

TERM SHEET

Broad terms of the Issue

Security Name	10.20% Secured Senior Rated Listed Redeemable Non-Convertible Debentures
Issuer	Satin Creditcare Network Limited (SCNL/Issuer/ Company)
Type of Instrument	Secured Senior Rated Listed Redeemable Non-Convertible Debentures (NCDs/ Debentures)
Nature of the Instrument	Secured
Seniority	Senior
Mode of Issue	Private placement
Objects & Details of the utilization of the Proceeds	<ul style="list-style-type: none"> The Issue proceeds will be utilized to meet funding requirements of the Issuer for on-lending purposes The Issuer undertakes that no part of the proceeds of the Debentures shall be utilized by the Company directly or indirectly towards capital markets (including equity, debt, debt linked and equity linked instruments or any other capital market activities), any speculative purposes, land acquisition or usages that are restricted for bank financing, any activity in the 'Exclusion List' (as such term shall be defined under the Transaction Documents) or investment in the real estate sector. The proceeds of the NCD shall not be used for any purpose, which may be in contravention of the government/RBI/SEBI/Other regulatory guidelines.
Rating of Instrument	<p>"ICRA/CARE A-"</p> <p><i>The Issuer/Investor(s) reserves the right to obtain an additional credit rating from any SEBI registered Credit Rating Agency for full or part of the issue size, as it may deem fit, which shall be at least equivalent to the prevailing credit rating to the issue</i></p>
Debenture Trustee	Catalyst Trusteeship Limited
Registrar & Transfer Agent	KFIN Technologies Private Limited
Eligible Investors	As mentioned in the Disclosure Document under captioned "Eligible Investor"
Tranche /Issue Size	Rs. 50,00,00,000/- (Rupees Fifty Crores only)
Face Value	Rs. 10,00,000/- (Rupees Ten Lakhs only) per Debenture
Issue Price	Rs. 10,00,000/- (Rupees Ten Lakhs only) per Debenture
Tenor	18 Months from the Deemed Date of Allotment
Coupon Type	Fixed
Coupon Rate	10.20% p.a. payable semi annually
Coupon Payment Frequency	Semi Annual and on Redemption
Coupon Payment dates	<p>The Coupon shall be payable on annual basis from the Deemed Date of Allotment and on Redemption as mentioned below subject to Business Day Convention:</p> <p>June 10, 2021 December 10, 2021 June 10, 2022</p>

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Coupon Reset Process	N. A
Step Up/Step Down Coupon Rate	In the event the Credit Rating of the Issuer is downgraded, the Coupon shall be increased by 0.25% for every notch of rating downgrade till BBB-. The Step-up coupon is applicable from the date of such downgrade until such event is cured, on the outstanding principal amount and accrued interest, if any, of the debentures. For the purpose of this clause, if the issuer is rated by more than one rating agency, then the lowest of the ratings shall be considered.
Rating Covenant	In the event of a downgrade in the credit rating of debentures issued under the facility by 3 notch or more to BBB- or lower by any rating agency, the debenture holders would reserve the right to recall the outstanding principal amount on the NCDs (i.e. redemption at par) along with other monies/accrued interest due in respect thereof. Such outstanding amount will be payable within a period of 90 days from the date of such notice of exercise of the right by the Debenture holders.
Redemption Date	At the end of 18 months from the Deemed Date of Allotment i.e. June 10, 2022
Redemption Amount	Rs. 10,00,000/- (Rupees Ten Lakhs only) per Debenture
Redemption	Bullet, At Par
Security & Security Cover	<p>The Debentures shall be secured by way of a first ranking, exclusive and continuing charge on identified receivables ("Hypothecated Receivables") created pursuant to the deed of hypothecation to be executed between the Company and the Debenture Trustee as described herein. The Hypothecated Receivables shall at all times be equal to the value of the outstanding principal amount of the Debentures. The issuer undertakes that:</p> <ul style="list-style-type: none"> • The outstanding Facility amount shall be secured (to the satisfaction of the NCD holders) to maintain the value of security at all times equal to 1.25x time or 125% (One Hundred and Twenty Five Percent) the aggregate amount of principal outstanding of the NCDs • to create the security over the Hypothecated Assets as contemplated above on or prior to the Deemed Date of Allotment by executing a duly stamped deed of hypothecation ("Deed of Hypothecation") and to perfect and register the security (including filing CHG-9) within the time period applicable and no later than 30 days from the date of execution of the Deed of Hypothecation. • to replace any Hypothecated Receivables that become non-performing (90 days overdue) with standard receivables. Such replacement shall be affected within 15 (Fifteen) Business Days of the receivables becoming non-performing • non-maintenance of security cover will attract penal interest of 2% p.a. over and above the coupon rate for the period of non-compliance <p><u>Eligibility Criteria for the Hypothecated Receivables:</u></p> <ul style="list-style-type: none"> • the receivables are existing at the time of selection and have not

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	<p>been terminated or pre-paid;</p> <ul style="list-style-type: none"> the receivables are not overdue on the day of selection the receivables have not been restructured or rescheduled all applicable “Know Your Customer” norms have been complied with as prescribed by the Reserve Bank of India or the National Housing Bank; All loans hypothecated under the deed of hypothecation comply with RBI norms and guidelines Each client loan must be directly originated by the issuer and not loan purchased from a third party <p>The assets on which charge is created are free from any encumbrances and in cases where the assets are already charged to secure a debt, the permission or consent to create a second or pari - passu charge on the assets of the issuer has been obtained from the earlier creditor</p>
Personal Guarantee	<p>The Credit facility are also secured by 1st Pari Passu charge on Personal Guarantee of:</p> <ol style="list-style-type: none"> Mr. Harvinder Singh S/o Sh. Harbans Singh R/o G-3/48, Model Town – III, Delhi – 110009 Mr. Satvinder Singh S/o Sh. Harbans Singh R/o Flat no. 5B, Tower-1, Block – D1, The Hibiscus, Sec-50, Gurgaon – 122001 (Haryana)
Material Adverse Effect definition	<p>Means the effect or consequence of an event, circumstance, occurrence or condition which has caused, as of any date of determination, or could reasonably be expected to cause a material and adverse effect on (a) the financial condition, business or operation of the Company, environmental, social or otherwise or prospects of the Company; (b) the ability of the Company to perform its obligations under the Transaction Documents; or (c) the validity or enforceability of any of the Transaction Documents (including the ability of any party to enforce any of its remedies thereunder); or (d) the rights or remedies of the Debenture Trustee acting for the benefit of the Debenture Holders hereunder or under any other Transaction Document</p>
Day Count Basis	Actual / Actual
Interest on Application Money	<p>At the Initial Coupon rate (subject to deduction of tax at source, as applicable) from the date of realization of cheque (s)/ demand draft(s)/ RTGS up to one day prior to the Deemed Date of Allotment. Where pay-in Date and Deemed date of Allotment are the same, no interest on Application money is to be paid.</p>
Listing (including name of Stock Exchange(s) where it will be listed and timeline for listing)	<p>The Debentures are to be listed on the WDM segment of the BSE within a maximum period of 4 (Four) Business Days of the Trading Day. In the event of any delay in listing of the debt securities beyond 4 (Four) Business Days from the Trading Day, the Issuer shall (i) make payment to the Debenture Holders of 1% (One Percent) p.a. over the Coupon Rate from the expiry of 4 (Four) Business Days from the Trading Day till the listing of such Debentures; and (ii) be permitted to utilise the issue proceeds of its subsequent two privately placed issuances of securities only after having received the final listing approval from BSE in respect of the Debentures.</p> <ul style="list-style-type: none">
Representations and Warranties of the Issuer	<p>As mentioned in the caption titled “Representations and Warranties of the Issuer” in the Disclosure document to the Issue. The Representations</p>

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	and Warranties shall be continuous in nature and shall be deemed to occur on every day till redemption of the Debentures.
Minimum Application size and in multiples Debt Security thereafter	The minimum application size for the Issue shall be 10 Debentures and in multiples of 1 Debenture thereafter.
Issuance mode of the Instrument	Demat only
Trading mode of the Instrument	Demat only
Settlement mode of the Instrument	RTGS/ ICCL
Depositories	NSDL/CDSL
Business Day	Any being a day excluding Saturdays, Sundays or public holiday in Mumbai.
Business Day Convention	<p>If any Coupon Payment Date or the due date for the performance of any event falls on a day that is not a Business Day, then the succeeding Business Day will be considered as the effective date. The interest for such additional period shall be adjusted and paid in the next coupon cycle. Hence the subsequent coupon payment period remains intact.</p> <p>If the Redemption Date (also being the last Coupon Payment Date) of the Debentures falls on a day that is not a Business Day, the redemption proceeds shall be paid on the immediately preceding Business Day, along with coupon/interest accrued on the Debentures until but excluding the date of such payment.</p>
Record Date	The date which will be used for determining the Debenture Holder(s) who shall be entitled to receive the amounts due on any Due Date, which shall be the date falling 11 (Eleven) Business days prior to any Due Date.
Transaction Documents	<p>The issuer shall execute the documents including but not limited to the following, as required, in connection with the issue as per latest SEBI guidelines / Companies Act, 2013 (as applicable) for issuance of NCDs through Private Placement:</p> <ol style="list-style-type: none"> Debenture Trust Deed, Deed of Hypothecation Debenture Trustee Agreement Disclosure Document; PAS-4 Undertaking for positive ALM bucket as per PCGS guidelines; if applicable Undertaking for maturing liabilities in the next six months as per PCGS guidelines; if applicable
Conditions Precedent to Disbursement	<ol style="list-style-type: none"> Execution of Disclosure Document Credit Rating Letter & Rationale Trustee Consent Letter Resolution of the Company's board of directors authorizing the issuance of debentures; Resolution of the shareholders of the Company under 180(1)(c) of the Act Execution of any other documents as agreed between the Issuer and the Debenture Trustee/ Investor.

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Conditions Subsequent to Disbursement	<p>The Company shall fulfil the following conditions subsequent, to the satisfaction of the Debenture Trustee, pursuant to the Deemed Date of Allotment:</p> <ol style="list-style-type: none"> the Issuer shall ensure that the Debentures are credited into the demat account(s) of the Debenture Holders within 2 (two) Business Days from the Deemed Date of Allotment of the respective Series; the Company will ensure listing of Debentures on the BSE within stipulated timelines; the Company shall, inter alia, file a copy of Form PAS-3 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 with the ROC within 15 (fifteen) days of the allotment of Debentures along with a list of the Debenture Holders and PAS 5; Execution of Deed of Hypothecation & Debenture Trust Deed within the stipulated timelines as per Companies Act, 2013 Filing CHG-9 Form with ROC within stipulated timelines Execution of any other documents as customary for transaction of a similar nature and size.
Covenants	<p>The Company shall fulfil the following covenants:</p> <ol style="list-style-type: none"> Current ratio of the company should never go below 1.33x
Default Interest Rate/Additional Interest Rate	<p>Without prejudice to any other rights and remedies available to the Debenture Trustee pursuant to the terms of Transaction Documents:</p> <ol style="list-style-type: none"> If, at any time, a Payment Default occurs, the Issuer agrees to pay additional interest at the rate of 2% (Two Percent) per annum over and above the applicable Coupon Rate on all amounts outstanding under the relevant series of Debentures (including the Outstanding Principal Amounts and any accrued but unpaid interest) from the date of occurrence of such a Payment Default until such Payment Default is cured or the Debentures are fully redeemed. If the Issuer fails to execute the Debenture Trust Deed and Deed of Hypothecation within the stipulated timelines, then the Issuer shall, at the option of the Debenture Holders, either (i) return the subscription amount with the agreed rate of interest or (ii) pay additional interest at the rate of 2% (Two Percent) per annum over and above the applicable Coupon Rate on all amounts outstanding under the NCDs (including the Outstanding Principal Amounts and any accrued interest) from the Issue Closure Date until such time the deed is executed and the conditions prescribed by Debenture Holders (if any) have been complied with.
Event of Defaults	<p>Occurrence of any of the following events constitutes an event of default with respect to the Issuer:</p> <ol style="list-style-type: none"> The Issuer fail to promptly pay any amount now or hereafter owing to the Investors under this agreement as and when the same shall become due and payable, or If the Issuer fail to duly observe or perform any obligation under this agreement, or Breach of any of the key covenants, as specified above, which are not remedied within such period of time, if any, as the Debenture Trustee (acting on the instructions of the Majority Debenture Holders) may allow. Breach of any of the covenants, representations and warranties (including any representation or warranty is held to be untrue,

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incomplete, incorrect or misleading in material ("material adverse changes") form contained in the Transaction Documents which are not remedied within 15 days from the date of such breach.

- v. the Issuer entering into any material arrangement or composition with his/her/its/their creditors or committing any act of insolvency, or any act the consequence of which may lead to the insolvency or winding up of the Issuer,
- vi. execution or distress or other process being enforced or levied upon or against the whole or any part of the Issuer's property whether secured to the Investor or not,
- vii. any order being made or a Resolution being passed for the winding up of the Issuer (except for the purpose of amalgamation or reconstruction with the prior approval of the Investor);
- viii. a Receiver being appointed in respect of the whole or any part of the property of the Issuer,
- ix. the Issuer being adjudicated insolvent or taking advantage of any law for the relief of insolvent debtors,
- x. the Issuer ceasing or threatening to cease to carry on business or giving or threatening to give notice of intention to do so;
- xi. Inability to pay debts, proceedings of winding up, or the Issuer's being declared or considered to be a sick company, or a relief undertaking or a protected company or a sick industrial company or a protected industrial company or otherwise, under any law, statute, rule, ordinance etc. which would have the effect of suspending or waiving all or any right against the Issuer or in respect of any contract or agreement concerning the Issuer,
- xii. The passing of any order of a court ordering, restraining or otherwise preventing the Issuer from conducting all or any material part of its business, or
- xiii. The cessation of business by or the dissolution, winding-up, insolvency or liquidation of the issuer.
- xiv. Events of default considered appropriate for the transaction of this nature including:
 - Breach of any of the covenants, representations and warranties. Cure period for (a) any breach of key financial covenants to be given at the sole discretion of the Investor, and (b) breach of any other covenants, representation and warranties to be cured within 30 days.
 - Failure to file a Form CHG 9 with the Registrar of Companies in form and substance required to perfect the Security within 60 days from the Date of Disbursement
 - Security provided being invalid security or loss of lien on collateral
 - Unlawfulness or unenforceability of finance or security
 - Repudiation of any Transaction Document
 - Illegality for the Issuer to perform any of its obligations under the Transaction Document
 - The withdrawal, failure of renewal, or failure to obtain any statutory or regulatory approval in any relevant jurisdiction for the Debentures or any Security.
 - Representations or Warranties are found to be untrue or misleading when made or deemed to be made.
 - Cross default/ default with any other financial indebtedness of the Issuer.
 - The security cover falls below 1.25 times of the Outstanding Amount at any time during the currency of the Debentures and if the Issuer fails to reinstate to 1.25 times within 30 working days.

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	<p>On the question whether any of the acts, matters, events or circumstances mentioned in clauses (i) to (xi) and (xiii) above have happened, the opinion of the Trustee in concurrence with majority debenture holders shall be final and conclusive and be binding on the Issuer.</p> <p>Upon occurrence of any of the aforesaid event of default, the Debenture Trustee may by a notice in writing to the Company initiate actions as may be contemplated In the Transaction Documents including the following:</p> <ol style="list-style-type: none"> require the Company to mandatorily redeem the Debentures and repay the principal amount on the Debentures, along with accrued but unpaid interest, and other costs, charges and expenses incurred under or in connection with this Deed and other Transaction Documents. Declare all or any part of the Debentures to be immediately (or on such dates as the Debenture Trustee may specify) due and payable, whereupon it shall become so due and payable immediately.
EBP Process	<p>Issue and Payment Procedure</p> <p>• Bidding Process</p> <p>All Eligible Participants are required to apply for the Issue and make payment of the full application amount in accordance with the Bidding Process outlined in the Disclosure Document. The Issue will be through open bidding on the EBP platform in line with EBP Guidelines vide SEBI circular SEBI/HO/DDHS/CIR/P/2018/122 dated August 16, 2018 or such other circular issued from time to time.</p> <p>• Manner of settlement</p> <p>Settlement of the Issue will be done through the [escrow account of the Issuer / ICCL] and the account details are given in the section on 'Payment Mechanism' of this Disclosure Document.</p> <p>• Provisional or Final Allocation</p> <p>Allocation shall be made on a pro rata basis in the multiples of the bidding lot size, i.e., in multiples of Rs. 10,00,000 (Rupees Ten Lakh Only). Post completion of bidding process, the Issuer will upload the provisional allocation on the BSE EBP platform. Post receipt of details of the successful bidders, the Issuer will upload the final allocation file on the BSE-EBP platform.</p> <p>• Payment Mechanism</p> <p>Payment of subscription money for the Bonds should be made by the Identified Investors as notified by the Issuer. The participants should complete the funds pay-in to the designated bank account of Indian Clearing Corporation Ltd (ICCL).</p> <p>List of Designated Banks is as under:</p>

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	ICICI BANK	YES BANK	HDFC BANK
Beneficiary Name	Indian Clearing Corporation Ltd	Indian Clearing Corporation Ltd	Indian Clearing Corporation Ltd
Account Number	ICCLEB	ICCLEB	ICCLEB
IFSC Code	ICIC0000106	YESB0CMSNOC	HDFC0000060
Mode	RTGS	RTGS	RTGS

Successful bidders must do the subscription amount payment to the Designated Bank Account on or before 10:30 a.m. on the Pay-in Date ("Pay-in Time"). Identified Investors should ensure to make payment of the subscription amount for the Bonds from their same bank account which is updated by them in the BSE EBP platform while placing the bids. In case of mismatch in the bank account details between BSE - EBP platform and the bank account from which payment is done by the successful bidder, the payment would be returned.

Note: In case of failure of any Identified Investor to complete the subscription amount payments by the Pay-in Time or the funds are not received in the Designated Bank Account by the Pay-in Time for any reason whatsoever, the bid will liable to be rejected and the Issuer shall not be liable to issue Bonds to such Identified Investors.

• Settlement Process

Upon final allocation by the Issuer, the Issuer or the Registrar on behalf of the Issue shall instruct the Depositories on the Pay-In Date, and the Depositories shall accordingly credit the allocated Bonds to the demat account of the successful bidder.

The Company shall give the instruction to the Registrar for crediting the Debentures by 12:00 p.m. on the Pay-In Date. The Registrar shall provide corporate action file along with all requisite documents to Depositories by 12:00 p.m. on the Pay-In Date. On the Pay-In Date, the Depositories shall confirm to the Issuer the transfer of Bonds in the demat account(s) of the successful bidder(s).

Method of Allotment	Uniform Yield
Bid Timing	09-12-2020 (10:00am to 02:00pm)
Settlement cycle	T+1
Manner of Bidding	Closed
Settlement Through	ICCL & BSE
Role and Responsibilities of Debenture Trustee	To oversee and monitor the overall transaction for and on behalf of the Debenture Holder(s).
Indemnification	The Issuer will indemnify, and hold harmless the Debenture Holder, Investment Manager of Debenture Holders, and their respective shareholders, officers, directors, employees, representatives and attorneys from and against any claim, liability, demand, loss, damage, judgment or other obligation or right of action which may arise as a result of breach of this Term Sheet by the Issuer.
Arbitration	In the event of any dispute or difference between the Parties to this

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	agreement in respect of or concerning or connected with the interpretation or implementation of this Agreement or arising out of this Agreement, such dispute or difference shall be referred to arbitration by a sole arbitrator, appointed by the Investor in its sole discretion, in accordance with the (Indian) Arbitration and Conciliation Act, 1996, or any modification or amendment thereof. The arbitration shall be held in Mumbai. The language of the arbitration proceedings shall be English. The expenses of the arbitration shall be borne by the Issuer. The decision of such arbitration shall be binding and conclusive upon the Parties and may be enforced in any court of competent jurisdiction.
Governing Law	The Debentures / and documentation will be governed by and construed in accordance with the laws of India and the parties submit to the exclusive jurisdiction of the courts in Mumbai and as more particularly provided for in the Debenture Trust Deed.
Transaction Costs	The Issuer shall bear all transaction related costs incurred by the Debenture Holder with respect to legal counsel, valuers and auditors/ consultants. Such costs include: <ul style="list-style-type: none"> • Trustee fees • Rating fees • Stamping and registration costs in relation to all Transaction Documents Any other reasonable transaction related expense incurred by the Debenture Holders
Taxes, Duties, Costs and Expenses	<ul style="list-style-type: none"> • 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.
Issue Timing & Tranche Amount Issue/ Bid Opening Date Issue/ Bid Closing Date Issue Pay-in Date Issue Deemed Date of Allotment	December 09, 2020 December 09, 2020 December 10, 2020 December 10, 2020

Annexure

Illustration of Bond Cash flows

NCD issue details	
Issuer Company	Satin Creditcare Network Limited
NCD Issue size	Rs. 50.00 Crores
Face Value (per security)	Rs. 10,00,000/- (Rupees Ten Lakh only)
Issue open	December 09, 2020
Issue close	December 09, 2020
Deemed date of Allotment	December 09, 2020
Tenor	18 Months
Redemption	Bullet, At Par
Final Redemption Date	June 10, 2022
Coupon Rate	10.20% p.a.
Frequency of the Coupon Payment with specified dates	Semi Annually
Day Count Convention	Actual/Actual

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Cash Flows

Payment Date	No. of Days	Interest Amount (IN INR)	Principal Amount (IN INR)	Total Amount (IN INR)
10-06-2021	182 days	2,54,30,137	-	2,54,30,137
10-12-2021	183 days	2,55,69,863	-	2,55,69,863
10-06-2022	182 days	2,54,30,137	50,00,00,000	52,54,30,137

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