RATING	
Business	★★★½
Financials	★★½
Valuation	★★★½
Management	★★★

Ranking 1 to 5, denoting lowest and 5 highest

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IPO : BAJAJ HOUSING FINANCE LIMITED

Date : 10-09-2024

Recommendation : Buy For Listing Gain (GMP : 80% to 85%)

(Note: All the information and data in this report is from RHP)

IPO DETAILS

Price	₹66 to ₹70 per share
Lot Size	214 Shares
Face Value	₹10 per share
Issue Size	₹6560.00 Cr
Fresh Issue	₹3560.00 Cr
Offer For Sale	₹3000.00 Cr
Listing At	BSE, NSE
Retail	35.00%
NII	15.00%
QIB	50.00%
Issue Type	Book Built Issue IPO
Retail (Min)	₹ 14,980
Share holding pre Issue	100.00%
Share holding post Issue	-

IPO TIMELINES

IPO Date	09 Sep - 11 Sep
Listing Date	16-Sep
Basis of Allotment	12-Sep
Initiation of Refunds	13-Sep
Credit of Shares to Demat	13-Sep

Keys Highlights

- Bajaj Housing Finance (BHFL), India's largest non-deposit-taking HFC, registered with NHB since 2015, began mortgage lending in FY2018 and was classified as an Upper Layer NBFC by RBI in 2022.
- In seven years, BHFL has become India's second-largest HFC and eighth-largest NBFC-UL by AUM, with the second-highest profitability and loan disbursements, and the highest AUM per branch and employee among large HFC.
- Eligible shareholders of Bajaj Finance Limited and Bajaj Finserv Limited as of August 30, 2024, can apply for Rs 5000 million worth of shares under the Shareholder Reservation Portion, with only bids at or above the Offer Price considered.
- Post-issue, the book value (BV) will be ₹21.9, and the adjusted BV (ABV), net of NPAs, will be ₹21.8 per share at the upper price band, with a price-to-ABV multiple of 3.2 times. In comparison, peer HFCs like Can Fin Homes, PNB Housing Finance, and LIC Housing Finance are trading at P/Adj BV multiples of 2.7, 1.8, and 1.5 times, respectively. Affordable HFCs like Home First Finance, Aptus Value Housing Finance, Aavas Financiers, India Shelter Finance, and Aadhar Housing Finance are trading at 4.8, 4.3, 3.6, 3.5, and 3.3 times, respectively.

About Company :

Founded in 2008, Bajaj Housing Finance is a non-deposit-taking Housing Finance Company (HFC) registered with the National Housing Bank (NHB) since 2015. The company began offering mortgage loans in the financial year 2018.

Part of the diversified Bajaj Group, Bajaj Housing Finance provides tailored financial solutions for the purchase and renovation of homes and commercial spaces. Its comprehensive mortgage product range includes home loans, loans against property (LAP), rent concessions, and developer finance.

As of March 31, 2024, Bajaj Housing Finance had 308,693 active customers, with 81.7% being home loan customers. The company operates through a network of 215 branches across 174 locations in 20 states and three union territories, supported by six centralized retail loan review centers and seven centralized loan processing centers.

Objectives of the Issue :

The company intends to utilize the net proceeds towards the following objective:

- Augment capital base to meet future business requirements of the company towards onward lending.

Management Details :

Sanjivnayan Bajaj - Chairman and Non-Executive Director

Sanjivnayan Bajaj is the Chairman and Non-Executive Director of Bajaj Housing Finance. He has a Bachelor's in Mechanical Engineering from the University of Pune, a Master's in Manufacturing Systems Engineering from the University of Warwick, and an MBA from Harvard Business School. He is Chairman and Managing Director of Bajaj Finserv Limited, Non-Executive Chairman of Bajaj Finance Limited, and Chairman of several Bajaj Group companies. With over 27 years of experience in business strategy, finance, and IT, he also served as President of the Confederation of Indian Industry in FY 2023 and was a member of the Government of India's Business 20 steering committee for G20.

Rajeev Jain - Vice Chairman and Non-Executive Director

Rajeev Jain is the Vice Chairman and Non-Executive Director of Bajaj Housing Finance. He holds a post-graduate diploma in management from T.A. Pai Management Institute, Manipal, and has over 30 years of experience in consumer lending. He has been with the company for over a decade and has previously worked with Countrywide Consumer Financial Services, ANZ Grindlays Bank, American Express, and AIG.

Atul Jain - Managing Director

Atul Jain is the Managing Director of Bajaj Housing Finance. He holds a bachelor's degree in commerce (honours in accounting) and an MBA from Punjabi University, Patiala. With over 24 years of experience in financial services, investment banking, and retail finance, Jain joined the Bajaj Group in 2002 and the company in April 2018. Previously, he was with PNB Capital Services, Prudential Capital Markets, and served as an enterprise risk officer at Bajaj Finance Limited.

Gaurav Kalani - Chief Financial Officer

Gaurav Kalani is the Chief Financial Officer of Bajaj Housing Finance, overseeing finance and accounts. He holds a bachelor's degree in commerce from Maharshi Dayanand Saraswati University, Ajmer, and is a Chartered Accountant with the Institute of Chartered Accountants of India. Kalani joined the Bajaj Group in April 2003 and the company in April 2018. In the Financial Year 2024, he received a remuneration of ₹25.2 million.

BUSINESS OVERVIEW & LOAN PRODUCT

The company, a non-deposit-taking Housing Finance Company (HFC) registered with the National Housing Bank (NHB) since September 2015, has been engaged in mortgage lending since Fiscal 2018. As of September 30, 2022, it was categorized as an "Upper Layer" NBFC (NBFC-UL) by the Reserve Bank of India (RBI) under the "Scale Based Regulations" framework.

The company provides a range of mortgage products, including home loans, loans against property (LAP), lease rental discounting, and developer financing. Its primary focus is on individual retail housing loans, which constituted 57.8% of its assets under management (AUM) as of March 31, 2024. As of June 30, 2024, the AUM stood at ₹970,713.3 million, reflecting a 30.9% CAGR from Fiscal 2022 to 2024.

The company is a leading player among HFCs in India, being the largest non-deposit-taking HFC in terms of AUM within seven years of operations and the second-largest overall. It also ranks as the second most profitable HFC and holds the highest credit ratings for long-term and short-term borrowings. It boasts the lowest gross and net non-performing asset (GNPA and NNPA) ratios among large HFCs and is recognized for its high share of salaried customers and comprehensive mortgage product offerings.The company, part of the Bajaj Group—a diversified business conglomerate founded in 1926—serves 323,881 active customers as of June 30, 2024, with 83.2% being home loan customers. It has demonstrated substantial growth in loan disbursements, reaching ₹120,035.1 million in the three months ended June 30, 2024, compared to ₹103,825.2 million in the same period in 2023, and ₹446,562.4 million, ₹343,336.3 million, and ₹261,752.4 million in Fiscals 2024, 2023, and 2022, respectively.

The company operates through a network of 215 branches across 174 locations in 20 states and three union territories, supported by six centralized hubs for retail underwriting and seven hubs for loan processing. Its hybrid model leverages both direct and indirect channels, including strategic partnerships, customer engagement, digital leads, and a distribution network of intermediaries, enhancing its market presence while maintaining a direct-to-customer strategy to ensure consistent service and personalized customer experiences.

To manage risk, the company focuses on sourcing self-occupied residential properties as collateral for loans against property (LAP), with 28.9% of LAP AUM coming from lower-risk customers, such as salaried and self-employed professionals, as of June 30, 2024. It employs customized credit evaluation processes and robust monitoring frameworks to maintain strong credit quality, reflected in its low Gross Non-Performing Assets (GNPA) ratio of 0.28% and Net Non-Performing Assets (NNPA) ratio of 0.11%.

The company holds the highest possible credit ratings in India for both long-term (CRISIL AAA/stable and IND AAA/stable) and short-term (CRISIL A1+ and IND A1+) borrowings, which, combined with experienced treasury management, enable it to secure funds at competitive rates. This cost-effective funding base allows the company to offer competitive pricing across its product suite.

LOAN PRODUCTS

Home Loans

The company offers home loans to salaried, professional, and self-employed individuals, focusing primarily on mass affluent customers aged 35-40 with an average annual salary of ₹1.3 million, as reported by CRISIL MI&A. As of June 30, 2024, home loans comprised 57.5% of its total loan portfolio and were available across 174 locations in India. The company provides financing for new home purchases, resales, balance transfers, and additional top-ups, with options for loans linked to external benchmarks like the policy repo rate and a dual-rate loan facility combining fixed and floating interest rates.

Its sourcing strategy involves a micro-market approach, segmenting locations into specialized operational areas managed by field teams, enhancing local engagement and network expansion. The company utilizes both direct (D2C) and indirect sourcing channels, leveraging analytics, strategic partnerships, and a broad network of intermediaries, including channel partners, aggregators, and agents.

The company leverages its APF project base of 6,349 projects as of June 30, 2024, to offer a diverse range of home loan options and expedite processing. Connections with developers, including those financed since inception, support sourcing from both funded and non-funded projects. Partnerships with other HFCs, NBFCs, and small finance banks enable pool purchases and co-origination arrangements. The company caters to both traditional and tech-savvy clients through doorstep services and digital solutions, including the 'DIY Home Loans' service that streamlines online application and approval processes. As of June 30, 2024, home loan features include an average ticket size of ₹4.6 million (₹4.1 million for D2C and ₹5.1 million for indirect channels), an average loan-to-value ratio of 69.3%, a maximum tenor of 40 years, and a customer mix with a 75.5% credit score above 750. Customers have an average annual salary of ₹1.4 million, with those sourced through D2C averaging ₹1.3 million and those through indirect channels averaging ₹1.4 million.

Loans Against Property

The company offers Loans Against Property (LAP) across 74 locations in India, utilizing both in-house teams and intermediaries. The LAP product focuses on cash flow-backed lending, assessing the borrower's repayment capacity based on income streams rather than solely on collateral value. This approach aligns the loan amount with the customer's ability to repay, reducing default risk and promoting financial sustainability.

The company serves a diverse customer base, including salaried professionals and self-employed individuals, with a significant proportion of the collateral being self-occupied residential properties. It also offers a "Flexi" facility, allowing customers to withdraw and make partial payments on their loans, thereby lowering interest costs based on actual fund usage. The LAP sourcing strategy combines direct-to-customer (D2C) channels, targeting low-risk clients through digital leads and partnerships, with intermediary networks such as aggregators and agents. The company also leverages its relationships with developers to offer LAP for commercial properties. Key features of the LAP product as of June 30, 2024, include an average ticket size of ₹5.9 million, an average loan-to-value ratio of 53.0%, a maximum tenure of up to 17 years, and a 71.4% mix of self-occupied residential properties in the portfolio.

Lease Rental Discounting

The company provides lease rental discounting (LRD) solutions to high-net-worth individuals (HNIs) and developers, offering loans tailored for commercial real estate financing. The LRD product finances commercial properties with established lease rental cash flows from reputable tenants in long-term agreements and utilizes an escrow mechanism for rental collections. The company also offers construction finance for commercial properties, including warehousing and industrial needs, across 14 locations in India as of June 30, 2024.

The LRD portfolio covers the entire commercial real estate lifecycle, from funding greenfield projects to converting them into leasable assets. Initially focused on the low-risk IT and office space segment, the portfolio now includes industrial and warehousing properties, emphasizing 'Grade A' commercial properties from premier developers, global private equity firms, listed REITs, and sovereign funds. The lessee base consists of major Indian and multinational corporations. Business acquisition is managed by a specialized relationship management team, supported by internal and external due diligence. As of June 30, 2024, the LRD product features an average ticket size of ₹1,018.9 million and serves 249 customers.

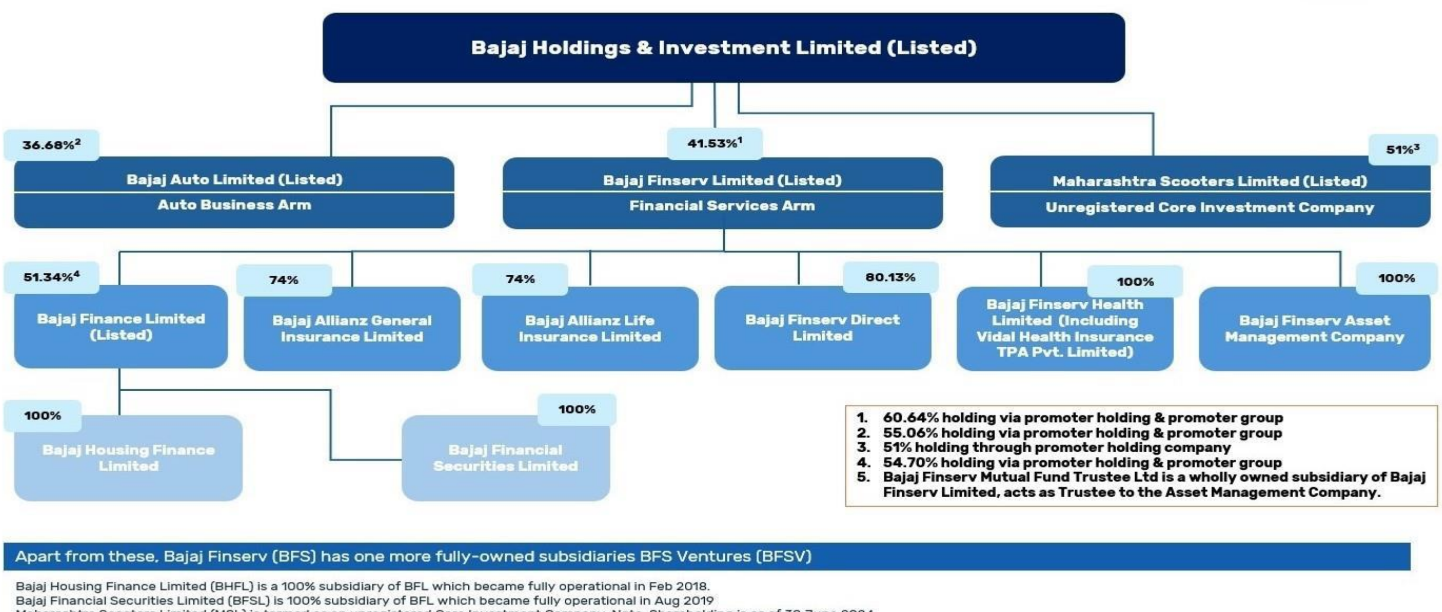
Developer Financing

The company offers lease rental discounting (LRD) solutions to high-net-worth individuals (HNIs) and developers, providing financing for commercial properties with established lease cash flows secured through an escrow mechanism. Additionally, it provides construction finance for commercial properties, including warehousing and industrial spaces, across 14 locations in India as of June 30, 2024.

The LRD portfolio spans the commercial real estate lifecycle, from funding greenfield projects to converting them into leasable assets, with a focus on 'Grade A' properties from top developers, global private equity firms, listed REITs, and sovereign funds. As of June 30, 2024, the LRD product has an average ticket size of ₹1,018.9 million and serves 249 customers.

Others

The company also provides non-collateralized loans and generates additional income by cross-selling third-party value-added products and insurance policies. Recently registered as a Corporate Agent with the Insurance Regulatory and Development Authority of India, the company has expanded its insurance offerings to include life, general, and health insurance.



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BUSINESS STRENGTHS :-

Leverage of the Bajaj Brand and Strong Parent Support

The company benefits from the strong heritage and recognition of the "Bajaj" brand, known for its diverse retail-focused businesses. As a wholly-owned subsidiary of Bajaj Finance Limited, one of India's largest NBFCs, the company leverages its parent's expertise and reputation in financial services. Capital infusions from Bajaj Finance Limited in 2022 and 2024 further strengthen its financial position and provide a reliable credit line for growth.

Second Largest HFC in India with Robust Growth

The company, operational since Fiscal 2018, is the second largest HFC in India by AUM and the eighth largest Upper Layer NBFC as of March 31, 2024. It has achieved a CAGR of 30.9% from Fiscal 2022 to Fiscal 2024, with an AUM of ₹970,713.3 million as of June 30, 2024.

Despite challenges such as the NBFC crisis and COVID-19, the company's growth is driven by strong risk management and a diversified portfolio. It ranks as the fourth fastest-growing HFC/NBFC and the second most profitable HFC in India, with a profit after tax of ₹4,826.1 million for the three months ended June 30, 2024. The diverse range of financial solutions supports continued growth and deepens customer engagement.

Strategic Omni-Channel Presence with Focused Digitization

The company maintains a strategic presence in key mortgage markets with a comprehensive omni-channel approach. As of June 30, 2024, it operates 215 branches, six centralized hubs for retail underwriting, and seven centralized processing hubs. Maharashtra is a significant market, representing 32.0% of AUM and 35.8% of disbursements. The company also collaborates with 1,780 active channel partners, enhancing its reach across urban and rural areas. This extensive network and digitization initiatives support its ability to meet diverse customer needs effectively.

Robust Credit Evaluation and Risk Management

The company employs a rigorous credit evaluation framework and underwriting processes to maintain low risk across all products. As of June 30, 2024, it has 6,349 Approved Project Finance (APF) projects, benefiting from centralized underwriting, digitized processes, and account aggregator integration. Specialized teams assess financial profiles using telephonic and video discussions, while a dedicated risk team monitors early warning signals and conducts periodic reviews through credit bureau checks and dashboard monitoring. This approach has resulted in the lowest GNPA and NNPA ratios among peers in Fiscal 2024.

Experienced Management Team

With a seven-year operational history, the company is led by Key Managerial and Senior Management Personnel who average 11 years of experience in the Indian financial services industry. The Managing Director and Chief Financial Officer have over 21 years with the Bajaj group and are founding members of the company.

Business Strategies

Technology-Driven Efficiency and Customer Experience

The company is committed to leveraging technology and analytics to boost productivity, reduce expenses, and enhance customer experience. Operating Expenses as a percentage of Net Total Income decreased from 29.2% in Fiscal 2022 to 21.0% for the three months ended June 30, 2024. Investments in digital capabilities include capital expenditures of ₹25.2 million in Q1 FY 2024 and significant past investments. The company utilizes advanced technology to refine underwriting processes, employing data analytics for accurate risk assessment and decision-making. Digital initiatives include E-Agreements, E-sanction letters, and the DIY Home Loan platform, enhancing customer convenience and operational efficiency. Recent digital advancements led to an increase in online traffic, from 3.0 million users in Fiscal 2022 to 3.7 million in Fiscal 2024.

Diversifying Market Presence with Strategic Customer Focus and Risk Management

Despite low mortgage penetration in India, future growth is expected due to urbanization, rising incomes, and favorable demographics, as noted by CRISIL MI&A. As of June 30, 2024, home loans make up 57.5% of the company's portfolio, with 90.8% directed towards low-risk salaried and self-employed professionals. The company's strategy includes a micro-market approach, leveraging developer finance-funded projects and expanding retail home loan presence. A new Strategic Business Unit (SBU) has been launched to cater to near-prime and affordable housing segments, including the recently introduced Sambhav Home Loans for first-time buyers from lower-income brackets. This expansion targets a broader customer base while managing credit risk and sustaining profitability.

Diversifying Borrowing Profile to Optimize Costs

The company's liability management strategy focuses on expanding and diversifying its borrowing base. By increasing the proportion of long-term borrowings, the company aims to achieve a more stable and predictable funding stream, aligning financial inflows with the long-term nature of its assets. Recent diversification efforts include securing NHB refinance to access longer-tenor funds. The company will continue to seek cost-effective borrowing solutions, including increasing activity in the money markets. This approach leverages its strong credit ratings to optimize borrowing costs and reduce operating expenses.

Attracting, Training, and Retaining Talented Employees

The company's success is driven by a blend of experienced and emerging professionals. With a focus on credit evaluation, risk management, and other key areas, the company recruits graduates and industry experts. Structured training programs for new hires, first-time managers, and ongoing upskilling are in place. An employee engagement framework supports a positive workplace culture, emphasizing diversity and inclusion, with a goal to increase female representation in the workforce.

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Risk Factor

Regional Concentration of Assets

As of June 30, 2024, the company's assets under management (AUM) are heavily concentrated in Maharashtra, Karnataka, Telangana, Gujarat, and the union territory of New Delhi, which collectively account for 85.2% of total AUM and 88.2% of total disbursements. Maharashtra leads with 32.0% of AUM and 35.8% of disbursements, followed by Karnataka with 22.7% and 21.1%, respectively. Telangana, Gujarat, and New Delhi contribute 14.8%, 8.1%, and 7.6% of AUM, and 13.7%, 10.6%, and 7.0% of disbursements, respectively. The regional concentration implies that any adverse developments in these areas could negatively affect the company's business, results of operations, cash flows, and financial condition.

Exposure to Real Estate Sector Risks

The company's portfolio is significantly exposed to the real estate sector, and any downturn or adverse developments in this sector could lead to increased impairment losses and negatively affect its business, results of operations, cash flows, and financial condition. The primary security for the mortgage business is the underlying property or collateral, making the company's performance closely tied to the real estate market. Economic conditions, both within and outside India, could impact the real estate market adversely. Additionally, the company provides retail home loans secured by properties under construction, which are susceptible to delays or disruptions from regulatory actions, unforeseen circumstances, or execution failures by developers.

Interest Rate and Maturity Mismatches

The company may encounter interest rate and maturity mismatches between its assets and liabilities, which could lead to liquidity concerns. If the company is unable to secure funding on acceptable terms and at competitive rates when needed, it could materially impact its business, results of operations, cash flows, and financial condition. Mismatches in the maturity of assets and liabilities represent a key financial risk, as a significant portion of assets, such as customer loans, have longer maturities compared to short- and medium-term funding sources like commercial paper and overdraft facilities.

Dependence on External Distribution Network

The company relies on an external distribution network, including intermediaries such as channel partners, aggregators, direct selling agents (DSAs), and third-party agents, to attract potential customers, collect loan applications, and market financial products. This network, which consists of individual proprietors and self-employed professionals, is not exclusive to the company and performs similar tasks for other organizations.

Industry Overview

Indian Housing Finance Market Growth

The Indian housing finance market is projected to grow at a CAGR of 13-15% from Fiscal 2024 to Fiscal 2027. From Fiscal 2019 to Fiscal 2023, it experienced a robust CAGR of approximately 13.1%, driven by rising disposable incomes, strong demand, and increased competition. As of Fiscal 2024, housing finance credit outstanding reached ₹33.1 trillion, reflecting a 15.2% growth in the year. This growth is fueled by a rising young population, increasing incomes, and demand in both metro and Tier 2 and 3 cities. Despite rising repo rates and economic challenges from the Covid-19 pandemic, home loan demand remained resilient, and asset quality concerns were mitigated by stable salaried incomes.

Projected Systemic Credit Growth (Fiscal 2024-Fiscal 2027)

Systemic credit, which is significantly influenced by corporate credit, is expected to grow at a 13-15% CAGR from Fiscal 2024 to Fiscal 2027. Following a slowdown to 6.3% in Fiscal 2021 due to economic downturn and lender caution, credit growth rebounded to 10.3% in Fiscal 2022, driven by budgetary investments and increased business activity. Fiscal 2023 saw a 12.8% increase, fueled by strong retail demand, and Fiscal 2024 continued this trend with a 14.1% rise, supported by robust retail and vehicle loan disbursements. Retail credit is projected to remain a key growth driver, despite some normalization in unsecured credit growth.

NBFC Credit Distribution (Fiscal 2024)

In Fiscal 2024, MSME, housing, and auto financing together contributed about 51% to overall NBFC credit. While infrastructure remains the largest segment with a 24% share, its proportion has decreased from 29% in Fiscal 2019. The MSME sector's share rose to 21% from 16% in Fiscal 2019. Housing and auto financing accounted for approximately 16% and 14% of the overall NBFC credit, respectively.

Housing Finance Disbursement by Lender Type

As of Fiscal 2024, Public Sector Banks hold the largest share of housing finance disbursement at approximately 40%. Private Sector Banks and Housing Finance Companies follow, with shares of about 36% and 20%, respectively. From Fiscal 2019 to Fiscal 2024, Private Sector Banks experienced the fastest growth in housing finance disbursement at around 28% CAGR, followed by Public Sector Banks and Housing Finance Companies, which grew at approximately 22% CAGR.

Borrowing Mix of Housing Finance Companies (HFCs)

In Fiscal 2023, non-convertible debentures (NCDs) were the primary borrowing source for HFCs, though their share decreased from 47% in Fiscal 2019 to 38%. The rise in repo rates by 250 bps made capital market borrowings more expensive, leading to a 300 bps increase in the share of term loans from banks to 36% due to their better cost of funds. Refinancing from NHB represented 5% of the borrowing mix, particularly significant for affordable housing finance companies. CRISIL MI&A projects that in Fiscal 2024, the share of term loans will increase to approximately 37%, while NCDs will rise to 39%. The share of term loans is expected to further increase by 100 bps due to rising bank exposures to HFCs amidst tighter RBI risk weights for banks lending to NBFCs, excluding HFCs.

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Key Performance Indicators:

Particulars	31-JUN-24	31-Mar-24	31-Mar-23	31-Mar-22
Assets under Management (in ₹ million):				
Home Loans	558,108.20	528,196.00	427,068.60	345,448.50
LAP	96,818.40	95,679.30	78,168.90	74,052.80
Lease Rental Discounting	189,698.20	176,368.00	112,594.80	68,694.20
Developer Financing	108,459.60	95,993.30	56,693.20	28,987.00
Others	17,628.90	17,467.40	17,753.50	16,034.70
Total Assets under Management	970,713.30	913,704.00	692,279.00	533,217.20
Disbursements (in ₹ million)	120,035.10	446,562.40	343,336.30	261,752.40
Net Worth (in ₹ million)	147,199.10	122,335.00	105,031.90	67,413.60
Average Ticket Size (in ₹ million)				
Home Loans	4.6	4.6	4.6	4.2
LAP	5.9	5.8	4.9	4.3
Interest Income (in ₹ million)	20,635.40	72,023.60	52,692.40	34,817.50
Net Total Income (in ₹ million)	8,099.70	29,251.00	24,541.20	16,118.20
Profit after Tax (in ₹ million)	4,826.10	17,312.20	12,578.00	7,096.20
Yield on Loans (in %)	10.00%	10.20%	9.70%	8.70%
Finance cost as a percentage of Average Borrowings (%)	7.90%	7.60%	6.70%	5.90%
Net Interest Margin (in %)	3.90%	4.10%	4.50%	4.00%
Operating Expense to Net Total Income Ratio	21.00%	24.00%	25.70%	29.20%
Profit before Tax Margin (in %)	28.50%	28.40%	30.00%	25.50%
Credit Cost (in %)	0.00%	0.10%	0.20%	0.50%
Return on Average Assets (in %)	2.30%	2.40%	2.30%	1.80%
Return on Average Equity (in %)	14.30%	15.20%	14.60%	11.10%
Leverage	6	6.7	6.2	7.2
GNPA Ratio (in %)	0.28%	0.27%	0.22%	0.31%
NNPA Ratio (in %)	0.11%	0.10%	0.08%	0.14%
Provision Coverage Ratio (in %)	59.40%	63.70%	63.60%	54.30%
Capital Adequacy Ratio (in %)	23.82%	21.28%	22.97%	19.71%
Number of Branches	215	215	208	201
Number of Employees	2,239	2,372	2,788	3,705

SEGMENTWISE REVENUE:

AUM (in ₹ million)

Particulars	31-JUN-24	31-Mar-24	31-Mar-23	31-Mar-22
Home loans	57.50%	57.80%	61.70%	64.80%
Loans against property	10.00%	10.50%	11.30%	13.90%
Lease rental discounting	19.50%	19.30%	16.30%	12.90%
Developer financing	11.20%	10.50%	8.20%	5.40%
Others*	1.80%	1.90%	2.50%	3.00%
Total	100.00%	100.00%	100.00%	100.00%

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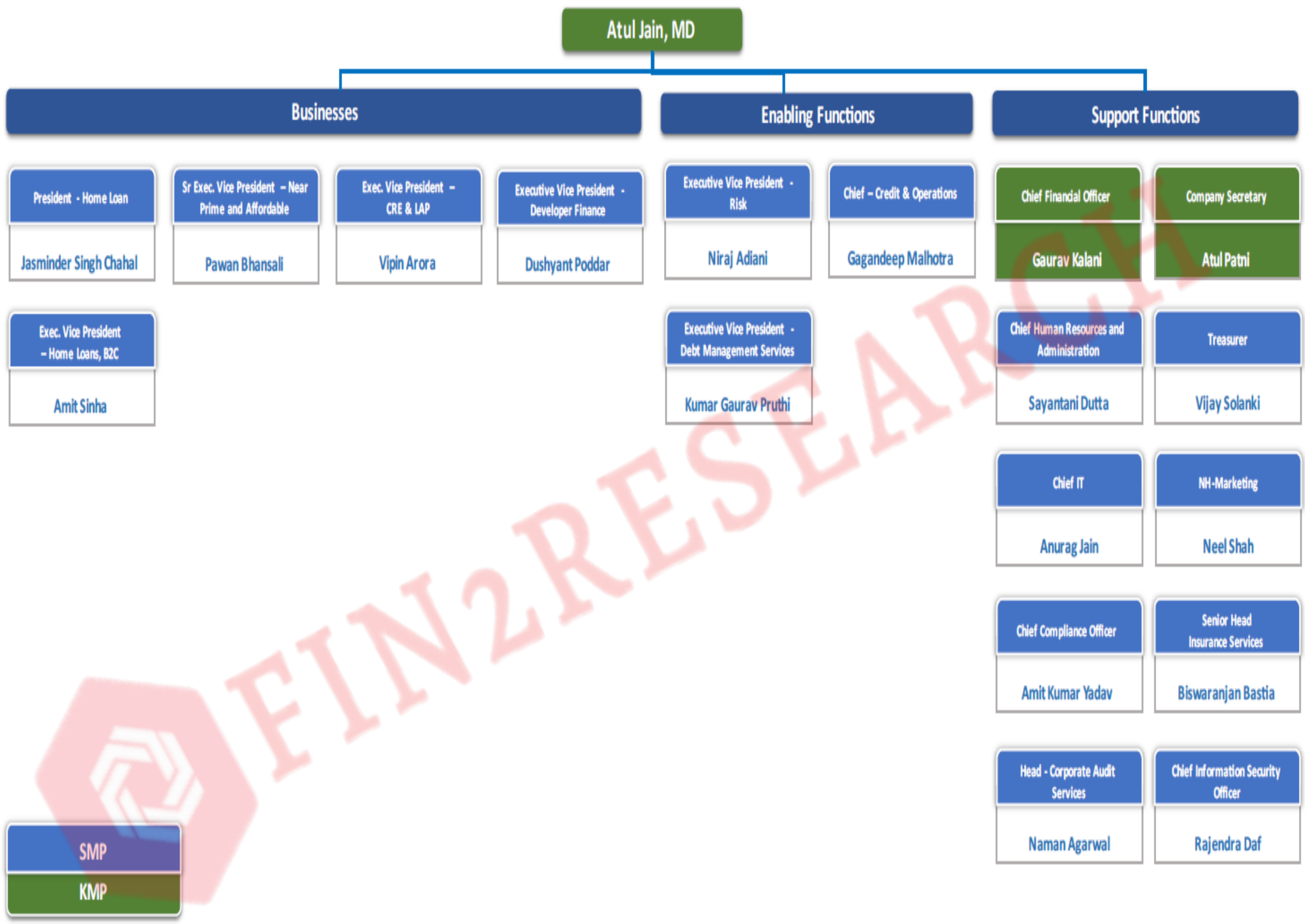
MANAGEMENT ORGANIZATION STRUCTURE:

BHFL: Senior Management Team



Name of the Shareholder	No. of Equity Shares	As a % of pre-issued Capital
Promoter		
Bajaj Finance Limited	7,819,575,273	100
Total	**7,819,575,273**	**100**
Promoter Group		
Sanjivnayan Bajaj	100	-
Total	**7,819,575,373**	**100**

Comparison of Accounting Ratios with listed Industry Peers

Name of the company	Total income (₹ in million)	Face Value (₹ per share)	P/E	P/B	Basic EPS (₹)	Diluted EPS (₹)	RoNW (%)	NAV (₹ in million)	NAV per Equity Share (₹)
Bajaj Housing Finance Limited#	76,177.1	10	NA	NA	2.6	2.6	15.2%	122,335.0	18.2
Listed Peers									
LIC Housing Finance Limited	272,778.0	2	7.7	1.2	86.5	86.5	16.2%	314,800.6	572.3
PNB Housing Finance Limited	70,570.9	10	14.1	1.4	58.4	58.2	11.6%	149,744.4	576.6
Can Fin Homes Limited	35,246.9	2	15.0	2.6	56.4	56.4	18.8%	43,438.5	326.2
Aadhar Housing Finance	25,869.8	10	21.4	3.8	19.0	18.4	18.4%	44,497.5	104.3
Aavas Financiers	20,206.9	10	26.8	3.5	62.0	61.9	13.9%	37,733.2	476.8
Aptus Value Housing Finance	14,168.4	2	25.0	4.0	12.3	12.2	17.2%	37,679.2	75.5
Home First Finance	11,565.5	2	30.3	4.3	34.7	33.7	15.5%	21,214.9	239.7

Comparison with listed industry peers

Particulars	Capital Adequacy Ratio ("CRAR")[1]	Liquidity Coverage Ratio ("LCR")[2]	Principal Business Criteria Ratio ("PBC")[3]
Minimum regulatory requirement as of March 31, 2024	**15.00%**	**85.00%**	**60.00%**
Our Company	**21.28%**	**192.31%**	**61.43%**
Can Fin Homes Limited	24.48%	120.57%	74.88%
LIC Housing Finance Limited	20.78%	175.34%	84.25%
PNB Housing Finance Limited	29.26%	266.00%	66.33%
Aadhar Housing Finance Limited	38.46%	Not available	Not available
Aavas Financiers Limited	43.98%	106.14%	66.54%
Aptus Value Housing Finance India Limited	73.03%	143%	61.23%
Home First Finance Company India	39.48%	180.33%	65.56%

BAJAJ FINSERV

FIA FIN2RESEARCH Investment Advisor Pvt. Ltd.

Initial Public Offer

Income Statement:

in Millions

Particulars	30-Jun-24	31-Mar-24	31-Mar-23	31-Mar-22
Revenue from Operations				
Interest income	20,635.40	72,023.60	52,692.40	34,817.50
Fees and commission income	567.9	1,382.30	862.2	818.5
Net gain on fair value changes	507	1,332.00	1,120.40	589.7
Sale of services	229.5	524.8	502.9	1,420.20
Income on derecognised (assigned) loans	27.1	530.8	1,348.00	-
Other operating income	119.6	379.6	121.4	21.2
Total revenue from operations	**22,086.50**	**76,173.10**	**56,647.30**	**37,667.10**
Other income	0.8	4	7.1	4.2
Total income	**22,087.30**	**76,177.10**	**56,654.40**	**37,671.30**
Expenses				
Finance costs	13,987.60	46,926.10	32,113.20	21,553.10
Fees and commission expense	29.7	117.1	140.3	46.8
Impairment on financial instruments	100.4	608.8	1,235.00	1,810.70
Employee benefits expense	1,134.20	4,656.30	4,351.40	3,489.40
Depreciation and amortisation	99.1	396	334	257.6
Other expenses	437.5	1,859.60	1,479.90	915.1
Total expenses	15,788.50	54,563.90	39,653.80	28,072.70
Profit before tax	**6,298.80**	**21,613.20**	**17,000.60**	**9,598.60**
Tax expense				
Current tax	1,486.90	5,090.00	3,998.00	2,504.00
Deferred tax charge / (credit)	-14.2	-789	424.6	-1.6
Total tax expense	1,472.70	4,301.00	4,422.60	2,502.40
Profit after tax	**4,826.10**	**17,312.20**	**12,578.00**	**7,096.20**
Earnings per equity share				
Basic (₹)	0.60	2.60	1.90	1.5
Diluted (₹)	0.60	2.60	1.90	1.5

Initial Public Offer

FIN2RESEARCH
Investment Advisor Pvt. Ltd.

DISCLAIMER:

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