

**SUMMARY OF THE TERMS OF THE SERIES-11-2020 DEBENTURES**

Following is the summary of the terms of the PAISALO DIGITAL LIMITED – SERIES-11-2020 DEBENTURES ISSUE:

<b>Issuer</b>	Paisalo Digital Limited
<b>Base Issue Size</b>	Rs. 16 crore (Rupees Sixteen Crore Only)
<b>Option to retain oversubscription</b>	NIL
<b>Type of Instrument</b>	Secured, Rated, Listed, Redeemable, Non-Convertible Debentures (NCDs)
<b>Nature of Instrument/Series</b>	Secured (Series-11-2020)
<b>Issuance Mode</b>	In Demat mode only
<b>Trading Mode</b>	In Demat mode only
<b>Objects of the Issue</b>	The funds raised through this issue, after meeting the expenditure of and related to the issue, will be used by the Issuer for its permissible various financing activities, repaying its existing loans and for business operations.
<b>Utilization of Issue Proceeds</b>	The proceeds shall be parked in such accounts/ places as may be permitted under Applicable Law, from time to time, and utilized by the Issuer towards financing in accordance with Applicable Law, and for such other purposes, including towards other financing and general business purposes of the Issuer, in compliance with relevant regulatory guidelines, and in such a manner that may be permitted by the RBI or under Applicable Law from time to time.
<b>Security</b>	The NCDs being issued shall be secured through a first ranking pari passu charge by hypothecation over the loan receivable of the company (Hypothecated Receivable) to the extent of 1.10 times of issue. The company shall maintain security cover of 1.10 times (110%) of the entire redemption amount throughout the tenure of the NCDs.
<b>Seniority</b>	Senior
<b>Contribution being made by the promoters or directors either as part of the offer or separately in furtherance of such objects</b>	Nil
<b>Mode of Issue</b>	Private Placement
<b>Listing</b>	Proposed to be listed on the Wholesale Debt Market Segment (WDM) of BSE
<b>Trustees</b>	IDBI Trusteeship Services Limited
<b>Credit Rating</b>	"IVR A + /Stable outlook" ( <i>pronounced as "IVR single A Plus with Stable Outlook"</i> ) by Infomerics Valuation and Rating Private Limited ( <b>Infomerics Ratings</b> )
<b>Credit Enhancement</b>	Nil
<b>Face Value</b>	Rs. 10 Lakhs per NCD
<b>Premium on issue</b>	Nil
<b>Discount on issue</b>	Nil
<b>Issue Price</b>	At par, Rs. 10 Lakhs per NCD
<b>Premium on redemption</b>	Nil
<b>Discount on redemption</b>	Nil
<b>Minimum Application</b>	The minimum application shall not be less than 10 (Ten) Debentures and in multiples of 1 debentures thereafter.
<b>Tenor</b>	18 months from the deemed date of allotment
<b>Put Option</b>	None
<b>Put Option Price</b>	Not Applicable
<b>Put Option Date</b>	Not Applicable
<b>Put Notification Time</b>	Not Applicable
<b>Call Option</b>	None
<b>Call Option Price</b>	Not Applicable
<b>Call Option Date</b>	Not Applicable
<b>Call Notification Time</b>	Not Applicable
<b>Coupon Rate</b>	10.50% p.a. payable quarterly
<b>Interest on application Money</b>	Interest at applicable Interest rate will be paid on the application money to the

	<p>applicants (subject to the deduction of tax at source at prevailing rates, as applicable). Such interest will be paid for the period commencing from the date of credit or realization of the cheque(s)/demand draft(s) up to but excluding the Deemed Date of Allotment. Such interest will be paid to the relevant applicants within 15 (fifteen) days from the Deemed Date of Allotment.</p> <p>Such interest would be paid on all the valid applications, including the refunds. Where the entire subscription amount has been refunded, the Interest on application money will be paid along with the refund orders. Where an applicant is allotted lesser number of Debentures than applied for, the excess amount paid on application will be refunded to the applicant along with the interest on application money.</p>	
<b>Redemption/ Maturity Amount</b>	At Par/ The aggregate of the Principal Amount, 100% (hundred percent) of which will be paid on the respective maturity date of Debentures.	
<b>Redemption Date</b>	Bullet repayment at the end of 18 <sup>th</sup> months from deemed allotment	
<b>Step Up Coupon Rate</b>	None	
<b>Step Down Coupon Rate</b>	None	
<b>Coupon Payment Frequency</b>	Quarterly	
<b>Coupon Payment Dates</b>	February 10, 2021	May 10, 2021
	August 10, 2021	November 10, 2021
	February 10, 2022	May 09, 2022
<b>Coupon Type</b>	Fixed	
<b>Coupon Reset</b>	None	
<b>Day Count Basis</b>	Actual/Actual	
<b>Issue Timing</b>		
<b>1. Issue Opening Date</b>	November 9, 2020	
<b>2. Issue Closing Date</b>	November 9, 2020	
<b>3. Pay-in Date</b>	November 10, 2020	
<b>4. Deemed Date of Allotment</b>	November 10, 2020	
<b>Default Interest Rate</b>	2% (two percent) over the Interest/Coupon rate on the Outstanding Amounts (other than Default Interest).	
<b>Payment of Interest and Principal</b>	Payment of interest and repayment of principal shall be made by way of cheque(s)/ credit through RTGS/ Electronic Fund Transfer or any other electronic mode offered by the Banks	
<b>Settlement Mode</b>	Payment on redemption will be made by RTGS / NEFT in the name of the Debenture Holders whose names appear in the list of beneficial owners given by the Depository to the Issuer as on the Record Date.	
<b>Depositories</b>	NSDL / CDSL	
<b>Registrar</b>	Alankit Assignments Limited	
<b>Valuer</b>	Not Applicable	
<b>Business Day Convention</b>	<p>A day on which money markets are functioning in Delhi (for the purpose of this section, shall be referred to as the “<b>Working Day</b>”).</p> <p>In line with day count convention stipulated in the SEBI Circular dated November 11, 2016 bearing reference CIR/IMD/DF-1/122/2016, it is hereby clarified that:</p> <p>Should a Final Maturity Date or the Record Date, as defined in the relevant pricing supplement, fall on a day which is not a Working Day, the preceding Working Day shall be considered as the effective date. Further, should the Interest Payment Date, as defined in the relevant pricing supplement, fall on a day which is not a Working Day, the next Working Day shall be considered as the effective date, provided that the Interest shall be calculated till the last day of the relevant Interest Period.</p> <p>It is further clarified that, should the Final Maturity Date/ Redemption Date, as defined in the relevant pricing supplement, fall on a day which is not a Working Day, the previous Working Day will be considered as the effective date for both the Redemption Date and the last Interest Payment Date, provided that the Interest shall</p>	

	be calculated till but excluding such effective date.
<b>Record Date</b>	The Record Date shall be 15 Calendar days prior to each coupon payment date / redemption date for determining the beneficiaries of the Debentures for the interest payment and/or principal repayment in relation thereto.
<b>Investors who are eligible to apply</b>	<ol style="list-style-type: none"> <li>1. Mutual Funds</li> <li>2. Public Financial Institutions specified in Section 2(72) of the Companies Act, 2013</li> <li>3. Scheduled Commercial Banks;</li> <li>4. State Industrial Development Corporations</li> <li>5. Insurance Companies registered with the Insurance Regulatory and Development Authority</li> <li>6. Provident Funds, Pension Funds, Gratuity Funds and Superannuation Funds authorized to invest in the Issue</li> <li>7. National Investment Fund set up by resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of the Government of India published in the Gazette of India</li> <li>8. Insurance funds set up and managed by army, navy or air force of the Union of India</li> <li>9. Companies and Bodies Corporate authorized to invest in debentures</li> <li>10. Co-operative Bank and Regional Rural Banks authorized to invest in debentures</li> <li>11. Societies authorized to invest in debentures</li> <li>12. Trusts authorized to invest in debentures</li> <li>13. Foreign Institutional Investors and sub-accounts registered with SEBI or Foreign Portfolio Investors (not being an individual or family offices)</li> <li>14. Statutory Corporations / Undertakings established by Central / State legislature authorized to invest in debentures</li> <li>15. Hindu Undivided Family</li> <li>16. Partnership Firms</li> <li>17. Any other eligible investor</li> </ol> <p>All investors are required to comply with the relevant regulations / guidelines applicable to them for investing in this Issue of Debentures.</p> <p>Prospective subscribers must make their own independent evaluation and judgment regarding their eligibility to invest in the issue. Prior to making any investment in these Debentures, each investor should satisfy and assure herself/himself/itself that it is authorized and eligible to invest in these Debentures. The Issuer shall be under no obligation to verify the eligibility/authority of the investor to invest in these Debentures. Further, mere receipt of the Pricing Supplement (and/or any document in relation thereto) by a Person shall not be construed as any representation by the Issuer that such Person is authorized to invest in these Debentures or eligible to subscribe to these Debentures.</p> <p>a) if a Person, in the Issuer's view, is not an eligible investor (as specified above), the Issuer shall have the right to refuse allotment of Debentures to such Person and reject such Person's application;</p> <p>b) if after applying for subscription to these Debentures and/or allotment of Debentures to any Person, such Person becomes ineligible and/or is found to have been ineligible to invest in/hold these Debentures, the Issuer shall not be responsible in any manner.</p>
<b>No eligible classes of Investors</b>	<ol style="list-style-type: none"> <li>1. Minors</li> <li>2. Non-resident investors being an Individual including NRIs, QFIs (Individual), and FPIs(individual or family offices)</li> <li>3. Venture Capital Fund and Foreign Venture Capital Investor</li> <li>4. Overseas Corporate Bodies</li> <li>5. Person ineligible to contract under applicable statutory / regulatory requirements</li> </ol>
<b>Transaction Documents</b>	<p>The Issuer has executed/ shall execute the documents including but not limited to the following in connection with the Issue:</p> <ol style="list-style-type: none"> <li>1. Shelf Disclosure Document</li> <li>2. Debenture Trustee Agreement</li> </ol>

	<ol style="list-style-type: none"> <li>Pricing Supplements</li> <li>Security Documents; and</li> <li>Any other document related to the transaction that may be designated as a 'Transaction Document' by the Debenture Trustee.</li> </ol>
<b>Security Documents</b>	Debenture Trust Deed, read with any amendments or supplements thereto.
<b>Conditions precedent to subscription of NCDs</b>	<ol style="list-style-type: none"> <li>Credit Rating by Infomerics Valuation and Rating Private Limited (<b>Infomerics Ratings</b>)</li> <li>In-principle listing approval from the Stock Exchanges</li> <li>Consent Letter from the IDBI Trusteeship Services Limited to act as Debenture Trustee for the Issue</li> <li>Signed Disclosure Document</li> <li>Certified copy of Board and Shareholders Resolution</li> </ol>
<b>Conditions subsequent to subscription of NCDs</b>	Listing of the Debentures on the wholesale debt segment of the BSE.
<b>Event of Defaults</b>	<ol style="list-style-type: none"> <li>Default in payment of monies within 7 Business Days from the due date in respect of Interest and/or Principal Amounts owing upon the Debentures or in payment of any other monies including costs, charges and expenses incurred by the Trustees;</li> <li>Breach in the performance or observance of any covenant, condition or provision contained in the Transaction Documents;</li> <li>Any breach or default in terms of the existing debenture documents executed in relation to the issue and allotment of Non-Convertible Debentures to the Existing Debenture Holders;</li> <li>The end-use not as per the objects of the Issue;</li> <li>The Issuer admits in writing its inability to pay its debt with respect to the Transaction Documents as they mature;</li> <li>A receiver or a liquidator is appointed or allowed to be appointed of all or any part of Issuer's undertaking;</li> <li>The Issuer ceases to carry on its business; or</li> <li>Expropriation, nationalisation of assets of the Issuer or assuming control of the Issuer's business by any governmental authority or any approval or permission to carry on the Issuer's material business is revoked by the competent government authority and such disability has not been remedied for at least 150 (one hundred and fifty) days;</li> <li>Any petition for winding-up of the Issuer being instituted or appointment of a receiver or liquidator for any part of the Issuer's property and in each case such action has not been dismissed within 150 (one hundred and fifty) days of its occurrence; and</li> <li>Any execution, attachment or restraint has been levied against all or any material part of the Issuer's assets and in each case if such disability has not been remedied within 150 days. The Issuer shall have a cure period of (i) 7 (seven) days to remedy the default specified in 1 above and (ii) 45 (forty five) days to remedy all other defaults specified above.</li> </ol>
<b>Provisions related to Cross Default</b>	Any default in making any payments of coupons/interest, redemption amounts, default interest or any other monies when due to, or breach of any of the terms of the debenture related documents executed for the benefit of, the Existing Debenture Holders and such default/breach is not cured within the applicable cure periods granted for the same by such debenture holders/their trustee.
<b>Role and Responsibilities of Trustees</b>	Subject to the terms of the Debenture Trust Deed, all the rights and remedies of the Debenture Holders shall vest in and shall be exercised by the Debenture Trustee without referring to the Debenture Holders. The Investors/ Debenture Holders are deemed to have irrevocably given their authority and consent to IDBI Trusteeship Services Limited to act as the debenture trustee and for doing such acts, deeds and things necessary in respect of or relating to the security to be created for securing such debentures and signing such documents to carry out their duty in such capacity. All rights and remedies under the Debenture Trust Deed or the other Security Documents shall rest and be exercised by the Debenture Trustee without any reference to the Debenture Holders. Any payment by the Issuer to the Debenture Trustee on behalf of the Debenture Holders shall discharge the Issuer <i>pro tanto</i> to the Debenture Holders. The Debenture Trustee shall have the right to provide any consent for any restructuring or amalgamation by the Issuer, if it is satisfied that the rights and interests of the Debenture Holders would not be detrimentally affected by such restructuring or amalgamation.

	<p>Resignation/retirement of the Debenture Trustee shall be as per terms of the Debenture Trust Deed entered into/ to be entered into between the Issuer and the Debenture Trustee. A notice in writing to the Debenture Holders shall be provided for the same.</p> <p>The Debenture Trustee ipso facto does not have the obligations of the Company as a principal debtor or as a guarantor as to the monies paid/invested by the Investors /Debenture Holders for the Debentures</p> <p>The Debenture Trustee shall duly intimate the Debenture Holders and the general public by issuing a press release on occurrence of any of the following events:</p> <ol style="list-style-type: none"> <li>Default by the Issuer to make payments of any amounts in relation to the Debentures including the Interest etc;</li> <li>Failure of the Issuer to create a charge over its assets in accordance with the Security Documents for the Debentures; and</li> <li>Revision of credit rating assigned to the Debentures.</li> </ol> <p>Such information shall also be placed on the websites of the Debenture Trustee and the Issuer.</p>
<b>Type of Bidding</b>	Fixed Rate
<b>Manner of Bidding</b>	Close Book Bidding
<b>Manner of Allotment</b>	Uniform – yield
<b>Settlement Mode for Application Money</b>	Through Indian Clearing Corporation Limited
<b>Settlement Cycle</b>	NSDL / CDSL
<b>Approvals</b>	The Issuer agrees to comply with all applicable rules and regulations in respect of the transaction. The Issuer will be responsible for taking all necessary authorization and / or approvals internal, external regulatory, statutory or otherwise
<b>Covenants</b>	<ol style="list-style-type: none"> <li>Security Creation: If the Company fails to execute the Debenture Trust Deed within three months of the issue closure, the Company shall pay penal interest at the rate of 2.00% p.a. over the Coupon Rate till these conditions are complied with or refund the subscription (ie. redemption at par) along with other monies/accrued interest due in respect thereof, at the option of the Debenture holders. If the Company fails to maintain security cover then this will attract penal interest of 1% p.a. over the coupon rate for the period of non-compliance;</li> <li>Default in Payment: In case of default in payment of interest and/ or principal redemption on the due dates, the Company shall pay additional interest at the rate of 2.00% p.a. over the Coupon Rate for the defaulting period i.e. the period commencing from and including the date on which such amount becomes due and upto but excluding the date on which such amount is actually paid.</li> <li>Delay in Listing: The Company shall make listing application to BSE and/ or NSE within 15 days from the Deemed Date of Allotment of the Debentures and obtain listing permission within 20 calendar days from the Deemed Date of Allotment of Debentures. In case of delay in listing of the Debentures beyond 20 calendar days from the Deemed Date of Allotment, the Company shall pay penal interest at the rate of 1.00% p.a. over the Coupon Rate from the expiry of 30 days from the Deemed Date of Allotment till the listing of Debentures to the Debenture holder(s).</li> </ol> <p>The interest rates mentioned in above covenants shall be independent of each other.</p> <p>In case any of the “Covenants” is breached and continues breached for a period of 30 days from such breach coming to notice, the Primary Debenture holder(s) would reserve the right to recall the outstanding principal amount on the NCDs (ie. redemption at par) along with other monies/accrued interest due in respect thereof.</p>
<b>Governing Law and Jurisdiction</b>	The Debentures are governed by and will be construed in accordance with the laws of India. The Debenture Holders, by purchasing the Debentures, agree that the courts and tribunals at Delhi shall have exclusive jurisdiction with respect to matters relating to the Debentures.