BAJAJ FINANCE LIMITED

July 29, 2019

Bajaj FinServ Limited

Current Price: ₹ 3265.85

STOCK DATA

BSE Code	500034
NSE Symbol	BAJFINANCE
Reuters	BJFN.BO
Bloomberg	BAF IN

VALUE PARAMETERS

52 W H/L(Rs)	3761.35/1912.00
Mkt. Cap.(Rs Cr)	189384.75
Latest Equity(Subscribed)	115.98
Latest Reserve (cons.)	19581.65
Latest EPS (cons.) -Unit Curr.	75.09
Latest P/E Ratio -cons	43.49
Latest Bookvalue (cons.) -Unit Curr.	339.68
Latest P/BV - cons	9.61
Dividend Yield -%	0.12
Face Value	2

SHARE HOLDING PATTERN (%)

Description as on	% of Holding (AS ON 30 Jun 2019)
Foreign	22.11
Institutions	8.26
Govt Holding	0.00
Non Promoter Corp. Hold.	1.79
Promoters	58.26
Public & Others	9.58

Consolidated Financial Results

In Cr.

	Qtr Ending Jun.2019	Qtr Ending Jun. 2018	Var. (%)
Income from operations	5801.25	3936.24	47
Other Income	7.04	1.53	360
Total Income	5808.29	3937.77	48
Interest Expended	2113.36	1359.09	55
Operating Expense	1229.80	925.72	33
Operating Profits	2465.13	1652.96	49
Depreciation / Amortization	62.97	28.87	118
Provisions and Write-offs	550.74	326.75	69
PBT	1851.42	1297.34	43
Tax Expense	656.17	461.45	42
PAT	1195.25	835.89	43
EPS	20.70	14.52	

Bajaj Finance Ltd.'s disbursements to small businesses and consumers fell on stricter lending criteria amid a consumption slowdown even as the non-bank lender met profit estimates in the June quarter.

Bajaj Finance has continued to post robust 43% growth in the net profit to Rs 1195.25 for the quarter ended June 2019 (Q1FY2020). Income from operations on a standalone basis increased 47% to Rs 5801.25 crore, while other income jumped 360% to Rs 7.04 crore. Total income moved up 48% to Rs 5808.29 crore in the quarter ended June 2019. Interest expenses rose at higher pace of 55% to Rs 2113.36 crore. NII of the company galloped 43% to Rs 3695.00 crore in Q1FY2020.

Operating expenses increased 33% to Rs 1229.80 crore, allowing the operating profit to jump 49% to Rs 2465.13 crore. Depreciation moved up 118% to Rs 62.97 crore, while loan loss provisions increased 69% to Rs 550.74 crore in Q1FY2020. PBT increased 43% to Rs 1851.42 crore. Effective tax rate rose to 35.4% in Q1FY2020 from 35.6% in Q1FY2019. Net Profit of the company moved up 43% to Rs 1195.25 crore in the quarter ended June 2019.

AUM

AUM increased 41%, on yoy basis, to Rs 128,898 crore at the end June 2019 from Rs 91,287 crore at end December 2017. Consumer segment AUM increased 35% to Rs 49297 crore, while SME AUM moved up 34% to Rs 16229 crore. The commercial segment AUM has shown an improvement of 25% to Rs 14963 crore, while rural segments AUM surged 55% to Rs 10344 crore at end June 2019.

Deposit book jumped 60% to Rs 15084 crore end June 2019 from Rs 9427 crore end June 2018. The overall borrowings of the company increased 40% to Rs 94462 crore end June 2019 from Rs 67425 crore end June 2018.

Asset Quality

Consolidated Gross NPA, recognized as per extant RBI prudential norms and provisioned as per Expected Credit Loss (ECL) method prescribed in Ind AS, ebd June 2019 stood at 1.60% and net NPA ratio stood at 0.64%, compared with 1.54% and 0.63%, respectively a quarter ago.

The provisioning coverage ratio eased to 61% at end June 2019 from 60% a quarter ago, while increased from 69% a year ago.

Capital adequacy

The capital adequacy ratio of the company stood at 19.48% with the Tier ratio at 15.48% at end June 2019.

Book value of the company stood at Rs 361.8 per share at end June 2019, while adjusted book value stood at Rs 347.5 per share at end June 2019.

Bajaj Housing Finance

Bajaj Housing Finance is a 100% subsidiary of Bajaj Finance, registered with National Housing Bank as a Housing Finance Company. It offers full range of mortgage products such as home loans, loan against property and lease rental discounting to salaried & self employed customers. It also offers inventory finance and construction finance to developers. Its focused on mass affluent and above customer (salaried and self employed). The company has Rs 21745 crore of assets under management end June 2019 and it delivered a post tax profit of Rs 70 crore for Q1FY20.

Capital adequacy ratio of BHFL (including Tier II capital) stood at 23.17% end June 2019. Gross NPA and Net NPA, recognized as per extant NHB prudential norms and provisioned as per Expected Credit Loss (ECL) method prescribed in Ind AS, as of 30 June 2019 stood at 0.06% and 0.04% respectively.

Strategy is to create a balanced and sustained mix of borrowings. Borrowings stood at Rs 17710 crore with a mix of 52 : 48 between banks and money markets as of 30 June 2019.

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