Utkarsh Small Finance Bank

USFB/CAL/FIN/FY2017-18/005/

September 12, 2017

M/s Satin Creditcare Network Limited
5th Floor, Kundan Bhawan Azadpur Commercial Complex,
Azadpur, New Delhi-110033

For Kind Atten: Mr. Mr. Harvinder Pal Singh, Chairman cum Managing Director

Dear Sir,

Subject: **Terms for ₹ 20.0 crore Non-Convertible Secured Redeemable Rated Listed Debentures**

With reference to your request for investment in the captioned instrument, we are pleased to advise that UTKARSH Small Finance Bank Limited ("the Bank" or "the Lender") has agreed / sanctioned to invest in the captioned instrument issued by M/s Satin Creditcare Network Limited ("borrower") on the main terms and conditions set out below and other terms and conditions as may be incorporated in the Transaction Documents.

Issuer/Company	M/s Satin Creditcare Network Limited
NCD Holder / Subscriber	M/s Utkarsh Small Finance Bank Limited
Amount/Issuance Size	₹ 200,000,000 (₹ 20 Crore only)
Issue price	At par
Security	Security coverage to be maintained at 100% of the principal outstanding. Security creation and registration required as per the applicable regulations. Reporting of loan receivables on quarterly ~~monthly~~ basis.
Face value per Debenture	₹ 10,00,000 (₹ Ten Lakh Only)
Issue Price	₹ 10,00,000 (₹ Ten Lakh Only)
Deemed date of allotment	September 20, 2017

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Rating	CARE BBB / CARE BBB+
Tenor	24 months from the deemed date of allotment
Maturity Date / Terminal Date	September 20, 2019
Put/Call Option Date	One year from the deemed date of allotment
Interest Rate/Coupon Rate	13.50% coupon, payable monthly
Processing Fee	0.25% payable upfront
Repayment	Bullet on termination date
Debenture Trustee	Catalyst Trusteeship Limited
Arranger	NIL
Rating Agency	CARE Ratings Limited
Legal Counsel	Phoenix Legal
Issuance	Rated, Listed, Secured, Redeemable, Non-Convertible Debentures ("NCDs" or "Debentures")
Registrar & Transfer Agent	Karvy Computershare Pvt. Ltd.
Depository	NSDL/CDSL
Issuance mode	Dematerialized, Private Placement
Trading mode	Dematerialized
Listing	The NCDs are proposed to be listed on the Bombay Stock Exchange ("BSE") / National Stock Exchange ('NSE") within 20 calendar days of the Deemed Date of Allotment In case of a delay by the Issuer in listing the Debentures beyond 20 (Twenty) days from the Deemed Date of Allotment the Issuer shall make payment the Debenture Holders of penal interest calculated on the face value of the Debentures at the rate of minimum of 5% (five Percent) p.a. over the Coupon Rate and the debenture holder shall have the right to recall the entire amount.

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Business Day Convention	If any interest payment date falls on a day which is not a Business Day ('Business Day' being a day on which Commercial Banks are open for) then payment of interest will be made on the next working day. If the maturity date of the debt securities, falls on a Sunday or a holiday, the redemption proceeds shall be paid on the previous working day.
Record Date	3 (three) Business Days prior to each coupon payment date and redemption date.
End Use	The proceeds of the issue will be utilized towards present and future business activities in the normal course by the company and for augmenting Medium to Long Term resources of the Company. No part of the proceeds of the Debentures would be utilized by the Issuer directly/indirectly towards Capital markets. Hence the subscription to the current NCD issue would not be considered /treated as capital market exposure.
Interest Type	Fixed
Default Interest Rate	• In case of default in payment of interest and / or principal redemption on the due dates, additional interest @ 2% p.a. over the Coupon Rate will be payable by the Issuer for the defaulting period. • In case of default by the Issuer in the performance of any of the covenants of this Issuance, including but not limited to the financial covenants of this Issuance, additional interest @ 2% p.a. over the Coupon Rate will be payable by the Issuer for the defaulting period
Financial Covenants	1. The capital adequacy ratio (as defined in NBFC Regulations and SFB guidelines) shall be above 15% at all point in time. 2. Portfolio at Risk above 90 days ≤ 15.00% till Dec 2017 and ≤ 10% thereafter.

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	The covenants shall be certified by the Company within 30 (thirty) calendar days from the end of each financial quarter.
Transaction Costs	Any issue related expenses including rating, legal, trustee, stamp duty and other costs associated with the NCD issuance will be borne by the issuer
Taxes, Duties, Costs and Expenses	Relevant taxes, duties and levies are to be borne by the Issuer. The charges / fees and any amounts payable under this Debentures by the Issuer as mentioned herein do not include any applicable taxes, levies including service tax etc. and all such impositions shall be borne by the Issuer additionally.

Yours faithfully,

UTKARSH SMALL FINANCE BANK LIMITED

UTKARSH SMALL FINANCE BANK LTD.

Abhisheka Kumar

AUTHORISED SIGNATORY

Abhisheka Kumar
Authorized Signatory

We, **M/s Satin Creditcare Network Limited** confirm acceptance of the above terms and conditions:

For and on behalf of M/s Satin Creditcare Network Limited

For Satin Creditcare Network Ltd.

Authorised Signatory

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Director/s / Authorised Signatory
[Please sign on the preceding pages as well]

Date:

Place:

UTKARSH SMALL FINANCE BANK LIMITED *