

## **SBI Cards and Payment Services Private Limited (SBI Cards)**

**Registered Office: SBI, Local Head Office, 11 Parliament Street, New Delhi-110001**

**Issue By Way of Private Placement of Fixed Rate, Unsecured, Rated, Taxable, Redeemable, Subordinated, Non-Convertible Debentures of face value of Rs 10,00,000/- each, at par in the nature of Subordinated Debt constituting Tier II Capital (the "Debentures"), aggregating to Rs. 30 Crores, with a right to retain oversubscription (Green Shoe Option) up to Rs. 20 Crores (Total Issue size including Green Shoe Option shall not exceed Rs. 50 crores)**

### **CRISIL: AAA/Stable**

Indicates highest degree of safety with regard to timely servicing of financial obligations. Such instruments carry lowest credit risk.

### **ICRA: AAA/Stable**

Indicates highest degree of safety with regard to timely servicing of financial obligations. The AAA rated instrument carries lowest credit risk

*Note: This Information Memorandum of private placement is neither a prospectus nor a statement in lieu of prospectus and does not constitute an offer to the public generally to subscribe for or otherwise acquire the Debentures to be issued by the Company. This is only an informative brochure intended for private use and should not be construed to be a prospectus and/or an invitation to the public for subscription to Debentures under any law for the time being in force. The Company can, at its sole and absolute discretion, change the terms of the Issue.*

### **Arranger to the Issue**



#### **M/s SBI Capital Markets Limited**

202, Maker Tower 'E',  
Cuffe Parade, Mumbai 400 005  
Contact Person: Mr. Ashish Sable  
Telephone: 022-22178336  
Fax: 022-22152711  
E-mail: [ashish.sable@sbicaps.com](mailto:ashish.sable@sbicaps.com)



#### **Trust Investment Advisors Pvt. Ltd.**

1101, Naman Centre, G – Block, C – 31,  
Bandra Kurla Complex, Bandra East –  
Mumbai – 400 051.  
Mumbai – 400 051  
Tel. : (022) 40845600 Fax.: 91-22-  
40845066

## **SBI Cards Investor Services Cell:**

Treasury,  
11<sup>th</sup> Floor, Tower C, DLF Infinity Towers, Block 2, Building No. 3, DLF Cyber City,  
Gurgaon-122002 Telephone Nos. : 0124-3992734  
Facsimile Nos. : 0124-3992707  
E-mail : gupta.amit@ge.com

## **Credit Rating**

The credit rating assigned to the Debentures are a reflection of the rating agency's assessment of the Company's ability to pay its obligations and may not reflect the potential impact of all risks related to structure, market or other factors discussed in this Information Memorandum on the value of the Debentures. The rating(s) for this Issue is not a recommendation to buy, sell or hold securities and investors should take their own decisions. The rating may be subject to revision or withdrawal at any time by the assigning rating agency on the basis of new information. Each rating should be evaluated independently of any other rating. The rating agency has a right to suspend, withdraw or revise the rating at any time on the basis of new information, or unavailability of information or such other circumstances which the rating agency believes to have an impact on the rating assigned.

## **General Risks**

Investment in these Debentures involves a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their investment if the Debentures are not held until, or for any reason have to be sold or redeemed, before the Redemption Date (as defined below).

Potential investors are advised to read this Information Memorandum carefully before taking an investment decision in this Issue. For taking an investment decision, investors must rely on their own examination of the Company and the Issue, including the risks involved. Prospective investors should consult their own legal, regulatory, tax, financial and/or accounting advisors about risks associated with an investment in such Debentures and the suitability of investing in such Debentures in light of their particular circumstances.

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The Debentures have not been recommended or approved by SEBI or RBI, nor do either the SEBI or the RBI guarantee the accuracy or adequacy of this document. This Information Memorandum has not been submitted, cleared or approved by SEBI or the RBI. It should be clearly understood that the Company is solely responsible for the correctness, adequacy and disclosure of all relevant information herein.

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**In the event of oversubscription of the Issue, the Company retains the right to retain any or all of the oversubscription amount. Therefore, the actual Issue size may be different from that disclosed in this Information Memorandum.**

## Definitions

### Issue Related Terms

<b>The Company / Issuer</b>	SBI Cards and Payment Services Private Limited (SBI Cards) incorporated in India with limited liability under the Companies Act, 1956 and having its Registered Office at SBI, Local Head Office, 11 Parliament Street, New Delhi-110 001.
<b>Issue</b>	Issue of Fixed Rate, Unsecured, Rated, Redeemable, Taxable, Subordinated, Non – Convertible Debentures of face value of Rs. 10.00.000/- each, at par, in the nature of Subordinated Debt constituting Tier II Capital aggregating to Rs. 30 Crores (SBI Cards Debenture Series SBIC-03), with the right to retain oversubscription (Green Shoe Option) upto Rs. 20 Crores (Total Issue Size including the Green Shoe Option shall not exceed Rs. 50 crores) on a Private Placement basis
<b>Allot/ Allotment/ Allotted</b>	Unless the context otherwise requires or implies, the allotment of the Debentures pursuant to the Issue
<b>Application Form</b>	The form in which an Investor can apply for subscription to the Debentures as attached in Annexure II of this Information Memorandum
<b>Beneficial Owners</b>	Holder(s) of the Debentures in dematerialized form as defined under section 2 of the Depositories Act
<b>Board</b>	The board of directors of the Company or a duly constituted committee thereof
<b>CRISIL</b>	CRISIL Limited
<b>Depository</b>	A depository registered with the SEBI under the Securities and Exchange Board of India (Depositories and Participant) Regulations, 1996, as amended from time to time, in this case being NSDL and CDSL
<b>Debenture Holder(s)/Debentureholder(s)</b>	Persons who are for the time being holders of the Debentures and whose names are most recently entered into the Register of Debentureholders and shall include the Beneficial Owners
<b>Debenture(s)</b>	Fixed Rate, Rated, Unsecured, Rated, Redeemable, Taxable, Subordinated Non-Convertible Debenture(s) of face value of Rs. 10,00,000/- each, at par, in the nature of Subordinated Debt constituting Tier II Capital aggregating up to Rs. 30 Crores, with the right to retain oversubscription (Green Shoe Option) upto Rs. 20

	Crores (Total Issue Size including the Green Shoe Option shall not exceed Rs. 50 crores)– SBI Cards Debenture Series SBIC-03
<b>Debenture Trustee/Trustee</b>	Trustee for the Debentureholders, in this case being Axis Trustee Services Limited
<b>Debenture Trusteeship Agreement</b>	The trusteeship agreement to be entered into between the Debenture Trustee and the Company within one (1) month from the Issue Closing Date
<b>GECMOI</b>	GE Capital (Mauritius) Overseas Investment
<b>GECC</b>	General Electric Capital Corporation, USA
<b>ICRA</b>	ICRA Limited
<b>Information Memorandum</b>	This Information Memorandum through which this Issue is being made
<b>Interest Period</b>	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.
<b>Interest Due Date</b>	The date(s) on which interest on the Debenture(s) becomes due, date whereof is more particularly detailed in this document under <b>"INDICATIVE TIME TABLE OF INTEREST PAYMENT &amp; PRINCIPAL REPAYMENT"</b>
<b>Interest Payment Date</b>	The actual Date of Payout of Interest, date whereof is more particularly detailed in this document under <b>"INDICATIVE TIME TABLE OF INTEREST PAYMENT &amp; PRINCIPAL REPAYMENT"</b>
<b>NBFC-ND Prudential Norms</b>	Notification as amended upto June 30, 2011– "Non-Banking Financial (Non - Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007" (DNBS (PD) CC No.225/ 03.02.001 / 2011-12) dated July 1, 2011 issued by the RBI
<b>Investor(s)</b>	Such persons who subscribe to this Issue
<b>Register of Debentureholders</b>	The register maintained by the Company at its Registered Office as per section 152 of the Act, containing the names of the Debentureholders entitled to receive interest in respect of the Debentures on the Record Date, and shall include the register of Beneficial Owners maintained by the Depository under section 11 of the Depositories Act
<b>Registrar/Registrar to the Issue</b>	Registrar to this Issue, in this case being Zuari Investments Limited
<b>SBI</b>	State Bank of India constituted under the State Bank of

	India Act, 1955
<b>Senior Creditors</b>	Senior Creditors shall mean the holders of Senior Indebtedness of the Company
<b>Senior Indebtedness</b>	<p>Senior Indebtedness shall mean collectively:</p> <p>(i) all the secured indebtedness of the Company which has been secured by the Company by way of a charge over its properties, including without limitation any of its moveable or immoveable properties; and</p> <p>(ii) all the unsecured and unsubordinated indebtedness of the Company which shall, in the event of winding up of the Company, rank (a) junior to the secured indebtedness of the Company; and (b) senior to other indebtedness of the Company which forms part of the Company's Tier I or Tier II capital in accordance with the NBFC-ND Prudential Norms.</p> <p>For purpose of this definition, indebtedness shall include all liabilities, whether actual or contingent, under guarantees or indemnities.</p>
<b>Special Resolution</b>	Will be a resolution passed at a meeting of the Debentureholders duly convened and held in accordance with provisions herein contained and carried by a majority consisting of such number of Debentureholders which shall represent not less than 75 (seventy five) % of the nominal value of Debentures then outstanding or if a poll is demanded by a majority representing not less than 75 (seventy five) % of the nominal value of Debentures then outstanding on such poll
<b>Working Days</b>	All days excluding Saturdays, Sundays and a public holiday on which high value clearing facility is available in banks of Mumbai or Delhi

### Conventional and General Terms, Abbreviations and References to Other Business Entities

Abbreviation	Full form
<b>CDSL</b>	Central Depository Services (India) Limited
<b>Act/Companies Act</b>	The Companies Act, 1956, as amended from time to time

<b>Depositories Act</b>	The Depositories Act, 1996, as amended from time to time
<b>Depository Participant/ DP</b>	A depository participant as defined under the Depositories Act
<b>DP ID</b>	Depository Participant Identification Number
<b>FII</b>	Foreign Institutional Investor
<b>Financial Year</b>	Period of twelve months ended March 31 of that particular year, unless otherwise stated
<b>Government</b>	Government of the Republic of India
<b>IT Act</b>	The Income Tax Act, 1961, as amended from time to time
<b>NBFC</b>	Non-banking financial company
<b>NRI</b>	Non-resident Indian
<b>NSDL</b>	National Securities Depository Limited
<b>OCB</b>	Overseas corporate body
<b>p.a.</b>	Per annum
<b>PAN</b>	Permanent Account Number
<b>RBI</b>	The Reserve Bank of India
<b>RBI Act</b>	Reserve Bank of India Act, 1934, as amended from time to time
<b>RoC / ROC</b>	The Registrar of Companies, Delhi and Haryana
<b>Rs.</b>	Rupees
<b>RTGS</b>	Real Time Gross Settlement
<b>SCRA</b>	Securities Contract (Regulations) Act, 1956
<b>SEBI</b>	The Securities and Exchange Board of India constituted under the SEBI Act, 1992
<b>SEBI Act</b>	The Securities and Exchange Board of India Act, 1992, as amended, as amended from time to time
<b>USA</b>	United States of America

## **DISCLAIMERS**

### **ISSUER'S DISCLAIMERS**

This Information Memorandum is neither a prospectus nor a statement in lieu of prospectus under the Companies Act. The issue of the Debentures will not be listed on any of the recognized stock exchanges in India and is being made strictly on a private placement basis in accordance with the Companies Act. This Information Memorandum is not intended to be circulated to more than 49 (forty-nine) Investors. Multiple copies hereof given to the same entity shall be deemed to be given to the same person and shall be treated as such. It does not constitute and shall not be deemed to constitute an offer or an invitation to subscribe to the Debentures to the public of India in general. This Information Memorandum should not be construed to be a prospectus or a statement in lieu of prospectus under the Companies Act. Apart from this Information Memorandum, no offer document or prospectus has been prepared in connection with the offering of this Issue or in relation to the Company, nor is such a prospectus required to be registered under applicable Indian laws. Accordingly, this Information Memorandum has neither been delivered for registration, nor is intended to be registered with the ROC.

This Information Memorandum is for an issue of Debentures that will not be listed on any of the recognized stock exchanges in India. Therefore, as per the applicable Indian laws, copy of this Information Memorandum has not been filed or submitted to the ROC for its review and/or approval. Further, since the Issue is being strictly made on a private placement basis only, the provisions of Section 60 of the Companies Act shall not be applicable and accordingly, a copy of this Information Memorandum has not been filed with the ROC.

This Information Memorandum has been prepared to provide general information about the Company to potential Investors to whom it is addressed and who are willing and eligible to subscribe to the Debentures. This Information Memorandum does not purport to contain all the information that any potential Investor may require. Neither this Information Memorandum nor any other information supplied in connection with the Debentures is intended to provide the basis of any credit or other evaluation and any recipient of this Information Memorandum should not consider such receipt a recommendation to subscribe for any Debentures. Each Investor contemplating purchasing any Debentures should make its own independent investigation of the financial condition and affairs of the Company, and its own appraisal of the creditworthiness of the Company as well as the structure of the Issue. Potential Investors should consult their own financial, legal, tax and other professional advisors as to the risks and investment considerations arising from an investment in the Debentures and should possess the appropriate resources to analyze such investment and the suitability of such investment to such Investor's particular circumstances. It is the responsibility of potential investors to also ensure that they will sell these

Debentures in strict accordance with this Information Memorandum and other applicable laws, so that the sale by the Debentureholders does not constitute an offer to the public, within the meaning of the Companies Act. Neither the intermediary nor their agents nor advisors associated with this Issue undertake to review the financial condition nor affairs of the Company during the life of the arrangements contemplated by this Information Memorandum or have any responsibility to advise any investor or potential investor in the Debentures of any information available with or subsequently coming to the attention of any other intermediary.

No invitation is being made to any persons other than those to whom application forms along with this Information Memorandum have been sent. Any application by a person to whom the Information Memorandum and the application form has not been sent by the Company shall be rejected without assigning any reason.

Any person who is in receipt of this Information Memorandum shall maintain utmost confidentiality regarding the contents of this Information Memorandum and shall not reproduce or distribute in whole or part or make any announcement in public or to a third party regarding the contents without the prior written consent of the Company.

It is the responsibility of potential Investors to also ensure that they will sell these Debentures in strict accordance with the terms and conditions of this Information Memorandum and other applicable laws, so that the sale by the Debentureholders does not constitute an offer to the public within the meaning of the Companies Act, 1956. None of the intermediaries or their agents or advisors associated with this Issue undertake to review the financial condition or affairs of the Company or the factors affecting the Debentures during the life of the arrangements contemplated by this Information Memorandum, or have any responsibility to advise any investor or potential investor in the Debentures of any information available with or subsequently coming to the attention of the intermediaries, agents or advisors.

**The contents of this Information Memorandum are intended to be used only by those investors to whom it is distributed. It is not intended for distribution to any other person and should not be reproduced by the recipient. The person to whom a copy of the Information Memorandum is sent is alone entitled to apply for the Debentures.**

The Company accepts no responsibility for statements made otherwise than in the Information Memorandum or any other material expressly stated to be issued by or at the instance of the Company and that anyone placing reliance on any other source of information would be doing so at their own risk.

No person has been authorized to give any information or to make any representation not contained or incorporated by reference in this Information Memorandum or in any material made available by the Company to any potential investor pursuant hereto and,

if given or made, such information or representation must not be relied upon as having been authorized by the Company.

The legal advisors to the Company and any other intermediaries and their agents or advisors associated with this Information Memorandum have not separately verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made, and no responsibility is accepted by any such intermediary, agent or advisor as to the accuracy or completeness of the Information contained in this Information Memorandum, or any other information provided by the Company. Accordingly, all such intermediaries, agents or advisors associated with this Issue shall have no liability in relation to the information contained in this Information Memorandum or any other information provided by the Company in connection with this series.

The Company does not undertake to update the Information Memorandum to reflect subsequent events after the date of the Information Memorandum and thus it should not be relied upon with respect to such subsequent events without first confirming its accuracy with the Company.

Neither the delivery of this Information Memorandum nor any offer of Debentures made hereunder shall by the Company, under any circumstances, constitute a representation or create any implication that there has been no change in the affairs of the Company since the date hereof.

**This Information Memorandum and the contents hereof are restricted only for the intended recipient(s) who have been addressed directly and specifically through a communication by the Company and only such recipients are eligible to apply for the Debentures. All Investors are required to comply with the relevant regulations/guidelines applicable to them for investing in this Issue. The contents of this Information Memorandum are intended to be used only by those potential Investors to whom it is distributed. It is not intended for distribution to any other person and should not be reproduced by the recipient.**

Each copy of this Information Memorandum is serially numbered and the person, to whom a copy of the Information Memorandum is sent, is alone entitled to apply for the Debentures. No invitation is being made to any persons other than those to whom application forms along with this Information Memorandum being issued have been sent. Any application by a person to whom the Information Memorandum has not been sent by the Company shall be rejected without assigning any reason.

Invitations and offers of the Debentures shall only be made pursuant to this Information Memorandum. You may not be and are not authorized to (1) deliver this Information Memorandum to any other person; or (2) reproduce this Information Memorandum in any manner whatsoever. Any distribution or reproduction of this Information

Memorandum in whole or in part or any public announcement or any announcement to third parties regarding the contents of this Information Memorandum is unauthorized. Failure to comply with this instruction may result in a violation of the applicable laws of India and other jurisdictions. This Information Memorandum has been prepared by the Company for providing information in connection with the proposed Issue described in this Information Memorandum.

**Each person receiving this Information Memorandum acknowledges that** such person has not relied on any intermediary, agent, advisor, or underwriter that may be associated with the issuance of Debentures in connection with its investigation of the accuracy of the information contained in the Information Memorandum or its investment decision.

**In accordance with the NBFC-ND Prudential Norms, subordinated debt constituting Tier II Capital is not redeemable at the instance of the holder or without the consent of the supervisory authority of the NBFC, in this case being the RBI. Therefore, the redemption of the Debentures shall be with the prior consent of the RBI in accordance with the NBFC-ND Prudential Norms and in accordance with the terms prescribed by the RBI while granting such consent.**

## **DISCLAIMER IN RESPECT OF JURISDICTION**

The Issue is a domestic issue restricted to India and no steps have been taken or will be taken to facilitate the Issue in any jurisdictions other than India. This Information Memorandum is not intended for distribution to, or use by, any person or entity in any jurisdiction or country where distribution or use of such information would be contrary to law or regulation. This Information Memorandum does not constitute, nor may it be used for or in connection with, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorized or to any person to whom it is unlawful to make such an offer or solicitation. No action is being taken to permit an offering of the Debentures or the distribution of this Information Memorandum in any jurisdiction where such action is required. The distribution of this Information Memorandum and the offering of the Debentures may be restricted by law in certain jurisdictions. Persons into whose possession this Information Memorandum comes are required to inform themselves about and to observe any such restrictions. The Information Memorandum is made available to Investors in the Issue on the strict understanding that it is confidential and may not be transmitted to others, whether in electronic form or otherwise.

The Debentures have not been recommended or approved by SEBI or RBI, nor do either the SEBI or the RBI guarantee the accuracy or adequacy of this document. This Information Memorandum has not been submitted, cleared or approved by SEBI or the RBI. It should be clearly understood that the Company is solely responsible for the correctness, adequacy and disclosure of all relevant information herein.

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

## **DISCLAIMER OF THE ARRANGER**

The role of the Arranger in the assignment is confined to marketing and placement of the Debentures on the basis of this Disclosure Document as prepared by the Issuer. The Arranger has neither scrutinized/ vetted nor have they done any due-diligence for verification of the contents of this Disclosure Document. The Arranger shall use this document for the purpose of soliciting subscription from qualified institutional investors in the Debentures to be issued by the Issuer on a private placement basis. It is to be distinctly understood that the aforesaid use of this document by the Arranger should not in any way be deemed or construed that the document has been prepared, commented, reviewed, cleared, approved or vetted by the Arranger; nor do they in any manner warrant, certify or endorse the accuracy or correctness or completeness of any of the contents of this document; nor do they take responsibility for the financial or other soundness of this Issuer, its promoters, its management or any scheme or project of the Bank. The Arranger or any of their directors, employees, affiliates or representatives do not accept any responsibility and/or liability for any loss or damage arising of whatever nature and extent in connection with the use of any of the information contained in this document.

## **DISCLAIMER OF THE RBI**

The Company has a valid Certificate of Registration No. 14.01328 issued by the Reserve Bank of India under Section 45I-A of the Reserve Bank of India Act, 1934. However, the Reserve Bank of India does not accept any responsibility or guarantee about the present position as to the financial soundness of the Company or correctness of any of the statements or representations made or opinions expressed by the Company and repayment of deposits/discharge of liabilities by the Company.

## **FORCE MAJEURE**

The Company reserves the right to withdraw the offer prior to the earliest closing date in the event of any unforeseen development adversely affecting the economic and regulatory environment or otherwise. In such an event, the Company will refund the application money along with the interest payable on such application money without giving any reason.

## **CONFIDENTIALITY**

The information and data contained herein is submitted to each recipient of this Information Memorandum on a strictly private and confidential basis. By accepting a

copy of this information memorandum, each recipient agrees that neither it nor any of its employees or advisors will use the information contained herein for any purpose other than evaluating the specific transactions described herein or will divulge to any other party any such information. This Information Memorandum must not be photocopied, reproduced, extracted or distributed in full or in part to any person other than the recipient without the prior written consent of the Company.

## **CAUTIONARY NOTE**

The Investors have agreed that they, (i) are knowledgeable and experienced in financial and business matters, have expertise in assessing credit, market and all other relevant risk and are capable of evaluating, and have evaluated, independently the merits, risks and suitability of subscribing to Debentures; (ii) understand that the Company has not provided, and will not provide, any material or other information regarding the Debentures, except as included in the Information Memorandum, (iii) have not requested the Company to provide it with any such material or other information, (iv) have not relied on any investigation that any person acting on their behalf may have conducted with respect to the Debentures, (v) have made their own investment decision regarding the Debentures based on their own knowledge (and information they have or which is publicly available) with respect to the Debentures or the Company (vi) have had access to such information as deemed necessary or appropriate in connection with subscription to the Debentures, (vii) are not relying upon, and have not relied upon, any statement, representation or warranty made by any person, including, without limitation, the Company, and (viii) understand that, by subscribing to or holding of the Debentures, they are assuming and are capable of bearing the risk of loss that may occur with respect to the Debentures, including the possibility that they may lose all or a substantial portion of their investment in the Debentures.

Neither this Information Memorandum nor any other information supplied in connection with the Issue of Debentures is intended to provide the basis of any credit or other evaluation and any recipient of this Information Memorandum should not consider such receipt as a recommendation to subscribe to any Debentures. Each Investor contemplating subscription to any Debentures should make its own independent investigation of the financial condition and affairs of the Company, and its own appraisal of the creditworthiness of the Company. Potential Investors should consult their own financial, legal, tax and other professional advisors as to the risks and investment considerations arising from an investment in the Debentures and should possess the appropriate resources to analyze such investment and the suitability of such investment to such Investor's particular circumstances. This Information Memorandum is made available to potential Investors on the strict understanding that it is confidential. Recipients shall not be entitled to use any of the information otherwise than for the purpose of deciding whether or not to invest in the Debentures.

No person, including any employee of the Company, has been authorised to give any information or to make any representation not contained in this Information Memorandum. Any information or representation not contained herein must not be relied upon as having being authorised by or on behalf of the Company. Neither the delivery of this Information Memorandum at any time nor any statement made in connection with the offering of the Debentures shall under the circumstances imply that any information/ representation contained herein is correct at any time subsequent to the date of this Information Memorandum. The distribution of this Information Memorandum or the application forms and the offer, sale, pledge or disposal of the Debentures by the Debentureholders may be restricted by law in certain jurisdictions. This Information Memorandum does not constitute an offer to sell or an invitation to subscribe to the Debentures in any other jurisdiction and to any person to whom it is unlawful to make such offer or invitation in such jurisdiction. Persons into whose possession this Information Memorandum comes are required by the Company to inform themselves about and observe any such restrictions. The sale or transfer of these Debentures outside India by the Debentureholders may require regulatory approvals in India, including without limitation, the approval of the RBI.

**The Information Memorandum is made available to investors in the Issue on the strict understanding that it is confidential.**

## **SBI Cards and Payment Services Private Limited (SBI Cards)**

### **ISSUE BY WAY OF PRIVATE PLACEMENT OF FIXED RATE, UNSECURED, RATED, TAXABLE, REDEEMABLE, SUBORDINATED NON-CONVERTIBLE DEBENTURES OF FACE VALUE OF RS. 10,00,000/- EACH AT PAR IN THE NATURE OF SUBORDINATED DEBT CONSTITUTING TIER II CAPITAL – SBI CARDS DEBENTURE SERIES SBIC-03**

#### **INSTRUMENT STRUCTURE**

<b>Issuer</b>	SBI Cards and Payments Services Private Limited
<b>Issue Size</b>	Rs. 30 Crores with the right to retain oversubscription (Green Shoe Option) upto Rs. 20 Crores (Total Issue Size including the Green Shoe Option would not exceed Rs. 50 crores)
<b>Method of Distribution</b>	Private Placement
<b>Face value of Debenture(s)</b>	Rs. 10,00,000/- (Rupees Ten Lakhs only) per Debenture
<b>Status and ranking</b>	<p>The Debentures shall constitute direct, unsecured and subordinated obligations of the Company and the claims of the Investors shall be:</p> <ul style="list-style-type: none"> <li>(a) superior to the claims of the investors in instruments eligible for inclusion in Tier I capital of the Company;</li> <li>(b) pari passu with each other and with any parity securities of the Company; and</li> <li>(c) subordinated to the claims of all the Senior Creditors of the Company.</li> </ul> <p>For the purpose of this clause, "parity securities" shall mean any security issued by the Issuer which ranks <i>pari passu</i> with the Debentures.</p>
<b>Minimum Subscription</b>	As the current Issue of Debentures is being made on private placement basis, the requirement of minimum subscription shall not be applicable and therefore the Company shall not be liable to refund the Issue subscription(s)/ proceed(s) in the event of the total Issue collection falling short of Issue Size or certain percentage of Issue Size.
<b>Minimum Application</b>	1 Debenture and in multiples of 1 Debenture(s) thereafter
<b>Instrument Structure</b>	Fixed Rate, Unsecured, Rated, Taxable, Redeemable, Subordinated Non-Convertible Debentures in the nature of subordinated debt constituting Tier II Capital of the Company
<b>Tenor</b>	7 years, from the Deemed Date of Allotment

<b>Interest Rate</b>	9.85% p.a. payable annually
<b>Redemption *</b>	At par on the Face Value of the Debentures on Maturity Date
<b>Redemption Amount</b>	Subject to the NBFC-ND Prudential Norms and obtaining the prior consent of the RBI for the redemption of the Debentures in accordance with the NBFC-ND Prudential Norms, all principal amounts outstanding shall be payable on the Maturity Date in one bullet installment
<b>Principal Repayment Date*</b>	<b>28<sup>th</sup> March ,2019</b>
<b>Put/Call Option</b>	None
<b>Debenture Redemption Reserve</b>	No Debenture Redemption Reserve is being created for the present Issue. Creation of Debenture Redemption Reserve is not required for the proposed issue of Debentures in view of MCA General Circular No. 9/2002 dated 18th April 2002, which clarified that NBFCs need not create a Debenture Redemption Reserve as specified under Section 117C of the Companies Act 1956, in respect of privately placed debentures.
<b>Interest on Application Money</b>	Interest on application money will be paid to Investors at the rate of 9.85% p.a. from the date of realisation of investment proceeds upto one day prior to the the Deemed Date of Allotment, within 7 days from Deemed Date of Allotment.
<b>Credit Rating</b>	AAA/Stable by CRISIL AAA/Stable by ICRA
<b>Listing</b>	The Company does not propose to list these Debentures on any recognized stock exchange in India
<b>Security</b>	In accordance with the NBFC-ND Prudential Norms, the Debentures are being issued on an unsecured basis.
<b>Terms of Payment</b>	The full face value of Debenture(s) to be paid along with the Application Form.
<b>Issue Opening Date</b>	March 28,2012
<b>Issue Closing Date</b>	March 28,2012 (The Company retains the option of keeping the Issue open beyond March 28,2012 at its discretion, without giving prior notice)
<b>Deemed Date of</b>	March 28,2012 (The Company reserves the right to shift the Deemed Date(s) of Allotment to any other date, or allot the Debentures on

<b>Allotment</b>	multiple dates without giving any reason or giving prior notice).
<b>Trustees</b>	Axis Trustee Services Limited having its Registered Office at Axis Bank Ltd., 2nd Floor-E, Axis House, Bombay Dyeing Mills Compound, Pandurang Budhkar Marg, Worli, Mumbai-400025, Maharashtra, India
<b>Issuance Mode</b>	Dematerialized form. Investors are required to mention their Depository Participant's name, DP-ID and beneficiary account number in the appropriate place in the Application Form.
<b>Depositories</b>	NSDL and CDSL
<b>Future Borrowings</b>	The Company shall be free to borrow or raise loans or create encumbrances or avail financial assistance in whatever form, as also issue promissory notes or debentures or guarantees or indemnities or other securities in any manner with ranking as pari passu basis or otherwise or to change its capital structure, including issue of shares of any class or redemption or reduction of any class of paid up capital on such terms and conditions as the Company may think appropriate, without the consent of, or intimation to, the Debenture holders and/or the Debenture Trustee in this connection.
<b>Tax deduction at Source</b>	Tax as applicable under the IT Act will be deducted at source. Tax exemption Certificate/Document, under Section 195(3) or Section 197(1) of the IT Act, if any, must be lodged at the office of the Company before the record date
<b>Tax Benefits</b>	Potential Investors are advised to consider the tax implications in respect of subscription to the Debentures in consultation with their tax advisors
<b>Record Date</b>	This will be the 11th calendar day prior to the Interest Payment Date/Principal Repayment 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
<b>Governing Law</b>	The Debentures are governed and shall be construed in accordance with the laws of India. The Debentureholders, by purchasing the Debentures, agree that the courts and tribunals at New Delhi shall have non-exclusive jurisdiction with respect to matters relating to the Debentures

\* In accordance with the NBFC-ND Prudential Norms, subordinated debt constituting Tier II Capital is not redeemable at the instance of the holder or without the consent of the supervisory authority of the NBFC, in this case being the RBI. Therefore, the redemption of the Debentures shall be with the prior consent of the RBI in accordance with the NBFC-ND Prudential Norms and in accordance with the terms prescribed by the RBI while granting such consent.

**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.**

## **ABOUT THE ISSUER COMPANY**

### **BACKGROUND OF THE COMPANY**

The Company is a joint venture between the SBI and GECMOI, a subsidiary of GECC, 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 GECC to offer products that are value for money and are supported by quality service.

The Company is among the fastest-growing credit card companies in India. The Company's card base was 2.2 million as of Jan 31, 2012. In the past, it has primarily focused on middle-income households, a segment that is fast growing. However since 2010, the company has shifted its focus to premium products. The company launched a new platinum card platform in November 2010 and has since been focusing on sourcing better customer profile.

### **PARENTAGE**

SBI 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 13,772 branches in India and 172 foreign offices in 34 countries, SBI commands about one-sixth of the total deposits and loans in all scheduled commercial banks in India. The RBI is the single largest shareholder of SBI. SBI's shares and bonds are listed for trading on all the major Indian recognized stock exchanges. Its global depository receipts are listed on the Luxembourg Stock Exchange.

SBI 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.

GECC was incorporated in USA in 1943. GECC's financing activities include a full range of leasing, loan, equipment management services and annuities. Its services are offered primarily in the USA, Canada, Europe and in the Asia-Pacific region. GECC is rated AA+ by both Moody's and Standard and Poor. GECC along with its subsidiaries and associates is the largest NBFC in the world, with an asset base of USD 577 billion as on December 31, 2011.

### **MANAGEMENT OF THE COMPANY**

The Company derives strong branding and marketing support from SBI and technical & management support from 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 grew between 2002 and 2006 at an annualized rate of 40 per cent (Cards in force). The growth was driven by the fundamental changes in the Indian demographic profile. This included aspects such as income, age and consumption behavior. There was also 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
- Increasing working population and mostly youngsters.

However since 2006, the industry has gone through a low and then a consolidation phase. Due to the highly competitive market and the absence of a reliable credit bureau, in 2007 and 2008, the industry saw rising delinquencies during which 30 days past due delinquency rose from 10% in December 2007 to 14% in December 2008, peaking at 18% in May 2009.

In 2009, most players in the industry made two significant changes:

- 1) Augmenting the collection infrastructure
- 2) Tighten credit underwriting policies

The result of this was that the industry was able to bring down the delinquency levels to 10.6% by June of 2010. However at the same time, the industry also culled significant portions of the card base, eliminating inactive or high risk cards in an effort to control operating expenses and future credit losses. They also withdrew from a lot of 2<sup>nd</sup> and 3<sup>rd</sup> Tier cities to consolidate their infrastructure cost.

Through 2011, the industry has slowly started going back into growth phase. Players are gradually ramping up their sales budgets to capture a resurgent credit card market.

Going forward, the credit card market will continue to grow. The establishment of more 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 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 is low at 3% in India against a global average of 9% and Asia- Pacific average of 6% 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; and
- Good distribution network & alliances and relationship management with major brands.

## **OPERATIONS**

The Company has emerged as a major player in the Indian credit card industry with over two million live cards and Rs.20 billion of card assets as on Jan 31, 2012. The Company has achieved this growth in a short span of time. The strong brand and distribution support from SBI has helped the Company in achieving this rapid rate of growth. The strategy of launching various co-branded card & corporate card offerings & leveraging SBI will help the Company to sustain the high growth rates.

The Company's approach to efficiency in operations is driven from customer centricity. The Company has innovated processes to reduce the approval time & to increase statement accuracy. The Company now offers 14 options to repay the credit card outstanding, more than any other credit card issuer in the market. This focus on improving the customers' overall experience has resulted in the Company being rated the most trusted credit card brand by the Readers Digest awards for 3 years in a row.

The Company has a vast distribution network with a presence in 42 cities with plans to expand to another 13 over the year 2012. The Company has also, over the years, forged relationships with major brands in fast-growing categories like retailing, auto, budget airlines and banking to deliver higher value to card holders resulting in sustained growth. The Company has tie ups with TATA, Maruti, Indian Railway Catering and Tourism Corporation Limited, Spicejet, Bank of Maharashtra, Oriental Bank of Commerce

and Karur Vysya Bank among others. The Company's key strengths are the strong brand name of SBI, ability to leverage on GECC's vast expertise in retail lending worldwide, and strong operations capability to handle large volume of small ticket lending.

## **RISK MANAGEMENT**

The Company 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 GECC's international operations are constantly used to refine the credit/risk policy through analysis of customers' performance on various parameters. Since 2008, the company has also been relying on information available from credit bureaus. The risk management team works very closely with collections 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.

## **SUMMARY**

Since commencement in 1998, the Company has established itself across the country as a major player in credit cards industry. The sourcing strategy of using a proprietary channel 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 the Company to position itself as a prominent player in the credit cards market. In addition, the Company has established an excellent image with the customers by demonstrating ethical business practices while providing innovative products and services in a transparent manner.

As the credit cards industry goes through a significant growth phase, the Company is strategically positioned to take advantage of this growth.

## **GOVERNMENT APPROVALS/LICENCING ARRANGEMENTS**

The Company was formed pursuant to the approval given by the Department of Industrial Policy & Promotion, Secretariat for Industrial Assistance, Foreign Collaboartion – II Section, New Delhi vide its letter no. FC.II.360(98)/250(98) dated July 29, 1998 and subsequent amendments to it. The Company is registered with the RBI as an NBFC under Section 45I-A of the RBI Act, vide its certificate number 14.01328.

## **REGULATION AND SUPERVISION**

The Company has been incorporated under the Companies Act. The Company is registered as an NBFC with the RBI under Section 45I-A of the RBI Act, vide Certificate of Registration No. 14.01328. The regulatory framework governing NBFCs is contained in the RBI Act and directions and guidelines issued by the RBI from time to time. Thus, in addition to being regulated by the provisions of the Companies Act, the Company being an NBFC, is subject to regulatory supervision by the Department of Non-banking Supervision of RBI and is classified as a non-deposit taking systemically important NBFC (NBFC-ND-SI).

The RBI has been issuing detailed guidelines to NBFCs on asset classification, income recognition and provisioning, capital adequacy, asset liability management, resource raising etc. from time to time. The Company adheres to all such guidelines and submits necessary information to RBI as per the guidelines, wherever necessary. All the relevant RBI regulations / guidelines are available at the RBI website [www.rbi.org.in](http://www.rbi.org.in). Some of the key RBI regulations include without limitation:

1. Master Circular on Credit Card Operations of Banks dated July 1, 2011 (DBOD.No.FSD.BC. 14 / 24.01.011/ 2011-12);
2. Master Circular – 'Know Your Customer' (KYC) Guidelines – Anti Money Laundering Standards (AML) -'Prevention of Money Laundering Act, 2002 - Obligations of NBFCs in terms of Rules notified thereunder' dated July 1, 2011 (DNBS (PD) CC No.231/03.10.42/ 2011-12);
3. RBI circular on Financial Regulation of Systemically Important NBFCs and Banks' Relationship with them, dated December 12, 2006 (DBOD. No. FSD. BC.46 / 24.01.028/ 2006-07);
4. NBFC-ND Prudential Norms;
5. Master Circular – Bank Finance to NBFCs dated July 1, 2011 (DBOD.BP.BC.No.20 / 21.04.172/2011-12);
6. Master Circulars- Miscellaneous Instructions to NBFC- ND-SI, dated July 01, 2011 (DNBS (PD) CC No.235/03.10.001/2011-12);

7. Master Circular – Corporate Governance, dated July 01, 2011 (DNBS (PD) CC No.234/03.10.001/2011-12);
8. Master Circular - Fair Practices Code, dated July 01, 2011 (DNBS (PD) CC No. 232/03.10.042/2011-12);
9. RBI Circular “NBFCs not to be Partners in Partnership firms” dated Mar 30, 2011 (DNBS.PD/ CC.NO. 214/03.02.002/2010-11); and
10. RBI Notification on Regulation of excessive interest charged by NBFCs dated January 2, 2009 (DNBS (PD) C.C. No. 133 /03.10.001/ 2008-09).

### **CAPITAL STRUCTURE OF THE COMPANY**

The Capital Structure of the Company is as follows:

<b>Particulars</b>	<b>Amount as on 31-Mar-2011</b>	<b>Amount as on 31-Mar-2010</b>	<b>Amount as on 31-Mar-2009</b>	<b>Amount as on 31-Mar-2008</b>
<b>Authorised Share Capital</b> 1,000,000,000 Equity Shares of Rs 10 Each	10,000,000,000	8,000,000,000	8,000,000,000	8,000,000,000
<b>Issued, Subscribed &amp; Fully Paid-up</b> Equity Shares of Rs 10 Each	7,850,000,020	6,900,000,020	5,600,000,020	4,500,000,020

The present issue of Debentures will have no bearing on the capital structure of the Company, as aforesaid.

### **SHAREHOLDING PATTERN OF THE COMPANY AS ON 22ND FEBRUARY 2012**

<b>Name of Shareholders</b>	<b>% age Holding</b>	<b>Total Number of Equity Shares of Rs 10 Each</b>
State Bank of India	60%	471,000,002
GE Capital (Mauritius) Overseas Investment	40%	314,000,000
<b>Total</b>	<b>100%</b>	<b>785,000,002</b>

### **DETAILS OF DEBT OUTSTANDING (UNAUDITED) AS ON 22<sup>ND</sup> FEBRUARY 2012**

Type of Instrument	Amount (In Crores)	Secured/Unsecured
Bank Loans (Working Capital Demand Loans)	635.00	Secured
Cash Credit	135.40	Secured
Commercial Papers	850.00	Unsecured
Non-Convertible Debentures	124.80	Unsecured
<b>Total</b>	<b>1,745.20</b>	

### DETAILS OF DEBENTURES ISSUED AND OUTSTANDING AS ON 22<sup>ND</sup> FEBRUARY 2012

Capital Instruments	Nature of Instrument	Date of Allotment	Date of Maturity	Coupon Rate	Amount Outstanding (In Crores)
Subordinate Debt Instrument	Unsecured, Non-Convertible Debentures	15-Jun-07	14-Jun-14	10.75%	84.80
Subordinate Debt Instrument	Unsecured, Non-Convertible Debentures	22-Jan-08	21-Jan-18	9.95%	40.00

### TOP 12 HOLDERS OF DEBENTURES OF THE COMPANY AS ON 22<sup>ND</sup> FEBRUARY 2012

Debenture Holder Name	No. of Debentures of Rs 10 Lacs Each	Amount
Hindustan Petroleum Corporation Limited Provident Fund	1,950	195,000,000
State Bank of Mysore Employees Pension Fund Trust	1,100	110,000,000
Wipro System Provident Fund Trust	1,000	100,000,000
NPCIL Employees Provident Fund	900	90,000,000
Hindustan Aeronautics Ltd Employees Provident Fund Trust	630	63,000,000
Life Insurance Corporation of India Provident Fund No1	500	50,000,000
Baroda Eastern Uttar Pradesh Gramin Bank	500	50,000,000
Shriram Life Insurance Company Limited	500	50,000,000
Bank of Baroda (Employee Pension Fund Trust)	500	50,000,000

Debenture Holder Name	No. of Debentures of Rs 10 Lacs Each	Amount
Indian Overseas Bank Staff Provident Fund	500	50,000,000
Air India Employees Provident Fund	500	50,000,000
Indian Overseas Bank Employees Pension Fund	500	50,000,000
<b>Total</b>	<b>9,080</b>	<b>908,000,000</b>

**LIST OF HOLDERS OF COMMERCIAL PAPERS OF THE COMPANY AS ON 22<sup>ND</sup> FEBRUARY 2012**

CP Holder Name	No. of CP held of Rs 5 Lacs Each	Amount
Tata Trustee Co. Ltd A/C Tata Mutual Fund – Tata Floater Fund	4,100	2,050,000,000
State Bank Of India	4,000	2,000,000,000
HDFC Trustee Company Ltd. A/C HDFC Cash Management Fund- Treasury Advantage Plan	2,100	1,050,000,000
Reliance Capital Trustee Company Limited A/c Reliance Liquidity Fund	2,000	1,000,000,000
Reliance Capital Trustee Co. Ltd A/c - Reliance Medium Term Fund	1,000	500,000,000
Reliance Capital Trustee Company Limited A/c Reliance Money Manager Fund	1,000	500,000,000
HDFC Trustee Company Ltd. A/C HDFC Cash Management Fund- Saving Plan	1,000	500,000,000
Deutsche Trustee Services (I) Pvt Ltd A/c- DWS Ultra Short Term Fund	1,000	500,000,000
HDFC Trustee Company Ltd. A/C HDFC Floating Rate Income Fund Short Term Plan	400	200,000,000
Federal Bank Limited	400	200,000,000
<b>Total</b>	<b>17,000</b>	<b>8,500,000,000</b>



## Key Financials of the Company

RS. CRORES

Particulars	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08
	(audited )	(audited )	(audited )	(audited )
<b>INCOME STATEMENT</b>				
Gross Income	224.64	191.40	269.99	425.79
Finance Charges	395.00	402.03	465.11	492.98
Other Income	70.64	73.00	74.15	53.91
<b>Total Income</b>	<b>690.28</b>	<b>666.43</b>	<b>809.25</b>	<b>972.68</b>
Salaries and Rent	26.66	17.54	16.40	24.50
Depreciation	0.88	0.49	0.67	0.98
Provision for Doubtful Assets	206.76	328.79	450.36	397.41
Other Expenses	449.27	470.59	526.94	779.81
Provision for contingencies & Int. tax	-	-	-	-
Prior Period Adjustment	-	2.55	-	-
<b>Total Expenses</b>	<b>683.57</b>	<b>819.96</b>	<b>994.37</b>	<b>1202.70</b>
Profit before Tax	6.71	-153.53	-185.12	-230.02
<b>Profit after Tax</b>	<b>7.11</b>	<b>-152.48</b>	<b>-320.9</b>	<b>-152.16</b>
<b>BALANCE SHEET</b>				
Share Holders Funds	828.57	732.05	602.04	492.05
Borrowed Funds	1443.6	1464.91	1570.1	2025.77
<b>Total Liabilities</b>	<b>2,272.17</b>	<b>2,196.96</b>	<b>2,172.14</b>	<b>2,517.82</b>
Fixed Assets	1.75	0.97	0.95	1.73
Statutory Investments / Deferred Tax Asset	-	-	-	135.76
Net Current Assets	1,719.27	1,638.92	1,766.37	2,296.17
Miscellaneous Expenditure not written off	0.86	1.09	1.33	1.56
Debit Balance in P/L	550.29	555.98	403.49	82.60
<b>Total Assets</b>	<b>2,272.17</b>	<b>2,196.96</b>	<b>2,172.14</b>	<b>2,517.82</b>

## BOARD OF DIRECTORS OF THE COMPANY

The present composition of the Board as on 22<sup>nd</sup> February 2012 is as follows:

S.N o.	Name of Directors	Status	Residential Address	Director w.e.f.
1	Shri Pratip Chaudhuri	Chairman	Dunedin, No. 5, J Mehta Road, Mumbai, Maharashtra- 400006	30.04.2011
2.	Shri A. Krishna Kumar	Director	D-11, Kinnelan Towers, 100 A, Nepeansea Road, Mumbai, Maharashtra- 400006	25.07.2011
3.	Shri Dipankar Basu	Director	602, Glen Eagle G.D. Ambedkar Marg, Parel Mumbai , Maharashtra – 400012	14.09.1998
4.	Shri Anish D Shah	Director	2/21 Beech Queen, 35/3 Azad Road, JUHU, Mumbai, Maharashtra - 400049	20.07.2009
5.	Shri John L. Flannery	Director	75, Olmstead Hill RD, Wilton CT 06897, United States of America	22.12.2009

## CREDIT RATING

The Company has obtained dual credit rating for the Debentures from the CRISIL and ICRA.

The Debentures have been rated AAA/Stable by CRISIL and AAA/Stable by ICRA. The ratings by both CRISIL and ICRA indicate highest degree of safety with regard to timely servicing of financial obligations. Such instruments carry lowest credit risk. The rating agency has a right to suspend, withdraw or revise the rating at any time on the basis of new information or unavailability of information or such other circumstances which the rating agency believes to have an impact on the rating assigned.

Credit ratings assigned by CRISIL to the Company in the last three years:

YEAR	LONG TERM RATINGS (BANK FACILITY)	SHORT TERM RATINGS (BANK FACILITY AND COMMERCIAL PAPERS)
2009-2010	AAA/Stable from CRISIL	P1+ from CRISIL
2010-2011	AAA/Stable from CRISIL	P1+ from CRISIL
2011-2012*	AAA/Stable from CRISIL	A1+ from CRISIL (Same Rating, rating symbol changed to A1+ by CRISIL)

\* CRISIL has revised its rating symbols and definitions with effect from July 11, 2011, to comply with the SEBI circular CIR/MIRSD/4/2011 dated June 15, 2011, on 'Standardisation of Rating Symbols and Definitions'.

## TRUSTEE TO THE DEBENTURE HOLDERS

Axis Trustee Services Limited  
Registered Office at 2<sup>nd</sup> Floor-E, Axis House,  
Bombay Dyeing Mills Compound, Pandurang Budhkar Marg,  
Worli, Mumbai-400025  
Maharashtra, India  
Tel: +91 22 24252525

## **UTILISATION OF ISSUE PROCEEDS**

The present issue of Debentures is being made for augmenting the Tier-II Capital of the Company for strengthening its capital adequacy and for enhancing the long-term resources of the Company in accordance with the NBFC-ND Prudential Norms. The Company proposes to increase its resources to meet its requirements of funds to carry on its business operations. The “Main Object Clause” of the Memorandum of Association of the Company enables it to undertake the activities for which the funds are being raised through the present Issue and also the activities which the Company has been carrying on till date. The proceeds of this Issue will be used by the Company for its regular business activities.

## **PARTICULARS OF DEFAULTS, IF ANY, IN MEETING STATUTORY DUES**

As on the date of this Information Memorandum there are no defaults in meeting any statutory dues, institutional dues and towards instrument holders like term loans and debentures.

## **MATERIAL DEVELOPMENTS SINCE THE LAST BALANCESHEET DATED MARCH 31, 2011**

1. The credit losses on the receivables portfolio have dropped further in the Financial Year 2011-12. Over 2010-11, the ratio of bad debts (write-offs and provisions) to average receivables was 7.1%. For the 9 months ending December 2011, this ratio was at 3.6%. This has been as a result of better customer behavior and collection efficiency.
2. In the current Financial Year, the business has broken its business-to-date record of customer spends in a month thrice, clocking Rs. 681 crore, Rs. 712 crore and Rs. 806 crore in the months of May, August and October respectively.
3. The business has launched three new co-branded cards since April-2011, all in the banking space. These programs are in partnership with Bank of Maharashtra, Oriental Bank of Commerce and Karur Vysya Bank.

4. The Company is in process of reconciling its receivable with sub systems and is taking the help of external agency to quantify the amount.
5. The Company has identified historical issues in service tax liability pertaining to period prior to 2008 and has sought the help of external consultant to determine the amount.

## **TERMS AND CONDITIONS OF THE PRIVATE PLACEMENT**

The Debentures being offered pursuant to this Information Memorandum are subject to the provisions of the Companies Act, the Depositories Act, the Memorandum and Articles of Association of the Company, the applicable provisions of the letter(s) of allotment/Consolidated Debenture Certificate(S)/allotment intimation to be issued in accordance with the terms of this Information Memorandum, Application Form, and other terms and conditions as may be incorporated in the Debenture Trusteeship Agreement. This section applies to all Applicants. Please note that all Applicants are required to make payment of the full Application Amount along with the Application Form.

### **Consents**

Consents of: (a) the Debenture Trustee; (b) Registrar and (c) CRISIL and ICRA, to act in their respective capacities have been obtained as on the date of this Information Memorandum.

### **Authority for the Issue**

Pursuant to a resolution dated August 3, 2011 by the Board, the Company has been authorised to issue unsecured redeemable non-convertible debentures in accordance with applicable Indian laws to prospective lenders from time to time, such that the total amount of outstanding debentures issued by the Company at any given time does not exceed Rs. 250 Crores. Further, the Board of the Company has vide its resolution dated March 14, 2012 approved the terms and conditions of the present Issue of the Debentures as contained in this Information Memorandum. The Company is making an offer for subscription of Debentures to the Investors for an amount aggregating to Rs. 30 Crores, with an option to retain oversubscription upto 50 Crores pursuant to abovementioned Board resolutions.

### **Application Procedure**

Potential investors will be invited to subscribe by way of Application Form as provided by the Company during the period between the Issue Opening Date and the Issue Closing Date (both days inclusive). The Company reserves the right to close the Issue at the earlier date on the issue being fully subscribed or oversubscribed, as the case may be.

Fictitious Application: As a matter of abundant caution and although not applicable in the case of Debentures, attention of Applicants is specially drawn to the provisions of subsection (1) of section 68A of the Companies Act: "Any person who: (a) makes in a fictitious name an application to a Issuer for acquiring, or subscribing for, any shares therein, or (b) otherwise induces a Issuer to allot, or register any transfer of, shares

therein, to him, or any other person in a fictitious name, shall be punishable with imprisonment for a term which may extend to five years”.

## **WHO CAN APPLY**

Only eligible investors who have been specifically addressed through a communication directly by the Company can apply. No person who has not received a direct communication from the Company may apply in this Issue. An application made by any other person will be deemed an invalid application and rejected.

Nothing in this Information Memorandum shall constitute and/or deem to constitute an offer or an invitation to an offer, to be made to the public or any section thereof through this Information Memorandum and this Information Memorandum and its contents should not be construed to be a prospectus under the Companies Act. The Issue is a domestic issue and is being made in India only. This offer of Debenture(s) is made in India to persons/parties resident in India.. Applications cannot be made by person(s) or entity(ies) resident outside India, including but not limited to FIIs, NRIs and OCBs, each 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. There are transfer restrictions in relation to the transfer of Debentures to a person resident in India. Any transfer of the Debentures to a person resident outside India may only be in accordance with the applicable Indian laws including without limitation Foreign Exchange Management (Transfer or Issue of Security by a person Resident outside India) Regulations 2000, as amended from time to time. All Investors and subsequent Debentureholders are required to comply with the relevant rules/regulations/guidelines/notifications applicable to them for investing in the Debentures.

This Information Memorandum 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 Information Memorandum comes is required to inform himself about and to observe any such restrictions.

## **SUBMISSION OF DOCUMENTS**

Investors should submit the following documents, wherever applicable:

- (a) Memorandum and Articles of Association/Documents governing constitution;
- (b) Government notification/certificate of incorporation;
- (c) Resolution authorizing investment along with operating instructions;
- (d) Power of Attorney (notarized copy);

- (e) Form 15AA granting exemption from TDS on interest;
- (f) Form 15H for claiming exemption from TDS on interest on application money, if any;
- (g) Order u/s197 of IT Act;
- (h) Order u/s10 of IT Act; and
- (i) Specimen signatures of authorised persons duly certified by an appropriate authority.

**Note: Participation by potential Investors in the Issue may be subject to statutory and/or regulatory requirements applicable to them in connection with subscription to Indian securities by such categories of persons or entities. Applicants are advised to peruse the Debenture Trusteeship Agreement and further ensure that they comply with all regulatory requirements applicable to them, including exchange controls and other requirements. Applicants ought to seek independent legal and regulatory advice in relation to the laws applicable to them.**

#### **PERMANENT ACCOUNT NUMBER**

Each applicant should mention their PAN allotted under the IT Act in the Application Form.

#### **MINIMUM SUBSCRIPTION**

As the current Issue of Debentures is being made on private placement basis, the requirement of minimum subscription shall not be applicable and therefore the Company shall not be liable to refund the Issue subscription(s)/ proceed(s) in the event of the total Issue collection falling short of Issue size or certain percentage of Issue size.

#### **Submission of completed Application Form**

All applications duly completed accompanied by transfer instructions from the respective Investor's bank account to the bank account of the Company, shall be submitted at the following address:

**SBI Cards Investor Services Cell:** Mr. Amit Gupta, Treasury, 11<sup>th</sup> Floor, Tower C, DLF Infinity Towers, Block 2, Building No. 3, DLF Cyber City, Gurgaon-122002.

#### **FORM & DENOMINATION**

The Company shall issue on a private placement basis Fixed Rate, Rated, Unsecured, Taxable, Redeemable and Subordinated Non-Convertible Debentures(s) in the nature of subordinated debt constituting Tier II Capital in accordance with the NBFC-ND Prudential Norms. The Debenture shall have a face value of Rs. 10,00,000/- (Rupees Ten Lakhs only) each.

## 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 Lacs only ) or in multiples thereof.

## 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.

## HOW TO APPLY

Only eligible Investors may apply for the Debenture(s) must be in the prescribed Application Form and be completed in BLOCK LETTERS in English as per the instructions contained therein. The minimum number of Debentures that can be applied for and the multiples thereof shall be set out in the relevant Application Form. Application forms should be duly completed in all respects and applications not completed in the said manner are liable to be rejected. The name of the applicant's bank, type of account and account number must be duly completed by the applicant. This is required for the applicant's own safety and these details will be printed on the refund orders and interest/ redemption warrants.

Application Forms must be accompanied by either a demand draft or a cheque, drawn or made payable in favour of "**SBI Cards and Payment Services Pvt. Ltd. Debenture Sub A/c**" and crossed "Account Payee only". The investor also has an option to make the payment by way of an RTGS Transfer as below:

IFSC Code - **SBIN0004079**

Beneficiary Account No.- **30179442748**

Beneficiary Account Name - SBI Cards & Payment Services Pvt Ltd Debenture Sub A/c

Bank : State Bank of India

Branch - Commercial Branch, 6th Floor, Palm Court, Gurgaon -122001

The Company will not be responsible in any manner for any delayed receipts / non-receipt of RTGS payments or cheques/drafts or applications lost in mail.

The Application Form will be made available along with the Information Memorandum. The applicant should mention their PAN at the appropriate place in the Application Form.

## **CLOSURE DATE OF ISSUE**

The Issue Closing Date is **28<sup>th</sup> March 2012**. However, the Company retains the option of keeping the Issue open beyond **28<sup>th</sup> March 2012** at its discretion, without giving prior notice to the Investors.

## **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 at the sole discretion of the Company. 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. The Company shall allot the Debentures entirely at its discretion only on the receipt of a duly completed and valid Application Form from the Investors.

## **BASIS OF ALLOTMENT**

The Company reserves the sole and absolute right to allot the Debentures to any Investor. Kindly note that those Investors, who have been contacted for making investment, should inform the Company before making the investment., The unutilised portion of the application money will be refunded to the applicant by electronic transfer to the bank account notified by the applicant. In case the cheque payable at par facility is not available, the Company reserves the right to adopt any other suitable mode of payment.

## **DEEMED DATE OF ALLOTMENT/DATE OF ALLOTMENT**

The Company proposes to keep March 28, 2012 as the Deemed Date of Allotment. All benefits relating to the Debentures will be available to the Investors from the Deemed Date of Allotment. The actual allotment of Debentures may take place on a date other than the Deemed Date of Allotment. The Company reserves the right to keep multiple Allotment date(s)/Deemed Date(s) of Allotment or allot the Debentures on multiple dates without giving any reason or giving prior notice. The Deemed Date of Allotment may be changed (advanced/postponed) by the Company at its sole and absolute discretion.

## ALLOTMENT INTIMATION

The Debentures will be allotted in dematerialized form within 7 (seven) Working Days from the Deemed Date of Allotment. The Company has made depository arrangements with the Depositories 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 Depositories Act, the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996, rules notified by the Depositories from time to time and other applicable laws and rules notified in respect thereof.**

Investors must mention their Depository Participant's name, DP-ID and beneficiary account number at the appropriate place in the Application Form. The Company shall take necessary steps to credit the Debentures Allotted to the beneficiary account of the Allottee(s), with the Depository Participant as mentioned in the Application Form, with the number of Debentures Allotted. All provisions relating to issue, allotment, transfer, transmission etc. in respect of the Debentures as prescribed under the Depositories Act will be applicable to the Debentures issued in dematerialized form. **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 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 Depository Participant. In case the information is incorrect or insufficient, the Company would not be liable for losses, if any.**

The Company shall credit the unit(s) of security(ies) in electronic form to the demat account of the Investors as per the details furnished in the Application Form.

If the Debentures are held in dematerialised form, then no action is required on the part of the Investors for redemption purposes and the redemption proceeds will be paid by cheque/fund transfer/RTGS (upon request of the Investors in the format prescribed in Annexure I) to those Investors whose names appear on the list of beneficiaries provided by the Depository to the Company. The names would be as per the Depository's records on the relevant record date fixed for the purpose of redemption. All such Debentures will be simultaneously redeemed through appropriate debit corporate action.

The 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 Deemed Date of Allotment and credit the Investors' demat account with the Investors' Depository Participant within 7 Working Days from the Deemed Date of Allotment.

The list of beneficiaries as of the relevant Record Date setting out the relevant beneficiaries' name and account number, address, bank details and depository participant's identification number will be given by the Depository to the Company. Based on the information provided above, the Company will dispatch the cheque for interest / coupon payments to the beneficiaries. If permitted, the Company may transfer payments required to be made in relation to any Debentures by electronic transfer of funds/RTGS (upon the request of the Investors in the format prescribed in Annexure I) , to the bank account of the Debentureholders for redemption and interest/ coupon payments.

However, for the Debentures that are rematerialized and held in physical form, the Company will issue one certificate to the relevant Debentureholder for the aggregate amount of the Debentures that are rematerialized and held by such Debentureholder (each such certificate a "**Consolidated Debenture Certificate**"). In respect of the Consolidated Debenture Certificate(s), the Company will, upon receipt of a request from the Debentureholder within 30 days of such request, split such Consolidated Debenture Certificates into smaller denominations in accordance with the Articles of Association, subject to a minimum denomination of one Debenture. No fees will be charged for splitting any Consolidated Debenture Certificates but, stamp duty, if payable, will be paid by the Debentureholder. The request to split a Consolidated Debenture Certificate shall be accompanied by the original Consolidated Debenture Certificate which will, upon issuance of the split Consolidated Debenture Certificate, be cancelled by the Company.

## **Refunds**

For applicants whose applications have been rejected or allotted in part, refund orders will be dispatched within 7 Working Days from the Deemed Date of Allotment of the Debentures.

In case the Company has received money from applicants for Debentures in excess of the aggregate of the application money relating to the Debentures in respect of which Allotments have been made, the Company shall repay the moneys to the extent of such excess, if any.

## **TRANSFER/TRANSMISSION**

The Debentures shall be transferred and/ or transmitted in accordance with the applicable provisions of the Companies Act and other applicable laws. The provisions relating to transfer, transmission and other related matters in respect of shares of the Issuer contained in the Articles of Association and the Companies Act shall apply, mutatis mutandis (to the extent applicable to the Debentures), to the Debentures as well. . Transfer of Debentures to and from FIIs/NRIs/OCBs in case they seek to hold the Debentures and are eligible to do so, will be governed by then prevailing applicable Indian laws including without limitation the Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder. Further, the Debentureholders 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 RBI Act, any sale, transfer, assignment of any Debenture to any "body corporate" to which Section 372A of the Companies Act applies or is deemed applicable, may be in contravention of the provisions of Section 372A of the Companies 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 Debentures held in dematerialised form shall be transferred subject to and in accordance with the rules/ procedures as prescribed by NSDL and CDSL and the relevant Depository Participant's of the transferor or transferee and any other applicable laws and rules notified in respect thereof. The transferee(s) should ensure that the transfer formalities are completed prior to the Record Date. In the absence of the same, any payments will be paid to the person, whose name appears in the Register of Debentureholders maintained by the Depository under all circumstances. In cases where the transfer formalities have not been completed by the transferor, claims, if any, by the transferees would need to be settled with the transferor(s) and not with the Issuer. The normal procedure followed for transfer of securities held in dematerialized form shall be followed for transfer of these Debentures held in electronic form. The seller should give delivery instructions containing details of the buyer's Depository Participant's account to his Depository Participant. Investors may note that subject to applicable law, the Debentures of the Issuer would be issued in dematerialised form only.

The Company confirms that the forms of transfer and transmission set out herein are common forms of transfer as applicable to all debentures issued by the Company.

## **Title**

In case of:

- 1) Debentures held in the dematerialized form, the person for the time being appearing in the register of Beneficial Owners maintained by the Depositories; and

- 2) Debentures held in physical form, the person for the time being appearing in the Register of Debentureholders as Debentureholder,

shall be treated for all purposes by the Issuer, the Debenture Trustee, the Depositories and all other persons dealing with such person as the holder thereof and its absolute owner for all purposes whether or not it is overdue and regardless of any notice of ownership, trust or any interest in it or any writing on, theft or loss of the Consolidated Debenture Certificate issued in respect of the Debentures and no person will be liable for so treating the Debentureholder.

### **PAYMENT OF INTEREST ON APPLICATION MONEY**

Interest on application money (subject to deduction of tax at source) will be paid to the applicants at the rate of **9.85% p.a.** Such interest shall be paid for the period commencing from the date of realization of subscription moneys by way of cheque(s) / draft(s)/RTGS inflow (upon request of the Investors in the format prescribed in Annexure I) (date of crediting "SBI Cards and Payment Services Pvt. Ltd. Debenture Sub A/c" – A/c No. **30179442748** with State Bank of India, Palm Court, Gurgaon -122001) up to one day prior to the Deemed Date of Allotment. The interest on application money, if any, will be credited by way of RTGS (upon request of the Investors in the format prescribed in Annexure I) within 7 Working Days from the Deemed Date of Allotment. If the Deemed Date of Allotment is same as the Issue Closing Date no such interest will be payable on the application money.

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 and the Company shall ensure adequate funds for the same. Interest will be computed at the rate of **9.85% p.a.** on refundable application money from the date of realization of cheque/draft/RTGS inflow (upon request of the Investors in the format prescribed in Annexure I) (date of crediting "SBI Cards and Payment Services Pvt. Ltd. Debenture Sub A/c" – A/c No. **30179442748** with State Bank of India, Palm Court, Gurgaon -122001) to the date of dispatch by the Company.

The interest on application money will be computed on 365 days a year basis as per the formula below:

$$\text{Outstanding principal} \times \text{the per annum coupon rate} \times \text{actual number of days} / 365$$

### **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 & Payment Services Pvt Ltd Debenture Sub A/c

Bank : State Bank of India  
Branch - Commercial Branch, 6th Floor, Palm Court, Gurgaon -122001

## RECORD DATE

This will be the 11th calendar day prior to the Interest Payment Date/ Principal Repayment Date. The list of Beneficial Owner(s) provided by the Depositories 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.

## PAYMENT OF INTEREST ON ALLOTTED DEBENTURE(S)

Interest on the face value of the Debentures outstanding (subject to deduction of tax at source at the prescribed rates prevailing from time to time under the IT Act or any statutory modification or re-enactment thereof for the time being in force) shall be due from the Deemed Date of Allotment upto the Maturity Date and will be paid annually and at maturity. The first interest period is defined as the actual number of days falling between the Deemed Date of Allotment to 12 months from the Deemed Date of Allotment. The second and subsequent interest period (except the last interest period) is defined as the actual number of days in a year between previous interest payment date and 12 months from the previous Interest Payment Date. The last interest payment would be made on the Maturity Date along with the redemption of principal amount of the Debentures.

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.

Interest warrant(s)/cheque(s)/payorder(s) will be mailed or funds will be transferred by way of RTGS (upon request of the Investors in the format prescribed in Annexure I) to those Debentureholders whose name(s) appear in the Register of Debentureholders (or to the first holder in case of joint holders) as on the Record Date fixed by the Company for this purpose and/or to the Beneficial Owner(s) whose names appear on the list of Beneficial Owners as on the Record Date, provided to the Company by the Depositories. However, in case the list of Beneficial Owner(s) as at Record Date is not available from the Depositories 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 Date from Interest Payment Date upto 1 day prior to actual payment date (both days included).

Investors may also request for payment of interest by way of a RTGS transfer. In such case, the Investor will have to request the Company by way of an application, the format of which is provided as Annexure I of this Information Memorandum.

**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 redemption on maturity of Debenture(s), whichever is earlier.

The Company agrees that it will not forfeit unclaimed interest before the claim becomes barred by law and that such forfeiture, when effected, may be annulled if so decided by the Company.

In case of default in payment of interest on their respective due dates, the Company shall pay liquidated damages for the period of default.

### **EFFECT OF HOLIDAYS**

Should any of the dates including without limitation the Deemed Date of Allotment, the Interest Payment Date or Maturity Date or Record Date, as defined in this Information Memorandum, fall on a day which is a not Working Day, the immediately succeeding Working Day shall be considered as the effective date(s) for that payment.

### **LISTING**

The Company does not propose to list these Debentures on any recognized stock exchange in India.

### **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.

### **PAYMENTS AT PAR**

Payment of the principal, all interest and other monies will be made to the Debentureholders whose name(s) appear in the Register of Debentureholders (or to the first holder in case of joint holders) as on the Record Date fixed by the Company for this purpose and/or to the Beneficial Owner(s) whose names appear on the list of Beneficial Owners as on the Record Date, provided to the Company by the Depositories. Such payments shall be made by cheque or warrant drawn by the Company on its bankers or funds will be transferred by way of RTGS (upon request of the Investors in the format prescribed in Annexure I).

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 either Delhi or Mumbai to receive the redemption / interests warrant payable at that location otherwise their application is liable to be rejected.

The Company upon request from the Investor, as stated above, may make the Interest and Principal payment through RTGS.

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

**Purchase and Resale of Debentures:** Subject to the requirement prescribed by the NBFC-ND Prudential Norms, the Company will have the power, as provided for under the Companies Act and other applicable Indian laws exercisable at its absolute discretion from time to time to repurchase some or all the Debenture(s) at any time prior to the specified Maturity Date. This right doesn't construe a call option. The Company may, at its discretion, purchase the Debentures under this Issue at discount, at par or premium from the Debentureholders. Such Debentures may, at the option of the Company, be cancelled, held or resold at such a price and on such terms and conditions as the Company may deem fit and as permitted by applicable Indian laws.

**Re-issue of Debentures:** Where the Company has bought back redeemed any such Debentures in accordance with the NBFC-ND Prudential Norms, subject to the provisions of Section 121 of the Companies Act and other applicable legal 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 reissue such Debentures either by reissuing the same Debentures or by issuing other Debentures in their place in either case, at such a price and on such terms and conditions (including any variations, dropping of or additions to any terms and conditions originally stipulated) as the Company may deem fit.

## **SECURITY**

In accordance with the NBFC-ND Prudential Norms, the Debentures are being issued on an unsecured basis.

## **STATUS AND RANKING OF THE DEBENTURES**

The Debentures shall constitute direct, unsecured and subordinated obligations of the Company and the claims of the Investors shall be:

- (a) superior to the claims of the investors in instruments eligible for inclusion in Tier I capital of the Company;
- (b) pari passu with each other and with any parity securities of the Company ; and
- (c) subordinated to the claims of all other Senior Creditors of the Company.

For the purpose of this clause, "parity securities" shall mean: (i) any security issued by the Issuer which ranks pari passu with the Debentures.

## **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 DEBENTUREHOLDERS 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) who hold at least three fourth of the outstanding amount of the Debentures or by a Special Resolution passed at the meeting of the Debentureholders passed at a meeting of Debentureholders provided that nothing in such consent or resolution shall be operative against the Company where such consent or resolution modifies or varies the terms and conditions governing the Debenture(s) if the same are not acceptable to the Company.

## **ISSUE OF DEBENTURE(S)**

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 the Depositories in this behalf.

## **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.

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.

## **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 March 28,2012

<b>Due Date / Date of Payment</b>	<b>Type of Payment</b>	<b>Amount</b>
28 March,2013	Interest Payment 1	Rs. 98,500/-

28 March,2014	Interest Payment 2	Rs. 98,500/-
28 March,2015	Interest Payment 3	Rs. 98,500/-
28 March,2016	Interest Payment 4	Rs. 98,500/-
28 March,2017	Interest Payment 5	Rs. 98,500/-
28 March,2018	Interest Payment 6	Rs. 98,500/-
28 March,2019	Interest Payment 7	Rs. 98,500/-
28 March,2019	Principal Repayment	Rs.10,00,000/-

Rs. 98,500/- is the total interest payable for the relevant “Interest Period” (subject to tax deduction at source as applicable).

### **REDEMPTION ON MATURITY OF DEBENTURE(S)**

The Debenture(s) shall be redeemed at par in one installment at the end of seven **years** from the Deemed Date 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 or funds will be transferred by way of RTGS (upon request of the Investors in the format prescribed in Annexure I) to the Debentureholders whose name(s) appear in the Register of Debentureholders (or to the first holder in case of joint holders) as on the Record Date fixed by the Company for this purpose and/or to the Beneficial Owner(s) whose names appear on the list of Beneficial Owners as on the Record Date, provided to the Company by the Depositories..

The Debentures shall be taken as discharged on payment of the principal amount by the Company to the beneficiaries as per the list of Beneficial Owners by making payment electronically to the bank account notified by the Debentureholders. Such payment will be a legal discharge of the liability of the Issuer towards the Debentureholders. On such payment being made, the Company will inform the Depositories and accordingly the account of the Debentureholders with Depositories will be adjusted. In case of cheque issued towards redemption proceeds, the same will be dispatched by courier or hand delivery or registered post at the address provided in the Application at the address as notified by Debentureholder or at the address with Depositories’ record. Once the cheque for redemption proceeds is dispatched to the Debentureholder(s) at the addresses provided or available from the Depositories record, the Company’s liability to redeem the Debentures on the date of redemption shall stand extinguished and the Issuer will not be liable to pay any interest/premium, income or compensation of any kind from the date of redemption of the Debenture(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 Depositories, 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).

In respect to the Debentures held physically under a Consolidate Debenture Certificate, payments will be made by way of cheque or pay orders or electronically. However, if the Company so requires, payments on maturity may be made on surrender of the Consolidated Debenture Certificate(s).

Upon dispatching the payment instrument towards payment of the Redemption Amount as specified above in respect of the Debentures, the liability of the Company shall stand extinguished.

Investors may also request for principal payment by way of a RTGS transfer. In such case, the investor will be required to request the Company by way of an application, the format of which is as in Annexure I.

## **DEBENTURE REDEMPTION RESERVE**

No debenture redemption reserve is being created for the present Issue. Creation of debenture redemption reserve is not required for the proposed issue of Debentures in view of General Circular No. 9/2002 dated 18th April 2002 issued by the Department of Company Affairs, Ministry of Law, Justice and Company Affairs which clarified that NBFCs need not create a debenture redemption reserve as specified under Section 117C of the Companies Act, in respect of privately placed debentures.

## **TAX DEDUCTION AT SOURCE**

Tax as applicable under the IT Act will be deducted at source. Tax exemption Certificate/Document, under Section 195(3) or Section 197(1) of the Income Tax Act, 1961, if any, must be lodged at the office of the Company before the record date. **Tax exemption certificate for interest on application money, if any, should be lodged along with the Application Form.**

## **FUTURE BORROWINGS**

The Company shall be free to borrow or raise loans or create encumbrances or avail financial assistance in whatever form, as also issue promissory notes or debentures or guarantees or indemnities or other securities in any manner with ranking as pari passu basis or otherwise or to change its capital structure, including issue of shares of any class or redemption or reduction of any class of paid up capital on such terms and conditions as the Company may think appropriate, without the consent of, or intimation to, the Debenture holders and/or the Debenture Trustee in this connection.

## TRUSTEES

M/s Axis Trustee Services Limited (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 and any acts, deeds and things necessary in respect of or relating to 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).

All Investors are deemed to have irrevocably given their authority and consent to Axis Trustee Services Limited to act as their Debenture Trustee and for doing such acts and signing such documents to carry out their duty in such capacity. Any payment by the Company to the Debenture Trustee on behalf of the Debentureholders shall discharge the Company pro tanto to the Debentureholders. The Debenture Trustee shall carry out its duties and shall perform its functions under the applicable Indian laws and regulations and this Information Memorandum, with due care, diligence and loyalty. Resignation/retirement of the Debenture Trustee shall be as per terms of the **Debenture Trusteeship Agreement** entered into between the Company and the Debenture Trustee and a notice in writing to the Debentureholders shall be provided for the same.

The Debenture Trustee will protect the interest of the Debentureholders on the occurrence of an event of default by the Company in regard to timely payment of interest and repayment of principal and they will take necessary action at the Company's cost as provided in the **Debenture Trusteeship Agreement** to be entered into between the Company and the Trustee. The major events of default which happen and continue without being remedied for a period of 30 days after the dates on which the monies specified in (i) and (ii) below become due and will necessitate repayment before stated maturity are as follows:

- (i) Default in payment of monies due in respect of interest/principal owing upon the Debentures; and
- (ii) Default in payment of any other monies including costs, charges and expenses incurred by the Trustees.

Other events of default are:

- (a) Default is committed in the performance or observance of any covenant, condition or provision contained in these presents and/or the financial Covenants and terms and conditions (other than the obligation to pay principal and interest) and, except where

the Trustees certify that such default is in their opinion incapable of remedy (in which case no notice shall be required), such default continues for 60 days after written notice has been given thereof by the Trustees to the Company requiring the same to be remedied; and

- (b) The Company has voluntarily become the subject of proceedings under any bankruptcy, insolvency or other similar law or hereafter in effect, or the Company is voluntarily or involuntarily dissolved and a court having jurisdiction in the premise shall enter a decree or order for relief in respect of the Company and such decree or order shall remain unstayed and in effect for a period of 60 consecutive days or has consented to the entry of an order for relief in an involuntary case under any such laws, or shall consent to the appointment of or taking possession by a receiver, liquidator, trustee, custodian or similar official of the Company or for any substantial part of its property or has made any general assignment for the benefit of the creditors, or has failed generally to pay its debts as they become due or shall take any corporate action in furtherance of any of the above.

## **REGISTRAR TO THE ISSUE**

Zuari Investments Limited (an associate of Zuari – Chambal), having its registered office at Jaikisaan Bhawan, Zuari Nagar, Goa-403726 has been appointed as the registrar to the issue (the “**Registrar**” or “**Registrar to the Issue**”) pursuant to the registrar to the issue agreement/letter with Zuari Investments Limited. The details of the Registrar are as follows:

Zuari Investments Limited  
(An Associate of Zuari-Chambal)  
First Floor, 5 Commercial Centre,  
Jasola, New Delhi-110025  
Phone: 91-11-46581300/41697900  
Fax: 91-11-40638679

## **OBLIGATIONS OF INVESTORS**

Notwithstanding anything contained hereinabove, every potential Investor/ Investor of the Debentures must read, understand and accept, and shall be deemed to have read, understood and accepted, the terms and conditions of this Information Memorandum to investing in the Debentures. As a Debentureholder, every initial investor undertakes by virtue of this Information Memorandum, that if the initial Investor as the Debenture Holder sells the Debentures to subsequent Investors, the initial Investor as the Debenture Holder shall ensure that such subsequent Investors receive from the Debenture Holder, a copy of this Information Memorandum, and shall sell the Debentures to a subsequent Investor only if such subsequent investor has read, understood and accepted all the terms and conditions referred to above and is an Investor who falls within the categories specified under the section titled “Who can

apply". Any such subsequent Investor shall be deemed to have read, understood and accepted the terms and conditions in the documents referred to above prior to investing in the Debentures.

The initial subscriber by subscribing to and any subsequent purchaser by purchasing the Debentures shall be deemed to have agreed that and accordingly the Company shall be entitled to presume that each of the initial subscriber and any subsequent purchaser (Debenture Holder, as referred to hereinabove and hereinafter):

- (a) has (1) sufficient knowledge, experience and expertise as an investor, to make the investment in the Debentures; (2) not relied on either the Company or any of its affiliate, associate, holding, subsidiary or group entities (all collectively, "**SBI Cards**") or any person acting in its or their behalf ("**Agents**") for any information, advice or recommendations of any sort except as regards the accuracy of the specific factual information about the terms of the Debentures as set out in this Information Memorandum; (3) understood that information contained in this Information Memorandum, or any other document issued by the Company is not to be construed as business or investment advice; and (4) made an independent evaluation and judgment of all risks and merits before investing in the Debentures;
- (b) has understood that returns on the Debentures may be lower than prevalent market interest rates (including the amount, if any, payable on maturity, redemption, sale or disposal of the Debentures), the Debenture Holder may receive no income on the Debentures, or less income than the Debenture-holder may have expected, or obtained by investing elsewhere or in similar investments;
- (c) has understood that in the event that the Debenture Holder suffers adverse consequences or loss, the Debenture Holder shall be solely responsible for the same and the Company, SBI Cards and/or the Agents shall not be responsible, in any manner whatsoever, for any adverse consequences or loss suffered by the Debenture Holder including but not limited to on the basis of any claim that no adequate disclosure regarding the risks involved were made or that the full risks involved were not explained or understood;
- (d) has reviewed the terms and conditions applicable to the Debentures as contained in this Information Memorandum and has understood the same, and, on an independent assessment thereof, confirmed the same to be correct and, found the same acceptable for the investment made and has also reviewed the risk disclosures contained herein and has understood the risks, and determined that the Debentures are a suitable investment and that the Debenture Holder can bear the economic risk of that investment;
- (e) holds the Debentures as an investment, and has not subscribed to/purchased the Debentures on a speculative basis;

- (f) undertakes that, if the Debenture Holder sells the Debentures to subsequent Investors, the Debenture Holder shall ensure, and it is the Debenture Holder's obligation in that regard, that (1) the subsequent Investors receive the terms and conditions, risks and representations contained in this Information Memorandum and any other related document and fully understand that the Debentures are a structured product, (2) the sale to subsequent investors will be effected by the Debenture Holder only on such investors having confirmed the receipt of all of (1) above, (3) the sale and transfer of the Debentures shall be effected only in the manner stipulated;
- (g) understands that SBI Cards or their Agents or the Company or its Agents or any person acting on behalf of SBI Cards or the Company, may have an interest / position as regards the issuer of the Debentures and/or may have an existing banking relationship, financial, advisory or other relationship with them and/or may be in negotiation/discussion with them as to transactions of any kind;
- (h) has the legal ability to invest in the Debentures, and the investment does not contravene any provision of any law, regulation or contractual restriction or obligation or undertaking binding on or affecting the Debenture Holder, or its assets.

Any person selling these Debentures would be responsible for ensuring full and prior disclosure of the terms and conditions of the Debentures to the person(s) to whom they are selling these Debentures and shall sell the Debentures only if the subsequent subscriber has read, understood and accepted all the terms and conditions. The Company would presume full knowledge of the contents of this Information Memorandum and a full understanding of the Debentures, their nature and the applicable terms and conditions on the part of any person holding/buying these Debentures, and no claim to the contrary shall be entertained.

#### **APPLICATION BY PROVIDENT FUND TRUSTS, SUPER-ANNUATION TRUSTS AND GRATUITY TRUSTS**

In the case of applications made by provident fund trusts, super-annuation fund trusts and gratuity fund trusts a certified true copy of the power of attorney or any other relevant document 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 authorizing such investment 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 registered office.

#### **APPLICATIONS UNDER POWER OF ATTORNEY**

In the case of Applications made under Power of Attorney by companies (to which Section 372A of the Companies Act does not apply), registered societies trusts etc., a certified true copy of the power of attorney or the relevant authority or resolution 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 registered 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 of 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 public sector undertakings.

Certified true copies of (i) letter of authorization or board resolution authorizing the investment or power of attorney; and (ii) specimen signatures of authorized signatories must accompany the Application Form.

### **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) Tax exemption certificate, if any, issued by the tax authorities under Section 197 (1) of the IT Act for lower or NIL deduction of tax at source on the interest income.

### **APPLICATIONS BY CORPORATE BODIES/COMPANIES/FI'S/STATUTORY CORPORATIONS/NBFCs**

The applications must be accompanied by certified true copies of (i) Memorandum and Articles of Association/constitutional documents / 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) Tax exemption certificate, if any, issued by the tax authorities under Section 197 (1) of the IT Act for lower or NIL deduction of tax at source on the interest income.

## **APPLICATIONS BY MUTUAL FUNDS**

A separate application can be made in respect of each scheme of an Indian mutual fund registered with SEBI and such application would not be treated as a multiple application. Applications made by the asset management companies or custodians of an eligible SEBI registered mutual fund must clearly indicate the name of the concerned scheme for which application is being made.

The applications duly filled in shall clearly indicate the name of the concerned scheme for which the application is being made and must be accompanied by certified true copies of (i) the SEBI registration certificate and the trust deed, (ii) the resolution authorizing investment and containing operating instructions, and, (iii) specimen signatures of authorized signatories.

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

Loss (or misplacement) of letter(s) of Allotment 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/ payment instrument(s). If any letter(s) of Allotment/ 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 applicable Indian law.

## **SUCCESSION**

In the event of insolvency or winding up of a Registered Debentureholder, or the first holder in the case of joint holders, the Company will recognize the executor or administrator of the demised Debentureholder or the holder of succession certificate or other legal representative of the demised Debentureholder as the Registered Debentureholder of such Debentures, if such a person obtains probate or letter of administration or is the holder of succession certificate or other legal representation, as the case may be, from a court in India having jurisdiction over the matter and delivers a copy of the same to the Company.

The Company may in its absolute discretion, where it thinks fit, dispense with the production of the probate or letter of administration or succession certificate or other legal representation, in order to recognise such holder as being entitled to the Debentures standing in the name of the demised Debentureholder(s) on production of sufficient documentary proof or indemnity. In case a person other than individual holds the Debentures, the rights in the Debentures shall vest with the successor acquiring

interest therein, including liquidator or such any person appointed as per the applicable Indian laws.

## **NOTICES**

All notices, communications or writings 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 the Depositories.

All notices, communications or writings to the Company by the Debenture Holder(s) must be sent by registered post or by hand delivery to the Company at its Registered Office or to such person(s) at such address as may be notified by the Company from time to time and shall be deemed to have been received on actual receipt.

## **Confidentiality**

The information contained herein is submitted to each recipient of this Information Memorandum on a strictly private and confidential basis. By accepting a copy of this Information Memorandum, each recipient agrees that neither it nor any of its employees or advisors will use the information contained herein or will divulge to any other party any such information. This Information Memorandum must not be photocopied, reproduced or distributed in full or in part to any person other than the recipient without the prior written consent of the Company. If at any time, any such reproduction or distribution is made and the Company incurs any loss, damage or liability arising out of or in connection with such reproduction, the recipient of this Information Memorandum breaching the restriction on distribution or reproduction agrees to hold harmless and indemnify the Company from and against any such loss, damage or liability.

## **ANNEXURE I**

### **On the Investor's Letter Head**

[Date]

To,  
SBI Cards and Payment Services Private Limited  
Treasury,  
11th Floor, Tower C, DLF Infinity Towers  
Block 2, Building No 3  
DLF Cyber City, DLF Phase III  
Gurgaon – 122002  
Gurgaon-Haryana

Dear Sir,

With reference to our investments in the debt program (Debenture Series / Tranche No.) of SBI Cards and Payment Services Private Limited, we confirm that we have read and understood the contents of the Information Memorandum issued by you.

Further, in relation to the same, we hereby authorize you to make the payment towards principal, interest or any other amount due to us, as per below mentioned bank account details, through RTGS payment mode of Reserve Bank of India:

Beneficiary Name:  
Bank Account No:  
Bank Account Type:  
IFSC Code:  
Bank Name:  
Bank Branch & Address

We hereby agree to be bound by the following conditions:

- We shall be responsible for the accuracy and completeness of the above-mentioned particulars and shall be liable and responsible for any loss or damage arising on account of any errors in the same.
- We shall indemnify you for all the acts or actions undertaken in a bona fide manner and in good faith on our instructions presumed to be proper and correct.
- We undertake to make good all the expenses and losses incurred by you on account of instructions presumed to be proper and correct. For the sake of clarity it is hereby agreed that we shall undertake to make good the payment or charges incurred by you

in regard to an incorrect instruction issued by us and any charges incurred by you in regard to duplicate transmission of the message.

- We undertake that you shall not be liable for any loss, delay, error, omission which may occur in the transmission of the message or for its misinterpretation when received or any delay caused by RTGS system or any act, default or negligence of beneficiary's Bank in collecting the remittance.
- While the charges levied by the remitting bank shall be borne by you, we will bear and be responsible for any charges levied by beneficiary's bank in collecting the remittance.
- You reserve the right to make the payment through other modes as well i.e. cheque/pay order/ account transfer / any other instrument as per your discretion.

For: [Investor's Legal Entity Name]

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Authorized Signatories

## ANNEXURE II

### APPLICATION FORM

#### **SBI Cards and Payment Services Private Limited (SBI Cards)**

#### **SBI CARDS DEBENTURE SERIES-03**

#### **INSTRUCTIONS FOR APPLICATION**

1. Application Forms must be completed in the BLOCK LETTERS IN ENGLISH. A blank space must be left between two or more parts of the name.
2. Signatures should be made in English or in any of the Indian languages. Signatures in a language other than English and thumb impressions must be attested by an authorized official of a bank or by a Magistrate /Notary Public under his/ her official seal.
3. Minimum Application shall be for one debenture (Application amount Rs. 10,00,000/-); there after the application shall be in the multiples of 1 debenture. Full face value of the debenture has to be paid along with the application.
4. Cheques / drafts must be made in the favour of **"SBI Cards and Payment Services Pvt. Ltd. Debenture Sub A/c"** – No. **30179442748** and crossed "Account payee Only". Payments may also be made in RTGS mode. The details for making payments through RTGS are as under:

**RTGS Details of "SBI Cards and Payment Services Pvt. Ltd. Debenture Sub A/c" – No. 30179442748 with State Bank of India**

IFSC Code - SBIN0004079

Beneficiary Account No.- 30179442748

Beneficiary Account Name - SBI Cards & Payment Services Pvt Ltd Debenture Sub A/c

Bank: State Bank of India

Branch - Commercial Branch, 6th Floor, Palm Court, Gurgaon -122001

5. Cash, Stock Invest, Outstation cheques, Money orders or Postal orders will not be accepted.
6. Applicants should mention their permanent account number or the GIR Number allotted under the Income Tax Act 1961 and also the Income-Tax Circle /Ward/ District. In case where neither the PAN nor GIR number has been allotted the

reasons for the same should be intimated separately along with the Application Form. Applications without this information are liable to be rejected.

7. In order to complete the application the Application Form needs to be accompanied with all relevant documents as indicated elsewhere in this private placement document. All documents submitted need to be in original or certified to be true by a Notary Public or Company Secretary.
8. Investors are advised to mention their Phone and / or Fax Number and Email ID in the Application Form. Any Application Form without these details will be considered as incomplete and is liable to be rejected.
9. The Application(s) should be sent in Original at the following Address:

**SBI Cards & Payment Services Private Limited**  
**Investor Services Cell**  
**Amit Gupta**  
**11<sup>th</sup> Floor, Tower C, DLF Infinity Towers,**  
**Block 2, Building No. 3, DLF Cyber City,**  
**Gurgaon-122002**  
**Phone # 91 124 3992734**  
**Fax # 91 124 3992707**

10. The Application(s) would be scrutinized and accepted as per the Terms and Conditions of the Private Placement.
11. 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. An Application, which is not complete in all aspects, is liable to be rejected.
12. Investors are requested to contact the office of the Company, as mentioned earlier for any clarifications.
13. An applicant has to seek allotment of Debenture(s) in Electronic (Dematerialised) Form only.
  - a. An applicant must have at least one beneficiary account with any of the Depository Participants (DP) of NSDL / CDSL at the time of making the Application;
  - b. The applicant 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 (Dematerialised) Form***"

- c. Applicants must indicate in the Application Form, the number of debentures applied for.
- d. Debentures allotted to an applicant in the Electronic (Dematerialised) Form will be credited directly to its beneficiary account (with the DP of NSDL / CDSL, as specified in the Application Form).
- e. For subscription in Electronic (Dematerialised) Form, name in the Application Form should be the same as that appearing in the account details with the Depository Participant of NSDL / CDSL.
- f. The Company will directly send non-transferable/ non-tradable Allotment Intimation/refund order to the applicant.
- g. If incomplete/incorrect details are given under the heading "Request for Debenture(s) in Electronic (Dematerialised) Form" in the Application Form, Debentures will be issued in Physical Form to such investors.
- h. The applicant is responsible for the correctness of its demographic 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.
- i. Applicant(s) must indicate in the Application Form, whether they are House/Non House Beneficiary as defined by the depository.

**Note: This Debenture Issue is being made by *SBI Cards & 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 to whom a copy of this Information Memorandum is sent alone is entitled to apply for the Debenture(s)**

**SBI CARDS & PAYMENT SERVICES PRIVATE LIMITED - DEBENTURE SERIES-03**

**APPLICATION FORM**

<b>FOR OFFICE USE ONLY</b>	
DATE OF RECEIPT	SERIAL NO. 0001

**To, The Board of Directors, SBI Cards & Payment Services Private Limited**

**I/We hereby apply for the applicable number of Non-Convertible Debentures. Please place my/our name(s) on the Register of Debenture Holders / Beneficial Owners List, as the case may be.**

DEBENTURE (S) APPLIED FOR (Minimum Application amount Rs. 10,00,000/- and in multiples of Rs. 10,00,000/- thereafter)

Number of Debenture(s)	(in figures)	(in words)
Total Amount	(in figures)	(in words)

RTGS/NEFT Number \_\_\_\_\_ Date \_\_\_\_\_

Bank &  
Address of  
Bank

Cheque/DD Number \_\_\_\_\_ Date \_\_\_\_\_

Drawn on  
(Name &  
Brief Address  
of Bank)

TOTAL AMOUNT (Rs. In Figures) \_\_\_\_\_ (Rupees In Words) \_\_\_\_\_

Investors are required to note the following:

- The present issue of Debenture(s) has been rated as AAA/stable by CRISIL & ICRA (Indicates highest safety with regard to timely servicing of financial obligations. Such instruments carry lowest credit risk)
  - In case of non-repayment of the Debenture(s) or part thereof as per the terms and conditions of such Debenture(s), the depositor may approach the Northern Bench of Company Law Board whose full address is given here: Company Law Board, Ministry of Law, Justice & Company affairs, 3<sup>rd</sup> Floor, B-Block, Paryavaran Bhawan, CGO Complex, New Delhi - 110 003.
  - In case of any deficiency of the Company in servicing its Debenture, the Debenture Holder(s) may approach the National Consumer Redressal Forum, the State Level Consumer Redressal Forum or the District Level Consumer Redressal Forum for relief.
  - The financial position of the Company as disclosed and the statements made in the Information Memorandum of which this Application Form is a part, are true and correct. The Company and its Board of directors, are responsible for the correctness and veracity thereof.
  - The financial activities of the Company are regulated by Reserve Bank of India. It must, however, be distinctly understood that Reserve Bank of India does not undertake any responsibility for the financial soundness of the Company or for the correctness of any of the statements or the representations made or opinions expressed by the Company and for repayment of Debenture(s)/discharge of liabilities by the Company.
- I/We have gone through the financials and other declarations furnished by the Company and after careful consideration I/We am/are making the Application for allotment of Debenture(s) with the Company at my own risk and volition.

FIRST APPLICANT'S NAME IN FULL (IN CAPITALS)	
--	--

ADDRESS	
Email :	PHONE FAX CITY PIN Code

APPLICANT'S PAN OR GIR NO \_\_\_\_\_ IT CIRCLE/ WARD/ DISTRICT \_\_\_\_\_

WE ARE ☒ FI ☐ MUTUAL FUND ☐ BANK ☐ COMPANY ☐ OTHERS. ☐ Please Specify \_\_\_\_\_

**TAX STATUS** ☒ NON EXEMPT ☐ EXEMPT (IF EXEMPT, PLEASE PROVIDE SUPPORTING DOCUMENTS - SEE OFFER DOCUMENT)

**REQUEST FOR DEBENTURES IN ELECTRONIC (DEMATERIALIZED) FORM:**

I/We the undersigned want delivery of Series 03 Debentures, in the Electronic (Dematerialized) Form. The details of my/our Beneficiary (Demat) account are given below:

Depository Name	<input type="checkbox"/> NSDL <input type="checkbox"/> CDSL
Depository Participant Name	
DP – ID	
Client ID	
Beneficiary Account Number	

I/we understand that: 1) In case of allotment of Debenture(s) to me/us, my/our Beneficiary Account as Mentioned on the left hand side would get credited to the extent of allotted Debenture(s),  
 2) In case of Allotment of Debenture(s) to me/us, if Debenture(s) cannot be credited to my/our Beneficiary Account for any reasons whatsoever, I/we will be given Physical certificate(s), and  
 3) If the names of Applicants in this Application are not identical and also in the same order with the Beneficiary Account Details with the mentioned DP, only Physical certificate(s) will be issued

**Dated: March 22, 2012**  
**Information Memorandum**

I/We have read and understood the Terms and Conditions of the Private Placement thereof. I/We bind ourselves to these Terms and Conditions and apply for allotment of Debenture(s) by putting my/our signature(s) in the boxes above.

**SBI CARDS & PAYMENT SERVICES PRIVATE LIMITED - DEBENTURE SERIES-03**

Received from \_\_\_\_\_  
 Address \_\_\_\_\_  
 Cheque / Draft / UTR# \_\_\_\_\_ Drawn on \_\_\_\_\_  
 for Rs. \_\_\_\_\_ (in figures) Rs. \_\_\_\_\_ (in words)  
 on account of Application of \_\_\_\_\_ Debenture(s) in Electronic (Dematerialised) Form

**For all further correspondence please contact:**  
SBI Cards & Payment Services Private Limited  
Investor Services Cell  
Amit Gupta  
11<sup>th</sup> Floor, Tower C, DLF Infinity Towers,  
Block 2, Building No. 3, DLF Cyber City,  
Gurgaon-122002  
Phone # 91 124 3992734  
Fax # 91 124 3992707

(Note: Cheques and Drafts are subject to realization)