



Mr. Sateesh Kumar
Vaya Finserv Private Limited
 SLN Terminus, #4-51/SLNT/L4-05
 Gachibowli, Kondapur Road
 Hyderabad - 500032, TS, India

Singapore, 10 August 2021

Dear Mr. Kumar,

FINAL TERM SHEET

Thank you for your interest in working with BlueOrchard Finance Ltd. ("**BlueOrchard**" or the "**Fund Manager**") to support your funding needs for 2021-2022. We would be pleased to support Vaya Finserv Private Limited ("**Vaya**" or the "**Issuer**") through funding from Microfinance Initiative for Asia Debt Fund ("**MIFA**" or the "**Subscriber**"), managed by BlueOrchard.

Please find below final terms and conditions upon which we would be prepared to provide financing via subscription to non-convertible debentures ("**NCDs**") to be issued by Vaya. This final term sheet is neither binding on the Subscriber or Fund Manager, nor a commitment to lend, but merely a summary of terms and conditions that the Fund Manager, on behalf of the Subscriber, considers appropriate for a facility of this nature under current market conditions. The final terms and conditions provided in this letter are valid for a period of three months from the date of this letter, unless extended by the Fund Manager, at its sole discretion, in writing.

Issuer	Vaya Finserv Private Limited
Subscriber	Microfinance Initiative for Asia Debt Fund
Fund Manager	BlueOrchard Finance Ltd.
Facility	Listed non-convertible debentures - VRR
Commitment	Up to INR 22.0 Crores (equivalent of approximately USD 3 million)
Currency	Indian Rupees (" INR ")
Disbursement Date	August 2021
Maturity	36 months
Put / Call Option	None
Amortization	25% at 24m and 75% at 36m
Interest Rate	At least 11.7229% p.a. The interest rate is the net rate (and is exclusive of current withholding tax rate of 5.4600%) and the debenture trust deed will include language to protect the Subscribers against increases in the withholding tax rates. At the prevailing tax rate, the gross interest rate inclusive of withholding taxes would be 12.4000% p.a.

	Note: The interest rate is subject to change if hedging costs increase and should the USD return fall below any of the Subscriber's minimum return requirement.
Interest Payments	Semi-annually
Upfront Fee	No upfront fee
Other Costs	Any issue related expenses including rating, listing, Subscribers legal counsel fees, trustee, stamp duty and other costs associated with the issuance of the NCDs will be borne by the Issuer.
Voluntary Prepayment	Not earlier than 12 months from the date of the transaction documents, the Issuer may prepay the outstanding principal amount in full or in part on an interest payment date. On such date, the Issuer shall pay the principal amount, all accrued interest, a prepayment fee of 2.00% on the principal amount, any breakage costs and any legal or other fees incurred as a result of the voluntary prepayment or otherwise. Amounts repaid or prepaid cannot be re-borrowed.
Penalty Interest Rate	At any time there is a payment default of any amount of principal, interest, fees or other obligations due (whether by acceleration, at maturity or otherwise) or an event of default, the Issuer shall pay an additional interest rate of 2.00% p.a. above the Interest Rate on the outstanding principal amount until such default is cured.
Hedging Arrangement	The Subscribers shall enter into a hedging instrument with a third-party counterparty in order to provide this Facility. Any costs associated with the early termination of the hedge arrangement shall be borne by the Issuer.
Restrictions on Dividends	The Issuer shall not declare or pay any dividend, make a cash distribution or pay other consideration to its shareholders (other than dividends or distributions payable in shares of the Issuer), unless: (i) the proposed payment or distribution is made from positive retained earnings of the Issuer (excluding any amount resulting from the revaluation of any of the Issuer's assets) from the previous financial year for which the dividends or distributions were declared; and (ii) no Event of Default or Potential Event of Default has occurred or is ongoing. (iii) after giving effect to any such action the Issuer is in compliance with the financial covenants.
Security	<ul style="list-style-type: none"> • Hypothecation of book debts/receivables maintained at all times at 105% of aggregate principal and interest outstanding. Security creation and perfection required as per laws and regulations. • The Issuer to provide the Certificate of Registration on Charge on a quarter basis • Reporting of loan receivables and security top-up on a monthly basis.
Conditions Precedent	Conditions precedent shall include, but are not limited to, the following: In-principle approval of the stock exchange for listing of NCDs
Conditions Subsequent	Conditions subsequent shall include, but are not limited to, the: Listing of NCDs within 4 business days of the deemed date of allotment of the NCDs
Financial Covenants	Covenants shall include, but are not limited to, the following:

	<ul style="list-style-type: none"> • The Issuer shall at all times maintain a Capital Adequacy Ratio, calculated according to the Capital Adequacy Standards as established by Reserve Bank of India, of at least 17% (or 200 bps above the regulatory requirement). • The Issuer shall at all times maintain a ratio of the sum of (x) Portfolio At Risk over 30 days + Non COVID Restructured Loans + Charge-Offs during the last 12 months divided by (y) the Outstanding Gross Loan Portfolio of less than 12%. • The Investee shall at all times maintain a ratio of the (x) Loan Loss Reserves divided by (y) the Portfolio At Risk over 90 days plus Non COVID Restructured Loans of no less than 100%. • The Issuer shall at all times maintain a ratio of Return on Assets net of Donations greater than 0% over a period comprising the preceding twelve months. • The Issuer shall at all times maintain the absolute value of the net open aggregated currency position of less than 75% with the net open aggregated currency position being the ratio of Foreign-Currency Assets minus Foreign-Currency Liabilities divided by Equity. <p>The detailed calculation of this ratio must be as follows: [absolute value (Foreign Currency 1 assets – Foreign Currency 1 liabilities + off balance sheet hedges in Foreign Currency 1) + absolute value (Foreign Currency 2 assets – Foreign Currency 2 liabilities + off balance sheet hedges in Foreign Currency 2) + absolute value (Foreign Currency 3 assets – Foreign Currency 3 liabilities + off balance sheet hedges in Foreign Currency 3) + etc. for each Foreign Currency] divided by Tier 1 Capital.</p>
Other terms and conditions	Other terms and conditions include: customary representation, warranties, covenants and events of default, all in a form satisfactory to the Subscribers and their legal counsel.
Taxes and Government Charges	Any taxes and government charges and/or registration charges, including taxes on interest paid to Subscriber, are to be for the account of the Issuer, so that the Subscriber shall receive the entire amount of such interest, fees or costs without any deductions.
Legal Fees	A Legal Counsel is to be appointed by the Subscribers. A legal opinion covering the transaction must be provided to the Fund. All legal fees are to be borne by the Issuer.

This final term sheet is not an offer, commitment or agreement to lend or provide financing to Vaya; it is for discussion purposes only and is subject to change without notice. Please note that it only summarizes some of the terms and conditions which may be reflected in indicative documentation and that nothing herein obligates the Subscribers or its affiliates to provide, arrange or syndicate any credit or other

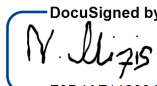
financing in favour of the Issuer or its affiliates. Pricing in this final term sheet is based on the credit markets as of today, and on the current evaluation we have of your institution. The final offer will be subject to our due diligence of Vaya, all necessary approvals, including credit approvals, of the Fund Manager and the Subscribers and market conditions at the time of disbursement. As a result of these, actual terms at the time of closing may differ from those indicated herein.

This final term sheet is for the confidential use of Vaya only and is not to be reproduced, used for any other purpose, nor disseminated to any other parties without the prior written consent of the Fund Manager.

We would welcome your feedback and be pleased to discuss this final term sheet with you in further detail. Should you wish to proceed, please kindly confirm to us via email or in writing and by returning this final term sheet with your signature, to allow us to start cooperating with you in order to best meet your funding needs.

We look forward to collaborating with you.

Yours sincerely,

DocuSigned by:

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Normunds Mizis
Chief Credit Officer
BlueOrchard Finance Ltd.

Acceptance by Vaya Finserv Private Limited



Name: Lakshminarayana S

Date: 10 - Aug - 2021

