



Company Overview

Bajaj Finance's business model encompasses various credit offerings, including:

- Consumer durable loans
- Personal and business loans
- Credit cards
- Home and property financing (through Bajaj Housing Finance)

Operating through an omnichannel network, Bajaj Finance boasts over 4,200 branches, 215,000 distribution points, robust digital platforms, and effective cross-selling partnerships.

Business Model & Strategy

Bajaj Finance utilizes its scale, data-driven risk models, and digital integration to sustain profitability while broadening its reach. In Q4 FY25, the consolidated Net Interest Income increased by 23% to ₹98.1 billion, total income climbed 24% to ₹111.1 billion, and the operating expense ratio improved from 34% to 33.2%.

Recent Financial Performance

In FY25, profit after tax increased approximately 16–17% year-over-year to ₹1.68 lakh crore (~₹16,760 crore), supported by robust earnings growth across a diversified credit portfolio. Q4 FY25 profit stood at ₹5,870 crore, marking a 54% year-over-year rise and reflecting strong momentum in core lending operations. This strong quarterly performance was driven by sustained loan growth in both consumer and SME segments, coupled with improved net interest margins.

Balance Sheet & Liquidity

Consolidated assets under management grew 26% YoY to ₹4.17lakh crore by Q4 FY25. The company's debt-to-equity ratio remains moderate at ~3.1x, supported by strong capital buffers (CRAR ~27–28%), stable liability composition (20% deposits), and a liquidity reserve of ₹20,196 crore as of Q2 and ₹8.2billion (₹8,200 cr) in Q4 FY25. The consistent improvement in funding mix and prudent leverage management have further strengthened its overall balance sheet resilience. Additionally, the company maintained ample undrawn bank lines, ensuring uninterrupted liquidity access even during periods of market volatility.



Metric	Value
Market Cap	₹5,90,201 Cr
CMP	₹948.45
P/E Ratio (TTM)	~35.18×
Book Value	₹₹156 per share
Dividend Yield	~0.59 %
52-Week Range	₹642 – ₹979
EV / Revenue	~13.8×
EV / EBITDA	~19.57×
ROE	17.21%
ROCE	10.53%



Growth of Consumer Finance

The Indian consumer finance sector plays a pivotal role within the larger financial services industry, projected to be valued at approximately USD 160 billion by 2024. Forecasts suggest it will expand to around USD 260 billion by 2033, reflecting a compound annual growth rate (CAGR) of about 5.6%–5.8%. While specific data for non-banking financial companies (NBFCs) is not readily available, considering that retail credit constitutes a significant portion of this sector, it is reasonable to anticipate that Bajaj Finance—one of the leading retail NBFCs—will increase its Assets Under Management (AUM) from roughly ₹3.30 lakh crore in FY24 to over ₹6 lakh crore within the next decade.

Factors Driving Momentum

This growth is propelled by:

- Rising disposable incomes and consumer aspirations.
- Rapid digital adoption and data-driven credit underwriting.
- Increased financial inclusion and first-time credit users under the Atmanirbhar Bharat initiative
- A stable banking system supported by a favorable regulatory environment.

Market Size & Credit Demand

India's total retail credit demand reached ₹29 lakh crore in FY 2024–25, with personal loans, consumer durables, and credit cards contributing around ₹8 lakh crore. By Q4 FY25, Bajaj Finance reported a consolidated AUM of ₹4.17 lakh crore, reflecting a 26% year-on-year increase driven by growth in consumer, SME, mortgage, and gold credit segments.

Product Diversification & Outreach

The firm is expanding its footprint actively:

- Booked 43.42 million new loans and added 18.18 million customers in FY25.
- Expanded branch and distribution network—over 4,263 locations and 232,000 points as of Q4 FY25.
- Grew deposits by 19%, reaching ~₹71,400 crore by Q4 FY25.

Product Diversification & Outreach

The company is actively broadening its reach:

- Secured 43.42 million new loans and welcomed 18.18 million customers in FY25.
- Expanded its branch and distribution network to over 4,263 locations and 232,000 points as of Q4 FY25.
- Increased deposits by 19%, reaching approximately ₹71,400 crore by Q4 FY25.



DHANPUNJI

Bajaj Finance



Bajaj Finance: A Leading Consumer & Retail-Focused NBFC

Business Reach

Bajaj Finance operates across India's consumer finance, SME lending, commercial lending, and wealth management sectors, serving a broad customer base through both physical and digital channels. Its integrated platform covers urban, semi-urban, and rural markets with multi-product offerings.

Core Lending & Technology Capabilities

The company builds and manages all key functions in-house, including:

- Credit underwriting models
- Risk analytics and fraud detection
- AI-powered customer onboarding
- Digital collection systems
- Custom mobile and web applications

Product Portfolio

Bajaj Finance offers a comprehensive and scalable product suite:

- Consumer durable and personal loans
- Credit cards (co-branded and proprietary)
- Loan against property and home loans
- Fixed deposits and EMI-based financing
- Cross-sell engines and pre-approved loan systems
- A data-driven CRM with over 100 million customer records



FY24–25 Financial Snapshot

- **Revenue:**
 - FY24: ₹54,983 Cr
 - FY25: ₹69,725 Cr (+26.8% YoY)
 - Q4 FY25: ₹18,469 Cr (+23.7% YoY)
- **Profit After Tax (PAT):**
 - FY24: ₹14,451 Cr (+16.1% YoY)
 - FY25: ₹16,779 Cr (+16%)
 - Q4 FY25: ₹4,546 Cr (+18.9% YoY)
- **Assets Under Management (AUM):**
 - Increased by 26% YoY, rising from ₹3.31 lakh Cr to ₹4.17 lakh Cr by Q4 FY25
- **Loan Growth:**
 - New loans issued: 43.42 million
 - Total customer base: ~101.8 million
- **Workforce:**
 - Total employees: ~64,092 (10,310 new hires in FY25)
 - Q4 FY25: 1,916 new additions
- **Branches and Deposits:**
 - Gold loan branches: 964; MFI branches: 333
 - Deposits increased by 19% YoY to ₹8,207 MM (approximately ₹82,070 Cr)
- **Cost Efficiency:**
 - Opex/Net Total Income: 33.1% in Q4 FY25 (down from 34% YoY)
 - Net Interest Income: grew by 22–23% YoY
- **Credit Quality:**
 - GNPA: 0.96%; NNPA: 0.44% as of March 2025
- **Capital Metrics:**
 - CRAR: ~21.9% (Tier I ~21.1%), remaining within regulatory standards.





Strengths

Diversified Lending Portfolio

Bajaj Finance has a well-diversified presence across consumer lending, SME financing, commercial loans, and mortgage products, reducing dependency on any single vertical.

Strong Brand & Distribution Network

The company enjoys strong brand recall and widespread reach through a vast network of 4,200+ branches and over 2 lakh distribution points across India.

Robust Digital Infrastructure

Its investments in digital onboarding, AI-driven underwriting, and data analytics enable efficient customer acquisition and risk assessment at scale.

High Asset Quality

Maintains strong control over NPAs with GNPA consistently below 1%, reflecting prudent credit screening and collections management.

Strong Capital Position

With a CRAR of ~21.9%, Bajaj Finance is well-capitalized to support future growth while meeting regulatory requirements.

Customer Base & Cross-Sell Engine

Serving over 100 million customers, the company effectively monetizes its large database through pre-approved offers and targeted cross-sell campaigns.

Weaknesses

Dependence on Borrowed Funds

Being an NBFC, Bajaj Finance relies significantly on external borrowing; any adverse interest rate movement can affect cost of funds and net interest margins.

Interest Rate Sensitivity

A rising interest rate environment can compress spreads and impact loan demand, especially in unsecured consumer segments.

Regulatory Exposure

The NBFC sector is closely regulated by the RBI; changes in norms around provisioning, capital adequacy, or lending practices could impact profitability.

Competition from Fintechs & Banks

The rise of digital-first fintech lenders and aggressive pricing by banks pose a threat to margins and market share in some categories.

Geographic Concentration Risk

Although expanding, a large portion of operations still comes from certain high-performing regions, making the business vulnerable to regional economic shocks.

Credit Risk in Unsecured Lending

A significant portion of the portfolio is unsecured, such as personal loans and consumer durables, which increases credit risk in times of economic slowdown.



Opportunities

Expanding Consumer Credit Market

India's burgeoning middle class, rising disposable incomes, and heightened demand for personal and lifestyle financing present substantial growth opportunities across various retail sectors.

Digital Ecosystem Expansion

With the increasing penetration of smartphones and the internet, Bajaj Finance can enhance its app-based lending, EMI cards, and online platforms, fostering deeper customer engagement while reducing acquisition costs.

Rural & Semi-Urban Penetration

The underdeveloped rural credit market offers long-term growth prospects through customized financial products and localized distribution strategies.

Cross-Selling & Fee-Based Income

With a customer base exceeding 100 million, the company has significant potential to boost non-interest income by cross-selling insurance, wealth management, and fintech services.

Threats

Rising Interest Rates

In a high-interest climate, borrowing costs may increase, exerting pressure on spreads, loan demand, and asset-liability management.

Increased Competition

Intense pricing and digital convenience from fintech companies and established banks could diminish market share in critical retail lending segments.

Regulatory Tightening

Stricter regulations concerning provisioning, lending limits, or risk-based capital requirements for non-banking financial companies (NBFCs) may impact growth strategies and profit margins.

Company Leadership



**SANJIVNAYAN RAHULKUMAR
BAJAJ**

Non-Executive Director



RAJEEV JAIN

Executive Director



TARUN BAJAJ

Independent Director

Balance Sheet Summary (as of Mar’25)

Indicator	Mar’25	Mar’24	Mar’23	Mar’22	Mar’21	Mar’20
Total Shareholders	96,692.90	76,695.40	54,372.00	43,712.70	36,918.40	32,327.60
Minority Interest	2,244.00	–	–	–	–	–
Total Non-Current	1,147.00	182,753.70	135,902.60	111,667.60	85,028.90	75,658.50
Total Current Liabilities	366,042.90	116,292.60	84,954.10	57,125.10	49,579.50	56,405.00
Total Capital + Liabilities	466,126.80	375,741.60	275,228.70	212,505.40	171,526.90	164,391.10
Fixed Assets	3,818.20	3,290.10	2,384.20	1,747.20	1,363.50	1,317.70
Total Non-Current Assets	5,689.70	4,750.40	3,635.10	3,047.00	2,622.50	2,494.10
Total Current Assets	460,437.20	370,991.20	271,593.50	209,458.40	168,904.10	161,897.10
Total Assets	466,126.80	375,741.60	275,228.70	212,505.40	171,526.90	164,391.10
Contingent Liabilities +	8,861.20	8,696.60	9,587.40	7,649.50	5,238.80	5,403.70
Bonus Equity Share Capital	53.9	53.9	53.9	53.9	53.9	53.9
Current Investments	34,440.80	30,880.70	22,751.80	12,245.50	18,396.90	17,543.90

Source: trendlyne.com

Key Highlights – Bajaj Finance Balance Sheet (FY25)

1. Total assets rose 24.1% YoY to ₹4.66 lakh crore, showing sustained expansion.
2. Shareholders’ funds increased 26.1% YoY to ₹96,693 crore, supporting long-term strength.
3. Current liabilities jumped to ₹3.66 lakh crore, aligned with loan book growth.
4. Current assets of ₹4.60 lakh crore and investments of ₹34,441 crore ensure strong liquidity.
5. Fixed assets remain low (₹3,818 Cr), supporting an asset-light model.

Cash Flow Statement (Consolidated)

Financial Year	Cash from Operating Activity	Cash from Investing Activity	Cash from Financing Activity	Net Cash Flow
Mar '25	-68,154.50	-2,765.00	70,527.40	-392.1
Mar '24	-72,760.10	-7,171.20	82,415.10	2,483.80
Mar '23	-42,140.40	-10,365.30	50,675.00	-1,830.70
Mar '22	-37,028.60	6,346.80	32,239.60	1,557.80
Mar '21	-881	-428.5	1,826.10	516.7
Mar '20	-24,411.70	-8,757.60	34,166.80	997.5
Mar '19	-29,061.50	-5,378.90	34,449.30	8.9
Mar '18	-20,461.40	971.2	19,503.30	13.1
Mar '17	-10,439.00	-3,046.80	12,513.40	-972.3
Mar '16	-9,791.90	-764.6	11,656.20	1,099.70

Source: trendlyne.com

Key Insights:

Negative Operating Cash Flow:

For the last three fiscal years (FY23–FY25), Bajaj Finance reported negative cash flow from operations (₹68,154 Cr in FY25), indicating high disbursement or operational outflows due to aggressive loan book expansion.

Volatile Investing Activity:

Cash flow from investing activities consistently shows outflows, with larger investments in FY23 and FY24, followed by a moderation in FY25. This reflects ongoing investments in technology, expansion, and fixed assets.

Strong Financing Inflows:

The company has consistently generated strong cash inflow from financing activities, particularly ₹82,415 Cr in FY24 and ₹70,527 Cr in FY25—indicating active fund-raising through borrowings or equity to support business growth.



NBFC Peer Comparison Table

Metric	Bajaj Finance Ltd.	Jio Financial Services	Cholamandalam Invest.	Shriram Finance Ltd.	Muthoot Finance Ltd.	SBI Cards & Payment	HDB Financial
PE TTM	32.79	122.01	29.39	11.94	20.16	43.95	—
Forward PE (1Y)	27.27	107.59	23.22	11.83	15.78	30.21	—
PEG TTM	1.96	49.14	1.19	0.4	0.89	-2.15	—
ROE (%)	17.20%	1.30%	18.01%	16.91%	18.15%	13.90%	13.75%
RoA (%)	3.56%	1.20%	2.11%	3.25%	4.01%	2.92%	2.00%
Operating Revenue (₹)	19,523.88	612.46	7,045.57	11,454.23	5,621.75	4,673.95	4,465.40
Revenue Annual YoY	26.81%	12.09%	34.67%	14.96%	34.04%	6.60%	15.02%
Net Profit (₹ Cr)	4,699.61	324.6	1,259.54	2,143.77	1,477.68	534.18	567.7
Net Profit Growth YoY	20.13%	3.85%	18.24%	6.72%	29.73%	-19.35%	-2.41%
Net Profit QoQ Growth	4.91%	2.70%	15.74%	-33.97%	6.37%	39.39%	6.93%
Net Profit Annual YoY	15.13%	0.50%	24.64%	29.69%	23.32%	-20.41%	-11.58%
Dividend Yield (1Y %)	0.61%	0.00%	0.13%	1.63%	0.98%	0.28%	0.00%

Source: trendlyne.com

Key Insights:

- Bajaj Finance leads the sector with strong revenue, ROE (17.2%), and consistent profit growth.
- Cholamandalam Investment posts the highest YoY profit growth (24.6%) and strong returns.
- Muthoot Finance shows efficient asset use with the best RoA (4.01%).
- Jio Financial trades at a high valuation (PE 122x) but has modest profitability.
- SBI Cards and HDB Financial show weak profit growth, with YoY decline.
- Shriram Finance is stable but saw a sharp QoQ profit drop (–33.97%).



Why Data Patterns is a Strong Long-Term Pick

1. Market Leadership
2. Bajaj Finance is the top NBFC in India with a diversified loan portfolio, covering consumer, SME, and commercial lending.
3. Consistent Growth
4. Strong revenue and profit CAGR over the last 5 years, with FY25 PAT up 16–17% YoY and AUM rising 26% YoY to ₹4.17 lakh crore.
5. Strong Asset Quality
6. Maintains healthy asset quality with low NPAs and prudent risk management across lending verticals.
7. Robust Capital & Liquidity
8. CRAR ~27–28%, and liquidity reserve of over ₹20,000 crore ensure financial stability even during economic stress.
9. Digital & Tech-Driven Model

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