



IPO Note

Bajaj Housing Finance Limited

Recommendation: **APPLY!**

Company Background -

- Bajaj Housing Finance Limited was originally formed and incorporated as "Bajaj Financial Solutions Limited" on Sep 24, 2008. The registered office is located at Pune, Maharashtra.
- The company is a non-deposit taking Housing Finance Company and offer financial solutions tailored to individuals and corporate entities for the purchase and renovation of homes and commercial spaces.
- The company had 2,239 permanent employees as of June 30, 2024.

Objects of the Issue -

- Augmenting the capital base to meet future business requirements of the Company towards onward lending

Promoters Name -

Bajaj Finance Limited and Bajaj Finserv Limited

Rationale for recommendation -

- ✓ The top line, bottom line and profitability margins have increased over the years.
- ✓ It is the second largest HFC and 8th largest NBFC (Upper Layer) by AUM in India.
- ✓ The company has highest credit ratings.
- ✓ The company has maintained CRAR (%) above minimum threshold.
- ✓ The GNPA and NNPA ratio was the lowest among peer companies.
- ✓ The management of the company is satisfactory.

IPO Details

Opening Date	Sep 09, 2024
Closing Date	Sep 11, 2024
Allotment Date	Sep 12, 2024
Listing Date	Sep 16, 2024
Stock Exchange	BSE, NSE
Lot Size	214 Shares
Issue Price Per Share	₹66 to ₹70
Issue Size	6,560.00 Cr.
Fresh Issue	3,560.00 Cr.
Offer for Sale	3,000.00 Cr.
Application Amt	₹ 14,980 – ₹ 1,94,740 (214 to 2,782 shares)

INDUSTRY - Finance - Housing
P/E Average - 20.00

KPI's	KPIs (In Crores)			
	FY 22	FY 23	FY 24	Jun-24
Revenue	3,766.71	5,664.73	7,617.31	2,208.65
EBITDA	3,140.51	4,944.07	6,893.13	2,038.47
Net Profit	709.62	1,257.80	1,731.22	482.61
RoNW	11.10%	14.59%	15.23%	12.14%*
RoA	1.80%	2.32%	2.45%	2.28%*
P/E	46.67	36.84	26.92	28.20*

*Annualized

Promoter Share Holding Pattern

Pre-Issue	Post Issue
100.00%	88.75%

Valuation Parameters*

Particulars	Pre-Issue	Post Issue
EPS	2.48	2.33
BVPS	25.24	23.70
P/E	28.20	30.03
P/BV	2.77	2.95
Mkt Cap (In Cr)	54,737.03	58,297.03

*Annualized

Lead Managers -

- Kotak Mahindra Capital Company Limited
- BofA Securities India Limited
- Axis Capital Limited
- Goldman Sachs (India) Securities Private Limited
- SBI Capital Markets Limited
- JM Financial Limited
- IIFL Securities Limited

Registrar -

KFin Technologies Limited

Business Overview –

Bajaj Housing Finance Limited is a non-deposit taking Housing Finance Company, registered with the National Housing Bank since Sep 24, 2015, and engaged in mortgage lending. Their mortgage product suite comprises of (i) home loans (ii) loans against property (iii) lease rental discounting; and (iv) developer financing. They had a network of 215 branches as of June 30, 2024, spread across 174 locations in 20 states and three union territories, which are overseen by six centralized hubs for retail underwriting and seven centralized processing hubs for loan processing and 1,780 active channel partners.

They have also partnered with multiple insurance providers to offer bundled products to customers and have registered themselves as a corporate agent with the IRDAI, enabling them to expand their insurance products to include life, general, and health insurance.

AUM Growth across product segment -

(Amt in Crores)

Particulars	Assets Under Management (AUM)			
	FY 2022	FY 2023	FY 2024	Jun-24
Home Loans	34,544.85	42,706.86	52,819.60	55,810.82
Loans against Property	7,405.28	7,816.89	9,567.93	9,681.84
Lease rental discounting	6,869.42	11,259.48	17,636.80	18,969.82
Developer financing	2,898.70	5,669.32	9,599.33	10,845.96
Other*	1,603.47	1,775.35	1,746.74	1,762.89
Total	53,321.72	69,227.90	91,370.40	97,071.33

*Others include non-collateralized loans and those through cross-selling third-party value-added products and insurance policies.

Loan Products –

Product	Sourcing Strategy
Home Loans – Offer home loans to salaried, professional and self-employed individuals. They cater to the mass affluent customers with an average age of 35-40 years and average annual salary of ₹1.3 million.	Micro-market approach - utilizing both direct customer relationships (D2C) and partnerships with intermediaries and involves segmenting locations into distinct operational areas and assigning them to specialized field teams.
Loans Against Property - The primary purpose of offering this kind of loan is to extend credit based on the assessment of the borrower's cash flow (i.e., cash flow backed lending), rather than solely on the value of the collateral.	LAP origination is conducted through both D2C and intermediary channels by teams dedicated to each channel.
Lease Rental Discounting – These are solutions to HNIs and developers, offering loan amounts tailored to meet their commercial real estate financing requirements.	Business acquisition is facilitated by relationship management team and is supported by comprehensive due diligence conducted by both internal team and external legal and technical consultants.
Developer Financing - Offer financing to developers for both residential and commercial real estate development projects, adopting a D2C approach. The strategy emphasizes extending construction finance to developers with a proven record of on-time project completion, strong financial health and consistent loan repayment practices.	Dedicated sourcing team operates across 14 operating locations, as of June 30, 2024. This team monitors local market trends, monitoring new project launches and absorption rates.

Competitive Strengths

1. The company is a part of Bajaj Group and enjoys widespread recognition as a reliable retail brand and has a strong market position.
2. The company is the second largest housing finance company in India in terms of AUM with a track record of a strong and diversified portfolio.
3. The company's strategic omni-channel sourcing strategy with 215 branches, 6 centralized hubs and 1,780 active channel partners has helped them reach its customers.
4. They have a well-defined credit evaluation framework and underwriting processes to ensure that risk performance across all products remains well within the defined thresholds.
5. They have a diversified and cost-effective borrowing sources facilitated by the highest possible credit ratings from rating agencies.

Competition -

1. **Market Competition:** The NBFC industry is highly competitive where the key factor of competition primarily comprises of product offerings, interest rates, fees and customer service, as well as for skilled employees.
2. **Players:** The company faces competition from other HFCs, NBFCs as well as scheduled commercial banks.
3. **Barriers to entry:** Moderate barriers to entry.
4. **Threat of Substitutes:** High threat of substitutes.
5. **Bargaining Power of Buyers:** The bargaining power is high with the customers.

Business Strategies -

1. The company intends to continue to use technology to refine underwriting processes, employing data analytics to identify patterns and assess risks more accurately, leading to more informed decision-making.
2. They intend to diversify and strengthen their market presence and to reduce risk by avoiding concentrating on any single borrower, project or sector.
3. The company aims to increase proportion of long-term borrowings, which provides them with a more secure and predictable funding stream.

Utilization of Net Proceeds-

The net proceeds of the issue will be utilized for augmenting its capital base to meet future business requirements of the Company towards onward lending as their loan portfolio and asset base grows. For this they will be utilizing 100% of the net proceeds.

Risk Factors -

The number of instances of delay in foreclosure of loan collateral has remained 195, 235 and 692 for FY 2024, 2023 and 2022.

The company has filed 1,647 outstanding cases regarding criminal matter amounting to Rs. 643.2 Cr and there are 33 outstanding cases against the company for tax matters (10) and criminal matters (23) amounting to Rs. 23.90 Cr.

The promoters have 116 cases against them for criminal and tax matters amounting to Rs. 4170.55 Cr.

The company had negative cash flow from operations for FY 2022, 2023 and 2024 and may continue to do so in the future.

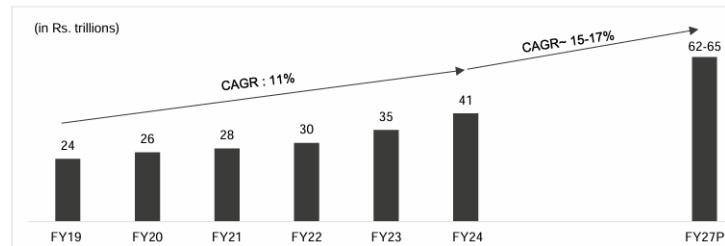
The company has contingent liabilities amounting to Rs. 3.53 Cr.

INDUSTRY OVERVIEW –

NBFC Market -

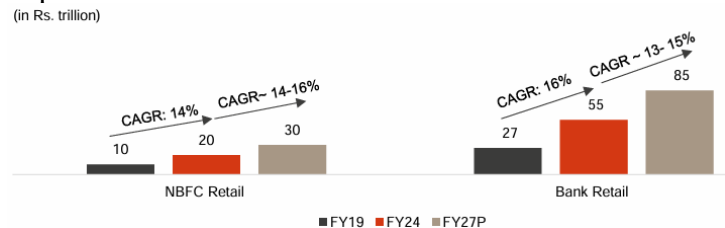
The credit growth of NBFCs which has trended above India’s GDP growth historically, is expected to continue to rise at a faster pace. Going forward, CRISIL MI&A expects NBFC credit to grow at 15-17% between Fiscal 2024 and Fiscal 2027 driven by growth in retail segment, and MSME loans in the wholesale segment continuing to be the primary drivers.

NBFC credit to grow at 15-17% between Fiscal 2024 and Fiscal 2027



(Source:RHP)

Going forward, growth in the NBFC retail segment is expected at 14-16% from Fiscal 2024 to Fiscal 2027 which will support overall NBFC credit growth, with continued focus on the retail segment and multiple players announcing plans to reduce wholesale exposure.

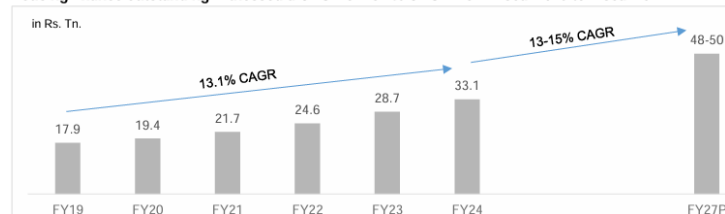


(Source:RHP)

Housing Finance Market –

The Indian housing finance market clocked a healthy approximately 13.1% CAGR (growth in credit outstanding) from Fiscal 2019 to Fiscal 2023. The overall housing finance segment credit outstanding is approximately ₹ 33.1 trillion as of Fiscal 2024, which increased during Fiscal 2024, the overall housing market grew 15.2%. Going forward, Crisil MI&A expects overall housing segment to grow at a CAGR of 13-15% from Fiscal 2024 to Fiscal 2027.

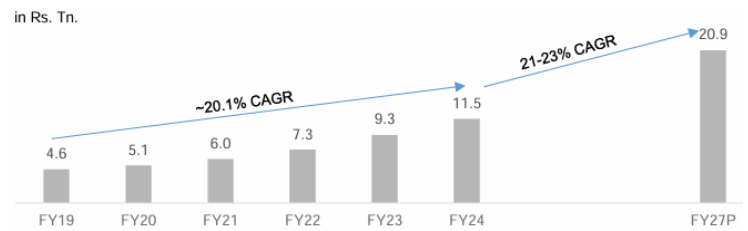
Housing finance outstanding witnessed a CAGR of 13.1% CAGR from Fiscal 2019 to Fiscal 2024



(Source:RHP)

Prime Housing Finance Market -

Prime housing finance market in India is defined by loans above ₹ 5.0 million in ticket size, the market has witnessed a CAGR of 20.1% from Fiscal 2019 – Fiscal 2024, to reach ₹ 11.5 trillion from ₹ 4.6 trillion in Fiscal 2019, the growth witnessed by prime housing finance market during the Fiscals has been faster than the growth in overall housing finance market of India, during Fiscal 2019 – Fiscal 2024, overall housing witnessed a CAGR of 13.1%.

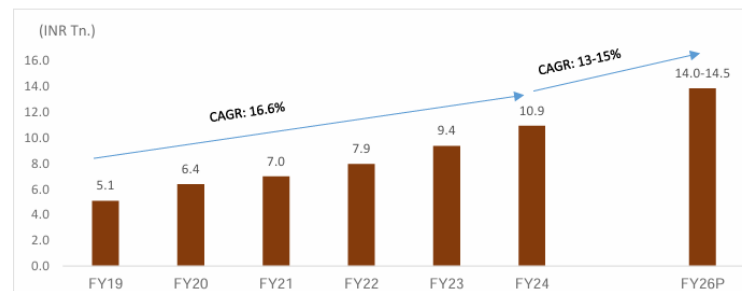


(Source:RHP)

Loan against Property -

The overall Loan against property segment market size has expanded from ₹ 5.1 trillion as of Fiscal 2019 to ₹ 10.9 trillion as of Fiscal 2024. Going forward, CRISIL MI&A expects overall LAP portfolio to grow at 13-15% CAGR between FY2024 and FY2026.

Overall LAP portfolio to grow at 13-15% CAGR between Fiscal 2024 and Fiscal 2026



(Source: RHP)

Under the global FIBC market, Type A Bulk Bags stand at 43% market share followed by Type B Bulk Bags, Type C Bulk Bags, and Type D Bulk Bags, which account for 37%, 14% and 7% respectively in 2023.

Key Management -

- The overall management of the company is satisfactory.
- The management have good and relevant experience.
- The education qualification of the management is condensed.
- The company has corporate promoters.



Key Management Persons Name -	Sanjivnayan Bajaj
Age	54
Designation and No. of years of experience	Chairman and Non-Executive Director, 27+ years of experience in business strategy, marketing, finance, investment, audit, legal and IT related functions in auto and financial services sectors.
Qualification	Bachelor's degree in engineering (mechanical), master's degree in science (manufacturing systems engineering) and MBA
Other Directorships	Bachhraj and Company Private Limited, Bachhraj Factories Private Limited, Bajaj Allianz General Insurance Company Limited, Bajaj Allianz Life Insurance Company Limited etc.

Key Management Persons Name -	Rajeev Jain
Age	53
Designation and No. of years of experience	Vice-Chairman and Non-Executive Director, 30+ years of experience in consumer lending industry.
Qualification	Post-graduate diploma in management
Other Directorship	Bajaj Finance Limited

Key Management Persons Name -	Anami Narayan Roy
Age	74
Designation and No. of years of Experience	Independent Director, 38+ years of experience in Indian Police Service in Maharashtra and Government of India.
Qualification	-
Other Directorships	Bajaj Allianz General Insurance Company Limited, Bajaj Allianz Life Insurance Company Limited, Bajaj Auto Limited, Bajaj Finance Limited etc.

Key Management Persons Name -	Dr. Arindam Kumar Bhattacharya
Age	62
Designation and No. of years of experience	Independent Director, 20+ years of experience
Qualification	Bachelor's degree in technology (honours) in agricultural engineering, Post graduate diploma in management (agriculture) and Doctorate in engineering
Other Directorships	Bajaj Finance Limited, Bajaj Holdings & Investment Limited and Info Edge (India) Limited

Key Management Persons Name -	Jasmine Arish Chaney
Age	54
Designation and No. of years of experience	Independent Director, 30+ years of experience
Qualification	Bachelor's degree in commerce and master's degree in management studies
Other Directorships	Bajaj Finserv Direct Limited, Bajaj Finserv Health Limited, Bajaj Financial Securities Limited, LF Retail Private Limited etc.

Key Management Persons Name -	Sriram Madakasira Narasimha Swamy
Age	61
Designation and No. of years of experience	Independent Director, 33+ years of experience in currency management and has served in banking supervision
Qualification	Bachelor's degree in commerce and master's degree in commerce, Passed the Associate Examination of IIB
Other Directorships	Transaction Analysts (India) Private Limited

Key Management Persons Name -	Atul Jain
Age	52
Designation and No. of years of experience	Managing Director, 24+ years of experience in financial, investment banking and retail finance sectors
Qualification	B. Com degree and MBA
Other Directorship	RMBS Development Company Limited

FINANCIAL SNAPSHOT

Statement of Profit and Loss

Amt in Crores

Particulars	FY 22	FY 23	FY 24	Jun-24
Revenue from Operations				
Interest Income	3,481.75	5,269.24	7,202.36	2,063.54
Fees and Commission income	81.85	86.22	138.23	56.79
Net gain on fair value changes	58.97	112.04	133.20	50.70
Sale of services	142.02	50.29	52.48	22.95
Income on derecognized (assigned) loans	-	134.80	53.08	2.71
Other operating income	2.12	12.14	37.96	11.96
Total Revenue from Operations	3,766.71	5,664.73	7,617.31	2,208.65
Other Income	0.42	0.71	0.40	0.08
Total Income	3,767.13	5,665.44	7,617.71	2,208.73
Expenses				
Finance Cost	2,155.31	3,211.32	4,692.61	1,398.76
Fees and commission expense	4.68	14.03	11.71	2.97
Impairment on financial instruments	181.07	123.50	60.88	10.04
Employee benefits expense	348.94	435.14	465.63	113.42
Depreciation and Amortization expense	25.76	33.40	39.60	9.91
Other expenses	91.51	147.99	185.96	43.75
Total Expenses	2,807.27	3,965.38	5,456.39	1,578.85
EBITDA	3,140.51	4,944.07	6,893.13	2,038.47
EBITDA Margin	83.38%	87.28%	90.49%	92.29%
Profit/(Loss) before tax	959.86	1,700.06	2,161.32	629.88
Tax Expense				
Current tax	250.40	399.80	509.00	148.69
Deferred Tax (credit)/ charge	-0.16	42.46	-78.90	-1.42
Total Tax Expense	250.24	442.26	430.10	147.27
Profit/(Loss) for the year	709.62	1,257.80	1,731.22	482.61
Net Profit Margin	18.84%	22.20%	22.73%	21.85%

Statement of Assets and Liabilities

Amt in Crores

Particulars	FY 22	FY 23	FY 24	Jun-24
EQUITY AND LIABILITIES				
1. Shareholders' funds				
Share Capital	4,883.33	6,712.16	6,712.16	7,819.58
Other equity	1,858.03	3,791.03	5,521.34	6,900.33
Total Equity	6,741.36	10,503.19	12,233.50	14,719.91
2. Financial liabilities				
Derivative financial instruments	-	-	0.83	3.72
Trade Payables				
(a) Outstanding Dues to MSME	0.18	-	-	-
(b) Outstanding Dues to other than MSME	36.23	45.93	57.61	73.85
Other Payables				
(a) Outstanding Dues to MSME	-	-	-	-
(b) Outstanding Dues to other than MSME	38.17	73.04	82.75	54.82
Debt Securities	16,489.15	19,914.92	26,645.33	29,434.61
Borrowings (other than debt securities)	24,493.17	33,654.70	42,299.73	43,716.30
Deposits	510.00	175.77	184.26	196.15
Other Financial Liabilities	174.42	211.62	234.14	221.05
Total Financial liabilities	41,741.32	54,075.98	69,504.65	73,700.50
2. Non-Financial liabilities				
Current Tax Liabilities (net)	20.06	16.17	25.93	52.17
Provisions	4.05	15.63	35.64	43.28

Particulars	FY 22	FY 23	FY 24	Jun-24
Deferred tax liabilities	-	28.27	-	-
Other non-current liabilities	20.29	14.90	27.37	22.97
Total Non-financial liabilities	44.40	74.97	88.94	118.42
Total Liabilities	41,785.72	54,150.95	69,593.59	73,818.92
Total Equity and Liabilities	48,527.08	64,654.14	81,827.09	88,538.83
ASSETS				
1. Financial assets				
Cash and cash equivalents	407.03	93.88	63.86	56.72
Bank balances other than cash	0.14	14.99	0.15	0.15
Derivative financial instruments	-	1.37	11.66	8.33
Receivables				
(i) Trade receivables	1.87	1.59	13.36	23.97
(ii) Other receivables	0.01	0.36	-	-
Loans	46,482.07	62,113.89	79,300.75	85,283.20
Investments	1,248.27	2,000.91	1,938.57	2,656.05
Other financial Assets	253.93	301.94	284.07	284.51
Total Financial assets	48,393.32	64,528.93	81,612.42	88,312.93
2. Non-Financial assets				
Current Tax Assets (net)	9.08	3.97	31.09	32.01
Deferred Tax Assets	15.58	-	50.94	52.15
Property, Plant and Equipment	78.09	84.92	87.50	84.32
Intangible assets under development	1.46	0.31	0.87	0.66
Other Intangible Assets	19.11	28.07	35.36	33.47
Other non-financial assets	10.44	7.94	8.91	23.29
Total Non-financial assets	133.76	125.21	214.67	225.90
Total Assets	48,527.08	64,654.14	81,827.09	88,538.83

Cash Flow Statement

Amt in Crores

Particulars	FY 22	FY 23	FY 24	Jun-24
Net Cash Flow from Operating Activities	-12,480.53	-14,331.77	-15,428.11	-5,386.95
Net Cash Flow from Investing Activities	2,197.32	-611.44	273.31	-625.41
Net Cash Flow from Financing Activities	10,228.46	14,630.06	15,124.78	6,005.22

Key Ratios

Banking Ratios	FY 22	FY 23	FY 24	Jun-24
Tier I Capital Ratio	18.96%	22.19%	20.67%	23.26%
Tier II Capital Ratio	0.76%	0.78%	0.61%	0.56%
Total Capital Ratio (CRAR) (%)	19.72%	22.97%	21.28%	23.82%
Return Ratios				
RoNW	11.10%	14.59%	15.23%	12.14%*
RoA	1.80%	2.32%	2.45%	2.28%*
Valuation Ratios				
P/E	46.67	36.84	26.92	28.20*
P/B	8.12	5.21	4.47	2.77*
Leverage Ratios				
Leverage Ratio	13.33%	15.75%	14.49%	16.19%
Debt-to-Equity Ratio	6.15	5.12	5.65	4.98
Debt-to-Capital Ratio	6.17	5.10	5.66	5.00
Net Interest Margin	4.00%	4.52%	4.14%	3.90%
NPA Ratios				
GNPA%	0.31%	0.22%	0.27%	0.28%
NNPA%	0.14%	0.08%	0.10%	0.11%

*Annualized

FINANCIAL ANALYSIS –

1. The top line increased consistently over the years and this increase was due to an increase in interest income on loans, investments and deposits with banks. Their fees and commission income also increased significantly.
2. The Tier I Capital Ratio and Tier II Capital Ratio is above the minimum threshold.
3. The company has the lowest GNPA and NNPA among its peers.
4. The debt-to-equity has remained high but that should not be a major concern as a similar pattern can be seen for peers.
5. The cash flow from operations is negative for FY 2024, 2023 and 2022 which was majorly due to the increase in their loans, and this might provide them a good increase in the Interest Earned in the future should not be a major concern.
6. The RoNW and RoA have improved over the years.

PEER ANALYSIS

Particulars	Bajaj Housing Finance Limited			LIC Housing Finance Limited			Aadhar Housing Finance Limited			PNB Housing Finance Limited		
	FY 22	FY 23	FY 24	FY 22	FY 23	FY 24	FY 22	FY 23	FY 24	FY 22	FY 23	FY 24
P/E	46.67	36.84	26.92	8.59	6.26	7.06	-	-	43.21	7.89	8.28	9.68
P/B	8.12	5.21	4.47	0.76	0.73	1.15	0.74	0.72	2.80	0.55	0.65	1.09
RoNW	11.1%	14.6%	15.2%	10.0%	11.7%	16.3%	3.9%	17.7%	16.9%	7.6%	9.5%	10.2%
RoA	1.80%	2.32%	2.45%	0.94%	1.09%	1.68%	3.09%	3.28%	4.88%	1.22%	1.58%	2.16%
NAV per share	96.31	150.05	174.76	66.28	82.43	47.84	9.99	11.74	14.11	30.42	25.77	23.71
CRAR	19.7%	23.0%	21.3%	18.1%	18.2%	20.8%	45.4%	42.7%	38.5%	23.4%	24.4%	29.3%
Net Interest Margin	4.0%	4.5%	4.1%	2.3%	4.4%	3.1%	6.9%	8.0%	10.4%	2.8%	3.7%	3.7%

INTERPRETATION –

- The company has more market cap compared to peers.
- The net interest margin for the company is high compared to LIC Housing Finance and PNB Housing Finance.
- The CRAR of the company is higher than LIC Housing Finance.
- The RoA of the company has been higher than LIC Housing Finance and PNB Housing Finance.

LEAD MANAGER TRACK RECORD –

The lead managers to the issue are Kotak Mahindra Capital Company Limited, BofA Securities India Limited, Axis Capital Limited, Goldman Sachs (India) Securities Private Limited, SBI Capital Markets Limited, JM Financial Limited and IIFL Securities Limited. A table has been set below highlighting the details of the IPO of the last companies handled by the Lead Managers in recent times –

Kotak Mahindra Capital Company Limited –

Sr. No.	Company Name	Issue Size in Cr.	Issue Price/Share (In INR)	Listing Date	CMP* (INR)
1.	Premier Energies Limited	2,830.40	450.00	Sep 03, 2024	1,095.40
2.	Brainbees Solutions Limited	4,193.73	465.00	Aug 13, 2024	622.80
3.	Ola Electric Mobility Limited	6,145.56	76.00	Aug 09, 2024	109.65

The company has handled 26 mandates in the past three years (including the current year).

BofA Securities India Limited –

Sr. No.	Company Name	Issue Size in Cr.	Issue Price/Share (In INR)	Listing Date	CMP* (INR)
1.	Brainbees Solutions Limited	4,193.73	465.00	Aug 13, 2024	622.80
2.	Ola Electric Mobility Limited	6,145.56	76.00	Aug 09, 2024	109.65
3.	Tata Technologies Limited	3,042.51	500.00	Nov 30, 2023	1,112.50

The company has handled 6 mandates in the past three years (including the current year).

Axis Capital Limited –

Sr. No.	Company Name	Issue Size in Cr.	Issue Price/Share (In INR)	Listing Date	CMP* (INR)
1.	Bazaar Style Retail Limited	834.68	389.00	Sep 06, 2024	399.65
2.	Interarch Building Products Limited	600.29	900.00	Aug 26, 2024	1,212.95
3.	Ola Electric Mobility Limited	6,145.56	76.00	Aug 09, 2024	109.65

The company has handled 39 mandates in the past three years (including the current year).

Goldman Sachs (India) Securities Private Limited –

Sr. No.	Company Name	Issue Size in Cr.	Issue Price/Share (In INR)	Listing Date	CMP* (INR)
1.	Ola Electric Mobility Limited	6,145.56	76.00	Aug 09, 2024	109.65
2.	TBO Tek Limited	1,550.81	920.00	May 15, 2024	1,836.40
3.	Life Insurance Corporation of India	21,008.48	949.00	May 17, 2022	1,038.75

The company has handled 3 mandates in the past three years (including the current year).

SBI Capital Markets Limited –

Sr. No.	Company Name	Issue Size in Cr.	Issue Price/Share (In INR)	Listing Date	CMP* (INR)
1.	Ola Electric Mobility Limited	6,145.56	76.00	Aug 09, 2024	109.65
2.	Bansal Wire Industries Limited	745.00	256.00	Jul 10, 2024	429.20
3.	Stanley Lifestyles Limited	537.02	369.00	Jun 28, 2024	498.15

The company has handled 21 mandates in the past three years (including the current year).

JM Financial Limited –

Sr. No.	Company Name	Issue Size in Cr.	Issue Price/Share (In INR)	Listing Date	CMP* (INR)
1.	Baazar Style Retail Limited	834.68	389.00	Sep 06, 2024	399.65
2.	Brainbees Solutions Limited	4,193.73	465.00	Aug 13, 2024	622.80
3.	Ceigall India Limited	1,252.66	401.00	Aug 08, 2024	380.35

The company has handled 40 mandates in the past three years (including the current year).

IIFL Securities Limited –

Sr. No.	Company Name	Issue Size in Cr.	Issue Price/Share (In INR)	Listing Date	CMP* (INR)
1.	ECOS (India) Mobility & Hospitality Limited	601.20	334.00	Sep 04, 2024	438.60
2.	Unicommerce eSolutions Limited	276.57	108.00	Aug 13, 2024	197.25
3.	Ceigall India Limited	1,252.66	401.00	Aug 08, 2024	380.35

The company has handled 33 mandates in the past three years (including the current year).

*CMP for the above-mentioned companies is taken as of 9th Sep 2024.

As per the offer document, the above-mentioned mandates 2 have opened at a discount and the remaining all have opened at a premium on the listing day.

Recommendation -

Bajaj Housing Finance Limited has been in the industry since 2008 and has good experience in the industry. The management overview of the company is satisfactory.

The P/E on a post-IPO basis is around 30.33 times which makes it slightly highly priced compared to its peers PE of 20 times.

The company has seen an increase in the top line, bottom line and profitability margins over the years. The Tier I capital ratio, Tier II capital ratio and CRAR (%) have remained above the minimum threshold. The company had negative cash flow from operations for FY 2024, 2023 and 2022, which should not be a major concern. Also, the company has the lowest GNPA and NNPA.

Although the industry is competitive and fragmented, the company has created its presence as the second-largest HFC in India. Also, it is a part of the Bajaj group and is a well-established company. They have the highest possible long-term (CRISIL AAA/stable and IND AAA/stable) as well as short-term (CRISIL A1+ and IND A1+) credit ratings.

Thus, investors can **APPLY** this IPO.

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