

A Project Report on

**“A COMPARATIVE STUDY OF IMPACT OF FINANCIAL  
PERFORMANCE AND GROWTH OF BAJAJ FINSERV  
AND SHRIRAM FINANCE LTD”**

Submitted to

**Department of Management Sciences & Research (DMSR)**

**G.S. College of Commerce and Economics, Nagpur**

**(An Autonomous Institution)**

Affiliated to:

**Rashtrasant Tukadoji Maharaj Nagpur University, Nagpur**

In partial fulfilment for the award of the degree of

**Master of Business Administration**

Submitted by

**Sakshi Ramesh Nit**

Under the Guidance of

**Prof. Shubhangi Jepulkar**

**Department of Management Sciences and Research,**

**G.S. College of Commerce & Economics, Nagpur**

**NAAC Accredited “A” Grade Institution**



**Academic Year 2023-24**

**Department of Management Sciences and Research,  
G.S. College of Commerce & Economics, Nagpur  
NAAC Accredited "A" Grade Institution**



**Academic Year 2023-24**

## **CERTIFICATE**

This is to certify that **Ms. Sakshi Ramesh Nit** has submitted the project report titled, "**A Comparative Study of Impact of Financial Performance and Growth of Bajaj FinServ Ltd and Shriram Finance Ltd**", under the guidance of **Prof. Shubhangi Jepulkar** towards the partial fulfillment of **MASTER OF BUSINESS ADMINISTRATION** degree examination.

It is certified that he/she has ingeniously completed his/her project as prescribed by **DMSR, G. S. College of Commerce and Economics, Nagpur, (NAAC Reaccredited "A" Grade Autonomous Institution)** affiliated to **Rashtrasant Tukadoji Maharaj Nagpur University, Nagpur.**

**Prof. Shubhangi Jepulkar**

**(Name of Guide )**

**Dr.Madhuri.V.Purohit**

**(MBA Coordinator)**

**Place: Nagpur**

**Date:**

**Department of Management Sciences and Research,  
G.S. College of Commerce & Economics, Nagpur  
NAAC Accredited "A" Grade Institution**



**Academic Year 2023-24**

## **DECLARATION**

I, **Sakshi Ramesh Nit** here-by declare that the project with title, “**A Comparative Study of Impact of Financial Performance and Growth of Bajaj FinServ Ltd and Shriram Finance Ltd**”, has been completed by me under the guidance of **Prof. Shubhangi Jepulkar** in partial fulfillment of **MASTER OF BUSINESS ADMINISTRATION** degree examination as prescribed by **DMSR, G. S. College of Commerce and Economics, Nagpur, (NAAC Re-accredited "A" Grade Autonomous Institution)** affiliated to **Rashtrasant Tukadoji Maharaj Nagpur University, Nagpur.**

This project was undertaken as a part of academic curriculum and has not been submitted for any other examination and does not form the part of any other course undertaken by me.

**Sakshi Ramesh Nit**  
**Place: Nagpur**

**Date:**

**Department of Management Sciences and Research,  
G.S. College of Commerce & Economics, Nagpur  
NAAC Accredited “A” Grade Institution**



**Academic Year 2023-24**

## **ACKNOWLEDGEMENT**

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

I tender my sincere regards to the Coordinator, **Dr. Madhuri V. Purohit** for giving me guidance, suggestions and invaluable encouragement which helped me in the completion of the project.

I am extremely thankful to my Project Guide **Prof. Shubhangi Jepulkar** for his/her guidance throughout the project.

I would like to thank **Dr. Madhuri V. Purohit** for his/her constant support & guidance throughout the project.

Last but not the least, I am very much thankful to all those who helped me directly and indirectly in successful completion of my project.

**Sakshi Ramesh Nit**

**Place: Nagpur**

**Date:**

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**CHAPTER I**

**INTRODUCTION**

## **INTRODUCTION**

### **FINANCIAL PERFORMANCE AND GROWTH**

Financial performance is a subjective measure of how well a firm can use assets from its primary mode of business and generate revenues. The term is also used as a general measure of a firm's overall financial health over a given period.

Analysts and investors use financial performance to compare similar firms across the same industry or to compare industries or sectors in aggregate.

- The financial performance tells investors about the general well-being of a firm. It's a snapshot of its economic health and the job its management is doing.
- A key document in reporting corporate financial performance is Form 10-K, which all public companies are required to publish annually.
- Financial statements used in evaluating overall financial performance include the balance sheet, the income statement, and the statement of cash flows.
- Financial performance indicators are quantifiable metrics used to measure how well a company is doing.
- No single measure should be used to define the financial performance of a firm.

### **Understanding Financial Performance**

There are many stakeholders in a company, including trade creditors, bondholders, investors, employees, and management. Each group has an interest in tracking the financial performance of a company. The financial performance identifies how well a company generates revenues and manages its assets, liabilities, and the financial interests of its stakeholders and stockholders.

There are many ways to measure financial performance, but all measures should be taken in aggregate. Line items, such as revenue from operations, operating income, or cash flow from

operations can be used, as well as total unit sales. Furthermore, the analyst or investor may wish to look deeper into financial statements and seek out margin growth rates or any declining debt. Six Sigma methods focus on this aspect.

## **Importance Of Financial Performance**

A company's financial performance tells investors about its general well-being. It's a snapshot of its economic health and the job its management is doing—providing insight into the future: whether its operations and profits are on track to grow and the outlook for its stock.

## **Financial Performance Indicators**

Financial performance indicators, also known as key performance indicators (KPIs), are quantifiable measurements used to determine, track, and project the economic well-being of a business. They act as tools for both corporate insiders (like management and board members) and outsiders (like research analysts and investors) to analyse how well the company is doing—especially regarding competitors—and identify where strengths and weaknesses lie.

### **The most widely used financial performance indicators include:**

- Gross profit/gross profit margin: the amount of revenue made from sales after subtracting production costs, and the percentage amount a company earns per dollar of sales
- Net profit/net profit margin: the amount of revenue from sales after subtracting all related business expenses and taxes, and the related ratio of earnings per dollar of sales
- Working capital: immediately available or highly liquid funds, used to finance day-to-day operations
- Operating cash flow: the amount of money being generated by regular business operations
- Current ratio: a measure of solvency—the total assets divided by total liabilities
- Debt-to-equity ratio: a company's total liabilities divided by its shareholder equity



- Quick ratio: another solvency measure, that calculates the percentage of very liquid current assets (cash, securities, accounts receivables) against total liabilities
- Inventory turnover: how much inventory is sold within a certain period, and how often the entire inventory was sold
- Return on equity: net income divided by shareholder equity (a company's assets minus its debts)

## **The Financial Performance Analysis**

Financial analysis refers to the process of studying and assessing a company's financial statements—a collection of data and figures organized according to recognized accounting principles. The aim is to understand the company's business model, the profitability (or loss) of its operations, and how it's spending, investing, and generally using its money—summarizing the company by the numbers, so to speak.

A financial performance analysis examines the company at a specific period in time—usually, the most recent fiscal quarter or year. The balance sheet, the income statement, and the cash flow statement are three of the most significant financial statements used in performance analysis.

**Financial performance analysis can focus on different areas. Types of analysis can include a specific examination of a firm:**

- Working capital: the difference between a company's current assets, such as cash, accounts receivable (customers' unpaid bills), and inventories of raw materials and finished goods, and its current liabilities
- Financial structure: the mix of debt and equity that a company uses to finance its operations
- Activity analysis: the factors involved in the cost and pricing of goods and services
- Profitability analysis: how much money the business clears, after expenses and taxes

## **investor Improve their Financial Performance**

A company's financial performance can be improved in several ways. Of course, trying to identify any roadblocks or friction points—and the source of these problems—is the first step.

Other strategies include:

- Improving cash flow: keep better track of income/outgoes, step up collection of accounts receivable, adjust payment options and prices if necessary
- Selling unwanted/unused assets
- Revamping budgets
- Reducing expenses
- Consolidating or refinancing current debt; applying for government loans or grants
- Analyzing financial statements and performance indicators, ideally with a professional's help

## **The Types of Financial Statements**

While there are many types of financial statements, the big three are:

1. Balance sheet, which lists a business' assets/revenues, liabilities/obligations, and owners' equity at a specific point in time.
2. Income statement, which summarizes results from business operations—revenues, expenses, and profits or losses during a specific period.
3. The cash flow statement complements the balance sheet and income statement. Categorized into operating, investing, and financing activities, it captures how funds are employed—literally, how the cash flows—throughout the business.

## OPERATING CASH FLOW

4. Operating cash flow is an important benchmark to determine the financial success of a company's core business activities.
5. Operating cash flow is the first section depicted on a cash flow statement, which also includes cash from investing and financing activities.
6. There are two methods for depicting operating cash flow on a cash flow statement—the indirect method and the direct method.
7. The indirect method begins with net income from the income statement then adds back non-cash items to arrive at a cash basis figure.
8. The direct method tracks all transactions in a period on a cash basis and uses actual cash inflows and outflows on the cash flow statement.

This method is simpler than the indirect method because there are fewer factors to consider. However, it only accounts for cash revenues and expenses. It is calculated with the formula:

$$\text{Operating Profit Margin} = \frac{\text{Operating Profit}}{\text{Total Revenue}}$$

Operating profit is calculated by subtracting all COGS, depreciation and amortization, and all relevant operating expenses from total revenues. Operating expenses include a company's expenses beyond direct production costs, such things as salaries and benefits, rent and related overhead expenses, research and development costs, etc. The operating profit margin calculation is the percentage of operating profit derived from total revenue. For example, a 15% operating profit margin is equal to \$0.15 operating profit for every \$1 of revenue.

$$\text{Operating Profit} = \text{Sales} - \text{COGS} - \text{Operating Expenses} - \text{Depreciation \& Amortization}$$

## **NET PROFIT MARGIN**

Net profit margin measures how much net income is generated as a percentage of revenues received.

- Net profit margin helps investors assess if a company's management is generating enough profit from its sales and whether operating costs and overhead costs are under control.
- Net profit margin is one of the most important indicators of a company's overall financial health.

### **Formula and Calculation for Net Profit Margin**

$$\text{Net profit margin} = \frac{R - COGS - E - I - T}{R} * 100$$

$$= \text{Net income} / R * 100$$

where:

**R=Revenue**

**COGS=The cost of goods sold**

**E=Operating and other expenses**

**I=Interest**

**T=Taxes**

1. On the income statement, subtract the cost of goods sold (COGS), operating expenses, other expenses, interest (on debt), and taxes payable.
2. Divide the result by revenue.
3. Convert the figure to a percentage by multiplying it by 100.

4. Alternatively, locate net income from the bottom line of the income statement and divide the figure by revenue. Convert the figure to a percentage by multiplying it by 100.

### **Importance of Net Profit Margin**

Net profit margin is perhaps the most important measure of a company's overall profitability. It is the ratio of net profits to revenues for a company or business segment. Expressed as a percentage, the net profit margin shows how much profit is generated from every \$1 in sales, after accounting for all business expenses involved in earning those revenues.<sup>12</sup> Larger profit margins mean that more of every dollar in sales is kept as profit.

### **Company Improve Its Net Profit Margin by financial analysis**

The average net margin for different industries varies widely. Businesses can gain a competitive advantage and improve its net margins, in general, by increasing sales or reducing expenses (or both). Boosting sales, however, often involves spending more money, which equals greater costs.

Cutting too many costs can also lead to undesirable outcomes, including losing skilled workers, shifting to inferior materials, or other losses in quality. To reduce the cost of production without sacrificing quality, the best option for many businesses is expansion. Economies of scale refer to the idea that larger companies tend to be more profitable.

## DEBT TO EQUIT RATIO

- The debt-to-equity (D/E) ratio compares a company's total liabilities with its shareholder equity and can be used to assess the extent of its reliance on debt.
- D/E ratios vary by industry and are best used to compare direct competitors or to measure change in the company's reliance on debt over time.
- Among similar companies, a higher D/E ratio suggests more risk, while a particularly low one may indicate that a business is not taking advantage of debt financing to expand.
- Investors will often modify the D/E ratio to consider only long-term debt because it carries more risk than short-term obligations.

### Formula and Calculation of the D/E Ratio

$$\text{Debt/Equity} = \frac{\text{Total Liabilities}}{\text{Total Shareholders' Equity}}$$

$$\text{Debt/Equity} = \frac{\text{Total Shareholders' Equity}}{\text{Total Liabilities}}$$

The information needed to calculate the D/E ratio can be found on a listed company's balance sheet. Subtracting the value of liabilities on the balance sheet from that of total assets shown there provides the figure for shareholder equity, which is a rearranged version of this balance sheet equation:

$$\text{Assets} = \text{Liabilities} + \text{Shareholder Equity}$$

These balance sheet categories may include items that would not normally be considered debt or equity in the traditional sense of a loan or an asset. Because the ratio can be distorted by retained earnings or losses, intangible assets, and pension plan adjustments, further research is usually needed to understand to what extent a company relies on debt.

To get a clearer picture and facilitate comparisons, analysts and investors will often modify the D/E ratio. They also assess the D/E ratio in the context of short-term leverage ratios, profitability, and growth expectations.

**CHAPTER II**

**COMPANY PROFILE**

## COMPANY PROFILE



### History

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The financial services and wind energy businesses were transferred to Bajaj FinServ Limited (BFL) as part of the concluded demerger from Bajaj Auto Limited, approved by the High Court of Judicature at Bombay by its order dated 18 December 2007. It is a financial conglomerate with stakes in the financing sector (Bajaj Finance), the life insurance business (Bajaj Life Insurance), the general insurance business (Bajaj General Insurance) and, the mutual fund business (Bajaj FinServ Mutual Funds).

Bajaj Holdings and Investments Limited (BHIL) came into existence when the original company separated its auto and finance assets. This new entity, BHIL is the parent company which holds 39.29% stake in Bajaj FinServ and now holds surplus cash and investments with the purpose of providing financial support to the auto and/or finance business or exploring fresh business prospects. The BHIL has been registered as a Non-Banking Financial Company (NBFC) under the Registration No. N-13.01952 dated 29 October 2009 with Reserve Bank of India (RBI).<sup>1</sup>

Starting in 2017, Bajaj FinServ adopted blockchain technology for services like travel insurance, allowing claim resolution before customer registration. By 2023, they had extended blockchain's utility to enhance trader and customer connections.

Apart from financial services, it is also active in wind energy generation with an installed capacity of 65.2 MW. In the quarterly results for June 2022, the company's board of directors has approved the sub-division of its equity shares in a ratio of 1:5.

During a block deal in the last week of December 2022, promoter Jamna Lal Sons increased its holdings in the company. In the open market, the promoter purchased equity shares worth a total of ₹100.41 crore. However, the other promoter, Rishab Family Trust, was able to sell a portion of the company's shares.



## Subsidiaries

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- **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 business in India.
- **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.
- **Bajaj Housing Finance** is provide various housing finance products and services to individuals and businesses. They offer home loans, loan against property, and other related financial solutions.
- **Bajaj FinServ Asset Management Company** is an asset management company. In March 2023, the final registration from the Securities and Exchange Board of India was granted to commence mutual fund business operations under *Bajaj FinServ Mutual Fund*.
- **Bajaj FinServ Direct (Bajaj Markets)** operates as an internet-based marketplace, providing a range of financial products and services through its digital platform. It serves as a registered Corporate Agent under Insurance Regulatory and Development Authority, a registered Investment Adviser under Securities and Exchange Board of India, a registered third-party app provider for Unified Payments Interface payments, and a digital lending platform for its partner institutions.
- **Bajaj FinServ Health** is a healthtech solution company.

## Philanthropy

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- January 2023, Bajaj FinServ launched a scholarship program in association with National Centre for Promotion of Employment for Disabled People for the students with disabilities.<sup>[41]</sup> Then, in December 2023, together they launched their first skill development initiative, named Project ODISERV, at Gangadhar Meher University in Sambalpur, Odisha. The project aims to provide a 100-hour training program, targeting youth from tier-II and tier-III cities for careers in the financial services sector.<sup>[43]</sup>
- In August 2023, the company, in association with Pune-based Ruby Hall Clinic launched cybercide S7 system for non-invasive radiation therapy to treat cancerous tumours.
- In December 2023, Bajaj FinServ collaborated with the All India Council for Technical Education and the National Skill Development Corporation to launch a certificate programme focused on banking, finance, and insurance.



<b>Company type</b>	Public	
<b>Traded as</b>	<ul style="list-style-type: none"> <li>• BSE: 532978</li> <li>• NSE: BAJAJFINSV</li> <li>• NSE NIFTY 50 Constituent</li> </ul>	
<b>ISIN</b>	INE918I01026	
<b>Industry</b>	Financial services	
<b>Founded</b>	May 2007 (17 years ago)	
<b>Founder</b>	Jamnalal Bajaj	
<b>Headquarters</b>	Pune, Maharashtra, India	
<b>Key people</b>	Sanjiv (Chairman & Managing Director)	Bajaj
<b>Products</b>	<ul style="list-style-type: none"> <li>• Insurance</li> <li>• General insurance</li> <li>• Health insurance</li> <li>• Vehicle insurance</li> <li>• Travel insurance</li> <li>• Home insurance</li> <li>• Life insurance</li> <li>• Mortgage loans</li> <li>• Investment management</li> <li>• Asset management</li> <li>• Mutual funds</li> <li>• Credit cards<sup>[2]</sup></li> </ul>	
<b>Revenue</b>	▲ ₹82,072 crore (US\$10 billion) (2023)	
<b>Operating income</b>	▲ ₹16,809 crore (US\$2.1 billion) (2023)	
<b>Net income</b>	▲ ₹12,208 crore (US\$1.5 billion) (2023)	
<b>Total assets</b>	▲ ₹405,509 crore (US\$51 billion) (2023)	

**Total equity** ▲ ₹46,407 crore (US\$5.8 billion) (2023)

**Number of employees** 105 (2022)

**Parent** Bajaj Group

**Subsidiaries** Bajaj Finance<sup>[5]</sup>  
Bajaj Allianz General Insurance  
Bajaj Allianz Life Insurance  
Bajaj Housing Finance  
Bajaj FinServ Markets  
Bajaj FinServ Asset Management Company  
Bajaj FinServ Direct (Bajaj Markets)  
Bajaj FinServ Health

# 16-YEAR JOURNEY

## Financial on Customers' Trust

Strength

Built



CORPORATE OVERVIEW ▾

STATUTORY REPORTS ▾

FINANCIAL STATEMENTS ▾



20 crore Indian families served



73,000 colleagues



35.5 million  
Number of customers on Bajaj Finserv App



₹ 247,379 crore  
AUM of Bajaj Finance Ltd.



Over 28 million policies sold by Bajaj Allianz General Insurance Company



₹ 90,584 crore  
AUM of Bajaj Allianz Life Insurance Company



81%  
AUM 6-year CAGR of Bajaj Housing Finance



48 partners  
Bajaj Finserv Direct



Bajaj Finserv Health Digital cashless healthcare with 120,000+ doctors, 6,000+ lab touch points, 1,800+ hospitals on network



2 million lives touched through corporate social responsibility programmes



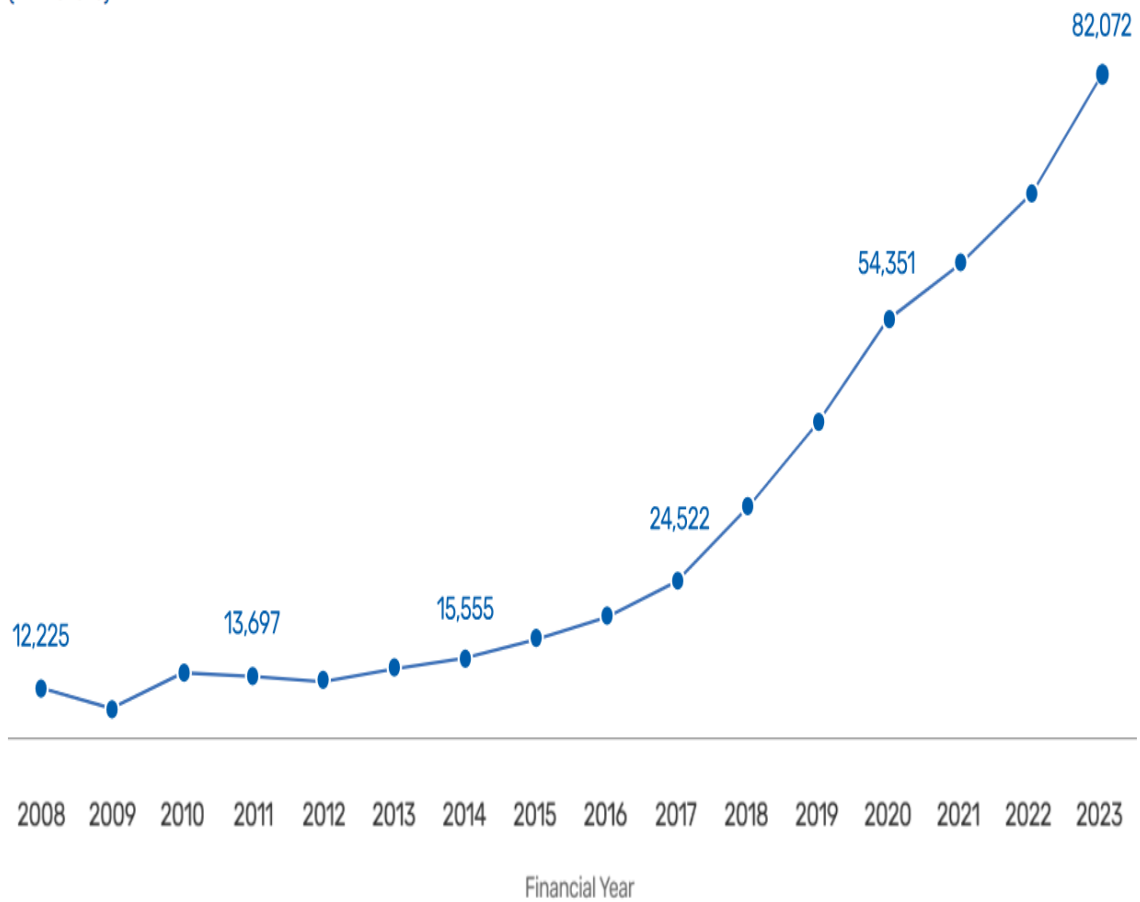
643  
CSR projects



Skilling & livelihoods provided: 30,000 students to date under self-implemented CPBFI programme

## Total Income

(₹ in crore)



## SHRIRAM FINANCE LTD



**Shriram Group** is an Indian conglomerate headquartered in Chennai. It was founded on 5 April 1974 by R. Thyagarajan,<sup>[3]</sup> AVS Raja and T. Jayaraman.<sup>[4][5][6]</sup> The group had its beginning in chit funds business and later on entered the lending and insurance businesses.

Companies[edit]

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- Shriram Finance is the flagship company of the Group which provides financial services such as commercial vehicle finance, passenger vehicle finance, SME finance and retail lending (personal loans, gold loans and two-wheeler loans). It is formed in 2022 as the result of a merger of Shriram City Union Finance and Shriram Capital into Shriram Transport Finance.
- Shriram Housing Finance is a subsidiary of Shriram Finance and mainly provides home loan services.
- Shriram Life Insurance is the life insurance arm of the group, and a joint venture between Shriram Group and South African company Sanlam.
- Shriram General Insurance is engaged in commercial and retail vehicle insurance, home insurance and travel insurance. It is a joint venture between Shriram Group and Sanlam.
- Shriram Financial Ventures is the holding company and promoter of Shriram Group's financial services and insurance businesses. It is jointly owned by Shriram Ownership Trust (SOT) and Sanlam Group.
- Shriram Properties is a real estate developer focusing on mid-income housing projects, primarily in South India.
- Shriram Fortune is the financial services distribution arm of the group.
- Shriram AMC is an asset management company focused on mutual funds.

- Shriram Insight is a retail stockbroker.
- Shriram Wealth provides wealth management advisory services.
- Shriram Auto mall is a vehicle auction platform started as a subsidiary of Shriram Transport Finance. In 2018, Car Trade acquired a majority stake in Shriram Auto mall..

<b>Company type</b>	Conglomerate
<b>Industry</b>	Financial services, insurance, real estate
<b>Founded</b>	5 April 1974; 50 years ago
<b>Headquarters</b>	Chennai, Tamil Nadu, India
<b>Area served</b>	India
<b>Key people</b>	R. Thyagarajan (Chairman) <sup>[1]</sup>
<b>Total assets</b>	▲ ₹2.7 lakh crore (US\$34 billion) (December 2023) <sup>[2]</sup>
<b>Number employees</b>	<b>of</b> 121,500+ (December 2023) <sup>[2]</sup>
<b>Subsidiaries</b>	<ul style="list-style-type: none"> <li>• Shriram Finance</li> <li>• Shriram Housing Finance</li> <li>• Shriram Life Insurance</li> <li>• Shriram General Insurance</li> <li>• Shriram Insight</li> <li>• Shriram Fortune</li> <li>• Shriram AMC</li> <li>• Shriram Wealth</li> </ul> <p>Shriram Properties</p>



Website

[www.shriramcapital.com](http://www.shriramcapital.com)

**SHRIRAM**  
Finance

**SHRIRAM FINANCE  
AT A GLANCE**

Prominence in the NBFC Domain

**44** Years  
Of Trusted Relationships

**One of the largest\***  
Retail NBFCs in India

**Rs. 185,682.86** crore  
Assets Under Management (AUM) as of March 31, 2023

4 | Annual Report 2022-23

## **Beginnings**

Shriram Finance is the country's one of the biggest retails NBFC offering credit solutions for commercial vehicles, two-wheeler loans, car loans, home loans, gold loans, personal and small business loans. We are part of the 49year old Shriram Group, a financial conglomerate that has emerged as a trusted partner in creating transformative experiences and lasting impressions in customers' lives.

In November 2022, Shriram Group's entities – Shriram Transport Finance Company Limited, Shriram City Union Finance Limited, and Shriram Capital Limited – merged to form Shriram Finance Limited . As on March 31, 2024, with a network of 3,082 branches and a workforce of 74,645, Shriram Finance has combined Assets Under Management (AUM) worth ₹ 2,24,862 crores.

As a leading financial enterprise with a rich business history, Shriram Finance is founded on inclusion and sustainability, helping us unlock value for generations to come. Our presence spans across the agrarian heartlands of rural India to its vibrant, cosmopolitan metros where we set wings to aspirations. At Shriram Finance, we are committed to meeting our customers at every touchpoint of their financial journey so that they get to explore unlimited possibilities through us.

Powered by cutting-edge technology, Shriram Finance is a digitally mature financial institution that reflects the banking needs of the Millennial and Gen Z customers. We offer priority financial services to those in the unbanked and underbanked sectors, expanding our innovative product pipeline at every stage of disruption.

Shriram is a pioneer in the NBFC Industry with a strong rural presence. The Shriram Finance Limited is one of the India's leading NBFCs, with 8.39 Million (as on March 31, 2024) private and corporate customers across India. Shriram's customers benefit from a broad range of diverse product portfolio: Fixed Deposits, Fixed Investment Plan, Commercial Vehicle Loans, Passenger Vehicle Loans, Construction Equipment Loans, Farm Equipment Loans, Two-Wheeler Loans, Gold Loans, MSME Finance and Personal Loan Two-Wheeler Loans, Gold Loans, MSME Finance and Personal Loans.

### **Vision**

To be country's most-preferred financial services destination, delivering delightful customer experience through empowered employees.

### **Customer First**

We pride ourselves on the perfect understanding of the common person. Our financial services are tailor-made to perfectly suit customer needs through quality non-banking financial services. This guiding philosophy of putting people first has brought the company closer to the grassroots, and we are the preferred choice for serving the underserved, nurturing talent, and empowering people. Over the decades, the company has achieved significant success by creating transparency and a strong sense of belonging. Our customer loyalty is a testimony to our journey.

### **Core Value**

Operational efficiency, truthfulness and a robust emphasis on catering to the needs of the common man by providing him with high quality and cost-effective products & services are the values driving Shriram Finance. These core values are deep-rooted within the organization and have been firmly adhered to over the years.

Whereas the undersigned being the authorised officer of Shriram Finance Ltd. ("SHRIRAM CITY UNION FINANCE LIMITED" has been amalgamated with "SHRIRAM TRANS Chennai. Subsequently the name of "SHRIRAM TRANSPORT FINANCE LIMITED" has changed as "SHRIRAM FINANCE LIMITED" with effect from 30-11-2022 Vide Certificate of Incorporation pursuant to change of name lis dated 30-11-2022.) under the provisions of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (said Act) and in exercise of powers conferred under Section 13(12) of the said o Act read with Rule 3 of the Security Interest (Enforcement) Rules, 2002

OF TRUSTED RELATIONSHIPS

₹ 2.24 Lac Cr

ASSETS UNDER MANAGEMENT (As on March 31, 2024)

**3,082**

## **BRANCHES ACROSS INDIA ( on March 31, 2024)**

### **Board of Directors**

Mr. Jugal Kishore Mohapatra  
Chairman, Independent Director

Mr. Umesh Govind Revankar  
Executive Vice Chairman

Mr. Y S Chakravarti  
Managing Director and CEO

Mr. S. Sridhar  
Independent Director

Mr. Pradeep Kumar Panja  
Independent Director

Mrs. Maya S Sinha  
Independent Director

Mr. S. Ravindran  
Independent Director

Mr. Parag Sharma  
Joint Managing Director and Chief Financial Officer

Mr. D.V. Ravi  
Non-Executive and Non-Independent Director

Mr. Ignatius Michael Viljoen  
Non-Executive and Non-Independent Director

## Journey of Shriram finance limited

Explore Milestones that have made us what we are today!

### 2020-21

Raised Rs. 36.69 bn and Rs. 16.53 bn through issuance of GMTN in Jan 2021 and March 2021 respectively.

### 2021-22

Issuance and allotment of USD 0.475 bn 4.15 percent Senior Secured Notes due 2025 (Social Bonds) under the USD 3.500 bn GMTN programme in Jan'22.

### 2020-21

STFC: Raised Rs. 14.92 bn through right issue in August 2020

### 2021-22

Raised Rs. 19.99 bn through QIP issue in June 2021 Raised Rs. 5.0 bn through preferential allotment (2.5 bn) and conversion of warrants (2.5 bn) to Promoters.

**CHAPTER III**

**LITERATURE REVIEW**

## LITERATURA REVIEW

### 1) Financial Performance of Non Banking Financial Companies (NBFCs)

**Author Name: Dr. Bhaskar Biswas**

**Year: 2019**

#### **Conclusion:**

It may be concluded from the above analysis and findings that in case of profitability ratios the of Bajaj Finance and Sundaram finance have shown very robust performance over the other companies. In case liquidity ratios, Mahindra & Mahindra Financial Services and Bajaj Finance performance were good. In case of earning Bajaj Finance, Cholamandalam Investment & Finance Company and Sundaram finance performances are very shareholders friendly. Shriram Transport Finance Corporation, there is correlation between EPS and Return on capital employed and also there is correlation between EPS and Return on assets and in Sundaram Finance correlation

In case of Bajaj Finance and Shriram Transport Finance Corporation there are coefficients of regression between EPS and cash earnings retention ratio.

### 2) Study of Comparative Performance of Non-Performing Assets among Selected Leading Non-Banking Financial Companies of India

**Author Name: Joseph Antony P1& Dr. D. K. Maheswari**

**Year: 2021**

#### **Conclusion:**

This paper examines the comparative performance of non-performing assets (NPAs) among leading non-banking financial companies in India during the period of 2011-2015. Among these, Spearman's correlation study indicated that Bajaj Finance was observed a positive correlation with a significant value between revenue versus gross NPA ( $P < 0.04$ ), profit after tax versus gross NPA ( $P < 0.04$ ), and return on assets (ROA) versus gross NPA ( $P < 0.005$ ) found with negative correlation. In the case of Muthoot Finance, there was a positive correlation with statistically significant value observed between return on assets versus gross NPA ( $P < 0.04$ ) and net NPA ( $P < 0.05$ ) while for Reliance Capital, there was a positive correlation with statistically significant value observed between revenue versus provision of NPA ( $P < 0.04$ ) and



PAT versus provision of NPA ( $P < 0.04$ ).

It is concluded that Muthoot Finance showed better financial performances among three NBFCs about ROA, which was increased consistently. It was observed that major studies on the roles and challenges for NBFCs in India but not related to NPAs while major studies have been reported on NPAs in the private or public banking sectors. A significant positive correlation may be indicated that the revenue generation is strongly associated with the movement of NPA and business continued to move up. But a significant negative correlation may be indicated that a significant negative impact on the business of NBFC is associated with return on assets.

### **Analyzing the Financial Performance of Top 5 NBFCs in India: An Analytical Study**

**Author Name: Roshan Raj Prajapati, Puja Kumari, Dr. Meenakshi Kumari**

**Year: 2022**

#### **Conclusion:**

The aim of the study is to find out the financial performance of selected NBFCs for a period of five years from year 2017 to year 2021. This study also helps in understanding the present financial status of the selected companies. Earning per Share, Net Profit, Debt to Equity, Return on Equity and Price to Earning Ratio are used in the present study. Analysis like Trend analysis and correlational analysis are done using the financial software named SPSS v20. As a conclusion it can be said that financial performances of Muthoot Finance and Bajaj Finance are up to the par and helpful for growth of companies as well as growth of shareholder's wealth for the period of study.

It can be concluded from the above analysis that in case of trend analysis, the company which showed highest rate of earning per share was Muthoot Finance, followed by Bajaj Finance Limited, then Cholamandalam Investment and Finance Company, Mahindra & Mahindra Financial Services Limited and lastly, L&T Finance Holding Limited. After analyzing the Net Profit Ratio, it was found that the high net profit was accumulated by Bajaj Finance Limited and remaining companies lied below it. In term of ROE, Muthoot Finance Limited outperformed, followed by Bajaj Finance Limited, then Cholamandalam Investment and Finance Company, then Mahindra & Mahindra Financial Services Limited and lastly, L&T Finance Holding Limited. Graph of Debt-to-Equity reflects that in the year 2021, Cholamandalam Investment and Finance Company has maximum amount of debt.

## **EMPIRICAL ANALYSIS OF FINANCIAL HEALTH OF SHRIRAM TRANSPORT FINANCE COMPANY LTD (STFC)**

**Author Name: Sachin Singh, Dr Pradeep Kumar Singh, Sanjay Kumar**

**Year: 2022**

**Conclusion:** Shriram Transport finance company Limited (STFC) is a non-banking finance company (NBFC) having approximately five to six percent share of market in new trade financing and about twenty five percent market share of pre-owned trade financing. The company customer base is more than 18 lacs. It has exposed to continuous increasing competition from banking sector and other NBCs. Revenue of the company is placed at 6th rank among its top ten companies. In our study time frame, it has also faced challenge of COVID-19. All these factors have affected performance of the company therefore it becomes pertinent to look into the financial performance and soundness of the company by using an analysis tool in order to determine its healthy zone. This paper is quantitative and empirical in nature which is based on secondary data collected from various records, websites, reports and financial books of the company. Altman 'Z' score has been used to judge the financial position of the STFC. Altman Z score has been used to analyze the financial health and soundness of the company.

### **A Study on Profitability Analysis at Bajaj FinServ Ltd**

**Author Name: K. Sai Dakshayani, Dr. P. Viswanath**

**Year: 2022**

**Conclusion:**

Profitability is a measure of the overall success of the company. It is a measure of the income or the operating success of the company for a given a period of the time. The purpose of the study is to analyze overall profitability, operating profit, return on investments and the trends in the profitability growth using 10 years of financial statements i.e., from 2011-12 to-2020-21. The study has found that the profitability of the company has been stable for the last 3 years. There is a negatively strong relation exist between net profit ratio and total asset turnover ratio and it suggests to control, monitor company's operating expenses.

## **A Study on Financial Performance of Bajaj FinServ Limited**

**Author Name: MEHTA VANI JOGHEE1, S DHARANI, S RITHIKA,  
VISHNU DARSHINI.**

**Year: 2021**

### **Conclusion:**

The financial performance can be measured by using various financial tools such as profitability ratio, solvency ratio, CAGR, etc. Based on the analysis, findings have been arrived at that the company has got enough funds to meet its debts & liabilities and the income statement of the company shows sales of the company increased every year at good rate and profit also increased every year.

Bajaj FinServ Liquidity and profitability is good but failed to meet its short-term obligation and liabilities. CAGR is compound annual growth rate which indicates that Bajaj is a good place to invest whereas it gives 44% CAGR. Even though Bajaj FinServ has risk it has good return as we know where there is high risk there will be high return in which both are directly proportional. Based on the analysis, it can be concluded that the company has got enough funds to meet its debts & liabilities, the income statement of the company shows sales of the company increased every year at a good rate and profit also increased every year.

## **A STUDY ON FINANCIAL PERFORMANCE OF BAJAJ FINSERV LIMITED**

**Author Name: Dr.R. Mayil Samy, Ms. M. Gowthami**

**Year :2023**

### **Conclusion:**

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.

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

**CHAPTER IV**

**RESEARCH**

**METHODOLOGY**

## **RESEARCH METHODOLOGY**

### **PROBLEM STATEMENT**

Financial performance of a company is used for evaluating the common parts for obtaining a better view on firm's performance and position. To analyze financial efficiency in terms of profitability, solvency and liquidity various accounting ratios can be used. Financial analysis helps both creditors and investors to predict future performance as well as comparison. It mainly helps in showing out companies' strength and weakness. The aim of the study is to evaluate the financial performance of BAJAJ FINSERV LIMITED and SHRIRAM FINANCE LIMITED.

### **Need of the study**

- The main purpose of doing this project was to know about Bajaj FinServ and Shriram ltd
- To understand the Financial Performance and Growth of Bajaj FinServ and Shriram ltd.

To Understanding factors like profitability, liquidity, debt equity ratio of the Bajaj FinServ and Shriram ltd companies.

### **Objective of the study**

1. To analyse the short-term solvency of the Bajaj FinServ and Shriram ltd.
1. To appraise the long-term solvency of the Bajaj FinServ and Shriram ltd.
2. To know the financial performance of Bajaj FinServ and Shriram ltd in terms on profitability.
3. To analyse the financial performance of Bajaj FinServ and Shriram ltd in terms of return on net worth equity and return on capital employed.
4. To compare the financial performance of the company for different years.
5. To know the profitability of the company

## **Hypothesis**

H0: There is no significant difference between the financial performance and growth of Bajaj FinServ Ltd. And Shriram Finance Ltd.

H1: There is significant difference between the financial performance and growth of Bajaj FinServ Ltd. And Shriram Finance Ltd.

## **Limitations of study**

- The ratio analysis gives only on the aspects of quantitative. It ignores the view of qualitative measurement.
- The study has been carried out for the period of five years and it is not sufficient enough to analyze the entire aspect of the company.

## **Sources of data collection**

To fulfil the information, need of study. The data is collected from secondary sources.

- **Secondary data**

- Journals
- Annual Reports of Bajaj FinServ and Shriram Finance Ltd.
- Books
- Magazines
- Publications
- Websites

**Secondary data** is the data that have been already collected by and readily available from other sources.

The information used is obtained from the financial statements of BAJAJ FINSERV LIMITED and SHRIRAM FINANCE LIMITED.

Secondary data is used for the study. Financial information in the balance sheet and the statement of profit and loss is used. It includes collecting information from books, journals, magazines, publications and websites. The annual reports are collected from the official website called moneycontrol.com. The study is conducted for a period of 5 years (2016-2020). Financial and Accounting tools are like ratios have been used for data analysis.

### **Data analysis tool**

For comparing the performance and growth of companies' bar chart are used.

Bar chart are easily helped to understand the financial growth of the companies.



**CHAPTER V**  
**DATA ANALYSIS**  
**&**  
**INTERPRETATION**

## DATA ANALYSIS AND INTERPRETATION

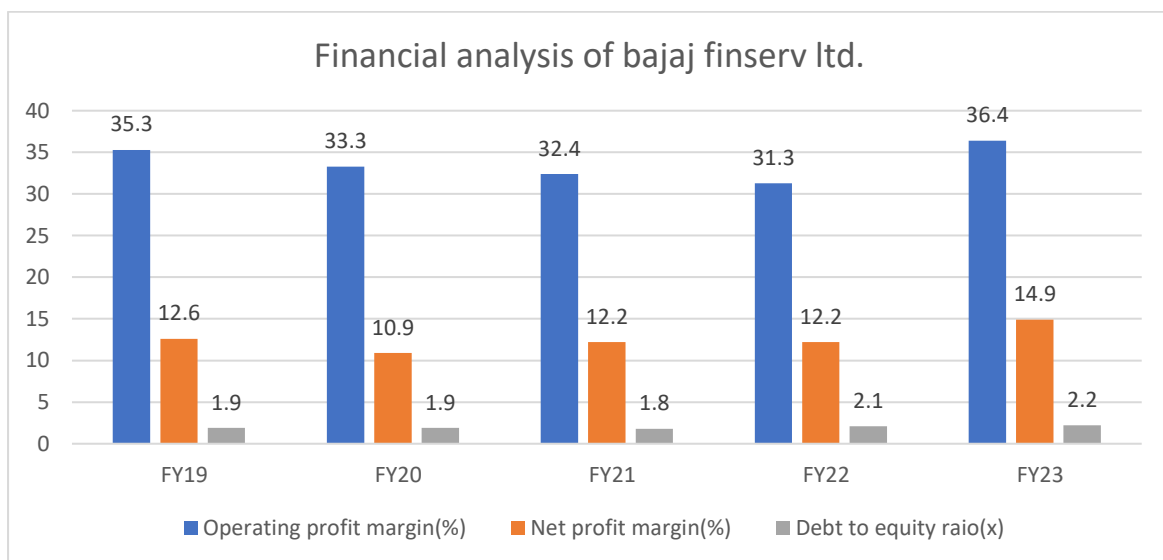
### Bajaj FinServ limited

Be it the company's profitability, operations effectiveness or utilization of funds, ratio analysis is an important tool which helps in making investment decisions.

	FY19	FY20	FY21	FY22	FY23
Operating profit margin(%)	35.3	33.3	32.4	31.3	36.4
Net profit margin(%)	12.6	10.9	12.2	12.2	14.9
Debt to equity ratio(x)	1.9	1.9	1.8	2.1	2.2

Here's the ratio/financial analysis of BAJAJ FINSERV for the past 5 years.

#### Performance parameters



**Interpretation:** The ratio/financial analysis of BAJAJ FINSERV reveals:

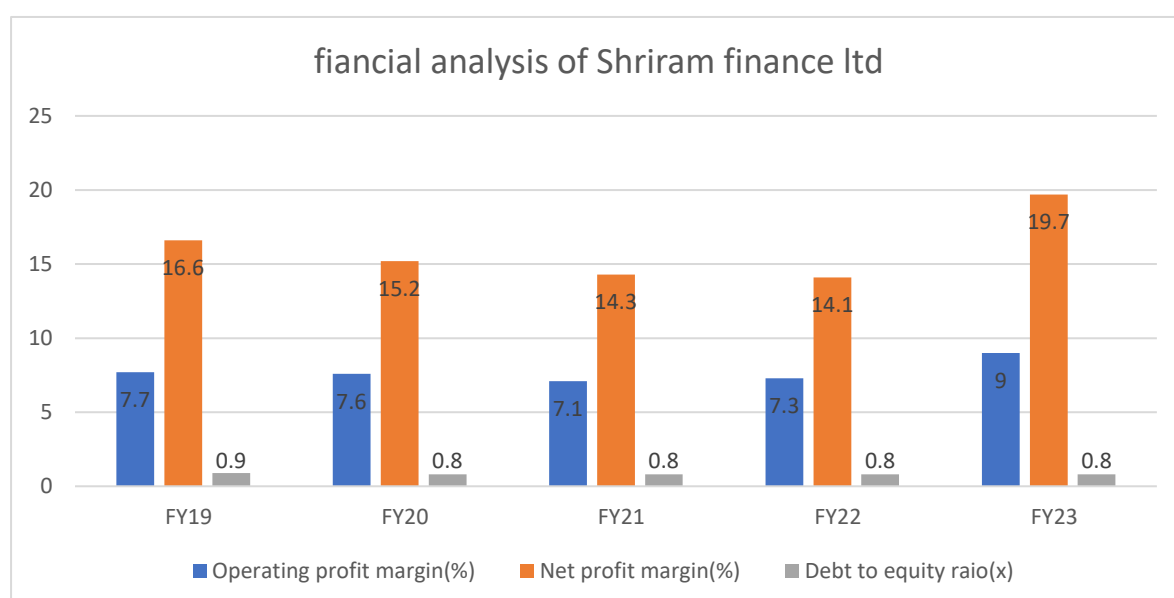
- Operating profit margins has been risen and fallen down for the last four years and in FY 2023 is 36.4%
- Net profit margins grew from 12.6% in FY19 to 14.9% in FY23
- Debt to Equity ratio for FY23 stood at 2.2 % as compared to 1.9% in FY19.

## SHRIRAM FINANCE LIMITED

Be it the company's profitability, operations effectiveness or utilization of funds, ratio

Here's the ratio/financial analysis of SHRIRAM FINANCE for the past 5 years.

	FY19	FY20	FY21	FY22	FY23
Operating profit margin(%)	7.7	7.6	7.1	7.3	9
Net profit margin(%)	16.6	15.2	14.3	14.1	19.7
Debt to equity raio(x)	0.9	0.8	0.8	0.8	0.8



### INTERPRETION:

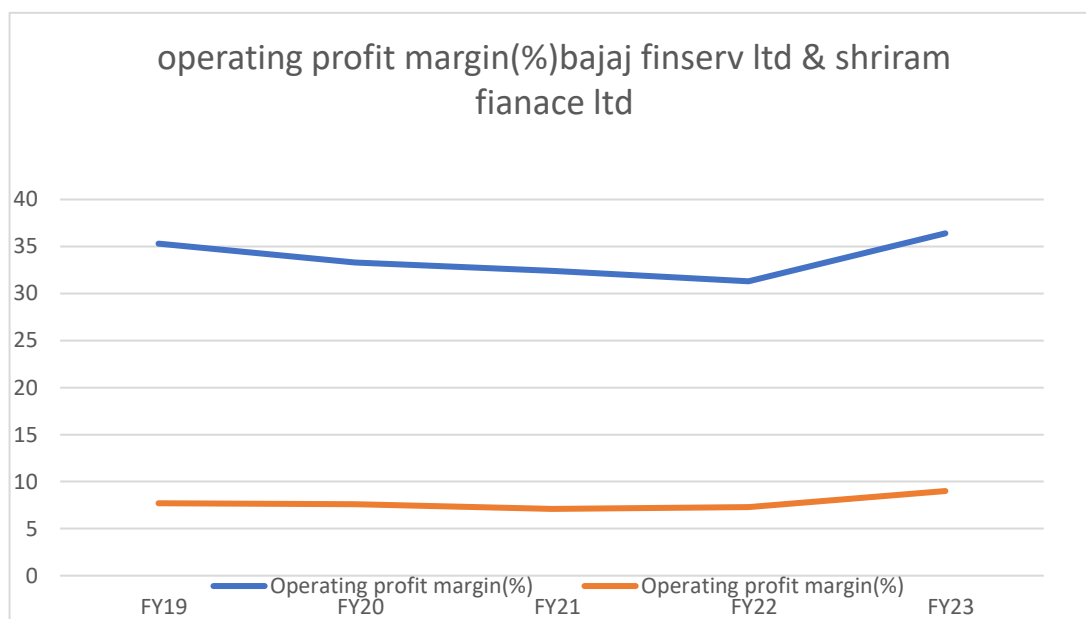
The ratio/financial analysis of SHRIRAM FINANCE LTD reveals:

- Operating profit margin increased from 7.7% in FY 2019 to 9.0% in FY23.
- Net profit margins grew from 16.6 % in FY 2019 to 19.7% in FY23.
- Debt to Equity ratio for FY23 stood at 0.8 as compared to 0.9 in FY2019.

## COMPARSION BETWEEN THE BAJAJ FINSERV LIMITED AND SHRIRAM FIANANCE LIMITED

### 1) For an Operating profit margin

		FY19	FY20	FY21	FY22	FY23
Bajaj FinServ ltd	Operating profit margin	35.3	33.3	32.4	31.3	36.4
Shriram finance ltd	Operating profit margin	7.7	7.6	7.1	7.3	9

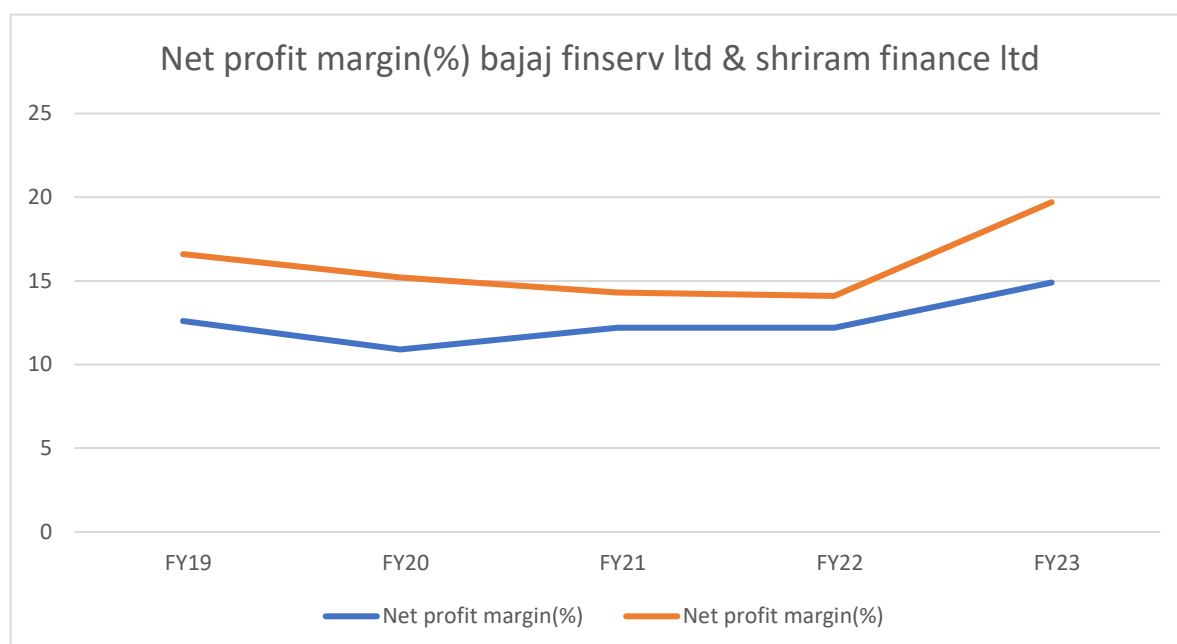


#### INTERPRETION:

- The bajaj FinServ Ltd. Has Operating profit margins has been risen and fallen down for the last four year. and in FY 2023 is 36.4%
- Operating profit margin of Shriram finance ltd increased from 7.7% in FY 2019 to 9.0% in FY23.
- The comparison between Bajaj FinServ ltd and Shriram finance ltd the Bajaj FinServ ltd has more Operating profit margin.

## 2) Net Profit Margin (%)

		FY19	FY20	FY21	FY22	FY23
Bajaj FinServ ltd	Net profit margin	12.6	10.9	12.2	12.2	14.9
Shriram finance ltd	Net profit margin	16.6	15.2	14.3	14.1	19.7

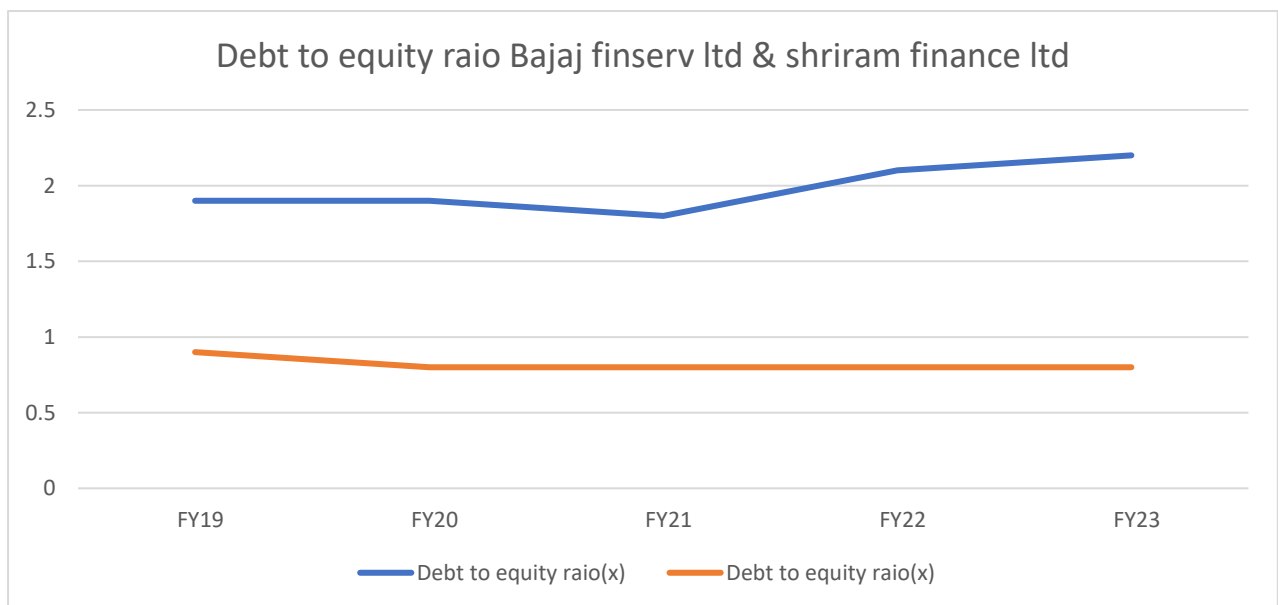


### INTERPRETION:

- Net profit margins of Bajaj FinServ ltd grew from 12.6% in FY19 to 14.9% in FY23
- Net profit margins grew from 16.6 % in FY 2019 to 19.7% in FY23 of the Shriram finance ltd.
- Bajaj FinServ ltd has more Net profit margin rather than Shriram finance ltd.

### 3) DEBT TO EQUITY RATIO

		FY19	FY20	FY21	FY22	FY23
Bajaj FinServ ltd	Debt to equity ratio	1.9	1.9	1.8	2.1	2.2
Shriram finance ltd	Debt to equity ratio	0.9	0.8	0.8	0.8	0.8



#### INTERPRETION:

- Debt to Equity ratio of Bajaj FinServ ltd for FY23 stood at 2.2 % as compared to 1.9% in FY19.
- Debt to Equity ratio of Shriram finance ltd.in FY23 stood at 0.8 as compared to 0.9 in FY2019.
- Bajaj FinServ ltd has more Debt-to-Equity ratio rather than Shriram finance ltd.

**CHAPTER VI**  
**FINDINGS**  
**&**  
**SUGGESTION**

## FINDINGS

- Bajaj FinServ Ltd: Exhibits strong and consistent revenue and profit growth over the five-year period.
- Shriram finance ltd: Demonstrates steady revenue and profit growth, albeit at a slower pace compared to Bajaj FinServ ltd
- Bajaj FinServ Ltd: Operating profit margins has been rise and fall down for the last four year. and in FY 2023 is 36.4%
- Shriram finance ltd.: profit margin increased from 7.7% in FY 2019 to 9.0% in FY23.
- Bajaj FinServ ltd: the net profit rose from 12.6% in FY19 to 14.9% in FY23.
- Shriram finance ltd.: The net profit increased from 16.6 % in FY 2019 to 19.7% in FY23.
- Bajaj FinServ ltd: Debt to Equity ratio for FY23 stood at 2.2 % as compared to 1.9% in FY19
- Shriram finance ltd.: Debt to Equity ratio for FY23 stood at 0.8 as compared to 0.9 in FY2019.
- The comparative study highlights Bajaj FinServ's superior financial performance and growth due to its diversified portfolio and technological advancements.



## SUGGESTIONS

- Establishing and growing the strategic partnerships or collaborations with fintech companies can be beneficial to drive innovation and enhance service offerings.
- Enhance Digital Transformation: Continue to invest in advanced technologies like artificial intelligence (AI), machine learning (ML), and blockchain to improve operational efficiency, enhance customer experience, and streamline processes.
- Explore opportunities for international expansion, particularly in emerging markets with high growth potential. pared to 1.9%pared to 0.9ance and growth For Shriram ltd.

# **CHAPTER VII**

# **CONCLUSION**

## CONCLUSION

1. Bajaj FinServ demonstrates consistent financial growth, with diversified revenue streams from insurance, lending, and wealth management, leading to stable profits.
2. Shriram Finance Ltd. showcases resilience despite economic fluctuations, focusing on niche markets like commercial vehicle financing, leading to steady but slower growth.
3. Shriram Finance's conservative approach to risk management ensures stability but limits aggressive expansion, impacting its comparative growth trajectory.
4. In conclusion, while Bajaj FinServ excels in dynamic growth and profitability, Shriram Finance maintains stability through focused operations and risk aversion strategies

Hence the study concludes that:

**H0:** There is no significant difference between the financial performance and growth of Bajaj FinServ Ltd. And Shriram Finance Ltd.” is rejected.

**H1:** There is significant difference between the financial performance and growth of of Bajaj FinServ Ltd. And Shriram Finance Ltd.” is proven positive.

# **CHAPTER VIII**

# **REFERENCES**

## REFERENCES

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