BAJAJ FINSERV | LENDING

SEC/BM/2012/471 18 July 2013

THE MANAGER,
LISTING DEPARTMENT
NATIONAL STOCK EXCHANGE OF INDIA LTD.
EXCHANGE PLAZA, C-1. BLOCK G,
BANDRA - KURLA COMPLEX, BANDRA (EAST),
MUMBAI - 400 051

Dear Sirs,

Ref.: **BAJFINANCE - EQ**

Enclosed please find :

1. Unaudited Financial Results of the Company for the quarter ended 30 June 2013, which were taken on record by the Board of Directors at its Meeting held on 18 July 2013, pursuant to Clause 41 of the listing agreement.
2. Copy of Limited Review Report of the Statutory Auditors of the Company on the Unaudited Financial Results for the quarter ended 30 June 2013.
3. Copy of Press Release issued by the Company after the aforesaid meeting.

Kindly acknowledge receipt of the same.

Thanking you,

Yours faithfully,
For **BAJAJ FINANCE LIMITED**

ANANT DAMLE
COMPANY SECRETARY

Encl.: As above

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Bajaj Finance Limited

Registered Office : Akurdi, Pune - 411 035

Corporate Office: 4th Floor, Bajaj Finserv Corporate Office, Off Pune - Ahmednagar Road, Viman Nagar, Pune - 411 014

Part I (₹ In Crore)

UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED 30 JUNE 2013

	Particulars	Quarter ended 30.06.2013 (Unaudited)	Quarter ended 31.03.2013 (Unaudited)	Quarter ended 30.06.2012 (Unaudited)	Year ended 31.03.2013 (Audited)
	Funds deployed	**6249.32**	**5105.43**	**4727.61**	**19366.72**
1.	**Income from operations**				
	(a) Income from Operations	883.70	780.29	666.99	2924.79
	(b) Other Operating Income	44.62	51.96	34.28	168.93
	Total income from operations (net)	**928.32**	**832.25**	**701.27**	**3093.72**
2.	**Expenses**				
	a) Employee benefits expense	77.92	65.03	57.55	245.15
	b) Depreciation and amortisation expense	3.90	5.25	3.10	15.14
	c) Loan losses and provisions	63.88	45.03	32.02	181.75
	d) Marketing and other commissions	57.49	47.53	45.49	182.66
	e) Recovery costs	35.84	31.15	27.80	119.58
	f) Other expenses	95.10	84.64	67.10	289.81
	Total expenses	**334.13**	**278.63**	**233.06**	**1034.09**
3.	**Profit / (Loss) from operations before other income and finance costs (1-2)**	**594.19**	**553.62**	**468.21**	**2059.63**
4.	Other Income	4.11	11.21	1.75	17.65
5.	**Profit /(Loss) from ordinary activities before finance costs (3 + 4)**	**598.30**	**564.83**	**469.96**	**2077.28**
6.	Finance costs	331.44	326.46	263.62	1205.68
7.	**Profit / (Loss) from ordinary activities after finance costs (5 - 6)**	**266.86**	**238.37**	**206.34**	**871.60**
8.	Tax expense	91.12	74.56	67.65	280.29
9.	**Net Profit / (loss) from ordinary activites after tax (7 - 8)**	**175.74**	**163.81**	**138.69**	**591.31**
10.	Extraordinary items	-	-	-	-
11.	**Net Profit / (Loss) for the period (9+ 10)**	**175.74**	**163.81**	**138.69**	**591.31**
12.	Paid-up Equity Share Capital (Face Value : ₹10/- per share)	49.78	49.78	41.32	49.78
13.	Reserves excluding Revaluation Reserves as per balance sheet of previous accounting year				3317.26
14.	**i. Earnings Per Share (before extraordinary items) (of ₹ 10/- each) (not annualised):**				
	Basic	35.30	35.35	32.62	135.69
	Diluted	35.07	35.11	32.27	134.74
	ii. Earnings Per Share (after extraordinary items) (of ₹ 10/- each) (not annualised):				
	Basic	35.30	35.35	32.62	135.69
	Diluted	35.07	35.11	32.27	134.74
Part II					
A	**Particulars of Shareholding**				
1.	Public Shareholding				
	Number of Shares	18883277	18883277	16090907	18883277
	Percentage of Shareholding	37.93%	37.93%	38.94%	37.93%
2.	Promoters and Promoter Group Shareholding				
	a) Pledged / encumbered				
	Number of Shares	Nil	Nil	Nil	Nil
	Percentage of Shares (as a % of total shareholding of promoters and promoter group)	Nil	Nil	Nil	Nil
	Percentage of Shares (as a % of the total share capital of the Company)	Nil	Nil	Nil	Nil
	b) Non-encumbered				
	Number of Shares	30895057	30895057	25228169	30895057
	Percentage of Shares (as a % of total shareholding of promoters and promoter group)	100.00%	100.00%	100.00%	100.00%
	Percentage of Shares (as a % of the total share capital of the Company)	62.07%	62.07%	61.06%	62.07%

B	**Particulars of Investors complaints**	**3 months ended 30.06.2013**
	Pending at the beginning of the quarter	Nil
	Received during the quarter	3
	Disposed off during the quarter	3
	Remaining unresolved at the end of the quarter	Nil

Dalal & Shah Chartered Accountants FRN 102021W Pune

Bajaj Finance Limited
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Registered Office: Mumbai - Pune Road, Akurdi, Pune - 411 035. Maharashtra, INDIA
Tel: +91 651 3058511 Fax: +91 651 2341101 www.bajajfinservlending.in

Notes :

1. The above results have been reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on 18 July 2013 and have been subjected to a limited review by the Statutory Auditors.
2. Figures for the previous period have been regrouped, wherever necessary, to make them comparable with the current period.
3. The Company is engaged primarily in the business of financing and accordingly there are no separate reportable segments as per Accounting Standard 17 dealing with Segment Reporting.
4. Consequent to Reserve Bank of India's proposal, communicated in December 2012, to amend the regulatory framework relating to Non Banking Financial Companies, the Company has applied the recommended changes to the extent they would be applicable for the financial year ending 31st March 2014. Accordingly, the provision on standard assets has been increased to 0.40% of the amount outstanding as on 30th June 2013. As a result, the Company has made an incremental provision aggregating ₹17.77 crores during the quarter.
5. The Company has designated an exclusive e-mail id viz. investor.service@bajajfinserv.in for investor grievance redressal.

By order of the Board of Directors
For **Bajaj Finance Limited**

Rahul Bajaj
Chairman

Pune
18 July 2013

Dalal & Shah
Chartered Accountants
FRN 102021W
Pune

The Board of Directors
Bajaj Finance Limited
C/o Bajaj Auto Limited
Mumbai – Pune Road
Akurdi
Pune – 411 035

1. We have reviewed the results of Bajaj Finance Limited (the "Company") for the quarter ended June 30, 2013 which are included in the accompanying 'Unaudited Financial Results for the Quarter Ended 30 June 2013' (the "Statement"), except for the disclosures regarding 'Public Shareholding' and 'Promoter and Promoter Group Shareholding' which have been traced from disclosures made by the Management but have neither been reviewed nor been audited by us. The Statement has been prepared by the Company pursuant to Clause 41 of the Listing Agreement with the Stock Exchanges in India, which has been initialled by us for identification purposes. This Statement is the responsibility of the Company's management and has been approved by the Board of Directors. Our responsibility is to issue a report on the Statement based on our review.

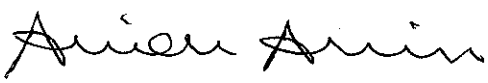
2. We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, "*Review of Interim Financial Information Performed by the Independent Auditor of the Entity*" issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement.

3. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion

4. We have only traced the disclosures regarding 'Public Shareholding' and 'Promoter and Promoter Group Shareholding' in the Statement from the disclosures made by the Management and are, therefore, not expressing a review opinion thereon.

5. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the Statement has not been prepared in all material respects in accordance with the applicable Accounting Standards notified pursuant to the Companies (Accounting Standards) Rules, 2006 as per Section 211(3C) of the Companies Act, 1956 and other recognised accounting practices and policies, and has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreement including the manner in which it is to be disclosed, or that it contains any material misstatement.

For Dalal & Shah
Firm Registration Number: 102021W
Chartered Accountants



Anish Amin
Partner
Membership Number: 40451

Place: Pune
Date: July 18, 2013

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PRESS RELEASE

Bajaj Finance Limited Results - 1st Quarter FY 13-14

Bajaj Finance reports AUM of ₹ 19,229 crores and the highest ever quarterly profit after tax of ₹ 176 Crores - A growth of 27% over corresponding quarter of previous year.

The Board of Directors of Bajaj Finance Limited in their meeting held today took on record the Unaudited Financial Results of the Company for the 1st quarter ended 30 June 2013.

Performance Highlights-Q1

- **Total income** for Q1 FY14 ↑ 33% to ₹ 932 Crores from ₹ 703 Crores in Q1 FY13.
- **Profit after tax** for Q1 FY14 ↑ 27% to ₹ 176 Crores from ₹ 139 Crores in Q1 FY13. Adjusted for the increase in standard assets provision of ₹ 18 Crores, the profit after tax would have been up by 35%.
- **Customers** acquired during Q1 FY14 ↑ 29 % to 9,69,447 from 7,52,231 in Q1 FY13.
- **Deployments** during Q1 FY14 ↑ 32% to ₹ 6,250 Crores from ₹ 4,728 Crores in Q1 FY13.
- **Loan losses and provisions** for Q1 FY14 ↑ 46% to ₹ 41 Crores as against ₹ 28 Crores in Q1 FY13.
- **General provisions on standard assets** for Q1 FY14 amounted to ₹ 23 crores as against ₹ 4 crores in Q1 FY13. Consequent to Reserve Bank of India's proposal, communicated in December 2012, to amend the regulatory framework relating to Non Banking Finance Companies, the Company has applied the recommended changes to the extent they would be applicable for the financial year ending 31st March 2014. Accordingly, the provision on standard assets has been increased to 0.40% of the amount outstanding as on 30th June 2013. As a result, the Company has made an incremental provision aggregating ₹ 18 crores during the quarter.
- **Gross NPA and Net NPA** for Q1 FY14 stood at 1.14% and 0.25% respectively. The provisioning coverage ratio stood at 78% as of 30 June 2013. The Company continues to provide for loan losses in excess of RBI requirements.
- **Capital adequacy ratio** (including Tier-II capital) stood at 21.5%. The Company continues to be well capitalized to support its growth trajectory.

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Key financial figures

(₹ in Crores)

Particulars	Q1'14	Q1'13	QoQ	FY 12-13
Customers acquired (nos in '000)	969	752	29%	2808
Assets under Management	19229	14485	33%	17517
Receivables under financing activity	18506	13750	35%	16744
Interest and fee income	932	703	33%	3111
Interest Expenses	331	264	25%	1205
Net Interest Income (NII)	601	439	37%	1906
Operating Expenses	270	201	34%	852
Loan Losses & Provisions	41	28	46%	157
General Provisions on standard assets	23	4	475%	25
Profit before tax	267	206	30%	872
Profit after tax	176	139	27%	591

(₹ in Crores)

Deployments	Q1'14	Q1'13	QoQ	FY 12-13
Consumer	3413	2426	41%	9783
SME	2130	1528	39%	6573
Commercial	707	774	-9%	3011
Total deployments	6250	4728	32%	19367

(₹ in Crores)

Assets Under Management (AUM)	Q1'14	Q1'13	QoQ	FY 12-13
Consumer	8002	5669	41%	7070
SME	9371	6462	45%	8467
Commercial	1856	2354	-21%	1980
Total AUM	19229	14485	33%	17517

Launch of Digital Product financing:

The company added digital product financing as an extension to its consumer electronics financing business.

Launch of Rural Lending:

The company launched its rural financing business in 7 branches and 30 spokes across Maharashtra. The full product suite consisting of consumer electronics financing, gold loans and refinancing loans have been launched in these markets.

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Among the top 3 BFSI companies to work for in India:

The company has been ranked as the 3rd Best Financial Service Company to Work For in India by 'Great Place to Work Institute' - Amongst the most prestigious employer awards in India.

Application for banking licence:

Bajaj Finserv Limited, the holding Company of Bajaj Finance Limited, has submitted its application to Reserve Bank of India on June 26, 2013 for a licence to commence banking business in terms of section 22 of the Banking Companies Act, 1949.

It is proposed to do this by converting its subsidiary Bajaj Finance Ltd. into a Bank in terms of RBI Guidelines for Licensing of New Banks in the Private Sector dated February 22, 2013.

For Bajaj Finance Limited

Rajeev Jain
Chief Executive Officer

Pune
18 July 2013

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