

# HALF YEARLY REPORT

2024-25





## Dear Shareholder,

Welcome to the shareholder family of Bajaj Housing Finance Limited.

I am humbled at the overwhelming response received to our recently concluded Initial Public offering (IPO). This overwhelming response casts an additional responsibility upon the Management and the Board of your Company to continue to build a quality mortgage business, as we have done in the last eight years.

In line with the practise adopted in our group companies, I am sharing with you the half yearly update on the performance of the Company.

I am pleased to communicate through financial results update for the half year ended 30 September 2024, your Company has also achieved another significant milestone in the September quarter by crossing ₹1 Lakh crore assets under management (AUM) within eight years of operations. Your Company's assets under management stood at ₹ 1,02,569 crore as of 30 September 2024 and delivered highest ever half yearly profit after tax of ₹ 1,028 crore for the H1 FY25.

Your Company is progressing with a strategic construct of offering a full suite of mortgage products to build a low-risk scalable balance sheet while delivering medium return. Your Company is operating in 175 locations across 23 states/ UTs as of 30 September 2024. Your Company's assets quality remained healthy with GNPA at 0.29% as of 30 September 2024. In its pursuit to expand product coverage and customer segment, your Company has launched 'Sambhav Home Loans' to cater home loan needs of near prime and affordable customers. Your Company has the highest credit rating of AAA/stable from CRISIL and India Ratings for long-term debt programme and A1+ from CRISIL and India ratings for short-term debt programme.



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**Your Company is progressing with a strategic construct of offering a full suite of mortgage products to build a low-risk scalable balance sheet while delivering medium return.** ”

**Sanjiv Bajaj**  
Chairman

On the macro-economic front, the global economy has remained resilient and is expected to maintain stable momentum over the rest of the year despite the downside risks from intensifying geopolitical conflicts. India's gross domestic product (GDP) registered a growth of 6.7% in Q1 FY25, driven by private consumption and investment. India's GDP growth for fiscal 2025 is forecasted at around 7.2%.

Real estate market continued to remain resilient reflected from the growth in residential estate market's lead indicators of launches and absorption. Housing finance market is reflecting healthy momentum with outstanding individual home loans portfolio growth of 16.4% YoY to ₹ 33.34 lakh crore and its penetration to GDP inching up to 11.29% as of 31 March 2024 (source: NHB Annual Report 2023-24).

## Financial Performance Highlights of H1 FY25 vs H1 FY24

- Assets under management (AUM) grew by 26% to ₹ 1,02,569 crore as of 30 September 2024 from ₹ 81,215 crore as of 30 September 2023.
- Portfolio composition as of 30 September 2024 between HL: LAP: LRD: DF: Others stood at 57.2%: 9.8%: 19.6%: 11.7%: 1.7%.
- Net interest income grew by 11% to ₹ 1,378 crore for H1 FY25 as against ₹ 1,236 crore for H1 FY24.
- Net total income for H1 FY25 increased to ₹ 1,707 crore from ₹ 1,462 crore for H1 FY24, growth of 17%.
- Opex to net total income improved to 20.7% for H1 FY25 from 23.0% for H1 FY24.
- Loan losses and provisions were ₹ 15 crore for H1 FY25 as against ₹ 25 crore for H1 FY24.
- Gross NPA and net NPA stood at 0.29% and 0.12% as of 30 September 2024 as against 0.24% and 0.09% as of 30 September 2023.
- Provision coverage ratio for stage-3 assets stood at 57.87% as of 30 September 2024.
- Profit before tax (PBT) grew by 21% to ₹ 1,337 crore for H1 FY25 from ₹ 1,101 crore for H1 FY24.
- Profit after tax (PAT) increased by 13% to ₹ 1,028 crore for H1 FY25 as against ₹ 913 crore for H1 FY24.
- Annualized Return On Assets (ROA) stood at 2.4% for H1 FY25 and Annualized Return On Equity (ROE) stood at 13.3% for H1 FY25.
- Capital adequacy ratio stood at 28.98% as of 30 September 2024 as against regulatory requirement of 15% wherein tier-1 capital stood at 28.46%.
- As of 30 September 2024, leverage ratio stood at 5.0 times driven by primary capital raise of ₹ 3,560 crore through IPO.
- Borrowing mix remained well diversified between Banks: Money market: NHB which stood at 44%: 45%: 11% as of 30 September 2024.
- Your Company has the highest credit rating for both the long-term (AAA/stable) as well as short-term (A1+/stable) borrowings programme (rating by CRISIL and India Ratings)

## Update on key developments during the period

- Your company concluded its initial public offering (IPO) in H1 FY25 and got listed on stock exchanges on 16 September 2024 with an overall issue size of ₹ 6,560 crore at an issue price of ₹ 70 per share which comprised of primary capital raise of ₹ 3,560 crore and an offer for sale of ₹ 3,000 crore.
- To expand its presence in the near prime and affordable home loan, your Company has launched 'Sambhav Home Loans' catering to lower income families thereby expanding the customer segment coverage for the Company.

Detailed updates on the business performance and initiatives are given in the investor presentation for Q2FY25. Do refer to the same.

Summary of half yearly financial results is given in **Annexure A**.

Amidst the growing economy of India, your Company is well positioned to leverage the enhanced mortgage penetration and I remain optimistic for our country as well as your Company.

I would like to express my gratitude for your extended support and wish you and your family a very Happy Diwali and a prosperous New Year.

With my very best,

**Sanjiv Bajaj**

Chairman

30 October 2024

## Annexure A

### Highlights of the financial results for H1 FY25

(₹ In crore)

Particulars	H1 FY25	H1 FY24	Growth	FY24
<b>Assets under Management</b>	<b>1,02,569</b>	<b>81,215</b>	<b>26%</b>	<b>91,370</b>
<b>Loan Assets</b>	<b>89,878</b>	<b>70,954</b>	<b>27%</b>	<b>79,301</b>
Interest income	4,290	3,449	24%	7,202
Fees and commission income	101	64	58%	138
Net gain on fair value changes	96	71	35%	133
Sale of services and Income on de-recognized loans	107	75	43%	106
Others*	25	16	56%	38
<b>Total income</b>	<b>4,619</b>	<b>3,675</b>	<b>26%</b>	<b>7,617</b>
Interest and finance charges	2,912	2,213	32%	4,692
<b>Net total income</b>	<b>1,707</b>	<b>1,462</b>	<b>17%</b>	<b>2,925</b>
Total operating expenses	355	336	6%	703
<b>Pre-impairment operating profit</b>	<b>1,352</b>	<b>1,126</b>	<b>20%</b>	<b>2,222</b>
Impairment on financial instruments	15	25	(40%)	61
<b>Profit before tax (PBT)</b>	<b>1,337</b>	<b>1,101</b>	<b>21%</b>	<b>2,161</b>
<b>Profit after tax (PAT)</b>	<b>1,028</b>	<b>913</b>	<b>13%</b>	<b>1,731</b>
Earnings per share (EPS)				
Basic (₹)	1.31	1.36		2.58
Diluted (₹)	1.31	1.36		2.58
ROA (%) (annualized)	2.4%	2.7%		2.4%
ROE (%) (annualized)	13.3%	16.7%		15.2%
Opex to Net Total Income (%)	20.7%	23.0%		24.0%
Gross NPA (%)	0.29%	0.24%		0.27%
Net NPA (%)	0.12%	0.09%		0.10%

\* Others include other operating income and other income



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