

Bajaj Finance Limited

Registered Office :
Mumbai - Pune Road,
Akurdi,
Pune - 411 035
Tel No : 020 27472851

Corporate Office :
4th Floor, Bajaj Finserv Corporate Office
Off Pune-Ahmednagar Road, Viman Nagar,
Pune - 411 014
Tel No. : 020 30405060 / 30405072
Fax No. : 020 30405030

website: www.bajajfinservlending.in

DISCLOSURES UNDER SCHEDULE I OF SEBI (ISSUE AND LISTING OF DEBT SECURITIES) REGULATIONS, 2008.

Issue:

Private Placement of Unsecured Redeemable Non-Convertible Debentures of the face value of Rs.1 Crore each, aggregating Rs.90 Crores

Rating:

"CRISIL AA+ /Stable" by CRISIL

Listing:

The Debentures are proposed to be listed on the Debt segment of Bombay Stock Exchange Ltd.

Trustees:



GDA Trustee & Consultancy Ltd.

"Shri Niwas", Apte Road,
1202/29, Shivajinagar, Pune - 411 004
Phone No. (020) – 25510401 (3 lines)
Fax : (020) – 25532567, Email : gdatm@vsnl.net

Registrar & Transfer Agent:



Karvy Computershare Pvt. Ltd.,
Plot No.17 to 24, Vittalrao Nagar,
Madhapur, Hyderabad – 500 081
Tel : 040-23420815 to 824
Fax: 040-23420814
Email : mohsin@karvy.com

Compliance Officer

Anant Damle - Company Secretary
Bajaj Finance Limited,
Corporate & Administrative Office :
4th Floor, Bajaj Finserv Corporate Office
Off Pune-Ahmednagar Road, Viman Nagar,
Pune - 411 014
Tel No. : 020 30405060 / 30405072
Fax No. : 020 30405030
E Mail : anant.damle@bajajfinserv.in



i) **Name and address of the Registered Office of the issuer**

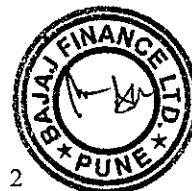
Bajaj Finance Limited
Mumbai - Pune Road,
Akurdi, Pune - 411 035
Tel. No. .(020) 27472851

ii) **Name and address of the directors of the issuer**

Name of the Director	Address
Rahul Bajaj Chairman	Bajaj Vihar, Mumbai-Pune Road, Akurdi, Pune - 411 035.
Nanoo Pamnani Vice Chairman	21, El Cid, 13A, Ridge Road, Malabar Hill, Mumbai – 400 006
Madhur Bajaj	Bungalow No.3 Bajaj Vihar Colony, Mumbai-Pune Road, Akurdi, Pune - 411 035.
Rajiv Bajaj	Bajaj Vihar, Mumbai-Pune Road, Akurdi, Pune - 411 035.
D J Balaji Rao	D-103, Adarsh Residency, 47 th Cross, 2 nd Main, 8 th Block, Jayanagar, Bangalore – 560 082
Sanjiv Bajaj	Bajaj Vihar, Mumbai-Pune Road, Akurdi, Pune - 411 035
D.S. Mehta	301/302, Gora Gandhi Apts, 3, Laburnam Road, Gamdevi, Mumbai – 400 007.
Dipak Poddar	Brij Kutir, 17th Floor, Rungta Lane, Off Nepean Sea Road, Mumbai – 400 026.
Ranjan Sanghi	Flat No.801, Surajprakash Bldg., 86, Shankar Ghanekar Marg, Mumbai – 400 025.
Rajendra Lakhotia	C/o Gangtok Auto Works Pvt. Ltd., National Highway, Gangtok - 737 001. Sikkim

iii) **A brief summary of the business / activities of the issuer and its line of business**

Bajaj Finance Limited (BFL) (Formerly known as Bajaj Auto Finance Limited) is a Non-Banking Finance Company (NBFC) primarily engaged in the business of financing of two wheelers, consumer durables, Small Business Loans, Personal loan Cross-Sell, Mortgage Business, Loans against Securities and Financing Construction Equipments etc.,



iv) **Brief History**

BFL was originally incorporated as a Private Limited Company on 25 March 1987. It became a deemed Public Limited Company by virtue of Section 43(A) of the Companies Act, 1956 w.e.f., 20 October 1987. The Name of the Company was changed from Bajaj Auto Finance Limited to Bajaj Finance Limited w.e.f. 6 September 2010.

BFL was originally promoted by erstwhile Bajaj Auto Limited and Bajaj Auto Holdings Limited. Bajaj Auto Limited is one of the leading manufacturers of two and three wheelers in the country. Bajaj Auto Holdings Limited is an investment company and is a wholly owned subsidiary company of Bajaj Holdings & Investment Limited. As per the Scheme of Demerger of erstwhile Bajaj Auto Limited, the shareholding of Bajaj Auto Limited in BFL has been vested with Bajaj Finserv Limited. With effect from 5 July 2010, the Company has become a subsidiary of Bajaj Finserv Limited. BFL is an NBFC registered with RBI and authorised to accept public deposits.

BFL is engaged primarily in the business of financing of two wheelers, consumer durables, Small Business Loans, Personal Loan Cross –Sell, Mortgage Business, Loan against Securities and Financing Construction Equipments etc.,

BFL made a Public Issue of Equity Shares in 1994 and its Equity Shares are listed on Bombay Stock Exchange Limited and National Stock Exchange of India Limited.

BFL made a Preferential Issue of Equity Shares to the Promoters and a few foreign corporate bodies and also warrants to the Promoters in 2006.

BFL made a Rights Issue of Equity Shares and Non-Convertible Debentures with detachable warrants to the existing shareholders in 2006-07.

BFL has issued Preferential Warrants to Promoter – Bajaj Finserv Limited in July 2011.

The present Paid-up Capital of the Company is Rs.366,290,760/-.

BFL has its headquarters at Pune and has branches spread across the country

Major Events

Year	Event
1987-88	Incorporated as a Private Limited Company on 25th March, 1987. It became a deemed Public Limited Company by virtue of Section 43(A) of the Companies Act, 1956 w.e.f., 20th October, 1987.
1993-94	Public Issue of Equity Shares in March, 1994
2005-06	Preferential Issue of Equity Shares to the Promoters and a few foreign corporate bodies and also warrants to the Promoters in 2006
2006-07	Rights Issue of Equity Shares and Non-Convertible Debentures with detachable warrants to the existing shareholders in 2006-07.
2010-11	From 6 September 2010 the name of the Company has changed from Bajaj Auto Finance Limited to Bajaj Finance Limited
2010-11	Upon Change of Name, RBI vide its letter dated 7 October 2010



	issued fresh Certificate of Registration in the name of Bajaj Finance Limited and changed the classification to Loan Company from Asset Finance Company.
2011-12	Preferential Issue of Warrants to Promoter – Bajaj Finserv Limited in July 2011.

Capital Structure of the Company as on 31 December 2011

Particulars	Amount (Rs.)
A. Authorised share capital 7,50,00,000 Equity shares of Rs.10/- each	75,00,00,000
B. Issued & Subscribed 3,66,30,076 Equity shares of Rs.10/- each (includes 1,000 forfeited equity shares)	36,63,00,760
C. Paid-up 3,66,29,076 Equity shares of Rs.10/- each (There will be no change in the Paid-up Capital after the present issue, since the present issue is of Non Convertible Debentures)	36,62,90,760

The Main Objects as per Memorandum of Association

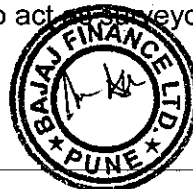
1. To finance industrial enterprises by way of advance, deposit or lend money, securities, and properties to or with any Company, body corporate, trust, firm, person or association whether falling under the same management or otherwise, with or without security and on such terms as may be determined from time to time, and to carry on and undertake the business of finance and investment and to provide venture capital, seed capital, loan capital and to participate in equity/preference Share Capital or to give guarantees on behalf of the Company in the matter and to promote Companies engaged in Industrial and trading business and to act as Financial Consultants, Management Consultants, Brokers, Dealers, Agents and to carry on the business of share broking, money broking, exchange broking, bill broking and general brokers for shares, debentures, debenture-stock, bonds, units, obligations, securities, commodities, bullion currencies and to manage the funds of any person, firm, body corporate or trust by investment in various avenues like Growth Fund, Income fund, Risk Fund, Tax Exempt Funds, Pension/Superannuation Funds and to pass on the benefits of portfolio investments to the investors as dividends, bonus, interest, etc.

- 1A. To undertake and carry on the business of providing long-term finance for development of infrastructure facility in India including but not restricted to inland container depot and container freight stations, mass rapid transit system, light rail transit system, expressways, intra-urban or semi-urban roads like ring roads of urban by-passes or flyovers, bus and truck terminals, subways, road dividers, bulk handling terminals which are developed or operated for development of rail system, multilevel computerised car parking and other infrastructure projects in the fields of roads, highways, power generation and for power distribution and any other form of power, telecommunication services, bridges, ports, docks, waterways, airports, systems, water supply, water treatment, irrigation, sanitation and sewerage systems, air line transportation, Special



Economic Zones or other Export Promotion Parks, Software Technology Parks, Electronic Hardware Parks, Bio-Technology Parks and any other industrial parks or any other public facility of similar nature that may be notified in future as infrastructure facility either by the State Government(s) and / or the Government of India or any other appropriate authority or body and to undertake infrastructure financing in all angles whether expressly mentioned herein or not including consultancy services of all kinds and description and also investing in the equity shares, preference shares, debentures, bonds, providing long term and short term loans, lease finance, working capital financing, giving guarantees and any other financial assistance as may be conducive for development, construction, operation and maintenance of infrastructure projects in India.

- 1B. To set up, create, establish, float and manage domestic as well as offshore trusts or funds including any mutual funds, growth funds, investment funds, infrastructure income or infrastructure capital funds, taxable or tax exempt funds, provident, pension, gratuity, superannuation funds, charitable funds, trusts or consortium funds registered under the provisions of the Registration Act or any other relevant acts as administrators or managers of such funds and trusts, to act as trustees for bondholders / debentureholders, to act as financial consultants, investment counseling, syndication of financial arrangements whether in domestic or international markets, handling of mergers and amalgamations etc.
2. To carry on the business as an Investment Company and to underwrite, sub-underwrite, to invest in, and acquire by gift or otherwise and hold, sell, buy or otherwise deal in shares, debentures, debenture-stocks, bonds, units, obligations and securities issued or guaranteed by Indian or Foreign Governments, States, Dominions, Sovereigns, Municipalities or Public Authorities or Bodies and shares, stocks, debentures, debenture-stocks, bonds, obligations and securities issued or guaranteed by any Company, corporation, firm or person whether incorporated or established in India or elsewhere and to manage investment pools, mutual funds, shares, stocks, securities, finance subject to necessary Government approval. However, the Company shall not carry on any Chit Fund activities.
3. To carry on the business of buying, selling, leasing, lease broking, letting on hire, hire-purchase or on easy payment system household and office furniture, domestic or business appliances, computers, tabulators, addressing machine and other sophisticated office machinery, installation fitting, machinery, motor cars, taxi-cabs, mopeds, scooters, motor cycles, 3-wheelers, auto-rickshaws, automobiles, tramcars, motor lorries, tractors, earthmoving machinery, wagons, cycles, bicycles, coaches, garages and all other vehicles drawn by motor, steam, oil, petroleum, electricity or any mechanical or other power or device, agricultural implements and machinery, air-ships, aeroplanes and helicopters, tools, plants, implements, utensils, apparatus and requisites and accessories, furniture, wireless and television receivers, telephones, telex, teleprinters, or other apparatus, ships, dredgers, barges and containers and to carry on the business of hire purchase of movable properties of any kind, including machinery, plant of all kinds to buy, sell, alter, repair, exchange and deal in and finance the sale of furniture, apparatus, machinery, materials, goods and articles, to hire out or sell any of the same on hire purchase system.
- 3A. Subject to the provisions of the Insurance Regulatory & Development Authority Act, 1999 and other enactments, as amended from time to time and the rules and regulations framed thereunder, to undertake, carry on and transact the business of soliciting or procuring insurance business as an insurance agent and/or to act as an insurance intermediary or broker in respect of general insurance, life insurance or reinsurance business or to act as a composite broker and/or to carry on the business of distribution of insurance products and/or to act as an insurance consultant and/or to act as surveyors and loss assessors.



v) **Details of Debt Securities Issued and sought to be listed**

Instrument	Unsecured Redeemable Non Convertible Debentures (NCD)
Issue Size	Rs.90 Crores
Face Value	Rs.1 Crore Per NCD
Tenor	520 Days
Put /Call Option	N.A.
Coupon Rate	9.7873% p.a.
Interest Payable	On maturity, Compounded Annually
Redemption	Bullet, on maturity on 28 June 2013
Rating	"CRISIL AA+ / Stable" by CRISIL
Mode of Issue	Demat

vi) **Issue Size** :

Rs. 90 Crores

vii) **Details of utilization of the issue proceeds**

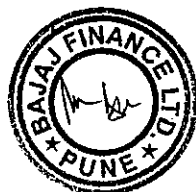
The proposed issue of debentures would augment long term working capital resources of the company in its business.

viii) **Material contracts, agreements involving financial obligations of the issuer**

- a) Memorandum and Articles of Association of the Company
- b) Certificate of Registration issued by Reserve Bank of India under Section 45IA of Reserve Bank of India Act 1934.
- c) Copies of Annual Reports for the five years ended 31st March, 2007, 2008, 2009, 2010 and 2011.
- d) Letter dated 1 December 2011 from CRISIL assigning "CRISIL AA+/Stable".

The above material documents and contracts will be available for inspection between 9.00 am and 5.00 p.m. on all working days in Pune at the office of the Company mentioned below:

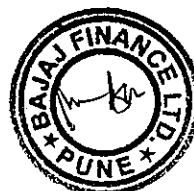
Corporate Office: 4th Floor, Bajaj Finserv Corporate Office, Off Pune – Ahmednagar Road, Viman Nagar, Pune 411 014.



Related party transactions during the period April 2011 to December 2011

(Rs.in Lakhs)

Name of the related party and nature of Relationship	Nature of transactions	2011 – 2012	Outstanding amounts carried in the Balance Sheet
		Transaction value	
A. Holding company:			
1. Bajaj Finserv Limited	--- Business support charges	331	-
	--- Other revenue expenses	100	-
	--- Dividend paid	2,050	-
	--- Preferential Share Warrant Money	9,765	-
B. Fellow Subsidiaries:			
	Premium Advance	7,133	113
1. Bajaj Allianz Life Insurance Company Ltd	Insurance premium adjusted	7,234	-
	Infrastructure Fees	528	-
	Advertisement Fees	177	-
	Other reimbursement	3,765	2,513
	Unsecured non convertible debentures	-	1,500
2. Bajaj Allianz General Insurance Company Ltd.	--- Vehicle Insurance	4	-
	--- Asset Insurance premium adjusted	8	-
	--- Premium Advance	85	37
	--- Insurance premium paid	55	-
	--- Others	-	-
	--- Unsecured non convertible debentures	-	1,000
C. Where directors have significant influence:			
1. Bajaj Holdings & Investment Ltd		-	-
2. Bajaj Auto Limited	--- Business support cost	232	38
	--- Interest Subsidy received	194	194
D. Key Managerial Personnel:			
1. Nanoo Pamnani Vice Chairman	--- Commission	50	-
	--- Sitting fees & Reimbursement of expenses	3	-
2. Rajeev Jain Chief Executive Officer	--- Remuneration	149	-
	--- Staff Loan recovery - principal	-	-



ix) **Details of Borrowings as on 31.12.2011**

		Rs. in Crores		
S.N.	Category	Note	Amount	Amount
(a)	<u>Non-convertible debentures</u>			
	2/3/5 yrs. Secured Redeemable Debentures	1	2351	
	2/3 yrs. Unsecured Redeemable Debentures		359	
	10 yrs. Subordinated Redeemable Tier II Bonds		279	2989
(b)	<u>Working capital Facility from Banks</u>			
	Secured CC/WCDL/Term Loan	2	3943	
	24 months Unsecured Term Loans		625	
	Unsecured Short Term Loans		525	5093
(c)	Commercial Paper			1087
(d)	Fixed Deposits			2
Total ---->				9171

Note 1- Secured Redeemable Non Convertible Debentures are secured by a pari-passu charge with the Company's bankers in favour of Debenture Trustees by way of mortgage of the Company's flat at Nayan Co-operative Housing Society, Bhosale Nagar, Pune and the book debts and receivables of the Company.

Note 2- The secured working capital facilities from banks are secured by hypothecation of assets under finance, book debts and other receivables, ranking pari-passu, excluding assets which are specifically charged to others.

x) **Any material event / development or change at the time of issue or subsequent to the issue**

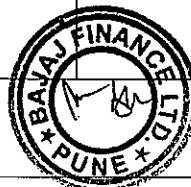
Nil

xi) **Particulars of debt securities issued(including the current issue)**

	Face Value
i) For consideration other than cash, whether in whole or part	- Nil
ii) Debentures issued at a premium or discount	- Rs. 710 Crores

xii) **A list of highest ten shareholders as of 31 December 2011**

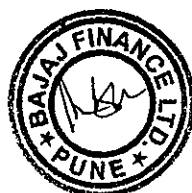
Sr. No.	Name & Address of Share Holders	No. of Shares (of Rs.10/- each)	% of Holding
1	Bajaj Finserv Ltd Bajaj Auto Ltd Complex, Mumbai Pune Road, Akurdi, Pune - 411 035	20,505,089	55.98%
2	EL Dorado Holdings II Ltd C/o Standard Chartered Bank Securities Services 23-25 M G Road Mumbai - 400 001	1,656,000	4.52%



3	Maharashtra Scooters Limited C/o Bajaj Auto Limited Bombay Pune Road, Akurdi Pune – 411 035	1,638,720	4.47%
4	Reliance Capital Trustee Co. Ltd. A/c Reliance Banking Fund Deutsche Bank AG DB House, Hazarimal Somani Marg, Next to Sterling Theatre Fort, P.O. Box No. 1142, Mumbai – 400 001	1,512,087	4.13%
5	Reliance Capital Trustee Co. Ltd. A/c Reliance Tax Saver (ELSS) Fund One India Bulls Centre Tower 1, 11 th / 12 th Floor, Jupiter Mills Compound, 841 B S Marg, Elphinston Road Mumbai – 400 013	803,000	2.19%
6	EL Dorado Holdings I Ltd HSBC Securities Services 2nd Floor, 'Shiv', Plot No.139-140 B, Western Express Highway, Sahar Road Junction, Vile Parle – E, Mumbai – 400 057	707,051	1.93%
7	Sundaram Mutual Fund A/c Sundaram Select Midcap C/o Standard Chartered Bank Securities Services 23-25 M G Road, Mumbai – 400 001	532,519	1.45%
8	IDFC Steling Equity Fund Deutsche Bank AG DB House, Hazarimal Somani Marg, Next to Sterling Theatre Fort, P.O. Box No. 1142, Mumbai – 400 001	500,000	1.37%
9	Sundaram Mutual Fund A/c Sundaram Tax Saver (Open Ended) Fund C/o Standard Chartered Bank Securities Services 23-25 M G Road, Mumbai – 400 001	428,586	1.17%
10	DSP Blackrock Equity Fund Citibank N.A. Custody Services 3rd Floor, Trent House, G Block, Plot No.60, BKC Bandra - East Mumbai – 400 051	344,588	0.94%
	Total :-	28,627,640	78.16%

xiii) Undertaking – common form of transfer

The company has been issuing debentures in demat form only and there are no physical holdings. However, the company would use a common transfer form for physical holdings if at a later stage there is some holding in the physical form due to the depository giving a rematerialisation option to any investor.



xiv)

Redemption Amount	-	90 Crores
Tenor	-	520 Days
Put / Call Option	-	N.A.
Coupon Rate	-	9.7873% p.a.

xv) **Information relating to the terms of offer**

Placement Programme

Bajaj Finance Limited is placing listed, Unsecured Redeemable Non Convertible Debentures of face value of Rs.1 Crore each aggregating Rs.90 Crores under private placement basis.

Who can Invest

The following categories of investors, when specifically approached, are eligible to apply for this private placement of Debentures.

Companies and Bodies Corporate including Public Sector Undertakings.

Commercial Banks

Regional Rural Banks

Financial Institutions

Insurance Companies

Mutual Funds

All investors are required to comply with the relevant regulations/guidelines applicable to them for investing in this issue of Debentures.

Procedure for applications by Mutual Funds and Multiple Applications

The applications forms duly filled shall clearly indicate the name of the concerned scheme for which application is being made and must be accompanied by certified true copies of

SEBI registration certificate

Resolution authorizing investment and containing operating instructions

Specimen Signature of authorized signatories

Documents to be provided by investors

Investors need to submit the following documentation, along with the application form, as applicable

Memorandum and Articles of Association / Documents Governing Constitution

Resolution authorising investment

Certified True Copy of the Power of Attorney

Form 15 AA for investors seeking exemption from Tax deduction at source from interest on the application money.



Specimen signatures of the authorised signatories duly certified by an appropriate authority.

SEBI Registration Certificate (for Mutual Funds)

PAN

Mode of Payment

Through Fund Transfer / Real time gross settlement (RTGS)

Bank Name & Address	IFSC Code	Bank Account No.	Type of Account
HDFC Bank Ltd. 885, Bhandarkar Road, Pune – 411004.	HDFC0000007	00070350000180	CURRENT

Beneficiary Name – BAJAJ FINANCE LTD.

Effect of Holidays

Should any of dates defined above or elsewhere in the Schedule I, except the Date of Allotment, fall on Sunday or a public holiday, the redemption value would be paid on the immediate preceding or succeeding working day.

Tax Deduction at Source

Income tax will be deducted as applicable as per the provisions of Income –tax Act, 1961.

Where any deduction of Income Tax is made at source, the Company shall send to the Debenture holder a Certificate of Tax Deduction at Source.

Date of Allotment

The Date of Allotment is Wednesday, 25 January 2012.

Letter of Allotment / Bond Certificates

The bonds shall be allotted in demat form only

Put / Call Option

Not Available.

Issue of Allotment Letter(s) / Refund Order(s) and Interest In Case of Delay in Despatch

The Company shall credit the allotted securities to the respective beneficiary account within 2 working days from the date of allotment of the Issue.

The company shall pay interest as per the provision of Companies Act / DIP Guidelines if the allotment has not been made and / or the Refund Orders have not been dispatched to



the investors within 15 days from the date of the closure of the Issue, for the delay beyond 15 days.

The Company will make available adequate funds for this purpose.

Depository Arrangement

The Company has made depository arrangements with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) for issue and holding of the Debentures in dematerialised form.

As per the provisions of Depositories Act, 1996, the Debentures issued by The Company can be held in a dematerialised form, i.e. not in the form of physical certificates but be fungible and be represented by the statement issued through electronic mode. In this context:

Two tripartite agreements have been signed

Tripartite Agreement dated 27th June, 2008 with CDSL

Tripartite Agreement dated 11th July, 2008 with NSDL

An applicant has the option to seek allotment of Debentures in electronic or physical mode.

An applicant who wishes to apply for Debentures in the electronic form must have at least one beneficiary account with any of the Depository Participants (DPs) of NSDL or CDSL prior to making the application.

The applicant seeking allotment of Debentures in the electronic form must necessarily fill in the details (including the beneficiary account number and Depository Participant's ID) appearing in the Application form under the heading 'Request for Debentures in Electronic Form'.

Debentures allotted to an applicant in the electronic account form will be credited directly to the applicant's respective beneficiary account(s) with the DP.

For subscription in electronic form, names in the application form should be identical to those appearing in the account details in the depository. In case of joint holders, the names should necessarily be in the same sequence as they appear in the account details in the depository.

If incomplete/incorrect details are given under the heading 'Request for Debentures in electronic form' in the application form, it will be deemed to be an application for Debentures in physical form.

In case of allotment of Debentures in electronic form, the address, nomination details and other details of the applicant as registered with his/her DP shall be used for all correspondence with the applicant. The Applicant is therefore responsible for the



correctness of his/her demographic details given in the application form vis-à-vis those with his/her DP. In case the information is incorrect or insufficient, the Issuer would not be liable for losses, if any.

Separate applications in physical and dematerialised form would be considered as multiple applications and are liable to be rejected at the sole discretion of the Company.

PAN

Every applicant should mention his Permanent Account Number (PAN) allotted under Income Tax Act, 1961.

Record Date / Book Closure Date Falling on Sunday / Holiday

In case record date / book closure date falls on Sunday / Holiday, the day prior to the said Sunday / Holiday shall be the record date / book closure date.

Payment on Redemption

The payment of redemption amount of the Debentures will be made by the Company to the beneficiaries as per the beneficiary list provided by the depository as on the record date.

The Debentures held in the Dematerialised Form shall be taken as discharged on payment of the redemption amount by the Company on maturity to the registered Debentureholders whose name appears in the Register of Debentureholders on the record date. Such payment will be a legal discharge of the liability of the Company towards the Debentureholders. On such payment being made, the Company will inform NSDL / CDSL and accordingly the account of the Debentureholders with NSDL / CDSL will be adjusted.

The Company's liability to the Debentureholders towards all their rights including for payment or otherwise shall cease and stand extinguished from the due dates of redemption in all events. Further the Company will not be liable to pay any interest or compensation from the dates of such redemption.

On the Company dispatching the amount as specified above in respect of the Debentures, the liability of the Company shall stand extinguished.

Purchase and Sale of Debentures

The Company may, at any time and from time to time, purchase Debentures at the price available in the debt Market in accordance with the applicable laws. Such Debentures may, at the option of the Company, be cancelled, held or reissued at such a price and on such terms and conditions as the Company may deem fit and as permitted by law.



Re-issue of Debentures

Where the Company has redeemed any such Debentures, subject to the provisions of Section 121 of the Companies Act and other applicable provisions, the Company shall have and shall be deemed always to have had the right to keep such Debentures alive for the purpose of reissue and in exercising such right, the Company shall have and shall be deemed always to have had the power to re-issue such Debentures either by re-issuing the same Debentures or by issuing other Debentures in their place.

Future Borrowings

The Company shall be entitled from time to time to make further issue of Debentures to the public, members of the Company and /or any other person(s) and to raise further loans, advances or such other facilities from Banks, Financial Institutions and / or any other person(s) on the security or otherwise of its assets without any further approval from the Debentureholders.

Governing Law

The Debentures are governed by and shall be construed in accordance with the existing Indian laws. Any dispute arising thereof will be subject to the jurisdiction at the city of Mumbai.

Consents

Consents in writing of the Registrar to the issue and Trustees for the Debentureholders to act in their respective capacities, have been obtained.

Underwriting of the issue

The Issue of Debentures has not been underwritten.

Tax Benefits

A Debentureholder is advised to consider in his own case the tax implications in respect of subscription to the Debentures after consulting his tax advisor.

Undertaking by the Issuer

The Issuer Company undertakes that:

The complaints received in respect of the Issue shall be attended to by the issuer company expeditiously and satisfactorily;

The funds required for despatch of refund orders/allotment letters/certificates by registered post/Speed Post shall be made available by the issuer company;

Necessary co-operation to the credit rating agency (ies) shall be extended in providing true and adequate information till the debt obligations in respect of the instrument are outstanding.

That the company shall disclose the complete name and address of the debenture trustee in the annual report



have and shall be deemed always to have had the right to keep such Debentures alive for the purpose of reissue and in exercising such right, the Company shall have and shall be deemed always to have had the power to re-issue such Debentures either by re-issuing the same Debentures or by issuing other Debentures in their place.

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The Debentures are governed by and shall be construed in accordance with the existing Indian laws. Any dispute arising thereof will be subject to the jurisdiction at the city of Mumbai.

Consents

Consents in writing of the Registrar to the issue and Trustees for the Debentureholders to act in their respective capacities, have been obtained.

Underwriting of the issue

The Issue of Debentures has not been underwritten.

Tax Benefits

A Debentureholder is advised to consider in his own case the tax implications in respect of subscription to the Debentures after consulting his tax advisor.

Undertaking by the Issuer

The Issuer Company undertakes that:

The complaints received in respect of the Issue shall be attended to by the issuer company expeditiously and satisfactorily;

The funds required for despatch of refund orders/allotment letters/certificates by registered post/Speed Post shall be made available by the issuer company;

Necessary co-operation to the credit rating agency (ies) shall be extended in providing true and adequate information till the debt obligations in respect of the instrument are outstanding.

That the company shall disclose the complete name and address of the debenture trustee in the annual report



Investor Grievances & Redressal System

Details of arrangements or any mechanism evolved by the Company for redressal of investor complaints

The Board of Directors have appointed a Compliance Officer for the purpose of providing prompt and efficient investor service. The Compliance Officer also attends to investor grievances/complaints on a continuous basis. The Shareholders / Investors Grievance Committee also reviews compliance under various regulations prescribed under the Companies Act, 1956 and other corporate laws, listing agreement and regulations/guidelines issued by SEBI.

xvi) The discount at which such offer is made and the effective price for the investor as a result of such discount :

The issue is being made at discount at par.

xvii) The debt equity ratio prior to / after the issue of the said security.

Debt Equity Ratio prior to the issue (as of 31 December 2011) - 5.23 times

Debt Equity Ratio After the issue :

The Debt Equity Ratio after the proposed issuance of Rs.90 Crores Unsecured Non Convertible Debentures is estimated at 5.30 times.

xviii) Servicing behaviour on existing debt securities, payment of due interest on due dates on term loans and debt securities.

In respect of all the existing debt securities / term loans, the payment of interest / principal have been made on the respective due dates as per the original terms of the issue.

xix) The name of trustees for communication to holders of debt. securities

GDA Trustee & Consultancy Ltd., "Shri Niwas", Apte Road, 1202/29, Shivajinagar, Pune – 411 004 will act as trustees for the proposed issue of debentures. The consent letter dated 24 January 2012 given by trustee for acting as trustees is available with the Company.

xx) The rating rationale adopted by the rating agencies

CRISLI has assigned "CRISIL AA+/ Stable" letter dated 1 December 2011. The rating indicates high degree of safety with regard to timely payment of interest and principal on the instrument.



xxi) **Name of the stock exchange and in principle approval letter.**

The company is filing a request with Bombay Stock Exchange Ltd (BSE) for in principle approval for listing of its NCDs. Once approved, the NCDs being issued are proposed to be listed on BSE. The address of the Exchange is :

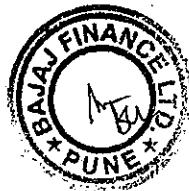
Bombay Stock Exchange Ltd.,
P J Towers
Dalal Street
Mumbai – 400 001

xxii) **A summary term sheet containing the following details of the securities to be issued**

Instrument	Unsecured Redeemable Non Convertible Debentures
Issue Size	Rs.90 Crores
Face Value	Rs.1 Crore per NCD
Tenor (in days) from the date of allotment	520 Days
Put /Call Option	N.A.
Coupon Rate	9.7873% p.a.
Interest Payment	On Maturity, Compounded Annually
Computation of Interest	Actual / Actual
Redemption	Bullet, on maturity on 28 June 2013
Rating	"CRISIL AA+ / Stable" by CRISIL
Debenture Trustees	GDA Trustee & Consultancy Ltd. "Shri Niwas", Apte Road, 1202/29, Shivajinagar, Pune - 411 004 Phone No. (020) – 25510401 (3 lines) Fax : (020) – 2553 2567, Email : gdatm@vsni.net
Registrar & Transfer Agents	Karvy Computershare Pvt. Ltd., Plot No.17 to 24, Vittalrao Nagar, Madhapur, Hyderabad – 500 081
Form of Issuance	Dematerialised
Listing	On BSE
Record Date	10 calendar days before the payment date
Issue Schedule	
Issue opens on	25 January 2012
Issue closes on	25 January 2012
Date of allotment	25 January 2012

Date : 24 January 2012

Place : Pune



For Bajaj Finance Limited

Mundis *Kuadani*
Authorised Signatories