



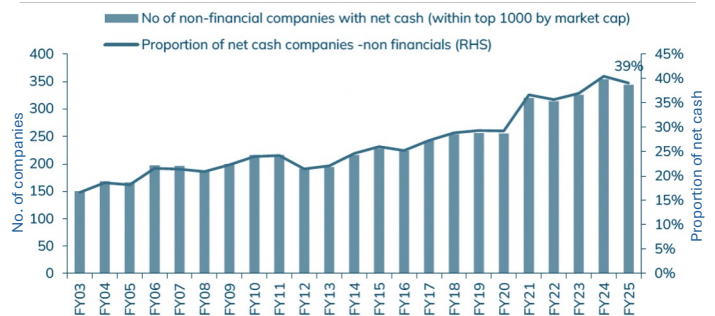
# HIGH ON POTENTIAL, LOW ON LEVERAGE

## WHY INVEST IN SMALL CAPS NOW?

Indian corporates are entering the growth cycle with historically low leverage and surplus cash.

**1** 39% of top listed companies are now net cash positive

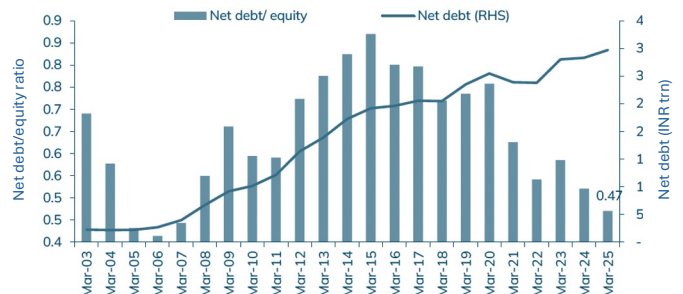
PROPORTION OF NET CASH COMPANIES



Source: Capitaline, I-Sec Research  
Note: Net debt = Total debt – cash  
Within top 1000 companies by market cap, only non-financial companies considered at respective point in time

**2** Debt/Equity ratio has dropped from ~1.0 (FY18) to ~0.47 (FY25)

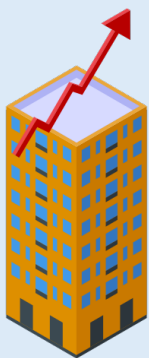
NET DEBT/EQUITY RATIO OF LISTED COMPANIES



Source: Capitaline, I-Sec Research  
Note: Net debt = Total debt – cash  
Only top 1000 companies by market cap considered at respective point in time.

This means there is ₹0.47 of debt for every ₹1 of equity on the balance sheet.

Data as on 25<sup>th</sup> June 2025



## STRONGER SMALL CAP STORY WITH STRONG BALANCE SHEETS

With the lowest debt/equity ratio at **0.24**, small caps are structurally positioned to capitalise on both operating and financial leverage as the capex cycle gains momentum.

This presents a compelling opportunity to invest in quality small caps with a blend of value and growth potential.

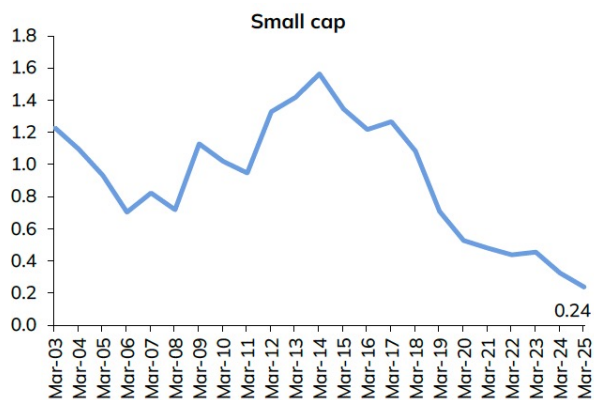
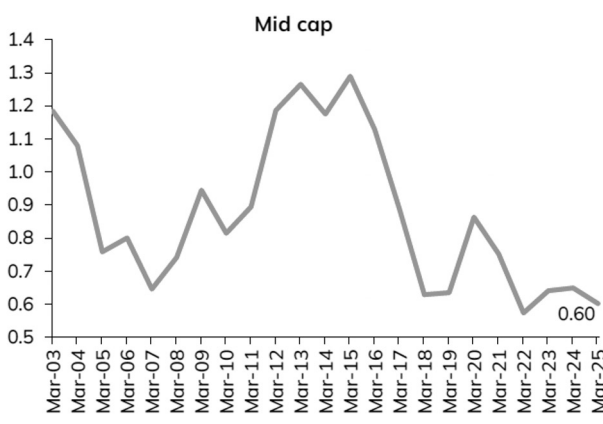
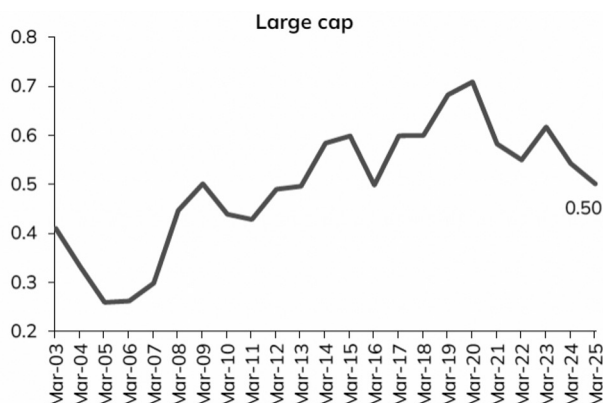
Give your investments the 3-in-1 advantage with

**BAJAJ FINSERV SMALL CAP FUND**

 **QUALITY** |  **GROWTH** |  **VALUE**



**FINSERV**



Source: Capitaline, I-Sec research Note: Financial companies are excluded.  
Net debt = Total debt – cash.

Data as on 25<sup>th</sup> June 2025

### BAJAJ FINSERV SMALL CAP FUND

An open ended equity scheme predominantly investing in small cap stocks

#### Product label

This product is suitable for investors who are seeking\*:

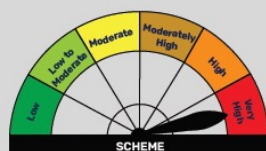
- wealth creation over long term
- to invest predominantly in equity and equity related instruments of small cap companies.

\*Investors should consult their financial advisers if in doubt about whether the product is suitable for them

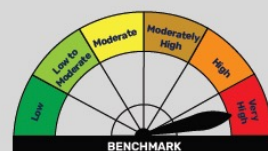
**Mutual Fund investments are subject to market risks, read all scheme related documents carefully.**

**BAJAJ FINSERV ASSET MANAGEMENT LIMITED**

#### RISKOMETER



The risk of the scheme is very high



The risk of the benchmark i.e. BSE 250 SmallCap TRI is Very High