

SEC/BM/2011/29

January 18, 2011

**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**

We forward herewith a copy of Press Release issued by the Company after its Board Meeting held on January 18, 2011.

Kindly acknowledge receipt of the same.

Thanking you,

Yours faithfully,
For **BAJAJ FINANCE LIMITED**



**ANANT DAMLE
COMPANY SECRETARY**

Encl.: As above



18 January 2011

PRESS RELEASE

Bajaj Finance Limited Results - 3rd Quarter - Financial Year 2010-11

Bajaj Finance reports its highest ever quarterly profit of Rs.76.4 Crores - A growth of 181% 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 3rd quarter ended 31 December 2010.

Performance Highlights-Q3 10 - 11 versus 09 - 10

- **Customers** acquired during Q3 FY11 ↑ 77% to 491,386 from 277,960.
- **Deployments** during Q3 FY11 ↑ 129% to Rs 2,774 Crores from Rs 1,210 Crores.
- **Total income** for Q3 FY11 ↑ 56% to Rs 388.4 Crores from Rs 249.6 Crores.
- **Profit after tax** for Q3 FY11 ↑ 181% to Rs 76.4 Crores from Rs 27.3 Crores.
- **Loan loss and provisions** were Rs 44.9 Crores (including Rs.2.9 Crores of one time accelerated provision) in Q3 FY11 against Rs 59.8 Crores in Q3 FY10. Adjusted for this accelerated provision, loan loss and provisions would have been at Rs.42.0 Crores. The provision coverage ratio as at December 2010 stood at 77%. The net NPA stood at 1.1%.
- **Capital adequacy ratio** including Tier-II capital stood at 18.7% excluding current year's profits and 21.2% including current year's profits. The Company continues to be well capitalized to support its growth trajectory.
- During the quarter the company raised Rs.586 Crores of longer tenor borrowings (greater than 24 months) to strengthen its resource base including Rs 36 Crores of subordinated debt brought in as Tier-II capital. The cumulative longer tenor borrowing for first 9 months of the current fiscal amounts to Rs 1980 Crores including subordinated debt of Rs.229 Crores brought in as Tier-II capital.





Key financial figures

Rs in crores

Particulars	Q3'11	Q3'10	QoQ	9M'11	9M'10	9Mo9M	FY-10
Customers acquired (nos in '000)	491	278	77%	1200	636	89%	897
Receivables under financing activity	6710	3589	86%	6710	3589	86%	4026
Assets under Management	6868	3589	91%	6868	3589	91%	4026
Interest and fee income	388	249	56%	1012	659	54%	916
Interest Expenses	104	55	88%	260	143	82%	202
Net Interest Income (NII)	285	194	47%	752	516	46%	715
Operating Expenses	125	91	37%	321	245	31%	320
Loan Losses & Provisions	45	60	-25%	167	172	-3%	261
Profit before tax	115	43	168%	264	99	167%	134
Profit after tax	76	27	181%	176	64	175%	89

Deployments	Q3'11	Q3'10	QoQ	9M'11	9M'10	9Mo9M	FY-10
2 Wheelers	579	393	47%	1520	930	63%	1364
Consumer Durables	768	346	122%	1725	755	128%	1037
Mortgages	459	266	211%	1229	752	150%	1067
Other assets	463	30		1207	221		313
Construction equipment	201	-		498	-		-
Small Business loans and PLCS	304	175	74%	769	601	28%	803
Total	2774	1210	129%	6948	3259	113%	4585

Analytical Ratios	Q3'11	Q3'10	9M'11	9M'10	FY-10
Operating expenses to NII	43.9%	46.9%	42.7%	47.5%	44.7%
Loan Losses to NII	15.8%	30.9%	22.2%	33.3%	36.5%
Return on assets under finance, not annualized	1.2%	0.8%	3.3%	2.1%	2.8%
Return on equity, not annualized	5.9%	2.4%	14.2%	5.7%	8.2%

During the quarter, Bajaj Finance and Central Bank of India have entered into a Tie-up arrangement for financing. This partnership model is amongst the first of its kind in the industry. Under this arrangement, Bajaj Finance partially assigns loan receivables of some of its portfolios in a predetermined sharing ratio to Central Bank of India. This initiative is mutually beneficial since it enhances transmission to SME and small business customers for Central Bank of India and for Bajaj Finance it provided another avenue for funding and improvement in Return on Equity.

The company had an excellent quarter aided by strong volume growth in consumer and SME business lines. Going forward, given the rising inflationary pressures and consequent interest rate environment, the Company is moving forward with cautious optimism.

Pune



For Bajaj Finance Limited

Rajeev Jain
Rajeev Jain
Chief Executive Officer



Bajaj Finance Limited

Registered Office : C/o Bajaj Auto Limited, Mumbai - Pune Road, Akurdi, Pune - 411 035

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

UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED 31 DECEMBER 2010

(Rs. in Lakhs)

Particulars	QUARTER ENDED 31.12.2010 (Unaudited)	QUARTER ENDED 31.12.2009 (Unaudited)	NINE MONTHS ENDED 31.12.2010 (Unaudited)	NINE MONTHS ENDED 31.12.2009 (Unaudited)	YEAR ENDED 31.03.2010 (Audited)
Funds Deployed	277379	120967	694840	325905	458510
1. (a) Income from Operations	35969	22489	92952	58513	80966
(b) Other Operating Income	2743	2442	7356	7217	10040
Total Income (a+b)	38712	24931	100308	65730	91006
2. Expenditure					
a) Employee Cost	3538	2707	10168	7385	9942
b) Marketing and other Commissions	3156	1302	6919	3585	5114
c) Recovery Commission	1528	1532	3742	4286	5606
d) Provision for Doubtful Debts net and Bad Debts written off	4490	5977	16696	17193	26058
e) Depreciation	313	219	814	571	764
f) Other Expenditure	3955	3383	10463	8711	10536
Total Expenditure (a+b+c+d+e+f)	16980	15120	48802	41731	58020
3. Profit from Operations before Other Income, Interest & Exceptional Items (1-2)	21732	9811	51506	23999	32986
4. Other Income	127	31	849	191	610
5. Profit before Interest & Exceptional Items (3+4)	21859	9842	52355	24190	33596
6. Interest and other finance charges	10356	5529	25959	14293	20166
7. Profit after Interest but before Exceptional Items (5-6)	11503	4313	26396	9897	13430
8. Exceptional Items	-	-	-	-	-
9. Profit / (loss) from ordinary activities before tax (7+8)	11503	4313	26396	9897	13430
10. Tax Expenses (including Deferred Taxes)	3864	1581	8802	3475	4490
11. Net Profit / (loss) from ordinary activities after tax (9-10)	7639	2732	17594	6422	8940
12. Prior period adjustments					
Tax adjustments pertaining to earlier years	-	-	-	-	1
13. Net Profit / (loss) for the period (11+12)	7639	2732	17594	6422	8941
14. Paid-up Equity Share Capital (Face Value : Rs.10/- per share)	3663	3660	3663	3660	3660
15. Reserves excluding Revaluation Reserves as per Balance Sheet of previous accounting year	-	-	-	-	111594
16. Earning Per Share (Not annualised) before and after Extraordinary Item					
Basic (Rs.)	20.87	7.46	48.07	17.55	24.43
Diluted (Rs.)	20.87	7.46	48.07	17.55	24.43
17. Public Shareholding					
Number of Shares	16294837	18622520	16294837	18622520	18109097
Percentage of Shareholding	44.49%	50.89%	44.49%	50.89%	49.48%
18. 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	20334239	17973556	20334239	17973556	18486979
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)	55.51%	49.11%	55.51%	49.11%	50.52%





Notes:

1. The above results have been reviewed by the Audit Committee and approved by the Board of Directors in their meeting held on 18 January 2011 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 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 Rs. 291 lakhs for the quarter and Rs. 3877 lakhs for the nine months ended 31 December 2010 respectively.
4. The Allotment committee of the Board of Directors at their meeting held on 29 December 2010 have allotted 33000 equity shares to BFL Employee Welfare Trust under ESOS, 2009.
5. 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.
6. The Company did not have any investor complaints pending as on 1 October 2010 and as on 31 December 2010. There were 5 investors' complaints received and disposed off during the quarter ended 31 December 2010.
7. 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 January 2011

