



Press Release
July 18, 2025, Mumbai

L&T Finance Ltd. (LTF) records consolidated Profit After Tax (PAT) of Rs. 701 Crore for Q1FY26, up 10% QoQ and 2% YoY, while also achieving its highest-ever consolidated book of Rs. 1,02,314 Crore, which includes a retail book of Rs. 99,816 Crore, up 15% and 18% YoY respectively

Q1FY26 Retail Disbursements at Rs. 17,522 Crore, up 18% YoY

Q1FY26 witnessed successful integration of the acquired Gold Loan portfolio and rollout of 'Project Cyclops' in SME Finance

Key highlights for Q1FY26:

- Retailisation at 98% exceeding Lakshya 2026 target
- Retail Book at Rs. 99,816 Crore vs. Rs. 84,444 Crore, registering a growth of 18% YoY
- Gross Stage 3 (GS3) at 3.31% and Net Stage 3 (NS3) at 0.99%
- Consol. Credit Cost at 2.23% vs. 2.37% in Q1FY25 after utilising additional macro-prudential provision of Rs. 300 Crore in Q1FY26 in Rural Business Finance
- Return on Assets (RoA) stood at 2.37% vs. 2.22% in Q4FY25 and 2.68% in Q1FY25

Robust business model across diversified retail segments led to:

- Healthy growth in quarterly retail disbursements at Rs. 17,522 Crore vs. Rs. 14,839 Crore, up 18% YoY
- This is led by Farmer Finance, Home Loan & Loan Against Property (LAP), and Gold Loans in the secured assets space while unsecured asset growth was contributed by Personal Loans

Prudent liability re-pricing leading to:

- Reduction in the quarterly Weighted Average Cost of Borrowing (WACB) by 16 basis points (bps) Quarter-on-Quarter (QoQ) to 7.68% in Q1FY26

Robust Consolidated Asset Quality:

- Gross Stage 3 (GS3) stood at 3.31% in Q1FY26 vs. 3.29% in Q4FY25 vs. 3.14% in Q1FY25
- Net Stage 3 (NS3) stood at 0.99% in Q1FY26 vs. 0.97% in Q4FY25 vs. 0.79% in Q1FY25

Performance for Q1FY26 - Consolidated:

- PAT at Rs. 701 Crore vs. Rs. 636 Crore, up 10% QoQ, and Rs. 686 Crore, up 2% YoY
- Consol. book size at Rs. 1,02,314 Crore vs. Rs. 88,717 Crore, up 15% YoY
- Net Interest Margin + Fees at 10.22% vs. 10.15% in Q4FY25 and 11.08% in Q1FY25
- Consol. Return on Equity (RoE) stood at 10.86% vs 10.13% in Q4FY25 and 11.58% in Q1FY25

The Board of LTF, one of the leading Non-Banking Financial Companies (NBFCs) in India today announced the financial results for the first quarter ended June 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, Business Loans, and Gold Loans. With a robust business model, advanced data analytics for efficient collection and disbursement 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, "In a challenging quarter, our Company remained focused on outcomes and achieved a resilient performance while showcasing our ability to manage market headwinds. This performance is on the back of our commitment to sourcing creditworthy customers backed by technology and robust credit guardrails, while keeping a strong focus on collection efficiency across businesses. Our impetus remains on risk calibrated business growth with a sharp focus on a strong asset quality, laying the foundation for a sustainable and predictable growth going forward.

In the quarter, we achieved the highest-ever consolidated book of over Rs. 1 Lakh Crore milestone and

added a secured high yield product to our loan portfolio i.e., Gold Loan. Our company has been assigned a debut investment grade credit rating of “BBB-/Positive” by S&P Global Ratings and “BBB-/Stable” by Fitch Ratings. This rating will serve as a foundation for further diversifying our liability franchise by accessing financing opportunities across the global capital markets. Our AI-driven next-gen digital credit engine, ‘Project Cyclops’ is starting to yield early dividends in our Two-wheeler finance business, and during the quarter, ‘Project Cyclops’ was scaled up in Farm business and launched in the SME finance business. We remain focused on continuously strengthening our risk and credit frameworks, which will serve us well in times to come.”

Key Highlights:

Debut Investment Grade Credit Rating assigned to L&T Finance Limited (LTF) by International Rating Agencies (S&P Global Ratings and Fitch Ratings):

- S&P Global Ratings has assigned LTF “BBB-” long-term and “A-3” short-term issuer credit rating. The outlook on the long-term rating is Positive
- Fitch Ratings has assigned LTF long-term foreign and local currency Issuer Default Ratings (IDR) 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 2,089 rural meeting centers/branches and 407 branches across urban centers. This extensive geographic presence is also supported by over 13,000 distribution points built over a decade. The Company also leverages over 2.6 Crore of its customer database to drive a credible cross-sell and up-sell franchise contributing 35% of the Company’s repeat disbursements share in value and 49% in count during Q1FY26.

Building a diversified retail franchise:

Rural Business Finance:

- Q1FY26 disbursements at Rs. 5,618 Crore vs. Rs. 5,773 Crore, down 3% YoY
- Book size at Rs. 26,616 Crore vs. Rs. 25,887 Crore, up 3% YoY

Farmer Finance:

- Q1FY26 disbursements at Rs. 2,200 Crore vs. Rs. 1,903 Crore, up 16% YoY
- Book size at Rs. 15,756 Crore vs. Rs. 14,204 Crore, up 11% YoY

Two-wheeler Finance:

- Q1FY26 disbursements at Rs. 2,128 Crore vs. Rs. 2,621 Crore, down 19% YoY
- Book size at Rs. 12,331 Crore vs. Rs. 12,025 Crore, up 3% YoY

Personal Loans:

- Q1FY26 disbursements at Rs. 1,942 Crore vs. Rs. 1,178 Crore, up 65% YoY
- Book size at Rs. 9,383 Crore vs. Rs. 6,667 Crore, up 41% YoY

Housing Loans and Loans Against Property:

- Q1FY26 disbursements at Rs. 2,780 Crore vs. Rs. 2,245 Crore, up 24% YoY
- Book size at Rs. 26,464 Crore vs. Rs. 19,961 Crore, up 33% YoY

SME Finance:

- Q1FY26 disbursements at Rs. 1,273 Crore vs. Rs. 978 Crore, up 30% YoY
- Book size at Rs. 6,964 Crore vs. Rs. 4,471 Crore, up 56% YoY
- During the quarter, LTF launched a Business Loan campaign with the tagline, ‘Aapke Business Ka Game Changer’ featuring Indian cricketer Jasprit Bumrah. The campaign highlighted how the



Business Loan is offered through a digital application process for quick and efficient funding, it has a rapid disbursal providing timely capital, and an app-based withdrawal facility offering flexible cash flow management.

Developing digital finance delivery as a customer value proposition

'Project Cyclops', in-house developed proprietary credit underwriting engine, has been rolled-out for SME Finance and its advanced version is implemented in Two-wheeler Finance. The Company's customer-facing PLANET app, which has emerged as a powerful digital channel for customers, crossed more than 1.86 Crore downloads as on date, comprising more than 16.7 Lakh downloads on the rural side. As of date, this channel has done collections of over Rs. 4,800 Crore while servicing around 7.85 Crore requests and has sourced loans of over Rs. 15,500 Crore. The Company has launched a revamped customer-centric website and the next-generation PLANET 3.0.

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.

- NSE ESG Rating of 74
- Amongst the first NBFCs to measure 'True Value' of business – Rs. 1 invested is creating 3x Impact
- Expanding Retail Financed Emission Coverage - Amongst first NBFCs to report on three portfolios - Two-wheeler finance, Farmer finance, and Housing loans

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

- Over 57 Lakh community outreach through over 2,000 Digital Sakhis
- Over 2.68 Lakh plantation providing avenue for income generation for farmers
- Over 5.5 Lakh beneficiaries provided benefits during natural catastrophes

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 for NBFCs — by four leading rating agencies. 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 2.6 Crore customer database, which is being leveraged to cross-sell, up-sell, and identify new customers.

