



Press Release
October 15, 2025, Mumbai

L&T Finance Ltd. (LTF) records highest ever Profit After Tax (PAT) of Rs. 735 Crore, up 5% QoQ and 6% YoY

Retail Book crosses the Rs. 1 lakh Crore milestone

Robust retail franchise with a retail portfolio of Rs. 1,04,607 Crore, reflecting a 18% growth YoY

Highest ever Retail disbursements for the quarter ended September 30, 2025 at Rs. 18,883 Crore, up 25% YoY

Q2FY26 witnessed an upgrade of the international issuer long-term credit ratings of LTF to “BBB/Stable” from “BBB-/Positive” by S&P Global Ratings, roll-out of the ‘beta’ version of ‘Project Nostradamus’ and launch of a big-tech partnership with Google Pay

Key highlights for Q2FY26:

- Retailisation stands at 98%
- Retail Book at Rs. 1,04,607 Crore vs. Rs. 88,975 Crore, registering a growth of 18% YoY
- Gross Stage 3 (GS3) at 3.29% and Net Stage 3 (NS3) at 1.00%
- Credit Cost at 2.41% in Q2FY26 vs. 2.59% in Q2FY25
- Return on Assets (RoA) stood at 2.41% in Q2FY26

Robust business model across diversified retail segments led to:

- Healthy growth in quarterly retail disbursements at Rs. 18,883 Crore vs. Rs. 15,092 Crore, up 25% YoY
- This is led by a strong uptick in disbursement volumes across all lines of business
- Retail Book at Rs. 1,04,607 Crore vs. Rs. 88,975 Crore, registering a growth of 18% YoY

Robust Asset Quality:

- Gross Stage 3 (GS3) stood at 3.29% in Q2FY26 vs. 3.19% in Q2FY25
- Net Stage 3 (NS3) stood at 1.00% in Q2FY26 vs. 0.96% in Q2FY25

Performance for Q2FY26:

- Highest ever PAT at Rs. 735 Crore vs Rs. 696 Crore in Q2FY25, up 6% YoY
- Total book size at Rs. 1,07,096 Crore vs. Rs. 93,015 Crore in Q2FY25, up 15% YoY
- Net Interest Margin + Fees at 10.22% vs. 10.86% in Q2FY25
- Return on Equity (RoE) stood at 11.33% vs 11.65% in Q2FY25

The Board of LTF, one of the leading Non-Banking Financial Companies (NBFCs) in India today announced the financial results for the second quarter ended September 30, 2025. Under Lakshya 2026 goals, the Company has transformed into a digitally-enabled, customer-focused retail financier offering Farmer Finance, Rural Business Finance, Two-wheeler Finance, Personal Loans, Home Loans & LAP, SME Finance, and Gold Loans. With a robust business model, advanced technology and data analytics for fully digitized disbursement and collection processes, LTF is dedicated towards building a high-quality consumer lending franchise.

Commenting on the financial results, **Mr. Sudipta Roy, Managing Director & CEO, LTF** said, “During the quarter, our focus remained firmly on execution and growth, enabling us to deliver a strong performance in a quarter traditionally considered a weak one in the BFSI industry. The performance highlights the improved momentum in all our lines of business, across rural and urban geographies, driven by the transformation initiatives carried over the last few quarters. Our investments in technology, talent, revamp and expansion of branch infrastructure, brand building and continued focus on customer centricity as a part of our 5-pillar execution strategy have started to yield early dividends for us.

Our Gold loans segment added to the loan portfolio in Q1FY26 gained significant momentum during this quarter. In line with our aspiration of becoming a leading Pan-India gold finance player in the country, we remain committed to continuously expand our geo-presence across the country through branch expansion. By the end of FY26, we plan to add around 200 new branches taking our gold distribution strength to around 330 gold loan branches.

In addition, the Company operationalized the beta rollout of 'Project Nostradamus', an AI driven automated real-time portfolio management engine in the Two-wheeler business in addition to scaling up the AI driven next-gen digital credit engine 'Project Cyclops' in the SME business. Our digital large partnerships continued to scale in Q2FY26 with Google Pay being the latest addition to our list of marquee big tech partners for origination of Personal Loans.

On the back of good monsoons and improving customer consumption sentiment, we are confident that this momentum will accelerate in H2FY26 on the back of festive demand fueled by GST 2.0 reforms."

Key Highlights:

International Credit Rating Update (S&P Global Ratings and Fitch Ratings)

- S&P Global Ratings has upgraded LTF long-term issuer credit rating to **"BBB/Stable"** from **"BBB-/Positive"** and short-term issuer credit rating to **"A-2"** from **"A-3"**.
- Fitch Ratings has assigned LTF long-term foreign and local currency Issuer Default Ratings of **"BBB-"** with a Stable outlook.
- These long-term ratings are investment grade and are at par with India's Sovereign Credit Rating.
- This will enable the Company to tap global capital markets and further diversify its liability franchise and deepen investor base.

Robust Retail Franchise:

The Company's granular and deep pan-India Retail franchise is led by its strong distribution capabilities namely, its geographic presence in around 2 Lakh villages from around 2,213 rural meeting centers/branches and 345 branches across urban centers. This extensive geographic presence is also supported by over 13,500 distribution points built over a decade. The Company also leverages around 2.7 Crore of its customer database to drive a credible cross-sell and up-sell franchise contributing 40% of the Company's repeat disbursements share in value and 51% in count during Q2FY26.

Building a diversified retail franchise:

Rural Business Finance:

- Q2FY26 disbursements at Rs. 6,316 Crore vs. Rs. 5,435 Crore, up 16% YoY
- Book size at Rs. 27,460 Crore vs. Rs. 26,539 Crore, up 3% YoY
- Growth driven by improved collection efficiency and sectoral trends

Farmer Finance:

- Q2FY26 disbursements at Rs. 1,654 Crore vs. Rs. 1,782 Crore, down 7% YoY
- Book size at Rs. 15,943 Crore vs. Rs. 14,488 Crore, up 10% YoY

Two-wheeler Finance:

- Q2FY26 disbursements at Rs. 2,512 Crore vs. Rs. 2,393 Crore, up 5% YoY
- Book size at Rs. 13,013 Crore vs. Rs. 12,669 Crore, up 3% YoY
- During the quarter, LTF launched a TV commercial (TVC), 'Just Zoom Two-wheeler Loans', featuring its brand ambassador, Jasprit Bumrah. The TVC highlights the key features of LTF's Two-wheeler Loans - instant approval, maximum loan eligibility, and a competitive EMI
- Launch of attractive Two-wheeler Finance schemes for the festive season

Personal Loans:

- Q2FY26 disbursements at Rs. 2,918 Crore vs. Rs. 1,361 Crore, up 114% YoY
- Book size at Rs. 10,878 Crore vs. Rs. 7,178 Crore, up 52% YoY
- Growth in the segment aided by big tech partnerships

Housing Loans and Loan Against Property:

- Q2FY26 disbursements at Rs. 2,713 Crore vs. Rs. 2,531 Crore, up 7% YoY
- Book size at Rs. 27,407 Crore vs. Rs. 21,731 Crore, up 26% YoY

SME Finance:

- Q2FY26 disbursements at Rs. 1,468 Crore vs. Rs. 1,244 Crore, up 18% YoY
- Book size at Rs. 7,465 Crore vs. Rs. 5,190 Crore, up 44% YoY

Gold Loan:

- Q2FY26 disbursements at Rs. 983 Crore
- Book size at Rs. 1,475 Crore

Developing digital finance delivery as a customer value proposition

The Company's customer-facing PLANET app, which has emerged as a powerful digital channel for customers, crossed more than 2 Crore downloads as of date, comprising more than 17.6 Lakh downloads on the rural side. As of date, this channel has done collections of over Rs. 6,400 Crore while servicing over 934 lakh requests and has sourced loans of over Rs. 19,300 Crore.

PLANET App was also awarded the app with the 'Best Digital Experience in Finance' at the Global Fintech Fest, 2025.

Update on Next-gen technology initiatives:

- 'Project Cyclops' has been implemented in Two-wheeler Finance, Farm Equipment Finance, SME Finance. It will be rolled out in Personal Loans in Q3FY26, Home Loans and Rural Group Loans & MFI in FY27.
- The beta version of our AI driven real time automated portfolio monitoring engine 'Project Nostradamus' has been rolled out for the Two-wheeler business in August, 2025, a month ahead of the scheduled deployment date.

ESG and CSR initiatives

The Company has been at the forefront of its ESG & CSR initiatives. LTF continued its progress and commitment towards sustainable growth.

- CRISIL ESG Ratings & Analytics – 70 categorised as 'Strong' (July 2025)
- NSE Sustainability Ratings & Analytics – 74 (July 2025)
- Stakeholder Empowerment Services – 82.9 - 'High footprint' 'Low Risk' (July 2025)
- Green Power Emissions avoided 1,238 tCO₂e
- Financial Inclusion of Rural Communities – over 8.40 Lakh
- Sensitization of rural communities on cyberfraud – over 50,000 individuals covered already
- Convergence of Social Schemes – over 95 Crore

Under its CSR initiatives, LTF has undertaken the following initiatives:

- Expanded Digital Sakhis project for tribal population in Valsad, Gujarat (50 Digital Sakhis) with an aim to reach 2 Lakh+ community members on digital and Financial Literacy
- Jalvaibhav Project Launched in Valsad, Gujarat in 10 villages of Kaprada Block for undertaking water conservation and management
- Over 25,000 Relief Kits distributed benefitting 1 lakh flood affected community members in Bihar, Uttar Pradesh, Punjab, Haryana, Rajasthan, and Odisha

About L&T Finance Ltd. (LTF):

L&T Finance Ltd. (LTF) (www.LTFINANCE.com) formerly known as L&T Finance Holdings Ltd., (LTFH) is a leading Non-Banking Financial Company (NBFC), offering a range of financial products and services. Headquartered in Mumbai, the Company has been rated 'AAA' — the highest credit rating — by four leading domestic rating agencies. S&P Global Ratings has recently upgraded LTF long-term Issuer Credit Rating to "BBB/Stable" from "BBB-/Positive" and short-term issuer credit rating to "A-2" from "A-3". Fitch Ratings has



assigned LTF Long-Term Foreign and Local-Currency Issuer Default Ratings of “BBB-” with a Stable outlook. It has also received leadership scores and ratings by global and national Environmental, Social, and Governance (ESG) rating providers for its sustainability performance. The Company has been certified as a Great Place To Work® and has also won many prestigious awards for its flagship CSR project – “Digital Sakhi”- which focuses on women's empowerment and digital and financial inclusion. Under Right to Win, being in the ‘right businesses’ has helped the Company become one of the leading financiers in key Retail products. The Company is focused on creating a top-class, digitally enabled, Retail finance company as part of the Lakshya 2026 plan. The goal is to move the emphasis from product focus to customer focus and establish a robust Retail portfolio with quality assets, thus creating a Fintech@Scale while keeping ESG at the core. Fintech@Scale is one of the pillars of the Company's strategic roadmap - Lakshya 2026. The Company has over 2.7 Crore customer database, which is being leveraged to cross-sell, up-sell, and identify new customers.

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