

October 18, 2017

## Bajaj Finance Limited

### Summary of rated instruments

Instrument*	Rated Amount (in Rs. crore)	Rating Action
Non-Convertible Debenture Programme	650.20	[ICRA]AAA(stable); withdrawn
Non-Convertible Debenture Programme	3,238.00	[ICRA]AAA(stable); outstanding
Subordinated Debt Programme	1,700	[ICRA]AAA(stable); outstanding
Commercial Paper Programme	15,000	[ICRA]A1+; outstanding
Fixed Deposit Programme	NA	MAAA (stable); outstanding
<b>Total</b>	<b>19,938.00</b>	

\*Instrument details are provided in Annexure-1

### Rating action

ICRA has withdrawn the rating of [ICRA]AAA(stable) (pronounced ICRA triple A) assigned to the Rs. 650.20 crore non-convertible debenture programme of Bajaj Finance Limited (BFL).

ICRA also has a rating of [ICRA]AAA(stable) outstanding for the Rs. 3,238 crore non-convertible debenture programme and the Rs. 1,700 crore subordinated debt programme, the rating of [ICRA]A1+ outstanding for the Rs. 15,000 crore commercial paper programme and the rating of MAAA(stable) outstanding for the fixed deposit programme of the company.

### Rationale

The withdrawal of ratings is at the request of the company as the debentures have been redeemed/amortized.

**Analytical approach:** Not Applicable

### Links to applicable criteria

[ICRA Policy on Withdrawal and Suspension of Credit Rating](#)

[ICRA's Credit Rating Methodology for Non-Banking Finance Companies](#)

### About the company

#### Bajaj Finance Limited

Bajaj Finance Limited is a non-banking finance company and a subsidiary of Bajaj Finserv Limited, with a total managed portfolio of Rs. 60,194 crore as on March 31, 2017. As on March 31, 2017, 29% of the company's portfolio was towards home loans and loans against property, 16% in personal loans, 11% in consumer durables, 9% in two- and three-wheelers manufactured by group company, Bajaj Auto Limited, followed by small business loans, loan against shares, rural finance, construction equipment, vendor financing, financial institutions lending and structured finance.

BFL reported a profit after tax (PAT) of Rs. 1,837 crore on an asset base of Rs. 63,725 crore in FY2017 vis-à-vis a profit after tax of Rs. 1,279 crore on an asset base of Rs. 44,229 crore in FY2016. The company reported gross NPAs of 1.68% as on March 31, 2017 (1.23 % as on March 31, 2016). During Q1FY2018, BFL reported a PAT of Rs. 602 on an asset base of Rs. 72,616 crore as compared to a PAT of Rs. 424 crore on an asset base of Rs. 51,108 crore in Q1FY2017.

During Q2FY2018, BFL raised equity to the tune of Rs. 4,500 crore through a Qualified Institutional Placement (QIP). The shareholding for Bajaj Finserv in BFL moderated to 55.13% as on September 30, 2017 from 57.80% as on March 31, 2017. Consequently, the capital adequacy ratio (CRAR) increased to 25.42% as September 30, 2017 as compared to 20.30% as on March 31, 2017.

### **Bajaj Finserv Limited**

Bajaj Finserv Limited is the holding company for the financial services businesses of the Bajaj group, and has investments in BFL, in the insurance joint venture companies Bajaj Allianz Life Insurance Company Limited and Bajaj Allianz General Insurance Limited, and in Bajaj Financial Solutions Limited, which is engaged in wealth management and advisory services. Bajaj Finserv held 57.94% stake in BFL as on March 31, 2017.

### **Financial Indicators:**

	<b>FY2016</b>	<b>FY2017</b>	<b>H1FY2017</b>	<b>H1FY2018</b>
Total Income	7,361	9,973	4,619	6,229
Profit after tax (PAT)	1,279	1,837	832	1,159
Net Worth	7,325	9,600	8,280	15,024
Total managed portfolio	44,229	60,194	52,332	72,139
Total managed assets	47,930	67,087	55,038	75,143
Return on managed assets (PAT/AMA)	3.1%	3.2%	-	-
Return on average net worth (PAT/Avg. net worth)	21.1%	21.7%	-	-
Gearing	5.0	5.2	5.2	3.5
Gross NPA%	1.23%	1.68%	1.58%	1.68%
Net NPA%	0.28%	0.44%	0.43%	0.51%
Net NPA/Net Worth	1.7%	2.6%	2.7%	2.3%
CRAR%	19.50%	20.30%	21.48%	25.42%

*\*Annualised (as per ICRA calculation)*

*#AMA – average managed asset*

*Note: NPA on March 31, 2016 recognized at 150+ days past due (DPD), as on September 30, 2016 and March 31, 2017 recognised at 120+ DPD and as on September 30, 2017 recognised at 90+ DPD*

*Source: Company; Amount in Rs. crore*

**Status of non-cooperation with previous CRA:** Not Applicable

**Any other information:** Not Applicable

**Rating history for last three years:  
Table:**

S. No.	Instrument	Current Rating (FY2018)			Chronology of Rating History for the past 3 years					
		Type	Rated Amount (Rs. crore)	October 2017	FY2018		FY2017			FY2016
					Jun-2017	Apr-2017	Feb-2017	Oct-2016	Jul-2016	Mar-2016
1	Non-Convertible Debentures	Long Term	650.20	[ICRA] AAA (stable) withdrawn	Upgraded to [ICRA] AAA (Stable) from [ICRA]AA+ (positive)	[ICRA] AA+ (Positive)	[ICRA] AA+ (Positive)	[ICRA] AA+ (Positive)	[ICRA] AA+ (Positive)	[ICRA] AA+ (Stable)
2	Non-Convertible Debentures	Long Term	3,238.00	[ICRA] AAA (stable)	Upgraded to [ICRA] AAA (Stable) from [ICRA]AA+ (positive)	[ICRA] AA+ (Positive)	[ICRA] AA+ (Positive)	[ICRA] AA+ (Positive)	[ICRA] AA+ (Positive)	[ICRA] AA+ (Stable)
3	Subordinated Debt Programme	Long Term	1,700	[ICRA] AAA (stable)	Upgraded to [ICRA] AAA (Stable) from [ICRA]AA+ (positive)	[ICRA] AA+ (Positive)	[ICRA] AA+ (Positive)	[ICRA] AA+ (Positive)	[ICRA] AA+ (Positive)	[ICRA] AA+ (Stable)
4	Commercial Paper Programme	Short Term	15,000	[ICRA] A1+	[ICRA] A1+	[ICRA] A1+ (rated amount enhanced to Rs. 15,000 crore from Rs. 10,000 crore)	[ICRA] A1+ (rated amount enhanced to Rs. 10,000 crore from Rs. 8,500 crore)	[ICRA] A1+ (rated amount enhanced to Rs. 8,500 crore from Rs. 6,500 crore)	[ICRA] A1+	[ICRA] A1+
5	Fixed Deposit Programme	FD	NA	MAAA (Stable)	MAAA (Stable)	MAAA (Stable)	MAAA (Stable)	MAAA (Stable)	MAAA (Stable)	MAAA (Stable)

**Complexity level of the rated instrument:**

ICRA has classified various instruments based on their complexity as "Simple", "Complex" and "Highly Complex". The classification of instruments according to their complexity levels is available on the website [www.icra.in](http://www.icra.in)

**Annexure-1**  
**Instrument Details**

ISIN No	Instrument	Date of Issuance	Coupon Rate	Maturity Date	Amount Rated	Current Rating and Outlook
					(Rs. crore)	
INE296A07AY3	Non-Convertible Debentures	15-Apr-14	10.00%	15-Apr-19	10.00	[ICRA]AAA(stable)
INE296A07BZ8	Non-Convertible Debentures	22-Aug-14	9.66%	22-Aug-19	10.00	[ICRA]AAA(stable)
INE296A07DD1	Non-Convertible Debentures	22-Sep-14	9.65%	10-Oct-17	4.40	[ICRA]AAA(stable)
INE296A07DT7	Non-Convertible Debentures	31-Oct-14	9.40%	31-Oct-19	175.00	[ICRA]AAA(stable)
INE296A07DU5	Non-Convertible Debentures	31-Oct-14	9.35%	31-Oct-17	15.00	[ICRA]AAA(stable)
INE296A07DW1	Non-Convertible Debentures	31-Oct-14	9.35%	25-Oct-17	28.00	[ICRA]AAA(stable)
INE296A07DX9	Non-Convertible Debentures	31-Oct-14	9.35%	7-Nov-17	15.00	[ICRA]AAA(stable)
INE296A07DY7	Non-Convertible Debentures	11-Nov-14	9.25%	11-Nov-19	15.00	[ICRA]AAA(stable)
INE296A07EA5	Non-Convertible Debentures	11-Nov-14	9.21%	1-Nov-17	10.00	[ICRA]AAA(stable)
INE296A07EB3	Non-Convertible Debentures	11-Nov-14	9.21%	15-Nov-17	35.00	[ICRA]AAA(stable)
INE296A07EC1	Non-Convertible Debentures	14-Nov-14	9.05%	16-Nov-17	83.00	[ICRA]AAA(stable)
INE296A07ED9	Non-Convertible Debentures	14-Nov-14	9.05%	20-Nov-17	60.00	[ICRA]AAA(stable)
INE296A07EE7	Non-Convertible Debentures	14-Nov-14	9.05%	21-Nov-17	14.00	[ICRA]AAA(stable)
INE296A07EF4	Non-Convertible Debentures	14-Nov-14	9.05%	24-Nov-17	10.00	[ICRA]AAA(stable)
INE296A07EJ6	Non-Convertible Debentures	21-Nov-14	9.05%	20-Nov-17	83.00	[ICRA]AAA(stable)
INE296A07EK4	Non-Convertible Debentures	21-Nov-14	9.05%	27-Nov-17	20.00	[ICRA]AAA(stable)
INE296A07EL2	Non-Convertible Debentures	21-Nov-14	9.05%	29-Nov-17	45.00	[ICRA]AAA(stable)
INE296A07EM0	Non-Convertible Debentures	21-Nov-14	9.05%	4-Dec-17	34.00	[ICRA]AAA(stable)
INE296A07EW9	Non-Convertible Debentures	28-Jan-15	8.90%	29-Jan-18	32.00	[ICRA]AAA(stable)
INE296A07EX7	Non-Convertible Debentures	28-Jan-15	8.90%	1-Feb-18	5.60	[ICRA]AAA(stable)
INE296A07EY5	Non-Convertible Debentures	28-Jan-15	8.90%	14-Feb-18	13.50	[ICRA]AAA(stable)
INE296A07GA0	Non-Convertible Debentures	10-Apr-15	8.90%	5-Apr-18	93.00	[ICRA]AAA(stable)

ISIN No	Instrument	Date of Issuance	Coupon Rate	Maturity Date	Amount Rated	Current Rating and Outlook
					(Rs. crore)	
INE296A07GB8	Non-Convertible Debentures	10-Apr-15	8.90%	9-Apr-18	40.00	[ICRA]AAA(stable)
INE296A07GC6	Non-Convertible Debentures	10-Apr-15	8.90%	10-Apr-18	206.80	[ICRA]AAA(stable)
INE296A07GD4	Non-Convertible Debentures	10-Apr-15	8.90%	19-Apr-18	45.00	[ICRA]AAA(stable)
INE296A07GE2	Non-Convertible Debentures	10-Apr-15	8.90%	2-May-18	50.00	[ICRA]AAA(stable)
INE296A07GF9	Non-Convertible Debentures	10-Apr-15	8.90%	11-Jun-18	40.00	[ICRA]AAA(stable)
INE296A07GG7	Non-Convertible Debentures	10-Apr-15	8.90%	20-Jun-18	37.30	[ICRA]AAA(stable)
INE296A07GH5	Non-Convertible Debentures	10-Apr-15	8.89%	11-Jun-18	150.00	[ICRA]AAA(stable)
INE296A07GI3	Non-Convertible Debentures	10-Apr-15	8.89%	20-Jun-18	150.00	[ICRA]AAA(stable)
INE296A07GJ1	Non-Convertible Debentures	10-Apr-15	8.95%	10-Apr-20	810.00	[ICRA]AAA(stable)
INE296A07GY0	Non-Convertible Debentures	23-Jun-15	8.90%	12-Jun-18	8.00	[ICRA]AAA(stable)
INE296A07GZ7	Non-Convertible Debentures	23-Jun-15	8.90%	18-Jun-18	11.50	[ICRA]AAA(stable)
INE296A07HA8	Non-Convertible Debentures	23-Jun-15	8.90%	19-Jun-18	40.00	[ICRA]AAA(stable)
INE296A07HB6	Non-Convertible Debentures	23-Jun-15	8.90%	16-Jul-18	21.90	[ICRA]AAA(stable)
INE296A07HC4	Non-Convertible Debentures	23-Jun-15	8.90%	7-Jan-19	10.00	[ICRA]AAA(stable)
INE296A07HJ9	Non-Convertible Debentures	23-Jul-15	8.90%	12-Jul-18	34.00	[ICRA]AAA(stable)
INE296A07HK7	Non-Convertible Debentures	23-Jul-15	8.90%	17-Jul-18	5.00	[ICRA]AAA(stable)
INE296A07HL5	Non-Convertible Debentures	23-Jul-15	8.90%	19-Jul-18	20.00	[ICRA]AAA(stable)
INE296A07HM3	Non-Convertible Debentures	23-Jul-15	8.90%	23-Jul-18	40.00	[ICRA]AAA(stable)
INE296A07HN1	Non-Convertible Debentures	23-Jul-15	8.90%	25-Jul-18	16.00	[ICRA]AAA(stable)
INE296A07HO9	Non-Convertible Debentures	23-Jul-15	8.90%	30-Jul-18	6.00	[ICRA]AAA(stable)
INE296A07HP6	Non-Convertible Debentures	23-Jul-15	8.85%	23-Jul-18	5.00	[ICRA]AAA(stable)
INE296A07HT8	Non-Convertible Debentures	14-Aug-15	8.80%	14-Aug-18	325.00	[ICRA]AAA(stable)
INE296A07HU6	Non-Convertible Debentures	14-Aug-15	8.80%	16-Aug-18	44.00	[ICRA]AAA(stable)

ISIN No	Instrument	Date of Issuance	Coupon Rate	Maturity Date	Amount Rated	Current Rating and Outlook
					(Rs. crore)	
INE296A07HV4	Non-Convertible Debentures	14-Aug-15	8.80%	21-Aug-18	32.00	[ICRA]AAA(stable)
INE296A07HZ5	Non-Convertible Debentures	29-Sep-15	8.80%	29-Sep-20	47.00	[ICRA]AAA(stable)
INE296A07HW2	Non-Convertible Debentures	20-Aug-15	8.90%	20-Aug-25	90.00	[ICRA]AAA(stable)
INE296A07HX0	Non-Convertible Debentures	20-Aug-15	8.80%	20-Aug-20	15.00	[ICRA]AAA(stable)
INE296A07HY8	Non-Convertible Debentures	14-Sep-15	8.80%	14-Sep-20	10.00	[ICRA]AAA(stable)
INE296A07IA6	Non-Convertible Debentures	13-Oct-15	8.70%	13-Oct-25	5.00	[ICRA]AAA(stable)
INE296A07IB4	Non-Convertible Debentures	13-Oct-15	8.65%	13-Oct-22	8.00	[ICRA]AAA(stable)
INE296A07CD3	Non-Convertible Debentures	2-Sep-14	9.45%	2-Sep-19	85.00	[ICRA]AAA(stable)
INE296A07JI7	Non-Convertible Debentures	26-Feb-16	8.80%	26-Feb-21	10.00	[ICRA]AAA(stable)
INE296A07JI7	Non-Convertible Debentures	26-Feb-16	8.80%	26-Feb-21	10.00	[ICRA]AAA(stable)
INE296A08359	Subordinated Debt	19-Apr-10	9.75%	19-Apr-20	55.00	[ICRA]AAA(stable)
INE296A08359	Subordinated Debt	6-May-10	9.75%	19-Apr-20	10.00	[ICRA]AAA(stable)
INE296A08425	Subordinated Debt	1-Jun-10	9.50%	1-Jun-20	50.00	[ICRA]AAA(stable)
INE296A08433	Subordinated Debt	2-Jul-10	9.45%	2-Jul-20	50.00	[ICRA]AAA(stable)
INE296A08466	Subordinated Debt	28-Sep-10	9.60%	28-Sep-20	27.50	[ICRA]AAA(stable)
INE296A08474	Subordinated Debt	29-Oct-10	9.55%	29-Oct-20	36.20	[ICRA]AAA(stable)
INE296A08490	Subordinated Debt	18-May-11	9.83%	18-May-21	50.00	[ICRA]AAA(stable)
INE296A08656	Subordinated Debt	14-Jun-12	10.21%	22-Aug-22	10.00	[ICRA]AAA(stable)
INE296A08656	Subordinated Debt	15-Jun-12	10.21%	22-Aug-22	15.40	[ICRA]AAA(stable)
INE296A08656	Subordinated Debt	20-Jun-12	10.21%	22-Aug-22	3.00	[ICRA]AAA(stable)
INE296A08656	Subordinated Debt	28-Jun-12	10.21%	22-Aug-22	2.60	[ICRA]AAA(stable)
INE296A08656	Subordinated Debt	25-Jul-12	10.21%	22-Aug-22	4.40	[ICRA]AAA(stable)
INE296A08656	Subordinated Debt	2-Aug-12	10.21%	22-Aug-22	4.00	[ICRA]AAA(stable)
INE296A08656	Subordinated Debt	17-Aug-12	10.21%	22-Aug-22	118.00	[ICRA]AAA(stable)
INE296A08672	Subordinated Debt	28-Jan-13	9.80%	28-Jan-23	49.70	[ICRA]AAA(stable)
INE296A08706	Subordinated Debt	26-Apr-13	9.65%	26-Apr-23	50.00	[ICRA]AAA(stable)
INE296A08714	Subordinated Debt	19-Sep-14	10.15%	19-Sep-24	452.50	[ICRA]AAA(stable)
INE296A08755	Subordinated Debt	21-Oct-15	8.94%	21-Oct-25	40.00	[ICRA]AAA(stable)
INE296A08763	Subordinated Debt	9-Nov-15	8.94%	7-Nov-25	250.00	[ICRA]AAA(stable)
NA	Fixed Deposit Programme	NA	NA	NA	-	MAAA (stable)
NA	Short-term Debt Programme	NA	NA	Less than 365 days	15,000.00	[ICRA]A1+

Source: Company

## Contact Details

### Analyst Contacts

**Karthik Srinivasan**

+91 22 61143 444

[karthiks@icraindia.com](mailto:karthiks@icraindia.com)

**Supreeta Nijjar**

+91 124 4545 324

[supreetan@icraindia.com](mailto:supreetan@icraindia.com)

**Amaan Elahi**

+91 22 6114 3448

[amaan.elahi@icraindia.com](mailto:amaan.elahi@icraindia.com)

**Prateek Mittal**

+91 22 6114 3425

[prateek.mittal@icraindia.com](mailto:prateek.mittal@icraindia.com)

### Relationship Contact

**Jayanta Chatterjee**

+91 80 4332 6401

[jayantac@icraindia.com](mailto:jayantac@icraindia.com)

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**Registered Office****ICRA Limited**

1105, Kailash Building, 11th Floor, 26, Kasturba Gandhi Marg, New Delhi 110001  
Tel: +91-11-23357940-50, Fax: +91-11-23357014

**Corporate Office****Mr. Vivek Mathur**

Mobile: +91 9871221122

Email: [vivek@icraindia.com](mailto:vivek@icraindia.com)

Building No. 8, 2nd Floor, Tower A, DLF Cyber City, Phase II, Gurgaon 122002  
Ph: +91-124-4545310 (D), 4545300 / 4545800 (B) Fax; +91- 124-4050424

**Mumbai****Mr. L. Shivakumar**

Mobile: +91 9821086490

Email: [shivakumar@icraindia.com](mailto:shivakumar@icraindia.com)

3rd Floor, Electric Mansion  
Appasaheb Marathe Marg, Prabhadevi  
Mumbai—400025,  
Board : +91-22-61796300; Fax: +91-22-24331390

**Kolkata****Mr. Jayanta Roy**

Mobile: +91 9903394664

Email: [jayanta@icraindia.com](mailto:jayanta@icraindia.com)

A-10 & 11, 3rd Floor, FMC Fortuna  
234/3A, A.J.C. Bose Road  
Kolkata—700020  
Tel +91-33-22876617/8839 22800008/22831411,  
Fax +91-33-22870728

**Chennai****Mr. Jayanta Chatterjee**

Mobile: +91 9845022459

Email: [jayantac@icraindia.com](mailto:jayantac@icraindia.com)

5th Floor, Karumuttu Centre  
634 Anna Salai, Nandanam  
Chennai—600035  
Tel: +91-44-45964300; Fax: +91-44 24343663

**Bangalore****Mr. Jayanta Chatterjee**

Mobile: +91 9845022459

Email: [jayantac@icraindia.com](mailto:jayantac@icraindia.com)

'The Millenia'  
Tower B, Unit No. 1004, 10th Floor, Level 2 12-14, 1 & 2,  
Murphy Road, Bangalore 560 008  
Tel: +91-80-43326400; Fax: +91-80-43326409

**Ahmedabad****Mr. L. Shivakumar**

Mobile: +91 9821086490

Email: [shivakumar@icraindia.com](mailto:shivakumar@icraindia.com)

907 & 908 Sakar -II, Ellisbridge,  
Ahmedabad- 380006  
Tel: +91-79-26585049, 26585494, 26584924; Fax:  
+91-79-25569231

**Pune****Mr. L. Shivakumar**

Mobile: +91 9821086490

Email: [shivakumar@icraindia.com](mailto:shivakumar@icraindia.com)

5A, 5th Floor, Symphony, S.No. 210, CTS 3202, Range  
Hills Road, Shivajinagar, Pune-411 020  
Tel: + 91-20-25561194-25560196; Fax: +91-20-  
25561231

**Hyderabad****Mr. Jayanta Chatterjee**

Mobile: +91 9845022459

Email: [jayantac@icraindia.com](mailto:jayantac@icraindia.com)

4th Floor, Shobhan, 6-3-927/A&B. Somajiguda, Raj  
Bhavan Road, Hyderabad—500083  
Tel:- +91-40-40676500