Dated: 08th December 2025

Bajaj Finserv (BJFIN) - BUY

Company Update

Current Market Price (CMP)	Fair Value (FV)
Rs.2097	Rs.2500

Rationale:

- We hosted the CEOs of Bajaj Finserv group companies on Friday.
- A high growth trajectory across them through a combination of customer and deepening relationships, leveraging of AI for favorable customer service and profitability outcomes, and a risk-first approach are the key common takeaways.
- The strategies should help mature companies such as Bajaj Finance sustain superior growth while driving faster break-even for recent incubations.
- Retain BUY on Bajaj Finserv, ADD on Bajaj Finance and upgrade Bajaj Housing Finance to ADD from REDUCE; no change in FVs.

Positives:

- The company expects the group’s consolidated PAT to be Rs21000-24000 cr by FY30 from Rs9000 cr in FY25, i.e., 18-22% CAGR.
- Novel platforms such as Bajaj Health and Bajaj Finserv Direct are slowly moving toward profitability, with arguably sustainable business plans.
- General insurance remains in a steady mode, the transformation in life insurance is gathering pace and will likely show tangible results in the next few quarters.
- Bajaj Finance aims to increase its customer franchise to 20-22 cr by FY30 from 11 cr now, driving a 20-23% CAGR in AUM until FY30E.

Negatives:

- The surrender value guidelines led to a delay in product innovations and also hampered growth for Bajaj Life.
- Aggression by PSUs has driven up BT-out rate, in addition to driving down the yields in housing finance business.

Holding Period: 12 months

RATING SCALE (PRIVATE CLIENT GROUP)

Definitions of ratings

BUY	–	We expect the stock to deliver more than 15% returns over the next 12 months
ADD	–	We expect the stock to deliver 5% - 15% returns over the next 12 months
REDUCE	–	We expect the stock to deliver -5% - +5% returns over the next 12 months
SELL	–	We expect the stock to deliver < -5% returns over the next 12 months
NR	–	**Not Rated.** Kotak Securities is not assigning any rating or price target to the stock. The report has been prepared for information purposes only.
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NA	–	**Not Available or Not Applicable.** The information is not available for display or is not applicable
NM	–	**Not Meaningful.** The information is not meaningful and is therefore excluded.
NOTE	–	Our target prices are with a 12-month perspective. Returns stated in the rating scale are our internal benchmark.

FUNDAMENTAL RESEARCH TEAM (PRIVATE CLIENT GROUP)

Shrikant Chouhan
Head of Research
shrikant.chouhan@kotak.com
+91 22 6218 5408

Arun Agarwal
Auto/Auto Ancillary, Building Material
Cement, Consumer Durable
arun.agarwal@kotak.com
+91 22 6218 6443

Amit Agarwal, CFA
Transportation, Paints, FMCG
agarwal.amit@kotak.com
+91 22 6218 6439

Rini Mehta
Research Associate
rini.mehta@kotak.com
+91 22 6218 6433

Sumit Pokharna
Oil and Gas, Information Tech
sumit.pokharna@kotak.com
+91 22 6218 6438

K. Kathirvelu
Support Executive
k.kathirvelu@kotak.com
+91 22 6218 6427

Pankaj Kumar
Construction, Capital Goods & Midcaps
pankajr.kumar@kotak.com
+91 22 6218 6434

Amarjeet Maurya
Internet Software & Services
amarjeet.maurya@kotak.com
+91 22 6218 6427

Veer Trivedi
BFSI
veer.trivedi@kotak.com
+91 22 6218 6432

TECHNICAL RESEARCH TEAM (PRIVATE CLIENT GROUP)

Shrikant Chouhan
shrikant.chouhan@kotak.com
+91 22 6218 5408

Amol Athawale
amol.athawale@kotak.com
+91 20 6620 3350

Sayed Haider
sayed.haider@kotak.com
+91 22 62185458

DERIVATIVES RESEARCH TEAM (PRIVATE CLIENT GROUP)

Sahaj Agrawal
sahaj.agrawal@kotak.com
+91 79 66041701

Prasenjit Biswas, CMT, CFTe
prasenjit.biswas@kotak.com
+91 33 6638 8331

Karan Kulkarni
karan.kulkarni@kotak.com
+91 20 66203350

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