

01st March, 2016

Mr. Digmanu Gupta
Chief Financial Officer
SBI Cards and Payments Services Private Limited
DLF Infinity Towers, Tower C
12th Floor, Block 2, Building 3, DLF Cyber City
Gurgaon - 122002

Subject: Borrowing through issuance of Unsecured, Rated, Unlisted, Taxable, Redeemable, Subordinated, Non-Convertible Debentures

Dear Sir,

This is with reference to our discussion on the captioned subject and the Term Sheet dated 19th February 2016 (Annexure 1) issued by you. In this regard, Yes Bank Limited ("Arranger") had agreed to arrange the Issue Amount as per the broad terms of the issuance proposed, also as appended below -

Terms & Conditions

Issuer	SBI Cards and Payments Services Private Limited
Sole Arranger	Yes Bank Limited
Method of Distribution	Private Placement
Instrument Structure	Fixed Rate, Unsecured, Rated, Taxable, Redeemable, Subordinated Non-Convertible Debentures in the nature of subordinated debt constituting Tier II Capital of the Company
Issue Size	INR 100 Crores
Face value of Debenture(s)	Rs. 10,00,000/- (Rupees Ten Lakhs only) per Debenture
Status and ranking	The Debentures shall constitute direct, unsecured and subordinated obligations of the Company and the claims of the Investors shall be: 1) Superior to the claims of the investors in instruments eligible for inclusion in Tier I capital of the Company; 2) Pari-passu with each other and with any parity securities of the Company; and 3) Subordinated to the claims of all the Senior Creditors of the Company. 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.
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.
Minimum Application	10 Debenture and in multiples of 1 Debenture(s) thereafter
Tenor	6 years 2 Months, from the Deemed Date of Allotment
All in Cost (including Coupon & Upfront Arranger Fees)	9.70% p.a. payable annually [to be split up between Coupon: 9.65% p.a. payable annually & Upfront Arranger Fees: 0.05% p.a. i.e. INR 23.30 Lakhs + applicable taxes]
Coupon Rate	9.65 % p.a. payable annually

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Northern Regional Corporate Office: YES BANK Limited, 38, Nyaya Marg, Chanakyaपुरi, New Delhi 110 021, India.

Regd. & Corporate Office: YES BANK Limited, Nehru Centre, 9th Floor, Discovery of India, Dr. A.B. Road, Worli, Mumbai 400 018, India.

Tel: +91(11) 6656 9000 Fax: +91(11) 4168 0144

Tel: +91(22) 6669 9000 Fax: +91(22) 6669 9060

Website: www.yesbank.in Email: communications@yesbank.in CIN - L65190MH2003PLC143249



Upfront Arranger Fees	0.05% p.a. i.e. INR 23.30 Lakhs + applicable taxes
Redemption*	At par on the Face Value of the Debentures on Maturity Date
Redemption Amount	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 instalment
Maturity Date/ Principal Repayment Date*	25 th April 2022
Put/Call Option	None
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 as per Rule 18 (7) (b)(ii) of Companies (Share Capital and Debentures) Rules, 2014
Interest on Application Money	Interest on application money will be paid to Investors at the rate of 9.65% p.a. from the date of realisation of investment proceeds upto one day prior to the Deemed Date of Allotment, within 7 days from Deemed Date of Allotment.
Credit Rating	AAA/Stable from CRISIL & ICRA
Listing	The Company does not propose to list these Debentures on any recognized stock exchange in India
Security	In accordance with the NBFC-ND Prudential Norms, the Debentures are being issued on an unsecured basis.
Terms of Payment	The full face value of Debenture(s) to be paid along with the Application Form through RTGS/NEFT/Bank Transfer/Cheque/Demand Draft mode only. The payment should be made from the bank account of the applicant and further a proof of such transfer is to be produced along with the application form (say Bank Statement, Bank Certificate etc.)
Issue Opening Date	25 th February 2016
Issue Closing Date	25 th February 2016
Deemed Date of Allotment	25 th February 2016 (The Company reserves the right to shift the Deemed Date(s) of Allotment to any other date, or allot the Debentures on multiple dates without giving any reason or giving prior notice).
Trustees	To be mutually decided
Issuance Mode	Dematerialized form. Investors are required to mention their Depository Participant Name, DP-ID and Beneficiary Account Number in the appropriate place in the Application Form.
Depositories	NSDL and CDSL
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.
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 IT Act, if any, must be lodged at the office of the Company before the record date.

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Tax Benefits	Potential Investors are advised to consider the tax implications in respect of subscription to the Debentures in consultation with their tax advisors
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 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
Resolutions required	The Issuer should ensure that all the consents and resolutions required to issue NCDs are in place prior to the issue.
Transaction Documents	1) Information Memorandum/Disclosure Document/PAS-4 2) Debenture Trust Deed 3) Any other document as required by Arranger and the Debenture Trustee
Expenses	All expenses related to the issue including but not limited to costs relating to stamp duty, legal and other expenses etc. will be to the account of the Issuer
Material Adverse Circumstances	These terms are subject to there being no material adverse change (or an event which is likely to result in a material adverse change) in the financial or business conditions of the Issuer
Publicity & Communication	On successful conclusion of the transaction, the Sole Arranger reserves the right to issue publicity material such as tombstones, advertisements etc. after getting consent of the Issuer.
Governing Law	The Debentures are governed and shall be construed in accordance with the laws of India. The Debenture holders, 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

We are pleased to share with you, that in-line with the agreed terms (as above) we have successfully placed the entire issuance with investors.

Seek your confirmation on the same and concurrence to raise an invoice towards arranger fees.

We look forward to a very long standing and value adding relationship with your esteemed organisation and also working on many such mandates in future.

Warm Regards,




Nirav Dalal
Group President & Sr. Managing Director,
Financial Markets, Yes Bank Ltd.

Accepted on behalf of SBI Cards and Payments Services Private Limited

Name: Deepale Goswami Digmanu Gupta

Signature:



Designation: FC

CFO

Date: 02/3/16

2/3/16

Company Seal:



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INSTRUMENT STRUCTURE

19th Feb'16

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Issue Size	Rs. 100 Crores
Method of Distribution	Private Placement
Face value of Debenture(s)	Rs. 10,00,000/- (Rupees Ten Lakhs only) per Debenture
Status and ranking	<p>The Debentures shall constitute direct, unsecured and subordinated obligations of the Company and the claims of the Investors shall be:</p> <ol style="list-style-type: none"> superior to the claims of the investors in instruments eligible for inclusion in Tier I capital of the Company; pari passu with each other and with any parity securities of the Company; and subordinated to the claims of all the Senior Creditors of the Company. <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>
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.
Minimum Application	10 Debenture and in multiples of 1 Debenture(s) thereafter
Instrument Structure	Fixed Rate, Unsecured, Rated, Taxable, Redeemable, Subordinated Non-Convertible Debentures in the nature of subordinated debt constituting Tier II Capital of the Company
Tenor	6 years 2 Months, from the Deemed Date of Allotment
Interest Rate	9.65 % p.a. payable annually
Redemption*	At par on the Face Value of the Debentures on Maturity Date
Redemption Amount	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
Maturity Date/ Principal Repayment Date*	25 th April 2022
Put/Call Option	None
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 as per Rule 18 (7) (b)(ii) of Companies (Share Capital and Debentures) Rules, 2014
Interest on Application Money	Interest on application money will be paid to Investors at the rate of 9.65% p.a. from the date of realisation of investment proceeds upto one day prior to the Deemed Date of Allotment, within 7 days from Deemed Date of Allotment.
Credit Rating	AAA/Stable from CRISIL & ICRA
Listing	The Company does not propose to list these Debentures on any recognized stock exchange in India
Security	In accordance with the NBFC-ND Prudential Norms, the Debentures are being issued on an unsecured basis.
Terms of Payment	The full face value of Debenture(s) to be paid along with the Application Form through RTGS/NEFT/Bank Transfer/Cheque/Demand Draft mode only. The

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19th Feb '16

	payment should be made from the bank account of the applicant and further a proof of such transfer is to be produced along with the application form (say Bank Statement, Bank Certificate etc.)
Issue Opening Date	25 th February 2016
Issue Closing Date	25 th February 2016
Deemed Date of Allotment	25 th February 2016 (The Company reserves the right to shift the Deemed Date(s) of Allotment to any other date, or allot the Debentures on multiple dates without giving any reason or giving prior notice).
Trustees	[*]
Arranger	Yes Bank Limited
Arranger Fees	0.05% p.a. on face value payable upfront
Issuance Mode	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.
Depositories	NSDL and CDSL
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.
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 IT Act, if any, must be lodged at the office of the Company before the record date.
Tax Benefits	Potential Investors are advised to consider the tax implications in respect of subscription to the Debentures in consultation with their tax advisors
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 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
Governing Law	The Debentures are governed and shall be construed in accordance with the laws of India. The Debenture holders, 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.

Disclaimer of the RBI: The Company has a valid Certificate of Registration No. 14.01328 dated 06-10-1998 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.



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