

## Techno Funda : Buy Bajaj Finance Limited

Date : 11/04/25

Buy Range : @ ₹8,900-₹9,000

Target : 1st@₹9,400 , 2nd @₹10,500

**Bajaj Finance Ltd:** Bajaj Finance Ltd, a holding company within the Bajaj Group, serves as the parent organization for a diverse range of financial services businesses operating in India. As a non-banking financial company (NBFC), it delivers payments, partnerships, services, and lending solutions to its customers. The company's business model emphasizes customer acquisition and the cross-selling of multiple loans and services to meet a variety of financial needs. Additionally, it supports discretionary spending on consumer electronics, furniture, and digital products within India. Its strategies and organizational structure closely mirror those of commercial banks, and it generates all of its revenue from domestic operations.

**Key Highlights:** Airtel and Bajaj Finance have formed a unique partnership, combining Airtel's 370 million customers and extensive distribution network with Bajaj Finance's 27 product lines and vast reach of 5,000+ branches and 70,000 field agents. Initially, Airtel will offer Bajaj Finance's retail financial products through the Airtel Thanks App, later expanding to its nationwide stores. This collaboration leverages both companies' digital assets to enhance financial product penetration.

Airtel customers can apply for the Airtel-Bajaj Finserv Insta EMI Card via the Airtel Thanks App and, later, through Airtel stores. The card provides access to Bajaj Finance's offers, flexible EMI options, and payment plans for purchasing electronics, furniture, and groceries at 1.5 lakh+ partner stores across 4,000+ cities. It is also valid for e-commerce transactions on multiple platforms.

Tunwal E-Motors has partnered with Bajaj Finance to offer customer financing at its dealerships across India, aiming to enhance electric vehicle accessibility and adoption. Through this collaboration, Tunwal becomes an authorized merchant under Bajaj Finance's loan program, enabling customers to secure financing directly at point-of-sale. The company clarified that the agreement does not impact its management or create additional liabilities.

Bajaj Finance is recalibrating its lending strategy in response to rising delinquencies in its used car loan segment. The company is tightening the approval and management processes for used car loans to mitigate credit risk. Additionally, it is scaling back its refinance segment, signaling a more cautious approach amid increasing defaults. These steps are part of a broader effort to improve asset quality and manage the risks associated with a challenging credit environment.

Bajaj Finance has launched its revamped platform, BFL 3.0, as part of its strategic initiative to expand its footprint in the credit market. The new platform is designed to enhance digital capabilities, streamline processes, and improve risk management, which the company expects will help it capture a 3.2–3.5% share of the total credit market by FY25. This move underscores Bajaj Finance's commitment to leveraging technology and innovation to drive growth and strengthen its competitive positioning in the evolving credit landscape.

Bajaj Finance is set to accelerate its push towards sustainable and secure operations. The company will focus on green finance, aiming to support eco-friendly projects and sustainable business practices. In tandem, it is adopting a zero trust cybersecurity strategy to strengthen its defenses against evolving threats. Additionally, the implementation of a multi-cloud platform is expected to modernize its IT infrastructure, ensuring greater agility and robust data management. These initiatives are part of Bajaj Finance's broader strategy to enhance operational resilience and drive innovation in a rapidly evolving financial landscape.

In Q3 FY25, the company's consolidated total income rose 10% to INR 32,042 crores, while profit after tax increased 3% to INR 2,231 crores. Adjusted for unrealized MTM gains and realized equity gains, PAT growth stood at 23%.

### Key Risks :

- ☐ The company's performance and interest rate income could be influenced by the prevailing interest rate risk within the economy.
- ☐ The economic slowdown has had an adverse impact on the company, resulting in slower growth in Assets Under Management (AUM) and unexpectedly elevated credit costs. Moreover, heightened competitive pressures pose the risk of losing market share and could potentially lead to a deceleration in AUM growth.

Stock Info	
Mkt Cap (cr)	554125.6
52-Weeks High/Low	9,260.05/6,375.70
Avg Volume	13,15,814
No. of eq shares (cr)	61.90
Face Values	2.00
Bse Code	500034
Nse Code	BAJFINANCE
Free Float (cr)	250797.26

Source : NSE/BSE

Particulars	2023	2024
Opex to NTI	35.12%	33.99%
GNPA	0.94%	0.85%
NNPA	0.34%	0.37%
PCR	64.00%	56.64%
Asset Coverage Ratio	1.18%	1.05%
ROA (Annualised)	5.31%	5.08%
ROE (Annualised)	23.46%	22.05%
Deposits % of Borrowings	20.61%	20.51%
Capital adequacy ratio	24.97%	22.52%
Tier-I Capital	23.20%	21.51%
P/E	29.62	30.68
P/B	6.24	5.84
EPS	189.57	235.98

Source : Company, Fin2Research

Particulars	2023	2024
Interest income	35550	48307
Fees and commission inc	4343	5267
Finance costs	12560	18725
Profit before tax	15528	19310
Profit after tax	11508	14451

Source : Company

Particulars	% of Total Shares
Promoters	54.70%
Mutual Funds/AIF	9.52%
Insurance co. & others	4.62%
Other DIIs	1.03%
FII	20.79%
Retails and Others	9.30%
Total	100.0%

Source : Company

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**Target : 1st @ ₹9400, 2nd @ ₹10,500**



**Recent Trend:** After a period of consolidation and some downward pressure, BAJFINANCE appears to be showing signs of a potential upward reversal. The price has broken above a recent high, suggesting bullish momentum.

**20-day Moving Average (MA) - 8761.68:** The current price (8959) is trading **above** the 20-day MA (8761.68). This is a **bullish sign**, indicating that the short-term trend is now upwards.

**50-day Moving Average (MA) - 8771.51:** The current price (8959) is also trading **above** the 50-day MA (8771.51). This further strengthens the bullish sentiment, suggesting that the medium-term trend might also be turning upwards. Notably, the 20-day MA is about to cross above the 50-day MA (or might have just crossed), which is a bullish signal known as a "Golden Cross."

**Bollinger Bands :** Trading near the upper band can suggest increasing bullish momentum. If the price breaks above the upper Bollinger Band, it could indicate a strong upward move, but it might also signal short-term overbought conditions.

The divergence is negative ( $-19.83 < 0$ ). This suggests that the MACD line is below the signal line, indicating potential weakening bullish momentum or a possible bearish crossover in the near future. This is a point of caution.



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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: [customercare@fin2research.com](mailto:customercare@fin2research.com)Website: [www.fin2research.com](http://www.fin2research.com)For Research Query- [researchdesk@fin2research.com](mailto:researchdesk@fin2research.com)