

BAJAJ FINANCE LIMITED



HALF YEARLY REPORT 2015-16



Dear Shareholder,

I am pleased to share with you the financial results of your Company for the half year ended 30 September 2015. The Company delivered yet another very solid performance in H1 FY16.

Highlights of H1 FY16 v/s H1 FY15

Highest ever assets under management - H1 FY16 **↑ 36%** to ₹ 37,964 crore from ₹ 28,004 crore in H1 FY15.

Most ever customers acquired - H1 FY16 **↑ 40%** to 31.1 lakh from 22.3 lakh in H1 FY15.

Highest ever total income - H1 FY16 **↑ 35%** to ₹ 3,356 crore from ₹ 2,488 crore in H1 FY15.

Highest ever profit after tax for H1 FY16 **↑ 36%** to ₹ 555 crore from ₹ 409 crore in H1 FY15.

Loan losses and provisions for H1 FY16 **↑ 47%** to ₹ 240 crore as against ₹ 163 crore in H1 FY15. (The Company continues to provide for loan losses in excess of RBI requirements).

Capital adequacy ratio (including Tier-II capital) stood at 20.49% as on 30 September 2015. The Company continues to be well capitalized to support its growth trajectory.

The Company had an excellent half year aided by strong volume growth in the Consumer and Small & Medium Business Enterprise business lines.

During the period, the Company undertook the following initiatives:

- Expanded its geographic reach in urban India to 193 locations from 126 in H1 FY15.
- Expanded its rural footprint to 68 branches and 204 spokes taking its total reach to 272 locations across Maharashtra, Gujarat, Karnataka and Madhya Pradesh from a total of 31 branches and 120 spokes – in H1 FY15.

- Launched 'Digital Activate' – a partnership model where the Company is bringing in its technology expertise and franchise, while retailers are committing last mile delivery of smart phones, to create a distinct business model to grow volumes.
- Launched 2 new Relationship Management channels – Digital Lounge and IFA (Independent Financial Advisors).
- Recognized amongst the best companies to work for in the country by the 'Great Places to Work' institute for the 3rd year in a row. The Company moved up seven places from last year and was recognized as the 16th Best Employer to work for in India. The Company also moved up one place in the Financial Services category to now be ranked as the 2nd best company to work for in this category.
- Bajaj Housing Finance Limited, the wholly owned subsidiary of Bajaj Finance Limited, received a certificate of registration dated 24 September 2015 from National Housing Bank to carry on the business of housing finance. The license is a non-deposit taking HFC license.
- The Company received ASA (Authentication Service Agency) license from UIDAI. This will enable the Company to get customers KYC (Aadhar) information electronically and deliver a superior buying experience to customers across businesses.
- In September 2015, the Company for the first time received a Long Term Issuer credit rating of 'IND AAA' with Stable Outlook for Non-convertible Debentures/Sub-ordinated debt from India Rating (Fitch), which is the highest rating possible.
- The Company issued and allotted 925,000 warrants convertible into equivalent number of equity shares of ₹ 10 each to Bajaj Finserv Limited (promoter) on 2 June 2015. 25% of the issue price amounting to ₹ 102.03 crore has been received in advance entitling the warrant holder to apply for an equivalent number of equity shares on payment of balance 75% of the issue price within 18 months from the date of allotment of warrants.
- On 11 June 2015, the Company allotted 3,274,853 equity shares to the eligible Qualified Institutional Buyers at a price of ₹ 4,275 per equity share of ₹ 10 face value (inclusive of premium ₹ 4,265 per share) aggregating to approx. ₹ 1,400 crore, in accordance with the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009. The subject shares were listed on NSE and BSE w.e.f. 15 June 2015.

There is a mood of cautious optimism as we enter the second half. There are expectations that the lower interest rates and revival of Government investments will help start the investment cycle in the quarters to come, which should help offset any external global shocks.

I wish you and your family a very happy Diwali and a prosperous New Year.



Rahul Bajaj

Chairman

20 October 2015

Highlights of the financial results for H1 FY 2016

1. Summary of financial statements:

(₹ In Crore)

Particulars	H1 FY 2016	H1 FY 2015	FY 2015
Total income	3,356	2,488	5,418
Interest expenses	1,372	1,044	2,248
Net interest income	1,984	1,444	3,170
Operating expenses	894	662	1,428
Loan losses and provisions	240	163	385
Profit before tax	850	619	1,357
Profit after tax	555	409	898
Earnings per share:			
Basic (₹)	106.64	81.97	179.94
Diluted (₹)	105.27	81.22	177.70

2. Key financial figures:

(₹ In Crore)

Particulars	H1 FY 2016	H1 FY 2015	FY 2015
Customers acquired (in '000)	3,112	2,230	4,924
Assets under management	37,964	28,004	32,410
Receivables under financing activity	36,515	26,751	31,199

Bajaj Finance Limited

CIN: L65910MH1987PLC042961

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