

Date : 22/04/25

Techno Funda : Buy Bank Of Baroda Limited

Buy Range : @ ₹250-₹255

Target : 1st@₹265, 2nd @₹310

Stock Info	
Mkt Cap (cr)	130576.9
52-Weeks High/Low	298.45/190.70
Avg Volume	1,07,35,926
No. of eq shares (cr)	517.14
Face Values	2.00
Bse Code	532134
Nse Code	BANKBARODA
Free Float (cr)	47059.91
Source : NSE/BSE	

Particulars	2023	2024
Net Interest Margin(%)	3.31%	3.18%
Return on Assets	1.03%	1.17%
Return on Equity	18.34%	18.95%
Capital Adequacy Ratio	16.24%	16.31%
GNPA Ratio (%)	3.79%	2.92%
NNPA Ratio (%)	0.89%	0.68%
Domestic CASA(%)	42.25%	41.33%
Total Deposits (CR)	12,03,688	13,26,958
Global Gross Adv (CR)	969548	1090506
Slippage Ratio (%)	1.07%	0.99%
P/E	5.86	7.28
P/B	0.83	1.14
EPS	28.82	36.29

Source : Company, Fin2Research

Particulars	2023	2024
Interest income(₹ cr)	89589	112606
Interest Expended(₹ cr)	48233	67884
Net Interest Income (₹ cr)	41355	44722
Operating Profit (₹ cr)	26864	30965
Profit after tax	14110	17789

Source : Company

Particulars	% of Total Shares
Promoters	63.97%
Mutual Funds/AIF	9.17%
Insurance co. & others	7.52%
Other DIIs	1.54%
FII	8.98%
Retails and Others	8.83%
Total	100.0%

Source : Company

Bank Of Baroda: Bank of Baroda is a government-owned banking and financial services institution in India. The bank offers a diverse range of services, including personal banking, corporate banking, international banking, small and medium enterprise (SME) banking, rural banking, non-resident Indian (NRI) services, and treasury services. It serves a global customer base with branches established in 24 countries.

Key Highlights: Tata Power Renewable Energy Ltd (TPREL) and Bank of Baroda have partnered to provide financing for residential rooftop solar systems under the Pradhan Mantri Surya Ghar Yojana (PMSGY). The scheme offers collateral-free loans up to ₹6 lakh at interest rates starting from 7% p.a., with flexible tenures up to 10 years. Loans up to ₹2 lakh are available for systems up to 3 kW with minimal documentation and a 10% margin, while larger systems up to 10 kW qualify for loans with a 20% margin. Special interest rates apply for Bank of Baroda Home Loan customers. Eligible consumers can also avail government subsidies of up to 60%, making solar adoption more affordable and accessible.

Bank of Baroda has promptly reduced its external benchmark-linked lending rates for retail and MSME segments, passing on the benefit of the RBI's policy rate cut to its customers. With its Overnight MCLR at 8.15% and One-Year MCLR at 9%, the bank remains among the most competitive in the industry. This move reflects its commitment to providing affordable credit and supporting economic growth and financial inclusion.

LIC has increased its stake in Bank of Baroda by nearly 2%, raising its holding from 5.03% to 7.05%. The additional 10.45 crore shares were acquired from the open market between November 20, 2023, and April 16, 2025, according to a regulatory filing by the insurer.

Bank of Baroda plans to raise up to ₹8,500 crore through Qualified Institutional Placement (QIP) or other modes of common equity capital, in suitable tranches up to March 2028 and beyond, subject to regulatory approvals, as stated in its exchange filing.

Bank of Baroda, India's second-largest public sector bank, reported a 5.6% YoY rise in standalone net profit to ₹4,837 crore for Q3FY25. Net Interest Income (NII) grew 2.8% to ₹11,417 crore, with a global Net Interest Margin (NIM) of 2.94%. The cost of deposits rose to 5.08% from 4.96% YoY. Provisions and contingencies increased to ₹1,082 crore from ₹666 crore a year earlier.

Gross NPA declined 11.9% YoY to ₹28,471 crore, with the Gross NPA ratio improving to 2.43%. Net NPA stood at ₹6,825 crore, with the ratio falling to 0.59%. Slippage ratio for the quarter was 0.90%, down from 0.95% YoY.

Global advances rose 11.8% YoY to ₹11.73 lakh crore, while domestic advances grew 11.9% to ₹9.65 lakh crore. Global deposits increased 11.8% to ₹13.92 lakh crore and domestic deposits by 9.2% to ₹11.66 lakh crore. Retail advances grew 19.5%, driven by strong growth in auto (21.1%), home (16.6%), mortgage (16.3%), and education loans (16.9%). Agriculture loans rose 12.5% to ₹1.51 lakh crore, and gold loans surged 29.1% to ₹58,172 crore. MSME and corporate advances grew 13.6% and 6.8%, respectively.

Key Risks : 1. The company's financial performance and interest rate income may be impacted by the existing interest rate risk, and Inflation in the economy.

2. Statutory Requirements: Bank of Baroda's Basel III Tier 2 bond ratings have been aligned with its Long-Term Issuer Rating. Any change in these ratings would depend on Ind-Ra's assessment of the government's support for public sector banks or a significant decline in BOB's systemic importance, market share, or deposit base.

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- The current price (256.2) is also trading **significantly above** the 50-day MA (238.64). The 20-day MA (232.15) has also crossed above the 50-day MA (238.64). This is a **bullish "Golden Cross"**, confirming the strengthening medium-term uptrend.
- **Bollinger Bands (20, 2):** Trading above the upper Bollinger Band is a **strong bullish signal**, indicating significant upward momentum and potentially a continuation of the breakout. It suggests that the price is moving strongly away from its recent average. However, it can also signal that the stock is overextended in the very short term and might experience a temporary pullback.
- **RSI (Relative Strength Index) (14):** The RSI is at 75.58, which is firmly in the **overbought territory (above 70)**. This indicates very strong buying pressure and upward momentum. However, it also suggests that the stock is technically overextended in the short term and could be due for a temporary pullback or consolidation.
- With the stock in breakout territory and at multi-year highs (judging by the chart's scale). The strong momentum suggests the possibility of further significant upside.
- The volume bar accompanying the recent price surge appears significantly higher than the average volume of the preceding consolidation period. This **confirms the strength of the upward move** and adds conviction to the breakout.

DISCLAIMER:

Guidelines on Report:

- It is recommended to enter in a staggered manner within the prescribed range provided in the report.
- Once the recommendation is executed, it is advisable to keep strict stop loss as provided in the report on closing basis
- The suggestion is valid for 3-5 months; if we want to carry subsequent positions, we will contact via mail or other mode of communications.
- Once target1 achieved, use trailing stop loss of recommended average price.

Portfolio Allocation:

- It is not recommended to allocate entire corpus to a single stock or product without first understanding the risk and return associated with that stock or product.
- It is recommended to diversify the corpus in a proportionate manner among various tech-funda research reports and other reports as stated

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Fin2Research Investment Advisor Pvt Ltd (FIA)

CIN: U70200DL2023PTC413207IA

Registration No: INA000018425

Registered Office: Plot No A 2nd Floor, Street New Bungalow Road, Malka Ganj, Delhi North Delhi, 110007 Delhi

Phone no: 9711885801

Email id: customer@fin2research.com

Website: www.fin2research.com

For Research Query- researchdesk@fin2research.com