BAJAJ FINSERV | LENDING

SEC/MEETINGS/2012/312 16 May 2012

**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 Sir,

Ref : **Company Symbol : BAJFIANACE - EQ**

Sub: **Outcome of Meeting of Board of Directors and Remuneration and Nomination / Compensation Committee**

This is to inform that the Board of Directors at their meeting held today:

1. Approved Audited Financial Results of the Company for the year ended 31 March 2012. Copy of the said Audited Financial Results (annexure 1) and Press Release in this respect (annexure 2) are enclosed.

2. Recommended Dividend of ₹ 12/- per equity share of face value of ₹10/-, subject to approval of the shareholders at the annual general meeting to be held on 17 July 2012. The Dividend, if declared by the shareholders, will be credited / dispatched between 23 July 2012 to 25 July 2012.

3. Appointed Dr. Omkar Goswami as an Additional Director of the Company.

4. Approved proposal for fund raising through a rights issue and/or, subject to approval of the shareholders of the Company and subject to applicable laws, issue of equity shares and / or convertible/non-convertible securities by way of, private placement, public offering, or otherwise up to an aggregate amount of ₹ 750 crores.

Further, the Remuneration and Nomination / Compensation Committee has, at its meeting held today, granted 3,59,500 Stock Options to the identified employees under 'Grant-IV' of Employee Stock Option Scheme 2009 of the Company.

Kindly acknowledge receipt.

**For BAJAJ FINANCE LIMITED**

**ANANT DAMLE**
**COMPANY SECRETARY**

Encl: as above

BAJAJ FINSERV | LENDING

# Bajaj Finance Limited

Registered Office : Mumbai - Pune Road, Akurdi, Pune - 411 035

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

## AUDITED FINANCIAL RESULTS FOR THE QUARTER AND FINANCIAL YEAR ENDED 31 MARCH 2012

Part I (₹ In Crores)

### Statement of Standalone Audited Results for the Quarter and Financial Year Ended 31 March 2012

| | Particulars | 3 months ended 31.03.2012 (Unaudited) | 3 months ended 31.12.2011 (Unaudited) | 3 months ended 31.03.2011 (Unaudited) | Year ended 31.03.2012 (Audited) | Previous year ended 31.03.2011 (Audited) |
|---|---|---|---|---|---|---|
| | Funds deployed | 4207.70 | 4649.20 | 2466.94 | 15799.83 | 9435.34 |
| 1. | **Income from operations** | | | | | |
| | (a) Income from Operations | 573.85 | 554.72 | 354.32 | 1996.26 | 1283.84 |
| | (b) Other Operating Income | 45.05 | 48.05 | 34.93 | 166.76 | 108.49 |
| | **Total Income from operations (net)** | **618.90** | **602.77** | **389.25** | **2163.02** | **1392.33** |
| 2. | **Expenses** | | | | | |
| | a) Employee benefits expense | 48.90 | 50.00 | 43.04 | 190.35 | 144.72 |
| | b) Depreciation and amortisation expense | 3.47 | 3.30 | 3.02 | 11.77 | 9.64 |
| | c) Loan losses and provisions | 40.31 | 35.80 | 37.65 | 154.38 | 204.61 |
| | d) Other expenses | 135.38 | 132.38 | 88.53 | 467.01 | 306.28 |
| | **Total expenses** | **228.06** | **221.48** | **172.24** | **823.51** | **665.25** |
| 3. | **Profit / (Loss) from operations before other income and finance costs (1-2)** | **390.84** | **381.29** | **217.01** | **1339.51** | **727.08** |
| 4. | Other Income | 4.40 | 0.79 | 5.31 | 8.89 | 13.80 |
| 5. | **Profit /(Loss) from ordinary activities before finance costs (3 + 4)** | **395.24** | **382.08** | **222.32** | **1348.40** | **740.88** |
| 6. | Finance costs | 234.00 | 204.61 | 116.41 | 746.18 | 371.01 |
| 7. | **Profit / (Loss) from ordinary activities after finance costs (5 - 6)** | **161.24** | **177.47** | **105.91** | **602.22** | **369.87** |
| 8 | Tax expense | 52.97 | 57.48 | 34.89 | 195.78 | 122.91 |
| 9 | **Net Profit / (loss) from ordinary activites after tax (8 - 10)** | **108.27** | **119.99** | **71.02** | **406.44** | **246.96** |
| 10 | Extraordinary Items | - | - | - | - | - |
| 11 | **Net Profit / (Loss) for the period (11+ 12)** | **108.27** | **119.99** | **71.02** | **406.44** | **246.96** |
| 12 | Paid-up Equity Share Capital (Face Value : ₹10/- per share) | 41.32 | 36.63 | 36.63 | 41.32 | 36.63 |
| 13. | Reserves excluding Revaluation Reserves as per balance sheet of previous accounting year | | | | 1970.93 | 1321.46 |
| 14. | **I. Earnings Per Share (before extraordinary items) (of ₹ 10/- each) (not annualised):** | | | | | |
| | Basic | 29.43 | 32.76 | 19.40 | 110.84 | 67.47 |
| | Diluted | 29.26 | 32.62 | 19.40 | 110.29 | 67.47 |
| 14. | **II. Earnings Per Share (after extraordinary items) (of ₹ 10/- each) (not annualised):** | | | | | |
| | Basic | 29.43 | 32.76 | 19.40 | 110.84 | 67.47 |
| | Diluted | 29.26 | 32.62 | 19.40 | 110.29 | 67.47 |
| Part II | | | | | | |
| A | **Particulars of Shareholding** | | | | | |
| 1. | Public Shareholding | | | | | |
| | Number of Shares | 16090907 | 16090907 | 16090907 | 16090907 | 16090907 |
| | Percentage of Shareholding | 38.94% | 43.93% | 43.93% | 38.94% | 43.93% |
| 2. | Promoters and Promoter Group Shareholding | | | | | |
| | a) Pledged / encumbered | | | | | |
| | Number of Shares | Nil | Nil | Nil | Nil | Nil |
| | Percentage of Shares (as a % of total shareholding of promoters and promoter group) | Nil | Nil | Nil | Nil | Nil |
| | Percentage of Shares (as a % of the total share capital of the Company) | Nil | Nil | Nil | Nil | Nil |
| | b) Non encumbered | | | | | |
| | Number of Shares | 25228169 | 20538169 | 20538169 | 25228169 | 20538169 |
| | Percentage of Shares (as a % of total shareholding of promoters and promoter group) | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% |
| | Percentage of Shares (as a % of the total share capital of the Company) | 61.06% | 56.07% | 56.07% | 61.06% | 56.07% |

| B | **Particulars of Investors complaints** | **3 months ended 31.03.2012** |
|---|---|---|
| | 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 |



**Bajaj Finance Limited**
Corporate Office: 4th Floor, Bajaj Finserv Corporate Office, Off Pune-Ahmednagar Road, Viman Nagar, Pune - 411 014, Maharashtra, INDIA
Registered Office: Mumbai - Pune Road, Akurdi, Pune - 411 035, Maharashtra, INDIA
Tel +91 20 3040 5060 Fax +91 20 3040 5020 www.bajajfinservlending.in

BAJAJ FINSERV | LENDING

**STATEMENT OF ASSETS & LIABILITIES AS AT 31.03.2012**

| | Standalone Statement of Assets and Liabilities<br>Particulars | As at (Current year end)<br>31.03.2012 | As at (Previous year end)<br>31.03.2011 |
|---|---|---|---|
| A | **EQUITY AND LIABILITIES** | | |
| 1 | **Shareholders' funds** | | |
| | (a) Share Capital | 41.32 | 36.63 |
| | (b) Reserves and surplus | 1970.93 | 1321.48 |
| | (c) Money received against share warrants | 21.32 | - |
| | **Sub-total - Shareholders' funds** | 2033.57 | 1358.11 |
| 2 | **Non-current liabilities** | | |
| | (a) Long-term borrowings | 6407.86 | 2854.06 |
| | (b) Other long-term liabilites | 28.54 | 15.93 |
| | (c) Long-term provisions | 32.25 | 18.90 |
| | **Sub-total- Non-current liabilities** | 6468.65 | 2888.89 |
| 3 | **Current liabilities** | | |
| | (a) Short-term borrowings | 2794.56 | 2468.91 |
| | (b) Trade payables | 162.61 | 151.73 |
| | (c) Other current liabilites | 1384.09 | 1605.86 |
| | (d) Short-term provisions | 83.20 | 48.41 |
| | **Sub-total- current liabilities** | 4424.46 | 4274.91 |
| | **TOTAL - EQUITY AND LIABILITIES** | 12926.68 | 8521.91 |
| B | **ASSETS** | | |
| 1 | **Non-current assets** | | |
| | (a) Fixed Assets | 138.79 | 102.60 |
| | (b) Non-current investments | 5.46 | 5.61 |
| | (c) Deferred tax assets (net) | 69.16 | 64.94 |
| | (d) Receivables under financing activity | 6569.21 | 3932.00 |
| | (e) Long-term loans and advances | 72.44 | 54.53 |
| | **Sub-total- Non-current assets** | 6855.08 | 4159.68 |
| 2 | **Current assets** | | |
| | (a) Current investments | - | - |
| | (b) Receivables under financing activity | 5713.88 | 3339.78 |
| | (c) Cash and bank balances | 59.83 | 871.67 |
| | (d) Short-term loans and advances | 221.87 | 120.06 |
| | (e) Other current assets | 76.02 | 30.72 |
| | **Sub-total- current assets** | 6071.60 | 4362.23 |
| | **TOTAL - ASSETS** | 12926.68 | 8521.91 |

Notes:

1. The above results have been reviewed by the Audit Committee and approved by the Board of Directors in its meeting held on 16 May 2012.
2. Figures of last quarter are the balancing figures between audited figures in respect of full financial year and the published year to date figures upto the third quarter of the current financial year as recast to conform to the requirements of the revised Schedule VI of the Companies Act, 1956.
3. The Board of Directors has recommended a Dividend of ₹ 12/- per share of face value of ₹ 10/- (120%) for the year 2011-12 (Previous year: 100%)
4. Out of 60,00,000 preferential warrants, the promoter, Bajaj Finserv Limited applied for conversion of 46,90,000 equity shares and paid balance 75% i.e. ₹ 466.25 per equity share aggregating to ₹ 228,98,92,500/-. Accordingly, the Company allotted, on 29 March 2012, 46,90,000 equity shares of ₹ 10 each, fully paid-up, to Bajaj Finserv Limited at an exercise price of ₹ 651 per equity share. The balance 13,10,000 warrants are due for conversion till 27 January 2013. The funds received on the warrants and / or shares allotted have been utilised for meeting funding requirements of the business activities of the Company as specified in the explanatory statement to the notice of the annual general meeting approving the issue of aforesaid warrants.
5. Figures for the previous period have been regrouped, wherever necessary, to make them comparable with the current period.
6. The Company continues to strengthen its provisioning norms beyond the Reserve Bank of India regulations by accelerating the provisioning to an early stage of delinquencies based on past experience and emerging trends. Consequently, the additional estimated provision aggregates ₹14.59 crores for the quarter and ₹ 19.97 crores for the year ended 31 March 2012 respectively.
7. 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.
8. 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
16 May 2012



**Bajaj Finance Limited**
Corporate Office: 4th Floor, Bajaj Finserv Corporate Office, Off Pune-Ahmednagar Road, Viman Nagar, Pune - 411 014, Maharashtra, INDIA
Registered Office: Mumbai - Pune Road, Akurdi, Pune - 411 035, Maharashtra, INDIA
Tel +91 20 3040 5060 Fax +91 20 3040 5020 www.bajajfinservlending.in

BAJAJ FINSERV | LENDING

**PRESS RELEASE**

Bajaj Finance Limited Results - 4th Quarter and Financial Year 2011-12

***Bajaj Finance reports a highest ever yearly Profit after Tax of ₹ 406 Crores, an increase of 64% over previous year.***

***Bajaj Finance reports AUM of ₹ 13,107 crores and a quarterly profit after tax of ₹ 108 Crores - A growth of 52% 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 4th quarter ended 31 March 2012.

**Performance Highlights-Q4**

- **Customers** acquired during Q4 FY12 ↑ 36 % to 5,01,669 from 3,70,002 in Q4 FY11.
- **Deployments** during Q4 FY12 ↑ 69 % to ₹ 4,208 Crores from ₹ 2,487 Crores in Q4 FY11.
- **Total income** for Q4 FY12 ↑ 58% to ₹ 623 Crores from ₹ 395 Crores in Q4 FY11.
- **Profit after tax** for Q4 FY12 ↑ 52 % to ₹ 108 Crores from ₹ 71 Crores in Q4 FY11.
- **Loan losses and provisions** for Q4 FY12 ↑ 5% at ₹ 40 Crores (including ₹ 14.6 crores one time accelerated provision) as against ₹ 38 Crores in Q4 FY11. Excluding this one time provision, Loan losses and provisions for Q4 FY12 ↓ **33%.** As a result of this accelerated provisioning, the provisioning coverage ratio stands at 89% as of 31 March 2012 against 79% as of 31 March 2011.

**Performance Highlights-FY 11-12**

- **Customers** acquired during FY12 ↑ 41% to 22,20,694 from 15,69,784 in FY11.
- **Deployments** during FY12 ↑ 67% to ₹ 15,797 Crores from ₹ 9,435 Crores in FY11.
- **Total income** for FY12 ↑ 54% to ₹ 2,172 Crores from ₹ 1,406 Crores in FY11.
- **Profit after tax** for FY12 ↑ 64% to ₹ 406 Crores from ₹ 247 Crores in FY11.
- **Loan losses and provisions for FY12 ↓ 25%** at ₹ 154 Crores as against ₹ 205 Crores in FY11.
- **Provisioning coverage ratio** as at 31 March 2012 stood at 89% against 79% as at 31 March 2011.
- **Net NPA** for FY12 stood at 0.12% against 0.80% in FY11. The Net NPA Q4 FY12 is the lowest for the Company in the last 5 years.
- **Capital adequacy ratio** (including Tier-II capital) stood at 17.51%. The Company continues to be well capitalized to support its growth trajectory.
- The Board of Directors has recommended a dividend of ₹ 12 per share (120%)



**Bajaj Finance Limited**
Corporate Office: 4th Floor, Bajaj Finserv Corporate Office, Off Pune-Ahmednagar Road, Viman Nagar, Pune - 411 014, Maharashtra, INDIA
Registered Office: Mumbai - Pune Road, Akurdi, Pune - 411 035. Maharashtra, INDIA
Tel +91 20 3040 5060 Fax +91 20 3040 5020 www.bajajfinservlending.in

BAJAJ FINSERV | LENDING

## Key financial figures

(₹ in Crores)

| Particulars | Q4'12 | Q4'11 | QoQ | FY 11-12 | FY 10-11 | YOY |
|---|---|---|---|---|---|---|
| Customers acquired (nos in '000) | 502 | 370 | 36% | 2221 | 1570 | 41% |
| Assets under Management | 13107 | 7573 | 73% | 13107 | 7573 | 73% |
| Receivables under financing activity | 12283 | 7272 | 69% | 12283 | 7272 | 69% |
| Interest and fee income | 623 | 395 | 58% | 2172 | 1406 | 54% |
| Interest Expenses | 234 | 116 | 102% | 746 | 371 | 101% |
| Net Interest Income (NII) | 389 | 279 | 39% | 1426 | 1035 | 38% |
| Operating Expenses | 188 | 135 | 39% | 670 | 460 | 46% |
| Loan Losses & Provisions | 40 | 38 | 5% | 154 | 205 | -25% |
| Profit before tax | 161 | 106 | 52% | 602 | 370 | 63% |
| Profit after tax | 108 | 71 | 52% | 406 | 247 | 64% |

(₹ in Crores)

| Deployments | Q4'12 | Q4'11 | QoQ | FY 11-12 | FY 10-11 | YOY |
|---|---|---|---|---|---|---|
| Consumer | 1672 | 1164 | 44% | 7040 | 4678 | 50% |
| SME | 1270 | 706 | 80% | 4411 | 2717 | 62% |
| Commercial | 1266 | 617 | 105% | 4346 | 2040 | 113% |
| | | | | | | |
| Total deployments | 4208 | 2487 | 69% | 15797 | 9435 | 67% |

(₹ in Crores)

| Analytical Ratios | Q4'12 | Q4'11 | FY 11-12 | FY 10-11 |
|---|---|---|---|---|
| Secured to Unsecured mix | 85:15 | 83:17 | 85:15 | 83:17 |
| Operating expenses to NII | 48.3% | 48.4% | 47.0% | 44.4% |
| Loan Losses to NII | 10.3% | 13.6% | 10.8% | 19.8% |
| Return on average assets under financing activity | 0.9% * | 1.0% * | 4.2% | 4.4% |
| Return on average equity, not annualized | 5.7% * | 5.3% * | 23.9% | 19.7% |
| Net NPA | 0.12% | 0.80% | 0.12% | 0.80% |

* Not annualised



Bajaj Finance Limited
Corporate Office: 4th Floor, Bajaj Finserv Corporate Office, Off Pune-Ahmednagar Road, Viman Nagar, Pune - 411 014, Maharashtra, INDIA
Registered Office: Mumbai - Pune Road, Akurdi, Pune - 411 035, Maharashtra, INDIA
Tel +91 20 3040 5060 Fax +91 20 3040 5020 www.bajajfinservlending.in

BAJAJ FINSERV | LENDING

(₹ in Crores)

| Assets Under Management (AUM) | Q4'12 | Q4'11 | QoQ | FY 12 |
|---|---|---|---|---|
| *Total - Consumer* | 4979 | 3343 | 49% | 4979 |
| *Total - SBS* | 5701 | 3313 | 72% | 5701 |
| *Total - Commercial* | 2427 | 917 | 165% | 2427 |
| | | | | |
| *Total AUM* | 13107 | 7573 | 73% | 13107 |

***Issue of warrants on preferential basis to promoter, Bajaj Finserv Limited*** :

In July 2011, pursuant to the Securities & Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 the Company issued 60,00,000 warrants at a price of ₹ 651/- per warrant with a right to convert the same into equal number of equity shares to the promoter, Bajaj Finserv Limited.

On 29 March 2012, Bajaj Finserv Ltd has exercised its right of conversion of 46,90,000 warrants out of the said 60,00,000 warrants. Accordingly, 46,90,000 equity shares of ₹ 10/- face value have been allotted to Bajaj Finserv Ltd., taking its shareholding in the Company to 60.98% as on 31 March 2012.

***Launch of Lifestyle Product Finance***

Given the changing socio-economic spectrum with rising aspirations and a growing demand for better lifestyle products, it was natural to extend the existing zero per cent interest offering for consumer durables to financing lifestyle products like furniture, home furnishings, fitness equipment, luxury watches, etc. The Company has launched this business with a tie-up with 100 stores across ten cities to provide 0% finance on purchase of life style products. The Company has tied up with well known retail chains like @ Home, Evoke, Reliance Living, Hyper-city, Fitness One and Durian in April 2012.

For Bajaj Finance Limited

Rajeev Jain
Chief Executive Officer

Pune
16 May 2012



**Bajaj Finance Limited**
Corporate Office: 4th Floor, Bajaj Finserv Corporate Office, Off Pune-Ahmednagar Road, Viman Nagar, Pune - 411 014, Maharashtra, INDIA
Registered Office: Mumbai - Pune Road, Akurdi, Pune - 411 035, Maharashtra, INDIA
Tel +91 20 3040 5060 Fax +91 20 3040 5020 www.bajajfinservlending.in