

12 June 2014

Manager, Surveillance & Supervision BSE Ltd 25 th Floor, P J Towers, Dalal Street Mumbai 400 001	National Stock Exchange of India Exchange Plaza Bandra-Kurla Complex, Bandra (E) Mumbai 400 051
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Dear Sirs,

Sub : **News-item regarding subsidiary company i.e. Bajaj Finance Ltd**

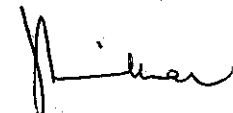
This is with reference to the new-item that appeared in Economic Times of today in connection with our subsidiary company Bajaj Finance Limited.

In this connection, copy of the reply given by Bajaj Finance Limited is enclosed.

This may be taken on record.

Thanking you,

Yours faithfully,
for Bajaj Finserv Limited,



J Sridhar
Authorised Signatory

Bajaj Finserv Limited

Corporate Office: 6th Floor, Bajaj Finserv Corporate Office, Off Pune-Ahmednagar Road,
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Corporate ID No: L65923PN2007PLC130075

SEC/BM/2014/314

12 June 2014

THE MANAGER,
LISTING DEPARTMENT
NATIONAL STOCK EXCHANGE OF INDIA LTD.
EXCHANGE PLAZA, C-1. BLOCK G,
BANDRA - KURLA COMPLEX, BANDRA (EAST),
MUMBAI - 400 051

Dear Sirs,

Ref.: BAJFINANCE - EQ

This has reference to the news article which has appeared in The Economic Times dated 12th June 2014.

The company based on a recent whistleblower complaint, had identified fraudulent connivance between a few senior employees and some delinquent customers in its Mortgage business. This resulted in manipulation of a few customer EMI payments and consequent mis-reporting of delinquencies. The early detection and quick investigation carried by the company has resulted in the incidence having no material financial loss.

The RBI NPA provisioning standards require NBFCs to provision at 180 DPD. Based on RBI norms, there is a Rs. 15 Lacs provision to be made on account of this event; however, the gross and net NPA remains unchanged. Since, the company maintains a more stringent provisioning policy over RBI norms, an additional provision of up to Rs. 5 Crores may be required in the current quarter.

Post the investigation, the company has separated with concerned employees.

For good order sake, the company has conducted a rapid portfolio review across all its other SME businesses and has not found anything adverse.

Kindly acknowledge receipt of this letter.

Thanking you,

Yours faithfully,
For **BAJAJ FINANCE LIMITED**


ANANT DAMLE
COMPANY SECRETARY**Bajaj Finance Limited**

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