

****Confidential**- Rating Letter _ Paisalo Digital Limited**

1 message

Jaysshree Purohit <jpurohit@infomerics.com>

Wed, Aug 25, 2021 at 11:20 PM

To: Atul Agarwal <atul@seil.in>, "atul@paisalo.in" <atul@paisalo.in>

Cc: Amit Bhuwania <abhuhania@infomerics.com>, Sarnambar Roy <sroy@infomerics.com>, "Ms. Sabeena Narang" <sabeena@infomerics.com>, Kuldeep Kumar Arora <kkarora@infomerics.com>

Dear Sir,

Please Find Below Rating Letter of the captioned company-

August 25, 2021
Mr. Sunil Agrawal,

Director

Paisalo Digital Limited,

101, CSC, Pocket 52,

CR Park, Near Police Station,

New Delhi – 110019.

Dear Sir,

Credit Rating for Bank Loan Facilities and Non-Convertible Debentures of Paisalo Digital Limited (PDL)

After taking into account all the relevant recent developments including operational and financial performance of your company.

Our Rating Committee has reviewed the following ratings:

SR. No	Instrument/Facility	Amount (INR. Crore)	Current Ratings	Previous Ratings	Rating Action
1	Long Term Fund Based Facility – Cash Credit	758.12 (Reduced from INR759.75)	IVR AA-/Stable Outlook (IVR Double A Minus with Stable Outlook)	IVR A+/Stable Outlook (IVR Single A Plus with Stable Outlook)	Revised
2	Long Term Fund Based Facility- Term Loan	31.68 (Reduced from INR39.00 Crore)	IVR AA-/Stable Outlook (IVR Double A Minus with Stable Outlook)	IVR A+/Stable Outlook (IVR Single A Plus with Stable Outlook)	Revised
3	Non-Convertible Debentures (SERIES -07-2020)*	50.00	IVR AA-/Stable Outlook (IVR Double A Minus with Stable Outlook)	IVR A+/Stable Outlook (IVR Single A Plus with Stable Outlook)	Revised
4	Non-Convertible Debentures (SERIES 08-2020)*	20.00	IVR AA-/Stable Outlook (IVR Double A Minus with Stable Outlook)	IVR A+/Stable Outlook (IVR Single A Plus with Stable Outlook)	Assigned
5	Non-Convertible Debentures (SERIES 11-2020)*	16.00	IVR AA-/Stable Outlook (IVR Double A Minus with Stable Outlook)	IVR A+/Stable Outlook (IVR Single A Plus with Stable Outlook)	Assigned
6	Proposed Long Term Facility	370.20 (Increased from INR91.25)	IVR AA-/Stable Outlook (IVR Double A Minus with Stable Outlook)	IVR A+/Stable Outlook (IVR Single A Plus with Stable Outlook)	Revised
7	Proposed Non-Convertible Debentures	29.00 (Reduced from INR50.00)	IVR AA-/Stable Outlook (IVR Double A Minus with Stable Outlook)	IVR A+/Stable Outlook (IVR Single A Plus with Stable Outlook)	Revised
	Total	1275.00			

*Details in Annexure III

For arriving at the rating, Infomerics has taken the consolidated approach of Paisalo Digital Limited (PDL) and its wholly owned subsidiary, Nupur Finvest Private Limited (NFPL) collectively known as Paisalo group. Moreover, PDL has given corporate guarantee for bank facilities of NFPL.

List of group companies considered for consolidation:

Name of the Company	Extent of Consolidation
Paisalo Digital Limited (PDL)	Full
Nupur Finvest Private Limited (NFPL)	Full

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1. Details of the credit facilities are attached in **Annexure I**. Our rating symbols for long-term ratings and explanatory notes thereon are attached in **Annexure II**.
 2. The press release for the rating(s) will be communicated to you shortly.
 3. If the proposed long term / short term facility (if any) is not availed within a period of six months / three months respectively from the date of this letter, then the rating may please be revalidated from us before availing the facility.
 4. The above rating is normally valid for a period of one year from the date of communication of rating to you (**i.e. August 25, 2021**).
 5. A formal surveillance/review of the rating is normally conducted within 12 months from the date of initial rating/last review of the rating. However, INFOMERICS reserves the right to undertake a surveillance/review of the rating more than once a year if in the opinion of INFOMERICS; circumstances warrant such surveillance/review.
 6. Further in terms of the mandate executed with us, you have undertaken to comply with the following:-
 - a. Inform INFOMERICS before availing any new bank facility/ies and/or of any changes in the terms, conditions and/or size of the facilities rated.
 - b. Furnish all material information and any other information in a timely manner as may be required by INFOMERICS, for monitoring the Rating assigned during the tenure of the bank facilities rated by INFOMERICS.
 - c. Co-operate with and enable INFOMERICS to arrive at and maintain a true and fair rating and in particular, provide INFOMERICS with true, adequate, accurate, fair, and timely information for the purpose.
 - d. Inform INFOMERICS, in writing and in a timely manner, of any other developments which may have a direct or indirect impact on the CLIENT's debt servicing capability including any proposal for re-schedulement or postponement of the repayment programs of the dues/ debts of the CLIENT with any lender (s)/ investor (s) within seven days from the date of such developments/ proposal.
 7. **You shall provide us with a No Default Statement as at the last date of the month on the first date of succeeding month without fail.** The NDS shall be mailed every month to nds@infomerics.com and to the mail id of the undersigned.
 8. **You shall provide the quarterly performance results/quarterly operational data (being submitted to Banks) to us within 6 weeks from the close of each calendar quarter for our review/monitoring.**
 9. You shall furnish all material information and any other information called for by INFOMERICS in a timely manner, for monitoring the rating assigned by INFOMERICS. In the event of failure on your part in furnishing such information, to carry out continuous monitoring of the rating of the bank facilities, INFOMERICS shall carry out the review/annual surveillance on the basis of best available information throughout the lifetime of such bank facilities as per the policy of INFOMERICS.
 10. INFOMERICS reserves the right to withdraw/revise/reaffirm the rating assigned on the basis of new information. INFOMERICS is also entitled to publicise/disseminate such withdrawal/revision in the assigned rating in any manner considered appropriate by it, without reference to you.
 11. Please note that INFOMERICS ratings are not recommendations to buy, sell or hold any security or to sanction, renew, disburse or recall the bank facilities. INFOMERICS do not take into account the sovereign risk, if any, attached to the foreign currency loans, and the ratings are applicable only to the rupee equivalent of these loans.
 12. In case you require any clarification, you are welcome to communicate with us in this regard.
 13. Further, this is to mention that all the clauses mention in the initial rating letter **dated August 25, 2020** are also stands applicable. If you need any clarification, you are welcome to approach us in this regard.

Thanking you,

With Regards,

Jayshree Purohit

Rating Analyst

Email: jpurohit@infomerics.com

Amit Bhuwania

Ass. Vice President

Email: prakash.kabra@infomerics.com

Disclaimer: Infomerics ratings are based on information provided by the issuer on an 'as is where is' basis. Infomerics credit ratings are an opinion on the credit risk of the issue / issuer and not a recommendation to buy, hold or sell securities. Infomerics reserves the right to change, suspend or withdraw the credit ratings at any point in time. Infomerics ratings are opinions on financial statements based on information provided by the management and information obtained from sources believed by it to be accurate and reliable. The credit quality ratings are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. We, however, do not guarantee the accuracy, adequacy or completeness of any information which we accepted and presumed to be free from misstatement, whether due to error or fraud. We are not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank

facilities/instruments are rated by us have paid a credit rating fee, based on the amount and type of bank facilities/instruments. In case of partnership/proprietary concerns/Association of Persons (AOPs), the rating assigned by Infomerics is based on the capital deployed by the partners/proprietor/ AOPs and the financial strength of the firm at present. The rating may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor/ AOPs in addition to the financial performance and other relevant factors.

ANNEXURE I

1. Long Term Fund Based Facility – Cash Credit

Sl. No	Name of the bank	Remarks	(INR. Crore)	Maturity
1.	Bank of Baroda	Existing	125.00	--
2.	Central Bank of India	Existing	128.12	--
3.	Union Bank of India	Existing	165.00	--
4.	Punjab National Bank	Existing	120.00	--
5.	State Bank of India	Existing	40.00	--
6.	Bank of Maharashtra	Existing	50.00	--
7.	Bank of India	Existing	45.50	--
8.	UCO Bank	Existing	37.00	--
9.	IDBI Bank Limited	Existing	25.00	--
10.	The South Indian Bank Ltd.	Existing	22.50	--
	Total		758.12	

2. Long Term Fund Based Facility – Term Loan

Sl. No	Name of the bank	Remarks	(INR. Crore)	Maturity
1.	State Bank of India	Existing	31.68	Up to November 2024
	Total		31.68	

3. Long term Facility - Non-Convertible Debentures (NCDs)

Sl. No	Facility Details	ISIN	Amount (INR. Crore)	Maturity
1.	Non-Convertible Debentures (SERIES -07-2020)	INE06DK07016	50.00	April 21, 2023

2.	Non-Convertible Debentures (SERIES 08-2020)	INE420C07023	20.00	February 25, 2022
3.	Non-Convertible Debentures (SERIES 11-2020)	INE420C07031	16.00	May 9, 2022

4. Proposed Long Term Facility

Sl. No	Name of the bank	Remarks	(INR. Crore)	Maturity
1.	Proposed Facility	Proposed	370.20	--
	Total		370.20	

5. Proposed Non-Convertible Debentures

Sl. No	Facility Details	Remarks	Amount (INR. Crore)	Maturity
1.	NCDs	Proposed	29.00	--

ANNEXURE III

Details of Issued NCDs

SERIES -07-2020

Name of Trustee	IDBI Trusteeship Services Limited
Instrument Description	10.50% Secured Rated Listed Taxable Bonds In The Nature Of Debentures. Series -07-2020. Date Of Maturity 21/04/2023
Issue Size	INR50 Crore
ISIN No	INE420C07015
Date of Allotment	16-Jul-2020
Redemption Date	21-Apr-2023
Coupon Rate	10.50%
Coupon Repayment timeline	Payable Quarterly On 16/10/2020,16/01/2021 And So On Till Maturity.
Objective/Purpose of the Issue	Onward lending

SERIES 08-2020

Name of Trustee	Idbi Trusteeship Services Limited
Instrument Description	9.50% Secured Rated Listed Redeemable Non Convertible Debentures. Series 08-2020. Date Of Maturity 25/02/2022
Issue Size	INR20.00 Crore
ISIN No	INE420C07023

Date of Allotment	26-Aug-2020
Redemption Date	25-Feb-2022
Coupon Rate	9.50%
Coupon Repayment timeline	Payable Annually As Per The Dates Are 26/08/2021 And 25/02/2022.
Objective/Purpose of the Issue	Onward Lending

SERIES 11-2020

Name of Trustee	IDBI Trusteeship Services Limited
Instrument Description	10.50% Secured Rated Listed Redeemable Non Convertible Debentures. Series 11-2020. Date Of Maturity 09/05/2022
Issue Size	INR16.00 Crore
ISIN No	INE420C07031
Date of Allotment	10-Nov-2020
Redemption Date	09-May-2022
Coupon Rate	10.50%
Coupon Repayment timeline	Payable Quarterly As Per The Dates Are 10/02/2021,10/05/2021 To Till Maturity.
Objective/Purpose of the Issue	Onward Lending

*Please treat this email as signed Provisional communication in view of extraordinary circumstances in the country. However, we will issue a duly signed Provisional communication once the situation normalizes.

Thanks & Regards,

Jayshree Purohit

Rating Analyst

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 ANNEXURE I - Infomerics Rating Scale for LT Borrowing.pdf
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