

Final Project

**“A STUDY OF NBFC WITH SPECIAL REFERENCE TO BAJAJ FINANCE IN
GONDIA DISTRICT”**

Submitted to

DMSR- G. S. College of Commerce & Economics, Nagpur

Affiliated to

**Rashtrasant Tukadoji Maharaj Nagpur University
Nagpur**

In partial fulfilment for the award of the degree of

Master of Business Administration

Submitted by

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Under the Guidance of

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NAAC Re-Accredited “A” Grade Autonomous Institution**



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CERTIFICATE

This is to certify that “**Mr. Sahil Uttam Rahangadale**” has submitted the project report titled Synopsis “**A STUDY OF NBFC WITH SPECIAL REFERENCE TO BAJAJ FINANCE IN GONDIA DISTRICT**”, towards partial fulfillment of **MASTER OF BUSINESS ADMINISTRATION** degree examination. This has not been submitted for any other examination and does not form part of any other course undergone by the candidate.

It is further certified that he/she has ingeniously completed his/her project as prescribed by DMSR - G. S. COLLEGE OF COMMERCE & ECONOMICS, NAGPUR affiliated to Rashtrasant Tukadoji Maharaj Nagpur University, Nagpur.

Prof. Kamlesh Thote
(Project Guide)

Dr. Sonali Gadekar
(Co-Ordinator)

Place: Nagpur

Date:

G.S. College of Commerce & Economics, Nagpur

DECLARATION

I here-by declare that the project with title “**A STUDY ON NBFC WITH SPECIAL REFERENCE TO BAJAJ FINANCES IN GONDIA DISTRICT** ” has been completed by me in partial fulfillment of MASTER OF BUSINESS ADMINISTRATION degree examination as prescribed by DMSR -G. S. COLLEGE OF COMMERCE & ECONOMICS, NAGPUR (NAAC Reaccredited “A” Grade Autonomous Institution) affiliated to Rashtrasant Tukadoji Maharaj Nagpur University, Nagpur and this has not been submitted for any other examination and does not form the part of any other course undertaken by me.

“Mr. Sahil Rahangdale”

Place: Nagpur

Date:

G.S. College of Commerce & Economics,
Nagpur

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With immense pride and sense of gratitude, I take this golden opportunity to express my sincere regards to **Dr. N.Y. Khandait**, Principal, G.S. College of Commerce & Economics, Nagpur.

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I will fail in my duty if I do not thank the non-Teaching staff of the college for their Co-operation.

I would like to thank all those who helped me in making this project complete and successful.

“Mr. Sahil Rahangdale”

Place: Nagpur

Date:

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INTRODUCTION OF NBFC

INTRODUCTION

- A Non-Banking Financial Company (NBFC) is a company registered under the Companies Act, 1956 engaged in the business of loans and advances, acquisition of shares/stocks/bonds/debentures/securities issued by Government or local authority or other marketable securities of a like nature, leasing, hire-purchase, insurance business, chit business but does not include any institution whose principal business is that of agriculture activity, industrial activity, purchase or sale of any goods (other than securities) or providing any services and sale/purchase/construction of immovable property. A non-banking institution which is a company and has principal business of receiving deposits under any scheme of arrangement in one lump sum or in instalments by way of contributions or in any other manner, is also a non-banking financial company (Residuary non-banking company).
- Nonbank financial companies (NBFCs), also known as nonbank financial institutions (NBFIs), are financial institutions that offer various banking services but do not have a banking license. Generally, these institutions are not allowed to take traditional demand deposits readily available funds, such as those in checking or savings accounts from the public.
- NBFCs do not form part of the payment and settlement system and cannot issue cheques drawn on itself;
- The list of registered NBFCs is available on the web site of Reserve Bank of India and can be viewed at www.rbi.org.in
- NBFCs facilitate lengthy credit periods to suit the long-term financial needs of the commerce, trade, infrastructure and construction companies, for accomplishing massive projects.
- They provide capital to various private companies, accelerating the growth of industries and thus improving the Gross Domestic Product (GDP) of the country.
- NBFCs typically have several advantages over banks due to their focus on niche segment, expertise in the specific asset classes, and deeper penetration in the rural and unbanked markets. However, on the flip side, they depend to a large extent on bank borrowings, leading to high cost of borrowings and face competition from banks which have lower cost of funds.
- The growing asset size of the NBFC sector has increased the need for risk management in the sector due to growing interconnectedness of NBFCs with other financial sector

intermediaries. The Reserve Bank of India (RBI) has been in the recent past trying to strengthen the risk management framework in the sector, simplify the regulations and plug regulatory gaps so as to prevent regulatory arbitrage between banks and NBFCs.

- The Reserve Bank of India released the 'Revised Regulatory Framework for NBFCs' on November 10, 2014 which broadly focuses on strengthening the structural profile of NBFC sector, wherein focus is more on safeguarding of the depositor's money and regulating NBFCs which have increased their asset-size over time and gained systemic important.

Definition

A non-banking institution which is a company and has principal business of receiving deposits under any scheme of arrangement in one lump sum or in instalments by way of contributions origin any other manner, is also a non-banking financial company.

NBFC means Non-Banking Finance Company and includes a Leasing Company, Housing Finance Company, Investment Bank, Discount House, Asset Management Company and Venture Capital Company.

What is difference between banks & NBFCs?

- NBFCs lend and make investments and hence their activities are akin to that of banks; however, there are a few differences as given below:
- NBFC cannot accept demand deposits;
- NBFCs do not form part of the payment and settlement system and cannot issue cheques drawn on itself Deposit insurance facility of Deposit Insurance and Credit Guarantee Corporation is not available to depositors of NBFCs, unlike in case of banks.

Growth in NBFC:

- The challenges faced by non-banks in access to funding following the credit cliff event in September 2018 and recent defaults by some large non-banks has only increased the risk aversion of lenders and investors.
- A clear differentiation is visible between groups of non-banks. At an overall level, players with a strong parentage are still getting funds, while those without any parentage continue to face challenges.
- Bifurcating this further, wholesale NBFCs without strong parentage are the worst hit. Home loan- and retail- focused non-banks are relatively better off.
- With all of this, growth in the second half of fiscal 2019 was around half of what was seen

in the first half.

There are a huge number of NBFCs operating in our country but here's a look at the current top 10 NBFCs in India:

1. Power Finance Corporation Limited
2. Shriram Transport Finance Company Limited
3. Bajaj Finance Limited
4. Mahindra & Mahindra Financial Services Limited
5. Muthoot Finance Ltd
6. HDB Finance Services
7. Cholmondeley
8. Tata Capital Financial Services Ltd
9. L & T Finance Limited
10. Aditya Birla Finance Ltd.

COMPANY PROFILE



BAJAJ FINANCE LIMITED

- Bajaj Finance Ltd. (BFL) is a deposit taking Non-Banking Financial Company (NBFC) registered with the RBI. Headquartered in Pune. It is a subsidiary of Bajaj Finserv Ltd. And is engaged in the business of lending and acceptance of deposits. BFL has a diversified lending portfolio across retail, SMEs and commercial customers with significant presence in urban and rural India.
- The Company's product offering includes Consumer Durable Loans, Lifestyle Finance, Digital Product Finance, Personal Loans, Loan against property, Small Business Loans, Construction Equipment Loans, Loan against Securities and Rural Finance which includes Gold Loans and Vehicle Refinancing Loans along with Fixed Deposits and Advisory Services. The Reserve Bank of India classified the company as an Asset Finance Company.
- Bajaj Finance Limited, the lending and investment arm of Bajaj Finserv group, is one of the most diversified NBFCs in the Indian market catering to more than 38 million customers across the country. Apart from being the largest financier of consumer durables in India, BFL is also one of the most profitable firms in this category.

Type	Public
Key people	Sanjiv Bajaj , Rajeev Jain
Products	Lending, Fixed Deposits, Mutual Funds
Revenue	US\$715 million
Parent	Bajaj Finserv Ltd

- Bajaj finserv limited is the holding company for the financial services businesses of the Bajaj group. Its insurance joint ventures with Allianz se, Germany namely Bajaj Allianz Life Insurance Company limited and Bajaj Allianz general insurance company limited are engaged in life and general insurance business respectively.
- At Bajaj finserv, they operate with a simple philosophy of never settling for good, and always aiming for great. Their wide and growing portfolio of products across lending.

FINANCE

Bajaj Finance Limited is the consumer finance lending arm of Bajaj Finserv Limited. It is the most diversified non-bank in the country, the largest financier of consumer durables in India and one of the most profitable firms in the category.

INSURANCE

Bajaj Finserv Limited forayed into insurance through a joint venture with Allianz SE, Germany, and formed Bajaj Allianz Life Insurance Company Limited and Bajaj Allianz General Insurance Company Limited. Allianz SE has over 119 years of financial experience and is present in over 70 countries around the world.

WEALTH

Bajaj Finserv Wealth Management provides simple and effective long term financial planning concepts and tools for assisting our customers in making informed decisions for their saving and investment need.

COMPANY HISTORY

BAJAJ FOUNDING FATHER SHRI JAMNALAL BAJAJ (4 November 1889 – 11 February 1942) was an industrialist, a philanthropist, and freedom fighter. He was a close associate and follower of Mahatma Gandhi who is known to have adopted him as his fifth son. He founded the Bajaj Group of companies in 1926 which now has 24 companies, including 6 listed ones.

Bajaj group what started off as a sugar manufacturing factory in 1931 has grown to become one of the country's largest business houses. with activities that encompass a whole range of industries, spanning automobiles (two-wheelers and three-wheelers), home appliances, lighting, iron and steel, insurance, travel and finance. At the turn of the new millennium, this business

conglomerate is ranked amongst one of the largest business family in India by the Centre for monitoring Indian economy. It has under its umbrella over 25 companies and strength of over 25000 employees. It's core strength, however, is the unshakeable foundation based on its tradition of trust.

Bajaj Finserv was formed in April 2007 as a result of its demerger from Bajaj Auto Limited to act as a pure play financial services business. The process of demerger was completed in Feb 2008. This demerger was not only to unlock values in the high growth business areas of Auto, Insurance, Finance sectors and Wind Power but also to run independently these core businesses and to strengthen the competencies. The wind power project, the stakes in the life and general insurance companies and consumer finance along with their respective assets and liabilities got vested in Bajaj Finserv Limited. In addition to that cash and cash equivalent of INR 8,000 million (then market value) was also transferred to the company. The demerger has enabled investors to hold separate focused stocks and also facilitate transparent benchmarking of the companies to their peers in their respective industries. The constantly changing demographics and dynamics of the Indian economy, has led to creation of various needs of the average Indian customer. The Indian customer now demands proper avenues of channelizing their savings, financial protection and is also desirous of spending more on valuable goods and services. All these wants need to be met by dynamic players in the financial services space. Bajaj Finserv was formed specifically to cater to these needs. The company was also formed to touch and improve the lives of a growing number of people in the country, and in doing so, deliver superior corporate values to its shareholders. The operating companies carry with them the Bajaj brand, which carries with its decades of commitment to business ethics, integrity and highest standards of fiduciary responsibility.

Vision and Mission of the Bajaj Finance Vision:

Bajaj Finserv has a vision to become a full-fledged financial services company and be the financial partner to the Indian consumer and help him across his financial needs, whether for finance, for investment management, for protection or for post-retirement support, throughout his lifecycle.

Mission:

Bajaj Finserv aims to be the most useful, reliable and efficient provider of Financial Services. It is our continuous endeavor to be a trustworthy advisor to our clients, helping them achieve their financial goals.

BAJAJ GROUP OF COMPANIES: -

- Bachhraj & Company Pvt. Ltd.
- Bachhraj Factories Pvt. Ltd.
- Bajaj Allianz General Insurance Company Ltd
- Bajaj Allianz Life Insurance Company Ltd.
- Bajaj Auto Finance Ltd.
- Bajaj Auto Holdings Ltd.
- Bajaj Auto Ltd.
- Bajaj Electricals Ltd.
- Bajaj Finserv Ltd.
- Bajaj Holdings & Investment Ltd.
- Bajaj International Pvt. Ltd.
- Bajaj Sevashram Pvt. Ltd.
- Bajaj Ventures Ltd.
- Baroda Industries Pvt. Ltd.

- Hercules Hoists Ltd.
- Hind Lamps Ltd.
- Hind Musafir Agency Ltd.
- Jamnalal Sons Pvt. Ltd.
- Jeevan Ltd.
- Maharashtra Scooters Ltd.
- Mukand Engineers Ltd.
- Mukand Global Finance Ltd.
- Mukand International Ltd.
- Mukand Ltd.

Products / Services Offered by Bajaj Finance

Consumer Finance:

Durable Finance: A finance option for purchase of household items like washing machines, refrigerators, air-conditioner, LED TVs, microwaves, furniture etc. consumers can avail up to Rs.4 lakh with the Bajaj Finserv EMI Network. Consumers can get up to 100% funding of purchase at zero or low interest rates and pick a convenient tenor and repay in easy EMIs.

Lifestyle Finance: Financing options through easy EMI loans offered to purchase home appliances, personal appliances, groceries, fashion and accessories, travel, healthcare fitness and health that give hassle-free access to affordable luxury, with payment convenience at every avenue.

Digital Product Finance: Customers can buy products affordably on the Bajaj Finserv EMI Network. With more than 80,000 stores customers can just walk in partner stores, select the electronics, mobile, appliance or any other product, talk to the representative, and convert the

cost of the purchase into easy EMIs.

EMI Card: EMI Network Card comes with a pre-approved loan of up to Rs.4 lakh that customers can use across any of Bajaj Finserv's 60,000+ partner stores in more than 1,300 cities. It comes with features like flexible tenors ranging from 3 – 24 months, nil foreclosure charges, and one time document submission to allow shopping favorite products on EMI from top e-commerce platforms.

Two & Three-Wheeler Finance: Offering two and three-wheeler finance at Bajaj showrooms and other authorized service stations across the country BFL offers customers vehicle loans for the purchase of the favorite Bajaj Motorcycles among all variants namely Pulsar, Avenger, Discover, Platina and the latest V besides KTM motorcycles. It also provides easy and attractive financing schemes for the wide range of Bajaj RE three wheelers.

Personal Loan: Borrow up to Rs 25 lakh collateral free Personal Loan by just meeting simple eligibility criteria and submitting basic documents. Customers can avail money with an online personal loan application approved instantly while providing them with flexible repayment tenors ranging from 12 months to 60 months.

Loan against FD: A secured loan offered against the FDs, it comes at low interest rates, quick loan processing, flexible repayment options and minimal documentation with no foreclosure or part-prepayment charges.

Gold Loan: A loan offered against the gold customers own, gold loan helps customers meet their financial needs with a high loan limit of Rs. 20 lakhs, at attractive interest rates, with flexible repayment option and no charges on part-prepayment or foreclosure to make the loan affordable.

Home Loan: Home Loans up to Rs. 3.5 crore at lowest interest rate in India with added features like additional top-up loan and doorstep service. Bajaj Home Loan comes with Easy Balance Transfer Facility, minimal documentation and faster processing. Flexible tenor and no charges on part-prepayment or foreclosure and PMAY assistance makes the loan affordable.

Retail EMI: Retail EMI option offers easy financing on electronics & home appliances like smart phone, TV, washing machine, air conditioner, laptop, air cooler etc., furniture, lifecare service,

groceries, clothes, accessories and more. No hidden charges, simply divide the cost of the purchase into easy instalments. This can be availed through across the retail network of Bajaj Finance Ltd.

Retailer Finance: An exclusive finance option for the retail partners, it will help them avail finance for acquiring inventory from the manufacturers. The retailers are assigned a pre- approved credit line which they can use any time they want and are the first time ever that non-collateral-based financing option has been introduced for the retailers.

E-commerce: Bajaj Finserv has partnered with the leading e-commerce platforms to offer all products on EMIs. EMI Network Card allows purchasing products and get benefits such as loans with zero down payment, convenient repayment tenor of up to 12 months, hassle-free service, and more. With the No Cost EMI facility, one can simply divide the cost of your product into easy monthly instalments and pay nothing extra.

Commercial Lending:

Vendor Financing: With Vendor Financing consumer can pay vendors on time and ensure a smooth flow of business operations. It offers vendors with a high loan amount up to 30 lakh, Flexi loan facility along with faster process and quick disbursal.

Loans against Securities: Loan Against Securities is a hassle-free way to get funds without liquidating the assets. With loan up to Rs 10 crore and Nil Part Payment/Foreclosure Charges it is supported by dedicated relationship manager who is available 24/7 to assist customers with all the requests.

Financial Institutions Lending:

Light Engineering Finance: A personal financing option that provides customers access to a large amount of funds. The loan offers funds up to ₹3.5 crore to meet personal expenses like wedding, home renovation, vacation and education costs or to consolidate existing debts into one easy loan.

Corporate Finance:

Warehouse Financing: Loans for warehouses where SME owners can fund warehouse

operations by stocking the right amount of inventory or open a new one to cater to new markets. It comes with affordable financing up to Rs 30 lakh and hassle-free unsecured financing.

Investment:

Fixed Deposit: One of the safest investment options, fixed deposit enables to take control of investments with flexibility and offers guaranteed returns. Investors can easily choose a tenor between 12 months and 60 months, as per their financial needs.

Mutual Funds: Bajaj Finance Mutual Funds comes with Low risk, high returns and diversification, making investment profitable. It comes with small investment option, which is professionally managed keeping complete transparency and interactivity. It has low transaction costs and investment that can be liquefied at any time, unless they have specified lock-in period.

SME Finance:

Home Loan: Home loan up to Rs. 3.5 crore at lowest interest rate with added features like additional top-up loan and doorstep service. It comes with additional benefits like lower interest rate of just 6.93%* under Pradhan Mantri Awas Yojna (PMAY), easy balance transfer facility, top-up loan, property dossier, flexible tenor, customized insurance schemes and minimal documentation.

Loan against Property: It enables one to finance child's education, managing wedding expenses, expanding business, or even handling unforeseen medical expenses with customized property loan to salaried and self-employed individuals at affordable interest rate.

Gold Loan: Gold Loans to salaried or self-employed individuals and also to firms and companies. The loan promises to be reliable, hassle-free, with excellent financial service and the sanction process is simple and instantaneous.

Business Loan: With business loan SME owner can use funds to invest in infrastructure, expand operations, upgrade to the latest plant and machinery, maintain inventory, or to increase working capital. It comes with features and benefit like affordable large capital, flexi loan facility, no collateral and can be availed for a sum up to Rs 30 lakh for short term needs.

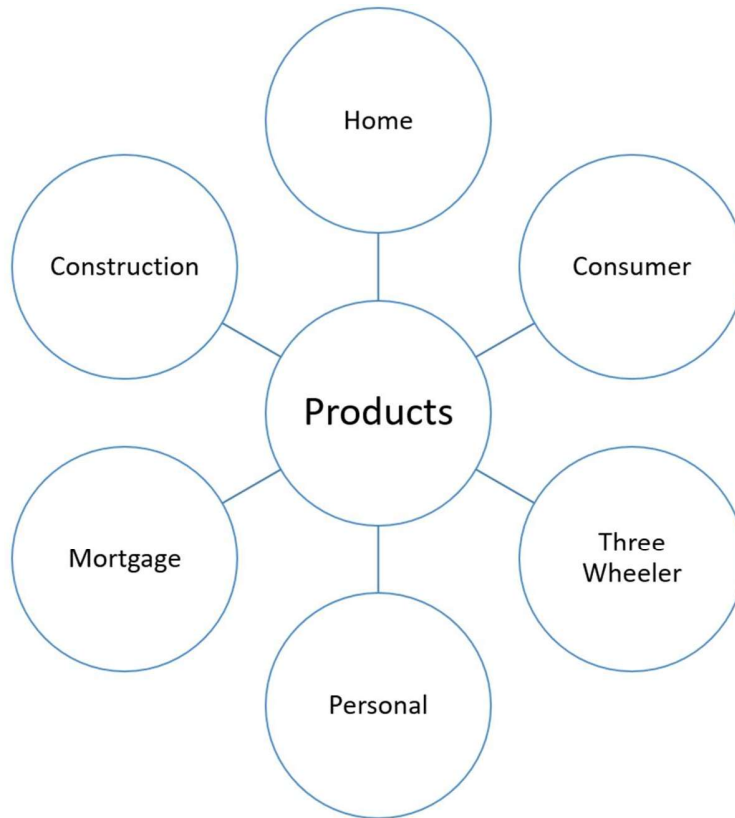
Loan Against Shares: The loan offers quick secured financing, of up to Rs. 10 crores against Securities, mutual funds, insurance, or bonds, stocks, shares (equity shares & demit shares and more) for all the financial needs for diversifying financial needs. It comes with benefits like dedicated 24/7 relationship manger, nil part payment/foreclosure charges and wide list of approved securities.

Professional Loan: A loan to professionals like Doctors, Chartered Accountants and engineers to cater the unique need of every professional. It comes with flexi loan facility, quick processing and hassle-free application. The loan ranges from Rs 2 crore to 25 lakhs depending up the profession of the applicant.

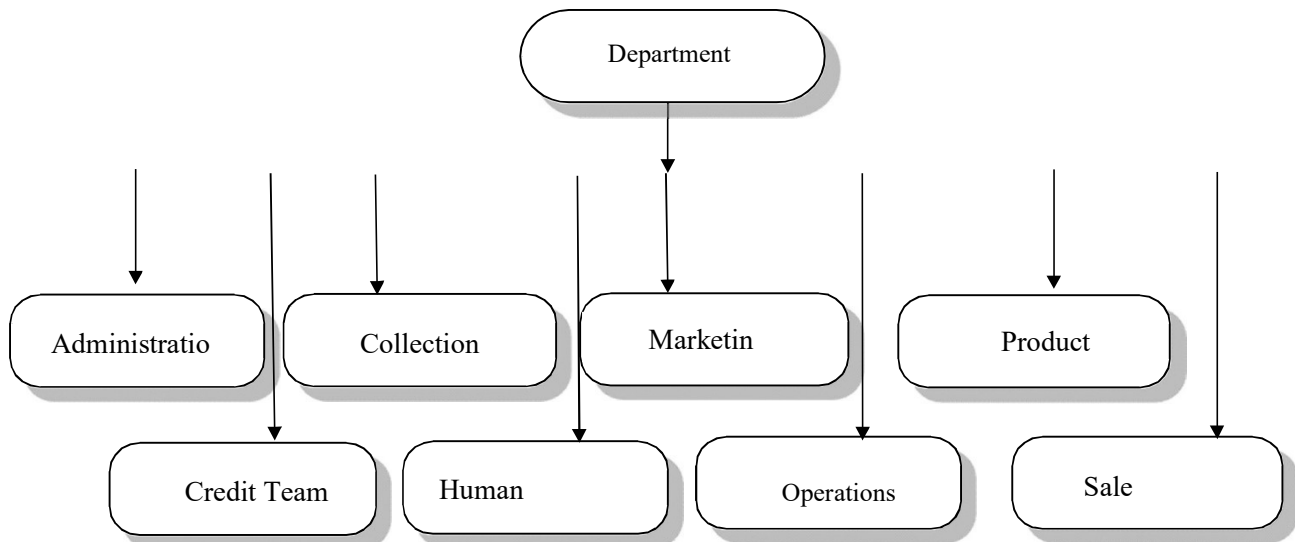
Working Capital Loans: A Working Capital Loan is a loan to help businesses fund their day-to-day or short-term operations like procure raw materials, purchase inventory, pay for overhead costs, finance blocked payments from debtors, supplier payment in advance and to maintain a healthy level of cash. Unsecured working capital loan can be availed up to Rs 30 lakh with benefits like hassle-free approval with 24 hours, flexible withdrawals and repayments.

Developer Finance: Developer Finance is a mortgage variant offering financial assistance to developers for meeting their project construction costs and corporate term loans for their working capital requirements. It comes with features and benefits like Loan amount up to Rs.150 crore, more than 100 developers in the portfolio and experienced, dedicated local relationship manager in every location to offer customized solutions.

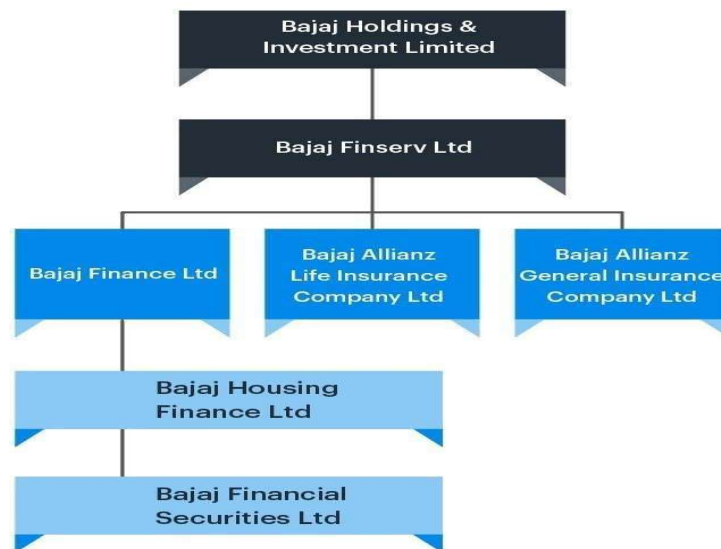
Used Car Finance: Fund pre-owned car purchase in a smart, quick and hassle-free way with Used Car Finance. It offers asset-based loan up to 90% of the car valuation at an attractive rate of interest rates. It comes with doorstep facility with instant approval and end-to-end car care services facility.



Different Department



Structure of Organization



Organizational Hierarchy

A key issue in accomplishing the goals identified in the planning process is structuring the work of organization. Organizations are group of people, with ideas and resources working toward common goals. The purpose of the organizing function is to make the best use of the organizations resources to achieve organizational goals. Organizational Structure is the formal decisions making framework by which job tasks are divided, grouped and coordinated. Formalization is an important aspect of structure. It is the extent to which the unit of organization is explicitly defined and its policies, procedures and goals are clearly stated. It is the official organizational structure conceived and built by top management. The formal organization can be seen and represented in chart form. An organization chart displays the organizational structure and shows job titles, lines of authority and relationship between departments. Organizational Structure allows the expressed allocation of responsibilities for different functions and processes to different entities. Ordinary description of such entities is as branch site, department, work group and single group of people.

Name	Designation
Late Rahul Bajaj	Chairman Emeritus
Sanjiv Bajaj	Chairman and Managing Director
Madhur Bajaj	Non-Executive Director
Rajeev Jain	Managing Director
Rajiv Bajaj	Non-Executive Director
D.J Balaji Rao	Independent Director
Dr. Naushad Forbes	Independent Director
Anami N. Roy	Independent Director
Pramit Jhaveri	Independent Director
Radhika Haribhakti	Independent Director

Personal Loan Interest Rates & Charges

Types of Fees	Charges Applicable
Interest Rate	13% onwards
Processing Fees	Up to 4% of the loan amount (inclusive of GST)
Penal Interest	Any delay in payment of monthly instalment/EMI shall attract penal interest at the rate of 2% to 4% per month on the monthly instalment/EMI outstanding, from the date of default until the receipt of monthly instalment/EMI.
Part-prepayment charges	2% + applicable taxes on part-payment amount Paid
Bounce Charges	Rs. 600 - Rs. 1,200 per bounce (inclusive of applicable taxes)
Stamp duty	At actual. (As per state)
Mandate Rejection Charges	Rs. 450/- (inclusive of applicable taxes per month from the first month of due date for mandate rejected by customer's bank until the new mandate is registered)

Annual Maintenance Charges

Loan Variant	Charges
Flexi Term and Hybrid Loan	0.25% plus applicable taxes, on the total withdraw able amount irrespective of utilization on date of levy of such charges

Personal Loan Foreclosure Charges

Loan Variant	Charges
Term Loan	4% plus applicable taxes on the principal outstanding amount as on the date of such full pre-payment.
Flexi Term and Hybrid loan	4% plus applicable taxes on total withdrawable amount

REVIEW OF LITERATURE

Review of Literature

Wruck (2015) argue in the newspaper of theirs, "Financial Conservatism: Evidence on Capital Structure out of Low Leverage Firms", which traditional businesses have comparatively excessive cost to reserve as well as run comparatively frequently inside industries to become responsive to affordable distress. They feel the former feature is coherent with a big body of previous procedure documenting a complete opposite connection between cost to reserve influence as well as worth.

Thilakam and Saravanan (2018) write on "CAMEL Analysis of NBFCs in Tamil Nadu" in 'International Journal of Business and Administration Research Review'. Financial intermediation is a crucial function of Banks, Non-Banking financial companies (NBFCs) and Development Financial Institutions (DFIs) the post reform period in India is characterized by phenomenal growth of NBFCs complementing the role of banks in mobilizing funds and making it available for investment purposes. During the last decade NBFCs have undergone wide volatility and change as an industry and have been witnessing considerable business upheaval over the last decade because of market dynamics, public sentiments and regulatory environment. To evaluate the soundness of NBFCs in Tamil Nadu over a decade, the authors made an attempt of CAMEL criteria for analysis of selected Companies. Based on findings the suggestions were offered to overcome the difficulties face by selected NBFCs in their development.

Shail Shakya (2017) published a working paper entitled "Regulation of Non-banking Financial Companies in India: Some Visions & Revisions". Non-Banking Financial Companies are pioneer in their cash deployment, accessibility to the markets and others to count. NBFCs are known for their higher risk-taking capacity than the banks. Despite being an institution of attraction for the investors, NBFCs have played a significant role in the financial system. Many specialized services such as factoring, venture capital finance, and financing road transport were championed by these institutions. NBFC sector has more significantly seen a fair degree of consolidation, leading to the emergence of large companies with diversified activities. However, the recent financial crisis has highlighted the importance of widening the focus of NBFC regulations to take particular account of risks arising from the regulatory gaps, from arbitrage opportunities and from inter-connectedness of various activities and entities associated with the financial system.

The regulatory regime is lighter and different than the banks. The steady increase in bank credit

to NBFCs over the recent years means that the possibility of risks being transferred from more lightly regulated NBFC sector to the banking sector in India can't be ruled out.

Ravi Puliani and Mahesh Puliani (2016) write a book entitled “Manual of Non-Banking Financial Companies”. The book discussed the glossary of terms that are used in banking operations and non-banking activities. The book covers the circulars and directions issued by Reserve Bank of India from time to time to control, manage and regulate the business of NBFCs.

Taxmann's (2013) published “Statutory Guide for Non-Banking Financial Companies” is published by Tax Mann's Publications, New Delhi. The book listed the laws relating to Non-Banking Financial Companies. The rules and laws governing the kinds of businesses undertaken by different types of NBFCs are also discussed.

Amit Kumar and Anshika Agarwal (2014) published a paper entitled “Latest Trends in Non-banking Financial Institutions” in ‘Academician: An International Multidisciplinary Research Journal’. In Indian Economy, there are two major Financial Institutions, one is banking and other is non-Banking. The Non-Banking Financial Institutions plays an important role in our economy

as they provide financial services on wide range, they also work to offer enhanced equity and risk-based products, along with this they also provide short to long term finance to different sectors of the economy, and many other functions. This paper examines the latest trends in Non-Banking Financial Institutions. This paper analyzes the growth and enhanced prosperity of financial institutions in India.

A potential cash machine Subramaniam, Arun June 2012

The article focuses on the emergence and growth of the Bajaj Finserv, a new company in financial services industry in India, under the leadership of Sanjiv Bajaj, an engineer. It informs that the company is diversified, well capitalized and soundly managed as it owes its success to its growth in retail industries. It also informs that the focus of the company is on the customers of retail industries as it has trained its agents to sell wider range of insurance products.

EMI Finance App for Pre-Approved Loans Business World (2015)

The article offers brief information on the Bajaj Finserv Experia equated monthly instalment (EMI) finance app.

Bajaj Finserv Launches India's First Consumer Durable Finance App with Instant Loan Approvals (2015)

The article reports on the launch of India's first easy monthly instalment (EMI) finance app from consumer durable finance company Bajaj Finserv. It says that the consumers will find the app useful for buying items, including smart phones, furniture, and televisions, on EMIs. Comments from Bajaj Finance Ltd's chief executive officer (CEO) Rajeev Jain is provided.

RESEARCH METHODOLOGY

Research work is traditionally defined as gathering of data to answer the questions and finding solutions to problems. The research work may be asked to provide answer to questions of theoretical interest to particular discipline. This may include such questions which have no interest to the society.

Research methodology is the systematic, theoretical analysis of the methods applied to a field of study. It comprises the theoretical analysis of the body of methods and principles associated with a branch of knowledge. Data is collected from two methods, primary and secondary data collection.

Research Type:

- The process of research can be classified under three stages –
 - Primary Stage
 - Secondary Stage and
 - Tertiary Stage
- The Primary stage includes-
 - Observation
 - Interest
 - Formulating research problem
 - Preparation of a bibliography
 - Research design
- The Secondary Stage includes -
 - Project planning
 - Data Collection
 - Analysis of data
 - Testing of hypothesis
 - Interpretation
- The Tertiary stage includes-
 - Report Writing
 - Observation, Suggestions & Conclusions.
 - Preparation of a bibliography

Sampling Method:

In this research systematic sampling method is used to collect the primary data by using questionnaire. The data collected through a structured questionnaire.

Type of Research

Descriptive research- Descriptive studies are under taken in many circumstances. When the researcher is interested in knowing the characteristics of certain group such as age, gender, occupation, educational level or income, a descriptive study may be necessary. Other cases when a descriptive study could be taken up are when researcher is interested in knowing the proportion of people in a given population who are aware and are interested in Bajaj finance services.

Methods of data collection

Primary Data: Primary data means the data which collected by one's first time. The different way of collecting primary data is personal interview, questionnaire, survey etc.

In this study the data is collected from respondents through Questionnaire, Observation and Shop Visit.

Secondary Data: Secondary sources are the other important sources through which that data was collected. These are the readily available sources of the data where one doesn't need to put much effort to collect it because it has already been collected by some researcher. I had used secondary data like the working experience, Articles, Magazines, Company website, Research papers, and MBA projects. Internet was made use for the collection of the data. Newspapers were also referred.

The secondary data has been collected from various published and unpublished source like: Published Financial Statements of the Bajaj finance limited, Bajaj Finserv official websites and Annual general meeting.

Since my research work is entirely based on descriptive design, I have used sample size as 25. The universe constitutes the customers and the employees at the Bajaj Finserv, Gondia. In order to understand the customer feedback regarding various aspects, 25 customers weretaken as respondents and for the purpose of employees' feedback, 7 employees were consulted.

Limitation of the Study

All the possible care has been taken to collect the information and make the study as authentic as possible. However, it is subjected to certain information. They are as under:

- All the findings and recommendations, which are stated, are applicable only for the current period.
- Based on limited information it is not possible to arrive at a proper conclusion.
- The Accuracy of the study depends on the accuracy of information and records provided by the Bajaj Finance Limited.

OBJECTIVES OF THE STUDY

Objectives of the Study

- To help in understanding the work of NBFC.
- To study the growth prospects of NBFC
- To learn the working of Bajaj Finance Ltd.
- To study the problems being faced by NBFC
- To study the services and products offer by NBFC.
- To know the function and role of Bajaj Finance.

NEED OF STUDY

- To study NBFC innovations in financial services.
- To study how NBFC layout promote growth in the industry.
- To study how loans and advances structured in governments of NBFC
- To study how NBFC improves employee own growth.

Hypothesis

Hypothesis is referred as the presumptions made by an individual to study the research project. These presumptions are made in a way to satisfy the objectives framed for the project. The hypothesis or the research problem of the study is designed in such manner to find out the relationship between the variables, i.e., does the effect on has any impact on the other. We can also say that the following hypothesis will let us know how closely they are correlated with each other. In order to study this topic 2 hypotheses are framed.

- H0: NBFC is not playing crucial role in economic development of country.
- H1: NBFC is playing crucial role in economic development of country.
- H0: NBFC are not providing good financial services to customer as compared to banks.
- H1: NBCF are providing good financial services to customer as compared to banks.

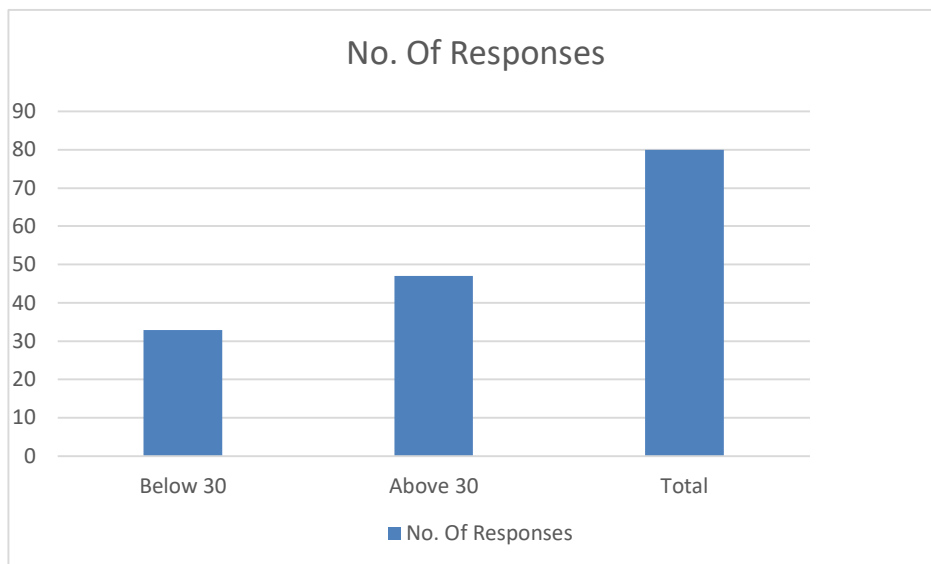
DATA ANALYSIS AND INTERPRETATION

DATA ANALYSIS AND INTERPRETATION

Following are the primary data analysis through questionnaire.

1. The Age Profile

Scale	No. Of Responses	Percentage
Below 30	33	41.7%
Above 30	47	58.3%
Total	80	100%

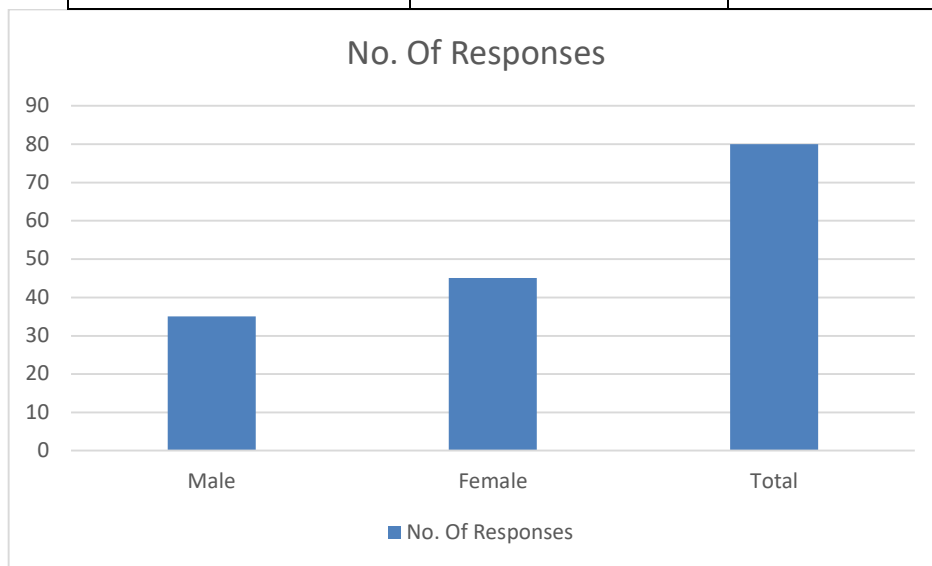


Interpretation:

The above figure is showing that the 58.3% of customers are above 30 age and remaining 41.7% are below 30 ages.

2. The Gender Profile

Scale	No. Of Responses	Percentage
Male	35	44%
Female	45	56%
Total	80	100%

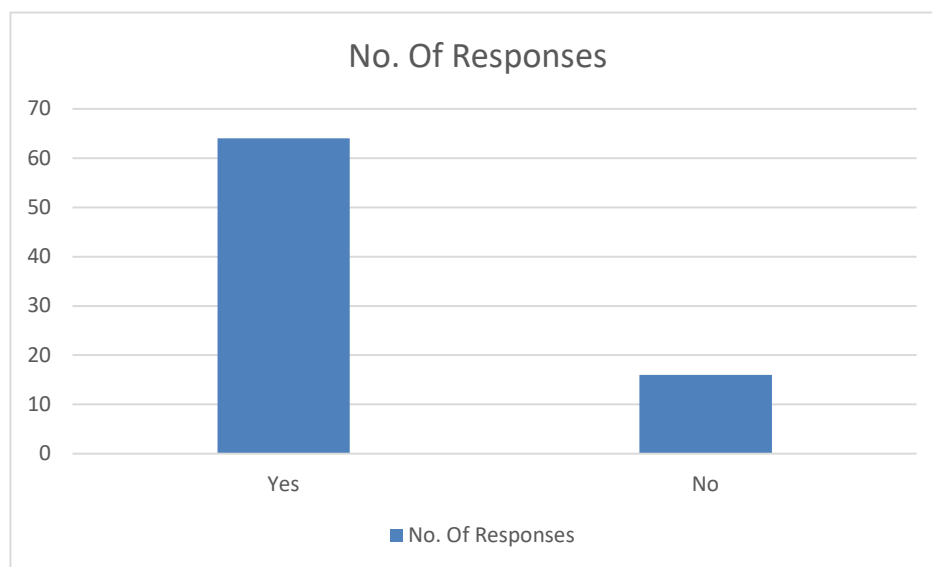


Interpretation:

From the above chart, 56% of respondents are female and 44% of respondents are male.

3. Awareness about Bajaj Finance Product and Services

	No. Of Responses	Percentage
Yes	64	80%
No	16	20%
Total	80	100%

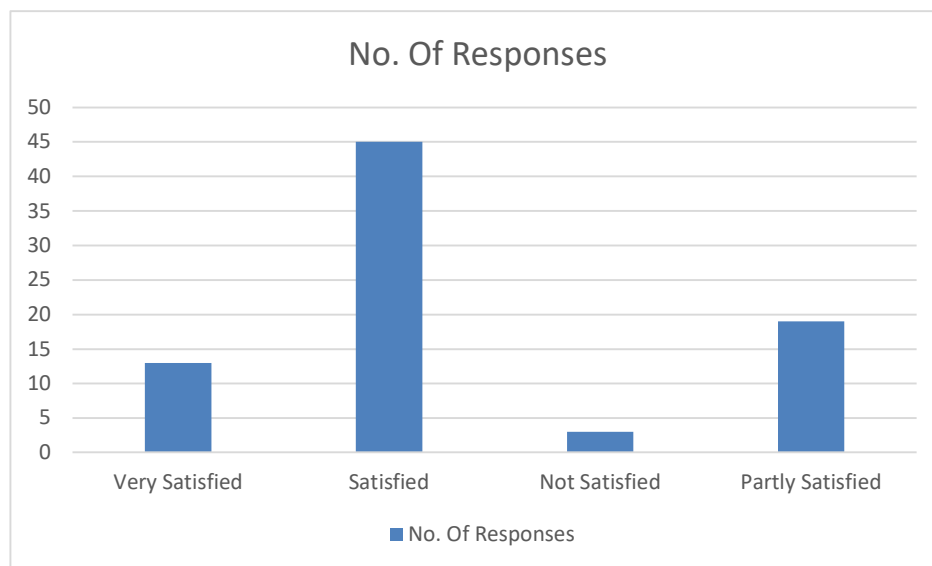


Interpretation:

By seeing above figure it seems 80% of respondents are aware about Bajaj finance product & services, 20% of respondents are not aware about only some products and services. We can say that most of the respondents are aware about Bajaj finance product & services. Above figure clearly shows that how Bajaj Company successfully urges the consumers about Bajaj finance product and service

4. Satisfaction level of customers for Bajaj Finance Scheme?

	No. Of Responses	Percentage
Very Satisfied	13	16%
Satisfied	45	56%
Not Satisfied	3	4%
Partly Satisfied	19	24%
Total	80	100%

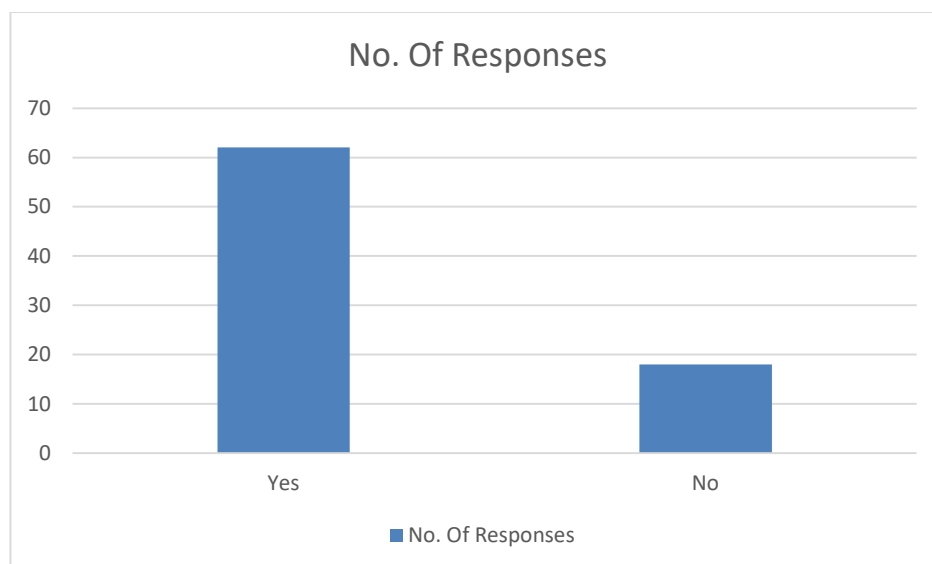


Interpretation:

The above chart shows the satisfaction level of customers for schemes of Bajaj finance. It found that , 56% respondents are satisfied with schemes, 4% are not satisfied, 24% are partly satisfied and other 16% respondents are very satisfied.

5. Have you ever taken loan from Bajaj Finance?

Scale	No. Of Responses	Percentage
Yes	62	77%
No	18	23%
Total	80	100%

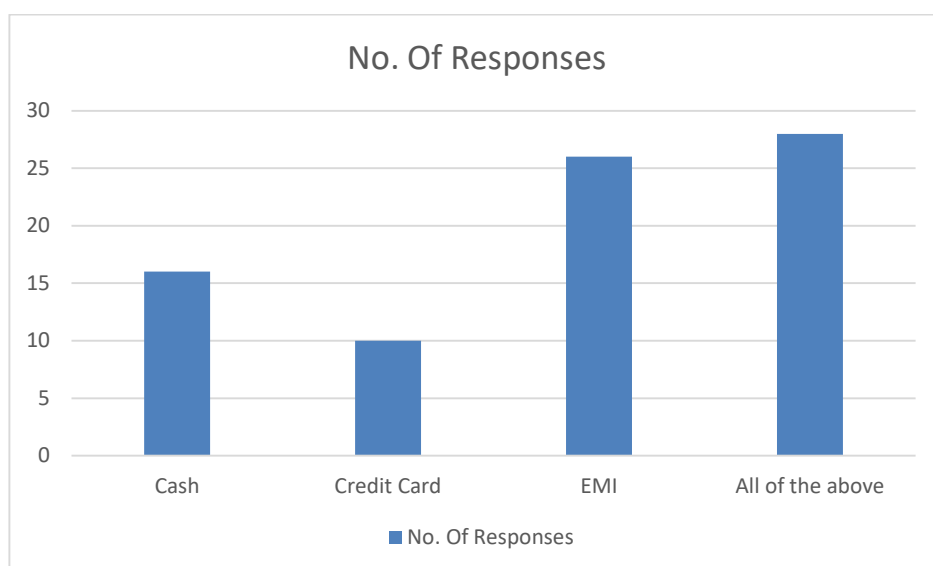


Interpretation

Because of Consumer Durable loan facility customer can think to buy any durable product with latest technology easily. Which wasn't the case earlier when they have to think twice before buying TV, fridge etc. end of 20th century only higher middle class and above people had all that CR TV, refrigerator, air conditioner etc. but above data shows Consumer Durable loan created not only desire but also created willingness among the consumer to purchase products? The 77%of customers have taken loan and only 23% consumer didn't take loan from Bajaj finance.

6. The payment mode which are more convenient to buy consumer durable product?

Particular	No. Of Responses	Percentage
Cash	16	20%
Credit Card	10	12%
EMI	26	32%
All of the above	28	36%
Total Respondent	80	100%

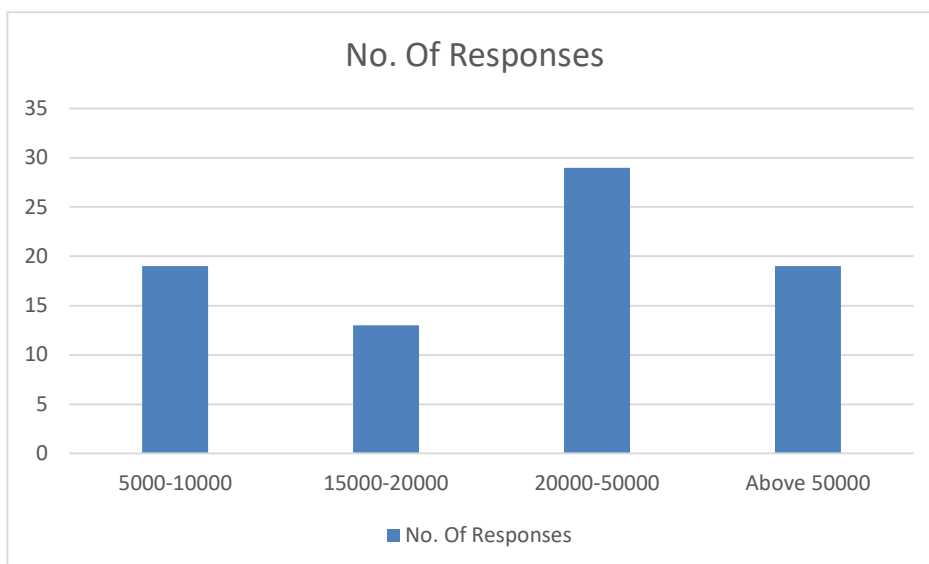


Interpretation

By seeing above figure it seems customer more prefer to buy products on cash, credit card and EMI. It was found that 36% customer willing to buy product through credit card, cash and EMI. While asking to another set of consumers who were quite educated in terms of value formoney by considering all the points, they highly recommended in favor for Emi facility. Cash-20%, Credit card-12%, EMI-32% and all of the above 36%.

7. Showing Income Level

Particular	No. Of Responses	Percentage
5000-10000	19	24%
15000-20000	13	16%
20000-50000	29	36%
Above 50000	19	24%
Total	80	100%

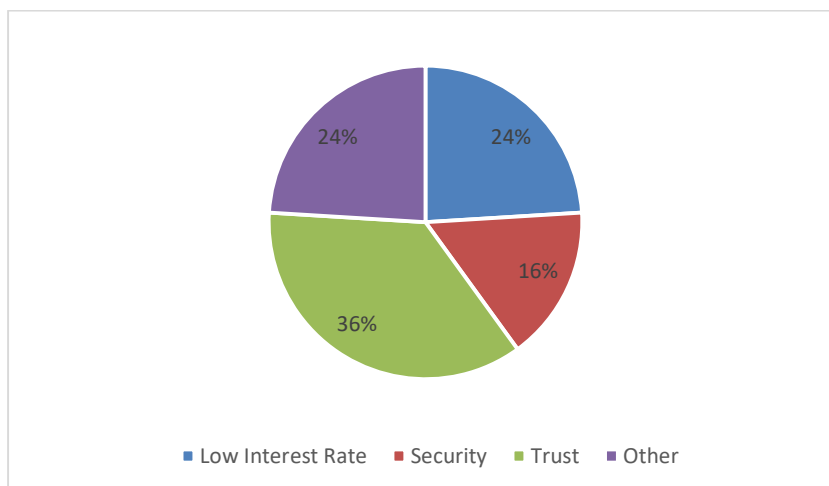


Interpretation

The above chart showing the income level of respondents. 24% people having their income between 5000 - 10000, 16% people having income between 15000-20000, 36% customers having income between 20000 - 50000 and 24% having income above 50000.

8. Reason for choosing Bajaj Finance

Reason	No of Responses	Percentage
Low Interest Rate	19	24%
Security	13	16%
Trust	29	36%
Other	19	24%
Total	80	100%

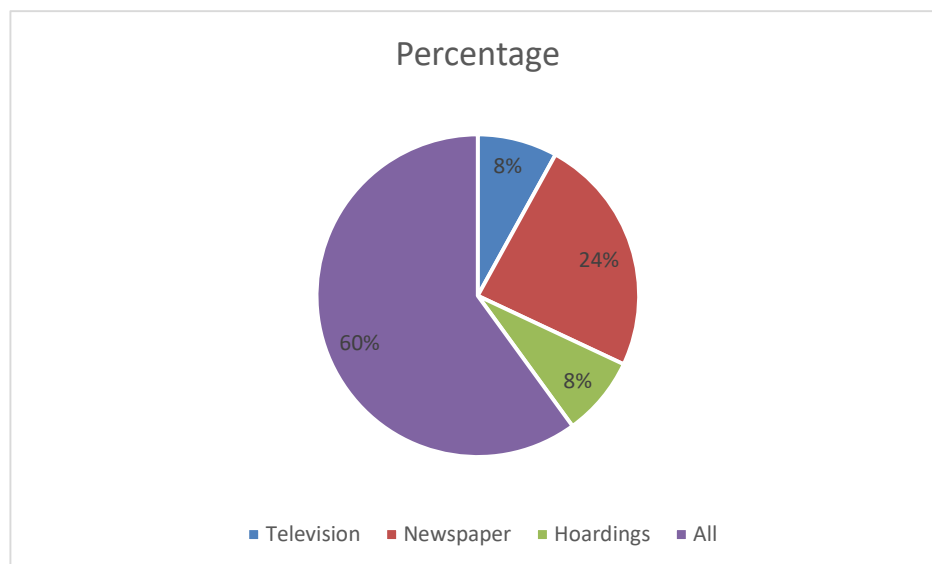


Interpretation

Through the above data collected the results which came out was that the major reason for choosing Bajaj finance was due to customer have trust on Bajaj finance. The 24% respondents choose Bajaj finance because of low interest rate, 16% customers choose because of security, 36% respondents have chosen because they have trust and remaining 24% having other reason for choosing Bajaj finance.

9. Media through which they aware about Bajaj Finance.

Media	No. of Reponses	Percentage
Television	6	8%
Newspaper	19	24%
Hoardings	6	8%
All	49	60%
Total	80	100%

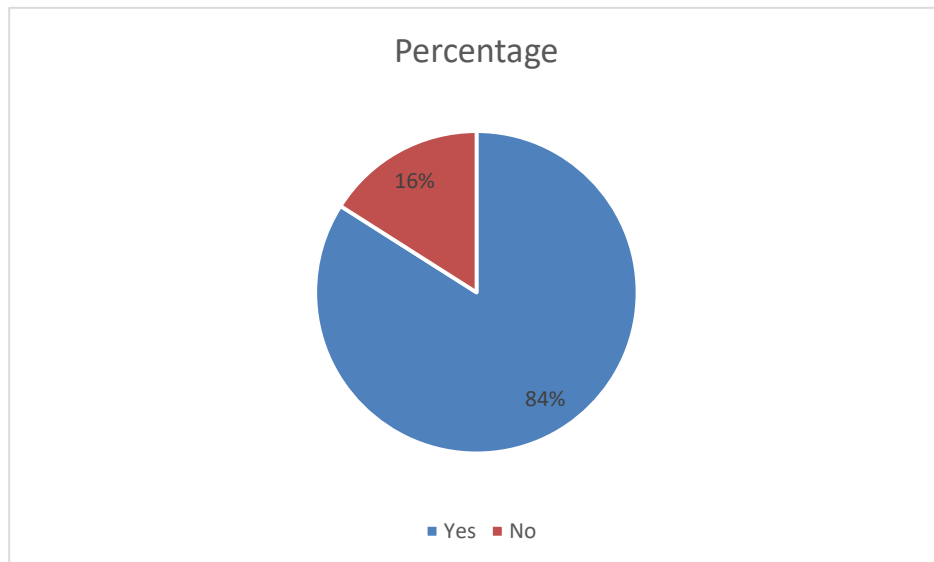


Interpretation

Thorough television 4 respondents are getting awareness about Bajaj finance, 6 respondents area ware through newspaper, 2 respondents were aware through hoardings and other 17 wasaware through all.

10. Awareness about Bajaj EMI card.

Response	No. of Reponses	Percentage
Yes	67	84%
No	13	16%
Total	80	100%

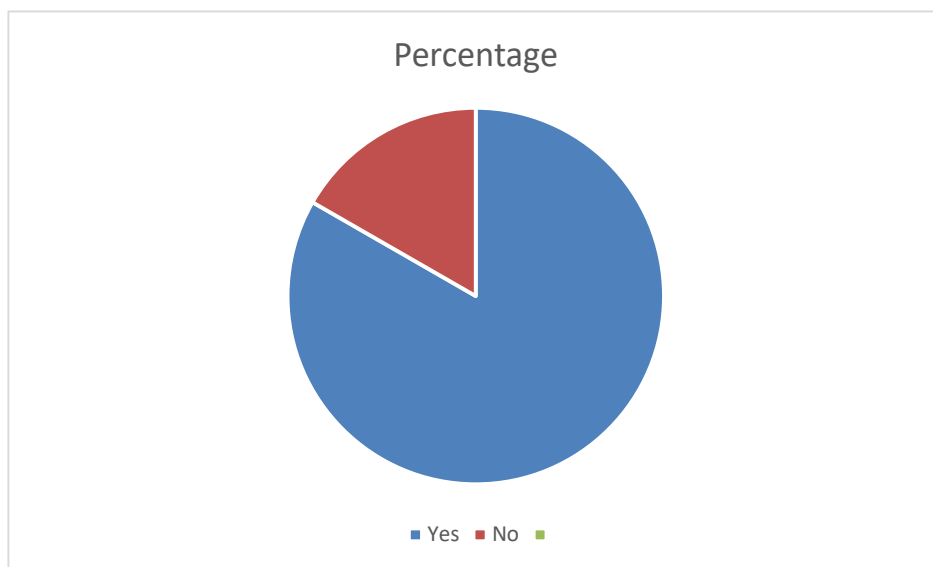


Interpretation

There are many reasons that why Bajaj FinServ is most successful in lending industry. One of the most important parts is its vastly higher technology and EMI card idea was one of them. This helps them to retain their 80-90% customer. Also, almost 84% Bajaj customer has awareness about EMI card. Other those are not aware about Bajaj EMI card are 16%.

11. Awareness about benefits using Bajaj EMI card.

Response	No of Reponses	Percentage
Yes	65	83.3%
No	15	16.7%
Total	80	100%



Interpretation

The above chart shows that, 83.3% respondents are aware about benefits about Bajaj EMICard and 16.7% respondents don't aware.

FINDINGS

Findings

- Bajaj FinServ Lending provided loan on consumer durable product to the customer as per the surrogates.
- Flexible EMI scheme in many products is available.
- Bajaj FinServ Lending provides many schemes such as 12/4, 10/2, 18/6, 24/6 etc. Customer can choose any EMI Scheme option according to their paying capability.
- Based on the customer response awareness on the EMI policy is around 84%.
- The behavior of the Bajaj Finance Employees is good only the 3 members out of 25 are given bad rating.
- The overall rating is good on the Bajaj FinServ products and the service provided.
- Bajaj FinServ became necessary for almost every consumer who wants to purchase product on credit.

HYPOTHESIS AND TESTING

Hypothesis Number 01

- H0: NBFC is not playing crucial role in economic development of country.
- H1: NBFC is playing crucial role in economic development of country.

Interpretation: -

From the above research study it is found that from hypothesis number 01 , Alternate hypothesis i.e. NBFC is playing crucial role in economic development of country is proved hence accepted where as null hypothesis i.e NBFC is not playing crucial role in economic development of country is rejected.

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Hypothesis number 02

- H0: NBFC are not providing good financial services to customer as compared to banks.
- H1: NBCF are providing good financial services to customer as compared to banks.

Interpretation: -

From the above research study it is found that from hypothesis number 02 , Alternate hypothesis i.e. NBCF are providing good financial services to customer as compared to banks. i.e. NBFC are not providing good financial services to customer as compared to banks.is rejected.

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CONCLUSION
&
SUGGESTION

Conclusion

- Bajaj Finserv has very strong employees because it's very challenging task to satisfy educated customers.
- Bajaj Finserv, the most diversified financial services company, has launched a TVC campaign to drive awareness around the width of products offered through its lending, life insurance and general insurance arm.
- Bajaj Finserv through its group of companies offers a gamut of products in Finance, Insurance and Investment segments. These products cater to the consumer's life journey at various stages, enabling them to uplift the standard of living with ease.
- Bajaj Finance Ltd., the lending arm of Bajaj Finserv offers attractive pre-approved loan, flexi-loan options, EMI on consumer and digital products, lowest home loan rates, loans for business and professional etc.
- The company is obsessed with frictional less purchase of customer experience and has built a technology enabled lending and payment ecosystem.
- Most of the customers choose Bajaj finance because they have trust on products and services of Bajaj finance.

Suggestion

- Customers are not much aware about the documents that are required for the finance and many of them think that a lot of paper work and documentation will be required while getting their product financed, Bajaj should work on this too as it causes hindrance while getting new customers.
- The some of the new customers are interested to take loans in the company there presentative ~~has~~ to take initiative to complete the deal.
- The company has to increase the issue of credit cards.

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ANNEXURE

Questionnaire:

A questionnaire consists of a set of questions presented to respondent for their answers. It can be Closed Ended or Open Ended. Open Ended allows respondents to answer in their own words and are difficult to Interpret and Tabulate. Close Ended pre-specifies all the possible answers and are easy to Interpret and Tabulate.

My questionnaire included the following questions:

1. Age
 - a) Below 30
 - b) Above 30
2. Gender
 - a) Male
 - b) Female
3. Are you aware about Bajaj Finance product and services?
 - a) Yes
 - b) No
4. Are you satisfied with Bajaj finance schemes?
 - a) Satisfied
 - b) Not satisfied
 - c) Partly satisfied
 - d) Not satisfied
5. Have you ever taken loan from Bajaj Finance?
 - a) Yes
 - b) No
6. Which payment mode you feel is convenient to buy consumer durable product?
 - a) Cash
 - b) Credit Card
 - c) EMI
 - d) All of the above
7. What is your income level?
 - a) 5000-10000
 - b) 15000-20000
 - c) 20000-50000
 - d) Above 50000

8. Through which media you get awareness about Bajaj finance?

- a) Television
- b) Newspapers
- c) Hoarding
- d) All of the above

9. Since when you are associated with Bajaj Finance?

- a) 1 year
- b) 3 years
- c) 5 years
- d) More than 5 years

10. Are you about Bajaj EMI card?

- a) Yes
- b) No

11. Are you aware about benefits of using this card?

- a) Yes
- b) No

12. Your opinion about Bajaj Finance?

- a) Good
- b) Average
- c) Bad
- d) Excellent