

# HALF YEARLY REPORT

2024-25





## Dear Shareholder,

I am pleased to share with you the consolidated financial results of your Company for the half year ended 30 September 2024. Your Company has delivered consolidated half yearly profit after tax of ₹ 7,926 crore and its assets under management stood at ₹ 373,924 crore as at 30 September 2024 making it one of the largest and most diversified NBFCs in India. Both the subsidiaries of your Company viz. Bajaj Housing Finance Limited (BHFL) and Bajaj Financial Securities Limited (BFinsec) have also performed very well.

Your Company's subsidiary, namely BHFL, successfully concluded its Initial Public Offer (IPO) of ₹ 6,560 crore in H1 FY25 and registered a stellar IPO debut. This IPO included issuance of new equity shares amounting to ₹ 3,560 crore and an offer for sale by BFL amounting to ₹ 3,000 crore. BHFL equity shares were listed on stock exchanges on 16 September 2024. BFL's shareholding in BHFL now stands at 88.75%.

I am happy to share that your Company has made substantial progress across all aspects of its omnipresence strategy. It has the largest geographical spread amongst the NBFCs in India with presence across 4,245 locations as of 30 September 2024 including 100 locations which were added during the first half of the year. Bajaj Finserv App now has net installs of 61.67 MM as of 30 September 2024 of which, 9.26 MM were added during first half of the year.

Your Company has crafted a visionary blueprint (Long-Range Strategy) that reshapes it's ambition, strategy, approach, philosophy, goals of customer share, market share and profit share, and being technology and data-first. The blueprint envisages your Company to become a significant payments and financial services company in India over the medium term. This blueprint anticipates robust growth for India and your Company.

On the macro-economic front, the global economy has remained resilient and is expected to maintain stable momentum over the rest of the year despite the downside risks from intensifying geopolitical conflicts. India's gross domestic product (GDP) registered a growth of 6.7% in Q1 FY25, driven by private consumption and investment. India's GDP growth for fiscal 2025 is forecasted at around 7.2%.



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**Sanjiv Bajaj**  
Chairman



## Consolidated Financial Performance Highlights of H1 FY25 vs H1 FY24

- New loans booked during H1 FY25 grew by 12% to 20.66 MM from 18.47 MM in H1 FY24.
- Customer franchise grew by 20% to 92.09 MM as of 30 September 2024 from 76.56 MM as of 30 September 2023. Your Company's customer franchise grew by 8.45 MM in H1 FY25. Your Company estimates new customer addition to be 15-16 MM in FY25.
- Assets under management (AUM) grew by 29% to ₹ 373,924 crore as of 30 September 2024 from ₹ 290,264 crore as of 30 September 2023. New lines of businesses have started contributing to 2-3% of the AUM growth.
- Deposits book stood at ₹ 66,131 crore as of 30 September 2024 as compared to ₹ 54,821 crore as of 30 September 2023, a growth of 21%. Deposits constitute approximately 20% of consolidated borrowings as of 30 September 2024.
- Net interest income for H1 FY25 increased by 24% to ₹ 17,203 crore from ₹ 13,913 crore in H1 FY24.
- Net total income for H1 FY25 increased by 24% to ₹ 21,365 crore from ₹ 17,244 crore in H1 FY24.
- Total operating expenses to net total income for H1 FY25 was 33.3% as against 34.0% in H1 FY24. Your Company continues to optimise its operating expenses and rapidly implement GenAI capabilities to improve productivity.
- Pre-provisioning operating profit for H1 FY25 increased by 25% to ₹ 14,255 crore from ₹ 11,378 crore in H1 FY24.
- Loan losses and provisions for H1 FY25 was ₹ 3,594 crore as against ₹ 2,072 crore in H1 FY24.
- Profit before tax for H1 FY25 increased by 15% to ₹ 10,667 crore from ₹ 9,309 crore in H1 FY24.
- Profit after tax for H1 FY25 increased by 13% to ₹ 7,926 crore from ₹ 6,988 crore in H1 FY24.
- Gross NPA and Net NPA as of 30 September 2024 stood at 1.06% and 0.46% respectively, as against 0.91% and 0.31% as of 30 September 2023. Your Company has provisioning coverage ratio of 57% on stage 3 asset and 97 bps on stage 1 and stage 2 assets as of 30 September 2024.
- Capital adequacy ratio (including Tier-II capital) as of 30 September 2024 stood at 21.69%. The Tier-I capital was 20.90%.
- Your Company has a healthy liquidity surplus of ₹ 20,196 crore as of 30 September 2024.

**A synopsis of financial performance of subsidiaries is given below:**

### Bajaj Housing Finance Limited (BHFL)

- AUM crossed a milestone of ₹ 100,000 crore in H1 FY25. AUM grew by 26% to ₹ 102,569 crore as of 30 September 2024 from ₹ 81,215 crore as of 30 September 2023.
- Net interest income for H1 FY25 increased by 11% to ₹ 1,378 crore from ₹ 1,236 crore in H1 FY24.
- Net total income for H1 FY25 increased by 17% to ₹ 1,707 crore from ₹ 1,462 crore in H1 FY24.
- Loan losses and provisions for H1 FY25 was ₹ 15 crore as against ₹ 25 crore in H1 FY24.
- Profit before tax for H1 FY25 increased by 21% to ₹ 1,337 crore from ₹ 1,101 crore in H1 FY24.
- Profit after tax for H1 FY25 increased by 13% to ₹ 1,028 crore from ₹ 913 crore in H1 FY24.
- Gross NPA and Net NPA as of 30 September 2024 stood at 0.29% and 0.12% respectively, as against 0.24% and 0.09% as of 30 September 2023. BHFL has provisioning coverage ratio of 58% on stage 3 assets and 41 bps on stage 1 and stage 2 assets as of 30 September 2024.
- Capital adequacy ratio (including Tier II-capital) as of 30 September 2024 stood at 28.98%.

## Bajaj Financial Securities Limited (BFinsec)

- Customer franchise as of 30 September 2024 stood at approximately 833,000. BFinsec acquired approximately 134,200 customers in H1 FY25.
- Margin trade financing (MTF) book stood at ₹ 5,430 crore as of 30 September 2024 as against ₹ 2,056 crore as of 30 September 2023.
- Net total income for H1 FY25 was ₹ 223 crore as against ₹ 115 crore in H1 FY24.
- Profit before tax for H1 FY25 was ₹ 88 crore as against ₹ 23 crore in H1 FY24, registering 4x growth.
- Profit after tax for H1 FY25 was ₹ 68 crore as against ₹ 18 crore in H1 FY24.

## Update on key business developments and initiatives during the period

- Your Company increased its geographic presence from 4,145 locations as of 31 March 2024 to 4,245 locations as of 30 September 2024 by adding 100 locations in H1 FY25.
- Your Company expanded its distribution reach from more than 198,250 as of 31 March 2024 to more than 215,800 distribution points as of 30 September 2024 by adding 17,550 distribution points in H1 FY25.
- Your Company has made significant progress on download and adoption of its Bajaj Finserv App. It has 61.67 MM net users as of 30 September 2024.
- Your Company has made good progress on its payments strategy. 32.24 MM users have created UPI handles as of 30 September 2024.
- Existing Member Identification (EMI) card franchise stood at 55.3 MM Cards in force (CIF) as of 30 September 2024.
- Your Company has nearly 4.0 MM co-branded credit card in force, which have been issued in partnership with two banks as of 30 September 2024.
- Your Company has the highest credit rating of AAA/Stable from CRISIL, ICRA, CARE and India Ratings for its long-term debt programme and A1+ from CRISIL, ICRA, CARE and India Ratings for its short-term debt programme. Your Company's deposit programme also has the highest credit rating of AAA (Stable) from CRISIL and ICRA.
- Your Company has long-term issuer credit rating of BBB-/Stable and a short-term issuer credit rating of A-3 by S&P Global Ratings.
- On 17 October 2024, Moody's Ratings for the first time has assigned Baa3/P-3 long-term and short term foreign and local currency issuer ratings with stable outlook to your Company.
- As part of diversification of liabilities, your Company has availed ECB loans of USD 750 MM (equivalent to ₹ 6,297 crore) from banks and multi-lateral agency during H1 FY25. Total ECB loans outstanding as of 30 September 2024 is ₹ 12,321 crore.

Detailed updates on the above initiatives and achievements including progress of your Company's Omnipresence strategy are given in the investor presentations for **Q1** and **Q2** FY25. I urge you to refer to the same.

Summary of consolidated financial results is given in **Annexure A**.

India continues to be among the fastest growing economies and your Company is well positioned to participate in this growth.

I would like to thank you for your continued support and wish you and your family a very Happy Diwali and a prosperous New Year.

With my very best,

**Sanjiv Bajaj**

Chairman

29 October 2024

## Annexure A

## Highlights of the consolidated financial results for H1 FY25

(₹ In crore)

| Particulars  | H1<br>FY25    | H1<br>FY24    | Growth<br>HoH % | FY24          |
|--|---------------|---------------|-----------------|---------------|
| New loans booked (No. in million)                  | 20.66         | 18.47         | 12%             | 36.20         |
| Assets under management                            | 373,294       | 290,264       | 29%             | 330,615       |
| Assets under finance                               | 367,491       | 285,748       | 29%             | 326,293       |
| Interest income                                    | 29,036        | 22,553        | 29%             | 48,307        |
| Interest expenses                                  | 11,833        | 8,640         | 37%             | 18,725        |
| <b>Net interest income</b>                         | <b>17,203</b> | <b>13,913</b> | <b>24%</b>      | <b>29,582</b> |
| Fees and commission income                         | 2,951         | 2,651         | 11%             | 5,267         |
| Net gain on fair value changes                     | 252           | 161           | 57%             | 308           |
| Income on de-recognised loans and Sale of services | 247           | 34            | 626%            | 63            |
| Others*  | 712           | 485           | 47%             | 1,038         |
| <b>Net total income</b>                            | <b>21,365</b> | <b>17,244</b> | <b>24%</b>      | <b>36,258</b> |
| Operating expenses                                 | 7,110         | 5,866         | 21%             | 12,325        |
| <b>Pre-provisioning operating profit</b>           | <b>14,255</b> | <b>11,378</b> | <b>25%</b>      | <b>23,933</b> |
| Loan losses and provisions                         | 3,594         | 2,072         | 73%             | 4,631         |
| Share of profit of associates                      | 6             | 3             | 100%            | 8             |
| <b>Profit before tax</b>                           | <b>10,667</b> | <b>9,309</b>  | <b>15%</b>      | <b>19,310</b> |
| <b>Profit after tax</b>                            | <b>7,926</b>  | <b>6,988</b>  | <b>13%</b>      | <b>14,451</b> |
| <b>Profit after tax attributable to-</b>           |               |               |                 |               |
| Owner's of the Company                             | 7,912         | 6,988         | 13%             | 14,451        |
| Non-controlling interest                           | 14            | -             |                 | -             |
| Earnings per share (face value ₹ 2):               |               |               |                 |               |
| Basic (₹)  | 127.95        | 115.50        | 11%             | 236.89        |
| Diluted (₹)  | 127.60        | 115.04        | 11%             | 235.98        |

\* Others includes other operating income and other income



## OUR BUSINESS CONSTRUCT



### Ambition

To be a leading payments and financial services company in India with a customer franchise of over 150 million, market share of 3% of payments Gross Merchandise Value (GMV), 3%-4% of total credit in India and 4%-5% of retail credit in India.



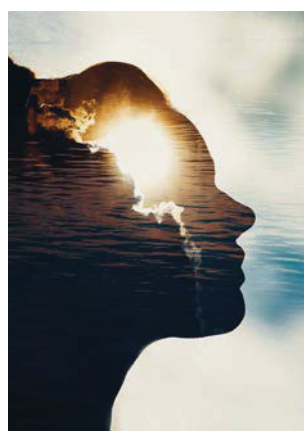
### Strategy

To be an omnipresent financial services company spanning across all consumer platforms – physical, app, web, social, rewards and virtual.



### Approach

To acquire customers and cross-sell payments, assets, deposits, insurance, investments, and broking products to efficiently meet their financial needs across all consumer platforms.



### Philosophy

To build businesses with a long-term view anchored on prudence and risk management to deliver 'through the cycle' return on equity of 21-23%.



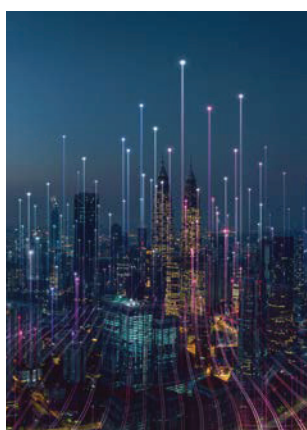
### Market share

To deliver sustainable growth and endeavour to be among the top five in respective product and sector.



### Profit share

To focus on profitable growth and endeavour to be among the top 20 profit-making companies in India and top five in financial services companies in India.



### Customer share

To grow BFL share of customer's wallet by offering all products and services in a frictionless manner and deliver highest Customer Satisfaction (CSAT) score and Products Per Customer (PPC).



### Technology and data-first

To create technology and data-first as an organisation culture to solve all problems. Be an early adopter and invest in emerging technologies and data practices to deliver sustained growth, superior customer experience, improved productivity, and robust controllership.



**Bajaj Finance Limited**

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