



Stakeholders Empowerment Services

**Analyze »» Educate »» Empower**

#### ABOUT SES

Stakeholders Empowerment Services (SES) is a Corporate Governance Research and Advisory Firm. SES assists Investors to analyze Governance Practices including matters relating to sustainability, prevalent at Listed Entities and empower Investors to undertake meaningful engagement with Investee Entities.

#### SES SERVICES

**E-BRSR Tool:** Online web-based platform to create **BRSR Report** by the Company and generate **XBRL** in seamless, cost and time effective manner

Already subscribed by HUL, Maruti, TVS Motors, Kansai Nerolac, CDSL, Hero, L&T, Wipro, Bharat Forge, Reliance Group and many others. [Read More](#)

**Contact for Demo** – [esgdata@sesgovernance.com](mailto:esgdata@sesgovernance.com)

#### SES AIMS:

Designed primarily for Institutional Investors to carry out their stewardship activities in an efficient manner.

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#### Proxy Advisory:

Advises Investors on the matters that require shareholder approval at Listed Entities and identify Governance Issues.

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#### ESG Scores:

Analyze sustainability initiatives of Companies based on various environmental, social and governance factors.

[Read More](#)

#### Corporate Governance Score (CGS):

CGS model measures the Company's compliance and also evaluates the Governance Practices with respect To Global Benchmarks. [Read More](#)

#### E-Ballot:

A web-based, one-stop vote management system to cater to the requirements of Institutional Investors.

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## Proxy Advisory Report (Addendum) L&T Finance Ltd.

#### COMPANY INFORMATION

**BSE CODE:** 533519

**NSE SYMBOL:** LTF

**ISIN:** INE498L01015

**Industry:** Non-Banking Financial Company (NBFC)

**Email:** [jgrc@ltps.com](mailto:jgrc@ltps.com)

**Phone:** +91 22 6212 5000

**Registered Office:** Brindavan, Plot No. 177, C.S.T. Road, Kalina, Santacruz (East), Mumbai, Maharashtra – 400 098.

#### MEETING DETAILS

**Meeting Type:** AGM

**Meeting Date:** 29<sup>th</sup> May, 2026 at 03:30 PM

**Venue / Mode of Meeting:** Video Conference (VC) or Other Audio-Visual Means (OAVM)

**Notice Date:** 24<sup>th</sup> April, 2026

**Notice:** [Click here](#)

**Annual Report:** [FY 2025-26](#)

**SES PA Report (Last AGM):** [Report](#)

#### E-VOTING DETAILS

**e-Voting Platform:** [CDSL](#)

**Cut-off Date:** 22<sup>nd</sup> May, 2026

**Remote E-voting:**

- **Start:** 26<sup>th</sup> May, 2026
- **Ends:** 28<sup>th</sup> May, 2026

**ADDENDUM REPORT RELEASE DATE:** 22<sup>nd</sup> May, 2026

**Research Analyst:** Shreyas Poojary

**Conflict Disclosure:** SES - No Conflict | Analyst - No Conflict

PROXY ADVISORY REPORT | FOR LIMITED CIRCULATION



## ADDENDUM

**There is no change in the SES Recommendations on any resolution. However, shareholders may take note of the Company's clarification and SES' comments thereon.**

### BACKGROUND

SES as per its policy, had emailed its PA Report ([weblink](#)) to the Company on 16<sup>th</sup> May, 2026 in respect of ensuing AGM of the Company.

Post release of PA Report, SES received an email from the Company on 18<sup>th</sup> May, 2026. The Company, through the email, provided its view point, which is reproduced at the last in *blue text*.

It may be noted that the email of the Company dated 18<sup>th</sup> May, 2026 (as per SES policy framed to comply with SEBI Circular dated 3<sup>rd</sup> August, 2020 [SEBI/HO/IMD/DF1/CIR/P/2020/147](#)) has already been forwarded to SES clients as it is, without any inputs from SES.

This Addendum provides appropriate responses of SES, wherever required.

### SES COMMENTS TO COMPANY'S RESPONSE

#### *Company's Views: (in Blue colour) & SES Reply: (in Black colour)*

*With reference to the transparency and governance concerns raised by SES regarding Resolution No. 5, we clarify that this is an enabling resolution designed to provide the Company with necessary capital-raising flexibility in line with our long-term Lakshya 2031 strategy. The said enabling resolution is in accordance with the requirements of the Companies Act, 2013 which mentions that any issuance of preference shares has to be authorised by a special resolution in a general meeting. Further, in case of offer or invitation of any securities to qualified institutional buyers, it shall be sufficient if the company passes a previous special resolution only in a year for all the allotments to such buyers during the year. In view of the said regulatory requirements, the said enabling resolution is being proposed.*

*As recognized in your report, providing generic parameters for an enabling resolution is a standard corporate practice designed to prevent the commercial terms from becoming obsolete before the actual market placement takes place. Further, please note that the final commercial terms like exact issue size, price, rate of dividend, and redemption tenure are highly dynamic and dependent on prevailing market conditions, investor appetite, credit ratings of the instrument, and relevant tax and other regulations at that specific point in time. Linking the dividend rate to returns offered by similar market instruments ensures that the fund-raising remains cost-effective and competitive, and hence, these terms cannot be rigidly fixed at this stage. However, the Company would ensure that all necessary disclosures (inter alia regarding price, issue size determination) are made at the time of the actual issuance, in compliance with the requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.*

**SES Comment:** SES, in its PA Report, had raised governance and transparency concerns with respect to the mode of issuance and the generic disclosures provided regarding the terms of issuance and redemption of the proposed preference shares.

While the Company has stated that such disclosures fall within standard practice, SES is of the view that the disclosure requirement under Rule 9(3)(g) of the Companies (Share Capital and Debentures) Rules, 2014 is specifically designed to allow shareholders to approve the specific terms such issue size, price, rate of dividend, and redemption tenure.

SES understands that it may not be feasible for the Company to disclose exact commercial terms such as the precise rate of dividend at the time of seeking enabling approval, as such terms are subject to change based on market conditions and cannot be fixed at such an early age. However, the Companies Rules strictly require specific disclosures in case of issuance of preference shares. Thus, the nature of approval and details of disclosures must be determined by the expectations of the law, rather than the enabling nature of the approval.

Nevertheless, without dictating management decisions, if such approval must be obtained by the Company, SES is of the view that shareholders should at least be provided with a range or specific framework for the calculation of dividend rate and key commercial terms, so that they are in a position to assess whether the proposed terms are fair and reasonable and to make an informed decision on the resolution.



Presently, the disclosure that the dividend rate would be linked to returns offered by “*similar market instruments*” appears vague in nature, as the Company has not identified the comparable instruments for determining such returns. In the absence of such disclosures, shareholders may not be able to adequately assess the fairness of the proposed dividend terms.

*Furthermore, to address any concerns regarding prospective allotments to promoters, directors, or KMPs, the rate of dividend and core terms of the issue will be determined objectively by the Board (including its authorized committee) while ensuring that instruments are priced equitably on an arm's-length basis, preventing any prejudice to existing equity shareholders, in compliance with the governance / regulatory frameworks in force at the time of issuance.*

*We hope this clarifies the intent, regulatory compliance, and robust governance process surrounding this enabling resolution. We request you to take this clarification on record and update your recommendation to support the resolution.*

**SES Comment:** As highlighted in the PA Report, the Company has not disclosed the category of persons/entities to whom the preference shares may be issued in case of private placement. SES is of the view that issuance of preference shares carrying higher dividend rates to promoters/promoter group entities or related parties could potentially be prejudicial to the interests of existing equity shareholders. Further, the Company has also not clarified whether it would seek fresh shareholders’ approval in case the proposed issuance is undertaken through private placement to such identified parties.

It may be noted that Rule 13(2)(d) of the Companies (Share Capital and Debentures) Rules, 2014 specifically requires disclosure of the total number of shares proposed to be allotted to promoters, price, basis of price etc to directors and key managerial personnel in case of preferential/private placement issuances. However, no such disclosure has been provided in the present case.

Additionally, while the Company has stated that the instruments would be priced on an arm’s length basis, it has not disclosed the basis, benchmark, or valuation parameters that would be considered for determining such arm’s length pricing. In the absence of these disclosures, shareholders may not be in a position to independently assess the fairness of the proposed issuance terms.

Accordingly, SES continues to maintain its **governance and transparency concern** with respect to the proposed enabling resolution.

Shareholders may take note of the Company’s clarification, SES’ comments thereon and take a voting decision accordingly.

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**COMPANY'S EMAIL**

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*Dear team,*

*This is with reference to the Proxy Advisory Report released by SES on May 16, 2026, for the Eighteenth Annual General Meeting of L&T Finance Limited ("the Company") scheduled on May 29, 2026. We appreciate your review of our corporate governance practices and would like to provide necessary clarifications regarding Resolution No. 5: Issuance of Cumulsorily Redeemable Non-Convertible Preference Shares.*

*We note that SES has recommended an "AGAINST" vote inter alia on the grounds of broad disclosures regarding the specific rate of dividend, issue price, and exact terms of redemption. In this regard, we would like to submit the following for your reconsideration:*

*With reference to the transparency and governance concerns raised by SES regarding Resolution No. 5, we clarify that this is an enabling resolution designed to provide the Company with necessary capital-raising flexibility in line with our long-term Lakshya 2031 strategy. The said enabling resolution is in accordance with the requirements of the Companies Act, 2013 which mentions that any issuance of preference shares has to be authorised by a special resolution in a general meeting. Further, in case of offer or invitation of any securities to qualified institutional buyers, it shall be sufficient if the company passes a previous special resolution only in a year for all the allotments to such buyers during the year. In view of the said regulatory requirements, the said enabling resolution is being proposed.*

*As recognized in your report, providing generic parameters for an enabling resolution is a standard corporate practice designed to prevent the commercial terms from becoming obsolete before the actual market placement takes place. Further, please note that the final commercial terms like exact issue size, price, rate of dividend, and redemption tenure are highly dynamic and dependent on prevailing market conditions, investor appetite, credit ratings of the instrument, and relevant tax and other regulations at that specific point in time. Linking the dividend rate to returns offered by similar market instruments ensures that the fund-raising remains cost-effective and competitive, and hence, these terms cannot be rigidly fixed at this stage. However, the Company would ensure that all necessary disclosures (inter alia regarding price, issue size determination) are made at the time of the actual issuance, in compliance with the requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.*

*Furthermore, to address any concerns regarding prospective allotments to promoters, directors, or KMPs, the rate of dividend and core terms of the issue will be determined objectively by the Board (including its authorized committee) while ensuring that instruments are priced equitably on an arm's-length basis, preventing any prejudice to existing equity shareholders, in compliance with the governance / regulatory frameworks in force at the time of issuance.*

*We hope this clarifies the intent, regulatory compliance, and robust governance process surrounding this enabling resolution. We request you to take this clarification on record and update your recommendation to support the resolution.*

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## Disclaimer Sources

Only publicly available data has been used while making the report. Our data sources include Notice of Shareholders' Meeting, BSE, NSE, SEBI, Capitaline, MCA, Moneycontrol, Businessweek, Reuters, Annual Reports, Sustainability Reports, IPO Documents and Company Website.

## Analyst Certification

The Analyst(s) involved in development of this Report certify that no part of the Research Analyst's compensation was, is, or will be directly or indirectly related to the specific recommendations or views expressed by the Research Analyst(s) in this Report. The concerned Research Analyst(s) and Director(s) do not have any pecuniary relationship with the Reported Company, except that they may be holding miniscule shares in the Company which does not impact their independence in respect of this Report.

SES may be a shareholder in the Company holding equity shares as disclosed on its [website](#). The objective of SES' investment is solely to obtain Shareholders' communications from the Company as a shareholder.

## CAUTIONARY STATEMENT

The recommendations made by SES are based on publicly available information and conform to SES's stated Proxy-Advisory Guidelines. SES opinion is based on SES's interpretation of law and governance benchmarks, which may differ from opinion/ benchmarks of other analysts or practitioners. Further, SES analysis is recommendatory in nature and reflects how SES would have voted if it was a shareholder. Therefore, SES expects that the clients will evaluate the effect of their vote on their investments independently and diligently and will vote accordingly. Subscribers may also carry out an impact analysis of their votes and keep the same as an addendum for their records. In our opinion, Institutional investors are positioned significantly differently from other shareholders due to their ability to engage with the board and the management to bring out desired result. As a firm, it is our endeavour to improve the level of corporate governance while not causing any disruption in company's proceedings and therefore we respect the independence of investors to choose alternate methods to achieve similar results.

## Disclaimer

While SES has made every effort, and has exercised due skill, care and diligence in compiling this report based on publicly available information, it neither guarantees its accuracy, completeness or usefulness, nor assumes any liability whatsoever for any consequence from its use. This report does not have any approval, express or implied, from any authority, nor is it required to have such approval. The users are strongly advised to exercise due diligence while using this report.

This report in no manner constitutes an offer, solicitation or advice to buy or sell securities, nor solicits votes or proxies on behalf of any party. SES, which is a not-for-profit initiative or its staff, has no financial interest in the companies covered in this report except for what is disclosed on its website. The report is released in India and SES has ensured that it is in accordance with Indian laws. Person resident outside India shall ensure that laws in their country are not violated while using this report; SES shall not be responsible for any such violation.

All disputes shall be subject to jurisdiction of High Court of Bombay, Mumbai.

## Concern terminology

**NC – Compliance Concern:** The Company has not met statutory compliance requirements

**FC – Fairness Concern:** The Company has proposed steps which may lead to undue advantage to a particular class of shareholders and can have adverse impact on non-controlling shareholders including minority shareholders

**GC – Governance Concern:** SES questions the governance practices of the Company. The Company may have complied with the statutory requirements in letter. However, SES finds governance issues as per its standards.

**TC - Disclosures & Transparency Concern:** The Company has not made adequate disclosures necessary for shareholders to make an informed decision. The Company has intentionally or unintentionally kept the shareholders in dark.

## Company Information



Stakeholders Empowerment Services

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CIN No. -

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## Warning

Investment in securities market are subject to market risks. Read all the related documents carefully before investing.