



SBI Cards Debenture Series SBIC-02

(for Private Circulation Only)

**SBI Cards and Payment Services Private Limited
(SBI Cards)
Private Placement of Non-Convertible Debentures**

**10 years, Fixed Rate, Unsecured, Rated, Taxable, Redeemable, Lower tier II
Non Convertible Debentures**

This Debenture Issue is being made strictly on a Private Placement basis. It is not, and should not be deemed to constitute an offer to the public in general. It cannot be accepted by any person other than to whom it has been specifically directed.

CRISIL: AAA

Indicates highest safety with regard to timely payment of interest and principal

ICRA: LAAA

Indicates highest credit quality rating assigned by ICRA. The LAAA rated instrument carries lowest credit risk

January 15, 2008

**INFORMATION MEMORANDUM****DATE : January 15, 2008****Background of the Company**

SBI Cards and Payment Services Limited was promoted by the State Bank of India (SBI) and GE Consumer (Mauritius) Investment I Limited in May 1998. The company is a joint venture of State Bank of India and GE Consumer (Mauritius) Investment I Limited, a subsidiary of General Electric Corporation, USA, holding sixty and forty percent stake respectively. The Company was set up to cater to the needs of credit and convenience of the Indian consumers and to deliver value by leveraging the brand equity, customer relationship and the unparalleled network of SBI and the technological processes and service capabilities of GE Capital to offer products that are value for money and supported by quality and service.

SBI Cards is among the fastest-growing credit card companies in India. The company's card base was 3.3 million as of September, 2007. It is primarily focused on middle-income households, a segment that is fast growing.

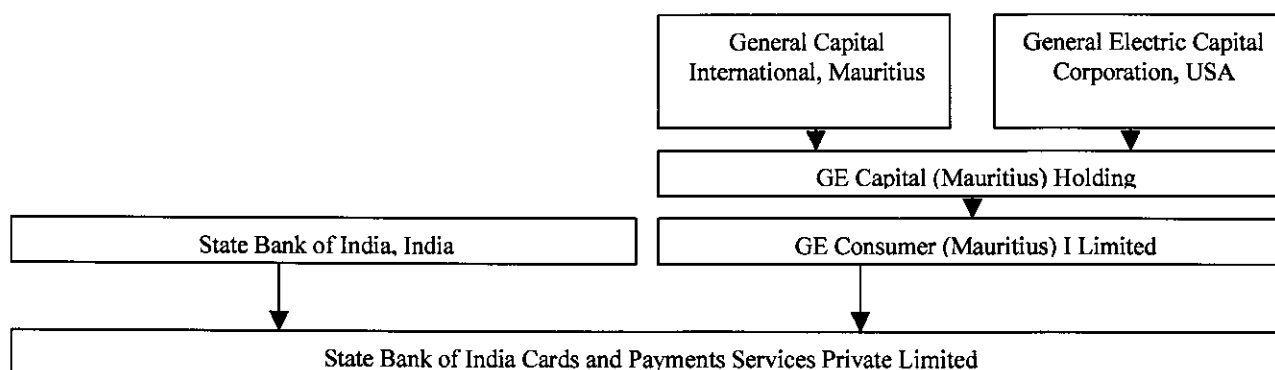
Parentage

SBI Cards is a 60:40 joint venture (JV) between SBI and GE Consumer (Mauritius) Investment I Limited, a wholly-owned subsidiary of the GE Capital (Mauritius) Holdings Limited, which, in turn, is a subsidiary of the US-based General Electric Corporation (GECC) and GE Capital International (Mauritius).

State Bank of India is the largest bank in India in terms of profits, assets, deposits, branches and employees. Since its inception in 1806 as the Bank of Calcutta, it has gone from strength to strength and has, over the years, richly merited its status as the flagship of Indian banking. With a network of over 13,500 branches in India and 83 foreign offices in 32 countries, the Bank commands about one-fifth of the total deposits and loans in all scheduled commercial banks in the country. The Reserve Bank of India is the single largest shareholder of the Bank. SBI's shares and bonds are listed for trading on all the major Indian stock exchanges. Its GDR is listed on the Luxembourg Stock Exchange.

The State Bank of India has pioneered innovative measures and contributed significantly to the growth of the Indian economy. It has been taking new initiatives with the changing economic environment and is poised to establish itself in the new millennium as a premier Indian financial services group with a global perspective and world class standards of efficiency.

GE Capital is one of the world's largest non-bank financial services company with an asset base of over USD 300 bn. It is the only full service financial company in the world to be rated AAA by both Moody and Standard & Poor. GE Capital is also one of the world's largest consumer and non-captive auto leasing companies. GECC (**rated 'AAA/Stable/A-1+' by Standard and Poor's**) is, along with its subsidiaries and associates, the largest non-banking finance company in the world, with an asset base of USD 475.2 billion as on December 31, 2005.





Management of the Company

The company derives strong branding and marketing support from SBI, its parent, and technical and management support from SBI's JV partner GECC.

The company's management consists of professionals drawn from banks, corporations and financial institutions, thus providing the company with a good blend of financial and marketing expertise, enabling innovative financing programmes with a view to attain leadership status in the credit cards market.

Industry

The credit cards market has grown between 2002 and 2006 at an annualised rate of 40 per cent (Cards in force). Market studies expect the credit cards market to be three times the current size by March 2010. The growth is driven by the fundamental changes in the Indian demographic profile. This includes aspects such as income, age and consuming habits. There has also been an expansion in the consumer markets, more product segments being financed and an increase in the penetration rates of credit.

The major drivers for the growth in the credit card industry have been:

Changing mindset of Indian consumers, from being averse to credit to being more than willing to avail of credit

Increasing aspiration levels of the Indian middle class

Increasing household income, enabling consumers to become eligible for multiple loans

Increased geographical presence of financiers.

The intensifying competition in metros will see players focus on second and third-rung cities, thus improving penetration levels. Moreover, the establishment of credit bureaus is expected to lower delinquencies and ensure higher availability of cards to the middle-income salaried segment. The increasing base of card-accepting merchant establishments, reducing acquisition and renewal fees, and rising spends are expected to be key trends for the credit card industry over the medium term.

The credit cards expenditure as a percentage of total consumer expenditure are low at 1% in India against a global average of 9% and 6% in the Asia-Pacific region signifying a large opportunity in the future.

The key success factors to grow in the credit cards markets include, besides lower cost of funds:

- Good risk assessment procedures
- Right technology and channels of delivery, in order to target & service customers better
- Good distribution network & Alliances and relationship management with major brands;

Operations

SBI Cards has emerged as a major player in the Indian credit card industry with over three million active cards and Rs.25 billion of card assets as on September, 2007. The company has achieved this growth in a short span of time and has presence in over 100 Indian cities. The strong brand and distribution support from SBI, coupled with the company's strategy of penetrating into smaller towns, has helped the company in achieving this rapid rate of growth. The strategy of launching various co-branded card offerings will help the company to sustain the high growth rates.

SBI Cards' approach to efficiency in operations is driven by General Electric Corporation's "Six Sigma Quality" drive. The company has innovated processes to reduce the time to yes, time to bill, increase statement accuracy. This coupled with a customer-centric approach has resulted in SBI cards being rated as



number 1 in customer satisfaction by Business World magazine in association with Customer Satisfaction Management & Measurement (CSMM), a unit of market research firm IMRB International. The focus of the Company over the last few years has been to provide 'best in class' service levels to its customers and dealers.

SBI Cards has a vast distribution network with 3500 SBI branches and 138 distributors in 103 cities. The company has also, over the years, forged relationships with major brands in fast-growing categories like retailing, consumer durables and budget airlines to deliver higher value to card holders resulting in sustained growth. SBI Cards has tie ups with over 12 partners including TATA, Hero Honda, LG and Spice-jet among others. The company's key strengths are the strong brand name of SBI, vast distribution network, ability to leverage on GE Capital's vast expertise in retail lending worldwide, and strong operations capability to handle large volume, small ticket lending.

Risk Management

SBI Cards has consciously followed a conservative credit policy with the objective of building and maintaining a high quality portfolio. A combination of methods is used, to ensure that credit card applicants are fully verified, and their credit limit and repayment capacity adequately established. Analytical tools from GE Capital's international operations are constantly used to refine the credit/risk policy through analysis of customers' performance on various parameters. The Collections team works very closely with Risk Management to identify high risk segments and take corrective action immediately. The company has made significant investment in Information Technology to support the areas of Collections, Portfolio Analysis, Credit Card application Processing.



Key Financials

Rs. Crores					
Particulars	30-Sep-07 (unaudited)	31-Mar-07 (audited)	31-Mar-06 (audited)	31-Mar-05 (audited)	31-Mar-04 (audited)
Income Statement					
Gross Income	215.04	361.14	176.63	132.52	106.13
Finance Charges	302.36	517.44	322.02	220.97	200.66
Other Income	15.57	49.60	28.59	24.46	6.33
Salaries and Rent	12.89	22.79	17.29	13.53	11.65
Depreciation	0.54	0.92	0.65	0.50	0.66
Provision for Doubtful Assets	216.37	186.85	92.12	63.09	48.41
Other Expenses	400.25	626.40	361.31	240.53	193.48
Provision for contingencies & Int. tax		-	-	-	-
Prior Period Adjustment		-	-	-	-
Profit before Tax	(97.08)	91.23	55.87	60.32	59.92
Profit after Tax	(64.24)	58.77	36.20	36.84	38.03
BALANCE SHEET					
Share Holders Funds	297.06	379.30	170.66	148.14	124.98
Borrowed Funds	2307.75	2080.16	1,426.61	856.72	661.11
Total Liabilities	2,604.81	2,459.47	1,597.27	1,004.86	786.09
Fixed Assets	2.29	2.15	1.5	1.11	0.09
Statutory Investments / Deferred Tax Asset	80.58	59.28	35.31	22.11	17.12
Net Current Assets	2521.94	2398.04	1,560.46	981.63	768.02
Miscellaneous Expenditure not written off		-	-	-	
Total Assets	2,604.81	2,459.47	1,597.27	1,004.86	786.09

In a short period, SBI Cards has established itself across the country as a major player in credit cards industry. The sourcing strategy of using distributors as well as the SBI branch network for sourcing applications and providing higher value proposition to the credit card holders by offering co-branded cards has enabled SBI cards to position itself as a prominent player in the credit cards market. In addition, the Company has established an excellent image with the dealers and the customers by demonstrating ethical business practices while providing innovative products and services in a transparent manner. This has been independently assessed by the preliminary findings of an independent survey done by an international research agency.



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As the credit cards industry goes through a significant growth phase, SBI Cards – the second largest card issuer in India - is strategically positioned to take advantage of this growth. Furthermore, it has the requisite technological expertise to manage the operational risks involved in a large number of cards and volumes.

**Definitions**

The Company / Issuer	SBI Cards and Payment Services Private Limited / SBI Cards
Issue	Issue of Fixed Rate, Unsecured, Rated, Redeemable, Taxable and Lower Tier II Non – Convertible Debentures (SBI Cards Debenture Series SBIC-01) on a Private Placement basis
The Act	The Companies Act, 1956
Depository	National Securities Depository Ltd. (NSDL)
Debenture Holder(s)	The Registered Holder of the Debenture(s) [in the case of Debenture(s) held in Physical Form] or Beneficial Owner(s) [in the case of Debenture(s) held in Electronic (Dematerialised) Form]
Beneficial Owner(s)	Person whose name appears in the Beneficial Owners list given/held by the Depository (NSDL) [only in the case of Debenture(s) held in Electronic (Dematerialised) Form]
Debenture(s)	Fixed Rate, Rated, Unsecured, Lower Tier II Non-Convertible, Taxable and Redeemable Debenture(s) – SBI Cards Debenture Series SBIC-01
Allotment Intimation	An advice informing the allottee of the number of Debenture(s) allotted to him in Electronic (Dematerialised) Form.
Interest Period	The first interest period shall start from the Date of Allotment upto the subsequent Interest Due Date. Every other Interest Period shall start from and include the last Interest Due Date upto the subsequent Interest Due Date, till Maturity Date.
Interest Due Date	The date(s) on which interest on the Debenture(s) becomes due, date whereof is more particularly detailed in this document under "INDICATIVE TIME TABLE OF INTEREST PAYMENT & PRINCIPAL REPAYMENT"
Interest Payment Date	The actual Date of Payout of Interest, date whereof is more particularly detailed in this document under "INDICATIVE TIME TABLE OF INTEREST PAYMENT & PRINCIPAL REPAYMENT"

This Debenture Issue is being made by SBI Cards and Payment Services Private Limited strictly on a private placement basis and does not constitute an offer to the public in general. Each copy of this Information Memorandum is addressed to specific person(s) and the person(s) to whom a copy of this Information Memorandum is sent alone is entitled to apply for the Debentures.

It is expressly clarified herein that the Debenture(s) to be issued hereunder does not constitute an offer to sell and nor is it available for subscription, by any "body corporate" to which Section 372A of the Companies Act, 1956 (the "Act") applies or is deemed applicable.

The information contained above is believed by SBI Cards to be accurate in all material respects as of the date hereof. SBI Cards does not undertake to update this Information Memorandum to reflect subsequent events, and thus it should not be relied upon without first confirming its accuracy with SBI Cards. This Information Memorandum is not intended to provide the sole basis of your decision to subscribe to the Debentures. Potential investors are required to make their own independent valuation and judgement prior to subscribing to the Debentures.

**SBI Cards and Payment Services Private Limited (SBI Cards)****PRIVATE PLACEMENT OF FIXED RATE, UNSECURED, TAXABLE, REDEEMABLE, AND LOWER TIER II NON-CONVERTIBLE DEBENTURES AT FACE VALUE – SBI CARDS DEBENTURE SERIES SBIC-01****INSTRUMENT STRUCTURE**

Issue Size	:	Rs. 40 Crores with an option to retain oversubscription
Face value of Debenture(s)	:	Rs. 10,00,000/- (Rupees Ten Lakhs only) each
Minimum Application	:	1 Debenture and in multiples of 1 Debenture thereafter
Instrument Structure	:	Fixed Rate, Unsecured, Rated, Taxable, Redeemable and Lower Tier II Non-Convertible Debentures
Tenor	:	10 years, from the Date of Allotment
Interest Rate	:	9.95% p.a., payable annually and at maturity
Redemption	:	At par on the Face Value of the Debentures on Maturity Date
Put/Call Option	:	None
Interest on Application Money:		Will be paid @ 9.95% p.a. from the date of realisation of investment proceeds upto the Date of Allotment, within 7 days from Date of Allotment.
Credit Rating	:	AAA by The Credit Rating information Services of India Limited ("CRISIL") LAAA by Investment Credit Rating Agency ("ICRA")
Listing	:	The Company does not propose to list these Debentures
Security	:	The debentures are being issued on an unsecured basis and will form a part of tier II capital of the company
Terms of Payment	:	The full face value of Debenture(s) to be paid along with the Application Form.
Opening Date	:	Tuesday , January 15, 2008
Closing Date	:	Tuesday, January 22, 2008 (The Company retains the option of keeping the Issue open beyond Tuesday, January 22, 2008 at its discretion, without giving prior notice)
Deemed Date of Allotment	:	Tuesday, January 22, 2008 (The Company reserves the right to shift the Date(s) of Allotment to any other date, or allot the Debentures on multiple dates without giving any reason or giving prior notice).



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- Trustees** : Axis BANK Ltd. having its Registered Office at Axis Bank Ltd., "Trishul", Third Floor, Opp. Samartheshwar Temple, Law Garden, Ellisbridge, Ahmedabad - 380 006 and its Central Office at Maker Tower "F", 13th Floor, Cuffe Parade, Colaba, Mumbai 400 005.
- Application Option (Physical/Electronic)** : Investors have the option to apply for these Debentures in either the Physical Form or the Electronic (Dematerialised) Form. Investors desirous of holding the Debentures in the Electronic (Dematerialised) Form are required to mention their **NSDL Depository Participant's** name, DP-ID and Beneficiary Account Number in the appropriate place in the Application Form.

While it will be the Company's endeavor to allot the Debenture(s) in the amounts indicated above, the Company reserves the right to increase / decrease the size of the Issue.



SBI Cards and Payment Services Private Limited

The Debenture(s) being issued are subject to the applicable provisions of the / [Letter(s) of Allotment/ Debenture Certificate(s)/ Allotment Intimation to be issued and the Terms and Conditions of the Private Placement and accompanying Application Form, Debenture Trust Deed to be executed by the Company and the Trustee.

DISCLAIMER IN RESPECT OF JURISDICTION

This offer of Debenture(s) is made in India to persons/parties resident in India. This offer is NOT being made to Non-Resident Indians (NRIs) / Overseas Corporate Bodies (OCBs) and Foreign Institutional Investors (FIIs) as defined under the applicable Indian laws. Further, this Debenture issue is not made or is being offered to any 'body corporate' to which Section 372A of the Act applies or is deemed applicable.

This Private Placement Document does not, however, constitute an offer to sell or an invitation to subscribe to Debenture(s) offered hereby in any other jurisdiction to any person/parties to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession this Private Placement Document comes is required to inform himself about and to observe any such restrictions.

FORM & DENOMINATION

The Company shall issue on a Private Placement basis Fixed Rate, Rated, Secured, Taxable, Redeemable and Non-Convertible Debentures(s). The Debenture shall have a face value of Rs. 10,00,000/- (Rupees Ten Lakhs only) each.

CREDIT RATING

The Company has obtained AAA rating from CRISIL and LAAA rating from ICRA.

MINIMUM APPLICATION

The Application should be for a minimum of 1 Debenture and in multiples of 1 Debenture thereafter.

TERMS OF PAYMENT

The full face value of the Debenture(s) applied for is to be paid along with the Application Form.

CLOSURE DATE OF ISSUE

The Closure date of the Issue is Tuesday, January 22, 2008. However, the Company retains the option of keeping the Issue open beyond January 22, 2008 at its discretion, without giving prior notice)

RIGHT TO ACCEPT OR REJECT APPLICATIONS

The Company is entitled at its sole and absolute discretion, to accept or reject any application in part or in full, without assigning any reason. Incomplete Application Forms are liable to be rejected. The full amount of Debenture(s) has to be submitted along with the Application Form. Also, in case of over subscription, the Company reserves the right to increase the size of the placement subject to necessary approvals/certifications, and the basis of allotment shall be decided by the Company.

Application Forms without the Phone and Fax numbers of the applicant would be treated as incomplete.



DEEMED DATE OF ALLOTMENT/DATE OF ALLOTMENT

The Company proposes to keep Tuesday, January 22, 2008 as the Deemed Date of Allotment. The Company reserves the right to shift the Deemed Date(s) of Allotment to any other date, or allot the Debentures on multiple dates without giving any reason or giving prior notice.

LETTER(S) OF ALLOTMENT / ALLOTMENT INTIMATION

(A) FOR DEBENTURE (S) ALLOTTED IN PHYSICAL FORM

In case of Debentures allotted in Physical Form, the Company will issue and dispatch Letter(s) of Allotment evidencing the title of the Debenture(s) in favor of allottee(s), within 7 working days of the Date of Allotment. The interest cheques/warrant/payorder, if any, for the period between date of realization of cheques and upto and including one day prior to the Date(s) of Allotment will be dispatched to the applicant along with the Letter(s) of Allotment either by courier or by registered mail at the address stated in the Application Form.

Letter(s) of Allotment will be transferable by execution and delivery of the Letter(s) of Allotment and appropriate transfer documents, as per statute.

(B) FOR DEBENTURE (S) ALLOTTED IN ELECTRONIC (DEMATERIALIZED) FORM

The Company has made depository arrangements with the **National Securities Depository Ltd. (NSDL)** for the issue of these Debentures in Electronic (Dematerialised) Form. The investors who opt to hold these Debentures in the Electronic (Dematerialised) Form will be governed **as per the provisions of The Depository Act, 1996, Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996, rules notified by NSDL from time to time and other applicable laws and rules notified in respect thereof.**

Investors should mention their NSDL Depository Participant's name, DP-ID and Beneficiary Account Number at the appropriate place in the Application Form. The Company shall take reasonable steps to credit the Beneficiary Account of the Allottee(s), with the NSDL Depository Participant as mentioned in the Application Form, with the number of Debentures allotted. **In case of incorrect details provided by the investors or inability of the Company to credit the Beneficiary Account of the Allottee(s) with the NSDL Depository Participant as mentioned in the Application Form, for any reasons whatsoever, these Debentures will be issued in Physical Form to such investors. The applicant is responsible for the correctness of its details given in the Application Form vis-à-vis those with its DP. In case the information is incorrect or insufficient, the company would not be liable for losses, if any.**

In case of Debentures allotted in Electronic (Dematerialised) Form, the company shall credit the Letter(s) of Allotment in Electronic Form to the demat account of the investors as per the details furnished in the Application Form.

In case of Debentures allotted in Electronic (Dematerialised) Form, Allotment Intimation will be sent to the allottee(s). **This Allotment Intimation should neither be construed as a Letter(s) of Allotment nor as a credit advice; and hence it is non-transferable/non-transmittable and not tradable.** The Company will dispatch the Allotment Intimation to allottee(s) within 7 working days of the Date of Allotment and credit the investor(s) Demat account with the investor(s) DP within 7 working days from Date of Allotment.

ISSUE OF DEBENTURE (S)

Investors have the option to hold the Debentures in either the Physical Form or in the Electronic (Dematerialised) Form.



(A) FOR DEBENTURE (S) HELD IN PHYSICAL FORM

After completion of all legal formalities, the Company will issue Debenture certificate(s) within 3 Months from the Date(s) of Allotment against surrender of Original Letter(s) of Allotment.

(B) FOR DEBENTURE (S) ISSUED IN ELECTRONIC (DEMATERIALIZED) FORM

After completion of all legal formalities, the securities held by the investor under the ISIN representing the Letter(s) of Allotment shall be converted into Non Convertible Debenture(s) as per the procedure laid down by NSDL in this behalf.

MARKET LOT

The Market Lot for the Debenture(s) shall be one Non-Convertible Debenture of face value of Rs. 10,00,000/- (Rupees Ten Lakhs only) or in multiples thereof.

REGISTER OF DEBENTURE HOLDER (S)

A register of all Debenture holders containing necessary particulars will be maintained by the Company at its Registered Office: State Bank of India, Local Head Office, 11 Parliament Street, New Delhi-110001. **Request for registration of transfer along with the Letter(s) of Allotment and appropriate transfer documents, with appropriate stamp duty under the relevant Stamp Act, should be sent to SBI Cards Investor service cell, 12th floor, Tower-C, DLF Infinity towers, block-2, building no.-3, DLF cyber city, Gurgaon.** The transferee shall also intimate the name, address and wherever necessary, authority to purchase the Debentures. The Company being satisfied with the documents, shall register the transfer on its books.

LIST OF BENEFICIAL OWNER (S)

The Company shall request the Depository to provide a list of Beneficial Owners as at end of day of the Record date. This shall be the list which shall be considered for payment of interest, repayment of principal and amortisation, as the case maybe.

TRANSFER/TRANSMISSION

The Debenture(s) shall be transferable and transmittable in the same manner and to the same extent and be subject to the same restrictions and limitations as in case of the equity shares of the Company. Further, the Debenture Holders are herein specifically informed that if at any time, after the issue of the Debentures, the Interest rate payable on the said Debentures is lower than the prevailing bank rate, being the standard rate made public under section 49 of the Reserve Bank of India Act, 1934, any sale, transfer, assignment of any Debenture to any "body corporate" to which Section 372A of the Companies Act, 1956 (the "Act") applies or is deemed applicable, may be in contravention of the provisions of Section 372A of the Act. Further, any dispute in regard to the sale, transfer or assignment of any Debentures or in respect to any principal/interest claim, shall be settled between the transferor(s) and the transferee(s), and the Company shall not be liable in this regard in any manner, whatsoever.

The provisions relating to the transfer and transmission in respect of the equity shares as provided in the Articles of Association of the Company shall apply mutatis mutandis to the Debenture(s).

(A) FOR DEBENTURE (S) HELD IN PHYSICAL FORM

Request for registration of transfer along with the Debenture Certificate(s) / Letter(s) of Allotment and appropriate transfer documents with appropriate stamp duty under the relevant Stamp Act, should be sent to the Gurgaon Office of Company. The transferee shall also intimate the name, address and wherever



necessary, authority to purchase the Debenture(s). The Company on being satisfied with the documents shall register the transfer on its books.

(B) FOR DEBENTURE (S) HELD IN ELECTRONIC (DEMATERIALIZED) FORM

Debentures held in Electronic (Dematerialised) Form shall be transferred subject to and in accordance with the rules / procedures as prescribed by the National Securities Depository Ltd. (NSDL) / Depository Participant of the transferor/ transferee and any other applicable laws and rules notified in respect thereof.

PAYMENT OF INTEREST ON APPLICATION MONEY

Interest @ 9.95% p.a., on application money (subject to deduction of tax at source) will be paid to the applicants. Such interest shall be paid for the period commencing from the date of realization of cheque(s) / draft(s) (date of crediting "**SBI Cards and Payment Services Pvt. Ltd. – Debenture Sub A/c" – A/c No. 30179442748**" with State Bank of India, New Delhi and its branches) up to the Date(s) of Allotment. The interest warrants (for interest on application money), if any, will be dispatched along with the Letter(s) of Allotment.

For applicants whose applications have been rejected or allotted in part, interest on their refundable application money will be dispatched within 7 working days of Issue closure. Interest will be computed @ 9.95% p.a., on refundable application money from the date of realization of cheque/draft (date of crediting "**SBI Cards and Payment Services Pvt. Ltd. – Debenture Sub A/c" – A/c No. 30179442748**" with State Bank of India, New Delhi and its branches) to the date of dispatch by SBI Cards.

The interest on application money will be computed on 365 days a year basis.

RTGS DETAILS OF "SBI Cards and Payment Services Pvt. Ltd. – Debenture Sub A/c"

IFSC Code – SBIN0004079

Beneficiary Account No.- 30179442748

Beneficiary Account Name - SBI Cards and Payment Services Pvt. Ltd. – Debenture Sub A/c

Bank : State Bank of India

Branch – Commercial Branch, 6th floor, Palm Court, Gurgaon- 122 001

PAYMENT OF INTEREST ON ALLOTTED DEBENTURE (S)

Interest on the face value of the Debentures outstanding (subject to deduction of Income Tax at the prescribed rate under the Income Tax Act, 1961 or any statutory modification or re-enactment being in force) shall be due from the Date of Allotment upto the maturity date and will be paid annually and at maturity.

The interest payments will be computed as **outstanding principal x the per annum coupon rate x actual number of days/365**.

Please note that if the Date(s) of Allotment is shifted for any reason whatsoever, the interest payment dates may be shifted, at the discretion of the Company.

(A) FOR DEBENTURE (S) HELD IN PHYSICAL FORM:

Interest warrant(s)/cheque(s)/payorder(s) will be mailed to the holders whose names appear in the Register of Registered Debenture Holder(s) as on the Book Closure Date. In cases of transfer of title, the transferee(s) shall intimate such transfer in writing to the Company before the Book Closure date.

(B) FOR DEBENTURE (S) HELD IN ELECTRONIC (DEMATERIALIZED) FORM:



Interest warrant(s)/cheque(s)/payorder(s) will be mailed to those Beneficial Owner(s) whose names appear on the list of Beneficial Owners as on the Record Date, provided to the Company by the Depository (NSDL). However, in case the list of Beneficial Owner(s) as at Record Date is not available from the Depository (NSDL) for any reason whatsoever and because of which payment of interest is delayed beyond the Interest Payment Date, the Company shall pay interest at the last coupon rate on the Interest Due from Interest Payment date upto 1 day prior to actual payment date (both days included).

In case of dispute of interest claim, the matter should be settled between the transferor(s) and the transferee(s), and not with the Company. All interest on the Debenture(s) shall cease on the date of re-purchase of the Debenture(s) by or on date of redemption on maturity of Debenture(s), whichever is earlier.

RECORD DATE

This will be 11 calendar days prior to the Interest Payment / Principal Payment / Put Payment due date. The list of Beneficial Owner(s) provided by the Depository as at end of day of Record Date shall be used to determine the name(s) of person(s) to whom the Interest and/or Principal installment is to be paid.

EFFECT OF HOLIDAYS

Should the Interest or Principal Payment date fall on a Saturday, Sunday, Bank Holiday in Mumbai or Delhi or any day on which High Value Clearing does not take place in Mumbai or Delhi, for any reason whatsoever, the next working day shall be considered as the effective date(s) for that payment.

TAX DEDUCTION AT SOURCE

Tax as applicable under the Income tax act will be deducted at source. Tax exemption Certificate/Document, under Section 193 of the Income Tax Act, 1961, if any, must be lodged at the office of the Company before the Book Closure date. **Tax exemption certificate for interest on Application money, if any, should be lodged along with the Application Form.**

INDICATIVE TIME TABLE OF INTEREST PAYMENT & PRINCIPAL REPAYMENT

The indicative dates for interest payment & principal repayment shall be as follows:

(Assuming Debenture of Face Value of Rs. 10,00,000/- and Date of Allotment as January 22, 2008)

Due Date / Date of Payment	Type of Payment	Amount
January 22, 2009	Interest Payment 1	Rs.X,xxx
January 22, 2010	Interest Payment 2	Rs.X,xxx
January 22, 2011	Interest Payment 3	Rs.X,xxx
January 22, 2012	Interest Payment 4	Rs.X,xxx
January 22, 2013	Interest Payment 5	Rs.X,xxx
January 22, 2014	Interest Payment 6	Rs.X,xxx
January 22, 2015	Interest Payment 7	Rs.X,xxx
January 22, 2016	Interest Payment 8	Rs.X,xxx
January 22, 2017	Interest Payment 9	Rs.X,xxx
January 22, 2018	Interest Payment 10	Rs.X,xxx
January 22, 2018	Principal Repayment	Rs. 10,00,000

Rs. Xxxx is the Total Interest Payable for the relevant "Interest Period" (subject to TDS as applicable).



REDEMPTION ON MATURITY OF DEBENTURE (S)

The Debenture(s) shall be redeemed at par in one installment at the end of 10 years from the Date(s) of Allotment ("Principal Repayment Date" or "Maturity Date").

Please note that if the Deemed Date(s) of Allotment is shifted for any reason whatsoever, the Principal Repayment Date(s) will be shifted by the same number of days, at the sole discretion of the Company. Principal repayment cheques will be mailed to the holders whose names appear in the Register of Registered Debenture Holder(s)/in the list of Beneficial Owner(s) provided to the Company by the Depository (NSDL) [for Debentures held in Electronic (Dematerialised) Form] as on the Record Date.

In cases of transfer of title of any Debenture(s) held in Physical Form, the transferee(s) shall intimate such transfer to the Company in writing prior to the Book Closure Date. **In case of any dispute in respect to principal installment claim, the matter shall be settled between the transferor(s) and the transferee(s), and the Company shall not be liable in this regard, in any manner, whatsoever.**

PRINCIPAL PAYMENT ON MATURITY

A) FOR DEBENTURE (S) HELD IN PHYSICAL FORM:

Principal payment will be made on the Maturity Date, only against the surrender of the Original Debenture Certificate(s) duly discharged by the Debenture Holder(s). For this purpose, the Debenture Holder(s) should discharge the Debenture(s) and lodge the same along with a certified true copy of the Power of attorney or such other authority as may be required by the Company as notified by the Company from time to time.

The Company's liability to Debenture Holder(s) towards their rights including for payment or otherwise shall stand extinguished on the Maturity Date, in all events and upon the Company dispatching the redemption amounts to the Debenture Holder(s). Further, the Company shall not be liable to pay any interest, income or compensation of any kind from the Maturity Date, or the date of redemption of the Debenture(s).

B) FOR DEBENTURE (S) HELD IN ELECTRONIC (DEMATERIALISED) FORM:

Principal payment will be made on the Maturity Date by cheque/pay order to the Beneficial Owner(s) whose names appear on the list of Beneficial Owner(s) as on the Record Date, as provided to the Company by the Depository (NSDL). The payment shall be released only after the Debentures have been discharged by the Debentureholder by signing the Discharge Form that shall be sent to the Debentureholders immediately after the record date and after the consequent extinguishment of the Debentures by the Company through NSDL.

The Company's liability towards the Beneficial Owner(s) for any payment or otherwise shall stand extinguished on the Maturity Date, in all events and upon the Company dispatching the redemption amounts to the Beneficial Owner(s). Further, the Company shall not be liable to pay any interest, income or compensation of any kind from the Maturity Date, or the date of redemption of the Debenture(s). However, in case the list of Beneficial Owner(s) as at Record Date is not available from the Depository (NSDL), for any reason whatsoever and because of which repayment of principal is delayed beyond the Principal Payment Date, the Company shall pay interest at the last coupon rate on the Principal Due from Principal Payment date upto 1 day prior to actual payment date (both days included).

LISTING

The Company does not propose to list these Debentures.

NOTICES



All notices to the Debenture Holder(s) required to be given by the Company shall be deemed to have been given if published in one English and one regional language daily newspaper, or may, at the sole discretion of the Company, but without any obligation, be sent to the Debenture Holder(s) at the address stated in the Application Form, or at the address as notified by the Debenture Holder(s) from time to time. In case of Debenture(s) held in Electronic (Dematerialised) Form notices will be sent to those whose names appear on the last list of Beneficial Owner(s), provided to the Company by NSDL.

All notices to the Company by the Debenture Holder(s) must be sent by registered post or by hand delivery to the Company at its Corporate Office or to such person(s) at such address as may be notified by the Company from time to time.

DEBENTURES TO RANK PARI PASSU

The Debenture(s) of this Issue shall rank pari-passu inter-se without preference or priority of one over the other or others. of them(s).

PAYMENTS AT PAR

Payment of the principal, all interest and other monies will be made to the Registered Debenture Holder(s)/ Beneficial Owner(s) and in case of joint holders to the one whose name stands first in the register of Debenture Holder(s) / in the list of Beneficial Owner(s) provided to the Company by the Depository (NSDL). Such payments shall be made by cheque or warrant drawn by the Company on its bankers.

Interest and the principal amount shall be paid through instruments payable at par at Delhi and Mumbai only subject to applicable RBI regulations. Investors not residing in any of the above locations are advised to indicate their preference of any one location from the above list to receive the redemption / interests warrant payable at that location otherwise their application is liable to be rejected.

RIGHT TO RE-PURCHASE AND RE-ISSUE DEBENTURE (S)

The Company will have the power, as provided for under the Companies Act, 1956, exercisable at its absolute discretion from time to time to repurchase some or all the Debenture(s) at any time prior to the specified date of redemption. This right does not construe a call option. In the event of the Debenture(s) being bought back, or redeemed before maturity in any circumstance whatsoever, the Company shall be deemed to always have the right, subject to the provisions of Section 121 of the Act, to re-issue such Debentures either by re-issuing the same Debenture(s) or by issuing other Debentures in their place.

The Company may also, at its discretion, at any time purchase Debenture(s) at discount, at par or at premium in the open market. Such Debenture(s) may, at the option of Company, be canceled, held or resold at such price and on such terms and conditions as the Company may deem fit and as permitted by law.

FUTURE BORROWINGS

The Company shall be entitled to make further issue of Debentures and/or raise term loans or raise further funds from time to time from any persons/banks/financial institutions/body corporate or any other agency. However, until the Secured Debenture(s) for which the Trustees have agreed to act as Trustees, are fully redeemed, the Company shall not create any mortgage or charge on any of its properties or the said assets or properties without obtaining prior written approval of the Trustees.

DEBENTURE HOLDER(S) NOT ENTITLED TO MEMBERS RIGHTS

The Debenture Holder(s) will not be entitled to any of the rights and privileges available to the members of the Company including right to receive notices of or to attend and vote at General Meetings or to receive Annual Reports of the Company. If, however, any resolution affecting the rights attached to the



Debenture(s) is placed before the members of the Company, such resolution will first be placed before the Debenture Holder(s) for their consideration.

VARIATION OF DEBENTURE HOLDER(S) RIGHTS

The rights, privileges and conditions attached to the Debenture(s) may be varied, modified or abrogated in accordance with the Articles of Association of the Company and the Act and with the consent of the holders of the Debenture(s) by a Special Resolution passed at the meeting of the Debenture Holder(s) provided that nothing in such resolution shall be operative against the Company where such resolution modifies or varies the terms and conditions governing the Debenture(s) if the same are not acceptable to the Company.

SECURITY

The debentures are being issued on an unsecured basis and will form a part of lower tier II capital of the company.

APPLICATIONS UNDER POWER OF ATTORNEY

In the case of Applications made under Power of Attorney or by limited companies, corporate bodies, registered societies trusts etc., a certified true copy of the power of attorney or the relevant authority as the case may be along with the names and specimen signature of all the authorized signatories and /or a certified copy of Memorandum and Articles of Association and/or Bye Laws and / or the Deed of Trust and the certified true copy of the Board Resolution and the tax exemption certificate/document, if any, must be lodged along with the submission of the completed Application Form or sent directly to the Company along with a copy of the Application Form. Further modifications/additions in the power of attorney or authority should be notified to the Company at its corporate office.

APPLICATIONS BY COMMERCIAL BANKS

The Reserve Bank of India vide its Monetary and Credit Policy for the first half of 1997-98 clarified that investment by scheduled commercial banks in Preference Shares/Debentures/Bonds or private corporate bodies will be excluded from the limit of 5 per cent of their incremental deposits in the previous year. Thus the 5 percent ceiling is now applicable only for investments in ordinary shares of Corporates including PSUs.

Certified true copies of (i) Letter of Authorization and (ii) specimen signatures of authorized signatories must accompany the Application.

APPLICATIONS BY REGIONAL RURAL BANKS

Regional Rural Banks are permitted by RBI, inter-alia, to invest in shares and debentures of corporates upto 5% of their incremental deposits of the preceding financial year. The Applications must be accompanied by certified true copies of (i) Government notification/Certificate of Incorporation/Memorandum and Articles of Association/ other documents governing the constitution (ii) resolution authorizing investment and containing operating instructions (iii) specimen signature of authorized signatories (iv) Tax Exemption certificate for interest on application money, if any and (v) Form 15AA, if any, for claiming exemption from deduction of tax at source on the interest income.

APPLICATIONS BY CORPORATE BODIES/COMPANIES/FI'S/STATUTORY CORPORATIONS

The Applications must be accompanied by certified true copies of (i) Memorandum and Articles of Association/Constitution / Bye-Laws (ii) resolution authorizing investment and containing operating instructions (iii) specimen signatures of authorized signatories (iv) Tax Exemption certificate for interest on Application money, if any and (v) Form 15AA, if any, for claiming exemption from deduction of tax at source on the interest income.

**APPLICATIONS BY MUTUAL FUNDS**

The Applications must be accompanied by certified true copies of (i) SEBI Registration Certificate (ii) resolution authorizing investment and containing operating instructions and (iii) specimen signatures of authorized signatories.

TRUSTEES

M/s AXIS BANK Ltd. (hereinafter referred to as "Trustees") have agreed to act as the Trustees for and on behalf of the Debenture Holder(s). The Debenture Holder(s) shall, by signing the Application Form and without any further act or deed, be deemed to have irrevocably given their consent to the Trustees or any of their agents or authorized officials to do inter-alia all acts, deeds and things necessary in respect of or relating to the security to be created for securing the Debenture(s) being offered in the Terms and Conditions of the Private Placement. All the rights and remedies of the Debenture Holder(s) shall vest in and shall be exercised by the said Trustees without having it referred to the Debenture Holder(s)..

LOSS OF LETTER (S) OF ALLOTMENT / DEBENTURE CERTIFICATE (S) / PRINCIPAL AND INTEREST PAYMENT INSTRUMENTS

Loss of Letter(s) of Allotment / Debenture Certificate(s) (for Debenture(s) held in Physical Form) and/ or Principal Payment Instrument / Interest Payment Instrument should be intimated to the Company along with the request for issue of a duplicate Letter(s) of Allotment/ Debenture Certificate(s)/ Payment Instrument(s). If any Letter(s) of Allotment/ Debenture Certificate(s)/ Payment Instrument(s) is lost, stolen, or destroyed, then upon production of proof thereof, to the satisfaction of the Company and upon furnishing such indemnity, as the Company may deem adequate and upon payment of any expenses incurred by the Company in connection thereof, new Letter(s) of Allotment/ Debenture Certificate(s)/ Payment Instrument(s) shall be issued. A fee will be charged by the Company, not exceeding such sum as may be prescribed by law.

If any Debenture Certificate(s) is / are mutilated or defaced, then, upon surrender of such certificates, the Company shall cancel the same and issue a duplicate certificate in lieu thereof.

Addresses

SBI Cards Investor Services Cell :

Treasury,
12th Floor, Tower C, DLF Infinity Towers,
Block 2, Building No. 3, DLF Cyber City,
Gurgaon-122002
Telephone Nos. : 0124-3982734
Facsimile Nos. : 0124-3982707
E-mail : nitin.behl@ge.com

Over and above the aforesaid Terms and Conditions, the said Debenture(s) shall be subject to the Terms and Conditions to be incorporated in the Letter(s) of Allotment/Debenture Certificate(s) that will be issued to the allottees, and in the Debenture Trust Deed and/or Trustee Agreement.
