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DWM Asset Management, LLC
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Preliminary Term Sheet For Investment in Non Convertible Debenture of NeoGrowth Credit Private Limited ("NeoGrowth")

Purchaser:	ACTIAM Institutional Microfinance Fund III (AIMF III)
Transferability:	Free transferability by the Purchaser
Issuer:	NeoGrowth Credit Private Limited ("NeoGrowth")
Facility/Principal Amount:	Rs. ~32.5 crore (USD 5.0 million) Senior Loan ("Loan") via Listed Non-Convertible Debentures
Currency:	Indian Rupee ("INR")
Tenor:	Three Years
Interest Rate:	13.55% per annum
Withholding Tax:	For the account of the Purchaser
Principal Repayments:	Bullet Repayment 36 months after disbursement
Interest Payment Dates:	Semi-annual
Commitment Fee:	None
Annual Servicing Fee:	None
Legal and Rating Expenses	Issuer to pay all Legal Expenses and rating costs pertaining to the NCD issuance including cost of a legal opinion on the legal and regulatory validity of the transaction.
Disbursement:	On or around February ^{March} 15, 2017 
Prepayment costs:	Prepayment requires written approval from Purchaser and is subject to a penalty of 2% applied to the outstanding principal amount of the loan.
Collateral:	NCDs will be secured with assignment of book debt with value equal to or greater than 100% of the outstanding principal amount of the NCDs at all times.
Seniority:	At least pari passu with the holders of NCDs issued by the Purchaser.
Reporting:	The Issuer will deliver to the Purchaser the audited financial statements no later than 90 days after the close of each fiscal year. Monthly financial statements (not audited) will be delivered as soon as they are prepared and no later than 30 days after the end of each month. The Issuer will also deliver the figures and results necessary for the Purchaser to determine fulfillment of the Financial Covenants described below in no more than 30 days after the close of each month for the duration of the issuance. The Purchaser will have access to any additional information that it deems necessary to monitor and evaluate the financial performance and/or operational risk of the Issuer for the duration of the issuance.





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Financial Covenants:	<p>The following covenants (calculated and reported on a monthly basis) would be in addition to reporting requirements and affirmative and negative covenants:</p> <ul style="list-style-type: none">• Portfolio Quality 1: The ratio of 'PAR> 30 days plus Restructured Loans' to Gross Outstanding Loan Portfolio to be less than 13.0% till July 31, 2017, 12.0% till July 31, 2018, 11.0% till July 31, 2019, and 10.0% thereafter.• Portfolio Quality 2: The ratio of 'Loans Written-Off during the last 12 months' to Gross Outstanding Loan Portfolio to be less than 2.0% at all times.• Regulatory Capital Adequacy Ratio of not less than 5.0% + the Reserve Bank of India prescribed limit.• Positive net income measured at fiscal year end until the Maturity Date.• Maintain Open Loan Exposure of not greater than 15.0%. Open Loan Exposure is calculated as 'PAR>30 days plus Restructured Loans less Provisions for Doubtful Loans' as a percentage of Total Shareholder Funds.• The Issuer will inform the Purchaser in writing immediately upon a shareholder (or related shareholders) obtaining or disposing of a greater than 20% ownership interest in the Company. If at such time, the Purchaser at its sole discretion perceives a material change in the mission or risk of the Issuer, then the Purchaser will have 15 business days to declare the entire principal amount and all accrued and unpaid interest and fees to be immediately due and payable. This clause will not be applicable if a majority ownership interest is obtained by any of the existing shareholders.• FX Covenant: The Issuer will ensure that its unhedged foreign currency position, if any, does not exceed 25% of its total equity at any time. The unhedged foreign currency position shall be defined as a ratio, the numerator of which is total foreign currency assets less the sum of foreign currency liabilities, and the denominator of which is total equity (after giving effect to the value of all hedging transactions in respect thereof).
Event of Default:	Non-payment of principal of or interest on the NCDs as per agreed schedule or violation of any one of the covenants as stated above will be deemed as an Event of Default.
Default Interest:	Penalty interest of 2% on the outstanding loan balance and any accrued interest since the last interest payment.
Conditions Precedent:	The Issuer shall certify that the organization is duly registered and is in good standing as per law, and provides necessary support documentary evidence. The Issuer shall also obtain the legal opinion from an external counsel to this effect.





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Additional Considerations:	The terms contained in this document are subject to approval by DWM's Credit Committee and the respective investment committees of the DWM-managed funds purchasing the NCDs, and adjustments before signing legal documents that contain the final terms.
Notes:	<p>Issuer will be responsible for expenses involved in the issuance of NCD's. The Issuer will be responsible for all wire fees and other applicable charges.</p> <p>The disbursement depends on the submission of all required supporting documents to the Purchaser and a satisfactory legal opinion from the Purchaser's local counsel in the country.</p> <p>The above terms are valid until ^{March} February 15, 2017</p>

Bogdan Tatarchevskiy
Director, Head of Debt Investments
DWM Asset Management, LLC
bogdan@dwmmarkets.com

Signed by:

DWM ASSET MANAGEMENT, LLC

Name: *Bogdan Tatarchevskiy*
Title: *Director*
Date: *Feb 2, 2017*

Accepted and Agreed:

NEOGROWTH CREDIT PRIVATE LIMITED

For NeoGrowth Credit Private Limited

Authorised Signatory

Name:
Title:
Date: