



L&T Finance Ltd. is a leading NBFC focusing on retail lending, with 97% of its ₹97,762 crore AUM in retail as of FY25. The company offers diverse products across urban (2W, home, personal, SME) and rural finance (farm equipment, microfinance), supported by strong digital adoption (92% digital sourcing). It maintains robust financial health with GNPA at 3.29%, ROA at 2.44%, and ROE at 10.87%, while executing its “Lakshya 2026” strategy aimed at sustainable growth and profitability

INR (CR)

Key financial metrix	Mar-21	Mar-22	Mar-23	Mar-24	Mar-25
Total sales	13352.85	11929.70	12774.95	14251.71	15924.24
Sales growth (y-o-y)	-5.33%	-10.66%	7.09%	11.56%	11.74%
Gross profit margins(%)	89.06%	91.17%	87.84%	97.57%	97.82%
EBITDA margins (%)	59.55%	56.13%	37.86%	56.53%	60.41%
EBIT MARGINS (%)	74.36%	69.93%	58.91%	55.27%	36.99%
Net profit Margins (%)	16.66%	12.05%	7.27%	8.97%	12.71%
EPS	3.93	4.33	6.55	9.32	10.60
EPS Growth	-23.86%	-42.98%	10.01%	51.34%	42.40%
Dividend per share	-	0.50	2.00	2.50	2.75

Cmp (Rs.)	266.25
Target Price (Rs.)	307
Potential Upside (%)	15

Company info

NSE Code	LTF
Face value	10
52 Week High (Rs.)	274
52 WeekLow(Rs.)	129
FY25 EPS (Rs.)	10.8

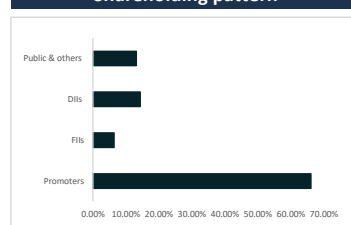
Key financial ratios	Mar-21	Mar-22	Mar-23	Mar-24	Mar-25
Price to earning ratio	24.38x	18.63x	12.53x	16.98x	14.46x
EV/EBITDA	13.20x	16.89x	21.76x	10.39x	10.94x
EV/SALES	8.56x	8.65x	7.86x	9.48x	8.24x
Return on Equity (%)	5%	5%	8%	10%	10%
Return on capital employed (%)	8%	7%	7%	8%	9%

5 YEARS PERFORMANCE



Top Eight shareholders	N.Share (in crs)	% Holding	Market value (in crs)
Larsen And Toubro Limited	165.25301	66.10	17599.13
Mirae Asset Large & Midcap Fund	7.20725	2.88	766.80
Invesco India Flexi Cap Fund	4.29251	1.72	457.95
Kotak Midcap Fund	3.26654	1.31	348.79
L&T Employees Welfare Foundation Pvt Ltd	3.15005	1.26	335.48
Axis Mutual Fund Trustee Limited A/C Axis Mutual Fund A	2.73743	1.10	292.88
LLP	0.03968	0.02	5.33
Investor Education and Protection Fund (IEPF)	0.03159	0.01	2.66

Shareholding pattern



Managemnet Info	Designantion	Experience	Remuneration (In Cr)
Mr. Sudipta Roy	CEO	28+	7.00
Mr. R. Shankar Raman	CFO	40+	NOT DISCLOSE
Mr. Thomas Mathew T.	Independent Director	44+	0.45(SITTING FEES)
Dr. Rajani R. Gupte	Independent Director	44+	0.45(SITTING FEES)

Capital Structure (figure in cr)

Share price	266.25
Number of shares o/s	250
Market capitlization	66,594
Less : Cash & Equivalent	10832.92
Add:Total Debt	92372.44
Enterprises value	1,48,133

Summary

In Q2 FY25, L&T Finance Ltd. (LTF) delivered strong operational and financial performance, continuing its “Lakshya 2026” transformation journey. The company achieved a 14% YoY growth in Profit After Tax (PAT) to ₹2,644 crore, marking its highest-ever annual profit. This robust growth was driven by prudent credit underwriting, retail expansion, and enhanced digital capabilities. Retail disbursements rose 11% YoY to ₹60,040 crore, with 97% of the loan book now retailised, underscoring LTF’s complete shift into a digital-first retail NBFC. Asset quality remained stable with Gross Stage 3 (GS3) assets at 3.29% and Net Stage 3 (NS3) assets at 0.97%, while profitability metrics stayed strong at Return on Assets (RoA) of 2.44% and Return on Equity (RoE) of 10.87%. Driven by its Lakshya 2026 vision, the company continues to integrate technology through Project Cyclops (AI-driven credit engine) and digital partnerships with Amazon Pay, CRED, and PhonePe, boosting efficiency and customer reach. The PLANET App further strengthened digital origination, sourcing loans worth over ₹12,700 crore. With AAA credit ratings, a low ESG risk score (16.1), and a focus on sustainable lending, LTF stands out as one of India’s most resilient NBFCs. Backed by strong fundamentals, digital leadership, and consistent profitability, the stock offers attractive upside potential. We recommend a BUY on L&T Finance with a target price of ₹307 (15% upside) against the current market price of ₹266.25.

Disclaimer

This report has been prepared by ITI Securities Broking Limited (hereinafter referred to as ITISBL) to provide information about the company(ies) and/or sector(s), if any, covered in the report and may be distributed by it and/or its affiliated company(ies). ITISBL is a Stock Broker and Depository Participant registered with and regulated by Securities & Exchange Board of India. ITISBL and its affiliates are a full-service, integrated investment banking, investment management, brokerage and financing group.

This report is for personal information of the selected recipient/s and does not constitute to be any investment, legal or taxation advice to you. This research report does not constitute an offer, invitation or inducement to invest in securities or other investments and ITISBL is not soliciting any action based upon it. This report is not for public distribution and has been furnished to you solely for your general information and should not be reproduced or redistributed to any other person in any form. This report does not constitute a personal recommendation or take into account the particular investment objectives, financial situations, or needs of individual clients. Before acting on any advice or recommendation in this material, investors should consider whether it is suitable for their particular circumstances and, if necessary, seek professional advice. The price and value of the investments referred to in this material and the income from them may go down as well as up, and investors may realize losses on any investments. Past performance is not a guide for future performance, future returns are not guaranteed and a loss of original capital may occur. We and our affiliates have investment banking and other business relationships with some companies covered by our Research Department. Our research professionals may provide input into our investment banking and other business selection processes. Investors should assume that ITISBL and/or its affiliates are seeking or will seek investment banking or other business from the company or companies that are the subject of this material and that the research professionals who were involved in preparing this material may educate investors on investments in such business. The research professionals responsible for the preparation of this document may interact with trading desk personnel, sales personnel and other parties for the purpose of gathering, applying and interpreting information. Our research professionals are paid on the profitability of ITISBL which may include earnings from investment banking and other business.

ITISBL generally prohibits its analysts, persons reporting to analysts, and members of their households from maintaining a financial interest in the securities or derivatives of any companies that the analysts cover. Additionally, ITISBL generally prohibits its analysts and persons reporting to analysts from serving as an officer, director, or advisory board member of any companies that the analysts cover. Our salespeople, traders, and other professionals or affiliates may provide oral or written market commentary or trading strategies to our clients that reflect opinions that are contrary to the opinions expressed herein, and our proprietary trading and investing businesses may make investment decisions that are inconsistent with the recommendations expressed herein. In reviewing these materials, you should be aware that any or all of the foregoing among other things, may give rise to real or potential conflicts of interest. ITISBL and its affiliated company(ies), their directors and employees and their relatives may; (a) from time to time, have a long or short position in, act as principal in, and buy or sell the securities or derivatives thereof of companies mentioned herein. (b) be engaged in any other transaction involving such securities and earn brokerage or other compensation or act as a market maker in the financial instruments of the company(ies) discussed herein or act as an advisor or lender/borrower to such company(ies) or may have any other potential conflict of interests with respect to any recommendation and other related information and opinions; however the same shall have no bearing whatsoever on the specific recommendations made by the analyst(s), as the recommendations made by the analyst(s) are completely independent of the views of the affiliates of ITISBL even though there might exist an inherent conflict of interest in some of the stocks mentioned in the research report. Reports based on technical and derivative analysis center on studying charts company's price movement, outstanding positions and trading volume, as opposed to focusing on a company's fundamentals and, as such, may not match with a report on a company's fundamental analysis. In addition ITISBL has different business segments / Divisions with independent research separated by Chinese walls catering to different set of customers having various objectives, risk profiles, investment horizon, etc, and therefore may at times have different contrary views on stocks sectors and markets.

Unauthorized disclosure, use, dissemination or copying (either whole or partial) of this information, is prohibited. The person accessing this information specifically agrees to exempt ITISBL or any of its affiliates or employees from, any and all responsibility/liability arising from such misuse and agrees not to hold ITISBL or any of its affiliates or employees responsible for any such misuse and further agrees to hold ITISBL or any of its affiliates or employees free and harmless from all losses, costs, damages, expenses that may be suffered by the person accessing this information due to any errors and delays. The information contained herein is based on publicly available data or other sources believed to be reliable. Any statements contained in this report attributed to a third party represent ITISBL's interpretation of the data, information and/or opinions provided by that third party either publicly or through a subscription service, and such use and interpretation have not been reviewed by the third party. This Report is not intended to be a complete statement or summary of the securities, markets or developments referred to in the document. While we would endeavour to update the information herein on reasonable basis, ITISBL and/or its affiliates are under no obligation to update the information. Also there may be regulatory, compliance, or other reasons that may prevent ITISBL and/or its affiliates from doing so. ITISBL or any of its affiliates or employees shall not be in any way responsible and liable for any loss or damage that may arise to any person from any inadvertent error in the information contained in this report. ITISBL or any of its affiliates or employees do not provide, at any time, any express or implied warranty of any kind, regarding any matter pertaining to this report, including without limitation the implied warranties of merchantability, fitness for a particular purpose, and non-infringement. The recipients of this report should rely on their own investigations. This report is intended for distribution to investors. Recipients who are not investors should seek advice of their independent financial advisor prior to taking any investment decision based on this report or for any necessary explanation of its contents ITISBL and its associates may have managed or co-managed public offering of securities, may have received compensation for investment banking or merchant banking or brokerage services, may have received any compensation for products or services other than investment banking or merchant banking or brokerage services from the subject company in the past 12 months. ITISBL and its associates have not received any compensation or other benefits from the subject company or third party in connection with the research report. Subject Company may have been a client of ITISBL or its associates during twelve months preceding the date of distribution of the research report. ITISBL and/or its affiliates and/or Research analyst / or relative of research analyst or Employees may have interests/positions, financial or otherwise of over 1% at the end of the month immediately preceding the date of publication of the research in the securities mentioned in this report. To enhance transparency, ITISBL has incorporated a Disclosure of Interest Statement in this document. This should, however, not be treated as endorsement of the views expressed in the report. Neither the Research Analysts nor ITISBL have been engaged in market making activity for the companies mentioned in the report. ITISBL and/or its affiliates and/or Research analyst/ relative of research analyst have not any material conflict of interest at the time of publication of this report. There are no material disciplinary action that been taken by any regulatory authority impacting equity research analysis activities Please ensure that you have read "Risk Disclosure Document for Capital Market and Derivatives Segments" as prescribed by Securities and Exchange Board of India before investing in Indian Securities Market. In so far as this report includes current or historic information, it is believed to be reliable, although its accuracy and completeness cannot be guaranteed.

Analyst Certification

The views expressed in this research report accurately reflect the personal views of the analyst(s) about the subject securities or issues, and no part of the compensation of the research analyst(s) was, is, or will be directly or indirectly related to the specific recommendations and views expressed by research analyst(s) in this report. The research analysts, strategists, or research associates principally responsible for preparation of ITISBL research receive compensation based upon various factors, including quality of research, investor client feedback, stock picking, competitive factors and firm revenues

Disclosure of Interest Statement - Companies where there is interest

Analyst ownership of the stock: No

Served as an officer, director or employee: No

Regional Disclosures (outside India)

This report is not directed or intended for distribution to or use by any person or entity resident in a state, country or any jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject ITISBL & its group companies to registration or licensing requirements within such jurisdictions.

ITI Securities Broking Limited

SEBI – Research Analyst REG. NO. : INH000001535

SEBI REG. NO: NSE&BSE: INZ000005835, CDSL-IN-DP-70-2015, AMFI Reg. No. ARN-12576,

CIN NO: U74120MH1994PLC077946

ITI House, 36, Dr. R. K. Shirodkar Road,

Parel, Mumbai - 400 012,

Boardline - (91) 22 69093600 Fax- 022 69093700