effectiveness and Performance

In an ever-evolving and dynamic environment, your Company's Board plays a pivotal role in navigating complexity, fostering innovation, and addressing periodic challenges—all while staying true to its purpose, values, and vision. Recognising that business landscapes, operating environments, and stakeholder priorities will continue to shift in both subtle and transformative ways, the Board provides strategic direction to keep your Company on course.

To fulfil this critical responsibility, the Board employs well-established approaches to enhance its effectiveness, enabling it to oversee your Company's strategic success and drive long-term value creation.

There are 3 major levers that contribute towards the effectiveness of the Board:

1st People
Ensuring the right mix of skills and experience

2nd Information Architecture
Enabling data-driven decision-making

3rd Structures and Processes
Maintaining robust governance frameworks

Together, these pillars empower the Board to navigate challenges with agility, while staying firmly aligned with your Company's core purpose, values, and vision.

1 The First Lever: People – The Right Skills and Experience

Board effectiveness starts with having the right people who can help lay out the strategy and oversee governance framework. Your Company ensures a balanced mix of skills, expertise, industry backgrounds, and perspectives across the Board. This diversity supports well-rounded discussions and better decision-making.

Each Director is held to clear performance and knowledge standards. Ongoing familiarisation with the business, regulatory environment, and industry trends ensures that all Board Members are equipped to contribute meaningfully.

2 The Second Lever: Information Architecture

Your Company believes that well-structured information is essential for enabling meaningful discussions and informed decision-making in the Boardroom. To ensure the effectiveness of information, key parameters such as timely dissemination, conciseness, focus, prioritisation, and issue criticality are considered. Beyond internal data, external insights – sourced from social media, industry peers, and formal and informal channels, are integrated to provide the Board with a holistic view of key issues.

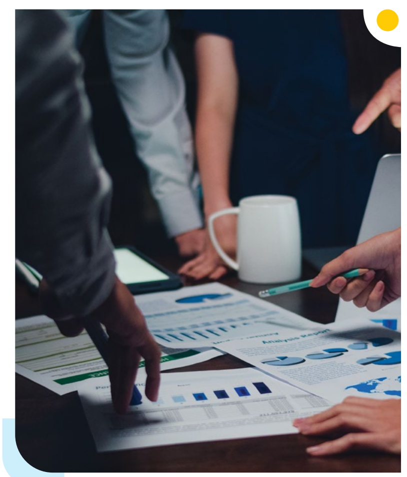
Apart from the regular interactions during the Board meetings, the Board Members receive regular newsletters covering key developments across LTF, building thought leadership, product pulse, departmental updates, marketing and corporate communications, and key ESG & CSR, initiatives. These initiatives keep Board Members well-connected, enabling them to contribute effectively to your Company's growth and success.

3 The Third Lever: Structures and Processes – Enabling Effective Governance

Strong governance requires clear structures and robust processes. At your Company, key oversight functions such as Risk, Compliance, and Internal Audit report directly to the respective Board Committees. This ensures independence and supports transparent decision-making.

To further enhance Board effectiveness, several structured processes are in place. These include regular Board evaluations to assess performance, strategic planning sessions to align on long-term direction, and risk reviews to proactively manage uncertainties.

This process is further supported by consistent engagement with Senior Management and other stakeholders through field / branch visits. By participating in Board meetings and strategic discussions, senior leaders provide direct insights into business operations, priorities, and challenges. This regular interaction keeps the Board closely connected to your Company's day-to-day realities and long-term goals, resulting in better alignment and more informed decision-making.



Board Expertise and Development

The Board of Directors at LTF represents a rich blend of experience and expertise, driving leadership that is in harmony with your Company's strategic goals. Each Director brings in a distinct perspective, enriched by extensive industry knowledge, financial expertise, corporate acumen insight, and a firm commitment to risk management and regulatory adherence.

Recognising the complexities of an ever-changing financial environment, LTF prioritises enhancing the Board's capabilities through structured training programmes. These initiatives keep Directors abreast of emerging trends, regulatory shifts, and advancements in technology and sustainability. Workshops, and timely updates equip the Board with insights to make decisions that ensure sustainable value creation for stakeholders.

Skill/Expertise Mapping of Directors

Name	S.N. Subrahmanyam	Sudipta Roy	R. Shankar Raman	Thomas Mathew T.	Rajani Gupte	Nishi Vasudeva	R. Seetharaman
Designation	Chairman and Non-Executive Director	Managing Director and Chief Executive Officer	Non-Executive Director	Independent Director	Independent Director	Independent Director	Independent Director
Experience	>41 Years	>28 Years	>41 Years	>44 Years	>44 Years	>43 Years	>41 Years
Leadership	✓	✓	✓	✓	✓	✓	✓
Industry Knowledge and Experience	✓	✓	✓	✓	✓	✓	✓
Experience in Exposure in Policy Shaping and Industry Advocacy	✓	✓	✓	✓			✓
Understanding of Relevant Laws, Rules, Regulations and Policies	✓	✓	✓	✓	✓	✓	✓
Corporate Governance	✓	✓	✓	✓	✓	✓	✓
Financial Expertise	✓	✓	✓	✓	✓	✓	✓
Risk Management	✓	✓	✓	✓	✓	✓	✓
Global Experience/International Exposure	✓	✓	✓	✓	✓	✓	✓
Information Technology & Cybersecurity	✓	✓	✓	✓	✓	✓	✓
Sustainability/ESG Expertise	✓	✓	✓	✓	✓	✓	✓

Board's Learning and Development

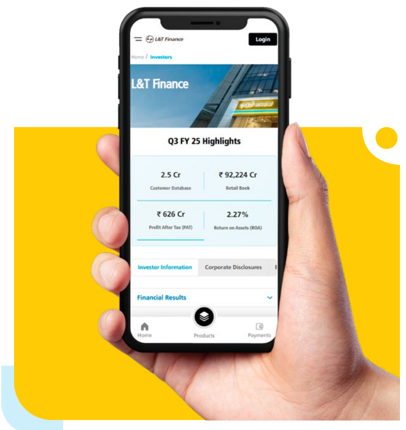
Your Company is deeply committed to empowering its Board Members with the knowledge and insights necessary to provide strategic direction with focus on strong governance. A structured and continuous learning framework is in place to ensure that both new and existing Directors remain well-informed and equipped to oversee your Company's evolving priorities.

A detailed orientation programme is conducted for newly appointed Directors, featuring interactive sessions with Senior Management. These one-on-one meetings provide valuable insights into business landscape of your Company, their responsibilities, governance duties, and the framework within which the Board and Committees operate. Directors also gain an overview of your Company's financial performance, strategic direction, policies, and future ambitions, enabling them to align with organisational goals from the outset.

In addition to the orientation programme, your Company provides regular updates to keep Board Members informed about emerging trends and priority areas. In FY25, 100% of the Board participated in specialised training programmes on ESG topics and Information Security, underscoring the increasing importance of these domains in effective governance. Additionally, in line with the significant increase in the importance of use of AI in the lending business, an AI bootcamp was arranged for the Independent Directors wherein real-world test scenarios for financial services were discussed.

For further details on these initiatives, visit:

https://www.ltfinance.com/investors



Directors further enrich their strategic understanding through direct exposure to your Company's operations, including branch and dealer visits and evaluation of CSR projects. A majority of the Board members have also engaged extensively with stakeholders to gain a comprehensive understanding of the business and the requirements of individuals at the operational level. Such engagements help bridge the gap between strategic planning and ground-level realities, enhancing their oversight capabilities.
Regular, meaningful interactions between the Board and Senior Management define your Company's governance ethos. Both formal and informal meetings allow Directors to share their expertise, offer strategic direction, and exchange perspectives with the management team. Your Company Secretary facilitates Directors receiving accurate, concise, and timely information, supported by detailed agenda notes shared in advance of meetings.

These targeted engagement efforts ensure the Board is well-prepared to steer LTF's growth while upholding strong governance principles.

Performance Evaluation

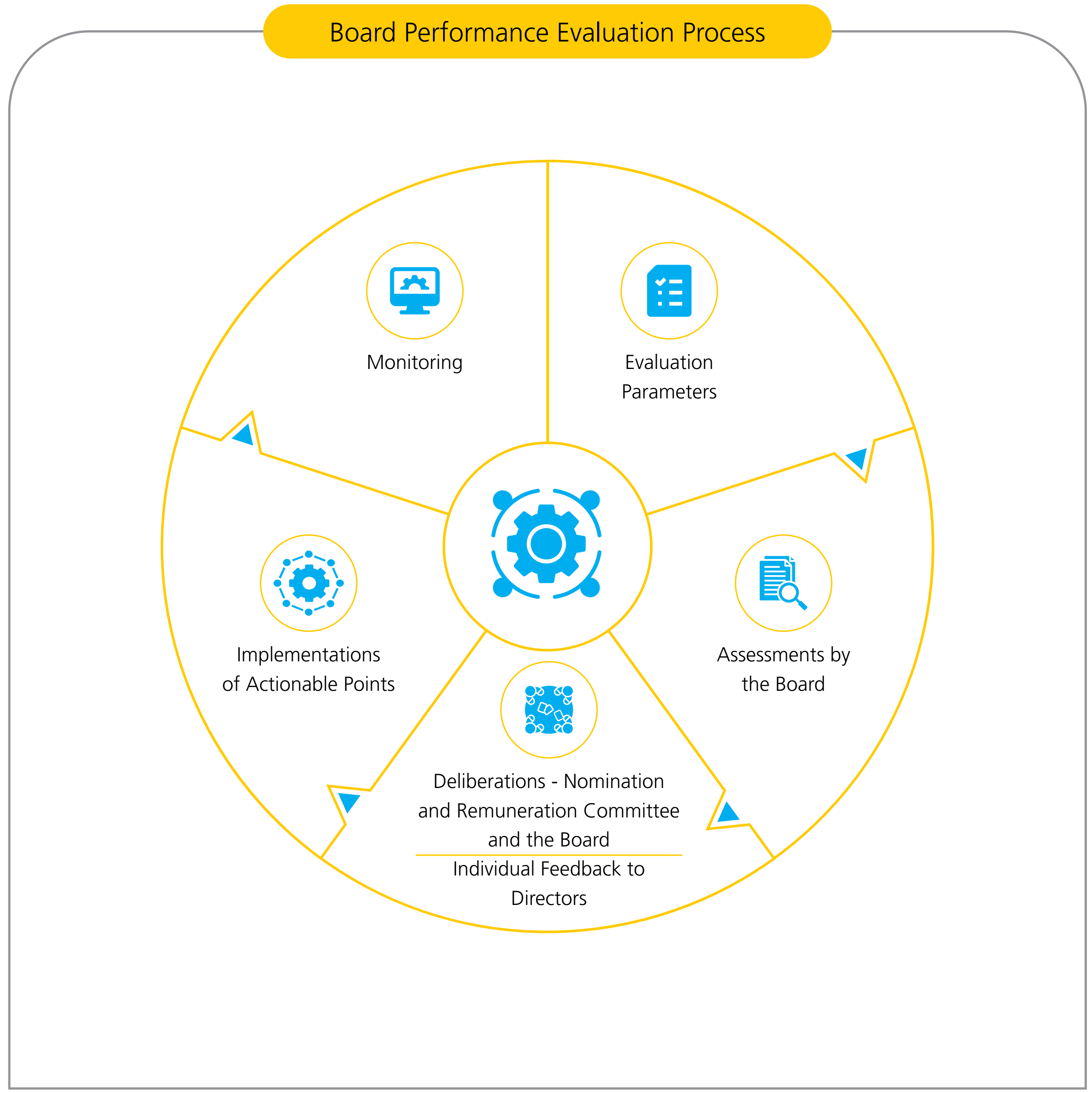
Your Company recognises that the performance of its Board, Committees, and individual Directors is fundamental to achieving strategic objectives and sustaining operational excellence. To uphold this standard, an annual performance evaluation process is conducted to enhance effectiveness of the Board, drive continuous improvement and strengthen corporate governance.

Directors actively engage in the process, completing detailed assessment questionnaires that evaluate the Board's overall functioning, peer evaluation, and Committee performance. These questionnaires incorporate SEBI guidelines, global best practices, and industry benchmarks. The questionnaires are also structured to include your Company's performance on sustainability/ESG goals and targets. This year, assessment questionnaire of the Stakeholders Relationship and Customer Protection Committee underwent modification in line with the widened scope of the committee as specified in the Master Direction – Reserve Bank of India (Internal Ombudsman for Regulated Entities) Directions, 2023, dated December 29, 2023 to include customer protection.

Ensuring impartiality and confidentiality, your Company leverages the expertise of an external agency, which manages the evaluation process via a secure digital platform. After completing the evaluation, the agency provides a detailed analysis, presenting its findings through a well-defined reporting structure.

NRC Chairman engages each Director in individual feedback sessions, sharing specific insights on strengths and developmental areas. A detailed review of collective findings of evaluation is undertaken in the Board and NRC meetings, leading to actionable governance enhancements.

LTF's integration of rigorous evaluation mechanisms within its governance framework demonstrates its firm dedication to improvement, accountability, and the realisation of sustained stakeholder value.



Board Committees

The Board Committees are governed by specific terms of reference and provide the Board with recommendations and insights to effectively discharge its fiduciary duties. In alignment with its commitment to the highest standards of corporate governance, your Company has also established a number of internal committees/groups, in addition to those composed of Board members. These internal committees/groups play a pivotal role within your Company's governance framework, overseeing critical areas such as operational risks, IT and data analytics, information security, liquidity, customer service, and the review of frauds and defaults.

Guided by the Board's supervision and in alignment with the Act, SEBI Listing Regulations, and RBI directives, your Company has instituted various committees. These committees, operating under defined charters, ensure targeted oversight of critical business areas, while ensuring regulatory compliance and governance excellence.

The Board plays a pivotal role in overseeing governance and risk management, extending beyond the scope of its Committees. While these Committees provide critical support, the Board as a whole is actively engaged in shaping strategy, addressing key risks, and ensuring adherence to regulatory, operational, and ethical standards. Its involvement is instrumental in defining your Company's growth trajectory and strengthening the overall governance framework, ensuring alignment with stakeholder interests.

This year, the governance framework was further strengthened by several strategic enhancements. Two new committees were constituted, focusing on wilful defaults and fraud risk management, which were set up in alignment with RBI mandates.

Additionally, your Company introduced a dedicated Sustainability Steering Council. While sustainability has remained integral to your Company's ethos over the years, this Committee now provides focused oversight *inter alia* for integrating ESG principles into business operations, developing sustainability strategies, and monitoring sustainability performance metrics.

The Asset Liability Management Committee (ALCO) and the Review Committee are chaired by the Managing Director and CEO (in line with RBI regulations), while all other committees are led by Independent Directors, ensuring impartiality and independent oversight. This leadership structure reinforces your Company's commitment to balanced and objective decision-making.

To further elevate governance practices, your Company has implemented advanced digital compliance monitoring platforms, complemented by regular review sessions between the Audit Committee Chairperson, internal auditors and compliance officer. These initiatives underscore the Board's commitment to transparency, accountability, and the long-term success of your Company, positioning it to navigate emerging challenges and continue creating value for all stakeholders.

Audit Committee

The Audit Committee anchors your Company's governance architecture, with its remit extending beyond conventional financial supervision. Acting independently under the Board's direction, it ensures financial soundness, oversees risk management, and enforces compliance with regulations.

Contribution to political parties during the year 2024-25 is Nil (previous year Nil).

Key Responsibilities

The Audit Committee's responsibilities are comprehensive and include:

Financial Oversight

Supervising the financial reporting process, ensuring the completeness and accuracy of quarterly and annual financial statements before submission to the Board.

Risk Management

Evaluating internal financial controls and risk management systems to identify and mitigate financial, operational, and compliance risks.

Related-Party Transactions

Evaluating related-party transactions to confirm arm's-length conduct and avoid conflicts of interest.

Auditor Oversight

Recommending the appointment, remuneration, and terms of engagement for statutory auditors and secretarial auditor, ensuring independence.

Fraud Monitoring

Reviewing fraud reports, ensuring effective resolution, and overseeing corrective actions.

Intercorporate Loans and Investments

Guaranteeing prudence, and regulatory compliance in intercorporate loans and investments.

Accounting Policies

Monitoring changes in accounting policies, significant judgements, and adjustments arising from audit findings.

Internal Audit

Approving the annual audit plan, monitoring significant audit findings, and focusing on timely implementation of recommendations.

Compliance Oversight

Ensuring adherence to regulatory requirements, particularly financial disclosure standards.

Leadership and Composition

The Audit Committee is chaired by Dr. R. Seetharaman, an Independent Director with experience in finance and banking. Under his leadership, the Committee functions with a high degree of professionalism and rigour. All members of the Committee are financially literate and possess expertise in accounting and financial management, which strengthens its ability to oversee complex governance matters. The Audit Committee Chairman has extensive discussions on a monthly basis with the Chief Compliance Officer, and Head Internal Audit (which also covers cases under vigil mechanism), thus ensuring enhanced oversight on the controls and processes.

As a step towards enhanced corporate governance, the findings of regulatory inspections are also discussed at the Audit Committee meeting before the Board.

Composition

Name of the Committee Members	Designation in the Committee	Nature of Directorship
R. Seetharaman	Chairman	Independent Director
R. Shankar Raman	Member	Non-Executive Director
Thomas Mathew T.	Member	Independent Director
Nishi Vasudeva	Member	Independent Director

Nomination and Remuneration Committee (NRC)

The Nomination and Remuneration Committee acts as a driving force behind your Company's leadership capital. The Committee's mandate extends beyond routine appointments and compensation decisions—it focusses on creating a robust leadership pipeline, ensuring fair and transparent performance assessment systems, and developing compensation structures that drive both individual excellence and organisational success. Through its oversight of talent management and succession planning, the NRC supports your Company's long-term objectives.

Key Responsibilities

The NRC is entrusted with comprehensive responsibilities that encompass:

Leadership Appointments

Identifying, evaluating, and recommending appointments or reappointments of Senior Management Personnel ('SMP'), Key Managerial Personnel, and Directors. Ensuring leadership continuity through proactive succession planning.

Performance Evaluations

Conducting detailed assessments of the Board, its Committees, and individual Directors to maintain governance effectiveness.

Policy Development

Crafting policies for Director appointments, Board diversity, and remuneration, ensuring alignment with governance best practices and the organisation's strategic objectives.

Performance-Linked Remuneration

Defining and approving Key Performance Indicators (KPIs) for the Managing Director & CEO, and SMPs. Linking remuneration to individual and Company-wide achievements while benchmarking compensation against industry standards to attract and retain talent.

Workforce and Attrition Management

Monitoring workforce trends, identifying root causes of attrition, and recommending strategies to enhance employee retention and engagement. Periodic reviews ensure the implementation of corrective actions.

Employee Stock Option Scheme ('ESOS')

Overseeing the ESOS to incentivise employees, aligning their contributions with LTF's growth objectives.

Diversity and Inclusion

Promoting diversity within the Board and leadership team by encouraging varied perspectives, experiences, and expertise.

Long-Term Success Planning

Ensuring that leadership frameworks align with your Company's strategic direction, fostering sustainable growth and governance excellence.

Leadership and Composition

The NRC Committee is chaired by Mr. Thomas Mathew T., an Independent Director with a strong background in governance and leadership. The Committee members bring extensive experience in business strategy, finance, and human capital management.

Composition

Name of the Committee Members	Designation in the Committee	Nature of Directorship
Thomas Mathew T.	Chairman	Independent Director
R. Shankar Raman	Member	Non-Executive Director
Rajani R. Gupte	Member	Independent Director

Corporate Social Responsibility (CSR) and ESG Committee

The Corporate Social Responsibility (CSR) and ESG Committee is central to ensuring LTF's commitment to responsible and sustainable practices. Established in accordance with Section 135 of the Act, this Committee guides the strategic direction of your Company's CSR and ESG initiatives.

Key Responsibilities

The CSR and ESG Committee oversees a broad range of responsibilities to ensure effective implementation of CSR activities and sustainability initiatives, including:

Policy Formulation and Review

Develops and reviews policies for CSR and ESG activities, setting goals and action plans for sustainable development.

Annual Action Plans

Recommends to the Board annual action plans for CSR activities, including budget allocations.

Progress Monitoring

Tracks the implementation of CSR and ESG projects, ensuring adherence to the approved policy and compliance with regulatory requirements.

Business Responsibility and Sustainability Report (BRSR)

Reviews and recommends the BRSR for approval by the Board, evaluating your Company's sustainability performance across environmental, social, and governance dimensions.

Stakeholder Engagement

Ensures that CSR and ESG initiatives address the expectations of key stakeholders, including communities, investors, regulatory bodies, and shareholders.

Leadership and Composition

The CSR and ESG Committee is chaired by Dr. Rajani R. Gupte, an Independent Director and a seasoned institution builder, bringing extensive expertise in managing diverse stakeholders. The composition of the Committee reflects a blend of executive and independent leadership, ensuring robust oversight of CSR and ESG initiatives.

Composition

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

Risk Management Committee (RMC)

The Risk Management Committee is an integral part of LTF's governance structure, responsible for overseeing the identification, assessment, and mitigation of risks across the organisation. Through the development and execution of a robust risk management policy, the RMC ensures your Company's resilience, equipping it to handle various risks, including financial, market, operational, sectoral, ESG-related, and emerging risks like cybersecurity and climate change.

Key Responsibilities

The RMC's primary responsibilities encompass:

Risk Identification and Assessment

Identifying potential risks to LTF's operations and performance. Conducting detailed analysis across various functions, businesses and sectors, evaluating the materiality and impact of these risks, formulating appropriate mitigation strategies.

Risk Management Policy Formulation

Developing and reviewing your Company's risk management policy to ensure comprehensive coverage of financial, market, operational, and ESG-related risks. The policy also addresses information security, cybersecurity, and emerging risks, adapting to the evolving landscape.

Monitoring and Evaluation

Continuously monitoring risks and assessing their impact on performance. Reviewing risk assessment processes, grades, and mitigation measures to ensure that the risk management framework remains aligned with your Company's strategic objectives and risk appetite.

Reporting

Regularly reporting on identified risks, mitigation strategies, and progress towards addressing these risks. Reviewing risk strategies, risk mitigation actions, and steps taken to control and manage the risks.

Leadership and Composition

The RMC Committee is chaired by Ms. Nishi Vasudeva, an Independent Director, with a wealth of experience in risk management, operational strategy, and governance. The composition of the Committee ensures a diverse and balanced viewpoint, with members bringing expertise in finance, cybersecurity, governance risks, and overall business strategy.

Composition

Name of the Committee Members	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 Financial Officer	Member	-
Company Secretary	Member	-
Chief Risk Officer	Member	-

Asset-Liability Management Committee (ALCO)

The Asset-Liability Management Committee oversees market risks, liquidity management, and compliance with the Board-approved asset-liability management framework. By ensuring adherence to risk tolerance limits and regulatory guidelines, especially those from the Reserve Bank of India (RBI), ALCO preserves the integrity of LTF's financial management practices.

Key Responsibilities

ALCO's responsibilities among others include management of assets and liabilities to ensure liquidity, including:

Market Risk Management

Monitoring market conditions and their impact on your Company's balance sheet. ALCO ensures the implementation of strategies to manage interest rate and liquidity risks effectively.

Liquidity Management

Overseeing liquidity strategies to optimise financial resources and maintain adequate cash flows. Aligning their strategies with broader business objectives and budgetary considerations, ensuring sound financial planning.

Regulatory Compliance

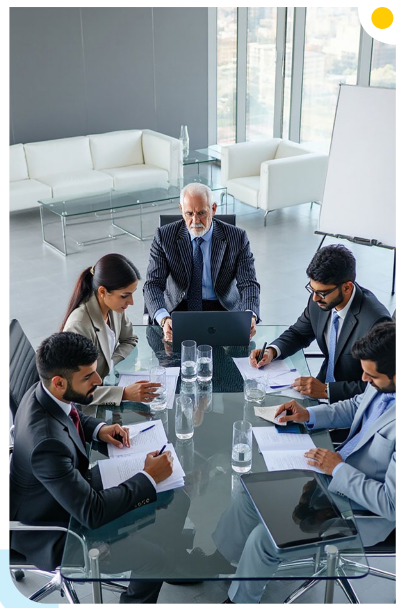
Adhering to RBI's guidelines on asset liability management. Ensuring that LTF remains compliant with risk tolerance limits and other regulatory standards.

Strategic Oversight

Aligning business strategies with risk management objectives, ALCO provides actionable recommendations to mitigate financial risks, ensuring LTF's financial framework supports its strategic goals.

Leadership and Composition

The ALCO Committee is chaired by the Sudipta Roy Managing Director and Chief Executive Officer, as per RBI Master directions. It comprises members with expertise in finance, risk management, and market strategy, ensuring a comprehensive approach to managing risks and aligning with regulatory standards.



Composition

Name of the Committee Members	Designation in the Committee	Nature of Directorship
Managing Director and Chief Executive Officer	Chairman	-
R. Govindan	Member	Representative of L&T
Chief Financial Officer	Member	-
Chief Risk Officer	Member	-
Chief Economist	Member	-
Chief Executives of Respective Businesses	Member	-
Treasurer	Member	-

IT Strategy Committee (ITSC)

The IT Strategy Committee is a pivotal body responsible for steering LTF's digital transformation efforts, ensuring that technology investments align with organisational objectives. The Committee focuses on leveraging IT for innovation, operational efficiency, and an enhanced customer experience while effectively managing cybersecurity challenges.

Key Responsibilities

ITSC is tasked with overseeing the formulation and execution of IT strategies, policies, and governance structures, including:

IT Strategy and Alignment

Formulating and overseeing the implementation of IT strategies that align with LTF's strategic goals to drive growth.

IT Risk Management

Managing IT risks, including cybersecurity, and ensuring effective mitigation strategies are in place. Reviewing IT governance frameworks and resource needs, ensuring they provide business value, efficiency, and accountability.

Cybersecurity and Fraud Prevention

Approving strategies to address cybersecurity risks, reviewing incidents, and vulnerabilities, and implementing corrective actions. Ensuring that IT systems comply with regulatory requirements and safeguard data security.

IT Operations Oversight

Overseeing the sourcing and utilisation of IT resources and ensuring governance of outsourced IT operations. This includes regular reviews of IT performance, cost efficiency, and risk mitigation measures.

The ITSC provides periodic updates to the Board on strategy implementation, IT risk management, and cybersecurity initiatives, ensuring a transparent and informed decision-making process.

Leadership and Composition

ITSC Committee is chaired by Mr. Thomas Mathew T., an Independent Director with experience in the life insurance sector and expertise in managing IT functions. The Committee is supported by members with diverse skills, including IT strategy, risk management, cybersecurity, and digital transformation.

Composition

Name of the Committee Members	Designation in the Committee	Nature of Directorship
Thomas Mathew T.	Chairman	Independent Director
Managing Director and Chief Executive Officer	Member	-
Nishi Vasudeva	Member	Independent Director
Chief Information Officer (Chief Digital Officer)	Member	-
Chief Technology Officer	Member	-
Chief Risk Officer	Member	-
Chief Information Security Officer	Member	-
Chief Financial Officer	Member	-

Sub-Committees

The ITSC is supported by two sub-committees:

IT Steering Committee

Focusses on planning, oversight, and aligning IT activities with business needs.

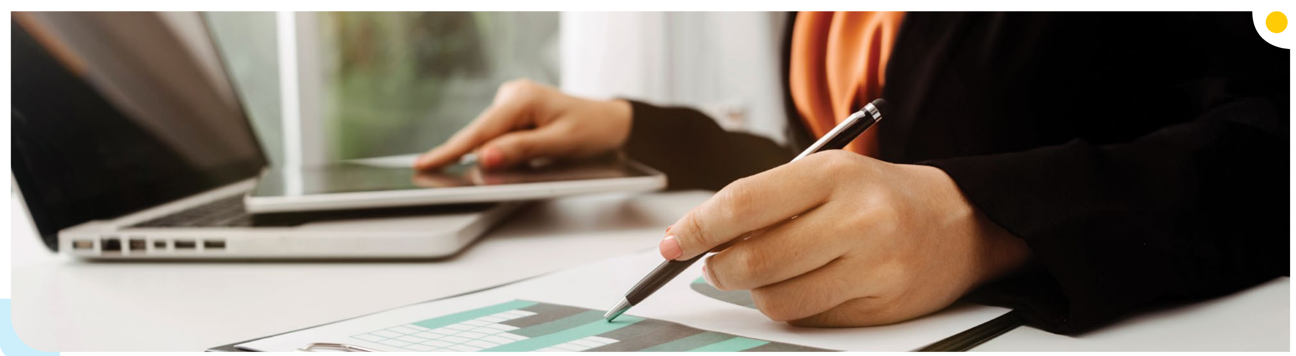
Information Security Committee (ISC)

Manages cybersecurity, reviews incidents, and oversees risk mitigation measures, ensuring compliance and resilience.

These sub-committees provide detailed oversight, ensuring that the IT infrastructure remains robust, compliant, and aligned with strategic objectives.

IT Strategy Committee

IT Steering Committee | Information Security Committee



Stakeholders' Relationship and Customer Protection Committee (SRCPC)

The Stakeholders' Relationship and Customer Protection Committee ensures that LTF operates responsibly, transparently, and in a customer-centric manner. By upholding the interests of security holders and customers, the SRCPC guarantees that governance practices align with regulatory requirements and your Company's strategic goals.

No equity shares were issued with differential rights as to dividend, voting or otherwise during FY25. Your Company has not resorted to any buy back of its equity shares during FY25.

Furthermore, your Company does not provide financial assistance to its employees for the purchase of its shares.

Key Responsibilities

The SRCPC overseas primarily grievances of shareholders, debenture holders and customers, including:

Investor Complaints Management

Addressing issues related to share transfers, non-receipt of balance sheets, and concerns regarding dividends and interest payments, while ensuring the prompt resolution of complaints and grievances from security holders.

Facilitating Shareholder Participation

Promoting effective shareholder engagement, ensuring the timely receipt of dividends, annual reports, and statutory notices.

Customer-Centric Initiatives

Overseeing the resolution of customer grievances through the Internal Grievance Redressal Mechanism. Reviewing and approving the Standard Operating Procedures (SOPs) related to customer service and protection, ensuring effective resolution of customer concerns.

Governance and Oversight

Monitoring and reporting on the effectiveness of customer service policies and customer satisfaction metrics. Working closely with the Internal Ombudsman (IO), who provides insights into grievance resolution, ensuring alignment with governance principles and LTF's customer service standards.

Leadership and Composition

The SRCPC Committee is chaired by Dr. Rajani R. Gupte, an Independent Director and a seasoned institution-builder, bringing extensive expertise in managing diverse stakeholders.

Composition

Name of the Committee Members	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

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

The Special Committee of the Board for Monitoring and Follow-up of Cases of Frauds is responsible for reviewing and monitoring fraud-related cases and ensuring robust fraud risk management within your Company.

Key Responsibilities

The SCBMF is responsible for:

Oversight

Ensuring the effectiveness of your Company's fraud risk management framework.

Review

Examining fraud cases, conducting root cause analysis, and recommending corrective measures to strengthen internal controls, enhance risk management, and minimise fraud occurrences. Reviews are conducted as per the periodicity outlined in your Company's Fraud Risk Management Policy and Reporting Framework.

Early Warning Signals

Monitoring the effectiveness of the framework for identifying and addressing early warning signals of potential fraud.

Leadership and Composition

The SCBMF is chaired by the Dr. R. Seetharaman having experience in finance and banking, with Managing Director and Chief Executive Officer and Independent Director as members of the Committee.

Composition

Name of the Committee Members	Designation in the Committee	Nature of Directorship
R. Seetharaman	Chairman	Independent Director
Managing Director and Chief Executive Officer	Member	-
Thomas Mathew T.	Member	Independent Director

Review Committee (RC)

The Review Committee (RC) is responsible for overseeing the review of cases classified as wilful defaulters in accordance with RBI regulations. Comprising Independent Directors, the Committee ensures fairness by providing defaulters with an opportunity to present their case, thereby safeguarding the interests of all stakeholders.

Key Responsibilities

The RC is responsible for:

Review

Evaluating proposals submitted by the Identification Committee for classifying wilful defaulters.

Opportunity to be Heard

Ensuring defaulters have the right to a personal hearing before the Committee.

Fair Assessments

Examining facts, supporting materials, submissions, and written representations from borrowers.

Fair Judgement

Issuing well-reasoned decisions on reviewed cases.

Leadership and Composition

The RC Committee is chaired by the Managing Director and Chief Executive Officer, along with two Independent Directors as members of the Committee, as per RBI directives.

Composition

Name of the Committee Members	Designation in the Committee	Nature of Directorship
Managing Director and Chief Executive Officer	Chairman	-
Thomas Mathew T.	Member	Independent Director
R. Seetharaman	Member	Independent Director

Governance Pillars: A Commitment to Excellence

At LTF, governance isn't just a compliance checkbox—it is a journey of continuous improvement, innovation, and stakeholder trust-building. Your Company's secretarial practices represent its commitment to governance excellence, transparency, and stakeholder trust. By proactively adopting global best practices and transcending statutory requirements, LTF continues to set industry benchmarks in governance. From tracking actionable insights to fostering sustainability governance, these initiatives reflect a forward-thinking approach. Independent and robust oversight frameworks underscore your Company's dedication to aligning with evolving regulatory landscapes and enhancing long-term stakeholder value.

Elevating Governance Standards

ISO 9001:2015

Corporate Secretarial Department of LTF has successfully obtained ISO 9001:2015 certification from TUV Nord. This certification reflects your Company's commitment to excellence in delivering secretarial and investor services, executing corporate actions for stakeholders, and ensuring regulatory compliance.

Driving Accountability and Action

Actionable Tracking

An Action Taken Report captures key decisions and suggestions from Board and Committee meetings, clearly highlighting ownership and accountability. These actions are diligently tracked, reviewed, and discussed in subsequent meetings to ensure timely execution and closure.

Leading with Stakeholder Focus

Proactive Investor Grievance Mechanism

A robust, Board-approved Investor Grievance Redressal Policy ensures seamless resolution of investor concerns, highlighting your Company's proactive approach to safeguarding stakeholder trust.

Customer-Centric Approach

Expanding its mandate, the Stakeholders' Relationship Committee now includes customer protection as a core focus, ensuring independent oversight with a majority of members being Independent Directors.

Promoting Dematerialisation

Recognising the regulatory shift towards dematerialisation, your Company has taken proactive measures to reduce physical shareholding, fostering a secure and efficient shareholder experience.

Strengthening Training and Awareness

In light of the evolving regulatory landscape, regular training and awareness sessions are conducted. This is supported by building capacity of the corporate secretarial team.

Strengthening Trust through Robust Oversight

Independent Governance

Your Company maintains a higher-than-required representation of Independent Directors across some of the key committees, reinforcing its commitment to transparency and unbiased decision-making.

Sustainability Governance

ESG policies undergo regular evaluation and Board approval, based on Sustainability Steering Council and CSR and ESG Committee recommendations, reflecting your Company's persistent commitment to sustainability and corporate responsibility.

This year, a thorough policy review was conducted with a focus on Diversity, Equity, and Inclusion (DE&I), leading to more inclusive and gender-neutral language in the Policies.

Digitisation

BOT capability was implemented to track market rumours in ~20,000 newspapers registered in India and ~390 operational news channels for effective reporting.

Digitisation of proceedings (speaking minutes) of Board and Committees was undertaken through AI capability.

In order to eliminate use of paper/ emails for approvals, a Digital Approval System has been launched.

Separate Posts of Chairman and Managing Director

The Chairman of the Board of your Company is a Non-Executive Director and his position is separate from that of the Managing Director. They are not related to each other.

Investor Relations

During the current year, your Company has met multiple investors and analysts–both domestic and international. These sessions were undertaken through a mix of one-on-one or group meetings. Your Company also participated in multiple domestic conferences organised by reputed broking houses, in addition to accessing overseas investors through Non-Deal Roadshows. Conducting meetings in virtual format enabled access to a broader investor base.

Policies Guiding Ethical Behaviour

Your Company upholds a governance framework centred around transparency, accountability, and integrity, ensuring fairness, and nurturing long-term trust with stakeholders. LTF's firm adherence to policies on anti-bribery, workplace harassment prevention, whistleblower protection, and insider trading, are regularly updated to reflect regulatory and operational shifts, and sets the standard for ethical conduct. The Board and its Committees ensure that these principles are embedded in the decision-making and operations of your Company, reinforcing the commitment to responsible and sustainable business practices.

Vigil Mechanism

The Vigil Mechanism Framework allows Directors, employees, and service providers to report unethical practices without fear of retaliation. It ensures that whistleblowers' identity is kept confidential, enabling them to report issues via secure channels like email and mail.

The Whistleblower Investigation Committee oversees the process, carrying out investigations and advising on corrective actions to address any identified issues swiftly. This policy underscores LTF's dedication to maintaining high standards of transparency and ethical conduct in its operations.

To access the policy, please refer to the 'Policy Compendium' section.

Process of Addressing and Resolving the Reported Incident

The Chairman of the Audit Committee has direct access to all complaints raised, which enhances the robustness and independence of the function and the framework.

Code of Conduct

Your Company has adopted a comprehensive Code of Conduct (CoC) that applies to all employees, including Executive Directors. This CoC provides clear guidance on maintaining fair employment practices, upholding anti-corruption standards, and ensuring confidentiality. Employees are instructed to avoid conflict of interest in both their professional duties and personal relationships and are expected to use your Company's assets responsibly.

This Code is reinforced through periodic acknowledgment processes and training sessions, ensuring ongoing awareness across the workforce. Any infractions are addressed transparently by the CoC Committee, helping to maintain an ethical and compliant workplace culture. Importantly, there were no reported breaches, conflicts, or penalties associated with anti-competitive practices during the reporting period.

To access the policy, please refer to the 'Policy Compendium' section.

Prevention of Sexual Harassment at the Workplace (POSH)

LTF is dedicated to providing a safe and equitable workplace, guided by a strict zero-tolerance stance on harassment. The POSH policy, in alignment with the Sexual Harassment of Women at Workplace Act, 2013, covers all employees, including temporary and contractual staff members.

An Internal Committee, with the inclusion of an external independent member, is responsible for handling complaints and ensuring a robust, impartial grievance redressal mechanism. In FY25, 10 complaints were lodged, substantiated, and resolved, reaffirming your Company's ongoing commitment to a harassment-free work environment. Additionally, comprehensive POSH training is available through the in-house developed digital portal for training initiative, Gurukul platform as part of the induction process and annual sensitisation sessions.

Anti-Corruption Policy

Your Company's Anti-Corruption Policy, available on the LTF website, sets clear guidelines for engaging with government and business entities. It outlines the definition of bribery, governs charitable donations, and explicitly prohibits political contributions, except if they are in compliance with law.

This policy applies to all employees, Directors, and external partners representing your Company. A specialised Risk Containment Unit takes proactive measures to identify and reduce risks linked to corruption and financial misconduct.

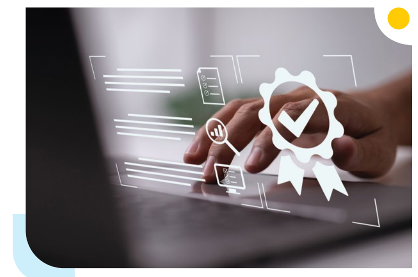
To access the policy, please refer to the 'Policy Compendium' section.

Policy on Internal Corporate Governance

This policy delineates the governance structure and code of conduct for the Board, providing parameters for disclosure, transparency, and reporting. It also affirms your Company's adherence to the appropriate standards for Directors, underscoring its commitment to responsible leadership.

Compliance Policy

Designed to ensure regulatory compliance, your Company's Compliance Policy incorporates a comprehensive framework for identifying, assessing, monitoring, and mitigating compliance risks. The Chief Compliance Officer (CCO), alongside Senior Management, and the Board, provides continuous oversight.



The integration of the Compliance Insights tool enhances governance by enabling seamless enterprise-wide compliance tracking and reporting. Periodic process evaluations and audits keep the framework aligned with evolving regulations, minimising exposure to potential risks. Consistent reporting to regulators and the Board underscores your Company's commitment to ethical governance and operational excellence.

Securities Dealing Code

The Securities Dealing Code governs the ethical handling of securities, ensuring compliance with insider trading regulations. Applicable to employees, Directors, and designated persons, it establishes strict guidelines for managing unpublished price-sensitive information (UPSI) and trading activities.

Pre-clearance and periodic disclosures are mandated under the policy, with training programmes ensuring awareness and adherence. Any violations are subject to disciplinary actions, safeguarding your Company's integrity and promoting ethical trading practices.

Policy on Related Party Transactions

Your Company's Policy on Related Party Transactions ensures a structured approach to the reporting, approval, and disclosure of all related party transactions. It mandates that such transactions are conducted on an arm's length basis, maintaining fairness and transparency while safeguarding shareholder interests. The policy upholds the principle of no conflict of interest, ensuring that no undue advantage is extended to related parties.

Only the Independent Directors of the Audit Committee, approve all related party transactions of your Company and its subsidiaries, ensuring strict compliance with the SEBI Listing Regulations and the Act.

To access the policy, please refer to the 'Policy Compendium' section.

Third-Party Code of Conduct

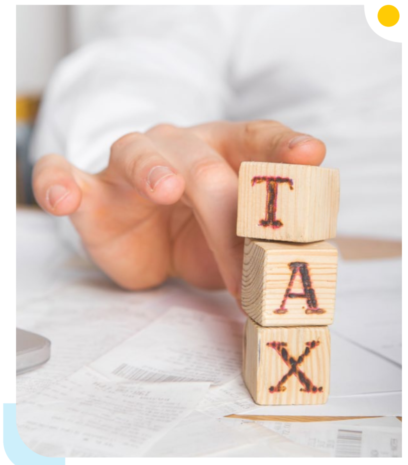
Your Company enforces a Third-Party Code of Conduct applicable to vendors, borrowers, and other business partners. This Code establishes clear standards for ethical business practices, environmental stewardship, and social sustainability across your Company's value chain.

Compliance with the code is mandatory, and it explicitly prohibits actions that violate applicable laws. Your Company actively promotes awareness of responsible business conduct, assessing over 75% of its vendor partners on ESG practices in FY25.

Tax Strategy

The tax strategy of your Company is in strict compliance with local tax laws, timely and accurate reporting, and a commitment to operational transparency. Tax obligations are managed through regular internal evaluations, legitimately leveraging tax incentives as per applicable law, and taking proactive approach to risk reduction.

Your Company has effective systems to identify and report taxation risks, seeking updates and providing trainings. Compliance is crucial for uninterrupted operations, and your Company remains committed to its tax responsibilities.



Dividend Distribution Policy

Your Company's Dividend Distribution Policy is designed to maintain a balance between rewarding shareholders and ensuring long-term financial stability. Dividend payouts are determined by assessing financial performance, liquidity position, business expansion plans, and regulatory requirements.

The Board periodically evaluates your Company's profitability, retained earnings, and prevailing market conditions before recommending dividends. Additionally, your Company adheres to the applicable regulatory framework to ensure compliance while optimising shareholder returns.

This disciplined approach underscores your Company's commitment to delivering consistent value while maintaining a prudent capital allocation strategy.

To access the policy, please refer to the 'Policy Compendium' section.

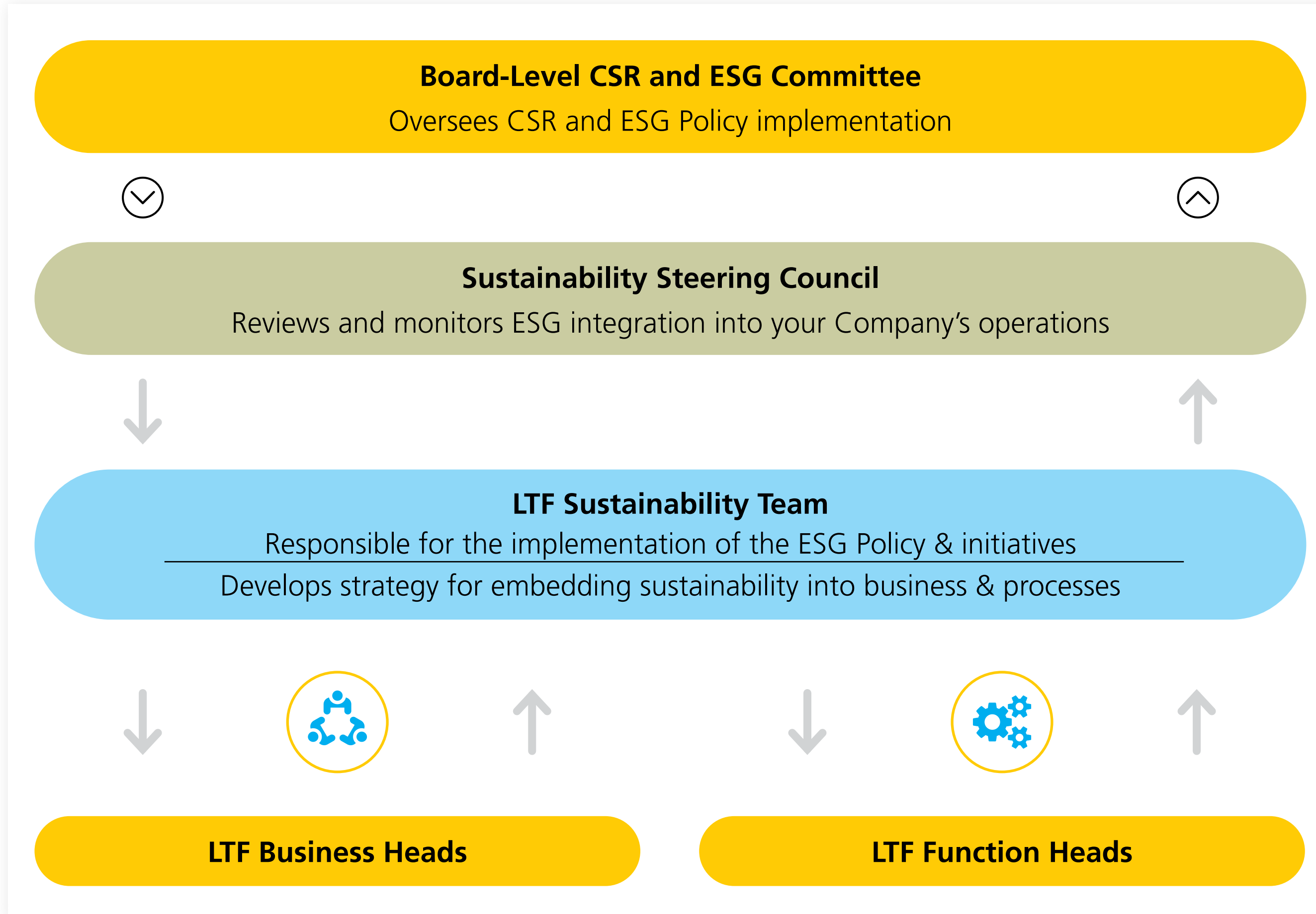
ESG Governance

Your Company has established a robust, multi-tiered ESG governance framework designed to ensure transparency, accountability, and tangible progress.

Leading this initiative is the Board-level CSR and ESG Committee, chaired by Dr. Rajani R. Gupte, an Independent Director who holds expertise in managing diverse stakeholders and sustainability issues. One of the Directors in the Committee, holds a PhD in Green Bank and sustainability further strengthening the Committee's focus. The Committee is responsible for overseeing the implementation of the ESG Policy, ensuring it is aligned with your Company's long-term goals and evolving regulatory requirements.

Reporting to this Committee, the Sustainability Steering Council ('SSC') is a strategic body comprising senior leaders from key functions, responsible for guiding and overseeing the Company's sustainability agenda. SSC ensures alignment on ESG priorities, identifies material risks and opportunities, and supports informed decision-making on sustainability initiatives.

The governance structure extends across three levels:



Furthermore, ESG-related KPIs are integrated into the KPIs of Senior Management, ensuring that leadership accountability extends to ESG performance. The Managing Director and CEO's compensation includes ESG targets as part of his Key Result Areas (KRAs), with oversight by the Nomination and Remuneration Committee to ensure alignment with long-term performance goals.

ESG materiality training for leaders further equips decision-makers to address emerging challenges effectively.

Throughout the year, your Company strictly adhered to all relevant environmental and social regulations, demonstrating its commitment to regulatory compliance and responsible business practices.

ESG Risk Management

As the global environment becomes more volatile, influenced by economic fluctuations, regulatory changes, and the rapid pace of digital transformation, the financial sector must adapt by embedding Environmental, Social, and Governance (ESG) factors into their foundational strategies. In India, the increasing demand for companies to disclose non-financial and ESG-related information is urging businesses to embrace transparency, accountability, and sustainable practices. As a leading NBFC in the industry, LTF has recognised the strategic value of ESG and has integrated it into its long-term vision. Through its comprehensive five-year roadmap, ESG is not just seen as a regulatory obligation but as a catalyst for long-term growth, resilience, and competitive positioning.

Your Company takes a multifaceted approach to incorporating ESG principles throughout its operations, business strategies, and organisational culture, all aimed at fostering positive, sustainable outcomes for its stakeholders. LTF views the transition to a low-carbon economy as both a challenge and an opportunity for growth, aligning its strategies with the broader goal of sustainability. ESG considerations are now seamlessly embedded into your Company's decision-making processes, ensuring that innovation, agility, and significant impact are realised at every level. Moreover, LTF's commitment to sustainability influences its operational framework and is vital to its long-term success, while striving to make a positive impact on society, the environment, and its stakeholders.

Robust ESG 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

Value Chain Governance

LTF's governance model is anchored on the principles of transparency, ethical conduct, and sustainability, representing the values inherited from Larsen and Toubro Limited, the Parent. Your Company is committed to upholding the highest standards of governance, reflected in its responsible approach to business, environmental stewardship, and social responsibility. Sustainability is integrated into every aspect of LTF's operations, with a strong focus on meeting the expectations and needs of its stakeholders.

The Third-Party Code of Conduct is fundamental in regulating LTF's relationships with its value chain partners, including vendors, borrowers, and other business associates. This code ensures that all partners adhere to the highest legal and ethical standards, including compliance with applicable laws, the prevention of conflict of interest, and a strict zero-tolerance stance on bribery and corruption. Additionally, partners are expected to comply with anti-trust laws, protect data privacy, and implement robust business continuity strategies. Beyond compliance, LTF encourages its partners to take proactive measures to reduce environmental impacts, such as tracking greenhouse gas emissions and reducing waste, further promoting sustainable practices across the value chain.

LTF is equally committed to fostering fair and ethical employment practices across its value chain. This commitment includes ensuring fair wages, prohibiting forced and child labour, and providing a safe working environment. Your Company further encourages its partners to adopt sustainable sourcing practices and engage with marginalised groups, promoting inclusivity and corporate responsibility. Non-compliance with these standards is taken seriously, and in cases of major breaches, LTF enforces a strict policy of taking actions including severing ties. This strict adherence to ethical principles underscores LTF's dedication to preserving the integrity of its value chain and ensuring that all stakeholders are aligned with your Company's values.

Policy Advocacy and Industry Association

Your Company prioritises responsible involvement in public policy and active participation in industry associations as integral to its sustainability and ethical governance principles. By advocating for sound, sustainable regulations and collaborating with industry groups to address collective challenges, your Company ensures that its policy initiatives are guided by transparency, accountability, and stakeholder alignment.

Engagement with regulatory authorities remains a priority, with well-researched proposals submitted on consultation papers to ensure LTF's perspectives are considered. Furthermore, regular updates to the Board ensure that strategic decisions reflect the latest regulatory developments.

Additionally, LTF reinforced its industry standing through key memberships and collaborations with prominent trade and industry bodies.

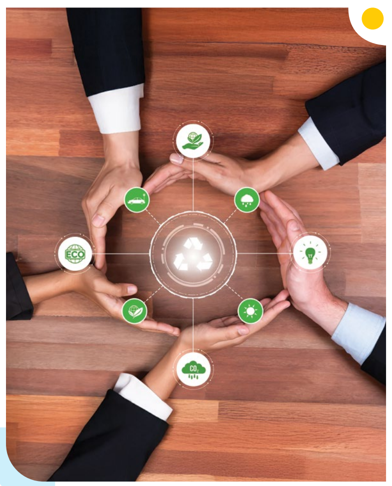
These affiliations allow LTF to contribute significantly to essential policy discussions, positioning your Company as a thought leader in the evolution and shaping of the financial sector's regulatory standards.

To know more about LTF's Trade and Industry Chambers/Associations, please refer to Principle 7 of the BRSR.

Proactive Risk Management - Anticipating Challenges, Ensuring Resilience

Risk is no longer a mere challenge; it is a gateway to resilience and growth. At LTF, risk management has evolved into a dynamic, forward-thinking discipline, redefining how it responds to uncertainties. By not just mitigating risks but transforming them into strategic opportunities, LTF is building a foundation for long-term sustainability and stakeholder confidence.

LTF's approach is woven into every layer of operations, shaping a framework that anticipates disruptions and drives proactive decision-making.



A Strategic Approach to Risk Management

LTF's risk management framework is built on a commitment to operational excellence and strategic foresight. Anchored by an enterprise-wide approach, the framework is designed to identify, assess, and address risks across the organisation while ensuring alignment with long-term strategic objectives. To ensure accuracy and robustness, LTF employs a combination of cutting-edge quantitative tools and qualitative insights to provide a 360-degree view of the risk landscape, enabling teams to prioritise vulnerabilities effectively.

Furthermore, your Company conducts regular stress tests to assess balance sheet durability, focusing on liquidity and interest rate fluctuations. It maintains a positive interest rate sensitivity gap over a one-year horizon as a safeguard. Liquidity stress tests are performed under various scenarios, ensuring a 30-day survival buffer with High-Quality Liquid Assets.

By embedding Early Warning Signals (EWS) into its operations, LTF can detect vulnerabilities before they escalate. These signals are complemented by scenario-based stress testing, which evaluates portfolio resilience under adverse market conditions, such as economic shocks, regulatory changes, or natural disasters. LTF renders further resilience to its portfolio by incorporating forward-looking loss estimates under the Expected Credit Loss (ECL) framework. Additionally, hindsighting and annual long-range planning play a critical role in refining risk assessment, ensuring that strategic decisions are informed by past learnings and future projections.

The framework is further reinforced by its seamless integration with your Company's strategic objectives. By aligning risk management with long-term goals such as sustainable growth, operational excellence, and market leadership, the framework ensures a proactive approach to identifying and mitigating potential risks. Key performance indicators are structured around risk-adjusted metrics, embedding risk considerations into the core of strategic decision-making and enabling a more resilient, informed growth.

By embedding adaptability, rigorous oversight, and actionable insights, LTF's framework transforms risk management into a proactive enabler of resilience and sustainable growth.

Risk Governance

At LTF, risk governance forms the backbone of its operational framework, enabling your Company to anticipate, mitigate, and respond risks effectively through a structured, multi-layered approach. By leveraging a robust governance model, risks are identified early, managed proactively, and aligned with strategic objectives, fostering long-term resilience and growth. The governance structure, led by the Board of Directors and supported by sub-committees such as the Risk Management Committee (RMC), IT Steering Committee, Operations Risk Committee, Model Risk Management Committee and Asset Liability Management Committee (ALCO), provides comprehensive oversight of risks across all operations. Each committee is designed to address specific aspects of risk, such as liquidity & market risks, operational challenges, model risks, outsourcing risks, information security risk, etc while ensuring that risk is within your Company's risk appetite.

For further details about the roles of the Board-level Committee, the frequency of their meetings, and reporting mechanisms to the Board, please refer to the Corporate Governance Report.

Aligned with the Lakshya 2026 roadmap, LTF's governance framework is designed to translate strategy into actionable risk management practices. By reinforcing portfolio diversification, standardising oversight, and aligning risk appetite with long-term objectives, the framework directly supports the vision of sustainable growth. Tailored governance policies and cross-functional collaboration ensure that emerging risks are managed with agility, while operational controls are strengthened to enable seamless execution of your Company's strategic roadmap.

Key advancements in FY25 include:

I

Reputational Risk Management

Aligned with the Board approved Risk Management Policy, the Reputational Risk Management framework was operationalised starting April 1, 2025, proactively addressing potential threats to stakeholder trust. Overseen by the Reputational Risk Working Group (RRWG), comprising key leadership, the framework monitors risks from social media, corporate ethics, regulatory compliance, and staff conduct. The RRWG is mandated to meet quarterly to review key risk indicators of reputational risk, reporting findings to the Risk Management Committee and the Board of Directors to ensure continuous oversight.

II

Operational Risk Management (ORM)

Operational Risk is defined as the risk of loss resulting from inadequate or failed internal processes, people, and systems or from external events. ORM attempts to reduce risks through the linear process of risk identification, risk assessment, measurement and mitigation, monitoring, and reporting. The Operational Risk Management Committee is a sub-committee of the Risk Management Committee, with the objective of providing guidance, review, monitoring, and implementation of prudent Operational Risk Management practices. The meeting of the Committee is held at periodic intervals. The minutes of the meeting are documented and presented to the Risk Management Committee.

III

Third-Party Risk Management (TPRM)

The TPRM framework mitigates risks arising from outsourced vendors through rigorous on-site inspections and robust data-security protocols. Oversight begins with the Board of Directors, with the Outsourcing Management Committee meeting biannually to approve and enforce policies. The Risk Management Committee (RMC) then reviews MORC's inputs and provides further guidance. An onboarding team, in collaboration with key stakeholders, conducts thorough due diligence—evaluating vendors on financial, operational, and IT security parameters—and secures legally binding contracts. Continuous monitoring is achieved via periodic reviews, field visits, and training, with renewed due diligence at contract expiry and clearly defined processes for issuing advisories or executing terminations as needed.

IV

Model Risk Management (MRM)

The MRM framework ensures the integrity and reliability of risk models to support sound decision-making. It starts with the Board of Directors setting overall risk policies, followed by the Risk Management Committee formulating and reviewing strategies. A dedicated Model Risk Management Committee monitors model risks, while the Model Risk Department conducts regular reviews in accordance with the established policy. Meeting at least once every six months, the framework emphasises policy updates, the approval of key performance indicators, and coordination with Internal Audit on risk observations. The Chief Risk Officer oversees implementation and periodic assessments, while the MRM team secures necessary resources, refines risk methodologies, and directs corrective actions for identified model weaknesses.

V

Cyclops Risk Engine

Project Cyclops, the AI-driven digital credit engine, aims to strengthen credit risk assessment by delivering real-time, data-driven insights. Leveraging advanced machine learning algorithms and big data analytics, Cyclops streamlines the entire credit lifecycle—from origination and underwriting to continuous risk monitoring. This innovative platform integrates seamlessly with existing systems and utilises alternative data sources alongside historical performance metrics to optimise credit evaluations, enabling precise risk categorisation and targeted lending decisions while significantly reducing default risks.

Building on these advancements, your Company has also incorporated real-time analytics, risk-based pricing, and calibrated disbursement strategies across business verticals. These enhancements further reinforce governance efforts by optimising decision-making, strengthening risk controls, and ensuring operational efficiency while maintaining your Company's risk appetite.

Product/Process Approval Group (PAG)

The Process Approval Group (PAG) was established in response to the increasing complexity of operations and the need for a structured approach to process governance. As a governing body comprising key stakeholders, PAG ensures the standardisation, oversight, and continuous refinement of critical processes across your Company. By streamlining workflows, eliminating redundancies, and enhancing decision-making efficiency, PAG strengthens operational control while fostering agility in execution. Its role extends beyond compliance, actively driving process improvements that enhance customer experience and align with your Company's strategic objectives.

Responsibilities of PAG

Standardisation of Processes
Ensures standardisation of processes across products, departments, and functions, wherever feasible.

Approval Authority
Provides approvals for all process, workflow, and system-related changes (projects), whether creation, modification, migration, or termination.

Project Oversight
Oversee project collaboration and plug identified gaps.

Composition of PAG

For launch of new products or its variants, PAG comprises key stakeholders and representatives from various departments, ensuring a well-rounded evaluation of critical initiatives. These include:

- Department heads or designated contacts from cross-functional groups such as Product, Credit, Compliance, Operations Risk, Business Operations, IT/Digital, RCU, Retail Risk, Accounts, Infosec, Legal, and Compliance, when necessary.
- Subject experts from relevant internal units are included on a need-to-consult basis.

Every development, modification, or revision is thoroughly scrutinised by PAG to ensure adherence to predefined benchmarks and alignment with strategic imperatives prior to execution.

Evolving the PAG Framework for Future Readiness

To enhance product governance and process efficiency, the PAG framework has been expanded into the **Product/Process Approval Group,** reinforcing its role in innovation and compliance. A structured approval process ensures seamless product integration, while strengthened stakeholder involvement enables informed, cross-functional decision-making.

Key Highlights of PAG

- Approved critical process and system changes aimed at enhancing operational efficiency, streamlining workflows, and mitigating risks.
- Introduced inter-departmental workflows to reduce redundancies while maintaining stringent controls.
- Implemented mandatory system controls to address recurring risks across multiple product categories, reinforcing consistency in risk management.

PAG convenes regularly to address emergent challenges, within your Company's established risk appetite and overseeing launch of new products.

Risk Management Process

Your Company's dynamic risk management framework provides end-to-end visibility into risks and corresponding mitigation strategies, ensuring resilience and alignment with its strategic objectives of sustainable growth, operational stability, and market leadership. The risk management process follows four core steps: **Identification, Measurement, Prioritisation, and Mitigation**

The key pillars of this framework include:

Enterprise Risk Management (ERM) Framework

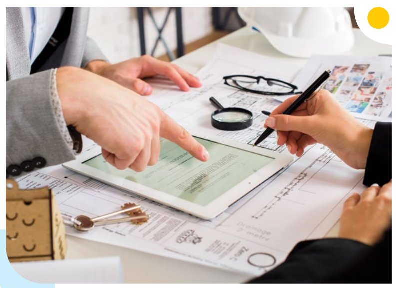
Enables the identification and management of diverse risks across all business domains, maintaining risks within acceptable thresholds.

Risk Appetite Statement

Establishes clear parameters, cascading limits across business lines and risk categories, ensuring alignment with strategic objectives.

Prudent Lending and Asset Quality

Promotes systems and procedures for acquiring quality assets while exploring new business opportunities responsibly.



Monitoring and Mitigation

Uses Early Warning Signals (EWS), periodic reviews, and stress testing to address operational, liquidity, and market risks effectively.

Aligned with Lakshya 2026, your Company's risk management framework has been enhanced to address emerging risks such as fraud, cyber threats, climate-related vulnerabilities, and model risks. By integrating these evolving risk factors, the framework ensures a forward-looking approach that strengthens resilience in a dynamic business environment. Furthermore, the updated framework systematically cascades risk appetite limits across various product segments, ensuring that risk-taking aligns with business objectives while maintaining flexibility to adapt to changing market conditions and customer needs.

Risk Awareness Training

- Your Company conducts regular training sessions to embed a strong risk-aware mindset across all levels of the organisation.
- The programme has evolved to incorporate interactive, case-study-driven modules that equip employees with real-world tools for risk management. Virtual reality simulations have been added to enhance interaction and knowledge retention.
- All employees are mandated to undergo training on critical areas like cybersecurity, and operational challenges, ensuring full-scale organisational awareness and readiness.
- Advanced leadership workshops focus on strategic risk identification and mitigation, strategically aligned with the Lakshya 2026 framework.

Effective Risk Culture

A culture of strategic risk awareness drives LTF's commitment to proactive risk management. By fostering strong leadership, delivering specialised training, and promoting cross-departmental collaboration, your Company equips its teams to efficiently identify and resolve risks, ensuring organisational stability.

Principal strategies include:

Enhanced Communication Channels

- Your Company continues to enhance its risk reporting capabilities, enabling employees to flag potential risks for swift identification and response. Automated alerts help prioritise risks based on severity, ensuring timely intervention. A centralised risk database strengthens tracking, analysis, and data-driven mitigation, fostering transparency, accountability, and stronger risk governance.
- Monthly newsletters and team briefings continue to provide essential updates on evolving risks, new Standard Operating Procedures (SOPs), and successful risk mitigation strategies. These initiatives ensure continuous education and alignment with your Company's risk framework.
- Regular cross-functional risk review meetings enhance collaboration and foster a collective sense of accountability among teams.

Continuous Monitoring and Improvement

- Your Company has implemented dashboards for tracking of Key Risk Indicators (KRIs), enabling agile responses to emerging threats.
- SOPs undergo annual reviews, with iterative updates to reflect evolving market conditions and operational priorities.
- Enhanced Root Cause Analysis (RCA) initiatives with dedicated cross-functional teams ensure that operational failures are systematically addressed. Corrective Action and Preventive Action (CAPA) plans are continuously monitored, ensuring sustained process improvements.
- Operational Risk Event & Loss Data reporting Policy define different kinds of operational risk events and provide rules for classifying, documenting, evaluating, reporting and booking of operational risk losses.

Through the infusion of these strategies, your Company enhances its risk management capabilities and instils a culture of accountability, responsiveness, and robust resilience, aligning every effort with its strategic goals and stakeholder expectations.

Broad Risk Framework

Your Company operates within a dynamic business environment, requiring a robust risk management approach that encompasses a wide spectrum of risks. The broad risk framework provides a structured methodology to identify, assess, and mitigate potential threats across all operational and strategic functions. This framework integrates governance, analytics, and proactive controls to ensure resilience and business continuity. Below is an overview of the key risk categories managed by your Company.

Credit Risk

- Default Risk
- Concentration Risk
  - Client
  - Industry
  - Geography

Market Risk

- Interest Rate
- Liquidity
- Maturity Mismatch
- Currency/Forex

Operational Risk

- Process
- People
- Information Technology
- Outsourcing
- Cybersecurity

Other Risks

- Legal
- Regulatory
- Reputational
- Strategic
- Political
- Climate

Risk Category	Sub-Risk	Mitigation Measures	Capitals Impacted
Credit Risk As a fundamental pillar of LTF's risk management strategy, credit risk plays a crucial role in shaping your Company's operations. It encompasses the risk of financial loss arising from a borrower's failure to meet their financial commitments. To address this, LTF employs a dynamic and holistic credit risk management framework designed to promote portfolio resilience and maintain stability.	**Default Risk** The risk of borrowers failing to meet their debt obligations, leading to financial losses.	• Leveraging Cyclops 3D analytics to assess borrower behaviour through multidimensional profiling, enabling proactive risk identification. • Conducting periodic Early Warning Signals (EWS) reviews to identify potential defaulters and take corrective actions. • Enhancing focus on secured lending to optimise risk exposure and minimise unsecured credit risk. • Conducting periodic portfolio reviews to identify positive and negative trends and strengthening portfolio evaluation and monitoring frameworks to track financial health. • Accessing geopolitical data, behavioural patterns, and credit history to refine credit assessment models.	
	Concentration Risk (Client, Industry, Geography) Overexposure to a single borrower, industry, or geography, leading to increased vulnerability to sectoral downturns.	• Implementing diversification strategies to mitigate over-reliance on specific sectors, clients, or geographies, thereby reducing systemic vulnerabilities. • Deploying tailored risk controls for industry and geographic exposure to ensure balanced portfolio composition. • Setting product-wise limits using earnings that are at risk, using stressed levels of observed credit loss factors.	

Financial Capital | Manufactured and Intellectual Capital | Human Capital | Social and Relationship Capital | Natural Capital

Risk Category	Sub-Risk	Mitigation Measures	Capitals Impacted
Market Risk Risks associated with fluctuations in interest rates, liquidity, foreign exchange rates, and securities prices, potentially impacting earnings and capital.	**Interest Rate Risk** Exposure to fluctuations in interest rates, impacting borrowing costs and investment returns.	• Monitoring and managing risks through ALCO as per Board-approved Asset Liability Management Policy to maintain financial stability. • Establishing the Asset Pricing Committee (APC) to ensure risk-adjusted pricing strategies that align with market conditions. • Using scenario analysis to assess impact on capital adequacy and profitability, enabling informed decision-making.	Financial Capital
	Liquidity Risk The risk of not having sufficient liquid assets to meet financial obligations.	• Maintaining a favourable liquidity gap to ensure sufficient cash reserves. • Establishing Contingency Funding Plans to address unexpected funding disruptions and maintain operational continuity.	
	Maturity Mismatch Mismatch between asset and liability maturities, leading to liquidity stress.	• Proactive monitoring of asset-liability mismatches to prevent liquidity crises. • Ensuring cash flow alignment with financial obligations to sustain solvency.	

Financial Capital
Manufactured and Intellectual Capital
Human Capital
Social and Relationship Capital
Natural Capital

Risk Category	Sub-Risk	Mitigation Measures	Capitals Impacted
Operational Risk Risks resulting from inadequate or failed internal processes, people, systems, or external events. This includes risks from fraud, natural disasters, or IT failures.	**Process Risk** Inefficiencies, errors, or failures in internal processes that could impact business operations.	• Regular updates to SOPs and operational risk metrics to enhance process efficiency. • Implementing the hindsighting process for real-time risk assessment and error rectification. • Conducting internal audits and branch evaluations to strengthen internal controls.	Financial Capital, Manufactured and Intellectual Capital, Human Capital, Social and Relationship Capital, Natural Capital
	People Risk Risks arising from human errors, lack of expertise, or inadequate training.	• Establishing a Process Approval Group for operational changes, ensuring structured oversight. • Implementing employee training initiatives such as 'Gurukul' to promote risk awareness and competency development.	
	Information & Technology Risk Risks related to IT failures, cybersecurity threats, and system disruptions.	• Enhancing digitalisation and automation to streamline processes and reduce manual errors. • Using Information Security Manual to mitigate cybersecurity threats and ensure data protection.	
	Outsourcing Risk Dependence on third-party service providers leading to operational vulnerabilities.	• Strengthening third-party risk management and compliance frameworks to minimise external dependency.	

Financial Capital
Manufactured and Intellectual Capital
Human Capital
Social and Relationship Capital
Natural Capital

Risk Category	Sub-Risk	Mitigation Measures	Capitals Impacted
Other Risks	**Legal Risk** Exposure to legal disputes, non-compliance, and contractual obligations.	Conducting regular legal reviews to ensure contractual and regulatory compliance, mitigating exposure to legal disputes. Updating policies in alignment with fraud and operational risk standards to enhance regulatory adherence.	
	Regulatory Risk Risk arising from non-compliance with evolving laws and regulations.	Establishing a dedicated Compliance Department to oversee adherence to evolving regulations. Reviewing and revising operational manuals regularly to align with changing legal landscapes. Conducting independent compliance reviews to ensure accountability and governance.	
	Reputational Risk Negative publicity or stakeholder perception impacting brand value.	Implementing reputation risk frameworks with regular assessments to proactively address potential threats. Deploying stakeholder-specific communication strategies to maintain trust and brand integrity.	
	Strategic & Political Risk Risks from policy changes, regulatory shifts, or political instability affecting business operations.	Continuously aligning market and policy strategies to anticipate and mitigate regulatory or political disruptions.	

Financial Capital

Manufactured and Intellectual Capital

Human Capital

Social and Relationship Capital

Natural Capital

Risk Category	Sub-Risk	Mitigation Measures	Capitals Impacted
	Cyber Risk Threats from cyberattacks, data breaches, and fraud.	Implementing network micro-segmentation for traffic visibility, malware containment, and unauthorised access prevention. Enhancing Application Security to minimise vulnerabilities. Assessing Data Security Posture (DSPM) for real-time risk evaluation and access control. Ensuring ISO 27701 Certification & Compliance for regulatory adherence and data protection. Preventing phishing and unauthorised emails through Email Security (DMARC). Detecting threats proactively, blocking malicious sites, suspicious requests, and phishing, fraud, and crypto-mining attempts. Deploying Advanced Cybersecurity Architecture with multi-tier protection and malware defence. Strengthening Third-Party Risk Management & Data Security Controls for robust protection.	
	Fraud Risk Internal and external fraudulent activities leading to financial and reputational losses.	Implementing fraud detection systems to identify suspicious activities. Employing a 360-degree monitoring framework to enhance fraud prevention mechanisms. Conducting employee awareness training to strengthen internal fraud controls.	

Financial Capital

Manufactured and Intellectual Capital

Human Capital

Social and Relationship Capital

Natural Capital

Risk Category	Sub-Risk	Mitigation Measures	Capitals Impacted
	Climate Risk Impact of climate change on financial stability, business operations, and asset quality.	› Conducting climate-linked peril-based heat risk mapping and climate risk scenario analysis. › Analysing rainfall deviations, reservoir levels, and agricultural practices. › Integrating climate-related risks into ICAAP frameworks to enhance financial planning and sustainability. › Your Company's Economic Affairs Group provides valuable inputs on environmental and social factors that impact the portfolio during the monthly ALCO Meetings and to the Board.	

Financial Capital

Manufactured and Intellectual Capital

Human Capital

Social and Relationship Capital

Natural Capital

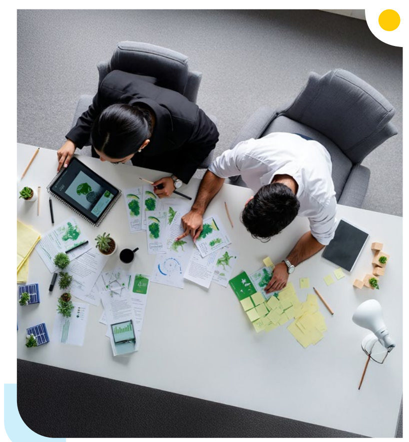
ESG-Related Risks

Adopting a systematic method for identifying and managing Environmental, Social, and Governance (ESG) risks, your Company ensures these factors are embedded within its holistic risk management framework. This seamless integration enhances strategic priorities such as portfolio strength and adaptability to market dynamics while taking climate change in account. As part of this approach, LTF has conducted a comprehensive business impact study in FY25 to assess potential challenges and develop targeted strategies for mitigating risks, ensuring business resilience and sustainability.

Your Company undertakes specific initiatives to monitor regional weather shifts, deviations in rainfall, and agricultural practices, with a focus on mitigating impacts on agricultural and rural lending. Your Company aligns with TCFD principles and in FY25 conducted climate-linked peril-based heat risk mapping and climate risk scenario analysis. Beyond the environmental domain, your Company places emphasis on social engagement like employee engagement, customer satisfaction, community development and inclusivity, alongside governance risks related to regulatory compliance and maintaining ethical third-party standards. The ESG team conducts health and safety assessments, including ISO 45001, to identify and mitigate risks, creating a safer work environment. Further, your Company has also established a Sustainability Steering Council (SSC) that ensures compliance and strengthening of the ESG Governance.

Governance mechanisms, led by a dedicated ESG team, ensure accountability and tracking progress through various metrics. These metrics include carbon footprint reduction, social impact benchmarks, and adherence to global sustainability standards.

Through these proactive measures, your Company reinforces its commitment to embedding ESG considerations into its operations, laying the foundation for sustained and responsible growth.



MANAGEMENT DISCUSSION AND ANALYSIS

Macroeconomic Review

The global economy exhibited uneven yet steady growth across regions in 2024. Cyclical imbalances from post covid resurgence in 2022 and 2023, eased since the beginning of 2024, leading to a better alignment of economic activity with potential output in major economies. This adjustment also brought inflation rates across countries closer to target levels and contributed to lower global inflation. Moreover, despite a sharp and synchronised tightening of monetary policy around the world, the global economy remained unusually resilient throughout the disinflationary process, avoiding a global recession. While the global decline in inflation was a major milestone in 2024, downside risks to global growth started to emerge towards the end of the year and now dominate the outlook for 2025. Heightened uncertainties surrounding tariffs outcomes, following the US election verdict in Nov'24, and its repercussion on global trade shroud the prospects of global economy. Economic policy uncertainty has increased sharply, especially on the trade and fiscal fronts and various risks viz; escalation in regional conflicts, monetary policy remaining tight for too long, possible resurgence of financial market volatility and the continued ratcheting up of protectionist policies dominate business sentiments across the globe.

Against the uncertain global economic backdrop, India displayed steady economic growth supported by agricultural and services sector activities, with rural demand improving on the back of record Kharif production and favourable agro-climatic conditions. Domestic macro fundamentals continued to remain resilient as astute fiscal management, coordinated monetary policy and strong external balances helped steer away the impact of extreme weather conditions and high inflationary levels in the first half of 2024.

Despite slower growth in first half of the year, quick recovery in the second half put India on track to remain the fastest-growing major economy in the world in FY25.

Revisions in India's GDP Growth Outlook for FY25

IMF	Apr'24: 6.80%	Jul'24: 7.00%	Oct'24: 7.00%	Jan'25: 6.50%	Apr'25: 6.50%
RBI	Apr'24: 7.00%	Jun'24: 7.20%	Aug'24: 7.20%	Oct'24: 7.20%	Dec'24: 6.60%
Fitch	Mar'24: 7.00%	Jun'24: 7.20%	Sep'24: 7.00%	Dec'24: 6.40%	Mar'25: 6.30%
S&P	Jun'24: 6.80%	Sept'24: 6.80%	Nov'24: 6.80%	Mar'25: 6.70%	

*As per the RBI Governor's media interactions

During H1-FY25, growth in real GDP (Gross Domestic Product) turned out to be much lower than anticipated, largely due to lower government spending and extreme heatwave conditions. In Q2-FY25, real GDP growth slowed to a seven-quarter low of 5.6%, led mainly by a substantial deceleration in industrial growth due to subdued performance of manufacturing companies, contraction in mining activity and lower electricity demand. In the subsequent quarter, however, growth in real GDP recovered to 6.2% supported by robust rural demand and increased government expenditure.

The second advance estimate of the National Statistical Office puts

India's real GDP growth at 6.5% for FY25 (compared to 9.2% in FY24), reflecting strong recovery in H2-FY25. On the demand side, private consumption expenditure is estimated to grow by 7.6% in FY25 driven by a rebound in rural demand and pick up in government expenditure in H2-FY25. While rural consumption demand remained resilient, considerable slack in urban demand was observed due to factors such as high interest rates, elevated food inflation, subdued growth in inflation-adjusted salary levels, elevated unemployment levels and preemptive regulation-induced slowdown in retail credit growth. On the supply side, real GVA (Gross Value Added) is estimated to grow by 6.4% in FY25 (vs. 8.6% in FY24), mainly driven by strong recovery in the agriculture & allied sector and resilient services sector while growth in industrial sector moderated.

Retail inflation based on the Consumer Price Index (CPI) peaked at 6.21% in Oct'24 and softened in subsequent months to reach 3.34% in Mar'25 as food price pressures softened. The contribution of food inflation to headline CPI has significantly risen over the past three years, from 34% in FY22 to 46% in FY23 to 59% in FY24 and 65% in FY25, reflecting grim repercussion of climate risks. For instance, the percentage of heatwave days in India rose to 18% in 2022-2024 vs 5% in 2020-2022 which affected crop yields. Core inflation continues to remain below 4% despite significant uptick from its record-low levels of 3.12% in the month of May'24.

As inflationary pressures receded, the Monetary Policy Committee (MPC) of the RBI unanimously decided to reduce policy repo rate by 25 basis points to 6.25% in Feb'25, after a gap of almost five years. The MPC recognised the moderation in retail inflation in FY25 and its benign outlook for FY26 along with moderation in GDP growth.

On the fiscal front, the Central Government reaffirmed its commitment to fiscal discipline by achieving better-than-budgeted fiscal deficit to GDP ratio of 4.8% for FY25 mainly due to lower than budgeted capital expenditure. The quality of public expenditure, however, continued to improve in FY25 as growth in capital expenditure (7.3%) outpaced growth in revenue expenditure (5.8%). The market borrowings in FY25 (both gross and net) was lower than the previous year which helped narrowing public debt to GDP ratio by 160 bps to 57.1% in FY25.

Indian rupee, following a stable H1-FY25, depreciated by 2.3% in H2-FY25 due to strengthening of dollar vis-à-vis other currencies. Moreover, foreign capital outflows (due to tariff-tantrum induced global trade uncertainty and lower-than-expected quarterly earnings performance by domestic corporates) exacerbated the pressure on Indian rupee. RBI's intervention to curb the excess volatility in rupee-dollar exchange rate led to depletion in foreign exchange reserves by about US $ 40 billion in H2-FY25 (in contrast to accretion of US $ 60 billion in H1-FY25). Nevertheless, India's foreign currency reserves continue to remain adequate as reflected in the comfortable import cover ratio of about 11 months.

Outlook for FY26

The International Monetary Fund (IMF) projects global economy to grow at 2.8% in CY2025, significantly lower than the historical (2000-19) average of 3.7%, largely due to increasing trade tensions and surge in policy uncertainty. Weaker global economic growth could lead to slowdown in global trade, investment, and overall economic activity, potentially impacting business sentiments, employment conditions and consumer spending. With growth varying across economies and last-mile disinflation proving sticky, global central banks are likely to take varying paths of monetary policy.

The global trade outlook for CY25 remains uncertain, despite global trade volume registering 3.7% on-year growth in 2024. Escalating trade tensions and a heightened wave of uncertainty around the scope and intensity of tariffs will test the resilience of the global economy. Persistent policy uncertainty could drive structural adjustments in global value chains and its adverse impact could affect economies beyond the US amid ongoing geopolitical realignments.

Against the backdrop of turbulent global environment, the Indian economy is expected to continue to demonstrate resilience in FY26 supported by robust sectoral performance and improving consumption trends. The RBI projects 6.5% growth in India's real GDP in FY26 supported by strong momentum in domestic demand amid cooling food inflation, tax benefits and lower borrowing costs.

External factors such as rising US tariffs and global trade pushback will be the headwinds. The uncertain and volatile global environment could further defer the much-anticipated revival in private capex.

On the inflation front, the RBI projects retail inflation at 4% in FY26 which will provide policy space for further rate cuts to support economic activity. Second advance estimates of agricultural production projects kharif and rabi food grain output to increase by 6.8% and 2.8%, respectively which suggests a benign outlook for food inflation. Moreover, according to the IMD (India Meteorological Department), south-west monsoon is expected to be 'above-normal' in 2025 which will support reigning in inflation. Upside risk to inflation, however, could emanate from global uncertainties leading to pressure on Rupee and imported inflation.

The Central Government envisages to contain fiscal deficit to GDP ratio at 4.4% in FY26, 40 bps lower than the previous year and reduce the debt to GDP ratio from 57.1% in FY25 to 56% in FY26. While prudently balancing fiscal consolidation and growth objectives, the Union Budget for FY26 has announced several measures under four engines of growth – agriculture, MSMEs, investment and exports. The tax cuts on individuals as announced in the Union Budget for FY26 are set to increase disposable income, boosting consumer spending and improving their loan eligibility which is expected to drive demand for credit.

Projections for India's GDP Growth in FY26	IMF	World Bank	OECD	RBI	Fitch	Moody's*	S&P
	6.20%	6.30%	6.40%	6.50%	6.50%	6.10%	6.50%

*CY2025

On the credit front, FY25 was a mixed picture. While lenders benefitted from improved profitability and stable asset quality, credit growth was tempered by cautious credit expansion, driven by stricter regulatory measures to prevent overheating in certain lending segments. Credit uptake among new-to-credit consumers and towards consumption-led credit products witnessed a sharp decline in loan originations as regulatory forbearance turned cautious in the first half of the year. Towards the end of the year however, much of the caution has started to fade as economic impulses are getting stronger.

India's financial system remains stable and prepared for potential global challenges in Fiscal Year 2025-2026. RBI's Financial Stability Report notes that Indian banks have achieved a significant milestone, with gross non-performing assets (NPAs) declining to a 12-year low of 2.6% as of September 2024. This improvement is attributed to positive recovery efforts, the strategic write-off of legacy bad loans, and a slowdown in the accumulation of new bad assets. The Report also indicates progress in critical areas such as asset quality, regulatory compliance, and the robustness of non-banking entities, while highlighting areas requiring attention, such as liquidity management and macroeconomic risks.

The Report makes notes on strengthening of the balance sheets of non-banking financial companies (NBFCs) as well. It states that stress tests conducted by the RBI reveal that even under high-risk scenarios, NBFCs would retain capital levels well above the required minimum, showcasing their improved financial resilience. In Feb'25, the RBI has also reversed its Nov'23 decision on higher risk weights on bank lending to NBFCs. This is expected to enhance funding access of NBFCs from banks.

Overall, the NBFC sector remained healthy with sizable capital buffers (CRAR stood at 26.1% in September, 2024), robust interest margins and earnings (NIM at 5.1% and RoA at 2.9%) and improving asset quality (GNPA at 3.4%). The RBI's policy measures in Q4-FY25 suggest a more balanced regulatory approach, fostering growth while ensuring compliance. Furthermore, RBI's commitment to maintain sufficient systemic liquidity could expedite transmission of policy rate cuts and help the NBFC sector to reduce their overall cost of funds.

LAKSHYA

2026 GOALS

RESPONSIBLE GROWTH THROUGH FY25

Now, having achieved Lakshya 2026 goals at Retail level, we are looking at convergence of goals at consolidated level

LTF Consolidated

	Retailisation	Retail Growth	Consol Asset Quality	Consol RoA
Lakshya 2026 Goals (Consolidated)	>95%	>25% CAGR	GS3 <3% NS3 <1%	2.8%-3%
Year 3-FY25 (Consolidated)	97%	19% Y-o-Y	GS3 3.29% NS3 0.97%	Q4FY25 2.22% FY25 2.44%

CAGR (Q4FY22 - Q4FY25): 28%

Granular Execution on the 5-Pillar Strategy in FY25

FY25 witnessed a granular implementation of 5-Pillar strategy on all accounts. The pillars that witnessed focused execution were deepening credit underwriting through execution of 'Project Cyclops', the three dimensional credit underwriting engine and launch of one of its kind portfolio management engine 'Project Nostradamus' and other nuanced policy and process controls. The implementing futuristic digital architecture pillar witnessed the launch of various loan origination and partnership journeys while ensuring best-in-class system uptime. Heightened brand visibility became a reality through various brand and product campaigns launched along with the launch of one of its kind AI conference R.AI.SE'24. Last but not the least, capability building was at the heart of the efforts through the creation of the Regional Business Head structure and a 3-tier compliance structure.

5-PILLAR STRATEGY TO ACHIEVING LAKSHYA GOALS AT CONSOLIDATED LEVEL

1 Enhancing Customer Acquisition
- Broadening customer funnel and velocity while increasing throughput
- Harvesting the customer and increasing cross-sell, while keeping risk under control
- Launching contiguous product offerings

2 Sharpening Credit Underwriting
- Building a self-learning credit engine based on bureau, account aggregator and alternate data signals to make underwriting more robust

3 Implementing Futuristic Digital Architecture
- Optimising digital journeys to eliminate chokepoints and provide a superlative experience to customers
- In-house engineering for enhanced time to market

4 Heightened Brand Visibility
- Enhancing brand presence across channels
- Building salience and recall for the brand 'L&T Finance'

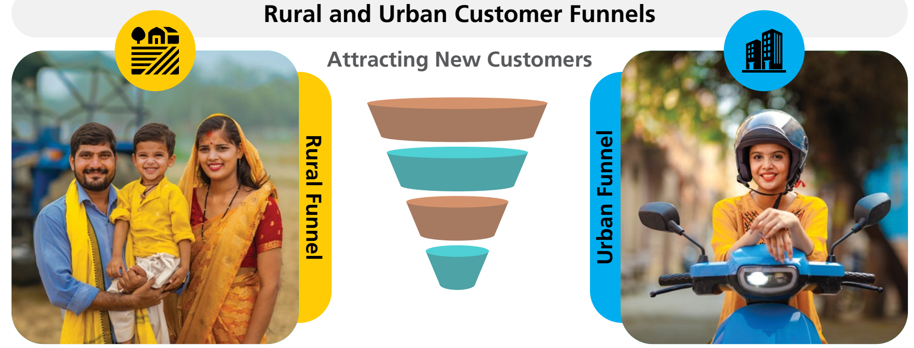
5 Capability Building
- Focused enhancement and optimisation of talent pool in:
  - Artificial Intelligence / Machine Learning
  - Credit and Risk
  - Tech and Engineering

Pillar 1: Enhancing Customer Acquisition

1 — 2 — 3 — 4 — 5

Given the dynamic and volatile credit environment that prevailed through FY25, your Company focused on responsible growth by calibrating customer acquisition while optimising channel management. This is evident from the new customer acquisition and sourcing strategy that has been followed throughout the year. In the Rural Group Loans and Microfinance segment LTF followed a measured approach in enhancing its geographic presence due to the overleveraging of customers in the industry. On the Two-Wheeler and Farm Equipment Finance front, your Company followed a conscious channel rationalisation effort to enhance customer quality and sourcing. On the Personal Loan front, customer sourcing and distribution was strengthened multifold through tie-ups with big tech companies. Lastly, on the Home Loan and LAP front, your Company concentrated on improving the developer channel for sourcing Home Loans, while in SME Finance LTF focused on increasing the sourcing through direct channels.

Rural and Urban Customer Funnels



By Increasing Distribution Footprint

Customer Acquisition	Q1FY25	Q2FY25	Q3FY25	Q4FY25
New Customer Acquisition (No. in lakh)	6.7	6.6	5.8	5.2
Expanding Reach				
Rural Group Loans and MFI New Villages Activated (Nos.)	21,832	22,743	19,975	25,401
Two-Wheeler Finance Active Sourcing Points (Nos.)	11,178	10,438	9,768	8,425
Farm Equipment Finance Active Sourcing Points (Nos.)	2,433	2,316	2,512	2,355
Personal Loans Active DSAs and E-Aggregators (Nos.)	43	35	49	55
Home Loan/LAP Active Sourcing Points (Nos.)	336	371	389	385

Towards creating a deeper customer and distribution footprint

Rural and Urban Customer Database

Rural Funnel

Urban Funnel

~1.7 Cr | Leveraging ~2.6 Cr Database | ~0.9 Cr

Active Customers: 92 lakh+

Cross-Sell and Up-Sell	Q1FY24	Q2FY25	Q3FY25	Q4FY25
Total Retail Repeat Disbursement Share (Count)	46%	43%	43%	49%
Total Retail Repeat Disbursement Share (Value)	36%	35%	32%	36%
Rural Group Loans & MFI Repeat % (Count)	59%	53%	56%	60%
Rural Group Loans & MFI Repeat % (Value)	71%	66%	69%	73%
Farm Equipment Finance Repeat % (Value)	19%	39%	22%	34%
Personal Loans to Existing Customers % (Value)	63%	61%	49%	40%

Robust Cross-sell / Up-sell momentum maintained throughout FY24

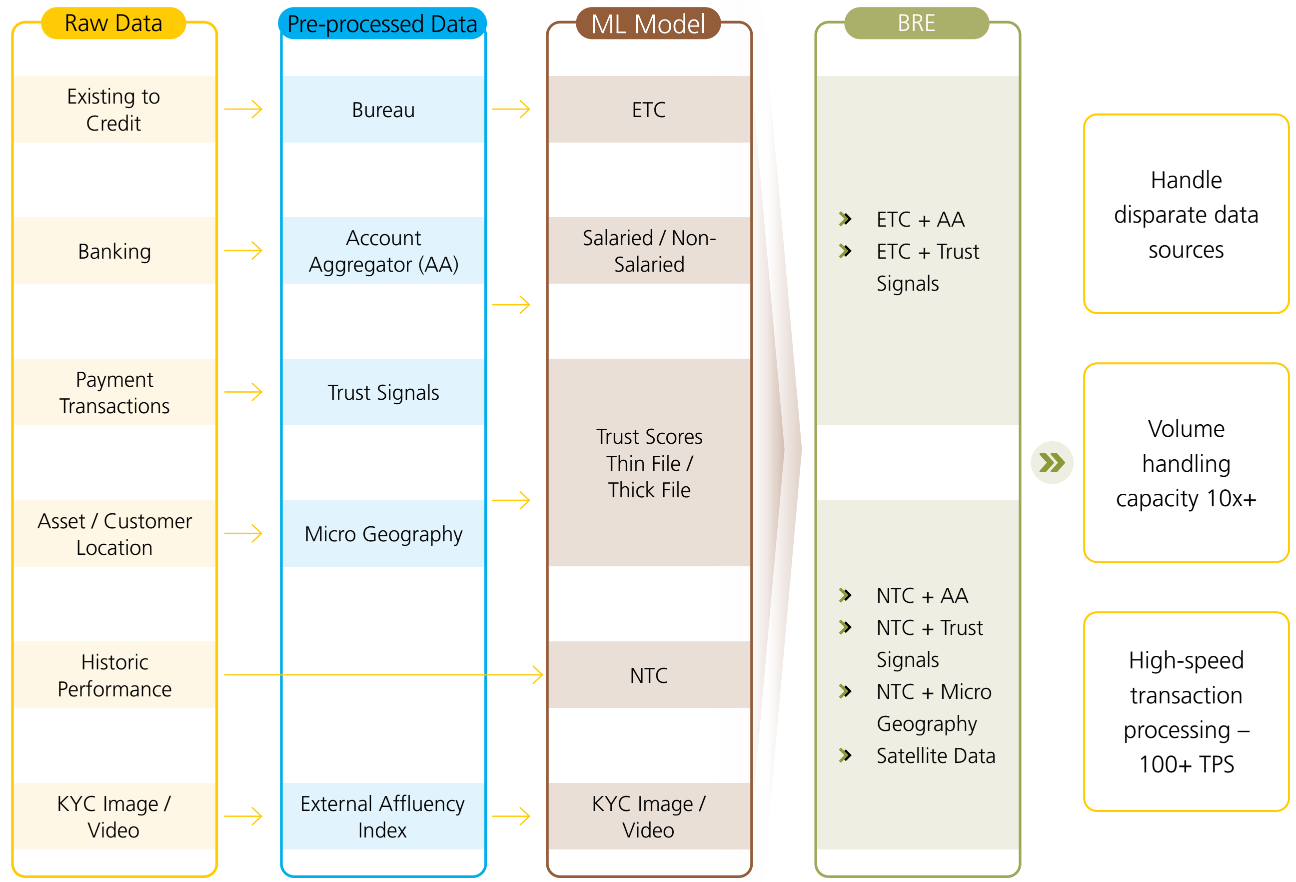
Pillar 2: Sharpening Credit Underwriting

1 2 3 4 5

The highlight of FY25 has been the deployment of LTF's proprietary digital credit engine, 'Project Cyclops', the first of its kind engine in the industry which facilitates a thorough credit underwriting on a multi-dimensional axis. The Beta version of Project Cyclops was launched in July 2024 in the Two-Wheeler Finance business and implemented 100% during the course of the year. It was also implemented on a pilot basis in the Farm Equipment Finance business. The AI-ML powered underwriting engine facilitates an in-depth assessment of the customer's potential by ingesting bureau, account aggregator and alternate trust signals at scale using ML-based ensemble scorecards, built after an extensive data analysis and overlay of historical credit performance data. With 'Project Cyclops', LTF's underwriting capabilities have become more comprehensive and accurate, enabling it to make faster and more informed decisions at scale.

Operationalised 'Project Cyclops' in Two-Wheeler and Farm Equipment Finance

Next-Gen Omni-Product and Omni-Customer Underwriting Engine



NTC: New-to-Credit | ETC: Existing-to-Credit

Furthermore, your Company has commenced work on 'Project Nostradamus', a first of its kind AI-driven automated portfolio management engine which is expected to transform LTF from a reactive portfolio management paradigm to a proactive portfolio management paradigm. The key features of this project are the ability to push data at scale, to process data at low latency speeds, and to develop the ability to predict, risk model and run simulations in real time. The beta version of this new technology engine is expected to get released in Q2FY26.

LTF remains dedicated to driving innovation and enhancing its offerings to better serve its customers.

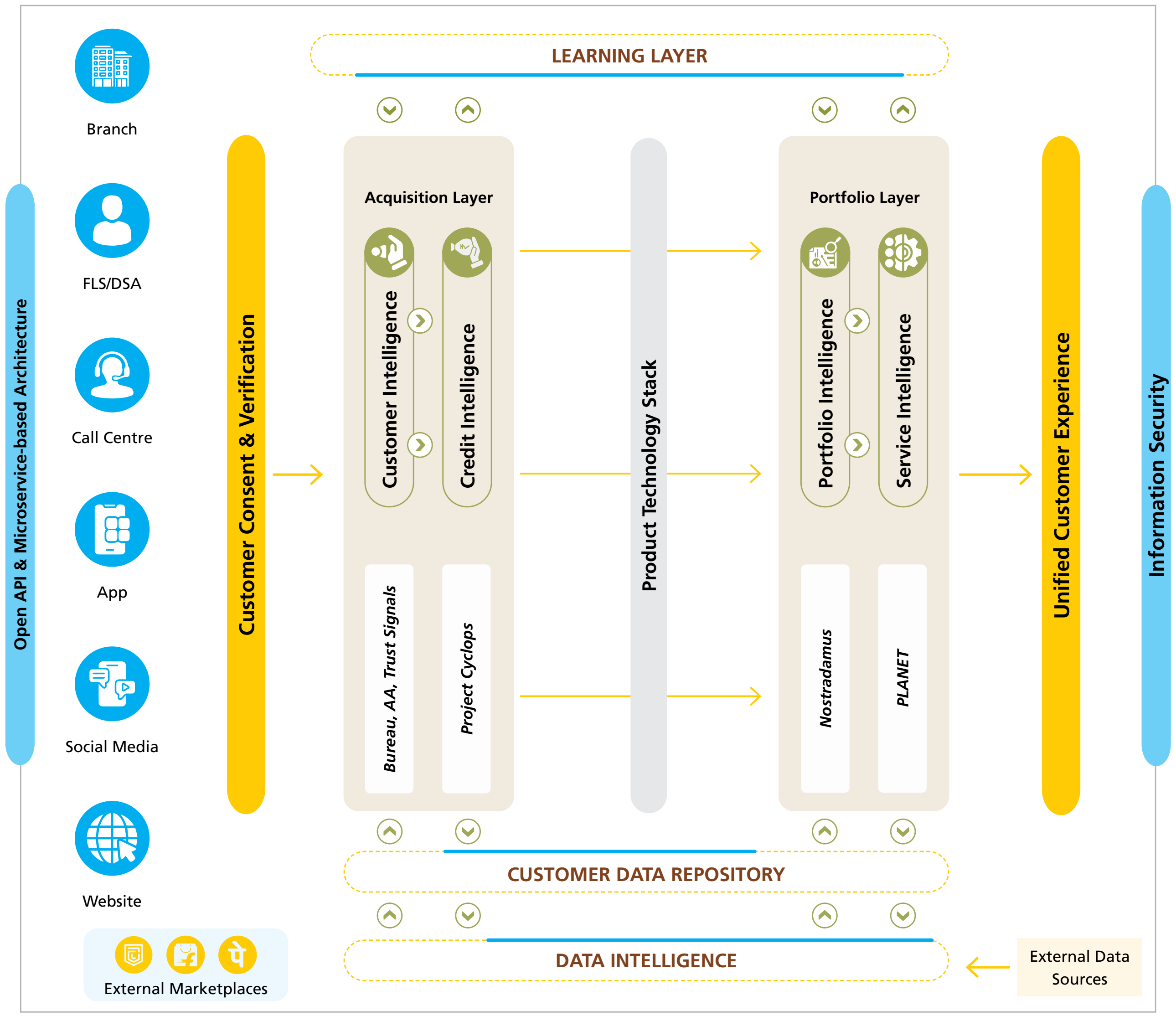
Pillar 3: Implementing Futuristic Digital Architecture

1 — 2 — 3 — 4 — 5

LTF is committed to becoming one of the pre-eminent technology-driven lenders in the country. During FY25, LTF launched a revamped customer portal and the next generation of PLANET App, which is aimed at enhancing the experience of the customers. While certain journeys were launched like DIY Home Loan, others were revamped like Rural Business Finance sourcing app. Progress has been made in optimising cloud usage costs and building robust disaster recovery infrastructure, alongside beefing up the cybersecurity capabilities. The organisation has embarked on the task of housing the entire Core IT, Data Sciences & Operations capabilities in an integrated facility in Navi Mumbai.

LTF will constantly harness cutting-edge technology to simultaneously enhance the customer experience as well as improving the operational metrics.

Engineering for Tomorrow - Future Tech Landscape



Building Technology Infrastructure to Drive Variety, Volume, Velocity, and Veracity

Pillar 4: Heightened Brand Visibility

1 — 2 — 3 — 4 — 5

In FY25, your Company augmented its brand visibility to enhance customer mindshare by building its presence through targeted product campaigns that covered high traffic customer points like airports and in-flight advertising on the urban side and wall paintings and melas on the rural side.

LTF's Targeted Marketing Campaigns

Integrated Marketing Campaign: LTF launched its first integrated marketing campaign for the Housing Finance business 'The Complete Home Loan', which generated sizeable leads and aided in overall lift in awareness of the brand. The integrated Home Décor Finance proposition is a first of its kind in the industry and addresses a whitespace in the home buying process for the customers.

Brand Ambassador: Your Company is pleased to inform you that it has onboarded Mr. Jasprit Bumrah as the brand ambassador of L&T Finance. Mr. Bumrah is an eminent cricketer and captain of India's One Day International Cricket team. Going forward, there will be extensive marketing campaigns involving him, LTF products and customers.

R.AI.SE 2024: Another marquee strategic initiative envisioned and executed successfully from the stable of LTF was R.AI.SE'24, India's premier AI-focussed event for the BFSI sector.

Held on November 26, 2024 at the Jio World Convention centre under the theme of 'Re-Imagining Financial Services with AI,' the event was inaugurated by L&T Group Chairman Mr. S.N. Subrahmanyan. Also, present were L&T Group's President, Whole-Time Director and Group CFO Mr. R. Shankar Raman along with the MD & CEO of LTF Mr. Sudipta Roy.

The conference featured 52 guest speakers in enlightening panel discussions, use cases, and real-world applications of AI in the BFSI sector, along with masterclass sessions. This event saw more than 8,000 registrations and reached an engagement level of 3 lakh during the course of three days.

By gathering AI leaders from regulatory bodies, unicorn start-ups, deep tech companies, and L&T Group companies together, R.AI.SE' 24 shone the spotlight on the challenges and promises of AI applicability and its use in enhancing output. This bespoke event is expected to become an annual highlight going forward.

Other Key Events: Apart from this, LTF participated in the Global Fintech Fest 2024, and the India Bike Week, 2024 where the unveiling of the LTF Zoom Two-Wheeler Loans took place.

Brand Ambassador of L&T Finance

BRAND AMBASSADOR

Mr. Jasprit Bumrah

1st Edition of our Marquee AI Event 'R.AI.SE'

Launched the 'Complete Home Loan and Personal Loan' Campaigns

Global Fintech Fest

Sapno Ki Diwali

Two-Wheeler

Pillar 5: Capability Building

1 2 3 4 5

On the capability building front, your Company has further strengthened the Risk and Compliance culture in the organisation by creating a 3-tier compliance structure i.e. a Central compliance, a Business compliance and a Regional compliance structure, reporting to the Chief Compliance Officer. To ensure the robustness of the compliance framework, a separate compliance testing team has been created for continuous monitoring and testing.

Strengthening the Risk and Compliance Culture

Continue to invest in capability building with clear focus on productivity enhancement

3-Tier Compliance Structure reporting to Chief Compliance Officer

Enterprise-wide Compliance
H.O. group compliance team

Business Compliance
Business compliance team for business and support function compliance

Regional Compliance
Regional compliance team for on-ground compliance

Separate central compliance testing team for continuous monitoring

Robust oversight mechanism with Compliance-change approach

Further, in-line with the objective of boosting the human capital with an execution bias towards various initiatives, the Regional Business Head structure was operationalised in FY25 to tap emerging market opportunities. This structural change is expected to provide more granular distribution & risk control on the ground, aid cross-sell, drive inter-business synergies and reduce response times. Four senior professionals from the banking sector have been onboarded in FY25 to transition L&T Finance to this structure.

Implemented Regional Business Head structure

MD & CEO ← Chief Executives - Head Office

COO

Regional Business Heads: North, South, East, West

Rural Business Finance | Farmer Finance | Urban Finance | SME Finance

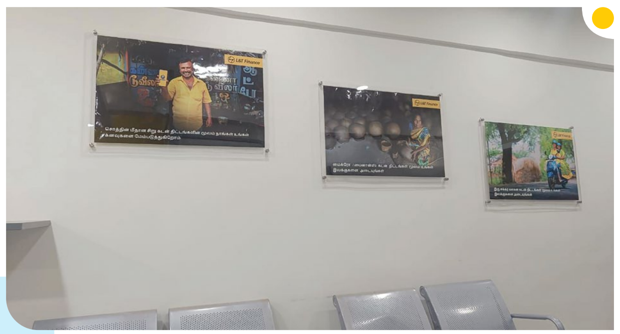
Moved from silo structure to matrix structure for granular and faster implementation of initiatives

Initiatives towards becoming a more business and customer-centric organisation

During FY25, your Company also launched its first Model Branch in Madurai, Tamil Nadu, inaugurated by L&T Group Chairman Mr. S.N. Subrahmanyan, for elevated customer experience and brand visibility. LTF would replicate this templated design across all the new and existing identified branches.

Standardising Branch Infrastructure

Pilot of Model Branch in Madurai



Chairman L&T Finance, Mr. S.N. Subrahmanyan's Visit to Model Branch in Madurai

Employee Engagement Initiatives

L&T Finance is now Great Place To Work

Introduction of Flexi-timing to ease commute to and from office

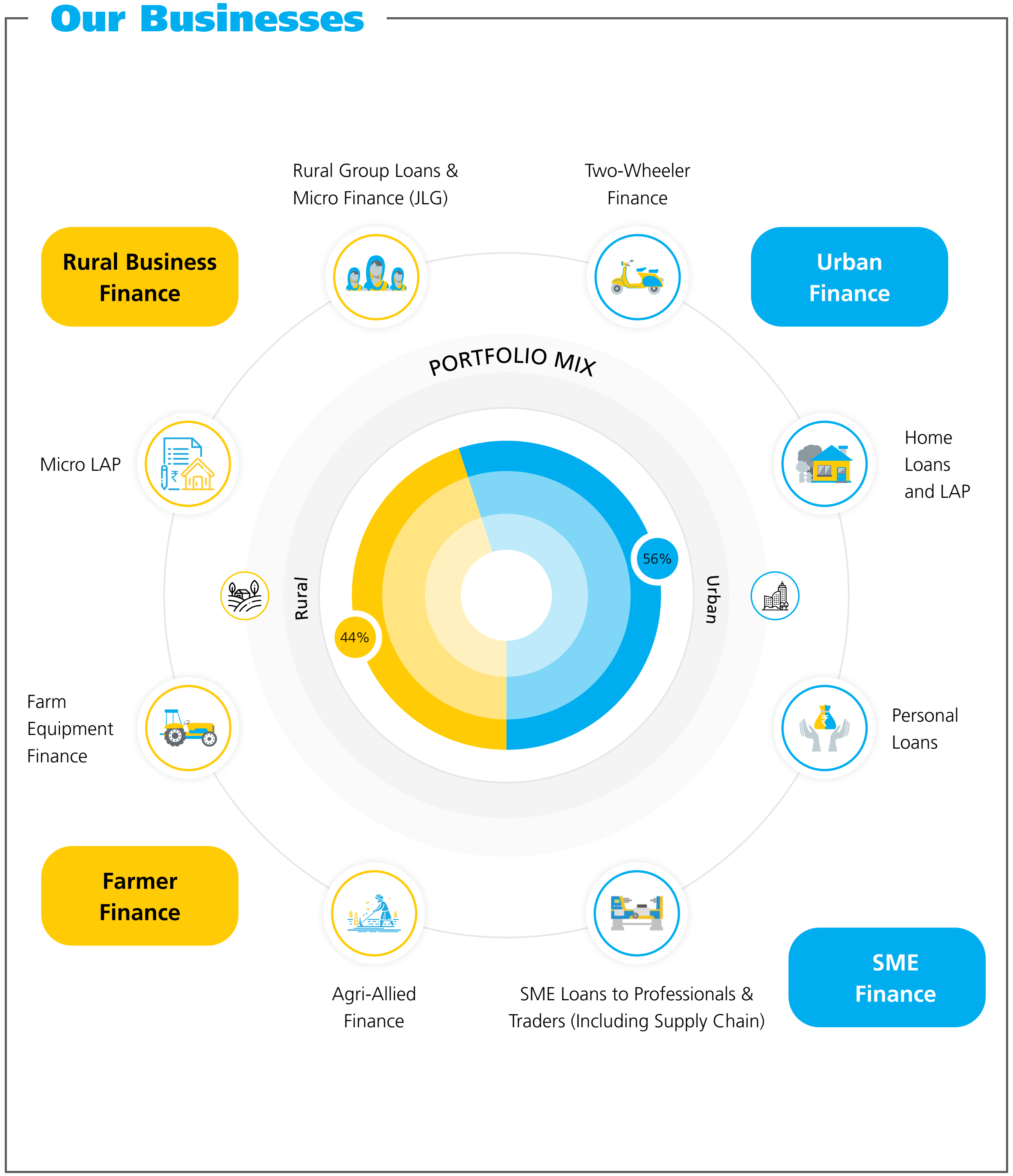
Launch of Continuous Education Policy, 'STRIDE' – extending support for employee's learning and growth

Launch of 270-degree feedback

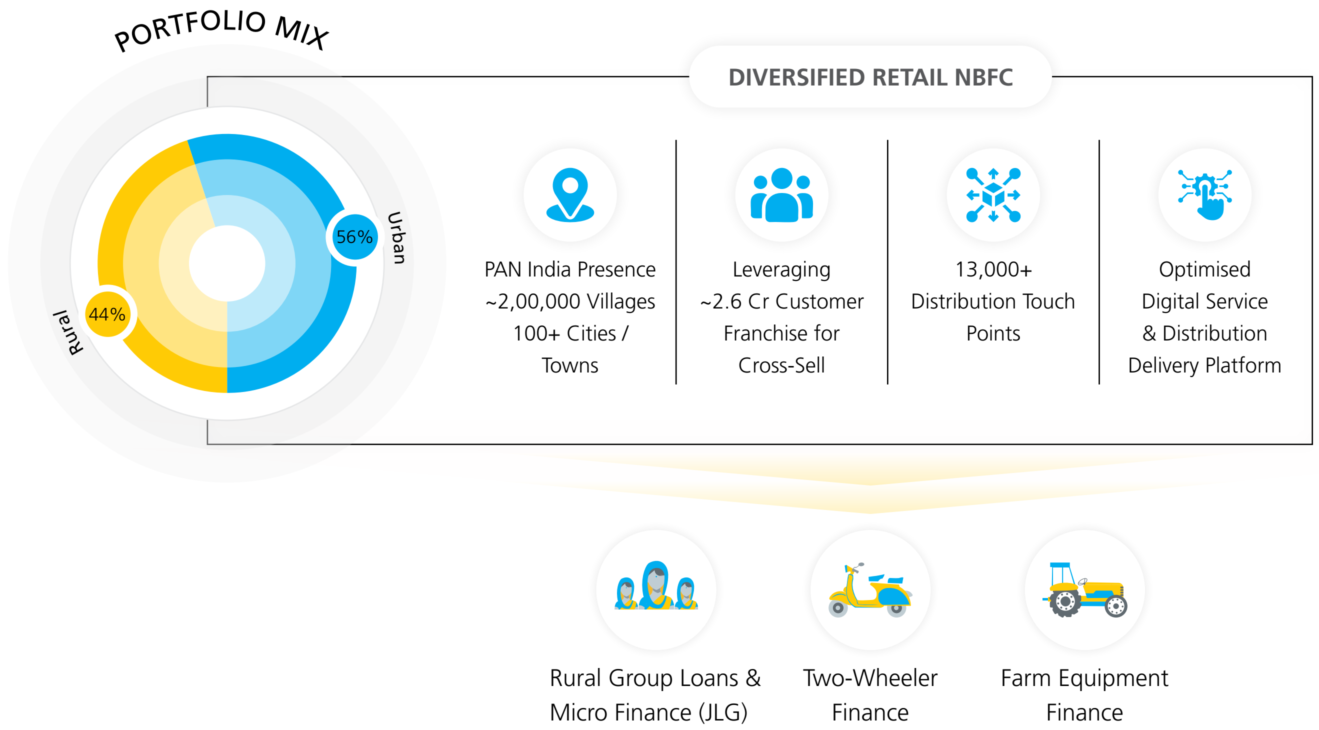
FINANCIAL RATIOS

During the year under review, there were no significant changes (i.e. change of 25% or more as compared to FY24) in key financial ratios of the Company.

Our Businesses

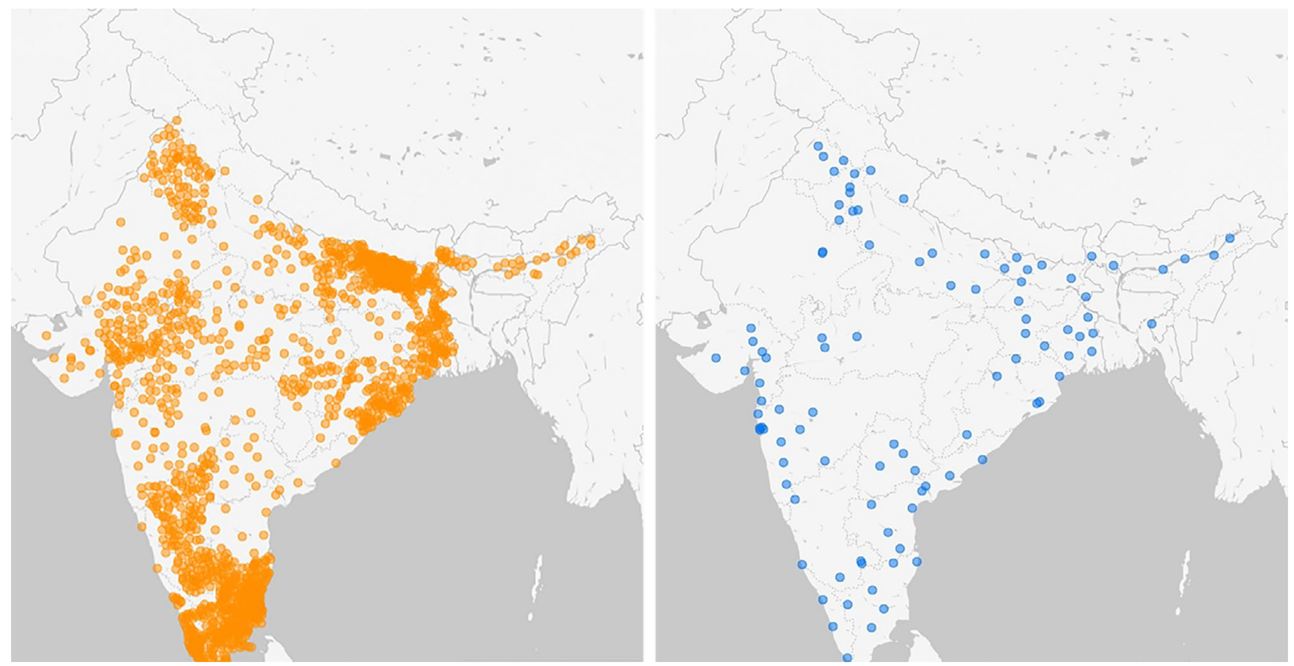


Retail Franchise & Right to Win



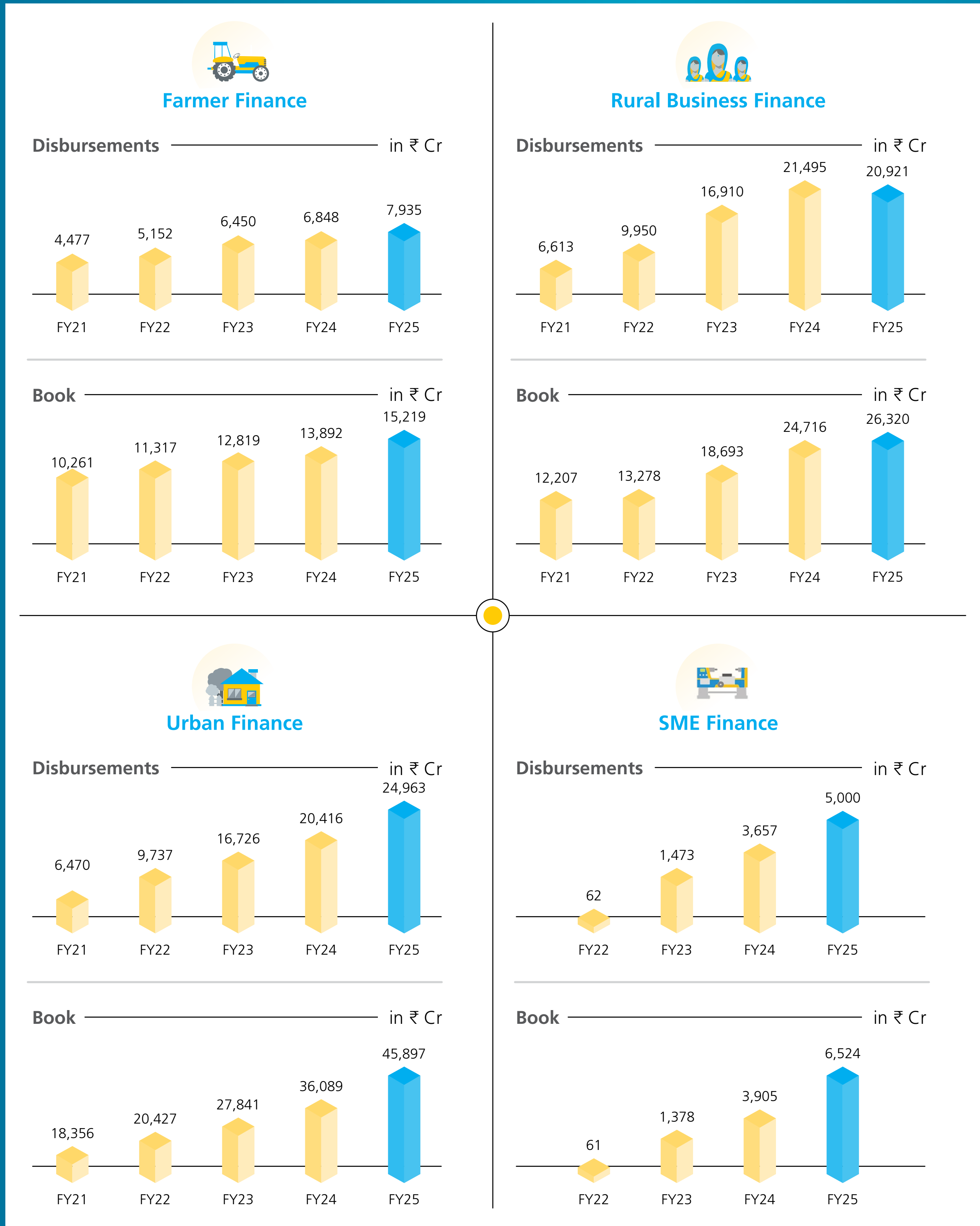
Retail Digital Franchise Built Over 15 Years

Granular and Extensive Distribution Network



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. The Company or any of its Directors, officers or employees cannot be held responsible for any misuse or misinterpretation of any information or design thereof.

Retail Finance Businesses: Disbursements and Book for the past 5 years



Retail Finance

Farmer Finance

In the Farmer Finance business, your Company endeavours to build products across the farmer lifecycle by addressing requirements across the agri value chain.

Farm Equipment Finance

Tractor sales experienced a revival in FY25 post witnessing a compression in FY24, due to good rainfall, higher reservoir levels, and unhindered agricultural activities. The healthy mandi arrivals and MSP prices for both Kharif and Rabi crops, along with ongoing government support programmes, continue to foster positive sentiment in rural areas. As a result, the domestic tractor industry witnessed a year-over-year growth of 8%, with approximately 940,000 units sold during the fiscal year.

Your Company remains a leading farm equipment financier, driven by consistent disbursements and strong relationships with dealers and OEMs. In FY25, LTF financed nearly

96,000 new tractors, supported by best-in-class digital architecture and paperless sourcing process. The existing paperless sourcing process is powered by an in-house employee-assisted app which is bolstered through a pilot of 'Project Cyclops', a first-of-its-kind underwriting engine based on alternate data sources like account aggregator, satellite-based land data, credit history & hyper local demographics.

Additionally, integration of advanced services and features like real-time online fetching of land details, geospatial data, hyperlocal demographic data pull, decile-based customer profiling & video personal discussion with electronic mandate registration is expected to further improve sourcing quality and enhance customer onboarding experience thereby delivering industry-best TAT.

LTF's industry-leading asset quality and consistent collection efficiencies—above 91%—are the result of persistent and dedicated collection efforts, both on the field and through the call centres. These efforts are driven by strong analytics, which allow for effective segmentation and prioritisation of the portfolio, leading to effective and optimal utilisation of resources and intensities.

Thus, LTF has ended the year with an overall disbursement of ₹ 7,427 Cr with 11% increase Y-o-Y aggregating to a book size of ₹ 14,957 Cr.

Warehouse Receipting Finance

Your Company expanded its product offerings with the introduction of Warehouse Receipting Finance couple of years back to address post-harvest needs within the agricultural value chain. Leveraging a unique, digitally-assisted process, your Company has established a strong competitive advantage by providing a completely paperless journey along with API integration with Collateral Managers (CMs), resulting in superior turnaround times for sanction, disbursement, and commodity release. In addition to this, a fully digital rule-based mark-to-market (MTM) process has been established. Quality of the business can be understood from the fact that there are 'NIL Overdue' in the overall disbursements till date since inception. This has resulted in sanctions of ~₹ 1,800 Cr and disbursals of ₹ 507 Cr for the fiscal year.

Rural Business Finance

FY25 was the year when the Rural Group Loans and Microfinance franchise was subjected to a demanding evaluation. It was a year of reset for the industry with MFIN bringing in norms to curtail the overleveraging of customers, followed by force majeure events like prolonged heatwave, severe floods across states coupled with an elongated four months election schedule leading to a temporary slowdown in cashflow towards rural employment generation schemes. This led to disruption of customer income prospects thereby impacting their repayment abilities. Even when this situation looked to be stabilising, the industry was hindered again by a political intervention in the form of Karnataka Micro Loan and Small Loan (Prevention Of Coercive Actions) Ordinance, 2025 brought in by the Karnataka state government to curb the coercive practices by unregistered financiers, which affected growth and collections in the industry. Due to the above-mentioned factors, industry witnessed a degrowth in the overall JLG book outstanding by 13% to 3.8 lakh Cr. The silver-lining in this environment has been normal monsoons, supported by healthy harvests and MSP prices that has facilitated rural consumption stability.

Even in this challenging environment, LTF remained resilient and stood out vis-à-vis competition due to its prudent sourcing policies focused on conservative association and exposure norms, time tested credit assessment procedures and risk guardrails. This has resulted in a portfolio that reflected customers upto 3 lenders including LTF comprising almost 92% of the entire loan book of which 45% are exclusive to LTF. This in-turn has resulted in industry best collection efficiency levels of 99.4% and 0-DPD book of 95%.

On the operational front, in FY25, LTF empowered over 61 lakh women entrepreneurs (~1.5 Cr customer base) through calibrated growth and a strong rural network of over 2,000 meeting centres (branches) in rural areas and 14,000+ on-field workforce. Accordingly, LTF ended the year with disbursements of 20,472 Cr, with the lending book at ₹ 25,838 Cr, a growth of 5% Y-o-Y.

Going into FY26, the Company will continue to closely monitor developments and grow in a calibrated manner by diversifying into underpenetrated and lesser leveraged geographies. Thus, LTF believes that it may be poised to emerge as a differentiated player, thereby, leveraging its strength in tech and data analytics to gain market share as the sector starts picking up momentum towards the second half of the next financial year.

Calibrating the Rural Business Finance portfolio towards Secured Loan Propositions

Micro LAP

Building on its deep rural expertise, LTF has pivoted towards establishing the Micro Loan Against Property product catering to the financing needs of a niche segment of the rural population largely against self-occupied residential property. In FY25, the Micro LAP product has gained traction through a fast-growing granular branch network of 132 branches across the states of Tamil Nadu, Karnataka, Maharashtra, Gujarat, Andhra Pradesh and Telangana with a modest book size of ₹ 482 Cr. This business is being catered to by an exclusive in-house field team supported by a robust on-ground credit unit.

Urban Finance

Two-Wheeler Finance

The Indian Two-Wheeler sector retail sales witnessed an annual growth of 6% compared to the previous year with annual sales reaching 1.86 Cr units. This growth highlights the continuing popularity of two wheelers for commute and underscores the demand for two-wheelers in the market. Two-wheeler sales during the festive season (Oct 2024 to mid Nov 2024) saw a growth of 13.8% Y-o-Y with sales of 33 lakh units driven by strong rural demand. Retail finance penetration, which increased from 62% to 66%, has helped in facilitating this growth. Another catalyst for growth has been the increasing demand for electric two-wheeler vehicles which showed a significant growth of 30% Y-o-Y. Sales of entry-level motorcycles (up to 150 cc) grew 8.6% Y-o-Y and accounted for 80% of overall motorcycle sales.

LTF's growth in FY25 continued to be driven by focus on sourcing prime customers through its dealer sourcing points (~4,500 active dealers). LTF also successfully launched the Valued Partner Programme (VPP), a loyalty programme for dealerships that monitors and rewards dealers for performance while ensuring the desired portfolio quality. This has resulted in the prime disbursement mix increasing from 53% in March 2024 to 82% in March 2025 and the portfolio prime mix increasing from 39% to 54% in FY25. Additionally, the impetus on financing high end bikes, led to an increase in ATS (average ticket size) from ₹ 90,000 to ₹ 1,06,000.

'Project Cyclops,' the new three-dimensional underwriting engine, was piloted at 5% of new sourcing in June 2024 and gradually implemented for 100% sourcing throughout the dealer network by January 2025. Further, in anticipation of strong demand during the festive season, company took proactive and risk mitigating actions such as additional stability document proof, and further stringent policy actions

for identified customer cohorts aiding in sourcing better customer profiles. The servicing journey continues to be supported by LTF's PLANET App which also acts as an excellent engagement tool with customers.

On the collections front, your company has taken stringent actions to improve portfolio quality, enhance credit monitoring and has used analytics with the right mix of personnel and collection agencies to contain credit and collection costs. Further, with the improved customer profile, the company has seen a consistent improvement in bounce % along with overall collection efficiency in early buckets.

All these measures have resulted in a robust FY25 disbursement of ₹ 9,285 Cr, which is an 8% increase Y-o-Y, and a stable FY25 loan book of ₹ 12,321 Cr, which is a 10% increase Y-o-Y.

Home Loans and Loan Against Property

The Indian mortgage market, Home Loans (HL) and Loan Against Property (LAP), has been a mixed bag in FY25 growing to a total size of ~₹ 50 lakh Cr. While limited price rises backed up by monetary policy expectations, flexible payment plans and lucrative incentives have maintained the absorption rate, However, the rising land prices and regulatory compliances have affected new project launches leading to a greater shift towards either the affordable segment or the high-end luxury segment.

In this scenario your company has done well to reach a combined disbursal of ₹ 9,582 Cr and a combined closing book of ₹ 24,929 Cr (including Home Loans and LAP), reflecting a growth of 27% & 35% respectively (YoY). While the home loan sector in particular saw a roller coaster journey due to the above factors, the burgeoning middle class along with its increasing purchasing power led the growth in the mortgage sector as a whole.

Your Company clocked 20% disbursement growth in the Home Loan segment to reach ₹ 6,898 Cr. The LAP segment, with its comparative advantage of attractive interest rates vis-à-vis personal and business loans, has emerged as a popular financial tool for individuals and businesses seeking quick funding. For FY25, disbursals in LAP have aggregated to ₹ 2,685 Cr, thereby achieving a growth of 51% Y-o-Y.

Also, with respect to distribution, it is to be noted that LTF has doubled its Home Loans disbursements through the builder channel. Additionally, LTF also entered into a strategic tie-up with PhonePe towards augmenting its digital sourcing channels.

FY25 saw launch of new products such as 'The Complete Home Loan,' which dealt with funding home interiors and furnishing have led to increased yields and is expected to create a greater positive impact in the next fiscal.

With regard to asset quality, LTF continues to maintain industry competent asset quality through its superior sourcing mix and monitoring rigor.

LTF also launched new digital initiatives for the purpose of enhancing overall customer satisfaction and reduce TAT. A 'DIY' or 'Do it Yourself' journey was launched at the beginning of the year to enable customers to apply for loans online by themselves without any dependency. Another major initiative was the launch of Knowledgeable AI or "KAI" in November 2024, - a customer chatbot for helping customers with their queries on the go.

Personal Loans

The personal loan industry in India aggregates to a market size of ~₹ 14.5 lakh Cr For FY25 the Y-o-Y industry growth was 11%, led by disbursements in high ticket size loan segments. The annual growth for FY25 is lower than the previous year on the back of measures taken by RBI for lenders to curtail overleveraging in the unsecured segment.

In LTF, Personal Loans was launched in FY21, initially leveraging its two wheeler customer base. This segment of customers continues to contribute ~52% of the disbursements in FY25. During the year, your Company focused on growing the business in a risk calibrated manner for superior customer selection through introduction of Large Partnership and Direct Selling Agents (DSA) channels. These channels support with scale up of Personal Loans from new-to-LTF customers in a risk calibrated manner.

The Large Partnership channel is focused on using LTF and partner scorecards to acquire new customers digitally at scale leveraging partner customer base. For FY25 your Company went live with Cred, Amazon & PhonePe. These partners have contributed to 10% of disbursements for FY25. The DSA channel primarily focusses on customer acquisition of prime salaried segment from top 10 cities and scaling it up to more cities in a phased manner. Both these channels will support your Company to scale up the Personal Loans business across new geographies and customers segments.

As a result of these concerted efforts, your Company disbursed ₹ 6,096 Cr in FY25 in Personal Loans with the book size reaching ₹ 8,648 Cr. As the regulatory landscape continues to evolve with the increasing use of technology, your Company is well-positioned to navigate the changes and continue its growth trajectory in the coming years.

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 November 2024, as a part of the details shared in Economic Survey 2024-2025, credit to MSMEs registered a Y-o-Y growth of 13%, surpassing the 6.1% growth observed in credit to large enterprises.

Among the factors that contributed to LTF's growth were comprehensive expansion in 4 states in addition to the existing 118 locations, introduction of new product variant that meets evolving customer needs and expansion of Direct Channel. LTF also implemented a new Loan Origination System (LOS), thereby streamlining processes.

These initiatives contributed to the loan book scaling to ₹ 6,524 Cr in FY25 vs ₹ 3,905 Cr in FY24. LTF disbursed ₹ 5,000 Cr during the year, a 37% increase from the previous year, with the on-book customer base growing to 35,000+.

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.

Human Resources

Over the last few years, your company has enhanced its Processes, improved its Policies and accelerated its Performance which translated into increased Profits and improved Productivity. Recognising that a robust HR strategy is essential to complement any successful business plan, your Company made 'Capability Building' the cornerstone of strategy, propelling its vision to become a premier retail NBFC. This framework is built to harmonise human resources initiatives with LTF's larger business goals.

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 2025, your Company employed 36,521 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 74% of the workforce composition. They are instrumental in delivering financial services to geographically dispersed customer segments in rural and urban areas.

Your Company has a rural customer segment across the Rural Business Finance and the Farmer Finance verticals, largely comprising women entrepreneurs and farmers. They are distributed across ~2 lakh villages and contribute to around 44% of your company's retail business. These rural customer segments are catered to by 25,856 employees. Most of these employees are recruited from deep rural areas, generating sustainable employment and advancement opportunities. This emphasises your Company's connect with the local community, thereby empowering rural India to forge ahead. The remaining employees cater to our Urban and SME Finance customers.

To serve the rural and urban active customer franchise of around ~92 lakh, your Company has a focused approach to engage, develop and demonstrate care for its employees, thus facilitating capability building which is one of our strategic pillars to obtain sustained growth.

LTF People Philosophy

In FY25, LTF adopted a voice-driven approach to employee engagement through its first-ever anonymous company-wide survey facilitated by Great Place to Work (GPTW), achieving an 86% favourable response rate and earning certification as a 'Great Place to Work'. The feedback shaped the LTF People Philosophy ['Experience the C.U.R.V.E. of Happiness' (Connected, Understood, Respected, Valued, and Enabled)], which emphasises holistic employee well-being and happiness. This framework ensures employees are empowered and supported in their roles. Additionally, the 5-Pillar of Human Resources Strategy guide HR initiatives to attract diverse talent and foster a growth-oriented, supportive environment. LTF's commitment to a Digital Mindset drives innovation and collaboration, helping create a thriving workplace where individuals and the organisation succeed together.

Communicating Purpose

Your Company's leaders ensure that the organisation's vision, mission, and values—Pride, Ambition, Discipline, Integrity—are communicated and assimilated at all levels through a multi-channel strategy involving townhalls, regular emails, broadcasts over mobile communication channel, standees, laptop wallpapers, and campaigns across our digital assets like HRMS portal.

Long Range Planning

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

Townhall

To drive the goals of Lakshya 2026, your Company organises townhalls, where the Managing Director and Chief Executive Officer and Senior Management directly address the managerial workforce. They are broadcasted across the organisation, enhancing transparency, inclusion, and collective ownership.

LTF Employee Connect

Essential information and company-wide updates are broadcasted to all employees through a mobile communication channel, targeted to relevant employee groups, supporting our quest to become a boundaryless organisation.

Investing In People

Investing in human capital through training and well-being programmes yield long-term financial benefits by enhancing productivity, reducing employee turnover, and fostering innovation.

Employee Induction Programme (Parichay)

The Parichay programme guides new recruits through LTF's fundamental values, culture, business operations, and goals. Key training areas include Know Your Customer, Code of Conduct, Prevention of Sexual Harassment, Information Security Awareness, Operational Risk Management and ESG.

Role Appreciation Programme

Targeted at Frontline employees, the RAP programme is a unique four-day experience combining immersive field visits and interactive classroom sessions. A standout aspect of RAP is its emphasis on informed consent. Candidates participate in experiential learning prior to making a commitment to your Company, ensuring mutual alignment of expectations.

e-Gurukul

LTF's digital learning portal offers diverse, gamified and bite-sized learning tools, accessible through popular channels like WhatsApp and internal Learning & Development hub.

Udaan

Your Company's flagship 'Campus to Corporate' includes an orientation conducted by HR and senior management, followed by customised technical training tailored to their specific roles. In FY25 we have recruited 100+ Graduate Engineer Trainees and Management Trainees who will play an instrumental role in our journey to become a fintech@ scale.

Career Development and Growth

Aspire

The Aspire initiative is a tailored succession programme designed for front-line sales employees, emphasising capacity building to prepare them for advanced roles.

Leadership Development Programme

The Leadership Development Programme addresses key imperatives such as mitigating people risks, creating a succession plan for critical roles, and providing aligned career paths for leaders.

Competency Framework

A customised framework has been built through 'Visionary Discussions' with the leadership team along with focused group discussions with employees. This is to drive performance and support an integrated Talent Management Strategy at your Company.

STRIDE

Launched in October 2024 based on GPTW survey insights, STRIDE supports self-driven learning through courses, certifications, and degrees aligned with career goals. It includes financial assistance and a collaboration with Symbiosis School for Online and Digital Learning (SSODL)

Winspire

With an aim towards fostering and focusing on women leadership, your Company has taken a significant and maiden step by nominating women employees for three tracks of the Winspire programme. These tracks focus on empowering and advancing women at various stages of their professional journey.

Rewarding Excellence

At LTF, recognising and celebrating employee achievements is a core value that energises the workforce. In FY25, your Company continued its commitment to excellence with recognition initiatives designed to honour those who make extraordinary contributions.

Long Service Award

This award honours employees who have dedicated a significant portion of their careers to the organisation. During the year, 173 Awardees with a tenure milestone of 10+, 15+ and 20+ years with LTF were felicitated, celebrating their loyalty and commitment to your Company over the years.

STAR Awards

The Star Awards is the flagship recognition programme at LTF, celebrating employees who go above and beyond their duties to achieve success in areas where others may not have dared to venture. This award recognises individuals who demonstrate exceptional performance and commitment, contributing to the overall success of the organisation in a truly remarkable way.

Wall of Fame

The Wall of Fame honours employees who demonstrate extreme ownership, commitment, and dedication to delivering outstanding results. This recognition initiative acknowledges individuals whose performance aligns with your Company's quarterly and monthly business priorities.

Champions League

Champions League was designed with the underlying idea of identifying top performers across businesses and functions who possess the intent of delivering superlative performance for the organisation while working within the predefined credit and risk guidelines from February to March 2024. 2,004 employees were identified as winners across categories, with 104 employees taken on a cruise to Sri Lanka.

Giving Employees A Voice

IdeaXpress

Launched in FY25, the IdeaXpress is an initiative that is designed to drive transformative ideas by encouraging employees to propose solutions that improve business operations. This initiative aligns with LTF's 'Listening Framework,' ensuring that employee feedback is heard and acted upon.

We Hear You

In alignment with our commitment to building a transparent and inclusive organisation, your Company launched 'We Hear You,' an employee forum that encourages open dialogue across all levels. The platform offers employees a confidential space to share their opinions, provide valuable insights, or highlight any concerns, even anonymously if they choose.

Engaging Employees

L&T Finance follows a structured annual plan for employee engagement, meticulously crafted at the start of each financial year. This plan is developed in alignment with organisational goals and executed collaboratively by the HR team, which includes zonal and regional representatives.

Thank God It's Friday (TGIF) – Monthly Celebration Initiative

A monthly celebration initiative launched to enhance engagement and foster a positive work environment, based on insights from the Great Place to Work survey. Held on the last Friday of every month, TGIF features cultural events, festive gatherings, food-sharing, and creative activities. From celebrating milestones like the Company's 30-year journey to theme-based events, the initiative promotes team bonding and reinforces LTF's people-first culture.

Sports and Wellness

As part of the L&T Sea Bridge Marathon at Atal Setu in Mumbai, a contingent of employees, led by senior executives, participated in the run—promoting fitness, teamwork, and a spirit of collective achievement.

Competitions

LTF fostered employee creativity and engagement through initiatives like 'LTF Got Talent', where employees showcased their creative skills and talents, ranging from music to comedy; the Photography Contest themed 'India Through My Lens,' 'QuizWiz,' and 'ArtBeat'.

Cultural and Festive Celebrations

Your Company celebrated key events like International Women's Day 2025 with the theme #AccelerateAction, honouring women's achievements; Independence Day - Let's Make News, a creative contest using newspapers; and key festive celebrations to highlight creativity and cultural pride.

Community and Social Impact

LTF employees participated in Swachhata Hi Seva, contributing to the national Swachh Bharat Abhiyan through a cleanliness drive, and engaged in Daan Utsav - Hafta Challenge during the Joy of Giving Week, promoting acts of kindness like writing thank-you notes, helping those in need, and connecting with nature.

Localised Engagement for Rural Workforce

With over 25,000 employees across branches and meeting centres, LTF's decentralised initiatives ensure inclusivity and engagement for rural employees, including 'One Team One Lakshya', where employees left handprints on a canvas symbolising unity; the 'BM Connect' Programme to strengthen engagement and communication at the branch level; Cultural Celebrations like Lohri, Bihu, Pongal, and local events; and wellness awareness through doctor-led video sessions on seasonal health precautions in regional languages.

Caring For Employees

Health and Well-Being

To safeguard employee health and wellbeing, LTF offers several

initiatives, including an Employee Assistance Programme (EAP) with 24/7 AI-enabled psychological first-aid and consultations across 53 specialties; physical consultations at office dispensaries twice a week; SOS services for emergency ambulance access via an app; and health and well-being workshops focusing on physical, mental, and emotional wellness to help employees manage the challenges of modern life.

Women Friendly Policies

Your Company has introduced progressive women-friendly policies, including extended leave of up to one year for young mothers with work-from-home options, alongside childcare leave and maternity benefits. Your Company also offers creche reimbursements for up to two children under six, local conveyance reimbursements, ergonomically designed chairs, and priority parking spaces for expecting mothers.

Mess Facility

Launched for branches of Rural Business Finance, this initiative provides employees with access to healthy and hygienic home-cooked meals. Extended to over 1,100 branches across eleven states, the facility encourages better nutrition, convenience, and social interaction among employees during meals, helping reduce reliance on fast food, thereby promoting well-being.

Distribution of Helmets for Road Safety

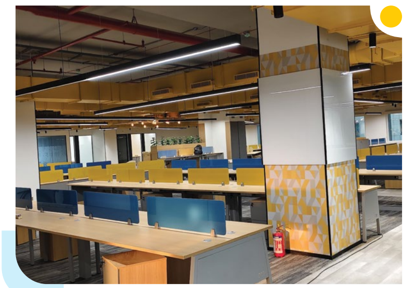
As part of LTF's commitment to road safety, your Company has introduced the provision of helmets for all frontline officers, a proactive step towards ensuring their well-being and fostering a culture of safety from the very start.

Installation of Air Coolers

Demonstrating its commitment to employee well-being, your Company installed Air coolers across 1,007 Meeting Centres, ensuring a more comfortable and conducive working environment.

Elevating Employee Experience through Workplace Infrastructure

In FY25, LTF's Facilities and Channel Management team executed multiple infrastructure projects across 1.5 lakh square feet, adding 2,600 seats, including the launch of 25 new branches for the MLAP business. Notable projects include the Application Engineering Centre, designed to foster collaboration; the New Mahape Office in Navi Mumbai for over 1,300 employees; a fully equipped Auditorium at Mumbai Kalina Office; and standardisation of branch infrastructure to ensure a consistent, high-quality experience for both employees and customers.



Driving a Culture Of HR Excellence

In FY25, your Company participated in the HR Excellence Model (HREM) assessment, a robust framework utilised by your Group Company, aligned with the CII HR Excellence Model. This involved a comprehensive evaluation of key people processes, focusing on both execution and measurable outcomes. The exercise enabled a structured identification of gaps, adoption of best practices, and a clear roadmap for sustained process improvement. Your Company's efforts were recognised with the "Emerging Leader" distinction, reaffirming commitment to building a culture of excellence in HR.

Risk Management

Effective risk management involves a systematic approach to identifying, evaluating, and mitigating potential and existing risks. This process encompasses both qualitative and quantitative analysis, focusing on the establishment and refinement of controls to minimise or prevent adverse outcomes. LTF has a Board-approved Risk Management Framework, Strategy and Plan in the form of Board-approved Enterprise Risk Management Policy which is reviewed annually or on need basis whichever is earlier. The framework is designed to provide a way to proactively identify and mitigate risks that could impact LTF's ability to achieve strategic objectives. Your Company's risk management framework focuses attention on key areas of risk such as credit, model, operational risks and Infosec. Wherever feasible, such risks are mitigated through processes/procedures which are developed and suitable steps are taken for effective mitigation and continuous management. Other risks which the LTF faces like reputation, regulatory/compliance risk, outsourcing risk etc. are managed by respective independent functional departments of risk with periodic reporting to Management and Board wherever considered necessary.

Maintaining robust risk management practices is crucial for achieving strategic objectives while ensuring resilience across economic cycles. The Board of Directors oversees these activities through the Risk Management Committee (RMC), which convenes quarterly. This committee monitors the implementation of the Board-approved risk management framework, which outlines risk tolerance, limits, monitoring tools, and early warning systems. Collaborative efforts between business units and the risk management department ensure alignment between business strategies and established policies, facilitating informed decision-making and continuous oversight. To evaluate financial stability during significant events, LTF conducts rigorous stress testing.

LTF's Risk Appetite Statement is a written articulation of the aggregate level and types of risk that it accepts, or avoids, to achieve its business objectives. It includes qualitative and quantitative risk measures expressed relative to solvency (credit rating, tier 1 capital ratio), liquidity (survival horizon, structural liquidity), earnings (return on assets) and franchise protection (operational risk scorecard, emerging risks like cyber risk, sustainability and climate risk, reputation risk). Risk limits like regional exposure limits, limit for unsecured book, sectors limit and management limits are set to cascade the Risk Appetite Statement to business line, specific risk categories and concentrations. Further the LTF uses Earnings at Risk ("EAR") approach as a key forward-looking metric to convey risk levels as financial outcomes and provide an anchor for setting hotspot limits. Using EAR as the anchor metric, concentration limits are set across all retail Business Units (BUs) so as to allow earnings loss within the acceptable 'buffer'. Thresholds of the Risk Appetite Statement as well as risk limits are monitored on a quarterly basis and presented to the Risk Management Committee. All of the above ensures that the business planning process of the LTF meets the 'Risk Level' objectives.

Early identification of emerging risk and updation of the same to Senior Management and RMC is done on a periodical basis. In the event of any material events which has been observed either internally or externally, it is discussed and suitable learnings and actions are incorporated into processes. Stress testing of key risks is undertaken to understand the resilience of the LTF along with suitable actions (if required).

For effectively managing the credit risk on Retail assets of LTF like Micro Loans, SME Loans, Two-Wheeler Loans, Farm Equipment Finance, Warehouse Receipt Finance, Housing Loans, and Personal Loans, among others., Retail Risk management framework covers portfolio monitoring through real time risk dashboards in combination of risk analytics validating and monitoring credit models.

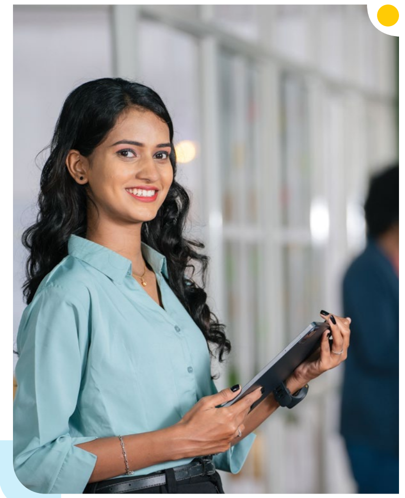
Early Warning Signals (EWS) at LTF works at two levels - Macro and Micro. In house economic team track multiple macro variables and have analysed its trend with portfolio quality. Team issues regular bulletin to each business with respect to relevant macro trend, which helps to steer portfolio in right direction.

Further, Risk team has identified micro parameters and monitor portfolio performance based on these parameters. Portfolio reviews are carried out to take portfolio level actions and minimise losses. These monitoring mechanisms help take remedial measures and limit losses.

At LTF, Risk team keeps a close watch on latest developments in external world in form of field meetings with customers, dealers, DSA's, regional team, front line staff, vendors and Risk Departments and Business/Credit departments of competing banks and NBFC's. In addition, there are frequent senior management meetings where all emerging and existing risks are discussed and

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) and Asset Liability Committee (ALCO) are conducted on periodical intervals for assessing and review various aspects of risk arising from the business operations of the LTF as shown in the following:

- The Company's commitment to fostering a forward-thinking risk culture has contributed to its position as a top-tier Non-Banking Financial Company (NBFC) with a AAA credit rating. Recognising the evolving business environment and emerging



risks, such as reputational and climate-related concerns, LTF has developed new frameworks to proactively manage these challenges. Furthermore, the company has implemented the Internal Capital Adequacy Assessment Process (ICAAP), which encompasses the evaluation and management of various risks, including credit, market, liquidity, interest rate, operational, strategic, regulatory, climate, and model risks, and determines the necessary capital for current and future periods. LTF's business faces considerable credit risk, necessitating a robust

management system. To address this, your Company is upgrading its underwriting architecture with a modern engine that utilises bureau, account aggregator, and alternate data, enhancing their existing analytical framework.

- **Credit Risk** is generally made up of transaction risk or default risk and portfolio risk. The portfolio risk in turn comprises of intrinsic and concentration risk. Credit risk of portfolio depends on both external and internal factors. Credit risk management is essential to minimise default risk and concentration risk.

LTF follows a pragmatic framework for evaluating financing opportunities aligned to the risk-return strategy of the organisation, within the applicable regulatory environment. A structured approach to credit risk management is established in line with the goals/strategy of the organisation, internal and external environment. The company ensures adherence to RBI's policies and guidelines to optimise benefits for the clientele and other stakeholders. Your Company has better management of credit risk profile of the portfolio with emphasis on quality, close monitoring, timely collection and well delineated exit options, both at portfolio and borrower level.

LTF is bolstering its existing data and analytics-based underwriting architecture with a new-age underwriting engine comprising bureau, account aggregator and alternate data signals. Project Cyclops, the AI-driven digital credit engine is working towards strengthening credit risk assessment by delivering real-time, data-driven insights. Leveraging advanced machine learning algorithms and big data analytics, Project Cyclops streamlines the entire credit lifecycle—from origination and underwriting to continuous risk monitoring. This innovative platform integrates seamlessly with existing systems and utilises alternative data sources alongside historical performance metrics to optimise credit evaluations, enabling precise risk categorisation and targeted lending decisions while significantly reducing default risks.

The other ancillary advantages that will accrue includes swift credit decisioning as well as ensuring faster onboarding of prime credit worthy customers, thereby sifting between sensitive and resilient borrowers and the swap-in swap-out rates.

For the retail finance assets portfolio, monitoring is undertaken at a portfolio level at regular intervals through Retail Portfolio Review meetings attended by Senior Management of various Products as well as Risk Management department. Portfolio Review is a very important tool in managing credit risk as it enables Senior Management of LTF to understand the institution's aggregate credit risk, make decisions regarding improving the returns on those risks, making changes to the extant credit policy and identifying and managing concentrations of credit risk. Your Company further uses advanced dashboards which provide real-time identification of trends and breaches, empowering it to proactively manage risks and take immediate action to mitigate any potential threats.

Your Company is in process of developing an advanced Early Warning Signals engine to proactively identify stress signals and take corrective measures to mitigate risks. By analysing behavioural patterns, alternative data sources, geopolitical data, and macroeconomic factors, LTF can make informed decisions and predict future defaults.

Operational Risk Management

Operational risk is 'the risk of direct or indirect loss resulting from inadequate or failed internal processes, people and systems or from external events. Thus, operational risk is an 'event risk'. Operational Risk includes all the risk events that may potentially cause a loss to the company. These events are foreseeable and avoidable to a large extent. This risk appears at different levels: people, processes, technical and information technology. Given the dynamic nature of financial market, new products need to be introduced from time to time and existing product features modified. A detailed product note for the new product which captures all the salient features or change in the existing product(s), including product specific credit policies is made in consultation with all the relevant functions/stakeholders and is approved by the Product and Process Approval Group (PAG). Any new product policies as approved under above delegation is submitted in the ensuing RMC for noting. Annually all updated product notes are noted in the RMC. Further, Operational risk department in LTF periodically reviews and updates the Standard Operating Procedures (SOP) for various products/activities and documents the same. Modifications to SOP's are also discussed by cross functional teams (including representative of risk management department) to ensure comprehensiveness of the process and suitable controls being in place. This mitigates people risk which refers to unintentional human errors, lack of expertise, fraud, failure to comply with the procedures and policies, work and safety norms in the office premises, vendor and outsourcing risks. This also mitigates process risk which includes inadequate procedures and controls for reporting, monitoring and decision making; organisational deficiencies; management deficiencies in monitoring risks, errors in recording process of transaction. Under Operational risk, LTF manages Outsourcing risk to mitigate non-performance, or poor performance by a service provider under a material outsourcing arrangement resulting in financial loss, regulatory breaches, and reputation loss.

LTF OR framework follows an approach of Risk and Control Matrix (RCM) which is a key risk identification and assessment tool. Such RCMs are thematic which covers customer onboarding journeys, business operations, and collections, among others.

Scope of RCM is as follows:

- Enable business and support units to attain a transparent and complete end-to- end view of the key risks that could impair the achievement of business objectives and/or impact core business processes;
- Assist management in attaining a holistic view on how internal controls mitigate risks and their actual effectiveness;
- Formulate and implement action plans to address any gaps/ lapses in the internal control environment;
- Promoting awareness of operational risk and control throughout organisation.
- Results of RCM are presented in the ORMC.

To conduct effective risk assessment, the impact and likelihood of risk are calculated based on which inherent risk is determined. Inherent risk is defined as the risk prior to the application of controls. Root Cause Analysis (RCA) helps to analyse event for ascertaining cause-effect relationship and initiating necessary corrective steps including improvement to processes, controls and training. Corrective and Preventive Action Plan (CAPA) is drafted in detail along with the respective Turn Around Time (TAT) for closure. CAPA is monitored until closure and the update of the same is also published on monthly basis to all the Heads, GECs and CXOs (Senior Management). Annual calendar is published for testing of the RCA and the results of the same are also published in the ORMC.

Model Risk - Model risk refers to the potential for errors or inaccuracies in the models used for decision-making that can lead to incorrect assessments of risk or value and increase the risk of losses for the Company. Models are used in various areas including credit risk management, collection decisions, market risk management, and financial reporting. Model Risk Management in LTF is carried out by the Model Risk Management team whose responsibilities includes managing a Model Governance Framework containing sets of policies, procedures, and controls that are designed to manage the risks associated with the use of models in decision-making processes. The decision-making includes evaluation of consumers at various stages of

the customer journey (onboarding, cross-selling, and collection, among others), of various financial parameters (asset valuation, and income estimation, among others), and of portfolio parameters for the purpose of regulatory reporting PD, and LGD, among others). To govern the Model risk, Board-approved Model Risk Management policy and Model Risk Management Committee has been put in place in FY24. The objective is to review various model aspects at different stages of the model (development, active use, change and retirement), and to set a high standard for the model by putting in place a robust risk dependent review and monitoring framework. In case any potential weakness is realised or observed, then set of appropriate compensating controls are put in place to mitigate exposed risk around it. Furthermore, Company-appropriate model development guide will be defined based on observations made during the model reviews over the course of a quarter, ensuring a minimum standard is set up and thereby enriching the entire model development process leading to a more robust and reliable model.

Climate and ESG Related Risk

Your Company acknowledges the material risks associated with climate change, which may manifest as operational interruptions, elevated costs, and alterations in asset values. To mitigate these potential impacts, the Company integrates climate risk considerations within its decision-making protocols, undertakes periodic portfolio assessments, and allocates resources towards environmental impact mitigation. Detailed analyses, encompassing variables such as rainfall deviation, reservoir storage capacity, and agricultural practices, are performed to ensure effective risk management.

Moreover, the Economic Affairs Group of the Company provides valuable input regarding environmental and social determinants influencing assets under management during the regular Asset Liability Management Committee (ALCO) meetings. Portfolio reviews are conducted periodically with a specific focus on evaluating exposures arising from climatic and meteorological events, including floods, cyclones, and droughts. ESG risks, with particular attention to climate-related concerns, are diligently monitored and embedded within LTF's risk management framework.

In recognition of emerging risks, including those pertaining to reputation, sustainability, and climate, the Company has formulated a structured approach to address these challenges. Furthermore, in compliance with the directives of the RBI, an ICAAP incorporating ESG risks has been established

Infosec Risk: The Infosec team at LTF is responsible for securing business applications from cyber threats by incorporating security in design of applications, monthly security assessments on GCP, cloud and data centre, having best in class virus and threat protection practices, carry out ethical hacking through external experts, round-the-clock security event monitoring of all IT assets. The Information Technology Strategy Committee (ITSC), comprising board members, has been established to oversee the company's security posture. This committee conducts quarterly reviews of the status of all security initiatives, identified risks within the IT infrastructure/ applications, summary of vulnerability management, and threats prevented. Furthermore, the ITSC is responsible for reviewing and approving policies mandated by regulatory to ensure compliance.

In addition, there is a Monthly Security Dashboard meeting which discusses the IT security posture of IT infrastructure security, application security, security governance, data security, and business resiliency and is measured and reported monthly to the respective IT and Application heads, including the CRO and CDO. The comprehensive summary is presented and discussed which includes application security testing, patch and vulnerability management, cloud posture and workload risks, data security risks, phishing drill activities, antivirus compliance, SOC summaries, DR tests, user access reviews, and other identified risks. The Infosec follows Board-approved Policies such as:

- Master Cybersecurity
- Data Privacy Policy
- Cyber Crisis Management Plan
- Change Management Policy
- Information Technology
- Business Continuity Policy
- IT Outsourcing Policy

LTF has set up an Information Security Management System (ISMS) for effective management and operation, which is ISO 27001:2022 compliant and certified. To prevent emerging threats, your Company has implemented controls to ensure business continuity and data protection. LTF's digital platform has a 3-tier security architecture with in-built disaster recovery, along with

multiple-layer security. This security system protects its IT Network, Websites and Application, Databases and end-user laptops/desktop for data leakage, denial-of-service attacks, ransom ware and malwares. Furthermore, the system implements effective access control and monitors system health and availability 24X7.

Regulatory Risk

Assessing the effectiveness of compliance is a key aspect of the Compliance framework, with your Company deploying techniques to evaluate the level of compliance and identifying instances of non-compliance. The Compliance Risk framework adopted by your Company provides robust parameters to assess and monitor your Company's key compliance risks and regulatory activities. The framework interalia identifies risks arising from regulatory environment and assesses the effectiveness of controls in place to mitigate the compliance risks. The guiding principles are enshrined in the Compliance policy of LTF. Your Company has undertaken assessment and testing under a Compliance Testing Programme, which enables it to identify compliance failures/gaps, and flag any impending problems before they become significant and potentially damaging. Your Company prepares an annual compliance test plan which identifies key test areas considering variables like major new circulars, deficiencies identified in the regulatory inspection reports, fair practices code and know your customer/anti-money laundering compliance, among others. Compliance testing is carried out on a quarterly basis through selecting and reviewing samples, walk-throughs with relevant stakeholders, among others. Identified issues are discussed with the Management and reported to the Audit Committee with the target timelines for addressing/closing the issue. This activity enables your Company to get better control over activities and helps in building compliance culture within the organisation.

Geopolitical Risk

Your Company proactively identifies, assesses, and mitigates risks stemming from an array of challenges like global/ domestic geo- political events and tensions, economic uncertainties, high inflation and financial volatility that can impact business strategies and financial stability of your Company. LTF monitors these emerging risks, and calibrates its strategies across different regions/ customer segments to adjust exposure in line with assessed risk perception.

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

Environmental, Social and Governance (ESG)

Leading Sustainable Growth and Business Impact

Driven by its core values, ethics and belief in creating a positive impact and value creation for all its shareholders, LTF has been a pioneer in embedding ESG in its business strategies, operations and business impact. Guided by purpose to foster positive economic, social, and environmental impact, your Company has embedded ESG as a core enabler of responsible growth. In FY25, your Company has advanced from proactive to transformative leadership in the industry, backed by robust capability building across people, processes, and platforms. LTF is committed to becoming carbon neutral by FY35, maintaining water positive/surplus status, enhancing workforce diversity, upholding the highest standards and transparency in disclosures for sustainable business growth. FY25 has been a significant year as your Company has built the ESG roadmap and achieved key milestones that has positioned your Company to further ESG Impact.

Amongst 1st

Indian NBFC to conduct Double Materiality Assessment

NBFC - Signatory to Partnership for Carbon Accounting Financials (PCAF)

Business Impact Study (BIS) conducted for all Products

Strengthening the resilient ESG Governance

Formation of Sustainability Steering Council

Gender Neutral POSH Policy

Adoption of Sustainable Procurement Policy

The Board and the CSR & ESG Committee are responsible for providing oversight for ESG policy implementation and initiatives. In FY25, LTF strengthened its ESG governance system with the aim to further enhance ESG integration into operations by establishing the Sustainability Steering Council (SSC). The SSC reviews and recommends ESG policies and actions to the CSR & ESG Committee.

The comprehensive ESG policy framework that underpins your Company's operations continues to guide sustainability commitment. All ESG policies are approved by the Board, CSR & ESG Committee of the Board as recommended by the SSC. In FY25, all the ESG policies were reviewed with a special lens of Diversity, Equity, and Inclusion (DE&I) lens and changes were made accordingly. LTF also adopted its maiden Sustainable Procurement Policy in FY25, aimed at ensuring regulatory compliance and reinforcing Company's standing as a responsible, future-oriented organisation.

LTF has also upgraded its DE&I Policy, to ensure it supports evolving workplace expectations, and promotes a more inclusive and equitable environment for all employees and a key advancement of revising the POSH policy to a gender-neutral policy was done. Your Company also has an environment, health & safety, human rights policy. Policies like Data Privacy, Fair Practise Code, Internal Corporate Governance, KYC, Information Technology and other existing policies have been approved by the Board.

Additionally, your Company also has a third-party code of conduct which encourages ESG consciousness among its value chain partners. Moreover, your Company also has a Sustainable Finance Framework (SFF) with the intent to drive positive environmental and social change by channelling investments into impactful projects aligned with the UN SDGs.

All Board members were trained on ESG, Infosec & Double Materiality.

Strategy towards Transformative ESG Leadership

LTF has integrated ESG accountability at the highest levels, ensuring leadership alignment through ESG-linked KPIs. Your Company has been setting public, long-term, middle-term and short-term ESG targets and has been achieving them.

As an early adopter of decarbonisation strategies and financed emissions baselining, LTF is contributing to India's 2070 Net-Zero goal with a strategic focus on green, inclusive, and social finance. LTF is not just driving business growth but also fostering economic empowerment and environmental responsibility. Through this multi-faceted ESG strategy, LTF is reinforcing its position as a responsible financial institution, ensuring that sustainability remains central to its business transformation.

In FY25, LTF has developed a structured five-year roadmap to drive its ESG goals with clear milestones and targets. This roadmap ensures a comprehensive approach to sustainability, covering sustainable finance, climate action, social impact

and governance. The roadmap began with peer analysis using maturity assessments, enabling LTF to benchmark its ESG performance against industry best practices. It was further strengthened by a Double Materiality Assessment, ensuring a comprehensive understanding of the financial and societal impact of sustainability risks and opportunities.

This roadmap was translated into well-defined ESG targets and Key Performance Indicators (KPIs) with structured timelines and measurable objectives. LTF remains committed to continuous ESG improvement and industry leadership.

Advancing Environmental Stewardship

Your Company's environmental strategy for its goal on Carbon neutrality by FY35 is guided by a science-based approach and a deep sense of climate accountability. In FY25 too, LTF continues to remain on track to meet this target. A measurable progress in reducing operational emissions, with an ~16% year-on-year decline in Scope 1 and 2 emissions has been achieved. LTF also expanded its renewable energy adoption, sourcing green energy for a growing number of operational sites while optimising energy consumption through advanced technologies and real-time monitoring. Currently, ~33% of our total energy consumption is sourced from renewables. Your Company has also introduced energy-efficient infrastructure across key facilities. The afforestation initiatives have resulted in the planting of over 1 lakh trees and achieved a carbon sequestration of ~973 tCO_2e leading to creating carbon sinks through sapling plantations and increase in green cover.

As a proud signatory to the PCAF framework, your Company is amongst the 1st NBFCs enhancing transparency in financed emissions. Your Company has also conducted energy audit for 50 locations to reduce operational carbon footprint and ensure impact is both far-reaching and future-ready.

Your Company has successfully retained Water Positive/Surplus Status for over last 3 years with assurance by third-party. A major milestone was the revamping of the Sewage Treatment Plant (STP) at its head offices, enhancing recycling capacity and reducing freshwater dependency. Water User Groups from the communities were trained to maximise water replenishment through water shed management leading to ~176 lakh KL of water.

Additionally, a comprehensive waste management assessment across top 50 branches was conducted to estimate per capita waste generation, enabling data-driven waste management strategies. In FY25, a special biodiversity study conducted revealed that 39 flora and 69 fauna species were being supported through your Company's Miyawaki plantation.

50
Top Branches Covered Under Energy Audit & Assessment

~33%
Company Operations on Green Power

~5%
Energy Saving Potential Opportunities Identified

+ve
Successfully Retained water Positive/Surplus Status

STP Revamp
Increased Wastewater Recycling by >90% & >60% Decrease in Fresh Water Usage

NBFC - Signatory to Partnership for Carbon Accounting Financials (PCAF)

Biodiversity Study conducted - 39 Flora and 69 fauna species supported through Miyawaki plantation

Waste quantification study leading to waste management roadmap

Creating Impact Through Stakeholders Collaboration

Your Company recognises talents, experiences, and viewpoints that each employee and stakeholder brings, cultivating a culture rooted in equality.

Employees

LTF has embedded diversity and inclusion at workplace in every aspect of its operations and in FY25 is focused on increasing women representation in total workforce. LTF formed a working council to lead DE&I initiatives. As a result, your Company has been able to increase women representation in total workforce from 4.6% to 5.4%, while women representation of 18% and 9% maintained in senior and mid management. There was a 4.5x increase in women FLOs.

Your Company has been conducting DE&I sensitisation and awareness session for employees to promote a more inclusive and equitable workplace by increasing understanding and awareness of diversity, equity, and inclusion concepts. Continuing DE&I training, a Gamified module in 7 vernacular languages was launched for BL, FL – I, II & FML & OL III. For the first time in FY25, your Company nominated women employees across all levels for the Winspire programme with the aim of empowering and advancing women at various stages in their professional journey. 5 such batches of women participated in this leadership programme.

5.4%

Increase in women representation

~4.5 Times

Increase in Women FLOS in Rural Business Finance

Launched

DE&I Training - Gamified Module in Vernacular Languages

Another significant area of focus was Occupational Health & Safety (OHS). In FY25 your Company has undertaken and conducted Hazard Identification and Risk Assessments (HIRA) across 25 branches across PAN India proactively addressing potential risks. The Head Office has achieved ISO 45001 certification, demonstrating adherence to the highest global standards in occupational health and safety. Various other preventive measures were undertaken to ensure health and safety of employees. A road safety element was also incorporated into the daily pledge of the frontline employees, to upheld the best practices of health & safety. Helmets were also distributed to frontline officers as safety gears at multiple locations in PAN India.

Workshop and training was arranged on Certified Internal Auditor for ISO 45001:2018 Std. (Occupational Health and Safety) and a green skill training for Financed Emission for internal stakeholder by third-party experts to enhance the understanding on OHS and climate-related financial risks.

Value Chain Partners

LTF has been engaging with its value chain partners over the last couple of years with an intent to encourage ESG consciousness amongst them. Incrementally, in FY25, LTF hosted its first-in-person ESG value chain partner meet which brought together key stakeholders, including leading banks as well as investors, to discuss ESG best practices, innovative strategies, and success stories. This initiative, building on LTF's virtual engagements since FY23, has reinforced collaboration and commitment to sustainable business practices, strengthening ESG awareness and integration across its value chain.

Customers

LTF undertook its maiden Net Promoter Score (NPS) initiative in FY24, to gauge customer loyalty and satisfaction across all its products during the customer onboarding journey. Progressively, in FY25, your Company has successfully deployed and measured Net Promoter Score (NPS) for customer interactions at various touch points.

LTF regularly educates its customer on various topics through blogs, social media campaigns, other communication channels. By focusing on continued transparency and engagement your Company has not only grown its customer base but cultivated customer loyalty.

Communities

During FY25, your Company through its CSR activities continued to transform rural communities impacting over 16.90 lakh people.

Creating Impact ESG in Operations

During the reporting year, your Company continued to integrate ESG in its operations by reducing dependency on paper by going digital, shifting to renewable energy to reduce carbon footprint, integrating ESG due diligence in selection process of new branches, enhancing waste segregation practices and tying up with external authorised waste segregation and recycler. 100% employees were trained on ESG mandatory module.

ESG Impact through Business

Your Company is able to achieve responsible growth aligned with the ESG vision by leveraging technology to deliver inclusive lending solutions that empower underserved communities, including women, farmers, and small business by combining scale with social impact.

Your Company's product portfolio qualify as ESG-aligned—encompassing inclusive lending (micro-loans for women, farmer loans and Farm Equipment Finance, Rural Business Finance, SME Loans, Urban & Two-Wheeler Finance for underserved segments) and social impact offerings. By supporting rural entrepreneurship, agriculture and urban needs your Company drives equitable growth and fosters social impact aligning with organisations ESG commitment.

Your Company continues to reimagine technology as a powerful tool for empowerment. The digital platform is driving equity by enabling access to financial services for underserved and remote communities along with the rural population. Over 1.72 Cr customers, many of them first-time users were onboarded through inclusive digital outreach PLANET App in FY25, which also supports multilingual capability and accessibility features.

LTF has also scaled digital inclusion, with more women and marginalised youth gaining access to finance and digital skills through in-house developed platforms and outreach programmes.

In a world where fintech is reshaping financial access, your Company believes innovation must be built on a foundation of ethics and trust. In FY25, your Company has recorded 0 cybersecurity breaches, maintained data privacy and expanded secure digital access to users. Your Company's responsible finance approach empowers users while safeguarding the integrity of the digital platforms.

On the inclusion front, your Company has scaled use of digital platforms to reach rural populations, offering accessible financial services through digital-first interfaces, multilingual support, and assisted channels. These tech-led interventions have allowed LTF to serve over 1.7 Cr customers in rural regions, driving economic empowerment where it is needed most.

Your Company's core operations now leverage AI-driven analytics, and intelligent automation to streamline processes through paperless workflows, digital onboarding, and virtual servicing, your Company has significantly cut resource consumption and improved turnaround times, enhancing both customer experience and operational sustainability.

Sustainable Finance

LTF's sustainable finance strategy emphasises providing financial support to key sectors like agriculture, agriallied services, and SMEs, particularly targeting underserved and marginalised communities. Your Company provides services to aspirational districts and laggard states to drive positive social impact. Your Company, through its sustainability focused loans and priority sector lending, has been creating a positive business impact.

Your Company continues to lead with conviction, driving sustainable fintech solutions that balance growth with long-term impact. As part of this journey, your Company has:

- Financed over 64,000 EVs encouraging sustainable product financing
- Leveraged over ~2.6 Cr database of customers, with ~1.7 Cr from rural regions

Corporate Social Responsibility

Driving Sustainable Impact through Strategic CSR Initiatives

In FY25, our Corporate Social Responsibility (CSR) initiatives demonstrated a robust commitment to addressing critical societal and environmental challenges, aligning with our vision of fostering financial and digital transformation, while creating sustainable livelihoods. Our strategic approach based on 3S principles, centred on projects Social impact, Scalability and Sustainability, allowed us to achieve significant milestones across our key thrust areas of Digital & Financial Inclusion (DFI), Disaster management, Climate Impact Management and Social Inclusion.

A cornerstone of our efforts was the Digital Financial Inclusion programme, anchored by the flagship Digital Sakhi 2.0 CSR initiative. We surpassed our targets, educating over 1.05 lakh community members through vernacular digital modules and empowering more than 7,500 women entrepreneurs in the Karnataka, Kerala, Tamil Nadu, West Bengal, Bihar and Uttar Pradesh.

The expansion of the Digital Sakhi project to new districts in state of Bihar (Saharsa), Uttar Pradesh (Kushinagar), and Rajasthan (Udaipur, Chittorgarh and Rajsamand) resulted in onboarding and training of 300 new Digital Sakhis, spreading digital and financial awareness amongst more than 3 lakh community members. Additionally, 3,000 new women entrepreneurs were identified and trained on entrepreneurship skills.

One of the significant achievements was linking over 2 lakh community members with state specific financial and social schemes, unlocking nearly ₹ 180 Cr in entitlements. Special campaigns focussing on prevention and control of cyber and digital frauds were conducted in more than 1000 villages reaching out to 1.40 lakh community members.

Another impactful contribution under Disaster Management was our immediate response to the states that faced several disasters in the form of floods and cyclones. Despite so many on-ground challenges like tough and restricted terrains, unavailability of relief material, and vast geographical spread, we provided immediate relief, ensuring affected communities received essential supplies on time. Over 33,000 relief kits were distributed in Bihar, Uttar Pradesh, and Telangana, aiding recovery and resilience. This immediate relief effort underscored our dedication to supporting communities in times of crisis.

In the realm of Climate Impact Management, our flagship projects, Project Prakruti and Jalvaibhav 2.0, made substantial strides in the state of Karnataka. Under Project Prakruti 1,00,000+ horticulture saplings covering an area of more than 250 acres were planted Pavagada, Tumkur, Karnataka, contributing to expanding green cover as well as enhancing farmers income.

Jalvaibhav 2.0 in Kolar, Karnataka focused on sustainable water resource management by constructing 58 water structures and setting up 30 Farmer Field Schools for promoting climate resilient agriculture practices. Besides this, in Maharashtra, we continued our efforts in building the capacities of 120 Water User Groups (WUGs) in seven districts of Marathwada region.

Our Social Inclusion initiatives encompassed impactful programmes in road safety (YOUth Drive for Safety) for two-wheeler drivers in Delhi NCR, pilot programme in skilling under Banking, Financial Services and Insurance (BFSI) sector in Salem, Tamil Nadu.

The 'YOUth Drive for Safety' project in Delhi NCR sensitised more than 1,00,000 youth and community members on safe and defensive driving practices like Street plays (Nukkad Nataks), Drunk Buster (using Drunk Buster impairment goggles), Good Samaritan (awareness on rules of Good Samaritan Law), Be Shine – Be Seen (conspicuity tape pasting), and traffic management through wardens.

Furthermore, our pilot project in skilling, successfully trained 200 youths, who subsequently secured employment in the BFSI sector.

We have amplified our CSR initiatives by adopting various communication strategies like extensive wall paintings in project villages, releasing a coffee table book titled 'कलाKALAN', a compilation of transformative and inspirational stories of Digital Sakhis and women entrepreneurs, audio and video podcast series, partnership with AIR (All India Radio) Gulbarga on financial literacy, press conferences during the project launches, social media posts and press releases in the print media.

These achievements have garnered significant recognition, including the renewal of ISO 26000:2010 – Social Responsibility Certificate of Conformance, ASSOCHAM CSR & Sustainability Awards 2023 for Excellence in Diversity, Inclusion & Women Empowerment, and the FAME National Award 2024 for Best CSR Practices. We have also won the ICC Awards 2025 in the Mega Enterprise category.

Looking ahead, we plan to scale our Digital Sakhi programme, as well as expand climate resilience initiatives, and strengthen our disaster response framework. By leveraging technology and partnerships in CSR, we aim to maximise social and environmental impact, ensuring inclusive and long-lasting change for communities at large.

Value Creation Model

Unlocking Potential,
CREATING LASTING VALUE

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

Inputs

Financial Capital
- Longer Tenure of Borrowing
- 19% Y-O-Y Retail Book Growth
- ₹ 92,247 Cr Borrowings
- ₹ 20,480 Cr Sustainability Focused/Priority Sector Loans
- 3.35 Debt-To-Equity Ratio
- ₹ 2,494.86 Cr Equity Share Capital

Human Capital
- Implementation of C.U.R.V.E. of Happiness Philosophy Initiatives
- 36,521 Total Employee Base
- Focus on DE&I - Women Hiring, Gamified Learning on Biases, Policy Review Using DE&I Lens
- 18% Women in Senior Management Roles
- ₹ 4,471/Fte Spent on L&D Programmes & Workshops
- Anonymous Company-Wide Great Place to Work (GPTW) Survey Conducted
- Site-Level Hazard Identification & Risk Assessment (HIRA) Conducted in 25 Branches
- Safety initiatives like Emergency Ambulance Services, Road Safety initiatives, and Distribution of Helmets to all Active Frontline Employees
- Meal Facilities for Employees Living Beyond 50 Km Radius of Meeting Centres
- Initiatives Undertaken to Ease Employee Commute Experiences

Manufactured and Intellectual Capital
- Conducted Double Materiality Assessment with Internal and External Stakeholders (390+ Responses)
- Business Impact Study for all Business Portfolios
- Launch of PLANET 3.0 (Beta) and New Website
- 2,297 Total Branches (including Head Office)
- 91% Rural Branches
- 13,000+ Distribution Touchpoints
- Cloud-Based IT Infrastructure
- AI/ML-Driven Risk Assessment and Automation
- Multi-bureau Credit Analysis (CIBIL, CRIF Highmark, Equifax, Experian)
- Customer360 API for Risk Monitoring
- Video KYC for Seamless onboarding
- Implementation of Project Cyclops
- Deployment of KAI, an AI-driven Home Loan Chatbot, for Real-time Customer Query Resolution

Value Creation Model

Vision & Values
- Ambition
- Pride
- Discipline
- Integrity

Long-term Objectives
- Carbon Neutrality by FY35
- Maintain Water Positive/ Surplus Status

Business Activities

Rural Business Finance
- Rural Group Loans & Micro Finance (JLG)
- Micro LAP

Urban Finance
- Two-Wheeler Finance
- Home Loans and LAP
- Personal Loans

SME Finance
- SME Loans to Professionals & Traders (including Supply chain)

Farmer Finance
- Farm Equipment Finance
- Agri Allied Finance

Output / Outcome

Output	Outcome	Value Created/ Preserved/Eroded	Risk
Financial Capital › 92 lakh+ Active Customers › ₹ 2,644 Cr Net Profit (Highest-ever Annual PAT) › 10.59% Net Interest Margin+Fees › 22.27% Capital Adequacy Ratio › Retailisation with 97% of Overall Book › RoE: 10.87% › RoA: 2.44% (Highest-ever Annual RoA) › Dividend of ₹ 2.75 per Equity Share (highest ever) › ~19% increase in Retail Investors	**Financial Capital** › Better Quality of Life › Financial Independence › Better Returns for Investors and Shareholders › Increased Retail Investors Confidence	› Employees › Investors › Regulators › Customers › Vendors › Community	1 2 3 4 5 6 7 8 9 10
Human Capital › 21,900+ New Hires › 5.4% of Women in Workforce with 4.5x Increase in Women Frontline Roles in Rural Business Finance › 3.5% Reduction in Attrition Rate › 38.5 Average Learning Hours per Employee › 100% Employees Trained on ESG Mandatory Module › Conducted HIRA to Highlight Safety Gaps › ISO 45001:2018 (OHSMS) Certification Achieved for Head Office	**Human Capital** › Diversity & inclusion › Skill Enhancement of Employees in Coveted Domains › Enhanced Productivity and Improved Stakeholder Confidence › Reputation enhancement › Employee health and safety › Employee well-being	› Employees › Investors › Regulators › Customers › Vendors › Community	3 5 6 8 9 10
Manufactured and Intellectual Capital › Double Materiality Matrix and Risk and Opportunities › Increased Customer Database- ~2.6 Cr › ₹3,800 Cr+ Digital Collections through PLANET App › 685 lakh+ Customer Servicing Experience › 16 lakh Rural Customers (PLANET App) › ₹215 Cr Disbursements (Tech partnerships) › Disbursements Growth: Y-o-Y 16% (Farmer Finance), 37% (SME Finance), 42% (Personal Loans), 27% (Housing Loans & LAP) › Loans to Repeat Customers (by Value): ~35%	**Manufactured and Intellectual Capital** › Financial and Digital Inclusion › Stakeholders Needs, Expectations and financial Impacts Identified for ESG Roadmap › Increased Customer Penetration › True Value of Business Impact on Environment and Society › Improved Customer Satisfaction and Experience › Digital agreements using digital authentication › Improved decision-making › Improved Customer Base with Low Credit Risk	› Employees › Investors › Regulators › Customers › Vendors › Community	1 3 4 5 6 10

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

Inputs

Manufactured and Intellectual Capital
- Strengthening of Data Security through a Zero Trust Policy and Advanced System Protection Measures
- R.AI.SE Campaign and AI Classrooms to Foster Learning and Innovation in Financial Services
- BigTech Partnerships

Social and Relationship Capital
- ₹ 30 Cr CSR Expenditure
- Initiatives towards Achieving CSR Roadmap
- 2 SIA Conducted for CSR Projects by Independent Organisations
- Robust Grievance Management Process Established
- Adopted an International Guidance to Embed CSR into your Company's Operations
- Amplified CSR Communications
- Enhanced NPS Methodology to Capture Customer Sentiment Across Multiple Touchpoints
- Implemented Value Chain Engagement Plan

Natural Capital
- ~18,242 GJ of Renewable Energy Plus Green Attributes in Total Operations
- Energy Audit and Assessment Conducted in 50 Branches
- Waste Assessment Conducted in 50 Branches
- 58 New Water Structures Constructed and Maintained in 134 villages
- 1 lakh+ Saplings Planted
- Digitalisation Leading to Reduction in Customer Travel Emission
- Adopted International Standards, like PCAF
- Estimating Financed Emissions for select Retail Portfolios
- Employee Shuttle Services Provided - Head Office and few Branches
- Signatory to PCAF
- Supporting Clean Mobility by Financing 64,000+ EVs

Value Creation Model

5 Pillar Strategy to Deliver on Lakshya Goals
- Enhancing Customer Acquisition
- Sharpening Credit Underwriting
- Implementing Futuristic Digital Architecture
- Heightened Brand Visibility
- Capability Building

External Drivers
- Government & Regulatory Environment
- Evolving Digital Infrastructure
- Evolving Customer Needs
- Climate Change
- Socioeconomic Condition

UN SDG Alignment

Output / Outcome / Value Created/Preserved/Eroded / Risk

Manufactured and Intellectual Capital

Output
- Implementation of ISO 27001, ISO 20000 System, ISO/IEC 2000:2018, ISO/IEC 27000
- 100% Digital Disbursements (Rural + Urban)
- 85% of Self-Service Transactions Facilitated through the PLANET App

Outcome
- Optimised Operational Efficiency
- Strengthened Position as a Digital-First Financial Services Provider

Value Created/Preserved/Eroded
- Employees
- Investors
- Regulators
- Customers
- Vendors
- Community

Social and Relationship Capital

Output
- Renewal of ISO 26000:2010 Social Responsibility Certification Achieved
- Launched Transformative Stories through #KALAN
- 61.06 Women Beneficiaries Receiving Rural Group Loans & Micro Finance
- 39% of Customer Complaints Reduced
- 1,110 Number of Digital Sakhis
- 10,500 Number of Upskilled Women Entrepreneurs
- 100+ Farmers Benefitted Economically through Horticulture-Based Income Generation
- 12,000+ Farmers Supported with Sustainable Water Management Practices
- 1.25 lakh+ Beneficiaries Impacted through Disaster Relief Management
- 0 Complaints were Received Regarding Breaches of Customer Privacy from Customers, Outside Parties, or Regulators
- Conducted ESG Maturity of 75% Value Chain Partners
- Adoption of the Sustainable Procurement Policy and the Annual ESG Value Chain Meet

Outcome
- Creating Employment Opportunities for Women
- Enhanced Digital & Financial Literacy of Rural Women
- Maintain NPS Score
- Better Economic Growth
- Reputation Enhancement
- Transparency
- Creating a Sustainable Supply Chain
- Informed Decision-Making

Value Created/Preserved/Eroded
- Employees
- Investors
- Regulators
- Customers
- Vendors
- Community

Risk: 3 5 7 9 10

Natural Capital

Output
- ~176 lakh KL of water replenished
- ~3,692 tCO_2e avoided from operations through renewable energy
- Avenues identified for energy and cost savings
- ~33% of the Company's operation from green energy
- 50,861 Kg of waste recycled, i.e. 19% diverted from landfills
- ~973 tCO_2e sequestered
- 39 flora and 69 fauna species identified at Miyawaki plantation site
- 100% paperless Journey in four business portfolios
- ISO 14064-2:2019-certified for Miyawaki plantation project
- ~12,675.67 tCO_2e avoided through EV Financing

Outcome
- GHG Intensity Reduction
- Climate-Resilient Lending Practices
- Water Positive/Surplus Status
- Positive Impact on Biodiversity
- On Track to Become 'Carbon Neutral' by 2035
- Increased Operational Efficiency

Value Created/Preserved/Eroded
- Employees
- Investors
- Regulators
- Customers
- Vendors
- Community

Risk: 3 6 7 8 9

ESG@LTF

ESG – A Catalyst for Responsible & SUSTAINABLE GROWTH & IMPACT

Through ESG, a company balances its growth with responsibility to the planet, its people, and future generations.

At LTF, achieving this balance is a principle that defines its approach. Your Company believes that strong ESG practices lead to stronger companies, communities, and economies.

In the face of escalating climate risks, social inequalities, and shifting standards, your Company has made ESG a keystone of its strategy. FY25 has been about further sharpening LTF's strategy to strengthen this commitment, enabling your Company to refine its sustainability roadmap, set clearer priorities, and implement targeted initiatives that create tangible impact. By embedding sustainable practices into its operations and decisions, your Company is not only meeting today's demands but also charting a future that aligns with stakeholder values, fostering resilience, inclusivity and long-term growth with value creation.

In today's complex and dynamic environment, the relevance of Environmental, Social, and Governance principles has reached a pivotal point. Stakeholders ranging from regulators to investors and consumers demand accountability, making the integration of ESG strategies an essential business mandate rather than a choice.


PLANET


PEOPLE


FUTURE GENERATIONS

Over the past years, your Company has consistently demonstrated foresight in embedding ESG considerations into its operations, championing sustainability, being transparent & accountable before it became a regulatory mandate. By taking bold steps ahead of its time – voluntarily reporting BRSR before it was mandatory, implementing 3rd party assurance proactively without any ask from the regulations, and voluntarily adopting the IIRC framework to add transparency to its disclosures – your Company has not just kept pace with change but driven it. In FY24, your Company made significant progress by aligning its tree plantation programme with ISO 14064-2:2019—an international best practice for carbon enhancement and sequestration—by getting one of its project sites certified. Your Company took a proactive approach and estimated its carbon emissions from select portfolios (Two-Wheeler Finance, Farm Equipment Finance and Home Loans). This made your Company one of the first in the Indian NBFC and Banking sectors to calculate and disclose carbon emissions of its retail portfolio in FY24 and FY25. These pioneering efforts have set new industry benchmarks, reshaped the standards of corporate transparency and responsible reporting, and reinforced LTF's leadership in shaping the future of corporate governance. As one of the few NBFCs in India, LTF became signatory to the global initiative, Partnership for Carbon Accounting Financials (PCAF) in FY25. By joining PCAF, LTF furthers its efforts to transparently measure and report portfolio emissions, enabling it to manage climate risks more effectively and contribute meaningfully to India's Net-Zero ambition by 2070. These initiatives strengthen stakeholder trust, attract investors, and solidify LTF's position as a future-ready, ESG-driven organisation aligned with global sustainability standards.

LTF started its journey towards sustainability in FY19 and moved from disclosures based on existing practices to enhanced disclosures and certifications, and finally embarking on the journey of building an ESG-conscious organisation.

Sustainability Journey @ LTF

By integrating sustainability into its core operations, LTF strives to balance growth with environmental stewardship and social responsibility. Through proactive initiatives in green and social finance, resource efficiency, and inclusive business practices, your Company is continuing to strengthen its role as a responsible corporate citizen, ensuring a positive impact on the economy, society, and the environment.

Phase I

FY19 - FY20

Disclosure basis existing practices

- Constitution of Sustainability Taskforce
- Gap Assessment on Sustainability Readiness
- Published Sustainability Report
- 1st Material Assessment
- Applied for S&P Global Corporate Sustainability Index
- Became a 'Constituent' on FTSE4Good Index Series

Phase II

FY21 - FY22

Enhanced disclosures and certification

- Published First Integrated Report in FY22
- Among the First in Industry to Map BRSR in Sustainability Report
- Set Carbon Neutrality & Water Neutrality Targets
- Setup Board-level ESG Committee Comprising Independent Directors
- Material Assessment Undertaken (Internal and External Stakeholders)
- Remained 'Constituent' on FTSE and Included in CDP
- Adopted ESG targets (Business and Operations)

Phase III

FY23 - FY25

Building ESG-conscious organisation

- Amongst 1st NBFCs to Conduct Double Materiality
- Amongst 1st to Calculate and Report Financed Emissions for Select Retail Portfolios
- Amongst 1st NBFCs to Become Signatory to Partnership for Carbon Accounting Financials (PCAF)
- Disclosure of BRSR Core Parameters in Advance of Regulatory Deadline
- Conducted its Maiden Business Impact Study, TCFD/RBI Climate Risk Study
- Launched its Inaugural 'Sustainable Finance Framework' and Obtained 2nd Party Opinion from CRISIL
- Grew its Sustainable Finance/ Priority Sector Lending portfolio to ₹ 9,444 Cr
- Achieved Top-Notch ESG Ratings

Commitment to ESG Excellence

LTF's ESG journey is defined by concrete actions and a clear focus on meaningful outcomes for positive business impact. ESG has transcended its role as a separate function to become a fundamental pillar of your Company's strategy, ensuring that every decision is purposefully integrated and aligned with the creation of long-term value driven by a compelling ESG Vision and a set of specific ESG goals.

ESG 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 our stakeholders.

ESG Goals

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

LTF is committed to integrating ESG principles into all its service and products and to drive sustainability and promote an equitable and resilient future.

LTF has taken significant steps in FY25 to review, recalibrate and redesign all aspects of ESG, including ESG governance system, policies, ESG business impacts, and roadmap for the next 5 years to strengthen the ecosystem.

Strengthening of the ESG Governance Structure - The Cornerstone of LTF's Excellence

In FY25, LTF strengthened its ESG governance framework with the aim of further enhancing ESG integration into your Company's operations by establishing the Sustainability Steering Council (SSC). The SSC serves as a strategic council and leads the charge on environmental and social initiatives, ensuring their integration with your Company's long-term goals.

ESG Policies – Laying the Foundation for Sustainable Leadership

The comprehensive ESG policy framework that underpins your Company's operations continues to guide its relentless commitment to sustainability and responsibility. With policies continually refined to address both evolving challenges and new opportunities, your Company ensures its actions yield measurable results while remaining aligned with global standards and stakeholder expectations. All ESG policies are approved by the Board, based on recommendation by the SSC and CSR and ESG Committee. In FY25, a special lens was applied to all ESG policies reviewing them specifically from the DE&I perspective and changes were made accordingly. The introduction of the Sustainable Procurement Policy in FY25 is aimed at reinforcing the Company's position as a responsible, future-oriented organisation.

Key sustainability-related policies implemented by LTF include:

ESG Policy

LTF's ESG Policy serves as the compass for embedding environmental, social, and governance principles into its core decision-making. This framework enables your Company to effectively mitigate significant risks and capitalise on emerging opportunities, delivering value to all stakeholders. It serves as a guiding document for the initiatives undertaken by LTF. It also consists of the Exclusion List, a key measure to ensure responsible lending practices. This policy explicitly prohibits lending to industries and activities associated with high environmental or social risks, including mining and thermal energy projects. To align with your Company's ambitious sustainability goals, the policy has been updated to support LTF's journey towards carbon neutrality by FY35 with renewed focus on renewable energy.

To access the policy, please refer to the 'Policy Compendium' section.

Health and Safety Policy

This policy affirms LTF's persistent commitment to creating and upholding a safe, supportive and thriving work environment. The primary objective of this policy is to enhance the health and safety performance of LTF and its employees continually. It also outlines the necessary measures and guidelines required to achieve this objective, emphasising the importance of a proactive approach to safety management. New initiatives under this policy in FY25, include the completion of Hazard Identification and Risk Assessments ('HIRA') across 25 branches, proactively addressing potential risks. The Head Office has achieved ISO 45001 certification, demonstrating adherence to the highest global standards in occupational health and safety. Various other preventive measures, such as providing road safety training and helmets, were undertaken to ensure the health and safety of employees.

To access the policy, please refer to the 'Policy Compendium' section

Diversity, Equity, and Inclusion ('DE&I') Policy

LTF is dedicated to fostering a workplace where diversity and inclusion are just not valued but embedded in every aspect of its operations. Your Company recognises the distinct talents, experiences, and viewpoints that each individual brings, cultivating a culture rooted in fairness, respect, and equality. This policy underscores LTF's commitment to driving diversity, inclusivity, and equity, both within the organisation and across its value chain.

In FY25, your Company upgraded its DE&I Policy, ensuring that the workplace remains more inclusive and just. Moving beyond traditional gender norms and to create a workplace that is genuinely inclusive of all gender identities a key advancement of revising the POSH policy to a gender-neutral policy was made.

A dedicated DE&I Council has been formed, focussed on improving diversity across your Company—especially among field-level staff—resulting in a fourfold increase in the number of women personnel at the field level in Rural Business Finance.

To access the policy, please refer to the 'Policy Compendium' section

Human Rights Policy

In line with global standards such as the UN Guiding Principles for Business and Human Rights, this policy reflects your Company's dedication to upholding the rights of all stakeholders. Your Company has committed to respecting human rights, outlined in its Human Rights Policy. This policy serves as a framework for ensuring the protection of human rights, which LTF views as an integral component of responsible business practices. During FY25, grievance redressal mechanisms were strengthened to proactively address potential violations, while specialised training was conducted to foster a collective understanding of human rights across the organisation and its value chain.

To access the policy, please refer to the 'Policy Compendium' section

Data Privacy and Cybersecurity Policy

LTF's Data Privacy Policy outlines the Reasonable Security Practices and Procedures implemented for the sharing, use, and disclosure of personal information provided by customers to your Company, whether in person or through digital platforms and/or any information pertaining to your Company.

In reinforcing its dedication to safeguarding customer and business data, LTF has enhanced its Data Privacy and Cybersecurity initiatives. Beyond retaining the ISO 27000 and ISO 20000:2018 certifications, your Company introduced new cybersecurity training for grievance call centre employees, ensuring they are equipped to manage fraud incidents, while safeguarding data accuracy and security.

To access the policy, please refer to the 'Policy Compendium' section.

Environment Policy

LTF is committed to reducing its environmental impact by fostering sustainable business practices. This includes promoting compliance, environmental stewardship, and a culture of sustainability among employees, customers, and suppliers. The Environmental Policy provides a structured framework to ensure safe, eco-friendly operations and adherence to legal obligations. Currently, 33% of LTF's operations are already powered by green energy, reflecting significant progress in its sustainable energy transition.

To access the policy, please refer to the 'Policy Compendium' section

Sustainable Procurement Policy

As a strategic extension of your Company's ESG framework, the Sustainable Procurement Policy is designed to weave sustainability into every step of the procurement process. This policy ensures that suppliers and vendors adhere to rigorous ethical, social, and environmental standards. Through close collaboration with its value chain partners, your Company promotes responsible sourcing by embracing practices like using recycled papers, deploying energy-efficient appliances, and procuring green power for its operational facilities. This commitment contributes to the development of a more sustainable and ethically responsible supply chain.

To access the policy, please refer to the 'Policy Compendium' section

E-waste Policy

LTF's E-waste Policy underscores its commitment to environmental responsibility by ensuring the safe and sustainable management of electronic waste across all its operations in India. In line with regulatory requirements, LTF, as a bulk consumer, does not store e-waste for more than 180 days before transferring it to authorised recyclers approved by the Ministry of Environment and Forests or Central/ State Pollution Control Boards, while maintaining comprehensive records for compliance.

LTF upholds a 'Zero Waste to Landfill' commitment, mitigating environmental risks associated with hazardous substances like cadmium, lead, and mercury. Dedicated e-waste collection points near hub locations further streamline responsible waste handling.

To access the policy, please refer to the 'Policy Compendium' section

Sustainable Finance Framework

Your Company has established a Sustainable Finance Framework ('SFF') with the intent to drive positive environmental and social change by channelling investments into impactful projects aligned with the UN SDGs. This framework strengthens LTF's ability to finance and refinance initiatives that contribute to sustainability while ensuring transparency, credibility, and effectiveness in sustainable finance.

For further details about the SFF, please refer to the Financial Capital.

Third-Party Code of Conduct

The Third-Party Code of Conduct outlines the expectations and standards for responsible business practices that third parties must adhere to when engaging with your Company. It emphasises compliance applicable laws and regulations, the avoidance of conflict of interest, and prohibits the offering or acceptance of gifts and entertainment intended to influence business decisions. The code also enforces a zero-tolerance policy towards bribery and corruption, requiring third parties to maintain ethical conduct in all interactions. Additionally, it underscores the importance of environmental stewardship and socially sustainable practices, aligning with LTF's commitment to high standards in these areas.

To access the policy, please refer to the 'Policy Compendium' section

ESG Strategy

Your Company's commitment to sustainability is deeply embedded in its strategic vision—Lakshya 2026. LTF remains committed to its journey of becoming a digitally enabled retail finance company with sustainability at its core. This commitment is reflected in its structured ESG approach and public commitments, which focusses on governance and leadership, climate action and stewardship, climate risk mitigation, social impact and sustainable finance as key pillars of long-term value creation.

Your Company has set public, long-term, middle-term and short-term ESG targets and has been achieving them. In 2022, LTF committed to becoming carbon neutral by FY35 and is actively taking steps to reduce the carbon footprint of its operations. Significant steps have already been taken in this direction and your Company is well on track to achieve the same. Also, since FY23, LTF has retained Water Surplus status assured by a third party.

LTF has integrated ESG accountability at the highest levels, ensuring leadership alignment through ESG-linked KPIs. Additionally, as an early adopter of decarbonisation strategies and financed emissions baselining, LTF is contributing to India's 2070 Net-Zero goal.

With a strategic focus on inclusive, and social finance, LTF is not just driving business growth but also fostering economic empowerment and environmental responsibility. Through this multi-faceted ESG strategy, LTF is reinforcing its position as a responsible financial institution, ensuring that sustainability remains central to its business transformation.

A Roadmap to Sustainable Growth

LTF has developed a structured five-year roadmap to drive its ESG goals with clear milestones and targets. This roadmap ensures a comprehensive approach to sustainability, covering sustainable finance, climate action, social impact and governance. By setting structured timelines and measurable objectives, LTF remains committed to continuous ESG improvement and industry leadership.

Strategic Approach

LTF has embarked on a structured and forward-looking roadmap to achieve its sustainability and Environmental, Social, and Governance (ESG) goals. The strategy is built on a foundation of robust assessments, vision-driven initiatives, and targeted ESG interventions to drive long-term value creation.

The roadmap begins with peer analysis using maturity assessments, enabling LTF to benchmark its ESG performance against industry best practices, both Indian and global. It is further strengthened by Double Materiality Assessment, ensuring a comprehensive understanding of the financial and societal impact of sustainability risks and opportunities.

Guided by its ESG vision and goals and strategic pillars, LTF has outlined a detailed ESG/Sustainability roadmap. This roadmap is translated into well-defined ESG targets & key performance indicators (KPIs), aimed at achieving the following outcomes:

Transformative Leadership in ESG

LTF aspires to be a frontrunner in ESG by setting new industry standards and driving positive change. Through proactive initiatives, your Company aims to influence the broader financial ecosystem and establish itself as a sustainability leader.

High-Quality Disclosures for Regulatory Compliance

Strengthening transparency and accountability, LTF aims to ensure best-in-class ESG disclosures that meet and exceed regulatory requirements. By maintaining rigorous reporting standards, your Company's focus is to instil investor confidence and stakeholder trust.

Sustainable Finance – Attract Investors & Collaborative Projects

By embedding sustainability into its financial decisions, LTF aims to attract ESG-conscious investors and foster impactful collaborations. This approach not only supports responsible lending and investments but also aligns financial growth with environmental and social progress.

Proactive Management of Sustainability Risks

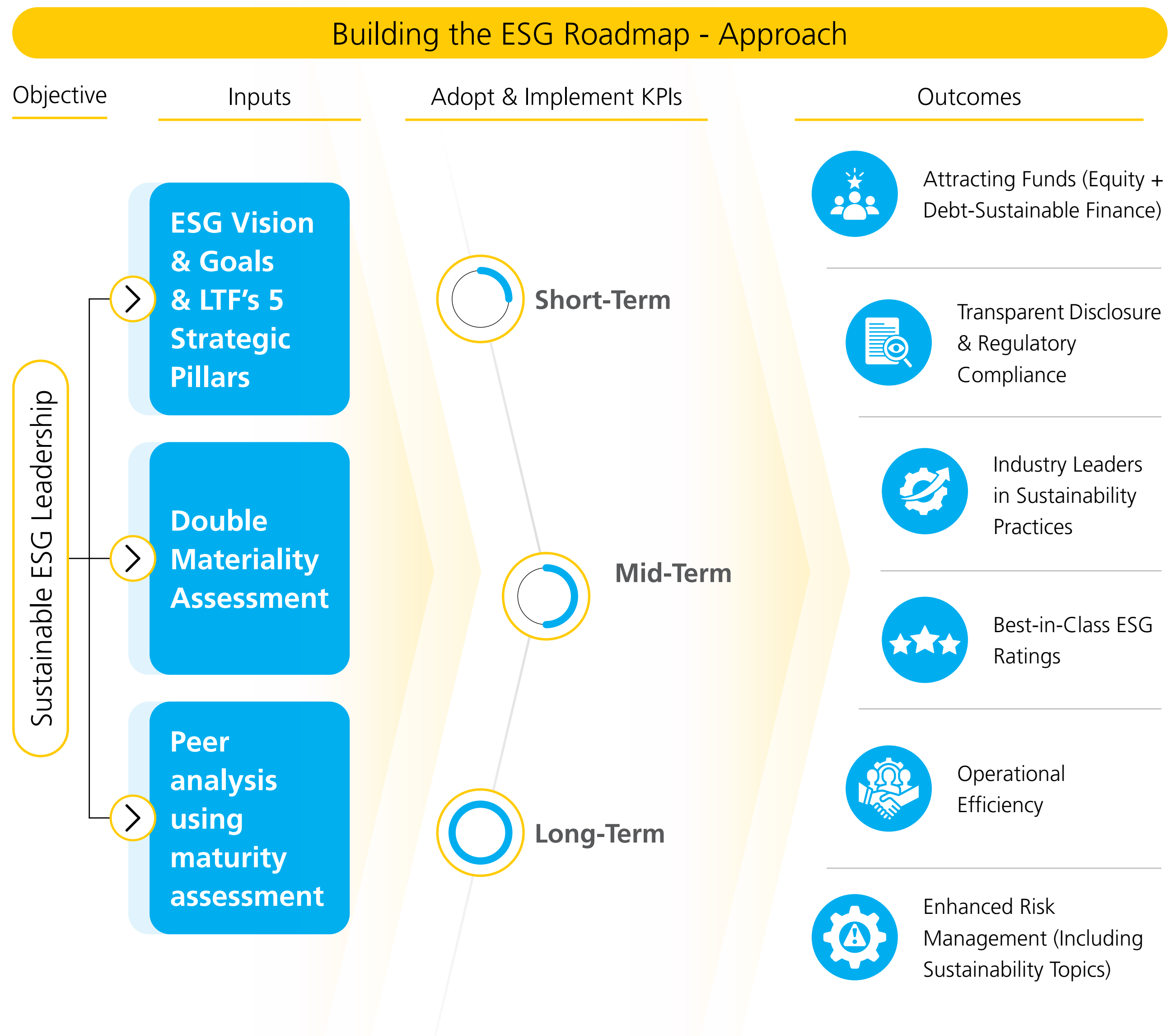
With a strong ESG risk management framework, LTF is aligned to anticipate and mitigate sustainability-related risks. This proactive stance enhances business resilience, ensures regulatory adherence, and supports long-term operational stability.

Resource & Cost Optimisation

Sustainability and efficiency go hand in hand, and LTF's approach is focused on optimising resource utilisation while reducing costs. Leveraging digital innovations and green initiatives, your Company is determined to drive operational excellence and minimise its environmental footprint.

Best-in-Class ESG Ratings

Through consistent ESG integration and performance improvements, LTF seeks to achieve top-tier ratings from national and international rating agencies. These ratings will reinforce its position as a responsible financial institution.



For further details please refer to the section on Materiality Assessment.

Integrating ESG into Operations

Under the Lakshya 2026 plan, LTF has made Environmental, Social, and Governance (ESG) principles as an essential component of its strategic plan. Towards building an ESG-conscious organisation, 100% of employees have been trained on various aspects of ESG. Additionally, bespoke trainings on financed emissions, double materiality and value chain and health & safety were conducted.

The impact of your Company's ESG-driven initiatives is evident in the following ways across its operations:

ESG Integration across Branches

- Every new branch is subjected to an ESG evaluation to ensure alignment with energy efficiency, safety, and inclusivity standards. This ensures the installation of renewable energy systems wherever feasible, which plays a key role in reducing your Company's carbon footprint. Furthermore, by incorporating water conservation efforts and effective waste management practices, the consumption of natural resources and the environmental footprint are significantly minimised.
- Sanitation facilities and its ratio to employees, PWD access, Health & Safety aspects are also evaluated.
- Thorough hazard identification and risk assessments are conducted at branches as per the annual plans, reinforcing occupational health and safety standards.

Establishment of the Sustainability Steering Council (SSC)

- LTF has strengthened the governance system with the aim to further enhance ESG integration into operations by appointing the Sustainability Steering Council. The SSC leads the charge on environmental and social initiatives, ensuring their integration with your Company's long-term goals.

Financial Inclusion as a Driver of Impact

- LTF has made significant progress in advancing financial inclusion through its business, ESG and CSR initiatives. These efforts enrich both internal operations and external business activities, with a strong emphasis on empowering rural communities and uplifting women entrepreneurs.
  Key aspects include:

- **Investment in Underserved Areas**

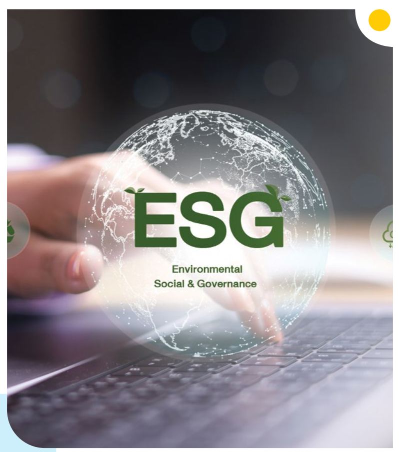
  LTF has strategically invested ₹ 20,480 Cr of sustainability focused/priority sector loans, targeting access to finance, including in over 10 lagging states identified by Government of India. This strategy supports national goals of financial inclusion and rural development, aiming to bridge the gap between urban and rural financial ecosystems. Through its sustainability focused loans, LTF has attracted funds towards Indian low-income states, women, farmers and generating livelihoods. These sustainability-focused loans have not only contributed to creating positive social and environmental impacts but also drive economic growth and enhance accessibility and livelihood in underserved areas.

- **Women Empowerment**

  Central to LTF's strategy for financial inclusion is the provision of microloans to women entrepreneurs. These loans foster economic self-sufficiency and business development in underserved areas, allowing women to launch and expand their businesses. Beyond empowering women, this initiative stimulates the local economy, generating employment and enhancing community resilience.

- **ESG and Climate Risk Management**

  Recognising the importance of ESG and climate risks, LTF has established robust processes and structures to manage these risks effectively. Your Company has undertaken a TCFD-aligned study to enhance its preparedness in mitigating climate-related risks, ensuring long-term sustainability and resilience.



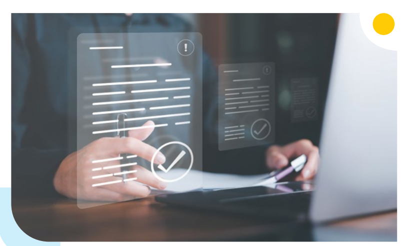
- **Customer-Centric Approach**

  LTF remains committed to customer centricity and continuously tracks its Net Promoter Score (NPS) to measure customer satisfaction and improve service offerings. This focus reinforces its dedication to enhancing customer experiences and building long-term relationships.

- An online Cybercrime Awareness and Fraud Prevention Training Programme was designed for LTF's Customer Service Team and Call Centre Agents. The programme equipped ~200 employees with the knowledge and skills to recognise cyber fraud, identify fraudulent activities, and guide customers effectively while ensuring compliance with regulatory standards. Trained by India's foremost experts in cybercrime investigation, this initiative aimed at enhancing your Company's customer service excellence and customer trust

- **Employee Engagement and Workplace Excellence**

  To foster a positive work environment and gather valuable employee feedback, LTF implemented the GPTW survey. As a result, your Company was recognised as a Great Place to Work, reflecting its commitment to employee well-being, engagement, and organisational excellence.



Policy Advocacy

- To make an industry-wide change, LTF has been responding to consultation papers issued by regulatory bodies related to sustainable finance, ESG requirements and other regulatory matters.

Prioritising customer centricity, risk management, strong governance, and community engagement in all endeavours, these principles serve as the bedrock of strategic drivers. They guide LTF in delivering exceptional experiences to its customers and employees, while also ensuring sustainable performance and generating long-term value for its shareholders, including customers, communities, and value chain partners.

LTF's initiatives have a quantifiable impact, demonstrated by the following statistics:

Sustainable Finance

Your Company secured ₹ 20,480 Cr in loans, all directed towards projects supporting the UN SDGs.

Social Value Creation

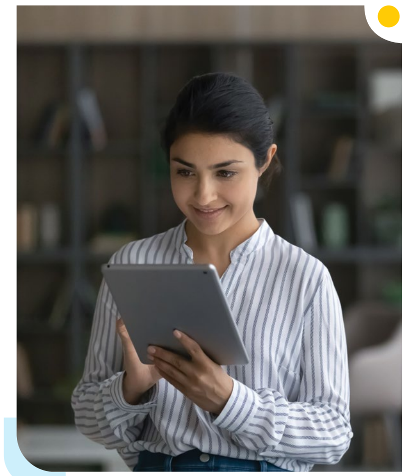
For each ₹ 1 spent on social initiatives (Digital and Financial Inclusion), LTF generated ₹ 123 in social value (FY23-24).

54

Net Promoter Score (NPS)

Measuring Impact through Business Impact study

LTF has made remarkable headway in assessing its business impact through a comprehensive Business Impact Study, designed to quantify the value generated by its operations, while enhancing its sustainable finance initiatives.



Structured Stakeholder Feedback through Double Materiality

LTF's commitment to responsible growth is reflected in its Double Materiality Assessment, a strategic approach that evaluated both financial risks and the broader environmental and social impacts of its operations. This comprehensive process involved engaging with diverse internal and external stakeholders, including Board members, Senior Management and other employees, frontline employees, dealers, lenders, and customers, to gather feedback on the critical material topics identified through benchmarking and industry trends. By incorporating both quantitative surveys and qualitative insights, LTF ensured that its business decisions aligned with stakeholder expectations, fostering long-term value creation and reinforcing its commitment to sustainability and societal impact.

For further details please refer to section on Materiality Assessment.

Board Training on Double Materiality & Climate Risk

Your Company has taken a pioneering step by becoming one of the first NBFCs in India to adopt the Double Materiality Assessment – setting a new benchmark for the industry. Acknowledging that materiality today encompasses not just financial relevance but also social and environmental impact, your Company initiated a far-reaching transformation to embed this advanced approach into its governance structure.

To institutionalise this shift, the Board and the Senior Management underwent structured sessions. These sessions went beyond awareness-building, empowering leadership to anticipate stakeholder expectations and the corresponding financial impact.

This initiative underscores your Company's belief that true leadership is demonstrated through decisive action. By aligning long-term strategy with stakeholder priorities and sustainability imperatives, your Company is actively shaping the future of responsible business.

Driving Impact, Together: LTF's 1st ever Value Chain Connect on ESG

LTF hosted its first in-person ESG Value Chain Partners Meet on August 29, 2024. The event brought together key stakeholders, including leading banks as well as investors, to discuss ESG best practices, innovative strategies, and success stories. This initiative, building on LTF's virtual engagements since FY23, reinforced collaboration and commitment to sustainable business practices, strengthening ESG awareness and integration across its value chain.

Case Study

LTF's Commitment to Health & Safety Excellence

Introduction

At LTF, employee health and safety are top priorities, and your Company continuously enhances its policies and practices to ensure a safe and supportive work environment. This case study highlights key efforts and milestones in LTF's health and safety approach.

Comprehensive Health and Safety Approach

LTF's strategy focusses on proactive measures, employee engagement, and global standards to maintain a safe workplace.

ISO 45001 Certification

LTF's Head Office achieved ISO 45001 certification, demonstrating adherence to global safety standards. This certification enhances safety culture, compliance, and stakeholder confidence. This was achieved through:

- Risk assessments and hazard mitigation across branches.
- Active employee engagement in safety practices.
- Rigorous audits resulting in zero non-conformities.

Field Employee Safety

LTF has prioritised road safety for its field employees, providing helmets and safety gear to its frontline staff. A road safety training module has been launched, and a safety pledge was introduced for Rural Business Finance (RBF) teams to promote safety accountability.

Mental Well-Being Support

LTF recognises the importance of mental health. The Emotional Well-Being Helpline offers employees confidential support, ensuring holistic care beyond physical safety.

Key Outcomes

LTF's efforts have led to:

- Zero non-conformities in the ISO audit.
- Increased employee participation in safety initiatives.
- Reduced road-related accidents and improved mental well-being among staff.

Looking Ahead

LTF plans to expand ISO 45001 certification to additional locations and continue investing in employee safety and well-being, ensuring a safe, healthy, and supportive work environment.

For further details about the Health and Safety Initiatives, please refer to section on Human Capital.

Ensuring Environmental Stewardship

In FY25, LTF reinforced its commitment to sustainability through key environmental initiatives focused on water conservation, energy efficiency, carbon neutrality, and waste management. A major milestone was the revamping of the Sewage Treatment Plant (STP) at its Head Office, enhancing recycling capacity and reducing freshwater dependency.

LTF also expanded its renewable energy adoption, sourcing green energy for a growing number of operational sites while optimising energy consumption through advanced technologies and real-time monitoring. Energy audits were conducted to assess usage patterns, identify efficiency improvements, and enhance overall energy performance. Under its 'Project Prakruti' initiative, LTF planted 1,00,000+ saplings, leveraging afforestation methodologies for carbon sequestration. Additionally, a comprehensive waste management assessment across top branches strengthened transparency and resource efficiency. Through these initiatives, LTF continues to drive sustainable business practices, minimise its environmental footprint, and contribute to a greener future.

For further details about the Environmental Initiatives, please refer to the section on Natural Capital.

Empowering Employees through Sustainability Skills

In August 2024, LTF ESG hosted a Financed Emissions capacity-building workshop to enhance internal stakeholders' understanding of climate-related financial risks. Conducted by experts, and attended by employees from different departments, the workshop provided in-depth insights into calculating and managing financed emissions. LTF actively engaged employees in ESG initiatives, encouraging their participation in the development of HIRA, conducting safety assessment visits, and supporting the implementation of ISO 45001 at the Head Office. Their efforts strengthened risk mitigation, workplace safety, and compliance, reinforcing a strong safety culture and aligning operations with global best practices.

Sensitising Managers with Gamified DE&I Learning

LTF launched its first-ever gamified Diversity, Equity, and Inclusion (DE&I) e-learning module to help junior and middle management employees identify and address unconscious biases in their decision-making and workplace interactions in an innovative manner. Designed as an interactive, scenario-based experience, the module engages Business Leaders, Operational Leaders and Junior Management. Available in 8 languages, it immerses participants in real-life workplace scenarios where they earn puzzle pieces representing bias-related situations, fostering critical thinking and deeper DE&I understanding. The module saw a tremendous response, with over 85% of participants completing it within three months of its launch. This transformative tool has empowered employees to become champions of diversity and equity in their managerial roles.

For further details about the DE&I Initiatives, please refer to the section on Human Capital.

ESG Performance in FY25

Creating Lasting Change

In FY25, your Company remained resolute in its commitment to ESG principles, which are integral to fostering a sustainable and inclusive future. By embedding ESG into its operations, LTF drives value for stakeholders and makes a significant positive impact on society and the environment. The progress achieved reflects a deep commitment to ethical practices, environmental responsibility, and social equity, positioning your Company to further enhance its impact and contribute to a future grounded in sustainability and shared growth.

Environment

Committed to achieving 'Carbon Neutrality' by **FY35**

~**16**% Reduction in (Scope 1+2 Emissions)

~**33**% Operational Energy Mix from Renewable Energy

~**3,692** tCO_2e Emissions Avoided (Green Power+ Green Attributes)

1 lakh+ Saplings Planted through 'Project Prakruti'

Strengthened **Scope 3** by Estimation of Financed Emissions in Select Portfolio

~**3.8**x Times of Water Consumed in Operations Replenished

~**176** lakh kl Water Replenished through Jalvaibhav (Watershed Management)

64,000+ Two-Wheeler Electric Vehicles (EVs) Financed

~**12,675.67** tCO_2e Avoided by EV Financing

~**51** tonne Waste Recycled (via, Authorised Recycler)

Roadmap for Improvement in **Waste Management**

100% Digital Disbursements (Rural+Urban)

ISO 45001:2018 Certification Achieved at Head Office for Workplace Safety

Digital Collection **96**% (Urban) and **33**% (Rural)

100% Paperless Journey in Rural Group Loans and Micro Finance, Two-Wheeler Finance, Farm Equipment Finance, Personal Loans and SME Finance

Established **ESG Due Diligence** Process for Opening New Branches

Social

Facilitated **Better Quality of Life and Higher Income-Earning Ability** for customers through Rural Group Loans and Micro Loans, Two-Wheeler Finance, Farm Equipment Finance and SME Finance

Active Customers across ~**2** lakh Villages

27,000+ Employees Hired From Rural India

Raised a Total of ₹ **20,480** Cr of Sustainable Finance/Priority Sector Lending

Introduction of **Leadership Development Programme**

NPS for Customer Onboarding Process (overall NPS **54**)

14.20 lakh+ Community Members Sensitised on Digital and Financial Literacy

Total CSR Spend ₹ **30** Cr

₹ **26.18** Cr Spent Over and Above the CSR Obligation of FY25

₹ **180** Cr Social Convergence Value

2.40 lakh+ Beneficiaries Linked to Social Schemes

1 lakh Youth on Two-Wheeler Road Safety

Empowered **1,110** Digital Sakhis in FY25 and **10,500** Women Entrepreneurs through CSR Initiatives

Impacted **16.90** lakh+ Lives through CSR Initiatives

Engagement with Value Chain Partners for ESG Assessment

Imparted Training for **38.5** Hours per Employee

100% Employees Trained on Various BRSR Principles

he Hiring of Women Led to an Increase in Overall Women's Representation, Reaching **5.4**%

~**61.06** lakh+ Total Women Borrowers

DE&I Sensitisation and Awareness Programme Conducted for Middle Management

Conducted **Hazard Identification and Risk Assessment (HIRA)** across All Four Zones PAN India

Governance

29% Women's Representation on the Board

Certifications
ISO 14064-2:2019 GHG Emission, ISO 26000:2010 Social Responsibility, ISO/IEC 2000:2018 Information Technology-Service Management, ISO/IEC 27000 on Information Security Management Technology Service

>50% Independent Board Members

Review of ESG practices by **Board-level Committee**

50% of Independent Directors are Women

Robust Board Succession Plan
Induction of new Independent Directors ahead of time

Trained **100%** of the Board Members on ESG and Information Security Topics

Regular Newsletters were Provided to the Board, Offering Updates on the Economy, Business Performance, and ESG/CSR Activities, Among Other Topics

Adopted **30** Sustainability Targets for FY26 with a Tracking Mechanism in Place

Established **Sustainable Finance Framework** in Place with Second-Party Opinion by CRISIL

27% Women in Group Executive Committee

ESG-linked KPIs for Senior Management

Strengthened ESG Framework– HIRA Study and ESG due Diligence for Selection of New Branches

Strengthened Leadership in Critical Functions with a **Strong Advisory Bench**

Conducted Value Chain Assessment on ESG Principles for Top **75%** of Value Chain

Completed Mandatory Modules on BRSR Principles by **100%** Employees

Women-Centric Policies Rolled Out to Support Inclusion, Safety, and Career Progression

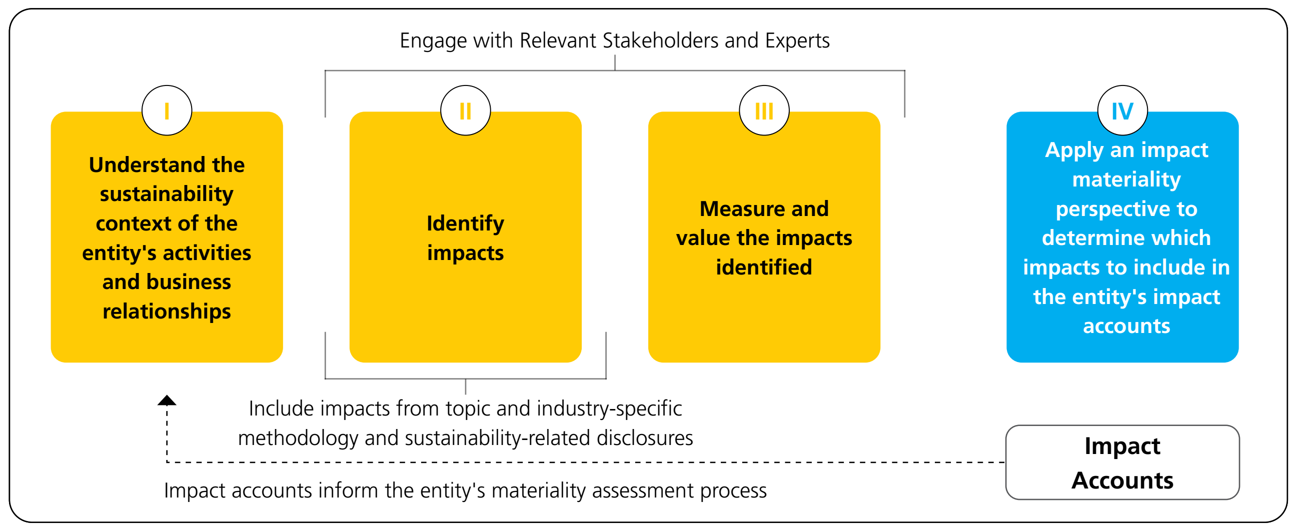
Business Impact Study - LTF's True Value Assessment

LTF is a leading financial service provider, that caters to a diverse range of financing needs across urban and rural sectors.

In FY25, your Company conducted a True Value assessment to quantify the socioeconomic and environmental impacts of its operations and services. This assessment aimed to quantify both positive and negative impacts of business operations and services in financial terms, enabling a holistic view of your Company's contributions to society. The True Value methodology was employed, which involves identifying, measuring, and valuing the economic, social, and environmental impacts of LTF's activities. The assessment procedure included data collection from various primary and secondary sources, including direct surveys with stakeholders and financial reports. The key economic, social, and environmental impacts of LTF's activities were identified through a comprehensive analysis of your Company's operations. The identified impacts were measured and, where appropriate, valued in financial terms. This involved selecting appropriate valuation factors from a comprehensive database, sourced from academic research and industry standards. The assessment helped to identify and monetise the economic impacts focused on the effects of LTF's financial activities, such as job creation, substantial tax contributions, and the provision of financial services that support economic growth. Environmental impacts were assessed based on changes to the environment resulting from LTF's operations, including efforts to reduce carbon footprint and promote sustainable practices. Social impacts were evaluated in terms of significant changes addressing pressing social challenges, such as improving financial literacy and supporting community development.

The True Value assessment revealed that your Company's activities have a socioeconomic impact that extends beyond conventional financial metrics, offering a comprehensive perspective on value creation. By internalising these externalities, the assessment highlighted the broader contributions of LTF, demonstrating your Company's commitment to sustainable development and its positive impact on society. This comprehensive approach underscores the importance of considering all aspects of value creation, beyond traditional profit and loss metrics, to truly appreciate the full extent of LTF's contributions to the environment and society at large.

Your Company intends to leverage the insights of its True Value Assessment to drive strategic initiatives and enhance its sustainability efforts in the upcoming years. By integrating the assessment's findings into their decision-making processes, LTF aims to optimise resource allocation, improve operational efficiencies, and strengthen stakeholder relationships. This proactive approach will enable your Company to not only achieve their financial goals but also contribute positively to societal and environmental well-being. Moving forward, LTF is committed to continuously refining its assessment methodology, ensuring it remains a robust tool for fostering sustainable growth and creating long-term value for all stakeholders.



Approach to Value Creation

In FY25, LTF continued to push the boundaries of value creation by intertwining innovation with sustainability. With a keen focus on generating positive environmental and social results, your Company is adapting its business model to face the challenges of a transforming world and lead the charge in shaping it. By capitalising on emerging technologies, automation, and advanced data analytics, your Company enhances operational efficiency, while also prioritising customer experience, scalability, and resilience.

Rooted in its vision and core values, your Company is committed to achieving long-term, sustainable growth that extends beyond profitability. Through purposeful investments in sustainability and an agile approach to market demands, your Company unlocks competitive advantages, fosters new business opportunities, attracts investments, and expands its market footprint. This forward-focused strategy positions your Company to thrive in an ever-changing landscape, contributing to both economic and societal prosperity.

Considering the credit capacity of the rural customers, LTF has remained a responsible lender, ensuring they are not overburdened or overexposed to loans. In line with the commitment to financial prudence and stability, the EV value chain strategy was refined to improve partner quality.

Environmental Stewardship

In FY25, LTF made significant strides in integrating sustainability across its operations, further solidifying its commitment to environmental responsibility. The following initiatives demonstrate the progress made in advancing environmental responsibility during the year:

Sustainable Transportation

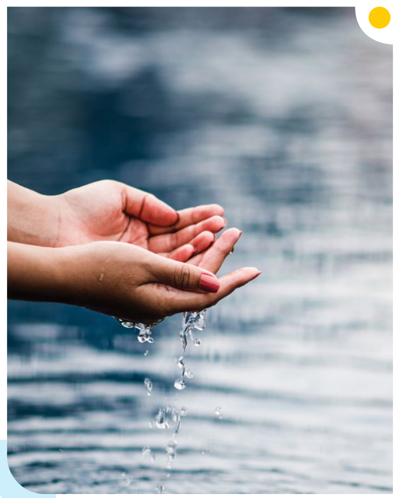
Your Company facilitated the financing of 64,000+ Two-Wheeler Electric Vehicles (EVs) in FY25, playing a crucial role in promoting sustainable transportation and supporting India's EV30@30 goal. This effort not only aids the transition to a low-carbon mobility landscape but also helps reduce emissions from the transportation sector.

Carbon Neutrality Progress

As part of its commitment to achieve carbon neutrality by FY35, your Company achieved progress in reducing its carbon footprint in FY25. Energy audits for optimisation remained a key pillar of its decarbonisation strategy, helping identify and implement efficiency improvements across operations. By the end of the year, 33% of operations were powered by green energy, with one additional branch transitioning—bringing the total number of green-powered branches to 26, including the Head Office. These actions resulted in a marked reduction in carbon emissions across operations.

Water Conservation and Water Surplus Status

Through the adoption of water-efficient technologies and community-centric projects, your Company has maintained its Water Positive/Surplus status, boosting water usage efficiency, while ramping up water replenishment initiatives in key areas to promote sustainability.

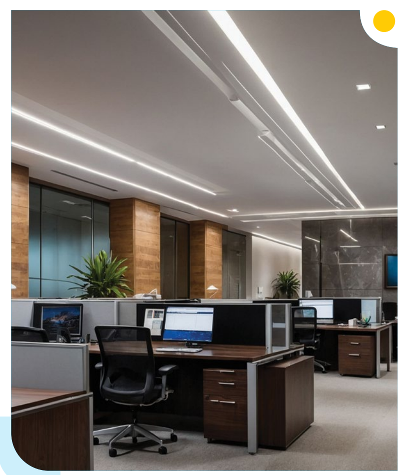


Afforestation and Carbon Sequestration

LTF expanded its afforestation efforts by planting 1 lakh saplings under Project Prakruti, contributing to carbon sequestration. These initiatives play a crucial role in combating climate change and enhancing your Company's environmental impact. In recognition of its commitment to sustainability, LTF has also received the ISO 14064-2:2019 certification (FY24) for GHG Emissions Reduction, reaffirming its dedication to measurable and transparent climate action.

Waste and Energy Management

LTF successfully reduced both waste generation and energy consumption. Through focused energy and waste management initiatives, energy intensity was reduced by 5%, and waste recycling was increased by 2x, underscoring your Company's commitment to operational efficiency and environmental accountability. As part of these efforts, a comprehensive waste assessment was conducted across the top 50 branches to estimate per capita waste generation, enabling data-driven waste management strategies. Additionally, energy audits of the top 10 branches have helped your Company identify areas for further optimisation, reinforcing existing measures such as LED lighting and energy-efficient appliances.



Digitalisation for Environmental Impact

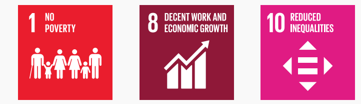
The launch of the PLANET App, a customer service platform, significantly reduced the need for customer visits to branches and lowered paper consumption. By the end of FY25, this initiative resulted in a drop in carbon emissions and reduction in paper usage, further advancing your Company's objective of reducing its environmental footprint through digital transformation.

Promoting Rural Livelihood and Development

LTF's focus in FY25 remained firmly on empowering rural communities through financial inclusion, with a deliberate focus on underserved regions and populations. The barriers faced by rural farmers, women, and MSMEs, particularly in low-income states, in accessing formal financial services are considerable. Your Company has made significant efforts to provide sustainable solutions that foster the economic strength and resilience of these communities, enabling them to pursue financial independence and long-term prosperity.

Key initiatives and achievements in FY25 include:

Targeting Low-Income States



LTF has consistently concentrated its efforts on directing credit to low-income states, ensuring that underserved rural populations gain access to essential financial services. In FY25, 50% of the rural loan portfolio was sourced from these states, a testament to LTF's ongoing commitment to the country's most vulnerable regions.

Sustainability Focused Loans

In FY25, LTF raised ₹ 20,480 Cr sustainability focused/priority sector lending (PSL) to provide financing for rural women borrowers, micro-loans, and loans for farm equipment. This helped your Company provide much needed credit to underserved communities.

Women's Empowerment through Micro Loans

LTF's Rural Group Loans and Micro Loans have facilitated women's entrepreneurship and financial independence in rural India. In FY25, the number of active women customers is at 61.06 lakh+. Additionally, 60% of rural group loans were granted to repeat women borrowers for scaling their small businesses.

Rural Livelihood Financing

LTF's strategic focus allocated 40% of its loan book to financing rural livelihood projects, with a strong emphasis on supporting farmers and agricultural needs through offerings like Farm Equipment Finance.

Two-Wheeler Financing for Economic Mobility

Through its Two-Wheeler Finance programme, your Company has furthered economic mobility across rural India. By offering financing for Two-Wheelers, including EV Two-Wheelers, your Company has enabled individuals to secure employment, especially in delivery services. This initiative fosters inclusive growth by equipping individuals with the tools to explore new job opportunities and improve their financial stability.

Financial Inclusion for Customers

In FY25, your Company made strides in extending financial access to customers, empowering individuals who were previously outside the reach of formal financial services to access credit for both personal and business needs. This effort has been a catalyst for financial inclusion, particularly in rural and underserved areas, enhancing their economic resilience. Project Cyclops played a pivotal role in this initiative, leveraging AI-driven credit underwriting to assess non-traditional data points such as digital footprints, banking transactions, and trust signals. By incorporating these insights, Cyclops enhanced credit decisioning accuracy.

Employee-Focused Initiatives

LTF has made employee well-being and development a constant priority, introducing a range of strategic initiatives to create a positive, engaging and growth-oriented workplace environment. LTF will continue undertaking initiatives for employee well-being.

Great Place to Work (GPTW) Survey

Recognising the role of employee satisfaction in fostering growth, LTF has leveraged the 'Great Place to Work' survey to assess engagement levels and introduce impactful changes. Various initiatives were taken up as part of the GPTW programme, driven by insights from the survey, to enhance employee experience. The survey's findings have led to the launch of multiple initiatives designed to elevate the work environment, including enhanced employee welfare programmes, broadened opportunities for career development, and a stronger, more positive workplace culture.

Employee-Centric Policies

LTF continuously updates its policies to ensure they are gender-neutral, inclusive, and supportive of diverse perspectives. This commitment extends to revising organisational standards and implementing practices that nurture a workplace where fairness and non-discrimination thrive.

Targeted Development Programmes

Your Company directs investments towards focused programmes that sharpen skills, nurture leadership qualities, and foster employee growth. These strategies ensure that employees succeed in their current roles, while being equipped for leadership opportunities and the sustained growth of the organisation.

Creating Social Impact

LTF places community well-being at the core of its value creation agenda. By championing ethical and equitable initiatives, your Company empowers individuals, while promoting sustainable livelihoods. In FY25, it made substantial progress in supporting communities and ensuring its employees remain active participants in this journey.

Key initiatives and achievements in FY25 include:

Community Engagement

Your Company positively impacted 16.93 lakh+ community members through its CSR initiatives, encompassing efforts to enhance education, healthcare, and local infrastructure. This continued focus on rural and underserved communities demonstrates LTF's enduring commitment to fostering community development.

Consumer Education and Awareness

In FY25, LTF continued educating its customers on various topics through social media campaigns and blogs. Additional services like credit scores, wellness insurance plans, EMI calculator, and mandi price for rural customers, offer a convenient and efficient solution towards customer engagement.

Leveraging Sustainable Finance

In FY25, your Company advanced its sustainable finance agenda, ensuring that its funding activities resonate with global environmental and social goals. By financing projects with dual societal and ecological benefits, your Company continues to champion impactful change.

Sustainable Finance Framework (SFF)

In FY25, your Company continued to leverage its SFF, which supports financing for projects that are aligned with the UN SDGs. The framework is designed to provide structure and transparency, making it easier for your Company to fund impactful social and environmental projects.

Sustainability-Focused Lending

Your Company secured ₹20,480 Cr in sustainability-focused/priority sector lending loans in FY25, further solidifying its position as a leader in sustainable finance.

Target for FY26

Moving forward, your Company is targeting sustainability focused loan / priority sector lending loans of ₹ 1,000 Cr every quarter. (Annual Target ₹ 4,000 Cr) for FY26. This goal reflects your Company's dedication to aligning its financial operations with global sustainability imperatives.

Way Forward

Transforming into a Technology Driven Retail Company

As LTF progresses, the goal of becoming a digitally empowered lender i.e. technology driven retail Company, remains central to its vision. In FY25, your Company made substantial strides in establishing a strong foundation for this transformation, which will optimise operational efficiency, drive innovation, and foster long-term, sustainable growth.

Focus on Long-Term Value Creation

Focussing on generating value for its stakeholders—customers, employees, investors, and communities—your Company integrates financial performance with non-financial impact. This holistic strategy aligns every aspect of its business principles with sustainability and ethical growth.

Board-Level Oversight

Your Company's Board exemplifies ESG leadership by enhancing ESG expertise, and leveraging key indicators to assess effectiveness. Regular field visits by the Board and CSR & ESG Committee members, help ensure that ESG strategies align with daily operations and core values while providing firsthand stakeholder insights, fostering a more responsive and responsible governance approach. A robust Board-level framework integrates environmental, social, and ethical considerations into strategy, reinforcing long-term resilience, integrity, and responsible business practices.

5-Pillar of Execution

The 5-Pillar of execution continue to serve as the strategic guide for your Company's evolution into a technology driven retail NBFC. These pillars are—Enhancing Customer Acquisition, Sharpening Credit Underwriting, Implementing Futuristic Digital Architecture, Heightened Brand Visibility, and Capability Building.

Stakeholder Engagement

Building Meaningful and SUSTAINABLE RELATIONSHIPS

LTF understands that the foundation of a sustainable business lies in meaningful connections with stakeholders. By embedding stakeholder interests into its decision-making processes, your Company ensures its strategies remain flexible, inclusive, and well-prepared for the future. Your Company's Lakshya 2026 roadmap highlights its dedication to creating long-term value, with a continued focus on customer-centricity and impactful operations.

Recognising the diverse perspectives of its stakeholders, LTF nurtures relationships both within and beyond the organisation. Your Company's framework is designed to address economic, environmental, social, and governance (ESG) considerations, while promoting transparency, responsiveness, and trust. With clear communication channels and a structured process, LTF ensures that stakeholder concerns are heard and effectively addressed.

Integrating Strategic Assessments for Enhanced Stakeholder Engagement

Over the course of the year, LTF has further strengthened its stakeholder engagement framework by integrating two key initiatives—the Double Materiality Assessment (DMA) and the Business Impact Study. The DMA offers a comprehensive assessment of both financial and non-financial risks, allowing LTF to fine-tune its strategies in response to shifting market trends and sustainability goals. By adopting this dual approach, the DMA has enabled LTF to stay ahead of emerging regulatory demands, evolving economic conditions, and ESG priorities. Simultaneously, the Business Impact Study maps the significant impact of LTF's services, particularly how its focus on financial inclusion, responsible lending, and customer-centric strategies contribute to economic empowerment and community development.

For further details about Double Materiality Assessment conducted by LTF, please refer to section on Materiality Assessment.

Board's Role in Stakeholder Engagement

LTF's stakeholder engagement strategy combines a variety of methods, from digital interactions to structured engagements and direct outreach, to foster meaningful relationships. The Board actively participates in these initiatives, ensuring that your Company remains aligned with the evolving needs and expectations of its stakeholders. Moreover, LTF has a dedicated Stakeholder's Relationship & Customer Protection Committee for oversight.

Direct Engagement and On-Ground Interactions

- The Chairman visited rural regions in Madurai in Tamil Nadu and Mysuru in Karnataka, to interact with customers and dealers, providing valuable insights into local financial behaviours and the shift towards digital payments in underserved regions.
- The Chairman also interacted with the CSR project beneficiaries to witness the impact created through the social development activities of your Company.
- Further Independent Directors also visited operational sites and as well CSR project locations, conducting a direct assessment of LTF's initiatives and the effect on the communities they aim to uplift.

Enhancing Stakeholder Experience

To elevate its customer engagement strategy, LTF has introduced the Net Promoter Score (NPS), a systematic tool designed to assess customer satisfaction and service excellence. By adopting this initiative, LTF emphasises its commitment to constant evolution and its responsiveness to customer insights.

Driving Industry Dialogue and Policy Advocacy

LTF engages closely with regulatory bodies, industry associations, and key stakeholders to provide thoughtful perspectives and advocate for policies that support sustainable development. As a leading retail NBFC, your Company actively contributes to discussions on significant financial matters, including the Union Budget, Economic Survey, and Monetary Policy, ensuring that industry views are adequately represented. Through its ongoing involvement in regulatory consultations, LTF offers valuable feedback that shapes policy frameworks and keeps pace with emerging financial trends.

Your Company is a member of influential industry organisations such as the Federation of Indian Chambers of Commerce and Industry (FICCI) and the Finance Industry Development Council (FIDC), both of which play a pivotal role in advancing India's financial services sector. LTF's Managing Director & CEO holds key positions in industry bodies, including the FICCI Committee on Non-Banking Financial Companies (NBFCs), and has contributed to Government and Reserve Bank of India (RBI) Committees focused on transit payments, banking security, and retail payments. LTF's Chief Sustainability Officer is a member of the CII WR Sub-Committee on Business Responsibility and has participated in ESG panels.

LTF's leadership, committed to driving financial inclusion through digital advancements, regularly participates in leading industry summits and roundtable events to share their expertise. Their insights have shaped important discussions on inclusive finance, technology, evolution, and enhancing digital access to financial services for underserved communities. Significantly, LTF's Chief Economist has been invited to multiple forums to present expert perspectives on macroeconomic topics such as RBI Monetary Policy and India's GDP Growth, further solidifying LTF's role as a thought leader in the sector.

Stakeholder Engagement Framework

Stakeholder	Engagement Methods	Expectations	Engagement Frequency	Grievance Mechanism
Employees	Employee engagement is driven by structured performance feedback, an annual rewards programme, and ongoing learning initiatives like leadership development programmes and DE&I awareness workshops. Your Company promotes transparency and open communication through town halls and periodic discussions with senior management. Prioritising employee well-being, your Company offers programmes like Stepathon 2.0, financial wellness seminars, and women's health awareness sessions. Additionally, employees are encouraged to participate in recreational activities. A GPTW survey was conducted to gather employee feedback.	› Career growth and skill development › Competitive compensation and benefits › Work-life balance and well-being › Recognition and engagement programmes › Inclusive and diverse workplace	› Monthly › Quarterly › Half yearly › Annually › As and when needed	The **Code of Conduct (CoC) Committee,** comprising senior leadership members, handles employee grievances. Concerns can be raised via **emails** (code@ltfs.com, whistleblower@ltfs.com) or through the **POSH Internal Committee** (wecare@ltfs.com).
Investors	To foster transparent and proactive communication with investors, your Company ensures regular updates through quarterly financial results, investor call/meetings and Annual General Meetings. Key information is shared via stock exchanges, press releases, and your Company's website. Moreover, credit rating reports, sustainability disclosures, integrated annual repots and active participation in investor conferences and Non-Deal Roadshows (NDRs) offer a deeper understanding of your Company's financial standing and long-term operational strategy. As part of RAISE initiative a special Investor Digital Day conference was held.	› Business growth and financial stability › Strong return on equity (ROE) › Operational efficiency and risk management › ESG compliance and sustainable business practices	› Monthly › Quarterly › Annual › As and when needed	Investor grievances are managed by the **Secretarial Department** and can be addressed through **email** (igrc@ltfs.com).
Regulators	To maintain strong regulatory adherence, the organisation prioritises prompt reporting, continuous communication, and active participation in policy consultations. This commitment is further demonstrated through periodic interactions during audits and inspections, as well as by playing active role in industry bodies to address regulatory challenges and business policy matters.	› Compliance with regulatory standards › Ethical and responsible corporate conduct › Transparency in financial and operational performance › Fair treatment of employees and customers	› As prescribed under regulations and need based	**The Secretarial and Compliance** Departments oversee regulatory concerns. Queries can be addressed via **email** (compliance@ltfs.com, igrc@ltfs.com).
Customers	Customer experience is enhanced through an omnichannel approach, ensuring seamless interactions via digital, hybrid, and human touchpoints. Customer support is provided through multiple grievance redressal channels, chatbots, WhatsApp services, and a self-help website. The PLANET App allows customers to manage existing and new loans efficiently. Additionally, cybersecurity risk awareness campaigns, Net Promoter Score (NPS) assessments, and face-to-face interactions help improve service quality.	› Quick turnaround times (TATs) › Best-in-class service › Transparent communication and fair advice › Data privacy and security › Digitised processes for seamless transactions	› Ongoing › Monthly › Quarterly › Annually › Scheduled interactions › As and when needed	Customer support is available via **email** (customercare@ltfs.com), the **official website** (www.ltfinance.com), and customer care hotlines. An internal **Ombudsman** is in place for escalated concerns.
Vendors	Vendor relationships are governed by rigorous onboarding framework, periodic performance evaluations, and adherence to the Third-Party Code of Conduct. Your Company ensures ESG compliance within the supply chain through assessments and training programmes. Knowledge-sharing forums and technical collaborations enhance efficiency and foster long-term partnerships.	› Fair and ethical business contracts › Transparent and long-term partnerships › ESG-conscious procurement and sustainability alignment › Technical collaboration and training support	› Quarterly › Annually › As and when needed	Vendor-related concerns are addressed by the **Code of Conduct (CoC) Committee.** Grievances can be raised via **email** (code@ltfs.com).
Communities	Your Company drives social impact through community engagement programmes, surveys, and sustainability initiatives. Key focus areas include financial inclusion, disaster management, road safety awareness, and sustainable livelihood programmes such as agroforestry projects. Your Company actively collaborates with NGOs, policymakers, and industry bodies to implement and monitor these initiatives.	› Social upliftment and empowerment › Financial inclusion and digital literacy › Sustainability and environmental responsibility › Collaboration with corporate and government entities	› Annually › Ongoing	Community-related concerns are managed by the **CSR Department.** Queries can be addressed via **email** (csr@ltfs.com), while partner NGOs have dedicated communication channels.

Materiality Assessment

Measuring What Matters – BUSINESS, SOCIETY & SUSTAINABILITY

In an increasingly complex and ever-evolving financial, climatic and social ecosystem, conducting a comprehensive materiality assessment is essential for companies seeking to align with the broader goals of responsible growth. For LTF, this assessment is more than a regulatory obligation—it serves as a critical strategy to drive sustainable growth. As a frontrunner in the NBFC sector, your Company has set a new industry standard by being one of the first to conduct a Double Materiality Assessment.

This approach allows your Company to assess its risks and opportunities from a broader perspective, integrating sustainability into its decision-making and reinforcing its dedication to responsible, value-driven growth.

Importance of Double Materiality Assessment

LTF has adopted a **Double Materiality** framework that evaluates sustainability from two integral viewpoints: **Impact Materiality** and **Financial Materiality.** This approach enables your Company to make well-rounded, responsible decisions, ensuring sustainable growth, and the creation of long-term value.

1 Impact Materiality

Impact Materiality takes into account how LTF's business activities affect the environment, society, and the economy—both positively and negatively. This includes impact of its products and operations, initiatives aimed at reducing carbon emissions, fostering financial inclusion, and providing support to local communities.

2 Financial Materiality

Financial Materiality focusses on the potential risks posed by external sustainability factors like climate change, regulatory changes, and market transitions, which could impact your Company's financial performance and overall enterprise value. By identifying and mitigating these risks, LTF opens doors for sustainable growth and innovation.

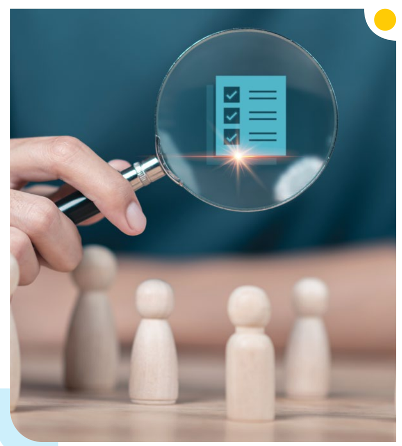
Furthermore, by integrating these two dimensions, LTF ensures its operations are resilient, future ready, and completely aligned with stakeholder expectations. This integrated framework is designed to drive sustainable value, while minimising associated risks.

Double Materiality Assessment Process

LTF's Double Materiality Assessment was conducted using a structured and methodical approach, ensuring a comprehensive evaluation of both financial and ESG-related impacts. The process included the following steps:

Identifying Material Topics

LTF started by compiling a thorough list of potential material topics from global standards like GRI, DJSI, SASB, peer reports, and internal discussions with management and business teams. This ensured alignment with industry best practices and business priorities.



Inclusive Stakeholder Participation

To verify and refine these topics, a detailed survey was conducted with the Senior Management, followed by an extensive workshop that facilitated discussions and provided qualitative insights. Based on these findings, LTF developed a streamlined survey for additional key stakeholder groups, ensuring inclusive participation and valuable feedback. Your Company engaged a diverse set of internal and external stakeholders in the assessment process to gather their views regarding the probability and intensity of impact caused by each material topic. These included the following:

Internal Stakeholders

Board members, CSR & ESG Committee, Senior Management, Heads, of Business Units, Middle Management, Junior Management, Frontline Managers, and Frontline Officers.

Dealers

Representatives from the Two-Wheeler, Farm Equipment, and SME businesses were engaged through comprehensive online sessions, executed in partnership with product and sales teams.

Lenders

Prominent institutional existing international and national lenders, participated in the survey to bring financial expertise into the mix.

Value Chain & Other Partners

Other value chain partners like suppliers, lenders and NGO partners also participated in the survey.

Customers

Urban customers from Housing Finance, Two-Wheeler, and SME businesses were surveyed to capture their feedback on their needs and experiences.

Shareholders

Parent Company, L&T's leaders provided strategic insights into the long-term business impact of LTF.

Structured online/physical sessions were held to facilitate understanding of the material topics.

Assessing Impact Materiality

Stakeholder inputs were collected through surveys and consultations with Board, Senior leaders, employees, customers, suppliers, investors, and community members to gain insight into their expectations regarding ESG performance. Each topic was then assessed for its positive or negative impact on society, the environment, and stakeholders. Topics that closely aligned with LTF's sustainability goals and stakeholder interests were prioritised.

Assessing Financial Materiality

Parallelly, the financial impact of each topic on business performance, including potential risks, was assessed and opportunities that could affect cash flows, operational resilience, and growth prospects. The evaluation was structured around the six capitals — Financial, Manufactured, Intellectual, Human, Social & Relationship, and Natural — to identify resource dependencies and business outcomes. Material topics with significant financial implications were prioritised.

Stakeholder Prioritisation and Topic Normalisation

To ensure balanced prioritisation, stakeholders were asked to rank the importance of each material topic. LTF used a weighted scoring methodology to balance stakeholder interests with business impact. Statistical techniques were used to normalise the results, minimising bias and ensuring accurate prioritisation.

Developing the Materiality Matrix

The assessed topics were plotted on a Materiality Matrix, classifying them into very high, high and medium priority, helping LTF focus on issues critical to both the business and stakeholders.

Double Materiality Assessment Framework

Impact Materiality
How a company's actions impact people and the environment

Financial Materiality
How environmental and social issues affect a company's financial performance

Stakeholder Interactions (390+ Man hrs.)

INPUT

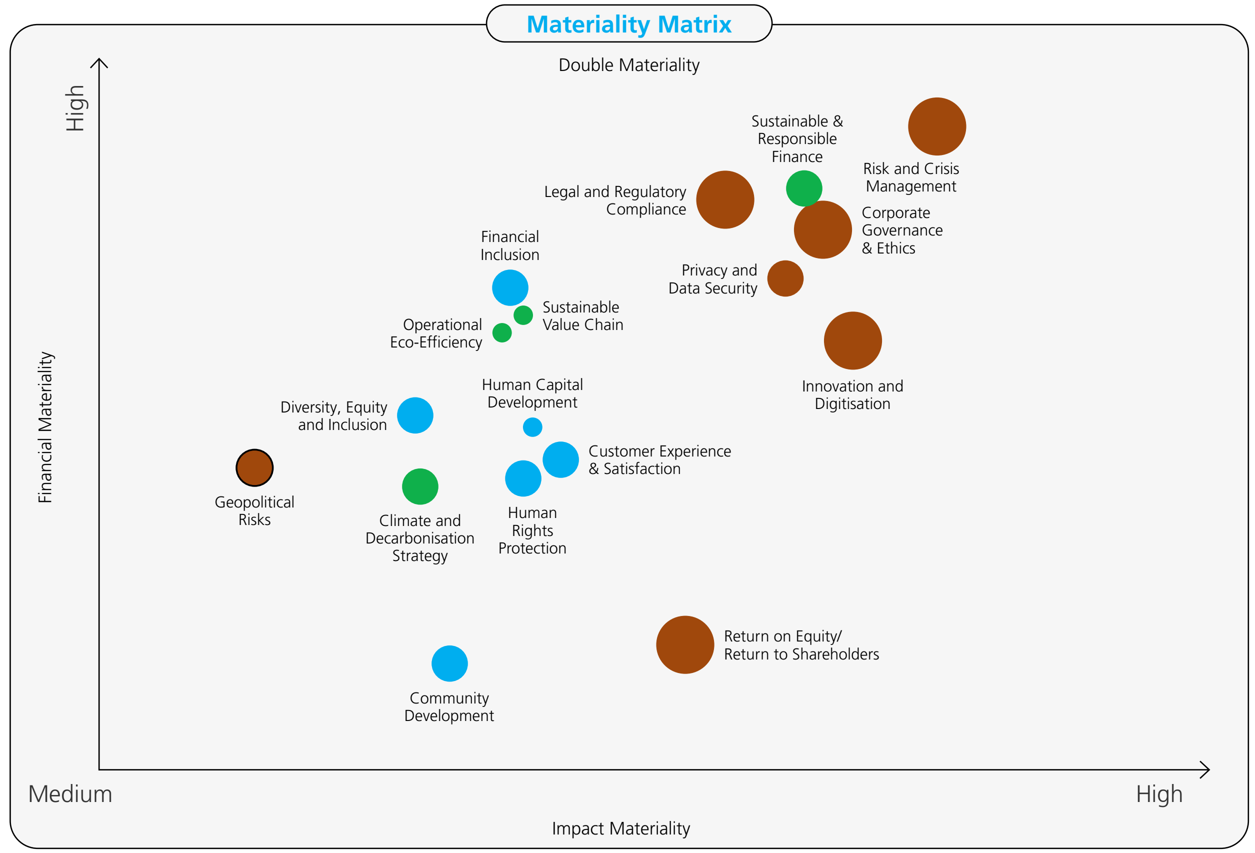
STAKEHOLDERS INVOLVED

Board Members (including CSR & ESG Committee)	C-suite Members	Senior Management	Business Heads
Middle Management	Junior Management	Field-level Employees	DSAs/Dealers
CSR Partners	L&T Parent	Lenders	Customers - (Urban)

OUTPUT

Materiality Matrix

No. of stakeholder responses: 390+



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

Integration into Strategy and Reporting

The outcomes were integrated into LTF's sustainability strategy, and ESG reporting. High-priority topics were embedded into business operations and disclosures, ensuring transparency and proactive risk management. As a standard process, a periodic review mechanism has been established to regularly update material topics in line with evolving stakeholder expectations and business trends.

Material Topics

LTF's material topics have evolved through a structured process of review and refinement, aligning with the changing business landscape, regulatory shifts, and stakeholder expectations. A fresh double materiality assessment has helped your Company to refine its material topics in FY25. This assessment incorporated insights from LTF's risk assessments, business objectives, internal analysis, and stakeholder analysis, leading to a strategic merging and reprioritisation of certain topics.

Environment | Social | Governance

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	Environment
9	Financial Inclusion	Social
10	Sustainable and Responsible Finance	Environment
11	Human Capital Development	Social
12	Sustainable Value Chain	Environment
13	Diversity, Equity and Inclusion	Social
14	Geopolitical Risks	Governance
15	Operational Eco-Efficiency	Environment
16	Human Rights Protection	Social
17	Community Development	Social

Material Topic	Risk/ Opportunity	Explanation	Rationale for identifying the Risk and Opportunity	In case of Risk/Opportunity, approach to adapt or mitigate	Financial implication of Risk or Opportunity (indicate positive or negative implications)	KPIs	Boundary	Capital Linkage	SDG Linkage
Legal and Regulatory Compliance	Risk, Opportunity	• Adherence to applicable laws, regulations, and industry standards • Supports operational integrity, mitigates legal risks, and fosters trust with stakeholders by demonstrating a commitment to lawful and ethical conduct	**Risk** Legal and regulatory compliance is a dynamic challenge due to changes in regulations, especially in financial markets. Failing to stay updated can lead to fines, lawsuits, operational disruptions, loss of licenses, and reputational damage, which can erode market share and financial stability. **Opportunity** Compliance provides strategic advantages, including better financing terms, stronger business partnerships, and access to ethical investors. It also opens opportunities for green and socially responsible investment funds. Proactively adhering to regulations can improve efficiency, reduce penalty risks, and enhance long-term organisational value.	**Risk** • Establishing a dedicated team responsible for monitoring legal and regulatory changes • Conducting regular training for employees on compliance updates and regulations • Conduct marketing training for relevant teams to prevent mis-selling and false claims • Developing relationships with legal advisors or experts for jurisdiction-specific guidance • Creating a strong ethical organisational culture with a focus on transparency and compliance • Regularly carrying out risk assessments and audits to identify areas of potential exposure to compliance related risks **Opportunity** • Leveraging certifications from regulatory bodies to enhance credibility • Aligning operations with evolving legal standards to attract ethically driven investors • Capitalising on compliance with ESG standards to access socially responsible funds	**Negative implications** • Financial penalties, legal costs, and decreased revenue due to reputation loss. • Higher borrowing costs and reduced access to favourable financing terms **Positive implications** • New revenue streams, particularly through ESG investments and green financing • Reduced legal risks, lowering long-term costs • Enhanced investor and stakeholder confidence • Improved access to stable capital and potentially lowering the cost of financing • Access to government subsidies and concessions	• Amount of fines and penalties paid • Number of notices and warning letters received from regulatory bodies	Internal, External	Financial Capital	8, 16, 17

Risk | Opportunity | Financial Capital | Manufactured and Intellectual Capital | Human Capital | Social and Relationship Capital | Natural Capital

Material Topic	Risk/ Opportunity	Explanation	Rationale for identifying the Risk and Opportunity	In case of Risk/Opportunity, approach to adapt or mitigate	Financial implication of Risk or Opportunity (indicate positive or negative implications)	KPIs	Boundary	Capital Linkage	SDG Linkage
Corporate Governance and Ethics		• Establishing and maintaining robust frameworks for decision-making, transparency, and accountability • Preventing unethical behaviour, such as corruption and discrimination, insider trading, bribery, and upholding corporate social responsibility and fiduciary duties	**Risk** Failure to adhere to ethical standards and regulatory compliance exposes LTF to significant legal repercussions, including fines, penalties, reputational harm, operational disruption, and a significant loss of trust and market value. Such violations could trigger a decline in shareholder confidence, intensify government scrutiny, and result in sanctions or penalties, thereby undermining the long-term viability of the business. **Opportunity** A sound corporate governance framework instils greater confidence and reliability among stakeholders, consequently boosting ESG rankings and strengthening brand integrity.	**Risk** • Establishing processes and controls to strengthen compliance with the Code of Conduct and applicable policies, followed by independent audits • Raising awareness and conducting mandatory regular training on ethical business practices for internal stakeholders • Implementing effective whistleblower and grievance redressal mechanisms • Deploying a Board and Committee structure aligned with Company's long-term stakeholder interests **Opportunity** • Reinforcing ethical standards through clear codes of conduct, ethics committees, and regular governance and ethics training • Establishing a culture of following the highest standards of governance within your Company	**Negative implications** • Inability to raise capital, and fall in the share price due to diminished investor confidence stemming from weak corporate governance or ethical lapses • Legal fines and penalties arising from non-compliance with regulations, leading to significant financial outflows • Potential dissolution of business or suspension of the license to operate due to serious governance failures or ethical violations, halting business operations and threatening long-term viability **Positive implications** • Improved access to capital through enhanced corporate governance practices and stronger ethical standards, attracting long-term and responsible investors, and help in effective engagement with regulators • Stronger customer base driven by increased trust and loyalty as a result of transparency and high ethical standards	• Number of cases related to corruption, insider trading, or whistleblowing • % employee coverage in training on various matters related to ethics • Number of independent members on the Board • KRA for Senior Management linked to corporate governance matters • Appropriate number and structure of committees • Robust controls and processes	Internal, External		

Risk | Opportunity | Financial Capital | Manufactured and Intellectual Capital | Human Capital | Social and Relationship Capital | Natural Capital

Material Topic	Risk/ Opportunity	Explanation	Rationale for identifying the Risk and Opportunity	In case of Risk/Opportunity, approach to adapt or mitigate	Financial implication of Risk or Opportunity (indicate positive or negative implications)	KPIs	Boundary	Capital Linkage	SDG Linkage
Risk and Crisis Management	Risk	Identifying, assessing, and addressing threats and opportunities from both internal and external factors like Data Analytics for Early Warning, Climate risk identification & mitigation, Risk Control Measures for Fraud and Money Laundering, Reputational risks and Systemic Risks, as well as developing strategies to effectively respond to and mitigate crises	**Risk** Risk and Crisis Management is a critical factor as inadequate preparedness for market volatility, regulatory changes, geopolitical risks, or financial disruptions can lead to operational instability, financial losses, and diminished stakeholder confidence.	**Risk** • Strengthening the risk assessment frameworks with predictive analytics • Diversifying asset allocation to mitigate sector-specific downturns • Implementing stress testing and scenario analysis to anticipate potential disruptions • Establishing structural independence of the risk function to ensure unbiased assessment and mitigation • Promoting a company-wide risk assessment culture by embedding risk awareness across all levels • Conducting risk-specific education and training for the Board of Directors and employees to keep them updated on best practices and reporting mechanisms • Leveraging advanced analytics and AI-driven risk assessment to identify potential risks proactively • Collaborating with regulatory bodies and industry peers to align with global best practices	**Negative implications** • Potential financial losses • Poor quality of portfolio • Weakened resilience • Impacts decision-making and operational stability • Increased cost of capital • Reputational damage	• Training hours on risk management • Ability to mitigate risk through ERM framework and employee and Board participation in risk training	Internal	Financial Capital, Manufactured and Intellectual Capital, Human Capital	1, 2, 3, 11

Risk | Opportunity | Financial Capital | Manufactured and Intellectual Capital | Human Capital | Social and Relationship Capital | Natural Capital

Material Topic	Risk/ Opportunity	Explanation	Rationale for identifying the Risk and Opportunity	In case of Risk/Opportunity, approach to adapt or mitigate	Financial implication of Risk or Opportunity (indicate positive or negative implications)	KPIs	Boundary	Capital Linkage	SDG Linkage
Innovation and Digitisation		› Developing cutting-edge processes and leveraging advanced technologies to drive business growth › Enhancing financial literacy for customers using digital modes › Building a futuristic digital architecture to optimise user experiences by utilising in-house engineering and tools like Project Cyclops for sharper credit underwriting › Focussing on all kinds of disruptive innovations from a product and operations perspective › Building innovations around product mix	The strategic adoption of innovation and digitisation provides a compelling opportunity to optimise the way your Company delivers services, increasing both accessibility and cost-efficiency. As consumer expectations tilt towards more streamlined, automated, and transparent experiences, embracing these innovations will likely fortify your Company's competitive standing.	› Investing continuously in digital tools, platforms, and infrastructure › Leveraging AI, machine learning, and data analytics to improve decision-making and customer engagement › Regularly training and upskilling employees to adapt to technological changes › Establishing partnerships with tech innovators › Prioritising cybersecurity measures to safeguard against digital risks	**Positive implications** › Long-term cost savings and increased operational efficiency › Scalable solutions that enhance revenue generation › Improved customer satisfaction and retention, leading to stronger market share › Finclusion of new customer segments, including new-to-credit customers › Ability to tap into newer markets and capture the market share with first mover advantage › Enhanced cybersecurity with innovative measures › Ability to stay ahead of the competitors	› % increase in digital adoption by customers › Reduction in operational costs due to digitalisation › Time reduction in loan approval and disbursement processes › Customer satisfaction and Net Promoter Score (NPS) related to digital experiences › Percentage growth in digital financing offerings and portfolio. › New-to-credit customers	Internal, External		
Privacy and Data Security		› Management of risks related to the collection, retention, and use of sensitive, confidential, and/ or proprietary customer or user data › Protection against incidents such as data breaches in which Personally Identifiable Information (PII) and other user or customer data may be exposed	The risk of data breaches, cyberattacks, and violations of data protection laws poses a significant threat, particularly in light of the growing complexity of digital infrastructure. Inadequate safeguards for sensitive data can erode consumer confidence, leading to legal consequences, and result in hefty financial penalties. Additionally, reputational harm from such incidents could undermine the long-term viability of the business.	› Implementing strong data security frameworks (encryption, access controls, security audits) › Training employees on cybersecurity best practices and ensuring up-to-date compliance with evolving laws › Partnering with cybersecurity firms for proactive threat detection and response › Training customers on data privacy › Ensuring protection of information assets through ISO 27001 certification	**Negative implications** › Potential fines, legal costs, and loss of business from data breaches or non-compliance › Decline in customer base and investor confidence, impacting long-term revenue	› Number of data breaches or incidents › Compliance percentage with data protection regulations › Customer satisfaction related to data security › Average time to detect and address security breaches › Investment in cybersecurity as a percentage of revenue › Number of employees trained in data protection best practices	Internal, External		

Risk | Opportunity | Financial Capital | Manufactured and Intellectual Capital | Human Capital | Social and Relationship Capital | Natural Capital

Material Topic	Risk/ Opportunity	Explanation	Rationale for identifying the Risk and Opportunity	In case of Risk/Opportunity, approach to adapt or mitigate	Financial implication of Risk or Opportunity (indicate positive or negative implications)	KPIs	Boundary	Capital Linkage	SDG Linkage
Return on Equity/Return to Shareholders	Opportunity	› Reflects how effectively a Company utilises its equity to generate profits and create value for its investors	A concentrated effort to elevate ROE illustrates your Company's aptitude in effectively utilising capital to yield robust returns for its investors. As a critical evaluative metric, ROE is indispensable to stakeholders when assessing the long-term financial soundness and operational efficiency of your Company, thus offering an exceptional prospect for both growth and value accretion.	› Enhancing operational efficiency and improving productivity › Focussing on increasing profitability through cost reduction and optimising processes › Optimising the capital structure to ensure effective allocation of equity › Making strategic investments in high-margin businesses to drive profitability › Efficiently utilising retained earnings for reinvestment › Prioritising effective capital allocation to generate higher returns	**Positive implications** › Increased profitability leading to greater shareholder returns › Boosted investor confidence, potentially attracting new investments › Increased access to capital › Potential positive impact on stock price due to higher ROE › Lower cost of capital driven by improved financial performance	› Return on Equity (ROE)	Internal	Financial Capital, Human Capital	8 Decent Work and Economic Growth
Customer Experience and Satisfaction	Risk	› Strategies and practices used to manage customer interactions, enhance satisfaction, and build loyalty › Includes customer acquisition, cross-selling, launching complementary product offerings, and promoting financial literacy to ensure a positive, seamless experience across all touchpoints	The success of any business hinges on customer experience and satisfaction. As customer expectations rise, digital touchpoints evolve swiftly, and the risk of dissatisfaction increases when services fail to meet needs. Inadequate delivery of personalised, seamless experiences may lead to customer churn, adverse reviews, or a decline in market share to competing firms.	› Implementing effective feedback loops for continuous improvement › Investing in technology to provide a more intuitive and user-friendly experience › Providing regular training to customer-facing teams for better communication and problem-solving › Adopting personalised financial solutions tailored to individual customer needs › Optimising digital tools and platforms to improve efficiency and response times › Understanding customer expectations and needs › Providing transparent information and fair advice to customers in relation to the product	**Negative implications** › Reduced customer retention › Increased risk of financial loss › Lower revenue › Higher customer acquisition costs › Increased risks of legal implication › Reputational damage and loss of stakeholder confidence	› Customer satisfaction scores (e.g., Net Promoter Score) › Retention rates › Resolution time for customer complaints/ issues › Feedback response rates	Internal, External	Financial Capital, Social and Relationship Capital, Human Capital	12 Responsible Consumption and Production

Risk | Opportunity | Financial Capital | Manufactured and Intellectual Capital | Human Capital | Social and Relationship Capital | Natural Capital

Material Topic	Risk/ Opportunity	Explanation	Rationale for identifying the Risk and Opportunity	In case of Risk/Opportunity, approach to adapt or mitigate	Financial implication of Risk or Opportunity (indicate positive or negative implications)	KPIs	Boundary	Capital Linkage	SDG Linkage
Climate and Decarbonisation Strategy	Risk, Opportunity	› Company's efforts to assess and address the risks and opportunities related to climate change and to reduce its carbon footprint across its operations › In the financial services sector, it also refers to managing investment portfolios and financed emissions to minimise environmental impact	**Risk** Inaction on climate change can lead to regulatory penalties, higher costs, and reputational damage. Non-compliance with emissions standards may impact LTF's access to long-term financing and partnerships. Physical infrastructure is also at risk due to climate events, alongside potential portfolio stress from higher delinquencies. At the same time, reduced credit loss may occur if customers adapt effectively, underscoring the need for accurate climate-linked risk assessment. **Opportunity** Proactive decarbonisation enables innovation, efficiency, and market differentiation. It opens avenues for climate-focused products and financing solutions, better credit assessment, and reduced operational costs. Aligning with Net Zero goals also enhances investor appeal and long-term sustainability.	**Risk** › Assessing climate risk within portfolios using risk heat maps and stress testing to identify exposures › Developing mitigation strategies based on the assessed climate risks in portfolios › Installing energy-efficient infrastructure, reducing resource wastage, and procuring renewable energy › Embedding climate risk considerations within the Enterprise Risk Management (ERM) framework › Establishing a climate strategy to minimise the negative impact of operations › Advocating for relevant policies and staying updated on environmental regulations › Regularly reviewing and adjusting climate strategies to stay ahead of emerging risks › Partnering with value chain stakeholders to identify and manage climate-related risks › Implementing carbon offset programmes to reduce environmental impact › Improving operational efficiency through adoption of green technologies **Opportunity** › Financing renewable energy projects and energy-efficient technologies through retail finance › Developing a sustainability roadmap with clear decarbonisation timelines › Building partnerships with industry leaders and participating in sustainability initiatives › Supporting clients with climate-resilient financing and climate-aligned lending models	**Negative implications** › Increased compliance costs, environmental penalties, and rising energy and raw material expenses due to tightening regulations related to emissions › High upfront capital expenditures required for transitioning to low-carbon operations and adopting sustainable technologies › Reputational damage from poor ESG performance, potentially resulting in revenue loss, customer churn, or market backlash › Financial risk from reduced investor confidence, potential divestment, or failure to meet sustainability targets **Positive implications** › Stronger brand equity and competitive advantage, appealing to ESG-conscious investors and customers › Improved resilience to regulatory shifts and carbon pricing mechanisms › Enhanced ability to mitigate climate-related risks across the portfolio and participate in the growing sustainable finance market › Lower Non-Performing Assets (NPAs) due to stronger credit risk assessments tied to climate resilience › Cost savings and efficiency gains through adoption of energy-efficient systems and renewable energy. › Access to green financing, tax incentives, and sustainability-linked subsidies	› Emission reduction › Energy savings › Scope 3 and financed emissions reduction	Internal, External	Financial Capital, Natural Capital	SDG 7, SDG 13

Risk | Opportunity | Financial Capital | Manufactured and Intellectual Capital | Human Capital | Social and Relationship Capital | Natural Capital

Material Topic	Risk/ Opportunity	Explanation	Rationale for identifying the Risk and Opportunity	In case of Risk/Opportunity, approach to adapt or mitigate	Financial implication of Risk or Opportunity (indicate positive or negative implications)	KPIs	Boundary	Capital Linkage	SDG Linkage
Financial Inclusion	Opportunity	› Creates availability and equality of opportunities for underserved individuals to access financial services › Defines the process by which individuals and businesses can access appropriate, affordable, and timely financial products and services › Includes offerings such as affordable loans and credit facilities for women entrepreneurs, among others	Expanding access to financial products in underserved markets such as rural areas, small businesses, and women entrepreneurs can help grow the customer base and strengthen market position. It supports economic development, enables last-mile access, and appeals to socially conscious investors.	› Developing tailored financial products for underserved demographics, focussing on affordability and accessibility › Collaborating with technology companies and digital platforms to provide seamless digital financial services › Investing in financial literacy programmes to empower customers and individuals to make informed financial decisions › Partnering with government or NGOs to promote financial inclusion initiatives	**Positive implications** › Expansion into underpenetrated markets can increase the customer base, leading to higher revenue potential › Enhanced market share and competitive advantage by being a leader in promoting financial inclusion	› % of customers from low-income states › Number of rural women receiving loans › % of New-to-Credit customers › Number of community members trained in digital financial literacy by Digital Sakhis	Internal, External	Financial Capital Human Capital Social and Relationship Capital Manufactured and Intellectual Capital	1 No Poverty 2 Zero Hunger 8 Decent Work and Economic Growth 10 Reduced Inequalities
Sustainable and Responsible Finance	Opportunity	› Includes responsibly assessing and managing the ESG risks and opportunities associated with credit and lending decisions, promoting businesses that contribute to sustainable development while minimising negative environmental or social impacts › Represents an opportunity to tap into emerging markets, attract socially and environmentally conscious investors, and enhance long-term profitability through responsible growth and new financial products and instruments	In light of the increasing global emphasis on ESG compliance, sustainable investments, and responsible financial strategies, LTF is committed to leveraging these dynamics. Through the introduction of innovative financial offerings, your Company seeks to attract investors with an ESG orientation, while simultaneously securing affordable, long-term capital, thereby enhancing its competitive positioning in the marketplace.	› Embedding ESG considerations into financing decisions to support sustainable projects, while managing ESG risks › Developing green and sustainable financial products to meet rising demand and open new revenue streams › Engaging stakeholders to align financial strategies with evolving sustainability expectations › Offering new financial instruments that attract low-cost, patient capital and foster long-term relationships with investors › Strengthening ESG risk assessment frameworks to evaluate financial exposures related to sustainability	**Positive implications** › Access to new sustainable finance markets and green funding opportunities › Development of innovative financial products and revenue streams Competitive advantage through alignment with global ESG benchmarks and securing patient capital	› Percentage of ESG-linked financing in total portfolio › Growth in sustainable finance product offerings and new instruments › Sustainability-focused loans › Number of EVs financed	External	Financial Capital Manufactured and Intellectual Capital Social and Relationship Capital	1 No Poverty 2 Zero Hunger 8 Decent Work and Economic Growth 10 Reduced Inequalities

Risk | Opportunity | Financial Capital | Manufactured and Intellectual Capital | Human Capital | Social and Relationship Capital | Natural Capital

Material Topic	Risk/ Opportunity	Explanation	Rationale for identifying the Risk and Opportunity	In case of Risk/Opportunity, approach to adapt or mitigate	Financial implication of Risk or Opportunity (indicate positive or negative implications)	KPIs	Boundary	Capital Linkage	SDG Linkage
Human Capital Development	Opportunity	• Enhance employees' skills, knowledge, and abilities to maximise their contribution to the organisation • Focus on the acquisition, training, management, and retention of employees • Invest in training, professional growth, well-being initiatives, and talent optimisation in AI/ ML, credit and risk, and tech & engineering • Boost productivity, foster innovation, and drive long-term value for both employees and your Company	Investing in employee development fosters a more adaptable and resilient workforce, essential for driving productivity, innovation, and overall customer satisfaction. As industries evolve and technology transforms the business landscape, the demand for a skilled, future-ready workforce becomes critical to sustaining long-term growth and staying competitive. This emphasis on human capital ensures the organisation remains agile, prepared to face emerging challenges, and capable of seizing new opportunities.	• Fostering a culture of continuous learning and innovation by introducing tailored training programmes and leadership academies • Partnering with industry experts, educational institutions, and skill-development agencies to design specialised programmes • Encouraging internal mobility and cross-functional learning to increase knowledge sharing and build a versatile workforce • Implementing performance management systems that align personal growth with organisational goals, ensuring a clear path for career progression	**Positive implications** • Improved employee performance, reduced turnover, and higher engagement • Better financial results and ROI through strategic development • Skilled employees foster innovation and enhance operational efficiency • Development of a well-trained workforce positively impacts long-term profitability	• Employee retention rate and turnover ratio • Employee satisfaction and engagement scores • Number of employees completing development programmes and leadership training • Improvement in individual and team performance metrics post-training • Internal promotion rate and career progression metrics • Cost-to-benefit ratio of training and development initiatives	Internal	Human Capital	3, 4, 8, 10
Sustainable Value Chain	Opportunity	• Ensures ESG compliance across all operations, including vendor engagement, business partners (DSAs and agents), ethical client interactions, and financial reporting, among others • Embeds ESG factors throughout these processes to enhance efficiency, manage risks, and contribute to societal and environmental goals	With an increasing global emphasis on ESG factors, integrating sustainability across the value chain is becoming essential for future-ready businesses. Responsible vendor relationships, ethical client engagement, and transparent financial reporting are key to building stakeholder trust, addressing growing consumer expectations, investor preferences, and regulatory requirements—turning compliance into a competitive advantage.	• Strengthen partnerships with suppliers who follow sustainable practices • Implement rigorous due diligence to ensure adherence to ESG criteria • Adopt circular economy principles to reduce waste and maximise resource efficiency • Invest in technologies that improve supply chain sustainability, such as energy-efficient logistics or renewable material sourcing • Conduct regular audits and transparently report sustainability efforts to stakeholders	**Positive implications** • Long-term cost savings from improved resource efficiency and reduced waste • Increased access to ESG-linked financing and investment • Enhanced brand value and market share driven by stakeholder trust • Lower risk of supply chain disruptions, ensuring operational continuity • Reduced regulatory and reputational risks, safeguarding future revenue streams	• Percentage of suppliers meeting sustainability criteria • Reduction in carbon footprint and waste within the supply chain • Percentage of products sourced from renewable materials or sustainable sources • Compliance rate with international ESG standards and regulations	External	Social and Relationship Capital, Natural Capital	8, 12, 13, 16, 17

Risk | Opportunity | Financial Capital | Manufactured and Intellectual Capital | Human Capital | Social and Relationship Capital | Natural Capital

Material Topic	Risk/ Opportunity	Explanation	Rationale for identifying the Risk and Opportunity	In case of Risk/Opportunity, approach to adapt or mitigate	Financial implication of Risk or Opportunity (indicate positive or negative implications)	KPIs	Boundary	Capital Linkage	SDG Linkage
Diversity, Equity and Inclusion	Opportunity	› Creating an inclusive and diverse working environment for all employees, i.e., no discrimination based on age, cultural background, physical abilities and disabilities, race, religion, sex, and sexual orientation, among others via appropriate policies and procedures. E.g., recruiting women for managerial and leadership roles, being inclusive of individuals with disabilities into the workforce, and implementing targeted initiatives and strategies that emphasize DE&I principles.	Placing a strategic emphasis on Diversity, Equity, and Inclusion (DE&I) catalyses innovation, enhances workforce satisfaction, and improves employee retention, thereby supporting sustained success. This approach nurtures an environment that draws a broader talent pool, while simultaneously promoting collaboration and creativity - critical elements for gaining a competitive advantage in an ever-evolving marketplace.	› Implementing and strengthening DE&I policies through training, leadership development, and mentorship programmes › Investing in platforms and resources to integrate DE&I into daily operations and decision-making › Monitoring DE&I progress using metrics and data to evaluate initiatives › Reviewing recruitment, talent management, and communication strategies to promote DE&I › Fostering safe spaces for open dialogue and employee feedback to drive continuous improvement	**Positive implications** › Improved employee retention, reducing recruitment and training costs › Enhanced brand reputation, leading to greater customer loyalty and sales growth › Increased productivity and innovation contributing to higher revenue › Access to diverse talent pools, driving innovation and better decision-making › Lower talent acquisition cost	› % of women in Senior Management positions › % of women in the total workforce › Number of persons with disabilities in the workforce › % of people employed across different regions › % of women in revenue generating roles	Internal	Human Capital	5, 8, 10
Geopolitical Risks	Risk	› Refers to uncertainties and potential threats arising from political, economic, and social changes on a global scale › Includes conflicts between states, trade disputes, sanctions, and shifts in international relations › These factors can affect global markets, supply chains, and national security › They influence everything from energy prices to cross-border investments	Given the seamless integration of global financial markets, geopolitical events such as trade wars, sanctions, and armed conflicts can significantly disrupt cross-border transactions, foreign investments, and currency stability, leading to financial volatility and regulatory uncertainties.	› Diversifying investments across different regions to reduce exposure › Monitoring political climates and emerging risks continuously › Conducting regular stress tests to assess how geopolitical risks could affect financial outcomes › Building flexibility into financial strategies and maintain strong international partnerships to navigate risks	**Negative implications** › Potential investment losses, higher financing costs, and disruptions to operations and supply chain › Shifts in trade policies or currency values may lower profitability and challenge long-term financial stability	› Investment diversification across regions › Proportion of assets exposed to geopolitical risks › Frequency of geopolitical risk assessments	Internal, External	Financial Capital, Manufactured and Intellectual Capital, Human Capital, Social and Relationship Capital	16

Risk | Opportunity | Financial Capital | Manufactured and Intellectual Capital | Human Capital | Social and Relationship Capital | Natural Capital

Material Topic	Risk/ Opportunity	Explanation	Rationale for identifying the Risk and Opportunity	In case of Risk/Opportunity, approach to adapt or mitigate	Financial implication of Risk or Opportunity (indicate positive or negative implications)	KPIs	Boundary	Capital Linkage	SDG Linkage
Operational Eco-Efficiency	Opportunity	• Reduce the overall environmental footprint (waste, water, and energy, among others) of your Company. • Optimise the use of natural resources to achieve positive business implications, including operational cost reduction. • Protect human rights by identifying areas within operations susceptible to violations. • Implement systems and processes to safeguard against human rights violations. • Actively promote a culture of respect and support for human rights across the organisation and its value chain.	By streamlining operations for greater efficiency, LTF can not only reduce operational costs over the long haul but also comply with environmental regulations, help in preparedness to mitigate climate-related risks, thereby strengthening its reputation as a responsible corporate entity. Sustainable business practices will also play a pivotal role in enhancing public perception and increasing stakeholder trust, particularly among environmentally-conscious investors and clientele.	• Investing in energy-efficient infrastructure and renewable energy sources • Optimising supply chain and production processes to reduce waste • Leveraging data analytics to monitor resource usage and implement green technology solutions • Aligning operational practices with sustainability goals	**Positive implications** • Cost savings from energy, waste, and resource efficiency improvements • Achieving carbon reduction and contribution to Net Zero economy • Potential for higher profit margins due to reduced operational costs • Attractiveness to eco-conscious investors could lead to more funding opportunities or lower capital costs	• Energy consumption reduction (kWh per unit of production) • Waste diversion percentage (from landfills) • Water usage efficiency (gallons per unit of production) • Carbon emissions reduction (tonnes of CO_2 saved annually) • Percentage of operations powered by renewable energy • Savings from energy and resource efficiency improvements	Internal, External	Manufactured and Intellectual Capital; Natural Capital	7, 9, 12, 13, 16

Risk | Opportunity | Financial Capital | Manufactured and Intellectual Capital | Human Capital | Social and Relationship Capital | Natural Capital

Material Topic	Risk/ Opportunity	Explanation	Rationale for identifying the Risk and Opportunity	In case of Risk/Opportunity, approach to adapt or mitigate	Financial implication of Risk or Opportunity (indicate positive or negative implications)	KPIs	Boundary	Capital Linkage	SDG Linkage
Human Rights Protection	Risk, Opportunity	• Identifying areas within operations that are susceptible to human rights violations • Implementing systems and processes to safeguard against such violations • Actively promoting a culture of respect and support for human rights across the organisation and its value chain	**Risk** Non-adherence to human rights principles can result in reputational damage, legal penalties, and loss of stakeholder trust. It may also impact business continuity, investor confidence, and overall brand credibility in increasingly ethics-focused markets. **Opportunity** Prioritising human rights strengthens corporate image and fosters stakeholder confidence. Alignment with global human rights frameworks enhances market differentiation and attracts values-driven investors. It also improves the ability to attract and retain talent, builds stronger brand equity, and supports long-term sustainable growth through ethical business practices.	**Risk** • Ensuring compliance with human rights standards through regular assessment • Providing training and raising awareness on human rights issues among employees and partners • Establishing grievance mechanisms to address potential violations effectively • Conducting periodic human rights assessments and due diligence across LTF's offices and branches • Implementing strict monitoring and auditing processes across supply chains **Opportunity** • Developing proactive human rights initiatives that align with global standards • Partnering with organisations that promote and protect human rights • Promoting transparency and responsible business practices across all operations	**Negative implications** • Potential fines or lawsuits • Reputational damage leading to loss of business or reduced customer trust • Financial losses due to market share reduction and legal costs **Positive implications** • Enhanced brand reputation • Increased customer loyalty and trust, fostering long-term growth • Higher investor confidence, leading to increased capital and market value • Increased access to capital from socially conscious investors • Reduced costs relating to talent acquisition opportunities • Improved risk management	• % of employees who received training on human rights • Number of value chain partners covered by the Third-Party Code of Conduct	Internal, External	Human Capital, Social and Relationship Capital	3, 4, 5, 8, 10, 16

Risk | Opportunity | Financial Capital | Manufactured and Intellectual Capital | Human Capital | Social and Relationship Capital | Natural Capital

Material Topic	Risk/ Opportunity	Explanation	Rationale for identifying the Risk and Opportunity	In case of Risk/Opportunity, approach to adapt or mitigate	Financial implication of Risk or Opportunity (indicate positive or negative implications)	KPIs	Boundary	Capital Linkage	SDG Linkage
Community Development	Opportunity	• Engaging with local communities around operational locations as part of a company's stakeholder engagement strategy • Taking proactive steps to uplift and support these communities • Aiming for sustainable and inclusive growth • Ensuring compliance with CSR (Corporate Social Responsibility) regulations	Investment in community development serves as a strategic lever for elevating brand equity, nurturing strong local partnerships, and validates your Company's licence to operate. By supporting local progress, the organisation contributes to the holistic development of these communities, which can ultimately fuel enduring growth through improved market stability, a capable workforce, and enhanced regional infrastructure.	• Implementing community development programmes that align with your Company's core values • Focussing on areas like education, healthcare, infrastructure, and skill-building • Partnering with the government, NGOs, and other key stakeholders for collaboration and scaling • Monitoring and assessing the impact of initiatives continuously to ensure sustainable outcomes • Encouraging employee involvement in community initiatives to foster a sense of engagement	**Positive implication** • Increase in brand appreciation and revenue share from socially conscious customers • Regulatory benefits, tax incentives, and access to government programmes for community investment • Contribution to achieving SDGs	• Number of CSR beneficiaries • Number of villages covered through CSR initiatives • Social Return on Investment of CSR initiatives	Internal, External	Social and Relationship Capital	11, 17

Risk | Opportunity | Financial Capital | Manufactured and Intellectual Capital | Human Capital | Social and Relationship Capital | Natural Capital

Translating Commitment into Measurable Change

Recognising that meaningful progress requires clear direction and consistent action, LTF advanced significantly towards the ESG targets it had set for FY25 which were approved by the CSR and ESG Committee. These achievements reflect more than intent—they demonstrate a structured, outcome-driven approach to responsible growth.

Performance for Medium-to-Long-Term Targets FY25

Target	Achievements	SDG Mapping
Become carbon neutral by FY35	On track to achieve carbon neutrality target by FY35	7, 13
Increase the share of women representation to 8% of total workforce by FY30	Increased women's representation in total workforce from 4.6% to 5.4% in FY25	5, 10
Achieve 3x increase in villages covered through CSR activities by FY28 compared to FY24	2x increase in villages covered through CSR activities	5, 10
Increase the share of women representation to 18% in Senior Management positions by FY26	Women representation of 18% in Senior Management maintained in FY25	5, 10
Increase the share of women representation to 15% in Middle and Senior Management positions by FY26	Women representation of 9% maintained in FY25	5, 10
Achieve an average of 35 hours of training across all employee categories by FY26	Achieved 38.5 average hours of training in FY25	4, 8
Achieve/Maintain 40% contribution of loan book towards rural livelihood financing in FY25	40% contribution of loan book towards rural livelihood achieved	10
Increase the number of women borrowers receiving Rural Group Loans and Micro Finance to 70 Lakh by FY25	61,06,208* women micro loan borrowers in FY25	5
Use of 50% recycled paper in operations by FY25	Target achieved for stationery savings, except for hard copy sets preserved in compliance with regulatory requirements under applicable law	12, 13
Community outreach to be 7,50,000 members every year till FY25	Community outreach was increased to 16.93 lakh+ in FY25	5

* Adoption of stringent credit policy in-light of stress faced by the industry and shift of focus from growth to risk & portfolio management, the number is less than target.

Performance for Short-term Targets FY25

Target	Achievements	SDG Mapping
To support rural micro-entrepreneurs in expanding their business, aim to maintain proportion of customers availing rural group loans and microfinance at 50%	Out of the total loan disbursed in FY25, 60% of disbursements were to repeat customers	5, 10
Maintain 50% contribution of rural loan book in FY25 from low-income states	50% contribution from rural loan book from low income states in FY25	10
Raise sustainability focused/priority sector funding worth ₹ 4,000 Cr	Raised ₹ 20,480 Cr sustainability focused/priority sector funding	8, 10, 13, 17
Deploy & measure Net Promoter Score (NPS) for customer interactions with various touch points	Achieved an NPS of 54	16
10% increase in adoption of digital mode of payments among target rural communities in the Digital Sakhi project	25% increase in adoption of digital mode of payments among targeted rural communities in the Digital Sakhi project	5
Inclusion of DE&I sensitisation & awareness session for employees	DE&I gamified module rolled out 8 languages	5, 10
Undertake Employee Engagement Survey	Completed GPTW Survey for FY25 with over 80% employee participation	3, 16
Conduct Business Impact Study (BIS) for one rural product	Conducted Business Impact Study covering entire product portfolio	17
Maintain Water Positive/Surplus status	Maintained Water Positive/Surplus Status by replenishing ~176 lakh kL of water	6
Achieve 50,000 tree plantation	1,00,000+ saplings planted	15
Establish a dedicated EV Financing vertical to encourage sustainable product financing and finance over 74,000 EVs	64,759* EVs financed in FY25	11, 13
Develop Sustainable Procurement Policy	Adopted Sustainable Procurement Policy	13, 17
Use PLANET App across business to reduce the scope 3 emission 1) Driving digital collections of more than ₹ 1,200 Cr through PLANET App 2) Servicing 2.5 Cr service resolutions through the PLANET App	› ₹ 2,594 Cr collected through PLANET App in FY25 › 4.5 Cr customer service resolutions delivered through the PLANET App	9, 13

*Challenges faced by EV sector leading to change in strategy to de-risk portfolio in the long term.

LTF's commitment to sustainability through ambitious targets

With an eye on the future, and as recommended by SSC, and approved by the CSR and ESG committee, LTF has now defined a refreshed set of ESG goals for FY26, building on the learnings and momentum from the past year. This section highlights the breadth of your Company's sustainability vision, and sets the stage for its continued journey.

Sustainability Targets FY26

Medium-to-Long-Term Targets

Target	Material Topic Mapping	SDG Mapping
Become carbon neutral by FY35	Climate and Decarbonisation Strategy	7, 13
Increase the share of women representation to 8% of the total workforce by FY30	Diversity, Equity and Inclusion	5, 10
Improve customer satisfaction rate (NPS Score) to 70 by FY29	Customer Experience and Satisfaction	16
Improve accessibility to workplace for Persons with Disability (PwDs) for all large offices and major branches by FY29	Diversity, Equity and Inclusion	8, 9, 10
Achieve ISO 37701:2019 Compliance Management Certification by 2028	Legal and Regulatory Compliance	16
Increase awareness on digital and financial inclusion amongst 1 Cr community members by FY28	Community Development	5, 11
Achieve 3x increase in villages covered through CSR activities by FY28 compared to FY24	Community Development	5, 10, 13
Expanding green cover by planting 5 lakh horticulture saplings, thereby augmenting farmers' income by FY28	Community Development	8, 13
Quarterly consumer awareness programmes including cybersecurity awareness for customers across various social media platforms and other sources till FY27	Privacy and Data Security	4, 9, 11
Encourage sustainable product financing by financing 90,000 EVs by FY27	Sustainable and Responsible Finance	11, 13

Sustainability Targets FY26

Medium-to-Long-Term Targets

Target	Material Topic Mapping	SDG Mapping
Achieve ISO 45001:2018 certification at 4 large offices/branches and ensure periodic reviews for compliance by FY27	Human Capital Development	3, 8, 16
Achieve ISO 14001 Certification for Environmental Management System for Head Office by FY27	Operational Eco-Efficiency	6, 13, 16

Sustainability Targets FY26

Short-Term Targets

Target	Material Topic Mapping	SDG Mapping
Engagement of Independent Director(s) with external stakeholders once a year	Corporate Governance and Ethics	16
Train risk team on ESG issues and its role in risk management in FY26	Risk and Crisis Management	11, 13, 15, 16
Drive digital collections of more than ₹ 3,000 Cr through PLANET App in FY26	Innovation and Digitisation	17
5 Cr service resolutions through the PLANET App in FY26	Innovation and Digitisation	17
Roll out chatbot facility to guide customers on cybersecurity and safety in FY26	Privacy and Data Security	9
Achieve sustainability focused loan / PSL of ₹ 1,000 Cr every quarter. (annual target ₹ 4,000 Cr) for FY26	Financial Inclusion	8, 10, 13, 17

Sustainability Targets FY26

Short-Term Targets

Target	Material Topic Mapping	SDG Mapping
Support 75,000 farmers through Farmer Finance in FY26	Sustainable and Responsible Finance	2 Zero Hunger; 8 Decent Work and Economic Growth; 10 Reduced Inequalities
Undertake employee engagement survey in FY26	Human Capital Development	3 Good Health and Well-Being; 16 Peace, Justice and Strong Institutions
Achieve 30,000 hours of employee training on ESG by FY26	Human Capital Development	3 Good Health and Well-Being; 4 Quality Education; 5 Gender Equality; 16 Peace, Justice and Strong Institutions
Achieve an average of 35 hours of training across all employee categories in FY26	Human Capital Development	4 Quality Education; 8 Decent Work and Economic Growth
100% of employees to be trained on occupational health and safety practices in FY26	Human Capital Development	3 Good Health and Well-Being; 4 Quality Education; 8 Decent Work and Economic Growth
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.	Human Capital Development	3 Good Health and Well-Being; 8 Decent Work and Economic Growth; 16 Peace, Justice and Strong Institutions
Conduct annual value chain awareness on human rights in FY26	Sustainable Value Chain	8 Decent Work and Economic Growth; 16 Peace, Justice and Strong Institutions; 17 Partnerships for the Goals

Sustainability Targets FY26

Short-Term Targets

Target	Material Topic Mapping	SDG Mapping
Increase the share of women representation to 18% in Senior Management positions by FY26	Diversity, Equity and Inclusion	5 Gender Equality; 10 Reduced Inequalities
Increase the share of women representation to 15% in Middle and Senior Management positions by FY26	Diversity, Equity and Inclusion	5 Gender Equality; 10 Reduced Inequalities
Maintain 100% e-waste recycling rate in FY26	Operational Eco-Efficiency	13 Climate Action
Increase disclosure on purchased goods beyond paper waste generation in FY26	Operational Eco-Efficiency	12 Responsible Consumption and Production; 13 Climate Action
Maintain Water Positive/Surplus status in FY26	Operational Eco-Efficiency	6 Clean Water and Sanitation; 13 Climate Action

Financial Capital

Fuelling Growth, Securing the Future

Alignment to UN SDGs

8 DECENT WORK AND ECONOMIC GROWTH
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
17 PARTNERSHIPS FOR THE GOALS

Impact on Material Issues

- Return on Equity/Return to Shareholders
- Sustainable and Responsible Finance

The key to unlocking sustained success resides in nurturing a solid financial foundation that drives both responsible growth and resilience.

A strong financial foundation is the catalyst that transforms vision into reality, ensuring businesses thrive across economic cycles and continue to create value for its stakeholders

LTF is committed to establishing a robust economic foundation that empowers the organisation to transform its objective into reality, ensuring it delivers across various economic cycles. Moreover, your Company recognises the intrinsic link between sustainability and long-term economic success, integrating responsible resource management into its core strategy. This commitment is guided by the principles of the UN SDGs. By strategically aligning its initiatives with key SDGs, LTF enhances its operational efficiency and generates enduring value for its stakeholders. These concerted efforts reinforce LTF's role as a leader in promoting inclusive and sustainable economic advancement.

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

Key Highlights

97%
Retailisation

₹ 60,040 Cr
Total Retail Disbursements

₹ 97,762 Cr
Book size

₹ 2,644 Cr
Highest Ever Annual PAT

3.29%
GS3

0.97%
NS3

₹ 20,480 Cr
Sustainability Focused/Priority Sector Loans

2.44%
Highest Ever Return on Assets (RoA)

10.87%
Return on Equity (RoE)

22.27%
Capital to Risk (Weighted) Assets Ratio (CRAR)

3.35
Debt-to-Equity Ratio

₹ 102.5
Book Value per Share

Capitals Impacted

Manufactured and Intellectual Capital

LTF focusses on expanding its finance offerings and immediate investments in infrastructure and technology helping long-term innovation initiatives. Enhancing physical assets may foster short-term allocation of resources towards developing sustainable financial products, while driving innovation.

Human Capital

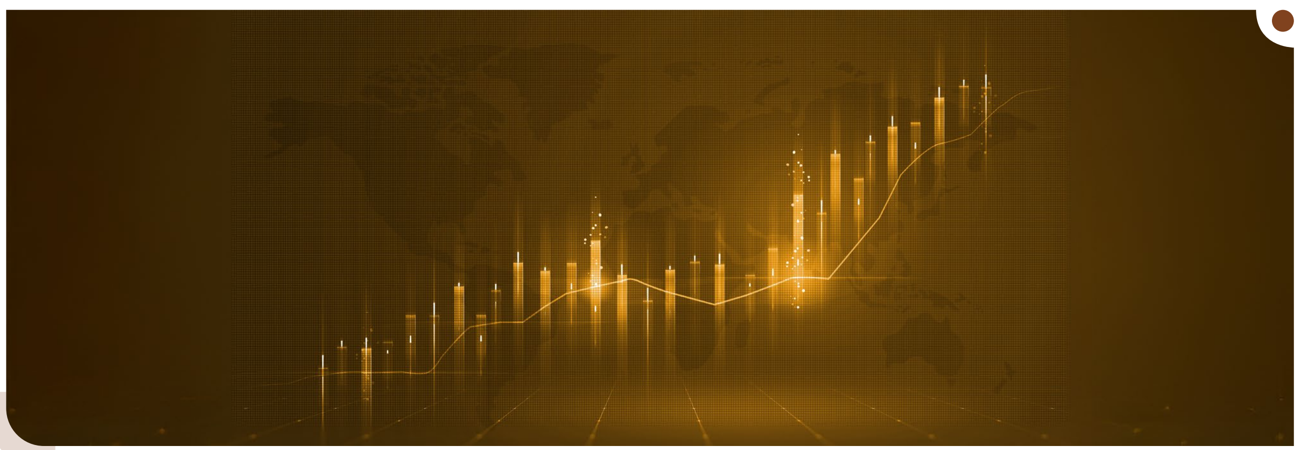
The drive to maximise investor returns also involves employee training and development programmes. This helps in increasing workforce competence and morale, potentially having positive impact on productivity and furthering your Company's long-term innovation strategy.

Social and Relationship Capital

The emphasis on financial performance, though essential for shareholder returns, is also critical for engagement with local communities. A profit-centric approach along with social engagement helps build the reputation and fosters trust and collaboration within the communities LTF serves.

Natural Capital

Your Company's drive for profitability through a broad range of financial offerings need to go hand-in-hand with the imperative of preserving natural capital. The optimised use of resources helps in long-term environmental sustainability, demonstrating a careful balance between economic gain and environmental stewardship.



LTF's financial resource strength and operational excellence underpin its sustainable growth and year-round profitability. LTF has expanded its retail finance offerings to address the diverse financial needs of individuals and enterprises nationwide. A stable, diversified liability profile, built with a long-term perspective, has strengthened LTF's business model, advancing financial inclusion for millions, particularly unserved and underserved rural borrowers, including women.

This disciplined approach has strengthened the balance sheet, ensured resilience and delivered consistent returns. Moreover, it has promoted social equity by emphasising priority sector lending. Your Company effectively synchronises its financial capital with strategic objectives to sustain profitability and drive inclusive economic advancement.

LTF's disciplined management of resources and strategic execution has fuelled exceptional performance, enabling your Company to surpass its Lakshya 2026 targets two years ahead of schedule in FY24. Capitalising on this momentum, your Company is focused on further strengthening its operations and financial robustness, reinforcing its commitment to sustainable growth and inclusive progress.

Financial Performance

In FY25, LTF maintained its strong financial trajectory, achieving record profitability and enhanced operational excellence. The increased retailisation of the total portfolio to 97% reaffirmed LTF's commitment to a well-diversified and granular retail lending strategy, which has historically provided greater stability and resilience amid market fluctuations.

Your Company's strong credit governance and risk management strategies and focused collection efforts, showcase your Company's commitment to strong asset quality. These efforts have led to the consolidated PAT increase to ₹ 2,644 Cr a 14% YoY rise, representing the highest annual PAT in your Company's history. This profit growth was driven by resilient NIMs + Fees in a volatile credit environment, showcasing LTF's ability to optimise both interest margins and fee-based income streams. Your Company also achieved highest ever annual RoA of 2.44%.

Capital adequacy remained strong, with a CRAR of consolidated 22.27%, ensuring your Company remains well-capitalised for sustained growth, while maintaining a prudent buffer against market volatility. Additionally, the debt-to-equity ratio is 3.35 in FY25, highlighting LTF's disciplined approach to capital management and its strategic focus on deleveraging while expanding its retail portfolio.

The combined impact of these initiatives reinforces LTF's position as a financially resilient and growth-driven organisation.

Stable Credit Cost

LTF strategically responded to macroeconomic challenges like prolonged heat waves, severe floods, and temporary slowdowns in government expenditures due to general elections, among others. The provisions, set aside during COVID (FY21 & FY22), were wisely carried forward by LTF. They served as a financial safeguard against future uncertainties. Totalling ₹ 975 Cr, these provisions were specifically allocated to the Rural Group Loans & Microfinance ('RGL & MFI') business. This allocation aimed to protect against unforeseen macroeconomic events. Due to the impact of external disruption in the rural economy, the Audit Committee and Board approved the utilisation of ₹ 400 Cr in FY25. This decision aimed to offset the credit costs in these segments due to macro economic events. This proactive approach helped deliver stable credit cost outcome in an adverse cycle, thereby adequately protecting the balance sheet.

Your Company expects, in absence of any further new events, a return to normalised collection efficiency by early Q2FY26 for LTF. By effectively deploying the reserves, LTF has demonstrated its ability to navigate adverse market conditions while maintaining stable asset quality.

LTF leverages its robust financial health, disciplined credit underwriting and risk management, and well-calibrated growth strategy to sustain its leadership position in the retail lending space.

Enhancing Shareholder Value with Strategic Growth

LTF remains committed to delivering sustained value to its investors and shareholders through responsible governance, transparency, and integrity. By focussing on revenue growth and prudent financial management, your Company continues to maximise shareholder returns.

Reinforcing this commitment, LTF ensures transparent disclosures and active investor engagement through quarterly calls and regular analyst meetings. As your Company progresses towards becoming a technology driven company, it has adopted a 5-Pillar execution strategy. These strategic pillars have been the foundation of LTF's financial achievements.

Please refer to the Management Discussion and Analysis section to understand the details of the 5-Pillar execution strategy.

Resilient Asset Quality

LTF remains committed to maintaining strong asset quality through a disciplined risk management framework and proactive provisioning. In FY25, your Company continued to strengthen its financial resilience by carrying macro-prudential provisions on its retail portfolio. LTF also maintains GS3 provisions and recognises Expected Credit Loss (ECL) on standard assets.

LTF has upheld its reputation for strong credit discipline. This is reflected in its Provision Coverage Ratio (PCR) of 71%, reflecting its prudent approach to risk management and ensuring resilience in a dynamic operating environment. The Retail Net Stage 3 at 0.81% further underscores the effectiveness of your Company's risk-mitigation strategies.

Retail Asset Quality

'0 DPD' for LTF's 3 fulcrum products:

Rural Group Loans and Micro Finance (JLG)

80.2% | 94.9%

Farm Equipment Finance

78.2% | 87.6%

Two-Wheeler Finance

79.6% | 89.0%

Industry | LTF

Best-in-class 0 DPD portfolio of LTF vis-a-vis the industry

*Industry figures are for immediately preceding quarter as per CRIF highmark data

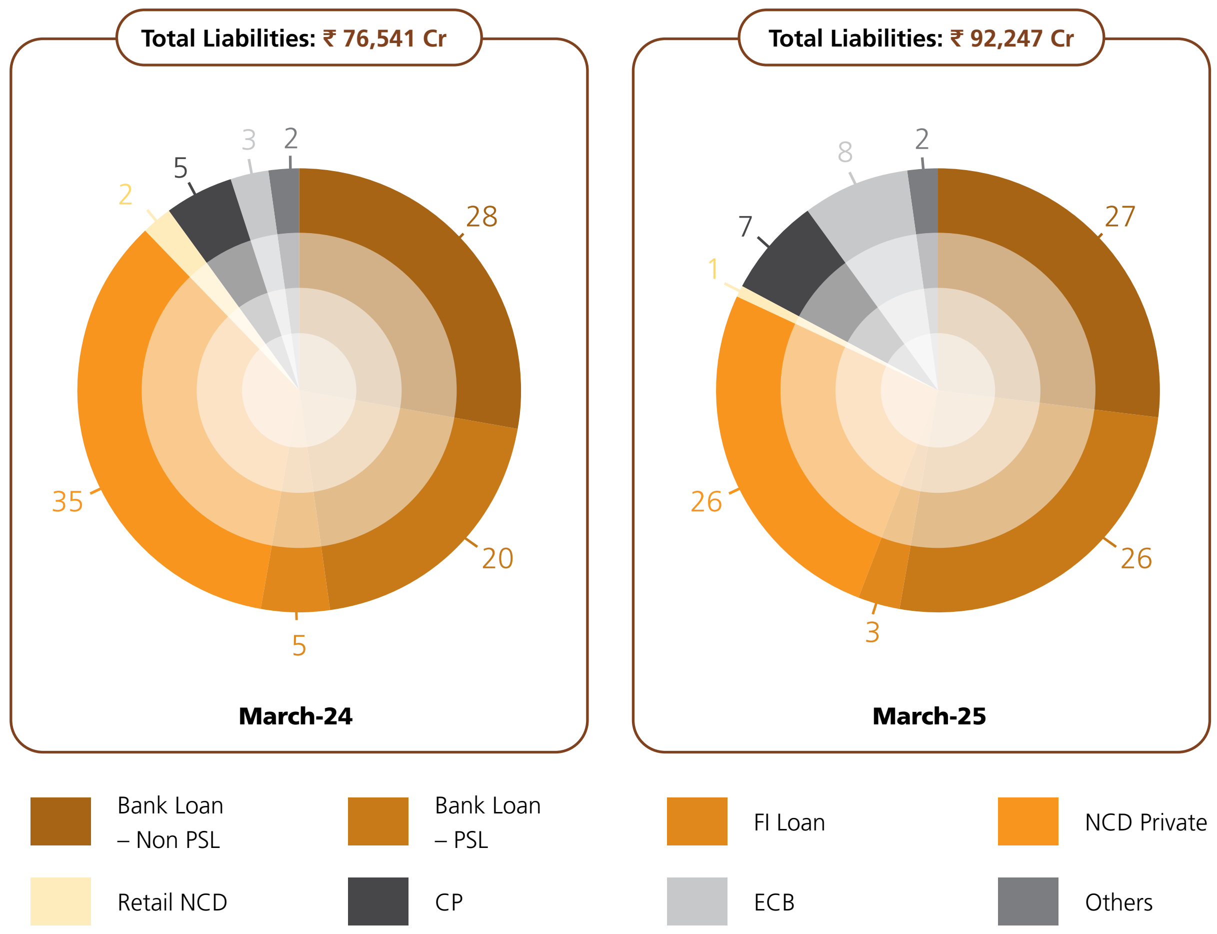
Retail and Consolidated Asset Quality

Proactive Asset-Liability Management for Financial Stability

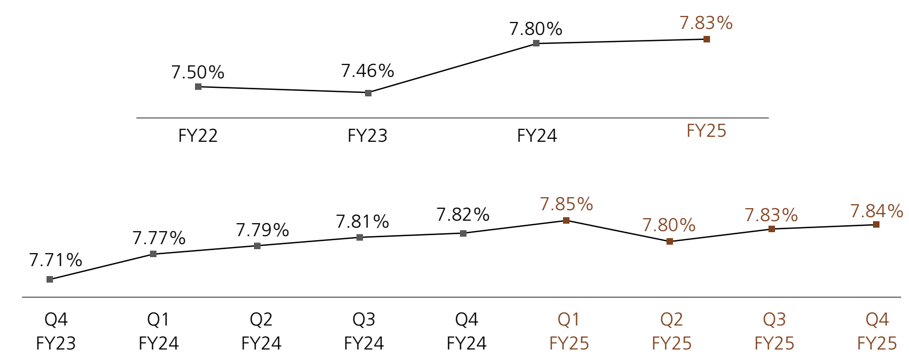
Proactive Asset-Liability Management (ALM) is crucial for ensuring liquidity, stability, and operational efficiency in an NBFC. In FY25, LTF navigated a dynamic interest rate environment with a well-calibrated asset management strategy, ensuring an optimal balance between cost and liquidity.

Diversified liability mix has enabled restricting the quarterly WACB by 1 bps (QoQ) to 7.84% in Q4FY25. Your Company managed superior WACB with a mere 33 bps increase over the past 3 years, while policy rates have moved up significantly. Additionally, LTF sustained cumulative positive liquidity gaps. This was despite significant inflows from prepayments and sell-downs in the wholesale book, underscoring your Company's robust ALM and investment strategy.

Diversified Liability Mix (%)



Weighted Average Cost of Borrowing (WAC)



Prudent ALM along with changing portfolio mix towards retail

Leveraged Retail Asset profile to garner competitive funding

Over the years, the diversification of funding sources through Sustainability-linked Loans and Social Loans has also provided multiple strategic advantages to your Company. By securing sustainability-focused capital, your Company has been able to optimise its cost of funds, thereby enhancing profitability and financial flexibility. These funding avenues have also reinforced LTF's ESG commitments, aligning with global sustainability goals and investor expectations.

Strong Credit Ratings

In FY25, LTF continued to demonstrate robust financial health and creditworthiness, as reaffirmed by CRISIL in its latest rating rationale dated September 3, 2024. Your Company has maintained its superior ratings across various debt instruments, reflecting its strong credit profile and operational resilience.

Highest Credit Rating 'AAA'

L&T Finance has a 'AAA' rating from all the key Rating Agencies namely, Crisil Ratings, ICRA, India Rating and CARE Ratings. 'AAA' rating to the debt securities are considered to have the highest degree of safety regarding timely servicing of financial obligations. Such securities carry lowest credit risk.

Following are some of the key strengths highlighted by rating agencies:

- Diversified business mix with strong presence across the financial services space
- Strategic importance and strong support provided by the parent, Larsen & Toubro Limited, to the financial services business
- Strong resource raising ability and adequate capitalisation
- Comfortable liquidity position

Strengths and Challenges

LTF has benefitted from strong parentage, diversified funding, and solid financial performance, supporting its stable credit profile. Your Company has a growing retail loan portfolio and continues to enhance its business strategy. Moreover, LTF has targeted carbon neutrality by 2035 and is focussing its efforts on financial inclusion and adopting green initiatives.

However, challenges continue to persist, in light of the macro economic factors, both globally and domestically. These factors require careful risk management to maintain financial stability.

The high credit ratings awarded to LTF reflect the trust that rating agencies place in its financial strength, operational effectiveness, and strategic planning. As your Company advances its growth agenda in FY25, it remains dedicated to upholding the highest standards of creditworthiness and transparency. By reinforcing governance, optimising risk management, and maintaining a solid financial foundation, LTF aims to sustain its leadership position in the industry.

Long-Term/Short-Term Ratings of LTF

Rating Agency

CRISIL AAA Rating (Stable)/ CRISIL A1+	ICRA AAA (Stable)/ICRA A1+	IND AAA (Stable)/IND A1+	CARE AAA (Stable)/ CARE A1+

Consolidated Statement of Economic Value Generated and Distributed for FY25

Sr. No.	Particulars	Year Ended March 31, 2025 (₹ in Cr)	Year Ended March 31, 2024 (₹ in Cr)
1.	**Economic Value Generated**		
a.	Turnover	15,924.24	13,580.58
b.	Other Income	254.74	675.38
Total Economic Value Generated		**16,178.98**	**14,255.96**
2.	**Economic Value Distributed**		
a.	Operating Cost	1,607.30	1,583.50
b.	Employee Wages and Benefits	2,216.51	1,806.37
c.	Payments to Providers of Capital	6,619.22	5,873.80
d.	Payments to Governments	1,003.81	916.53
e.	CSR Initiatives and Donation	21.86	3.23
Total Economic Value Distributed		**11,468.70**	**10,183.43**
3.	**Economic Value Retained**	**4,710.28**	**4,072.53**

LTF Credit Policy: A Strong and Ethical 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, and robust risk management. The policy reflects a proactive approach to managing risk and 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 and ensure regulatory compliance.

Ongoing Monitoring and Adaptability

Monitors market conditions and adjusts its policies continuously to address evolving risks and opportunities.

Dual Underwriting Approach

Combines conventional underwriting methods with a scorecard-based decisioning model, evaluating creditworthiness from multiple angles.

Commitment to Responsible Lending

Ensures ethical lending to guarantee that its policies are aligned with responsible financial 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 back activities that are harmful to society, the environment, or human rights.

The exclusion list prohibits financing for:

- Forced Labour and Exploitative Child Labour
- Wildlife Trade
- Gambling, Casinos, and Equivalent Enterprises
- Weapon Production and Trade
- Hazardous Substances and Banned Chemicals
- Mining and Thermal Energy Projects

By maintaining these exclusions, LTF ensures that 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. Your Company'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 concentrated focus on environmental risk ensures that LTF's financing decisions support loans that are resilient in confronting climate-related difficulties.

Tax Strategy

LTF is dedicated to adhering to tax laws in its operational geographies. Ensuring timely statutory tax compliance, LTF makes necessary disclosures. It legitimately leverage tax incentives as per applicable law. Your Company has effective systems to identify and report taxation risks, seeking updates and providing training. LTF operates in India, aligning tax reports with local laws. Compliance is crucial for uninterrupted operations, and your Company remains committed to its tax responsibilities.

LTF's Portfolio Mix

44% Rural

Rural Business Finance

- Rural Group Loans and Micro Finance (JLG)
- Micro LAP

SDGs Impacted

Farmer Finance

- Farm Equipment Finance
- Agri-Allied Finance

SDGs Impacted

56% Urban

SME Finance

- SME Loans to Professionals and Traders (including supply chain)

SDGs Impacted

Urban Finance

- Two-Wheeler Finance
- Home Loans and LAP
- Personal Loans

SDGs Impacted

Sustainable Financing

India is navigating a transformative course towards fulfilling its sustainable finance targets, a journey that aligns with the G20's global objectives to foster a more sustainable and equitable future. In this national endeavour, LTF has seamlessly incorporated ESG considerations into its business and financial frameworks. This integration is not merely a response to global trends. It stands as an evidence of your Company's long-term commitment to creating sustainable value for its stakeholders, addressing societal and environmental challenges, and contributing to the achievement of the country's ambitious sustainability goals.

LTF's Adoption of Sustainable Finance is Driven by the Following Pillars

Strategic Alignment with Sustainability

LTF integrates sustainability principles into its business strategy to drive long-term value and address environmental and social risks.

Risk Management and Mitigation

Through the inclusion of ESG factors in decision-making, LTF manages potential risks such as environmental degradation, social unrest, regulatory shifts, and reputational threats, reinforcing its market stability.

Accessing Capital through Sustainable Finance

LTF taps into sustainability focused funds that yield both environmental and social returns.

Creating Impact through Retail Financing

LTF places its focus on financing that addresses global issues like poverty alleviation, and sustainable development. This guarantees social value, while also delivering positive financial returns for its investors.

Commitment to Global Standards and Transparency

LTF is committed to following internationally recognised guidelines, including the Green Bond Principles, Social Bond Principles, the Global Reporting Initiative (GRI) and the Task Force on Climate-Related Financial Disclosures (TCFD). This ensures its commitment to best practices and transparency in sustainable finance.

The Sustainable Finance Framework (SFF)

LTF has developed a robust Sustainable Finance Framework ('SFF') to enhance its ability to support finance that promote positive social and environmental impacts, aligning with the UN SDGs. The SFF is designed to attract investment that can be classified as environmentally and socially beneficial, ensuring that each investment is backed by clear and measurable outcomes.

The framework consists of six key pillars:

- Use of Proceeds
- Evaluation and Selection Process
- Management of Proceeds
- Reporting
- External Review
- Sustainability-Linked Instruments

These pillars are informed by the best practices outlined in prominent global guidelines, including:

I. 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

II. 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

III. Climate bond initiative taxonomy serves as a crucial reference point, facilitating the identification and categorisation of eligible projects within the SFF

Second-Party Opinion

LTF's commitment to sustainable finance is further validated by a Second-Party Opinion from CRISIL, offering an independent assessment of your Company's alignment with international standards, including the Green Bond Principles (GBP), Social Bond Principles (SBP), and the Sustainability Bond Guidelines (SBG).

CRISIL's opinion affirms your Company's dedication to financing eligible, sustainable projects and highlights its comprehensive framework to ensure efficient allocation of resources within a 24-month timeframe. Through initiatives like clean transportation, and a strong focus on gender equality, LTF is well-positioned to fulfil its objectives.

Exclusionary Criteria for Sustainable Financing

LTF upholds the highest ethical standards in its investment practices. Therefore, the following sectors are deliberately excluded from sustainable financing:

Unethical Practices

Projects involving forced labour, child labour, wildlife trafficking, gambling, or the manufacturing of arms, tobacco, and associated industries.

Environmentally Harmful Sectors

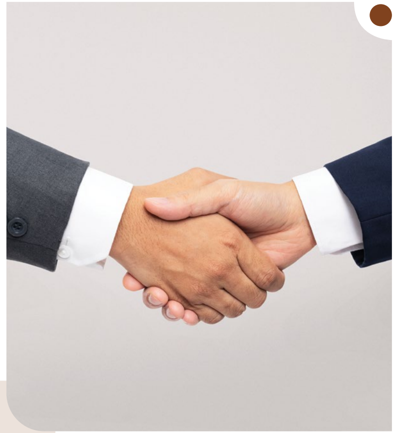
Investments in hazardous chemicals, mining operations, thermal energy projects, and other sectors that cause significant environmental or societal harm.

This approach reflects LTF's broader commitment to financing projects that contribute to creating a more sustainable, equitable future for all. Each category is designed to align with your Company's core values of sustainability, responsibility, and positive impact. This ensures that LTF's financing supports projects that generate financial returns and make a lasting difference for both society and the environment.

Shaping a Sustainable Future in FY25

At LTF, the drive for sustainable finance continues into FY25 with a disciplined approach, The organisation is firmly rooted in responsible investment and a strong commitment to fostering enduring positive change.

Through quarterly reviews by its Board-level Committee, LTF affirms its dedication to transparency and accountability, ensuring that its portfolios remain consistently aligned with the ethos of sustainable finance. In addition, the internal monitoring infrastructure allows for the continuous oversight of net proceeds, guaranteeing their allocation and alignment with project objectives and ESG requirements.



Partnering for Positive Change

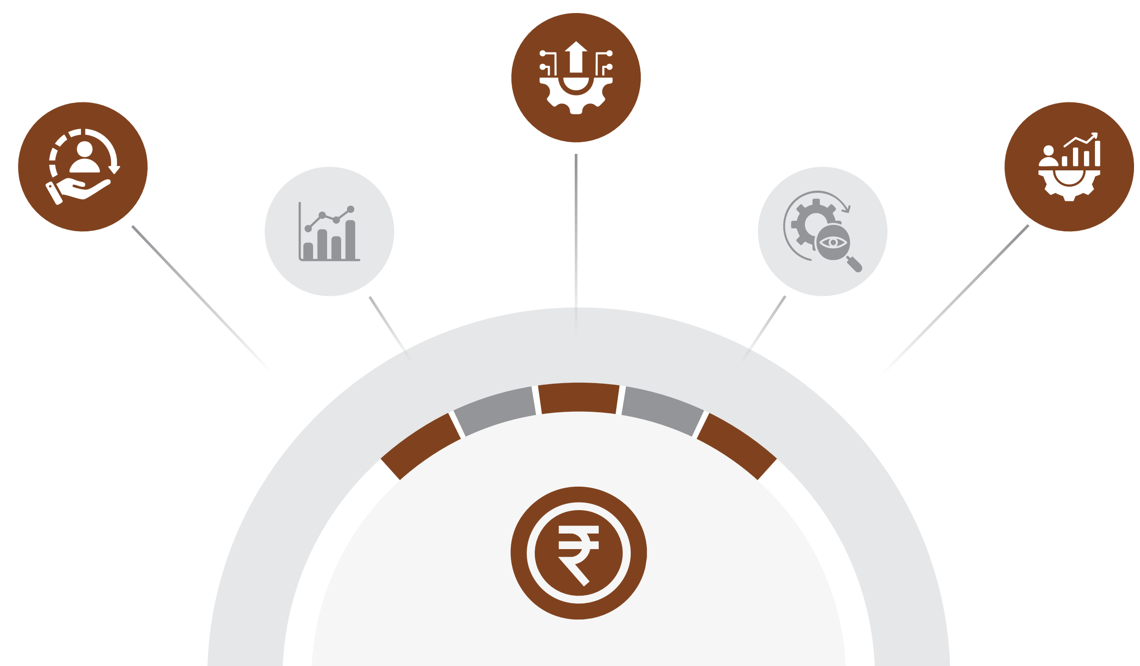
Aiming to secure ₹ 4,000 in sustainability-focused/PSL loans in FY25, LTF has raised a total of ₹ 20,480 from diverse financial institutions. This represents a significant increase from FY24, underscoring your Company's strong commitment to driving meaningful business outcomes.

LTF persistently prioritises priority sector loans, with a distinct focus on tractor financing and rural business loans, reflecting its commitment to fostering rural and agricultural growth.

Strategic Contribution of Financial Capital

LTF uses its Financial Capital to achieve strategic objectives in alignment with its 5-Pillar framework. The contributions include:

Enhancing Customer Acquisition	Sharpening Credit Underwriting	Implementing Futuristic Digital Architecture	Heightened Brand Visibility	Capability Building
Robust financial capital enables tailored lending products for underserved segments, while strategic retailisation ensures deeper market penetration. Together, they drive customer-centric growth, strengthen inclusion, and accelerate acquisition across geographies.	Macro-prudential buffers and data-driven underwriting models enhance risk evaluation and portfolio quality. This reduces credit costs, strengthens decision-making, and ensures long-term financial stability.	Strategic investments in digital infrastructure, AI, and automation build a scalable, secure, and agile ecosystem. This enables faster onboarding, seamless servicing, and future-ready lending operations.	Record profitability, top-tier credit ratings, and ESG-linked funding build investor confidence. Transparent governance and purpose-led growth elevate brand equity and stakeholder trust.	Sustained capital flows into digital, ESG, and people capabilities create a resilient institutional backbone. This drives agility, regulatory alignment, and readiness for tomorrow's opportunities.



Manufactured and Intellectual Capital

Building a Resilient and Scalable Ecosystem

Alignment to UN SDGs

8 Decent Work and Economic Growth
9 Industry, Innovation and Infrastructure
11 Sustainable Cities and Communities
12 Responsible Consumption and Production

Impact on Material Issues

- Legal and Regulatory Compliance
- Privacy and Data Security
- Innovation and Digitisation
- Financial Inclusion
- Customer Experience and Satisfaction

Businesses are required to build resilient and scalable operations in an increasingly digital and data-driven world.

LTF believes that in an age of digital dominance, building operations that are both resilient and scalable requires more than just technology – it demands an integrated ecosystem where physical infrastructure elevates digital performance.

With strategic investments in cloud infrastructure, AI/ML-powered risk analysis, automation, cybersecurity, and data intelligence, your Company is strengthening its operational framework. These investments are designed to enhance efficiency, security, and scalability while ensuring seamless service delivery across all customer touchpoints.

In line with this goal, your Company's 'phygital' strategy seamlessly blends digital innovation with a strong on-the-ground presence, facilitating deeper market reach—especially in rural and underserved regions. The cloud-powered infrastructure and AI-driven credit underwriting processes ensure faster, smarter decision-making, while the omnichannel approach, including the PLANET App, delivers a smooth and seamless customer journey. Complementing these digital innovations, your Company's physical network reinforces last-mile connectivity, ensuring that services are both accessible and trustworthy across diverse customer groups.

Through the integration of cutting-edge technology and a solid infrastructure, your Company is not simply responding to digital changes—it is proactively building a future-ready, scalable, and inclusive financial ecosystem.

Key Achievements

~2.6 Cr
Customer Database

100%
Digital Disbursements (Rural + Urban)

2,297
Number of Branches PAN India (including Head Office)

13,000+
Distribution Touchpoints

~2 lakh
Villages Served

100+
Cities/Towns Served

₹ 3,800 Cr+
Digital Collections (PLANET App)

₹ 12,700 Cr+
Digital Sourcing (PLANET App)

~84%
of Self-Service Transactions Facilitated through PLANET App

685 lakh+
Customer Servicing Experience through Digital Channels

07+
LTF AI Stalls at R.AI.SE Event

Capitals Impacted

Financial Capital

Manufactured and intellectual capital contribute significantly to financial strength by driving operational efficiency, reducing costs, and fostering innovation-led revenue growth. Investments in cutting-edge technologies enhance productivity and market competitiveness, leading to higher profitability and financial stability.

Social & Relationship Capital

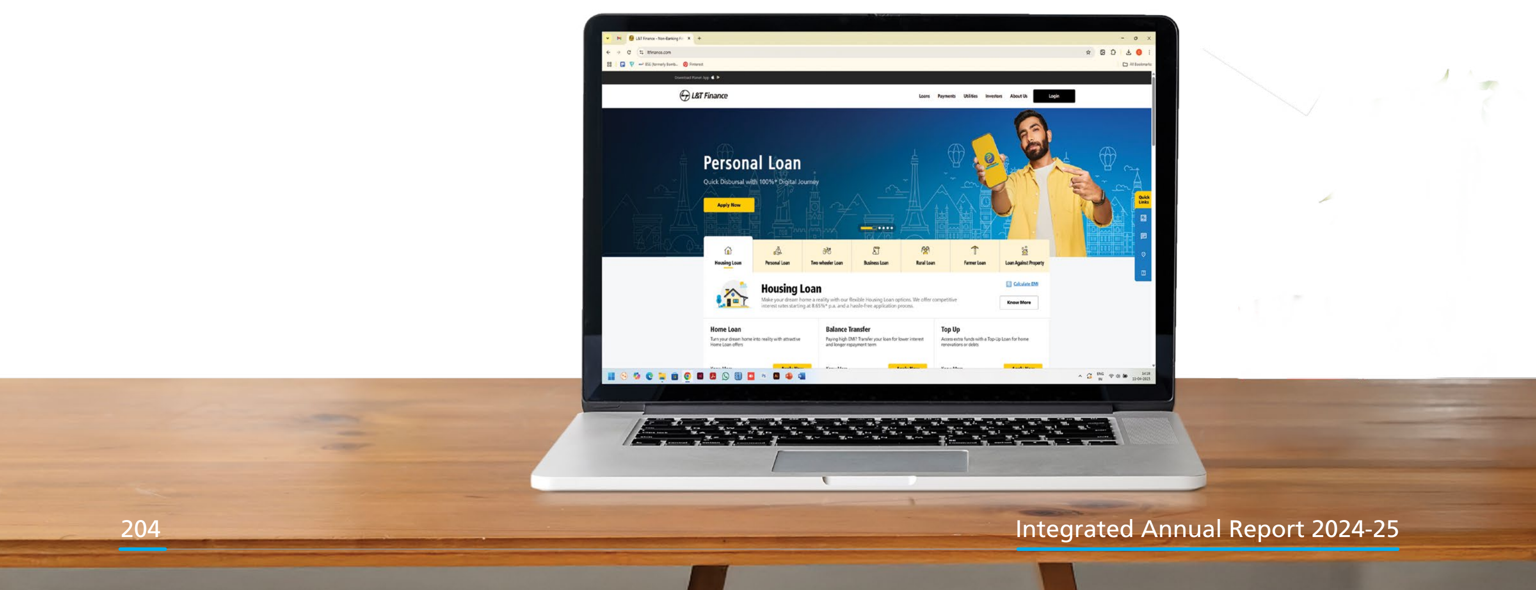
A strong focus on intellectual and manufacturing capital enhances customer trust, supplier relationships, and industry collaborations, fostering long-term business partnerships and community engagement. By developing innovative solutions and maintaining high-quality standards, your Company, strengthens its market reputation.

Human Capital

The integration of automation, digitalisation, and advanced manufacturing processes creates opportunities for workforce upskilling and career growth, enhancing employee engagement and productivity. A technologically advanced work environment attracts skilled professionals and fosters innovation.

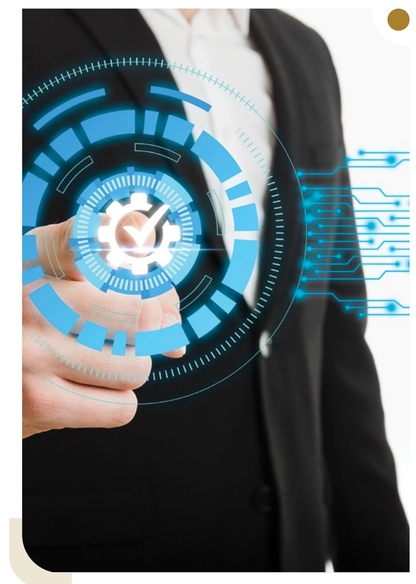
Natural Capital

Investments in sustainable manufacturing and process innovations reduce energy consumption, optimise resource use, and minimise waste, contributing to environmental conservation. The adoption of eco-friendly technologies ensures regulatory compliance and supports long-term ecological balance.



A Phygital Approach to Driving Efficiency and Growth

Your Company is advancing its operational capabilities by making targeted investments in technology and strengthening its physical presence, crafting a balanced phygital ecosystem. The integration of state-of-the-art digital solutions with a strong physical network ensures fluid customer interactions, comprehensive risk management, and deeper market penetration.



Key Initiatives Driving Operational Excellence

To further strengthen its operational efficiency, your Company has implemented strategic initiatives that enhance risk management, improve service quality, and streamline customer interactions.

Initiative	Purpose
LTF's Reporting Repository (LRR)	Enhances risk management by leveraging the Customer360 and Employee360 APIs to identify delinquent customers and ensure proactive credit assessment.
Multi-Bureau Application	Integrates external credit bureau data from TransUnion CIBIL, CRIF Highmark, Equifax, and Experian, enabling comprehensive credit analysis and risk assessment.

The synergy of advanced technological insights and an optimised operational framework strengthens decision-making processes and ensures smooth, uninterrupted service delivery at every customer interaction.

Strengthening Risk Management through Phygital Integration

Your Company's risk management framework leverages both technology-driven insights and on-ground intelligence to enhance credit decision-making and security.

- **Multi-Bureau Credit Analysis:** An in-house system that integrates external credit data from TransUnion CIBIL, CRIF Highmark, Equifax, and Experian, enabling comprehensive risk evaluation, enhanced creditworthiness assessment, and informed lending decisions.
- **LTF's Reporting Repository (LRR):** Utilising Customer360 and Employee360 APIs, this platform identifies delinquent customers for proactive risk mitigation.
- **Granular Exposure Controls:** A structured risk management framework that tracks exposure at district and state levels, allowing dynamic adjustments in lending strategies based on localised economic conditions and borrower risk profiles. This phygital risk model ensures robust governance, fraud prevention, and credit optimisation across diverse economic environments.

Advancing Digital Capabilities for Seamless Operations

To further drive efficiency, LTF continues to invest in technology-first innovations, enhancing speed, accuracy, and security in financial services.

Key digital initiatives include:

- AI/ML-driven risk assessment, optimising underwriting and credit decision-making
- Cloud-based IT infrastructure, ensuring seamless scalability and security
- Automation-led credit underwriting, expediting loan approvals
- Omnichannel engagement platforms, including the PLANET App, enhancing customer experience through digital payments, collections, and service accessibility

By integrating these technology-driven capabilities, your Company strengthens its competitive edge while fostering an agile, customer-first financial ecosystem.

Expanding Reach through a Phygital Network

Alongside its digital advancements, your Company is expanding its physical presence to enhance service accessibility and strengthen customer relationships.

- Fosters financial inclusion in both urban centres and underserved regions through strategic expansion
- Drives local job creation and stimulates economic activity in emerging markets as part of the expansion

By combining digital capabilities with a strong physical network, your Company ensures a scalable, resilient, and customer-centric approach to financial services.

Driving Innovation through Technology Partnerships

Your Company further strengthens its phygital ecosystem by collaborating with leading technology partners. These partnerships enhance operational efficiency through:

- Automated credit decision-making through AI and machine learning, enhancing underwriting processes
- Fraud detection and KYC automation, ensuring secure transactions and regulatory compliance
- OCR-based document processing, enabling seamless data extraction and validation
- Regulatory compliance support, minimising risk and ensuring adherence to evolving legal requirements

LTF has strengthened its digital lending footprint through strategic partnerships with Amazon, CRED, and PhonePe, offering a diverse suite of unsecured and secured loan products. These collaborations reflect LTF's pivot to a customer-centric model under Lakshya 2026, enhancing credit access through agile, tech-enabled platforms. By combining its lending expertise with the digital reach of these partners, LTF is accelerating financial inclusion, simplifying loan journeys, and setting new benchmarks in responsible and seamless credit delivery across India. These partnerships picked up pace with ₹ 215 Cr disbursements in March 2025, up from ₹ 98 Cr in January 2025.

By integrating technology-driven solutions into its phygital framework, your Company remains at the forefront of secure, efficient, and customer-centric financial services.

Digital Transformation: Technology driven Retail

LTF's technology driven retail strategy is shaping a unified, technology-first financial ecosystem, enabling your Company to provide seamless, secure, and tailored services to a broad customer base. By utilising AI, ML, cloud infrastructure, and automation, LTF is not just digitising financial services but scaling technology driven solutions to ensure deeper market penetration and operational efficiency.

This transformation marks a strategic shift towards automation, self-service digital solutions, AI-powered risk management, and strengthened IT security. As a result, we have witnessed:

- ₹ 12,700 Cr+ in digital business sourcing (PLANET App), driving end-to-end process automation
- 1.72 Cr PLANET App downloads, indicating widespread adoption

These scalable technology driven solutions have played a crucial role in advancing financial access in underserved rural markets, delivering instant, secure, and frictionless financial experiences to millions of customers.

Advancing Digital Capabilities through PLANET App

As the driving force behind LTF's digital transformation, the PLANET App redefines customer interactions with financial services. It functions as an all-inclusive self-service platform, merging loan applications, payments, servicing, collections, and personalised financial offerings, thus ensuring a seamless digital experience.

The PLANET App, since its launch in March 2022, has played a transformative role in shifting financial services from traditional, branch-focused models to a user-friendly, digital-first ecosystem. Leveraging AI-driven customer insights, automated loan processing, and smooth integrations with WhatsApp and chatbots, the App has streamlined the customer experience. Enhanced security protocols ensure safe digital transactions, while ongoing improvements in personalised recommendations, multilingual support, and frictionless digital journeys have deepened customer engagement and broadened access.

In the past year, LTF has strengthened its digital ecosystem, ensuring that the PLANET App evolves alongside both technological advancements and the changing expectations of its customers. PLANET 2.0 introduced smoother digital journeys, enhanced security frameworks, and more seamless financial interactions. Building on this solid foundation, PLANET 3.0 takes the user experience a step further with effortless navigation, advanced risk management, and bespoke financial solutions. This continuous innovation underscores your Company's commitment to developing a fully digitised, customer-centric ecosystem that can seamlessly adapt to future trends and challenges.

Key Digital Advancements in PLANET 3.0

- **Frictionless Digital Journeys:** Optimised UI and backend processing ensure instant loan approvals, EMI payments, and document verification with near-zero intervention.
- **Hyper-Personalisation through AI/ML:** Advanced AI-driven recommendation engines analyse customer behaviour, financial history, and transaction patterns to offer personalised loan products, repayment plans, and investment opportunities.
- **Omnichannel Expansion:** Customers can now engage via chatbots, WhatsApp, multilingual IVR, and LTF's website, reducing friction and improving service accessibility.
- **Advanced Risk Mitigation & Fraud Prevention:** Enhanced security protocols, real-time fraud detection algorithms, and AI-based risk management tools strengthen LTF's digital ecosystem, ensuring customer transactions remain secure and compliant.

4.5 Cr
Service Resolutions Completed

₹ **2,594** Cr+
Payments Collected

₹ **3,800** Cr+
Total Collections

685 lakh+
Servicing Experience (Customer Interactions)

₹ **12,700** Cr
Total Sourcing

16 Lakh+
Rural Customers Served

Driving Financial Inclusion and Enhancing Servicing Efficiency

The PLANET App has been essential in bridging the financial divide between urban and rural India, delivering accessible, paperless, and highly personalised financial solutions. Available in 2 regional languages, it addresses the needs of a diverse customer base, including individuals from economically backward regions and aspirational districts, enabling seamless access to loans, repayments, and financial guidance, all without relying on physical branches. With 16 lakh+ users in rural areas, PLANET App has eliminated traditional barriers, equipping customers with real-time digital transactions and AI-powered financial insights.

Beyond making financial services accessible, PLANET App has transformed loan servicing and collections, driving down turnaround times and operational costs significantly. The shift to digital EMI payments has minimised the need for call centre interaction, while self-service features enable customers to update mandates, download statements, and manage loans at their convenience.

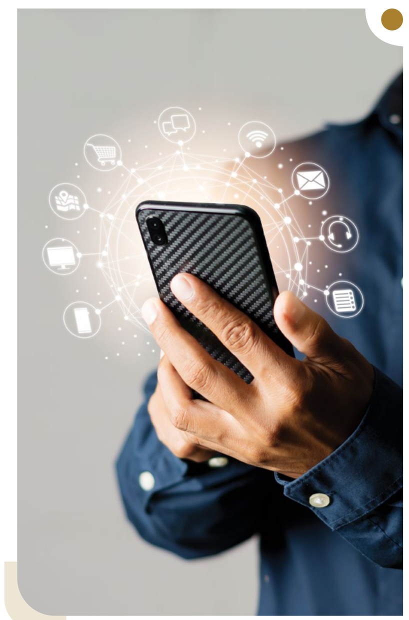
LTF's AI-powered analytics and predictive servicing models further enhance efficiency by automating issue resolution and optimising response times. This integrated, data-driven approach ensures personalised support, reinforcing PLANET App's role as a trusted financial companion in a rapidly evolving digital landscape.

The Road Ahead

Amid the surge in digital adoption, LTF remains focused on expanding the horizons of innovation, driving

PLANET App towards becoming a next-generation financial ecosystem. The roadmap for the future outlines:

- **Voice & Chatbot-Enabled Financial Services:** Enabling seamless real-time loan processing, customer service, and tailored financial advice through advanced virtual assistants using LLMs in the background.
- **Predictive Analytics for Personalised Financial Planning:** Using AI-based insights to offer tailored recommendations based on customer transaction history and goals.
- **Blockchain-Based Lending Models:** Employing smart contracts for efficient loan management, enhancing security and transparency, and reducing the risk of fraud.
- **Integration of Digital Wealth & Insurance Solutions:** Elevating PLANET App to a comprehensive financial ecosystem that goes beyond lending to include savings, investment opportunities, and insurance solutions.



Next-Gen Underwriting Platform – Project Cyclops

With the goal of building a data-powered, AI-driven lending framework, your Company introduced Project Cyclops in June 2024, a next-generation credit underwriting engine designed to reshape credit risk management. Through the integration of real-time risk evaluation, automated credit scoring, and machine learning algorithms, Cyclops enhances the precision, efficiency, and scalability of loan approvals, significantly minimising manual involvement.

Transforming Credit Risk Management with Project Cyclops

- **AI-Powered Loan Approvals:** Leveraging multi-bureau credit data, behavioural analytics, and transaction history, Cyclops accelerates and enhances Loan approvals, reducing manual intervention and processing time.
- **Data-Rich Risk Models:** The Cyclops platforms for Two-Wheeler and Farm Loans now incorporate bureau data, bank statements, geolocation, payment data, digital footprint data, satellite-based weather patterns, and even soil depth to assess creditworthiness and predict delinquencies with higher accuracy.
- **Dynamic Risk Guardrails:** Integrating real-time data, Cyclops establishes automated risk guardrails, ensuring loan approvals comply with borrower eligibility and regulatory standards.

- **Geo-Intelligence for Urban Lending:** The proprietary GeoGrid model enables spatial risk stratification by analysing urban building density and development activity, allowing for more informed lending decisions in metropolitan areas.
- **Reduction in Credit Costs:** Optimising risk assessment, the refined underwriting model reduces overall credit costs by directly improving portfolio quality.
- **Satellite Database:** Cyclops farm uses satellite data in addition to the other traditional sources to understand the agricultural health of Indian villages.
- **Scalability & Expansion across Loan Products:** LTF has integrated Project Cyclops across Two-Wheeler Loans and Farm Loans. Going forward it will be integrated in personal & SME loans. The platform provides a scalable and efficient framework for credit evaluation across diverse loan products.

100%

of Two-Wheeler loan applications are now processed through Cyclops

Gen-AI based Lifestyle Index

It uses various structured and unstructured data (Images, videos) to generate a lifestyle index of the customer. Your company has filed a patent application for this innovative solution with GenAI. LTF reinforces its commitment to leveraging technology for enhanced decision-making and operational efficiency. It helps address key challenges in risk assessment and benefit through cross-selling, by empowering customers and driving financial inclusion while maintaining portfolio excellence.

Additional AU/ML Implementations

A CNN-powered auto attendance system verifies field staff presence using KYC image data, improving operational discipline in Micro Finance Loans and ensuring stronger on-ground governance.

KAI – LTF's AI-Powered Virtual Advisor

Powered by advanced artificial intelligence, LTF's Knowledgeable AI (KAI) serves as a dynamic virtual consultant that enhances customer engagement, optimises financial decision-making, and fosters business growth. With the integration of conversational AI and Retrieval-Augmented Generation (RAG), KAI reshapes the space of financial services, ensuring swift, smart, and customised assistance using LLM.

Why KAI?

Customer engagement in the financial services industry is often hindered by a range of obstacles. Delays in resolving inquiries, the absence of personalised communication, and inconsistent answers from human agents result in the forfeiture of many promising leads. Additionally, the verification of lead authenticity remains an ongoing challenge, detracting from conversion rates.

To address these issues, KAI was developed as a scalable and efficient AI-driven solution that:

- Speeds up query resolution with instant AI-generated responses
- Enhances personalisation, understanding customer intent and guiding them through their journey
- Improves lead verification with AI-powered OTP authentication, ensuring higher-quality conversions

KAI plays a critical role in filling these gaps, effectively increasing customer engagement, improving organisational efficiency, and driving more favourable business results for LTF.

Key Capabilities of KAI

KAI stands out as industry's leading mortgage advisor due to its unique combination of conversational intelligence, smart automation, and financial decision-making tools.

Conversational AI with Agentic Capabilities

Engages customers in human-like conversations, dynamically adapting to their needs and providing accurate responses.

Smart Query Handling & Automated Insights

Retrieves relevant information from LTF's internal knowledge base, handling both basic and complex financial queries with precision in Hindi, English or Hinglish.

Integrated Financial Tools

Features like an EMI calculator, amortisation schedules, and loan eligibility checks are embedded in KAI, helping customers to make well-informed financial decisions.

Human Centric

The human centric design lets user asks questions in a free flow text versus restricting the users to the menu driven items which normally happen in other chatbots.

Combining automation, tailored solutions, and AI-driven decision assistance, KAI is far more than just a chatbot—it is a strategic enabler for LTF's technology driven growth ambition. Acting as a 24/7 virtual advisor, it reduces dependency on human agents while significantly improving customer engagement. By embedding AI at the core of customer interactions, LTF continues to set the benchmark in technology driven retail innovation, providing its customers with a seamless and secure financial journey.

AI Readiness @ L&T Finance

LTF is proactively building an AI-first culture by equipping employees, launching internal innovations, and scaling practical use cases to drive efficiency, inclusion, and smarter decision-making across the organisation.

AI Awareness & Access: Conducted tech seminars and enabled company-wide access to Gemini for AI exploration and productivity enhancement.

AI Prompt Contest: Launching a 6-8 week internal contest inviting employees to submit impactful AI prompt use cases, with rewards and implementation opportunities for top ideas.

AiKarma – Internal Co-Pilot: Developing a secure, offline GPT-based AI assistant to run on standard Windows PCs, with capabilities like LTF document handling and internal data fine-tuning.

R.AI.SE Showcase: Hosted an AI-focused event demonstrating live use cases like KAI chatbot, Cyclops (Farm/TW), Auto Attendance, and more—along with the launch of KAI and the Pearl Challenge.

Elevating Brand Presence

In an increasingly competitive financial landscape, enhancing brand visibility is essential to positioning your Company as a leader in digital finance and technology driven retail growth. Through a combination of strategic initiatives, thought leadership, and innovative customer-first solutions, LTF has significantly enhanced its market presence, earning widespread recognition and fostering trust across diverse sectors

R.AI.SE 2024 – Recognising & Accelerating Innovation in Smart Enterprises

As a frontrunner in digital finance, your Company has consistently pushed the boundaries of innovation, positioning itself as a leader in being a technology driven retail NBFC growth. The R.AI.SE 2024 event held in November 2024 highlighted your Company's commitment to leveraging cutting-edge technology to deliver scalable, secure, and customer-first financial solutions. This event reinforced the brand's innovative image and showcased tangible advancements in AI, marking a key moment in the evolution of digital finance.

Key Highlights from R.AI.SE 2024

AI Applications in BFSI:
R.AI.SE 2024 was an AI-focused initiative by LTF spotlighting real-world AI applications in the BFSI sector. The event featured specialised LTF AI stalls and masterclasses, emphasising both business and technology tracks.

Launches & Innovations:
Notable launches included KAI, Cyclops (Farm/TW), Cyclops Customer Journey with SNU, and the Pearl Challenge.

Stalls & Demos:
Engaging demonstrations like KAI, GenAI-based Lifestyle Index, Auto Attendance of employees, and Cyclops (TW & Farm) LLM based Image generation, showcased the versatility of AI in diverse financial applications, from helping business to marketing content generation.

Panels & Masterclasses:
Thought-provoking discussions on transforming lending using AI, optimising customer engagement, and exploring AI-first strategies highlighted the confluence of technology and financial growth. Masterclass from Google, Microsoft, Salesforce and NVIDIA for live training to participants were arranged.

1,200+
Attendees

30+
Speakers

15+
Demonstrations

5+
Masterclasses

7+
LTF AI Stalls

LTF Pearl Challenge

As part of our commitment to innovation-led financial inclusion, L&T Finance launched the 'LTF Pearl Anniversary Challenge' – a nationwide hackathon inviting AI and data science talent to develop cutting-edge models for predicting farmer incomes. By leveraging rich datasets, including weather, soil, crop yield, and commodity prices, the initiative aims to enhance credit assessments and make lending more accessible for underserved farmers. Unveiled at R.AI.SE'24, the challenge aligns with our technology driven retail Company vision under Lakshya 2026, combining technology, impact, and opportunity to unlock credit for India's farming community.

Strengthening IT & Infrastructure

In the dynamic digital age, a robust IT infrastructure is essential to ensure business resilience and scalability. As digital transformation accelerates, the imperative for secure data, seamless operations, and adaptable systems becomes more critical. To this end, your Company has actively enhanced its IT infrastructure to support its expanding clientele while proactively addressing emerging cyber threats. By emphasising scalability, security, and seamless digital workflows, LTF is reinforcing its capability to protect essential IT applications, customer data, and overall business performance.

In an effort to reduce cybersecurity risks, LTF has enhanced its threat detection systems, endpoint security, and real-time surveillance across its IT environment. AI-powered risk assessment tools continuously monitor for malware, phishing attempts, and unauthorised access, ensuring swift action in response to emerging vulnerabilities. The Zero-Trust Security Model adopted by your Company strengthens data protection through multi-layered authentication, encryption, and network segmentation to prevent unauthorised intrusions.

LTF has further solidified its web, mobile, and API security frameworks by integrating secure coding practices, automating vulnerability detection, and imposing stringent access controls across all digital assets. The centralised IT management system ensures the immediate rollout of necessary security patches and updates across network devices, significantly minimising exposure to the evolving space of cyber threats.

In its bid to support the expansion of its digital ecosystem, LTF has strengthened its cloud infrastructure, migrating 85% of applications to Google Cloud, thus ensuring high availability, disaster recovery, and seamless system performance. This transition has optimised IT agility, reduced latency, and improved system scalability, supporting LTF's rapid digital expansion.

In tandem with these efforts, LTF is committed to building a future-ready IT workforce with high-end infrastructure support like Application Engineering Centre at Bengaluru and Integrated Tech Operations and Data Centre at Mahape, fostering a talent pool skilled in AI, data science, and cloud technologies. By integrating next-level digital capabilities, LTF ensures its IT infrastructure remains robust, secure, and perfectly aligned with its vision of a fully digital, customer-first financial ecosystem.

Customer-Centric Digital Innovation

Your Company is redefining the customer journey by utilising advanced digital tools to create an effortless, intuitive, and individualised financial experience. With the help of AI workflows, cloud infrastructure, and data analytics, your Company is not only engaging customers more deeply but also delivering services faster and with more convenience. By focussing on accessibility and inclusivity, LTF ensures that no matter where customers are, they can easily connect through multiple channels. This makes financial services more inclusive, flexible, and accessible to everyone, whether they live in the heart of the city or in more remote rural areas.

Servicing Franchise

Autonomous Channels

SHO Portal | Chatbot | WhatsApp | PLANET App

Assisted Channels

Branches | Cell Centres | Employees/Agencies

Digital Innovation Enhancements for FY25

Your Company has made significant strides in enhancing its loan origination and customer servicing processes to meet evolving customer needs, ensuring the experience is as efficient, transparent, and user-friendly as possible:

- **Enhanced Customer Verification via Video KYC:** To streamline onboarding and ensure secure customer verification, your Company has adopted video-based KYC, eliminating paperwork while enhancing risk management and improving customer identity verification.
- **Digital-First Loan Application & Servicing:** Your Company has optimised its loan origination and servicing process by removing physical documentation. Customers can now apply, track, and manage loans entirely online, reducing processing time and improving loan approval speed, resulting in a fully digital and transparent experience.
- **Digital Payments Integration:** As customer preferences shift towards digital solutions, your Company has expanded its digital payment options to include mobile wallets, UPI, and QR code payments. This integration enables customers to make payments easily, securely, and faster, reducing reliance on traditional cash collection systems.
- **AI-Powered Personalisation:** By utilising advanced AI-driven recommendation engines, your Company ensures customers receive tailored loan offers and repayment solutions that align with their unique financial behaviour and preferences, making the journey more relevant and enhancing customer satisfaction.

Through these initiatives, your Company is making financial services faster, smarter, and more accessible, ensuring customers have control over their financial decisions—anytime, anywhere.

Information Security Practices Aimed at Safeguarding Digital Assets

Entrusted with the responsibility of managing sensitive customer data, your Company places the utmost importance on the deployment of robust security frameworks to ensure the safety, confidentiality, and integrity of the information it holds. Your Company is firm in strengthening its cybersecurity protocols by utilising advanced security technologies, adhering to regulatory compliance requirements, and following a clear governance structure led by the Board-level IT Strategy Committee, the IT Steering Committee, and the Information Security Committee. This comprehensive approach ensures that security is integrated across all aspects of business operations, digital interactions, and customer services.

Cybersecurity Controls

To safeguard its digital ecosystem, your Company enforces a myriad of cybersecurity measures that address the risks posed by cyber threats, unauthorised access, and data breaches.

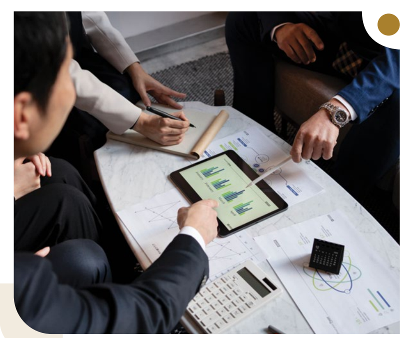
- **Zero-Trust Security Framework:** Follows a Zero-Trust model, ensuring that all users, devices, and third-party vendors undergo rigorous security validation before being granted access to systems and data.
- **Proactive Threat Monitoring & Mitigation:** Facilitates real-time cyber threat simulations, 24/7 security monitoring, and AI-powered detection mechanisms to help identify and neutralise threats before they can impact operations.
- **End-to-End Data Encryption:** Protects sensitive information through advanced encryption standards, ensuring data security both at rest and in transit.
- **Comprehensive Patch Management:** Enforces 100% security patching to prevent vulnerabilities, ensuring that all systems and applications remain updated and protected against the latest threats.

Furthermore, your Company ensures readiness with a dedicated security incident response team and a Cyber Crisis Management Plan, formally approved by the Board. This structure guarantees swift action in the event of a cybersecurity incident.

Business Continuity

LTF has established a comprehensive IT Business Continuity and Disaster Recovery (BCP/DR) Plan, ensuring resilience against operational disruptions caused by cyber threats, natural disasters, or system failures.

- **Redundant Infrastructure & Failover Mechanisms:** Your Company has implemented geo-redundant systems to ensure uninterrupted operations and service availability.
- **Offsite Data Backups & Recovery Protocols:** Automated, encrypted offsite backups are maintained to ensure that critical data can be recovered swiftly in the event of a breach or data loss.
- **Regular BCP Testing:** Periodic disaster recovery drills are conducted to validate system resilience and ensure rapid response readiness.



Certifications and Audits

Your Company upholds global security standards and undergoes rigorous audits to ensure compliance with industry-best practices.

- **ISO 27001:2013 Certification:** Your Company's Information Security Management System (ISMS) is certified under ISO 27001:2013, ensuring systematic security controls and risk mitigation.
- **ISO 20000-1:2018 Certification:** Achieved for IT Service Management, demonstrating robust IT governance and service excellence.
- **ISO 27701 Compliance (In Progress):** Your Company is working towards obtaining ISO 27701 certification for data privacy, further strengthening regulatory alignment and customer trust.
- **Annual Security Audits:** Self-assessments and third-party security reviews are conducted to evaluate internal IT controls, identify potential risks, and implement necessary security enhancements.

Incident Management

LTF has implemented an all-encompassing Incident Management Plan to ensure the swift detection, logging, escalation, resolution, and prevention of information security incidents. This structured approach enhances response efficiency and effectively minimises security threats.

Incident Management Workflow

Incident Identification:

Security threats, vulnerabilities, or suspicious activities are detected through continuous monitoring, alerts, and user reports.

Incident Logging:

The identified incident is recorded in the Incident Management System, ensuring a systematic approach to tracking and resolving issues.

Incident Categorisation:

The incident is classified based on its nature, impact, and severity, helping determine the appropriate response strategy.

Incident Prioritisation:

Based on criticality, incidents are prioritised to ensure swift resolution of high-impact issues, minimising disruption.

Communication/ Escalation/Bridge Call (For Major Incidents):

Critical incidents are escalated through structured communication channels, ensuring timely coordination among key stakeholders.

Incident Troubleshooting/ Diagnosis:

Security teams analyse the incident, identify the root cause, and implement necessary fixes to contain the threat.

Preventive Actions:

After containment, corrective measures are implemented to prevent future recurrence of similar incidents.

RCA (Root Cause Analysis):

A detailed Root Cause Analysis (RCA) is conducted to understand underlying vulnerabilities and recommend long-term fixes.

Review/Under Observations:

The incident is reviewed and monitored post-resolution to ensure effectiveness of the remediation and track any residual risks.

Data Privacy and Security

In today's digital-first world, where financial transactions and customer interactions are increasingly dependent on technology, data privacy is a fundamental pillar of trust. As a Company handling vast volumes of sensitive customer data, your Company is committed to safeguarding personal information, ensuring compliance with global regulations, and implementing advanced security measures to mitigate risks.

Your Company has instituted a detailed Data Privacy Policy that governs the lifecycle of personal data, from collection through processing, storage, and disposal, in full alignment with ISO 27001:2013 standards and evolving regulatory demands. By leveraging powerful encryption technologies, enforcing rigorous access restrictions, and maintaining round-the-clock monitoring, your Company ensures that customer data is kept confidential, secure, and protected from unauthorised access or misuse.

Data Collection, Retention, and Protection

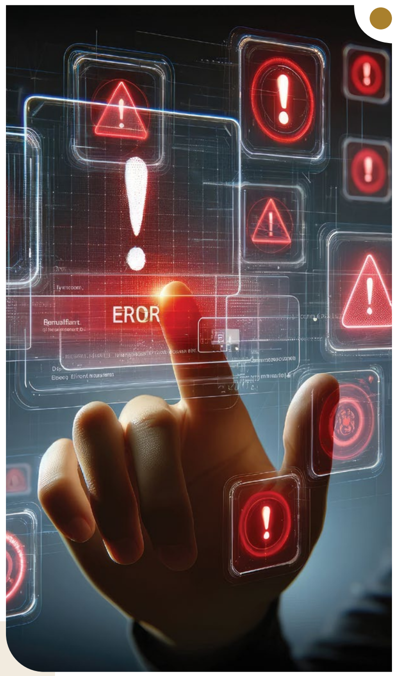
LTF follows the principle of data minimisation, collecting only the necessary information required for service delivery. A well-defined data retention and disposal policy ensures that customer data is stored securely and deleted or destroyed only with managerial approval, reducing the risk of unauthorised access or breaches. Customers are encouraged to regularly update their information, ensuring accuracy and compliance with privacy regulations.

To strengthen security, your Company has implemented end-to-end encryptions for all Personally Identifiable Information (PII), ensuring that data is protected both in transit and at rest. Access to sensitive data is strictly role-based, allowing only authorised personnel to view or modify customer information. Additionally, risk assessments, third-party security audits, and penetration testing are conducted periodically to proactively identify vulnerabilities and enhance the overall security framework.

Incident Response and Compliance

Recognising the rising threat of cyberattacks, your Company has developed a structured incident response plan to ensure rapid detection, containment, and resolution of any security incidents. Moreover, in the event of a data breach, clearly defined procedures allow for immediate action to mitigate risk and minimise the impact. Both employees and third-party vendors operate on a zero-trust access model, providing them access to customer data only on a need-to-know basis to ensure data security.

Your Company also ensures full transparency in data handling by adhering to global data protection regulations. Customers have complete control over their personal data, with the right to access, update, or withdraw consent for data collection. A formal grievance redressal mechanism has been established to address privacy concerns, ensuring timely resolution and compliance with regulatory standards. For any privacy-related requests, customers can reach out via headgro@ltfs.com.



Key Data Security Initiatives

As part of its data security strategy, your Company has integrated multiple advanced security protocols across its IT systems, covering endpoints, servers, applications, and networks. Continuous monitoring, secure cloud-based operations (SaaS), and cutting-edge security technologies such as Data Classification, Data Leakage Prevention (DLP), and Cloud Access Security Broker (CASB) help safeguard sensitive information. Your Company also aims to align with ISO 27701 certification, further reinforcing its privacy management framework.

Data Classification and Leakage Prevention

A structured data classification framework ensures that files are categorised based on security policies. DLP solutions have been integrated across endpoints and email gateways to monitor, detect, and prevent unauthorised data transfers, reducing the risk of data leaks.

Service Desk Ticket Segregation and Impact Assessment

High-priority security issues are segregated and assigned to specialised teams for faster resolution. A structured impact assessment methodology ensures that security tickets are prioritised based on business impact.

Enhanced Incident and Problem Management

Incident response workflows have been optimised by linking problem tickets to security incidents, enabling faster root cause analysis and improving overall change management processes.

Strengthened Release and Patch Management

The scope of release management has been expanded beyond software updates to include critical infrastructure updates and security patches, ensuring cyber resilience by mitigating vulnerabilities in a systematic manner.

Continuous CMDB Maintenance

Automated tracking and update mechanisms for the Configuration Management Database (CMDB) have been implemented, ensuring real-time accuracy and alignment with security compliance requirements.

Security Awareness and Training

Recognising that employees play a crucial role in cybersecurity; your Company has institutionalised a comprehensive security awareness programme. This structured approach ensures that all personnel, including Board members and senior management, are well-equipped to identify and mitigate security risks.

Information Security Awareness Training

Ensures all employees undergo mandatory cybersecurity training, covering topics such as phishing detection, password security, and secure data handling practices.

Phishing Drill & Threat Simulations

Conducts quarterly phishing drills to test employees' ability to detect and respond to simulated cyber threats.

Privacy Policy & Data Handling Training

Trains employees on data protection laws, regulatory compliance, and responsible data management.

Ongoing Awareness Campaigns

Ensures monthly newsletters, security alerts, and best-practice updates are shared to keep employees informed about emerging threats and security protocols.

By embedding cybersecurity awareness into organisational culture, your Company ensures that all employees contribute to strengthening data security and protecting customer information.

Cyber Risk Management

To ensure a structured approach to identifying and mitigating cyber risks, your Company conducts annual IT risk assessments, covering its infrastructure, applications, and business processes. These assessments help proactively detect vulnerabilities and strengthen the security framework.

The InfoSec team plays a critical role in:

- Vulnerability Assessments – Ensuring systematic reviews of IT environments to detect security flaws.
- Configuration Compliance Reviews – Guaranteeing systems align with security best practices.
- Application Security Assessments – Evaluating business-critical applications to safeguard against threats.

All application modifications and updates undergo stringent security testing and penetration testing before being deployed—either internally or through trusted third-party security partners. Each new release adheres to the highest security standards, ensuring that no new vulnerabilities are introduced. LTF implements a well-structured risk evaluation process, carefully assessing, prioritising, and addressing any identified threats.

This thorough risk assessment process involves creating detailed, prioritised reports that outline the identified vulnerabilities, their potential impact on business operations, and recommended remediation steps. By addressing security concerns in a systematic manner, your Company ensures a robust and resilient IT infrastructure, capable of defending against evolving cyber threats.

To maintain a resilient cybersecurity environment, your Company enforces a structured re-scanning and retesting process, ensuring that previously reported vulnerabilities are successfully patched and mitigated. This continuous improvement approach strengthens security measures, enhances operational efficiency, and reinforces customer trust in LTF's commitment to data protection.

Cyber Insurance

LTF has secured comprehensive cyber insurance coverage to mitigate financial and operational risks associated with cybersecurity incidents. This insurance serves as a critical safeguard, offering protection against:

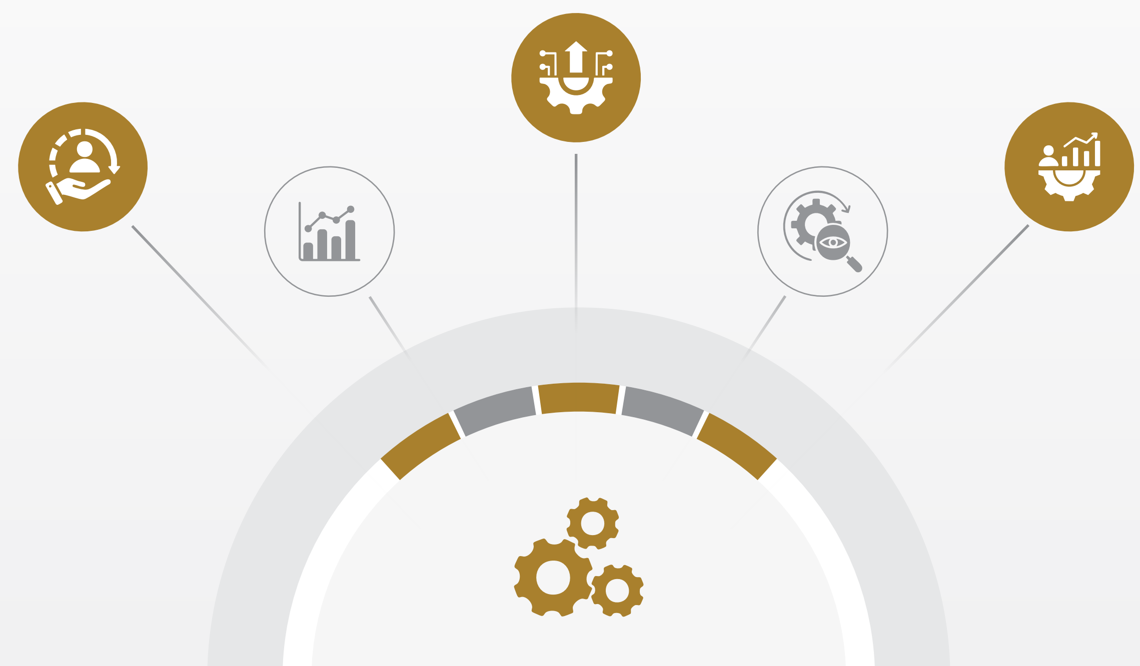
- Business Disruptions
  Losses due to cyberattacks, system failures, and operational downtime.
- Legal & Regulatory Liabilities
  Costs arising from compliance violations, regulatory penalties, and lawsuits.
- Cyber Extortion & Ransomware
  Financial support in case of ransomware attacks or cyber extortion attempts.
- Damage to IT Systems
  Recovery costs for restoring affected infrastructure, applications, and data assets.

By maintaining cyber risk insurance, LTF ensures that any potential financial exposure arising from cyber incidents is minimised, allowing for swift recovery with minimal impact on business operations.

Strategic Contribution of Manufactured and Intellectual Capital

LTF uses its Manufactured and Intellectual Capital to achieve strategic objectives in alignment with its 5-Pillar framework. The contributions include:

Enhancing Customer Acquisition	Sharpening Credit Underwriting	Implementing Futuristic Digital Architecture	Heightened Brand Visibility	Capability Building
Advanced manufacturing ensures product quality and efficiency, while intellectual capital drives innovation and data-driven insights. Together, they enable personalised solutions, strengthen brand differentiation, and accelerate customer acquisition.	AI-driven analytics and machine learning enhance risk assessment, improving credit underwriting accuracy. This reduces default risks, enhances decision-making, and ensures financial sustainability.	Investments in automation, cloud computing, and AI create a scalable, secure, and agile digital ecosystem. This drives seamless customer experiences, operational efficiency, and long-term technological leadership.	Manufacturing excellence and innovation build brand trust, while digital strategies amplify market presence. Data-driven outreach strengthens brand positioning and competitive advantage.	Continuous investment in technology and skill upgradation ensures a future-ready workforce. Process innovation and adaptability enhance resilience and long-term competitiveness.



Human Capital

Empowering Talent. Transforming Future.

Alignment to UN SDGs

3 Good Health and Well-Being
5 Gender Equality
8 Decent Work and Economic Growth
10 Reduced Inequalities

Alignment to Material Issues

- Human Capital Development
- Human Rights Protection
- Diversity, Equity and 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

In today's fast-paced business world, human capital truly defines a company's edge over its competitors.

LTF recognises that a committed, engaged and highly skilled workforce is the key to sustained success. Your Company remains firm in upholding core human values, ethical standards, and a culture of mutual respect. This value-based foundation drives your Company's culture of learning and growth, empowering employees to constantly sharpen their skills to stay ahead of the curve. Through its strong dedication to employee engagement and cross-functional collaboration, LTF embraces diversity and inclusion, ensuring that every voice is heard. This approach empowers LTF to build a dynamic, agile workforce that can overcome complex challenges and thrive in the constantly shifting financial services space. During the year, your Company undertook a lot of initiatives for employees and will continue investing in this area.

Key Highlights

86% Employees
Rated LTF as a 'Great Place to Work'

8 Projects
Implemented under GPTW based on employee feedback

Women-Centric Policies
Rolled out to support inclusion, safety, and career progression

ISO 45001:2018
Certification achieved at Head Office for workplace safety

71%
Workforce employed from rural India

All Active Field Level Officers
Provided helmets for road safety

27% Female Representation
In the Group Executive Committee

4.5X Increase
In Women FLOs across the organisation

38.5
Average Training Hours/Employee

300-400 Employees/Month
Recognised under Wall of Fame

100% Branches
Equipped with firefighting equipment

3.5% Reduction in Attrition
Through Zonal Leadership Forum (ZLF) Initiatives

173 Employees
Received Long Service Awards

Capitals Impacted

Financial Capital

Investing in human capital through training and well-being programmes may entail upfront costs, but these efforts yield significant long-term financial benefits. By enhancing productivity, reducing employee turnover, and fostering innovation, such investments boost profitability and pave the way for sustained financial success.

Manufactured and Intellectual Capital

Skilled employees are the driving force behind innovation, propelling intellectual capital and streamlining processes for greater efficiency. By fostering a culture of continuous learning and development, your Company empowers its workforce to share knowledge, navigate complex challenges, and drive breakthrough solutions. This leads to creation of competitive, agile and forward-thinking organisation in the face of constant industry evolution. Moreover, a well-trained workforce optimises the use of physical and technological assets. Employees' expertise in digital tools and processes improves operational efficiency, reducing the need for additional infrastructure and maximising the effectiveness of existing resources.

Social & Relationship Capital

Human capital initiatives promote diversity, inclusivity, and employee engagement, strengthening internal relationships and enhancing your Company's reputation. This, in turn, builds trust with external stakeholders—customers, communities, and regulators—thereby boosting social and relationship capital.

Natural Capital

Through sustainable initiatives like remote work, digitisation and adoption of car-pool and common transport services, human capital development indirectly aids natural capital by reducing LTF's environmental footprint. Moreover, cultivating employee awareness of sustainability reinforces eco-friendly practices.

New Human Resource Initiatives Undertaken at LTF in FY25

In FY25, LTF launched a series of strategic initiatives aimed at strengthening its workforce and fostering a more inclusive environment. Recognising the importance of employee well-being and engagement, LTF developed the 'Experience the C.U.R.V.E. of Happiness' philosophy and conducted its first company-wide Great Place to Work survey, using the insights gained to implement targeted projects. Simultaneously, efforts were made to enhance capabilities through gamified training for supervisors, to ease employee commute experiences and enhance safety through the distribution of helmets and the launch of emergency ambulance services.

LTF also significantly advanced its commitment to diversity and inclusion by rolling out women-centric policies and achieving a fourfold increase in women field level officers in Rural Business Finance. Initiatives like the STRIDE programme, referral programmes aimed at increasing women hires in retail and rural businesses, and a gamified DE&I eLearning module were introduced to promote equal opportunities and address unconscious biases. These efforts reflect LTF's dedication to empowering its employees and creating a workplace where everyone can thrive.

Holistic Approach to a Progressing Workplace

Recognising that a robust HR strategy is essential to complement any successful business plan, your Company made 'Capability Building' the cornerstone of strategy, propelling its vision to become a technology driven and a premier retail NBFC. This framework is built to harmonise human resources initiatives with LTF's larger business goals.

Annual boot camps at LTF provide the opportunity to craft frameworks that enhance operational performance and foster innovation through strategic HR projects, playing a crucial role in your Company's transformative journey.

In FY25, your Company adopted a voice-driven approach to employee engagement, launching its first-ever anonymous company-wide survey, Great Place to Work (GPTW). The survey, which garnered an impressive response rate, revealed that 86% of employees consider LTF a 'Great Place to Work'. The development of the **LTF People Philosophy, 'Experience the C.U.R.V.E. of Happiness'**, is a guiding principle for all employee-centric initiatives. This philosophy underscores the commitment to holistic employee well-being and happiness, ensuring every intervention and experience is designed with this ethos in mind. This year, the Human Resources Department has taken significant steps forward by launching this framework, ensuring that every team member feels 'Connected', 'Understood', 'Respected', 'Valued', and 'Enabled' in their interactions. This initiative goes beyond standard workplace practices – it empowers employees by giving them the tools, resources, and support they need to succeed. Whether through collaboration, trust-building, or creating opportunities for growth, the C.U.R.V.E. initiative ensures that employees are not only thriving in their roles but also finding genuine happiness and fulfilment in their everyday experiences.

In response to the GTPW survey conducted and the C.U.R.V.E. of Happiness Philosophy, few key initiatives were undertaken at your Company including –

1 Fun and Friendly Workplace

- Organisation-Wide Celebrations
- Enriched Onboarding Experience

2 Caring Work Environment

- Improving Infrastructure
- We Hear because We Care

3 Impartiality

- How Am I Doing?
- Structured Informal Connects

4 Bottom-Up Communication

- Listening Framework
- Co-creating policies

The C.U.R.V.E. philosophy is complemented by **'The 5-Pillar of Human Resources Strategy'**, which are designed to attract diverse talent, present employees with meaningful challenges, and foster a supportive environment. These principles provide a structured foundation, articulating the targeted outcomes of HR initiatives, ensuring the congruence of HR operations with organisational goals, and defining standards for performance and success.

Eventually, by establishing a culture that encourages a **'Digital Mindset'**, your Company fosters an atmosphere that prioritises innovation and collaboration. This allows employees to embrace digital transformation as an essential element of their work.

By weaving these three routes together, LTF creates a cohesive and lively workplace where individuals can thrive. This approach ultimately drives your Company's success while fostering a culture of continuous growth and engagement.

Elevating Everyday Experience (Anubhav) of Employees with the C.U.R.V.E. of Happiness

Connected	Understood	Respected	Valued	Enabled
Stronger Together, Always Connected	**Your Voice, Truly Heard**	**Respect That Resonates**	**Your Worth, Our Priority**	**Empowered to Excel**
Fostering authentic bonds with other employees across teams, departments and hierarchies. This connection is genuine and beyond transactions.	Expressing thoughts, ideas and divergent perspectives transparently. Ensuring no fear of being judged, ridiculed, dismissed or rebutted is practised.	Respecting the individual irrespective of the title/grade since everyone is contributing to the common vision. We are ONE LTF, ONE TEAM.	Feeling that each employee's work is contributing to the larger organisation objective and is important. Every employee in the organisation is valuable.	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.
• Collaboration • Trust • Sense of Belonging • Great Place to Work	• Feeling Heard • Transparency • Breaking Down Silos • Challenging the Status Quo	• Inclusive Culture • Active Listening • Recognising Individuality • Constructive Criticism • Empathy	• Encouraging Innovation • Acknowledgement of Effort • Culture of Appreciation • Meritocracy • Celebrating Wins & Victories	• Development Opportunities • Autonomy • Clarity in Communication • Tolerance of Honest Mistakes
TGIF Stepathon Photography Contest Got Talent	Great Place To Work Certified Idea Xpress! We Hear You	Tiger Trainer RAW Respect at Workplace	connect & heal	STRIDE ASPIRE ASCEND Udaan

The 5-Pillar of Human Resources Strategy

Hire Right
- Attract and on-board diverse and quality talent.
- Revamped campus cadre programmes to continually feed our talent pipeline.

Challenge Right
- Cultivate a culture of innovation by encouraging creative thinking and platform to share innovative ideas.
- Provide employees the right opportunities, not limited to only stretch assignments and cross-functional projects, but also elevating the existing roles.

Support Right
- Foster an inclusive work environment that empowers diverse talent.
- Implement large-scale, continuous listening mechanisms and enhance employee engagement.
- Provide focused and holistic health and well-being options to our employees.

Nurture Right
- Establish clear career pathways with structured learning and developmental opportunities for professional advancement.
- Continue reinforcing the culture of appreciation and recognition to motivate the workforce.

Reward Right
- Drive a performance-driven culture by recognising and celebrating excellence.
- Accentuated differentiation to drive meritocracy.

Understanding Technology driven Retail
- Ensuring regular employee communication centred around becoming a Technology driven Retail NBFC
- Driving tech competitions like Hackathon (completed 3 seasons) to encourage digital thinking

People Alignment

Enabling Technology driven Retail NBFC
- Recruiting IT talent to drive technology driven retail and lead digital initiatives

Talent Acquisition

Enhancing Organisation Memory
- Building people-agnostic processes: App-based geotagging for route identification for frontline staff

Managing People Risk

Promoting Digitisation as a Way of Life
- Setting KPIs to digitise processes across levels
- Recognising 'Digital Initiatives' through Star Awards

Performance and Rewards

Empowering Employees through Policy Infrastructure

Your Company is committed to creating a harmonious and equitable workplace where every employee feels respected, valued, and empowered. To ensure that all aspects of Human Capital management function smoothly and free from bias, LTF has established a comprehensive set of policies that promote ethical conduct, uphold human rights, and celebrate diversity and inclusion. These policies nurture a safe, supportive environment that allows employees to thrive and contribute fully. By prioritising transparency and fairness, your Company strives to cultivate a culture of respect and integrity, reinforcing its dedication to the well-being of its workforce.

Central to this commitment is LTF's Code of Conduct (CoC), which sets clear ethical standards, supported by mandatory training and annual assessments. Additionally, regular awareness campaigns keep employees informed about harassment prevention, diversity, and inclusion, while secure channels are in place for employees to voice concerns safely and confidently.

Supplementing the CoC, LTF implements the following policies that emphasise its dedication to ethical practices and employee welfare:

Maintaining Diversity, Equity and Inclusion in Workforce

At LTF, fostering a workplace that champions diversity, equity, and inclusion (DE&I) is fundamental to your Company's core values. The workforce reflects a broad and diverse spectrum of individuals – varying in gender, age, ethnicity, language, and regional heritage. This diversity enhances your Company's ability to connect with and serve its equally diverse clientele, driving innovation through a wide range of perspectives and ideas that improve business operations.

By focussing its efforts on rural areas, LTF also creates valuable job opportunities for local talent, contributing to regional economic development and helping to reduce the migration of workers to urban centres. This initiative highlights LTF's role as a force for positive change in the communities it touches.

During the year, your Company accelerated its DE&I journey through structured initiatives, including the formation of a DE&I council, rollout of training modules, and focused interactions with female employees. Regular monitoring of DE&I metrics enabled measurable progress, culminating in a 4.5x increase in the female workforce in Rural Business Finance – a significant step towards gender equity. Moreover, your Company has taken up various sustainability targets to increase gender representation in your Company.

Workforce Diversity

FY25

Category	Gender-Wise		Age-Wise		
	Male	Female	<30 Years	30-50 Years	>50 Years
Core Management and Senior Management	96	17	0	77	36
Middle Management	433	36	2	442	25
Junior Management	34,033	1,906	20,551	15,344	44
Total	34,562	1,959	20,553	15,863	105

FY24

Category	Gender-Wise		Age-Wise		
	Male	Female	<30 Years	30-50 Years	>50 Years
Core Management and Senior Management	73	16	0	72	17
Middle Management	354	25	2	363	14
Junior Management	28,716	1,350	18,739	11,292	35
Total	29,143	1,391	18,741	11,727	66

Commitment to DE&I Principles

LTF is devoted to embedding DE&I principles into every aspect of its operations, ensuring these values guide everything from talent acquisition and employee retention to strategic decision-making, community outreach, and partnerships within the value chain. This commitment is brought to life through a series of initiatives, including:

Aligned Work Schedules for Fairness

To promote greater equity across your Company, LTF standardised its work schedules across all branches, aligning them irrespective of size or location. This included making Saturdays working days across functions, thereby ensuring parity with the field-level officers (FLOs). This step fosters a more inclusive and balanced workplace, where every employee is respected for their contribution and treated equitably.

Merit-Based Culture

LTF's meritocratic approach allows fair decision-making, ensuring that employees are evaluated by their contributions and potential. This emphasis on performance and capability nurtures a diversity of ideas and fosters an environment where innovation thrives, unlocking the full potential of its workforce.

Empowering Women and Underrepresented Groups

Your Company is dedicated to advancing gender inclusivity and empowering underrepresented groups through strategic and impactful initiatives, including:

Gender Representation & Pay Equity

LTF is a strong proponent of gender inclusivity, with women making up 27% of the Group Executive Committee. In line with its broader DE&I vision, your Company has also set clear public targets to enhance female representation across levels: 18% in Senior Management, 9% in Middle & Senior Management, and 5.4% across the overall workforce. Additionally, your Company maintains equal pay for both men and women at all levels, reinforcing its commitment to upholding gender equity in the workplace.

Gender Pay Gaps

Indicators	Difference between Men and Women Employees (%)	
	FY25	FY24
Mean Gender Pay Gap	-27	-60
Median Gender Pay Gap	17	-2
Mean Bonus Gap	15	13
Median Bonus Gap	9	6

For details about the gender-specific remuneration benefits to employees, please refer to BRSR Section C: Principle 5.

Increasing Women Representation

With the aim of increasing women representation in workforce, a DE&I council was instituted, comprising of senior leaders headed by CSO & CHRO and was able to increase women representation from 4.6% to 5.4% and 4.5x increase in women personnel in Rural Business Finance. The female to male compensation ratio is 1.35 due to the increase of women personnel at ground level. The team did comprehensive studies using data analysis, exit interviews, and focus group discussions to identify challenges and opportunities. Research revealed positive attributes such as an inclusive culture, ample growth prospects, and equitable treatment, alongside areas requiring attention, including flexible schedules, enhanced remote work policies, education support, and childcare facilities. In October 2024, LTF introduced initiatives like the STRIDE programme, enabling access to higher education. Additionally, customised approaches in retail and rural businesses were introduced to foster women's participation, strengthened by a referral and reward programme to incentivise women hires.

Winspire

In FY25, your Company has taken a significant step toward fostering gender diversity and inclusion by nominating women employees for all three tracks of the Winspire Programme, an initiative established by the parent Company, L&T Limited. These tracks focus on empowering and advancing women at various stages of their professional journey:

- **Building Growth Mindset:** This track emphasises cultivating resilience, adaptability, and a mindset of continuous learning to prepare employees for future challenges.
- **Rise:** Focused on preparing women for elevated responsibilities and leadership roles, this track supports career progression within your Company.
- **Propel:** Designed to accelerate leadership development for senior-level professionals, this track empowers participants to achieve their full potential in advanced roles.

5 batches of the Winspire were conducted during the year. This initiative reflects our commitment to supporting women's professional growth across all career levels.

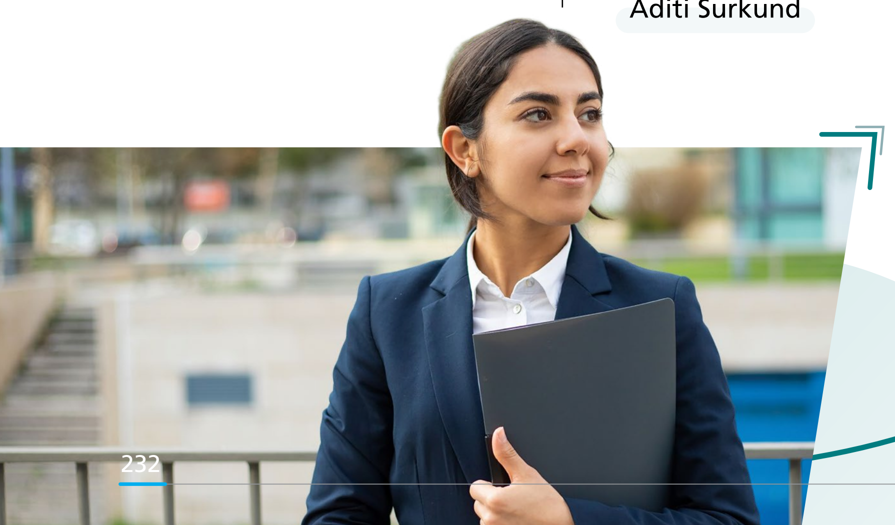
Voices of Women Employees

"Participating in the WINSPIRE PROPEL – Leadership Journey Programme by L&T Corporate HR was a truly transformative experience. It helped me gain deeper insight into my strengths, boosted my confidence, and equipped me with practical tools to lead with purpose and clarity. The opportunity to connect with inspiring women across industries added immense value, reinforcing a strong sense of empowerment and shared growth. I now approach leadership with renewed conviction and readiness to embrace new challenges."

Nidhi Singh Dubey

"The Winspire Rise – Women Leadership Programme was a truly eye-opening experience. It helped me balance career goals with personal well-being, boosted my confidence, and reshaped how I engage with others. A key takeaway was the importance of inclusive leadership—creating space for everyone to thrive. The sessions encouraged self-reflection, positive assertion, and purposeful collaboration. Connecting with like-minded women across L&T made the journey all the more enriching. Grateful for the opportunity!"

Aditi Surkund



Maternity-Friendly Policies at LTF

LTF has recently launched a range of progressive women-friendly policies aimed at supporting them through various life stages. For young mothers, an extended leave of up to one year has been introduced, allowing them to work from home during this period. This is in addition to childcare leave and the mandatory maternity benefits already in place.

The Company has also introduced creche reimbursements for up to two children below six years of age, ensuring greater flexibility for working mothers. To enhance the comfort and safety of expecting mothers, LTF not only provides local conveyance reimbursements but also provides a child attendant during travel, ergonomically designed chairs, and, where needed, priority parking spaces for those driving their own vehicles.

Supporting Motherhood at Work

As a part of building a supportive workplace, LTF has announced the opening of a 'Lactation Room' at the Head Office dedicated to supporting nursing mothers returning to work in FY25. This room ensures privacy, while providing a hygienic environment with comfortable seating, a table, and electrical outlets for breast pumps. Additionally, a refrigerator is available for the safe storage of expressed milk. By offering this dedicated space, LTF aims to assist its female employees in balancing their professional and personal responsibilities.

Cultivating a Diverse & Inclusive Culture

Recognising the importance of ongoing education in shaping an inclusive culture, LTF has introduced innovative training programmes aimed at addressing biases and promoting awareness among the employees. These initiatives include:

LTF's 1st Gamified DE&I eLearning Module

LTF launched its first-ever gamified Diversity, Equity, and Inclusion (DE&I) eLearning module to help managers recognise and address unconscious biases that influence their decision-making and workplace interactions. The hands-on, scenario-based format transforms training into an engaging experience, motivating managers to actively participate rather than passively consume information.

Available in 8 languages, the module was rolled out to employees under junior, middle and senior management. Through interactive workplace scenarios, participants take on the role of decision-makers, earning puzzle pieces as they navigate real-life challenges. Each puzzle piece represents a unique bias-related situation, fostering a deeper understanding of DE&I principles beyond rigid guidelines. Instead of definitive right or wrong answers, the module encourages critical thinking and reflection, ensuring meaningful learning outcomes.

In recognition of LTF's innovation in learning, your Company won the Diamond Award for learning intervention under the DE&I awareness category, recognising its impact in driving inclusivity at LTF.

VINDHYA
FIDELITY | QUALITY | HUMANITY

Diversity across Value Chain - Inclusive Partnership with Vindhya e-Infomedia

LTF's partnership with Vindhya e-Infomedia has led to the employment of Persons with Disabilities (PWDs) at its Nagpur call centre. This initiative supports women and PWDs in taking their first strides into the corporate sphere, enhancing their economic independence and boosting their self-esteem.

Managing Talent to Multiply Impact

> Talent management is not a one-time event; it is a continuous journey of growth.

LTF considers talent management a fundamental pillar of its success. Your Company is committed to attracting skilled individuals who resonate with its core values and mission. Once they join the team, employees receive the necessary resources and opportunities to enhance their skills and progress in their careers. LTF nurtures a collaborative atmosphere where team members are encouraged to exchange ideas and support one another's development. By emphasising clear pathways for advancement and acknowledging individual achievements, your Company not only retains top talent but also fosters a motivated workforce eager to overcome challenges and propel your Company forward.

I Talent Attraction

II Talent Development

III Talent Deployment and Progression

IV Talent Retention

I Talent Attraction

LTF places a strong emphasis on identifying, nurturing, and retaining top talent, ensuring that employees are equipped to grow both personally and professionally. Workforce planning is done, ensuring alignment with business priorities, transformation goals, and manpower needs. Your Company employs a dynamic recruitment strategy incorporating internal promotions, lateral hires, and campus recruitment, along with the use of external partners like Recruitment Process Outsourcings (RPOs). Special initiatives such as the 'Aspire' programme foster internal talent development, while diversity efforts focus on increasing representation in frontline roles. Key recruitment efforts, including the Management Trainee Programme and decentralised frontline recruitment model, ensure LTF attracts diverse, skilled talent. Your Company also emphasises pre- and post-recruitment engagement, using structured programmes like 'Parichay' for new joiners and 'RAP' for frontline staff to ensure smooth onboarding and reduce early attrition.

Your Company's approach to talent management is centred on fostering individual potential through targeted development programmes and opportunities for career advancement. By creating a merit-based environment that recognises employees for their skills and contributions, LTF's ensures long-term success for both its employees and your Company itself.

Talent Recruitment

Category	Gender-Wise			Age-Wise		
	Male	Female	Total	<30 Years	30-50 Years	>50 Years
FY25						
New Hires	20,799	1,176	21,975	18,047	3,922	6
New Hiring Rate	65%	70%	66%	95%	27%	9%
FY24						
New Hires	17,139	1,001	18,140	14,241	3,896	3
New Hiring Rate	62%	84%	63%	77%	38%	5%

Note: Methodology for New Hires calculation = (No. of persons who have been hired by the entity in the FY*100)/Average no. of persons employed in the category in the FY

With a keen awareness of the importance of a solid recruitment process, LTF has implemented several initiatives to enhance its talent acquisition approach, including:

1 Application Tracking System Integration

To streamline recruitment efforts, LTF has adopted an application tracking system. This advanced tool accelerates the hiring process, providing a seamless experience for both your Company and prospective candidates, while reinforcing your Company's commitment to building a skilled and motivated workforce.

2 Enhanced Onboarding Process

LTF has significantly improved its onboarding framework, focussing on creating a seamless and engaging experience for new hires. Both the pre-onboarding and onboarding stages have been strengthened to ensure employees feel welcomed and equipped from the outset.

3 Revamped Campus Recruitment Process

LTF has joined forces with L&T EduTech to enhance its campus recruitment process. This collaboration streamlines the selection of graduates and management trainees by employing effective evaluation mechanisms, ensuring that candidates are a perfect fit for your Company. This initiative integrates end-to-end elements, beginning with branding to attract top talent and culminating in a robust onboarding framework for campus hires. By adopting a holistic approach, the programme ensures a consistent and engaging candidate experience. A detailed and structured approach has been introduced, marking a first of its kind milestone in LTF's campus hiring strategy.

4 Digital Engagement Strategy

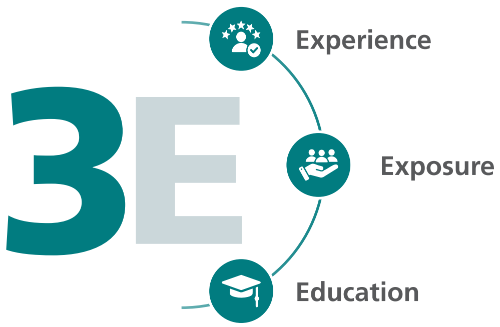
Your Company has implemented a digital engagement strategy that provides new hires with relevant information about their roles prior to their official start date. This initiative promotes a welcoming atmosphere and prepares future employees for a smooth transition into their new workplace.

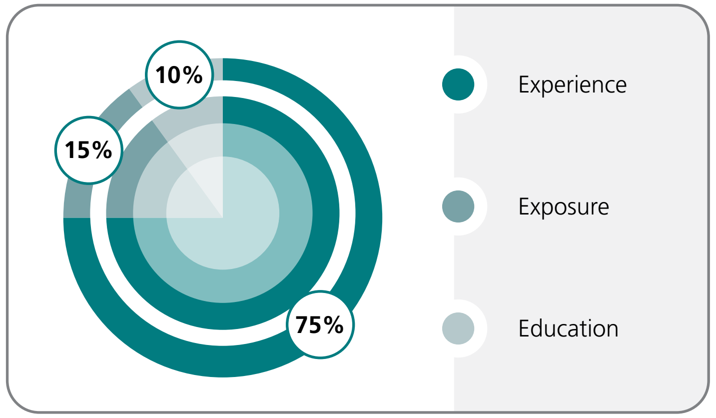
5 Focus on Women Hiring and Inclusivity

LTF continues to strengthen diversity and inclusion by actively increasing women's participation in the workforce. A focused approach is adopted – starting at the state level, then narrowing down to regions and branches suitable for women in field roles, especially in Rural Business Finance. Initiatives include creating dedicated opportunities in operations. To support this, infrastructure at selected locations has been upgraded, including CCTV installation to ensure safety, along with women-friendly policies that enable a secure, inclusive, and growth-oriented work environment.

Talent Development

LTF's talent development model is a strategic blend of three core themes - **Experience, Exposure, and Education** - structured in a ratio of initiatives and programmes under the theme, designed to nurture a dynamic and high-performing workforce.





Experience

- Employees gain leadership through new responsibilities and decision-making roles.
- A culture of accountability enhances involvement in key tasks.
- Town halls ensure transparent communication and strategy alignment.

Exposure

- Cross-functional collaboration is encouraged through strategic working committees, enabling employees to gain diverse perspectives.
- Leaders in pivotal roles receive executive coaching and specialised training, sharpening their expertise and preparing them for higher responsibilities.

Education

- Collaboration with prestigious educational institutions is undertaken to deliver world-class leadership development programmes, guided by industry veterans.
- This structured learning empowers employees with the knowledge and skills needed to lead LTF into the future.

Skill Development and Learning Initiatives

At LTF, the overall development of employees is a top priority, underscored by a supportive culture and robust talent management practices. Your Company offers customised functional and behavioural training programmes tailored to the specific needs identified during half yearly and annually performance reviews. These initiatives are supported by the expertise of both internal and external professionals, ensuring that the training provided is high-quality, practical, and aligned with business needs.

Average Hours of Training

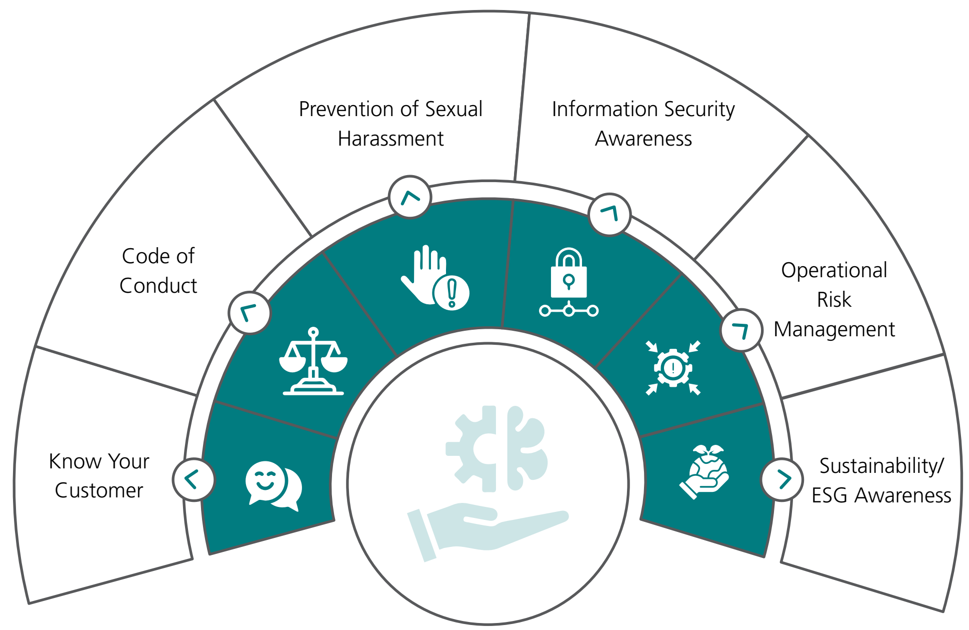
Particulars	Year	Management	Non-Management	Permanent Male Employees	Permanent Female Employees
Average Hours of Training	FY25	15.07	38.56	38.64	35.28
	FY24	25.09	40.59	40.90	32.47

Employee Induction Programme: Parichay

The **Parichay** programme serves as an essential onboarding tool, guiding new recruits through LTF's fundamental values, culture, business operations, and goals. This programme equips employees with the knowledge and skills necessary for effective role performance, followed by mandatory onboarding training modules.

Training Modules

Key training areas covered in the Parichay programme include:



In FY25, all new employees participated in ESG training through this programme, with educational materials available in 8 languages. This inclusive strategy ensures that employees from diverse backgrounds can easily comprehend and connect with the training.

Role Appreciation Programme (RAP)

Innovative Onboarding Experience: The Role Appreciation Programme (RAP) complements the Parichay initiative by specifically targeting frontline employees involved in the Rural Business Finance business.

The RAP offers a unique four-day experience aimed at giving candidates (field level officers in Rural Business Finance) an in-depth understanding of their roles through immersive field visits and interactive classroom sessions.

A standout aspect of RAP is its emphasis on informed consent. Candidates participate in experiential learning prior to making a commitment to LTF, ensuring mutual alignment of expectations.

December
2022
Launch Date

Impacts of RAP

Tangible Benefits

LTF reported an increase in hiring within RAP regions, with attrition rates dropping by 19% compared to non-RAP regions. The infant attrition rate in RAP regions was just 4%, while it reached 7% in non-RAP areas.

Intangible Benefits

The programme facilitates cultural integration by embedding LTF's values and mission into the onboarding process, helping new hires connect deeply with your Company's culture. Furthermore, LTF has crafted an extensive training handbook for trainers to standardise information about Company policies and expectations.

Udaan: Shaping Future Leaders

Udaan stands as LTF's flagship initiative for welcoming new talent and shaping future leaders. The programme kicks off with an orientation conducted by HR and senior management, giving trainees a deep dive into your Company's values, legacy and business.

Depending on their roles, the programme spans from one week to a month.

The initial week is dedicated to helping participants transition from campus life to the corporate setting, immersing them in LTF's culture and exploring your Company's evolution.

Following this, trainees engage in customised technical training tailored to their specific roles. LTF supports trainees beyond the induction phase, offering continuous engagement throughout their tenure to guarantee smooth transition and success.

Management Trainee (MT) Programme - Batch 2024

The journey of management trainees in 'Sapno Ki Udaan' commenced with an enriching week-long induction. They participated in leadership sessions designed to spark their imaginations and explore potential, while a visit to Planet L&T Experience Centre, located at L&T's office-AMN tower (featuring interactive technologies like holographic imaging, multi-surface projection, and robot guides) fostered a sense of pride in LTF's legacy. At Learning & Development Academy of L&T, Lonavala, they cultivated vital behavioural skills necessary for their success. The week culminated in an elegant orientation at Mumbai.

22
Management Trainees Onboarded

Graduate Engineer Trainee (GET) Programme - Batch 2024

The graduate engineer trainees kicked off their 'Campus-to-Corporate' journey on July 22, 2024, at L&T's Corporate Technology and Engineering Academy in Mumbai. This comprehensive programme encompassed leadership sessions, insightful departmental inductions, and dynamic team-building activities, ensuring a seamless transition and building a sense of community among the trainees.

With the **Udaan** programme, LTF is proactively investing in the development of its future leaders and engineers, providing them with the skills and mindset essential for personal and professional growth within your Company.

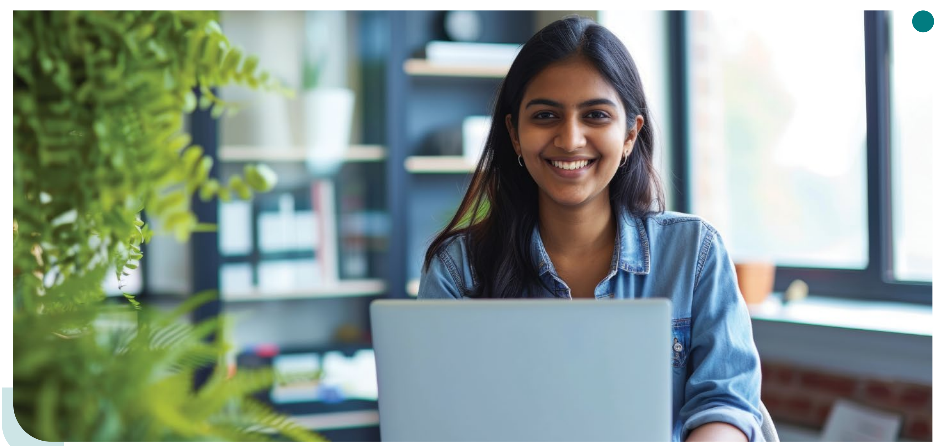
73
Graduate Engineer Trainees Onboarded

Aspire – Identifying Next-Gen Managers

The **Aspire** initiative is a tailored succession programme designed for front-line sales employees, emphasising capacity building to prepare them for advanced roles. Key features of the programme include:

- **Promotion of Upward Growth:** Assessing top performers and granting them additional responsibilities
- **Employee Participation:** Employees have engaged in the Aspire Programme, with many successfully advancing within LTF

To further develop the skills of the sales team, specialised training programmes focus on both behavioural and functional competencies, resulting in the training of employees. These programmes aim to improve skills like communication, negotiation, product knowledge, that are crucial for sales success.



Leadership Development Programme

The Leadership Development Programme addresses key imperatives such as mitigating people risks, creating a succession plan for critical roles, and providing aligned career paths for leaders. The programme is structured into three phases:

Inward Journey
Phase I

This phase begins with Hogan Assessments to enhance self-awareness and external behaviour evaluations through manager assessments. Participants use insights from these assessments to create Individual Development Plans (IDPs).

Outward Journey
Phase II

In this phase, participants engage in workshops centred around emotional intelligence, trust building, and driving change. These workshops are designed following in-depth discussions with senior management to align with identified learning needs.

Phase III

The final phase reinforces key competencies through a workshop on 'Crucial Influence' and monthly bite-sized learning articles, ensuring continuous skill development.

Furthermore, LTF offers 'Coursera' licenses and access to a library of certification courses to help employees develop niche skills. Your Company also continues its 'Managerial Development Programme', specifically designed to enhance the managerial capabilities of frontline supervisors.

e-Gurukul

Introducing e-Gurukul, LTF's all-encompassing portal for training and development initiatives. This platform acts as a central resource where employees can explore a diverse array of training modules aimed at enhancing their skills and expertise. With its innovative combination of gamified simulations and bite-sized learning tools, e-Gurukul turns the learning process into an enjoyable adventure. From fundamental workplace ethics to specialised skill enhancement, each training programme is readily accessible through popular channels like WhatsApp and corporate radio.

Long-Range Planning Boot Camp

LTF organises a boot camp at the end of the third quarter of every financial year, aimed at preparing a roadmap for the next financial year. This boot camp is complemented by a week-long comprehensive long-range planning exercise, ensuring your Company is strategically positioned for future growth.

Hackathon

LTF's annual Hackathon is a flagship innovation platform, open to employees across all levels, locations, and business divisions. The initiative encourages creative problem-solving by enabling participants to propose solutions to pressing business challenges, thereby contributing to LTF's growth and strategic advancement. The Hackathon promotes the adoption of advanced technologies and digital tools to enhance customer experiences, optimise sourcing, and increase cross-selling potential. Participant navigates structured process that includes nominations, expert evaluations, and leadership presentations, with winning ideas implemented into practice. Past seasons, with participants in the platform, have delved into areas like data analytics, digital enablement, and business strategy, with the latest iteration spotlighting the Sachet Awards.

Gamified Learning for Frontline Staff

To address high attrition rates in the Rural Business Finance, LTF developed a gamified e-learning module for branch managers, focussing on improving retention conversation skills. With a 60-65% attrition rate among frontline staff, the programme trained 1,516 managers on how to influence retention decisions and better support their teams. The module, available in multiple languages, includes simulations based on the primary causes of attrition—work pressure, better opportunities, and family time.

For additional details about the trainings conducted during the year, please refer to:

BRSR Section C: Principle 1, Principle 3 and Principle 5

III Talent Deployment and Progression

By strategically deploying and advancing talent, LTF ensures that employees at all levels are empowered to reach their full potential. This approach aligns individual growth with your Company's long-term goals.

Strategic Talent Deployment: Maximising Potential

Talent deployment at LTF is about more than just filling positions—it is about strategically positioning individuals within your Company to leverage their strengths. LTF views its employees, particularly those in senior roles, as integral parts of its talent pool rather than as resources allocated to specific departments. This holistic approach fosters a culture of ownership, accountability, and engagement, ensuring employees feel empowered to contribute to your Company's overarching goals.

Role Arbitrage: A Key Strategy

A key element of LTF's talent deployment is the concept of role arbitrage. This involves assigning select employees' additional responsibilities and preparing them for leadership roles while simultaneously enhancing organisational resilience. By encouraging employees to take on diverse roles, LTF cultivates a versatile workforce ready to adapt to changing demands, aligning personal growth with organisational needs.

Aligning Talent with the Strategic Vision: Lakshya 2026

Since launching its strategic plan, Lakshya 2026, in CY22, your Company intensified its focus on aligning talent deployment with long-term objectives. Senior and mid-level leaders actively participated in nationwide town halls organised to communicate these strategic goals clearly, ensuring employees across your Company understand how their roles contribute to the broader vision.

The periodic addresses by the Managing Director and CEO sets expectations for key behaviours and reinforces alignment with company goals. Quarterly town halls further serve as essential touchpoints for sharing strategic insights and maintaining open communication across all levels.

Talent Progression: A Commitment to Growth

LTF's performance management system integrates business growth and risk management goals, with a focus on transparency and continuous improvement. Employees' objectives are aligned with your Company's Long-Range Plan and Risk Scorecard, tracked through Workline HRMS to ensure clarity and buy-in. Mid-Term reviews provide feedback without performance ratings, while daily dashboards monitor progress in key roles.

The annual appraisal uses a bell-curve approach to differentiate performance, linking ratings to rewards like salary increments and promotions, with bias checks ensuring fairness. The rewards system, driven by performance, includes monthly and quarterly incentives. The system has evolved from manual processes to a digital platform, with future plans to automate real-time performance tracking and further align performance with rewards.

For details about the % of employees that went through a performance development and career review, please refer to BRSR Section C: Principle 3.

Ascend – Internal Job Posting (IJP)

LTF's Ascend (Internal Job Policy - IJP) reinforces its commitment to internal talent development by prioritising existing employees for new opportunities across departments. Renewed in 2023, the policy introduced several key enhancements, including the removal of prior approval from supervisors to apply, a mandatory panel interview for fair selection, a 60-day transfer timeline post-selection, vertical grade movement for career progression, and safeguarding of Performance Management System (PMS) ratings after transfer. Applicable to regional positions and above in the retail function, as well as all group function roles, Ascend continues to strengthen internal mobility and leadership development within your Company. During FY25, employees were provided with new opportunities through the Ascend Policy.

A Roadmap for Career Development

In a significant initiative involving all departments, LTF outlined a four-year roadmap for business functions, offering employees clarity and direction in their career paths. This structured approach enhances engagement by providing a clear vision for individual growth, making it easier for employees to align their career aspirations with LTF's long-term strategy.

Integrating Talent Deployment and Progress for Organisational Success

The synergy between talent deployment and progression at LTF establishes a comprehensive management framework. By thoughtfully positioning employees in roles that optimise their contributions and promoting their continuous development, LTF builds a resilient talent pipeline vital for its future success.

IV Talent Retention

Aiming to strengthen employee retention and address grassroots concerns, LTF has implemented the National People Council and Zonal Leadership Forums. These councils work to promptly resolve employee issues, provide essential leadership support, and foster a sense of value among employees within your Company.

Zonal Leadership Forum (ZLF)

The Zonal Leadership Forum (ZLF) facilitates meaningful collaboration between business zones to address challenges and reduce attrition. By focussing on key factors like employee incentives, leadership styles, and workplace conditions, it draws on the combined expertise of the Zone and Head Office. Insights are communicated to the National People Council, influencing policy design across your Company. Actionable strategies, underpinned by clear deadlines, are carefully reviewed to ensure the effective resolution of attrition challenges.

Senior Frontline Elevation Programme

The Senior Frontline Elevation Programme targets experienced frontline employees, offering them differentiated roles and compensation to boost retention and motivation. By focussing on long-tenured employees, the programme significantly reduces attrition and enhances productivity, with noticeable improvements across varying market conditions.

Fast Track Promotion Programme for Home Loan Business

The Fast Track Promotion Programme addresses high attrition in the Home Loan business by offering accelerated promotions and increased compensation to top performers.

The Zonal Leadership Forum conducts extensive meetings to identify and resolve this challenge through:

Strategy Sessions

Engaging all zonal leaders in deep discussions to uncover root causes of attrition.

Comprehensive Reviews

Utilising insights from exit interviews and branch-level assessments to devise actionable solutions.

These findings are set to be presented to the National People Council for prompt implementation.

In addition, a new Regional Business Head structure has been created to decentralise decision-making and create an agile organisation and enhance support for employees, ensuring they have the necessary resources to excel in their roles.

Exit Interviews

To further understand employee turnover, LTF has enlisted an external partner to conduct exit interviews for departing employees. This initiative provides your Company with candid insights into the reasons behind employee turnover, facilitating data-driven enhancements to its retention strategies.

Category	Gender-Wise			Age-Wise		
	Male	Female	Total	<30 Years	30-50 Years	>50 Years
FY25						
Employee Turnover Number	7,003	396	7,399	4,292	3,102	5
Employee Turnover Rate	22%	23.6%	22.1%	22.5%	21.5%	7.6%
FY24						
Employee Turnover Number	7,091	344	7,435	4,270	3,163	2
Employee Turnover Rate	25.5%	28.8%	25.6%	23.0%	30.5%	3.5%

Note: Methodology for 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

Employee Grievance Redressal Mechanism

LTF strives to create an open, just, and supportive work culture where each employee's voice is heard and human rights are respected. To achieve this goal, LTF has implemented an effective grievance redressal system, providing employees with several designated channels to express their concerns.

Code of Conduct Violations

Employees are encouraged to report any breaches by contacting code@ltfs.com. The Code of Conduct Committee, comprising senior officials, thoroughly examines each report to ensure that violations are addressed quickly and fairly and necessary actions are taken.

Harassment Concerns

For any harassment issues, employees should reach out to wecare@ltfs.com. The Internal Committee, consisting of senior leaders, is dedicated to investigating these matters promptly, ensuring that all concerns are handled with sensitivity and thoroughness to protect employee well-being.

Unethical Behaviour

Employees can report unethical behaviour anonymously at whistleblower@ltfs.com. The Vigil Mechanism framework ensures confidentiality and guarantees that all reports are handled with urgency and discretion.

LTF is dedicated to swiftly and fairly addressing grievances, cultivating a workplace environment where every employee can thrive free from misconduct corrective and/or disciplinary action are taken and zero-tolerance is practiced.

For details about the grievances and complaints received from employees, please refer to BRSR Section C: Principle 5.

Employee Remuneration and Benefits

Your Company prioritises the growth and well-being of its employees through a comprehensive framework of performance management, benefits, and rewards that foster a positive workplace culture.

Employee Perks and Incentives

Full-time employees at LTF enjoy a variety of benefits designed to enhance their quality of life and provide security. These include:

Mediclaim Benefits

Comprehensive mediclaim coverage is provided to employees, with options for parents' coverage depending on the policy selected & employee grade.

Gratuity and Provident Fund

Long-term financial security through defined contribution plans.

Parental Leave and Leave Encashment

Leave policies that recognise the importance of family and personal time.

Healthcare Coverage

Comprehensive insurance options, including medical, accident, and life insurance, with flexibility for employees to include family members in the coverage.

Matching Grant Scheme

Additional financial incentives to support employees' savings and investments.

Employee Stock Ownership Plans (ESOPs)

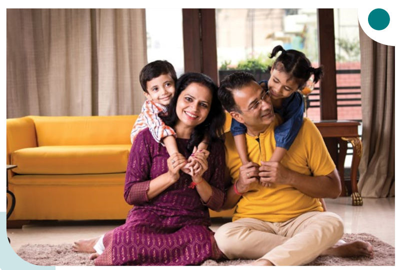
Long-term incentives that promote ownership and investment in your Company's success.

Furthermore, over 63% of LTF's employees are eligible for Employee State Insurance (ESI) benefits. To ensure health and well-being, LTF has partnered with a third-party provider to offer Group Mediclaim and has collaborated with Connect n Heal, a leading health-tech company. This partnership provides round-the-clock online medical services, ensuring that LTF's employees and their families have access to the medical assistance they need. Employees can also benefit from annual health check-ups and weekly offline consultations with physicians.

Family-Friendly Policies

Your Company's commitment to supporting families is exemplified in its parental leave policies. Female employees receive maternity leave support, along with post-maternity assistance, job security, and women-friendly working norms, including a separate childcare policy, part- time working options, and leave of absence. New fathers are entitled to five days of paid paternity leave for their first two children, ensuring that both parents can participate in early family life. Additionally, all employees, regardless of gender, are eligible for parental leave under your Company policy.

For details about parental leave measures, return to work rate and retention rate of employees that have taken parental leaves, please refer to BRSR Section C: Principle 3.



Ex-Gratia and Support for Families

In the unfortunate event of an employee's death, the nominee receives a one-time ex gratia payment of ₹ 2,00,000, along with the employee's last monthly salary for 24 months. Additionally, your Company supports education of the children of the deceased with a max of ₹ 1,00,000 per child (up to 2 children) annually till their graduation. Additionally, your Company also sponsors spouses' vocational/ professional education up to graduation to enhance employability.

Mandatory Leave Policy

With an aim of strengthening governance practices and ensuring compliance with regulatory guidelines, a mandatory leave policy has been implemented for employees at the Business Leader ('BL') and above. This policy serves as an operational risk control measure and facilitates alignment with existing regulatory requirements.

For details about well-being measures and benefits for employees, please refer to BRSR Section C: Principle 3.

Workplace Infrastructure

As part of its commitment to fostering a dynamic and efficient work environment, the Facilities and Channel Management team at LTF successfully executed multiple infrastructure projects spanning approximately 1.5 lakh square feet, with a robust 2,600-seat capacity in FY25. These initiatives focused on expansion, relocation, and the launch of 25 new branches across five states for the Micro Loan Against Property ('MLAP') business. Projects executed during FY25 to provide enhanced workplace infrastructure were:

Application Engineering Centre

A dedicated workspace professionals, featuring a modern breakout area, creative zones, cabanas, and standing meeting rooms to enhance collaboration.

Integrated Tech Operations & Data Science Facility

A state-of-the-art facility in Navi Mumbai, accommodating over 1,300 employees from Accounts, Legal, IT and Customer Support, designed to strengthen operational efficiency.

Auditorium at Mumbai Kalina Office

A fully equipped 130-seater auditorium with advanced AV technology, acoustic panels, and premium amenities, providing an ideal setting for corporate events and meetings.

Employee Health and Safety

At LTF, ensuring the health, safety, and well-being of employees is a fundamental priority. Your Company recognises that a sustainable and secure workplace is crucial to enhancing both productivity and employee satisfaction. These initiatives reflect a profound commitment to creating a workplace culture that prioritises the physical and mental health of its employees. Through consistent monitoring, proactive strategies, and comprehensive support systems, LTF provides a safe and nurturing environment for all.

Safety Initiatives

25
Branches Covered by Hazard Identification and Risk Assessment (HIRA)

ISO 45001:2018
Head Office Certified for Occupational Health & Safety with Zero Non-Conformities

53+ Specialisations
Covered under the Virtual Doctor Consultation Service for Employees and Families

24/7 Emergency Ambulance Service
Available PAN India for Employees and their Families

100% New Joiners (Field Roles)
Trained on Road Safety as Part of Mandatory Induction

LTF has implemented a comprehensive approach to workplace safety, ensuring that hazards are identified, risks are assessed, and preventive measures are deployed. Key safety initiatives include:

ISO 45001

In FY25, LTF achieved a significant milestone by securing the ISO 45001:2018 certification for its Head Office in Mumbai, reinforcing its commitment to occupational health and safety. Certified by ISOQAR, this achievement highlights LTF's structured approach to risk management, employee well-being, and regulatory compliance. Through proactive hazard identification, employee engagement, and systematic implementation, LTF has strengthened its safety culture and operational resilience. With zero non-conformities in the certification audit, this accomplishment underscores your Company's dedication to continuous improvement. Moving forward, LTF aims to extend the certification to additional offices, further embedding global best practices in workplace safety across its operations.

Hazard Identification and Risk Assessment (HIRA)

Conducted across LTF's 25 branches, HIRA focusses on identifying potential hazards and implementing controls to mitigate risks. This includes training key internal stakeholders to act as master trainers who will continue educating employees on safety practices.

Fire Safety and Emergency Equipment

All branches are equipped with fire extinguishers and firefighting equipment, which are regularly monitored and refilled. Fire safety guidelines are consistently communicated to all employees.

UVC Nanotechnology AC Systems

Installed at the Head Office, these systems ensure a germ-free environment, enhancing workplace health standards.

Road Safety Initiatives

Given that a significant portion of LTF's workforce operates in field-based roles, road safety is a priority. New hires undergo comprehensive road safety training, which includes using helmets and reflectors. Your Company provides these safety essentials to ensure employees are protected while on the road. Mandatory road safety sessions are part of the induction process, helping employees understand the importance of safe travel practices. Additionally, an element of road safety was added in the daily pledge of the filed-level employees.

Helmet for Frontline Employees

To prioritise the safety of frontline employees, an initiative that includes distributing helmets was started. The awareness campaign features training modules in vernacular languages tailored for remote locations. As part of a comprehensive safety policy, all employees are required to wear helmets during road travel, ensuring maximum protection on the job. 100% active field level officers were benefitted with helmets under this initiative.

Emergency Ambulance Service

A 24/7 PAN India ambulance service has been introduced to provide immediate medical assistance to employees and their families. Your Company sponsors this service for employees, while family members can avail of it at discounted rates.

Workplace Ergonomics and Air Quality Monitoring

Ergonomic chairs and furniture are provided to employees to promote good posture and reduce health risks. Regular air quality alerts and ergonomic tips are shared to ensure a healthy working environment.

Health and Wellness Facilities

LTF is dedicated to supporting the overall well-being of its employees through various health and wellness programmes. These initiatives are designed to provide comprehensive support for both employees and their families, fostering a sense of security and care.

Virtual On-Call Doctor

Employees and their immediate family members have access to doctor consultations across 53+ specialisations via the app.

Annual Health Checkups and Discounts

Annual health checkups are conducted, and employees receive discounts on medicines and lab services.

Healthy Eating Initiative (Meal Facility)

Launched for small branches of Rural Business Finance, this initiative provides employees with access to healthy and hygienic home-cooked meals. Extended to over 1,100 branches across 11 states, the facility encourages better nutrition, convenience, and social interaction among employees during meals, helping reduce reliance on fast food and promoting well-being.

Emotional Well-Being

Empowering employees to take care of their mental health, the Company provided free access to an app for availing emotional well-being services.

1,100 Branches across **11** States

Covered by the Healthy Meal Initiative

Commute and Travel Support

Recognising the importance of safe and hassle-free transportation, LTF has introduced several initiatives to facilitate employee commutes, particularly for women and field-based employees. These initiatives not only prioritise safety but also offer convenience, ensuring a smooth journey to and from work.

Cab Services for Women

LTF is dedicated to ensuring the safety and well-being of its female employees by providing dedicated cab services for those working late hours. This initiative guarantees a secure and dependable ride home, reinforcing your Company's commitment to supporting its women workforce.

Last Mile Connectivity

To enhance the daily commute experience, LTF offer shuttle services that connect major office locations in Mumbai, with the nearest railway stations. This initiative helps employees bypass long walks and the hassle of finding alternative transport, making their journey to work much more convenient and at the same time help your Company to reduce its carbon footprint.

Health and Well-Being Workshops

In the whirlwind of today's fast-paced world, prioritising health and well-being has become increasingly crucial. LTF understands the toll that achieving a healthy work-life balance can take on its employees. That's why your Company has developed extensive health and well-being workshops aimed at addressing these challenges directly. These workshops equip participants with vital tools and strategies to manage the intricacies of modern life, highlighting the importance of not just physical health but also mental and emotional wellness.

For additional details about health and safety trainings, please refer to BRSR Section C: Principle 3.

LTF consistently showcases its dedication to creating a healthy, safe, and nurturing environment for its employees, prioritising their physical, mental, and emotional well-being in every initiative.

Employee Engagement

LTF emphasises creating a vibrant and engaging workplace for its employees. Recently, your Company conducted a Great Place to Work ('GPTW') survey, allowing team members to voice their opinions and insights. Following the analysis of these responses, LTF facilitated a leadership debriefing to discuss findings and create a detailed action plan, ensuring that employee concerns and aspirations are effectively addressed.

Your Company fosters employee engagement by embedding its core values of Pride, Ambition, Discipline, and Integrity into all aspects of the workplace. Leaders drive this culture through a multi-channel communication strategy that includes townhalls, podcasts, and digital platforms, ensuring organisation-wide awareness and alignment. Senior Management conducts quarterly and regional townhalls to review progress, address challenges, and share strategic goals. Open discussions like Lakshya dialogues allow the Managing Director and Chief Executive Officer to share insights on strategic priorities and your Company's vision. Leadership forums, including zone-specific and national councils, and regular branch visits by the leaders address people-related challenges, fast-track decisions, and align initiatives with organisational goals. Clearly defined KPIs, along with mid-term reviews and regular discussions, ensure clarity and alignment to effectively manage employee performance.

Approach

LTF follows a structured annual plan for employee engagement, meticulously crafted at the start of each financial year. This plan is developed in alignment with organisational goals and executed collaboratively by the HR team, which includes zonal and regional representatives.

1. Identification of Need for Employee Engagement Activities
2. Designing Employee Engagement Calendar Post Thorough Deliberation
3. Discussion with Stakeholders (Leadership, and HR Partners)
4. Finalisation of Employee Engagement Calendar
5. Launch of Employee Engagement Calendar
6. Execution and Results
7. Employee Feedback

Great Place to Work

In FY25, LTF adopted a more strategic, voice-led engagement approach, marked by its first company-wide anonymous survey under the Great Place to Work framework in 12 vernacular languages. With a 73% response rate and 86% of employees affirming LTF as a great workplace, the organisation earned GPTW certification in its first attempt. Survey insights were shared through scorecards, followed by an action-planning workshop, leading to 8 key projects now driven by business teams with regular MD&CEO plus Senior Management check-ins – reinforcing LTF's commitment to listening, acting, and creating an inclusive culture.

Some key interventions developed based on the GPTW Survey include:

GPTW-Inspired Initiatives to Build a Culture

Your Company has rolled out 8 key initiatives to foster a vibrant, inclusive, and engaging workplace. 'Fun and Friendly Workplace' promotes a lively culture through monthly and organisation-wide celebrations, while 'Enriched Onboarding Experience' ensures smooth integration for new joiners via paperless processes and dedicated onboarding days. 'Improving Infra' enhances physical workspaces with modern amenities, safety measures, and comfort upgrades across locations. 'We Hear Because We Care' and the 'Listening Framework' establish a culture of active listening through surveys, discussions, and co-created policies. 'How Am I Doing?' brings transparency and accountability with employee feedback-driven policy updates and live Regional Head scorecards. Additionally, training for BLs and OLs builds leadership capabilities for effective engagement, and 'One-on-One Informal Connects' foster trust and rapport through regular, personal interactions.

STRIDE

Launched in October 2024, the STRIDE (Skilling and Training for Rounded Individuals Development and Enhancement) aims to empower employees by offering a personalised approach to continuous learning, encouraging self-driven growth. It provides employees with the flexibility to pursue courses, certifications, and degree programmes aligned with their professional roles or long-term career aspirations.

IdeaXpress

Launched in FY25, the IdeaXpress initiative was designed to drive transformative ideas by encouraging employees to propose solutions that improve business operations. This initiative aligns with LTF's 'Listening Framework', ensuring that employee feedback is heard and acted upon. The programme promotes bottom-up communication, fosters a culture of innovation, and offers recognition for impactful ideas. The process involves problem identification, idea validation, management review, and implementation, with quarterly champions being recognised for their contributions.

Digitising Performance Tracking

Following insights from the GPTW survey in FY25, LTF identified the need to automate performance tracking for greater transparency and real-time access. A digital scorecard was piloted for sales managers across all lines of business, enabling automated data capture, dashboarding, and peer benchmarking. The platform also integrates with mid-term review, annual appraisals, and R&R programmes. Upon successful rollout and testing, this solution will be extended to all roles, driving a more data-driven, transparent performance culture.

CREW 2 Programme

Rooted in insights from the GPTW survey, the CREW 2 programme was launched to strengthen core behaviours – Collaboration, Respect, Empowerment, and Win-Win outcomes. Backed by a signed Programme Charter from key stakeholders, this one-day workshop was focused on translating feedback into meaningful action. Its success will be measured through improvements in managerial scorecards in future surveys, reinforcing LTF's commitment to continuous learning and a values-driven culture.

Sports and Wellness

Stepathon 2.0

LTF's commitment to employee wellness is reflected through initiatives like Stepathon 2.0, a 60-day walking challenge that encourages an active lifestyle while enhancing connections among employees.

Details	Stepathon (FY24)	Stepathon 2.0 (FY25)
Participants	670	2,046
Teams	67	209
Regions	1	7
Locations	1	166
Total Step Count	27.6 Cr	58.8 Cr
Total Distance Covered	1.9 lakh kms	4.1 lakh kms
Number of Winners	38	146

LTF Employees Ride the Royal Enfield Experience

Teaming up with Royal Enfield, LTF engaged its employees in a host of lively brand activation activities, including puzzle making, painting bike fuel tanks and t-shirts, and showcasing the newly launched Royal Enfield bike. This collaboration also provided exclusive advantages to L&T Finance employees, such as special discounts on merchandise and complimentary vehicle servicing, boosting team morale and strengthening brand ties.

L&T Sea Bridge Marathon

A contingent of employees, led by senior executives, including the MD & CEO, CFO, and COO, participated in the marathon at Atal Setu in Mumbai, promoting fitness and teamwork.

Competitions and Participation

LTF Got Talent

The LTF Got Talent initiative was a brilliant showcase of employee

creativity, offering a unique platform for individuals to reveal their hidden talents. Participants submitted videos featuring talents like singing and dancing to instrumental performances and stand-up comedy. The standout talent, determined by popular votes, had the honour of performing for the champions of the illustrious 'Champions League', making memories to last a lifetime. A select group of 12 exceptional talents were chosen to represent LTF, highlighting your Company's commitment to honouring the diverse skills of its team.

LTF Photography Contest

During the year, your Company launched the LTF Photography Contest, themed 'India Through My Lens'. This initiative inspired employees to express their creativity and capture the essence of the nation's diverse culture. Participants submitted photographs in four categories: Nature & Landscape, Wildlife, Culture, and Archaeology, fostering a strong sense of community and appreciation for India's rich heritage.

QuizWiz

This year, the L&T Group hosted the 3rd season of its QuizWiz competition, a unique knowledge-based challenge. For the first time, LTF participated in this exciting event, with an impressive turnout of 376 participants forming 188 teams. The competition was conducted in a 'phygital' format, blending physical and digital elements to ensure a seamless and inclusive experience.

Your Company showcased exceptional talent and enthusiasm throughout the contest. Its journey culminated in a proud moment at the grand finale, where the team from LTF emerged as the 2nd runners-up, securing a spot among the top performers of the L&T Group.

ArtBeat

Debuting in the L&T Group's ArtBeat competition, employees had their artworks shortlisted and showcased at the prestigious exhibition.

Cultural and Festive Celebrations

Independence Day - Let's Make News

A creative contest saw teams craft artworks representing India using newspapers. Winning entries were recognised with prizes at regional levels.

Festive Celebrations

Major festivals like Diwali, Holi, Christmas, Onam, and Ganesh Chaturthi were celebrated with enthusiasm, featuring contests and traditional decorations. Highlights include the Eco-friendly Ganesha contest and Best Flower Rangoli awards, which recognised employees' creativity and cultural pride.

Celebrating 30 Years of LTF

FY25 also marked a significant milestone in LTF's journey as it celebrated 30 years of building impact with purpose. The anniversary was marked by a series of commemorative activities across locations, fostering a sense of unity, and belonging among employees. The 30-year milestone served as a platform to honour the people and values that have shaped LTF's journey, while also inspiring employees to be part of the next chapter of transformation. Leadership engagements during the celebrations further reinforced your Company's commitment to its workforce, deepening emotional connection and collective purpose across all locations.

Community and Social Impact

Hafta Challenge

Launched during the Joy of Giving Week, this initiative encouraged acts of kindness, such as writing thank-you notes, helping those in need, and connecting with nature, fostering empathy and social responsibility.

Localised Engagement for Rural Workforce

With a workforce of over 25,000 employees spread across 2,000+ meeting centres, decentralised plans ensure inclusivity and engagement for rural employees. Initiatives include:

One Team One Lakshya

Employees across India left handprints on a canvas, symbolising unity and collective commitment to organisational goals.

BM Connect Programme

Aimed at strengthening employee engagement at the branch level, the BM Connect Programme fosters closer connections and open communication between employees and leadership, ensuring alignment with organisational goals and values.

Cultural Celebrations

Regional events like Lohri, Bihu, Pongal, Rajo Festival and Mango and Lychee Days add local flavour to engagement.

Wellness Awareness

Doctor-led video sessions on seasonal health precautions in regional languages.

Recognition and Awards

At LTF, recognising and celebrating employee achievements is not just a practice; it is a core value that energises your Company's workforce. In FY25, your Company continued its commitment to excellence with recognition initiatives designed to honour those who make extraordinary contributions.

Long Service Award

LTF introduced the Long Service Awards to honour employees who have dedicated a significant portion of their careers to your Company. During the year, 173 Awardees with a tenure milestone of 10+, 15+ and 20+ years with LTF were felicitated, celebrating their loyalty and commitment to your Company over the years.

To institutionalise this recognition, employees receive distinct coloured lanyards corresponding to their years of service. This visual acknowledgment celebrates individual achievements and promotes a culture of commitment within your Company. Through the Long Service Award, LTF honours the hard work of its employees, fostering a sense of belonging and motivation across the workforce.

In FY25, Your Company acknowledged the profound impact of employees who have been integral to LTF's success and growth over the years, reinforcing the value placed on long-term dedication and commitment. The celebration included performances by People with Disabilities PwD) – visually impaired, hearing impaired and locomotor disability to drive inclusion and spark a conversation on diversity.

STAR Awards

The Star Awards is the flagship recognition programme at LTF, celebrating employees who go above and beyond their duties to achieve success in areas where others may not have dared to venture.

This award recognises individuals who demonstrate exceptional performance and commitment, contributing to the overall success of your Company in a truly remarkable way.

The award is open to the non-frontline cadre, including Frontline Supervisors, Frontline Managers, and Organisational Leaders. Employees can nominate themselves, peers, subordinates, or managers across a variety of categories. The comprehensive and stringent selection process is involved in various stages of assessment by business leaders, to ensure merit-based recognition. Winners are felicitated in person by the Board of Directors, with a personalised letter from the MD & CEO sent to their family members. The ceremony is broadcast live across your Company, complemented by a cultural programme, 'Meri Awaaz Suno', adding a special touch to the celebration.

Wall of Fame

The Wall of Fame honours employees who demonstrate extreme ownership, commitment, and dedication to delivering outstanding results. This recognition initiative acknowledges individuals whose performance aligns with your Company's quarterly and monthly business priorities.

Each month, around 300-400 employees are selected for their exceptional contributions, with recognition taking place through a structured process involving Skip Level Managers, Business Heads, and Chief Executives, depending on the employee's role and level. Winners receive certificates of appreciation and a monetary reward, further reinforcing LTF's dedication to acknowledging excellence in performance. This monthly recognition continues to play a significant role in encouraging outstanding performance and motivating employees across your Company.

HR Digitisation

In alignment with its Technology driven Retail NBFC ambition, LTF recognises that digitisation is not just a trend but a necessity in today's rapidly evolving business landscape. Embracing a digital mindset fosters agility, innovation, and transparency, enabling your Company to respond effectively to the dynamic needs of its workforce and clients. By leveraging technology, your Company enhances operational efficiency, improves communication, and empowers employees to take charge of their professional journeys.

To strengthen governance, including during recruitment, LTF has implemented a robust Pre-Offer Background Verification process in collaboration with the external platform TRST Score. This three-step verification checks the PAN Card, along with a combination of the PAN Card, UAN, and Aadhar card, allowing for thorough employment history checks relevant to the applied job role. This makes LTF a pioneer in the NBFC sector by adopting such a comprehensive approach.

Recent advancements include the introduction of a Flexi Time System in select metro cities, enabling employees to adopt more flexible work schedules. This initiative, supported by digital tools, reflects your Company's commitment to work-life balance.

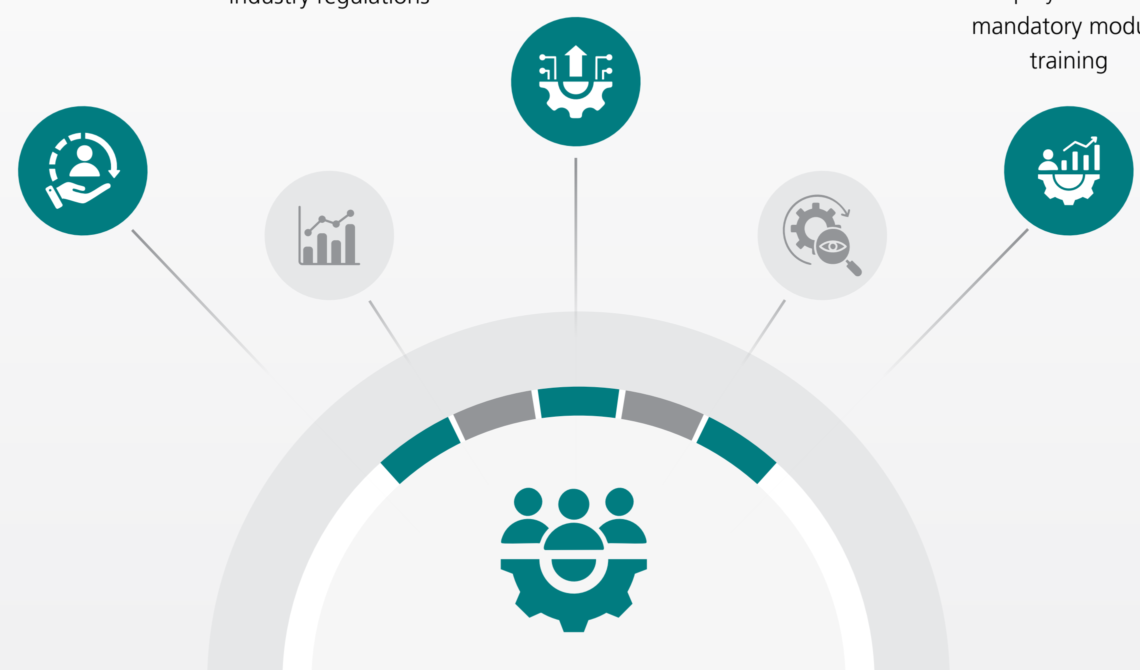
Additionally, your Company has established a Quality Management System ('QMS') forum where employees raise queries, complaints, and issues. For easy accessibility, chatbots and service tickets are available to streamline the process. For frontline employees, the onboarding process has been systemised to accommodate the large volumes of new hires seamlessly. Additionally, background verification checks, which were previously manual, have been digitised, ensuring faster and more reliable verification.

Overall, these developments have led to the end-to-end digitisation of the employee lifecycle at LTF, significantly enhancing operational efficiency and improving the employee experience.

Strategic Contribution of Human Capital

LTF utilises its human capital to fulfil a range of business objectives, guided by your Company's 5-Pillar framework designed to establish a sustainable and predictable retail franchise. Central to these goals are effective communication, collaboration, and a strong emphasis on employee development. The specifics are outlined below:

Enhancing Customer Acquisition	Sharpening Credit Underwriting	Implementing Futuristic Digital Architecture	Heightened Brand Visibility	Capability Building
Trains sales members in effective communication and customer relationship management	Educates staff on financial analysis and risk assessment techniques	A dedicated team for researching and adopting cutting-edge digital technologies established	Empowers employees to be brand ambassadors through consistent messaging	Institutes training programmes at every phase of employee lifecycle
Community page/ radio podcast on market trends help for better customer understanding	Encourages collaboration between sales and credit teams for better information exchange	End-to-end HR processes digitised	Motivates staff to engage in community events and social media to boost visibility	Upholds a culture of continuous learning through workshops
	Invests hours in ongoing education for employees to keep up with industry regulations	Conducts technology workshops to upskill employees and embrace digital transformation	Invests in marketing and communication training for relevant teams	Conducts continuous performance and career development reviews
				Covers 100% employees under mandatory module training



Social and Relationship Capital

Fostering Trust. Strengthening Relationships.

Alignment to UN SDGs

1 No Poverty, 2 Zero Hunger, 3 Good Health and Well-being, 4 Quality Education, 5 Gender Equality, 6 Clean Water and Sanitation, 8 Decent Work and Economic Growth, 10 Reduced Inequalities, 11 Sustainable Cities and Communities, 13 Climate Action, 17 Partnerships for the Goals

Alignment to Material Issues

- Customer Experience and Satisfaction
- Financial Inclusion
- Human Rights Protection
- 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

Strong partnerships and stakeholder trust contribute to sustainable long-term financing and value creation.

LTF emphasises the importance of strong partnerships and meaningful engagements with stakeholders as key drivers of long-term success. Its commitment extends beyond financial solutions to fostering trust, collaboration, and shared growth with stakeholders.

By actively engaging with customers, investors, employees, regulators, value chain partners and communities, LTF creates sustainable value and drives positive impact. Through strategic alliances, transparent communication, and responsible practices, your Company strengthens connections that fuel progress and resilience in an evolving financial landscape.

Key Highlights

- **₹ 30 Cr** Total CSR Spend
- **₹ 26.18 Cr** Spend Over and Above the CSR Obligation
- **16.90 lakh+** CSR Beneficiaries
- **2.40 lakh+** Beneficiaries Linked to Social Schemes
- **₹ 180 Cr** Worth of Social Welfare Schemes Infused
- **10,500** Supported Women Entrepreneurs
- **1,110** Active Digital Sakhis
- **~61.06 lakh+** Number of Women Borrowers
- **57%** Repeat Women Borrowers
- **ISO 26000:2010** Social Responsibility Certificate of Conformance
- **54** Overall Net Promoter Score (NPS)

Capitals Impacted

Financial Capital

LTF's strong stakeholder relationships contribute to financial stability by enhancing investor confidence, facilitating access to capital, and improving risk management. Engaged customers and trust-driven partnerships lead to higher business volumes and sustainable revenue streams. Maintaining these relationships requires consistent investment in customer engagement, governance, and social impact.

Manufactured and Intellectual Capital

LTF's strong stakeholder relationships drive the adoption of its financial solutions and digital platforms, reinforcing its Manufactured and Intellectual Capital. Customer trust encourages the use of digital financial services, while collaborations with technology firms and financial institutions foster innovation and operational efficiency. Ensuring that new technologies meet customer needs requires continuous engagement.

Natural Capital

LTF's stakeholder engagement extends to environmental sustainability through initiatives like water conservation, afforestation, and sustainable financing. Strong stakeholder relationships enable the adoption of responsible lending practices, sustainable supply chain initiatives, and climate-conscious financial solutions. These efforts promote responsible practices while strengthening community ties and enhancing your Company's ESG alignment.

Human Capital

Investing in Social and Relationship Capital helps to create a stable, trust-driven ecosystem that benefits the workforce. Strong customer and investor relationships drive business growth, enabling better career opportunities and employee development. Community initiatives, such as financial literacy and digital inclusion, expand the future talent pool, while ethical partnerships promote a responsible work culture. Sustaining these benefits requires continuous alignment between external stakeholder engagement and internal workforce growth.

Customer Centricity - Empowering Experiences, Building Trust

Strong relationships are built on trust, consistency, and value.

This principle underscores LTF's firm commitment to customer centricity in an era of evolving customer expectations. By prioritising customers at the core of every strategic and operational decision, your Company fulfils and foresees the evolving financial aspirations of its clientele. Through bespoke and innovative solutions, LTF nurtures trust, enhances satisfaction across diverse customer segments, and propels long-term growth and enduring relationships.

Innovative Offerings to Empower Customers

In FY25, your Company furthered its commitment to excellence by introducing innovative solutions that resonate with the evolving needs of its customers like Home Décor finance. Various offerings are designed to widen access to finance while uplifting rural and underprivileged communities on their journey towards financial empowerment.

Loan Against Gold Jewellery

Your Company's approach to inorganic growth is guided by three key considerations: addressing a critical capability gap, ensuring an easily integrable business model and people profile, and securing opportunities at attractive valuations. In this context, LTF identified a strategic opportunity in the gold loan segment that aligns well with its inorganic growth philosophy. Your Company announced the proposed acquisition of the gold loan business undertaking of Paul Merchants Finance Pvt. Ltd., on a slump sale basis.

With one of the largest rural franchises in the country, comprising ~1.6 Cr rural customers and a cumulative gold loan outstanding of ₹ 15,000+ Cr*, gold loans represent a natural and strategic extension of your Company's product suite. LTF's rural workforce of over 20,000 feet-on-street is expected to act as a force multiplier in generating gold loan leads from within the existing customer base. Additionally, all new Micro LAP branches (80+) established in the FY25 are equipped to handle gold loan operations.

*As per credit bureau data

The proposed acquisition offers several strategic advantages:

- Accelerating scale-up by 36 months by adding a high-quality, RoA-accretive franchise at a compelling valuation
- Enabling seamless integration with a ~₹ 1,000 Cr loan book, ₹ 337 Cr net worth, ~1lakh active customers, ~700 employees, and ~130 branches
- Including a 24x7 centralised operations and security centre for real-time branch monitoring
- Expanding presence in underpenetrated gold loan markets across North and West India
- Strengthening the long-term strategy with no EPS dilution

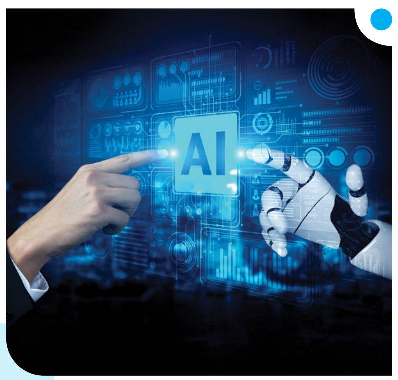
Human Touch in Rural Engagement

In rural areas, where digital adoption remains sluggish, your Company dismantles barriers through deeply impactful, human-centric engagement. By employing vernacular communication attuned to regional dialects and cultural subtleties, LTF ensures that every interaction resonates deeply, making financial services both accessible and relevant.

The strategy hinges on a dual framework: an expanding network of physical branches complemented by local representatives who serve as trusted confidants, offering personalised guidance at every step of the financial journey. This robust on-ground presence strengthens customer relationships and drives socioeconomic growth by creating employment opportunities within the communities it serves.

Digital Transformation - Connecting with Customers Anytime, Anywhere

As digital transformation takes precedence, your Company embraces advanced technologies to create seamless, personalised, and efficient customer engagements. By integrating Artificial Intelligence (AI), Machine Learning (ML), and automation, your Company strengthens its digital capabilities while preserving the integrity of human-assisted interactions, ensuring a consistent and superior service quality throughout.



Central to this transformation is the PLANET App which underwent significant upgrades in FY25. The integration of WhatsApp facilitates instant, real-time support, while AI-driven insights offer customised financial recommendations tailored to individual needs. By supporting 12 regional languages, the App bridges linguistic divides, making financial empowerment accessible to urban and rural customers and encouraging self-reliance in managing their finances.

The newly introduced Customer Interface Platform Datamart offers a comprehensive, 360-degree perspective on customer interactions and preferences. This integrated system enables service representatives to curate exceptionally personalised experiences based on in-depth customer insights and historical data.

Moreover, by incorporating AI-powered chatbots and real-time agent support, the platform creates a seamless, responsive support ecosystem. This strategic combination ensures swift query resolution and precise information delivery, whether through automated digital channels or human representatives equipped with AI-powered insights.

This transformation reflects your Company's commitment to providing not just financial products but a holistic, intuitive experience that engages customers anytime, anywhere.

100%

Rural Group Loans and Micro Finance Sourcing Done by Employees through the Mobile Application

1.72 Cr

PLANET App Downloads

4.5

PLANET App Rating on Google Play Store

Customer Satisfaction - Driving Continuous Improvement

At LTF, the value of customer feedback is central to improving satisfaction and building loyalty. By methodically tracking Net Promoter Score (NPS) and deriving insights from the Voice of Customer (VOC) programme, your Company understands customer sentiments and turns them into actionable steps to improve customer experience.

In FY25, your Company refined its NPS methodology to assess sentiment across multiple touchpoints, with special attention given to crucial interactions such as loan applications, disbursements, and post-service support. The framework was customised for each product line, featuring specialised assessment criteria, including:

- Efficiency and transparency in the loan disbursement process
- Clarity of product terms and communication

- Responsiveness and expertise of customer support
- Overall service experience

Customer satisfaction remains a top priority for your Company, as reflected in its commitment to swift and decisive engagement with customers. This approach has delivered impressive results, including the PLANET App, where customer-led enhancements contributed to achieving a ₹ 2,594 Cr collections. Furthermore, insights derived from an extensive nationwide survey have empowered your Company's digital transformation, enabling the seamless delivery of services such as instant eligibility assessments and paperless processing, significantly enhancing customer interactions.

54

NPS Score (as of March 31, 2025)

Customer Grievance and Resolution

Driven by a commitment to delivering unparalleled customer service, your Company's Grievance Redressal Policy fosters a well-structured and transparent approach to resolving customer concerns. The system operates through a three-tier grievance mechanism, supported by a clear escalation matrix, ensuring timely and effective issue resolution across various digital and physical channels. Customers can easily raise concerns through branch visits, emails, calls, website submissions, or the PLANET App, ensuring a unified and seamless experience. With the offerings of these digital platforms like the PLANET App, query resolution has become more seamless, significantly reducing the need for customers to visit physical branches.

The grievance resolution process is further enhanced by cutting-edge technology and data-driven insights. A dedicated Centralised Customer Service Team (CCST) oversees the entire complaint-handling process, ensuring swift and accurate resolutions. In FY25, LTF made significant strides in its Customer Service framework to enhance grievance resolution and reduce recurring issues. Key measures included:

- Implemented automated settlement NOC and ensured timely updates to CIBIL records after settlement closure, significantly reducing customer-related complaints through immediate and accurate credit reporting.
- Streamlined processes for first-time customers to register mobile numbers with TRAI, addressing SMS and call-related grievances.

- Enhanced digital payment processes, leading to a significant decline in complaints.

A thorough analysis of recurring complaints, using advanced data analytics to identify trends and implement corrective measures, forms the foundation of your Company's strategy. A robust feedback mechanism ensures that grievance data is consistently monitored, providing actionable insights that are shared across teams for continuous improvement.

Internal reviews and quarterly grievance updates presented to the Board reinforce transparency and accountability. By refining service processes and incorporating customer feedback into system upgrades, your Company has significantly reduced grievance volumes, while maintaining focus on delivering exceptional customer experiences.

For detailed insights into grievance resolution and customer satisfaction initiatives, please refer to BRSR Section C: Principle 8

To access the policy, please refer to the 'Policy Compendium' section.

39%

Year-on-Year Grievance Reduction (FY25 vs. FY24)

In addition to these efforts, in FY25, your Company undertook a special initiative by training the Customer Service team on issues of cybersecurity & safety through an external expert, keeping in mind the importance of customers data & privacy. Moreover, the employees are regularly trained on the regulatory requirements, including cybersecurity and safety. Your Company has also integrated an award-based assessment system to further strengthen the training and awareness framework. In addition, the IO also conducted trainings to improve the effectiveness of customer grievance redressal system.

Internal Ombudsman

Governance Structure in Customer Servicing

LTF has designated an Internal Ombudsman (IO), an independent authority responsible for reviewing customer complaints that are fully or partially rejected, in line with RBI directives. The IO plays an essential role in promoting fairness and transparency in the grievance redressal process, impartially evaluating the complaints referred for review.

In FY25, the IO assessed cases with solid factual evidence that corroborated your Company's decisions, and, when necessary, examined additional documentation or information to ensure effective resolution of customer grievances. In cases where the IO's decisions differed from the initial resolution, their recommendations were incorporated to arrive at outcomes focused on the customer. This synergistic process improved decision-making and enhanced customer confidence.

Key Achievements in FY25

Low Complaint Rate

Over the past 10 months, your Company maintained an average of just 0.11 complaints per 1,000 customers, reflecting strong service quality and proactive issue resolution.

Regulatory Compliance

Achieved 100% adherence to the regulatory Turnaround Time (TAT) since April 2024, ensuring prompt grievance redressal.

Regular training sessions are conducted to further enhance the grievance resolution framework, equipping teams with the skills necessary to address customer concerns more efficiently.

The IO attends all the meetings of the Board-level Committee responsible for customer protection and servicing issues, providing quarterly updates on grievance trends and resolutions. This governance structure ensures continuous oversight, reinforcing your Company's commitment to delivering exceptional customer service and safeguarding customer interests.

Customer Service Committee

In FY25, your Company's internal Customer Service Committee ('CSC') remained focused on enhancing the customer experience and driving superior service delivery. The CSC, is chaired by the Managing Director and Chief Executive Officer, with contributions from the Chief Executives, Business Heads, and Functional Heads, which meet regularly (generally, at least monthly).

The CSC has played a critical role in ingraining a customer-first culture across your Company. By fostering collaboration and driving strategic initiatives, the Committee works to streamline internal processes, resolve systemic issues, and keep pace with the expectations of its customer base. Monthly review meetings enable the team to monitor service progress, track ongoing projects, and execute actions designed to improve service quality.

In FY25, the CSC prioritised advancing digital service channels, refining grievance management systems, and expanding efforts to strengthen customer satisfaction. It was instrumental in scaling the Net Promoter Score (NPS) initiative, gathering real-time insights to it to capture real-time insights and drive actionable improvements. The CSC also provided strategic oversight for projects that targeted grievance resolution efficiency and reducing service friction.

With its strategic direction and a firm commitment to accountability, the CSC ensures that your Company remains agile and responsive to customer needs. By continuously enhancing service excellence, the Committee reinforces your Company's leadership in delivering customer-centric solutions that set new industry benchmarks.

Consumer Protection Committee

Chaired by an Independent Director, the Board-level Consumer Protection Committee meets quarterly to review key customer service metrics. These metrics encompass complaint counts, compliance with agreed Turnaround Times (TATs) across various categories and products, and the identification of top complaint drivers. The Committee's priority is to resolve chronic issues and implement corrective measures that foster sustained improvements in service quality. Moreover, IO also briefs the Committee individually and the feedback from the Committee members is incorporated in the grievance redressal mechanism to enhance customer service experience.

Safety of Customer Information - Protecting Trust

Your Company employs Secure File Transfer Protocols (SFTP) and conducts regular InfoSec audits to ensure the safeguarding of customer data, particularly in collaborations with external partners. Also, in alignment with RBI's outsourcing norms & guidelines, various steps have been undertaken for data protection. These rigorous practices are regularly monitored and updated to mitigate emerging risks, further solidifying your Company's commitment to data security.

In FY25

- No complaints were received regarding breaches of customer privacy from customers, outside parties, or regulators.
- A comprehensive data privacy framework ensured full compliance with industry regulations, effectively preventing data leaks and ensuring responsible management of sensitive information.

At the core of your Company's data privacy ethos lies transparency. By providing customers with clear, detailed information on how their data is utilised, your Company fosters an environment of trust and security. The value proposition of its products is communicated in a transparent manner, perfectly aligning with customer expectations.

Your Company ensures that its frontline employees receive comprehensive training designed to deliver superior service, upholding your Company's values and ensuring the protection of customer privacy. This continual training reinforces the importance of adhering to privacy policies and delivering clear, honest communication to customers.

By adhering to global safety standards, your Company protects its customers data and sets new benchmarks for secure and ethical practices across the industry.

Customer Outreach - Enhancing Financial Inclusion

LTF's business activities are in full alignment with India's vision of achieving financial literacy and inclusion under the National Strategy for Financial Inclusion 2019-2024. Your Company is committed to expanding and sustaining financial access, working collaboratively with stakeholders across the financial landscape to drive this mission forward.

In its dedication to inclusive development, LTF prioritises equipping customers with the knowledge and resources needed to make sound financial choices. Regularly conducted financial literacy workshops, easily digestible product guides, and educational content on the PLANET App support customers in understanding essential financial concepts and making well-informed borrowing decisions. Furthermore, the App enhances these initiatives by providing practical financial management tools, ensuring customers can apply their financial insights with confidence and precision.

Omni-Channel Customer Engagement

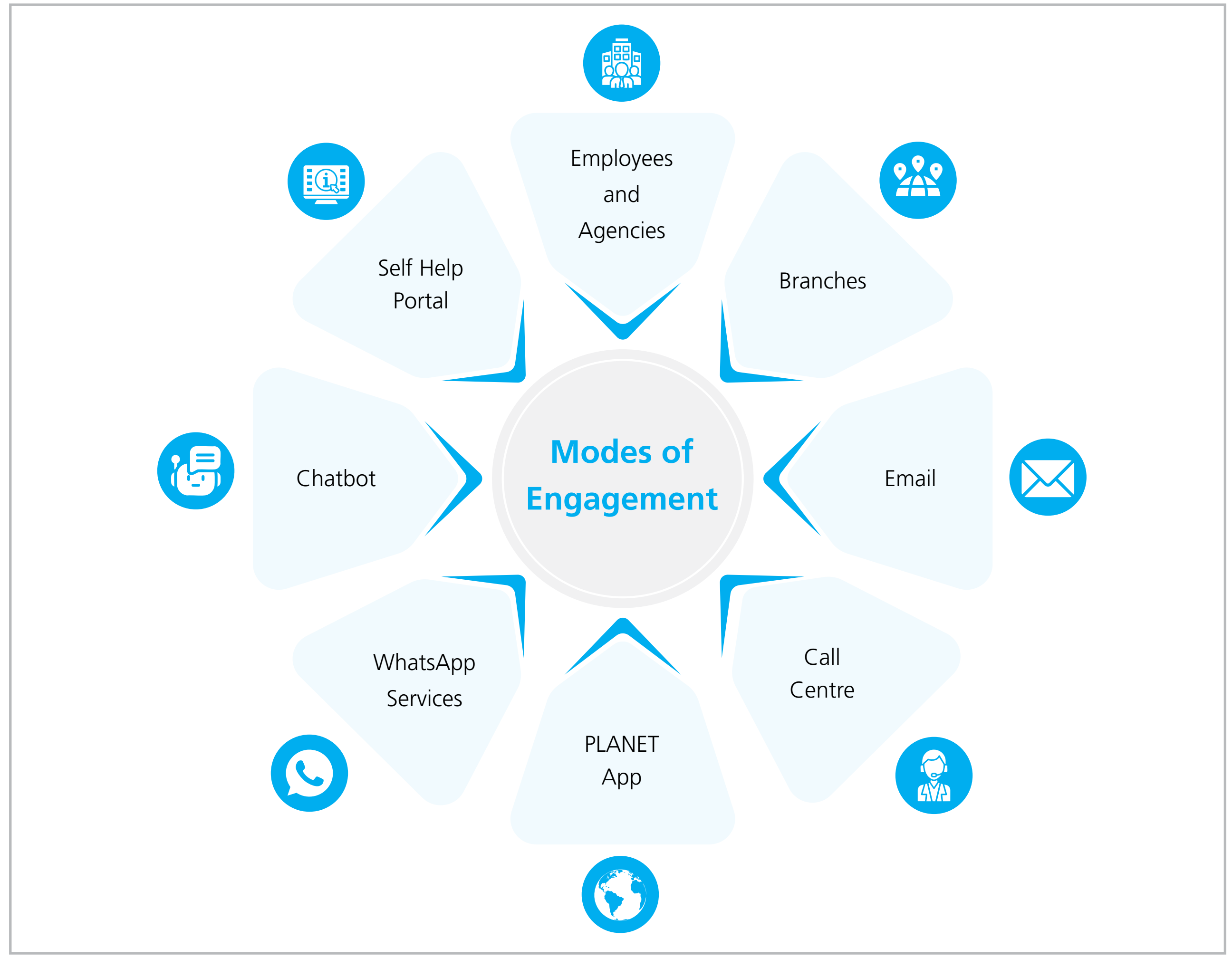
LTF is dedicated to creating a comprehensive omni-channel customer ecosystem, providing a seamless platform for customer engagement. The objective is to offer customers multiple avenues to connect with your Company—be it through digital, phone-based, or face-to-face interactions—ensuring a unified and integrated experience. This approach empowers your Company to anticipate and address customer needs and expectations at every point of contact, enhancing satisfaction and trust.

In addition to conventional engagement methods, your Company seamlessly integrates cutting-edge digital analytics through advanced tracking and monitoring systems across every customer touchpoint. These analytical tools capture and analyse customer behaviour, preferences, and interaction data from a range of sources—website visits, mobile app usage, call centre interactions, and in-person meetings. By leveraging these insights, your Company expertly guides customers through their digital journey, offering personalised recommendations, targeted messaging, and automated responses to ensure each engagement is both efficient and bespoke. Moreover, these insights are embedded across sourcing, underwriting, and collections, utilising automated data collection and real-time monitoring dashboards to streamline the customer experience at every stage.

Fostering Financial Inclusion

LTF's inclusive growth strategy is anchored in a firm commitment to investing in underserved communities, integrating them into the mainstream economy. Your Company strives to elevate the quality of life in these areas by extending access to financial services. Through purposeful efforts focused on financial inclusion, your Company ensures that individuals and families in underserved regions gain access to the resources and tools needed for financial autonomy.

This commitment transcends the provision of products, as LTF is also fostering long-term economic opportunities and supporting the empowerment of local communities.



61.06 lakh+
Women Borrowers

60%
Women Repeat Borrowers

Empowering Customers through Education and Awareness

LTF is committed to equipping customers with the knowledge and resources to make informed financial decisions. Robust systems have been implemented to ensure consistent access to accurate and comprehensive information. The customer awareness training module on your Company's website offers guidance on key financial topics such as interest rate models, risk gradation, schedules of charges, Prime Lending Rates (PLR), the Ombudsman scheme, and the process for returning property documents in the event of a borrower's demise.

In FY25, LTF expanded its customer education initiatives through a multi-pronged strategy:

Dynamic branch displays, centrally controlled and regularly updated, provided timely fraud alerts and educational content at physical customer touchpoints

Social media campaigns focused on cyber safety, financial literacy, road safety, health, and environmental conservation, using digital platforms to broaden awareness and reach

Vernacular content was introduced to ensure inclusivity for customers in rural and linguistically diverse regions

WhatsApp emerged as a key communication channel, offering higher engagement and wider penetration than traditional SMS methods for delivering educational material

Digital analytics and customer feedback were leveraged to refine and personalise content, ensuring relevance and continuous improvement in outreach efforts

These efforts are part of LTF's broader commitment to building a financially informed customer base, fostering inclusion, and enhancing financial security. By reinforcing awareness at every step of the customer journey, the Company continues to drive responsible financial behaviour and empowerment at scale.

Customer Testimonials

Housing Loan

"Choosing L&T Finance for our home loan was one of the best decisions we made. The entire process was smooth and transparent—from quick approvals to competitive interest rates. The team was always available to support us, making our home-buying journey truly stress-free. Settling into our new home at L&T Emerald, with its great location and amenities, has been a dream come true."

Amit Chaturvedi, Mumbai, Maharashtra

Two-Wheeler Loan

"Owning a superbike had always been a dream, and L&T Finance turned that into a reality. The entire loan journey was digital and paperless, with quick disbursal and no hidden surprises. I truly appreciate the transparency and hassle-free experience. Trustworthy and efficient—that's L&T Finance."

Moiz Manasawala, Mumbai

Farmer Loan

"L&T Finance has been my trusted partner since 2014. Over the years, I've been able to finance two tractors and vital farm equipment through their support. Their crop-cycle-based repayment model and the PLANET App for EMI tracking make financial management simple and convenient. They truly understand a farmer's needs."

Satish, Beri, Hisar, Haryana

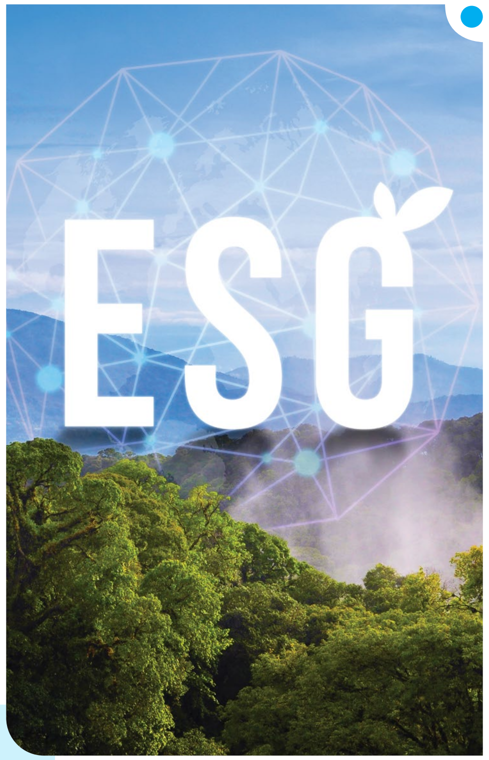
Micro LAP (Loan Against Property)

"I run a small dairy business alongside farming. When I needed financing, most lenders offered high-interest rates. L&T Finance offered me a competitive loan after a quick home inspection and property evaluation. The entire process was clear and quick, and the funds helped me grow my business with confidence."

Mr. Palraj, Chennai, Tamil Nadu

Strengthening Value Chain Partnerships for Sustainable Growth

LTF ensures business sustainability beyond its own operations by fostering responsible practices across its entire value chain.



Value Chain Engagement

LTF believes that Value Chain engagement is vital for fostering sustainable business practices. By collaborating closely with lenders, suppliers, vendor partners (including DSA & Dealers), companies can ensure highest ethical standards, environmental responsibility, and social impact across their value chain. Effective engagement enhances transparency, drives innovation, and strengthens relationships for mutual benefit. Developed in FY22, LTF has a publicly available Third-Party Code of Conduct to promote ESG awareness across its value chain. The Code of Conduct is applicable to vendors, borrowers, goods and service providers, and persons holding business relationships with your Company. It mentions their commitment towards the prevention of significant risks associated with incidents of child labour and forced or compulsory labour, among others. Your Company fosters an environment for its value chain partners, providing support and guidance on ESG considerations. This facilitates the value chain partners' incorporation of the ESG parameters into their business and operations. Dedicated to embedding ESG practices in its operations, LTF had conducted an ESG assessment in FY23 with a few of its Facilities and Channel Management and IT vendors. In FY25, like the previous year, LTF conducted an exhaustive ESG Value Chain Assessment for >75% of upstream and downstream value chain partners by value (purchase/sales). This proactive measure aligns with the regulatory guidelines, and demonstrates LTF's commitment to sustainable business practices. The responses from the survey were analysed to draw insights and understand the ESG maturity of the value chain partners. By evaluating the entire value chain, LTF aims to enhance transparency and mitigate risks. Below are the interim findings of the ESG value chain assessment study.

To promote Human Rights among its Value Chain, specific questions on human rights were also covered in the ESG Assessment.

Environment

Policies and Standards

- **93%** of companies have a formal environment policy
- **53%** of companies have a climate change policy. Few companies from the financial sector have a climate change policy
- **53%** of companies have one or more ISO certifications

KPIs

- **93%** of companies monitor total energy consumption. Only **67%** have renewable energy sources
- **47%** companies monitor water discharge, by destination and by levels of treatment
- **90%** quantify GHG emissions (Scope 1 and 2). Financial services and utilities companies were observed to monitor GHG emissions
- **67%** monitor the plastic waste generated and **80%** monitor the e-waste generated

Social

Policies and Standards

- **73%** of companies have a human rights policy
- **47%** of companies have an anti harassment and non-discrimination policy
- **60%** of companies have a diversity and inclusion policy in place

KPIs

- **73%** of companies monitors spending on measures towards well-being of your employees and workers
- **80%** of companies (all except 1) extend benefits like health insurance, accident insurance, maternity leave and paternity leave available for employees and workers
- **93%** of companies track the gross wages paid to females
- **93%** track the number of POSH complaints
- **60%** of companies have a process in place for recording employee feedback 73% of companies track the jobs created in smaller towns
- **73%** of companies track the amount of input material (raw material) directly sourced from MSMEs within India

Governance

Policies and Standards

- **80%** companies have whistleblower protection policy
- **100%** companies have Code of Conduct outlining your Company's values, principles, and guidelines
- **100%** of companies have Business Continuity Plan
- **87%** of companies have a cybersecurity policy in place

KPIs

- **20%** companies track the total sales to dealers/distributors
- **20%** companies maintain a record of the top 10 dealers/distributors to whom sales are made
- **47%** companies track the number of purchases with related parties
- **40%** companies track the sales to related parties
- **53%** companies track the loans and advancements given to related parties
- **67%** companies track the investments made in related parties
- **87%** companies ensure the protection and privacy of customer data

Corporate Social Responsibility

Driving Purpose, Empowering Communities

In a world driven by progress, the real question is, how do we ensure no one is left behind?

LTF champions the essence of inclusive growth, embracing the compelling philosophy that "The purpose of business is not just to create wealth but to actively work towards the upliftment of society."

Your Company's CSR initiatives are thoughtfully designed to align with the United Nations Sustainable Development Goals (SDGs), demonstrating a profound commitment to advancing a sustainable and inclusive global vision. LTF actively supports key global and local objectives in the sectors of **digital and financial inclusion, climate impact management, disaster management and social inclusion.**

Your Company's CSR-focused areas are thoughtfully aligned with its business objectives and digital transformation journey, reflecting a commitment to sustainable and inclusive growth. By utilising its expertise in financial ecosystem, **LTF fosters digital and financial inclusion.** This enables underserved communities to participate in the evolving rural economy.

In alignment with its firm commitment to inclusive progress, LTF has strategically included **climate impact management** within its CSR agenda, focussing its efforts on addressing climate change. These efforts include ambitious goals such as achieving horticulture plantation, ensuring water positivity, and strengthening rural livelihoods of farming communities. This integrated approach ensures that environmental sustainability efforts contribute directly to economic empowerment and community development.

Through **disaster management**, LTF applies its operational strengths to build resilience in vulnerable regions. **Social inclusion** includes two-wheeler road safety initiatives for youth, basic health and primary care services, and targeted skill development programmes in banking and finance sector to bridge gaps in employability. These focused efforts echo LTF's broader vision of fostering safer, more inclusive, and empowered communities.

Vision

Financial and digital transformation of the communities and creating sustainable livelihood opportunities.

Mission

We strive to revitalise and create sustainable livelihood and financial ecosystem of and for farmers, rural women and youth.

CSR Approach

Your Company's CSR approach is grounded in the core principles of inclusive growth and sustainability. It drives impactful change through a comprehensive **'3S Strategy': Social Impact, Scale and Sustainability.**

Social Impact

The CSR initiatives are designed with a clear purpose - to create meaningful, positive change in the communities it serves. By prioritising measurable outcomes, LTF ensures that the programmes align with its values and actively contribute to a more equitable and thriving society.

Scale

The reach of your Company's CSR initiatives goes beyond numbers. Its focus lies in amplifying impact through strategic resource allocation, robust stakeholder engagement, and meticulous impact measurement. This approach ensures that its interventions are comprehensive, sustainable, and capable of effecting long-term transformation across diverse communities.

Sustainability

Sustainability drives every decision your Company makes, ensuring that the positive outcomes of the initiatives continue to resonate for generations to come. It is also ensured that the programmes deliver long-term impact, and foster self-sufficient communities.

CSR Thrust Areas

Digital and Financial Inclusion

1

Empowering Minds, Bridging Divides

Empowering rural women with digital and financial literacy, enabling them to become agents of change in their communities.

Disaster Management

2

Rising above Adversity, Building Resilience in Unity

Providing timely relief and building resilience in disaster-affected areas, ensuring that communities recover and rebuild effectively.

Climate Impact Management

3

Mitigating Impacts For a Resilient, Eco-Friendly Future

Promoting sustainability through horticultural plantations and water resource management, ensuring environmental conservation and improving local livelihoods.

Social Inclusion

4

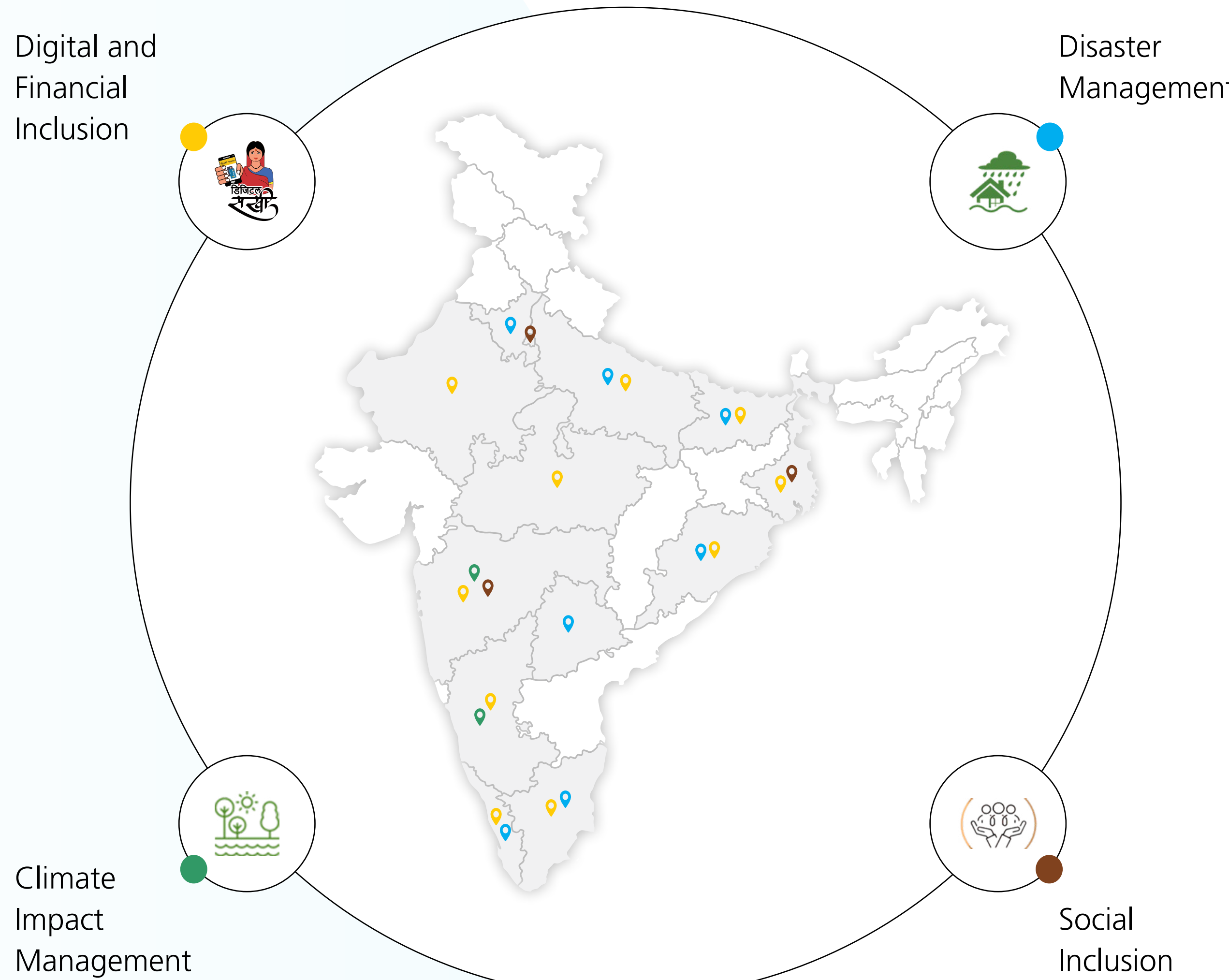
Nurturing a Better Tomorrow

Conducting road safety campaigns and healthcare initiatives, addressing key public health and safety challenges across India.

Alignment with SDGs

Reach

Initiatives Conducted under Each Focus Area across States



13 States

28 Districts

3,200+ Villages

60+ lakh Touched

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. The Company or any of its Directors, officers or employees cannot be held responsible for any misuse or misinterpretation of any information or design thereof.

Digital and Financial Inclusion

1 2 3 4

In line with the Indian government's Digital India vision, LTF's Digital and Financial Inclusion efforts aim to empower underserved communities. These efforts address both the gender gap and the rural-urban digital divide. Despite significant strides in digital and financial inclusion across the country, challenges persist in rural areas where access to digital platforms and financial services remains limited, particularly for women.

By focussing on empowering Digital Sakhis, rural women entrepreneurs and community members, LTF's initiatives contribute to the government's vision of a cashless economy and promote financial inclusion across underserved communities. By enhancing financial literacy and digital skills, LTF helps bridge the urban-rural gap and foster gender equality. In doing so, your Company enables women to play an active role in India's digital transformation. It ensures they are not only included in the evolving financial landscape but also positioned as key drivers of sustainable growth in their communities.

Digital Sakhi

Expansion (FY25)		Existing	
State	Districts	States	Districts
1	5	6	10

States	Districts
Bihar	Saharsa, Supaul
Uttar Pradesh	Kushinagar, Gorakhpur
Rajasthan	Rajasamand, Chittorgarh, Udaipur
Karnataka	Tumkur, Kolar, Gulbarga, Bidar
Tamil Nadu	Madurai
Kerala	Kottayam, Alleppey
West Bengal	Murshidabad

Digital Sakhi 2.0 Programme

Your Company has launched the 'Digital Sakhi' Programme as a transformative flagship initiative. It aims to address the persistent challenges of digital and financial literacy in rural India. Launched in FY18, the programme empowers women to become agents of change within their communities by providing them with comprehensive training in digital and financial tools, leadership, and entrepreneurship.

Evolution of Digital Sakhi 2.0

In FY25, Digital Sakhi 2.0 emerged from the Digital Sakhi Programme, broadening its reach, updation of digital and financial literacy modules, special campaigns on prevention of cyber frauds, entrepreneurship programme for women collectives, use of digital monitoring tools, and stakeholder engagement workshops, among others.

Key new elements in Digital Sakhi 2.0 include:

Expanding Reach & Accessibility

Initially operational in 3 states, spanning 8 districts and 300 villages, the initiative now reaches 10 states, 25 districts, and more than 2,800 villages. This substantial growth has been made possible by a uniform replication model, which supports swift scaling, while safeguarding the quality of training and ensuring relevance to local needs.

Optimising Training for Greater Impact

The Digital Sakhi 2.0 training framework is designed to elevate financial literacy through an enhanced 8-module curriculum, replacing the former 4-module structure, tailored to the evolving needs of the communities. The duration of sessions have been refined to 90 minutes for group trainings and 45 minutes for personalised consultations, addressing critical topics like income, savings, borrowing, digital transactions and investments. Newly introduced modules focus on smartphone proficiency, fraud mitigation, and the management of microenterprises, integrating real-life case studies to ensure pragmatic, hands-on learning.

Leveraging Technology for Efficiency

The initiative has transitioned from manual record-keeping to a holistic, cutting-edge digital ecosystem. A bespoke mobile and web-based application now optimises the delivery of training and precise tracking of progress. A live project dashboard, developed with Microsoft Power BI, offers real-time data insights, while CSR software enhances transparency, enriches data analytics, and improves strategic decision-making for the LTF CSR team.

Deepening Support for Women Entrepreneurs

A structured framework has been developed to support women entrepreneurs beyond traditional capacity-building training. The programme now provides 4 years of continuous mentorship, business profiling, gap analysis, and financial assistance through seed capital. Additionally, women entrepreneurs receive guidance on formalising their businesses through registrations such as Udyog Aadhaar and FSSAI licenses. Regular income tracking and participation in business plan competitions further encourage long-term business success.

Strengthening Impact Measurement

To ensure a quantifiable and outcome-driven impact, Digital Sakhi 2.0 has integrated advanced monitoring tools. Newly introduced empowerment indicators carefully track key metrics, including household savings, digital financial adoption, and business growth. Tailored mobile applications facilitate long-term behavioural analysis, ensuring that financial literacy leads to tangible economic progress for beneficiaries.

Fostering Collaborative Partnerships

The initiative has embraced strategic collaborations to magnify its reach and efficacy. Partnerships with regulatory and financial institutions such as the NABARD, RUDSETI, and NGOs like SELCO have enhanced the programme's ability to deliver comprehensive financial inclusion services. These alliances ensure optimal resource utilisation, simultaneously fostering opportunities for beneficiaries to tap into government schemes and financial products.

Enhancing Economic Independence through Skill Development

In addition to enhancing financial literacy, Digital Sakhi 2.0 has integrated skill-building initiatives to empower women in establishing sustainable livelihoods. Initiatives like Drone Didi and RUDSETI provide participants with specialised expertise, empowering them to launch micro-enterprises and contribute to household income.

Engaging Stakeholders More Effectively

The stakeholder engagement framework has been significantly strengthened under Digital Sakhi 2.0. Government officials, financial institutions, and local bodies now play a central role in the initiative's operations. Community Advisory Panels (CAPs) have been introduced to ensure independent feedback and greater participation from local leaders, which enhances the programme's grassroots impact.

Strengthening Communication & Awareness

A comprehensive and strategic communication approach has been developed to enhance outreach and foster greater awareness. Regular updates are disseminated through platforms like social media, newsletters, podcasts, and All India Radio broadcasts, increasing the programme's visibility. Additionally, over 3 lakh physical financial planning workbooks have been distributed, and more than 4,000 community wall paintings with financial literacy messages have been installed to strengthen foundational lessons.

Expanding the Reach and Impact in FY25

In FY25, the programme expanded its geographical footprint, launching initiatives in Chittorgarh, Rajsamand and Udaipur (Rajasthan), Saharsa (Bihar), and Kushinagar (Uttar Pradesh), while strengthening its presence in Karnataka, Kerala, Tamil Nadu, Bihar and Uttar Pradesh and West Bengal. The decision to expand was based on comprehensive baseline studies, which highlighted the need for interventions to address significant gaps in financial and digital literacy, particularly among women.

In line with its commitment to advancing digitalisation, LTF invested in providing tablets to the Digital Sakhis, streamlining the on-ground data collection process. Additionally, training sessions were conducted to equip the Digital Sakhis with the skills needed to effectively use the tablets and related applications, reinforcing your Company's focus on enhancing digital capabilities.

Key Achievements during the Year - New Geographies

3 states

Expansion into New Geographies: Rajasthan, Bihar and Uttar Pradesh

300

Digital Sakhis Onboarded in New Geographies

3,000

Women Entrepreneurs Equipped with Entrepreneurship Development Programme (EDP)

3.30 lakh+

Communities Sensitised on Digital and Financial Literacy

₹ **12** Cr+

Worth of Social Welfare Schemes Infused

Key Achievements during the Year - Existing Geographies

6 States

Existing Geographies

810

Digital Sakhis

7,500

Women Entrepreneurs Equipped with Entrepreneurship Development Programme (EDP)

10.90 lakh+

Communities Sensitised on Digital and Financial Literacy

₹ **168** Cr+

Worth of Social Welfare Schemes Infused

Case Study

The Story of the Digital Drone Didis

Empowering Women through Technology and Financial Literacy

In Kolar, South Karnataka, a remarkable transformation is taking place as three of our Digital Sakhis rise to prominence. Our Digital Sakhis - Chaithra, Nagaveni, and Gayathri are redefining the role of women in rural development through adoption of technology under the **Indian Government's Sashakt Nari - Viksit Bharat Programme - NaMo Drone Didis.**

Before their involvement in the Digital Sakhi programme, Chaithra, Nagaveni, and Gayathri faced significant economic challenges due to limited job opportunities. Their lives changed when they joined the Digital Sakhi programme, which aimed to enhance digital and financial literacy and provide entrepreneurship trainings for rural women. This initiative laid the groundwork for their eventual participation in the NaMo Drone Didi programme.

Motivated by the confidence instilled by the Digital Sakhi programme, the three Digital Sakhis enrolled themselves in intensive training sessions at the National Institute of Plant Health Management and the TSCAB Cooperative Training Institute in Hyderabad and earned their remote pilot certificates.

After the training, the Digital Sakhis established a network with local farmers for providing essential agricultural services such as crop monitoring and fertiliser spraying, which significantly improved farming efficiency, leading to an increased productivity and income.

Collectively, they earned up to ₹ 7.3 lakh in a year, enabling them to better support their families in repaying debts and meet ends. They have now planned to upscale the quality of drones and make this technology available to larger sections of the farmers in their surrounding communities.

The journey of Chaithra, Nagaveni, and Gayathri as Digital Drone Didis is a testament to the potential of women-driven initiatives like Digital Sakhi.

Social Impact Assessment Findings

Project Period: FY 2019-23 | Agency: CRISIL

Snapshot of Social Impact Assessment (SIA) – West Bengal – Digital Sakhi

Digital Sakhi(s)

	Baseline 2018	Assessment 2023
Increase in Income (Avg. Monthly Income in ₹)	2,500	5,000
Savings through the Programme (in ₹)	1,000	3,500
Increase in Savings (%)	0	92
Participation in Financial Decisions (%)	14	100

Women Entrepreneur(s)

	Baseline 2018	Assessment 2023
Avg. Savings of WEs (in ₹)	2,000	3,500
Maintenance of Accounts (%)	7	99
Increase in Customer Base (%)	0	84
Increase in Income (in ₹)	5,000	14,000

Community Member(s)

Respondents having bank account:
33% (Baseline) v/s 97% (Assessment)

Respondents having awareness of digital modes of payment:
6% (Baseline) v/s 91% (Assessment)

Respondents having awareness of social schemes:
29% (Baseline) v/s 97% (Assessment)

Snapshot of Social Impact Assessment (SIA) – Odisha – Digital Sakhi

Digital Sakhi(s)

	Baseline 2018	Assessment 2023
Adoption of Digital Payment modes (%)	22	100
Knowledge of government schemes (%)	21	86
Bank Accounts (%)	54	100
Savings Plan (%)	0	100

Women Entrepreneur(s)

	Baseline 2018	Assessment 2023
Increase in Business (%)	0	91
Increase in Savings (%)	17	81
Avg. salary of workers working with WEs (in ₹)	1,700	3,200
Increase in customer base (%)	0	88

Community Member(s)

Respondents having bank account:
54% (Baseline) v/s 90% (Assessment)

Respondents having awareness of digital modes of payment:
39% (Baseline) v/s 71% (Assessment)

Respondents having awareness of social schemes:
21% (Baseline) v/s 86% (Assessment)

Disaster Management

1 2 3 4

With the escalating impact of climate change, natural disasters are becoming increasingly frequent and intense, affecting millions globally, especially in India. Floods, cyclones, and other extreme weather events are causing widespread devastation. They are intensifying human suffering and leaving families without shelter, food, or the means to rebuild their lives. The urgency of providing support in such moments cannot be overstated, as these disasters not only disrupt lives but also often rob individuals of their hope and stability.

1,33,000

Beneficiaries

In response to the increasing frequency and intensity of natural disasters, LTF has recognised the urgent need to enhance its disaster relief and recovery efforts. In FY25, to understand the scale of the escalating needs, your Company has redirected its resources to ensure that communities in distress were not left to face these challenges alone. LTF emphasised swift and effective intervention, including conducting expedient assessments of impacted areas and providing immediate relief kits.

Disaster Relief Activities

In response to the devastating floods in Bihar, Telangana, and Uttar Pradesh in FY25, LTF quickly mobilised teams to provide immediate relief. Your Company distributed essential relief kits directly to the flood-affected families.

1,10,000	17,000	6,000
Bihar	Telangana	Uttar Pradesh

Climate Impact Management

1 2 3 4

As the global impact of climate change continues to intensify, the need for comprehensive Climate Impact Management has never been more critical. Rising temperatures, erratic weather patterns, and the depletion of natural resources are threatening ecosystems, biodiversity, and the livelihoods of millions, particularly in rural communities.

LTF recognises that addressing these environmental challenges is key to ensuring a sustainable and resilient future. Your Company's focus on Climate Impact Management is driven by a deep commitment to protecting the environment and supporting rural economies.

LTF tackles climate change through practical initiatives focused on water management, agroforestry, and horticulture. By equipping farmers with sustainable farming practices, your Company improves livelihoods and promotes ecological regeneration. These projects help enhance soil health, conserve water, protect local biodiversity. They also build climate resilience in rural communities while fostering long-term sustainability and economic growth.

Project Prakruti

Project Prakruti is your Company's flagship environmental conservation initiative aimed at revitalising degraded lands through large-scale horticulture and miyawaki plantation. By focussing on eco-restoration and biodiversity enhancement, the project supports sustainable livelihoods for local farming communities. It also promotes the expansion of green cover in areas affected by deforestation and soil degradation.

Outcomes FY25

Under Project Prakruti, 1 lakh+ horticulture plantation comprising species like Pomegranate (68,750), Mango (14,050), Mahogany (7,515), Coconut (3,170), Guava (2,600), Lemon (2,315) and Teak (1,600) were successfully planted in over 250 acres of land in Pavagada Taluk, Tumkur district, Karnataka.

The project laid emphasis on increasing the participation of women farmers. The technical support for promoting sustainable horticulture practices was sought from local Krishi Vigyan Kendras (KVK).

Before

After

Pavagada, Karnataka

Key Achievements during the Year

1,00,000+ Saplings

Planted across Pavagada Taluk, Tumkur District, Karnataka

100+ Farmers

Benefitted Economically Through Horticulture-Based Income Generation

250+ Acres

Land Brought Under Horticulture Plantation

>**90**% Survival Rate

Achieved for Horticulture Plantation

Jalvaibhav 2.0

Jalvaibhav 2.0 builds upon the success of LTF's original Integrated Water Resource Management (IWRM) programme, which has already made significant strides in addressing water scarcity and improving sustainability in drought-prone areas. The expansion of Jalvaibhav 2.0 reflects the growing need for comprehensive water management solutions in new, geographically diverse regions facing increasing challenges related to water availability and climate change.

By extending its efforts to these new areas, the project aims to tackle water scarcity on a larger scale. It aims to facilitate groundwater recharge, construct essential water structures, and preventing soil erosion. This expansion empowers additional rural communities, helping them build greater climate resilience and secure reliable water resources for both agricultural and domestic needs.

Expanding its Reach to Kolar, Karnataka

FY25, Jalvaibhav 2.0 focused on constructing water structures, streamlining groundwater recharge, and preventing soil erosion. These efforts aimed to empower rural communities in building climate resilience and securing water resources for agricultural and domestic use. The project focused on creating and maintaining water structures, increasing water harvesting capacity, and strengthening Water User Groups (WUGs) to ensure long-term water sustainability and resilience against climate challenges.

Key Achievements During the Year

0.40 lakh KL

Water Harvesting Capacity Achieved Across Project Areas

5,000+ Farmers

Directly Benefitted in Kolar, Karnataka

480+ Acres

Supported with Sustainable Water Management Practices

50+ Water Structures

Constructed and Maintained in **12 Villages**

20+ Water User Groups (WUGs)

Trained in Water Resource Management and Conflict Resolution

Social Inclusion

1 2 3 4

In India's diverse socio-economic landscape, millions continue to face barriers to basic necessities, particularly in rural and underserved areas. Despite economic growth, disparities in access to healthcare, safety measures, and livelihood opportunities persist, especially for women, differently-abled individuals, and rural youth.

Your Company's Social Inclusion initiatives are designed to bridge these gaps by integrating preventive healthcare, skills training, and road safety initiatives. By addressing these interconnected challenges, LTF aims to create a future where no one is left behind, fostering a society built on empathy, equity, and shared prosperity.

Skilling: Empowering Unemployed Youth

Equipping the youth, especially from underrepresented communities, with relevant and market-driven skills is essential for enhancing employability and stimulating economic advancement. The Banking, Financial Services, and Insurance (BFSI), a key segment of India's economic framework, continues to struggle with a considerable skill deficit, limiting the growth of aspiring professionals. In response to this challenge, the Skilling programme has been meticulously designed to offer targeted training that empowers 200 youth individuals to attain sustainable employment within the BFSI industry.

Transforming Lives through Skill Development

The Skilling initiative is making a tangible impact in Salem, Tamil Nadu—a region where economic prospects are limited, and youth unemployment remains a pressing concern. By focussing on industry-specific training, the programme equips participants with targeted BFSI skills, expertise in customer relations, and financial literacy. This methodical approach enhances job preparedness and fosters financial inclusion, benefitting individuals and the broader economy alike.

In alignment with the Skill India Mission, this endeavour plays a key role in empowering youth by bridging the divide between education and employment.

By aligning skill development with industry needs, this initiative addresses the dual challenges of unemployment and financial stability, fostering long-term economic security. As the BFSI sector continues its expansion, programmes like Skill In are essential to building an inclusive workforce, ensuring that untapped talent is identified and nurtured.

Making Health Care Accessible through Health Camps

Access to primary healthcare remains a major challenge in many rural and underprivileged areas of India, especially in regions like West Bengal with limited healthcare infrastructure. To address the same, LTF partnered with Microfinance Institutions Network (MFIN) to conduct 19 health camps across three districts, benefitting over 2,000 individuals. These camps provided essential healthcare services, including general check-ups, preventive care, and health awareness sessions.

To date, over 210 health camps have been organised, delivering primary healthcare services to thousands of underserved individuals. This initiative improves immediate health outcomes, raises awareness about preventive care, helps build healthier, and more resilient communities.

Creating a Culture of Road Safety

Two-Wheeler Road Safety Campaign in Delhi NCR

India accounts for a significant proportion of global road accidents, with two-wheelers being the most vulnerable. In response to this alarming trend, LTF conducted a two-wheeler road safety campaign in Delhi NCR, reaching over 1 lakh youth to promote safe riding practices. The campaign focusses on helmet use, speed regulation, and traffic awareness. It fosters a culture of responsible road behaviour among young riders, thereby reducing the risk of accidents and fatalities.

Road Safety Barricades in Mumbai

In Mumbai, the chaotic urban traffic demands innovative solutions to ensure pedestrian and driver safety. LTF's initiative involved the deployment of road safety barricades across high-risk zones, combined with awareness programmes in government schools. Through this effort, over 17,000 individuals, including 15,000 students, have been made aware of road safety protocols. By promoting early education on road safety and implementing practical measures, the campaign aims to instil lifelong safe commuting habits, protecting lives and easing traffic management in one of India's busiest cities.

CSR Governance

Your Company's CSR governance framework is built around a well-defined structure, with the Board of Directors and the CSR & ESG Committee playing central roles in policy formulation, approval, and monitoring CSR activities. The Board ensures that LTF allocates at least 2% of its average net profits from the last three financial years to CSR projects. The CSR & ESG Committee oversees the implementation of these projects and ensures compliance with regulatory requirements.

The CSR team plays a crucial role in identifying, planning, and executing CSR initiatives, ensuring legal compliance, stakeholder engagement, and financial transparency. LTF's CSR projects are managed through a project-based approach, with clear goals, timelines, and measurable outcomes. An annual action plan outlines the CSR activities for the year, and external implementing partners are carefully selected based on the laid down criteria.

Continuous Monitoring and Evaluation

- **Monthly online reviews** facilitate project discussions with NGO partners, enabling proactive decision-making and monitoring of project progress.
- **On-site field visits** offer firsthand insights into project implementation, interaction with project beneficiaries.

CSR Communication

LTF acknowledges that purposeful engagement is crucial in nurturing deep connections between its initiatives and the communities they benefit, alongside the stakeholders whose support is vital to their success. Your Company establishes an annual CSR communication plan, setting benchmarks for delivering timely and relevant updates to all stakeholders. This approach ensures a consistent flow of information and reinforces LTF's commitment to transparency and accountability.

Key Highlights of FY25

Expanded Media Presence

This year, over 1,000 online posts and print media articles highlighted LTF's CSR activities, gaining coverage in reputable publications such as Fortune Magazine and Business Outlook, among others. These publications reflect the depth and breadth of the initiatives, inspiring stakeholders to rally behind the LTF's cause.


FORTUNE

L&T FINANCE LIMITED IS PROMOTING A SUSTAINABLE FUTURE THROUGH CSR


Driving Sustainable Growth: L&T Finance's CSR Impact on Communities in FY25

Launch of संKALAN

Marking a decade of the Pradhan Mantri Jan Dhan Yojana in 2024, LTF's Digital Sakhi programme has continued to illuminate the path of financial inclusion and digital empowerment. In this spirit, संKALAN—a curated collection of success stories from the Digital Sakhi initiative—has been launched. संKALAN successfully captures Bharat's potential, inspiring stakeholders and reinforcing LTF's commitment to meaningful CSR impact.

Digital Sakhi Video Podcast Series

LTF has launched an exclusive video podcast series (7 episodes) to amplify the voices of women entrepreneurs empowered through its initiatives. In this podcast, your Company has successfully captured the impact of its active Digital Sakhi projects through a dedicated podcast series. This series brings forth the voices of women entrepreneurs, beneficiaries, employees, and community leaders.

Link to the podcast series: https://www.earshot.in/series/lt-finance-digital-sakhi-project-podcast-hindi

Stakeholder Engagement Study in Progress

LTF has conducted a stakeholder engagement study to gain deeper insights into the perspectives of its stakeholders, including beneficiaries, community leaders, and project partners. This study guides LTF's communication strategy, ensuring it aligns with their expectations and maximises the impact of your Company's efforts.

Community Grievance Redressal Mechanism

In FY25, LTF maintained a robust grievance redressal framework, ensuring effective addressing of community and stakeholder concerns.

Strengthened Mechanisms for Transparency

- **Dedicated Grievance Redressal Officers (GROs)** are continuously working to ensure that complaints are handled independently, and without bias. Their independent operation from project implementation teams helps build trust and accountability, as stakeholders can be confident that grievances are addressed transparently. Additionally, by tracking and publicly documenting the resolution process, GROs ensure that decisions are made openly and that the project remains accountable to the communities it serves.
- **Community Advisory Panels (CAPs),** that are now active in all projects and have been running for over two years, held quarterly meetings to gather and address feedback. These panels, comprising respected local representatives have enhanced project oversight with unbiased reviews and actionable suggestions.

In FY25, **0 grievances or concerns** were recorded in CSR projects.

Way Forward

LTF is committed to developing a strategic blueprint that will fulfil the roadmap for FY28 and FY30, focussing on sustainable growth, long-term viability, and operational supremacy. This approach is underpinned by a series of well-defined milestones and objectives, steering the organisation towards its goal for the future. In practice, the strategies are already yielding impactful results, demonstrating the success of the current initiatives. The progress to date highlights the efficacy of executed strategies and the momentum that will carry the organisation towards exceeding its aspirational goals.

Glimpses of CSR initiatives

Strategic Contribution of Social and Relationship Capital

LTF uses its social and relationship capital to achieve strategic objectives in alignment with its 5-Pillar framework. The contributions include:

Enhancing Customer Acquisition

LTF strengthens customer acquisition through financial inclusion, trust-driven engagement, and digital literacy initiatives. Programmes like Digital Sakhi and rural outreach enhance financial awareness, while strategic partnerships expand accessibility, ensuring deeper market penetration and increased customer onboarding.

Sharpening Credit Underwriting

Stakeholder trust and customer engagement provide valuable behavioural insights, improving credit assessment. Financial literacy programmes reduce default risks by promoting responsible borrowing, while strong regulatory relationships ensure transparent, data-driven underwriting practices that enhance credit quality and risk management.

Implementing Futuristic Digital Architecture

LTF's digital adoption is driven by customer trust and accessibility-focused initiatives. AI-powered interfaces, multilingual support, and vernacular outreach enhance engagement, ensuring seamless digital transactions while strengthening stakeholder confidence in a tech-enabled financial ecosystem.

Heightened Brand Visibility

CSR initiatives, ESG-driven partnerships, and financial inclusion efforts position LTF as a responsible financial institution. Customer-centric engagement fosters goodwill, amplifying brand recognition through positive word-of-mouth, regulatory trust, and stronger investor confidence.

Capability Building

Stakeholder relationships drive talent attraction, industry collaboration, and knowledge sharing. Customer insights refine service strategies, while technology and regulatory partnerships fuel innovation, enhancing LTF's ability to adapt, scale, and lead in financial services.

Natural Capital

Planet Prosperity through Environmental Stewardship

Alignment to UN SDGs

6 Clean Water and Sanitation
7 Affordable and Clean Energy
11 Sustainable Cities and Communities
12 Responsible Consumption and Production
13 Climate Action
15 Life on Land
17 Partnerships for the Goals

Alignment 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

In today's rapidly changing world, businesses have a responsibility towards the environment.

Your Company recognises that economic success and environmental sustainability are inherently linked.

Recognising the vital connection between environmental sustainability and economic success, LTF incorporates responsible environmental stewardship into its business strategy, in alignment with global frameworks like the UN SDGs. Your Company minimises its ecological footprint and creates long-term stakeholder value through initiatives like renewable energy adoption, use of energy efficient systems, resource optimisation, and carbon sequestration. These efforts enhance operational efficiency, mitigate climate and physical risks, and foster strong community and stakeholder relationships, ensuring a sustainable and resilient business model.

Key Highlights

~16%
Carbon (Scope 1+2) Emission Saved/Sequestered Y-o-Y

1 lakh+
Saplings Planted

~176 lakh kl
Water Replenished (Watershed Management)

~3,692 tCO_2e
Emissions Avoided (Green Power+ Green Attributes)

>90%
Overall Plantation Survival Rate

~51 tonnes
Waste Recycled

~973 tCO_2e
Sequestered through Plantation

100%
Paperless Journey in Rural Group Loans, Two-Wheeler Finance, Farm Equipment Finance, Personal Loans, and SME Finance

50 Branches
Waste Assessment Conducted

~79%
of Maharashtra Branches Switched to Green Power

3 Portfolios
Financed Emission Reported

~69
Species of Faunal Biodiversity Supported

~33%
Company Operations through Green Power

250+
Acres of Green Cover

~39
Species of Floral Biodiversity Created Through Plantation

64,000+
EVs Financed

Capitals Impacted

Financial Capital

LTF strategically invests in natural capital by adopting renewable energy and resource-efficient processes, aligning with its ESG goals and Lakshya 2026 strategy. For instance, LTF powers over one-third of its operations with green energy and aims for carbon neutrality by 2035. These initiatives may require upfront investment, but they enhance long-term financial stability by lowering operational costs and mitigating climate risks, while also opening avenues for sustainability-linked borrowings.

Manufactured and Intellectual Capital

Investments in natural capital enhance LTF's manufactured and intellectual capital. By sourcing 100% renewable energy at its head office and 25 branches, and green attributes for its branches and meeting centres, LTF reduces environmental impact and improves resilience. The adoption of green chemicals for sanitation, recycled paper, and digitalisation further strengthens its operational framework. Additionally, through its Sustainable Finance Framework, LTF promotes renewable energy, clean mobility, and sustainable farming, integrating ESG criteria into its offerings to solidify its position as a leader in sustainable finance and drive long-term growth.

Social and Relationship Capital

LTF prioritises social initiatives through its CSR framework (3S: Social Impact, Scale, and Sustainability), focussing on water conservation, and carbon sequestration. These efforts not only create significant social value but also strengthen relationships with communities and stakeholders. LTF promotes financial inclusion by offering loans to women entrepreneurs and underserved communities.

Human Capital

LTF enhances human capital through employee engagement initiatives, including focus on sustainability. Training programmes on ESG principles, sustainable commuting options like carpool, and eco-friendly workplace facilities contribute to aligning employees with LTF's environmental goals while improving workforce satisfaction.

An Environmentally Conscious Approach

Guided by the UN's Decade of Action and in alignment with India's commitment to contribute towards UN SDGs, LTF embeds environmental responsibility at the core of its operations. By optimising the use of natural resources, minimising environmental impact, and driving value-based initiatives, your Company seeks to contribute to a healthier planet while strengthening its business resilience.

Sustainability is not merely a commitment but a core principle that drives your Company's decisions and actions towards building a more sustainable future.

Environmental Governance Framework

LTF's governance framework plays a critical role in implementing and overseeing its sustainability practices, with Board-approved ESG policies ensuring that sustainability is embedded in strategic decision-making. Oversight is provided by key committees, including the Risk Management Committee ('RMC'), and the CSR & ESG Committee, to align actions with long-term environmental and social goals.

The Board monitors environmental performance, promoting accountability and continuous progress. Your Company maintains environmental competency through regular training, engagement with experts, and by incorporating ESG expertise into the board evaluation process. The CSR & ESG committee provides oversight to ESG-related issues, including climate related goals, ensuring informed decision-making, while the MD & CEO plays a role in climate-related decisions and budget approvals for mitigation efforts, embedding ESG into business strategies.

Each year, the CSR & ESG Committee reviews all ESG policies. The ESG performance is assessed annually by the Committee. Additionally, the ESG-related KPIs are integrated into Senior Management KPIs, with the Managing Director and Chief Executive Officer's compensation including ESG parameters as part of KRA.

To support these initiatives, LTF allocates budgets for ESG and Facility & Channel Management, enabling the adoption of green power, digitalisation, energy efficiency, carbon sinks, and addressing financed emissions through services like EV financing. The Company's governance structure ensures continuous progress and aids LTF's leadership in sustainable finance.

Key Policies Governing Environmental Sustainability

Environmental Policy

LTF's Environmental Policy focusses on minimising its environmental footprint through energy conservation, waste management, emissions reduction, and transparent environmental reporting. This policy applies across all offices and branches, ensuring regulatory compliance, and fostering a culture of environmental responsibility.

ESG Policy

Your Company's ESG policy guides its financing decisions, ensuring support for sectors and projects aligned with its sustainability values. The policy includes an exclusion list that prevents financing environmentally harmful industries like thermal power and mining. Furthermore, this policy provides guidelines to protect natural capital and promotes sustainable development.

E-Waste Policy

LTF's E-Waste Policy, aligned with its sustainability commitments, promotes the responsible disposal of electronic waste. The policy aims for zero waste to landfill, while ensuring compliance with relevant regulations for the safe disposal of electronic goods.

Third-Party Code of Conduct (TCOC)

LTF's TPCOC extends its sustainability principles to suppliers, requiring adherence to responsible business practices. Your Company assesses critical ESG factors such as emissions, energy use, waste management, and human rights to ensure sustainability throughout its entire value chain.

To strengthen this commitment, LTF actively collaborates with value chain partners to align them with its sustainability goals. Your Company engages suppliers through regular assessments, training programmes, and capacity-building initiatives that promote best practices in ESG compliance. By setting clear expectations and integrating sustainability criteria into its value chain processes, LTF ensures that its partners contribute to shared environmental and social objectives.

Newly adopted Sustainable Procurement Policy

To minimise LTF's environmental footprint, sustainability should be integrated into the procurement process by focusing on ethical sourcing, human rights, and fair labour practices within the supply chain. Transparency and accountability should be fostered through supplier collaborations committed to reducing carbon emissions, using sustainable materials, and supporting circular economy principles.

This policy displays your Company's commitment to sustainability and responsible business practices by ensuring that your Company's supply chain matches with its long-term objective of creating value for stakeholders, while reducing environmental impact and fostering positive social outcomes.

Building Climate Resilience

LTF acknowledges the growing environmental challenges arising from climate change. These challenges include extreme weather events, rising sea levels, and desertification. The environmental costs are escalating, with developing nations projected to face annual losses of US$ 447-894 Bn by 2030.

For businesses, physical risks, such as extreme weather events, and transition risks, including rising carbon pricing, are transforming markets and reshaping business models. In this evolving landscape, your Company understands the critical role financial institutions play in fostering a low-carbon, climate-resilient future.

LTF's climate action strategy reflects a comprehensive approach, seamlessly integrating environmental considerations across its operations. By focussing on climate resilience, your Company builds a strong business portfolio, while delivering long-term value for stakeholders. LTF's sustainability driven initiatives exemplify a commitment to responsible and future-ready business practices.

Beyond its products and services, your Company embeds climate-conscious strategies into its core operations, focussing on resource efficiency and operational sustainability. This holistic approach ensures that sustainability remains integral to business decisions, fostering a culture that is adaptive, forward-looking and responsive to evolving environmental realities.

Your Company's climate action framework has set clear targets, including achieving carbon-neutrality by 2035 and maintaining water surplus operations. These targets guide LTF's planning and resource allocation, while ensuring that stakeholder engagement aligns with sustainability goals, thereby reinforcing long-term value creation.

Achieving Carbon Neutrality by **2035**

LTF's Sustainability Goals

Maintaining **Water Positive/ Surplus Status**

Integrating Climate Risks into Business Operations

LTF recognises the critical importance of incorporating climate risks into its business operations to ensure long-term resilience and sustainability. By embedding relevant risks into its Risk Management Framework, Risk Appetite Statements, and Early Warning Signals, LTF strengthens its ability to navigate the challenges posed by physical risks.

Managing Physical and Transition Risks

Physical risks, such as extreme weather events, floods, and droughts, are integrated into LTF's risk management practices. Your Company actively assesses these risks to anticipate potential disruptions and ensure continuity in operations. Transition risks, arising from changes in regulations, market dynamics, and evolving consumer preferences for sustainable solution are also integrated into decision-making.

Climate Risk Assessment in Portfolios

LTF applies a thorough approach to assessing climate risks across its key portfolios, including Urban Finance, SME, and Rural Finance. Tools and models are employed to evaluate climatic factors such as rainfall patterns and irrigation coverage, which influence portfolio performance. A geographic analysis helps identify regional vulnerabilities, ensuring that climate risks are factored into lending decisions.

Financial Impact of the Climate-Related Risks

Climate-related risks have a significant impact on LTF's financial position, performance, and cash flows, particularly through borrower repayment challenges, and potential operational disruptions. Acute physical risks, such as extreme weather events, can affect borrowers' earnings, leading to increased credit defaults and higher provisioning requirements. Transition risks, driven by evolving regulations and sustainability reporting mandates, may result in compliance costs and reputational risks. However, these risks also create opportunities for growth, such as expanding green finance and developing sustainable products. By integrating climate considerations into its business strategy, LTF mitigates potential financial impacts while strengthening its resilience and market position in sustainable finance.

Identifying Climate-Related Opportunities

LTF recognises climate change as not only a challenge but also a significant opportunity to drive sustainable growth and financial innovation. By integrating climate-related risks into its business strategy, LTF has actively identified and is capitalising on emerging trends in low-emission goods and services. A key focus area is EV financing, which supports the transition from fossil fuel-based vehicles to cleaner alternatives. Additionally, the increasing demand for sustainable infrastructure, and green buildings, and renewable energy presents further opportunities for responsible growth through retail financing. By aligning with regulatory trends and market shifts, LTF is continuing to expand its green finance portfolio.

Governance and Oversight of Climate Risks

Strong governance frameworks are integral to managing climate risks. LTF, through its Board and CSR & ESG Committee, ensures that sustainability objectives are embedded in your Company's operations. The Chief Economist updates the Board on Environmental & Climatic parameters at regular intervals including Board meetings. Regular third-party audits and scenario analyses further reinforce compliance and transparency.

Assessing Climate Risk in Line with TCFD

The Draft Disclosure Framework on Climate-related Financial Risks and the Discussion Paper on Climate Risk and Sustainable Finance ('Discussion Paper'), issued by the RBI, recommend Task Force on Climate-related Financial Disclosures (TCFD)-aligned reporting as a desirable initial step to ensure uniformity in disclosing climate-related risks and opportunities across India's banking sector and upper layer NBFCs. Accordingly, LTF is further working to integrate a climate risk framework that encompasses governance, strategy, risk management, and specific metrics and targets related to climate risk, while also capturing the interactions and associated impacts.

LTF has established a governance framework to oversee climate-related risks and opportunities. Climate considerations are integrated into the broader risk management and strategic planning processes. There are efforts underway to further embed climate considerations into decision-making across the organisation and strengthen internal capabilities in this area.

LTF became a signatory to the global initiative Partnership for Carbon Accounting Financials (PCAF) in FY25. By joining PCAF, your Company strengthens its ability to transparently measure and report portfolio emissions, facilitating more effective management of climate risks and contributing significantly to India's Net Zero goal by 2070.

LTF's portfolio is predominantly retail-centric, comprising asset classes such as Farm Equipment Finance, Rural Group Loans & Micro Finance Loans, Two-Wheeler Finance, Personal Loans, Home Loans, Loan Against Property, and SME Finance. The portfolio is currently exposed to a range of physical climate risks, including floods, droughts, and extreme weather events. These physical risks can affect a borrower's financial capacity by causing damage to physical assets, disrupting supply chains, increasing operational costs, and affecting market dynamics. Hence, your Company has undertaken identification and measurement of climate-related risks through portfolio heatmapping, and physical risk assessment.

As part of the portfolio heatmapping exercise, LTF identified risk concentrations and areas of heightened vulnerability within its portfolio. This exercise provided a granular view of climate risk and has been conducted to evaluate and categorise the physical risks across your Company's collateralised retail portfolios including Home loans, Farm Equipment Finance, and Two-Wheeler Finance. The methodology for assessing portfolio heatmapping involved classifying risks using external analysis conducted by ThinkHazard. This analysis evaluated the likelihood and potential impact of key perils, including various flood types, cyclones, extreme heat, landslide, and water scarcity, primarily at a district level using location data. Based on this assessment, risks were classified into Very Low, Low, Medium and High categories. The resulting heatmaps provide a clear understanding of your Company's material physical risks, directly informing the management with data-driven insights.

Recognising the growing materiality of climate-related risks on the lending, the Company has initiated efforts to integrate climate scenario analysis into their risk management framework. Scenario analysis is a forward-looking assessment that allows the Company to explore different climate pathways, including how physical risk scenarios could impact the Company's operations, lending portfolio, and strategic outlook over the short, medium, and long-term.

The following scenarios were chosen for this analysis:

- **RCP 4.5:** A stabilisation pathway with moderate policy intervention and adaptation,
- **RCP 8.5:** A high-emissions scenario reflecting business-as-usual trajectories with more severe impacts.

These two scenarios effectively capture both realistic and extreme climate risks, making them suitable for assessing potential financial impacts on the Company's portfolio. LTF has prioritised three physical risk hazards relevant to the current retail portfolio for scenario analysis, namely, coastal floods, riverine floods and drought.

LTF's climate transition plan currently focuses on Scope 1 and Scope 2 emissions, with an emphasis on reduction and sequestration of residual emissions. LTF has been consistently reporting on Scope 1, Scope 2, and Scope 3 greenhouse gas ('GHG') emissions, as well as detailing the reduction and sequestration efforts undertaken. These emissions are calculated in accordance with the GHG Protocol, using the operational control approach for boundary setting. Additionally, LTF monitors GHG emissions across all categories using standardised methodologies aligned with global protocols. These metrics facilitate informed decision-making and assess progress towards your Company's climate-related goals.

Decarbonisation Journey

LTF has advanced sustainably since the implementation of its comprehensive decarbonisation strategy in 2019, systematically incorporating environmental considerations into its operations. Over the years, your Company has made tangible progress by adopting renewable energy solutions, enhancing energy efficiency and steadily lowering carbon emissions. These accomplishments reinforce LTF's growing leadership in responsible action and pave the way for reviewing its key environmental milestones.

FY19

- Registered emissions intensity per employee (Scope 1 & 2) at 0.25 tCO_2e/FTE

FY20

- Decreased emissions intensity per employee to 0.155 tCO_2e

FY21

- Recorded emissions intensity per employee at 0.165 tCO_2e/FTE

FY22

- Reduced carbon emissions by 20% on estimated footprint
- Announced commitment to becoming carbon neutral by FY35
- Registered emissions intensity per employee at 0.18 tCO_2e/FTE

FY23

- Reduced Scope 1 & 2 GHG emissions by approximately 18%, compared to FY24
- Increased reliance on renewable energy to 39% of operations
- Reduced CO_2 emissions by approximately 1,840 tonnes through green energy transitions at the Head Office and 24 branches
- Recorded emissions intensity per employee at 0.09 tCO_2e/FTE

FY24

- Reduced GHG emissions by nearly 30% through energy efficiency and renewable energy uptake
- Expanded green energy usage to additional branches, bringing total renewable energy adoption to 39% of operations
- Recorded emissions intensity per employee at 0.12 tCO_2e/FTE

FY25

- Reduced energy intensity/ FTE by ~4%, compared to FY24
- Reliance on renewable energy to ~33% of operations
- Avoided ~3,692 tCO_2e at the Head Office and 25 branches

Reducing Emissions, Energising Sustainability

As part of its comprehensive sustainability strategy, LTF continues to prioritise responsible energy management as a core aspect of its environmental stewardship. Your Company is dedicated to reducing the environmental impact of its operations and integrate eco-friendly practices into its business processes. In FY25, LTF continues to build upon its progress in optimising energy consumption and transitioning to renewable energy sources across its operations.

Ensuring Energy Efficiency

In FY25, LTF reinforced its commitment to energy efficiency through a series of impactful initiatives aimed at reducing operational energy consumption and dependence on non-renewable sources. Despite a ~19% increase in the scale of operations and manpower, your Company has ensured that energy efficiency remains a core operational priority. We continue to adopt smart, sustainable solutions that balance business growth with environmental responsibility.

One of the key enablers of this progress has been the integration of IoT-based monitoring systems across seven branches, allowing for real-time energy tracking, predictive maintenance, and intelligent consumption controls. These systems have helped identify and eliminate energy leakages, optimise load usage, and improve overall energy performance. As we scale further, LTF remains focused on leveraging technology and innovation to drive long-term energy efficiency across its operations.

Renewable Energy Integration and Expansion

25 Branches + Head Office

Running on Renewable Energy

Building on the achievements of FY24, LTF has expanded the transition to renewable energy by increasing the number of branches powered by green energy in FY25. Green energy was also used in Telangana and Tamil Nadu.

In FY25, your Company sourced renewable energy for 26 of its operational sites, including the Head Office and key regional branches. LTF continuously monitors the availability of green power across the country and adopts facilities wherever available and feasible.

LTF's expansion of green energy adoption across a growing number of locations is a major step towards achieving its goal of reducing its carbon footprint and dependence on non-renewable energy sources. Currently, your Company owns one premise , while the remaining locations are either leased or semi-leased. Converting these leased and shared-leased premises into green energy-led locations presents a challenge. However, your Company is actively working to reduce energy consumption across these premises, subject to the mutual agreement of the other tenants.

To bridge this gap, LTF has leveraged green attributes (iRECs) from verified renewable energy generators in India, which are acceptable under RE100 criteria. This also supports your Company's renewable energy goals and reinforces its commitment to reducing its carbon footprint.

Energy Efficiency and Operational Optimisation

~4%

Reduction in Energy Intensity/FTE

Despite the increase in number of working days and flexi-time benefit which led to increase in energy consumption, your Company has continued to optimise its energy usage in offices and data centres. LTF has achieved this by implementing advanced energy saving technologies, which include the continued use of energy efficient equipment such as LED lighting, 5-star-rated air conditioners, and smart IoT solutions for real-time energy monitoring and optimisation. These practices ensure that LTF operates at peak energy efficiency, while maintaining business operations and controlling operational costs.

In addition to regulating the electricity consumption, your Company is also working on refining its processes around the use of diesel and other fossil fuels for backup generators. LTF is committed to optimising fuel consumption, which directly impacts the reduction of carbon emissions from transportation and power generation.

In FY25, capital investment in energy conservation equipment amounted to ~₹ 1.27 Cr.

Energy Audits and Monitoring

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.

Monitoring and Managing Emissions

As a responsible corporate entity, your Company recognises that addressing climate change is integral to long-term business sustainability. Effective emissions management not only reduces environmental impact but also enhances operational efficiency and resilience. LTF is committed to minimising its carbon footprint and achieving Carbon Neutrality Status (Scope 1 and Scope 2) by 2035. This change is being brought about through a structured approach that includes precise emissions measurement and targeted reduction strategies. Additionally, transparent reporting, aligned with internationally recognised frameworks such as the GHG Protocol Corporate Standard and PCAF Global GHG Accounting and Reporting Standard for the Financial Industry, is a part of this approach.

1 Scope

Direct GHG Emissions

As a company primarily engaged in financial services, LTF's direct emissions are mostly linked to operational activities. These emissions mainly result from fuel combustion in diesel generators, Company-owned vehicles, LPG use for providing meal facility, and fugitive emissions from refrigerant leakage in air-conditioning systems and fire extinguishers. Recognising the environmental impact of these operations, your Company has taken proactive measures to reduce Scope 1 emissions.

In FY25, LTF further reduced emissions through multiple initiatives. Your Company ensured regular maintenance of its owned vehicles and diesel generators, thereby optimising fuel consumption across its fleet.

Additionally, LTF has embraced the use of low-GWP (Global Warming Potential) refrigerants, such as R32, in place of older, less environmentally friendly models like R22. To enhance refrigerant management, your Company is centralising its air conditioning maintenance contracts under a single vendor. This pilot initiative will improve refrigerant tracking. These measures have contributed to minimising the potential for ozone depletion and climate change, while ensuring regulatory compliance.

Scope 1 Emissions

GHG Emissions	Unit	FY23	FY24	FY25
Fuel in DG Set	tCO_2e	2.43	3.25	2.17
LPG Consumption at rural branches	tCO_2e	NA	9.89	17.15
Company-Owned Vehicles	tCO_2e	48.25	46.14	51.64
Refrigerant	tCO_2e	297.00	306.61	315.03
Fire Extinguisher	tCO_2e	39.46	39.58	0.24
Total	tCO_2e	387.14	405.47	386.23

Note: The emission factor is sourced from DEFRA

2 Scope

Indirect GHG Emissions

Your Company has actively pursued renewable energy procurement, in alignment with which 100% of the electricity requirements for the Head Office and 25 branches are met through green power.

To address its emissions comprehensively, LTF has adopted both location-based and market-based approaches to calculating Scope 2 emissions. The location-based approach reflects emissions from grid electricity consumption at its operational sites, while the market-based method accounts for the use of renewable energy procurement mechanisms. This dual approach provides a nuanced understanding of your Company's carbon footprint and ensures alignment with global best practices.

Given the challenges posed by operational constraints, particularly in small, leased branches without dedicated metering, direct procurement of renewable energy is not feasible in all cases. To bridge this gap, LTF has leveraged International Renewable Energy Certificates ('iRECs') from verified renewable energy generators and acceptable under RE100 criteria. These iRECs enables your Company to claim green attributes for electricity consumed in such locations, supporting its renewable energy goals and reinforcing its commitment to reducing its carbon footprint. In FY25, your Company procured green attributes, i.e., I-RECs, from a solar PV project in India. These certificates were issued for supplying green power to the grid during FY25.

Furthermore, upgrades to energy-efficient lighting, including 5-star-rated ACs, LEDs, and IoT devices, have further reduced emissions. These initiatives, combined with the use of green attributes to encourage the adoption of renewable energy where direct purchase is not feasible, have contributed to a ~17% tCO_2e reduction in Scope 2 emissions. In the absence of your Company's efforts to procure green power and green attributes (iREC), the Scope 2 emission would have been 5,592.68 tCO_2e (location-based approach).

Scope 2 Emissions (market-based approach)

GHG Emissions	Unit	FY23	FY24	FY25
Electricity – Head Office	tCO_2e	0	0	0
Electricity – Branches	tCO_2e	1,604.27	1,485.48	1,909.16
Electricity – Branches (Small/Rural Group Loans and Micro Finance Branches)	tCO_2e	1,323.97	826.77	0
Total	tCO_2e	2,928.24	2,312.25	1,909.16

Note: The emission factors are sourced from CEA.

Scope 3

Other Indirect GHG Emissions

Scope 3 emissions stem from activities beyond LTF's direct operations, including employee commuting, business travel, and financed emissions associated with the lending portfolio. In FY25, your Company has taken steps to reduce its Scope 3 emissions, focussing on key categories outlined below :

Scope 3 Emissions

GHG Emission Categories	Unit	FY23	FY24	FY25
C1: Purchased Capital Goods and Services*	tCO_2e	367.65	453.29	12,165.37
C2: Capital Goods	tCO_2e	2,331.79	3,893.92	4,891.42
C3: Fuel- and Energy-Related Activities	tCO_2e	-	-	335.50
C5: Waste Generated in Operations	tCO_2e	-	-	134.34
C6: Business Travel	tCO_2e	1,297.76	1,962.75	2,253.14
C7: Employee Commute	tCO_2e	-	-	28,766.10
C8: Upstream Leased Assets	tCO_2e	54.72	388.39	594.13

Note: The emission factors are sourced from DEFRA, the India GHG Programme EE10, and the WIOD database. The categories for which data has not been mentioned are not applicable for your Company.
**C1: Increase in FY25 is due to increased items/goods/services being measured*

Category 1

Purchased Capital Goods and Services:

LTF is working on optimising procurement practices to reduce the environmental impact of indirect emissions, such as those from paper consumption and office supplies.

Category 2

Capital Goods:

Your Company is investing in energy-efficient and low-carbon alternatives for infrastructure, office equipment, and other capital goods to reduce emissions in this category.

Category 3

Fuel- and Energy-Related Activities:

Your Company is minimising emissions by optimising energy use, promoting renewable energy, and implementing energy-saving measures.

Category 4

Upstream Transportation and Distribution:

This category has not been calculated in the base year as it is not relevant to your Company's operations.

Category 5

Waste Generated in Operations:

Your Company is minimising waste generated in operations through employee awareness, single use plastic ban, and recycling, among others.

Category 6

Business Travel:

LTF is limiting emissions from business travel by centralising travel management.

Category 7

Employee Commute:

LTF has a dedicated employee bus service for facilities located in Kalina, Mahape in Maharashtra. Additionally, your Company has started an employee carpool initiative in collaboration with sRide, a carpooling app. This initiative aims to reduce individual vehicle usage.

Category 8

Upstream Leased Assets:

LTF is also reducing emissions from leased assets by improving energy efficiency and collaborating with lessors to implement sustainable practices.

Category 9

Downstream Transportation and Distribution:

The nature of your Company's operations and services does not include the distribution or transportation of goods. Employee travel for service delivery is accounted for under business travel, making this category irrelevant.

Category 10

Processing of Sold Products:

As your Company provides financial services rather than engaging in conventional manufacturing or product processing, this category is not applicable.

Category 11

Use of sold products:

As an NBFC, your Company's primary business involves providing financial services such as loans, mortgages, rather than selling physical goods. Therefore, the concept of 'use of sold products' does not apply.

Category 12

End-of-Life Treatment of Sold Products:

Since your Company does not engage in the sale of physical products, there are no items requiring disposal or recycling, making this category irrelevant.

Category 13

Downstream Leased Assets:

Your Company does not own or lease assets that fall under this category, as its operations are centred around financial services without leasing physical equipment or property.

Category 14

Franchises:

Your Company does not operate on a franchise model, as its business structure does not involve franchising services or products. All operations are directly managed, rendering this category irrelevant.

Financed Emissions

(Category15)

In FY25, your Company became a PCAF signatory to assess financed emissions for a greener future. Your Company recognises the significant environmental impact associated with its lending activities. As a responsible financial institution, it has proactively calculated and disclosed financed emissions in accordance with the PCAF framework.

In FY25, LTF has expanded its reporting of financed emissions of its portfolio over FY24 by reporting for additional portfolios for calculation of its financed emissions. In addition to Two-Wheeler and Farm Equipment Finance portfolios reported in FY24, this year LTF reported for Home Loans portfolio. The emissions estimation is conducted using the PCAF methodology. This process involved mapping products to specific asset classes, determining data requirements, and addressing potential data gaps.

For example, the financed emissions were calculated by multiplying an attribution factor by the emissions of the financed motor vehicles. The attribution factor was determined by the ratio of the outstanding loan amount to the asset's cost at loan origination. As loans are repaid, the attribution factor decreases, which ultimately reduces your Company's exposure.

This expansion aims to provide a comprehensive picture of its carbon impact.

By adhering to the latest PCAF guidelines and improving data reliability, LTF ensures its emissions data is accurate, transparent, and in line with industry standards. This enhances the effectiveness of your Company's decarbonisation strategy and enables better tracking and progress towards sustainability goals.

Financed Emissions

Financed Emission Categories	Unit	FY24	FY25
Two-Wheeler Loan Portfolio	lakh tCO_2e	~6.43	**~6.64**
Tractor Loan Portfolio	lakh tCO_2e	~11.48	**~16.09**
Home Loans Portfolio	lakh tCO_2e	~0.80	**~1.24**

Note: The Financed emissions calculations for FY24 were prepared through external expert and the same methodology was used by internal team to compute FY25 emissions for the disclosed portfolios.

Financing for a Better Planet

Sustainable finance is central to your Company's ESG strategy. As a lending institution, LTF's role extends beyond generating financial returns to creating social and environmental value.

Social Lending Initiatives

LTF has implemented a comprehensive Sustainable Finance Framework, embedding ESG criteria into its lending practices.

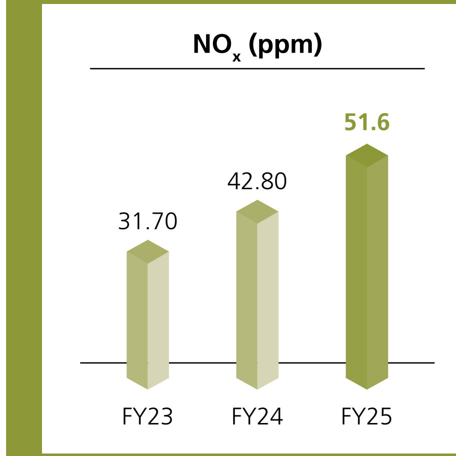
Through its Urban Finance business, your Company promotes clean mobility by financing electric vehicles ('EVs'). In FY25, EV financing supported 64,000 EVs, helping avoid approximately ~12,675.67 tCO_2e emissions. LTF has also maintained an exclusion list, refraining from financing coal, thermal, and mining projects. As a responsible lender, LTF continues to enhance its financed emissions reporting, and aligning its lending practices with international climate goals.

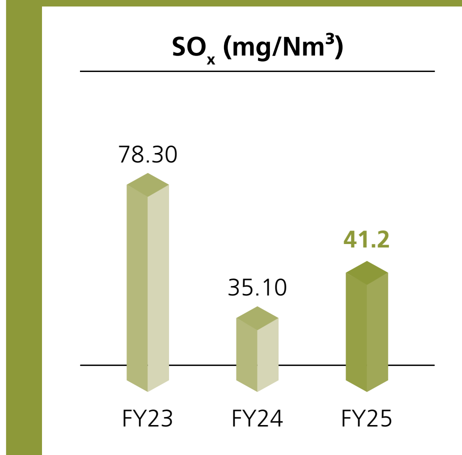
By integrating environmental responsibility into its core business activities, your Company continues to advance its sustainability agenda, while contributing meaningfully to climate action and social equity.

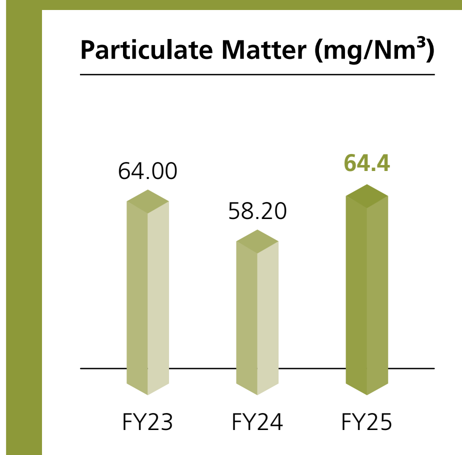
Air Emissions

While air emissions like NO_x and SO_x are not directly linked to NBFCs' core activities, managing them is crucial for regulatory compliance, risk management, and maintaining a strong reputation in line with ESG goals. LTF's focus on these aspects demonstrates its commitment to sustainability and corporate responsibility. In FY25, your Company continued to monitor and report its air emissions as part of its ongoing commitment to environmental stewardship.

Air emissions







LTF continues to explore and implement measures to reduce air emissions, aligning with its sustainability objectives. The vertical garden constructed at the Head Office serves the dual purpose of improving air quality and reducing CO_2 levels. Furthermore, it enhances the aesthetics of the workspace and adds to the emission reduction initiatives.

By adopting these measures, LTF is ensuring a minimal environmental footprint. Further, your Company ensures regular assessments and continues improvements in operational processes to track and mitigate air emissions.

Commitment to Water Stewardship

LTF is committed to responsible water management, recognising the vital role water plays in its operations and the broader ecosystem. By adopting innovative water management practices, recycling initiatives, and strategic conservation measures, LTF continues to demonstrate its focus on environmental stewardship. Your Company achieved Water Neutrality in FY22 and has maintained a Water Positive/Surplus status from FY23 to FY25.

Parameter	FY23	FY24	FY25
Total Water Consumption (in lakh kl)*	~2.51	~3.41	~4.56
Total Water Replenished (in lakh kl)#	280+	180+	176+
Water Surplus Collected (in lakh kl)	~277	~177	~171

*Note:*Increase in total water consumption in FY25 compared to FY24 was due to increased employee headcount and branch expansions.*

#In FY25, water replenishment decreased due to less rainfall and drought experienced by the project areas.

Case Study

Revamping the STP at LTF Head Office

LTF is committed to sustainable resource management and has undertaken significant measures to enhance water efficiency and recycling across its operations. One of its key initiatives during FY25 is the revamping of the Sewage Treatment Plant ('STP') at its Head Office. This project showcases LTF's adoption of advanced technology to reduce its environmental footprint and sets a benchmark for sustainable infrastructure.

Objectives and Implementation

The initiative aimed to enhance recycling capacity, reduce freshwater dependency, and integrate advanced water treatment technology. The project involved upgrading outdated infrastructure, incorporating innovative systems, and streamlining water utilisation processes. LTF collaborated with technology providers to ensure efficient and sustainable outcomes.

Outcomes

Freshwater Savings

A 24% reduction in freshwater use across the head offices.

Environmental Impact

Lower water footprint, contributing to LTF's sustainability goals.

Operational Efficiency

Improved water treatment processes with enhanced monitoring and maintenance.

For more details about Water Utilisation and Recycling, please refer to Principle 6.

Rainwater Harvesting

LTF is committed to sustainable water management and conservation through initiatives like the 'Jalvaibhav' project. Launched in 2016, this initiative aims to address water scarcity in the traditionally drought-prone Marathwada regions. The initiative focusses on enhancing crop yields, reducing soil erosion, and improving groundwater levels through Integrated Water Resource Management ('IWRM'). A key aspect of the programme is building water harvesting structures in villages, which significantly replenishes water resources and improves access to water for both agricultural and domestic use. To achieve this, LTF has implemented cost-effective water conservation measures, including drainage line and area treatments, as well as direct recharge methods. In FY25, LTF's efforts led to the replenishment of ~176 lakh KL of water, compared to ~183 lakh KL of water in FY24. This replenishment exceeded your Company's operational consumption, i.e., ~4.56 lakh KL during the year by over ~38 times.

To ensure accurate monitoring and evaluation, LTF has engaged second-party experts who employ state-of-the-art technology and precise rainfall data analysis for rainwater harvesting studies. LTF has continuously increased the sampling coverage of RWH sites for these studies to enhance transparency, i.e., increased from 25% in FY23 to 35% in FY24 and 100% in FY25. This approach has enhanced the quality and reliability of reporting.

Building on this success, 'Jalvaibhav 2.0' was introduced in FY25 to further enhance groundwater recharge and build climate resilience in new regions (Kolar, Karnataka). The project focused on constructing over 50 water structures, boosting water harvesting capacity. Your Company also trained over 500 Water User Groups ('WUGs') in water structure maintenance and efficient management, ensuring long-term sustainability. The initiative has benefitted overall more than 60,000 farmers with sustainable water management practices, directly aiding 5,000 farmers in Kolar, Karnataka.

For more details about Project Jalvaibhav 2.0, please refer to the Social and Relationship Capital section.

Forging Responsible Waste Management

As a financial services provider, LTF does not manufacture any product that requires safe reclamation for reuse, recycling, or disposal at the end of its life. However, your Company strives to minimise waste generation and ensures responsible disposal practices throughout its operations. It adheres to the principles of Reduce, Reuse, and Recycle to effectively manage waste and minimise its environmental footprint.

In FY25, LTF carried out a comprehensive waste assessment involving inventorisation, categorisation of wet and dry waste and evaluation of existing waste practices across its top 50 branches to better understand the volume and types of waste generated at each location. An external second party expert was appointed to conduct this survey. It measured waste segregation, waste generation at each branch and also calculated per capita waste generation. LTF based on the per capita waste generation data reported in the study calculated waste generated across LTF's other branches. Thus, ensuring complete reporting of waste data conservatively where physical measurements proved unviable. This study has helped your Company device future waste management strategies. It has also enhanced the accuracy of reporting and waste emission calculations based on headcount.

Additionally, LTF has partnered with an authorised vendor to ensure 100% segregation and recycling of municipal waste collected from the Head Office. The Company has taken up and achieved the target of Zero-Single-Use Plastic at its Head Office and uses steel bins instead of plastic bins for the disposal of food waste and waste generated by employees. Furthermore, through awareness initiatives on recycling and waste segregation, LTF encourages sustainable waste-handling practices.

LTF's comprehensive E-Waste policy ensures the safe disposal of electronic waste in compliance with the government's Cross-check if this should be Cross-check if this should be E-waste (Management) Rules. E-Waste is collected and centrally processed by authorised vendors for recycling.

LTF's digital transformation is significantly reducing paper consumption by replacing traditional paper-based processes with efficient digital tools and workflows. This shift optimises resource usage, minimises the environmental impact of paper production, and reduces costs associated with paper procurement and waste management.

These efforts are part of LTF's broader objective to achieve zero-waste-to-landfill status and align its operations with best practices in environmental responsibility. By continually innovating in waste management, your Company is promoting sustainable practices and contributing to the well-being of the communities it serves.

Parameter	FY23	FY24	FY25
Waste Generated (MT)	46.61	62.98	266.08
Waste Recycled (MT)	7.71	16.96	50.86
Waste Disposed* (MT)	46.61	62.98	215.22

Note: Increase in total waste generated and waste disposed in FY25 compared to FY24 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, please refer to Principle 6 of the BRSR.

Rooting for a Greener Tomorrow

As part of its Carbon Neutrality plan, LTF conducts tree plantation under the 'Project Prakruti' initiative. The project seeks to create carbon sinks by absorbing atmospheric carbon dioxide, enhancing biodiversity, restoring degraded land and promoting ecological balance. By restoring degraded land and supporting sustainable livelihoods for local communities, the project contributes to environmental conservation and socio-economic development.

Since FY18, your Company has steadily increased its annual plantation efforts. In FY25 alone, 1 lakh+ saplings were planted, bringing the cumulative count to over 2.68 lakh saplings. During FY25, these plantations sequestered approximately ~973 tCO_2e. The Miyawaki mixed plantation in three villages in Maharashtra, used the Clean Development Mechanism-based Afforestation and Reforestation ('CDM A/R') methodology for carbon sequestration calculations. LTF also adhered to international standards by implementing ISO 14064-2:2019 for its Miyawaki plantation site, ensuring the credibility and transparency of its carbon sequestration initiative.

The introduction of native plant species into these plantations has reintroduced a variety of vegetation, improving the area's biodiversity. This range of flora, including trees, shrubs, and ground cover, provides both habitat and sustenance for a wide array of wildlife, such as peacocks, mongooses, partridges, wild boars, porcupines, sparrows, butterflies, grasshoppers, snakes, and bees, among others. Beneath the soil, microorganisms like bacteria and fungi play an essential role in nutrient cycling and soil health, thus supporting the overall success of the plantation.

Additionally, LTF has enhanced biodiversity by encouraging the strengthening of the honeybee population, a natural pollinator, through the installation of beehives in its Miyawaki plantation project. Other environmental benefits of these plantations include a reduction in local temperature, soil enrichment, prevention of degradation, reduced runoff, greater groundwater absorption, as well as improved water retention and recharge in the area. Through these initiatives, LTF's 'Project Prakruti' not only contributes to carbon sequestration but also creates a thriving ecosystem that fosters biodiversity and environmental sustainability.

For more details about Project Prakruti, please refer to the Social and Relationship Capital.

Supporting Biodiversity

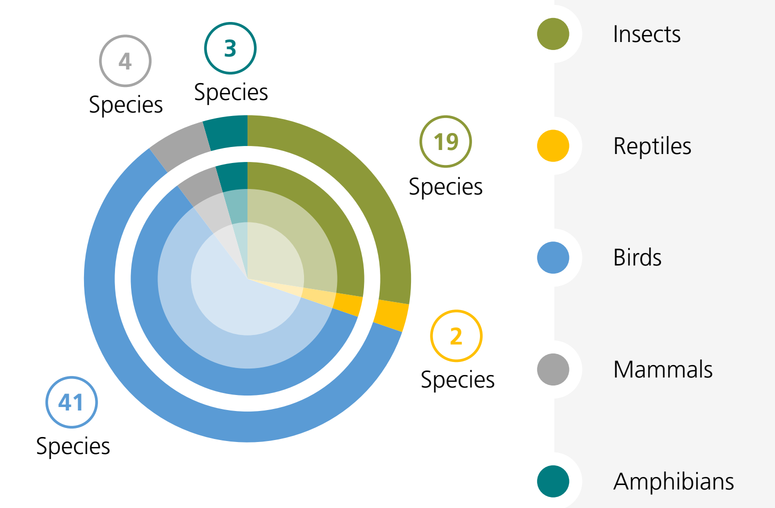
LTF recognises biodiversity as a critical component of the environment, essential for ecological balance, climate resilience, and sustainable development. Through scientifically driven methodologies and community participation, LTF in collaboration with an NGO, has implemented a biodiversity-focused initiative through the Miyawaki plantation technique.

The plantation initiative in Marathwada focusses on restoring ecological balance through Miyawaki plantations, with over 68,000 trees planted across key villages. Extensive biodiversity assessments have recorded 39 plant species and 69 faunal species, including vulnerable birds and pollinators essential for regeneration.

Beyond tree plantation, the initiative engages local communities, strengthens ecosystem functions, and addresses environmental challenges like industrial impact and agricultural practices. With ongoing monitoring and sustainable practices, LTF aims to expand its efforts, ensuring long-term ecological restoration and environmental resilience.

39
Floral Species Supported

69
Faunal Species Supported



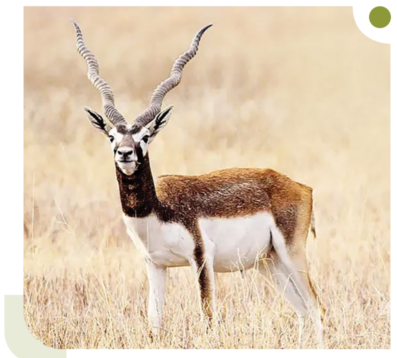
Biodiversity Assessment Findings

Birds

Species such as the Woolly-necked Stork (Vulnerable) contribute to the ecological balance.

Mammals

Sightings of Black Buck (Near Threatened), Wild Boar, Porcupine and Civet Cat add to the diversity of the ecosystem.



Pollinators

Active honeybee colonies and various insect species are vital to pollination and seed dispersal.

Key Achievements

- **Biodiversity Enrichment:** LTF's efforts have supported significant increase in species diversity, particularly avian populations and pollinators.
- **Improved Ecological Functioning:** The Miyawaki plantations have helped restore important ecosystem functions such as water filtration, soil stabilisation, and carbon sequestration.
- **Community Engagement:** Local communities in the region actively engage with the initiative, participating in planting and conservation efforts. Their involvement ensures long-term sustainability and strengthens the local ecosystem.

Strategic Contribution of Natural Capital

LTF uses its natural capital to achieve strategic objectives in alignment with its 5-Pillar framework. The contributions include:

Enhancing Customer Acquisition	Sharpening Credit Underwriting	Implementing Futuristic Digital Architecture	Heightened Brand Visibility	Capability Building
Implementing sustainability initiatives that distinguish LTF by showcasing its dedication to responsible business practices. It reinforces brand value, appeals to institutional partners, and deepens customer relationships based on trust and long-term value creation.	Incorporating climate risk assessments into underwriting processes to ensure risk-adjusted financing, particularly for rural and vulnerable sectors.	Utilising technology to provide digital solutions for emissions reporting, energy monitoring, and financing efficiency. This approach aligns with both operational goals and environmental responsibility	Embracing sustainability leadership to improve visibility and position LTF as an environmentally and socially responsible corporate entity, attracting customers, investors, and talent.	Training employees in sustainability practices to strengthen organisational capabilities, driving innovation and long-term competitive advantage.

Business Responsibility and Sustainability Reporting (BRSR) FY 24-25

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 (formerly known as L&T Finance Holdings 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	**Brindavan, Plot No. 177, C.S.T. Road, Kalina, Santacruz (East), Mumbai- 400098, Maharashtra, India**
6.	E-mail	**igrc@ltfs.com**
7.	Telephone	**+91 22 6212 5000**
8.	Website	**www.ltfinance.com**
9.	Financial year for which reporting is being done	**FY25**
10.	Name of the Stock Exchange(s) where shares are listed	**BSE, NSE**
11.	Paid-up Capital	**₹ 24,94,86,81,010**
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 Limited Liability Partnership**
15.	Type of assurance obtained	**1) BRSR Core Reasonable Assurance** **2) BRSR Select Non-Core Limited Assurance**

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 (FY 2024-25)
Lending	**Retail Business** **Rural Business Finance** • Rural Group Loans and Micro Finance (JLG) • Rural LAP **Farmer Finance** • Farm Equipment Finance • Agri-Allied Finance **Urban Finance** • Two-Wheeler Finance • Personal Loan • Home Loans and Loan Against Property **SME Finance** • Loans to Professionals and Traders	97%

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 contributes to 97% of the total turnover	64200	97%

III. OPERATIONS

18. Number of locations where plants and/or operations/offices of the entity are situated:

Location	Number of branches	Number of offices *	Total
National	2,296	1	2,297
International	N.A.#		

*Registered / Head Office
#The company has no branches/operations outside India.

19. Markets served by the entity:

a. Number of locations

Locations | Number

Locations	Number
National (No. of states)	21
International (No. of countries)	N.A.

LTF also has its presence in 2 Union territories

b. What is the contribution of exports as a percentage of the total turnover of the entity?

- N.A. LTF is a 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 ~2.6 Cr
- Rural customers consist of women entrepreneurs and farmers with a customer database of ~1.7 Cr and Urban customers consists of salaried/self-employed/business persons/professionals with a database of ~0.9 Cr
- Rural Business Finance serves the rural individuals and rural enterprises (Rural Group Loans, Micro Finance and Micro LAP)
- Farmer Finance serves the rural farmers
- For urban individuals, LTF offers four products: Home Loans, LAP, Personal Loans and Two-Wheeler Finance under its Urban Business
- SME Finance serves professionals and traders and other self-employed segments

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)	36,521	34,562	95	1,959	5.4	0	0
2	Other than Permanent (F)	0	0	0	0	0	0	0
3	**Total employees (E + F)**	**36,521**	**34,562**	**95**	**1,959**	**5.4**	**0**	**0**
WORKERS: N.A.								

b. Differently abled Employees and workers:

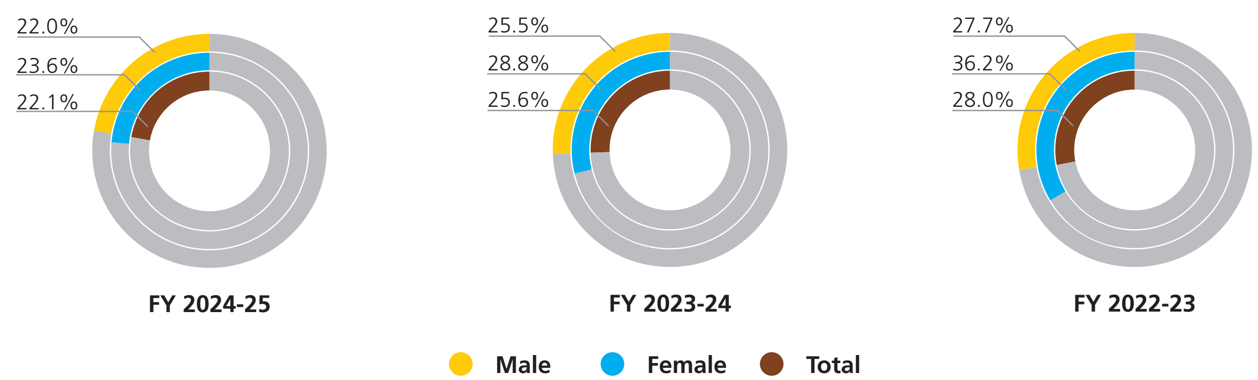
Sr. No.	Particulars	Total (A)	Male		Female		Other	
			No. (B)	% (B / A)	No. (C)	% (C / A)	No. (D)	% (D / A)
DIFFERENTLY ABLED EMPLOYEES								
1	Permanent (E)	7	7	100	0	0	0	0
2	Other than Permanent (F)	0	0	0	0	0	0	0
3	**Total differently abled employees (E + F)**	**7**	**7**	**100**	**0**	**0**	**0**	**0**
DIFFERENTLY ABLED WORKERS: N.A.								

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

Permanent Employees



Permanent Workers N.A.

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 companies / joint ventures (A)	Indicate whether holding/ subsidiary/ associate/ joint venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1	Larsen & Toubro Limited	Holding	66.24	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.

Turnover [in ₹(Cr)]	Whether CSR is applicable as per section 135 of Companies Act, 2013: (Yes/No)	Net worth [in ₹(Cr)]
15,940.98	Yes	25,564.06

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 2024-25 Current financial year			FY 2023-24 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/governance---policies---code-2024-25/6-csr-policy_fy2022-23.pdf)	0	0	-	0	0	-
Investors* (other than shareholders)	Yes (https://www.ltfinance.com/grievance-redressal)	22	0	-	72	0	-
Shareholders	Yes (https://www.ltfinance.com/contact-us/get-in-touch)	0	0	-	4	0	-
Employees and workers	Yes [(Code of Conduct) https://www.ltfinance.com/docs/default-source/corporatedisclosure/code_of_conduct_for_senior_management_and_emplyoee.pdf]	5	1**	-	4	0	-
Customers	Yes (https://www.ltfinance.com/grievance-redressal)	16,794	773#	-	27,494	767	-
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 (please specify)	-	-	-	-	-	-	-

*Holders of Non-Convertible Debentures

**As on date of the issue of the Report, the pending case has been closed

As on date of the issue of the Report, the pending case has been closed

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.

Sr. No.	Material issue identified
1	Legal and Regulatory Compliance
2	Corporate Governance and Ethics
3	Risk and Crisis Management
4	Innovation and Digitisation
5	Privacy and Data Security
6	Return on Equity/Return to Shareholders
7	Customer Experience and Satisfaction
8	Climate and Decarbonisation Strategy
9	Financial Inclusion

Sr. No.	Material issue identified
10	Sustainable and Responsible finance
11	Human Capital Development
12	Sustainable Value Chain
13	Diversity, Equity and Inclusion
14	Geopolitical Risks
15	Operational Eco-Efficiency
16	Human Rights Protection
17	Community Development

Please refer the IAR FY25, section Stakeholder Engagement and Materiality Assessment for the material responsible business conduct issues and details of identified risk or/and opportunity

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.

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)	Y	Y	Y	Y	Y	Y	Y	Y	Y
	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 accessing the policies**								
2.		Whether the entity has translated the policy into procedures. (Yes / No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
3.		Do the enlisted policies extend to your value chain partners? (Yes/No)	Yes								
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.									
		Principle 1	ISO 20000:2018, ISO 9001:2015								
		Principle 2,4, 5, 7	-								
		Principle 3	ISO 45001:2018 OHSMS								
		Principle 6	LEED GOLD Certification, Green Certification, ISO 14064-2:2019								
		Principle 8	ISO 26000:2010								
		Principle 9	ISO 27001:2013								
5.		**Specific commitments, goals and targets set by the entity with defined timelines, if any.**	Y	Y	Y	Y	Y	Y	Y	Y	Y
6.		**Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.**	Target met	Target met	Target met	Target met	Target met	Target met	Target met	Target met	Target met
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)**									

"As a responsible business, the Company is leading the charge in Environmental, Social, and Governance (ESG) responsibility and has contributed towards reducing its carbon footprint by reducing the Greenhouse Gas (GHG) emissions while increasing reliance on renewable energy in operations. I am proud to share that the Company is well on track to meet its Carbon Neutrality by 2035 goal. By embracing green power and green attributes, your Company has avoided approximately ~3,692 tCO_2e in carbon emissions. The EV financing initiative further prevented an additional ~12,675.67 tCO_2e emissions, contributing significantly to a cleaner future. We have remained Water Positive / Surplus since the last three years.

LTF's commitment to strong governance is reflected in the board composition: over 50% independent Directors, half of whom are women, with all statutory committees (where legally permissible) chaired by independent Directors. We conducted an inaugural Double Materiality Assessment, engaging internal and external stakeholders to identify 17 key material topics, achieving exceptional response rates. A first-ever Business Impact study using the 'True Value Methodology' evaluated our portfolio's environmental, economic and societal impact. Becoming a 'Partnership for Carbon Accounting Financials (PCAF) signatory, we are committed to transparent Financed emissions reporting.

Achieving ISO 45001:2018 certification for LTF's head office underscores Company's focus on workplace safety. We reinforced Diversity, Equity, and Inclusion (DEI) through mandatory, gamified modules, translated into multiple languages, and rolled out across management levels. On the CSR front, the flagship 'Digital Sakhi' project has empowered over 1,110 Digital Sakhis, who in turn have positively impacted over 14.20 lakh individuals and upskilled more than 10,500 women entrepreneurs. The other key initiative, the 'Jalvaibhav' project, is actively replenishing water resources and promoting climate-smart agriculture. Through 'Project Prakruti', your Company has partnered with farmers to plant over 1 lakh horticulture saplings, empowering over 100 small and marginal farmers to increase their income through diversified cropping. Beyond these initiatives, we are actively involved in disaster relief, mitigating the impact of natural calamities like floods.

Disclosure Questions		P1	P2	P3	P4	P5	P6	P7	P8	P9
	Considering the current environmental scenario, sustainability has become imperative for any organisation, irrespective of the sector it is operating in. NBFCs can play a crucial role in promoting sustainable practices while lending. We secured ₹ 20,480 Cr Sustainability focussed and Priority lending Loans and 50% of the Company's loan book is from low-income states - thus promoting equitable development. Going forward we intend to focus on financing sustainable practices for retail customers."									
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 ESG Committee The role of the Corporate Social Responsibility (CSR) and Environmental, Social and Governance (ESG) Committee is crucial in ensuring that your Company operates in a responsible and sustainable manner. In accordance with Section 135 of the Companies Act, 2013, the Board has constituted this Committee to guide and oversee the direction of CSR and ESG initiatives. One of the key responsibilities of the CSR and ESG Committee is to review the CSR and ESG policies. Additionally, the progress made towards achieving sustainability/ESG and CSR goals are also placed before the Committee.								

Name of the Committee Member	Designation	Nature of Directorship
Rajani R. Gupte	Chairperson	Independent Director
Sudipta Roy	Member	Managing Director and Chief Executive Officer
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)								
	P1	P2	P3	P4	P5	P6	P7	P8	P9	P1	P2	P3	P4	P5	P6	P7	P8	P9
Performanceagainst above policies and follow up action	The Board and its sub-committees provide oversight on the implementation of all the different business responsibility and ESG policies of the Company. Long range plans and annual goals are set in light of the policies. Progress updates on these goals are updated to the board during quarterly board meetings and sub-committee meetings. Further, the progress and achievements are also discussed in the internal newsletter disseminated to Directors and employees. In case of Board suggestions, respective departments carry out the necessary actions and update the Board.																	
Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances	The Company complies with the extant regulations and principles as are applicable. Except for the penalties mentioned (Principle 1 Essential Indicator 2), there were no material non-compliances with respect to statutory / regulatory requirements.																	

	P1	P2	P3	P4	P5	P6	P7	P8	P9
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.	Y	Y	Y	Y	Y	Y	Y	Y	Y

LTF has an Internal Audit team which periodically audits the policies and processes with the help of external auditors. Third-Party Code of Conduct policy was reviewed by external expert/consultant.

12. If answer to question (1) above is "No" i.e. not all Principles are covered by a policy, reasons to be stated:

N.A.

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	1) Macro environment 2) Industry outlook 3) IT, Data Analytics and Digital 4) Information and Security Awareness 5) ESG 6) Marketing strategies 7) Risk management	100
	1	1) AI bootcamp (for Independent Directors)	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
Key Managerial Personnel	16	1) Macro environment 2) Industry outlook 3) IT, Data Analytics and Digital 4) Information and Security Awareness 5) ESG 6) Marketing strategies 7) Risk management 8) KYC AML 9) Prevention of sexual harassment 10) Code of Conduct 11) Vigil Mechanism 12) Human Rights 13) Insider trading & securities dealing code 14) AI Bootcamp	100
Employees other than BoD and KMPs	2,773	1) KYC AML 2) Prevention of sexual harassment 3) Code of Conduct 4) Vigil Mechanism 5) Human Rights 6) Insider trading & securities dealing code 7) Information and Security Awareness 8) ESG	100*
Workers	N.A.		

*Total number of training and awareness sessions have been considered based on the headcount as on December 31st, 2024

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	Principle 1	Department Goods and Service Tax, Government of Rajasthan	34,616	Discrepancy in Outward Tax in GSTR-1 compared to GSTR-9	Yes
Penalty/ Fine	Principle 1	Department of Goods and Service Tax, Government Of Delhi	69,030	Discrepancy in ITC availment in GSTR-3B as compared to GSTR-2A	Yes
Penalty/ Fine	Principle 1	Department of Goods and Service Tax, Government of Karnataka	3,81,206	1) Short payment of GST in comparison to liability declared in GSTR-1 and paid in GSTR-3B / Delay of Reporting of Invoices. 2) Excess availment of ITC in GSTR-3B as compared to Input Tax Credit ("ITC") available in GSTR2A 3) Irregular ITC availed on supplies received from suppliers who have filed GSTR-1 beyond the due date	Yes
Penalty/ Fine	Principle 1	Department of Goods and Service Tax, Government of Maharashtra	76,13,247	1) Excess outward tax in GSTR 9 as compared to GSTR 3B 2) Excess claim of ITC / ITC on Registration Cancelled Suppliers / Non-Filers 3) Claim of blocked credit as per Section 17(5) of the Central Goods and Service Tax Act, 2017 4) Non-payment of GST under reverse charge mechanism 5) Credit Note difference (GSTR1 vs GSTR9)	Yes
Penalty/ Fine	Principle 1	Department of Goods and Service Tax, Government of Uttar Pradesh	10,000	Input Tax Credit Mismatch	Yes
Penalty/ Fine	Principle 1	Deputy Commissioner of State Tax, Office of the Joint Commissioner of State Tax, Patna Special, Central Bihar, Bihar	11,78,985.63	1) Tax demand erroneously levied on exempt interest 2) Discrepancy in ITC availment in GSTR-3B as compared to GSTR-2A	Yes
Penalty/ Fine	Principle 1	Deputy Commissioner of State Tax, Guwahati, Assam	2,42,396	Under declaration of Output Tax	Yes

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	Principle 1	Deputy Commissioner, State Tax Department, Sector 21, Lucknow (C), Uttar Pradesh	15,09,267.94	1) ITC reversal on Cross Charge 2) Tax on Exempt / Nil Rated Supply 3) Credit Notes Adjustment	Yes
Penalty/ Fine	Principle 1	Department of Goods and Service Tax, Government of Tamil Nadu	30,000	Input Tax Credit Mismatch	No Appeal Filed
Penalty/ Fine	Principle 1	Department of Goods and Service Tax, Government of Tamil Nadu	40,000	Mismatch in taxpaid and Input tax Credit claimed under RCM	Yes
Penalty/ Fine	Principle 1	Office of Principal Commissioner, CGST and Central Excise, Government of Madhya Pradesh	4,14,322	1) Treatment of Credit notes 2) In-eligible ITC 3) Excess availment of ITC	Yes
Penalty/ Fine	Principle 1	Deputy Commissioner of State Tax, Department of Goods and Service Tax, Government of Maharashtra	8,64,236	1) Excess claim of Input Tax Credit; 2) Claim of Input Tax Credit on RC cancelled suppliers 3) Claim of Input Tax Credit on GSTR-3B non-filers 4) Claim of Input Tax Credit on GSTR-1 non-filers 5) Claim of ineligible Input tax credit 6) ITC availed after date of availment 7) Disallowance of credit note	Yes
Penalty/ Fine	Principle 1	Deputy Commissioner of State Tax, Sector 1, Dehradun, Uttarakhand - 248001	35,345	Excess claim of Input Tax Credit	Yes

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	Principle 1	Deputy Commissioner of State Tax, Special Circle, Patna, Bihar	28,73,927.88	1) Excess claim of Input Tax Credit 2) Turnover related adjustments in GSTR9 3) Erroneous additions on reverse charge liability and other expenses	Yes
Penalty/ Fine	Principle 1	Department of Goods and Service Tax, Government of Delhi	7,17,185	1) Mismatch in Input Tax Credit 2) Proportionate reversal of ITC against exempt Income 3) Ineligible ITC	Yes
Penalty/ Fine	Principle 1	Department of Goods and Service Tax, Government of Delhi	15,34,727	1) Mismatch in Input Tax Credit 2) Proportionate reversal of ITC against exempt Income 3) Ineligible ITC	Yes
Penalty/ Fine	Principle 1	Department of Goods and Service Tax, Government of Tamil Nadu	40,000	Ineligible Input Tax Credit	No Appeal filed
Penalty/ Fine	Principle 1	Deputy Commissioner of State Tax, Mulund West 505, Mumbai North East, Maharashtra	87,35,613	1. Excess claim of Input Tax Credit 2. Short Payment of Output Tax Liability 3. Short Payment of Reverse Charge Liability	Yes

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	Principle 1	Additional Commissioner, CGST and C.EX., Palghar Commissionerate, Office of the Commissioner of CGST, Palghar, 5th floor, Plot No. C-24, Sector-E, Central GST Bhavan, Bandra-Kurla Complex, Bandra (East), Mumbai-400 051	112,01,85,000	In the course of its retail lending business, the Company leveraged its vast pan India network (i.e. branches, meeting centres and Dealers/DSA network and other touch points) to provide marketing and brand promotion support services to promote various insurance products for a service fee consideration. Such activity is an integral part of the loan sourcing activity carried out by the Company's network across India. The Company has duly paid applicable GST on such service fees consideration. In respect of such services, the Company has received a penalty demand order from Additional Commissioner, CGST and C.EX., Palghar Commissionerate, Office of the Commissioner of CGST, Palghar stating that the Company has allegedly raised invoices without actual rendering of services.	Yes
Penalty/ Fine	Principle 1	Assistant Commissioner of CGST and Central Excise, Egmore Division-Chennai North Commissionerate, Tamil Nadu	98,69,045	1. Short Payment of Output Tax Liability; 2. Non-reversal of ITC against Credit notes reflecting in Form 2A; 3. Excess claim of Input Tax Credit; 4. Non reversal of Ineligible GST Input tax credit.	Yes
Settlement	N.A.	N.A.	N.A.	N.A.	N.A.
Compounding fee	N.A.	N.A.	N.A.	N.A.	N.A.

Non-Monetary				
	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Brief of the case	Has an appeal been preferred? (Yes/No)
Imprisonment	0	0	0	No
Punishment	0	0	0	No

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
In terms of the instances wherein appeal has been referred to as disclosed in question 2 above, the necessary appeals have been filed with the respective state GST Appellate Authorities.	

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. The anti-corruption policy adopted by the Company addresses in detail and effectuates the Company's commitment to comply with laws, rules and regulations relating to interactions with Government officials with respect to the Company's business and details certain provisions of the Company's Code of Conduct. This policy does not prohibit interactions with Government officials; rather, it forbids corrupt interactions. Purpose of the policy is to help the Company's employees identify and avoid situations that could potentially violate 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 all outside parties acting on behalf of the Company in India as well as in foreign jurisdiction, including but not limited to, contract workers, agents and intermediaries, consultants, representatives, distributors, teaming partners, contractors and suppliers, consortia, and joint venture partners.

Please refer the section Policy Compendium for accessing the policy.

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 2024-25 Current financial year	FY 2023-24 Previous financial year
Directors	0	0
KMPs	0	0
Employees	0	0
Workers	N.A.	N.A.

6. Details of complaints with regard to conflict of interest:

	FY 2024-25 Current financial year		FY 2023-24 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.

N.A. There are no regulatory directions against LTF and/ or pendency of proceeding pertaining to anti-competition law to the best of our knowledge.

8. Number of days of accounts payables ((Accounts payable *365) / Cost of goods/services procured) in the following format:

	FY 2024-25 Current financial year	FY 2023-24 Previous financial year
Number of days of accounts payables	4.18	3.88

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 and investments, with related parties, in the following format:

	Metrics	FY 2024-25 Current financial year	FY 2023-24 Previous financial year
Concentration of purchases	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		
Concentration of sales	a. Sales to dealers/distributors as % of total sales	N.A.*	
	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)	6.57	6.88
	b. Sales (Sales to related parties/Total Sales)	0	0
	c. Loans and advances (Loans and advances given to related parties/Total loans and advances)	0	0
	d. Investments (Investments in related parties/Total Investments made)	0	0

*We have over 13,000+ 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 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 model.

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
1	All 9 principles	>75

As part of the signing of the Third-Party Code of Conduct, since FY22 all vendors are made aware of LTF's ESG requirements and ESG and sustainability-related policies that they need to adhere to and abide by. LTF finalised a Value Chain ESG Assessment framework in FY24 and rolled out the assessment covering >75% of its value chain partners (upstream and downstream) and continued with the same framework for FY25. As part of the framework, awareness sessions were organised for value chain partners in FY24.

Incrementally, in FY25, LTF conducted its 1st ever value chain connect on ESG, to share best practices on ESG with participation of top banks, vendor and even investors from LTF's value chain.

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 our 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 Company follows the principle of 'no conflict of interest' while inducting a Director on its Board and strives to maintain the same throughout the Board member's tenure.

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 2024-25 Current financial year	FY 2023-24 Previous financial year	Details of improvements in environmental and social impacts
R&D	-	-	-
Capex	-	-	-

Given the nature of business, LTF does not have dedicated budget for R&D. In FY 2024-25, LTF has invested Rs. 26.02 Cr on its Project Cyclops. Project Cyclops is a proprietary, AI-ML-based credit engine that offers deep customer insights by analyzing bureau data, account aggregators, and alternate trust signals. This triad approach gives a nuanced understanding of potential borrowers, enabling more accurate credit underwriting and superior portfolio quality. The ensemble scorecards developed are based on historical credit performance across multiple data axes. Since its launch for two-wheeler loans in June, Project Cyclops has significantly reduced delinquencies and improved efficiency. Through Project Cyclops, LTF aims to further improve its credit offerings significantly.

2. a. **Does the entity have procedures in place for sustainable sourcing? (Yes/No)**

Yes

b. **If yes, what percentage of inputs were sourced sustainably?**

0.1%

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.**

1) LTF is a Non-banking Financial Company (NBFC) and provides financial services. We do not manufacture any product which needs to be reclaimed for reusing, recycling and disposing at the end of life. Moreover, the Company recycles all the e-waste generated through an authorised recycler.

2) LTF 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 food waste and waste generated by employees. Also, through awareness on recycling of waste, 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.

3) Additionally, in FY25, LTF conducted its maiden waste management study covering top 50 branches, leading to enhanced disclosures and practices. The study also helped identify recommendations for further improving the waste management practices.

4. **Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No).**

No

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.

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 in FY24 and FY25. However, LTF intends to evaluate a comprehensive LCA for its services when material and feasible.

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
N.A.	N.A.	N.A.

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 2024-25 Current financial year	FY 2023-24 Previous financial year
Recycled paper*	87%	79%

*Percentage of A4 recycled paper used in LTF's business operations, mainly desktop and partly business stationery. Business stationery which is required to be preserved as per regulatory guidelines is excluded.

4. **Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed of.**

N.A. LTF is a Non-banking Financial Company (NBFC) and provides financial services. We do not manufacture any product which needs to be safely reclaimed for reusing, recycling and disposing at the end of life.

5. **Reclaimed products and their packaging materials (as percentage of products sold) for each product category.**

N.A.

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	34,562	34,562	100	34,562	100	0	0	34,562	100	0	0
Female	1,959	1,959	100	1,959	100	1,959	100	0	0	0	0
Other	0	0	0	0	0	0	0	0	0	0	0
Total	**36,521**	**36,521**	**100**	**36,521**	**100**	**1,959**	**5**	**34,562**	**95**	**0**	**0**
Other than Permanent employees - 0											

b. **Details of measures for the well-being of workers:**

N.A.

c. **Spending on measures towards well-being of employees and workers (including permanent and other than permanent) in the following format**

	FY 2024-25 Current financial year	FY 2023-24 Previous financial year
Cost incurred on well-being measures as a % of total revenue of the company	0.26*	0.24*

*Well-being measures spent is calculated in line with Industry Standard Note on BRSR Core reporting standard. The number for FY 2023-24 is also revised accordingly. Earlier reported spent was 0.40%

2. **Details of retirement benefits.**

Benefits	FY 2024-25 Current financial year			FY 2023-24 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	N.A.	Y	100	N.A.	Y
Gratuity	100	N.A.	Y	100	N.A.	Y
ESI	63	N.A.	Y	67	N.A.	Y
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.

Yes. Necessary arrangements have been made at the corporate office and one branch in Kolkata to provide access to differently abled employees, as per the requirements of the Rights of Persons with Disabilities Act, 2016. Also, LTF has put in place an ESG due diligence process for opening of new branches, which also checks whether there are provisions regarding accessibility by PWDs. Moreover, LTF has adopted a sustainability target to improve workplace accessibility for Persons with Disability (PwDs) for all large offices and major branches by FY29.

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

The policy is available at: https://www.ltfinance.com/docs/default-source/default-document-library/sutainability/policies/human-rights-policy.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	82	N.A.	
Female	96	37		
Other	-	-		
Total	99	59		

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	N.A.
Other than Permanent Workers	N.A.
Permanent Employees	Yes
Other than Permanent Employees	-

Employees can address their complaints and grievances 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 as per the POSH policy. 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:**

N.A. LTF does not have any employee associations. However, LTF respects the right to freedom of association and does not discourage collective bargaining.

8. **Details of training given to employees and workers:**

Category	FY 2024-25 Current financial year					FY 2023-24 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	34,562	33,451	97	30,245	88	29,143	28,041	96	28,414	97
Female	1,959	1,883	96	1,660	85	1,391	1,315	95	1,322	95
Other	0	0	0	0	0	-	-	-	-	-
Total	**36,521**	**35,334**	**97**	**31,905**	**87**	**30,534**	**29,536**	**96**	**29,736**	**97**
Workers - N.A.										

9. Details of performance and career development reviews of employees and worker:

Category	FY 2024-25 Current financial year			FY 2023-24 Previous financial year		
	Total (A)	No. (B)	% (B/A)	Total (C)	No. (D)	% (D / C)
Employees						
Male	34,562	29,498	85.35	29,143	24,997	85.77
Female	1,959	1,591	81.21	1,391	1,189	85.48
Other	-	-	-	-	-	-
Total	**36,521**	**31,089**	**85.13**	**30,534**	**26,186**	**85.76**
Workers - N.A.						

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's Health and Safety policy has been approved by the Board and CSR and ESG Committee. The policy is applicable to all LTF offices and branches. In FY25, head office of LTF was certified with ISO 45001:2018 Standard on Occupational Health and Safety Management System (OHSMS).

Various other health and safety initiatives and measures have been implemented for all employees in accordance with the policy, such as, Stepathon, awareness on mental and physical health, awareness campaigns about LTF's health and safety programmes and benefits.

LTF also sets goals to strengthen its health and safety procedures. A road safety element was also incorporated into the daily pledge of the frontline employees, to upheld the best practices of health and safety. For new hires, dedicated training on road safety during their induction is carried out. Helmets were also distributed to frontline officers as safety gears at multiple locations PAN India. LTF is also a signatory to the WASH initiative. Regular monitoring and review of all safety appliances, such as firefighting equipment and artificial defibrillators, is conducted, on a regular basis. In addition to various initiatives, in FY25, LTF conducted Hazard Identification and Risk Assessment study across 25 branches, covering head office and branches in all four zones. The purpose of conducting HIRA was to identify potential hazards and risks related to it and provide control measures to abate identified hazards and risks.

b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

Being complaint with ISO 45001:2018 certification for its head office, LTF conducted training on ISO 45001:2018, with different stakeholders at head office. The trained employees further carried out internal audits related to occupational health and safety. LTF also has an OHS manual in place validated by external expert. In FY25, LTF continued to conduct Hazard Identification and Risk Assessment study noting down potential hazards as observations in the set template.

A total of 25 samples sites, head office and branches across all 4 zones, pan India were covered under the Hazard Identification and Risk Assessment ("HIRA"). LTF has put in place an ESG framework/checklist for opening of new branches including points to identify work related hazards and risk. LTF ensures that the workplace is designed with the health and safety of its employees in mind.

c. Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks.

N.A.

d. Do the employees/ workers of the entity have access to non-occupational medical and healthcare services?

Yes

11. Details of safety related incidents, in the following format:

Safety Incident/Number	Category	FY 2024-25* Current financial year	FY 2023-24* Previous financial year
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	-	0
	Workers	N.A.	N.A.
Total recordable work-related injuries	Employees	-	0
	Workers	N.A.	N.A.
No. of fatalities	Employees	0	0
	Workers	N.A.	N.A.
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0	0
	Workers	N.A.	N.A.

* Data pertains to LTF premises

12. Describe the measures taken by the entity to ensure a safe and healthy workplace.

Various health and safety initiatives are implemented across locations. LTF has conducted HIRA study to identify potential hazards and risks related to it and provide control measures to abate the hazards and risk pertaining to them. LTF has also conducted training on ISO 45001:2018, with different stakeholders at head office.

All branches are equipped with regularly monitored and refilled fire extinguishers. Emergency mock drills are conducted across major branches to create awareness amongst employees in case of an emergency. In FY25, the Company conducted 32 fire mock drills in case of emergency evacuation at head office and major branches, covering all 4 zones, pan India. Also at head office, a UVC Nanotechnology AC system has been installed to provide a safe and germ-free working environment for employees. Awareness is spread on wellbeing and mental wellbeing of individual employees. All employees of LTF are also benefited by 24x7 doctors and ambulance on-call services through its dedicated mobile based application. Both periodic maintenance and unforeseen inspections are carried out to guarantee that every location is kept up to date and safe from any mishaps.

Additionally, helmets are provided to frontline employees as safety gears and as a preventive measure. Experts in both road safety and EMI collection safety train new hires. A method for safely collecting EMI has been created. In order to promote proper posture and working circumstances, ergonomic seats and furniture are provided.

Employee health, including that of their families, is taken into consideration in addition to physical safety. Medical insurance is provided by the Company to all employees and their dependents.

13. Number of complaints on the following made by employees and workers

	FY 2024-25 Current financial year			FY 2023-24 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 and 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

*Calculated basis number of branches as on March 31, 2025

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 and safety practices and working conditions.

There were no corrective actions taken for FY25. Further, the Company is in compliance with ISO 45001:2018 certification for its head office. For other premises 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).

Employees- Yes

Workers- N.A.

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 inter-alia 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 2024-25 Current financial year	FY 2023-24 Previous financial year	FY 2024-25 Current financial year	FY 2023-24 Previous financial year
Employees	0	0	0	0
Workers	N.A.	N.A.	N.A.	N.A.

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 has finalised a value chain ESG assessment framework and rolled out the assessment covering >75% of its value chain in FY 24 and FY25. Building on its engagement of successfully conducting its 1st ever ESG connect amongst its value chain partners, LTF also aims to create awareness on Human Rights with its value chain.

	% 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.

No corrective action was necessitated.

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 believes in partnering with its various stakeholders to build shared value and uses a structured approach of stakeholder identification. The Company's stakeholders include both individuals and organisations, within and outside the Company, who are significantly impacted by its business operations. LTF's ongoing engagements are designed to determine the needs and priorities of stakeholders, communicate the Company's efforts to fulfil their expectations, and provide speedy resolution of grievances. LTF uses a variety of structured engagement channels to gain insights into stakeholder views and concerns.

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, radio, WhatsApp, Town Halls, Employee Survey, One-on-One / Skip-level discussions with Managers and Human Resource Engagement events, 270 degree feedback for business leaders and above	• Monthly • Quarterly • Half yearly • Annualy • Need based	a) Talent management b) Employee engagement c) Learning and development d) Productivity e) Work-life balance f) Staff welfare g) Health and Safety h) Remuneration and employee benefits
Investors	No	Website, Quarterly Investor presentations, Quarterly Investor calls, Investor meetings, Non-Deal Roadshows (NDR), Integrated Annual Report	• Monthly (except during specified silent periods) • Quarterly • Annualy	a) Market outlook b) Business strategy and updates c) Operational efficiency d) Long-term business performance e) ESG risks and opportunities in business f) Technology in business
Regulators	No	E-mail, Physical filing	• 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) Workforce engagement
Customers	Yes	E-mail, SMS, calls, digital avenues like chat-bot, WhatsApp, self-help website and PLANET App	• Monthly • Quarterly • Annually • Need based	a) Best-in-class service for customers b) Effective customer grievance redressal mechanism c) Net Promoter Score (NPS) for customer satisfaction d) Maintaining customer data privacy and security e) Suitability of products and service f) Transparent and fair advice
Vendors and CSR implementing partners	No	Website, meetings, surveys, annual value chain connect and workshop, annual events like R.AI.SE.	• Quarterly • Annually • As needed	a) Fair contractual terms and adherence thereto b) ESG Assessment c) Transparent, ethical and long-term business relations d) Regular exchange of technical know-how
Community	Yes	Community meetings, house-hold visits	Annually, at periodic intervals as part of implementing CSR initiatives	a) Stakeholder programmes to advocate sustainable customer behaviour b) Digital financial inclusion c) Advocacy of best practices d) Public policy advocacy e) Disaster management f) Road safety g) Integrated water resource management h) Sustainable Livelihood through tree plantation

Key concerns or topics raised by various stakeholders are considered, and if found relevant, necessary actions are taken including amendments to the policies.

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 inputs 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 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) Various Board members also visit CSR project sites as part of familiarisation visits and interact with beneficiaries.

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. On a number of important projects, like Double Materiality Assessment, Business Impact Study, ISO 45001:2018 certification, etc., LTF engaged with third-party consultants who interacted with different stakeholders to provide responsible solutions. The consultants have been engaged to offer advice on various ESG-related matters, particularly ESG roadmap. Second party studies by independent consultants on plantation, social impact, water conservation projects and employee engagement survey were also undertaken.

   For more details, please refer to the Stakeholder Engagement section of the Report

3. **Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalized stakeholder groups.**

   LTF has been successful in meeting the requirements of the marginalised and vulnerable population through its Rural Business Finance and Farmer Finance businesses. LTF has effectively reached out to communities through its Sustainability Focused Loans and Priority Sector Lending. Through the Company's CSR programmes, LTF remained resolute in Its pursuit of the Sustainable Development Goals and the empowerment of marginalised 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 2024-25			FY 2023-24		
	Total (A)	No. of employees / workers covered (B)	% (B/A)	Total (C)	No. of employees / workers covered (D)	% (D/C)
Employees						
Permanent	36,521	35,255	97	30,534	29,356	96
Other than permanent	0	0	0	0	0	0
Total employees	**36,521**	**35,255**	**97**	**30,534**	**29,356**	**96**
Workers - N.A.						

2. **Details of minimum wages paid to employees and workers, in the following format**

Category	FY 2024-25					FY 2023-24				
	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	34,562	580	2	33,982	98	29,143	681	2	28,462	98
Female	1,959	94	5	1,865	95	1,391	92	7	1,299	93
Other	0	0	0	0	0	0	0	0	0	0
Total employees	**36,521**	**674**	**3.5**	**35,847**	**96.5**	**30,534**	**773**	**4.5**	**29,761**	**97**
Workers - N.A.										

3. **Details of remuneration/salary/wages, in the following format:**

   a. **Median remuneration / wages:**

Category	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)	5	27,65,000*	2	29,12,500	0	0
Key Managerial Personnel**	2	4,24,53,571	1	N.A.	0	0
Employees other than BoD and KMP**	34,560	3,19,437	1,958	2,64,302	0	0

*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

** Gross wages are considered as basic pay for the employees

   b. **Gross wages paid to females as % of total wages paid by the entity, in the following format:**

	FY 2024-25 Current financial year	FY 2023-24 Previous financial year
Gross wages paid to females as % of total wages*	6.71	6.73

*Gross wages are considered as basic pay for the employees

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)**

   Adherence of Human Rights is critical and a basic requirement at LTF. The Code of Conduct for employees covers all ethical and responsible business conduct. Any violation to the Code of Conduct can be reported to the Code of Conduct Committee. The violations can be reported by writing a mail to code@ltfs.com.

5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

LTF derives its principles and values from its parent company, L&T. This includes respecting honest, ethical, and professional standards of behaviour as well as respect for human values and individual dignity. The Company has put in place a Code of Conduct to ensure that employees are actively guided by these principles and follow them. The Code of Conduct outlines expectations from employees in terms of professionalism, information exchange, and vendor interactions. The training for the Code of Conduct is part of the onboarding process for new employees. Every year, existing non-frontline staff are required to complete the Code of Conduct learning programme and pass the post-training exam. It is a standard practice to conduct awareness campaigns to educate employees on appropriate behaviour in the workplace and ways to express concerns.

Any incident that results in violation of this code can be reported by employees through code@ltfs.com to convey their concerns/issues.

6. Number of Complaints on the following made by employees and workers:

	FY 2024-25 Current financial year			FY 2023-24 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*	10	1	-	1	0	-
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	-

*There are no cases pending as on the date of the Report.

7. Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in the following format:

	FY 2024-25 Current financial year	FY 2023-24 Previous financial year
Total Complaints reported under Sexual Harassment on of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	10	1
Complaints on POSH as a % of female employees / workers	0.51	0.07
Complaints on POSH upheld	6	1

8. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

a) Wecare@ltfs.com is the dedicated email address that LTF has set up 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 Framework 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.

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.

N.A. There have been no concerns arising from human rights requirements forming part of our Third-Party Code of Conduct. We have engaged with our value chain on ESG assessment including Human rights.

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 buisness process.

2. **Details of the scope and coverage of any Human rights due-diligence conducted**

Human Rights assessment was carried out as part of the value chain assessment framework covering >75% of value chain partners of LTF (upstream and downstream) (cumulatively, comprising both purchases / sales by value).

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?**

Yes, of the major offices of the Company, head office at Mumbai and the branch located in Kolkata are PWD friendly. Major business of the Company is undertaken at field level or at offices of the dealers or through online mode.

4. **Details on assessment of value chain partners:**

	% of value chain partners (by value of business done with such partners) that were assessed
Sexual harassment	>75
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.**

As per the value chain assessment conducted in FY25, no corrective actions were taken. Additionally, the same principles, business ethics, and ESG standards that the Company promotes must be upheld by all of LTF's value chain partners. A vital component of loan agreements and other value chain agreements is adherence to the Third-Party Code of Conduct.

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 2024-25 (Current financial year)	FY 2023-24 (Previous financial year)
From Renewable Sources		
Total electricity consumption (A)	18,242.38 GJ	9,328.07 GJ
Total fuel consumption (B)	0	0
Energy consumption through other sources (C)	0	0
Total energy consumption (A+B+C)	18,242.38 GJ	9,328.07 GJ
From Non-Renewable Sources		
Total electricity consumption (D)	9,506.46 GJ	14,784.08 GJ
Total fuel consumption (E)	1,053.32 GJ	870.38 GJ
Energy consumption through other sources (F)	**0**	**0**
Total energy consumed from non-renewable sources (D+E+F)	10,559.78 GJ	15,654.46 GJ
Total energy consumed (A+B+C+D+E+F)	28,802.16 GJ	24,982.53 GJ
Energy intensity per rupee of turnover (Total energy consumed/ Revenue from operations)	0.000000181	0.000000178
Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total energy consumed / Revenue from operations adjusted for PPP)	0.000003733	0.000003982
Energy intensity in terms of physical output	-	-
Energy intensity (optional) – the relevant metric may be selected by the entity	0.79 GJ/FTE	0.82 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, Assurance by BDO India Limited Liability Partnership

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.**

No

3. **Provide details of the following disclosures related to water, in the following format:**

Parameter	FY 2024-25 (Current financial year)	FY 2023-24 (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)	4,55,914.44	3,41,077
(iv) Seawater / desalinated water	0	0
(v) Others	0	0
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	4,55,914.44	3,41,077
Total volume of water consumption (in kilolitres)	4,55,914.44	3,41,077

Parameter	FY 2024-25 (Current financial year)	FY 2023-24 (Previous financial year)
Water intensity per rupee of turnover (Total Water consumption / Revenue from operations)	0.00000286	0.00000242
Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total water consumption / Revenue from operations adjusted for PPP)	0.00005909	0.00005435
Water intensity in terms of physical output	-	-
Water intensity (optional) – the relevant metric may be selected by the entity	12.48	11.17

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, Assurance by BDO India Limited Liability Partnership

4. Provide the following details related to water discharged:

N.A. LTF's usage of water is essentially for domestic purposes like drinking and sanitation for employees and being a service sector company, no effluent discharge is involved in it's business activity.

5. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

LTF revamped the STP installed at corporate office to reduce freshwater consumption and enhance recycling capacity of its wastewater. LTF uses the treated water for gardening purposes, and rest is directed to municipal sewers. Also, LTF has also carried out an internal assessment study of Zero-Liquid Discharge and has built a roadmap for pan India.

6. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

Parameter	Please specify unit	FY 2024-25 (Current financial year)	FY 2023-24 (Previous financial year)
NOx	PPM	51.6	42.8
SOx	Mg/Nm3	41.2	35.1
Particulate matter (PM)	Mg/Nm3	64.4	58.2
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, Assurance by BDO India Limited Liability Partnership

7. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:

Parameter	Unit	FY 2024-25 (Current financial year)	FY 2023-24 (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	386.23	405.47
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	1,909.16	2,312.25
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 / Rs	0.000000014	0.000000019
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 / Rs Revenue from operations adjusted for PPP	0.0000002975	0.000000433
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_2e/FTE	0.06	0.09

*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, Assurance by BDO India Limited Liability Partnership

8. Does the entity have any project related to reducing Greenhouse Gas emission? If Yes, then provide details.

Yes, the Company's decarbonisation plan is focused on energy-saving measures and switching to green power and green attributes wherever available and feasible. The Company consumes 33% of green power and green attributes in its operations. To help cut down on energy use, the Company has implemented a number of technical solutions. Implementation of Internet of Things (IOT) based energy management solutions, supporting RE projects through procuring green attributes, installing and using energy-efficient equipment, such as sensor-based lighting in offices, variable frequency drives (VFDs) for air handling units, LED lighting and energy-efficient 5-star air conditioners in offices, low GWP refrigerants like R32, an ATC system for chiller maintenance, replacing DG sets with inverters to lower carbon emissions and EV charging stations in corporate offices are a few of the initiatives undertaken by LTF. ~79% of all Maharashtra branches operate on green power. The Company has taken up the initiatives of tree plantation through its "Project Prakruti" to sequester carbon. The Company will continue to search for and evaluate novel methods of conserving carbon and reducing its carbon footprint in order to reach its carbon neutrality target.

The Company has diligently implemented ISO 14064-2:2019 standards to ensure that its 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.

9. Provide details related to waste management by the entity, in the following format:

Parameter	FY 2024-25 (Current financial year)	FY 2023-24 (Previous financial year)
Total Waste generated (in metric tonnes)		
Plastic waste **(A)**	0	0
E-waste **(B)**	4.40	3.32
Bio-medical waste **(C)**	0	0
Construction and demolition waste **(D)**	18.48	0
Battery waste **(E)**	0.73	0
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)	242.47	59.66
Total (A+B + C + D + E + F + G + H)	266.08	62.98
Waste intensity per rupee of turnover (Total waste generated / Revenue from operations)	0.0000000017	0.0000000004
Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total waste generated / Revenue from operations adjusted for PPP)	0.0000000345	0.000000010
Waste intensity in terms of physical output	-	-
Waste intensity (optional) – the relevant metric may be selected by the entity	0.007	0.00206
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	50.86	16.96
(ii) Re-used	0	0
(iii) Other recovery operations	0	0
Total	**50.86**	**16.96**
Intensity (Kg of Waste Recycled Recovered / Total Waste Generated)	0.19	0.27
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	215.22	46.02
(iii) Other disposal operations	0	0
Total	**215.22**	**46.02**
Intensity (Kg / MT of Waste disposed / Total Waste generated)	0.81	0.73

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, Assurance by BDO India Limited Liability Partnership

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 an NBFC providing services, no poisonous or hazardous chemicals are produced throughout the production process. Paper waste and e-waste are the two main types of waste produced by the Company operations. In particular, the Company manages all of its IT assets in accordance with the E-waste management and handling recommendations of 2011, 2016, and 2018. The Company's centralised e-waste management strategy, which is applicable to all LTF offices and branches, helps it collect and dispose of e-waste safely. The Company collects electronic waste and disposes of it with a registered recycler through regular corporate and zonal-level activities. This ensures that no electrical waste from the Company ends up in a landfill and is always recycled. The Company in FY25 segregated and recycled wet and dry waste generated at its corporate office and other branch in Mumbai, through an external authorised vendor. This has reduced the amount of waste to landfill.

Regarding waste paper, the Company has made several attempts to cut back on paper usage. Its drive to digitalise its operations has resulted in a notable decrease in paper consumption. The Company has reduced its desktop stationary as a result of its ongoing initiatives.

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:

N.A. 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:

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:

N.A. 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:

   N.A. All the branches of the Company are located in residential/commercial areas.

   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.

2. **Please provide details of total Scope 3 emissions & its intensity, in the following format:**

Parameter	Unit	FY 2024-25 (Current financial year)	FY 2023-24 (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	49,140.00*	6,698.35
Total Scope 3 emissions per rupee of turnover	tCO_2e/₹	0.00000031	0.0000000477
Total Scope 3 emission intensity (optional) – the relevant metric may be selected by the entity	tCO_2e/FTE	1.35	0.22

* Increase in Scope 3 emissions is due to increased capturing and reporting of additional scope 3 categories (Category 1,3,5,7)

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, Assurance by BDO India Limited Liability Partnership

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.**

   N.A.

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:**

S. No	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
1	Energy Audits and Assessment	Top 50 branches (Top 10 energy audits and rest 40 branches energy assessment)	Initiative has helped in identifying energy and cost saving opportunities and pave the way for implementing energy-saving measures effectively.
2	Green Power	Implemented at head office and 25 others branches across Maharashtra, Telangana and Tamil Nadu	Reduction in use of carbon intensity, conventional power and reducing carbon footprint
3	Replacement of conventional lighting with LEDs	Implemented across all offices	Reduction in energy consumption
4	Energy efficient ACs	Implemented at head office and all new branches. Phasing out of old low energy rated ACs	Reduction in energy consumption
5	Automatic Tube Cleaning System	Installed at head office	Avoid continuous running of pump resulting in power saving, Eliminated accumulation, residue, and foulant instead of using toxic materials
6	Recycled Paper Reams	Pan India - LTF uses recycled papers for printing documents	Using recycled paper reduces the need to cut down trees, protecting natural resources. Recycling paper decreases air pollution from combustion and frees up landfill space.
7	Energy saving solutions based on Internet of Things (IOT)	Installed across 7 Branches	Using IOT based solutions, energy consumption is optimised thus resulting into energy saving
8	Revamped STP	Installed at head office	Reduction in freshwater consumption and enhanced recycling capacity if wastewater
9	Strengthen Waste Segregation and Recycling	Carried out a head office	Strengthened segregation and recycling through tie-ups with waste segregators and recyclers in addition to the existing of e-waste recycling process

5. **Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.**

   Yes. LTF has established a comprehensive Business Continuity Plan (BCP) and Disaster Recovery (DR) strategy to ensure the continuous availability of business applications and services.

   To proactively manage risks and prevent disruptions, regular risk and gap assessments and audits are conducted across Data centres, IT infrastructure, Business application, and third-party integrations. Additionally, a Business Impact Analysis (BIA) is performed to evaluate critical applications, systems and their dependencies.

   LTF digital platform is designed with a multi-layered, 3-tier security architecture featuring built-in disaster recovery capabilities and robust defence mechanisms against cyber threats.

   These measures collectively reinforce business continuity and minimize downtime and services disruptions, ensuring operational stability. LTF is an ISO27001 certified company.

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.**

   No significant adverse impacts have been identified from the value chain of the entity.

7. **Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.**

   >75%. LTF has finalised a Value Chain ESG Assessment framework and rolled out the assessment covering >75% of value chain partners of LTF (upstream and downstream) (cumulatively, comprising both purchases / sales by value).

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.** 5

   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

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.**

   N.A.

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. We promote robust corporate governance standards, emphasizing transparency and accountability. We have 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, we strive 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 notification	Whether conducted by independent external agency (Yes / No)	Results Communicated in public domain (Yes / No)	Relevant Web link
Digital Sakhi Project, East Medinipur. - Interventions of Digital Financial Literacy and Entrepreneurship Development by 450 Digital Sakhi(s) and 1,000 women entrepreneurs in the digital space	SIA/01/2024-25	29-Apr-24	Yes	Yes	https://www.ltfinance.com/
Digital Sakhi Project, Odisha - Interventions of Digital Financial Literacy and Entrepreneurship Development by 100 Digital Sakhi(s) and 1,000 women entrepreneurs in the digital space	SIA/01/2024-25	29-Apr-24	Yes	Yes	https://www.ltfinance.com/

2. **Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:**

   N.A. LTF is a Non-banking Financial Company (NBFC) and provides financial services. It operates out of leased premises except its head office 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 has taken steps to ensure that its CSR projects are conducted in a responsible and transparent manner, and that community members and stakeholders have the opportunity to participate in the process. Developing a grievance redressal system illustrates the Company's commitment to accountability and transparency when it comes to dealing with any concerns or complaints regarding CSR projects / programs.

   In FY25, LTF strengthened the mechanisms for transparency by introducing a Dedicated Grievance Redressal Officers (GROs), who continuously work to ensure that complaints are handled independently, and without bias.

   Also, there are Community Advisory Panels (CAPs), that are now active in all projects that have been running for over two years, and are held in quarterly meetings to gather and address feedback. In addition to this, continuous monitoring and evaluation is undertaken by conducting monthly online reviews, facilitated by dynamic discussions with NGO partners, enabling proactive decision making and monitoring of project progress. Also, on-site field visits are conducted which provides firsthand insights into the project implementation, helping addressing and identifying potential challenges swiftly.

   It further demonstrates the Company's commitment to improving its CSR practices and maintaining positive relationships with stakeholders. Concerns or questions regarding the CSR programme(s) are required to be addressed to csr@ltfs.com.

4. **Percentage of input material (inputs to total inputs by value) sourced from suppliers:**

	FY 2024-25 Current financial year	FY 2023-24 Previous financial year
Directly sourced from MSMEs/ small producers	18.22	15.56
Sourced directly from within the district and neighboring districts	99.57	99.90

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 2024-25 Current financial year (%)	FY 2023-24 Previous financial year (%)
Rural	57.63	53.01
Semi-urban	5.36	4.85
Urban	8.30	8.82
Metropolitan	28.71	33.32

Bifurcation as per Database On Indian Economy, RBI's Data Warehouse https://dbieold.rbi.org.in/

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):**

Details of negative social impact identified	Corrective action taken
No significant impact	N.A.

LTF is a Non-banking Financial Company (NBFC) and provides financial services. Social Impact Assessments are carried out for our CSR projects which have positive social and environmental impacts.

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	-	-	-

3. (a) **Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized /vulnerable groups? (Yes/No)**

   No. But we have adopted a Sustainable Procurement policy.

   (b) **From which marginalized /vulnerable groups do you procure?**

   N.A.

   (c) **What percentage of total procurement (by value) does it constitute?**

   N.A.

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:**

   N.A. 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.**

N.A.

6. **Details of beneficiaries of CSR Projects:**

Sr. No.	CSR Project	No. of persons benefited from CSR Projects	% of beneficiaries from vulnerable and marginalized groups
1	Digital Sakhi North Karnataka	2,52,460	80
2	Digital Sakhi South Karnataka	1,87,518	80
3	Digital Sakhi Kerala	1,42,681	76
4	Digital Sakhi Tamil Nadu (Madurai)	1,34,049	97
5	Digital Sakhi Uttar Pradesh (Gorakhpur)	1,27,800	76
6	Digital Sakhi Bihar (Supaul)	1,24,100	80
7	Digital Sakhi WB (Murshidabad)	1,21,144	38
8	Digital Sakhi Uttar Pradesh (Kushinagar)	1,13,234	76
9	Digital Sakhi Bihar (Saharsha)	1,07,536	80
10	Digital Sakhi Rajasthan	1,13,477	79
11	Project Prakruti	204	80
12	Road Safety Awareness	119,978	46
13	Disaster Relief	133,000	76
14	Health camps	2,196	100
15	Jalvaibhav	14,222	80
Total		**16,93,599**	**-**

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 used to record and handle each and every complaint that comes in through various channels. A Grievance Redressal Officer (GRO) is employed by the Company. In accordance with RBI regulations, an internal ombudsman has also been appointed to handle client concerns.

For more details, please refer to the Social and Relationship Capital on customer grievances mechanism of the Report

2. **Turnover of products and/ services as a percentage of turnover from all products/service that carry information about:**

N.A. 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.

3. **Number of consumer complaints in respect of the following:**

	FY 2024-25 (Current financial year)		Remarks	FY 2023-24 (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	16,794	773*	-	27,494	767	-
Restrictive Trade Practices	0	0	-	0	0	-
Unfair Trade Practices	0	0	-	0	0	-
Other	0	0	-	0	0	-

*As on date of the issue of the Report, the pending case has been closed

4. **Details of instances of product recalls on account of safety issues:**

N.A. LTF is a Non-banking Financial Company (NBFC) and provides financial services. We do not manufacture any product which needs to be recalled voluntarily.

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. Please refer the section Policy Compendium for accessing the 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.**

The Company has taken the following initiatives to improve customer experience and satisfaction in order to solve the main issues:

- Automatically categorising issue categories under "High priority" that are designated as "complaints," and placing the rest interactions under "High" and "Medium" categories based on the case origin
- The customer grievance acknowledgement procedure has been redesigned, and the complaint closure SMS has been benchmarked and updated.
- Awareness to customers on cyber frauds
- Governance controls are in place to correct gaps and prevent future problems, and a framework for reviewing the primary complaints' root causes has been implemented.
- Creation of a specialised Central Resolution Team to handle customer complaints only
- Implementation of a thorough Quality Control mechanism to increase resolution efficiency
- Auditing and training external partners and internal stakeholders
- Implementation of system-based controls in the CRM that prevent the closure of any unresolved complaints
- Complete redesign of workflows for the top complaints
- Net Promoter Score (NPS) to capture customer satisfaction

- LTF has appointed an Internal Ombudsman (IO), an independent person. Complaints received from the customers which were wholly or partly rejected by the organisation are referred to the IO for review as per RBI guidelines. The IO upheld these cases which had factual evidence validating company decision

7. **Provide the following information relating to data breaches: No data breaches as on H1 FY25**

   a. **Number of instances of data breaches-** 0

   b. **Percentage of data breaches involving personally identifiable information of Customers-** 0

   c. **Impact, if any, of the data breaches-** N.A.

Leadership Indicators

1. **Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available).**

   Information about LTF's products and services are available on its website. (https://www.ltfinance.com/)

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 customers always have access to all available information on its products and services. Additionally, your Company has developed the customer awareness training module, which is available on its website (https://www.ltfinance.com/) and covers topics like, 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. Through SMS, What's App and PLANET App

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. To empower and assist clients to make wise financial decisions, the Company proactively launches educational activities. The Company has mechanisms in place to guarantee that all clients are always given enough information about all products. For the benefit of its clients, the Company created a customer awareness training module and made it publicly accessible on its website (www.ltfinance.com). LTF ran a variety of social media efforts for customer awareness and sensitisation during the year. These contain, among other things, articles on financial literacy, driving safety, health, and environmental preservation. Blogs on various customer education topics are also made available on the website.

   LTF undertook its maiden Net Promoter Score (NPS) initiative in FY24, to gauge customer loyalty and satisfaction across all its products during the customer onboarding journey. Incrementally, LTF has successfully deployed and measured Net Promoter Score (NPS) for customer interactions with various touch points in FY25.

BDO India LLP
Magnum Global Park, Floor-21
Archview Drive, Golf Course Ext Road
Sector-58, Gurgaon-122011
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 (IAR) for the financial year 2024-25.

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 2024-25 ('IAR') based on the principles of the Integrated Reporting (<IR>) Framework published by the International Integrated Reporting Council (IIRC). The BRSR is a part of the IAR.

BDO India LLP (BDO) was engaged by the Company to provide independent assurance on select non-financial sustainability disclosures in the IAR including BRSR (the 'Report') for the period 1st April 2024 to 31st March 2025.

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, select non-core indicators and those of IAR 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 Integrated Annual Report (IAR) and select non-Core indicators of BRSR.

Scope & boundary of assurance

We have assured BRSR Core Indicators[1], selected BRSR Non-core Indicators and selected 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 2024 through 31st March 2025.

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 a sample basis was carried out at the following locations:

- Corporate Office, Mumbai;
- Branch Office, Mahape;
- Branch Office, Goregaon;
- Branch Office, Belapur.

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.

[1] SEBI vide Circular SEBI/HO/CFD/CFD-SEC-2/P/CIR/2023/122 dated 12 July 2023

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:

- Evaluate and assess the appropriateness of the quantification methods used to arrive at the non-financial/sustainability information of the BRSR Core Indicators select non-core indicators and selected IAR indicators;
- 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 2024 to 31st March 2025);
- Review of the 'economic and/or financial performance indicators' included in the Report or on which reporting is based; specifically, some of the financial indicators and intensity metrices of BRSR are derived using Company's audited financial information, and we relied on such audited records shared to us by the Company;
- Verification of carbon sequestration from plantation; the data from third-party assessment report shared by the Company was used for review;
- 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

Based on our review of the Report, we observed that 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 disclosures of the BRSR Core indicators as mentioned in 'Scope and boundary of assurance' reasonably 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 IAR: Based on the procedures performed, nothing has come to our attention that causes us not to believe that the non-financial disclosures of the Company are presented fairly, in all material respects, in accordance with the relevant reporting guidelines/standards.

Our assurance team and independence

BDO India LLP 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 LLP 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 LLP

Dipankar Ghosh
Partner | Sustainability & ESG
Business Advisory Services
Gurugram, Haryana
30 April 2025

Appendix 1

The indicators considered for assurance in this engagement, based on GRI Standard, BRSR Framework and Company's Internal Criteria, are listed 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 Non-Core Indicators

Sr. No.	Principle Reference	Attribute	Indicator Description
1	Principle 1 - E1	Percentage coverage by training and awareness programmes on any of the principles during the financial year	1. BOD 2. KMP 3. Employees other than BoD and KMP 4. Workers
2	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?
3	Principle 3- E8	Training given to employees and workers.	1. On Health and safety measures 2. On Skill upgradation
4	Principle 3- E9	Performance and career development reviews of employees and worker	1. Male 2. Female
5	Principle 5- E1	Training on human rights.	1. Training for permanent employees 2. Training for non-permanent employees
6	Principle 5- E2	Minimum wages paid to employees	1. Equal to minimum wage 2. More than minimum wage
7	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 Category 6: Business travel Category 7: Employee Commute Category 8: Upstream leased assets
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

Notes:

1. For BRSR indicators, "E" denotes Essential Indicators and "L" denotes Leadership Indicators.

GRI INDEX

GRI Standard	Disclosures	Last Year IAR (Y/N)	Chapter Reference	Section Reference	Page No.
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, Strengthening Value Chain Partnerships for Sustainable Growth	263 272-273
	2-7 Employees	Y	Human Capital	Maintaining Diversity, Equity and Inclusion in Workforce	230
	2-9 Governance structure and composition	Y	Corporate Governance	Board of Directors	36-37
	2-10 Nomination and selection of the highest governance body	Y	Corporate Governance	Board of Directors, Board Committees	36-37, 44-57
	2-11 Chair of the highest governance body	Y	Corporate Governance	Board of Directors, Board Committees	36-37, 44-57
	2-12 Role of the highest governance body in overseeing the management of impacts	Y	Board of Directors, Corporate Governance	Board Committees	44-57
	2-13 Delegation of responsibility for managing impacts	Y	Corporate Governance	Board Committees	44-57
	2-14 Role of the highest governance body in sustainability reporting	Y	Corporate Governance	Board Committees	44-57
	2-15 Conflicts of interest	Y	Corporate Governance	Policies Guiding Ethical Behaviour	58-60
	2-16 Communication of critical concerns	Y	Corporate Governance	Policies Guiding Ethical Behaviour	58-60
	2-17 Collective knowledge of the highest governance body	Y	Board of Directors, Corporate Governance	Board Expertise and Development	40-41
	2-18 Evaluation of the performance of the highest governance body	Y	Corporate Governance	Performance Evaluation	38-39

GRI Standard	Disclosures	Last Year IAR (Y/N)	Chapter Reference	Section Reference	Page No.
	2-19 Remuneration policies	Y	Corporate Governance	Nomination and Remuneration Committee	46-47
	2-20 Process to determine remuneration	Y	Corporate Governance	Nomination and Remuneration Committee	46-47
	2-21 Annual total compensation ratio	Y	Human Capital	Gender Representation & Pay Equity	231
	2-22 Statement on sustainable development strategy	Y	About the Report, Chairman's message, ESG@LTF	About the Report, Chairman's Message & MD and CEO's Message, ESG@LTF	2-3, 18-27, 124
	2-23 Policy commitments	Y	Corporate Governance	Policies Guiding Ethical Behaviour, ESG Risk Management	58-60, 62
	2-24 Embedding policy commitments	Y	Corporate Governance	Policies Guiding Ethical Behaviour, ESG Risk Management	58-60, 62
	2-25 Processes to remediate negative impacts	Y	Manufactured and Intellectual Capital, Human Capital	Incident Management, Employee Grievance Redressal Mechanism	216, 244
			BRSR	Section A	320-321
	2-26 Mechanisms for seeking advice and raising concerns	Y	Corporate Governance	Vigil Mechanism	58
	2-27 Compliance with laws and regulations	Y	Corporate Governance	Policies Guiding Ethical Behaviour	58-60
	2-28 Membership associations	Y	Corporate Governance	Policy Advocacy and Industry Association	63
	2-29 Approach to stakeholder engagement	Y	Stakeholder Engagement	Stakeholder Engagement	148-151
GRI 3: Material Topics 2021	3-1 Process to determine material topics	Y	Materiality Assessment	Double Materiality Assessment Process	153-157
	3-2 List of material topics	Y	Materiality Assessment	Refining Materiality	156-157
	3-3 Management of material topics	Y	Materiality Assessment	Refining Materiality	153-181

GRI Standard	Disclosures	Last Year IAR (Y/N)	Chapter Reference	Section Reference	Page No.
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	Y	Financial Capital	Consolidated Statement of Economic Value Generated and Distributed for FY25	195
	201-2 Financial implications and other risks and opportunities due to climate change	Y	Materiality Assessment	Refining Materiality	158-181
	201-3 Defined benefit plan obligations and other retirement plans	Y	BRSR	Principle 3	336
GRI 202: Market Presence 2016	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	N	BRSR	Principle 5	344
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure Investments and services supported	Y	Manufactured and Intellectual, Social, Relationship and Natural Capital	Customer Centricity, Empowering Communities, Commitment to Water Stewardship, Rooting for a Greener Tomorrow	363-370, 274-292, 310-311, 312-314
	203-2 Significant indirect economic impacts	Y	Social and Relationship Capital	Driving Purpose, Empowering Communities	274-292
GRI 205: Anti-corruption 2016	205-2 Communication and training about anti-corruption policies and procedures	Y	Corporate Governance	Policies Guiding Ethical Behaviour, Value Chain Governance	59, 63
	205-3 Confirmed incidents of corruption and actions taken	Y	BRSR	Principle 1	331
GRI 206: Anti-Competitive Behaviour 2016	206-1 Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	Y	Corporate Governance	Policies Guiding Ethical Behaviour	58-60
GRI 207: Tax 2019	207-1 Approach to tax	N	Financial Capital	Tax Strategy	197
	207-2 Tax governance, control, and risk management	N	Financial Capital	Tax Strategy	197
	207-3 Stakeholder engagement and management of concerns related to tax	N	Financial Capital	Tax Strategy	197

GRI Standard	Disclosures	Last Year IAR (Y/N)	Chapter Reference	Section Reference	Page No.
GRI 302: Energy 2016	302-1 Energy consumption within the organisation	Y	Natural Capital	Reducing Emissions, Energising Sustainability	303
			BRSR	Principle 6	348-349
	302-2 Energy consumption outside of the organisation	Y	Natural Capital	Reducing Emissions, Energising Sustainability	303
			BRSR	Principle 6	348-349
	302-3 Energy intensity	Y	BRSR	Principle 6	348-349
	302-4 Reduction of energy consumption	Y	BRSR	Principle 6	354-355
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	Y	Natural Capital	Commitment to Water Stewardship	310-312
	303-2 Management of water discharge-related impacts	Y	Natural Capital	Commitment to Water Stewardship	310-312
	303-3 Water withdrawal	Y	BRSR	Principle 6	349-350
	303-4 Water discharge	Y	BRSR	Principle 6	349-350
	303-5 Water consumption	Y	BRSR	Principle 6	349-350
GRI 304: Biodiversity 2016	304-3 Habitats protected or restored	Y	Natural Capital	Rooting for a Greener Tomorrow	312-314
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Y	Natural Capital	Reducing Emissions, Energising Sustainability	303-308
	305-2 Energy indirect (Scope 2) GHG emissions	Y	Natural Capital	Reducing Emissions, Energising Sustainability	303-308
	305-3 Other indirect (Scope 3) GHG emissions	Y	Natural Capital	Reducing Emissions, Energising Sustainability	303-308
	305-5 Reduction of GHG emissions	Y	ESG@LTF	Performance ESG in FY25	138
	305-7 Nitrogen oxides (NOx), sulphur oxides (SOx), and other significant air emissions	Y	Natural Capital	Air Emissions	309

GRI Standard	Disclosures	Last Year IAR (Y/N)	Chapter Reference	Section Reference	Page No.
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	Y	Natural Capital	Forging Responsible Waste Management	311-312
	306-2 Management of significant waste-related impacts	Y	Natural Capital	Forging Responsible Waste Management	311-312
	306-3 Waste generated	Y	BRSR	Principle 6	352-353
	306-4 Waste diverted from disposal	Y	BRSR	Principle 6	352-353
	306-5 Waste directed to disposal	Y	BRSR	Principle 6	352-353
GRI 308: Supplier Environmental	308-1 New suppliers that were screened using environmental criteria	Y	Corporate Governance, Social and Relationship Capital	Third-party Code of Conduct, Value Chain Engagement	60, 272-273
	308-2 Negative environmental impacts in the supply chain and actions taken	Y	Corporate Governance	Third-party Code of Conduct, Value Chain Engagement	60, 272-273
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	Y	Human Capital	Talent Attraction	234-235
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Y	Human Capital	Talent Retention	243-246
			BRSR	Principle 3	335-337
	401-3 Parental leave	Y	Human Capital	Maintaining Diversity, Equity and Inclusion in Workforce Employee Remuneration and Benefits	233 246
			BRSR	Principle 3	335, 337

GRI Standard	Disclosures	Last Year IAR (Y/N)	Chapter Reference	Section Reference	Page No.
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	Y	Human Capital	Employee Health and Safety	247-250
	403-2 Hazard identification, risk assessment, and incident investigation	Y	Human Capital	Employee Health and Safety	247-250
	403-3 Occupational health services	Y	Human Capital	Employee Health and Safety	247-250
	403-4 Worker participation, consultation, and communication on occupational health and safety	N	Human Capital	Employee Health and Safety	247-250
	403-5 Worker training on occupational health and safety	N	Human Capital	Employee Health and Safety	247-250
	403-6 Promotion of worker health	Y	Human Capital	Employee Health and Safety	247-250
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Y	Human Capital	Employee Health and Safety	247-250
	403-8 Workers covered by an occupational health and safety management system	N	Human Capital	Employee Health and Safety	247-250
	403-9 Work-related injuries	Y	BRSR	Principle 3	339
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	Y	Human Capital	Talent Deployment and Progression	236-241
	404-2 Programmes for upgrading employee skills and transition assistance programs	Y	Human Capital	Talent Deployment and Progression	236-241
	404-3 Percentage of employees receiving regular performance and career development reviews	Y	BRSR	Principle 3	338
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Y	Corporate Governance	Board of Directors	36-37
	405-2 Ratio of basic salary and remuneration of women to men	Y	Human Capital	Maintaining Diversity, Equity and Inclusion in Workforce	231
			BRSR	Principle 5	345
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	Y	BRSR	Principle 5	346
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	N	BRSR	Principle 3	337

GRI Standard	Disclosures	Last Year IAR (Y/N)	Chapter Reference	Section Reference	Page No.
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labour	Y	Social and Relationship Capital	Value Chain Engagement	272-273
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labour	Y	Social and Relationship Capital	Value Chain Engagement	272-273
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	Y	Social and Relationship Capital	Driving Purpose, Empowering Communities	274-292
	413-2 Operations with significant actual and potential negative impacts on local communities	Y	Social and Relationship Capital	Driving Purpose, Empowering Communities	274-292
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	Y	Corporate Governance, Social and Relationship Capital	Third-party Code of Conduct, Value Chain Engagement	60, 272-273
	414-2 Negative social impacts in the supply chain and actions taken	Y	Corporate Governance, Social and Relationship Capital	Third-party Code of Conduct, Value Chain Engagement	60, 272-273
GRI 415: Public Policy 2016	415-1 Political contributions	N	Corporate Governance	Policies Guiding Ethical Behaviour	59
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Y	Manufactured and Intellectual Capital, Social and Relationship Capital	Data Privacy and Security, Safety of Customer Information	217, 268
			BRSR	Principle 9	361-362

TCFD
DISCLOSURE

TCFD Pillar	Recommended Pillar	Chapter	Page No.
Governance	Board's oversight of climate-related risks and opportunities	**Corporate Governance:** Governance Framework Corporate Social Responsibility (CSR) and ESG & RMC ESG Governance ESG Related Risks	29 48-49 61 77
		Natural Capital: An Environmentally Conscious Approach and Building Climate Resilience	297-300
		ESG@LTF: ESG Strategy	130
	Management's role in assessing and managing climate-related risks and opportunities	**Corporate Governance:** ESG Governance ESG Related Risks	61 77
		Natural Capital: Building Climate Resilience	300
		ESG@LTF: Strengthening of the ESG Governance structure – the corner stone of LTF's excellence ESG Strategy	126 130
Strategy	Climate-related risks and opportunities the organisation has identified over the short, medium, and long-term	**Materiality Assessment:** Material Topics	168-169, 170-171, 176-177
		Natural Capital: An Environmentally Conscious Approach and Building Climate Resilience Reducing Emissions, Energising Sustainability	299-301 303
	Impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning	**Financial Capital:** The Sustainable Finance Framework (SFF)	200
		Social and Relationship Capital: Climate Impact Management	285-287
		Materiality Assessment: Material Topics	168-169, 170-171, 176-177
		Natural Capital: An Environmentally Conscious Approach and Building Climate Resilience Reducing Emissions, Energising Sustainability	299-301 303

TCFD Pillar	Recommended Pillar	Chapter	Page No.
	Resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2-degree or lower scenario	**Natural Capital:** Building Climate Resilience and Assessing Climate Risk in line with TCFD	299-301
Risk Management	Organisation's processes for identifying and assessing climate-related risks	**Management Discussion and Analysis:** Risk Management	106
		Corporate Governance: ESG-Related Risks	77
		Natural Capital: An Environmentally Conscious Approach and Building Climate Resilience Reducing Emissions, Energising Sustainability	299-301 303
	Organisation's processes for managing climate-related risks	**Corporate Governance:** Broad Risk Framework ESG-Related Risks	76 77
		Social and Relationship Capital: Strengthening Value Chain Partnerships for Sustainable Growth	272-273
		Materiality Assessment: Material Topics	168-169, 170-171, 176-177
		ESG@LTF: Integrating ESG into Operations Leveraging Sustainable Finance	132-134 146
	Processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management	**Corporate Governance:** Broad Risk Framework ESG-Related Risks	76 77
		Social and Relationship Capital: Strengthening Value Chain Partnerships for Sustainable Growth	272-273
		Materiality Assessment: Material Topics	168-169, 170-171, 176-177
		ESG@LTF: Integrating ESG into Operations Leveraging Sustainable Finance	132-134 146
		Corporate Governance: Broad Risk Framework ESG-Related Risks	76 77

TCFD Pillar	Recommended Pillar	Chapter	Page 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	**Materiality Assessment:** Translating Commitment into Measurable Change	182-187
		ESG@LTF: Leveraging Sustainable Finance	146
	Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks	**Management Discussion and Analysis:** Environmental Social and Governance (ESG)	113
		ESG@LTF: ESG Performance in FY25	138-140
		Natural Capital: Reducing Emissions, Energising Sustainability Financing for a Better Planet Rooting for a Greener Tomorrow	295 303-308 309 312-313
		BRSR: P6	352, 353, 355
	Targets used by the organisation to manage climate-related risks and opportunities and performance against targets	**Materiality Assessment:** Translating Commitment into Measurable Change	182-187
		ESG@LTF: Leveraging Sustainable Finance	146

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

BOARD'S REPORT

Dear Members,

The Directors of your Company have the pleasure in presenting the Seventeenth Annual Report together with the audited financial statements for the financial year ("FY") ended March 31, 2025.

FINANCIAL RESULTS

The summary of the Company's financial results, both on a consolidated and standalone basis, for FY25 as compared to the previous FY i.e., FY24 is given below:

(₹ in Cr)

	Consolidated		Standalone	
	2024–25	**2023–24**	**2024–25**	**2023–24**
Total income	15,940.98	14,051.05	15,930.12	14,043.80
Less: Total expenses	12,449.72	11,022.02	12,475.19	11,057.16
Profit before exceptional items and tax	**3,491.26**	**3029.03**	**3,454.93**	**2,986.64**
Exceptional items	–	–	–	–
Profit before tax	**3,491.26**	**3029.03**	**3,454.93**	**2,986.64**
Less: Tax expense	847.84	711.90	837.12	700.41
Profit after tax	**2,643.42**	**2,317.13**	**2,617.81**	**2,286.23**
Add: Share in profit of associate company	–	–	–	–
Net profit after tax and share in profit of associate company	2,643.42	2,317.13	2,617.81	2,286.23
Profit for the year	2,643.42	2,317.13	2,617.81	2,286.23
Add: Loss attributable to Non Controlling Interest	(0.24)	(2.97)	–	–
Profit for the year (owners of the Company)	**2,643.66**	**2,320.10**	**2,617.81**	**2,286.23**
Actuarial gain on defined benefit plan (gratuity) net of income tax	(2.28)	3.52	(2.27)	3.51
Total comprehensive income for the year (owners of the Company)	2,641.38	2,323.62	2,615.54	2,289.74
Add: Balance brought forward from previous year	7,649.06	6,299.30	3,422.21	2,106.29
Balance Available	**10,290.44**	**8,622.92**	**6,037.75**	**4,396.03**
Appropriations				
Dividend paid (including dividend distribution tax)	622.46	496.61	622.46	496.61
Transfer to/(from) Reserve u/s 45-IC of Reserve Bank of India Act, 1934	523.56	457.25	523.56	457.25
Transfer to Reserve u/s 36(1)(viii) of Income Tax Act, 1961	10.00	20.00	10.00	20.00
Others	0.01	–	0.01	(0.04)
Surplus in the Statement of Profit and Loss	**9,134.43**	**7,649.06**	**4,881.72**	**3,422.21**

Figures for the previous year have been regrouped/re-classified to confirm to the figures of the current year.

FINANCIAL PERFORMANCE HIGHLIGHTS

The Company's performance during the year ended March 31, 2025 in comparison with the year ended March 31, 2024 is summarized as follows:

Consolidated

- Total income was ₹ 15,940.98 Cr in FY25 as compared to ₹ 14,051.05 Cr in FY24.
- Profit before exceptional items and tax was ₹ 3,491.26 Cr in FY25 as compared to ₹ 3,029.03 Cr in FY24.
- Profit for the year attributable to owners of the Company was ₹ 2,643.66 Cr in FY25 as compared to ₹ 2,320.10 Cr in FY24.

During the year, the net loan book increased from ₹ 81,359.39 Cr to ₹ 93,773.06 Cr primarily on account of growth in retail loan book and partially offset by reduction of the wholesale book in line with Lakshya 2026 strategy.

Standalone

- Total income was ₹ 15,930.12 Cr in FY25 as compared to ₹ 14,043.80 Cr in FY24.
- Profit before taxes (including exceptional item) was ₹ 3,454.93 Cr in FY25 as compared to ₹ 2,986.64 Cr in FY24.
- Profit for the year was ₹ 2,617.81 Cr in FY25 as compared to ₹ 2,286.23 Cr in FY24.

APPROPRIATIONS

As required u/s 45–IC of the Reserve Bank of India Act, 1934, ₹ 523.56 Cr has been transferred to Special Reserve during the year (previous year ₹ 457.25 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, your Company executed the business transfer agreement ("BTA") and other ancillary documents (as applicable) for acquiring the gold loan business of Paul Merchants Finance Private Limited by way of slump sale on a going concern basis for a lumpsum consideration ("Proposed Transaction"). The Proposed Transaction is subject to fulfilment of conditions precedents stipulated in the BTA and such other approvals / consents as may be required.

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 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 ₹ 686.09 Cr is not recognised as liability as on March 31, 2025.

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 year under review, there have been no changes to the credit ratings assigned in FY24.

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)

Rating agencies/ instrument type	CRISIL	CARE	India Ratings	ICRA
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.

FUND RAISING

During the year under review, the Company met its funding requirements through issue of Non-Convertible Debentures, Commercial Papers, borrowings from bank, External Commercial Borrowings, Securitisation Borrowings (PTC), Treasury Bills Repurchase and Borrowings (including Repo Borrowings). As on March 31, 2025, the Company doesn't have any listed green debt securities.

During the year under review, the net borrowings saw an increase of ₹ 15,706.03 Cr vis-a-vis a decline of ₹ 6,502.58 Cr in the previous year.

The aggregate debt outstanding as on March 31, 2025 was ₹ 92,246.90 Cr.

CHANGES TO THE SHARE CAPITAL

During the year under review, the Company has issued 65,000 equity shares and 58,62,791 equity shares to employees of the Company pursuant to the exercise of stock options under the Employee Stock Option Scheme – 2010 and Employee Stock Option Scheme – 2013 ("ESOP Schemes") respectively.

Pursuant to the allotment of equity shares under the ESOP Schemes, the paid-up share capital of the Company was ₹ 2,494.87 Cr as at March 31, 2025 as compared to ₹ 2,488.94 Cr as at March 31, 2024.

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 Auditor, 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 ("RBI"), 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, 2025, 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. Dinanath Dubhashi (DIN:03545900), who was re-designated as the Whole-time Director of the Company with effect from January 24, 2024 until April 30, 2024, ceased to be the Whole-time Director of the Company on account of completion of his tenure.

During the year under review, in view of the termination of the investment agreement entered into between BC Asia Growth Investments, BC Investments VI Limited (collectively referred to as "Bain Capital") and the Company in relation to the acquisition of shares (directly or indirectly) by Bain Capital and in accordance with the terms of the investment agreement, Mr. Pavninder Singh (DIN: 03048302) ceased to be a Director (Nominee Director) on the Board of the Company w.e.f. June 13, 2024.

The Board records its deepest appreciation for the contribution by Mr. Dinanath Dubhashi (DIN:03545900) and Mr. Pavninder Singh (DIN: 03048302) during their tenure on the Board of the Company.

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. Sudipta Roy (DIN: 08069653) 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. Further, during the year under review, a dedicated AI bootcamp was organised specifically for the independent directors in light of the growing focus on AI highlighting how AI can help bring in business and operational efficiencies. The specific details of trainings are covered in the Business Responsibility & Sustainability Report ("BRSR") forming part of the Report.

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 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")

As on March 31, 2025, the Company had the following KMPs:

1) Mr. Sudipta Roy – Managing Director and Chief Executive Officer
2) Mr. Sachinn Joshi – Chief Financial Officer
3) Ms. Apurva Rathod – Company Secretary

Mr. Dinanath Dubhashi was the Whole-time Director of the Company with effect from January 24, 2024 until April 30, 2024.

During the period under review, apart from the aforesaid, there were no changes in the KMPs of the Company.

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 Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023, 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/updated to carry out changes required to be incorporated in accordance with the regulatory changes.

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.

During the year under review, the NRC approved expansion of the evaluation criteria of the Stakeholders' Relationship and Customer Protection Committee in line with the widened scope of the committee as specified in the Master Direction – Reserve Bank of India (Internal Ombudsman for Regulated Entities) Directions, 2023.

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 Chairman 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 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 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 and 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 followed the framework of the International Integrated Reporting Council (now known as Value Reporting Foundation), the Global Reporting Initiative ("GRI") and the BRSR principles as prescribed by SEBI.

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. Chadha & 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 and in accordance with Section 204 of the Act, basis recommendation of the Board, the Company is required to appoint Secretarial Auditor, with the approval of the Members at its AGM.

In light of the aforesaid, the Board of the Company has recommended the appointment of M/s Alwyn Jay & Co., Company Secretaries (Firm Registration Number P2010MH021500) as the Secretarial Auditor of the Company for a period of 5 (five) consecutive financial years, i.e.; from FY2025-26 up to FY2029-30, subject to approval of the Members at the ensuing AGM of the Company, to undertake secretarial audit as required under the Act and SEBI Listing Regulations and issue the necessary secretarial audit report for the aforesaid period.

M/s Alwyn Jay & Co., Company Secretaries (Firm Registration Number: P2010MH021500) have confirmed that their appointment, if made, will comply with the eligibility criteria in terms of SEBI Listing Regulations. Further, 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

Pursuant to the provisions of Section 204 of the Act, the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Regulation 24A of the SEBI Listing Regulations, the Company had appointed M/s Alwyn Jay & Co., Company Secretaries (Firm Registration Number: P2010MH021500) to undertake the Secretarial Audit of the Company for FY25.

Further, in terms of the regulatory requirements, M/s Alwyn Jay & Co. has issued the Annual Secretarial Compliance Report, confirming compliance by the Company of the applicable SEBI regulations and circulars/guidelines issued thereunder.

The Secretarial Audit Report 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 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: Nil); while the expenditure in foreign currency by the Company during the year was ₹ 193.02 Cr towards professional fees, license fees and finance cost (previous year: ₹ 90.77 Cr towards professional fees)

DEPOSITORY SYSTEM

The Company's equity shares are compulsorily tradable in electronic form. As on March 31, 2025, out of the Company's total equity paid-up share capital comprising of 2,49,48,68,101 equity shares, only 6,139 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, 2025, 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, 2025. 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 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 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, 2025 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 the 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 corrective action, if any, in their respective areas and thereby strengthen the controls. Significant audit observations 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 FY25 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 ESG Committee. The composition and terms of reference of the CSR and ESG Committee are covered in the Corporate Governance Report.

The Company has also formulated a CSR policy ("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.

During the year under review, no changes were made to the CSR Policy.

During the year, the overall CSR spend at L&T Finance (including its subsidiaries) was ₹ 30 Cr. The Company spent ₹ 26.18 Cr in excess of its CSR obligations and the excess amount will be set off against the required 2% CSR budget over the next immediate succeeding financial years.

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, security 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 the RPTs.

  RPTs to which the subsidiary of the Company is a party but the Company is not a party, require prior approval of the AC if the value of such transaction whether entered into individually or taken together with previous transactions during a financial year exceeds 10 (ten) per cent of the annual standalone turnover, as per the last audited financial statements of the subsidiary of the Company.

  Transaction between the Company or its subsidiaries with unrelated parties, the purpose and effect of which is to benefit the related party of the Company or any of its subsidiaries is an RPT and require prior approval of the AC.

  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.

- **Ratification of RPTs:**

  The members of the AC, who are Independent Directors, may ratify RPTs within 3 (three) 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 does 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 related party transactions 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.

  Provided that failure to seek ratification of the AC would 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 is required to indemnify the Company against any loss incurred by it.

  The following are inter alia exempted from the approval requirements as per SEBI Listing Regulations and/or the Act:

  - transactions between Company and its wholly-owned subsidiary whose accounts are consolidated with the Company;
  - 2 (two) wholly-owned subsidiaries of the Company, whose accounts are consolidated with the Company;
  - transactions which are in the nature of payment of statutory dues, statutory fees or statutory charges entered into between the Company on one hand and the Central Government or any State Government or any combination thereof on the other hand.

TRANSACTIONS WITH RELATED PARTIES

All RPTs that were entered into during FY25 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 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 risk, 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 had received 10 (ten) complaints in this regard out of which 1 (one) complaint was pending as on March 31, 2025 which has also been resolved as at the date of the Board's Report. All complaints were satisfactorily resolved.

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.

OTHER DISCLOSURES

During the year under review, the Company has received an in-principle approval for appointment as User Agency and e-KYC User Agency, pending receipt of the license key from Unique Identification Authority of India.

Subsequent to the merger of its subsidiaries with the Company, the Company had applied for registration as a NBFC-ICC. The Company continued to comply with the guidelines as applicable to NBFC-ICC in accordance with no-objection letter issued by RBI dated March 24, 2023 until the receipt by the Company of Certificate of Registration as NBFC–ICC dated August 2, 2024.

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, 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
(formerly known as L&T Finance Holdings Limited)

S.N. Subrahmanyan
Chairman
DIN: 02255382

Sudipta Roy
Managing Director and Chief Executive Officer
DIN: 08069653

Place: Mumbai
Date: April 25, 2025

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
(formerly known as L&T Finance Holdings 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 27, 2024 by the Board of Directors of **L&T Finance Limited** (formerly known as L&T Finance Holdings 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, 2025.

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 18, 2025

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 : F003058G000147026

ANNEXURE B TO BOARD'S REPORT

FORM NO. MR-3
SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2025

[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
(formerly known as L&T Finance Holdings 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** (formerly known as L&T Finance Holdings 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, 2025** complied with the statutory provisions listed hereunder and also that the Company has followed proper Board-processes and has required 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, 2025** 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 (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client – **Not Applicable to the Company during the period under review**;

(f) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 - **Not Applicable to the Company during the period under review**;

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 - **Not applicable to the Company during the period under review**;

(h) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;

(i) The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018.

(vi) Other specific business/industry related laws applicable to the Company:

The Company has complied with the Reserve Bank of India Act, 1934, Master Direction - Reserve Bank of India (Non-Banking Financial Company –Scale Based Regulation) Directions, 2023 Core Investment Companies (Reserve Bank) Directions, 2016, Non-Banking Financial Companies Auditor's Report (Reserve Bank) Directions, 2016, Non-Banking Financial Company Returns (Reserve Bank) Directions, 2016 and the 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 changes 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 7 (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 Chairman 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. The Committee of Directors of the Company at its meeting held on February 7, 2025 has approved the proposal for acquisition of Gold Loan Business of Paul Merchants Finance Private Limited by way of slump sale on a going concern basis for a lumpsum consideration of ₹ 537 crores along with certain adjustments to be done till closing.
2. Issue and allotment of 59,27,791 Equity Shares of ₹ 10 each under the L&T Finance Limited Employee Stock Option Scheme – 2010 and L&T Finance Limited Employee Stock Option Scheme – 2013.
3. During the financial year, the Company has allotted 3,37,800 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 investment agreement dated September 21, 2015 ("Investment Agreement") entered into between BC Asia Growth Investments, BC Investments VI Limited (collectively referred to as "Bain Capital") and the Company in relation to the acquisition of shares (directly or indirectly) by Bain Capital stood terminated effective June 13, 2024 in accordance with the terms of the Investment Agreement on account of sale of entire shareholding by Bain Capital.
5. Subsequent to the merger of its subsidiaries with the Company, the Company had applied for registration as a Non-Banking Financial Company – Investment and Credit Company (NBFC – ICC). The Company continued to comply with the guidelines as applicable to NBFC-ICCs in accordance with no-objection letter issued by RBI dated March 24, 2023. The Company received the Certificate of Registration as NBFC – ICC during the financial year.
6. The Company has received an order dated August 7, 2024 for furnishing information in respect of the Financial Statements, Profit and Loss Accounts and other schedules, reports and documents annexed thereto and other documents filed by L&T Finance Limited (formerly known as L&T Finance Holdings Limited) from Ministry of Corporate Affairs, Registrar of Companies under Section 206(4) of the Companies Act, 2013. Accordingly, the Company has responded to ROC vide letter dated August 14, 2024 and provided all relevant information to ROC, Mumbai within the specified timelines and no further information has been requested for by the ROC.

Place : Mumbai
Date : April 18, 2025

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 : F003058G000146841

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.

Annexure A

To
The Members,
L&T FINANCE LIMITED
(formerly known as L&T Finance Holdings 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** (formerly known as L&T Finance Holdings 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 18, 2025

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 : F003058G000146841

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]	209.62
		Dinanath Dubhashi[3]	N.A.
		R. Shankar Raman	–
		Thomas Mathew T.	14.91
		Nishi Vasudeva	11.97
		Rajani R. Gupte	12.93
		R. Seetharaman	11.82
		Pavninder Singh[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	Nil
		Dinanath Dubhashi[3]	–
		R. Shankar Raman	–
		Thomas Mathew T.	(4.64%)
		Nishi Vasudeva[5]	–
		Rajani R. Gupte	(6.20%)
		R. Seetharaman[5]	–
		Pavninder Singh[4]	–
		Sachinn Joshi	8.50%
		Apurva Rathod	8.50%
3	The percentage increase in the median remuneration of employees in the financial year.	6%	
4	The number of permanent employees on the rolls of Company.	36,521	
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[6] thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.	Employees other than managerial personnel	Managerial personnel
		5.70%	7.70%
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 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 decrease, if any, is solely attributable to sitting fees for meetings (5 Board meetings in FY2024-25 vs 11 Board meetings in FY2023-24).

(2) Remuneration includes variable remuneration payable for FY25, subject to approval of the NRC.

(3) Mr. Dinanath Dubhashi ceased to be the Whole-time Director w.e.f. May 1, 2024.

(4) *Mr. Pavninder Singh ceased to be the Nominee Director w.e.f. June 13, 2024.*

(5) *Dr. R. Seetharaman and Ms. Nishi Vasudeva were appointed / re-appointed in Q4FY24.*

(6) *Increase in remuneration is after taking into consideration performance of an individual and the Company.*

For and on behalf of the Board of Directors
L&T Finance Limited
(formerly known as L&T Finance Holdings Limited)

S.N. Subrahmanyan
Chairman
DIN: 02255382

Sudipta Roy
Managing Director and
Chief Executive Officer
DIN: 08069653

Place: Mumbai
Date: April 25, 2025

ANNEXURE D TO BOARD'S REPORT

Form AOC - I
[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 (₹ in Cr)

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, 2025		
Reporting currency	–	–	–
Exchange rate on the last day of financial year	–	–	–
Date of acquisition	–	–	–
Share capital	27.75	5.00	0.10
Reserves and surplus	376.43	24.36	0.01
Total assets	462.38	30.65	0.16
Total liabilities	58.21	1.29	0.05
Investments	116.66	28.66	–
Turnover	56.44	2.33	0.03
Profit before taxation	34.87	0.71	0.01
Provision for taxation	10.54	0.18	0.00
Profit after taxation	24.33	0.53	0.01
Proposed Dividend	–	–	–
% of shareholding	100%	100%	100%

Name of subsidiaries which are yet to commence operations: Nil

Names 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, 2024
2. Date on which the Associate was associated	June 5, 2015
3. Shares of Associate held by the company as at March 31, 2025	
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
(formerly known as L&T Finance Holdings 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.: A18314

Place: Mumbai
Date: April 25, 2025

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:

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 livelihoods and financial ecosystem of and for marginalized 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, 2025 include:

1. Digital & Financial Inclusion, exemplified by our flagship program "Digital Sakhi," aimed at addressing Sustainable Development Goals (SDG) 1 (No Poverty) and SDG 8 (Decent Work and Economic Growth).
2. Disaster Management, provides 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 3 (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 & ESG Committee formulating and 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 ESG Committee:**

Sr. No.	Name of Director	Designation/Nature of Directorship	Number of meetings of CSR and ESG Committee held during the year	Number of meetings of CSR and ESG Committee attended during the year
1	Rajani R. Gupte	Chairperson, Independent Director	1	1
2	Sudipta Roy	Member, Managing Director and Chief Executive Officer	1	1
3	Dinanath Dubhashi[1]	Member, Whole-time Director	1	1
4	R. Seetharaman	Member, Independent Director	1	1

[1] *Mr. Dinanath Dubhashi ceased to be the Whole-time Director w.e.f. May 1, 2024.*

3) **Web-link where composition of CSR and ESG committee, CSR Policy and CSR projects approved by the Board are disclosed on the website of the Company:**

The composition of CSR and ESG 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:**

A] **Digital Sakhi Project:**

The Digital Sakhi program of the Company had a meaningful impact on the lives of rural women in villages of East Medinipur in West Bengal and Boudh and Balangir districts in Odisha. The program has provided training to rural women on Digital Financial Literacy ("DFL"), leadership and technology, which has enabled them to impart DFL training to people in their communities and also empower women entrepreneurs ("WE").

The social impact assessment study conducted by CRISIL Limited in FY25 across the 2 (two) projects in West Bengal and Odisha revealed the following outcomes:

1. **Digital Sakhi – West Bengal:**

The Digital Sakhi program has played a pivotal role in empowering women in West Bengal by fostering financial independence and entrepreneurial spirit. Following the program, 92% of the Digital Sakhis expressed their intent to save regularly in banks, reflecting improved financial literacy and planning. Among them, 95% who started saving reported earning a 5% interest, reinforcing the benefits of formal financial systems. While 58% of the Digital Sakhis were homemakers earlier, after the intervention, the average monthly income for these Digital Sakhis increased from the range of ₹ 2,670 to ₹ 4,945. Additionally, the initiative also fueled economic participation, with 74% of participants launching their own businesses and 17% managing Digital Sewa Kendras. These outcomes highlight the program's success in equipping women with the skills and confidence to navigate digital finance, enhance their livelihoods and contribute to their communities' economic growth.

The WE have played a transformative role in strengthening business acumen and financial management. A remarkable 99% of women confirmed that they regularly maintained account books after the program, ensuring better financial tracking and decision-making. The program has also fueled business growth, with 94% of participants attributing increased income to their enhanced skills and knowledge, while an equal percentage reported developing strategic plans for expansion. Additionally, 84% of women experienced a rise in customer base and sales, highlighting the program's role in market expansion. The average current earning of WEs has reached ₹ 14,000 per month, with a notable 94% confirming that training contributed to this income growth. Access to finance also improved, with 76% securing loans at more favorable interest rates, enabling them to invest in and scale their enterprises. These outcomes showcase the WE program's success in equipping WE with the tools, confidence, and resources to drive sustainable business growth and financial independence.

The initiative has significantly strengthened financial literacy and economic empowerment within communities: an impressive 99% of participants acknowledged gaining knowledge and awareness about government financial schemes, enabling them to access vital resources. The program has also played a crucial role in promoting effective financial management, with 90% of participants affirming that they now understand budgeting practices better, allowing them to allocate finances more effectively for essentials such as groceries, housing, borrowings and medical needs. Additionally, 89% confirmed increased awareness of digital payment methods, enhancing financial inclusion. With 88% recognizing improved household savings and expanded livelihood opportunities for women, the program has fostered long-term economic security. Furthermore, 82% of participants reported greater confidence in making financial decisions for their families, demonstrating the program's success in building financial resilience and self-reliance at the community level.

Please refer to the following link to access the detailed impact assessment report: https://www.ltfinance.com/csr

2. **Digital Sakhi - Odisha:**

The Digital Sakhi program in Odisha has played a crucial role in enhancing financial independence and decision-making among women. Among those who started saving, 83% reported earning interest, demonstrating the program's impact on promoting financial security. Additionally, 76% of Digital Sakhis confirmed that their monthly income increased, reflecting the program's effectiveness in fostering economic empowerment. Before joining the Digital Sakhi program, a significant 89% of participants were housewives, after the initiative 38% Sakhis saw an increase in their income. Beyond financial gains, 60% affirmed that the training helped them make better household decisions, showcasing the program's role in strengthening women's decision making capability. By equipping them with financial literacy, digital skills, and entrepreneurial knowledge, the Digital Sakhi program in Odisha is continuing to drive long-term socio-economic transformation for women and their communities.

The WE has been instrumental in driving business growth and financial empowerment in Odisha. Post-training, 91% of participants reported an increase in their business income, while 88% saw a rise in customer base and sales, highlighting the program's effectiveness in strengthening entrepreneurial skills. The training, which included 3 (three) offline sessions for 73% of participants, provided hands-on learning opportunities. Financial access also improved, with 62% of WE who took loans post-program saving an average of ₹ 8,000 on repayments, reflecting better loan terms and financial management. Additionally, WE came at the forefront of financial decision making, with 100% of them taking household decisions, compared to only 13% at baseline. The WE initiative significantly empowered women by enhancing their financial knowledge, business acumen, and access to economic opportunities.

The Digital Sakhi program has significantly improved financial literacy and economic awareness among community members. A remarkable 82% agreed that the program provided valuable knowledge on government financial schemes, while 69% acknowledged gaining a better understanding of financial management and budgeting practices, enabling them to plan for essentials like groceries, house loans, travel, and medical expenses. The program has also fostered a culture of saving, with the percentage of community members saving every month increasing from 4% at baseline to 81% at endline: a remarkable 77% rise. Also, awareness of insurance policies saw a dramatic shift from 0% to 76%, ensuring families are better protected financially. Additionally, social security scheme awareness grew by 65% (from 21% to 86%), and knowledge about digital payments improved by 57% (from 26% to 83%). These outcomes highlight the program's transformative impact in empowering Odisha's communities with financial knowledge, fostering long-term economic resilience, and strengthening financial inclusion.

Please refer to the following link to access the detailed impact assessment report; https://www.ltfinance.com/csr.

5) a) **Average net profit of the Company as per sub-section (5) of Section 135:** ₹ 10,26,94,13,873.83

b) **Two percent of average net profit of the Company as per sub-section (5) of Section 135:** ₹ 20,53,88,277.48

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:** ₹ 18,02,63,406.67

e) **Total CSR obligation for the financial year [(b)+(c)-(d)]:** ₹ 2,51,24,870.81

6) a) **Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project):** ₹ 27,09,25,906.00

b) **Amount spent in Administrative Overheads:** ₹ 1,35,46,295.30

c) **Amount spent on Impact Assessment, if applicable:** ₹ 23,75,033.70

d) **Total amount spent for the Financial Year [(a)+(b)+(c)]:** ₹ 28,68,47,235.00

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
28,68,47,235.00	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*	2,51,24,870.81
ii.	Total amount spent for the financial year	28,68,47,235.00
iii.	Excess amount spent for the financial year [(ii)-(i)]	26,17,22,364.19
iv.	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	–
v.	Amount available for set-off in succeeding financial years [(iii)-(iv)]	26,17,22,364.19

** The amount represents the total CSR obligation for FY25 post taking into consideration the set-off of ₹ 18,02,63,406.67 for FY24.*

7) **Details of Unspent Corporate Social Responsibility amount for the preceding three financial years of the Company:**

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 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	FY24	Nil	Nil	Nil	Nil	Nil	Nil	Nil
2	FY23	Nil	Nil	Nil	Nil	Nil	Nil	Nil
3	FY22	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	TOTAL	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**

8) **Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year:**

○ Yes ☑ No

9) **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 ESG Committee
DIN: 03172965

Sudipta Roy
Managing Director and
Chief Executive Officer
DIN: 08069653

Place: Mumbai
Date: April 25, 2025

Corporate Governance Report

[Pursuant to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

A. Philosophy on Corporate Governance

At L&T Finance ("LTF"), we are committed to uphold the best-in-class corporate practices and principles of corporate governance to ensure transparency, integrity and accountability in every facet of our operations and in all spheres of our activities. At the core of our philosophy lie the fundamental principles of pride, integrity, discipline, and ambition, which serve as the guiding light for our operations. The Company always adopts best business / governance practices which is a reflection of a well governed company through continuous review and benchmarking itself. The Company believes that effective leadership, robust corporate governance practices and a rich legacy of values form the hallmark of our corporate governance philosophy. Our culture, business practices, disclosure policies and relationship with our stakeholders demonstrates these values. Our dedication to excellence, accountability and technology driven sustainable growth, ensures we navigate the ever-changing landscape efficiently and effectively.

The Board of Directors ("Board") through its supervisory role and oversight ensures that that the appropriate processes and controls are in place, to support our operations and protect our 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").

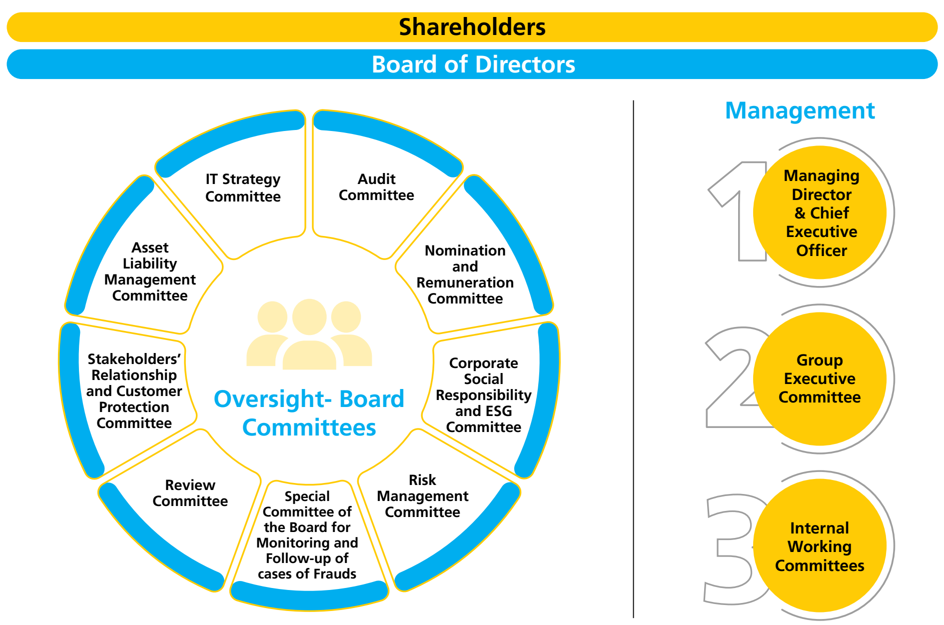
Key elements of Company's Corporate Governance

- Proactive adherence to laws.
- Benchmarking and adopting best practices among banks, peers and other leading organizations.
- Board comprises of Directors from diverse backgrounds and substantial experience, who are able to provide appropriate guidance to the management of the Company.
- Separate meeting of independent directors without presence of non-independent directors or Management.
- Confidential Board evaluation process where each Board member evaluates the performance of every Director, Committees of the Board, the Chairman of the Board and the Board as a whole.
- Complete and detailed information provided to Board members in advance to enable them to evaluate matters carefully for meaningful discussions.

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.

Corporate Governance Structure



B. Board of Directors

The Board of Directors ('Board") play a crucial role in providing strategic guidance and help build governance structure to drive the overall success and growth of the Company. Comprising a diverse group of highly experienced professionals, the Board brings together a wealth of knowledge, expertise, and industry insights including on emerging topics like sustainability and AI.

Our esteemed Board members are selected based on their extensive backgrounds in various sectors, skills possessed and expertise including their ability to provide valuable perspectives on various matters which have a bearing on the Company.

The selection process of a Director is basis a pre-determined Board approved criteria. The following skills are inter alia taken into consideration:

- Leadership qualities
- Industry knowledge & experience
- Financial literacy
- Understanding of relevant laws
- Information technology
- Risk management
- Policy shaping & industry advocacy
- Corporate Governance

A multi-layer process for appointment of a Director on the Board is undertaken, comprising the following, ensuring orderly succession planning of the Board:

1. Initiation of the process for identification of the proposed candidate much in advance (generally a year)
2. Identification and finalisation of key areas of expertise warranted on the Board.
3. Analysis of the industry and if required, empanelment of experts to help in the identification process.
4. Undertaking due diligence:
    a. No conflict of interest checks
    b. Reviewing of the profile and experience to ensure proper fitment
    c. Screening of existing directorships
    d. Scanning of information available in public domain for any negative news
    e. Reference checks

Post the aforesaid, the shortlisted candidate(s) are referred to the NRC.

The NRC thereafter evaluates the candidates across several key parameters, including age, gender, education, professional background, skills and alignment with your Company's strategic goals and recommends the same to the Board for approval. Lastly, the Board and the Members approve the appointment.

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, 2025, 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 eminent personalities from diverse fields: entrepreneurs / professionals, private sector / public sector, social sector / commercial sector, banking / non-banking sector.

Mr. Dinanath Dubhashi (DIN:03545900), who was re-designated as the Whole-time Director of the Company with effect from January 24, 2024 until April 30, 2024, ceased to be the Whole-time Director of the Company on account of completion of his tenure.

In view of the termination of the investment agreement entered into between BC Asia Growth Investments, BC Investments VI Limited (collectively referred to as "Bain Capital") and the Company in relation to the acquisition of shares (directly or indirectly) by Bain Capital and in accordance with the terms of the investment agreement, Mr. Pavninder Singh (DIN: 03048302) ceased to be a Director (Nominee Director) on the Board of the Company w.e.f. June 13, 2024.

The Board records its deepest appreciation for contribution by Mr. Dinanath Dubhashi

(DIN: 03545900) and Mr. Pavninder Singh (DIN: 03048302) during their tenure on the Board of the Company.

The composition of 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 and the Board meetings (including Committee meetings) serve as a forum for Board/ Committee members to come together and deliberate on critical matters related to the organization's strategy, operations, financial performance, governance and sustainability. These meetings of the Company are held at regular intervals, and a tentative annual calendar of the Board and Committee meetings is circulated to the Directors much in advance to facilitate them to plan their schedule and to ensure meaningful participation in the meetings. However, in case of a special and urgent business need, separate Board / Committee meetings are held or the approval is taken by passing resolution(s) by circulation, as permitted by law, which is noted in the subsequent meeting.

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. 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 is 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 (including Chief Executives) frequently including at the Board meetings.

Further, presentations are made on business operations to the Board by the respective senior management covering business strategy and updates on business, macro-economic development, IT and data analytics, marketing, 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 environment 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 only through i-Pad. 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.

3. Meeting of Independent Directors:

Section 149(8) of the Act 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 1 (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 on April 27, 2024.

Necessary actions were taken in respect of the actionable points, if any, which arose during the discussions at the meeting.

4. Meetings and Attendance:

During the financial year ended March 31, 2025, 5 (five) Board meetings were held on April 27, 2024, July 16, 2024, October 18, 2024, January 20, 2025 and March 11, 2025. The meetings of the Board during the year were generally held at 15th floor, Board Room, A M Naik Tower, Krishna Nagar, Powai, Mumbai - 400072 or at the 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, 2025 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	👤	6	–	–	–
Sudipta Roy (DIN: 08069653)	MD & CEO	5	5	👤	1	1	–	–
Dinanath Dubhashi[4] (DIN: 03545900)	WTD	1	1	–	–	–	–	–
R. Shankar Raman (DIN: 00019798)	NED	5	5	👤	5	3	–	–
Thomas Mathew T. (DIN: 00130282)	ID	5	5	👤	1	3	2	1
Rajani R. Gupte (DIN: 03172965)	ID	5	5	👤	–	1	1	1
R. Seetharaman (DIN: 01846777)	ID	5	5	👤	–	2	1	1
Nishi Vasudeva (DIN: 03016991)	ID	5	4	👤	5	8	2	3
Pavninder Singh[5] (DIN: 03048302)	NED / ND	1	1	–	–	–	–	–

C – Chairman MD – Managing Director CEO – Chief Executive Officer WTD – Whole-time Director ND – Nominee Director
NED – Non-Executive Director ID – Independent Director 👤 – Present

Notes:

(1) Excludes Directorship in foreign company and Section 8 company.

(2) Memberships include Chairmanships. Only memberships of Audit Committee and Stakeholders Relationship Committee are considered. This includes memberships in deemed public company.

(3) Only equity listed companies are considered.

(4) Mr. Dinanath Dubhashi ceased to be Whole Time Director of the Company w.e.f. May 01, 2024.

(5) Mr. Pavninder Singh ceased to be the Nominee Director of the Company w.e.f. June 13, 2024.

The details pertaining to the directorships held by a Director in listed companies other than the Company as on March 31, 2025 is as follows:

Name of the Director	Name of the listed entity[1]	Nature of Directorship
S.N. Subrahmanyan	Larsen & Toubro Limited	Chairman and Managing Director
	L&T Technology Services Limited	Chairman and Non-Executive Director
	LTIMindtree Limited	Chairman and Non-Executive Director
Sudipta Roy	–	–
R. Shankar Raman	Larsen & Toubro Limited	Whole–time Director and Chief Financial Officer
	LTIMindtree Limited	Non–Executive Director
Thomas Mathew T.	–	–
Rajani R. Gupte	–	–
R. Seetharaman	–	–
Nishi Vasudeva	Crisil Limited	Independent Director
	HCL Technologies Limited	Independent Director

(1) Only equity listed companies are considered.

5. Information to the Board:

The Board 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 Report.

8. Performance Evaluation:

The NRC has approved 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 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 NRC policy of the Company.

For more details on approach to the succession planning and the actions on the same during the year, please refer to the Corporate Governance section of the Report.

10. Familiarization programme:

Your Company has designed a familiarization program to introduce/ induct all new Independent Directors. 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 training opportunities related to its business, both during the induction process and periodically (including during Board Meetings). The Board conducts a dedicated meeting annually to discuss the strategy and budget of the Company. The Board members interact with the senior management whereby they stand to benefit from the Directors' experience. During FY25, 100% of the Board has undergone dedicated training on ESG covering climate risks for the global financial system and Information Security on social engineering red flags. Additionally, during the year under review, in line with the significant increase in the importance of usage of AI in the lending business, an AI bootcamp was organised for the Independent Directors. For details on the number of training hours of the Board, please refer the Business Responsibility and Sustainability Report.

Additionally, regular field visits i.e., visits to the branches and meeting centers, dealers and CSR projects, are generally arranged for the Directors which help them understand the businesses and the on-ground functioning. 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 the members of the management team 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 a 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.

The Board has currently constituted the following Committees including pursuant to the provisions of the Act, SEBI Listing Regulations and Reserve Bank of India ("RBI") regulations:

- Audit Committee;
- Nomination and Remuneration Committee;
- Corporate Social Responsibility and ESG Committee;
- Risk Management Committee;
- IT Strategy Committee;
- Stakeholders Relationship and Customer Protection Committee;
- Asset Liability Management Committee;
- Committee of Directors;
- Special Committee of the Board for Monitoring and Follow-up of cases of Frauds; and
- Review Committee.

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
Thomas Mathew T.	Member	ID
Nishi Vasudeva	Member	ID

Meetings and Attendance:

The AC met 5 (five) times during the year on April 27, 2024, July 16, 2024, October 18, 2024, January 20, 2025 and March 11, 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
R. Seetharaman	5	5
R. Shankar Raman	5	5
Thomas Mathew T.	5	5
Nishi Vasudeva	5	4

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; and
- 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.
- 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
Thomas Mathew T.	Chairman	ID
R. Shankar Raman	Member	NED
Rajani R. Gupte	Member	ID

Meetings and Attendance:

The NRC met 4 (four) times during the year on April 27, 2024, July 16, 2024, October 18, 2024, and January 20, 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
Thomas Mathew T.	4	4
R. Shankar Raman	4	4
Rajani R. Gupte	4	4

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 to Directors for the financial year ended March 31, 2025:

a) Remuneration to Executive Director(s)

The details of remuneration paid to Mr. Sudipta Roy, Managing Director and Chief Executive Officer and Mr. Dinanath Dubhashi, Whole-time Director are as follows:

(₹ in Cr)

Name of the Director	Salary (including Retention Bonus & Perquisites)	Performance linked Incentive/ Variable Remuneration(1) (up to)	Retirement Benefits	Total
Sudipta Roy	3.90 (1)	1.00 (1)	–	4.90
Dinanath Dubhashi (3)	5.46 (2)	–	–	5.46

(1) Amount for retention and variable pay are provisional. Amount to be determined by the NRC, based on policy approved by the Board.
(2) Includes perquisite on ESOPs exercised during the year, if any.
(3) Mr. Dinanath Dubhashi ceased to be the Whole-time Director w.e.f. May 1, 2024.

Note:

- Notice period for termination of appointment of Managing Director and Chief Executive Officer is 3 (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 these, 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 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 to the NEDs 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.	3.60	6.90	24.40	**34.90**
Nishi Vasudeva	3.00	5.20	19.80	**28.00**
Rajani R. Gupte	3.60	5.60	21.05	**30.25**
R. Seetharaman	3.60	5.30	18.75	**27.65**
Pavninder Singh	0.60	–	1.50	**2.10**

(1) *Based on the guidelines formulated by the NRC and approved by 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.*

Details of shares / convertible instruments, if any, held by the NEDs as on March 31, 2025 are as follows:

Name of the Director	No. of equity shares
S.N. Subrahmanyan	4,987
R. Shankar Raman	30,080
Thomas Mathew T.	–
Rajani R. Gupte	–
R. Seetharaman	–
Nishi Vasudeva	–

3. Corporate Social Responsibility ("CSR") and ESG Committee:

Terms of reference:

The role of CSR and ESG Committee includes the following:

- Formulation of the CSR policy indicating the activities to be undertaken by the Company as per regulatory requirements and recommending 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
Dinanath Dubhashi[1]	Member	WTD

(1) Mr. Dinanath Dubhashi ceased to be the Whole-time Director w.e.f. May 1, 2024.

Meetings and Attendance:

The Committee met once in the year on April 26, 2024 and all the members of the CSR and ESG Committee had attended the meeting.

Name of the Director	No. of Meetings held/conducted during the tenure of the Member/year	No. of Meetings attended
Rajani R. Gupte	1	1
Sudipta Roy	1	1
R. Seetharaman	1	1
Dinanath Dubhashi[1]	1	1

(1) Mr. Dinanath Dubhashi ceased to be the Whole-time Director w.e.f. May 1, 2024.

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 and Chief Executive Officer	Member	–
R. Shankar Raman	Member	NED
Rajani R. Gupte	Member	ID
Dinanath Dubhashi[1]	Member	WTD
Pavninder Singh[2]	Member	NED / ND
Chief Risk Officer	Member	–
Chief Financial Officer	Member	–
Company Secretary	Member	–

(1) Mr. Dinanath Dubhashi ceased to be the Whole-time Director w.e.f. May 1, 2024.

(2) Mr. Pavninder Singh ceased to be the Nominee Director w.e.f. June 13, 2024.

Meetings and Attendance:

The Committee met 4 (four) times during the year on June 28, 2024, September 27, 2024, December 20, 2024 and March 24, 2025. 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 and Chief Executive Officer	4	4
R. Shankar Raman	4	3
Rajani R. Gupte	4	4
Chief Risk Officer	4	3
Chief Financial Officer	4	4
Company Secretary	4	2

5. 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.
- Such other functions as provided under the Information Technology Policy.

Composition as on the date of the Board's Report:

Name of the Member	Designation in the Committee	Nature of Directorship
Thomas Mathew T.	Chairman	ID
Nishi Vasudeva	Member	ID
Managing Director and Chief Executive Officer	Member	–
Dinanath Dubhashi[(1)]	Member	WTD
Chief Information Officer (Chief Digital Officer)	Member	–
Chief Technology Officer	Member	–
Chief Risk Officer	Member	–
Chief Information Security Officer	Member	–
Chief Financial Officer	Member	–

(1) Mr. Dinanath Dubhashi ceased to be the Whole-time Director w.e.f. May 1, 2024.

Meetings and Attendance:

The Committee met 4 (four) times during the year on June 28, 2024, September 19, 2024, December 20, 2024 and March 21, 2025. 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.	4	4
Nishi Vasudeva	4	4
Managing Director and 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	4
Chief Financial Officer	4	4

6. 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
Rajani R. Gupte	Chairperson	ID
Sudipta Roy	Member	MD & CEO
R. Seetharaman	Member	ID
Dinanath Dubhashi[(1)]	Member	WTD

(1) Mr. Dinanath Dubhashi ceased to be the Whole-time Director w.e.f. May 1, 2024.

Meetings and Attendance:

Name of the Director	No. of Meetings held/conducted during the tenure of the Member/ year	No. of Meetings attended
Rajani R. Gupte	4	4
Sudipta Roy	4	4
R. Seetharaman	4	4
Dinanath Dubhashi[(1)]	1	1

(1) Mr. Dinanath Dubhashi ceased to be the Whole-time Director w.e.f. May 1, 2024.

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	17	17	0
Others	0	5	5	0

(1) SEBI (through SCORES portal)-17 , 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) senior 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.

7. 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 recommending the action needed to adhere to the Company's internal limits; and
- Balance sheet planning from risk-return perspective including the strategic management of interest rate and liquidity risks.
- 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 and Chief Executive Officer	Chairman	–
Dinanath Dubhashi[(1)]	Member	–
R. Govindan	Member	Representative of L&T
Chief Financial Officer	Member	–
Chief Risk Officer	Member	–
Chief Economist	Member	–
Chief Executive of respective business	Member	–
Treasurer	Member	–

(1) Mr. Dinanath Dubhashi ceased to be the Whole-time Director w.e.f. May 1, 2024.

Meetings and Attendance:

The Committee met 12 (twelve) times during the year on April 25, 2024, May 23, 2024, June 27, 2024, July 30, 2024, August 22, 2024, September 20, 2024, October 24, 2024, November 27, 2024, December 23, 2024, January 23, 2025, February 24, 2025 and March 21, 2025.

8. 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 as on the date of the Board's Report:

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
Dinanath Dubhashi[1]	Member	WTD

[1] Mr. Dinanath Dubhashi ceased to be the Whole-time Director w.e.f. May 1, 2024.

Meetings and Attendance:

The Committee met once in the year on February 7, 2025 and all the members, of the Committee of Directors had attended the meeting.

9. Special Committee of the Board for Monitoring and Follow-up of cases of Frauds ("SCBMF")

Reserve Bank of India ("RBI"), pursuant to Master Directions on Fraud Risk Management in Non-Banking Financial Companies ("NBFCs") (including Housing Finance Companies) having reference no. RBI/DOS/2024-25/120 DOS.CO.FMG.SEC. No.7/ 23.04.001/2024-25 dated July 15, 2024 ("Master Directions") had directed NBFCs to constitute a Special Committee of the Board for Monitoring and Follow-up of cases of Frauds ("SCBMF").

Consequently, the Board of Directors at its meeting held on October 18, 2024 had approved the constitution of SCBMF in accordance with the Master Directions.

Terms of reference:

The role of the SCBMF includes the following:

- Overseeing the effectiveness of the fraud risk management in the Company;
- Reviewing and monitoring cases of frauds, including root cause analysis, and suggesting 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	–
Thomas Mathew T.	Member	ID

Meetings and Attendance:

The Committee met once in the year on January 17, 2025.

Name of the Director	No. of Meetings held/conducted during the tenure of the Member/year	No. of Meetings attended
R. Seetharaman	1	1
Managing Director and Chief Executive Officer	1	1
Thomas Mathew T.	1	1

10. Review Committee ("RC"):

RBI vide its Master Direction on Treatment of Wilful Defaulters and Large Defaulters having reference no. RBI/DoR/2024-25/122DoR.FIN.REC. No.31/20.16.003/ 2024-25 dated July 30, 2024 had directed the NBFCs to constitute a review committee, for the purpose of reviewing the proposal of the Identification Committee (an internal committee constituted under the Policy on Treatment of Wilful Defaulters and Large Defaulters and Reporting Framework), for classification as a wilful defaulter.

Consequently, the Board of directors in their meeting held on October 18, 2024 had approved the constitution of Review Committee in accordance with the aforesaid master directions issued by RBI.

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	–
Thomas Mathew T.	Member	ID
R. Seetharaman	Member	ID

Meetings and Attendance:

The Committee met once in the year on January 17, 2025.

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	1	1
Thomas Mathew T.	1	1
R. Seetharaman	1	1

D. Particulars of Senior Management:

The details of Senior Management Personnel ("SMP") as per SEBI Listing Regulations as on March 31, 2025 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	General Counsel
Abhishek Sharma	Chief Executive-SME Finance
Sonia Krishnankutty	Chief Executive-Rural Business Finance
Asheesh Goel	Chief Executive Officer - Farmer Finance
Kavita Jagtiani[1]	Chief Marketing Officer
Ramesh Aithal[1]	Chief Digital Officer
Jinesh Shah[2]	Chief Executive – Urban Secured Assets & 3rd Party Products
Debarag Banerjee[1]	Chief Data and AI Officer
Nilesh Dange[1]	Chief Human Resource Officer
Sanjay Garyali[3]	Chief Executive - Urban Finance

[1] Appointed as a SMP of the Company w.e.f. April 27, 2024

[2] Appointed as a SMP of the Company w.e.f. February 05, 2025.

[3] Ceased as a SMP w.e.f. March 12, 2025 pursuant to resignation from the services of the Company.

E. Directors on Boards of Material Subsidiaries

There is no material subsidiary of the Company as on March 31, 2025.

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 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 FY25.

Code of Conduct:

The Company has laid down a Code of Conduct for all the Board members including Independent Directors and SMP. 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 and Chief Executive Officer is given below:

To the Members of
L&T Finance Limited
(formerly known as L&T Finance Holdings 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 25, 2025
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, 2025, 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 Audit Committee, wherever desired.

General Body Meetings:

The details of AGM of the Company for the previous 3 (three) years are as under:

Year	Date	Time	Venue/Mode of conducting the meeting
2021-22	July 11, 2022	3:30 P.M.	Through electronic mode video conferencing ('VC') / other audio-visual means ('OAVM'). The deemed venue of the AGM was the Registered Office of the Company.
2022-23	July 28, 2023	4:00 P.M.	Through electronic mode video conferencing ('VC') / other audio-visual means ('OAVM'). The deemed venue of the AGM was 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'). The deemed venue of the AGM was the Registered Office of the Company.
Usually, the AGM of the Company is held within four months from the end of the financial year.			

The following special resolutions were passed by the shareholders during the past 3 (three) Annual General Meetings:

Year	Date	Resolution
2021-22	July 11, 2022	Sale of undertaking under Section 180(1)(a) of the Companies Act, 2013
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	–

Postal Ballot:

The Company had not passed any special resolution through postal ballot during FY25. Further, as of date of this report, there is no proposal which is envisaged to be passed through postal ballot. Further, if a resolution is passed by way of postal ballot, 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 Integrated 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 3 (three) years.

  However, 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, 2025 the Company has complied with the Corporate Governance requirements specified in Regulations 17 to 27 and Regulation 46(2) and other applicable provisions of the SEBI Listing Regulations.
- The web link with respect to the policy for determining material subsidiaries and policy on dealing with related party transactions 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, 2025, 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 FY25, total consolidated fees of ₹ 205 lakhs was paid to the Statutory Auditors {i.e., M/s T R Chadha & Co. LLP and M/s Brahmayya & Co} 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.

Sr. No.	Particulars	Details
1.	Number of complaints received during the financial year	10
2.	Number of complaints disposed of during the financial year	9
3.	Number of complaints pending as on end of the financial year*	1

* The complaint has been resolved as on the date of the report.

There was one compliant of sexual harassment of women at workplace received during FY24.

- 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, 2025. Hence, the details of material subsidiaries of the listed entity are not applicable.
- During FY25, on account of termination of the investment agreement with BC Investments VI Limited, BC Asia Growth Investments ("Collectively known as Bain Capital") and the Company in relation to the acquisition of shares (directly or indirectly) by Bain Capital and the rights of Bain Capital in the Company w.e.f. June 13, 2024, the disclosure in terms of Regulation 30A of SEBI Listing Regulations is not applicable.

Means of Communication:

- Quarterly Results are communicated through 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 investor presentations are also displayed on the website of the Company at https://www.ltfinance.com/investors.
- The Integrated Annual Report is circulated to all the Members, Statutory Auditors, Secretarial Auditor, Directors and such other persons who are entitled to receive the same.
- Management Discussion and Analysis section forms a part of the Integrated Annual Report and is sent to all stakeholders as stated above.

AGM through electronic mode:

The Company will provide two-way video conferencing facility to the Members for participating in the Seventeenth AGM. For more details, please refer the Notice of the Seventeenth AGM, which is placed on the website of the Company https://www.ltfinance.com/investors and on the website of stock exchanges.

General Shareholders' Information:

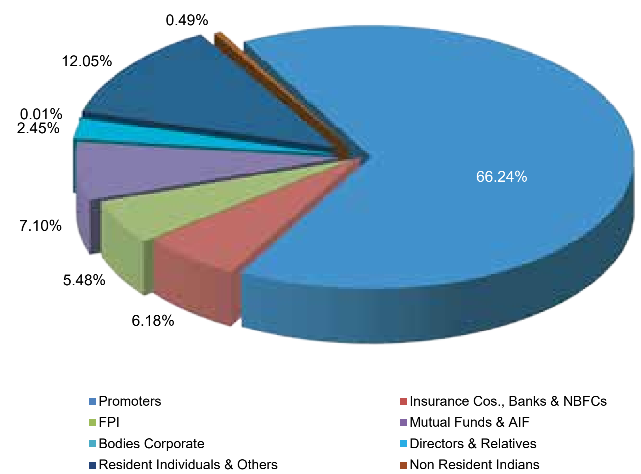
Annual General Meeting	Tuesday, June 03, 2025 at 10:30 a.m. (IST) through video conferencing / other audio- visual means (deemed venue - Registered Office of the Company)
Financial Year	April 1, 2024 to March 31, 2025
Record Date for Dividend	May 27, 2025
Dividend Payment Date	The dividend of ₹ 2.75 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 July 03, 2025.
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 FY25.
Stock Code (NCDs)	As on March 31, 2025, the Company has 124 active ISINs listed on Stock Exchanges.
CIN	L67120MH2008PLC181833
Debenture Trustee	The Debenture Trustee of the Company are: **Catalyst Trusteeship Limited** 901, 9th floor, Tower B, Peninsula Business Park, Senapati Bapat Marg, Lower Parel (W), Mumbai – 400013, Maharashtra. Tel: +91 (022) 4922 0555 Fax: +91 (022) 4922 0505 E-mail: ComplianceCTL-Mumbai@ctltrustee.com Website: https://www.catalysttrustee.com **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://www.idbitrustee.com **Beacon Trusteeship Limited** 5W, 5th Floor, The Metropolitan, Bandra Kurla Complex, Bandra (East), Mumbai, Maharashtra, 400051. Fax: Not Available E-mail: Compliance@beacontrustee.co.in Website: https://beacontrustee.co.in/
In case the securities are suspended from trading, the Board's Report shall explain the reason thereof	Not applicable
Registrar and Share Transfer Agent	**MUFG Intime India Private Limited (formerly known as Link Intime India Private Limited)** C-101, 247 Park, L. B. S. Marg, Vikhroli (West), Mumbai 400083, Maharashtra, India. Tel: +91 810 811 6767 Fax: +91 22 4918 6060 E-mail: rnt.helpdesk@in.mpms.mufg.com; Toll Free: 1800 1020 878
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, 2025:

Category (shares)	Shareholders		Shareholding	
	Number	%	Number	%
Up to 500	7,70,323	88.80	7,98,95,289	3.20
501-1000	50,522	5.82	3,82,73,563	1.53
1,001-2,000	26,035	3.00	3,78,73,857	1.52
2,001-3,000	7,743	0.89	1,95,35,491	0.78
3,001-4,000	3,619	0.42	1,28,39,564	0.51
4,001-5,000	2,547	0.29	1,18,43,794	0.47
5,001-10,000	3,798	0.44	2,73,57,738	1.10
10,001 and above	2,917	0.34	2,26,72,48,805	90.88
Total	**8,67,504**	**100.00**	**2,49,48,68,101**	**100.00**

Categories of the Shareholders as on March 31, 2025:

Category	No. of shares	%
Promoters	1,65,25,30,125	66.24
Insurance Companies, Banks & NBFCs	15,42,40,711	6.18
Foreign Portfolio Investors	13,66,21,749	5.48
Mutual Funds & Alternate Investment Funds	17,72,11,123	7.10
Bodies Corporate	6,12,29,673	2.45
Directors & Relatives	1,94,685	0.01
Resident Individuals & Others	30,06,96,200	12.05
Non-Resident Indians	1,21,43,835	0.49
Total	**2,49,48,68,101**	**100.00**



Dematerialisation 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")	2,29,96,66,146	92.18
Central Depository Services (India) Limited ("CDSL")	19,51,95,816	7.82
Physical	6,139	0.00
TOTAL	**2,49,48,68,101**	**100.00**

Dematerialization of shares and liquidity	As on March 31, 2025 almost the entire equity share capital was held in the dematerialized form with NSDL and CDSL. Only 6,139 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 convertible instruments as on March 31, 2025.
Commodity price risk or foreign exchange risk and hedging activities	Commodity price risk: Not applicable During the year, the Company has fully hedged its foreign currency risk related to External Commercial Borrowings by entering into forward contracts using cross currency swaps.
Plant locations	The Company does not have any plant location being a Non-Banking Financial Company. As on March 31, 2025, the Company had 2,297 total branches (including Head Office).
Address for correspondence	**MUFG Intime India Private Limited (formerly known as Link Intime India Private Limited)** C 101, 247 Park, L. B. S. Marg, Vikhroli (West), Mumbai - 400083, Maharashtra, India. Tel: +91 810 811 6767 Fax: +91 22 4918 6060 E-mail: rnt.helpdesk@in.mpms.mufg.com Toll Free: 1800 1020 878
Name and address of the Compliance Officer	**Ms. Apurva Rathod,** Company Secretary and Compliance Officer L&T Finance Limited (formerly known as L&T Finance Holdings 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 year, i.e., April 1, 2024.	6	689
(ii)	Number of shareholders who approached the Company for transfer of shares from suspense account during the year 2024-25.	6[1]	689[1]
(iii)	Number of shareholders to whom shares were transferred from suspense account during the year 2024-25.	6[1]	689[1]
(iv)	Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year i.e., March 31, 2025.	0	0

(1) Shares transferred to IEPF

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 ₹ 13,64,458.40 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, 50,969 shares in respect of which the dividend was unpaid / unclaimed for a period of 7 consecutive years was also transferred to IEPF on October 26, 2024.

In FY26, the amount which is unpaid / unclaimed for a period exceeding 7 years is due to be transferred to IEPF by September 27, 2025. 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 25, 2024 (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 6 (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.

Reconciliation of Share Capital Audit:

The Board of Directors of the Company at its meeting held on April 27, 2024 had appointed M/s Alwyn Jay & Co., Practicing Company Secretary as the Secretarial Auditor of the Company for FY25.

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, 2025.

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
(formerly known as L&T Finance Holdings Limited)

Dear Sirs/Madams,

We have reviewed the consolidated financial statements read with the cash flow statement of L&T Finance Limited (formerly known as L&T Finance Holdings Limited) for the year ended March 31, 2025 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 25, 2025

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
(formerly known as L&T Finance Holdings 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** (Formerly known as L&T Finance Holdings 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, 2025** 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.	Dinanath Mohandas Dubhashi^	03545900	Whole-time Director	14/04/2021
4.	Ramamurthi Shankar Raman	00019798	Non-Executive Director	01/05/2008
5.	Thomas Mathew Thumpeparambil	00130282	Independent Director	01/07/2020
6.	Rajani Rajiv Gupte	03172965	Independent Director	28/06/2018
7.	Rahavan Seetharaman	01846777	Independent Director	23/01/2024
8.	Nishi Vasudeva	03016991	Independent Director	15/03/2024
9.	Pavninder Singh*	03048302	Nominee Director	15/06/2017

^Mr. Dinanath Dubhashi ceased to be Whole Time Director of the Company w.e.f. May 1, 2024.
*Mr. Pavninder Singh ceased as Nominee Director of the Company w.e.f. June 13, 2024.

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 18, 2025

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 : F003058G000146960

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,
(formerly known as L&T Finance Holdings Limited)

1. We have examined the compliances of the conditions of Corporate Governance by **L&T Finance Limited** (formerly known as L&T Finance Holdings Limited) ("the Company") for the financial year ended **March 31, 2025**, 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, 2025**.
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 18, 2025

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 : F003058G000147004

Independent Auditors' Report

To
The Members of
L&T Finance Limited
(formerly known as L&T Finance Holdings 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 (formerly known as L&T Finance Holdings Limited) (the "Company"), which comprise the Standalone Balance Sheet as at March 31, 2025, 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, 2025, and its profit (financial performance including other comprehensive income), and its cash flows and the 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 on the Standalone 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 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.

Key Audit Matter	How the matter was addressed in our audit
Allowance for Expected Credit Loss on Retail Loan Assets [Refer to the Accounting Policies Note 1.7 Impairment, Note 1.9 Presentation of allowance for ECL in the Balance Sheet, Note 06 & 47 to the Standalone Financial Statements]	
As at March 31, 2025, Retail loan assets aggregated Rs. 91,642.36 crores (net of expected credit losses of Rs. 3,536.75 crores), constituting 97.73% 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.

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

Key Audit Matter	How the matter was addressed in our audit
	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.
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	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:

Key Audit Matter	How the matter was addressed in our audit
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.	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 of the appropriate accounting software for ensuring compliance with applicable laws and regulations including those related to retention of audit logs; 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 Act, 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, 2025 taken on record by the board of directors, none of the directors is disqualified as on March 31, 2025 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, 2025 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 softwares 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, if any, were not enabled. The Company has informed us that an alternate tool is being used to monitor such database-level changes, however the log of same is not preserved in accordance with statutory requirements for record retention.

    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: 25015590BMMJNQ1870

Place: Mumbai
Date: April 25, 2025

For **T R Chadha & Co LLP**
Chartered Accountants
ICAI Firm Registration No. 006711N/N500028

Vikas Kumar
Partner
Membership No. 075363
UDIN: 25075363BMOIUQ6022

Place: Mumbai
Date: April 25, 2025

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 (formerly known as L&T Finance Holdings Limited) for the year ended March 31, 2025.

(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.

(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, 2025 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 rupees five crore, 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. The quarterly returns or statements filed by the Company with such banks or financial institutions are in agreement with the books of account of the Company.

(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 47 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, 2025, is 3,217.72 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, 2025.

(e) The provisions of paragraph 3(iii)(e) of the Order are not applicable to the Company as its principal business is to give loans.

(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.

(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(1) of the Act; as informed, the other provisions of section 186 of the Act are not applicable to the Company.

(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, 2025, 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, 2025, on account of dispute are given below:

Name of the Statute and Forum where Dispute is pending	Nature of the Dues	Period to which the amount relates	Amount Involved	Amount Unpaid
VAT CST-DC (Appeals)	Demand of Tax on Repossessed Assets	2014-15	13.32	13.32
VAT CSTD. C.(Appeal)	Disallowance of exemption claimed for deemed sale in the course of interstate and import transactions	1998-99	0.01	0.01
VAT CSTD. C.(Appeal)	Disallowance of exemption claimed for deemed sale in the course of interstate and import transactions	2000-01	0.00*	0.00*
VAT CSTD. C.(Appeal)	Disallowance of exemption claimed for deemed sale in the course of interstate and import transactions	2012-13	0.04	0.04
VAT CSTD. C.(Appeal)	Disallowance of exemption claimed for deemed sale in the course of interstate and import transactions	1995-96	0.00*	0.00*
VAT CSTD. C.(Appeal)	Disallowance of exemption claimed for deemed sale in the course of interstate and import transactions	1996-97	0.05	0.04
VAT CSTD. C.(Appeal)	Disallowance of exemption claimed for deemed sale in the course of interstate and import transactions	2000-01	0.00*	0.00*
VAT CSTD. C.(Appeal)	Disallowance of exemption claimed for deemed sale in the course of interstate and import transactions	2002-03	0.00*	0.00*
VAT CSTD. C.(Appeal)	Disallowance of exemption claimed for deemed sale in the course of interstate and import transactions	2004-05	1.11	1.04
VAT CST-Kerala High Court	Local hire purchase turnover made taxable	1999-00	0.07	0.07
VAT CST-JC (Appeal)	Refusal of input tax credit (ITC)	2012-13	0.06	0.06
VAT CST-JC (Appeal)	Refusal of input tax credit (ITC)	2013-14	0.09	0.09
VAT CST-JC (Appeal)	Refusal of input tax credit (ITC)	2014-15	0.06	0.06
Service Tax- CESTAT	Refusal of input tax credit (ITC)	2007-10	0.00*	0.00*
Service Tax- CESTAT	Refusal of input tax credit (ITC)	2007-08	0.24	0.24
Service Tax- CESTAT	Refusal of input tax credit (ITC)	2008-09	3.54	3.10
Service Tax- CESTAT	Refusal of input tax credit (ITC)	2009-10	16.65	16.14
Service Tax- CESTAT	Refusal of input tax credit (ITC)	2010-11	5.03	5.03
Service Tax- CESTAT	Refusal of input tax credit (ITC)	2008-11	0.00*	0.00*

Name of the Statute and Forum where Dispute is pending	Nature of the Dues	Period to which the amount relates	Amount Involved	Amount Unpaid
Service Tax- CESTAT	Additional Interest / Penal Interest / Default Interest under Declared Services	2016-17	10.00	0.00*
Service Tax – The Commissioner	Service Tax levied on upfront fees collected	2006-07	0.26	0.02
Service Tax - The Commissioner	Service Tax levied on upfront fees collected	2007-08	3.68	0.33
Service Tax - The Commissioner	Service Tax levied on upfront fees collected	2008-09	0.85	0.08
GST- GST Appellate Authority	Towards Input Credit Short Reversal & Deemed Supply	2019-20	1.94	1.81
GST- GST Appellate Authority	Towards Input Credit Short Reversal & Deemed Supply	2018-19	2.20	2.07
GST (Trans1)- GST appellate Authority	Trans1 Credit Disallowed	2017-18	0.39	0.37
GST- GST Appellate Authority	Towards Short Payment of Output Tax Liability	2017-18	0.02	0.01
GST- GST Appellate Authority	Towards unmatched & Ineligible Input Credit Demand	2017-18	6.87	6.58
GST- GST Appellate Authority	Towards Short Payment of Output Tax Liability	2017-18	0.00*	0.00*
GST- GST Appellate Authority	ITC claimed from cancelled dealers / return defaulters & tax non payers.	2017-18	0.09	0.09
GST- GST Appellate Authority	Towards Audit Observations	2017-18	0.00*	0.00*
GST- GST Appellate Authority	Towards Audit Observations	2017-18	1.84	1.68
GST- GST Appellate Authority	Demand towards Output Liability mismatch	2018-19	0.08	0.05
GST- GST Appellate Authority	Demand towards ITC mismatch	2018-19	0.08	0.07
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	15.81
GST- GST Appellate Authority	Demand towards Output Liability mismatch & ITC mismatch	2018-19	0.51	0.49

Name of the Statute and 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	2.36	2.24
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	Towards Audit Observations	2019-20	2.00	1.50
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	4.35	4.12
GST- GST Appellate Authority	Demand towards ITC mismatch	2019-20	0.01	0.00*
GST- GST Appellate Authority	Towards Audit Observations	2020-21	18.67	18.67
GST- GST Appellate Authority	Towards Audit Observations	2020-21	1.92	1.92
GST- GST Appellate Authority	Short reversal of ITC under Section 17(2) read with Rule 42, Short reversal of ITC under Section 17(2) read with Rule 43, Excess claim if ineligible ITC u/s 17(5)	2020-21	0.30	0.30
GST- GST Appellate Authority	Under declaration of Output tax	2020-21	4.68	4.68
GST- GST Appellate Authority	Towards Audit Observation	2020-21	0.04	0.04
GST- GST Appellate Authority	Under declaration of Output tax	2020-21	0.04	0.04
GST- GST Appellate Authority	Under declaration of Output tax	2020-21	0.95	0.95
GST- GST Appellate Authority	Towards ITC Mismatch	2020-21	0.51	0.51

Name of the Statute and Forum where Dispute is pending	Nature of the Dues	Period to which the amount relates	Amount Involved	Amount Unpaid
GST – Appeal Yet to be Filed	Disallowance of Input Credit	2018-19	13.51	13.51
GST – Appeal Yet to be Filed	Disallowance of Input Credit	2019-20	22.67	22.67
GST – Appeal Yet to be Filed	Disallowance of Input Credit	2020-21	20.66	20.66
GST – Appeal Yet to be Filed	Disallowance of Input Credit	2021-22	35.19	35.19
GST – Appeal Yet to be Filed	Disallowance of Input Credit	2022-23	19.99	19.99
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 ESOP expense 2. Disallowance of interest expense	2021-22	2.41	2.41
Income Tax - CIT (Appeals) - NFAC	Disallowance of expense provision on which TDS not deducted	2019-20	0.08	0.08

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) 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 and according to the information and explanations given to us, the Company has utilized the money obtained by way of term loans during the year for the purposes for which they were obtained, other than temporary parking of funds for short term period 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 and no material fraud on the Company has been noticed or reported during the year, other than instances of fraud noticed and reported by the management to the regulator. Refer Note No. 38 to the Financial Statements.

(b) To the best of our knowledge, no report under sub-section (12) of section 143 of the Companies Act has been filed by auditors 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. The previous statutory auditor, KKC & Associates LLP, completed their term in accordance with the rotation requirements prescribed under the RBI Master Circular RBI/2014-15/632.

(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) According to the information and explanations given to us and based on our examination of the records of the Company, there are no amount remaining unspent under sub section (5) of section 135 of the Companies Act, pursuant to any ongoing project. Accordingly, reporting under paragraph 3(xx)(b) of the Order is not applicable for the year.

(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: 25015590BMMJNQ1870

Place: Mumbai
Date: April 25, 2025

For **T R Chadha & Co LLP**
Chartered Accountants
ICAI Firm Registration No. 006711N/N500028

Vikas Kumar
Partner
Membership No. 075363
UDIN: 25075363BMOIUQ6022

Place: Mumbai
Date: April 25, 2025

Annexure 'B' to the Independent Auditors' Report

Annexure 'B' to the Independent Auditors' report on the Standalone Financial Statements of L&T Finance Limited (formerly known as L&T Finance Holdings Limited) for the year ended March 31, 2025

(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 (formerly known as L&T Finance Holdings Limited) ("the Company") as of March 31, 2025, 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, 2025, 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: 25015590BMMJNQ1870

Place: Mumbai
Date: April 25, 2025

For **T R Chadha & Co LLP**
Chartered Accountants
ICAI Firm Registration No. 006711N/N500028

Vikas Kumar
Partner
Membership No. 075363
UDIN: 25075363BMOIUQ6022

Place: Mumbai
Date: April 25, 2025

Standalone Balance Sheet as at March 31, 2025

(₹ in crore)

Particulars	Note No.	As at March 31, 2025	As at March 31, 2024
A. ASSETS:			
1. Financial assets			
(a) Cash and cash equivalents	2	2,893.66	3,561.44
(b) Bank balance other than (a) above	3	7,929.11	1,082.67
(c) Derivative financial instruments	4	0.55	185.54
(d) Receivables	5		
(i) Trade receivables		116.95	247.27
(ii) Other receivables		5.57	5.68
(e) Loans	6	93,773.06	81,359.39
(f) Investments	7	11,835.98	12,374.78
(g) Other financial assets	8	388.65	634.55
		1,16,943.53	**99,451.32**
2. Non-financial assets			
(a) Current tax assets (net)		311.40	289.52
(b) Deferred tax assets (net)		1,768.62	1,842.48
(c) Property, plant and equipment	9	101.93	55.92
(d) Intangible assets under development	10	45.00	35.62
(e) Other Intangible assets	10	113.82	96.13
(f) Right of use assets	34	116.99	55.64
(g) Other non-financial assets	11	631.50	524.20
		3,089.26	**2,899.51**
Total Assets		**1,20,032.79**	**1,02,350.83**
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		3.76	–
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		1,364.04	1,219.81
(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	28,854.39	29,569.45
(c) Borrowings (other than debt securities)	14	61,559.22	44,430.47
(d) Subordinated liabilities	15	1,833.29	2,540.95
(e) Lease liabilities	34	125.54	62.58
(f) Other financial liabilities	16	620.14	1,051.77
		94,360.38	**78,875.03**
b. Non-financial liabilities			
(a) Current tax liabilities (net)		248.89	174.48
(b) Provisions	17	50.41	34.50
(c) Other non-financial liabilities	18	78.39	71.86
		377.69	**280.84**
2. Equity			
(a) Equity share capital	19	2,494.87	2,488.94
(b) Other equity	20	22,799.85	20,706.02
		25,294.72	**23,194.96**
Total Liabilities and Equity		**1,20,032.79**	**1,02,350.83**
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 25, 2025

For and on behalf of the Board of Directors of
L&T Finance Limited
(formerly Known as L&T Finance Holdings 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: A18314

Place : Mumbai
Date : April 25, 2025

Place : Mumbai
Date : April 25, 2025

Standalone Statement of Profit and Loss for the year ended March 31, 2025

(₹ in crore)

	Particulars	Note No.	Year ended March 31, 2025	Year ended March 31, 2024
	Revenue from operations			
(i)	Interest income	21	14,661.86	12,912.79
(ii)	Dividend income	22	0.50	–
(iii)	Fees and commission income	23	1,077.34	661.64
(iv)	Net gain on fair value changes	24	172.43	–
I	**Total revenue from operations**		**15,912.13**	**13,574.43**
II	**Other income**	25	17.99	469.37
III	**Total income (I + II)**		**15,930.12**	**14,043.80**
	Expenses			
(i)	Finance costs	26	5,996.73	5,377.17
(ii)	Net loss on fair value changes	24	–	365.03
(iii)	Net loss on derecognition of financial instruments under amortised cost category	27	275.04	457.71
(iv)	Impairment on financial instruments	28	2,193.35	1,318.40
(v)	Employee benefits expenses	29	2,214.40	1,804.17
(vi)	Depreciation, amortisation and impairment	30	132.97	108.70
(vii)	Other expenses	31	1,662.70	1,625.98
IV	**Total expenses**		**12,475.19**	**11,057.16**
V	**Profit before exceptional items and tax (III – IV)**		**3,454.93**	**2,986.64**
VI	**Exceptional items**		**–**	**–**
VII	**Profit before tax (V – VI)**		**3,454.93**	**2,986.64**
VIII	**Tax expense**			
	(1) Current tax	48	756.97	704.56
	(2) Deferred tax	48	80.15	(4.15)
	Total tax expense		**837.12**	**700.41**
IX	**Profit for the year**		**2,617.81**	**2,286.23**
X	**Other comprehensive income**			
A.	(i) Items that will not be reclassified to profit or loss			
	a) Remeasurements of the defined benefit plans		(3.03)	4.69
	(ii) Income tax relating to items that will not be reclassified to profit or loss		0.76	(1.18)
	Subtotal (A)		**(2.27)**	**3.51**
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		54.78	8.94
	b) The effective portion of gains and loss on hedging instruments in a cash flow hedge		(37.47)	(8.33)
	(ii) Income tax relating to items that will be reclassified to profit or loss		9.43	2.10
	Subtotal (B)		**26.74**	**2.71**
	Total other comprehensive income (A+B)		**24.47**	**6.22**
XI	**Total comprehensive income for the year (IX+X)**		**2,642.28**	**2,292.45**
XII	**Earnings per equity share:**	36		
	Basic earnings per equity share (₹)		10.50	9.20
	Diluted earnings per equity share (₹)		10.47	9.17
	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 25, 2025

For and on behalf of the Board of Directors of
L&T Finance Limited
(formerly Known as L&T Finance Holdings 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: A18314

Place : Mumbai
Date : April 25, 2025

Place : Mumbai
Date : April 25, 2025

Standalone Statement of Cash Flows for the year ended March 31, 2025

(₹ in crore)

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
A. Cash flows from operating activities :		
Profit before tax	3,454.93	2,986.64
Adjustments for:		
Net loss/(profit) on sale of property, plant and equipment	0.48	0.63
Net loss on fair value changes	(172.43)	365.03
Net loss on derecognition of financial instruments under amortised cost category	275.04	457.71
Impairment on financial instruments	2,193.35	1,318.40
Depreciation, amortisation and impairment	132.97	108.70
Share based payment to employees	39.53	38.01
Operating profit before working capital changes	**5,923.87**	**5,275.12**
Changes in working capital		
Adjustments for increase/(decrease) in operating liabilities		
Other financial liabilities	(623.62)	569.68
Provisions	12.88	6.74
Trade and other payables	147.99	415.81
Other non-financial liabilities	6.53	23.49
Adjustments for (increase)/decrease in operating assets		
Other non-financial assets	(156.13)	12.82
Other financial assets	182.75	(528.55)
Trade and other receivables	131.29	(119.71)
Change in other bank balance	(6,846.44)	2,557.56
Cash generated from operations	**(1,220.87)**	**8,212.96**
Direct taxes paid (net of refund)	(700.54)	(317.21)
Loans (disbursed)/repayment (net)	(14,686.26)	(7,246.14)
Net cash (used in)/generated from operating activities (A)	**(16,607.67)**	**649.61**
B. Cash flows from investing activities :		
Purchase of property, plant and equipment	(87.17)	(37.77)
Proceeds from sale of property, plant and equipment	5.87	0.58
Purchase of intangible assets	(104.13)	(81.86)
Purchase of investments	(4,478.81)	(4,492.67)
Proceeds on sale of investments	2,813.49	3,115.95
Proceeds on sale of mutual funds[3]	2,349.88	2,354.56
Net cash generated from investing activities (B)	**499.13**	**858.79**
C. Cash flows from financing activities		
Proceeds from issue of share capital including security premium on account of employee stock options	40.40	42.51
Payment of lease liabilities	(18.02)	(12.17)
Dividend paid	(622.46)	(496.61)
Proceeds from borrowings[4]	40,299.97	17,776.73
Repayment of borrowings[4]	(24,259.13)	(24,363.13)
Net cash generated from/ (used in) financing activities (C)	**15,440.76**	**(7,052.67)**
Net decrease in cash and cash equivalents (A+B+C)	**(667.78)**	**(5,544.27)**

Standalone Statement of Cash Flows for the year ended March 31, 2025

(₹ in crore)

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Cash and cash equivalents at beginning of the year	3,561.44	9,105.71
Cash and cash equivalents at the end of the year	2,893.66	3,561.44
Net decrease in cash and cash equivalents	**(667.78)**	**(5,544.27)**

Components of cash and cash equivalents

Particulars	**As at March 31, 2025**	**As at March 31, 2024**
Cash on hand	1.20	1.56
Balances with banks in current accounts	2,527.89	1,768.68
Bank deposits with original maturity less than three months	364.57	1,791.20
Total cash and cash equivalents	**2,893.66**	**3,561.44**

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. Sale of investments is after adjustments of proceeds from sale / redemption of mutual fund.
4. Includes proceeds and repayment of debt securities, borrowings (other than debt securities) and subordinate liabilities.
5. Net cash generated from operating activity is determined after adjusting the following:

(₹ in crore)

	Year ended March 31, 2025	Year ended March 31, 2024
Interest received	14,508.72	13,067.53
Dividend received	0.50	–
Interest paid	6,120.63	5,225.35

6. The above standalone statement of cash flows includes ₹ 28.68 crore (previous period: ₹ 20.66 crore) towards corporate social responsibility (refer note 35).

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

For T R Chadha & Co LLP
Chartered Accountants
ICAI FRN: 006711N/N500028

Vikas Kumar
Partner
Membership No. 075363

Place : Mumbai
Date : April 25, 2025

For and on behalf of the Board of Directors of
L&T Finance Limited
(formerly Known as L&T Finance Holdings 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: A18314

Place : Mumbai
Date : April 25, 2025

Place : Mumbai
Date : April 25, 2025

Standalone Statement of Changes in Equity for the year ended March 31, 2025

A. Equity share capital

Particulars	As at March 31, 2025		As at March 31, 2024	
	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	2,48,89,40,310	2,488.94	2,47,96,71,117	2,479.67
Changes in equity share capital due to prior period errors	–	–	–	–
Restated balance at the beginning of the current reporting year	**2,48,89,40,310**	**2,488.94**	**2,47,96,71,117**	**2,479.67**
Changes in equity share capital during the year	59,27,791	5.93	92,69,193	9.27
Issued, subscribed and fully paid up equity shares outstanding as at the end of the year	**2,49,48,68,101**	**2,494.87**	**2,48,89,40,310**	**2,488.94**

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, 2023	**72.05**	**1.14**	**12,373.58**	**379.30**	**2,680.45**	**27.42**	**1,031.28**	**141.03**	**32.39**	**2,106.29**	**(7.53)**	**1.77**	**18,839.17**
Changes in Accounting policy/ prior period errors	–	–	–	–	–	–	–	–	–	–	–	–	–
Restated balance at the beginning of the current reporting year	**72.05**	**1.14**	**12,373.58**	**379.30**	**2,680.45**	**27.42**	**1,031.28**	**141.03**	**32.39**	**2,106.29**	**(7.53)**	**1.77**	**18,839.17**
Profit for the year	–	–	–	–	–	–	–	–	–	2,286.23	–	–	**2,286.23**
Actuarial gain/(loss) on defined benefit plan (gratuity) (net of tax)	–	–	–	–	–	–	–	–	–	3.51	–	–	**3.51**
Other Comprehensive income for the year (net of tax)	–	–	–	–	–	–	–	–	–	–	8.94	(6.23)	**2.71**
Total comprehensive income for the year	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**2,289.74**	**8.94**	**(6.23)**	**2,292.45**
Issue of equity shares	–	–	90.81	–	–	–	–	(19.84)	–	–	–	–	**70.97**
Transfer to reserve u/s 45–IC of Reserve Bank of India Act, 1934	–	–	–	–	457.25	–	–	–	–	(457.25)	–	–	**–**
Transfer to general reserve	–	(0.85)	–	12.35	–	–	–	(11.50)	–	–	–	–	**–**
Dividend paid	–	–	–	–	–	–	–	–	–	(496.61)	–	–	**(496.61)**
Transfer to reserve u/s 36(1) (viii) of Income tax Act	–	–	–	–	–	–	20.00	–	–	(20.00)	–	–	**–**
Others	–	–	–	–	–	–	–	–	–	0.04	–	–	**0.04**
Balance as at March 31, 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**

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, 2025

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 reserve u/s 45–IC of Reserve Bank of India Act, 1934	–	–	–	–	523.56	–	–	–	–	(523.56)	–	–	**–**
Transfer to general reserve	–	–	–	0.51	–	–	–	(0.44)	–	–	–	–	**0.07**
Transfer to reserve u/s 36(1) (viii) of Income tax Act	–	–	–	–	–	–	10.00	–	–	(10.00)	–	–	**–**
Dividend paid	–	–	–	–	–	–	–	–	–	(622.46)	–	–	**(622.46)**
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.

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 25, 2025

For and on behalf of the Board of Directors of
L&T Finance Limited
(formerly Known as L&T Finance Holdings 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: A18314

Place : Mumbai
Date : April 25, 2025

Place : Mumbai
Date : April 25, 2025

Notes forming part of standalone financial statements

Brief Profile:

L&T Finance Limited (formerly known as L&T Finance Holdings 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. The RBI vide its press release dated January 16, 2025 has categorised L&T Finance Limited in the Upper layer under Scale Based Regulation (SBR) for NBFCs.

The Company is registered with the Reserve Bank of India (RBI), Ministry of Corporate Affairs (MCA) 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 financial statements are prepared on a going concern basis as the Management is satisfied that the Company shall be able to continue its business for the foreseeable future and no material uncertainty exists that may cast significant doubt on the going concern assumption.

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 have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period.

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

1.3. Presentation of financial statements:

The Balance Sheet, Statement of Changes in Equity for the year and the Statement of Profit and Loss are prepared and presented in the format prescribed in the Division III to Schedule III to the Companies Act, 2013 ("the Act") applicable for Non-Banking Finance Companies ("NBFC"). The Statement of Cash Flows has

Notes forming part of standalone financial statements

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 Statement of Profit and Loss, as prescribed in the Division III to Schedule III to 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 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:

A Common control business combination, involving entities or business in which all of the combining entities or businesses are ultimately controlled by the same party or parties both before and after the business combination and where control is not transitory, is accounted for in accordance with Appendix C to Ind AS 103 "Business Combination".

The company accounts for Business combinations involving entities or businesses under common control are accounted for 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 are 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. 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.

Recognised financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

A financial asset and a financial liability is 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.

(i) Equity Instruments

Investments in Subsidiaries, Associates and Joint Ventures are accounted at cost in accordance with Ind AS 27 "Separate Financial Statements".

Notes forming part of standalone financial statements

(a) Investment in preference shares of the subsidiary companies are treated as equity instruments if the same are convertible into equity shares or are redeemable out of the proceeds of equity instruments issued for the purpose of redemption of such investments. Investment in preference shares not meeting the aforesaid conditions are classified as debt instruments at FVTPL.

(b) Investments in equity instruments issued by other than subsidiaries are classified as at FVTPL, unless the related instruments are not held for trading and the Company irrevocably elects on initial recognition to present subsequent changes in fair value in other comprehensive income

(ii) Financial assets

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.

For an asset to be classified and measured at amortised cost, its contractual terms should give rise to cash flows that are solely payments of principal and interest on the principal outstanding (SPPI).

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.

Notes forming part of standalone financial statements

(a) Financial assets at amortised cost

Financial assets are subsequently 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; 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.

Notes forming part of standalone financial statements

(iii) Financial liabilities

(a) Financial liabilities, including derivatives, which are designated for measurement at FVTPL are subsequently measured at fair value. Financial guarantee contracts are subsequently measured at the amount of impairment loss allowance or the amount recognised at inception net of cumulative amortisation, whichever is higher.

All other financial liabilities including loans and borrowings are measured at amortised cost using Effective Interest Rate (EIR) method as per Ind AS 109 'Financial Instruments'.

(b) A financial liability is derecognised when the related obligation expires or is discharged or cancelled.

1.6. 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.

1.7. Impairment:

The Company recognises loss allowances for Expected Credit Losses (ECLs) on the following financial instruments that are not measured at FVTPL:

- Loans and advances to customers;
- Debt investment securities;
- Trade and other receivable;
- Lease receivables;
- Irrevocable loan commitments issued; and
- Financial guarantee contracts issued.

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 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.

Notes forming part of standalone financial statements

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.

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.

With the exception of POCI financial assets (which are considered separately below), ECLs are required to be measured through a loss allowance at an amount equal to:

- 12-month ECL, i.e. lifetime ECL that result from those default events on the financial instrument that are possible within 12 months after the reporting date, (referred to as Stage 1); or
- full lifetime ECL, i.e. lifetime ECL that result from all possible default events over the life of the financial instrument, (referred to as Stage 2 and Stage 3).

A loss allowance for full 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.

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- 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.

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.

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.

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.

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.

1.8. 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).

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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.

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.

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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 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.

1.9. 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.

1.10. 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.

1.11. 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

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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.

1.12. 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

Notes forming part of standalone financial statements

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

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".

(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.

Notes forming part of standalone financial statements

1.13. Borrowing costs:

Borrowing 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.

Borrowing 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.

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.

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.

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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.

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 and intangible assets other than 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 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:

(i) in the case of an individual asset, at the higher of the net selling price and the value in use; and

(ii) 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.

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.

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1.17. Employee benefits:

(i) 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.

(ii) Post-employment benefits:

(a) 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.

(b) 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. 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.

(iii) 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.

(iv) 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.

Notes forming part of standalone financial statements

1.18. Leases:

a. 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.

b. 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.

1.19. Cash and cash equivalents:

Cash and cash equivalents include cash on hand and other short term highly liquid investments with original maturities of upto three months that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

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.

(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.

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.

(iii) 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. 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.

1.25. 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

(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:

a. 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

b. 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.

Notes forming part of standalone financial statements

1.26. Commitment:

Commitments are future liabilities for contractual expenditure, classified and disclosed as follows:

(a) estimated amount 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.

1.27. 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.

1.28. 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.

1.29. 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.

1.30. Recent Pronouncements:

The Ministry of Corporate Affairs ("MCA") notifies new standards or amendment to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended March 31, 2025, MCA has notified Ind AS – 117 Insurance contracts and amendments to Ind AS 116 – Leases, relating to sale and leaseback transactions, applicable to the Company w.e.f. April 1, 2024. The Company has reviewed the new pronouncements based on its evaluation has determined that it does not have any significant impact in its financial statements.

Notes forming part of standalone financial statements

2 Cash and cash equivalents

(₹ in crore)

Particulars	As at March 31, 2025	As at March 31, 2024
Cash on hand	1.20	1.56
Balances with banks in current accounts	2,527.89	1,768.68
Bank deposits with original maturity less than three months	364.57	1,791.20
Total cash and cash equivalents	**2,893.66**	**3,561.44**

3 Bank balance other than note 2 above

(₹ in crore)

Particulars	As at March 31, 2025	As at March 31, 2024
Earmarked balances with banks		
- Unclaimed dividend on equity shares	1.31	1.12
- Unclaimed redemption proceeds and dividend on preference shares	0.78	0.78
- Unclaimed matured debentures	156.86	166.34
Balances with banks to the extent held as margin money or security against borrowing, guarantees, other commitments	4,686.30	913.31
Banks deposits with maturity greater than three months and less than twelve months	3,083.86	1.12
Total bank balance other than note 2 above	**7,929.11**	**1,082.67**

4 Derivative financial instruments

(₹ in crore)

Particulars	As at March 31, 2025	As at March 31, 2024
Part I		
(i) Currency derivatives:		
Notional Amounts		
– Cross currency Interest rate swap	7,492.08	1,902.27
Fair value assets		
– Cross currency Interest rate swap	48.49	185.87
Fair value liabilities		
– Cross currency Interest rate swap	(47.94)	(2.88)
Subtotal (i)	**0.55**	**182.99**

Notes forming part of standalone financial statements

(₹ in crore)

Particulars	As at March 31, 2025	As at March 31, 2024
(ii) Interest rate derivatives:		
Notional Amounts		
– Overnight Interest rate swaps	–	400.00
Fair Value Assets		
– Overnight Interest rate swaps	–	2.55
Fair Value Liabilities		
– Overnight Interest rate swaps	–	–
Subtotal (ii)	**–**	**2.55**
Total derivative financial instruments	**0.55**	**185.54**
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	7,492.08	1,902.27
– Interest rate derivatives	–	400.00
Fair value assets		
– Currency derivatives	48.49	185.87
– Interest rate derivatives	–	2.55
Fair Value Liabilities		
– Currency derivatives	(47.94)	(2.88)
– Interest rate derivatives	–	–
Total derivative financial instruments	**0.55**	**185.54**

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, 2025	As at March 31, 2024
(i) Trade receivables (refer note 5(iii))		
(a) Receivables considered good – secured	–	–
(b) Receivables considered good – unsecured	116.95	247.27
(c) Receivables which have significant increase in credit risk	–	–
(d) Receivables – credit impaired		
Receivables	7.59	7.59
Less : Impairment loss allowance	(7.59)	(7.59)
Total trade receivables (i)	**116.95**	**247.27**

Notes forming part of standalone financial statements

(₹ in crore)

Particulars	As at March 31, 2025	As at March 31, 2024
(ii) Other receivables		
(a) Receivables considered good – Secured	–	–
(b) Receivables considered good – unsecured	5.56	3.23
(c) Receivables which have significant increase in Credit Risk	–	–
(d) Receivables from related parties* (refer note : 32)	0.01	2.45
(e) Receivables – credit impaired		
Receivables	10.07	10.93
Impairment loss allowance	(10.07)	(10.93)
Total other receivables (ii)	**5.57**	**5.68**
Total receivables (i+ii)	**122.52**	**252.95**

*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) Ageing Schedule for Trade Receivables#

(₹ in crore)

Particulars	Outstanding as on March 31, 2025						
	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	–	109.30	0.27	0.33	–	–	109.90
(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	–	–	–	–	–	–	–
(ix) Unbilled	7.05	–	–	–	–	–	7.05
Total	**7.05**	**109.30**	**0.27**	**0.33**	**–**	**–**	**116.95**

Notes forming part of standalone financial statements

(₹ in crore)

Particulars	Outstanding as on March 31, 2024						
	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	–	241.38	0.30	–	–	–	241.68
(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	–	–	–	–	–	–	–
(ix) Unbilled	5.59	–	–	–	–	–	5.59
Total	**5.59**	**241.38**	**0.30**	**–**	**–**	**–**	**247.27**

The above ageing is prepared on the basis of date of transaction.

6 Loans

(₹ in crore)

Particulars	As at March 31, 2025	As at March 31, 2024
(A) (i) At amortised cost		
– Term loans	95,179.11	80,035.53
Total gross loans at amortised cost	**95,179.11**	**80,035.53**
Less: Impairment loss allowance#	(3,536.75)	(3,537.75)
Total net loans at amortised cost (i)	**91,642.36**	**76,497.78**
(ii) At fair value through profit or Loss		
– Loans repayable on demand	–	12.40
– Term loans	2,333.93	5,267.91
– Debentures	248.43	248.68
Total gross loans at fair value through profit or loss	**2,582.36**	**5,528.99**
Less: Impact of fair value changes	(451.66)	(667.38)
Total net loans at fair value through profit or loss (ii)	**2,130.70**	**4,861.61**
Total net loans (A) = (i)+(ii)	**93,773.06**	**81,359.39**

Notes forming part of standalone financial statements

(₹ in crore)

Particulars	As at March 31, 2025	As at March 31, 2024
(B) (i) At amortised cost		
– Secured by tangible assets@	51,579.46	42,732.48
– Unsecured	43,599.65	37,303.05
Total gross loans at amortised cost	**95,179.11**	**80,035.53**
Less: Impairment loss allowance#	(3,536.75)	(3,537.75)
Total net loans at amortised cost (i)	**91,642.36**	**76,497.78**
(ii) At fair value through profit or loss:		
– Secured by tangible assets	2,582.36	5,528.99
– Unsecured	–	–
Total gross loans at fair value through profit or loss	**2,582.36**	**5,528.99**
Less: Impact of fair value changes	(451.66)	(667.38)
Total net loans at fair value through profit or loss (ii)	**2,130.70**	**4,861.61**
Total net loans (B) = (i)+(ii)	**93,773.06**	**81,359.39**
@ Includes hypothecation/mortgage under process		
(C) (I) Loans in India		
(i) At amortised cost		
– Public sector	–	–
– Others	95,179.11	80,035.53
Total gross loans at amortised cost	**95,179.11**	**80,035.53**
Less: Impairment loss allowance#	(3,536.75)	(3,537.75)
Total net loans in India at amortised cost (i)	**91,642.36**	**76,497.78**
(ii) At fair value through profit or loss:		
– Public sector	–	–
– Others	2,582.36	5,528.99
Total gross loans at fair value through profit or loss	**2,582.36**	**5,528.99**
Less: Impact of fair value changes	(451.66)	(667.38)
Total net loans at fair value through profit or loss (ii)	**2,130.70**	**4,861.61**
Total net loans in India (C)(I) = (i)+(ii)	**93,773.06**	**81,359.39**
(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)	**93,773.06**	**81,359.39**

Note: There are no loans or advances, in the natures of loans, are granted to promoters, directors, KMPs and the related parties (as defined under the Companies Act 2013), either severally or jointly with any other person.

Impairment loss allowance as on March 31, 2025 is after utilisation of ₹ 400 Crore of macro prudential provision.

Notes forming part of standalone financial statements

7 Investments

(₹ in crore)

Particulars	As at March 31, 2025	As at March 31, 2024
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	10.23	16.14
(ii) In unquoted equity shares	39.54	1.73
(iii) In debt securities	90.02	113.84
(iv) In mutual funds	–	2,353.43
(v) In other securities– Subsidiaries	46.81	72.77
(vi) In other securities– Other than subsidiaries	22.22	27.38
(vii) In security receipts	5,862.44	6,769.50
Total (B)	**6,071.26**	**9,354.78**
C. Investments carried at fair value through other comprehensive income (FVOCI)		
(i) In Debt securities	409.75	404.97
(ii) In Bonds	94.47	93.31
(iii) In Government securities	5,092.65	2,353.86
(iv) In Pass through certificates	–	–
Total (C)	**5,596.87**	**2,852.15**
Total investments (A+B+C)	**11,835.98**	**12,374.78**
(i) Investments outside India	**–**	**–**
(ii) Investments in India	**11,835.98**	**12,374.78**
Total Investments	**11,835.98**	**12,374.78**

8 Other financials assets

(₹ in crore)

Particulars	As at March 31, 2025	As at March 31, 2024
Security deposit	73.45	74.24
Collateralized borrowing and lending obligation (TREPS)	299.95	499.91
Other advances	15.25	60.40
Total other financials assets	**388.65**	**634.55**

Notes forming part of standalone financial statements

9 Property, plant and equipment

(₹ in crore)

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
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**
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.

(₹ in crore)

Assets	Gross carrying value***				Accumulated depreciation***				Net carrying value***	
	As at April 01, 2023	Additions	Disposals/ Adjust-ment	As at March 31, 2024	As at April 01, 2023	For the Year	Disposals/ Adjust-ment	As at March 31, 2024	As at March 31, 2024	As at March 31, 2023
Buildings : Owned*	0.38	–	–	0.38	0.06	0.01	–	0.07	0.31	0.32
Lease hold renovation : Owned	11.40	3.58	1.93	13.05	7.56	1.38	1.82	7.12	5.93	3.84
Plant and equipment : Lease out	2.80	–	–	2.80	2.16	–	–	2.16	0.64	0.64
Computers : Owned	44.71	12.99	–	57.70	37.10	3.84	–	40.94	16.76	7.61
Furniture and fixtures**										
Owned	14.86	2.47	5.59	11.74	8.01	1.61	2.70	6.92	4.82	6.85
Leased out	4.74	–	–	4.74	4.06	–	–	4.06	0.68	0.68
Sub total – Furniture and fixtures	**19.60**	**2.47**	**5.59**	**16.48**	**12.07**	**1.61**	**2.70**	**10.98**	**5.50**	**7.53**
Office equipment#**										
Owned	28.85	8.62	8.80	28.67	13.52	5.40	2.24	16.68	11.99	15.33
Leased out	0.01	–	–	0.01	–	–	–	–	0.01	0.01
Sub total – Office equipment	**28.86**	**8.62**	**8.80**	**28.68**	**13.52**	**5.40**	**2.24**	**16.68**	**12.00**	**15.34**
Vehicles										
Owned	13.67	10.11	2.13	21.65	4.07	4.34	1.46	6.95	14.70	9.60
Leased out	0.22	–	–	0.22	0.14	–	–	0.14	0.08	0.08
Sub total – Vehicles	**13.89**	**10.11**	**2.13**	**21.87**	**4.21**	**4.34**	**1.46**	**7.09**	**14.78**	**9.68**
Total	**121.64**	**37.77**	**18.45**	**140.96**	**76.68**	**16.58**	**8.22**	**85.04**	**55.92**	**44.96**

Notes forming part of standalone financial statements

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.

** Gross Value of furniture & fixture amounting to ₹ 2.39 Crore transferred to office equipment.

Gross Value of office equipment amounting to ₹ 9.65 Crore transferred to Specialised Software.

***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 and Intangible assets under development

(₹ in crore)

Particulars	Gross carrying value***				Accumulated Amortization***				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
Other intangible assets										
Specialised software	455.30	96.22	–	551.52	359.17	78.53	–	437.70	113.82	96.13
Distribution and customer network rights	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**
(b) Intangible assets under development									**45.00**	**35.62**

Notes forming part of standalone financial statements

(₹ in crore)

Particulars	Gross carrying value***				Accumulated Amortization***				Net carrying value***	
	As at April 01, 2023	Additions	Disposals/ Adjust-ment	As at March 31, 2024	As at April 01, 2023	For the Year	Disposals/ Adjust-ment	As at March 31, 2024	As at March 31, 2024	As at March 31, 2023
Other intangible assets										
Specialised software#	395.58	50.07	(9.65)	455.30	280.21	78.33	(0.63)	359.17	96.13	115.37
Distribution and customer network rights (refer footnote)	438.80	–	–	438.80	438.80	–	–	438.80	–	–
(a) Total other intangible assets	**834.38**	**50.07**	**(9.65)**	**894.10**	**719.01**	**78.33**	**(0.63)**	**797.97**	**96.13**	**115.37**
(b) Intangible assets under development									**35.62**	**4.81**

***The Company has not revalued its property plant and equipment during the year and hence there is no movement for revaluation shown separately.

Gross Value of office equipment amounting to ₹ 9.65 Crore transferred to Specialised Software.

10(b) Intangible assets under development

(i) Schdedule of ageing 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
Projects temporarily suspended	–	–	–	–	–
Total	**45.00**	**–**	**–**	**–**	**45.00**

(ii) Schedule of Ageing of completion of Intangible assets under development as at March 31, 2024*

(₹ 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	35.62	–	–	–	35.62
Projects temporarily suspended	–	–	–	–	–
Total	**35.62**	**–**	**–**	**–**	**35.62**

* Above Intangible asset under development is not overdue or has not exceeded its cost compared to its original plan.

11 Other non-financials assets

(₹ in crore)

Particulars	As at March 31, 2025	As at March 31, 2024
Prepaid expenses	53.36	33.21
Amount paid under protest	32.85	31.55
Assets acquired in settlement of claims / loans (Net)	438.48	413.60
Other advances	106.81	45.84
Total other non-financials Assets	**631.50**	**524.20**

Notes forming part of standalone financial statements

12 Payables

(₹ in crore)

Particulars	As at March 31, 2025	As at March 31, 2024
(i) Trade payables (refer note 12(iii))		
Micro enterprises and small enterprises (refer note 41)	3.76	–
Due to others	1,229.95	1,086.98
Due to related parties (refer note 32)	134.09	132.83
Total trade payables (i)	**1,367.80**	**1,219.81**
(ii) Other payables		
Micro enterprises and small enterprises	–	–
Due to others	–	–
Due to related parties	–	–
Total other payables (ii)	**–**	**–**
Total payables (i+ii)	**1,367.80**	**1,219.81**

(iii) Trade Payables ageing schedule (₹ in crore)

Particulars	Outstanding as on March 31, 2025 *					Total
	Unbilled	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	–	3.76	–	–	–	3.76
(ii) Others	–	22.73	1.43	–	–	24.16
(iii) Disputed Dues – MSME	–	–	–	–	–	–
(iv) Disputed Dues – Others	–	–	–	–	–	–
(v) Bill Raised But not paid	–	67.92	–	–	–	67.92
(vi) Undue Bills	1,271.96	–	–	–	–	1,271.96
Total	**1,271.96**	**94.41**	**1.43**	**–**	**–**	**1,367.80**

(₹ in crore)

Particulars	Outstanding as on March 31, 2024 *					Total
	Unbilled	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	–	–	–	–	–	–
(ii) Others	–	23.48	–	–	–	23.48
(iii) Disputed Dues – MSME	–	–	–	–	–	–
(iv) Disputed Dues – Others	–	–	–	–	–	–
(v) Bill Raised But not paid	–	49.80	–	–	–	49.80
(vi) Undue Bills	1,146.53	–	–	–	–	1,146.53
Total	**1,146.53**	**73.28**	**–**	**–**	**–**	**1,219.81**

* The above ageing is preapared on the basis of date of transaction.

Notes forming part of standalone financial statements

13 Debt Securities

(₹ in crore)

Particulars	As at March 31, 2025	As at March 31, 2024
(A) (i) At amortised cost		
– Redeemable non convertible debentures (refer note 13 (a))	22,781.30	25,887.73
– Commercial papers (net) (refer note 13 (b))	6,073.09	3,681.72
Total debt securities at amortised cost (i)	**28,854.39**	**29,569.45**
Total debt securities (A)	**28,854.39**	**29,569.45**
(B) (I) Debt securities in India		
(i) At amortised cost	28,854.39	29,569.45
(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)	**28,854.39**	**29,569.45**
(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)	**28,854.39**	**29,569.45**

13(a) Secured redeemable non convertible debentures

Series details	Face value per debenture	Date of allotment	Balance as at March 31, 2025 (₹ in crore)	Balance as at March 31, 2024 (₹ in crore)	Interest rate % p.a.	Date of redemption	Redeemable terms
Series III option 1 FY 2019–20 (Public issue–1)	1,000.00	15–04–2019	–	79.01	8.80%	15–04–2024	Redeemable at par at the end of 1827 days from the date of allotment
Series III option 2 FY 2019–20 (Public issue–1)	1,000.00	15–04–2019	–	202.05	9.00%	15–04–2024	Redeemable at par at the end of 1827 days from the date of allotment
Series IV option 1 FY 2019–20 (Public issue–1)	1,000.00	15–04–2019	–	1.56	8.48%	15–04–2024	Redeemable at par at the end of 1827 days from the date of allotment
Series IV option 2 FY 2019–20 (Public issue–1)	1,000.00	15–04–2019	–	21.99	8.66%	15–04–2024	Redeemable at par at the end of 1827 days from the date of allotment
Series V option 1 FY 2019–20 (Public issue–1)	1,000.00	15–04–2019	–	0.35	8.81%	15–04–2024	Redeemable at par at the end of 1827 days from the date of allotment
Series V option 2 FY 2019–20 (Public issue–1)	1,000.00	15–04–2019	–	28.14	9.01%	15–04–2024	Redeemable at par at the end of 1827 days from the date of allotment
Sr C FY 17–18	₹ 25 lakh each	04–05–2017	–	134.19	8.08%	03–05–2024	Redeemable at par at the end of 2556 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, 2025 (₹ in crore)	Balance as at March 31, 2024 (₹ in crore)	Interest rate % p.a.	Date of redemption	Redeemable terms
Series H FY 2020–21	₹ 10 lakh each	10–03–2021	–	50.19	6.45%	10–05–2024	Redeemable at par at the end of 1157 days from the date of allotment
Reissuance – Series A FY 2021–22	₹ 10 lakh each	30–04–2021	–	301.21	6.45%	10–05–2024	Redeemable at par at the end of 1106 days from the date of allotment
Reissuance – Series C FY 2021–22	₹ 10 lakh each	27–05–2021	–	200.86	6.45%	10–05–2024	Redeemable at par at the end of 1079 days from the date of allotment
Sr E FY 17–18	₹ 25 lakh each	16–05–2017	–	42.83	8.08%	16–05–2024	Redeemable at par at the end of 2557 days from the date of allotment
Sr G FY18 Opt 1	₹ 25 lakh each	31–05–2017	–	37.36	8.07%	31–05–2024	Redeemable at par at the end of 2557 days from the date of allotment
Sr A FY15 Op 3	₹ 25 lakh each	10–06–2014	–	102.42	9.70%	10–06–2024	Redeemable at par at the end of 3653 days from the date of allotment
Sr H FY18 Opt 2	₹ 25 lakh each	08–06–2017	–	106.58	8.08%	10–06–2024	Redeemable at par at the end of 2559 days from the date of allotment
Sr I FY18 Opt 2	₹ 25 lakh each	14–06–2017	–	26.61	8.07%	14–06–2024	Redeemable at par at the end of 2557 days from the date of allotment
Sr J FY18 Opt 2	₹ 25 lakh each	16–06–2017	–	53.20	8.07%	14–06–2024	Redeemable at par at the end of 2555 days from the date of allotment
SrC FY19 Opt II	₹ 10 lakh each	26–06–2018	–	265.32	9.30%	26–06–2024	Redeemable at par at the end of 2192 days from the date of allotment
Series A FY 2022–23	₹ 10 lakh each	01–07–2022	–	184.92	7.55%	01–07–2024	Redeemable at par at the end of 731 days from the date of allotment
Sr D FY 18–19	₹ 10 lakh each	06–07–2018	–	170.97	9.30%	05–07–2024	Redeemable at par at the end of 2191 days from the date of allotment
Series E FY 2020–21 opt 2	₹ 10 lakh each	13–07–2020	–	258.73	7.90%	12–07–2024	Redeemable at par at the end of 1460 days from the date of allotment
Series C FY 2022–23 – MLD	₹ 10 lakh each	27–07–2022	–	229.36	7.20%	27–08–2024	Redeemable at par at the end of 762 days from the date of allotment
Reissuance–Series E FY 2022–23 MLD	₹ 10 lakh each	08–08–2022	–	80.95	7.20%	27–08–2024	Redeemable at par at the end of 750 days from the date of allotment
Reissuance–Series F FY 2022–23 MLD	₹ 10 lakh each	19–08–2022	–	133.79	7.20%	27–08–2024	Redeemable at par at the end of 739 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, 2025 (₹ in crore)	Balance as at March 31, 2024 (₹ in crore)	Interest rate % p.a.	Date of redemption	Redeemable terms
Series F FY 2021–22 option 2	₹ 10 lakh each	31–08–2021	–	517.23	5.90%	30–08–2024	Redeemable at par at the end of 1095 days from the date of allotment
Series K FY 2020–21 opt 2	₹ 10 lakh each	16–09–2020	–	181.65	7.15%	16–09–2024	Redeemable at par at the end of 1461 days from the date of allotment
Series D FY 2020–21	₹ 10 lakh each	03–11–2020	–	307.77	6.55%	01–11–2024	Redeemable at par at the end of 1459 days from the date of allotment
Series M FY 2020–21	₹ 10 lakh each	03–11–2020	–	205.34	6.75%	01–11–2024	Redeemable at par at the end of 1459 days from the date of allotment
Series J FY 2021–22	₹ 10 lakh each	16–11–2021	–	66.52	6.25%	15–11–2024	Redeemable at par at the end of 1095 days from the date of allotment
Series J FY 2021–22	₹ 10 lakh each	16–11–2021	–	153.50	6.25%	15–11–2024	Redeemable at par at the end of 1095 days from the date of allotment
Series A FY 2017–18	₹ 10 lakh each	29–06–2017	–	684.95	7.59%	18–11–2024	Redeemable at par at the end of 2699 days from the date of allotment
Series K FY 2021–22 option 1	₹ 10 lakh each	03–12–2021	–	153.06	6.25%	03–12–2024	Redeemable at par at the end of 1096 days from the date of allotment
Series IV option 1 FY 2019–20 (Public issue–2)	1,000.00	23–12–2019	–	23.73	8.45%	23–12–2024	Redeemable at par at the end of 1827 days from the date of allotment
Series IV option 2 FY 2019–20 (Public issue–2)	1,000.00	23–12–2019	–	332.59	8.60%	23–12–2024	Redeemable at par at the end of 1827 days from the date of allotment
Series V option 1 FY 2019–20 (Public issue–2)	1,000.00	23–12–2019	–	0.79	8.15%	23–12–2024	Redeemable at par at the end of 1827 days from the date of allotment
Series V option 2 FY 2019–20 (Public issue–2)	1,000.00	23–12–2019	–	75.33	8.29%	23–12–2024	Redeemable at par at the end of 1827 days from the date of allotment
Series K FY 2022–23 – MLD	₹ 10 lakh each	24–11–2022	–	176.49	7.75%	27–12–2024	Redeemable at par at the end of 764 days from the date of allotment
"Reissuance – Series L FY 2022–23 – MLD option 2 (Original Issuance Series K FY 2022–23_MLD)"	₹ 10 lakh each	07–12–2022	–	115.07	7.75%	27–12–2024	Redeemable at par at the end of 751 days from the date of allotment
Series L FY 2021–22	₹ 10 lakh each	23–12–2021	–	305.04	6.15%	23–01–2025	Redeemable at par at the end of 1127 days from the date of allotment
Sr B FY15 Opt I	₹ 25 lakh each	28–01–2015	–	101.43	8.49%	28–01–2025	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, 2025 (₹ in crore)	Balance as at March 31, 2024 (₹ in crore)	Interest rate % p.a.	Date of redemption	Redeemable terms
Series B FY 2019–20 opt 1	₹ 10 lakh each	28–01–2020	–	65.96	8.45%	17–02–2025	Redeemable at par at the end of 1847 days from the date of allotment
Reissuance – Series B1 FY 2019–20 opt 1 (Original issuance series B FY 2019–20 opt 1)	₹ 10 lakh each	05–02–2020	–	35.49	8.45%	17–02–2025	Redeemable at par at the end of 1839 days from the date of allotment
MLD SR D 19–20	₹ 10 lakh each	31–01–2020	–	22.94	8.17%	28–02–2025	Redeemable at par at the end of 1855 days from the date of allotment
Series J FY 2022–23	₹ 10 lakh each	17–11–2022	–	72.17	7.88%	11–03–2025	Redeemable at par at the end of 845 days from the date of allotment
Series O FY 2022–23 – MLD	₹ 1 lakh each	06–01–2023	–	78.90	7.69%	21–03–2025	Redeemable at par at the end of 805 days from the date of allotment
MLD SR E 19–20	₹ 10 lakh each	25–02–2020	–	232.62	8.70%	25–03–2025	Redeemable at par at the end of 1855 days from the date of allotment
Series J FY 2015–16 opt 3	₹ 25 lakh each	19–05–2015	47.91	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	32.27	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	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	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	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	188.11	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	294.66	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	364.20	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	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	15.94	9.05%	23–07–2025	Redeemable at par at the end of 2557 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, 2025 (₹ in crore)	Balance as at March 31, 2024 (₹ in crore)	Interest rate % p.a.	Date of redemption	Redeemable terms
Series E FY 2020–21 opt 1	₹ 10 lakh each	13–07–2020	528.40	528.03	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	211.02	7.75%	14–08–2025	Redeemable at par at the end of 1126 days from the date of allotment
Series B FY 2022–23 Option 2	₹ 10 lakh each	15–07–2022	367.44	340.98	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	249.01	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	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	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	505.29	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	517.49	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	189.88	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	605.67	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	15.42	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	156.01	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	52.64	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	331.22	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	22.12	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	135.93	8.73%	24–02–2026	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, 2025 (₹ in crore)	Balance as at March 31, 2024 (₹ in crore)	Interest rate % p.a.	Date of redemption	Redeemable terms
Series N FY 2022–23	₹ 10 lakh each	29–12–2022	393.27	393.29	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	510.21	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	90.10	8.75%	20–03–2026	Redeemable at par at the end of 3650 days from the date of allotment
Sr H FY 15–16	₹ 25 lakh each	29–03–2016	325.91	325.45	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	162.50	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	21.55	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	913.15	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	10.70	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	53.46	53.44	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	112.09	112.11	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	15.95	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	15.85	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	505.90	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	75.81	75.84	8.43%	28–09–2026	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, 2025 (₹ in crore)	Balance as at March 31, 2024 (₹ in crore)	Interest rate % p.a.	Date of redemption	Redeemable terms
Sr K FY17 OPT 1	₹ 25 lakh each	03–10–2016	106.48	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	77.87	77.89	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	134.76	134.80	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
Sr P FY 16–17	₹ 25 lakh each	15–11–2016	25.76	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	48.36	48.38	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	25.53	25.49	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	406.32	405.69	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	509.62	509.65	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	152.77	152.71	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	163.62	–	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	182.77	–	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	11.38	11.37	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	381.48	380.92	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	0.45	8.52%	15–04–2027	Redeemable at par at the end of 2922 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, 2025 (₹ in crore)	Balance as at March 31, 2024 (₹ in crore)	Interest rate % p.a.	Date of redemption	Redeemable terms
Series VII option 2 FY 2019–20 (Public issue–1)	1,000.00	15–04–2019	17.50	17.47	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	301.05	301.14	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	100.32	–	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	200.96	–	8.24%	16–06–2027	Redeemable at par at the end of 1112 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	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	50.30	–	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	300.29	–	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	53.33	–	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	53.31	–	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	53.13	–	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	511.25	–	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	143.44	143.43	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	281.42	281.24	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	151.48	151.47	7.90%	26–05–2028	Redeemable at par at the end of 1827 days from the date of allotment
Series A FY 2011–12	₹ 5.71 lakh each	18–10–2011	291.33	364.15	9.70%	18–10–2028	Redeemable at par in 7 installments

Notes forming part of standalone financial statements

Series details	Face value per debenture	Date of allotment	Balance as at March 31, 2025 (₹ in crore)	Balance as at March 31, 2024 (₹ in crore)	Interest rate % p.a.	Date of redemption	Redeemable terms
Series V option 1 FY 2018–19 (Public issue–1)	1,000.00	13–03–2019	8.01	8.00	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	110.92	110.79	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	101.73	101.61	8.98%	13–03–2029	Redeemable at par at the end of 3653 days from the date of allotment
Series H FY 2023–24	₹ 1 lakh each	29–01–2024	207.74	207.76	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	223.90	223.91	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	12.42	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	309.52	–	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	101.34	101.30	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	55.78	55.79	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	223.04	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	363.12	–	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	126.46	126.45	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	267.01	267.09	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	104.06	104.03	7.66%	09–09–2030	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, 2025 (₹ in crore)	Balance as at March 31, 2024 (₹ in crore)	Interest rate % p.a.	Date of redemption	Redeemable terms
Series K FY 2020–21 opt 1 (Reissuance of Series J FY 2020–21 opt 2)	₹ 10 lakh each	16–09–2020	52.20	52.21	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	1,534.91	1,529.04	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	5.02	5.02	8.73%	24–02–2031	Redeemable at par at the end of 5479 days from the date of allotment
Series B FY 2021–22	₹ 10 lakh each	19–05–2021	1,064.27	1,064.30	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	26.94	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	112.11	112.10	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	26.94	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	277.61	277.64	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	266.45	266.44	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	117.52	117.55	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	79.66	79.62	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	1,669.42	7.90%	13–09–2033	Redeemable at par in 4 installments
NCD SRC STRPP 3	₹ 2 lakh each	21–10–2020	26.93	26.94	8.10%	21–10–2033	Redeemable at par at the end of 4748 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, 2025 (₹ in crore)	Balance as at March 31, 2024 (₹ in crore)	Interest rate % p.a.	Date of redemption	Redeemable terms
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	20.21	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	521.41	–	7.90%	08–09–2034	Redeemable at par in 4 installments
Series "B" (FY 2024–25)	₹ 1 lakh each	13–12–2024	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	26.94	8.10%	20–10–2034	Redeemable at par at the end of 5112 days from the date of allotment
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	26.94	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
Total 13(a)			**22,781.30**	**25,887.73**			

Nature of Security :

The Debentures are secured by way of first charge, having pari passu right, as the case may be, on the company's specified immovable properties and specified term loan.

Secured redeemable non convertible debentures public issue :

The Company has utilised fund 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 (net)

Repayment Term	Tenure	Interest Range	Balance as at March 31, 2025 (₹ in crore)	Balance as at March 31, 2024 (₹ in crore)
Bullet	Up to 1 Year	7.01%-8.00%	6,073.09	1,171.22
		8.01%-9.00%	–	2,510.50
	Total 13(b)		**6,073.09**	**3,681.72**

Notes forming part of standalone financial statements

14 Borrowings (other than debt securities)

(₹ in crore)

Particulars	As at March 31, 2025	As at March 31, 2024
(A) (i) At amortised cost		
(a) Term loans		
(i) from banks (refer note 14 (a))	26,648.82	20,303.86
(ii) from financial institutions (refer note 14 (b))	2,723.37	4,048.52
(b) External commercial borrowings (refer note 14 (c))	7,544.01	2,105.51
(c) Loan repayable on demand		
(i) from banks (refer note 14 (d))	22,451.83	16,615.58
(d) Collateralized borrowing and lending obligation (refer note 14 (e))	399.93	399.18
(e) Associated liability related to securitisation transactions (refer note 14 (f))	1,791.26	957.82
Total borrowings other than debt securities at amortised cost (i)	**61,559.22**	**44,430.47**
Total borrowings (other than debt securities) (A)	**61,559.22**	**44,430.47**
(B) (I) Borrowings (other than debt securities) in India		
(i) At amortised cost	54,015.21	42,324.96
(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)	**54,015.21**	**42,324.96**
(II) Borrowings (other than debt securities) outside India		
(i) At amortised Cost	7,544.01	2,105.51
(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)	**7,544.01**	**2,105.51**
Total borrowings (other than debt securities) (B) = (I)+(II)	**61,559.22**	**44,430.47**

14(a) Term loans from bank : Secured

Repayment Term	Interest Range	Residual Tenure as on the Balance sheet date	Balance as at March 31, 2025 (₹ in crore)	Balance as at March 31, 2024 (₹ in crore)
Quarterly	Upto 7.00%	Upto 1 Yr	2,039.35	155.79
		1 To 3 Yrs	4,303.62	2,342.10
		3 – 5 Years	199.81	–
	7.01%–8.00%	Upto 1 Yr	79.49	1,200.21
		1 To 3 Yrs	5,091.09	4,072.16
		3 – 5 Years	1,799.98	–

Notes forming part of standalone financial statements

Repayment Term	Interest Range	Residual Tenure as on the Balance sheet date	Balance as at March 31, 2025 (₹ in crore)	Balance as at March 31, 2024 (₹ in crore)
Quarterly	8.01%–9.00%	Upto 1 Yr	924.90	686.62
		1 To 3 Yrs	274.85	1,515.60
		3 – 5 Years	–	374.80
Semi Annually	Upto 7.00%	Upto 1 Yr	333.69	560.71
		1 To 3 Yrs	565.40	971.16
		3 To 5 Yrs	202.50	400.00
	7.01%–8.00%	Upto 1 Yr	200.04	25.00
		1 To 3 Yrs	4,604.78	3,319.50
		3 To 5 Yrs	4,148.40	1,473.44
	8.01%–9.00%	1 To 3 Yrs	952.88	600.14
		3 To 5 Yrs	–	1,334.02
Bullet	Upto 7.00%	Upto 1 Yr	–	499.90
	8.01%–9.00%		50.03	100.00
	Upto 7.00%	1 – 3 Year	–	190.00
	7.01%–8.00%		500.00	–
	8.01%–9.00%		–	50.01
Annually	Upto 7.00%	Upto 1 Yr	–	25.01
	8.01%–9.00%		34.00	306.70
	Upto 7.00%	1 To 3 Yrs	115.00	–
	7.01%–8.00%		229.01	34.01
	8.01%–9.00%			67.00
Total			**26,648.84**	**20,303.86**

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, 2025 (₹ in crore)	Balance as at March 31, 2024 (₹ in crore)
Quarterly	Upto 7.00%	Upto 1 Yr		170.64
	Upto 7.00%	1 – 3 Year	747.13	1,145.50
	7.01%–8.00%	1 – 3 Year	1,155.09	1,577.90
	8.01%–9.00%	3 – 5 Years	319.80	411.40
Semi Annually	Upto 7.00%	Upto 1 Yr	–	743.08
	8.01%–9.00%	Above 5 years	501.34	–
Total			**2,723.37**	**4,048.52**

Nature of Security :

Term loan from financial institutions is secured by hypothecation of specified term loan receivables.

Notes forming part of standalone financial statements

14(c) External commercial borrowings : Secured

Repayment Term	Interest Range	Residual Tenure as on the Balance sheet date	Balance as at March 31, 2025 (₹ in crore)	Balance as at March 31, 2024 (₹ in crore)
Bullet	8.01%-9.00%	Upto 1 Yr	–	1,064.73
	7.01%-8.00%	1 - 3 Year	5,688.93	411.51
Semi Annually	7.01%-8.00%	3 - 5 Years	1,019.97	417.78
	8.01%-9.00%	3 - 5 Years	835.12	211.49
Total			**7,544.01**	**2,105.51**

Nature of Security :

External commercial borrowings Loan is secured againt first charge on specific receivables pertaining to Farm Equipments.

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, 2025 (₹ in crore)	Balance as at March 31, 2024 (₹ in crore)
Working Capital Demand Loan	Bullet	Up to 1 Year	7.01%–8.00%	3,910.13	935.00
			8.01%–9.00%	3,575.00	4,625.00
			9.01%–10.00%	180.00	200.00
Line of Credit (LOC)	Bullet	Up to 1 Year	Upto 7.00%	–	23.26
			7.01%–8.00%	2,500.25	115.83
Cash Credit	Bullet	Upto 1 Year	Upto 7.00%	8,051.49	7,141.49
			7.01%–8.00%	239.97	–
			9.01%–10.00%	244.95	–
Total (A)				**18,701.78**	**13,040.58**

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, 2025 (₹ in crore)	Balance as at March 31, 2024 (₹ in crore)
Working Capital Demand Loan	Bullet	Up to 1 Year	7.01%–8.00%	800.00	500.00
			8.01%–9.00%	2,700.00	100.00
			9.01%–10.00%	250.00	2,950.00
Cash Credit	Bullet	Up to 1 Year	8.01%–9.00%	–	25.00
			9.01%–10.00%	0.05	–
Total (B)				**3,750.05**	**3,575.00**
Tota Loan repayable on demand (A+B)				**22,451.83**	**16,615.58**

Notes forming part of standalone financial statements

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, 2025 (₹ in crore)	Balance as at March 31, 2024 (₹ in crore)
Collateralized borrowing and lending obligation (TREPS)	Bullet	Up to 1 Year	Upto 7.00%	399.93	99.80
			7.01%-8.00%	–	299.39
Total				**399.93**	**399.18**

Nature of Security :

Collateralized borrowing and lending obligation (TREPS) is secured by government securities.

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, 2025 (₹ in crore)	Balance as at March 31, 2024 (₹ in crore)
Associated liability related to securitisation transactions	Monthly	1 - 3 Year	Upto 7.00%	317.46	229.66
		3 - 5 Years	Upto 7.00%	1,473.80	728.16
Total				**1,791.26**	**957.82**

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.

15 Subordinated liabilities (unsecured)

(₹ in crore)

Particulars	As at March 31, 2025	As at March 31, 2024
(A) (I) At amortised cost		
(a) Perpetual debt Instruments to the extent that do not qualify as equity (Refer note 15 (a))	367.72	367.36
(b) Subordinate debt Instruments (Refer note 15 (b))	1,465.57	2,173.59
Total subordinated liabilities (A)	**1,833.29**	**2,540.95**
(B) (I) Subordinated liabilities in India		
(i) At amortised cost	1,833.29	2,540.95
(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)	**1,833.29**	**2,540.95**
(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)	**1,833.29**	**2,540.95**

Notes forming part of standalone financial statements

15(a) Unsecured redeemable non convertible debentures : Perpetual debt instruments

(₹ in crore)

Series details	Face value per debenture	Date of allotment	Balance as at March 31, 2025 (₹ in crore)	Balance as at March 31, 2024 (₹ in crore)	Interest rate % p.a.	Date of redemption	Redeemable terms
Series X FY 2015-16	₹ 10 lakh each	27-08-2015	158.74	158.49	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	49.96	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	55.08	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	54.92	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	32.73	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	16.18	9.60%	03-06-2026	Redeemable at par at the end of 3652 days from the date of allotment
			367.72	**367.36**			

15(b) Unsecured redeemable non convertible debentures : Subordinate debt instruments

(₹ in crore)

Series details	Face value per debenture	Date of allotment	Balance as at March 31, 2025 (₹ in crore)	Balance as at March 31, 2024 (₹ in crore)	Interest rate % p.a.	Date of redemption	Redeemable terms
Series E FY 2014–15	₹ 10 lakh each	30–06–2014	–	43.14	10.40%	28–06–2024	Redeemable at par at the end of 3651 days from the date of allotment
Series N FY 2014–15	₹ 10 lakh each	13–11–2014	–	103.42	9.10%	13–11–2024	Redeemable at par at the end of 3653 days from the date of allotment
Series M FY 2014–15	₹ 10 lakh each	31–12–2014	–	51.24	9.95%	31–12–2024	Redeemable at par at the end of 3653 days from the date of allotment
Series S FY 2014–15	₹ 10 lakh each	19–01–2015	–	127.11	8.75%	17–01–2025	Redeemable at par at the end of 3651 days from the date of allotment
Series O FY 2014–15	₹ 10 lakh each	29–01–2015	–	101.51	9.35%	29–01–2025	Redeemable at par at the end of 3653 days from the date of allotment
Series U FY 2014–15	₹ 10 lakh each	18–02–2015	–	227.04	8.75%	18–02–2025	Redeemable at par at the end of 3653 days from the date of allotment
Series S FY 2014–15	₹ 10 lakh each	30–03–2015	–	55.00	9.95%	28–03–2025	Redeemable at par at the end of 3651 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, 2025 (₹ in crore)	Balance as at March 31, 2024 (₹ in crore)	Interest rate % p.a.	Date of redemption	Redeemable terms
Series A FY 2015–16	₹ 10 lakh each	17–04–2015	108.51	108.47	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	86.16	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	48.74	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	81.10	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	46.35	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	64.34	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	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	53.20	9.30%	24–07–2025	Redeemable at par at the end of 3652 days from the date of allotment
Series J FY 2015–16	₹ 10 lakh each	09–09–2015	105.17	105.13	9.25%	09–09–2025	Redeemable at par at the end of 3653 days from the date of allotment
Series AB FY 2015–16	₹ 10 lakh each	15–09–2015	20.96	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	32.52	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	09–02–2016	18.23	18.24	9.35%	09–02–2026	Redeemable at par at the end of 3653 days from the date of allotment
Series H FY 2015–16	₹ 10 lakh each	04–03–2016	50.36	50.36	9.48%	04–03–2026	Redeemable at par at the end of 3652 days from the date of allotment
Series M FY 2015–16	₹ 10 lakh each	23–03–2016	100.20	100.18	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	84.83	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	127.26	127.29	8.05%	04–01–2027	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, 2025 (₹ in crore)	Balance as at March 31, 2024 (₹ in crore)	Interest rate % p.a.	Date of redemption	Redeemable terms
Series V FY 2016–17	₹ 10 lakh each	30–01–2017	15.19	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	46.62	46.60	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	63.26	63.24	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	27.13	27.10	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	91.45	91.39	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	105.29	105.22	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	26.35	26.34	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	26.31	8.63%	12–08–2031	Redeemable at par at the end of 5478 days from the date of allotment
Series P FY 2016–17	₹ 10 lakh each	07–09–2016	20.93	20.94	8.55%	05–09–2031	Redeemable at par at the end of 5476 days from the date of allotment
Total 15(b)			**1,465.57**	**2,173.59**			

16 Other financial liabilities

(₹ in crore)

Particulars	As at March 31, 2025	As at March 31, 2024
Unclaimed matured debentures	156.86	166.34
Unclaimed redemption proceeds and dividend on preference shares	0.78	0.78
Unclaimed dividend on equity shares	1.31	1.12
Bank book credit balance	–	459.65
Liability for expenses	347.00	328.11
Other payables	114.19	95.77
Total other financial liabilities	**620.14**	**1,051.77**

Notes forming part of standalone financial statements

17 Provisions

(₹ in crore)

Particulars	As at March 31, 2025	As at March 31, 2024
Provision for employee benefits		
Compensated absences	33.26	25.54
Gratuity (refer note 33)	16.91	8.68
Super annuation fund	0.24	0.28
Total provisions	**50.41**	**34.50**

18 Other non-financial liabilities

(₹ in crore)

Particulars	As at March 31, 2025	As at March 31, 2024
Statutory dues payable	78.39	71.86
Total other non-financial liabilities	**78.39**	**71.86**

19 Equity share capital

(a) Share capital authorised, issued, subscribed and paid up:

Particulars	As at March 31, 2025		As at March 31, 2024	
	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	2,49,48,68,101	2,494.87	2,48,89,40,310	2,488.94
		2,494.87		**2,488.94**

*The authorized share capital of the Company has been increased w.e.f December 4, 2023 being the effective date of merger of L&T Finance Limited, L&T Infra Credit Limited, L&T Mutual Fund Trustee Limited with the Company (refer note 53).

(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, 2025		As at March 31, 2024	
	No. of Shares	(₹ in crore)	No. of Shares*	(₹ in crore)
At the beginning of the year	2,48,89,40,310	2,488.94	2,47,96,71,117	2,479.67
Add: Shares issued on exercise of employee stock options during the year	59,27,791	5.93	92,69,193	9.27
At the end of the year	**2,49,48,68,101**	**2,494.87**	**2,48,89,40,310**	**2,488.94**

(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, 2025		As at March 31, 2024	
	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	66.24%	1,63,92,30,125	65.86%

There is 0.38% change in equity shares holding during the year by Promoters.

(e) Shares held by holding company:

Particulars	As at March 31, 2025		As at March 31, 2024	
	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	1,63,92,30,125	1,639.23

(f) Shareholder holding more than 5% of equity shares as at the end of the year:

Particulars	As at March 31, 2025		As at March 31, 2024	
	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	66.24%	1,63,92,30,125	65.86%

(g) Details of shares reserved to be issued under ESOP:

Particulars	As at March 31, 2025		As at March 31, 2024	
	No. of Shares	(₹ in crore)	No. of Shares	(₹ in crore)
Equity shares of ₹ 10 each	1,77,54,264	17.75	2,23,25,003	22.33

(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 3.65 as at March 31, 2025 (as at March 31, 2024 was 3.30).

– During the year ended March 31, 2025, the Company has paid the final dividend of ₹ 2.50 per equity share for the year ended March 31, 2024 amounting to ₹ 622.46 crore. (PY 2023-24 ₹ 496.61 crore).

The Company has proposed a final dividend of ₹ 2.75 per share in the Board meeting subject to approval from shareholders.

Notes forming part of standalone financial statements

(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 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.

– 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, 2025 65,000 and 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	
	2024-25	2023-24	2024-25	2023-24
Options granted and outstanding at the beginning of the year	65,000	5,63,750	2,22,60,003.00	2,75,38,744
Options granted during the year	–	–	21,40,000.00	67,41,444
Options cancelled/ lapsed during the year	–	–	7,82,948.00	32,49,742
Options exercised during the year	65,000	4,98,750	58,62,791.00	87,70,443
Options granted and outstanding at the end of the year of which:				–
– Options vested	–	65,000	90,47,375.00	1,13,32,467
– Options yet to vest	–	–	87,06,889.00	1,09,27,536
Weighted average remaining contractual life of options (in years)	0.00	0.75	4.80	4.18

– During the year, the Company has debited to the Statement of Profit and Loss ₹ 39.53 crore (previous year ₹ 38.01 crore) {net of recovery from its subsidiary companies during the year Nil (Previous year ₹ -0.16 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 ₹ 142.71 (Previous year: ₹ 118.74) per options.

Notes forming part of standalone financial statements

– 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	2024-25	2023-24
Weighted average risk-free interest rate	6.99%	7.20%
Weighted average expected life of options	3 years	2.77 years
Weighted average expected volatility	36.78%	36.53%
Weighted average expected dividend over the life of the options (₹)	7.49 per option	5.54 per option
Weighted average share price (₹)	156.80 per option	131.38 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.	

20 Other equity

(₹ in crore)

Particulars	As at March 31, 2025	As at March 31, 2024
Capital redemption reserve[10]	72.05	72.05
Debenture redemption reserve[1]	0.29	0.29
Securities premium[2]	12,537.95	12,464.39
General reserve[3]	392.16	391.65
Reserve u/s 45 IC of Reserve Bank of India Act, 1934[4]	3,661.26	3,137.70
Reserve u/s 29C of National Housing Bank,1987[5]	27.42	27.42
Reserve u/s 36(1)(viii) of Income tax Act, 1961[6]	1,061.28	1,051.28
Retained earnings[7]	4,881.72	3,422.21
Employee stock option outstanding account[8]	109.64	109.69
Impairment reserve[9]	32.39	32.39
Change in fair value of debt instruments classified at fair value through other comprehensive income	56.19	1.41
Cash flow hedging reserve	(32.50)	(4.46)
Total other equity	**22,799.85**	**20,706.02**

Notes:

1. **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.

Notes forming part of standalone financial statements

2. **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.
3. **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.
4. **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 percent of its net profit every year as disclosed in the Statement of Profit and Loss and before any dividend is declared.
5. **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 transfer to the Transferee Company.
6. **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.
7. **Retained earnings:** Retained earnings represent the amount of accumulated earnings of the Company.
8. **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.
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 (refer note 53).
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.

Notes forming part of standalone financial statements

21 Interest Income

(₹ in crore)

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
(i) On financial assets measured at amortised cost		
- Interest on loans	13,675.70	11,150.11
- Interest on deposits with banks	210.07	264.30
- Other interest income	3.70	8.00
Total interest income on financial assets measured at amortised cost (i)	**13,889.47**	**11,422.41**
(ii) On financial assets measured at fair value through other comprehensive income		
- Interest income from investments	321.68	186.86
Total interest income on financial assets measured at fair value through other comprehensive income (ii)	**321.68**	**186.86**
(iii) On financial assets classified at fair value through profit or loss		
- Interest on loans	436.84	1,286.18
- Interest income from investments	13.87	17.34
Total interest income on financial assets classified at fair value through profit or loss (iii)	**450.71**	**1,303.52**
Total interest income (i+ii+iii)	**14,661.86**	**12,912.79**

22 Dividend income

(₹ in crore)

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Dividend received	0.50	–
Total dividend income	**0.50**	**–**

23 Fees and commission income

(₹ in crore)

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Distribution income*	879.86	498.87
Other financial activities	197.48	162.77
Total fees and commission income	**1,077.34**	**661.64**

***Breakup of Distribution income** (₹ in crore)

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Distribution income - Life Insurance	677.39	383.97
Distribution income - General Insurance	187.17	93.61
Distribution income - Others	15.30	21.29
Total Distrubution income	**879.86**	**498.87**

Notes forming part of standalone financial statements

24 Net gain / (loss) on fair value changes

(₹ in crore)

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
(A) Net gain/(loss) on financial instruments classified at fair value through profit or loss		
On trading portfolio		
– Investment	(41.57)	(1,029.70)
– Loans	236.63	675.20
Total (A)	**195.06**	**(354.50)**
(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)	(6.52)
– Derivatives	(4.72)	(4.01)
Total (B)	**(22.63)**	**(10.53)**
Total net gain/(loss) on fair value changes (A+B)	**172.43**	**(365.03)**
(C) Fair value changes:		
– Realised	113.50	(1,194.03)
– Unrealised	58.93	829.00
Total net gain/(loss) on fair value changes (C)	**172.43**	**(365.03)**

25 Other income

(₹ in crore)

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Income on cross sell	8.42	444.93
Other income	9.57	24.44
Total other income	**17.99**	**469.37**

26 Finance costs

(₹ in crore)

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
On financial liabilities measured at amortised cost		
Interest on debt securities	2,471.35	2,447.33
Interest on borrowings	3,290.44	2,647.38
Interest on subordinated liabilities	206.42	247.08
Other interest expense	28.52	35.38
Total finance costs	**5,996.73**	**5,377.17**

Notes forming part of standalone financial statements

27 Net loss on derecognition of financial instruments under amortised cost category

(₹ in crore)

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Loss on foreclosure and writeoff of loan	2,510.23	1,465.37
Less: Provision held reversed on derecognition of financial instruments	(2,235.19)	(1,007.66)
Total net loss on derecognition of financial instruments under amortised cost category	**275.04**	**457.71**

28 Impairment on financial instruments

(₹ in crore)

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
On financial instruments measured at amortised cost:		
- Loans	2,234.18	1,258.79
- Trade receivables	(0.86)	6.01
- Others	(39.97)	53.60
Total impairment on financial instruments	**2,193.35**	**1,318.40**

29 Employee benefits expenses

(₹ in crore)

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Salaries	1,991.39	1,621.57
Contribution provident and pension fund (refer note: 33)	73.91	56.67
Contribution to gratuity fund (refer note: 33)	13.51	12.34
Contribution to superannuation fund	0.02	0.29
Share based payments to employees (refer note: 19)	39.53	38.01
Staff welfare expenses	96.04	75.29
Total employee benefits expenses	**2,214.40**	**1,804.17**

30 Depreciation, amortization and impairment

(₹ in crore)

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Depreciation on property, plant and equipment (refer note: 9)	34.81	16.58
Depreciation on Right of use assets (refer note : 34)	19.63	13.79
Amortisation of Intangible assets (refer note: 10)	78.53	78.33
Total depreciation, amortization and impairment	**132.97**	**108.70**

Notes forming part of standalone financial statements

31 Other expenses

(₹ in crore)

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Rent, taxes and energy expenses	102.32	139.89
Repairs and maintenance	78.89	71.60
Advertisement and publicity	70.05	103.41
Printing and stationery	8.54	10.74
Communication expenses	11.60	8.99
Director's fees and allowances	1.15	2.53
Auditor's remuneration (refer footnote)	2.05	2.16
Legal and professional charges	553.93	547.92
Insurance	5.10	5.53
Travelling and conveyance	69.35	52.72
Collection charges	557.47	520.30
Expenditure towards corporate social responsibility activities (refer note: 35)	20.54	1.23
Bank charges	9.92	9.47
Net loss on disposal of property, plant and equipment and intangible assets	0.48	0.63
Brand license fees	148.82	130.03
Other expenses	22.49	18.83
Total other expenses	**1,662.70**	**1,625.98**
footnote: Auditor's remuneration comprises the following:		
Statutory audit fees	0.96	0.71
Limited review fees	0.60	0.90
Tax audit Fees	0.14	0.12
Certification and other service	0.30	0.25
Expenses reimbursed	0.05	0.18
	2.05	**2.16**

32 Disclosure pursuant to Ind AS 24 "Related Party Disclosures"

(a) List of Related Parties (with whom transactions were carried out during current and/or previous year)

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

Notes forming part of standalone financial statements

C. Fellow Subsidiary Companies

1 LTIMindtree Limited (formerly known as Larsen & Toubro Infotech Limited)
2 Larsen & Toubro Electromech LLC
3 L&T Technology Services Limited

D. Key Management Personnel

1 Mr. S.N.Subrahmanyan
2 Mr.R Shankar Raman
3 Mr. Sudipta Roy *(Appointed as MD&CEO w.e.f January 24, 2024)*
4 Mr. Dinanath Dubhashi *(Ceased to be MD and CEO w.e.f January 23,2024) and (Appointed as Whole-Time Director of the Company w.e.f January 24,2024 and ceased w.e.f May 01,2024)*
5 Mr. S. V. Haribhakti *(Ceased to be an independent director w.e.f March 31, 2024)*
6 Dr. (Mrs.) Rajani R Gupte
7 Dr. R. Seetharaman *(Appointed as Independent director w.e.f January 23, 2024)*
8 Mr. P. V. Bhide *(Ceased to be an independent director w.e.f March 31, 2024)*
9 Mr. Thomas Methwa T.
10 Ms. Nishi Vasudeva *(Appointed as Independent director w.e.f March 15, 2024)*
11 Mr. Pavninder Singh *(Ceased to be a director (nominee) w.e.f June 13, 2024)*

(b) Disclosure of related party transactions :

(₹ in crore)

Sr. No.	Nature of transaction[1]	2024–25	2023–24
1	**Rent and maintenance cost paid to**		
	L&T Financial Consultants Limited	48.85	52.72
	Larsen & Toubro Limited	5.01	1.52
2	**Professional charges paid to**		
	Larsen & Toubro Limited	5.40	5.48
3	**IT professional charges paid to**		
	Larsen & Toubro Limited	1.53	1.58
	LTIMindtree Limited (formerly known as Larsen & Toubro Infotech Limited)	3.45	16.68
4	**Brand license fees paid to**		
	Larsen & Toubro Limited	136.53	119.29
5	**Purchase of consumables / materials from**		
	Larsen & Toubro Limited	–	0.11
6	**Income received from Investment**		
	L&T Infra Investment Partners	0.43	–
7	**ESOP charges recovered**		
	L&T Financial Consultants Limited	–	(0.16)
8	**Corporate support charges recovered from**		
	L&T Infra Investment Partners Advisory Private Limited	1.50	2.32

Notes forming part of standalone financial statements

(₹ in crore)

Sr. No.	Nature of transaction[1]	2024–25	2023–24
9	**Investment/(Redemption) in Units**		
	L&T Infra Investment Partners	(25.99)	3.66
10	**Security deposit Paid/(Received)**		
	L&T Financial Consultants Limited	(1.53)	2.90
	Larsen & Toubro Limited	1.59	–
11	**Interest paid on non convertible debenture (Borrowings)**		
	Larsen & Toubro Limited	14.72	43.23
	LTIMindtree Limited (formerly known as Larsen & Toubro Infotech Limited)	9.12	7.51
	L&T Technology Services Limited	0.18	1.62
12	**Employee Cost Reimbursed to**		
	L&T Infra Investment Partners Advisory Private Limited	1.67	0.76
	L&T Infra Investment Partners Trustee Private Limited	0.08	0.17

13 Compensation Paid to Key Managerial Personnel[2]

(₹ in crore)

Name of Key Management Personnel	2024-25				2023-24			
	Short-Term Employee Benefits	Post Employment Benefits	Other Long Term Benefits	Total	Short-Term Employee Benefits	Post Employment Benefits	Other Long Term Benefits	Total
Mr. Sudipta Roy	3.91	–	–	3.91	0.73	–	–	0.73
Mr. Dinanath Dubhashi	1.09	–	–	1.09	26.34	–	–	26.34
Mr. P. V. Bhide	–	–	–	–	0.56	–	–	0.56
Dr (Mrs). Rajni R Gupte	0.30	–	–	0.30	0.51	–	–	0.51
Mr. Pavninder Singh	0.02	–	–	0.02	0.26	–	–	0.26
Mr. S. V. Haribhakti	–	–	–	–	0.42	–	–	0.42
Mr. Thomas Mathew T.	0.35	–	–	0.35	0.67	–	–	0.67
Ms. Nishi Vasudeva	0.28	–	–	0.28	0.34	–	–	0.34
Dr. R. Seetharaman	0.28	–	–	0.28	0.04	–	–	0.04

(c) Amount due to/from related parties:

(₹ in crore)

Sr. No.	Nature of transactions	As at March 31, 2025	As at March 31, 2024
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	46.81	72.76
3	**Non convertible debenture (Borrowings) from[3]**		
	Larsen & Toubro Limited	105.00	310.38
	LTIMindtree Limited (formerly known as Larsen & Toubro Infotech Limited)	99.50	124.50
	L&T Technology Services Limited	–	25.00
4	**Interest accrued on non convertible debenture (borrowings)**		
	Larsen & Toubro Limited	5.99	18.07
	LTIMindtree Limited (formerly known as Larsen & Toubro Infotech Limited)	7.04	5.87
	L&T Technology Services Limited	–	0.10
5	**Rent deposit to**		
	L&T Financial Consultants Limited	19.63	21.16
	Larsen & Toubro Limited	1.59	–
6	**Account payable**		
	Larsen & Toubro Electromech LLC	0.01	0.01
	LTIMindtree Limited (formerly known as Larsen & Toubro Infotech Limited)	0.75	13.71
	L&T Financial Consultants Limited	–	0.01
	Larsen & Toubro Limited	133.32	119.10
	L&T Infra Investment Partners Trustee Private Limited	0.00*	–
7	**Account receivable**		
	L&T Infra Investment Partners Advisory Private Limited	0.01	0.65
	L&T Infra Investment Partners Trustee Private Limited	–	0.05
	L&T Infra Investment Partners	–	1.75

*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.

3 The above NCD balance includes purchase and sale from primary & secondary market.

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 ₹ 73.91 crore (previous year: ₹ 56.67 crore) for provident fund contribution contribution is included in "Note 29 Employee Benefits Expenses" in the Statement of Profit and Loss.

Notes forming part of standalone financial statements

(ii) Defined Benefits Gratuity Plan :

The Company operates gratuity plan through a trust wherein every employee is entitled to the benefit equivalent to fifteen days last salary drawn for each completed year of service. The same is payable on termination of service or retirement whichever is earlier. The benefit vests after five years of continuous service. The Company's scheme is more favorable as compared to the obligation under Payment of Gratuity Act, 1972. These benefit plans expose the Company to actuarial risks, such as longevity risk, interest rate risk and investment risk.

(a) The amounts recognised in Balance Sheet are as follows: (₹ in crore)

	Particulars	Gratuity Plan	
		As at March 31, 2025	As at March 31, 2024
A)	**Present Value of Defined Benefit Obligation**		
	– Wholly funded	77.55	60.19
	– Wholly unfunded		–
		77.55	**60.19**
	Less : Fair value of plan assets	(60.64)	(51.51)
	Amount to be recognised as liability or (asset)	**16.91**	**8.68**
B)	**Amounts reflected in Balance Sheet**		
	Liabilities	16.91	8.68
	Assets	–	–
	Net liability	**16.91**	**8.68**

(b) The amounts recognised in the Statement of Profit and Loss are as follows: (₹ in crore)

	Particulars	Gratuity Plan	
		As at March 31, 2025	As at March 31, 2024
1	Current Service Cost	13.51	12.34
2	Net Interest Cost	0.26	0.75
3	Actuarial losses/(gains):		
	i) Actuarial (gains)/losses arising from changes in financial assumptions	2.13	0.39
	ii) Actuarial (gains)/losses arising from changes in demographic assumptions	–	(2.31)
	iii) Actuarial (gains)/losses arising from changes in experience adjustments	1.19	(0.10)
	iv) Actuarial losses/(gains) – difference between actuarial return on plan assets	(0.28)	(2.67)
	v) Adjustment to recognize as asset celing	–	–
4	Past Service Cost	–	–
	Total (1 to 4)	**16.80**	**8.40**
i	Amount included in "employee benefits expenses"	13.51	12.34
ii	Amount included in as part of "finance cost'	0.26	0.75
iii	Amount included as part of "Other Comprehensive income"	3.03	(4.69)
	Total (i + ii + iii)	**16.80**	**8.40**

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, 2025	As at March 31, 2024
Opening balance of the present value of defined benefit obligation	60.19	48.21
Add : Current Service Cost	13.51	12.34
Add : Interest Cost	3.74	3.12
Add : Actuarial losses/(gains)		
i) Actuarial (gains)/losses arising from changes in financial assumptions	2.13	0.39
ii) Actuarial (gains)/losses arising from changes in demographic assumptions	–	(2.31)
iii) Actuarial (gains)/losses arising from changes in experience adjustments	1.19	(0.10)
Less : Benefits paid	(3.21)	(1.46)
Add : Past service cost	–	–
Add : Liability assumed/(settled)*	(0.00)	–
Closing balance of the present value of defined benefit obligation	**77.55**	**60.19**

*On account of business combination or inter group transfer

Note: The company expects to fund ₹ 16.91 crore (pervious year ₹ 8.68 crore) towards its gratuity plan and ₹ Nil (pervious year ₹ Nil) towards its Trust managed provident fund plan during FY 2024-25.

(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, 2025	As at March 31, 2024
Opening balance of the fair value of the plan assets	51.51	36.38
Add : interest income of plan assets	3.48	2.37
Add/(less) : Actuarial gains/(losses)		
Difference between actual return on plan assets and interest income	0.28	2.67
Add : Contribution by the employer	8.56	11.55
Add/(less) : Contribution by plan participants		
Less : Benefits paid	(3.21)	(1.46)
Add: Assets acquired/(settled)*	–	–
Closing balance of the fair value of the plan assets	**60.63**	**51.51**

*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, 2025	As at March 31, 2024
1	Government of India Securities	1.23	1.23
2	Insurer managed funds - unquoted	51.54	42.60
3	Others debt instruments	0.55	0.58
4	Others - unquoted	7.32	7.10
	Total plan assets	**60.64**	**51.51**

(f) Principal actuarial assumptions at the valuation date:

	Particulars	Gratuity Plan	
		As at March 31, 2025	As at March 31, 2024
1	Discount rate	6.55%	7.15%
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, 2025	As at March 31, 2024	As at March 31, 2025	As at March 31, 2024
1	Impact of change in discount rate	(3.48)	(2.50)	3.69	2.66
2	Impact of change salary escalation rate	3.81	2.74	(3.44)	(2.49)

Notes forming part of standalone financial statements

(iii) 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 Actuarial of India for the measurement of provident fund liabilities, the actuary engaged by the Company has provide the following information in this regards:

(a) The amounts recognised in Balance Sheet are as follows: (₹ in crore)

	Particulars	Provident Fund Plan	
		As at March 31, 2025	As at March 31, 2024
A)	**Present Value of Defined Benefit Obligation**		
	– Wholly funded	15.28	14.73
	– Wholly unfunded		–
		15.28	**14.73**
	Assets acquired on acquisition		
	Less : Fair Value of plan assets	(16.04)	(15.40)
	Add : Amount not recognised as an asset		–
	Amount to be recognised as liability or (asset)	**(0.76)**	**(0.67)**
B)	**Amounts reflected in Balance Sheet**		
	Liabilities	–	–
	Assets	(0.76)	(0.67)
	Net liability/(asset)	**(0.76)**	**(0.67)**

(b) The amounts recognised in the Statement of Profit and Loss are as follows: (₹ in crore)

	Particulars	Provident Fund Plan	
		As at March 31, 2025	As at March 31, 2024
1	Current Service Cost	–	–
2	Interest Cost	1.17	1.15
3	Interest Income on Plan Assets	–	–
4	Expected return on Plan Assets	(1.17)	(1.15)
5	Actuarial losses/(gains)	(0.08)	(0.31)
6	Actuarial gain/(loss) not recognised in Books	0.08	0.31
	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, 2025	As at March 31, 2024
Opening balance of the present value of defined benefit obligation	14.73	15.44
Add : Assets acquired on acquisition	–	–
Add : Current Service Cost	–	–
Add : Interest Cost	1.17	1.15
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	(0.72)	(1.26)
Add : Contribution by the employer	(0.02)	–
Add : Liability assumed/(settled)*	0.10	(0.61)
Closing balance of the present value of defined benefit obligation	**15.28**	**14.73**

*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, 2025	As at March 31, 2024
Opening balance of the fair value of the plan assets	15.40	15.80
Add : Assets acquired on acquisition	–	–
Add : interest income of plan assets	1.17	1.15
Add/(less) : Actuarial gains/(losses)	0.08	0.32
Difference between actual return on plan assets and interest income	0.10	(0.61)
Add : Contribution by the employer	–	–
Add/(less) : Contribution by plan participants	–	–
Less : Benefits paid	(0.72)	(1.26)
Add: Assets acquired/(settled)*	–	–
Closing balance of plan assets	**16.04**	**15.40**

*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, 2025	As at March 31, 2024
1	Government of India Securities	7.36	6.91
2	Corporate Bonds	5.50	5.15
3	Special Deposit Scheme	0.29	0.33
4	Public Sector Unit Bond	0.17	0.53
5	Others	2.71	2.47
	Total plan assets	**16.04**	**15.40**

(f) Principal actuarial assumptions at the valuation date:

	Particulars	Provident Fund Plan	
		As at March 31, 2025	As at March 31, 2024
1	Discount rate for the term of the obligation	6.85%	7.18%
2	Average historic yield on the investment portfolio	8.08%	8.06%
3	Discount rate for the remaining term to maturity of the investment portfolio	6.70%	7.20%
4	Future derived return on assets	8.23%	8.04%
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 2024-25. However, in view of the fall in equity values as at March 31, 2025 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 2025	55.64	89.81	8.83	19.63	116.99
As at March 2024	56.13	15.19	1.89	13.79	55.64

iii) Details with respect to lease liabilities (₹ in crore)

Particulars	As at March 31, 2025	As at March 31, 2024
Opening Lease liability	62.58	61.45
Add: Additions during the year	89.81	15.19
Add: Interest accrued during the year	5.65	4.43
Less: Interest paid during the year	(5.65)	(4.43)
Less: Terminated	(9.93)	(2.17)
Less: Principal Repayment during the year	(16.92)	(11.89)
Closing Lease liability	**125.54**	**62.58**

iv) Interest expense on lease liabilities for F.Y. 2024-25 is ₹ 5.65 crore and for F.Y. 2023-24 is ₹ 4.43 crore

v) Expense relating to leases for which underlying asset is of low value for F.Y. 2024-25 is ₹ 1.43 crore and for F.Y. 2023-24 is ₹ 5.39 crore

vi) Expense related to short-term leases for F.Y. 2024-25 is ₹ 45.25 crore and for 2023-24 is ₹ 63.01 crore.

vii) Expense related to variable lease payments for F.Y. 2024-25 is Nil and F.Y. 2023-24 is Nil

viii) Income from sub-leasing of right of use assets for F.Y. 2024-25 is Nil and for F.Y. 2023-24 is ₹ 0.87 crore

ix) There are no gains or losses arising from sale and leaseback transactions for FY 2024-25 and FY 2023-24

x) Maturity Analysis - Contractual Undiscounted Cash Flow (Refer note 43)

b) Finance Lease : Not Applicable

II) Company as Lessor

a) Finance Lease

i) The Company has given on finance leases certain items of plant and equipment. The leases have a primary period that is fixed and noncancellable and a secondary period. There are no exceptional/restrictive covenants in the lease agreement. There are no significant risks associated with rights that the Company retains in underlying assets.

ii) Maturity analysis of minimum undiscounted lease receivables and the present value of minimum lease payments receivable is as under: (₹ in crore)

Particulars	As at March 31, 2025	As at March 31, 2024
Receivable not later than 1 year	–	–
Receivable later than 1 year but not later than 2 year	–	–
Receivable later than 2 year but not later than 3 year	–	–
Receivable later than 3 year but not later than 4 year	–	–
Receivable later than 4 year but not later than 5 year	–	–
Receivable later than 5 years	–	–
Gross investment in lease	–	–
Less: Unearned finance income	–	–
Present value of minimum lease payment receivable	**–**	**–**

** less than 1 lakh*

iii) Finance lease income on net investment in lease recognised in statement of Profit & loss during the F.Y. 2024-25 is Nil (Previous year Nil).

iv) Finance lease income relating to variable lease payments not depending on index/rate - Nil

v) Changes in carrying amount of net investment in finance lease (₹ in crore)

Particulars	Current	Non Current	Total
Opening value of Lease Receivables as on April 1, 2023	**0.01**	**–**	**0.01**
Add: Finance lease income recognised in P&L	–	–	–
Less: Lease rental received (cash payment)	(0.01)	–	(0.01)
Add/Less: Change on account of any other factors	–	–	–
Opening value of Lease Receivables as on April 1, 2024	**–**	**–**	**–**
Add: Finance lease income recognised in P&L			
Less: Lease rental received (cash payment)	–	–	–
Add/Less: Change on account of any other factors			
Closing value of Lease Receivables as on March 31, 2025	**–**	**–**	**–**

b) Operating Lease :

i) The company has given certain assets under operating lease. There are no significant risks associated with rights that the Company retains in underlying assets. Leases are renewed only on mutual consent and at a prevalent market price.

ii) Maturity analysis of undiscounted lease receivables: (₹ in crore)

Particulars	As at March 31, 2025	As at March 31, 2024
Receivable not later than 1 year	–	–
Receivable later than 1 year but not later than 2 year	–	–
Receivable later than 2 year but not later than 3 year	–	–
Receivable later than 3 year but not later than 4 year	–	–
Receivable later than 4 year but not later than 5 year	–	–
Receivable later than 5 years	–	–
Total	–	–

Notes forming part of standalone financial statements

iii) Lease income recognised in Profit & Loss account (Other than variable lease payment) for F.Y. 2024-25 is Nil (Previous year Nil).

iv) Lease income relating to variable lease payments not depending on index/rate : Nil

35 Corporate Social Responsibility (CSR)

Amount required to be spent by the Company on Corporate Social Responsibility (CSR) related activities during the year is ₹ 20.54 crore (previous year: ₹ 1.23 crore).

(a) The amount recognised as expense in the Statement of Profit and Loss on CSR related activities is ₹ 20.54 crore (previous year: ₹ 1.23 crore) (Refer note no. 31 of financial statements), which comprises of:

(₹ in crore)

Particulars	2024-25			2023-24		
	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	2.51	18.03	20.54	1.23	–	1.23

(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, 2023 available for set off in subsequent years	Actual amounts spent during FY 23-24	Amounts to be spent in FY 23-24 as per the requirements of Companies Act, 2013	Excess/(Shortfall) at the end of the year
(1.40)	20.66	1.23	18.03

(₹ 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

(c) **Excess during the financial year 2023-24**

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.

(d) **Nature of CSR activities during the financial year 2023-24**

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 and Healthcare.

(e) **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.

(f) **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.

36 Basic and Diluted Earnings per share [EPS] computed in accordance with Ind AS 33 "Earnings Per Share"

Particulars		2024–25	2023–24
Basic Earning Per Share			
Profit after tax as per statement of profit and loss (₹ in crore)	A	2,617.81	2,286.23
Weighted average number of equity shares outstanding during the year (Nos.)	B	2,49,26,29,247	2,48,43,28,659
Basic Earning Per Share (₹)	**A/B**	**10.50**	**9.20**
Diluted Earning Per Share			
Profit after tax as per statement of profit and loss (₹ in crore)	A	2,617.81	2,286.23
Weighted average number of equity shares outstanding	B	2,49,26,29,247	2,48,43,28,659
Add: Weighted average no. of potential equity shares on account of employee stock options	C	80,34,211	99,47,132
Weighted average number of equity shares outstanding (Nos.)	D (B+C)	2,50,06,63,458	2,49,42,75,791
Diluted Earning Per Share (₹)	**A/B**	**10.47**	**9.17**
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, 2025	As at March 31, 2024
Contingent Liabilities:		
a) Claim against the Company not acknowledged as debt:		
– Income Tax matter in dispute*	11.15	11.07
– Sales tax/ VAT / Service Tax / Stamp duty matter in dispute*	257.22	466.71
– Legal matter in dispute*	1.78	1.82
b) Bank Guarantees	56.00	56.00
Commitments:		
a) Estimated amount of contracts remaining to be executed on capital account and not provided for#	52.81	30.10
b) Undisbursed Commitment	2,035.76	972.34

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 Frauds committed against the company:

(₹ in crore)

Particulars	2024–25	2023–24
No. of cases of fraud which occurred during the year	136	25
Amount involved	11.45	7.18
Amount recovered	0.47	0.15
Amount provided/loss*	10.98	7.03

*net of recoveries.

39 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, 2025	As at March 31, 2024
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	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	Soma Enterprises Limited	–	1,500
13	Hazaribagh Ranchi Expressway Limited	–	1,000
14	Avantha Holdings Limited	4,500	4,500
15	Su Toll Road Private Limited	7,912	7,912
16	KSK Mineral Resources Private Limited	34,22,910	34,22,910
17	Diamond Power Infrastructure Limited	3,000	3,000
18	Ghcl Textiles Limited	70,000	70,000
19	Dewas Bhopal Corridor Private Limited	17,000	17,000
20	Bhoruka Power Corporation Ltd	25,771	25,771
21	Almond Infrabuild Private Limited	1,20,08,100	1,20,08,100
22	Anand Divine Developers Private Limited	9,900	9,900
23	Valdel Projects Corporation Pvt Ltd	1,532	1,532

Notes forming part of standalone financial statements

40 Expenditure in foreign currency:

(₹ in crore)

Particulars	2024–25	2023–24
Professional Fees	4.66	0.70
License Fees	6.07	2.32
Finance Cost	182.29	87.73
Others	–	0.02

41 Dues to micro enterprises and small enterprises:

(₹ in crore)

Sr. No.	Particulars	2024–25	2023–24
i	the principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year;	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.

42 Relationship with Struck Off Companies

(a) 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	Loans given to struck off Company	0.29	Not Related Party
2	Underground Pipeline And Non Destructive Testing Services Private Limited	Loans given to struck off Company	0.11	Not Related Party
3	B S R Engineers Private Limited	Loans given to struck off Company	0.19	Not Related Party
4	Shopforprop Realty Private Limited	Loans given to struck off Company	2.66	Not Related Party

Notes forming part of standalone financial statements

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
5	S D Motors Private Limited	Loans given to struck off Company	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 Pvt Ltd	Equity Shares of the company held by struck off Company	0.00*	Not Related Party
9	Architectural Glass Pvt Ltd	Equity Shares of the company held by struck off Company	0.00*	Not Related Party
10	Victor Properties Private Limited	Equity Shares of the company held by struck off Company	0.00*	Not Related Party
11	Vitalink Wealth Advisory Services Private Limited	Equity Shares of the company held by struck off Company	0.00*	Not Related Party
12	Kothari Intergroup Ltd.	Equity Shares of the company held by struck off Company	0.00*	Not Related Party
13	Fam Ensemble Facon Private Limited	Equity Shares of the company held by struck off Company	0.00*	Not Related Party
14	Pegasus Mercantile Private Limited	Equity Shares of the company held by struck off Company	0.00*	Not Related Party
15	Mahila Credit And Investment Co (P) Ltd	Equity Shares of the company held by struck off Company	0.00*	Not Related Party
16	Sanvi Fincare Consultancy Private Limited	Equity Shares of the company held by struck off Company	0.00*	Not Related Party
17	Banadurga Tele Service Pvt Ltd	Corporate Vendor	0.00*	Not Related Party

* less than ₹ 50,000

Notes forming part of standalone financial statements

(b) Amount outstanding as at March 31, 2024:

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	Cheviot International Limited	Equity Shares of the company held by struck off Company	0.00*	Not Related Party
2	Vitalink Wealth Advisory Services Private Limited	Equity Shares of the company held by struck off Company	0.00*	Not Related Party
3	Zenith Insurance Services Pvt Limited	Equity Shares of the company held by struck off Company	0.00*	Not Related Party
4	Sanvi Fincare Consultancy Private Limited	Equity Shares of the company held by struck off Company	0.00*	Not Related Party
5	Architectural Glass Pvt Limited	Equity Shares of the company held by struck off Company	0.00*	Not Related Party
6	Fam Ensemble Facon Private Limited	Equity Shares of the company held by struck off Company	0.00*	Not Related Party
7	Pegasus Mercantile Private Limited	Equity Shares of the company held by struck off Company	0.00*	Not Related Party
8	Unickon Fincap Private Limited	Equity Shares of the company held by struck off Company	0.01	Not Related Party
9	Kothari Intergroup Limited	Equity Shares of the company held by struck off Company	0.00*	Not Related Party
10	Shopforprop Realty Private Limited	Loans given to struck off Company	2.62	Not Related Party
11	Virtuoso Offshore It And Management Services Pvt Limited	Loans given to struck off Company	0.64	Not Related Party

* less than ₹ 50,000

Notes forming part of standalone financial statements

43 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, 2025			As at March 31, 2024		
		Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
	ASSETS:						
(1)	**Financial assets**						
(a)	Cash and cash equivalents	2,893.66	–	2,893.66	3,561.44	–	3,561.44
(b)	Bank balance other than (a) above	7,565.87	363.24	7,929.11	876.04	206.63	1,082.67
(c)	Derivative financial instruments	–	0.55	0.55	182.16	3.38	185.54
(d)	Receivables	–	–				
	(I) Trade receivables	116.95	–	116.95	247.27	–	247.27
	(II) Other receivables	5.57	–	5.57	5.68	–	5.68
(e)	Loans	35,860.78	57,912.28	93,773.06	34,347.22	47,012.17	81,359.39
(f)	Investments	5,512.63	6,323.35	11,835.98	5,128.41	7,246.37	12,374.78
(g)	Other financial assets	388.65	–	388.65	634.55	–	634.55
(2)	**Non–financial assets**						
(a)	Current tax asset (net)	–	311.40	311.40	–	289.52	289.52
(b)	Deferred tax assets (net)	–	1,768.62	1,768.62	–	1,842.48	1,842.48
(c)	Property, plant and equipment	–	101.93	101.93	–	55.92	55.92
(d)	Intangible assets under development	–	45.00	45.00	–	35.62	35.62
(e)	Other intangible assets	–	113.82	113.82	–	96.13	96.13
(f)	Right of use asset	–	116.99	116.99	–	55.64	55.64
(g)	Other non–financial assets	158.56	472.94	631.50	75.97	448.23	524.20
	Total Assets	**52,502.31**	**67,530.11**	**1,20,032.79**	**45,058.74**	**57,292.09**	**1,02,350.83**
	LIABILITIES						
(1)	**Financial Liabilities**						
(a)	Trade payables						
	(i) Total outstanding dues of micro enterprises and small enterprises	3.76	–	3.76	–	–	–
	(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	1,364.04	–	1,364.04	1,219.81	–	1,219.81
(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	–	–	–	–	–	–

Notes forming part of standalone financial statements

(₹ in crore)

Sr. No.	Particulars	As at March 31, 2025			As at March 31, 2024		
		Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
(c)	Debt securities	13,266.34	15,588.05	28,854.39	11,033.83	18,535.62	29,569.45
(d)	Borrowings (other than debt securities)	38,174.46	23,384.76	61,559.22	31,673.34	12,757.13	44,430.47
(e)	Subordinated liabilities	1,212.57	620.72	1,833.29	804.95	1,736.00	2,540.95
(f)	Lease liability	20.36	105.18	125.54	13.28	49.30	62.58
(g)	Other financial liabilities	620.14	–	620.14	1,051.77	–	1,051.77
(2)	**Non–Financial Liabilities**						
(a)	Current tax liability (net)	248.89	–	248.89	174.48	–	174.48
(b)	Provisions	12.07	38.34	50.41	10.05	24.45	34.50
(c)	Other non–financial liabilities	78.39	–	78.39	71.86	–	71.86
	Total liabilities	**55,001.01**	**39,737.06**	**94,738.07**	**46,053.37**	**33,102.50**	**79,155.87**

The above information is based on certain management estimates which has been relied upon by the auditors.

44 Disclosure pursuant to Ind AS 7 "Statement of Cash Flows"

Change in liabilities arising from financing activities:

(₹ in crore)

Particulars			Non - cash changes			
	As at April 1, 2024	Net Cash flows	Changes in fair values	Exchange Difference	Others	As at March 31, 2025
Debt securities	29,569.45	(557.66)	–	–	(157.40)	28,854.39
Borrowings (other than debt securities)	44,430.47	17,288.49	0.74	(138.89)	(21.59)	61,559.22
Subordinated liabilities	2,540.95	(690.00)	–	–	(17.66)	1,833.29
Total liabilities from financing activities	**76,540.87**	**16,040.83**	**0.74**	**(138.89)**	**(196.65)**	**92,246.90**

(₹ in crore)

Particulars			Non - cash changes			
	As at April 1, 2023	Net Cash flows	Changes in fair values	Exchange Difference	Others	As at March 31, 2024
Debt securities	36,105.38	(6,577.39)	–	–	41.46	29,569.45
Borrowings (other than debt securities)	44,139.59	265.99	(0.74)	20.28	5.35	44,430.47
Subordinated liabilities	2,798.48	(275.00)	–	–	17.47	2,540.95
Total liabilities from financing activities	**83,043.45**	**(6,586.40)**	**(0.74)**	**20.28**	**64.28**	**76,540.87**

Footnote: Others include mainly amortisation of issue cost and changes in accrued interest.

Notes forming part of standalone financial statements

45 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, 2025	Year ended March 31, 2024
Type of services or service		
Fees and commission income	1,077.34	661.64
Total revenue from contract with customers	**1,077.34**	**661.64**
Geographical markets		
– India	1,077.34	661.64
– Outside India	–	–
Total revenue from contract with customers	**1,077.34**	**661.64**
Timing of revenue recognition		
Services transferred at a point in time	1,077.34	661.64
Services transferred over time	–	–
Total revenue from contracts with customers	**1,077.34**	**661.64**

Contract balance

(₹ in crore)

Particulars	As at March 31, 2025	As at March 31, 2024
Trade receivables	116.95	247.27
Contract assets / liabilities	–	–

46 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.

Notes forming part of standalone financial statements

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.

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 existing 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 have been factored into strengthening measures are implemented.

Notes forming part of standalone 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 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, Government total expenditure, Government consumer expense, domestic credit investment, and farm reservoir levels amongst others on case to case basis. 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.

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 1.7 for a description of how the Company determines when a significant increase in credit risk has occurred). The company categorises 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 1.7 for a description of how the Company defines credit-impaired and default). The company categorises loan assets as 'Stage 3' primarily based on more than 90 Days Past Dues status.

  (Refer note 47 for Stage wise gross carrying amount of loans and loss allowance provisioning).

Notes forming part of standalone financial statements

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 credit impaired asset is 1 as the DPD is 90+.

A centralized impairment model summarises the historical payment behaviors of the borrowers within a retail portfolio which data is 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. The weighted average is determined (using the count of customers as the weight) from quarterly snapshots.

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 – (the ratio of recovery from the defaulted accounts / Principal Outstanding (POS) at the time of default), the average being computed over the accounts considered for the LGD estimation. The PD and LGD ratio were 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 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, 2025			As at March 31, 2024		
	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	10,822.77	–		4,644.11	–	
Loans and advances at amortised cost	91,642.36	–	Refer note below	76,497.78	–	Refer note below
Trade receivables	116.95	–		247.27	–	
Other receivables	5.57	–		5.68	–	
Other financial assets	388.65	–		634.55	–	
Total financial assets at amortised cost	**1,03,144.15**	**–**		**82,197.24**	**–**	

Notes forming part of standalone financial statements

(₹ in crore)

Particulars	As at March 31, 2025			As at March 31, 2024		
	Outstanding	Cash collateral	Nature of Non-cash collateral	Outstanding	Cash collateral	Nature of Non-cash collateral
Financial assets at fair value through profit or loss	8,201.96	–		14,216.39	–	
Total financial instruments at fair value through profit or loss	**8,201.96**	**–**		**14,216.39**	**–**	
Derivative financial instruments	0.55	–		185.54	–	
Financial instruments at fair value through Other Comprehensive Income	5,596.87	–		2,852.15	–	
Total Financial instruments at fair value through Other Comprehensive Income	**5,597.42**	**–**		**3037.69**	**–**	
Total on–balance sheet	**1,16,943.53**	**–**		**99,451.32**	**–**	
Off balance sheet						
Contingent liabilities	326.15	–		535.60	–	
Other commitments	2,088.57	–		1,002.44	–	
Total off–balance sheet	**2,414.72**	**–**		**1,538.04**	**–**	
Total	**1,19,358.25**	**–**		**1,00,989.36**	**–**	

Footnote:

Retail loans, other than unsecured loans aggregating ₹ 51,579.46 crore as of March 31, 2025, 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, 2024: ₹ 42,732.48 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.

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 loan 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 39).

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, 2025. The Company has put in place a framework of Risk Limits, which are monitored

Notes forming part of standalone financial statements

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, 2025 is given below:

(i) Funding Concentration based on significant counterparty

FY	No. of Significant Counterparties	Amount (₹ in crore)	% of Total Deposits	% of Total Liabilities
2024-25	23	66,465	N.A.	69%
2023-24	20	50,209	N.A.	61%

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
2024-25	46,778	51%
2023-24	38,370	51%

Note:

- Total Borrowing has been computed as Gross Total Debt basis extant regulatory ALM guidelines.

Notes forming part of standalone financial statements

(iv) Funding Concentration based on significant instrument / product

Sr. No.	Name of the product	F Y 2024-25		F Y 2023-24	
		Amount (₹ in crore)	% of Total Liabilities	Amount (₹ in crore)	% of Total Liabilities
1	Borrowings from Banks and Financial Institutions (FIs)	51,817	54%	40,957	50%
2	NCDs raised through Private Placement	22,498	23%	25,413	31%
3	Commercial Papers	6135	6%	3,785	5%
4	NCDs raised through Public Issue	1025	1%	1,751	2%
5	External Commercial Borrowings	7492	8%	1,902	2%
6	Securitisation Borrowings (PTC)	1,788	2%	956	1%
	Total	**90,754**	**94%**	**74,764**	**91%**

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 2024-25 (%)	FY 2023-24 (%)
1	Commercial papers as a % of total liabilities	6%	5%
2	Commercial papers as a % of total assets	5%	4%
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	27%	32%
6	Other short-term liabilities as a % of total assets	22%	25%

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.

(vi) 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

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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 2024-25		Q2 FY 2024-25		Q3 FY 2024-25		Q4 FY 2024-25	
₹ 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)	2475.65	2462.15	3029.67	3016.25	3562.53	3548.91	3880.36	3866.71
Cash in hand & Bank balance	394.10	394.10	338.68	338.68	361.64	361.64	338.11	338.11
Government Securities (unencombered)	1890.68	1890.68	2531.42	2531.42	3110.08	3110.08	3439.90	3439.90
Marketable Securities issued by sovereigns, PSEs or multidevelopment banks with < 20% risk weight (not by bank/FI/NBFC)	89.99	76.50	89.47	76.05	90.80	77.18	91.02	77.36
Corporate bonds with LT credit rating AA- (not by bank/FI/NBFC)	–	–	–	–	–	–	–	–
CBLO (Treps Lending)	100.88	100.88	70.11	70.11	–	–	11.33	11.33

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LCR Disclosure	Q1 FY 2024-25		Q2 FY 2024-25		Q3 FY 2024-25		Q4 FY 2024-25	
₹ 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)
Cash Outflows								
2 Deposits (for deposit taking companies)	–	–	–	–	–	–	–	–
3 Unsecured wholesale funding ***	2702.58	3107.97	3265.98	3755.88	3330.05	3829.56	4156.11	4779.53
4 Secured wholesale funding ****	1883.99	2166.59	1851.77	2129.53	1847.34	2124.44	1854.96	2133.21
5 Additional requirements, of which	–	–	–	–	–	–	–	–
(i) Outflows related to derivative exposures and other collateral requirements	–	–	–	–	–	–	–	–
(ii) Outflows related to loss of funding on debt products	–	–	–	–	–	–	–	–
(iii) Credit and liquidity facilities	–	–	–	–	–	–	–	–
6 Other contractual funding obligations	1869.17	2149.55	1800.26	2070.30	1802.52	2072.90	1435.26	1650.55
7 Other contingent funding obligations	30.43	34.99	31.75	36.51	35.14	40.41	48.41	55.68
8 TOTAL CASH OUTFLOWS	**6486.17**	**7459.10**	**6949.75**	**7992.21**	**7015.05**	**8067.31**	**7494.75**	**8618.96**
Cash Inflows								
9 Secured lending	–	–	–	–	–	–	–	–
10 Inflows from fully performing exposures	2558.86	1919.14	2610.81	1958.11	2847.95	2135.96	2817.50	2113.13
11 Other cash inflows	24964.23	18723.17	24774.22	18580.67	19623.75	14717.81	16721.46	12541.09
12 TOTAL CASH INFLOWS	**27523.09**	**20642.32**	**27385.04**	**20538.78**	**22471.70**	**16853.77**	**19538.96**	**14654.22**
13 TOTAL HQLA		**2462.15**		**3016.25**		**3548.91**		**3866.71**
14 TOTAL NET CASH OUTFLOWS OVER 30 DAYS PERIOD		**1864.77**		**1998.05**		**2016.83**		**2154.74**
15 LIQUIDITY COVERAGE RATIO (%)		**132%**		**151%**		**176%**		**179%**

* 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

Notes forming part of standalone financial statements

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.

47.1 Disclosure pursuant to Ind AS 107 "Financial Instruments: Disclosures"

(a) Expected credit loss - Loans at amortised cost:

(₹ in crore)

Particulars		As at March 31, 2025			As at March 31, 2024		
		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	89,618.70	1,051.42	88,567.28	75,295.93	1,323.86	73,972.07
Loss allowance measured at life-time expected credit losses	Financial assets for which credit risk has increased significantly and not credit-impaired	2,797.09	468.84	2,328.25	2,468.78	421.98	2,046.80
	Financial assets for which credit risk has increased significantly and credit-impaired	2,763.32	2,016.49	746.83	2,270.82	1,791.91	478.91
Total		**95,179.11**	**3,536.75**	**91,642.36**	**80,035.53**	**3,537.75**	**76,497.78**

* Includes macro prudential provision of ₹ 575 crores (previous year ₹ 975 crores) for Rural Group Loans and Micro Finance Business (RGL & MFI).

Notes forming part of standalone financial statements

47.2 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, 2023	**1,177.27**	**366.04**	**1,743.31**	**3,286.62**
New assets originated or purchased*	992.20	68.54	177.98	1,238.72
Transfers to Stage 1	25.53	(13.13)	(12.40)	–
Transfers to Stage 2	(6.24)	13.30	(7.06)	–
Transfers to Stage 3	(15.29)	(72.22)	87.51	–
Amount written off	–	(13.37)	(947.49)	(960.86)
Impact of changes in credit risk on account of stage movements	(25.17)	103.60	1,008.72	1,087.15
Increase/ (Decrease) provision on existing financial assets including recovery	(824.44)	(30.78)	(258.66)	(1,113.88)
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**

(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, 2023	**56,530.86**	**2,656.72**	**2,196.85**	**61,384.43**
New assets originated or purchased*	48,541.17	419.51	219.81	49,180.48
Transfers to Stage 1	131.42	(109.08)	(22.34)	–
Transfers to Stage 2	(899.06)	912.12	(13.06)	–
Transfers to Stage 3	(1,060.68)	(403.55)	1,464.23	–
Amount written off	–	(67.51)	(947.49)	(1,015.00)
Net recovery	(27,947.78)	(939.43)	(627.17)	(29,514.38)
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**

* excludes assets originated or purchased and derecognised during the year

Notes forming part of standalone financial statements

47.3 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, 2025	As at March 31, 2024
I	**Measured at fair value through profit or loss (FVTPL):**		
	(i) Investment in equity instruments	49.77	17.87
	(ii) Investment in bonds/debentures	90.02	113.84
	(iii) Investment in mutual funds	–	2,353.43
	(iv) Investment in security receipt(net)	5,862.44	6,769.50
	(v) Investment in units of fund	69.03	100.15
	(vi) Loans	2,130.70	4,861.61
	Sub–total (I)	**8,201.96**	**14,216.40**
II	**Measured at amortised cost:**		
	(i) Loans	91,642.36	76,497.78
	(ii) Trade receivables	116.95	247.27
	(iii) Other receivables	5.57	5.68
	(iv) Other financial assets	388.65	634.55
	(v) Cash and cash equivalents and bank balances	10,822.77	4,644.11
	Sub–total (II)	**1,02,976.30**	**82,029.39**
III	**Measured at fair value through other comprehensive income (FVTOCI):**		
	(i) Investment in bonds/Debentures	504.22	498.29
	(ii) Investment in government securities	5,092.65	2,353.85
	(iii) Derivative financial instruments	0.55	185.54
	Sub–total (III)	**5,597.42**	**3,037.68**
	Total (I+II+III)	**1,16,775.68**	**99,283.47**

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, 2025	As at March 31, 2024
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	28,854.39	29,569.45
	(ii) Borrowings (other than debt securities)	61,559.22	44,430.47
	(iii) Subordinated liabilities	1,833.29	2,540.95
	(iv) Trade payables	1,367.80	1,219.81
	(v) Other payables	–	–
	(vi) Lease liabilities	125.54	62.58
	(vii) Other financial liabilities	620.14	1,051.77
	Sub–total (II)	**94,360.38**	**78,875.03**
III	**Measured at fair value through other comprehensive income (FVTOCI):**	–	–
	Sub–total (III)	**–**	**–**
	Total (I+II+III)	**94,360.38**	**78,875.03**

Notes forming part of standalone financial statements

47.4 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, 2025 Carrying amount	As at March 31, 2025 Fair value	As at March 31, 2024 Carrying amount	As at March 31, 2024 Fair value
Financial assets:				
Loans	91,642.36	91,642.36	76,497.78	76,497.78
Total	**91,642.36**	**91,642.36**	**76,497.78**	**76,497.78**
Financial liabilities:				
Debt Securities	28,854.39	28,839.65	29,569.45	29,417.13
Borrowings (other than debt securities)	61,559.22	61,322.54	44,430.47	43,974.56
Subordinated liabilities	1,833.29	1,826.19	2,540.95	2,517.19
Lease liabilities	125.54	125.54	62.58	62.58
Total	**92,372.44**	**92,113.92**	**76,603.45**	**75,971.46**

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, 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**	

(₹ in crore)

As at March 31, 2024	Level 1	Level 2	Level 3	Total	Valuation technique for level 3 items
Financial assets:					
Loans	–	–	76,497.78	76,497.78	Discounted cashflow approach
Total financial assets	**–**	**–**	**76,497.78**	**76,497.78**	
Financial liabilities:					
Debt Securities	–	–	29,417.13	29,417.13	Discounted cashflow approach
Borrowings (other than debt securities)	–	–	43,974.56	43,974.56	Discounted cashflow approach
Subordinated liabilities	–	–	2,517.19	2,517.19	Discounted cashflow approach
Lease liabilities	–	–	62.58	62.58	Discounted cashflow approach
Total financial liabilities	**–**	**–**	**75,971.46**	**75,971.46**	

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47.5 Disclosure pursuant to Ind AS 113 "Fair Value Measurement"

(₹ in crore)

Particulars	As at March 31, 2025				As at March 31, 2024			
	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	10.23	–	39.54	49.77	16.14	–	1.73	17.87
– Bonds and debentures	–	–	90.02	90.02	–	–	113.84	113.84
– Mutual funds	–	–	–	–	2,353.43	–	–	2,353.43
– Pass through certificates	–	–	–	–	–	–	–	–
– Security receipts	–	–	5,862.44	5,862.44	–	–	6,769.50	6,769.50
– Units of fund	–	–	69.03	69.03	–	–	100.15	100.15
Loans	–	–	2,130.70	2,130.70	–	–	4,861.61	4,861.61
Derivative financial instruments	–	–	–	–	–	–	–	–
Sub total	**10.23**	**–**	**8,191.73**	**8,201.96**	**2,369.57**	**–**	**11,846.83**	**14,216.40**
Financial assets at fair value through other comprehensive income:								
Investments								
– Bonds and debentures	–	504.22	–	504.22	–	498.29	–	498.29
– Government securities	–	5,092.65	–	5,092.65	–	2,353.85	–	2,353.85
– Pass through certificates	–	–	–	–	–	–	–	–
– Investment in Units of Fund	–	–	–	–	–	–	–	–
Derivative financial instruments	–	0.55	–	0.55	–	185.54	–	185.54
Sub total	**–**	**5,597.42**	**–**	**5,597.42**	**–**	**3,037.68**	**–**	**3,037.68**
Total Financial assets at fair value	**10.23**	**5,597.42**	**8,191.73**	**13,799.38**	**2,369.57**	**3,037.68**	**11,846.83**	**17,254.08**
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.

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47.6 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, 2024 and March 31, 2025:

(₹ in crore)

Particulars	– Equity instruments	– Bonds and debentures	– Security Receipts	– Units of fund	Loans	Total
Balance as at April 1, 2023	**167.92**	**105.82**	**6,321.06**	**138.75**	**17,056.75**	**23,790.28**
Acquisitions	–	113.84	2,504.10	3.67	2,025.85	4,647.46
Deletions/redemption	(224.00)	(249.87)	(724.39)	(0.99)	(16,005.30)	(17,204.55)
Gains/(losses) recognised in profit or loss	57.81	144.05	(1,331.26)	(41.29)	1,784.32	613.63
As at March 31, 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**
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, 2024	**57.81**	**144.05**	**(1,331.26)**	**(41.29)**	**1,784.32**	**613.63**
As at March 31, 2025	**37.81**	**(35.04)**	**(151.88)**	**0.03**	**215.72**	**66.64**
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, 2024	–	–	–	–	–	–
As at March 31, 2025	–	–	–	–	–	–

47.7 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, 2025	March 31, 2024		March 31, 2025	March 31, 2025	March 31, 2024	March 31, 2024
				Favourable	Unfavourable	Favourable	Unfavourable
Investments							
– Equity instruments	39.54	1.73	5.00%	1.98	(1.98)	0.09	(0.09)
– Bonds and debentures	90.02	113.84	0.25%	0.23	(0.23)	0.28	(0.28)
– Pass Through Certificates	–	–	0.25%	–	–	–	–
– Security Receipts	5,862.44	6,769.50	5.00%	293.12	(293.12)	338.48	(338.48)
– Units of fund	69.03	100.15	5.00%	3.45	(3.45)	5.01	(5.01)
Loans	2,130.70	4,861.61	0.25%	5.33	(5.33)	12.15	(12.15)
Total	**8,191.73**	**11,846.83**		**304.10**	**(304.10)**	**356.01**	**(356.01)**

Notes forming part of standalone financial statements

47.8 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, 2025			As at March 31, 2024		
	Within twelve month	After twelve month	Total	Within twelve month	After twelve month	Total
A. Non–derivative liabilities:						
Borrowings*	56,416.67	46,566.99	1,02,983.67	46,341.28	39,568.84	85,910.12
Trade payables	1,367.80	–	1,367.80	1,219.81	–	1,219.81
Other payables	–	–	–	–	–	–
Lease liabilities	20.36	105.18	125.54	13.28	49.30	62.58
Other financial liabilities	620.14	–	620.14	1,051.77	–	1,051.77
Total	**58,424.97**	**46,672.17**	**1,05,097.15**	**48,626.14**	**39,618.14**	**88,244.28**
B. Derivative liabilities:						
Currency swap	–	–	–	–	–	–
Total	**–**	**–**	**–**	**–**	**–**	**–**

* Borrowings include debt securities,borrowings (other than debt securities)and subordinated liabilities and are net off offsetting respective derivative gain/loss but includes undiscounted future interest.

(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, 2025	As at March 31, 2024
Undrawn backup lines	9,594.33	10,961.69

(c) Ind AS 107 - Financial Instruments: Disclosures - Carrying amount of collateral given

₹ in crore

Particulars	As at March 31, 2025	As at March 31, 2024
Bank Balances other than cash and cash equivalent	4,686.30	913.31
Investments	1,162.65	1,147.50
Loans	88,276.78	73,150.28
Total	**94,125.73**	**75,211.09**

47.9 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

Notes forming part of standalone financial statements

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 49.1 for the Company's Capital ratios.

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, 2025	31 March, 2024
Total debt	92,246.90	76,540.87
Networth	25,294.72	23,194.96
Debt to equity ratio	**3.65**	**3.30**

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 except as given in note 46. 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, 2025	31 March, 2024
(a) Equity shares		
Final dividend for the year ended March 31, 2024 of ₹ 2.50 per fully paid share (Previous year : ₹ 2.00 per fully paid share)	622.46	496.61
Interim dividend for the year ended March 31, 2025 of ₹ Nil per fully paid share (Previous year : ₹ Nil)	–	–
(b) Dividends not recognised at the end of the reporting year	–	–

47.10 Market risk management :

(a) Foreign currency risk :

Particulars	As at March 31, 2025	As at March 31, 2024
Liability – External Commercial Borrowings	USD 88,16,67,222	USD 25,00,00,000
Assets – Cross Currency Interest Rate Swap Contracts	USD 88,16,67,222	USD 25,00,00,000

Notes forming part of standalone financial statements

(b) Interest rate risk :

The exposure of the Company's borrowing to interest rate changes at the end of the reporting period are as follows:

₹ in crore

Particulars	As at March 31, 2025	As at March 31, 2024
Variable rate borrowings	20,124.54	17,962.56
Fixed rate borrowings	71,030.03	57,201.53
Total borrowings	**91,154.57**	**75,164.09**

As at the end of the reporting period, the Company had the following variable rate borrowings and interest rate swap contracts outstanding:

Particulars	As at March 31, 2025			As at March 31, 2024		
	Weighted average interest rate	Balance	% of total borrowing	Weighted average interest rate	Balance	% of total borrowing
Variable rate borrowings	7.46%	20,124.54	22.08%	7.68%	17,962.56	23.90%
Interest rate swap at variable rate	–	–	–	–	–	–
Net exposure to cash flow interest rate risk	**7.46%**	**20,124.54**	**22.08%**	**7.68%**	**17,962.56**	**23.90%**

(c) Sensitivity :

Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of changes in interest rates. Other components of equity change as a result of an increase/decrease in the fair value of the cash flow hedges related to borrowings. (₹ in crore)

Particulars	Impact on profit after tax		Impact on other components of equity	
	FY 2024-25	FY 2023-24	31-Mar-25	31-Mar-24
Interest rates – increase by 25 basis points *	(46.17)	(35.45)	(46.17)	(35.45)
Interest rates – decrease by 25 basis points*	46.17	35.45	46.17	35.45

** Impact on P/L upto 1 year, holding all other variables constant*

47.11 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.

Notes forming part of standalone financial statements

48 Disclosure pursuant to Ind AS 12 "Income Taxes"

(a) Major components of tax expense/(income):

(₹ in crore)

Sr. No.	Particulars	F.Y. 2024–25	F.Y. 2023–24
	Statement of Profit and Loss:		
(a)	**Profit and Loss section:**		
	(i) Current tax :		
	Current tax expense for the year	756.97	704.56
		756.97	**704.56**
	(ii) Deferred Tax:		
	Tax expense on origination and reversal of temporary differences	80.15	(4.15)
	Effect on deferred tax balances due to the change in income tax rate	–	–
		80.15	**(4.15)**
	Income tax expense reported in the statement of profit or loss[(i)+(ii)]	**837.12**	**700.41**
(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	(0.76)	1.18
		(0.76)	**1.18**
	(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	(9.43)	(2.10)
		(9.43)	**(2.10)**
	Income tax expenses reported in the other comprehensive income [i+ii]	**(10.19)**	**(0.92)**
(c)	**Other directly reported in balance sheet through reserve:**		
	Current tax (assets)/liabilities		
	– Merger related expenses	(3.89)	(3.89)
	Deferred tax (assets)/liabilities		
	– Merger related expenses	3.89	3.89
	Income tax expense reported directly in balance sheet	**–**	**–**

Notes forming part of standalone financial statements

(b) Reconciliation of Income tax expense and accounting profit multiplied by domestic tax rate applicable in India:

(₹ in crore)

Sr. No.	Particulars		F.Y. 2024–25	F.Y. 2023–24
(a)	Profit/(loss) before tax		3,454.93	2,986.64
(b)	Corporate tax rate as per Income tax Act, 1961		25.168%	25.168%
(c)	Tax on accounting profit	**(c)=(a)*(b)**	869.54	751.68
(d)	(i) Tax on Income exempt from tax :			
	(A) Deduction of Dividend under Section 80M		–	(21.86)
	(B) Deduction u/s 80JJA of the Income Tax Act, 1961		(13.43)	–
	(ii) Tax on non deductible expenses:			
	(A) Corporate Social Responsibility (CSR) expenses		5.17	0.31
	(B) Provision for dimunition of investments		0.06	(97.23)
	(C) Dividend / Interest on Prefrence Shares and share issue expense		–	–
	(C) Others		3.46	1.39
	(iii) Tax effect on other item:		(27.68)	
	(iv) Tax effect of losses/timing differences of current year on which no deferred tax benefit is recognised		–	66.14
	Total effect of tax adjustments [(i) to (iii)]		**(32.42)**	**(51.25)**
(e)	**Tax expense**	**(e)=(c)+(d)**	**837.12**	**700.42**
(f)	**Effective tax rate**	**(f)=(e)/(a)**	24.23%	23.45%
(g)	**Tax expense recognised during the year**		**837.12**	**700.42**
(h)	**Effective tax rate**	**(h)=(g)/(a)**	24.23%	23.45%

(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, 2025		As at March 31, 2024	
	₹ 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**	

(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, 2024	As at March 31, 2023
(a)	Towards provision for diminution in value of investments	704.28	704.06
(b)	Other items	53.60	53.60
	Total	**757.88**	**757.66**

Notes forming part of standalone financial statements

(d) Major components of deferred tax liabilities and deferred tax assets:

(₹ in crore)

Particulars	Deferred tax liabilities/ (assets) as at March 31, 2023	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, 2024
Deferred tax liabilities:					
– Deduction under Secion 36(1)(viia)	(24.69)	24.69	–	–	–
Net deferred tax liabilities	**(24.69)**	**24.69**	**–**	**–**	**–**
Deferred tax (assets):					
– Provision on loan assets based on expected credit loss and fair value impact	1,435.40	(385.87)	–	–	1,049.53
– Provision on trade receivables	3.63	1.51	–	–	5.14
– Fair value of investments	282.47	336.66	–	–	619.12
– Defined benefit obligation (Gratuity and Leave encashment)	7.65	2.49	(1.18)	–	8.96
– Amortisation of expenditure incurred for amalgamation	8.87	3.48	–	(3.89)	8.45
– Fair valuation of derivative financial instrument	(0.60)	–	2.10	–	1.50
– Impact on account of Ind AS 116 – Leases	4.30	0.48	–	–	4.78
– Liability for expenses	48.08	27.07	–	–	75.15
– Difference between book base and tax base of property, plant & equipement, other intangible assets and goodwill	76.22	(6.37)	–	–	69.85
Net Deferred tax (assets)	**1,866.02**	**(20.55)**	**0.92**	**(3.89)**	**1,842.48**
Net deferred tax liability/(assets)	**1,841.33**	**4.14**	**0.92**	**(3.89)**	**1,842.48**

Notes forming part of standalone financial statements

(₹ 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**

49 The following additional information is disclosed in the terms of Master Direction – Reserve Bank of India (Non-Banking Financial Company –Scale Based Regulation) Directions 2023, issued by Reserve Bank of India vide circular no. RBI/DoR/2023-24/106 DoR.FIN.REC.NO.45/03.10.119/2023-24 October 19, 2023 as amended (the "RBI Master Directions").

The disclosures as required by the RBI Master Directions has been prepared as per Indian Accounting Standards as mentioned in RBI circular RBI/2019-20/170 DOR (NBFC).CC.PD.No.109/ 22.10.106/2019-20 dated March 13, 2020.

Notes forming part of standalone financial statements

49.1 Capital :

(₹ in crore)

Sr. No.	Particulars	As at March 31, 2025	As at March 31, 2024
i)	CRAR (%)	22.27%	22.84%
ii)	CRAR – Tier I Capital (%)	20.76%	21.02%
iii)	CRAR – Tier II Capital (%)	1.51%	1.82%
iv)	Amount of subordinated debt raised as Tier–II capital* (Raised during the year ₹ Nil , previous year Nil)	1,465.57	2,173.59
v)	Amount raised by issue of Perpetual Debt Instruments (Raised during the year ₹ Nil, previous year ₹ Nil)	367.72	367.36
vi)	Percentage of the amount of Perpetual Debt Instruments of the amount of its Tier I Capital	1.57%	1.73%

* Discounted value of ₹ 416.08 crore (Previous year ₹ 654.89 crore) considered for Tier II capital against the book value of ₹ 1,465.57 crore (Previous year ₹ 2,173.59 crore).

49.2 Investments :

(₹ in crore)

Sr. No.	Particulars	As at March 31, 2025	As at March 31, 2024
(1)	**Value of Investments**		
	(i) Gross Value of Investments		
	(a) In India	15,110.18	15,551.69
	(b) Outside India	–	–
	(ii) Provisions for Depreciation*		
	(a) In India	3,274.20	3,176.91
	(b) Outside India	–	–
	(iii) Net Value of Investments		
	(a) In India	11,835.98	12,374.78
	(b) Outside India	–	–
(2)	**Movement of provisions held towards depreciation on investments***		
	(i) Opening balance	3,176.91	–
	(ii) Transferred of erstwhile L&T Finance Limited (refer note 53)	–	2,234.52
	(iii) Add : Provisions made during the year	447.59	1,433.01
	(iv) Less : Write–off / write–back of excess provisions during the year	350.30	490.62
	(v) Closing balance	3,274.20	3,176.91

*Provision for depreciation on Investments includes fair value changes and provision towards impairment of financial instruments.

Notes forming part of standalone financial statements

49.3 Derivatives :

I) Forward Rate Agreement / Interest Rate Swap (also includes currency interest rate swaps)

(₹ in crore)

	Particulars	As at March 31, 2025	As at March 31, 2024
(i)	The notional principal of swap agreements	7,492.08	2,302.27
(ii)	Losses which would be incurred if counterparties failed to fulfil their obligations under the agreements	48.49	188.42
(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	48.49	188.42

II) Exchange Traded Interest Rate (IR) Derivatives: The Company has not traded in exchanged traded Interest Rate Derivative during the financial year ended March 31, 2025 (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 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	–	–

Quantitative Disclosures for Financial Year 2023-24

(₹ in crore)

	Particulars	Currency Derivatives	Interest Rate Derivatives
(i)	Derivatives (Notional principal amount)	1,902.27	400.00
(ii)	Market to Market position	–	–
	(a) Asset (+)	185.87	2.55
	(b) Liability (–)	(2.88)	–
(iii)	Credit exposure	–	–
(iv)	Unhedged exposure	–	–

Notes forming part of standalone financial statements

49.4 Securitisation:

Disclosure of Securitisation of Standard Assets pursuant to RBI circular no RBI/DOR/2021-22/85 DOR.STR.REC.53/21.04.177/2021-22 dated September 24, 2021:

I) 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	No. / Amount As at March 31, 2025	No. / Amount As at March 31, 2024
1	No of SPEs holding assets for securitisation transactions originated by the originator	10	4
2	Total amount of securitised assets as per books of the SPEs*	1,788.30	955.63
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	–
	Others	–	–
	b) On–balance sheet exposures		
	First loss		
	– Cash collateral in the form of term deposits with banks	289.91	149.76
	Others	–	–
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	106.28	108.67
	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	3,263.75	1,497.60
	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.	0.22	0.33
7	Performance of facility provided		
	Cash Encashment		
	(a) Opening Balance Outstanding	149.76	–
	(b) Additions during the year (Fresh Transactions)	176.61	149.76
	(c) Repayment/Maturity received (during the year)	–	–
	(d) Closing Balance Outstanding	326.37	149.76
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	8.14%	7.20%
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	–	–

*Amount represents principle outstanding of securitisation assets as on reporting date.

II) Details of securitisation transactions undertaken by applicable NBFCs

There are no securitisation transactions except in the above mentioned table during the year (previous year : Nil).

III) Details of Assignment transactions undertaken by applicable NBFCs

There are no assignment transactions during the year (previous year : Nil), hence relevant disclosure is not applicable.

IV) Details of non-performing financial assets purchased/sold from/to NBFCs:

During the current and previous year, no non-performing financial assets has been purchased/sold from/to other NBFCs.

Notes forming part of standalone financial statements

V) Disclosure of financials assets sold to securitisation company pursuant to RBI circular no RBI/ DOR/2021-22/86 DOR.STR.REC.51/ 21.04.048/2021-22 dated September 24, 2021:

a) Asset sold to ARCs:

(₹ in crore)

Sr No	Particulars	2024–25		2023–24	
		NPA	SMA	NPA	SMA
1	No. of accounts sold	8.00	–	18.00	50
2	Aggregate principal outstanding of loans transferred (₹ in crores)	776.37	–	1,395.89	2,499
3	Weighted average residual tenor of the loans transferred (months)	1.69	–	2.20	5
4	Net book value of loans transferred (at the time of transfer) (₹ in crores)	562.68	–	874.47	2,060
5	Aggregate consideration (₹ in crores)	833.24	–	876.55	2,069
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)	249.65	–	(737.66)	(608)

b) Details of loans not in default transferred during the year to other than ARCs *:

(₹ in crore)

Sr No	Particulars	2024-25	2023-24
1	Count of loans assigned	1	75.00
2	Amount of loan account assigned (₹ in crore)	350.00	6,517.68
3	Weighted average maturity (years) (from the date of transfer)	15.71	14.50
4	Weighted average holding period (years)	1.60	2.25
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 AAA to D

*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.

c) The Company has not acquired any loans not in default during the year ended March 31, 2025 (previous year Nil).

d) The company has not acquired any stressed assets during the year (previous year Nil).

Notes forming part of standalone financial statements

e) Security Receipts (SRs) rating for the transactions during the year:

(₹ in crore)

Particulars	2024-25		2023-24	
	Rating Agency	Rating	Rating Agency	Rating
CFMARC Trust 124	–	–	Infomerics Valuation and Rating Private Limited	IVR RR2
PHOENIX TRUST-FY23-37	–	–	India Ratings & Research Private Limited	IND RR2
PHOENIX TRUST-FY24-5	–	–	Crisil Ratings Limited	RR1
PRUDENT TRUST- 89/23#	Infomerics Valuation and Rating Private Limited	IVR RR1	Infomerics Valuation and Rating Private Limited	NA
ARCIL-TRUST-2025-009#	NA	NA	NA	NA

These transactions were done during the financial year. The initial rating of ARC trust is under process.

49.5 Miscellaneous

(I) 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

(II) Penalties imposed by RBI and other regulators : No penalties have been imposed by RBI or other regulators during the year. (Previous Year: Nil)

(III) Ratings assigned by credit rating agencies and migration of ratings during the year

	Particular	FY 2024–2025				FY 2023–2024			
		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)

Notes forming part of standalone financial statements

Particular		FY 2024–2025				FY 2023–2024			
		CRISIL	CARE	ICRA	India Ratings	CRISIL	CARE	ICRA	India Ratings
(vii)	Principal Protected Market–Linked Debenture	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)	–	–

(IV) Postponements of revenue recognition: Current year: Nil (Previous year: Nil)

49.6 Provisions and Contingencies :

(I) Break up of 'Provisions and Contingencies' shown under the head Expenditure in Profit and Loss Account

(₹ in crore)

Particulars	FY 2024-2025	FY 2023-2024
Provision for depreciation on investments (including fair value change)	97.29	942.39
Provision towards NPA (Impairment loss allowance on loans)	301.32	1,152.36
Provision towards NPA (fair value changes on loans)	27.40	(1,118.95)
Provision for Standard Assets (impairment loss allowance on loans)	(302.33)	(901.23)
Provision for Standard Assets (fair value changes on loans)	(243.12)	(665.36)
Provision made towards Income tax	837.12	700.41
Other Provision and Contingencies (with details)**	(40.83)	*59.61*

**Includes Provision on trade receivables and others

(II) Drawn down from reserves: No draw down from reserves during the financial year (Previous year: Nil)

49.7 Concentration of Advances, Exposures and NPAs

(I) Concentration of Advances

(₹ in crore)

Particulars	As at March 31, 2025	As at March 31, 2024
Total Advances to twenty largest borrowers	2,771.30	5,330.57
Percentage of advances to twenty largest borrowers to total advances of the Company	2.83%	6.23%

(II) Concentration of Exposures

(₹ in crore)

Particulars	As at March 31, 2025*	As at March 31, 2024*
Total Exposure to twenty largest borrowers / customers#	2,771.30	5,330.57
Percentage of total exposure to twenty largest borrowers / customers to total exposure of the Company on borrowers / customers #	2.83%	6.23%

Undisbursed commitments are considered as Nil on account of conditions precedent to disbursements.
*Excludes security receipts

Notes forming part of standalone financial statements

(III) Concentration of NPA

(₹ in crore)

Particulars	As at March 31, 2025	As at March 31, 2024
Total Exposure to top four NPA accounts	481.07	445.47

49.8 Movement of NPAs

(₹ in crore)

	Particulars	FY 2024–2025	FY 2023–2024
(i)	Net NPAs to Net Advances (%)	1.71%	1.67%
(ii)	Movement of NPAs (Gross)		
	(a) Opening balance	3,505.03	–
	(b) Transferred from amalgamating companies (refer note 53)	–	4,480.87
	(c) Additions during the year	4,409.19	3,548.08
	(d) Reductions during the year	3,873.79	4,523.92
	(e) Closing balance	4,040.43	3,505.03
(iii)	Movement of Net NPAs		
	(a) Opening balance	1,397.62	–
	(b) Transferred from amalgamating companies (refer note 53)	–	1,783.37
	(b) Additions during the year	1,173.72	1,684.79
	(c) Reductions during the year	939.64	2,070.54
	(d) Closing balance	1,631.70	1,397.62
(iv)	Movement of provisions for NPAs (excluding provisions on standard assets)		
	(a) Opening balance	2,107.41	
	(b) Transferred from amalgamating companies (refer note 53)	–	2,697.50
	(b) Provisions made during the year	3,235.47	1,863.28
	(c) Write–off / write–back of excess provisions	2,934.15	2,453.37
	(d) Closing balance	2,408.73	2,107.41

Note: Above numbers are based on quarterly movement.

49.9 Disclosure of customer complaints

	Particulars	FY 2024–2025	FY 2023–2024
(i)	No. of complaints pending at the beginning of the year	767	–
(ii)	No. of complaints transferred from amalgamating companies (refer note 53)	–	1,711
(ii)	No. of complaints received during the year	16,794	27,529
(iii)	No. of complaints redressed during the year	16,788	28,473
(iv)	No. of complaints pending at the end of the year	773	767

Notes forming part of standalone financial statements

49.10 Resolution of stressed assets

During the year ended March 31, 2025, the Company has not implemented resolution plan under the prudential framework for stressed assets issued by RBI vide circular no RBI/2018-19/203 DBR.No.BP.BC.45/21.04.048/2018-19 dated June 7, 2019.

49.11 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)	(C)	(E)
Personal Loans	475.62	33.18	–	22.39	427.46
Corporate persons*/**	58.40	5.64	–	6.86	46.72
Of which, MSMEs	–	–	–	–	–
Others	–	–	–	–	–
Total	**534.02**	**38.83**	**–**	**29.25**	**474.18**

**As defined in Section 3(7) of the Insolvency and Bankruptcy Code, 2016.*

*** includes additional disbursement post implementation and interest accrued upto March 31, 2025.*

49.12 Disclosure on Resolution Framework - RBI/DoR/2023-24/106 DoR.FIN.REC.NO.45/03.01.119/2023-24 on Disclosure requirements under Scale Based Regulation for NBFCs dated October 19,2023 as amended.

Particulars	Aggregate amount of Sanctioned Loans to Directors, Senior Officers and Relatives of Directors	
	As at March 31, 2025	As at March 31, 2024
Directors and their relatives	–	–
Entities associated with directors and their relatives	–	–
Senior Officers and their relatives	–	–

49.13 Breach of Covenant

During the year ended March 31, 2025, there is no instance of breach of covenant of loan availed or debt securities issued (applicable if any) by the company.

49.14 Divergence in Asset Classification and Provisioning

a) the additional provisioning requirements assessed by RBI exceeds 5 percent of the reported profits before tax and impairment loss on financial instruments for financial year 2024-25 : Nil

Notes forming part of standalone financial statements

b) the additional Gross NPAs identified by RBI exceeds 5 percent of the reported Gross NPAs for financial year 2024-25 : Nil

49.15 Disclosure of Gold Loan Portfolio

There were no loans given against the collateral of gold jewellery and hence the percentage of such loans to the total outstanding asset is Nil (Previous Year Nil).

49.16 Disclosure of Gold Auction

The company doesn't have any gold loan product. Hence Not applicable.

49.17 Overseas Assets (for those with Joint Ventures and Subsidiaries abroad)

The company does not have any joint venture or subsidiary abroad, hence not applicable.

49.18 Off-balance Sheet SPVs sponsored

The company does not have any Off-balance Sheet SPVs sponsored, hence not applicable.

49.19 Credit Default Swaps

The company has not undertaken any Credit Default swaps transaction during the current year and previous year.

49.20 Participation in Currency Options and Currency Futures

The company has not undertaken any transaction during the current year and previous year for currency options and currency futures.

49.21 Asset Liability Management Maturity pattern of certain items of Assets and Liabilities:

(₹ 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

Notes forming part of standalone financial statements

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.

(₹ in crore)

March 31, 2024	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)	1,832.02	536.37	262.85	2,794.53	3,023.36	8,579.13	16,420.58	28,849.12	7,532.28	14,387.87	**84,218.11**
Investments (net)	2,926.99	–	1,250.84	198.02	393.80	–	421.11	113.84	–	7,039.22	**12,343.82**
Foreign Currency assets	–	–	–	–	–	–	–	–	–	–	**–**
Liabilities:											
Borrowings*	400.00	156.16	863.14	3,160.75	4,072.10	5,450.99	11,532.65	38,682.78	4,220.91	6,624.60	**75,164.08**
Foreign Currency liabilities	–	–	–	–	864.55	–	69.34	691.03	277.35	–	**1,902.27**

* 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 November 29,2023 and relied upon by the auditors.

49.22 Disclosures on Implementation of Indian Accounting Standards, in terms of RBI circular RBI/2019-20/170/DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 dated March 13, 2020

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
Subtotal of Non–Performing Assets		**4,031.20**	**2,393.92**	**1,637.28**	**850.91**	**1,543.01**
Loss	Stage 3	9.22	9.22	–	8.85	0.37
Subtotal		**97,761.47**	**3,980.81**	**93,780.64**	**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						
	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**
Total	**Stage 1**	**92,765.49**	**1,208.09**	**91,557.40**	**349.26**	**858.83**
	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 2(b) of RBI circular RBI/2019-20/170/DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 dated March 13, 2020, 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 ₹ 2,721.35 crore as compare to IRACP, hence appropriation to impairment reserve is not required during the financial year.

Notes forming part of standalone financial statements

49.22 Disclosures on Implementation of Indian Accounting Standards, in terms of RBI circular RBI/2019-20/170/DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 dated March 13, 2020

March 31, 2024

(₹ 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, 2024*	Loss Allowances (Provisions) as required under Ind AS 109 as on March 31, 2024*	Net Carrying Amount as on March 31, 2024	Provisions required as per IRACP norms as on 31, 2024	Difference between Ind AS 109 provisions and IRACP norms as on 31, 2024
(1)	(2)	(3)	(4)	(5)=(3)-(4)	(6)	(7) = (4)-(6)
Performing Assets						
Standard	Stage 1	79,496.81	1,652.87	77,844.03	326.18	1,326.70
	Stage 2	2,562.68	444.84	2,117.84	75.95	368.89
Subtotal of Performing Assets		**82,059.49**	**2,097.71**	**79,961.87**	**402.14**	**1,695.59**
Non–Performing Assets (NPA)						
Substandard and Doubtful	Stage 1	79.99	1.40	78.59	8.83	–7.43
Substandard and Doubtful	Stage 2	727.04	68.97	658.08	72.65	–3.70
Substandard	Stage 3	1,517.78	1,057.49	460.29	142.82	914.68
Doubtful – up to 1 year	Stage 3	653.76	633.38	20.39	381.24	252.14
1 to 3 years	Stage 3	513.10	327.20	185.78	123.90	203.30
More than 3 years	Stage 3	13.36	13.36	–	7.26	6.10
Subtotal of Non–Performing Assets		**3,505.03**	**2,101.81**	**1,403.12**	**736.70**	**1,365.09**
Loss	Stage 3	–	–	–	–	–
Subtotal		**85,564.52**	**4,199.52**	**81,364.99**	**1,138.84**	**3,060.68**
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	–	–	–	–	–
Non fund base exposure	Stage 2	–	–	–	–	–
	Stage 3	56.00	5.60	50.40	–	5.60
Subtotal		**56.00**	**5.60**	**50.40**	**–**	**5.60**
Total	**Stage 1**	**79,576.80**	**1,654.27**	**77,922.62**	**335.02**	**1,319.27**
	Stage 2	**3,289.72**	**513.81**	**2,775.92**	**148.60**	**365.19**
	Stage 3	**2,754.01**	**2,037.05**	**716.85**	**655.21**	**1,381.82**
	Total	**85,620.52**	**4,205.13**	**81,415.39**	**1,138.84**	**3,066.28**

* 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 2(b) of RBI circular RBI/2019-20/170/DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 dated March 13, 2020, 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 ₹ 3,066.28 crore as compare to IRACP, hence appropriation to impairment reserve is not required during the financial year.

49.23 Schedule to the Balance Sheet of non-banking financial company (as required in terms of paragraph 31 of Reserve Bank of India Non-Banking Financial Company Scale Based Regulation) Directions 2023, issued by Reserve Bank of India dated October 19, 2023 as amended vide circular No. RBI/DoR/2023-24/106DoR.FIN. REC.NO.45 /03.10.119/2023 24 (the "RBI Master Directions")

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, 2025 Amount Outstanding	As at March 31, 2025 Amount Overdue	As at March 31, 2024 Amount Outstanding	As at March 31, 2024 Amount Overdue
(a) Debentures :				
– Secured	22,781.30	–	25,887.73	–
– Unsecured	–	–	–	–
(Other than falling within the meaning of Public Deposits)*				
(b) Deferred Credits	–	–	–	–
(c) Term Loans	29,372.19	–	24,352.38	–
(d) Inter–Corporate Loans and borrowings	–	–	–	–
(e) Commercial Paper (Net off unexpired discounting charges)	6,073.09	–	3,681.72	–
(f) Public Deposits	–	–	–	–
(g) Other Loans	–	–	–	–
i) Foreign Currency Loan	–	–	–	–
ii) External commercial borrowings	7,544.01	–	2,105.51	–
iii) Bank Overdraft, Cash credit & Working Capital Demand Loan	21,966.86	–	16,590.58	–
iv) Corporate Bond Repo and Collateralized Borrowing and Lending Obligation	399.93	–	399.18	–
v) Cash Credit	484.97	–	25.00	–
vi) Associated liability related to securitisation transactions	1,791.26	–	957.82	–

*** Refer footnote 1 below**

Notes forming part of standalone financial statements

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, 2025		As at March 31, 2024	
	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	–	–	–	–

*** Refer footnote 1 below**

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, 2025	As at March 31, 2024
(a) Secured (net of provision)	52,441.11	46,307.55
(b) Unsecured (net of provision)	41,331.95	35,051.84

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, 2025	As at March 31, 2024
(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	–	–

Notes forming part of standalone financial statements

5. Break-up of Investments (net off diminution) :

(₹ in crore)

Particulars	Amount Outstanding	
	As at March 31, 2025	As at March 31, 2024
Current Investments		
1 Quoted		
(i) Shares :		
(a) Equity	10.23	16.14
(b) Preference	–	–
(ii) Debentures and Bonds	504.22	498.29
(iii) Units of Mutual Funds	–	2,353.43
(iv) Government Securities	5,092.65	2,353.86
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	–	–
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	169.58
(b) Preference	–	–
(ii) Debentures and Bonds	90.02	113.84
(iii) Units of Mutual Funds	–	–
(iv) Government Securities	–	–
(v) Others :		
(a) Security receipts	5,862.44	6,769.50
(b) Investment in Units/Pass Through Certificates/Venture Capital Fund	69.03	100.14

Notes forming part of standalone financial statements

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, 2025		As at March 31, 2024	
	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	52,441.11	41,331.95	46,307.55	35,051.84
Total	**52,441.11**	**41,331.95**	**46,307.55**	**35,051.84**

**** As per Indian Accounting Standard issued by MCA (Please see footnote 3)**

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, 2025		As at March 31, 2024	
	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	214.66	214.66	240.62	240.62
(b) Companies in the same group	–	–	–	–
(c) Other related parties	–	–	–	–
2 Other than related parties	11,621.32	11,621.32	12,134.15	12,134.15
Total	**11,835.98**	**11,835.98**	**12,374.77**	**12,374.77**

**** As per Indian Accounting Standard issued by MCA (Please see footnote 3)**

8. **Other Information**

(₹ in crore)

Particulars	As at March 31, 2025	As at March 31, 2024
(i) Gross Non-Performing Assets	**4,040.43**	**3,505.03**
(a) Related parties	–	–
(b) Other than related parties	4,040.43	3,505.03
(ii) Net Non-Performing Assets		
(a) Related parties	–	–
(b) Other than related parties	1,631.70	1,397.62
(iii) Assets acquired in satisfaction of debt (Gross)	**800.14**	**822.08**

Footnotes:

1. As defined in point xxvii of paragraph 3 of Chapter-II of these Directions.
2. Provisioning norms shall be applicable as prescribed in Indian Accounting Standards by MCA.
3. All Indian Accounting Standards issued by MCA are applicable including for valuation of investments and other assets as also assets acquired in satisfaction of debt.

Notes forming part of standalone financial statements

50 Exposure

The following additional information is disclosed in the terms of Master Direction – Reserve Bank of India (Non-Banking Financial Company –Scale Based Regulation) Directions 2023, issued by Reserve Bank of India vide circular no. RBI/DoR/2023-24/106 DoR.FIN.REC.NO.45/03.10.119/2023-24 October 19, 2023 as amended (the "RBI Master Directions").

The disclosures as required by the RBI Master Directions has been prepared as per Indian Accounting Standards as mentioned in RBI circular RBI/2019-20/170 DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 dated March 13, 2020.

1) **Exposure to real estate sector**

(₹ in crore)

Category	As at March 31, 2025	As at March 31, 2024
i) Direct exposure		
a) Residential Mortgages –	21,359.94	17,201.56
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.		
b) Commercial Real Estate –	6,019.52	4,235.51
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.		
c) Investments in Mortgage-Backed Securities (MBS) and other securitized exposures –		
i. Residential	4,786.29	5,464.90
ii. Commercial Real Estate	393.35	673.30
ii) Indirect Exposure	–	33.91
Total Exposure to Real Estate Sector	**32,559.10**	**27,609.17**

Notes forming part of standalone financial statements

2) Exposure to capital Market

(₹ in crore)

Category	As at March 31, 2025	As at March 31, 2024
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	628.02	634.44
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	–	–
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	233.83	269.09
(ii) Category II	17.77	17.77
(iii) Category III	–	–
(xi) all exposures to Venture Capital Funds (both registered and unregistered)	2.73	2.73
(xii) Others	–	–
Total exposure to capital market	**882.35**	**924.04**

Notes forming part of standalone financial statements

3) Sectoral exposure

Sectors	As at March 31, 2025			As at March 31, 2024		
	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	**15,304.38**	**1,104.80**	**7.22%**	**13,904.71**	**1,131.57**	**8.14%**
2. Industry						
i. Electricity Generation	161.20	–	0.00%	1,666.82	–	0.00%
ii. Roads	1,241.54	–	0.00%	1,408.75	–	0.00%
Others	2,321.10	43.33	1.16%	1,543.89	76.67	1.66%
Total–Industry (i+ii+others)	**3,723.84**	**43.33**	**1.16%**	**4,619.46**	**76.67**	**1.66%**
3. Services						
i. Commercial Real Estate	1,236.06	510.38	11.57%	2,336.94	427.07	11.08%
ii. Others	3,175.48	51.62	1.17%	1,516.66	8.95	0.23%
Total of Services (i+ii)	**4,411.54**	**562.00**	**12.74%**	**3,853.60**	**436.02**	**11.31%**
4. Personal Loans	**8,647.83**	**563.80**	**6.52%**	**6,941.52**	**307.29**	**4.43%**
5. Others						
i. Housing Loans	20,351.34	312.82	1.54%	14,624.12	234.56	1.60%
ii. Vehicle Loans	12,577.36	575.87	4.58%	11,629.58	539.53	4.64%
iii. Micro Finance Loans	736.93	32.55	4.42%	1,313.32	22.60	1.72%
iv. Loans Against Property	6,228.11	220.54	3.54%	4,803.00	204.48	4.26%
v. Business Loans	1,867.95	28.94	1.55%	1,245.09	11.75	0.94%
vi. Micro Loans	25,979.22	651.77	2.51%	23,628.12	596.57	2.52%
Total of Others (i+ii+iii+iv+v+vi)	**67,740.91**	**1,822.49**	**2.69%**	**57,243.22**	**1,609.48**	**2.81%**
Grand Total	**99,828.51**	**4,096.43**	**4.10%**	**86,562.51**	**3,561.03**	**4.11%**

4) Intra-group exposures

(₹ in crore)

S. No.	Particulars	As at March 31, 2025	As at March 31, 2024
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, 2025. (Previous year Nil)

Notes forming part of standalone financial statements

6. **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, 2025	As at March 31, 2024	As at March 31, 2025	As at March 31, 2024	As at March 31, 2025	As at March 31, 2024	As at March 31, 2025	As at March 31, 2024	As at March 31, 2025	As at March 31, 2024	As at March 31, 2025	As at March 31, 2024	As at March 31, 2025	As at March 31, 2024	As at March 31, 2025	As at March 31, 2024	As at March 31, 2025	As at March 31, 2024
Borrowings																		
Deposits	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Placement of deposits	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Advances	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Investments	–	–	4.71	3.66	–	–	–	–	–	–	–	–	–	–	–	–	4.71	3.66
Purchase of fixed/other assets	–	–	–		–	–	–	–	–	–	–	–	–	–	–	–	–	–
Sale of fixed/other assets	–	–	–		–	–	–	–	–	–	–	–	–	–	–	–	–	–
Interest paid	14.72	43.23	–	–	–	–	–	–	–	–	–	–	–	–	9.30	9.13	24.02	52.36
Interest received	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Others – Rent and maintenance cost paid	–	–	48.85	52.72	–	–	–	–	–	–	–	–	–	–	–	–	48.85	52.72
Others – Brand license fees paid	136.53	119.29	–	–	–	–	–	–	–	–	–	–	–	–	–	–	136.53	119.29
Others	13.53	8.69	3.68	1.67	–	–	1.23	2.80	–	–	11.41	27.07	–	–	3.45	16.68	33.29	56.91

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, 2025	As at March 31, 2024	As at March 31, 2025	As at March 31, 2024	As at March 31, 2025	As at March 31, 2024	As at March 31, 2025	As at March 31, 2024	As at March 31, 2025	As at March 31, 2024	As at March 31, 2025	As at March 31, 2024	As at March 31, 2025	As at March 31, 2024	As at March 31, 2025	As at March 31, 2024	As at March 31, 2025	As at March 31, 2024
Borrowings	105.00	310.38	–	–	–	–	–	–	–	–	–	–	–	–	99.50	149.50	204.50	459.88
Deposits	–	–	–	–	–	–					–	–	–	–	–	–	–	–
Placement of deposits	–	–	–	–	–	–					–	–	–	–	–	–	–	–
Advances																	–	–
Investments	–	–	214.66	240.61	–	–	–	–	–	–	–	–	–	–	–	–	214.66	240.61
Purchase of fixed/other assets	–	–	–	–	–	–					–	–	–	–	–	–	–	–
Sale of fixed/ other assets	–	–	–	–	–	–					–	–	–	–	–	–	–	–
Interest paid	5.99	18.07	–	–	–	–					–	–	–	–	7.04	5.97	13.04	24.04
Interest received	–	–	–	–	–	–					–	–	–	–	–	–	–	–
Others - Rent and maintenance cost paid	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Others - Brand license fees paid	135.38	118.10	–	–	–	–	–	–	–	–	–	–	–	–	–	–	135.38	118.10
Others	3.45	0.98	19.64	23.62	–	–	0.86	1.79	–	–	2.34	11.78	–	–	0.79	13.74	27.08	51.91

1. Balance outstanding with Fellow Subsidiary Companies

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 2024-25	FY 2023-24	FY 2024-25	FY 2023-24	FY 2024-25	FY 2023-24	FY 2024-25	FY 2023-24	FY 2024-25	FY 2023-24	FY 2024-25	FY 2023-24	FY 2024-25	FY 2023-24	FY 2024-25	FY 2023-24	FY 2024-25	FY 2023-24
Borrowings	280.38	955.38	-	-	-	-	-	-	-	-	-	-	-	-	149.50	135.37	429.88	1,132.83
Deposits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Placement of deposits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Investments	-	-	243.37	240.61	-	-	-	-	-	-	-	-	-	-	-	-	243.37	240.61

1. Balance outstanding with Fellow Subsidiary Companies

Notes forming part of standalone financial statements

7. 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, 2025	As at March 31, 2024
	Complaints received by the NBFC from its customers		
1.	Number of complaints pending at beginning of the year	767	–
2.	Number of complaints transferred from amalgamating companies (refer note 53)	–	1,711
3.	Number of complaints received during the year	16,794	27,529
4.	Number of complaints disposed during the year	16,788	28,473
	4.1 Of which, number of complaints rejected by the NBFC	3,255	4,595
5.	Number of complaints pending at the end of the year	773	767
	Maintainable complaints received by the NBFC from Office of Ombudsman		
6.*	Number of maintainable complaints received by the NBFC from Office of Ombudsman	477	527
	6.1 of 6, number of complaints resolved in favour of the NBFC by Office of Ombudsman	449	504
	6.2 of 6, number of complaints resolved through conciliation/ mediation/advisories issued by Office of Ombudsman	28	23
	6.3 of 6, number of complaints resolved after passing of Awards by Office of Ombudsman against the NBFC	–	–
7.*	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, 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**		**773**	**–**

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, 2024			
Payment & Refund	204	7,822	NA	157	–
Credit Report	151	4,773	NA	126	1
SMS/Calls Related	396	2,756	NA	58	–
Sourcing Related	298	2,100	NA	52	–
Collection related	93	1,960	NA	89	–
Others	569	8,118	NA	285	1
Total	**1,711**	**27,529**	**NA**	**767**	**2**

8) Details of financing of parent company products: Nil (Previous year : Nil)

9) 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, 2025.

10) Unsecured Advances (net off provision):

₹ in crore

Particulars	As at March 31, 2025	As at March 31, 2024
Term loans	33,369.41	29,067.53
Debentures	–	–
Intercorporate Deposit	–	–
Personal Loans	7,962.54	5,990.36
Total	**41,331.95**	**35,057.89**

Note : There are no advances outstanding as on March 31, 2025 against which intangible securities has been taken as collateral. (Previous year : Nil)

11) (i) Details of restructured accounts as on March 31, 2025

(₹ in crores except no. of borrowers)

Sr. No.	Type of Restructuring / Asset Classification		Others: 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	Transferred from amalgamating companies (Refer Note 53)	No. of borrowers	–	–	–	–	–
		Amount outstanding Restructured facility only	–	–	–	–	–
		Provision thereon	–	–	–	–	–
3	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)
4	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
5	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)	–	–
6	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	–	–	–	–	–
7	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	–
8	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)
9	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 Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023, company are not included above.

(ii) Details of restructured accounts as on March 31, 2024

(₹ in crores except no. of borrowers)

Sr. No.	Type of Restructuring / Asset Classification		Others: Standard	Sub–Standard	Doubtful	Loss	Total
1	Restructured Accounts as on April 1, 2023	No. of borrowers	–	–	–	–	–
		Amount outstanding Restructured facility only	–	–	–	–	–
		Provision thereon	–	–	–	–	–
2	Transferred from amalgamating companies (Refer Note 53)	No. of borrowers	21,128	1,08,253	217	–	1,29,598
		Amount outstanding Restructured facility only	1,383.04	288.78	4.23	–	1,676.05
		Provision thereon	167.03	251.12	1.95	–	420.10
3	Movement in balance for accounts appearing under opening balance*	No. of borrowers	(6,435)	(9,661)	(20)	–	(16,116)
		Amount outstanding Restructured facility only	(612.12)	(35.20)	(2.00)	–	(649.32)
		Provision thereon	48.50	(10.72)	(0.01)	–	37.77

Notes forming part of standalone financial statements

Sr. No.	Type of Restructuring / Asset Classification		Others: Standard	Sub–Standard	Doubtful	Loss	Total
4	Fresh restructuring during the year	No. of borrowers	3	–	–	–	3
		Amount outstanding Restructured facility only	34.59	–	–	–	34.59
		Provision thereon	3.26	–	–	–	3.26
5	Upgradations to restructured standard category during the FY	No. of borrowers	51	(38)	(13)	–	–
		Amount outstanding Restructured facility only	7.37	(7.35)	(0.02)	–	–
		Provision thereon	1.78	(1.77)	–	–	–
6	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	–	–	–	–	–
7	Downgradations of restructured accounts during the FY	No. of borrowers	(12,871)	(1,918)	14,789	–	–
		Amount outstanding Restructured facility only	(156.04)	112.87	43.17	–	–
		Provision thereon	(97.11)	60.97	36.13	–	–
8	Write–offs of restructured accounts during the FY	No. of borrowers	(11)	(82,395)	(149)	–	(82,555)
		Amount outstanding Restructured facility only	(0.10)	(192.90)	(0.67)	–	(193.67)
		Provision thereon	(0.03)	(192.72)	(0.67)	–	(193.42)
9	Restructured Accounts as on March 31, 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

*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 Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023, company are not included above.

51 The Company uses accounting softwares 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 softwares.

However, the audit trail/logs in respect of direct changes made at the database level, if any, are not enabled. The Company uses an alternate tool to monitor such database-level changes. Further, the audit trail records except for the database-level changes as mentioned above, have been preserved by the Company in accordance with the applicable statutory requirements relating to the retention of books of account.

Notes forming part of standalone financial statements

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 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 :

(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, 2025 pending with ROC beyond the statutory period.

(k) The Company has utilised all the borrowings for the purpose for which they have been borrowed.

53 The amalgamation of the erstwhile L&T Finance Limited, L&T Infra Credit Limited and L&T Mutual Fund Trustee Limited with the Company, with appointed date of April 1, 2023, by way of merger by absorption pursuant to a scheme of arrangement (the Scheme) under the provisions of Sections 230 – 232 read with Section 52 and other relevant provisions of the Companies Act, 2013 (including the rules thereunder) has become effective from December 04, 2023 in accordance with the terms of the scheme.

Notes forming part of standalone financial statements

Pursuant to the aforesaid scheme and necessary approval inter alia from the Registrar of Companies, name of the Company has been changed from L&T Finance Holdings Limited to L&T Finance Limited w.e.f. March 28, 2024.

54 There are no due and outstanding amount to be credited to Investor Education & Protection Fund as at March 31, 2025.

55 Previous year figures have been regrouped/reclassified wherever necessary, to make them comparable with the current year figures.

56 The above financial statements have been reviewed by the Audit Committee and subsequently approved by the Board of Directors at its meeting held on April 25, 2025.

In terms of our report attached of even date

For Brahmayya and Co.,
Chartered Accountants
ICAI FRN: 000515S

For T R Chadha & Co LLP
Chartered Accountants
ICAI FRN: 006711N/N500028

P.S. Kumar
Partner
Membership No. 015590

Vikas Kumar
Partner
Membership No. 075363

Place : Mumbai
Date : April 25, 2025

For and on behalf of the Board of Directors of
L&T Finance Limited
(formerly Known as L&T Finance Holdings 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: A18314

Place : Mumbai
Date : April 25, 2025

Place : Mumbai
Date : April 25, 2025

Independent Auditors' Report

To
The Members of
L&T Finance Limited
(formerly known as L&T Finance Holdings 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 (formerly known as L&T Finance Holdings 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, 2025, 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, 2025, 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 1.9 Impairment, Note 1.12 Presentation of allowance for ECL in the Balance Sheet, Note 06 & 45 to the Consolidated Financial Statements.]	

Sr. No.	Key Audit Matter	How the matter was addressed in our audit
	As at March 31, 2025, Retail loan assets aggregated Rs. 91,642.36 crores (net of expected credit losses of Rs. 3,536.75 crores), constituting 97.73% of the Company's total 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 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.	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. ➢ 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:

Sr. No.	Key Audit Matter	How the matter was addressed in our audit
		• 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. ➢ 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.

Sr. No.	Key Audit Matter	How the matter was addressed in our audit
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 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 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 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 Rs. 493.20 crores as at March 31, 2025, total revenues of Rs. 58.80 crores and net cash flows amounting to Rs. (29.18) 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 Rs 151.12 crores as at March 31, 2025, total revenues of Rs 3.29 crores and net cash flows amounting to Rs (0.15) 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, 2025, taken on record by the Board of Directors of the Company and the reports of the statutory auditors of its subsidiary companies and of its associates, none of the directors of the Group and of its associates companies is disqualified as on March 31, 2025, 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, 2025, 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, 2025.

(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, if any, were not enabled. The Parent Company has informed us that an alternate tool is being used to monitor such database-level changes, however the log of same is not preserved in accordance with statutory requirements for record retention.

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: 25015590BMMJNP8279

Place: Mumbai
Date: April 25, 2025

For **T R Chadha & Co LLP**
Chartered Accountants
ICAI Firm Registration No. 006711N/N500028

Vikas Kumar
Partner
Membership No. 075363
UDIN:25075363BMOIUR4239

Place: Mumbai
Date: April 25, 2025

Annexure 'A' to the Independent Auditors' Report

Annexure 'A' to the Independent Auditors' report on the Consolidated Financial Statements of L&T Finance Limited (Formerly L&T Finance Holdings Limited) for the year ended March 31, 2025

(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 (formerly L&T Finance Holdings Limited) as of and for the year ended March 31, 2025, we have audited the internal financial controls with reference to the Consolidated Financial Statements of L&T Finance Limited (formerly L&T Finance Holdings 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 Act.

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 Act, 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, 2025, 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: 25015590BMMJNP8279

Place: Mumbai
Date: April 25, 2025

For **T R Chadha & Co LLP**
Chartered Accountants
ICAI Firm Registration No. 006711N/N500028

Vikas Kumar
Partner
Membership No. 075363
UDIN: 25075363BMOIUR4239

Place: Mumbai
Date: April 25, 2025

Consolidated Balance Sheet as at March 31, 2025

(₹ in crore)

Particulars	Note	As at March 31, 2025	As at March 31, 2024
ASSETS			
1 Financial assets			
(a) Cash and cash equivalents	2	2,896.22	3,593.35
(b) Bank balance other than (a) above	3	7,936.70	1,082.67
(c) Derivative financial instruments	4	0.55	185.54
(d) Receivables	5		
(I) Trade receivables		116.95	247.28
(II) Other receivables		5.56	3.22
(e) Loans	6	93,773.06	81,359.39
(f) Investments	7	11,875.97	12,384.89
(g) Other financial assets	8	387.91	632.11
		1,16,992.92	**99,488.45**
2 Non-financial assets			
(a) Current tax assets (net)		313.66	291.67
(b) Deferred tax assets (net)	40	1,783.13	1,856.99
(c) Property, plant and equipment	9	397.37	354.97
(d) Intangible assets under development	9	45.00	35.62
(e) Goodwill on consolidation		13.40	13.40
(f) Other intangible assets	9	113.82	96.13
(g) Right of use asset	10, 38	116.37	54.85
(h) Other non-financial assets	11	633.69	525.47
		3,416.44	**3,229.10**
Total assets		**1,20,409.36**	**1,02,717.55**
LIABILITIES AND EQUITY			
LIABILITIES			
1 Financial liabilities			
(a) Payables	12		
(I) Trade payables			
(i) total outstanding dues of micro enterprises and small enterprises		3.78	–
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		1,367.92	1,221.85
(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	28,854.39	29,569.45
(c) Borrowings (other than debt securities)	14	61,559.22	44,430.47
(d) Subordinated liabilities	15	1,833.29	2,540.95
(e) Lease Liability	38	125.54	62.58
(f) Other financial liabilities	16	621.45	1,053.43
		94,365.59	**78,878.73**

Consolidated Balance Sheet as at March 31, 2025 (Contd...)

Particulars	Note	As at March 31, 2025	As at March 31, 2024
2 Non-Financial Liabilities			
(a) Current tax liabilities (net)		256.86	179.24
(b) Provisions	17	51.08	34.74
(c) Deferred tax liabilities (net)	40	25.58	23.71
(d) Other non-financial liabilities	18	79.13	73.14
		412.65	**310.83**
3 EQUITY			
(a) Equity share capital	19	2,494.87	2,488.94
(b) Other equity	20	23,069.19	20,949.50
Equity attributable to owners of the Company		**25,564.06**	**23,438.44**
4 Non-controlling interest		67.06	89.55
Total liabilities and equity		**1,20,409.36**	**1,02,717.55**
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

For T R Chadha & Co LLP
Chartered Accountants
ICAI FRN: 006711N/N500028

For and on behalf of the Board of Directors of
L&T Finance Limited
(Formerly known as L&T Finance Holdings Limited)

P. S. Kumar
Partner
Membership no. 015590

Vikas Kumar
Partner
Membership no. 075363

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.: A18314

Place : Mumbai
Date : April 25, 2025

Place : Mumbai
Date : April 25, 2025

Place : Mumbai
Date : April 25, 2025

Consolidated Statement of Profit and Loss for the year ended March 31, 2025

(₹ in crore)

	Particulars	Note	Year ended March 31, 2025	Year ended March 31, 2024
	Revenue from operations			
(i)	Interest income	**21**	14,663.29	12,913.93
(ii)	Dividend income	**22**	0.97	0.10
(iii)	Fees and commission income	**23**	1,077.34	662.48
(iv)	Net gain on fair value changes	**24**	182.64	–
I	**Total revenue from operations**		**15,924.24**	**13,576.51**
II	Other income	**25**	16.74	474.54
III	**Total income (I + II)**		**15,940.98**	**14,051.05**
	Expenses			
(i)	Finance costs	**26**	5,996.76	5,377.19
(ii)	Net loss on fair value changes	**27**	–	356.89
(iii)	Net loss on derecognition of financial instruments under amortised cost category	**28**	275.04	457.71
(iv)	Impairment on financial instruments	**29**	2,193.35	1,322.36
(v)	Employee benefits expenses	**30**	2,216.51	1,806.37
(vi)	Depreciation, amortization and impairment	**31**	138.90	114.77
(vii)	Other expenses	**32**	1,629.16	1,586.73
IV	**Total expenses**		**12,449.72**	**11,022.02**
V	**Profit before exceptional items and tax (III - IV)**		**3,491.26**	**3,029.03**
VI	Exceptional items		–	–
VII	**Profit before tax (V+VI)**		**3,491.26**	**3,029.03**
VIII	**Tax expense**			
(i)	Current tax	**33**	765.81	715.69
(ii)	Deferred tax	**33**	82.03	(3.79)
IX	**Profit after tax (VII -VIII)**		**2,643.42**	**2,317.13**
X	Share in profit of associates		–	–
XI	**Profit after tax and share in profit of associate company (IX+X)**		**2,643.42**	**2,317.13**
XII	**Profit for the year attributable to:**			
	Owners of the company		2,643.66	2,320.10
	Non-controlling interest		(0.24)	(2.97)
XIII	**Other comprehensive income**		**24.46**	**6.23**
A	**Items that will not be reclassified to profit or loss**			
	(a) Remeasurements of the defined benefit plans		(3.04)	4.71
	(b) Income tax relating to items that will not be reclassified to profit or loss		0.76	(1.19)

Consolidated Statement of Profit and Loss for the year ended March 31, 2025

(Contd....)

	Particulars	Note	Year ended March 31, 2025	Year ended March 31, 2024
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		54.78	8.94
	(b) The effective portion of gains and loss on hedging instruments in a cash flow hedge		(37.47)	(8.33)
	(c) Income tax relating to items that will be reclassified to profit or loss		9.43	2.10
	Other comprehensive income for the year attributable to:			
	Owners of the company		24.46	6.23
	Non-controlling interest		–	–
XIV	**Total comprehensive income (XII+XIII)**		**2,667.88**	**2,323.36**
	Total comprehensive income for the year attributable to:			
	Owners of the company		2,668.12	2,326.33
	Non-controlling interest		(0.24)	(2.97)
XV	**Earnings per equity share**	**39**		
	Basic (₹)		10.61	9.34
	Diluted (₹)		10.57	9.30
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

Place : Mumbai
Date : April 25, 2025

For and on behalf of the Board of Directors of
L&T Finance Limited
(Formerly known as L&T Finance Holdings 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.: A18314

Place : Mumbai
Date : April 25, 2025

Place : Mumbai
Date : April 25, 2025

Consolidated Statement of Changes in Equity for the year ended March 31, 2025

A. EQUITY SHARE CAPITAL

Particulars	As at March 31, 2025		As at March 31, 2024	
	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	2,48,89,40,310	2,488.94	2,47,96,71,117	2,479.67
Changes in Equity Share Capital due to prior period errors	–	–	–	–
Restated balance at the beginning of the current reporting year	–	–	–	–
Add: Shares issued during the year:				
– Against employee stock option	59,27,791	5.93	92,69,193	9.27
Issued, subscribed and fully paid up equity shares outstanding at the end of the year	**2,49,48,68,101**	**2,494.87**	**2,48,89,40,310**	**2,488.94**

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, 2023	**7,802.07**	**478.16**	**1.14**	**68.85**	**492.36**	**1,031.28**	**2,680.45**	**27.43**
Change in accounting policy / prior period 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	90.92	–	–	–	–	–	–	–
Employee share options (net)	–	–	–	–	–	–	–	–
Transfer to general reserve	–	12.35	(0.85)	–	–	–	–	–
Transfer to reserve u/s 45-IC of Reserve Bank of India Act, 1934	–	–	–	–	–	–	457.25	–
Transfer to reserve u/s 36(1)(viii) of Income tax Act, 1961	–	–	–	–	–	20.00	–	–
Transfer to debenture redemption reserve	–	–	–	–	–	–	–	–
Balance as at March 31, 2024	**7,892.99**	**490.51**	**0.29**	**68.85**	**492.36**	**1,051.28**	**3,137.70**	**27.43**

Consolidated Statement of Changes in Equity for the year ended March 31, 2025

(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, 2023	**6,299.30**	**141.03**	**32.39**	**(7.53)**	**1.77**	**19,048.70**	**89.44**	**19,138.14**
Change in accounting policy / prior period errors (a)	–	–	–	–	–	–	–	–
Restated balance at the beginning of the current reporting year (b)	–	–	–	–	–	–	–	–
Profit for the year (c)	2,320.10	–	–	–	–	2,320.10	(2.97)	2,317.13
Other comprehensive income, net of tax (d)	3.52	–	–	8.94	(6.23)	6.23	–	6.23
Total comprehensive income for the year (e)=(a)+(b)+(c)+(d)	**2,323.62**	**–**	**–**	**8.94**	**(6.23)**	**2,326.33**	**(2.97)**	**2,323.36**
Issue of equity shares	–	–	–	–	–	90.92	–	90.92
Employee share options (net)	–	(19.84)	–	–	–	(19.84)	–	(19.84)
Transfer to general reserve	–	(11.50)	–	–	–	–	–	–
Transfer to reserve u/s 45-IC of Reserve Bank of India Act, 1934	(457.25)	–	–	–	–	–	–	–
Transfer to reserve u/s 36(1)(viii) of Income tax Act, 1961	(20.00)	–	–	–	–	–	–	–
Dividend paid	(496.61)	–	–	–	–	(496.61)	–	(496.61)
Transactions with non-controlling interest (net)	–	–	–	–	–	–	3.08	3.08
Balance as at March 31, 2024	**7,649.06**	**109.69**	**32.39**	**1.41**	**(4.46)**	**20,949.50**	**89.55**	**21,039.05**

Consolidated Statement of Changes in Equity for the year ended March 31, 2025 (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, 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 period 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	–	–
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, 2025 (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 period 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**

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 25, 2025

For and on behalf of the Board of Directors of
L&T Finance Limited
(Formerly known as L&T Finance Holdings 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.: A18314

Place : Mumbai
Date : April 25, 2025

Place : Mumbai
Date : April 25, 2025

Consolidated Statement of Cash Flows for the year ended March 31, 2025

(₹ in crore)

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
A. Cash flow from operating activities		
Profit before tax	3,491.26	3,029.03
Adjustment for:		
Depreciation, amortization and impairment	138.90	114.77
Loss on sale of property, plant and equipment (net)	0.48	0.60
Net fair value (gain) / loss on financial instruments	(236.63)	(675.20)
Net fair value (gain)/ loss on Investments	53.99	1,032.09
Net loss on derecognition of financial instruments under amortised cost category	275.04	457.71
Impairment on financial instruments	2,193.35	1,322.36
Gain on disposal of a subsidiary	–	(6.91)
Share based payment to employees	39.53	37.85
Operating profit before working capital changes	**5,955.92**	**5,312.30**
Changes in working capital		
(Increase) / Decrease in financial and non-financial assets	(6,693.19)	1,892.26
Increase / (decrease) in financial and non-financial liabilities	(456.68)	1,045.08
Cash (used in)/ generated from operations	**(1,193.95)**	**8,249.64**
Direct taxes paid	(706.29)	(317.86)
Loans (disbursed) / repaid (net)	(14,686.26)	(7,246.14)
Net cash flow (used in) / generated from operating activities (A)	**(16,586.50)**	**685.64**
B. Cash flows from investing activities		
Add: Inflow from investing activities		
Proceed from sale of property, plant and equipments	5.89	0.62
Proceed from sale of investments	2,839.36	3,163.98
Proceed from sale of short term investments (net)	2,350.80	2,310.94
Consideration received on disposal of a subsidiary	–	26.10
Less: Outflow from investing activities		
Purchase of property, plant and equipment and Intangible assets	(195.28)	(118.76)
Purchase of investments	(4,529.91)	(4,534.26)
Net cash flow generated from investing activities (B)	**470.86**	**848.62**
C. Cash flows from financing activities		
Add: Inflow from financing activities		
Proceeds from issue of share capital including security premium on account of ESOPs	40.40	42.51
Proceeds from borrowings	40,299.97	17,776.73
Receipt from non-controlling interests	3.93	3.08
Less: Outflow from financing activities		
Payment to non-controlling interests	(26.18)	–
Payment of lease liabilities	(18.02)	(12.17)
Dividend paid	(622.46)	(496.61)

Consolidated Statement of Cash Flows for the year ended March 31, 2025

(Contd....)

(₹ in crore)

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Repayment of borrowing	(24,259.13)	(24,363.13)
Net cash generated from / (used in) financing activities (C)	**15,418.51**	**(7,049.59)**
Net decrease in cash and cash equivalents (A+B+C)	**(697.13)**	**(5,515.33)**
Cash and cash equivalents as at beginning of the year	3,593.35	9,108.68
Cash and cash equivalents as at end of the year	**2,896.22**	**3,593.35**

Component of cash and cash equivalents:

Particulars	As at March 31, 2025	As at March 31, 2024
Cash on hand	1.20	1.56
Balances with banks in current accounts (of the nature of cash and cash equivalents)	2,528.44	1,771.75
Balance with banks in fixed deposit with maturity less than 3 months	366.58	1,820.04
Total	**2,896.22**	**3,593.35**

Notes:

1. Purchase of property, plant and equipment 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.
2. Net cash used in operating activity is determined after adjusting the following:

(₹ in crore)

Particulars		Year ended March 31, 2025	Year ended March 31, 2024
Interest received		14,508.72	13,067.53
Dividend received		0.97	0.10
Interest paid		6,120.63	5,225.35
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

For T R Chadha & Co LLP
Chartered Accountants
ICAI FRN: 006711N/N500028

For and on behalf of the Board of Directors of
L&T Finance Limited
(Formerly known as L&T Finance Holdings Limited)

P. S. Kumar
Partner
Membership no. 015590

Vikas Kumar
Partner
Membership no. 075363

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.: A18314

Place : Mumbai
Date : April 25, 2025

Place : Mumbai
Date : April 25, 2025

Place : Mumbai
Date : April 25, 2025

Notes forming part of consolidated financial statements

Corporate Information:

L&T Finance Limited (formerly known as L&T Finance Holdings 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. The RBI vide its press release dated January 16, 2025 has categorised L&T Finance Limited in the Upper layer under Scale Based Regulation (SBR) for NBFCs.

The Company is registered with the Reserve Bank of India (RBI), Ministry of Corporate Affairs (MCA) 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.

1. Material Accounting Policies:

1.1 Statement of compliance:

The Consolidated financial statements of L&T Finance Limited (Formerly known as L&T Finance Holdings 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 consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period.

Fair value measurements under Ind AS are categorized 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.
- Level 3 inputs are unobservable inputs for the valuation of assets or liabilities

1.3 Presentation of financial statements:

The Balance Sheet, Statement of changes in Equity for the year, and the Statement of Profit and Loss are prepared and presented in the format prescribed in the Division III of Schedule III to the Companies Act, 2013 ("the Act") applicable for Non-Banking Finance Companies ("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 Statement of Profit and Loss, as prescribed in the Division III of Schedule III to 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 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.

Notes forming part of consolidated financial statements

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 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,

Notes forming part of consolidated financial statements

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.

1.8 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.

Recognised financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

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:

(i) Equity instruments

a) Investment in preference shares of the subsidiary companies are treated as equity instruments if the same are convertible into equity shares or are redeemable out of the proceeds of equity instruments issued for the purpose of redemption of such investments. Investment in preference shares not meeting the aforesaid conditions are classified as debt instruments at FVTPL.

b) Investments in equity instruments issued by other than subsidiaries are classified as at FVTPL, unless the related instruments are not held for trading and the Company irrevocably elects on initial recognition to present subsequent changes in fair value in other comprehensive income.

(ii) Financial assets:

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.

For an asset to be classified and measured at amortised cost, its contractual terms should give rise to cash flows that are solely payments of principal and interest on the principal outstanding (SPPI).

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

- 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.

Notes forming part of consolidated financial statements

(a) Financial assets at amortised cost:

Financial assets are subsequently 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 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.

(iii) Financial liabilities:

a) Financial liabilities, including derivatives, which are designated for measurement at FVTPL are subsequently measured at fair value. Financial guarantee contracts are subsequently measured at the amount of impairment loss allowance or the amount recognised at inception net of cumulative amortisation, whichever is higher.

All other financial liabilities including loans and borrowings are measured at amortised cost using Effective Interest Rate (EIR) method as per Ind AS 109 'Financial Instruments'.

b) A financial liability is derecognised when the related obligation expires or is discharged or cancelled.

1.9 Impairment:

The Group recognises loss allowances for ECLs on the following financial instruments that are not measured at FVTPL:

- Loans and advances to customers
- Debt investment securities
- Trade and other receivable
- Lease receivables
- Irrevocable loan commitments issued and
- Financial guarantee contracts issued

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

Notes forming part of consolidated financial statements

information to demonstrate that a more lagging default criterion is more appropriate.

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 Company takes into account both qualitative and quantitative indicators. The information assessed depends on the type of the asset. 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 assets unless information becomes available that demonstrates that another default definition is more appropriate for a particular financial asset.

With the exception of POCI financial assets (which are considered separately below), ECLs are required to be measured through a loss allowance at an amount equal to:

- 12-month ECL, i.e. lifetime ECL that result from those default events on the financial instrument that are possible within 12 months after the reporting date, (referred to as Stage 1); or
- full lifetime ECL, i.e. lifetime ECL that result from all possible default events over the life of the financial instrument, (referred to as Stage 2 and Stage 3).

A loss allowance for full 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 Group 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.

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.

Notes forming part of consolidated financial statements

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.

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.

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade and other receivables that do not contain a significant financing component.

1.10 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.

1.11 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 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:

Notes forming part of consolidated financial statements

a) Qualitative factors, such as contractual cash flows after modification are no longer SPPI,

b) Change in currency or change of counterparty,

c) 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 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 behaviors 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.

1.12 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.

1.13 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.

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 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

Notes forming part of consolidated financial statements

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.

1.14 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 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

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 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 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.

1.15 Borrowing costs:

Borrowing 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.

Borrowing 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.

Notes forming part of consolidated financial statements

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.

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.

Notes forming part of consolidated financial statements

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.

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 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 other than 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 Employee benefits:

(i) 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

Notes forming part of consolidated financial statements

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.

(ii) Post-employment benefits:

a) 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.

b) 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.

(iii) 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.

(iv) 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

1.21 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

Notes forming part of consolidated financial statements

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 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.

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.

1.22 Cash and cash equivalents:

Cash and cash equivalents include cash on hand and other short term highly liquid investments with original maturities of upto three months that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

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 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.

Notes forming part of consolidated financial statements

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. 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.

(iii) 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 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

Notes forming part of consolidated financial statements

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.

1.28 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.

1.29 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.

1.30 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.

Notes forming part of consolidated financial statements

1.31 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.

1.32 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.

1.33 Recent Pronouncements:

The Ministry of Corporate Affairs ("MCA") notifies new standards or amendment to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended March 31, 2025, MCA has notified Ind AS – 117 Insurance contracts and amendments to Ind AS 116 – Leases, relating to sale and leaseback transactions, applicable to the Company w.e.f. April 1, 2024. The group has reviewed the new pronouncements based on its evaluation has determined that it does not have any significant impact in its financial statements.

Notes forming part of consolidated financial statements

2 Cash and cash equivalents

(₹ in crore)

Particulars	As at March 31, 2025	As at March 31, 2024
Cash on hand	1.20	1.56
Balances with banks in current accounts (of the nature of cash and cash equivalents)	2,528.44	1,771.75
Balance with banks in fixed deposit with maturity less than 3 months	366.58	1,820.04
Total	**2,896.22**	**3,593.35**

3 Bank balance other than (Note 2) above

(₹ in crore)

Particulars	As at March 31, 2025	As at March 31, 2024
Earmarked balances with banks		
Unclaimed infrastructure bonds	156.86	166.34
Unclaimed dividend on equity shares	1.31	1.12
Unclaimed redemption proceeds and dividend on preference shares	0.78	0.78
Balance with banks in fixed deposit with maturity greater than 3 months and less than 12 months	3,091.45	1.12
Balances with banks held as margin money or security against borrowing, guarantees, other commitments	4,686.30	913.31
Total	**7,936.70**	**1,082.67**

4 Derivative financial instruments

(₹ in crore)

Particulars	As at March 31, 2025	As at March 31, 2024
Currency derivatives:		
Notional amounts		
– Cross currency Interest rate swaps	7,492.08	1,902.27
Fair value assets		
– Cross currency Interest rate swaps	48.49	185.87
Fair value liabilities		
– Cross currency Interest rate swaps	(47.94)	(2.88)
Subtotal (i)	**0.55**	**182.99**
Interest rate derivatives:		
Notional amounts		
– Overnight Interest rate swaps	–	400.00
Fair value assets		
– Overnight Interest rate swaps	–	2.55
Fair value assets		
– Overnight Interest rate swaps	–	–
Subtotal (ii)	**–**	**2.55**
Total (i+ii)	**0.55**	**185.54**

Notes forming part of consolidated financial statements

Included in above are derivatives held for hedging and risk management purposes as follows:

(₹ in crore)

Particulars	As at March 31, 2025	As at March 31, 2024
Fair value hedging:	–	–
Subtotal (A)	**–**	**–**
Cash flow hedging:		
Notional Amounts		
– Currency derivatives	7,492.08	1,902.27
– Interest rate derivatives	–	400.00
Fair value assets		
– Currency derivatives (i)	48.49	185.87
– Interest rate derivatives (ii)	–	2.55
Fair value liabilities		
– Currency derivatives (iii)	(47.94)	(2.88)
Subtotal (B) = (i + ii + iii)	**0.55**	**185.54**
Total derivative financial instruments (A) + (B)	**0.55**	**185.54**

5 Receivables

(₹ in crore)

Particulars	As at March 31, 2025	As at March 31, 2024
Trade receivables (Refer note 5a)		
(a) Receivables considered good - Unsecured (Refer note 37)	**116.95**	247.28
(b) Receivables - credit impaired	**7.59**	7.59
(c) Impairment loss allowance	**(7.59)**	(7.59)
	116.95	247.28
Other receivables		
(a) Receivables considered good - Unsecured	**5.56**	3.22
(b) Receivables - credit impaired	**10.07**	10.93
(c) Impairment loss allowance	**(10.07)**	(10.93)
	5.56	3.22
Total	**122.51**	250.50

Notes forming part of consolidated financial statements

5a Ageing of Trade Receivables

(₹ in crore)

Particulars	Outstanding as on March 31, 2025 *						
	Not Due	Less than 6 Months	6 Months - 1 Year	1-2 years	2-3 years	More than 3 years	Total
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**

Ageing of Trade Receivables

(₹ in crore)

Particulars	Outstanding as on March 31, 2024 *						
	Not Due	Less than 6 Months	6 Months - 1 Year	1-2 years	2-3 years	More than 3 years	Total
Undisputed Trade Receivable Considered Good	–	246.98	0.30	–	–	–	247.28
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	**–**	**246.98**	**0.30**	**–**	**–**	**–**	**247.28**

* 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, 2025	As at March 31, 2024
(A) (i) At Amortised Cost		
– Term loans	95,179.11	80,035.53
– Less: Impairment loss allowance#	(3,536.75)	(3,537.75)
Subtotal (i)	**91,642.36**	**76,497.78**
(ii) At Fair Value Through Profit or Loss:		
– Term loans	2,333.93	5,267.91
– Debentures	248.43	248.68
– Loans repayable on demand	–	12.40
Total gross loans at fair value through profit or loss	2,582.36	5,528.99
– Less: Impact of fair value changes	(451.66)	(667.38)
Subtotal (ii)	**2,130.70**	**4,861.61**
Total	**93,773.06**	**81,359.39**
(B) (i) At Amortised Cost		
– Secured by tangible assets*	51,579.46	42,732.48
– Unsecured	43,599.65	37,303.05
Total gross loans at amortised cost	**95,179.11**	**80,035.53**
– Less: Impairment loss allowance	(3,536.75)	(3,537.75)
Subtotal (i)	**91,642.36**	**76,497.78**
(ii) At Fair Value Through Profit or Loss:		
– Secured by tangible assets	2,582.36	5,528.99
– Unsecured	–	–
Total gross loans at fair value through profit or loss	2,582.36	5,528.99
– Less: Impact on fair value changes	(451.66)	(667.38)
Subtotal (ii)	**2,130.70**	**4,861.61**
Subtotal (i)+(ii)	**93,773.06**	**81,359.39**
*includes hypothecation / mortgage under process		
(C) (I) Loans in India		
(i) At Amortised Cost		
– Public Sector	–	–
– Others	95,179.11	80,035.53
– Less: Impairment loss allowance	(3,536.75)	(3,537.75)
Subtotal (i)	**91,642.36**	**76,497.78**
(ii) At Fair Value Through Profit or Loss:		
– Public Sector	–	–
– Others	2,582.36	5,528.99
– Less: Impact on fair value changes	(451.66)	(667.38)
Subtotal (ii)	**2,130.70**	**4,861.61**

Notes forming part of consolidated financial statements

(₹ in crore)

Particulars	As at March 31, 2025	As at March 31, 2024
(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	**93,773.06**	**81,359.39**

Impairment loss allowance as on March 31, 2025 is after utilization of ₹ 400 crore of macro prudential provisions

7 Investments

(₹ in crore)

Particulars	As at March 31, 2025	As at March 31, 2024
A. Investments carried at fair value through profit or loss		
(i) In equity shares - quoted	10.23	16.14
(ii) In equity shares - unquoted	62.79	27.40
(iii) In debt securities - unquoted	128.73	188.29
(iv) In mutual funds	145.36	2,440.56
(v) In preference shares - Unquoted	47.33	63.48
(vi) In other securities - Other than subsidiaries	22.22	27.38
(vii) In security receipts	5,862.44	6,769.49
Total (A)	**6,279.10**	**9,532.74**
B. Investments carried at fair value through other comprehensive income		
(i) In debt securities	409.75	404.97
(ii) In government securities	5,092.65	2,353.87
(iii) In bonds	94.47	93.31
Total (B)	**5,596.87**	**2,852.15**
Total investments (A+B)	**11,875.97**	**12,384.89**
(i) Investments outside India	–	–
(ii) Investments in India	11,875.97	12,384.89
Total	**11,875.97**	**12,384.89**

Notes forming part of consolidated financial statements

8 Other financials assets

(₹ in crore)

Particulars	As at March 31, 2025	As at March 31, 2024
Security deposits (Refer note 37)	54.13	53.39
Collateralized borrowing and lending obligation	299.95	499.91
Receivable from a related party (Refer note 37)	0.18	0.03
Other advances	33.65	78.78
Total	**387.91**	**632.11**

9 Property, plant and equipment

(₹ in crore)

Particulars	Gross carrying amount*				Accumulated depreciation*				Net carrying amount	
	As at April 01, 2024	Additions	Deductions / Adjustments	As at March 31, 2025	As at April 01, 2024	For the year	Deductions / Adjustments	As at March 31, 2025	As at March 31, 2025	As at March 31, 2024
Tangible										
Land										
Freehold	155.93	–	–	155.93	–	–	–	–	155.93	155.93
Buildings										
Owned**	154.99	–	–	154.99	20.66	2.46	–	23.12	131.87	134.33
Leasehold Improvements	0.71	–	–	0.71	0.52	–	–	0.52	0.19	0.19
Leasehold renovation										
Owned	12.34	29.33	2.29	39.38	6.56	4.16	2.20	8.52	30.86	5.78
Electrical & Installation										
Owned	26.75	0.02	–	26.77	20.55	2.55	–	23.10	3.67	6.20
Plant and equipments										
Leased out	2.80	–	2.80	–	2.16	0.01	2.17	–	–	0.64
Computers										
Owned	57.81	18.49	30.21	46.09	41.26	9.87	27.62	23.51	22.58	16.55
Furniture and fixtures										
Owned	17.97	10.75	3.30	25.42	11.17	5.99	2.81	14.35	11.07	6.80
Leased out	4.74	–	4.74	–	4.06	–	4.06	–	–	0.68
Office equipments										
Owned	34.41	18.42	4.31	48.52	21.27	9.29	3.60	26.96	21.56	13.14
Leased out	0.01	–	0.01	–	–	–	–	–	–	0.01
Vehicles										
Owned	21.66	12.43	2.89	31.20	7.00	6.58	1.78	11.80	19.40	14.66
Leased out	0.22	–	0.06	0.16	0.16	–	–	0.16	–	0.06
Total	**490.34**	**89.44**	**50.61**	**529.17**	**135.37**	**40.91**	**44.24**	**132.04**	**397.13**	**354.97**
Previous year	470.72	38.62	19.00	490.34	121.23	22.63	8.49	135.37	354.97	–
Add: Capital work-in-progress									0.24	–
									397.37	**354.97**

* The Company has not revalued its property, plant and equipment during the year and hence there is no movement for revaluation shown separately.

** 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

Intangible assets :

(₹ in crore)

Particulars	Gross carrying amount*				Accumulated depreciation*				Net carrying amount*	
	As at April 01, 2024	Additions	Deductions / Adjustments	As at March 31, 2025	As at April 01, 2024	For the year	Deductions / Adjustments	As at March 31, 2025	As at March 31, 2025	As at March 31, 2024
Specialised softwares	455.30	96.22	–	551.52	359.17	78.53	–	437.70	113.82	96.13
Total	**455.30**	**96.22**	**–**	**551.52**	**359.17**	**78.53**	**–**	**437.70**	**113.82**	**96.13**
Previous year	395.58	50.07	(9.65)	455.30	280.21	78.33	(0.63)	359.17	96.13	115.37
Add: Intangible assets under development									**45.00**	**35.62**

* The Company has not revalued its intangible assets during the year and hence there is no movement for revaluation shown separately.

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
Projects temporarily suspended	–	–	–	–	–

Intangible assets under development ageing as on March 31, 2024 :

(₹ 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	35.62	–	–	–	35.62
Projects temporarily suspended	–	–	–	–	–

10 Right of use asset

(₹ in crore)

Particulars	As at March 31, 2025	As at March 31, 2024
Opening balance		
Opening gross carrying amount	54.85	55.17
Add: Additions during the year	89.81	15.19
Less: Depreciation during the year	(19.46)	(13.62)
Less: Right of use asset decrognised	(8.83)	(1.89)
Closing balance	**116.37**	**54.85**

Notes forming part of consolidated financial statements

11 Other non-financials assets

(₹ in crore)

Particulars	As at March 31, 2025	As at March 31, 2024
Prepaid expenses	53.37	33.21
Amount paid under protest	32.85	31.55
Assets acquired in settlement of claims / loans (net)	438.48	413.60
Other advances	108.99	47.11
Total	**633.69**	**525.47**

12 Payables

(₹ in crore)

Particulars	As at March 31, 2025	As at March 31, 2024
Trade payables (Refer note 12a)		
Micro and small enterprises	3.78	–
Due to others	1,233.16	1,088.38
Due to related parties (Refer note 37)	134.76	133.47
Sub total	**1,371.70**	**1,221.85**
Other payables		
Due to others	–	–
Due to related parties	–	–
Sub total	**–**	**–**
Total	**1,371.70**	**1,221.85**

12a 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	–	–	1,367.92
Disputed	–	–	–	–	–	–	
– MSME	–	–	–	–	–	–	–
– Others	–	–	–	–	–	–	–
Total Trade Payable	**1,275.34**	**68.30**	**26.63**	**1.43**	**–**	**–**	**1,371.70**

Notes forming part of consolidated financial statements

Ageing of Trade Payables

(₹ in crore)

Particulars	Outstanding as on March 31, 2024 *						Total
	Unbilled dues	Bill Raised but not due	Less than 1 years	1-2 years	2-3 years	More than 3 years	
Undisputed							
– MSME	–	–	–	–	–	–	–
– Others	1,148.49	0.12	73.24	–	–	–	1,221.85
Disputed	–	–	–	–	–	–	
– MSME	–	–	–	–	–	–	–
– Others	–	–	–	–	–	–	–
Total Trade Payable	**1,148.49**	**0.12**	**73.24**	**–**	**–**	**–**	**1,221.85**

* The above ageing is prepared on the basis of date of the transaction.

13 Debt securities

(₹ in crore)

Particulars	As at March 31, 2025	As at March 31, 2024
(A) At Amortised Cost*		
– Commercial paper	6,073.09	3,681.72
– Non convertible debentures (Refer note 37)	22,781.30	25,887.73
Total	**28,854.39**	**29,569.45**
(B) (a) Debt securities in India		
(i) At Amortised cost	28,854.39	29,569.45
Total	**28,854.39**	**29,569.45**
(b) Debt securities outside India		
(i) At Amortised Cost	–	–
Total	**–**	**–**
Total (a+b)	**28,854.39**	**29,569.45**
(C) At Amortised cost		
- Secured	22,781.30	25,887.73
- Unsecured	6,073.09	3,681.72
Total	**28,854.39**	**29,569.45**

* All the borrowings are utlised for the pupose for which they were borrowed.

Notes forming part of consolidated financial statements

14 Borrowings (other than debt securities)

(₹ in crore)

Particulars	As at March 31, 2025	As at March 31, 2024
(A) At Amortised Cost		
(a) Term Loans		
(i) From banks	26,648.82	20,303.86
(ii) From financial institutions	2,723.37	4,048.52
(b) Loan repayable on demand		
(i) From banks	22,451.83	16,615.58
(c) External commercial borrowings	7,544.01	2,105.51
(d) Associated liability related to securitisation transactions	1,791.26	957.82
(e) Collateralized borrowing and lending obligation	399.93	399.18
Total	**61,559.22**	**44,430.47**
(B) (a) Borrowings (other than debt securities) in India		
(i) At Amortised Cost	54,015.21	42,324.96
Total	**54,015.21**	**42,324.96**
(b) Borrowings (other than debt securities) outside India		
(i) At Amortised Cost	7,544.01	2,105.51
Total	**7,544.01**	**2,105.51**
Total (a+b)	**61,559.22**	**44,430.47**
(C) At Amortised cost		
- Secured	57,809.17	40,855.47
- Unsecured	3,750.05	3,575.00
Total	**61,559.22**	**44,430.47**

* All the borrowings are utlised for the pupose for which they were borrowed

15 Subordinated liabilities (Unsecured)

(₹ in crore)

Particulars	As at March 31, 2025	As at March 31, 2024
(A) At amortised cost		
Perpetual debt instruments to the extent that do not qualify as equity	367.72	367.36
Subordinate debt instruments	1,465.57	2,173.59
Total	**1,833.29**	**2,540.95**
(B) (a) Subordinated liabilities in India		
(i) At amortised cost	1,833.29	2,540.95
Subtotal	**1,833.29**	**2,540.95**
(b) Subordinated liabilities outside India		
(i) At amortised cost	–	–
Subtotal	**–**	**–**
Total	**1,833.29**	**2,540.95**
(C) At Amortised cost		
- Secured	–	–
- Unsecured	1,833.29	2,540.95
Total	**1,833.29**	**2,540.95**

Notes forming part of consolidated financial statements

16 Other financial liabilities

(₹ in crore)

Particulars	As at March 31, 2025	As at March 31, 2024
Liabilities for expenses	347.82	328.97
Book overdraft	–	459.65
Unclaimed infrastructure bonds	156.86	166.34
Unclaimed dividend on equity shares	1.31	1.12
Unclaimed redemption proceeds and dividend on preference shares	0.78	0.78
Other payables	114.68	96.57
Total	**621.45**	**1,053.43**

17 Provisions

(₹ in crore)

Particulars	As at March 31, 2025	As at March 31, 2024
Provision for employee benefits		
Compensated absences	33.36	25.57
Super annuation fund	0.24	0.28
Gratuity (Refer note 35)	17.48	8.89
Total	**51.08**	**34.74**

18 Other non-financial liabilities

(₹ in crore)

Particulars	As at March 31, 2025	As at March 31, 2024
Statutory dues payable	79.13	73.14
Total	**79.13**	**73.14**

19 Equity share capital

(I) Share capital authorised, issued, subscribed and paid up

Particulars	As at March 31, 2025		As at March 31, 2024	
	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	**2,49,48,68,101**	**2,494.87**	**2,48,89,40,310**	**2,488.94**

Notes forming part of consolidated financial statements

(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, 2025		As at March 31, 2024	
	No. of Shares	(₹ in crore)	No. of Shares	(₹ in crore)
At the beginning of the year	2,48,89,40,310	2,488.94	2,47,96,71,117	2,479.67
Issued during the year				
– Against employee stock option	59,27,791	5.93	92,69,193	9.27
Outstanding at the end of the year	**2,49,48,68,101**	**2,494.87**	**2,48,89,40,310**	**2,488.94**

(IV) Equity shares in the Company held by the holding company

Particulars	As at March 31, 2025		As at March 31, 2024	
	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	1,63,92,30,125	1,639.23
	1,65,25,30,125	**1,652.53**	**1,63,92,30,125**	**1,639.23**

(V) Details of shareholders holding more than 5% shares in the company

Equity Shares	As at March 31, 2025		As at March 31, 2024	
	No. of Shares	% holding	No. of Shares	% holding
Larsen & Toubro Limited and it's nominee	1,65,25,30,125	66.24%	1,63,92,30,125	65.86%

(VI) 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%**

Details of shares held by promoters in the company as at March 31, 2024

Particulars	No. of Shares	% of total shares	% Change during the year
Larsen & Toubro Limited and it's nominee	**1,63,92,30,125**	**65.86%**	**-0.25%**

(VII) Details of shares reserved to be issued under ESOP

Particulars	As at March 31, 2025		As at March 31, 2024	
	No. of Shares	(₹ in crore)	No. of Shares	(₹ in crore)
Equity Shares of ₹ 10 each	1,77,54,264	17.75	2,23,25,003	22.33
	1,77,54,264	**17.75**	**2,23,25,003**	**22.33**

Notes forming part of consolidated financial statements

(VIII) Capital Management

1. 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.
2. During the year ended March 31, 2025, the Company has paid the final dividend of ₹ 2.50 per equity share for the year ended March 31, 2024 amounting to ₹ 622.46 crore. (PY 2023-24 - ₹ 496.61 crore)
3. The company has proposed a final dividend of ₹ 2.75 per share for the year ended 31st March, 2025 in the Board meeting subject to approval from shareholders.

(IX) Employee stock option scheme

1. 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.
2. 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.
3. 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.
4. During the year ended March 31, 2025 65,000 and 58,62,791 options were allotted under the scheme 2010 and 2013 respectively.
5. The details of the grants are summarised below:

Particulars	Scheme 2010		Scheme 2013	
	2024 - 25	2023 - 24	2024 - 25	2023 - 24
Options granted and outstanding at the beginning of the year	65,000	5,63,750	2,22,60,003	2,75,38,744
Options granted during the year	–	–	21,40,000	67,41,444
Options cancelled/ lapsed during the year	–	–	7,82,948	32,49,742
Options exercised during the year	65,000	4,98,750	58,62,791	87,70,443
Options granted and outstanding at the end of the year of which:	–	–		
– Options vested	–	65,000	90,47,375	1,13,32,467
– Options yet to vest	–	–	87,06,889	1,09,27,536
Weighted average remaining contractual life of options (in years)	–	0.75	5	4.18

Notes forming part of consolidated financial statements

6. During the year, the Group has debited to the Statement of Profit and Loss ₹ 39.53 crore (Previous year ₹ 37.85 crore) towards the stock options granted to their employees, pursuant to the employee stock option schemes.
7. Weighted average fair values of options granted during the year is ₹ 142.71 (Previous year: ₹ 118.74) per options.
8. 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	2024 - 25	2023 - 24
Weighted average risk-free interest rate	6.99%	7.20%
Weighted average expected life of options	3 years	2.77 years
Weighted average expected volatility	36.78%	36.53%
Weighted average expected dividend over the life of the options	7.49 per option	5.54 per option
Weighted average share price	156.80 per option	131.38 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.	

20 Other equity

(₹ in crore)

Particular	As at March 31, 2025	As at March 31, 2024
Securities premium account[1]	7,966.55	7892.99
General reserve[2]	491.02	490.51
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]	1,061.28	1,051.28
Reserve u/s 45-IC of Reserve Bank of India Act, 1934[5]	3,661.26	3,137.70
Reserve u/s 29C of National Housing Bank Act 1987[6]	27.43	27.43
Employee stock option outstanding account[7]	109.64	109.69
Retained earnings[8]	9,134.43	7,649.06
Impairment Reserve[9]	32.39	32.39
Other comprehensive income		
– Fair value changes of financial instrument measured at fair value through OCI	56.19	1.41
– Effective portion of cash flow hedge	(32.50)	(4.46)
Total	**23,069.19**	**20,949.50**

Notes forming part of consolidated financial statements

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.
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.

Notes forming part of consolidated financial statements

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, 2025	Year ended March 31, 2024
On financial assets measured at:		
(i) Amortised cost		
Interest on loans	13,675.70	11,150.11
Interest on deposits with banks	211.93	265.44
Other interest income	3.70	8.00
(ii) Fair value through profit or loss		
Interest on loans	436.84	1,286.18
Interest income from investments	13.44	17.34
(iii) Fair value through other comprehensive income		
Income from other investments	321.68	186.86
Total	**14,663.29**	**12,913.93**

22 Dividend income

(₹ in crore)

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Dividend income on investments	0.97	0.10
Total	**0.97**	**0.10**

23 Fees and commission Income

(₹ in crore)

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Distribution income	879.86	498.87
Other financial activities	197.48	163.61
Total	**1,077.34**	**662.48**

24 Net gain/(loss) on fair value changes

(₹ in crore)

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
(A) Net gain/(loss) on financial instruments classified at fair value through profit or loss		
On trading portfolio		
Fair value changes on investments	(31.37)	–
Fair value changes on loans	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	**182.64**	**–**

25 Other income

(₹ in crore)

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Income from cross sell	8.42	444.93
Other income	8.32	29.61
Total	**16.74**	**474.54**

26 Finance costs

(₹ in crore)

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
On financial liabilities measured at amortised cost		
Interest on borrowings	3,290.44	2,647.38
Interest on debt securities	2,471.35	2,447.33
Interest on subordinated liabilities	206.42	247.08
Other interest expenses	28.55	35.40
Total	**5,996.76**	**5,377.19**

27 Net loss/(gain) on fair value changes

(₹ in crore)

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
(A) Net loss on financial instruments classified at fair value through profit or loss		
On trading portfolio		
Fair value changes on investments	–	1,021.56
Fair value changes on loans	–	(675.20)
(B) Net gain on disposal of financial instruments classified at fair value through other comprehensive income		
Derivative financial instruments	–	4.01
Loss on sale of investment	–	6.52
Total	**–**	**356.89**

Notes forming part of consolidated financial statements

28 Net loss/(gain) on derecognition of financial instruments under amortised cost category

(₹ in crore)

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Loss on foreclosure and writeoff of loan	2,510.23	1,465.37
Less: Provision held reversed on derecognition of financial instruments	(2,235.19)	(1,007.66)
Total	**275.04**	**457.71**

29 Impairment on financial instruments

(₹ in crore)

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
On financial instruments measured at amortised cost:		
Loans	2,194.21	1,316.35
Trade receivables	(0.86)	6.01
Total	**2,193.35**	**1,322.36**

30 Employee benefits expenses

(₹ in crore)

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Salaries	1,993.22	1,623.74
Contribution provident, ESIC and superannuation fund	74.06	57.02
Contribution to gratuity fund (Refer note 35)	13.57	12.37
Share based payments to employees (Refer note 19 (IX))	39.53	37.85
Staff welfare expenses	96.13	75.39
Total	**2,216.51**	**1,806.37**

31 Depreciation, amortisation and impairment

(₹ in crore)

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Depreciation (Refer note 9)	40.91	22.63
Depreciation and impairment of investment property	–	0.19
Amortisation on right of use asset (Refer note 10)	19.46	13.62
Amortisation on other intangible assets (Refer note 9)	78.53	78.33
Total	**138.90**	**114.77**

Notes forming part of consolidated financial statements

32 Other expenses

(₹ in crore)

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Rent, taxes and energy expenses	66.40	101.28
Repairs and maintenance	71.86	63.14
Communication expenses	11.63	8.50
Director's fees and allowances	1.15	2.53
Auditor's fees and expenses (Refer note below)	2.20	2.31
Legal and professional charges	557.37	549.24
Insurance	5.21	5.64
Travelling and conveyance	69.41	52.79
Advertisement and publicity	70.10	103.41
Printing and stationery	8.54	10.74
Bank charges	9.92	9.47
Brand license fee	149.54	130.74
Collection charges	560.14	522.99
Net loss on disposal of property, plant and equipment and intangible assets	0.48	0.63
Expenditure towards corporate responsibility activities	21.86	3.23
Other Expenses	23.35	20.09
Total	**1,629.16**	**1,586.73**

Auditor's fees and expenses:

(₹ in crore)

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Statutory audit fees	1.05	0.80
Limited review fees	0.64	0.94
Tax audit fees	0.15	0.13
Certification fees	0.31	0.26
Expenses reimbursed	0.05	0.18
Total	**2.20**	**2.31**

33 Tax expense

(₹ in crore)

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Current tax	765.81	715.69
Deferred tax charge/(reversal) (Refer note 40)	82.03	(3.79)
Total	**847.84**	**711.90**

Notes forming part of consolidated financial statements

34 The list of subsidiaries included in the consolidated financial statement are as under:

S No.	Name of subsidiaries/associates	Country of Incorporation	As at March 31, 2025		As at March 31, 2024	
			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	54.99%	54.99%	54.92%	54.92%

35 Disclosure pursuant to Ind AS 19 "Employee benefits"

(i) Defined contribution plans

The Group recognised charges of ₹ 74.06 crores (Previous year: ₹ 57.02 crores) for provident fund contribution, Employee State Insurance Scheme and Superannuation fund in the Consolidated Statement of Profit and Loss.

(ii) Defined benefits gratuity Plan

(a) The amounts recognised in Balance Sheet:

(₹ in crore)

	Particulars	Gratuity Plan As at March 31, 2025	Gratuity Plan As at March 31, 2024
A)	**Present value of defined benefit obligation**		
	– Wholly funded	77.55	60.19
	– Wholly unfunded	0.57	0.21
		78.12	60.40
	Less : Fair value of plan assets	(60.64)	(51.51)
	Add : Amount not recognised as an asset (limit in para 64(b) of IndAS 19)	–	–
	Amount to be recognised as liability or (asset)	**17.48**	**8.89**
B)	**Amounts reflected in Balance Sheet**		
	Liabilities	17.48	8.89
	Assets	–	–
	Net liability/(asset)	**17.48**	**8.89**

Notes forming part of consolidated financial statements

(b) The amounts recognised in the Statement of Profit and Loss:

(₹ in crore)

	Particulars	Gratuity Plan As at March 31, 2025	Gratuity Plan As at March 31, 2024
1	Current service cost	13.57	12.37
2	Interest cost (net of interest income on plan asset)	0.30	0.77
3	Interest on plan assets	–	–
4	Actuarial losses/(gains) - others	3.31	(2.04)
5	Actuarial losses/(gains) - difference between actuarial return on plan assets and interest income	(0.28)	(2.67)
Total		**16.90**	**8.43**
i	Amount included in "employee benefits expenses"	13.57	12.37
ii	Amount included in as part of "finance cost'	0.29	0.77
iii	Amount included as part of "other comprehensive income"	3.04	(4.71)
Total		**16.90**	**8.43**

(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, 2025	Gratuity Plan As at March 31, 2024
Opening balance of the present value of defined benefit obligation	60.70	48.41
Add : Current service cost	13.57	12.37
Add : Interest cost	3.78	3.14
Add : Acturial losses/(gains)		
i) Acturial (gains)/losses arising from changes in financial assumptions	2.14	0.39
ii) Acturial (gains)/losses arising from changes in demographic assumptions	–	(2.33)
iii) Acturial (gains)/losses arising from changes in experience adjustments	1.19	(0.10)
Less : Benefits paid	(3.27)	(1.48)
Add : Past service cost	0.01	–
Add/(Less) : Liability assumed/(settled)	–	–
Closing balance of the present value of defined benefit obligation	**78.12**	**60.40**

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, 2025	As at March 31, 2024
Opening balance of the fair value of the plan assets	51.51	36.38
Add : Interest income of plan assets	3.48	2.37
Add/(less) : Acturial gains/(losses)	0.28	2.67
Add : Contribution by the employer	8.60	11.57
Less : Benefits paid	(3.23)	(1.48)
Closing balance of plan assets	**60.64**	**51.51**

e) Movement in asset ceiling:

(₹ in crore)

Particulars	Gratuity Plan	
	As at March 31, 2025	As at March 31, 2024
Opening value of asset ceiling	–	–
Interest on opening balance of asset ceiling	–	–
Remeasurement due to changes in surplus/deficit	–	–
Closing value of asset ceiling	**–**	**–**

(f) The fair value of major categories of plan assets:

(₹ in crore)

Particulars	Gratuity Plan	
	As at March 31, 2025	As at March 31, 2024
Government of India securities	1.23	1.23
Insurer managed funds (unquoted)	51.54	42.60
Others (quoted)	0.55	0.58
Others (unquoted)	7.32	7.10
Total	**60.64**	**51.51**

(g) Principal acturial assumptions at the valuation date:

Particulars	Gratuity Plan	
	As at March 31, 2025	As at March 31, 2024
(i) Discount rate (per annum)	6.55% to 7.00%	7.15%
(ii) Salary escalation rate (per annum)	9.00%	9.00%

Notes forming part of consolidated financial statements

(iii) **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.

(iv) **Salary escalation rate:**

The estimates of future salary increase considered takes into account the inflation, seniority, promotion and other relevant factors.

(v) **Attrition rate:**

The attrition rate varies from 0% to 44% (previous year: 0% to 44%) for various age groups.

(vi) **Mortality:**

Published rates under the Indian Assured Lives Mortality (2012-14) Ult table.

(h) 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	
	2024-25	2023-24	2024-25	2023-24
Impact of change in discount rate	(3.51)	(2.31)	3.72	2.88
Impact of change in salary escalation rate	3.84	2.95	(3.46)	(2.29)

(iii) 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, 2025	As at March 31, 2024
A) Present value of defined benefit obligations		
– Wholly funded	15.28	14.73
– Wholly unfunded	–	–
	15.28	14.73
Assets acquired on acquisition	–	–
Less: Fair value of plan assets	(16.04)	(15.40)
Amount to be recognised as liability or (assets)	(0.76)	(0.67)
B) Amount reflected in Balance sheet		
Liabilities	(0.76)	(0.67)
Assets	–	–
Net liability/(assets)	**(0.76)**	**(0.67)**

Notes forming part of consolidated financial statements

(b) The amounts recognised in the Statement of Profit and Loss:

(₹ in crore)

Particulars	Provident Fund Plan	
	Year ended March 31, 2025	Year ended March 31, 2024
Current service cost	–	–
Interest cost	1.17	1.15
Expected return on plan assets	(1.17)	(1.15)
Acturial gain/(losses)	(0.08)	(0.31)
Acturial losses/(gain) not recognised in books (limit in para 64(b) of Ind AS 19)	0.08	0.31
Total	**–**	**–**
Amount included in "Employee benefits expenses"	–	–
Amount included in as part of "Finance cost"	–	–
Amount included as part of "Other comprehensive income"	–	–
Total	**–**	**–**

(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, 2025	Year ended March 31, 2024
Opening balance of the present value of defined benefit obligation	14.73	15.45
Add: Assets acquired on acquisition	–	–
Add: Current service cost	–	–
Add: Interest cost	1.17	1.15
Less: Benefits paid	(0.70)	(1.26)
Add: Contribution by the employer	(0.02)	–
Add: Liability assumed/(settled)	0.10	(0.61)
Closing balance of the present value of defined benefit obligation	**15.28**	**14.73**

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	Provident Fund Plan	
	Year ended March 31, 2025	Year ended March 31, 2024
Opening fair value of the plan assets	15.40	15.80
Add: Assets acquired on acquisition	–	–
Add: Interest income of plan assets	1.17	1.15
Add/(less): Acturial gains/(losses)	0.08	0.31
Add: Contribution by the employer	0.10	–
Add/(less): Contribution by plan participants	–	–
Less: Benefits paid	(0.71)	(1.26)
Add: Assets acquired/(settled)	–	(0.61)
Closing fair value of the plan assets	**16.04**	**15.39**

(e) The fair value of major categories of plan assets:

(₹ in crore)

Particulars	Provident Fund Plan	
	Year ended March 31, 2025	Year ended March 31, 2024
Government of india securities	7.36	6.91
Corporate bonds	5.50	5.15
Special deposit scheme	0.29	0.33
Public sector unit bond	0.17	0.53
Others (unquoted)	2.72	2.47
Total	**16.04**	**15.39**

(f) Principal actuarial assumptions at the valuation date:

(₹ in crore)

Particulars	Provident Fund Plan	
	Year ended March 31, 2025	Year ended March 31, 2024
Discount rate for the term of the obligation	6.85%	7.18%
Average historic yield on the investment portfolio	8.08%	8.06%
Discount rate for the remaining term to maturity of the investment portfolio	6.70%	7.20%
Future derived return on assets	8.23%	8.04%
Guaranteed rate of return	8.25%	8.25%

Notes forming part of consolidated financial statements

(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 2024-25.

However, in view of the fall in equity values as at March 31, 2025 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.)."

(g) Characteristics of defined benefit plans

(a) Gratuity plan

The Group operates gratuity plan through a trust wherein every employee is entitled to the benefit equivalent to fifteen days salary last drawn for each completed year of service. The same is payable on termination of service, or retirement, whichever is earlier. The benefit vests after five years of continuous service. The Company's scheme is more favourable compared to the obligation under the Payment of Gratuity Act, 1972.

(b) Provident fund plan

One of the subsidiary's 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.

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.

Notes forming part of consolidated financial statements

37 Disclosure pursuant to Ind AS 24 " Related Party Disclosures"

(a) List of related parties (with whom transactions were carried out during current and/or previous year)

S. No	Particulars	Relationship
1	Larsen & Toubro Limited	Holding Company
2	LTIMindtree Limited (formerly known as Larsen & Toubro Infotech Limited)	Fellow Subsidiary Company
3	L&T Technology Services Limited	Fellow Subsidiary Company
4	Larsen & Toubro Electromech LLC	Fellow Subsidiary Company

S. No	Key management personnel	
1	Mr. S. N. Subrahmanyan	Non-executive chairman
2	Mr. R. Shankar Raman	Non-executive director
3	Mr. Dinanath Dubhashi	Ceased to be MD&CEO w.e.f. January 23, 2024 and appointed as Whole-Time Director of the Company w.e.f. January 24, 2024 and ceased w.e.f. May 01, 2024
4	Mr. Sudipta Roy	Appointed as MD&CEO w.e.f. January 24, 2024
5	Mr. S. V. Haribhakti	Ceased to be an independent director w.e.f. March 31, 2024
6	Dr. R Seetharaman	Appointed as independent director w.e.f. January 23, 2024
7	Dr. Rajani R Gupte	Independent director
8	Mr. P. V. Bhide	Ceased to be an independent director w.e.f. March 31, 2024
9	Mr. Thomas Mathew T.	Independent director
10	Ms. Nishi Vasudeva	Appointed as independent director w.e.f. March 15, 2024
11	Mr. Pavninder Singh	Ceased to be an director (nominee) w.e.f. June 13, 2024

(b) Disclosure of related party transactions : (₹ in crore)

S. No	Nature of transaction*	Year ended March 31, 2025	Year ended March 31, 2024
1	**Brand license fees to**		
	Larsen & Toubro Limited	137.25	119.99
2	**Rent and maintenance cost paid to**		
	Larsen & Toubro Limited (net)	5.01	1.53
3	**Interest expense on inter corporate borrowing / NCD**		
	LTIMindtree Limited (formerly known as Larsen & Toubro Infotech Limited)	9.12	7.51
	Larsen & Toubro Limited	14.72	43.23
	L&T Technology Services Limited	0.18	1.62
4	**Professional fees to**		
	Larsen & Toubro Limited	6.97	7.09
	LTIMindtree Limited (formerly known as Larsen & Toubro Infotech Limited)	3.45	16.68
5	**Purchase of consumables / materials from**		
	Larsen & Toubro Limited	–	0.11
6	**Rent Deposit paid to**		
	Larsen & Toubro Limited	1.59	–

* Transactions shown above are excluding of GST, if any.

Notes forming part of consolidated financial statements

(c) Remuneration to key management personnel ***

(₹ in crore)

		FY 2024-25		FY 2023-24	
S. No.	Name of key management personnel	Short-Term employee benefits	Other Long term benefits	Short-Term employee benefits	Other Long term benefits
1	Mr. Sudipta Roy	3.91	–	0.73	–
2	Mr. Dinanath Dubhashi	1.09	–	26.24	–
3	Mr. S. V. Haribhakti	–	–	0.42	–
4	Dr. Rajani R. Gupte	0.30	–	0.51	–
5	Mr. P. V. Bhide	–	–	0.56	–
6	Mr. Thomas Mathew T	0.35	–	0.67	–
7	Ms. Nishi Vasudeva	0.28	–	0.34	–
8	Mr. Pavninder Singh	0.02	–	0.26	–
9	Dr. R. Seetharaman	0.28	–	0.04	–

*** Key management remuneration excludes provision for gratuity, pension and compensated absences, since it is provided on actuarial basis for the Company as a whole.

(d) Amount due to/from related parties:

(₹ in crore)

S. No.	Nature of transactions	As at March 31, 2025	As at March 31, 2024
1	**Security deposit receivable**		
	Larsen & Toubro Limited	1.59	–
2	**Trade and other receivable**		
	Larsen & Toubro Limited	0.18	1.54
3	**Non convertible debenture (borrowings)**		
	Larsen & Toubro Limited	105.00	310.38
	LTIMindtree Limited (formerly known as Larsen & Toubro Infotech Limited)	99.50	124.50
	L&T Technology Services Limited	–	25.00
4	**Interest accrued on non convertible debenture (borrowings)**		
	Larsen & Toubro Limited	5.99	18.07
	LTIMindtree Limited (formerly known as Larsen & Toubro Infotech Limited)	7.04	5.87
	L&T Technology Services Limited	–	0.10
5	**Trade and other payable**		
	Larsen & Toubro Electromech LLC	0.01	0.01
	Larsen & Toubro Limited	134.00	119.75
	LTIMindtree Limited (formerly known as Larsen & Toubro Infotech Limited)	0.75	13.71

Notes forming part of consolidated financial statements

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, 2025	As at March 31, 2024
Opening balance	54.85	55.17
Add: Additions during the year	89.81	15.19
Less: Depreciation during the year	(19.46)	(13.62)
Less: Right of use asset derecognised	(8.83)	(1.89)
Closing balance	**116.37**	**54.85**

2 Lease liability:

(₹ in crore)

Particulars	As at March 31, 2025	As at March 31, 2024
Opening balance	62.58	61.45
Add: Additions during the year	89.81	15.19
Add: Interest accrued during the year	5.65	4.43
Less: Interest paid during the year	(5.65)	(4.43)
Less: Terminated	(9.93)	(2.17)
Less: Principal repayment during the year	(16.92)	(11.89)
Closing balance	**125.54**	**62.58**

3 Low value leases/short term leases

Expenses recognised (₹ in crore)

Particulars	As at March 31, 2025	As at March 31, 2024
– Low value assets (net)	1.43	4.52
– Short term leases	61.64	40.88

Actual cashflow (₹ in crore)

Particulars	As at March 31, 2025	As at March 31, 2024
– Low value assets	1.43	4.52
– Short term leases	61.64	40.88

b) Finance Lease : Not applicable

Notes forming part of consolidated financial statements

II) Group as Lessor

a) Finance Lease

i) The Group has given on finance leases certain items of plant and equipment. The leases have a primary period that is fixed and noncancellable and a secondary period. There are no exceptional/restrictive covenants in the lease agreement. There are no significant risks associated with rights that the Group retains in underlying assets.

ii) Maturity analysis of minimum undiscounted lease receivables and the present value of minimum lease payments receivable is as under:

(₹ in crore)

Particulars	As at March 31, 2025	As at March 31, 2024
Receivable not later than 1 year	–	–
Receivable later than 1 year but not later than 2 year	–	–
Receivable later than 2 year but not later than 3 year	–	–
Receivable later than 3 year but not later than 4 year	–	–
Receivable later than 4 year but not later than 5 year	–	–
Receivable later than 5 years	–	–
Gross investment in lease	**–**	**–**
Less: Unearned finance income*	–	–
Present value of minimum lease payment receivable	**–**	**–**

*Amount less than ₹ 50,000

iii) Finance lease income on net investment in lease recognised in statement of Profit & loss during the financial year 2024-25 is Nil and for 2023-24 : Nil.

iv) Finance lease income relating to variable lease payments not depending on index/rate - NIL

v) Changes in carrying amount of net investment in finance lease

(₹ in crore)

Particulars	Current	Non Current	Total
Opening value of lease receivables as on April 1, 2023	0.01	–	0.01
Add: Finance lease income recognised in the statement of Profit and Loss	–	–	–
Less: Lease rental received (cash payment)	(0.01)	–	(0.01)
Add/Less: Change on account of any other factors	–	–	–
Closing value of lease receivables as on March 31, 2024	**–**	**–**	**–**
Add: Finance lease income recognised in the statement of Profit and Loss	–	–	–
Less: Lease rental received (cash payment)	–	–	–
Add/Less: Change on account of any other factors	–	–	–
Closing value of lease receivables as on March 31, 2025	**–**	**–**	**–**

Notes forming part of consolidated financial statements

b) Operating lease :

i) The Group has given certain assets under operating lease. There are no significant risks associated with rights that the Group retains in underlying assets. Leases are renewed only on mutual consent and at a prevalent market price.

ii) Maturity analysis of undiscontinued lease receivables:

(₹ in crore)

Particulars	As at March 31, 2025	As at March 31, 2024
Receivable not later than 1 year	–	–
Receivable later than 1 year but not later than 2 year	–	–
Receivable later than 2 year but not later than 3 year	–	–
Receivable later than 3 year but not later than 4 year	–	–
Receivable later than 4 year but not later than 5 year	–	–
Receivable later than 5 years	–	–
Total	**–**	**–**

iii) Lease income recognised in Profit & Loss account (Other than variable lease payment) is Nil (Previous year is Nil)

iv) Lease income relating to variable lease payments not depending on index/rate : Nil

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, 2025	For the year ended March 31, 2024
Basic			
Profit after tax attributable to the owners of the Company (₹ in crore)	A	2,643.66	2,320.10
Weighted average number of equity shares outstanding	B	2,49,26,29,247	2,48,43,28,659
Basic earning per share (₹)	A/B	10.61	9.34
Diluted			
Profit after tax attributable to the owners of the Company (₹ in crore)	A	2,643.66	2,320.10
Weighted average number of equity shares outstanding	B	2,49,26,29,247	2,48,43,28,659
Add: Weighted average number of potential equity shares on account of employee stock options	C	80,34,211	99,47,132
Weighted average number of shares outstanding for diluted EPS	D=B+C	2,50,06,63,458	2,49,42,75,791
Diluted earning per share (₹)	A/D	10.57	9.30
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	2024-25	2023-24
	Consolidated statement of Profit and Loss:		
(a)	Profit and Loss section:		
	(i) Current income tax :		
	(A) Current income tax expense	765.81	715.69
	(B) Tax expense of discontinued operations	–	–
		765.81	715.69
	(ii) Deferred Tax:		
	(A) Tax expense on origination and reversal of temporary differences	82.03	(3.79)
	(B) Tax expense of discontinued operations	–	–
		82.03	(3.79)
	Income tax expense reported in the consolidated statement of profit or loss[(i)+(ii)]	**847.84**	**711.90**
(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	(0.76)	1.19
		(0.76)	1.19
	(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	(9.43)	(2.10)
		(9.43)	(2.10)
	Income tax expense reported in the other comprehensive income [(i)+(ii)]	**(10.19)**	**(0.91)**
(c)	**Balance sheet:**		
	Current income tax	(3.89)	(9.16)
	Deferred tax	3.89	9.16
	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	2024-25	2023-24
(a)	**Profit before tax**	3,491.26	3,029.03
(b)	Corporate tax rate as per Income tax Act, 1961	25.17%	25.17%
(c)	Tax on accounting profit (c)=(a)*(b)	878.68	762.35
(d)	(i) Tax on Income exempt/deductible from tax :		
	(A) Exempt income	–	(21.86)
	(B) Deduction under Section 80JJAA	(13.43)	–
	(ii) Tax on expense not tax deductible :		
	(A) Corporate social responsibility (CSR) expenses	5.55	0.89
	(B) Provision for dimunition of investments	0.06	(112.23)
	(C) Other disallowances	3.47	1.40
	(iii) Impact of consolidation adjustments	1.19	(2.91)
	(iv) Tax effect of losses/timing differences of current year on which no deferred tax benefit is recognised	–	84.18
	(v) Tax effect on various other Items	(27.68)	0.08
	(vi) Total effect of tax adjustments [(i) to (v)]	(30.84)	(50.45)
(e)	Tax expense (before tax impact due to amendment in tax regulations) (e)=(c)-(d)	847.84	711.90
(f)	Effective tax rate (before tax impact due to amendment in tax regulations) (f)=(e)/(a)	24.28%	23.50%
(g)	**Tax expense recognised during the year (g)=(f)+(e)**	**847.84**	**711.90**
(h)	**Effective tax Rate (h)=(g)/(a)**	**24.28%**	**23.50%**

(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:

(₹ in crore)

Particulars	As at March 31, 2025		As at March 31, 2024	
	Amount	Expiry year	Amount	Expiry year
Carried forward Capital loss	266.38	Upto AY2032-33	266.38	Upto AY2032-33
Total	**266.38**		**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 due to no reasonable certainty:

(₹ in crore)

Particulars	As at March 31, 2025	As at March 31, 2024
Towards provision for diminution in value of investments and other impairments	704.28	704.06
Other items	53.60	53.60
Total	**757.88**	**757.66**

(d) Major components of deferred tax assets and deferred tax liabilities:

(₹ 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	–	–	654.02
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**	**1,756.65**
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**	**1,827.78**

(₹ 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**	**1,757.55**

*internal regrouped / saperately shown during the year

Notes forming part of consolidated financial statements

(₹ in crore)

Particulars	Deferred tax assets / (liabilities) as at April 1, 2023	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, 2024
Deferred tax assets:					
Expected credit loss provision on loans	1,435.41	(384.72)	–	–	1,050.69
Fair value of investments	282.00	335.74	–	–	617.74
Carried forward tax losses	0.39	(0.39)	–	–	–
Unutilised MAT credit	19.77	–	(5.26)	–	14.51
Other items giving rise to temporary differences	70.45	35.46	(3.90)	0.91	102.92
Deferred tax assets	**1,808.02**	**(13.91)**	**(9.16)**	**0.91**	**1,785.86**
Offsetting of deferred tax assets with deferred tax liabilities	53.06	–	–	–	71.13
Net deferred tax assets	**1,861.08**	**(13.91)**	**(9.16)**	**0.91**	**1,856.99**

(₹ in crore)

Particulars	Deferred tax assets / (liabilities) as at April 1, 2023	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, 2024
Deferred tax liabilities:					
Difference between book base and tax base of property, plant and equipement, investment property and intangible assets	54.40	(6.98)	–	–	47.42
Interest income recognised on Stage 3 Loans	0.01	(0.01)	–	–	–
Other items giving rise to temporary differences	(24.69)	24.69	–	–	–
Deferred tax liabilities	**29.72**	**17.70**	**–**	**–**	**47.42**
Offsetting of deferred tax liabilities with deferred tax assets	(53.06)	–	–	–	(71.13)
Net deferred tax liabilities	**(23.34)**	**17.70**	**–**	**–**	**(23.71)**
Net deferred tax assets/ (liabilities)	**1,837.74**	**3.79**	**(9.16)**	**0.91**	**1,833.28**

Notes forming part of consolidated financial statements

41 Contingent liabilities and commitments

(₹ in crore)

S. No	Particulars	As at March 31, 2025	As at March 31, 2024
	Contingent liabilities		
1	Claims against the group not acknowledged as debt: *		
	(i) Income tax matter in dispute	11.15	11.07
	(ii) Service tax/Sales tax/VAT matters in dispute	258.22	466.71
	(iii) Legal matters in dispute	1.78	1.82
2	Bank guarantees	56.00	56.00
	Total (a)	**327.15**	**535.60**
	Commitments		
1	Estimated amount of contracts remaining to be executed on capital account and not provided for	52.81	30.10
2	Other Undrawn/Undisbursed commitments (standby facilities)	2,035.76	972.34
	Total (b)	**2,088.57**	**1,002.44**
	Total (a)+(b)	**2,415.72**	**1,538.04**

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"

(a) Foreign currency risk :

(₹ in crore)

Particulars	As at March 31, 2025	As at March 31, 2024
Liability – External commercial borrowings	USD 88,16,67,222	USD 25,00,00,000
Assets – Currency swap contracts	USD 88,16,67,222	USD 25,00,00,000

(b) Interest rate risk :

The exposure of the Group's borrowing to interest rate changes at the end of the reporting period are as follows:

(₹ in crore)

Particulars	As at March 31, 2025	As at March 31, 2024
Variable rate borrowings	20,124.54	17,962.56
Fixed rate borrowings	71,030.03	57,201.53
Total borrowings*	**91,154.57**	**75,164.09**

*Excluding interest accrued and amortisation

As at the end of the reporting period, the Group had the following variable rate borrowings outstanding:

(₹ in crore)

Particulars	As at March 31, 2025			As at March 31, 2024		
	Weighted average interest rate	Balance	% of total borrowing	Weighted average interest rate	Balance	% of total borrowing
Variable rate borrowings*	7.46%	20,124.54	22.08%	7.68%	17,962.56	23.90%
Net exposure to cash flow interest rate risk	**7.46%**	**20,124.54**	**22.08%**	**7.68%**	**17,962.56**	**23.90%**

*Excluding interest accrued and amortisation

(c) Sensitivity :

Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of changes in interest rates. Other components of equity change as a result of an increase/decrease in the fair value of the cash flow hedges related to borrowings.

(₹ in crore)

Particulars	Impact on profit after tax		Impact on other components of equity	
	March 31, 2025	March 31, 2024	March 31, 2025	March 31, 2024
Interest rates – increase by 25 basis points *	(46.17)	(35.45)	(46.17)	(35.45)
Interest rates – decrease by 25 basis points*	46.17	35.45	46.17	35.45

* Impact on P/L upto 1 year, holding all other variables constant

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, 2025			As at March 31, 2024		
		Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
	ASSETS:						
(1)	**Financial assets**						
(a)	Cash and cash equivalents	2,896.22	–	2,896.22	3,593.35	–	3,593.35
(b)	Bank balance other than (a) above	7,569.14	367.56	7,936.70	876.04	206.63	1,082.67
(c)	Derivative financial instruments	–	0.55	0.55	182.16	3.38	185.54
(d)	Receivables						
	(I) Trade receivables	116.95	–	116.95	247.28	–	247.28
	(II) Other receivables	5.56	–	5.56	3.22	–	3.22

Notes forming part of consolidated financial statements

(₹ in crore)

S. No.	Particulars	As at March 31, 2025			As at March 31, 2024		
		Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
(e)	Loans	35,860.78	57,912.28	93,773.06	34,347.22	47,012.17	81,359.39
(f)	Investments	5,657.95	6,218.02	11,875.97	4,903.88	7,481.01	12,384.89
(g)	Other financial assets	387.60	0.31	387.91	631.46	0.65	632.11
(2)	**Non-financial assets**						
(a)	Current tax asset (net)	–	313.66	313.66	–	291.67	291.67
(b)	Deferred tax assets (net)	–	1,783.13	1,783.13	–	1,856.99	1,856.99
(c)	Property, plant and equipment	–	397.37	397.37	–	354.97	354.97
(d)	Intangible assets under development	–	45.00	45.00	–	35.62	35.62
(e)	Goodwill on consolidation	–	13.40	13.40	–	13.40	13.40
(f)	Other intangible assets	–	113.82	113.82	–	96.13	96.13
(g)	Right of use asset	–	116.37	116.37	–	54.85	54.85
(h)	Other non-financial assets	160.75	472.94	633.69	77.24	448.23	525.47
	Total Assets	**52,654.95**	**67,754.41**	**1,20,409.36**	**44,861.85**	**57,855.70**	**1,02,717.55**
	LIABILITIES *						
(1)	**Financial Liabilities**						
(a)	Derivative financial instruments	–	–	–	–	–	
(b)	Trade payables						
	(i) Total outstanding dues of micro enterprises and small enterprises	3.78	–	3.78	–	–	–
	(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	1,367.92	–	1,367.92	1,221.85	–	1,221.85
(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	13,266.34	15,588.05	28,854.39	11,033.83	18,535.62	29,569.45
(e)	Borrowings (other than debt securities)	38,174.46	23,384.76	61,559.22	31,673.34	12,757.13	44,430.47
(f)	Subordinated liabilities	1,212.57	620.72	1,833.29	804.95	1,736.00	2,540.95
(g)	Lease liability	20.36	105.18	125.54	13.28	49.30	62.58
(h)	Other financial liabilities	601.83	19.62	621.45	1,032.02	21.41	1,053.43
(2)	**Non-Financial Liabilities**						
(a)	Current tax liability (net)	256.86	–	256.86	179.24	–	179.24
(b)	Provisions	12.56	38.52	51.08	10.13	24.61	34.74
(c)	Deferred tax liabilities (net)	–	25.58	25.58	23.37	0.34	23.71
(d)	Other non-financial liabilities	79.13	–	79.13	73.14	–	73.14
	Total liabilities	**54,995.81**	**39,782.43**	**94,778.24**	**46,065.14**	**33,124.42**	**79,189.56**

*excluding non controlling interest

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, 2025				As at March 31, 2024			
		FVTPL	FVTOCI	Amortised cost	Total	FVTPL	FVTOCI	Amortised cost	Total
	Financial assets	–	–						
1	Cash and cash equivalents	–	–	2,896.22	2,896.22	–	–	3,593.35	3,593.35
2	Bank balance other than (1) above	–	–	7,936.70	7,936.70	–	–	1,082.67	1,082.67
3	Derivative financial instruments	–	0.55	–	0.55	–	185.54	–	185.54
4	Receivables								
	Trade receivables	–	–	116.95	116.95	–	–	247.28	247.28
	Other receivable	–	–	5.56	5.56	–	–	3.22	3.22
5	Loans	2,130.70	–	91,642.36	93,773.06	4,861.61	–	76,497.78	81,359.39
6	Investments								
	Equity instruments	73.02	–	–	73.02	43.54	–	–	43.54
	Preference share	47.33	–	–	47.33	63.48	–	–	63.48
	Mutual funds	145.36	–	–	145.36	2,440.56	–	–	2,440.56
	Bonds and debentures	128.73	504.22	–	632.95	188.29	498.28	–	686.57
	Security receipts	5,862.44	–	–	5,862.44	6,769.50	–	–	6,769.50
	Units of fund	22.22	–	–	22.22	27.38	–	–	27.38
	Government securities	–	5,092.65	–	5,092.65	–	2,353.86	–	2,353.86
7	Other financial assets	–	–	387.91	387.91	–	–	632.11	632.11
	Total financial assets	**8,409.80**	**5,597.42**	**1,02,985.70**	**1,16,992.92**	**14,394.36**	**3,037.68**	**82,056.41**	**99,488.45**
	Financial liabilities								
1	Derivative financial instruments	–	–	–	–	–	–	–	–
2	Trade payables	–	–	1,371.70	1,371.70	–	–	1,221.85	1,221.85
3	Other payables	–	–	–	–	–	–	–	–
4	Lease liabilities	–	–	125.54	125.54	–	–	62.58	62.58
5	Debt securities	–	–	28,854.39	28,854.39	–	–	29,569.45	29,569.45
6	Borrowings (other than debt securities)	–	–	61,559.22	61,559.22	–	–	44,430.47	44,430.47
7	Subordinated liabilities	–	–	1,833.29	1,833.29	–	–	2,540.95	2,540.95
8	Other financial liabilities	–	–	621.45	621.45	–	–	1,053.43	1,053.43
	Total financial liabilities	**–**	**–**	**94,365.59**	**94,365.59**	**–**	**–**	**78,878.73**	**78,878.73**

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, 2025				As at March 31, 2024			
		Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
	Financial assets:								
1	Investments at FVTPL:								
	Equity shares	10.23	–	62.79	73.02	16.14	–	27.40	43.54
	Preference shares	–	–	47.33	47.33	–	–	63.48	63.48
	Mutual fund	145.36	–	–	145.36	2,440.56	–	–	2,440.56
	Debentures	–	–	128.73	128.73	–	–	188.29	188.29
	Security receipts	–	–	5,862.44	5,862.44	–	–	6,769.50	6,769.50
	Units of fund	–	–	22.22	22.22	–	–	27.38	27.38
2	Derivative financial instruments	–	0.55	–	0.55	–	185.54	–	185.54
3	Loans	–	–	2,130.70	2,130.70	–	–	4,861.61	4,861.61
4	Investments at FVTOCI:								
	Bonds and debentures	–	504.22	–	504.22	–	498.28	–	498.28
	Government securities	–	5,092.65	–	5,092.65	–	2,353.86	–	2,353.86
	Total financial assets	**155.59**	**5,597.42**	**8,254.21**	**14,007.22**	**2,456.70**	**3,037.68**	**11,937.66**	**17,432.04**
	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	Debentures	Security receipts	Units of fund	Loans	Total
Balance as at April 1, 2024	**27.40**	**63.48**	**188.29**	**6,769.50**	**27.38**	**4,861.61**	**11,937.66**
Addition during the year	–	–	11.22	708.25	0.94	265.20	985.61
Disposal during the year	–	–	(70.13)	(1,463.44)	(6.09)	(3,211.84)	(4,751.51)
Gain/(Loss) recognised in Profit or Loss	35.39	(16.15)	(0.65)	(151.87)	–	215.72	82.44
Balance as at March 31, 2025	**62.79**	**47.33**	**128.73**	**5,862.44**	**22.22**	**2,130.70**	**8,254.21**
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	**35.39**	**(16.15)**	**(0.65)**	**(151.87)**	**–**	**215.72**	**82.44**
As at March 31, 2024	37.81	–	127.05	(1,331.26)	(0.23)	1,784.32	617.69
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, 2024	–	–	–	–	–	–	–

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, 2025	As at March 31, 2024		March 31, 2025	March 31, 2025	March 31, 2024	March 31, 2024
				Favourable	Unfavourable	Favourable	Unfavourable
Equity share	62.79	27.40	5.00%	3.14	(3.14)	1.37	(1.37)
Preference share	47.33	63.48	5.00%	2.37	(2.37)	3.17	(3.17)
Debt instruments	128.73	188.29	0.25%	0.32	(0.32)	0.47	(0.47)
Security receipts	5,862.44	6,769.50	5.00%	293.12	(293.12)	338.48	(338.48)
Units of fund	22.22	27.38	5.00%	1.11	(1.11)	1.37	(1.37)
Loans	2,130.70	4,861.61	0.25%	5.33	(5.33)	12.15	(12.15)
Total	**8,254.21**	**11,937.66**		**305.39**	**(305.39)**	**357.01**	**(357.01)**

(e) Maturity profile of financial liabilities based on undiscounted cash flows:

(₹ in crore)

Particulars	As at March 31, 2025			As at March 31, 2024		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Non-derivative liabilities						
Borrowings*	56,416.67	46,566.99	1,02,983.67	46,341.28	39,568.84	85,910.12
Trade and other payables	1,371.70	–	1,371.70	1,221.85	–	1,221.85
Lease liabilities	105.18	20.36	125.54	13.28	49.30	62.58
Other financial liabilities	621.45	–	621.45	1,032.27	21.16	1,053.43
Total	**58,515.00**	**46,587.35**	**1,05,102.36**	**48,608.68**	**39,639.30**	**88,247.98**
Derivative liabilities						
Forward contracts	–	–	–	–	–	–
Total	**–**	**–**	**–**	**–**	**–**	**–**

* Borrowings include debt securities, borrowings (other than debt securities) and subordinated liabilities and are net off offsetting respective derivative gain/loss.

(f) 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, 2025	As at March 31, 2024
Undrawn backup lines	9,594.33	10,961.69
Line of credit from Ultimate Holding Company	–	–

Notes forming part of consolidated financial statements

(g) Ind AS 107 - Financial Instruments: Disclosures - Carrying amount of collateral given

(₹ in crore)

Assets type	As at March 31, 2025	As at March 31, 2024
Bank Balances other than cash and cash equivalent	4,686.30	913.31
Investments	1,162.65	1,147.50
Loans	88,276.78	73,150.28
Total	**94,125.73**	**75,211.09**

(h) Fair value of financial assets and financial liabilities measured at amortised cost:

(₹ in crore)

Particulars	As at March 31, 2025		As at March 31, 2024	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets:				
Loans*	91,642.36	91,642.36	76,497.78	76,497.78
Total	**91,642.36**	**91,642.36**	**76,497.78**	**76,497.78**
Financial liabilities:				
Debt securities	28,854.39	28,839.65	29,569.45	29,417.13
Borrowings	61,559.22	61,322.54	44,430.47	43,974.56
Subordinated liabilities	1,833.29	1,826.19	2,540.95	2,517.19
Lease liabilities	125.54	125.54	62.58	62.58
Total	**92,372.44**	**92,113.92**	**76,603.45**	**75,971.46**

*In the absence of an observable market for these loan assets, the fair values have been determined from the perspective of the group after considering changes in performance and risk indicators (including delinquencies and interest rates)

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, 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**	

(₹ in crore)

As at March 31, 2024	Level 1	Level 2	Level 3	Total	Valuation technique for level 3 items
Financial assets:					
Loans	–	–	76,497.78	76,497.78	Discounted cash flow approach
Total	**–**	**–**	**76,497.78**	**76,497.78**	
Financial liabilities:					
Debt securities	–	–	29,417.13	29,417.13	Discounted cash flow approach
Borrowings (other than government securities)	–	–	43,974.56	43,974.56	Discounted cash flow approach
Subordinated liabilities	–	–	2,517.19	2,517.19	Discounted cash flow approach
Lease liabilities	–	–	62.58	62.58	Discounted cash flow approach
Total	**–**	**–**	**75,971.46**	**75,971.46**	

(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, 2025			As at March 31, 2024		
		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)	89,618.70	1,051.42	88,567.28	75,295.93	1,323.87	73,972.06
Loss allowance measured at life-time expected credit losses	Financial assets for which credit risk has increased significantly and not credit-impaired (Stage 2)	2,797.09	468.84	2,328.25	2,468.78	422.03	2,046.75
	Financial assets for which credit risk has increased significantly and credit-impaired (Stage 3)	2,763.32	2,016.49	746.83	2,270.82	1,791.85	478.97
Total		**95,179.11**	**3,536.75**	**91,642.36**	**80,035.53**	**3,537.75**	**76,497.78**

* Includes macro prudential provision of ₹ 575 crores (previous year ₹ 975 crores) for Rural Group Loans and Micro Finance Business (RGL & MFI).

Notes forming part of consolidated financial statements

(b) Reconciliation of loss allowance provision - Loans: (₹ in crore)

Particulars	Stage 1	Stage 2	Stage 3	Total
Loss allowance as on April 1, 2023	**1,177.27**	**366.04**	**1,743.31**	**3,286.62**
New assets originated or purchased	992.20	68.54	177.98	1,238.72
Amount written off	–	(13.37)	(947.49)	(960.86)
Transfers to Stage 1	25.53	(13.13)	(12.40)	–
Transfers to Stage 2	(6.24)	13.30	(7.06)	–
Transfers to Stage 3	(15.28)	(72.22)	87.50	–
Impact on year end ECL of exposure transferred between stages during the year	(25.17)	103.60	1,008.72	1,087.15
Increase / (decrease) in provision on existing financial assets (net of recovery)	(824.44)	(30.73)	(258.71)	(1,113.88)
Loss allowance as on March 31, 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**

(c) Reconciliation of Gross carrying amount - loans: (₹ in crore)

Particulars	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount as at April 1, 2023	**56,530.86**	**2,656.72**	**2,196.85**	**61,384.43**
New assets originated or purchased	48,541.17	419.51	219.81	49,180.49
Amount written off	–	(67.51)	(947.49)	(1,015.00)
Transfers to Stage 1	131.42	(109.08)	(22.34)	–
Transfers to Stage 2	(899.06)	912.12	(13.06)	–
Transfers to Stage 3	(1,060.68)	(403.55)	1,464.23	–
Net recovery	(27,947.78)	(939.43)	(627.18)	(29,514.39)
Gross carrying amount as at 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
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**

Notes forming part of consolidated financial statements

46 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.

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 existing 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

Notes forming part of consolidated financial statements

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 have been factored into strengthening measures are implemented.

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, Government total expenditure, Government consumer expense, domestic credit investment, 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.

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 2.9 for a description of how the Company determines when a significant increase in credit risk has occurred). The company categorises loan assets as 'Stage 2' primarily based on 31-90 Days Past Dues status.

Notes forming part of consolidated financial statements

- If the financial instrument is credit-impaired, the financial instrument is then moved to 'Stage 3'. (See note 2.9 for a description of how the Company defines credit-impaired and default). The company categorises 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)

  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 credit impaired asset is 1 as the DPD is 90+.

A centralized impairment model summarises the historical payment behaviors of the borrowers within a retail portfolio which data is 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. The weighted average is determined (using the count of customers as the weight) from quarterly snapshots.

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 – (the ratio of recovery from the defaulted accounts / Principal Outstanding (POS) at the time of default), the average being computed over the accounts considered for the LGD estimation. The PD and LGD ratio were 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 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, 2025			As at March 31, 2024		
	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	10,832.92	–	–	4,676.02	–	
Loans and advances at amortised cost	91,642.36	–	Refer note below	76,497.78	–	Refer note below
Trade receivables	116.95	–	–	247.28	–	
Other receivables	5.56	–	–	3.22	–	
Other financial assets	387.91	–	–	632.11	–	
Total financial assets at amortised cost	**1,02,985.70**	**–**	**–**	**82056.41**	–	
Financial assets at fair value through profit or loss	8,409.80	–	–	14,394.35	–	
Total financial instruments at fair value through profit or loss	**8,409.80**	**–**	**–**	**14,394.35**	**–**	

Notes forming part of consolidated financial statements

(₹ in crore)

Particulars	As at March 31, 2025			As at March 31, 2024		
	Outstanding	Cash collateral	Nature of Non-cash collateral	Outstanding	Cash collateral	Nature of Non-cash collateral
Derivative financial instruments	0.55	–		185.54	–	
Financial instruments at fair value through Other Comprehensive Income	5,596.87	–		2,852.15	–	
Total Financial instruments at fair value through Other Comprehensive Income	**5,597.42**	**–**		**3037.69**	**–**	
Total on-balance sheet	**1,16,992.92**	**–**		**99,488.45**	**–**	
Off balance sheet						
Contingent liabilities	326.15	–		535.60	–	
Other commitments	2,089.56	–		1,002.44	–	
Total off-balance sheet	**2,415.71**	**–**		**1,538.04**	**–**	
Total	**119,408.63**	**–**		**1,01,028.54**	**–**	

Footnote

Retail loans, other than unsecured loans aggregating ₹ 51,579.46 crore as of March 31, 2025, 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, 2024: ₹ 42,732.48 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.

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 instruments is received in lieu of 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 following companies, pledged with the Company as collateral by the borrowers and these shares are being held by the Company as bailee:

S. No.	Name of Company	As at March 31, 2025	As at March 31, 2024
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	15,00,716
7	Sterling International Enterprises Limited	2,17,309	2,17,309

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S. No.	Name of Company	As at March 31, 2025	As at March 31, 2024
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	Soma Enterprises Limited	–	1,500
13	Hazaribagh Ranchi Expressway Limited	–	1,000
14	Avantha Holdings Limited	4,500	4,500
15	Su Toll Road Private Limited	7,912	7,912
16	KSK Mineral Resources Private Limited	34,22,910	34,22,910
17	Diamond Power Infrastructure Limited	3,000	3,000
18	GHCL Textiles Limited	70,000	70000
19	Dewas Bhopal Corridor Private Limited	17,000	17,000
20	Bhoruka Power Corporation Ltd	25,771	25,771
21	Almond Infrabuild Private Limited	1,20,08,100	1,20,08,100
22	Anand Divine Developers Private Limited	9,900	9,900
23	Valdel Projects Corporation Pvt Ltd	1,532	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 Company has established a diversified borrower base as at March 31, 2025. 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

Notes forming part of consolidated financial statements

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.

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.

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 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, 2025	Year ended March 31, 2024
Type of services or service		
Fees and commission income	1,077.34	662.48
Total revenue from contract with customers	**1,077.34**	**662.48**
Geographical markets		
- India	1,077.34	662.48
- Outside India	–	–
Total revenue from contract with customers	**1,077.34**	**662.48**
Timing of revenue recognition		
Services transferred at a point in time	1,077.34	662.48
Services transferred over time	–	–
Total revenue from contracts with customers	**1,077.34**	**662.48**

Contract balance

(₹ in crore)

Particulars	As at March 31, 2025	As at March 31, 2024
Trade receivables	116.95	247.28
Contract assets / liabilities	–	–

Notes forming part of consolidated financial statements

48 Additional information pursuant to Schedule III to the Companies Act, 2013 for the year ended March 31, 2025

(₹ 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 (Formerly known as L&T Finance Holdings Limited	(A)	98.95%	25,294.72	99.03%	2,617.81	100.04%	24.47	99.04%	2,642.28
Subsidiaries									
L&T Infra Investment Partners		0.59%	150.86	0.00%	0.88	–	–	0.00%	0.88
L&T Financial Consultants Limited		1.58%	404.17	0.92%	24.33	–0.04%	(0.01)	0.91%	24.32
L&T Infra Investment Partners Advisory Private Limited		0.11%	29.36	0.02%	0.53	0.00%	–	0.02%	0.53
L&T infra Investment Partners Trustee Private Limited		0.00%	0.11	0.00%	0.01	0.00%	–	0.00%	0.01
Total Subsidiaries	**(B)**		**584.50**		**25.75**		**(0.01)**		**25.74**
Non-controlling interests in subsidiaries	(C)	–0.26%	(67.06)	–0.01%	(0.24)	0.00%	–	0.00%	(0.24)
Consol adjustment and elimination	(D)	–0.97%	(248.10)	0.00%	0.10	0.00%	–	0.00%	0.10
Total (A+B+C+D)		**100.00%**	**25,564.06**	**100.00%**	**2,643.42**	**100.00%**	**24.46**	**100.00%**	**2,667.88**

49 Disclosure pursuant to Ind AS 7 "Statement of Cash Flows" - Changes in liabilities arising from financing activities:

(₹ 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
Total	**76,540.87**	**16,040.84**	**(334.81)**	**92,246.90**

(₹ in crore)

Particulars	April 1, 2023	Cash flows	Others	March 31, 2024
Debt securities	36,105.38	(6,577.39)	41.46	29,569.45
Borrowings (other than debt securities)	44,139.59	265.99	24.89	44,430.47
Subordinated liabilities	2,798.48	(275.00)	17.47	2,540.95
Total	**83,043.45**	**(6,586.40)**	**83.82**	**76,540.87**

Notes forming part of consolidated financial statements

50 Relationship with Struck off Companies

Name of struck off Company	Nature of transactions with struck off Company	Balance Outstanding as at March 31, 2025 (₹ in crore)	Balance Outstanding as at March 31, 2024 (₹ in crore)	Relationship with the struck off Company
Digikore Studios Private Limited	Loans given to struck off Company	0.29	–	Not Related Party
Underground Pipeline And Non Destructive Testing Services Private Limited	Loans given to struck off Company	0.11	–	Not Related Party
B S R Engineers Private Limited	Loans given to struck off Company	0.19	–	Not Related Party
Shopforprop Realty Private Limited	Loans given to struck off Company	2.66	2.62	Not Related Party
S D Motors Private Limited	Loans given to struck off Company	0.17	–	Not Related Party
S D Motors Private Limited	Commission paid to struck off Company	–	–	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 Pvt Ltd	Equity shares of the company held by struck off company	0*	0*	Not Related Party
Architectural Glass Pvt Ltd	Equity shares of the company held by struck off company	0*	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 Ltd.	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

Notes forming part of consolidated financial statements

Name of struck off Company	Nature of transactions with struck off Company	Balance Outstanding as at March 31, 2025 (₹ in crore)	Balance Outstanding as at March 31, 2024 (₹ in crore)	Relationship with the struck off Company
Mahila Credit And Investment Co (P) Ltd	Equity shares of the company held by struck off company	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 Pvt Ltd	Corporate Vendor	0*	–	Not Related Party
Cheviot International Limited	Equity shares of the company held by struck off company	–	0*	Not Related Party
Virtuoso Offshore It And Management Services Pvt Limited	Loans given to struck off Company	–	0*	Not Related Party

*Amount less than ₹ 50,000

51 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.
2. The Group has not traded or invested in Crypto currency or Virtual Currency during the financial year 2024-25.
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;

Notes forming part of consolidated financial statements

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;

52 There are no amounts due and outstanding to be credited to Investor Education & Protection Fund as at March 31, 2025

53 Figures for the previous year have been regrouped/re-classified to confirm to the figures of the current year.

54 The above financial statements have been reviewed by the Audit Committee and subsequently approved by the Board of Directors at its meeting held on April 25, 2025.

In terms of our report attached of even date

For Brahmayya and Co.,
Chartered Accountants
ICAI FRN: 000515S

For T R Chadha & Co LLP
Chartered Accountants
ICAI FRN: 006711N/N500028

For and on behalf of the Board of Directors of
L&T Finance Limited
(Formerly known as L&T Finance Holdings Limited)

P. S. Kumar
Partner
Membership no. 015590

Vikas Kumar
Partner
Membership no. 075363

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.: A18314

Place : Mumbai
Date : April 25, 2025

Place : Mumbai
Date : April 25, 2025

Place : Mumbai
Date : April 25, 2025

L&T Finance Limited

(formerly known as L&T Finance Holdings 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: https://www.ltfinance.com; Phone: +91 22 6212 5000; Fax: +91 22 6212 5553

Notice of the Seventeenth Annual General Meeting

Notice is hereby given that the **Seventeenth Annual General Meeting** ("AGM") of the Members of **L&T Finance Limited** (formerly known as L&T Finance Holdings Limited) will be held on Tuesday, June 3, 2025 at 10:30 a.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, 2025 and audited consolidated financial statements of the Company together with the report of the Auditors thereon for the financial year ended March 31, 2025.
2. To declare dividend on equity shares.
3. To appoint a director in place of Mr. Sudipta Roy (DIN: 08069653), who retires by rotation, and being eligible, offers himself for re-appointment.

Special Business:

4. Appointment of Mr. Dhananjaya Tambe (DIN: 07260971) as an Independent Director of the Company:

To consider and, if thought fit, to pass the following resolution as a **SPECIAL RESOLUTION**:

"**RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 ("the Act") and rules made thereunder read with Schedule IV of the Act, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable laws / statutory provisions, if any (including statutory modification(s) or amendment(s) or re-enactment(s) thereof) and the provisions of the Articles of Association of the Company, Mr. Dhananjaya Tambe (DIN: 07260971), who is eligible for appointment as an Independent Director and in respect of whom the Company has received a notice in writing from a Member under the provisions of Section 160 of the Act, proposing his candidature for the office of the Director, be and is hereby appointed as an Independent Director of the Company to hold office for a term of 5 (five) consecutive years i.e. from July 1, 2025 up to June 30, 2030."

5. Appointment of M/s. Alwyn Jay & Co., as the Secretarial Auditor of the Company.

To consider and, if thought fit, to pass the following resolution as an **ORDINARY RESOLUTION**:

"**RESOLVED THAT** pursuant to the provisions of Regulation 24A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") including circulars issued thereunder and in accordance with Section 204 of the Companies Act, 2013 ("the Act") and rules made thereunder (including any statutory amendment(s), modification(s) thereto or re-enactment(s) thereto), the Company be and hereby appoints M/s. Alwyn Jay & Co., Company Secretaries (Firm Registration Number P2010MH021500), who have confirmed their eligibility as per requirements of Regulation 24A of the SEBI Listing Regulations, as the Secretarial Auditor of the Company for a period of 5 (five) consecutive financial years i.e.; from FY2025-26 up to FY2029-30, to undertake secretarial audit as required under the Act and SEBI Listing Regulations and issue the necessary secretarial audit report for the aforesaid period.

RESOLVED FURTHER THAT the Board of Directors (including any committee thereof), be and is hereby authorised to decide and finalise the terms and conditions of appointment, including the remuneration of the Secretarial Auditor and to do all other acts, matters, deeds and things as may be deemed necessary or expedient to give effect to this resolution and for the matters connected therewith or incidental thereto."

6. Alteration of Articles of Association of the Company:

To consider and, if thought fit, to pass the following resolution as a **SPECIAL RESOLUTION**:

"RESOLVED THAT pursuant to the provisions of Section 14 of the Companies Act, 2013 ("the Act") read with the relevant rules framed thereunder and all other applicable provisions, if any, (including any statutory modification(s) or amendment(s) or re-enactment(s) thereof), the Articles of Association of the Company ("AoA") be and is hereby altered as under:

I. Following definitions shall stand deleted from the "Interpretation" clause:

"Acceleration Notice" has the meaning ascribed to it in Article 5A(4)(a).

"Acceleration Right" has the meaning ascribed to it in Article 5A(4)(a).

"Additional Capital Acceptance Notice" has the meaning ascribed to it in Article 6(3)(b).

"Additional Capital Offer Period" has the meaning ascribed to it in Article 6(3)(b).

"Additional Shares" means the equity shares issued by the Company to the Investor 2 upon exercise of the Investor Warrants in accordance with the terms as have been agreed between the Company and the Investor 2.

"Additional Capital Shares" has the meaning ascribed to it in Article 6(3)(a).

"Affiliate" of a person (the "Subject Person") means (i) in the case of any Subject Person other than a natural person, any other person that, either directly or indirectly through one or more intermediate persons, controls, is controlled by or is under common control with the Subject Person, and (ii) in the case of any Subject Person that is a natural person, any other person that, either directly or indirectly, is controlled by the Subject Person or that is a Relative of the Subject Person. For purposes of this definition, "Control" means the power to direct the management or policies of a Person, whether through the ownership of over fifty percent (50%) of the voting power of such Person, through the power to appoint over half of the members of the board of directors or similar governing body of such Person, through contractual arrangements or otherwise. As regards the Investors, "Affiliate" of Investors shall include (a) funds managed or advised by Bain Capital Partners, LLC and entities controlled by or under common control with Bain Capital Investors, LLC, and (b) investment entities and special purpose vehicles which are 100% owned, either directly or indirectly, by funds referred to in (a) above, but, for all purposes hereunder, shall exclude their portfolio companies.

"Banking Entity" means (i) a 'banking company' licensed under the Banking Regulation Act, 1949, (ii) any foreign bank regulated by a banking supervisory authority in the country of its incorporation, or (iii) a holding company of the aforementioned companies which Controls the banking company or the foreign bank (as the case may be).

"Business Days" means a day (excluding Saturdays and Sundays) on which banks generally are open in Mumbai, India and Mauritius for the transaction of normal banking business.

"Capital Restructuring" means any form of restructuring by the Company of its share capital including consolidation, sub-division or splitting of its shares or issue of any rights shares, bonus shares or issue of shares pursuant to any scheme of arrangement, including merger, amalgamation, or de-merger or any classification of shares or variation of rights into other kinds of securities.

"Equity Share Capital" means the total issued and paid-up equity share capital of the Company.

"Equity Securities" means, in respect of a company, the equity capital, equity shares, or any right, options, warrants or other securities (including derivative securities) that are directly or indirectly convertible into, or exercisable or exchangeable for, equity capital or equity shares.

"Exchanges" means the BSE Limited and the National Stock Exchange of India Limited.

"Exercise Notice" has the meaning ascribed to it in Article 5A(1).

"Fully Diluted Basis" means that the calculation is to be made assuming that all outstanding convertible equity securities, including warrants, (whether or not by their terms then currently convertible, exercisable or exchangeable), have been so converted, exercised or exchanged or issued, as the case may be.

"Government Approvals or Governmental Approvals" means any consent, approval, authorization, waiver, permit, grant, franchise, concession, agreement, license, certificate, exemption, order, registration, declaration, filing, report or notice of, with or to any Government in relation to the carrying of the business of the Company or otherwise.

"Investment Agreement" means the investment agreement executed on September 21, 2015 by and amongst the Company, Investor 1 and Investor 2.

"Investor 1" means BC Investments VI Limited, a company incorporated under the laws of Mauritius and having its registered office at Suite 110, 10th Floor, Ebene Heights Building, 34 Ebene Cybercity, Ebene, Republic of Mauritius.

"Investor 2" means BC Asia Growth Investments, a company incorporated under the laws of Mauritius and having its registered office at Suite 110, 10th Floor, Ebene Heights Building, 34 Ebene Cybercity, Ebene, Republic of Mauritius.

"Investors" means Investor 1 and Investor 2 collectively.

"Investors' Director" means one non retiring non-executive director jointly nominated by the Investors for appointment as a director on the Board.

"Investor Warrants" means 6,38,20,990 warrants issued and allotted by the Company to Investor 2 which, when exercised, are convertible into Additional Shares as has been agreed between the Company and the Investor.

"Law" includes all statutes, enactments, acts of legislature or parliament, laws, ordinances, rules, bye-laws, regulations, notifications, guidelines, policies, directions, directives and orders, judgments, decrees of any Government, statutory authority, tribunal, board, court or recognised stock exchange and, if applicable, international treaties and regulations.

"Listing Agreement" means any listing agreement executed by the Company with the Exchanges.

"Losses" means all losses, liabilities, obligations, claims, demands, actions, suits, judgments, awards, fines, penalties, taxes, fees, settlements and proceedings, expenses, royalties, deficiencies, diminution in value of shares, assets, damages (whether or not resulting from third party claims), charges, costs (including costs of investigation, remediation or other response actions), interests, penalties, out-of-pocket expenses, attorneys' and accountants' fees and disbursements but shall exclude any punitive or special losses or any punitive or special damages.

"Material Subsidiaries" means L&T Finance Limited, L&T Infrastructure Finance Company Limited, L&T Housing Finance Limited, L&T FinCorp Limited, L&T Investment Management Limited and any other Subsidiary of the Company which qualifies as a material subsidiary under the Listing Agreement or any modification, replacement or substitution thereof.

"Offer Notice" has the meaning ascribed to it in Article 6(3)(a).

"Offer Terms" has the meaning ascribed to it in Article 6(3)(a).

"Ownership" means, with respect to each Investor, as of any date of determination, without double counting, the sum of the effective (i) direct ownership interest in the Equity Share Capital (whether through Equity Shares or any other Equity Securities) on a Fully Diluted Basis, and (ii) indirect ownership in or economic interest in or economic rights derived from the Equity Share Capital held through any intermediate entities which hold Equity Securities of the Company.

"Relative" means a relative as defined under the Act.

"Strategic Investor" means any Third Party Investor which is an operating company or the direct holding company of an operating company, other than a Banking Entity, whether in the financial services or non-financial services sector, provided that, (i) such Third Party Investor shall not be an investment fund, mutual fund, venture capital fund, alternate fund, private equity fund, pension fund, corporate fund, sovereign wealth fund, investment vehicle, pooling vehicle, investment manager, asset manager, institutional investor, portfolio investor or any Person set up to make financial investments or any Person whose primary purpose is to invest capital, and (ii) in the view of the Board the subscription by such Third Party Investor to Equity Securities constituting more than 10% of the Equity Share Capital shall have a direct and material benefit for the business of the Company or the businesses of the Material Subsidiaries by virtue of any of the following:

(a) superior origination, management or effective disposal of business assets,

(b) superior origination, management or diversification of liabilities,

(c) superior operational or technological advantage in the prosecution of the business,

(d) superior competitive positioning in the relevant business in any way not covered by the above example business- relevant brand value,

(e) strengthen defense against a hostile takeover,

(f) in any other manner that in the opinion of the Board is value accretive.

"Tenor" has the meaning ascribed to it in Article 5A(1).

"Third Party Investor" has the meaning ascribed to it in Article 18A.

"Waiting Period" has the meaning ascribed to it in Article 5A(4)(c).

II. Article 5 shall stand substituted as under:

The Company may issue equity shares with voting right and/or with differential voting rights as to dividend, voting or otherwise, and preference shares in accordance with these Articles, the Act, the Rules and other applicable laws.

III. Article 5A (as stated below) shall stand deleted:

1) The Investor Warrants shall be subject to the terms and conditions contained in Article 5B below. The tenure of the Investor Warrants shall not exceed eighteen months from the date of subscription of the Investor Warrants the Tenor). Each Investor Warrant shall entitle Investor 2, to subscribe to [one (1)] Additional Share of the Company upon exercise of the Investor Warrants. Investor 2 shall be entitled to exercise any or all of the Investor Warrants in one or more tranches by issuance of written notice to the Company (Exercise Notice) no later than [30] Business Days prior to the expiry of the Tenor. The Exercise Notice shall set out the number of Investor Warrants proposed to be exercised by Investor 2, together with the aggregate amount payable to the Company. The Company shall within [7] Business Days of the Exercise Notice convene a meeting of the Board to implement the exercise of the Investor Warrants specified in the Exercise Notice and issue and allot the corresponding number of Additional Shares to Investor 2.

2) In the event the Investor Warrants or any part thereof are not exercised and converted to Additional Shares prior to the expiry of the Tenor, then (a) such Investor Warrants shall automatically lapse immediately after expiry of the Tenor, (b) Investor 2 shall have no liability or obligations to subscribe to any Additional Shares which correspond to the aforesaid Investor Warrants, and (c) the Company shall have no liability or obligations to issue any Additional Shares which correspond to the aforesaid Investor Warrants.

3) The Company shall procure that within 4 Business Days of the issuance and

allotment of any Additional Shares to Investor 2, the listing and trading approvals for such Additional Shares are received from the Exchanges and such Additional Shares commence trading on the Exchanges within such period.

4) The Company shall have the right to require accelerated exercise of Investor Warrants subject to the following:

(a) Upon fulfilment of the conditions specified in Article 5A(5) below, to the reasonable satisfaction of the Investor 2 and subject to the conditions set out in Article 5A(4)(c) below, the Company shall have the right (Acceleration Right), by issue of a written notice to Investor 2 (Acceleration Notice), to require Investor 2 to convert some or all of the Investor Warrants into Additional Shares. The Acceleration Notice shall set out the number of Investor Warrants required to be exercised by Investor 2, together with the aggregate amount payable to the Company.

(b) The Company shall, on a date mutually agreed with Investor 2, which shall be no earlier than 30 Business Days of the Acceleration Notice, convene a meeting of the Board to implement the exercise of the Investor Warrants specified in the Acceleration Notice and issue and allot the corresponding number of Additional Shares to Investor 2. Investor 2 shall make payment of the consideration for the aforesaid Additional Shares, simultaneous with the issuance and allotment of such Additional Shares to Investor 2.

(c) The Company shall be entitled to exercise the Acceleration Right only (i) after the expiry of at least 6 months from the date of subscription of the Investor Warrants (Waiting Period), (ii) by issuing the Acceleration Notice within 15 days of the publication of the quarterly financial results for any financial quarter by the Company, after the expiry of the Waiting Period, and (iii) by issuing an Acceleration Notice to Investor 2 no later than 30 Business Days prior to the expiry of the Tenor.

5) Conditions for exercise of Acceleration Right by the Company:

(a) The Company shall use all possible mechanisms including, but not limited to, those listed below, to balance the capital employed across its Relevant Entities in an effort to maintain the Actual Tier 1 CAR at each such entity at or above 11.5%.

(b) Unless otherwise mutually agreed between the Company and Investor 2, the Company shall have the right to exercise its Acceleration Right in accordance with Clause 2.3 only if the Actual Tier 1 CAR for any of the Relevant Entities as at the end of the Relevant Financial Quarter is less than 11.5%, provided the following conditions set out in (i) and (ii) below are fulfilled to the satisfaction of the Board:

(i) The Company has used its best efforts to:

A. Book incremental assets in Relevant Entities with relatively higher Actual Tier 1 CAR and / or transfer assets from Relevant Entities with lower Actual Tier 1 CAR to Relevant Entities with higher Actual Tier 1 CAR,

B. Transfer capital by way of dividends or employ any other funding mechanism from Relevant Entities with relatively higher Actual Tier 1 CAR to Relevant Entities with lower Actual Tier 1 CAR, and

C. Raise long-term funds at the Company or other Relevant Entities and infuse the same in the form of equity capital in to the Relevant Entities with low Actual Tier 1 CAR.

(ii) If despite making best efforts as set out in A above, if the Actual Tier 1 CAR of any of the Relevant Entity as at the end of the Relevant Financial Quarter is less than 11.5%, then the Company shall be entitled to exercise the Acceleration Right only with respect to such number of Investor Warrants as are required to infuse sufficient funds in the Company to bring the Actual Tier 1 CAR of the Relevant Entity whose Tier 1 CAR is less than 11.5% equal to 11.5% provided that such amount is not less than ₹ 1,000,000,000 (Rupees One billion). For avoidance of doubt, it is clarified that the Company shall be entitled to exercise the Acceleration Right only if the quantum of funds required by the Company to increase the Actual Tier 1 CAR of the deficient Relevant Entity to 11.5% is at least ₹ 1,000,000,000 (Rupees One billion), and in such case, Investor 2 shall be required to exercise only such number of Investor Warrants as are required for such amount to be paid to the Company in consideration for conversion of the appropriate number of Investor Warrants into Additional Shares in accordance with these Articles.

(iii) For purposes hereof:

A. Actual Tier 1 CAR shall be calculated for each Relevant Entity as at the end of Relevant Financial Quarter.

B. Relevant Financial Quarter shall refer to the completed financial quarter immediately preceding the date of exercise of the Accelerating Right.

C. The Relevant Entities shall refer to L&T Infrastructure Finance Company Ltd., L&T Infra Debt Fund Ltd., L&T Finance Ltd., L&T FinCorp Ltd., Family Credit Ltd. and L&T Housing Finance Ltd.

D. Actual Tier 1 CAR for each Relevant Entity shall be computed in accordance with Systemically Important Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2015 and the Prudential Norms issued by the National Housing Bank, as may be applicable to each Relevant Entity, and which are in force as at the end of the Relevant Financial Quarter and shall be based on the quarterly financial results for the Relevant Financial Quarter as disclosed by the Company to the Exchanges pursuant to approval by the Board."

IV. Article 5B (as stated below) shall stand deleted:

Investor Warrants shall be issued on the following terms and conditions:

1) Upon exercise by Investor 2 of the Investor Warrants, the Company shall issue and allot appropriate number of Additional Shares and perform all such actions as are required to give effect to such issue, including but not limited to delivering to Investor 2, evidence of the credit of the Additional Shares to the depository account of Investor 2 and entering the name of Investor 2 in the records of the Company (including in the register of members of the Company) as the registered owner of such Additional Shares.

2) The Investor Warrants shall be locked in for the period specified by Law. The Additional Shares allotted pursuant to exercise of the Investor Warrants shall be locked in for the period specified by Law.

3) In the event only a part of the Investor Warrants are converted into Additional Shares prior to the completion of their Tenor, the Company shall issue a new Investor warrant certificate in respect of the unexercised Investor Warrants, to be exercised during the remaining Tenor of the Investor Warrants, and deliver the same to Investor 2 at the same time as allotment of Additional Shares in respect of the exercised Investor Warrants.

4) In the event that the Company completes any form of Capital Restructuring prior to the conversion of the Investor Warrants into Additional Shares, then, the number of Additional Shares that

each Investor Warrant converts into and the price payable for such Additional Shares, shall be adjusted accordingly in a manner that, to the extent permitted by applicable Laws, Investor 2 (i) receives such number of Additional Shares that Investor 2 would have been entitled to receive, and (ii) pays such consideration for such Additional Shares to the Company which Investor 2 would have been required to pay, had the Investor Warrants been exercised immediately prior to the completion of such Capital Restructuring.

5) Subject to Laws, it is hereby expressly agreed that where pursuant to a scheme of arrangement, a company issues shares or similar securities to the Company's shareholders, then Investor 2 shall be entitled to receive in lieu of the Investor Warrants held by Investor 2 such number of shares, warrants or similar securities issued by such company, on the same terms and conditions and with the same rights as the Investor Warrants, and at such effective price that Investor 2 would have been entitled to receive immediately after the occurrence of such scheme of arrangement had the Investor Warrants been exercised immediately prior to the occurrence of such scheme of arrangement.

6) Subject to applicable Laws, the Company shall give at least a thirty (30) days prior written notice to Investor 2 of the date of occurrence of any of the events specified in clause (d) and (e) above.

7) Upon receipt of evidence reasonably satisfactory to the Company of the loss, theft, destruction or mutilation of the certificate representing the Investor warrant certificate and (in the case of loss, theft or destruction) upon delivery of an indemnity agreement in an amount reasonably satisfactory to it, or (in the case of mutilation) upon surrender and cancellation thereof, the Company shall issue, in lieu thereof, a new certificate on the same terms and conditions.

8) Subject to (2) above, the title to the Investor Warrants may be transferred to an Affiliate of Investor 2 by endorsement and delivery in the same manner as in the case of a negotiable instrument transferable by endorsement and delivery.

9) Until the Investor Warrants are transferred, the Company shall treat Investor 2 as the absolute owner for all purposes without being affected by any notice to the contrary.

10) The Investor warrant certificate may be split, upon surrender of the Investor warrant certificate to the Company, for any number of new Investor warrant certificates representing such aggregate number of Investor Warrants as was represented by the original Investor warrant certificate.

V. Clause (3) of Article 6 (as stated below) shall stand deleted:

3) Notwithstanding anything contained in these Articles, the Investors shall have the following pre-emptive rights in respect of further issue of Equity Securities:

(a) In the event the Company proposes to issue any additional Equity Securities to any third Person (other than (i) to a Third Party Investor pursuant to Articles 18A(a) or 18A(b), or (ii) pursuant to exercise of employee stock options of the Company which are disclosed in the Investment Agreement) on a preferential allotment basis, the Company shall first offer to issue the Equity Securities to each of the Investors on a proportionate basis with respect to the aggregate Ownership of the Investors and their Affiliates in the Company (Additional Capital Shares), on the same terms and conditions on which any additional Equity Securities are proposed to be issued to such other Person, which terms and conditions shall be set out in a written notice with respect to such further issue (the terms of such offer, the Offer Terms, and the notice, the Offer Notice).

(b) The Investors shall have the right to accept the Offer Terms within a period of 7 (seven) days from the date of the Offer Notice (the Additional Capital Offer Period). If an Investor agrees to subscribe to all or some of the Additional Capital Shares within the Additional Capital Offer Period, it shall deliver a written notice stating its acceptance to subscribe to all or such number of the Additional Capital Shares that it wishes to subscribe to (the Additional Capital Acceptance Notice). The Company shall complete the issuance and allotment of such number of the Additional Capital Shares as are stated in the Additional Capital Acceptance Notice within a period of 30 days from the date of the Additional Capital Acceptance Notice, 30 days from receipt of any Governmental Approvals required for such issuance, whichever is later, subject to applicable Law.

(c) If an Investor issues an Additional Capital Acceptance Notice for some and not all of the Additional Capital Shares, the Company, subject to Article 18A, may allot the unaccepted Additional Capital Shares not agreed to be subscribed to the proposed allottee on the Offer Terms, to the proposed allottee. The allotment to the proposed allottee shall be completed within a period of 30 days from the expiry of the Additional Capital Offer Period or 30 days from receipt of any Governmental Approvals required for such issuance, whichever is later, failing which, the allotment shall once again be subject to the provisions of Articles 6(3)(b) to 6(3)(d).

(d) If either Investor does not respond to the Offer Notice within the Additional Capital Offer Period or decline to subscribe to all of the Additional Capital Shares, the issuance of the Additional Capital Shares shall not take place and the Company shall, subject to Article 18A, be entitled to issue such Equity Securities to a third party on terms no more favourable than the Offer Terms.

VI. Article 18A (as stated below) shall stand deleted:

Without prejudice to any other rights available to the Investors under these Articles, the rights that the Investors shall be entitled to with respect to the Company shall, under no circumstances, be less favourable than those granted to any other investor and/or its Affiliates (collectively "Third Party Investor") by the Company, either directly and/or indirectly in the Company. In the event that any Third Party Investor is conferred with rights which are more favourable than rights granted to the Investors under these Articles or otherwise, notwithstanding anything in these Articles, the rights of the Investors shall be modified and amended in accordance with the rights granted to the Third Party Investor to confer on the Investors rights at least as favourable as those conferred on such investor. The Company shall take all necessary steps to amend these Articles to give effect to such modification of rights of the Investors. Provided that the Company shall not be required to provide to an Investor such more favourable rights as are being provided to the Third Party Investor in the following instances only:

(a) if such Third Party Investor is a Strategic Investor, and proposes to acquire, directly or indirectly whether by subscription or by purchase, in tranches or otherwise, Equity Securities aggregating to more than 10% (Ten percent) of the Equity Share Capital on a Fully Diluted Basis; or

(b) if such Third Party Investor is a Banking Entity, and proposes to acquire directly or indirectly whether by subscription or by purchase in tranches or otherwise, Equity Securities aggregating to more than 5% (Five percent) of the Equity Share Capital on a Fully Diluted Basis.

VII. Article 98 shall stand substituted as under:

All the Directors (Other than Independent Directors) including the Managing Director(s) and Whole Time Director(s) shall be liable to retire by rotation. However, such retirement shall not be deemed as break in service, if such Managing Director(s) or Whole Time Director(s) are re-appointed immediately. Subject to the foregoing, the Board shall have the power to determine the directors whose period of office is or is not liable to retire by rotation subject to the provisions of the Act.

VIII. Article 99 shall stand substituted as under:

The Board shall consist of at least such number of Independent Directors as are statutorily required and such directors shall possess such qualification as may be prescribed under Act and shall be appointed for such tenure as prescribed by the Act and the Rules and they shall not be liable to retire by rotation and shall be paid, apart from sitting fees as referred in this Article such remuneration as may be decided by Board of directors in accordance with the approval granted by the Members in General Meeting, if required.

IX. Clause (4) of Article 100 (as stated below) shall stand deleted:

4) Without prejudice to the generality of the foregoing, the Company shall pay the Investors' Director (or the Alternate Director (if applicable), if any, all reasonable out of pocket expenses (including international air fares) incurred in order to attend shareholder, Board, committee and other meetings of the Company, or otherwise perform their duties and functions as a director of the Company or member of any committee of the Company.

X. Clause (2) of Article 103 (as stated below) shall stand deleted and existing clause (3) shall be renumbered as clause (2):

2) The Investor shall be entitled to, from time to time, nominate one person, to be appointed as the alternate director to its Investors' Director and the Company shall exercise all its rights and powers and take all requisite actions to ensure that such person is appointed forthwith as the Investors' Director's alternate director.

XI. Clause (2) of Article 104 (as stated below) shall stand deleted and existing clause (3) shall be renumbered as clause (2):

2) Notwithstanding anything contained in these Articles, Investors shall have the right to (but not the obligation to) jointly nominate for appointment and maintain in office one non retiring non-executive director (and to remove from office any director so appointed and to appoint another in the place of the director so removed) from the Board. The rights of the Investors under in respect of the Investors' Directors shall be exercised jointly and through Investor 1 at all times. The Company shall exercise all powers and rights available to it to ensure that the person(s) nominated by the Investors are expeditiously appointed or removed (as the Investors may specify) as Directors.

XII. Clause (1) of Article 118 shall stand substituted as under:

1) The Board may, subject to the provisions of the Act, delegate any of its powers to Committees consisting of such Member or Members of its body as it thinks fit.

XIII. Clause (3) of Article 148 (as stated below) shall stand deleted:

3) Notwithstanding anything contained in these Articles and subject to the provisions of the Act, the Investors' Director shall not be liable and the Company shall indemnify him against:

a) any act, omission or conduct of or by the Board, any of their committees, the Company, or its employees or agents as a result of which, in whole or in part, an Investor Director (or any alternate Director to such Investors' Director), is made a party to, or otherwise incurs any Loss pursuant to, any action, suit, claim or proceeding arising out of or relating to any such conduct;

b) any action or failure to act as may be required to be taken by an Investors' Director (or any alternate Director to such Investors' Director), in good faith at the request of or with the consent of the Company; or

c) contravention of any applicable Law in relation to the Company and any action or proceedings taken against an Investors' Director (or any alternate director to such Investors' Director), in connection with any such contravention or alleged contravention.

Such indemnification shall be in addition to the obligation of the Company to obtain a directors' and officers' insurance policy as set out in (4) below. Such indemnification shall survive cessation of the Investors' Directors as directors of the Company.

XIV. Clause (4) of Article 148 shall stand renumbered as clause (3) and shall stand substituted as under:

3) The Company may take and maintain any insurance as the Board may think fit on behalf of its present and/or former directors and Key Managerial Personnel for indemnifying all or any of them against any liability for any acts in relation to the Company for which they may be liable but have acted honestly and reasonably.

XV. Clause (2) and clause (3) of Article 153 (as stated below) shall stand deleted:

2) To the extent permissible under Law, the Investors' Director shall not be liable for any default or failure of the Company in complying with the provisions of any applicable Law.

3) The Investors' Director shall not be identified by the Company as an officer who is in default of the Company or occupier of any premises used by the Company, or the director in charge of managing affairs, or an employer of the Company under applicable Law.

XVI. Article 154 (as stated below) shall stand deleted:

If the aggregate Ownership of the Investors and their Affiliates falls below 3.33% (Three point thirty three percent) of the Equity Share Capital on a Fully Diluted Basis, the rights of the Investors contained in: (a) Articles 104(2) i.e. the right to appoint Investors' Director on the Board of the Company and its committees; (b) Article 6(3) i.e. the pre-emptive right of the Investors; and (c) Article 18A, shall fall away.

For avoidance of doubt it is clarified that any Ownership acquired by the Investors or any of their Affiliates after the date of the Investment Agreement shall not be counted for the purposes of this Article except if such Ownership is acquired:

(i) under the terms of the Investment Agreement by subscription to Equity Shares, Investor Warrants and Additional Shares or by exercise of Pre emptive Rights by the Investors; or

(ii) by the Investors under Law by subscription to Equity Shares in a rights issue by the Company; or

(iii) by acquisition of Equity Shares by the Investors or their Affiliates pursuant to Ownership that is acquired by Investors or their Affiliates on or prior to the date of the Investment Agreement."

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."

By Order of the Board of Directors
For L&T Finance Limited
(formerly known as L&T Finance Holdings Limited)

Apurva Rathod
Company Secretary
ACS 18314

Date: April 25, 2025
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, 5 and 6 as required under Regulations 36(3) and 36(5) 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 19, 2024) ("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 Seventeenth AGM is being held through VC/OAVM on Tuesday, June 3, 2025 at 10:30 a.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 shall not be 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 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. Viswanathan, 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 the 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., May 27, 2025 ("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 27, 2025 as the record date for determining entitlement of Members to receive dividend for the financial year ended March 31, 2025, 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 July 3, 2025 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,1961 ("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 194 of the IT Act at 10% on the amount of dividend.

    Tax shall be deducted at source at 20% wherein:

    a. Shareholders who 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 FY2025-26 does not exceed ₹ 10,000;
       - Individual shareholder submits Form 15G/Form 15H/Nil withholding certificate/lower withholding certificate and meets all the required eligibility conditions.
       - Shareholder (other than individual) submits Nil withholding certificate/other exemption documents and meets all the required eligibility conditions.

    Apart from cases stated above, following categories of shareholders are exempt from tax deduction at source as per second proviso to Section 194 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 clause (13A) of Section 2, by a special purpose vehicle referred to in the explanation to clause (23FC) of Section 10.

The following payees are also not subject to tax deducted at source in view of the provisions of Sections 196 and 197A of the IT Act and CBDT notification:

a. Government [Section 196(i)]

b. Reserve Bank of India [Section 196(ii)]

c. A corporation established by or under a Central Act which is, under any law for the time being in force, exempt from income-tax on its income [Section 196(iii)]

d. Mutual Fund specified under Section 10(23D) [Section 196(iv)]

e. any person for, or on behalf of, the New Pension System Trust referred to in Section 10(44) [sub-section 1E to Section 197A]

f. Category I or a Category II Alternative Investment Fund (registered with Securities and Exchange Board of India ("SEBI") as per Section 115UB) as per notification 51/2015

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 the Company in the manner prescribed in Rule 37BA of IT Rules.

Non-resident shareholders:

For a Foreign Portfolio Investor ("FPI"), taxes shall be deducted at source under Section 196D 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 195 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.

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 FY2025-26 period.

c. Form 10F 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;
   - In case of Foreign Institutional Investor and Foreign Portfolio Investor, copy of SEBI registration certificate.

General:

In order to enable us to determine the appropriate tax rate at which tax has to be deducted at source under the respective provisions of the IT Act, we request 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-15g-15h.html*. No communication on the tax determination/deduction shall be entertained beyond 11:59 p.m. (IST) on May 17, 2025.

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.

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 Company/Depositories. 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*.

    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 the 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 Tuesday, June 03, 2025 (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/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 logging on the website of CDSL at *www.evotingindia.com* using the login credentials.

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 dividend amounts standing to the credit in their account.

25. **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 their feedback 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 Saturday, May 31, 2025 from 9:30 a.m. (IST) and ends on Monday, June 2, 2025 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

Type of Members	Login Method
	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 meeting through VC/OAVM & 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 dematerialized 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 meeting 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.
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 depository i.e., CDSL and NSDL

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 dematerialised 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 and 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 Company/ DPs 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 records in order to login. • If both the details are not recorded with the Depositories or Company, 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 delinked 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 26, 2025 from 9:30 a.m. (IST) to May 29, 2025 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 E-mail 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, Sr. Manager, Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an E-mail 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 ("THE ACT") FORMING PART OF THE NOTICE DATED APRIL 25, 2025:

The following Explanatory Statement relating to the accompanying Notice sets out all material facts in respect of the resolutions:

ITEM NO. 4:

Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors at its Meeting held on April 25, 2025 has approved the appointment of Mr. Dhananjaya Tambe (DIN: 07260971) as an Independent Director of the Company, subject to approval of the Members, for a term of 5 (five) consecutive years with effect from July 1, 2025 up to June 30, 2030.

Mr. Dhananjaya Tambe (DIN: 07260971) was the Dy. Managing Director & CIO of State Bank of India, India's largest bank, from April 2018 till November 2020. He joined the Bank in 1987 and moved to the IT vertical in 2009 for leading the Integrated Payment Hub Project. In 2011, he became the head of Internet Banking. From 2013 to 2014, he served as General Manager, first of Payment Systems and then of IT-Infrastructure. In 2015, Mr. Tambe was elevated to the rank of Chief General Manager for IT Operations and later for IT Transformation, Collaboration and Marketing.

Mr. Tambe was the CEO of C-Edge Technologies Limited till April 2022. C-Edge is a TCS-SBI joint venture which provides banking technology services to over 200 banks, including CBS services to over 170 banks on a SaaS model. Banks served by C-Edge include Regional Rural Banks, Urban Cooperative Banks, District Central Cooperative Banks and a few private, public sector and foreign banks.

Currently, Mr. Tambe is a director on the board of some companies, consultant with some other companies and also advises clients as an Independent Consultant.

Mr. Tambe is M.Sc., CAIIB, PGDFM and PMP.

In the opinion of the Board, Mr. Dhananjaya Tambe (DIN: 07260971) fulfils the conditions specified in the Act and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") pertaining to independent directors and is independent of the management. The Company has received a declaration from Mr. Dhananjaya Tambe (DIN: 07260971) that he is not disqualified to be appointed as an Independent Director and is not aware of any circumstances or situation which exists or may be reasonably anticipated that could impair or impact his ability to discharge his duties under the Act and the SEBI Listing Regulations.

The Company has received a notice in accordance with the provisions of Section 160 of the Act proposing the candidature of Mr. Dhananjaya Tambe (DIN: 07260971) for the office of a Director. A copy of the draft letter of appointment for the Independent Director is available for inspection as specified in the Notice.

The necessary skills essential for the efficient operation of the Board of the Company include leadership qualities, industry knowledge and experience, experience and exposure in policy shaping and industry advocacy, understanding of relevant laws, rules, regulation and policy, corporate governance, financial expertise, risk management, global experience / international exposure, information technology and ESG expertise.

The Board believes that the appointment of Mr. Dhananjaya Tambe (DIN: 07260971) is justified due to the relevant skills, leadership qualities, industry knowledge, experience and expertise possessed by Mr. Tambe and accordingly recommends the special resolution set forth in Item No. 4 of the Notice for approval of the Members.

Save and except Mr. Dhananjaya Tambe (DIN: 07260971), being the appointee, none of the Directors, Key Managerial Personnel and their relatives, other than to the extent of their shareholding in the Company, are concerned / interested, financially or otherwise, in the said resolution.

ITEM NO. 5

Pursuant to the provisions of Section 204 of the Act, read with the relevant rules including the Companies Appointment and Remuneration of Managerial Personnel) Rules, 2014, every listed company and other specified class of companies, are required to annex with its Board's report made in terms of Section 134(3) of the Act, a report on secretarial audit given by a company secretary in practice.

Further, Regulation 24A of the SEBI Listing Regulations, requires listed companies and its material unlisted subsidiaries incorporated in India to undertake secretarial audit by a secretarial auditor who is required to be a peer reviewed company secretary and annex the secretarial audit report in such form as specified, with its annual report.

The aforementioned regulation apart from listing down the eligibility criteria for appointment of the secretarial auditor, further stipulates that the appointment/ re-appointment of an individual as a secretarial auditor cannot be for more than one term of 5 (five) consecutive years and in case the secretarial auditor is a secretarial audit firm, it cannot be for more than two terms of 5 (five) consecutive years and such an appointment/re-appointment is required to be approved by the members of the company at its annual general meeting, basis recommendation of the board of directors.

It further stipulates that any association of the individual or the firm as the secretarial auditor of the listed entity before March 31, 2025 is not required to be considered for the purpose of calculating the tenure of the secretarial auditor.

In view of the aforesaid, basis recommendation of the Audit Committee, the Board at its meeting held on April 25, 2025, recommended the appointment of M/s. Alwyn Jay & Co., Company Secretaries (Firm Registration Number - P2010MH021500) (who was also the secretarial auditor of the Company earlier and thus, the firm is aware of the business and functioning of the Company), as the secretarial auditor, for a period of 5 (five) consecutive financial years i.e.; from FY2025-26 upto FY2029-30, to undertake secretarial audit and issue the necessary secretarial audit report for the aforesaid period.

M/s. Alwyn Jay & Co, a Secretarial Audit Firm, established in the year 2010, is a reputed firm of Company Secretaries with specialization across secretarial audit, corporate laws, taxation, securities law including corporate governance, CSR, capital markets, RBI, etc.

Over the years, M/s. Alwyn Jay & Co. has built a diverse client base and has served over 100 corporate clients. Its clientele spans across corporates in the public sector, listed and multinational companies, leading corporates, MSMEs and firms.

M/s. Alwyn Jay & Co is a peer reviewed and quality reviewed firm in terms of the guidelines issued by the Institute of Company Secretaries of India.

M/s. Alwyn Jay & Co., meets the eligibility criteria as enumerated under Regulation 24A (1A) of the Listing Regulations.

M/s. Alwyn Jay & Co. have given their consent to act as the Secretarial Auditor of the Company and have confirmed that the said appointment, if made, will be in accordance with the conditions prescribed under the Act, SEBI Listing Regulations and guidelines issued by the Institute of Company Secretaries of India.

The proposed remuneration to be paid to M/s. Alwyn Jay & Co., for FY26 is ₹ 2,00,000 (excluding applicable taxes and other out of pocket expenses). The proposed fee is based on knowledge, expertise, industry experience, time and efforts required to be put in by the Secretarial Auditor.

In view of the aforesaid, the Board recommends the ordinary resolution set forth in Item No. 5 for approval of the Members.

None of the Directors, Key Managerial Personnel and their relatives, other than to the extent of their shareholding in the Company, are concerned/interested, financially or otherwise, in the said resolution.

ITEM NO. 6:

The Company had entered into an investment agreement dated September 21, 2015 ("Investment Agreement") with BC Asia Growth Investments, BC Investments VI Limited (collectively referred to as "Bain Capital") in relation to the acquisition of shares (directly or indirectly) by Bain Capital.

In view of the aforesaid, the Company vide postal ballot notice dated September 21, 2015 had amended its existing Articles of Association ("AoA") to reflect the terms of the Investment Agreement.

Further, in accordance with the terms as stipulated in the said Investment Agreement, the Investment Agreement was terminated effective June 13, 2024 on account of sale of entire shareholding by Bain Capital.

In light of the termination of the Investment Agreement, the provisions as per the postal ballot notice dated September 21, 2015 are no longer applicable. It is therefore, proposed to modify the AoA of the Company to delete the terms inserted basis the Investment Agreement. Please note that all the words or expressions contained in the AoA shall bear the meaning as specified in the clause "Meaning of words not defined in the Articles" of the AoA.

The Board at its Meeting held on April 25, 2025 has approved the above stated modifications to the Articles of Association of the Company, subject to the approval of Members.

As per provisions of Section 14 of the Companies Act, 2013 read with relevant rules made thereunder, alteration of articles requires approval of the members of the company by way of a special resolution at a general meeting.

In view of the aforesaid, the Board recommends the special resolution set forth in Item No. 6 of the Notice for approval of the Members.

A copy of the proposed amended AoA is available for inspection as specified in the Notice.

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 Directors seeking appointment/re-appointment at the Seventeenth Annual General Meeting pursuant to SS-2 and SEBI Listing Regulations:

Name of the Director	Mr. Sudipta Roy (DIN: 08069653)	Mr. Dhananjaya Tambe (DIN: 07260971)
Date of Birth/(Age)	March 23, 1972 (53 years)	November 12, 1960 (64 years)
Qualifications	• Chemical Engineer from Indian Institute of Technology, Kharagpur • MBA from XLRI School of Management, Jamshedpur	• M.Sc. (Ag.) • PGDFM • CAIIB • PMP
Date of first appointment on the Board	January 24, 2024	July 1, 2025
Remuneration	As approved by the Members of the Company vide resolution passed through Postal Ballot on March 12, 2024.[(1)]	Sitting fees and commission as approved by the Board / Committee.
Experience/brief profile/ nature of expertise in specific functional areas	Mr. Roy is a consumer banking and payments professional with over 24 years of financial services experience. He joined the Company from ICICI Bank, where he served as Group Head and managed diverse businesses like Unsecured Assets, Cards, Payment Solutions, Student Ecosystem, E-commerce and Merchant Ecosystem, Millennial Banking and API Banking. Before his assignment with ICICI Bank since 2010, he has worked for Citibank and Deutsche Bank. Mr. Roy has a deep understanding of consumer finance, cards and retail loans, lending and payments technology systems and associated risk management practices and has worked extensively in India, China and Canada in the consumer lending and payments business, having built green-field lending and cards businesses in all three countries. He was voted as one of the Top 50 Digital Finance Influencers in the country in 2024 as well as the top 30 Fintech Influencers in India in the year 2021 and is a speaker at various forums on Retail Lending and Credit, History of Payments, Risk and Fraud Control and Future of Payments business. Mr. Roy has also been a part of several Government and Reserve Bank of India committees in areas of transit payment systems, banking security and retail payments.	As mentioned in the explanatory statement.
Terms and conditions of appointment/ re-appointment	Appointed as a Director liable to retire by rotation.	As mentioned in the explanatory statement.
Directorships held in other companies (excluding foreign companies) as on April 25, 2025	1. L&T Infra Investment Partners Advisory Private Limited 2. Finance Industry Development Council	1. Standard Chartered Capital Limited 2. NSDL Payments Bank Limited 3. Aditya Birla Health Insurance Limited 4. SRO-FT Development Foundation 5. CASHPOR Micro Credit
Memberships / Chairpersonship of committees across companies as on April 25, 2025 (only Statutory Committees as required to be constituted under the Act considered)	**A. Corporate Social Responsibility and ESG Committee** L&T Finance Limited (formerly known as L&T Finance Holdings Limited) (M) **B. Corporate Social Responsibility Committee** L&T Infra Investment Partners Advisory Private Limited (M) **C. Stakeholders Relationship and Customer Protection Committee** L&T Finance Limited (formerly known as L&T Finance Holdings Limited) (M)	**A. Audit Committee** Standard Chartered Capital Limited (M) **B. Corporate Social Responsibility Committee** Standard Chartered Capital Limited (M) **C. Nomination & Remuneration Committee** NSDL Payments Bank Limited (M) Standard Chartered Capital Limited (M) CASHPOR Micro Credit (M)
Listed entities from which the Director has resigned in the past three years	Nil	Nil
In case of independent directors, the skills and capabilities required for the role and the manner in which the proposed person meets such requirements	N.A.	As mentioned in the explanatory statement.
Shareholding in the Company (equity) including shareholding as a beneficial owner as on March 31, 2025	Nil	Nil
Relationship with other Directors / Manager / Key Managerial Personnel	None	None

Name of the Director	Mr. Sudipta Roy (DIN: 08069653)	Mr. Dhananjaya Tambe (DIN: 07260971)
Number of Board Meetings attended during FY 2024-25	5 (five) out of 5 (five) meetings	N.A.

1) For details pertaining to the remuneration last drawn, please refer the Board's Report.

M : Member

By Order of the Board of Directors
For L&T Finance Limited
(formerly known as L&T Finance Holdings Limited)

Apurva Rathod
Company Secretary
ACS 18314

Date: April 25, 2025
Place: Mumbai

INFORMATION AT A GLANCE

1. Day, Date and Time of AGM
Tuesday, June 3, 2025 at 10:30 a.m. (IST)

2. Mode
Video Conference ("VC") or Other Audio-Visual Means ("OAVM")

3. Participation through VC/OAVM
Member can login from 10.15 a.m. (IST) on the date of the AGM at www.evotingindia.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
Tuesday, May 27, 2025

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 26, 2025, 9:30 a.m. (IST) to May 29, 2025, 5:00 p.m. (IST).

7. EVSN
L&T Finance Limited

8. Remote E-voting start date and time
May 31, 2025 from 9:30 a.m. (IST)

9. Remote E-voting end date and time
June 2, 2025 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 IDs for the purpose of 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 e-mail to the Company at igrc@ltfs.com

14. Record date for Dividend
Tuesday, May 27, 2025

15. Dividend payment date
On or before Thursday, July 3, 2025

16. Information of tax on Dividend FY25
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
ADB	Asian Development Bank
ALCO	Asset Liability Management Committee
ALM	Asset-Liability Management
AML	Anti-Money Laundering
APC	Asset Pricing Committee
APLMA	Asia Pacific Loan Market Association
ATS	Average Ticket Size
AUM	Assets Under Management
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
BUs	Business Units
CAGR	Compound Annual Growth Rate
CAPA	Corrective Action and Preventive Action
CARE	Credit Analysis and Research Limited
CCO	Chief Compliance Officer
CDO	Chief Data Officer
CDP	Carbon Disclosure Project
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

Abbreviation	Full form
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
CSR	Corporate Social Responsibility
DE&I	Diversity, Equity and Inclusion
DFI	Digital and Financial Inclusion
DIY Home Loan	Do-it-Yourself Home Loan
DJSI	Dow Jones Sustainability Index
DLS	Direct Selling Agent
DMARC	Domain-Based Message Authentication, Reporting, and Conformance
DPD	Days Past Due
DR	Disaster Recovery
DSAs	Direct Selling Agents
DSPM	Data Security Posture Management
E-Aggregators	Electronic Aggregators
EAP	Employee Assistance Programme
EAR	Earnings at Risk
ECB	External Commercial Borrowing
ECL	Expected Credit Loss
ELs	Executive Leaders
ERM	Enterprise Risk Management
ESG	Environmental, Social and Governance
ESOS	Employee Stock Option Scheme
ET	Economic Times
ETC	Electronic Toll Collection

Abbreviation	Full form
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
FTSE	Financial Times Stock Exchange
GBP	Green Bond Principles
GCP	Google Cloud Platform
GDP	Gross Domestic Product
GECs	Group Executive Committees
GLP	Green Loan Principles
GNPA	Gross Non-Performing Assets
GPTW	Great Place to Work
GRI	Global Reporting Initiative
GS3	Gross Stage 3
GVA	Gross Value Added
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
ICMA	International Capital Market Association
ICRA	Investment Information and Credit Rating Agency of India Limited
IDP	Individual Development Plan
IIRC	International Integrated Reporting Council
IMF	International Monetary Fund
IO	Internal Ombudsman
ISC	Information Security Committee

Abbreviation	Full form
ISO	International Organisation for Standardisation
ITSC	Information Technology Strategy Committee
IVR	Interactive Voice Response
JICA	Japan International Cooperation Agency
JLG	Joint Liability Group
KPIs	Key Performance Indicators
KRAs	Key Result Areas
KYC	Know Your Customer
LAP	Loan Against Property
LGD	Loss Given Default
LMA	Loan Market Association
LOS	Loan Origination System
LRR	LTF's Reporting Repository
LSTA	Loan Syndications and Trading Associations
MFI	Microfinance Institutions
MFIN	Microfinance Institutions Network
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
MTM	Mark-to-Market
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
NIM	Net Interest Margin
NPAs	Non-Performing Assets
NPS	Net Promoter Score

Abbreviation	Full form
NRC	Nomination and Remuneration Committee
NS3	Net Stage 3
NTC	New-to-Credit
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
PAG	Product/Process Approval Group
PAT	Profit after Tax
PCAF	Partnership for Carbon Accounting Financials
PCR	Provision Coverage Ratio
PD	Probability of Default
PI Loan	Placement Institutional Loan
POSH	Prevention of Sexual Harassment at the Workplace
PSL	Priority Sector Lending
PWDs	Persons with Disabilities
RAP	Role Appreciation Programme
RBI	Reserve Bank of India
RC	Review Committee
RCA	Root Cause Analysis
RCU	Risk Control Unit
RGL	Rural Group Loan
RMC	Risk Management Committee
ROA	Return on Asset
ROE	Return on Equity
RPOs	Recruitment Process Outsourcings
RRWG	Reputational Risk Working Group
S&P Global	Standard and Poor's Global
SASB	Sustainability Accounting Standards Board
SBP	Social Bond Principle

Abbreviation	Full form
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 India
SFF	Sustainable Finance Framework
SLBP	Sustainability-Linked Bond Principles
SLLP	Sustainability-Linked Loan Principles
SLP	Social Loan Principles
SME	Small and Medium Enterprises
SMP	Senior Management Personnel
SOC	Security Operations Centre
SOP	Standard Operating Procedure
SRCPC	Stakeholders Relationship and Customer Protection Committee
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 Enhancement
TAT	Turnaround Time
TCFD	Taskforce on Climate-Related Financial Disclosures
tCO_2e	Tonnes of Carbon Dioxide Equivalent
TGIF	Thank God It's Friday
ToR	Terms of Reference
TPRM	Third-Party Risk Management
TPS	Transactions Per Second
UL	Upper Layer
UN SDGs	United Nations Sustainable Development Goals
VPP	Valued Partner Programme
WACB	Weighted Average Cost of Borrowing
ZLF	Zonal Leadership Forum

NOTES

NOTES

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