

Wed, 27th Oct' 21

OVERVIEW

- Bajaj Finance Ltd. Is a deposit-taking NBFC-D registered with RBI.
- It is classified as an NBFC-investment and credit company (NBFC-ICC).
- It is engaged in the business of lending, and acceptance of deposits.
- The company has diversified lending portfolio across retail, SMEs and commercial customers.
- It accepts public and corporate deposits and offers variety of financial services.

STRENGTHS

- BFL is one of the largest and most diversified NBFCs in India.
- The company's customer franchise grew by 14% to 48.6million.
- Number of new loans booked in FY2021 was 16.88 million.
- BLF expanded its footprint to 2,988 locations with distribution network of over 110,300 points of sale and crated presence in the digital space.
- BLF is creating omnichannel framework, which will provide flexibility to customers.

BUSINESS STRATEGY

- BLF is developing 5 proprietary marketplaces. (i) the EMI store, (ii) the insurance marketplace, (iii) the investment marketplace, (iv) BFL health, (v) the booking app.
- BFL has developed a wallet application called 'Bajaj Pay'
- BFL plans to partner with 25+ adjunct app ecosystem. These app will provide adjacency to BFL's core offerings, and thus increase customer stickiness.
- BLF is developing and significantly transforming 4 productive apps (i) the Sales one app, (ii) the Collection app, (iii) the Merchant app, (iv) the Partner app.

BAJAJ FINANCE EDGE OVER COMPETITORS

- The Company strives to create a culture of 'Customer Obsession' and endeavours to provide a frictionless experience across the lifecycle.
- Proactive contingency provisioning to the tune of H 672 crore
- 'CRISIL AAA/Stable' for its long-term borrowing, 'ICRA AAA(Stable)' for its long-term borrowing, 'IND AAA/Stable' for its long-term borrowing, 'CARE AAA/Stable' for its long-term borrowing.
- 'CRISIL A1+' for its short-term debt, CRISIL A1+' for its short-term bank loan facilities, 'ICRA A1+' for its short-term debt.

BUSINESS TRANSFORMATION

- BFL is also developing a 'Bajaj Pay' for merchants. This should broaden the payment solution offering of the Company to its approximately 98,300 merchants; and enable higher growth and larger market shares.
- The Company launched its health EMI card product which provides customers with features and benefits like higher financing limits; EMI facility at multi-speciality hospitals; discounts on medicines and medical tests; and various other.

SUMMARY OF FINANCIALS

- Assets under management (AUM): Increased by 4% to Rs 152,947 crore.
- Total income: increased by 1% to Rs 17,269 crore.
- Profit before tax (PBT): decreased by 18% to Rs 5,992 crore.
- Profit after tax (PAT): decreased by 16% to Rs 4,420 crore.
- Total operating expense(opex): grew by 6% to Rs 5,308 crore.
- Net interest income (NII): rose by 2% to Rs 17,269 crore.
- Opex to Nill improved to 30.7% from 33.5% in FY2020.

Disclaimer: The analysis is only for information purposes only. Please consult your financial advisor, agent, broker before acting on any information. We may or may not have positions in the stock. We would not be responsible for the profit/loss resulting from this analysis.

Growth Rates (Compound Annual)	1 Yr	3 Yr	5 Yr	10yr
Revenue %	0.9	27.7	27.6	27.5
Operating Income %	-	-	-	-
Earnings/Share %	-18.0	18.5	25.0	27.3
Dividends %	-	-	-	-
Book Value/Share %	14.0	30.7	34.8	32.8
Stock Total Return	139.6	53.6	46.9	61.6
Market +/-	105.2	39.1	36.4	52.4
Valuation Analysis	Current	5Yr Avg	Ind	Mkt.
Price/Earning	105.1	45.7	25.3	15.2
Forward P/E	64.1	-	-	-
Price/Cash Flow	-	76.2	-	9.9
Price/Free Cash Flow	-	85.8	-	-
Dividend Yield %	0.1	0.2	1.1	2.8
Price/Book	12.7	8.9	3.0	2.1
Price/Sales	29.1	13.7	6.5	-
Profitability Analysis	Current	5Yr Avg	Ind.	Mkt.
Return on Equity %	-	19.6	12.9	15.4
Return on Asset %	-	3.4	1.7	5.6
Gross Margin %	-	-	41.4	-
Operating Margin %	-	-	12.4	-
Net Margin %	27.7	31.6	25.8	21.4
Inventory Turns	-	-	7.5	-
Fixed Asset Turns	-	21.7	16.6	-
Financial Position (INR)	03-20(Mil.)	03-21 (Mil.)		
Cash	14,272	22,581		
Inventories	-	-		
Receivables	9,526	11,072		
Current Assets	-	139,896		
Fixed Assets	10,973	10,488		
Intangibles	2,237	3,180		
Total Assets	1,643,911	1,715,269		
Payables	10,238	12,909		
Short-Term Debt	-	84,172		
Current Liabilities	-	94,503		
Long-Term Debt	-	182,735		
Total Liabilities	1,320,635	1,346,085		
Total Equity	323,276	369,148		

Source: Company filings & Analyst research