

29-May-2020

SAVE Solutions Private Limited
Mr. Ajeet Kumar Singh
378, 3rd Floor, A P Colony, Gaya, Bihar
Pin code- 823001

Subject: Term sheet senior debt financing
Enclosed: Annex I: Indicative Term Sheet

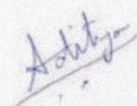
Dear Mr. Ajeet,

Referring to our previous interactions, please find below the indicative Term Sheet that outlines the terms and conditions that we would consider when providing, to SAVE Solutions Private Limited ("SAVE Solutions" or "Issuer"), a senior debt financing from a fund managed by Incofin IM ("Subscriber").

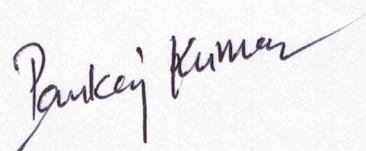
We must state that this indicative Term Sheet is not a definite offer and is subject to investment committee approval. The Term Sheet is strictly confidential, and we trust that you will treat it accordingly.

We are looking forward to an extended fruitful cooperation between our institutions.

Kind Regards,



Aditya Bhandari,
Co-Regional Director Asia
Incofin Investment Management



Committed Beyond Investment

Annex I- Indicative Term Sheet

Proposal for senior debt transaction between SAVE Solutions as the Issuer and a fund managed by Incofin IM as the Subscriber

Purpose

The purpose of this document (this "Indicative Term-sheet") is to outline the specific terms and conditions of a potential senior debt transaction between the Issuer and the Subscriber. This Indicative Term Sheet has a validity limited to 3 months starting as of today, does not constitute a final offer, is not exhaustive and is subject to change. The Investment Committee of the Subscriber is the only body authorized to decide on the final conditions of the agreement.

Abstract

- Considering that the Issuer's mission corresponds to the objective of the Subscriber of financing sustainable financial institutions that contribute to offer adapted financial services to poor micro-entrepreneurs in DAC-listed countries.
- Considering that the Issuer meets the eligibility criteria of the Subscriber.

Specific Terms and conditions

Subscriber	Fund Managed by Incofin IM
Issuer	SAVE Solutions Pvt. Ltd. (SAVE)
Subscription Amount and Instrument	Euro 1,000,000 equivalent in Indian Rupee Senior Redeemable Non-Convertible Debentures ("NCD")
Currency	INR
Disbursement Date (DD)	2 nd June 2020
Disbursement Mode	Single
Purpose	To finance the expansion of the Issuer's loan portfolio of both the entities namely Save Financial Services Pvt. Ltd. (SF SPL) and Save Microfinance Pvt. Ltd. (SMPL)
Maturity	36 months
Repayment	Bullet repayment
Interest (Gross)	13.15%
Interest Calculation	Actual/Actual
Interest Payments	Semi-annual
Up-front fee	NIL
Prepayment	No prepayment or early redemption permitted without Subscribers consent Prepayment penalty and penalties on delayed payments will be covered in the legal documentation stage.

Committed Beyond Investment

Janley Kumar

Securities	<ol style="list-style-type: none"> 1. Pari Passu 2. Exclusive Floating charge over all the book debts and investments of the Company (other than charge to the existing lenders) with security cover of 1.1x on outstanding Principal 		
Other conditions	<ol style="list-style-type: none"> 1. Disbursement of agreed Subscription Amount requires that the Issuer is in compliance with all covenants 2. Minimum overall gross loan book of INR 50 Crores 		
Financial Covenants	1. PAR90 + Rescheduled (Outstanding balance of portfolio overdue > 90 days) / gross loan portfolio ¹ , shall remain below	< 7%	
	2. Open exposure ratio ² PAR90 + Rescheduled (outstanding balance of portfolio overdue > 90 days) - Provisions / Equity, shall remain below,	< 20%	
	3. Capital Adequacy Ratio (CAR) ³ ratio in line with national regulations	≥ 17%	
	4. Return on Assets (excluding donations) ⁴ (net income/average total assets)	> 0%	
Social Undertakings	<ol style="list-style-type: none"> 1. Annual reporting of relevant social performance indicators to social data collection platform(s). "Relevant" means that the Issuer is not expected to report on all social indicators defined by the USSPM/SPI4, but only on the ones that are: (i) considered in line with its social mission; and (ii) considered possible for the institution to provide given possible technological constraints linked to its MIS. 2. Responsible pricing: Positive year end ROA (excluding donations) < 7.5%. This shall be applicable as from 1st April 2020. 		
Legal Opinion	An independent law firm, to be selected jointly by both Parties but to be approved by the Subscriber, shall be contracted at the expense of the Issuer, to provide to the Subscriber a legal opinion regarding the enforceability of the transaction documents, the Issuer, any representations given by the Issuer and any other issue the Subscriber may request, and in any case, in form and substance satisfactory to the Subscriber.		
Other Investment Conditions	<ol style="list-style-type: none"> 1. The Subscriber will receive financial information on a quarterly basis in its standard report called "factsheet". The Issuer guarantees the full availability and transparency of the information asked during all the investment period. 2. The Issuer shall provide data on the agreed covenants on a quarterly basis during the investment period. 3. Transaction documents in form and substance satisfactory to the Subscriber. 		
Charges	Cost, up to a max of 1% of the Subscription Amount, of external legal opinion, stamp duty, Registrar and transfer Agent fee, Credit Rating Fee, NCD listing cost and other related issuance cost shall be additionally paid by the Issuer.		

¹ Consolidated for SMPL and SFSPL shall be considered

² Consolidated for SMPL and SFSPL shall be considered; Equity to be considered at the holding level

³ At Holding level (SAVE) shall be considered

⁴ At Holding level (SAVE) shall be considered

Committed Beyond Investment

Pankaj Kumar

	The cost of any due-diligence engagement shall be borne by the Issuer in case of termination of this agreement by it.
Tax gross-up / Withholding Tax	<ul style="list-style-type: none"> ▪ Any change in the withholding tax laws which results in a higher deduction of WHT (over and above 5.46%) shall be borne by the Issuer (Tax grossed up for Subscriber). ▪ If the Issuer is required to withhold or deduct any taxes (other than withholding tax on interest), it will pay such additional amounts as is necessary to ensure that the net amount received by the Subscriber will equal the full amount which would have been received by the Subscriber had no such deduction or withholding been required. ▪ All duties and taxes (including without limitation stamp duties, transfer taxes, service tax, but excluding income tax of Subscriber and withholding tax on interest payments) relating to the transaction shall be borne by the Issuer.
Discretionary Audit	An audit covering the review of collection standards, management, governance, internal systems and processes, and data integrity of the Issuer, to be conducted by the Subscriber from time to time, during the currency of the transaction. The scope of such audit shall cover inter alia visit to operational (field) areas of the Issuer as well as the Head Office and any regional or state level offices and discussions with employees of the Issuer as well as with clients.

SAVE Solutions Private Limited

Pankaj Kumar
Pankaj Kumar
Director



Committed Beyond Investment