

Bajaj Housing Finance IPO

Bajaj Housing Finance IPO Price: ₹66 to ₹70 per share
IPO Dates: 9 September 2024 - 11 September 2024

Company Overview



Incorporated on June 13, 2008, Bajaj Housing Finance Limited (BHFL) is a non-deposit-taking Housing Finance Company (HFC) and part of the Bajaj Group. BHFL has been registered with the National Housing Bank (NHB) since September 24, 2015, and has been engaged in mortgage lending since the financial year 2018. The Reserve Bank of India (RBI) has categorized BHFL as an “Upper Layer” Non-Banking Financial Company (NBFC-UL) since September 30, 2022, under its Scale-Based Regulations for NBFCs.

Product Offerings

Bajaj Housing Finance Limited provides comprehensive financial solutions tailored to individuals and corporate entities for purchasing and renovating homes and commercial spaces. Their mortgage product suite includes home loans, loans against property (LAP), lease rental discounting, and developer financing. The company's strategic focus is on low-risk, fast-growing home loan customers, with 57.8% of their assets under management (AUM) consisting of home loans as of March 31, 2024. Of these home loans, 87.5% were to salaried customers, 4.3% to self-employed professionals, and 8.2% to self-employed non-professionals.

Growth and Market Position

Bajaj Housing Finance Limited is the second largest HFC in India in terms of AUM, with a total of ₹97,071.33 crore as of June 30, 2024. The company has demonstrated impressive growth, with a compound annual growth rate (CAGR) of 29.3% between Fiscal 2020 and Fiscal 2024. BHFL also has the highest total income CAGR growth of 30.3% during the same period. The company is recognized as India's largest non-deposit-taking HFC (in terms of AUM) within seven years of commencing mortgage

operations. BHFL's competitive position is further bolstered by its diversified portfolio and high growth trajectory.

Branch Network and Operational Structure

As of June 30, 2024, Bajaj Housing Finance Limited operated a network of 215 branches across 174 locations in 20 states and 3 union territories, managed through six centralized hubs for retail underwriting and seven centralized processing hubs for loan processing. This strategic presence allows the company to serve a broad customer base with efficient operations.

Financial Performance and Credit Ratings

BHFL maintains a strong financial profile with the lowest gross non-performing assets (GNPA) ratio of 0.28% and a net non-performing assets (NNPA) ratio of 0.11% as of June 30, 2024. The company has 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+) borrowing programs, which facilitates access to diversified and cost-effective borrowing sources.

Customer and Market Reach

As of March 31, 2024, BHFL had 308,693 active customers, with home loan customers making up 81.7% of the total. The company focuses on prime housing, with a higher average ticket size among large HFCs. BHFL's strategic emphasis on salaried customers further strengthens its position in the competitive housing finance market.

Competitive Strengths

BHFL leverages the distinguished heritage of the Bajaj brand, which is known for its reliability and strong brand equity in the retail sector. The company has well-defined credit evaluation and risk management framework that contributes to maintaining the lowest GNPA and NNPA ratios among its peers. Customer-focused digitization initiatives and advanced technology drive BHFL's omni-channel sourcing strategy. The company is led by an experienced management team supported by dedicated professionals, enabling it to attract and retain talented employees.

Bajaj Housing Finance IPO Specifics:

IPO Date	September 9, 2024 to September 11, 2024
Listing Date	Monday, September 16, 2024
Face Value	₹10 per share
Price Band	₹66 to ₹70 per share
Lot Size	214 Shares
Total Issue Size	937,142,858 shares (aggregating up to ₹6,560.00 Cr)
Fresh Issue	508,571,429 shares (aggregating up to ₹3,560.00 Cr)
Offer For Sale	428,571,429 shares of ₹10 (aggregating up to ₹3,000.00 Cr)
Issue Type	Book Built Issue IPO
Listing At	BSE, NSE
Share holding pre issue	7,819,575,273
Share holding post issue	8,328,146,702

Bajaj Housing Finance IPO Timetable (Important Dates)

IPO Open Date	Monday, September 9, 2024
IPO Close Date	Wednesday, September 11, 2024
Basis of Allotment	Thursday, September 12, 2024
Initiation of Refunds	Friday, September 13, 2024
Credit of Shares to Demat	Friday, September 13, 2024
Listing Date	Monday, September 16, 2024
Cut-off time for UPI mandate confirmation	5 PM on September 11, 2024

Bajaj Housing Finance IPO Lot Size

Bidders have the opportunity to bid for a minimum of 214 shares, with the option to increase in multiples. The table below outlines the minimum and maximum investment thresholds for both retail investors and High Net Worth Individuals (HNIs), specifying the corresponding number of shares and amounts involved.

Application	Lots	Shares	Amount
Retail (Min)	1	214	₹14,980
Retail (Max)	13	2,782	₹1,94,740
S-HNI (Min)	14	2,996	₹2,09,720
S-HNI (Max)	66	14,124	₹9,88,680
B-HNI (Min)	67	14,338	₹10,03,660

Bajaj Housing Finance IPO Reservation

QIB Shares Offered	Not more than 50% of the Net offer
Retail Shares Offered	Not less than 35% of the Offer
NII (HNI) Shares Offered	Not less than 15% of the Offer

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Bajaj Housing Finance Limited IPO Financial Information

Bajaj Housing Finance Limited experienced a substantial 34% growth in its total revenue while witnessing a notable 38% increase in profit after tax (PAT) during the period spanning from the financial year concluding on March 31, 2024, to March 31, 2023.

Period Ended	31 Mar 2022	31 Mar 2023	31 Mar 2024	30 Jun 2024
Assets	48527.08	64654.14	81827.09	88538.83
Revenue	3767.13	5665.44	7617.71	2208.73
Profit After Tax	709.62	1257.8	1731.22	482.61
Net Worth	6741.36	10503.19	12233.5	14719.91
Reserves & Surplus	1858.03	3791.03	5520.81	4252.83
Total Borrowing	41492.32	53745.39	69129.32	73347.06

Amount in ₹ Crore

Key Performance Indicator - Bajaj Housing Finance IPO

KPI	Values
Market Cap	₹ 58297.03 Cr.
EPS	₹2.21
P/E (x)	31.62
Debt/ Equity	5.7
RoNW	3.6%
P/BV	3.72

as of Mar 31, 2024

Objects of the Issue:

The company plans to use the net proceeds to strengthen its capital base to support its future business needs for onward lending.

Shareholder Reservation Portion

- The company has reserved shares worth Rs 5000 million under the shareholder quota.
- Eligible shareholders of Bajaj Finance Limited and Bajaj Finserv Limited as of the Red Herring Prospectus date (August 30, 2024) can apply for this Offer under the Shareholder's Reservation Portion.
- Only bids received at or above the Offer Price will be considered in this category.
- The Shareholder portion will not exceed 10% of the total size of the Offer.

Prospectus Links:

Prospectus: Official documents that provide detailed information about the IPO and the company.

[Bajaj Housing Finance Limited IPO DRHP.](#)

[Bajaj Housing Finance Limited IPO RHP.](#)