

**Press Release**  
**April 25, 2025, Mumbai**

**L&T Finance Ltd. records an all-time-high consolidated full year Profit After Tax (PAT) of Rs. 2,644 Crore in FY25, registering 14% Year-on-Year (YoY) growth**

**Q4FY25 PAT is at Rs. 636 Crore, up 15% YoY**

*Strong retail franchise with a Retail Book Size of Rs. 95,180 Crore, up 19% YoY for FY25*

*Retail disbursements for FY25 stood at Rs. 60,040 Crore, up 11% YoY*

*Board recommends the highest ever final dividend till date of Rs. 2.75 per equity share for FY25*

- **Robust business model coupled with responsible growth across all retail segments led to:**
  - FY25 retail disbursements at Rs. 60,040 Crore vs Rs. 54,267 Crore, up 11% YoY
  - Q4FY25 retail disbursements remained stable at Rs. 14,899 Crore
- **Proactive asset liability management led to:**
  - Restricting the quarterly Weighted Average Cost of Borrowing (WACB) by 1 bps (QoQ) to 7.84% in Q4FY25 through diversified liability mix
  - Superior WACB with a mere 33 bps increase over past 3 years while policy rates have moved up significantly
- **Resilient asset quality:**
  - Gross Stage 3 (GS3) stood at 3.29% in Q4FY25 vs 3.23% in Q3FY25 vs 3.15% in Q4FY24
  - Net Stage 3 (NS3) stood at 0.97% in Q4FY25 vs 0.97% in Q3FY25 vs 0.79% in Q4FY24
- **Stable credit cost:**
  - Credit cost for FY25 stood at 2.50% vs 2.67% for FY24 (Credit Cost for FY24 was arrived at after additional prudential provision on Security Receipts of Rs. 175 Crore)
  - Credit cost for FY25 arrived at after utilizing macroprudential provisions to the extent of Rs. 400 Crore
  - Credit cost for Q4FY25 stood at 2.54% vs 2.49% for Q3FY25

**Performance for FY25 (Consolidated):**

- Retailisation at 97% of overall book
- Retail book at Rs. 95,180 Crore, growth of 19% YoY
- Consolidated book at Rs. 97,762 Crore, growth of 14% YoY
- PAT at Rs. 2,644 Crore vs Rs. 2,320 Crore, up by 14% YoY
- Net Interest Margin + Fees & Other Income at 10.59% vs 10.67%, remained resilient in a volatile credit environment
- Highest ever annual Return on Assets (RoA) of 2.44% vs 2.32%, up 12 bps YoY
- Return on Equity (RoE) stood at 10.87% vs 10.35%, up 52 bps YoY
- Retail disbursements for FY25 at Rs. 60,040 Crore, increase of 11% YoY
- Secured assets disbursement growth led by Home Loans & Loan Against Property (LAP) at 27% YoY and Farmer Finance at 16% YoY
- Risk-calibrated disbursement strategy in Rural Business Finance, resulting in tempered disbursements for the year at Rs. 20,921 Crore, down 3% YoY in FY25 as compared with 27% growth YoY in FY24
- Wholesale book reduced to Rs. 2,582 Crore in FY25 from Rs. 5,528 Crore in FY24, reduction of 53% YoY

**Performance for Q4FY25 (Consolidated):**

- PAT at Rs. 636 Crore vs. Rs. 554 Crore, up by 15% YoY
- Net Interest Margin + Fees & Other Income at 10.15% vs 10.33% in Q3FY25
- RoA stood at 2.22% vs 2.19%, up 3 bps YoY
- RoE stood at 10.13 vs 9.53%, up 60 bps YoY
- Retail disbursements for Q4FY25 at Rs.14,899 Crore vs. Rs.15,044 Crore in the previous year
- Secured assets disbursement growth led by Farmer Finance at 15% YoY
- Risk-calibrated disbursement strategy in Rural Business Finance, resulting in reduced disbursements for the quarter at Rs. 5,114 Crore, down 11% YoY

The Board of L&T Finance Ltd. (LTF), one of the leading Non-Banking Financial Companies (NBFCs) in the country, today announced the financial results for the fiscal and the fourth quarter ended March 31, 2025. Under Lakshya 2026, the Company is sustainably accelerating its journey towards becoming a top-class, digitally enabled and customer-focused retail financier.

The Board has recommended a final dividend of Rs. 2.75 per equity share (face value Rs. 10 per share) for the financial year 2024-25 at the board meeting held on April 25, 2025. This is the highest declared dividend by the Company till date. The dividend once approved by the members at the ensuing Annual General Meeting (AGM) will be paid within 30 days from the date of the AGM.

LTF is amongst the leading financial institutions offering Farmer Finance, Rural Business Finance, Two-wheeler Finance, Personal Loans, Home Loans & LAP, and Business Loans. With a sustainable business model, robust collection efficiency and disbursements, a customer-centric approach, and a sharp focus on asset quality, the Company remains committed to building a stable and sustainable organization for all its stakeholders.

Commenting on the financial results, **Mr. Sudipta Roy, Managing Director & CEO of LTF** said, "In a year marked by considerable headwinds, our performance remained resilient while showcasing our ability to thrive even in a challenging environment. This stability is underpinned by our unwavering commitment to strong asset quality reinforced by a strong focus on collection efficiency across businesses. We believe the financial year 2024-25 marks a significant step in laying the foundation for sustainable and predictable growth going forward.

Operationally, we made significant strides with the successful 100% implementation of 'Project Cyclops' 2.0, our next-gen AI-ML based credit underwriting engine, in Two-wheeler Finance, and its ongoing rollout in Farm Equipment Finance. Furthermore, our large partnerships with PhonePe, CRED, and Amazon Pay, launched in the financial year 2024-25, are gaining momentum. During the year, while we remained focused on strengthening our risk and credit frameworks, we equally worked on building capabilities, both on the technology and people front, which will serve us well in times to come.

Looking forward, our focus remains on delivering quality services to our customers. We are confident that our commitment to operational excellence, customer centricity, strong governance, and prudent risk management, all powered by a digital-first approach, will sustain our growth momentum as we continue to build a customer-focused, digital-native financial services powerhouse."

**Key Highlights:**
**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 over 2085 rural meeting centers/branches and more than 212 branches across urban centers. The Company also leverages its 2.6 Crore plus customer database to drive a credible cross-sell and up-sell franchise contributing 36% of the Company's repeat disbursements in value and 49% in count during the fourth quarter ended March 31, 2025.

**Healthy retail book and disbursements:**

In FY25, the retail book witnessed a strong growth of 19% YoY to close at Rs. 95,180 Crore and disbursements grew by 11% YoY to Rs. 60,040 Crore. Both these factors led to improved retailisation of the total lending book to 97%.

**Rural Business Finance:**

- Book size up 6% to Rs. 26,320 Crore vs Rs. 24,716 Crore YoY
- Annual disbursements for FY25 at Rs. 20,921 Crore vs Rs. 21,495 Crore, down 3% YoY
- Quarterly disbursements for Q4FY25 at Rs. 5,114 Crore vs Rs. 5,768 Crore, down 11% YoY
- A risk calibrated disbursement strategy was followed in the business owing to a fluid sectoral credit environment

**Farmer Finance:**

- Book size up 10% to Rs. 15,219 Crore vs Rs. 13,892 Crore YoY
- Annual disbursements for FY25 at Rs. 7,935 Crore vs Rs. 6,848 Crore, up 16% YoY
- Quarterly disbursements for Q4FY25 at Rs. 1,755 Crore vs Rs. 1,530 Crore, up 15% YoY
- Double digit growth showcased by the segment aided by a better than average monsoon and improving rural liquidity

**Two-wheeler Finance:**

- Book size up 10% to Rs. 12,321 Crore vs Rs. 11,205 Crore YoY
- Annual disbursements for FY25 at Rs. 9,285 Crore vs Rs. 8,586 Crore, up 8% YoY
- Quarterly disbursements for Q4FY25 at Rs. 1,857 Crore vs Rs. 2,502 Crore, down 26% YoY on account of better customer profiling through 'Project Cyclops' and channel risk calibration

**Personal Loans:**

- Book size up 34% to Rs. 8,648 Crore vs Rs. 6,440 Crore YoY
- Annual disbursements for FY25 at Rs. 6,096 Crore vs Rs. 4,285 Crore, up 42% YoY
- Quarterly disbursements for Q4FY25 at Rs. 1,915 Crore vs Rs. 968 Crore, up 98% YoY
- Growth in the segment aided by big tech partnerships and tapping growth in prime segments

**Housing Loans and Loan Against Property:**

- Book size up 35% to Rs. 24,929 Crore vs Rs. 18,443 Crore YoY
- Annual disbursements for FY25 at Rs. 9,582 Crore vs Rs. 7,544 Crore, up 27% YoY
- Quarterly disbursements for Q4FY25 at Rs. 2,332 Crore vs Rs. 2,513 Crore, down 7% YoY
- Growth in the segment aided by newer partnerships and strong network of distribution channels

**SME Finance:**

- Book size up 67% to Rs. 6,524 Crore vs Rs. 3,905 Crore YoY
- Annual disbursements for FY25 at Rs. 5,000 Crore vs Rs. 3,657 Crore, up 37% YoY
- Quarterly disbursements for Q4FY25 at Rs. 1,528 Crore vs Rs. 1,213 Crore, up 26% YoY
- Growth in the segment aided through increase in direct sourcing and existing strong network of distribution channels

**Foray into Gold Loans with proposed acquisition:**

- Entered into Business Transfer Agreement with Paul Merchants Finance Pvt. Ltd. for the proposed acquisition of their gold loan business undertaking by way of a slump sale on a going concern basis, subject to fulfilment of customary closing conditions. The acquisition is in line with our strategy to enhance secured high yielding book. It cuts time-to-scale gold loan business by 36 months, providing a high quality, profitable attractive RoA profile gold loan franchise at an attractive consideration. Integration plan and governance framework put in place to achieve a targeted closing date within Q2FY26

**Developing digital finance delivery as a customer value proposition**

LTF remains committed to becoming one of the pre-eminent technology-driven lenders in the country, with building technology infrastructure to drive variety, volume, velocity, and veracity. LTF offers 100% paperless journeys across Rural Group Loans, Two-wheeler Finance, Farmer Finance, and Personal Loans and has disbursed 100% loans across urban and rural areas digitally. Furthermore, the Company's customer-facing PLANET app 3.0 (Beta), which has emerged as a powerful digital channel for customers crossed more than 1.72 Crore downloads as on date, comprising more than 16 lakh downloads on the rural side. As of date, this channel has done collections of over Rs. 3,800 Crore while servicing more than 6.85 Crore requests, and has sourced loans of over Rs. 12,700 Crore (including web). The Company has also launched a smarter, faster, and more customer-centric website. ([www.LTFINANCE.com](http://www.LTFINANCE.com)).

In FY25, LTF also organized RAISE' 24, an AI-focused initiative centered on AI's real-world applications in the Banking, Financial Services, and Insurance (BFSI) sector. The inaugural event drew 1,400 attendees participating in person and over 3,000 joining virtually. United under the theme of 'Re-Imagining Financial Services with AI,' the event featured 52 guest and in-house speakers in a series of impactful discussions, presentations, and masterclasses.

### **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.

- Performed in top decile in the FBN Diversified Financial Services and Capital Markets Industry in the S&P Global Corporate Sustainability Assessment
- ESG Risk Rating of 16.1 assessed by Sustainalytics continued to be in the 'Low Risk' category of experiencing material financial impacts from ESG Factors
- MSCI rated - ESG Rating of 'A'

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

- Over 2.30 lakh rural women sensitized on digital and financial literacy through the cadre of trained 1,110 Digital Sakhis in the states of Karnataka, Kerala, West Bengal, Tamil Nadu, Uttar Pradesh, Bihar & Rajasthan
- Refresher trainings of over 500 Digital Sakhis on updated Digital and Financial tools were conducted in the ongoing projects
- For mitigating devastating impacts of floods in worst affected nine districts of Bihar, over 13,000 relief kits were distributed amongst affected families

### **About L&T Finance Ltd (LTF):**

L&T Finance Ltd. (LTF) ( [www.LTFINANCE.com](http://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 around 2.6 Crore customer database, which is being leveraged to cross-sell, up-sell, and identify new customers.