



# A STUDY ON FINANCIAL PERFORMANCE OF BAJAJ FINSERV LIMITED

**Dr.R. Mayilsamy<sup>1</sup>, Ms. M. Gowthami<sup>2</sup>**

<sup>1</sup>Associate Professor, Department of Commerce (PA), Dr.N.G.P Arts & Science College, Coimbatore.

<sup>2</sup>Student of III B.Com PA, Dr.N.G.P Arts & Science College, Coimbatore.

## ABSTRACT

The project titled "A Study on Financial Performance of Bajaj Finserv Limited" is a comprehensive analysis aimed at evaluating the financial performance of Bajaj Finserv Limited, a prominent financial services company. Through in-depth research and meticulous data analysis, the study focuses on key financial indicators, profitability ratios, and growth patterns to assess the company's overall financial health. By examining financial statements and performance trends over a specific period, this study provides valuable insights for investors, stakeholders, and management. The findings will aid in making informed decisions, enhancing transparency, and fostering a deeper understanding of Bajaj Finserv Limited's financial standing in the market.

**KEYWORDS:** Financial Performance, Ratio Analysis, Financial Positions, Current Ratio, Quick Ratio, Net Profit.

## INTRODUCTION

Financial performance analysis is the process of identifying the financial strengths and weaknesses of the firm by properly establishing the relationship between the items of balance sheet and profit and loss account. The study of financial statement is prepared for the purpose of presenting a periodical review or report by the management of and deal with the state of investment in business and result achieved during the period under review. Financial statement analysis can be undertaken either by the management of the firm or by the outside parties. The team financial statement includes at least two statements which the accountant prepares at the end of an accounting period. The two statements are: The Balance Sheet It helps a firm to identify short term and long-term growth forecasting. This analysis can be undertaken by management of the firm or by parties outside the namely, owner, creditors, investors.

## STATEMENT OF THE PROBLEM

The New generation banks are highly competitive, customer centric and Profit oriented. Therefore, these NBFCS are prone to more risks. The RBI has issued risk management guidelines for nbfc's for effective management of various risks such as credit risk, market risk, operational risk and integrated risk in 2014 with the view to enhance and strengthen their financial performance. Bajaj Finserv has achieved a steady growth within a short period of time. The nbfc's aims to build counter cyclical strategies and proactive risk management practices. The financial performance management framework at bajaj finserv is driven by well informed and knowledgeable board, largely comprised of independent directors and senior management. The board supervises the risk profile of the nbfc's, monitor the business and the existing control mechanisms, ensure expert management and maximize the interests of all the stakeholders. Thus, a study is done to understand the financial performance and risk management practices followed by Bajaj Finserv.

## OBJECTIVES OF THE STUDY

- To find the profitability, liquidity and solvency of the company.
- To find the financial position and its annual growth in order to make investment decisions.
- To measure the financial performance of the company.

## SCOPE OF THE STUDY

The study entitled "A study on the financial Performance of Bajaj Finserv limited" is to analyse the financial performance of Bajaj Finserv limited for the last 5 years (2017-2022). The study is based on the financial position of the firm by using Ratio analysis, financial statements help the Management to analyse profit, solvency, liquidity and Efficiency.



## RESEARCH METHODOLOGY

### RESEARCH DESIGN

Research Design is detailed blueprint used to guide the research study towards its objectives. The research design is for the study of descriptive and analytical in nature.

### SOURCE OF STUDY

The study is based on secondary data which includes the Annual reports of the Nonbanking financial institution.

### PERIOD OF STUDY

The present study covers the period of five years from 2017-2018, 2018-19, 2019-20, 2020-21 and 2021-2022.

### STATISTICAL TOOLS

- ✓ Current ratio
- ✓ Quick ratio
- ✓ Net profit ratio

## REVIEW OF LITERATURE

Dr. K. Prince Paul Antony and D. Bharath, (2022), Their study focused on financial performance of Bajaj Finserv. The main objective of this study is to measure the financial performance and to know the profit ability of the company. The study is based on the financial position of the firm by using ratio analysis, financial statements help the management to analyse profit, solvency, liquidity and efficiency. The study concluded that the company is in a good trend.

P. Bhaskar Yadav and Dr. K. Haritha, (2022), Their study focused on a Study on Ratio analysis of Bajaj Finserv with Reference to Sriram Bajaj. The main objective of the study is to study the Liquidity position of the company and profitability position of the company. Secondary source of data were used. The study concluded that the current ratio is in standard position, debtors turnover ratio is efficient and the financial performance of the company is in standard position.

K. Sai Dakshayani and Dr. P. Viswanath, (2022), Their study focused on a Study on Profitability analysis at Bajaj Finserv Ltd. The main objective of the study is to analyse the profitability in terms of sales and to examine the relationship of net profit and total assets efficiency. Secondary source of data were used for study. The study concluded that the growth of profitability of the company can be considered stable.

## BAJAJ FINSERV LIMITED

Bajaj Finance was initially incepted as Bajaj Auto Finance in 1987. Later diversified into business and property financing. Bajaj Allianz Life Insurance is a joint venture between Bajaj Finserv and Allianz SE. Being one of the private insurance companies in India, it offers insurance products for financial planning and security. The company received the Insurance Regulatory and Development Authority (IRDA) certificate of Registration on 3 August 2001 to conduct Life insurance Bajaj Allianz General Insurance is a private general insurance company in India. It is another joint venture between Bajaj Finserv Limited and Allianz SE. It is headquartered in Pune with offices in over 200 cities in India and more than 3,500 employees as of 2018.

## VISION

Its vision is to provide financial solutions for retail and SME customers through their life cycle - asset acquisition and lifestyle enhancement through financing, asset protection through insurance, family protection through life and health insurance, healthcare needs for the family, savings products, retirement planning and annuities. BFS, through its various businesses serves crores of customers by providing these solutions. In furtherance of this vision, BFS participates in various businesses through controlling stakes including.

## MISSION

We seek to play a pivotal role in addressing the unmet investment needs by delivering innovative products and solutions to our investors and help them meet their financial goals.



**CURRENT RATIO  
TABLE SHOWING CURRENT RATIO**

(Rs.in crores)

YEAR	CURRENT ASSETS	CURRENT LIABILITIES	RATIO
2017-2018	154079.52	62627.61	2.43
2018-2019	200741.76	107349.20	1.86
2019-2020	241440.17	125628.90	1.92
2020-2021	269460.60	137855.44	1.95
2021-2022	321358.14	157480.25	2.04

(SOURCES: SECONDARY DATA)

**INTERPRETATION**

The above table shows that the current ratio in the year 2017-2018 as 2.43 and then a decreased to 1.86 in the year 2018-2019, and increased to 1.92 in the year 2019-2020 and increased to 1.95 in the year 2020-2021 and increased to 2.04 in the year 2021-2022.

Current ratio of the company was highest 2.43 in the year 2017-2018 and lowest 1.86 in the year 2018-2019.

**QUICK RATIO  
TABLE SHOWING QUICK RATIO**

(Rs.in crores)

YEAR	CURRENT ASSETS- INVENTORY	CURRENT LIABILITIES	RATIO
2017-2018	154079.52	62627.61	2.43
2018-2019	200741.76	107349.20	1.86
2019-2020	241440.17	125628.90	1.92
2020-2021	269460.60	137855.44	1.95
2021-2022	321358.14	157480.25	2.04

(SOURCES: SECONDARY DATA)

**INTERPRETATION**

The above table shows that the quick ratio in the year 2017-2018 as 2.43 and then a decreased to 1.86 in the year 2018-2019, and increased to 1.92 in the year 2019-2020 and increased to 1.95 in the year 2020-2021 and increased to 2.04 in the year 2021-2022.

Quick ratio of the company was highest 2.43 in the year 2017-2018 and lowest 1.86 in the year 2018-2019.

**NET PROFIT  
TABLE SHOWING NET PROFIT RATIO**

(Rs.in crores)

YEAR	NET PROFIT	NET SALES	RATIO (%)
2017-2018	4175.06	32862.37	12.7
2018-2019	5372.49	42604.00	12.6
2019-2020	5992.94	54346.69	11.0
2020-2021	7367.56	60591.20	12.1
2021-2022	8313.89	68406.08	12.1

(SOURCES: SECONDARY DATA)

**INTERPRETATION**

During the period of 2017-2018, 2018-2019 and 2019-2020, increase in their profits arises as ratio 7.911, 9.17 and 11.47 respectively. But in 2020-2021 and 2021-2022, their net profit has been decreased to 8.669 and 8.467 respectively.

Net Profit ratio of the company was highest 11.47 in the year 2019-2020 and lowest 8.467 in the year 2021-2022.



## FINDINGS, SUGGESTIONS AND CONCLUSION

### FINDINGS

1. The Current Ratio of Bajaj Finserv Limited has been consistently increasing from 2017- 2018 to 2021-2022, indicating the company's ability to pay its short-term obligations.
2. The Quick Ratio has also shown a similar trend, indicating that the company has enough liquid assets to cover its immediate financial obligations.
3. The Net Profit Ratio has been relatively stable from 2017-2018 to 2021-2022, indicating that the company has been able to maintain its profitability.

### SUGGESTIONS

1. The decreasing trend in the Proprietary Ratio should be addressed by the company by increasing its equity capital to reduce its reliance on borrowed funds.
2. The company should focus on maintaining its profitability, optimizing its asset utilization, and effectively managing its inventory to ensure financial stability and growth.
3. Prioritize your tasks: Make a to-do list and prioritize your tasks based on their importance and urgency. This will help you stay focused and avoid feeling overwhelmed.
4. Take breaks: Taking regular breaks throughout the day can help you stay fresh and focused. Try taking a short walk, doing some stretching exercises, or simply taking a few minutes to relax and clear your mind.
5. Use productivity tools: There are many productivity tools and apps available that can help you stay organized and focused. Experiment with different tools to find the ones that work best for you.
6. Eliminate distractions: Try to eliminate as many distractions as possible when you're working. Turn off your phone, close unnecessary tabs on your computer, and let your colleagues or family members know that you need some uninterrupted time to work.

### CONCLUSION

In conclusion, being productive and effective is essential for achieving success and reaching your goals. By implementing the suggestions I have provided, such as setting clear goals, prioritizing tasks, and taking breaks, you can increase your productivity and achieve more in less time. Remember to also be kind to yourself and adjust your strategies as needed. With consistency and dedication, you can cultivate a productive mindset and accomplish great things.

### REFERENCE

1. Dr. K. Prince Paul Antony and D. Bharath, (2022), *A study on financial performance of Bajaj Finserv*, Volume 9, Issue 5, ISSN: 2347-4378.
2. P. Bhaskar Yadav and Dr. K. Haritha, (2022), *A study on Ratio analysis of Bajaj Finserv with reference to Sriram Bajaj, Tirupati*, Volume 3, Issue 9, ISSN: 2582-7421.
3. K. Sai Dakshayani and Dr. P. Viswanath, (2022), *A study on Profitability analysis at Bajaj Finserv Ltd*, Volume 4, Issue 9, ISSN: 2395-5252

### WEBSITE

1. [www.moneycontrol.com](http://www.moneycontrol.com)
2. [www.bajajfinserv.in](http://www.bajajfinserv.in)
3. [www.screener.in](http://www.screener.in)

### BOOKS

1. *Management Accounting – S. Chand*
2. *Financial Markets and Services – Gordon and Natarajan*