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Oxyzo Financial Services Private Limited

Unit-101, Vipul Agora Mall,
MG Road, Gurgaon, Haryana 122002

Mumbai, 25 November 2019

Indicative Term Sheet

Dear Ms. Ruchi Kalra,

We are pleased to make available to Oxyzo Financial Services Private Limited the following indicative term sheet which has been approved by the Investment Committee of responsAbility Investments AG ("responsAbility"):

Issuer:	Oxyzo Financial Services Private Limited ("Oxyzo")
Debenture Holder:	One or more funds advised by responsAbility Investments AG ("responsAbility") with support in the region from its sub-advisor, responsAbility India Business Advisors Pvt Ltd ("responsAbility India") and via an affiliate vehicle.
Amount:	INR 35 crores
Disbursement:	Dec 2019
Type:	Non-Convertible Debentures ('NCD')
Maturity:	48 months with put option at the end of 18 months and put/call option at the end of the 24 months from the deemed date of allotment.
Coupon Rate:	Coupon rate will be 13.00% p.a. , net of withholding tax (INR fixed), and payable semi-annually from the Deemed Date of Allotment until the Coupon Reset Date. The debenture trust deed will include language to protect the Lender against increase in the withholding tax rate beyond 5% plus applicable surcharges.

The rate is also subject to changes in the tax environment, interest rate environment as well as the USD/INR hedging cost. The coupon rates may be changed, in negotiation with the institution, in case there is a change in market conditions.

Coupon Reset Date: At the end of 24 months from the deemed date of allotment

Put Option Date: At the end of 18 months from the deemed date of allotment

Coupon Rate Reset Mechanism: The Coupon Rate will be reset on the Coupon Reset Date as per the coupon rate reset mechanism. The Trustee shall consult all Debenture holders for ascertaining the new Coupon Rate applicable, and the decision so reached for fixing the Coupon Rate is to be acceptable to and has to be approved by the majority Debenture holders, at least 12 (twelve) business days prior to the Coupon Reset Date.

The Trustee shall communicate the new Coupon Rate, so determined, to the Issuer at least 11 (eleven) business days before the Coupon Reset Date.

Without prejudice to the foregoing, the Majority Debenture Holders reserve the right to further amend the Coupon Rate and communicate the same via a written notice to the Company, with a copy marked to the Debenture Trustee, at any time on or before 5 (five) Business Days prior to the Coupon Reset Date.

Additional fees: *Arranger fee: as agreed with the arranger, if there is an arranger to the issue*

These fees do not include rating, listing, legal, trustee, stamp duty and other costs associated with the NCD issuance that shall be borne by the Issuer.

Call/ Put Option Both Debenture holder and Issuer hold the option to call / put the NCD at the end of 24 months from the deemed date of allotment. The decision to exercise the put or call option will be reached independently by either party and shall be communicated no later than 4 (four) business days prior to the Coupon Reset Date.

Put Option: The Debenture holder holds the option to put the NCD at the end of 18 months from the deemed date of allotment. The decision to exercise the put option shall be communicated to the Issuer no later than 4 (four) business days prior to the Put Option Date.

Interest payments: Payable semi-annually in arrears

Repayment type: The NCD amount is payable bullet at Maturity

Covenants: **Capital Adequacy:** The Issuer shall maintain a ratio of Regulatory Capital divided by Risk Weighted Assets of at least 18%.

Open Currency Position: The Issuer shall maintain a ratio of Foreign-Currency Assets minus Foreign-Currency Liabilities divided by Regulatory Capital comprised between 50% and -50%.

Portfolio Quality 90 days: The Issuer's [(Portfolio at Risk 90 days + Refinanced, restructured, rescheduled loans + Gross write-off previous 12 months) / Gross Loan Portfolio] shall be less than or equal to 4%.

Open Loan Position: The Issuer shall maintain an Open Loan Position of Ninety (90) Days, defined as [(Portfolio at Risk more than 90 days + Refinanced, restructured, rescheduled loans – Loan loss reserve) / Regulatory Capital)] less than or equal to 20%.

Liquidity Ratio: The Holding Company of the Issuer, OFB Tech Private Limited, shall maintain the ratio of [Consolidated Liquid Assets / Consolidated Total Assets] at 5%. "Liquid Assets" shall be defined as aggregate of cash on hand, call deposits with banks and financial institutions, marketable securities with a triple A rating, government bonds, treasury bills and other assets that can be sold or withdrawn, on demand, or within 30 days, but excluding any cash, funds or marketable securities which are subject to any lien or used to obtain funding by means of repurchase agreements or back-to-back agreements, or not available for withdrawal or sale for any other reason.

Incur an event of default on other liabilities of the borrower

Security:

The NCDs would be secured by the creation of a first ranking exclusive charge on the loan receivables with a cover of 1.1X of the principal amount on the terms and conditions as may be agreed with the Debenture Trustee and as defined in the Debenture Trust Deed and the relevant security creation documents. The terms and conditions are summarized below:

- The pool of loan receivables pledged would be equally split between the secured and unsecured loan portfolio of Oxyzo.
- For the unsecured portfolio, only non-overdue receivables would be eligible.
- For the secured portfolio, a maximum of 20% receivables pledged can be in the 30-45 days overdue bucket, the remaining should be either in the non-overdue or the 1-29 days overdue bucket.

Additional
Security:

The NCDs would also be secured by a Corporate Guarantee from the Holding Company, OFB Tech Private Limited, on the entire principal amount, based on the terms and conditions as may be agreed with the Debenture Trustee and as defined in the Debenture Trust Deed and the relevant security creation documents.

Listing:

The Issuer of such debt securities will immediately redeem / buyback the said securities from the FIIs/sub-accounts of FIIs if the bonds issued to FIIs are not listed within 15 days of issuance and are not disposed of either by way of sale to a third party or to the issuer. The NCDs should be listed on the Bombay Stock Exchange.

No Prepayment:	An early redemption of the Debentures can only be pursuant to the applicable RBI regulations and subject to the prior written consent of the Majority Debenture Holder(s). The Majority Debenture Holder(s) at its sole discretion may permit an early redemption, under the condition that the Company shall hold the Debenture Holder(s) harmless from all costs, expenses, losses or liability incurred due to the prepayment.
Late Payment Fee:	In case of late repayments for which the borrower is responsible, the interest rate is increased by 200bps for the period until eventual payment, and the borrower needs to cover any costs incurred by the lender due to the late payment (e.g. non settling of hedges).
Condition Subsequent:	<p>Within a period of 9 months from the date of disbursement, Oxyzo should incorporate within its Risk Policy and its client appraisal framework, the following:</p> <p>Checking and collection of all licenses and legal permits related to environmental and social matters applicable in India, including but not limited to:</p> <ul style="list-style-type: none"> • <i>Water (Prevention and Control of Pollution) Act, 1974; and Rules 1975</i> • <i>Air (Prevention and Control of Pollution) Act, 1981; and Rules 1982</i> • <i>Hazardous Wastes (Management, Handling and Transboundary Movement) Rules 2016</i> • <i>Industrial Employment Standing Order, Act, 1946</i> • <i>Contract Labour (Regulation & Abolition) Act, 1970</i>
Governing law / Jurisdiction regarding investment:	The NCDs and documentation will be governed by and construed in accordance with the laws of India and the parties submit to the exclusive jurisdiction in Mumbai.
Reporting requests:	Monthly monitoring (40 data points)

Prior to the Coupon Reset Date and decision to exercise the Put option, Oxyzo's financial and operational standing may be assessed. The final decision on both aspects will be subject to approval by the Investment Committee representing the funds of responsAbility.

This term sheet is addressed solely to Oxyzo and is for information purposes only. It does not constitute any commitment by responsAbility or responsAbility India nor the proposed Debenture holders to enter into any commercial or legal obligations whatsoever towards Oxyzo at this stage. In addition, any of the above-mentioned financing conditions remain indicative and may be revised by the Investment Committee of responsAbility, acting at its absolute discretion. In particular, the interest rate indicated is subject, inter alia, to changes in hedging costs.

Please further note that responsAbility India is the sub-advisor of responsAbility, and responsAbility is the investment advisor of responsAbility Micro and SME Finance Fund/ responsAbility SICAV (Lux). The terms and conditions will be subject to input and modification from the credit risk department of responsAbility and final decision regarding the investment will be made by responsAbility Micro and SME Finance Fund / responsAbility SICAV (Lux) itself.

Sincerely yours,

Date: 25 November 2019

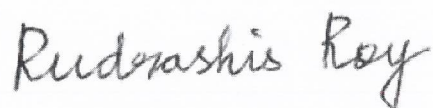
For **Oxyzo Financial Services Private Limited**



For responsAbility India



Mr. Jaskirat Chadha
Head of Debt Financing – Asia Pacific
25 November 2019



Mr. Rudrashis Roy
Associate Investment Officer
25 November 2019

