



Mr. Srinivasan CV, Mr. Samit Shetty  
CFO, Chaitanya India Fin Credit Pvt Ltd  
CEO & MD, Chaitanya India Fin Credit Pvt Ltd  
#98, 3rd Floor, Sirsi Circle  
Near Nalanda Theater, Chamarajpet  
Bangalore - 560 018, India

8 June 2017

Dear Mr. Srinivasan, Mr. Samit Shetty,

#### 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 2017. We would be pleased to support Chaitanya India Fin Credit Pvt Ltd ("Chaitanya" or the "Issuer") through funding from the Microfinance Enhancement Facility SA, SICAV-SIF (BlueOrchard Pool) ("MEF") (the "Subscriber"), managed by BlueOrchard Finance Ltd. (the "Fund Manager").

Please find below final terms and conditions upon which we would be prepared to provide financing via subscription to a Non-Convertible Debenture ("NCD") to be issued by Chaitanya. 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 one month from the date of this letter, unless extended by the Fund Manager, at its sole discretion, in writing.

Issuer	Chaitanya India Fin Credit Pvt Ltd
Subscriber	Microfinance Enhancement Facility SA, SICAV-SIF (BlueOrchard Pool)
Fund Manager	BlueOrchard Finance Ltd.
Facility	Non-convertible Debenture (listing at the option of BlueOrchard)
Commitment	Up to INR 25 Crores (equivalent of approximately USD 3.68 million)
Currency	Indian Rupees ("INR")
Disbursement Date	May/June 2017
Maturity	60 months
Put / Call Option	Put/Call option at the end of 36 months
Amortization	None
Interest Rate	At least 12.4% p.a.  The interest rate is the net rate (and is exclusive of current withholding tax rate of 5.4075%) and the debenture trust deed will include language to protect the Subscriber against increases in the withholding tax rates. At the prevailing tax rate, the gross interest rate inclusive of withholding taxes would be 13.1089% p.a.

	<p>The above interest rate would be applicable until the exercise date of the put / call option – i.e for the first 36 months of the NCD term. The rate could be reset thereafter.</p> <p>Note: The interest rate is subject to change if hedge costs increase and should the USD return fall below MEF's minimum return requirement of 500bps + 6 month Libor after accounting for NCD costs. Should the hedging costs reduce, the INR rate will be adjusted accordingly.</p>
<b>Interest Payments</b>	Semi-annually
<b>Upfront Fee</b>	No upfront fee
<b>Other Costs</b>	Any issue related expenses including rating, listing, legal, trustee, stamp duty and other costs associated with the NCD issuance will be borne by the Issuer.
<b>Voluntary Prepayment</b>	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.
<b>Penalty Interest Rate</b>	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.
<b>Hedging Arrangement</b>	<p>The Subscriber shall enter into a hedging instrument with a third-party counterparty in order to provide this Facility.</p> <p>Any costs associated with the early termination of the hedge arrangement shall be borne by the Issuer.</p>
<b>Security</b>	<p>Hypothecation of book debt maintained at all times at 105% of principal outstanding (with at least 100% coverage by principal).</p> <p>Reporting of loan receivables and security top-up on a monthly basis.</p>
<b>Financial Covenants</b>	<p>Covenants shall include, but are not limited to, the following:</p> <ul style="list-style-type: none"> <li>• The Borrower shall at all times maintain a ratio of (x) the sum of Portfolio At Risk over 30 days divided by (y) the Outstanding Gross Loan Portfolio of not greater than: <ul style="list-style-type: none"> <li>i) 14% from the date of the Loan Agreement to 30 September 2017 and</li> <li>ii) 10% from 1 October 2017 to 31 March 2018 and</li> <li>iii) 5% from 1 April 2018 until the redemption</li> </ul> </li> <li>• The Borrower shall at all times maintain a ratio of (x) the sum of</li> </ul>

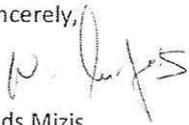


This final term sheet is for the confidential use of Chaitanya only and is not to be reproduced, used for any other purpose, nor disseminated to any other parties without the prior written consent of the Fund Manager.

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, 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,



Normunds Mizis  
Regional Director Asia  
BlueOrchard Finance Ltd.

#### COMMITMENT TO PURSUE ISSUANCE OF NCD TO MEF

Chaitanya India Fin Credit Pvt Ltd acknowledges the receipt of the Final Term Sheet sent by BlueOrchard Finance SA and agrees to pursue, in good faith, the NCD issuance for subscription by the Microfinance Enhancement Facility SA, SICAV-SIF (BlueOrchard Pool).

Signed: SAMIT S SHETTY

Title: DIRECTOR

Date: 12<sup>th</sup> JUNE, 2017.

For CHAITANYA INDIA FIN CREDIT PVT. LTD.

  
Director