

PAISALO DIGITAL LIMITED

Formerly Known As S. E. Investments Limited

Regd. Off: 101, CSC, Pocket 52, Near Police Station, CR Park, New Delhi-110019

Tel: +91 11 43518888 Fax: + 91 11 43518816 Web: www.paisalo.in

CIN: L65921DL1992PLC120483

**NOTICE OF MEETING OF SECURED CREDITORS OF PAISALO DIGITAL LIMITED CONVENED
PURSUANT TO THE ORDER DATED OCTOBER 12, 2018 OF THE HON'BLE NATIONAL COMPANY LAW
TRIBUNAL, PRINCIPAL BENCH AT NEW DELHI**

NOTICE TO SECURED CREDITORS

| | |
|-------|----------------------------------------------------------------------------------------------------------|
| Day | Saturday |
| Date | December 1, 2018 |
| Time | 12:00 P.M. |
| Venue | Auditorium ISKCON Complex, Hare Krishna Hill, Sant Nagar, Main Road, East of Kailash, New Delhi – 110065 |

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**BEFORE THE HON'BLE NATIONAL COMPANY LAW TRIBUNAL
PRINCIPAL BENCH AT NEW DELHI
COMPANY PETITION NO. C.A. (CAA) NO. 172 (PB) /2018
IN THE MATTER OF SECTIONS 230 TO 232 AND OTHER APPLICABLE PROVISIONS
OF THE COMPANIES ACT, 2013 READ WITH COMPANIES
(COMPROMISES, ARRANGEMENTS AND AMALGAMATIONS) RULES, 2016**

IN THE MATTER OF SCHEME OF ARRANGEMENT/ AMALGAMATION

BETWEEN

AGARWAL MEADOWS PRIVATE LIMITED ("APPLICANT COMPANY NO. 1 /TRANSFEROR COMPANY")

AND

PAISALO DIGITAL LIMITED ("APPLICANT COMPANY NO. 2/ TRANSFEREE COMPANY")

AND

THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

PAISALO DIGITAL LIMITED

(Formerly known as S. E. Investments Limited)

CIN: L65921DL1992PLC120483

a company incorporated under the provisions of the
Companies Act, 1956 and having its registered
office at 101 CSC, Pocket 52, CR Park, Near Police
Station, New Delhi-110019

TRANSFEREE COMPANY

FORM NO. CAA. 2

**NOTICE CONVENING MEETING OF THE SECURED CREDITORS OF PAISALO DIGITAL LIMITED, THE
TRANSFEREE COMPANY PURSUANT TO THE ORDER DATED OCTOBER 12, 2018 PASSED BY THE
HON'BLE NATIONAL COMPANY LAW TRIBUNAL, PRINCIPAL BENCH, AT NEW DELHI**

To,
All the Secured Creditors of Paisalo Digital Limited,
(The "Transferee Company")

Notice is hereby given that by an order dated October 12, 2018 (the "Order"), the Hon'ble National Company Law Tribunal, Principal Bench at New Delhi ("NCLT") has directed a meeting of Secured Creditors of Transferee Company be convened and held at Auditorium ISKCON Complex, Hare Krishna Hill, Sant Nagar, Main Road, East of Kailash, New Delhi – 110065 on Saturday, December 1, 2018, at 12.00 P.M. for the purpose of considering, and if thought fit, approving with or without modifications, the Scheme of Arrangement/ Amalgamation between Agarwal Meadows Private Limited ("Transferor Company"), and Paisalo Digital Limited ("Transferee Company") and their respective Shareholders and Creditors ("Scheme") under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 ("the Act") and the rules made there under.

In pursuance of the said order and as directed therein, further notice is hereby given that a meeting of the Secured Creditors of the Company will be held at Auditorium ISKCON Complex, Hare Krishna Hill, Sant Nagar, Main Road, East of Kailash, New Delhi – 110065 on Saturday, December 1, 2018, at 12.00 P.M. and Secured Creditors are requested to attend the same.

Take Further Notice that Copies of the Scheme and the Explanatory Statement under Sections 230, 232, 102 and other applicable provision of the Act read with Rules framed thereunder and Proxy Form can be obtained free of charge from the Registered Office of the Transferee Company situated at 101 CSC, Pocket 52, CR Park, Near Police Station, New Delhi-110019 and the same can be downloaded from the website of the Company i.e. www.paisalo.in.

Take Further Notice that Persons entitled to attend and vote at the meeting, may vote in person or by proxy or by Authorised Representative as stipulated under Section 113 of the Act, provided that all proxies in the prescribed form attached with this notice are deposited at the Registered Office of the Transferee Company at 101 CSC, Pocket 52, CR Park, Near Police Station, New Delhi-110019 not later than 48 hours before the meeting.

The Hon'ble National Company Law Tribunal, Principal Bench, has appointed Mr. Prabhu Singh, Advocate, and in his absence Mr. Vaibhav Singh, Advocate, as the Chairperson of the said meeting including any adjournment or adjournments thereof.

The above mentioned Scheme of Arrangement/ Amalgamation, if approved by the Secured Creditors, will be subject to the subsequent approvals of the Hon'ble National Company Law Tribunal, Principal Bench, and other regulatory authorities.

The Board of Directors of the Company, at its meeting held on February 23, 2018 approved the above-mentioned Scheme of Arrangement/ Amalgamation, subject to approval of the Shareholders and Creditors of the Company, as may be required, and subject to the sanction of the Hon'ble NCLT and of such other authorities as may be necessary.

"RESOLVED THAT pursuant to the provisions of Sections 230 to 232 and other applicable provisions, if any, of the Companies Act, 2013, rules, circulars, notifications, if any, made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable provisions, regulations and guidelines issued by the Securities and Exchange Board of India (SEBI) read with SEBI Circular no. CFD/DIL3/CIR/2017/21 dated March 10, 2017, and the provisions of the Memorandum and Articles of Association of the Company and subject to the approval of the Hon'ble National Company Law Tribunal Principal Bench, ("NCLT") and subject to such other approvals, permissions and sanctions of other regulatory and authorities, as may be necessary and subject to such conditions and modifications as may be prescribed or imposed by the Hon'ble National Company Law Tribunal, Principal Bench or by any regulatory or other authorities, while granting such consents, approvals and permissions, which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the ("Board")), which term shall be deemed to mean and include one or more Committee(s) constituted/to be constituted by the Board or any person(s) authorized by the Board to exercise its powers including the powers conferred by this resolution, the proposed arrangement embodied in the Scheme of Arrangement/ Amalgamation between Agarwal Meadows Private Limited ("Transferor Company") and Paisalo Digital Limited ("Transferee Company") and their respective Shareholders and Creditors ("Scheme") placed before this meeting and initialled by the Chairman of the meeting for the purpose of identification, be and is hereby approved."

"RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds, matters and things, as may be considered requisite, desirable, appropriate or necessary to give effect to this resolution and effectively implement the arrangements embodied in the Scheme and to accept such modifications, amendments, limitations and/or conditions, if any, which may be required and/or imposed by the Hon'ble National Company Law Tribunal, Principal Bench and/or any other authority(ies) while sanctioning the Arrangement embodied in the Scheme or by any authorities under law, or as may be required for the purpose of resolving any doubts or difficulties that may arise in giving effect to the Scheme, as the Board may deem fit and proper."

Place: New Delhi
Date: October 29, 2018

For Paisalo Digital Limited

Sd/-
Prabhu Singh
(Advocate)

Chairperson appointed for the meeting

Notes

1. Explanatory Statement pursuant to Section 230(3) and other applicable provisions of the Companies Act, 2013 to the Notice of the Meeting of the Secured Creditors of the Transferee Company convened as per the directions of the National Company Law Tribunal, Principal Bench, at New Delhi is annexed hereto.

2. Proxies

- (i) A Secured Creditor entitled to attend and vote at the Meeting is entitled to appoint one or more proxy(ies) to attend and vote instead of himself/herself and a proxy so appointed need not be a Secured Creditor of the Transferee Company. Proxy in order to be effective, must be received at the Transferee Company's registered office not later than 48 hours before the commencement of the Meeting. Only duly filled, signed and stamped proxy form will be considered valid.
 - (ii) A minor cannot be appointed as a Proxy. The instrument appointing a proxy shall be signed by the appointer or his attorney duly authorised in writing, or if the appointer is a body corporate, it shall be under its seal and be signed by an officer or an attorney duly authorised by it.
 - (iii) During the period beginning 24 hours before the time fixed for the commencement of the Meeting and ending with the conclusion of the Meeting, a Secured Creditor would be entitled to inspect the proxies lodged, during the business hours from 9:30 A.M. to 6:00 P.M. at the Registered Office of the Transferee Company, provided that not less than three days of notice in writing is given to the Transferee Company.
3. The authorised representative of a body corporate which is a Secured Creditor of the Transferee Company may attend and vote at the Meeting provided a Power of Attorney ('POA') / Specific Authorisation / Certified True Copy of the Resolution of the Board of Directors or other governing body of the body corporate authorizing such representative to attend and vote at the Meeting is given along with attendance slip.
4. The Notice convening the Meeting will be published through an advertisement in 'Business Standard' and translation thereof in 'Business Standard' in Hindi language as order by the Hon'ble National Company Law Tribunal, Principal Bench vide its order dated October 12, 2018.
5. A Secured Creditor or his/her Proxy or Authorised Representative is requested to bring the copy of this Notice to the Meeting and produce the attendance slip, duly completed and signed, at the entrance of the Meeting venue.
6. The Notice is being sent to all Secured Creditors, whose name appeared as Secured Creditors as on Friday, October 26, 2018, being the cut-off date for dispatch. This Notice of the Meeting of the Secured Creditors of the Transferee Companies also displayed / posted on the website of the Transferee Company at www.paisalo.in.
7. Transferee Company is offering facility for voting by way of ballot/polling papers at the Meeting for the Secured Creditors attending the Meeting.
8. The voting rights of the Secured Creditors shall be in proportion to the principal amount due to them as on closure of business hours on Friday, October 26, 2018.
9. Pursuant to Rule 7 of the Companies (Compromise, Arrangement and Amalgamations) 2016 and order dated October 12, 2018, passed by the Hon'ble National Company Law Tribunal, Principal Bench, the advertisement of the notice convening the aforesaid meeting, indicating the day, date, place and time of the meeting will be published in Delhi editions of the 'The Business Standard' English Edition and 'The Business Standard' Hindi edition.
10. As per the Order of the Hon'ble NCLT, Mr. Ruchir Kaushik, Chartered Accountant is appointed as the Scrutinizer to scrutinize the votes cast at the Meeting and submit the report to the Chairperson of the Meeting within 48 hours from the conclusion of the Meeting.
11. The Scrutinizer will submit his combined report to the Chairperson of the Meeting after completion of the scrutiny of the votes cast by the Secured Creditors of the Transferee Company ballot paper at the venue of the Meeting. The Scrutinizer's decision on the validity of the vote shall be final. The results will be announced on or before December 03, 2018. The results, together with the Scrutinizer's Report, will be displayed at the Registered Office of the Transferee Company and on the website of the Transferee Company i.e. www.paisalo.in, besides being communicated to BSE Limited and National Stock Exchange of India Limited.

12. All the relevant documents referred to in the Explanatory Statement shall be available for inspection by the Secured Creditors at the Registered Office of the Transferee Company between 9:30 A.M. to 6:00 P.M. on all working days (except Saturdays, Sundays and public holidays) up to the date of the Meeting.
13. In accordance with the provisions of Section 230 read with Section 232 of the Companies Act, 2013, the Scheme shall be acted upon only if majority of persons representing three-fourth in value of the Secured Creditors of the Transferee Company, voting in person or by proxy or by way of Postal Ballot, agree to the Scheme and the resolution will be deemed to have been passed on the Meeting date.
14. Any queries may be addressed to Mr. Manendra Singh, Company Secretary of the Transferee Company at registered office of the Transferee Company or through email to cs@paisalo.in. He can also be contacted at 01143518888.

**BEFORE THE HON'BLE NATIONAL COMPANY LAW TRIBUNAL
PRINCIPAL BENCH AT NEW DELHI
COMPANY PETITION NO. C.A. (CAA) NO.172 (PB) /2018
IN THE MATTER OF SECTIONS 230 TO 232 AND OTHER APPLICABLE PROVISIONS
OF THE COMPANIES ACT, 2013 READ WITH COMPANIES
(COMPROMISES, ARRANGEMENTS AND AMALGAMATIONS) RULES, 2016**

IN THE MATTER OF SCHEME OF ARRANGEMENT/ AMALGAMATION

BETWEEN

AGARWAL MEADOWS PRIVATE LIMITED ("APPLICANT COMPANY NO. 1 /TRANSFEROR COMPANY")

AND

PAISALO DIGITAL LIMITED ("APPLICANT COMPANY NO. 2/ TRANSFEREE COMPANY")

AND

THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

PAISALO DIGITAL LIMITED

(Formerly known as S. E. Investments Limited)

CIN: L65921DL1992PLC120483

a company incorporated under the provisions of
the Companies Act, 1956 and having its registered
office at 101 CSC, Pocket 52, CR Park, Near Police
Station, New Delhi-110019

TRANSFEREE COMPANY

EXPLANATORY STATEMENT UNDER SECTIONS 230, 232 AND SECTION 102 AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013 READ WITH RULE 6 OF THE COMPANIES (COMPROMISES, ARRANGEMENTS AND AMALGAMATIONS) RULES, 2016 FOR THE MEETING OF THE SECURED CREDITORS OF PAISALO DIGITAL LIMITED CONVENED AS PER THE DIRECTIONS OF THE HON'BLE NATIONAL COMPANY LAW TRIBUNAL, PRINCIPAL BENCH, AT NEW DELHI

1. This is the statement accompanying the Notice convening the meeting of the Secured Creditors of the Transferee Company pursuant to the Order dated October 12, 2018 passed by the Hon'ble National Company Law Tribunal, Principal Bench at New Delhi ("NCLT"), in the Company Petition Number CA (CAA) No. 172(PB)/2018, to be held at Auditorium ISKCON Complex, Hare Krishna Hill, Sant Nagar, Main Road, East of Kailash, New Delhi – 110065 on Saturday, December 1, 2018, at 10.30 A.M., for the purpose of considering and, if thought fit, approving with or without modification(s), the Scheme of Arrangement/ Amalgamation between Agarwal Meadows Private Limited ("Transferor Company") and Paisalo Digital Limited ("Transferee Company") and their respective Shareholders and Creditors ("Scheme") under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 and the rules made there under.
2. Notice of the said meeting together with the copy of the Scheme of Amalgamation is sent herewith. This statement explaining the terms of the Scheme of Amalgamation is being furnished as required under Sections 230, 232 and other applicable provisions, if any, of the Companies Act, 2013 and Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 of the Companies Act, 2013.
3. A copy of the Scheme which has been approved by the Board of Directors of the Company is enclosed herewith. The other definitions contained in the Scheme shall also apply to this Explanatory Statement.
4. **DETAILS OF AGARWAL MEADOWS PRIVATE LIMITED ("TRANSFEROR COMPANY")**
 - a) Name of the Company : Agarwal Meadows Private Limited
 - b) Corporate Identification Number (CIN): U70200DL1989PTC038586
 - c) Permanent Account Number (PAN): AADCA6547Q

- d) Date of Incorporation: December 8, 1989
- e) Type of the company: Private Limited Company
- f) Current Registered Office Address: CSC, Pocket-52, Chittaranjan Park, Near Police Station New Delhi – 110019
- g) Email id: agrawalmeadows@rediffmail.com
- h) summary of main object as per the memorandum of association; and main business carried on by the Company:

The Transferor Company currently is in the business of renting of commercial property(ies).

The main Objects being pursued by the Transferor Company on its incorporation, as set out in the Memorandum and Articles of Association, are:

- I. To carry on the business of immovable property, consultants and to give on rent; sale and purchase, designing and construction of residential houses, commercial buildings, flats and factories shed and building.
- II. To purchase, take on lease or in exchange, hire or otherwise acquire any estates, lands, agricultural lands, buildings, easements or such other interest in any immovable property and to develop and turn to account by laying out, plotting and preparing the same for building purposes, constructing building including multi story buildings, altering, pulling down, decorating, maintaining, furnishing, fitting up and improving buildings and by paving, draining and letting on building lease.
- III. To buy, take on lease or in exchange, hire or otherwise acquire an interest in any immovable property such as houses, buildings, lands, or large areas within or outside the limits of Municipal Corporation or other local bodies and to provide roads, drains, water supply, electricity and lights within these areas, to divide the same into suitable plots and rent or sell the plots to the people for building, houses, bungalows and business premises and to build residential houses and business premises and colonies for workman according to schemes approved by Improvement Trusts, Development Boards and Municipal Boards there on and to rent or sell the same to the public and realise cost in lump sum or on instalments or by hire purchase system; or otherwise to start any housing scheme.
- IV. To act as an agent for purchasing, selling and letting on hire, land, agricultural land houses whether multi story, commercial and/or residential buildings on commission basis.
- V. To construct, maintain, erect and lay out roads, sewers, drains, electric lines, cables and gas lines, in over and under the Company's estate or the estate of any such other Company or person or body corporate.
- VI. To construct, execute, carry out, equip, maintain, improve, develop, and work reservoirs, roads, electric, power, heat and light supply works, towns, cities, bustees, hotels and clubs buildings, godowns, pleasure grounds, parks, gardens, ducks, jetries, embankments, bunds, bridges, railways, tramways, harbours, wharves, canals, irrigations, reclamation, improvement, sewage, sanitary, telegraphic, telephone works, warehouses, markets, public buildings and all other civil works and convenience of public utility of all kinds.
- VII. To develop the land for farm houses by providing roads and water and sale the same and to erect and construct farm houses, buildings or works of every description on any land of the Company or upon any other such lands or immovable property and to pull down, rebuild, enlarge, alter and improve such land into roads, streets, squares, gardens and such other conveniences related thereto, deal with and improve the immovable property of the Company or any other such immovable property of all types.
- VIII. To carry on the business of and as consultants, civil engineers, architects, surveyors, designers, town planners, estimators and valuers of Immovable properties of all types.

- i) Details of change of name, registered office and objects of the transferor company during the last five years;
- i) Change of name- The name of the Transferor Company has not been changed during last five years.
- ii) Change of Registered Office- During the last five years, the Registered Office of Transferor Company was shifted from A-5, Swasthya Vihar, Delhi- 110092 to CSC, Pocket 52, Chittaranjan Park, Near Police Station, New Delhi-110019 with effect from April 1, 2016.
- iii) Change of Object– There was no change in Objects of the Company during last five years.
- j) Name of the stock exchange (s) where securities of the company are listed, if applicable: NOT APPLICABLE
- k) Capital Structure of Agarwal Meadows Private Limited as on date, is as under:

| Share Capital | No of Shares | Amount in ` |
|----------------------------------------------|---------------------------------------------------------|-------------------------------------------------------------------------|
| Authorized Share Capital | 1,00,000 equity shares of Rs. 100/- each | 1,00,00,000/- (Rupees One Crore only) |
| Issued, Subscribed and Paid Up Share Capital | 29,270 equity shares of Rs. 100/- each fully paid | 29,27,000/- (Rupees Twenty-Nine lakhs Twenty Seven Thousand only) |

- l) Names of the promoters and directors along with their addresses:

| Category | Name | Address |
|----------|-----------------------------------------------|--------------------------------------------------------------------------|
| Promoter | Bhavya Electronics & Networks Private Limited | 101 CSC, Pocket 52, CR Park, Near Police Station, New Delhi-110019 |
| Director | Mr. Arun Gopal Agarwal | II-B/76, Vaishali, Ghaziabad, Uttar Pradesh– 201010, India |
| Director | Mr. Janak Ram Prasad | 16, Coprnicus Lane, Near Baroda House, G.P.O., New Delhi – 110001, India |

5. DETAILS OF PAISALO DIGITAL LIMITED (“TRANSFeree COMPANY”)

- a) Name of the Company: Paisalo Digital Limited
- b) Corporate Identification Number (CIN): L65921DL1992PLC120483
- c) Permanent Account Number (PAN): AACCS1879G
- d) Date of Incorporation: March 5, 1992
- e) Type of the company: Public Limited Company
- f) Current Registered Office Address: 101, CSC, Pocket 52, CR Park, Near Police Station, New Delhi-110019
- g) Email id: delhi@paisalo.in
- h) summary of main object as per the memorandum of association; and main business carried on by the Company:

Transferee Company is registered with Reserve Bank of India as Non-Deposit Accepting Non-Banking Finance Company with registration no. B-14-02997 and currently indulge in the business of finance.

The main Objects being pursued by the Transferee Company on its incorporation, as set out in the Memorandum and Articles of Association, are:

- i) To carry on the business of trading, dealing, lending, financing, refinancing, leasing or hire purchase, renting or giving on rent or hire all or any kind of automobiles, motor lorries, trucks, cars, cabs, tractors, autorickshaws, three wheelers, two wheelers or any other vehicles drawn by either motor, steam, oil, petroleum, electricity, battery or any mechanical, manual or other energy, power or device, plant, machinery, equipment, tools, implements, apparatus, appliances, money or any other articles or things or property whether movable or immovable and to purchase take on lease or otherwise acquire and to deal in real-estate and immovable properties.
 - ii) To carry on the business or to act as guarantors, sureties, investors, promoters, brokers, stock, shares & securities dealers.
 - iii) To undertake finance arrangements of all kinds including infrastructure finance, micro finance, small and tiny finance either as principals or as agents or in any other manner to advance loans for organizing and developing poultry and dairy farming, intensive agricultural operations, cottage industries, workshops, work centres, village industries and for purchase of land for house sites and for agricultural and industrial activities and to receive loans, advances, grants or other moneys from the Central Government, State Government, Local Bodies, Banks, Companies, Corporations, Co-operative Societies, Trusts or individuals with or without interest in order to carry out the objects of the Company.
- i) Details of change of name, registered office and objects of the transferee company during the last five years;
- i) Change of name-Paisalo Digital Limited ("Transferee Company") was originally incorporated in the State of Uttar Pradesh as S. E. Investments Private Limited on March 5, 1992. Subsequently, the Company became a Public Limited Company in pursuance to a special resolution passed by the members of the Company at the Extra Ordinary General Meeting held on February 24, 1995. A fresh Certificate of Incorporation consequent to change of name as a result of conversion to a public limited company was issued on March 1, 1995 by the Registrar of Companies, Kanpur. Further, on January 12, 2018 the name of the Company has been changed from M/s S. E. Investments Limited to M/s Paisalo Digital Limited.
 - ii) Change of Registered Office-During the last five years, the Registered Office of Transferee Company was shifted from S-547, IIInd Floor, Main Road, Shakarpur, Delhi-110092 to 101 CSC Pocket-52, CR Park, Near Police Station, New Delhi-110019 with effect from April 25, 2016.
 - iii) Change of Object- There was no change in Objects of the Company during last five years.
- j) Name of the stock exchange (s) where equity shares of transferee Company are listed:
- i) BSE Limited (BSE)
 - ii) National Stock Exchange of India Limited (NSE)
- k) Name of the stock exchange (s) where Non-Convertible Debentures (NCDs) of transferee Company are listed, if applicable: Non Applicable, (NCDs issued by the Company are unlisted)
- l) Capital Structure of Paisalo Digital Limited :
- i) As on date the capital structure of the transferee company is as under:

| Share Capital | No of Shares | Amount in ` |
|--------------------------|----------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------|
| Authorized Share Capital | 12,00,00,000 Equity Shares of Rs. 10/- (Rupees Ten) each and 50,00,000 Preference Shares of Rs. 10/- (Rupees Ten) each. | 1,25,00,00,000/- (Rupees One Hundred and Twenty Five Crores Only) |

| | | |
|--------------------------|-----------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------|
| Issued Share Capital | 4,05,72,500 Equity Shares of Rs. 10/- (Rupees Ten) each | 40,57,25,000/- (Rupees Forty Crores Fifty Seven Lakhs Twenty Five Thousands Only) |
| Subscribed Share Capital | 4,05,72,500 Equity Shares of Rs. 10/- (Rupees Ten) each | 40,57,25,000/- (Rupees Forty Crores Fifty Seven Lakhs Twenty Five Thousands Only) |
| Paid Share Capital | Fully Paid-Up- 4,05,60,000 Equity Shares of Rs. 10/- (Rupees Ten) each | 40,56,00,000/- (Rupees Forty Crores Fifty Six Lakhs Only) |
| | Share Forfeited A/c-Rs. 5/- originally paid-up on 12,500 equity shares of Rs. 10/- each | 62,500/- (Rupees Sixty Two Thousand Five Hundred Only) |

ii) Expected Capital Structure in terms of Scheme

After approvals of Shareholders, Creditors and Hon'ble National Company Law Tribunal on the Scheme following shall be the expected capital structure of the Transferee Company, provided that the approving authorities have not changed/modified the consideration/share exchange ratio as prescribed in the Scheme:

| Share Capital | No of Shares | Amount in ` |
|--------------------------|-----------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------|
| Authorized Share Capital | 12,00,00,000 Equity Shares of Rs. 10/- (Rupees Ten) each and 50,00,000 (Fifty Lakh) Preference Shares of Rs. 10/- (Rupees Ten) each. | 1,25,00,00,000/- (Rupees One Hundred and Twenty Five Crores Only) |
| Issued Share Capital | 4,23,04,699 Equity Shares of Rs. 10/- (Rupees Ten) each | 42,30,46,990/- (Rupees Forty Two Crores Thirty Lakhs Forty Six Thousands Nine Hundred Ninety Nine Only) |
| Subscribed Share Capital | 4,23,04,699 Equity Shares of Rs. 10/- (Rupees Ten) each | 42,30,46,990/- (Rupees Forty-Two Crores Thirty Lakhs Forty Six Thousands Nine Hundred Ninety Only) |
| Paid Share Capital | Fully Paid-Up- 4,22,92,199 Equity Shares of Rs. 10/- (Rupees Ten) each | 42,29,21,990/- (Rupees Forty Two Crores Twenty Nine Lakhs Twenty One Thousands Nine Hundred Ninety Only) |
| | Share Forfeited A/c-Rs. 5/- originally paid-up on 12,500 equity shares of Rs. 10/- each | 62,500/- (Rupees Sixty Two Thousand Five Hundred Only) |

m) Names of the promoters and directors along with their addresses:

PROMOTER & PROMOTER GROUP

| Name | Address |
|-----------------------------------------------|-------------------------------------------------------------------|
| P. N. Agrawal (HUF) | 122, Nehru Nagar, Agra-282005 |
| Purushottam Agrawal | 122, Nehru Nagar, Agra-282005 |
| Raj Agarwal | 122, Nehru Nagar, Agra-282005 |
| Shantanu Agarwal | S-383, 2 nd Floor, G.K.-2, New Delhi-110048 |
| Sunil Agarwal | S-383, 2 nd Floor, G.K.-2, New Delhi-110048 |
| Suniti Agarwal | S-383, 2 nd Floor, G.K.-2, New Delhi-110048 |
| Baba Herbals Private Limited | Block-54/4, 1st Floor, No. 4, Sanjay Place, Agra-282003 |
| Bhavya Electronics & Networks Private Limited | 101 CSC POCKET-52, CR Park, Near Police Station, New Delhi-110019 |
| Diamond Infradev Private Limited | S-547, IInd Floor, Main Road Shakarpur Delhi-110092 |

Directors of transferee Company

| Name | Designation | Address |
|--------------------------|----------------------|------------------------------------------------------------------------------------------------|
| Mr. Sunil Agarwal | Managing Director | S-383, 11 nd Floor, Greater Kailash Part-2, New Delhi-110048 |
| Mr. Harish Singh | Executive Director | 88, Surya Nagar, Agra-282002 |
| Mr. Naresh Kumar Jain | Independent Director | B-23, Sector-26, Noida, Gautam Buddha Nagar, Noida-201301 |
| Mr. Pradeep Agarwal | Independent Director | R-14, Tara Apartments, Alaknanda, New Delhi-110019 |
| Mr. Gauri Shankar | Independent Director | Flat P-4, 16th Floor, Tower-L, Amarpali Sapphire, Sector-45, Gautam Buddha Nagar, Noida-201301 |
| Mrs. Bhama Krishnamurthy | Independent Director | 401, 4 th Floor, Avarsekars Shruti, Old Prabhadevi Road, Prabhadevi, Mumbai-400025 |
| Mr. Anoop Krishna | Executive Director | SBI SR. Executives Complex, C/10 Kinellan Tower, 100-A Nepean Sea Road, Mumbai-400006 |
| Mr. Sunil Srivastav | Independent Director | D-4, Kinellan Tower, 100A Nepean Sea Road, Malabar Hill, Mumbai-400006 |

6. RELATIONSHIP SUBSISTING BETWEEN THE COMPANIES WHO ARE PARTIES TO THE SCHEME :

Transferor Company in Scheme of Arrangement/ Amalgamation is Group Company of the Transferee Company.

7. DETAILS OF BOARD MEETING FOR APPROVAL OF SCHEME:

- (i) Board of Directors of Agarwal Meadows Private Limited ("Transferor Company") in its Meeting held on February 23, 2018, unanimously approved the proposed Scheme.
- (ii) Board of Directors of Paisalo Digital Limited ("Transferee Company") in its Meeting held on February 23, 2018, unanimously approved the proposed Scheme.

8. THE FOLLOWING ARE THE SALIENT FEATURES OF THE SCHEME. PLEASE REFER TO THE SCHEME ENCLOSED HERewith FOR COMPLETE DETAILS:

- (a) The Scheme envisages the amalgamation of Agarwal Meadows Private Limited (hereinafter refer to as "AMPL" "Transferor Company") into Paisalo Digital Limited (Formerly Known as S. E. Investments Limited) (hereinafter refer to as "PDL" or "Transferee Company").
- (b) Appointed Date means December 31, 2017 or such other date as may be approved by the Hon'ble National Company Law Tribunal, Principal Bench, or such other appropriate authority.
- (c) The Effective Date for the Scheme of Arrangement/ Amalgamation shall mean the date on which certified copies of the Order of the Hon'ble National Company Law Tribunal, Principal Bench, or any Appropriate Authority sanctioning this Scheme under the applicable provisions of the Companies Act, 2013 are filed with the Registrar of Companies NCT of Delhi and Haryana.
- (d) Upon coming into effect of the Scheme and with effect from the Appointed Date, and subject to the provisions of the Scheme including in relation to the mode of transfer and vesting, the entire business and undertaking of the Transferor Company including all of the assets, both movable and immovable, tangible and intangible, investments, rights, title and interests shall, under the provisions of Sections 230 to 232 of the Companies Act, 2013 and pursuant to the order of the Hon'ble National Company Law Tribunal, Principal Bench, sanctioning the Scheme and without further act, instrument or deed, but subject to the charges affecting the same as on the Effective Date, be transferred and/or deemed to be transferred to and vested in the Transferee Company, so as to become the properties, assets, rights, business and Undertaking of the Transferee Company.

- (e) On the Scheme coming into effect, the Transferor Company (i.e. Agarwal Meadows Private Limited) shall, without any further act or deed, stand dissolved without going through the process of winding up.
- (f) Upon the Scheme coming into effect and in consideration of transfer and vesting of the assets and Undertaking of the Transferor Company to the Transferee Company in terms of provisions of the Scheme, the Transferee Company shall, without further application, act or deed, issue and allot to each of the Shareholders of the Transferor Company (whose names are registered in the Register of Members of the Transferor Company on the Record Date, or his/ her/ its legal heirs, executors, administrators or successors), equity shares in the Transferee Company credited as fully paid up in the ratio of 5918 equity shares of Rs. 10/- each in the Transferee Company for every 100 equity share of Rs. 100/- each held as fully paid-up in the Transferor Company ("Share Exchange Ratio"). If any of the shareholders of the Transferor Company becomes entitled to receive fraction of such an Equity Share in the capital of the Transferee Company, such fraction shall be rounded off to the nearest integer.

Note: The aforesaid are only the salient features of the Scheme. Members are requested to read the entire text of the Scheme annexed hereto and get fully acquainted with the provisions thereof.

9. SUMMARY OF VALUATION REPORTS INCLUDING BASIS OF VALUATION AND FAIRNESS OPINIONS:

- (i) Summary of Valuation Reports obtained from M/s. Sanjeev Jagdish Chand & Associates., Chartered Accountants, New Delhi, an Independent Valuer, as required by BSE and NSE vide their circulars no. LIST/COMP/02/2017-18 dated May 29, 2017 and NSE/CML/2017/12 dated June 01, 2017 respectively are as under

| Valuation Approach | Paisalo Digital Limited | | Agarwal Meadows Private Limited | |
|---------------------------------------------|-------------------------|--------|---------------------------------|--------|
| | Value per Share (INR) | Weight | Value per Share (INR) | Weight |
| Assets Approach# | 151.63 | 0 | 18,706.30 | 1 |
| Income Approach## | NA | 0 | NA | 0 |
| Market Approach### | 316.09 | 1 | NA | 0 |
| Relative Value per Share (INR) | 316.09 | | 18,706.30 | |
| Exchange Ratio per share (Rounded Off) | 1 | | 59.18 | |
| Exchange Ratio per 100 Shares (Rounded off) | 100 | | 5,918 | |

#Since the assets base of Agarwal Meadows Private Limited dominates the earning capacity of the Company, so valuer has considered the Adjusted Net Assets Value Approach in this case and given 100% weight to Assets Approach after considering appreciation in the value of investment made in the Property. However, in case of Paisalo Digital Limited the valuer has not assigned any weight to this method as Asset Approach do not hold much meaning looking into the nature of the business.

The valuer has not applied Income Approach in case of Paisalo Digital Limited as it's a listed Company so on confidentiality basis Company has not provided the valuer the future projections. While in case of Agarwal Meadows Private Limited also the valuer has not applied this methodology as the Asset base dominates the earning capacity in this case.

In case of Paisalo Digital Limited, the valuer has given 100% weight to Market Approach as the Company is a Non-Banking Finance Company, and it's the most suited approach and the valuer has not assigned any weight to this approach in case of Agarwal Meadows Private Limited as Company is heavy asset backed and this method not able to fetch a value based on its weak profitability and revenue line.

- (ii) Summary of Fairness Opinion obtained from Corporate Professionals Capital Private Limited, SEBI Registered Merchant Banker.

The Merchant Banker is of the opinion that the proposed Share Exchange Ratio in the proposed amalgamation is fair and reasonable from the point of view as of Equity Shareholders of the Companies .

- (iii) The valuation and fairness opinion reports are available for inspection at the registered office of the Transferee Company. Further a copy of the Valuation Report and Fairness Opinion are enclosed as Annexure B and Annexure C respectively.

10. DETAILS OF CAPITAL RESTRUCTURING OF TRANSFEE COMPANY: Nil

11. RATIONALE, BENEFITS, OBJECTIVE & PURPOSE OF THE SCHEME:

- A. The amalgamation will enable pooling resource of the Companies involved in the amalgamation to their common advantage, resulting in more productive utilization of such resources, cost & operational efficiencies which would be beneficial for all stakeholders.
- B. The amalgamation would result in the creation of a Transferee Company with larger asset base and net worth with strong financials enabling further growth and development of the Company and enable the transferee Company to withstand with the growing competition in the market scenario.
- C. The proposed amalgamation will result in reduction in overhead and other expenses, reduction in administrative and procedural work and eliminate duplication of work and will enable the companies concerned to effect internal economies and optimize productivity.
- D. The proposed amalgamation if comes into effect then it will strengthen the credibility of transferee company with the financial institutions, banks and general public and which would eventually benefit the shareholders of the Transferee Company and Transferor Company.
- E. There is no likelihood that interests of any shareholder or creditor of either the Transferor Company or the Transferee Company would be prejudiced as a result of the Scheme. The Scheme of Arrangement/Amalgamation will not impose any additional burden on the members of the Transferor Company or the Transferee Company.

12. AMOUNT DUE TO UNSECURED CREDITOR OF PAISALO DIGITAL LIMITED ON JUNE 30, 2018 : ` 126.00 CRORES

13. DISCLOSURE ABOUT THE EFFECT OF THE AMALGAMATION:

| | | |
|-----|---------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| (a) | Key Managerial Personnel | As stated in the Report Adopted by the Board of Directors of the Companies pursuant to Section 232 (2) (c) of the Companies Act, 2013 |
| (b) | Directors | As stated in the Report Adopted by the Board of Directors of the Companies pursuant to Section 232 (2) (c) of the Companies Act, 2013 |
| (c) | Promoters | The Shareholding of the promoters will be increased as provided in the Shareholding pattern as provided in the pre and post shareholding pattern annexed herewith. |
| (d) | Non-Promoter Member | The Shareholding of the non-promoter members will be changed as provided in the Shareholding pattern as provided in the pre and post shareholding pattern annexed herewith. |
| (e) | Depositors | Not Applicable |
| (f) | Creditors | As stated in the Report Adopted by the Board of Directors of the Companies pursuant to Section 232 (2) (c) of the Companies Act, 2013 |
| (g) | Debenture Holders | No Impact |
| (h) | Deposit Trustee and Debenture Trustee | Not Applicable |
| (i) | Employee of the Company | No Impact |

14. DISCLOSURE ABOUT EFFECT OF AMALGAMATION ON MATERIAL INTERESTS OF DIRECTORS, KEY MANAGERIAL PERSONNEL

There is no effect of the Scheme on the Directors and the Key Managerial Personnel of the respective Participating Companies beyond their Shareholding.

15. INVESTIGATION OR PROCEEDINGS, IF ANY, PENDING AGAINST THE COMPANY UNDER THE ACT

There are no investigations of proceedings pending against the company under the Act.

16. INSPECTION OF DOCUMENTS

The following documents will be available to the Members and Creditors for obtaining extracts from or for making or obtaining copies of or for inspection at the Registered Office of the Transferee Company between 10.00 A.M to 12.00 P.M on all working days (except Saturday, Sundays and Public Holidays) upto the date of the meeting :

- a) Audited financial statements of the Transferee Company including consolidated financial statements as on March 31, 2018;
- b) Financial Statements of the Transferor Companies as on March 31, 2018;
- c) Memorandum and Articles of Association of Transferee Company and Transferor Company;
- d) Scheme of Amalgamation;
- e) Copy of the Order dated October 12, 2018 passed by Hon'ble National Company Law Tribunal, Principal Bench directing convening the meeting of the Equity Shareholders, Secured Creditors of the Transferee Company;
- f) Copy of the resolutions passed by Board of Directors of the Transferor Companies and the Transferee Company;
- g) Report adopted by the Board of Directors of the Transferor Companies and Transferee Company under section 232(2)(c) of the Companies Act, 2013;
- h) The certificate dated February 23, 2018 issued by M/s. Mukesh Kumar & Co., Chartered Accountants, the Statutory Auditors of the Transferee Company, to the effect that the accounting treatment proposed in the Scheme of Amalgamation is in conformity with the Accounting Standards prescribed under Section 133 of the Companies Act, 2013.

17. DETAILS OF APPROVALS:

- a) The Transferee Company has filed copy of the Scheme with BSE and NSE vide its letter dated April 19, 2018, and in terms of Regulation 37 of SEBI LODR Regulations. the Company has received, Observation Letters from BSE and NSE on July 19, 2018 and July 20, 2018 respectively, Copies of such Observation Letters are enclosed as Annexure E.
- b) As required by the SEBI Circular, Paisalo Digital Limited has filed the Complaints Reports with the BSE and NSE. After filing of the Complaint Reports, Company has not received any complaint. Copies of the said reports are enclosed as Annexure E.

18. PRE AND POST SHAREHOLDING PATTERN:

- a) Paisalo Digital Limited (Transferee Company) : based on the Shareholding pattern on September 30, 2018:

| Code | Category & Name of the Shareholders | Pre Scheme-Shareholding | | Post Scheme-Shareholding | |
|----------|--------------------------------------------------------------------------------|-----------------------------------------|----------------|-----------------------------------------|----------------|
| | | No. of fully paid up equity shares held | Shareholding % | No. of fully paid up equity shares held | Shareholding % |
| A | Promoter & Promoter Group | | | | |
| (1) | Indian | | | | |
| (a) | Individuals/Hindu Undivided Family | 7328640 | 18.07 | 7328640 | 17.33 |
| (b) | Central Government/State Government(s) | 0 | 0.00 | 0 | 0.00 |
| (c) | Financial Institutions/Banks | 0 | 0.00 | 0 | 0.00 |
| (d) | Any Others (specify) # BODY CORPORATES | 3231943 | 7.97 | 4401932 | 10.41 |
| (f) | Any Others (specify) | 0 | 0.00 | 0 | 0.00 |
| | Sub-Total(A)(1) | 10560583 | 26.04 | 11730572 | 27.74 |
| (2) | Foreign | | | | |
| (a) | Individuals (Non- Resident Individuals/ Foreign Individuals) | 0 | 0.00 | 0 | 0.00 |
| (b) | Government | 0 | 0.00 | 0 | 0.00 |
| (c) | Institutions | 0 | 0.00 | 0 | 0.00 |
| (d) | Foreign Portfolio Investor | 0 | 0.00 | 0 | 0.00 |
| | Sub-Total (A)(2) | 0 | 0.00 | 0 | 0.00 |
| | Total Shareholding of Promoter and Promoter Group (A) = (A)(1) + (A)(2) | 10560583 | 26.04 | 11730572 | 27.74 |
| B | Public Shareholding | | | | |
| (1) | Institutions | | | | |
| (a) | Mutual Fund | 0 | 0.00 | 0 | 0.00 |
| (b) | Venture Capital Funds | 0 | 0.00 | 0 | 0.00 |
| (c) | Alternate investment Funds | 0 | 0.00 | 0 | 0.00 |
| (d) | Foreign Venture Capital Investors | 0 | 0.00 | 0 | 0.00 |
| (e) | Foreign Portfolio Investors | 6732741 | 16.60 | 6732741 | 15.92 |
| (f) | Financial Institutions/ Banks | 967416 | 2.39 | 967416 | 2.29 |
| (g) | Insurance Companies | 0 | 0.00 | 0 | 0.00 |
| (h) | Provident Funds/ Pension Funds | 0 | 0.00 | 0 | 0.00 |
| (i) | Any Others (specify) | 0 | 0.00 | 0 | 0.00 |
| | Sub-Total(B)(1) | 7700157 | 18.98 | 7700157 | 18.21 |
| (2) | Central Government/ State Government(s)/ President of India | 0 | 0.00 | 0 | 0.00 |
| | Sub-Total (B)(2) | 0 | 0.00 | 0 | 0.00 |

| | | | | | |
|----------|------------------------------------------------------------------------------------------|-----------------|---------------|-----------------|---------------|
| (3) | Non-institutions | | | | |
| (a) | Individuals -i. Individual shareholders holding nominal share capital up to Rs. 2 lakhs. | 340047 | 0.84 | 340047 | 0.80 |
| (a) | ii. Individual shareholders holding nominal share capital in excess of Rs. 2 lakhs. | 291532 | 0.72 | 291532 | 0.69 |
| (b) | NBFCs registered with RBI | 0 | 0.00 | 0 | 0.00 |
| (c) | Employee Trusts | 0 | 0.00 | 0 | 0.00 |
| (d) | Overseas Depositories (holding DRs) (balancing figure) | 0 | 0.00 | 0 | 0.00 |
| (e) | Any Other (specify) # CLEARING MEMBER | 309 | 0.00 | 309 | 0.00 |
| (e) | Any Other (specify) # CORPORATE BODY | 4826177 | 11.90 | 5388387 | 12.74 |
| (e) | Any Other (specify) # NRI | 1192 | 0.00 | 1192 | 0.00 |
| (e) | Any Other (specify) # RESIDENT (HUF) | 10003 | 0.02 | 10003 | 0.02 |
| | Sub-Total (B)(3) | 5469260 | 13.48 | 6031470 | 14.26 |
| | Total Public Shareholding (B) = (B)(1) + (B)(2) + (B)(3) | 13169417 | 32.47 | 13731627 | 32.47 |
| C | Non Promoter- Non Public | | | | |
| (1) | Custodian/DR Holder | 16830000 | 41.49 | 16830000 | 39.79 |
| (2) | Employee Benefit Trust (under SEBI (Share based Employee Benefit) Regulations, 2014) | 0 | 0.00 | 0 | 0.00 |
| | Total Non-Promoter-Non-Public Shareholding (C) = (C)(1) + (C)(2) | 16830000 | 41.49 | 16830000 | 39.79 |
| | Total | 40560000 | 100.00 | 42292199 | 100.00 |

b) Agarwal Meadows Private Limited (Transferor Company)

| Sr. No. | Name of the Shareholder | Category | Pre Scheme-Shareholding | | Post Scheme-Shareholding | |
|---------|-----------------------------------------|--------------|-----------------------------------------|----------------|-------------------------------------------------------------------------|----------------|
| | | | No. of fully paid up equity shares held | Shareholding % | No. of fully paid up equity shares held | Shareholding % |
| 1. | Bhavya Electronics & Networks Pvt. Ltd. | Promoter | 19,770 | 67.54 | Not Applicable since the Company shall amalgamate in Transferee Company | |
| 2. | Eastern Star Infradev Pvt. Ltd. | Non-Promoter | 9,500 | 32.46 | | |

19. In terms of SEBI Circular, the applicable information of Agarwal Meadows Private Limited (AMPL' / "Transferor Company") in the format specified for abridged prospectus as provided in Part D of Schedule VIII of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 is enclosed as Annexure P.

20. This statement may be treated as an Explanatory Statement under Sections 230 to 232 of the Companies Act, 2013. A copy of the Scheme of Amalgamation, Explanatory Statement and Proxy Form may be obtained from the Registered Office of the Transferee Company at 101 CSC, Pocket 52, CR Park, Near Police Station, New Delhi-110019.

Place: New Delhi
Date: October 29, 2018

For Paisalo Digital Limited

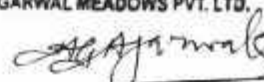
Sd/-
Prabhu Singh
(Advocate)
Chairperson appointed for the meeting

SCHEME OF ARRANGEMENT/AMALGAMATION
UNDER SECTION 230 TO 232 AND OTHER APPLICABLE
PROVISIONS OF COMPANIES ACT 2013
BETWEEN
AGARWAL MEADOWS PRIVATE LIMITED
(TRANSFEROR COMPANY)
AND
PAISALO DIGITAL LIMITED
(TRANSFeree COMPANY)
AND
THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

For PAISALO DIGITAL LIMITED


MANAGING DIRECTOR

For AGARWAL MEADOWS PVT. LTD.


Director

PART- I

PREAMBLE

1. AN OVERVIEW OF SCHEME OF ARRANGEMENT/ AMALGAMATION

This Scheme of the Arrangement/ Amalgamation (hereinafter referred to as the "Scheme") provides for the Amalgamation of

AGARWAL MEADOWS PRIVATE LIMITED

.....Transferor Company

WITH

PAISALO DIGITAL LIMITED

.....Transferee Company

Pursuant to applicable provisions of the Companies Act, 2013 read with Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 (Hereinafter referred to as "the Act")

(The said Transferor Companies and Transferee Company shall hereinafter collectively be referred to as "the Companies" or "the Parties" as the context of this Scheme may require)

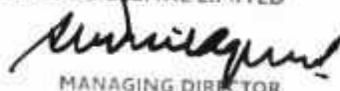
AND

Their Respective Shareholders and Creditors

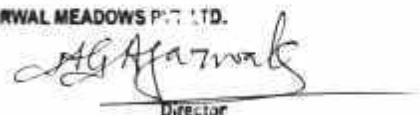
2. BACKGROUND AND DESCRIPTION OF COMPANIES

2.1 Agarwal Meadows Private Limited (Transferor Company) was incorporated under the Companies Act, 1956 on December 8, 1989 in the National Capital Territory of Delhi bearing registration no. 038586. At present the Registered Office of the Company is situated at CSC, Pocket-52, Chittaranjan Park, Near Police Station New Delhi - 110019. The Corporate Identification Number of the Company is U70200DL1989PTC038586. The Transferor

For PAISALO DIGITAL LIMITED


MANAGING DIRECTOR

For AGARWAL MEADOWS PVT. LTD.


Director

Company is engaged in the business of renting of commercial property.

- 2.2 Paisalo Digital Limited (Transferee Company)** was originally incorporated on March 5, 1992 under the Companies Act, 1956 as S. E. Investments Private Limited, bearing Registration No. 120483 and was having its Registered Office at Agra (Uttar Pradesh). Subsequently, the Company became a Public Limited Company in pursuance to a special resolution passed by the members of the Company at the Extra Ordinary General Meeting held on February 24, 1995. A fresh Certificate of Incorporation consequent to change of name as a result of conversion to a public limited company was issued on March 1, 1995 by the Registrar of Companies, Kanpur. Subsequently, pursuant to Company Law Tribunal, Northern Region Bench Order C. P. No. 128/17/2002-CLB dated January 9, 2003 the Registered Office of the Company shifted from the State of Uttar Pradesh to National Capital Territory of Delhi and Certificate was issued by the Registrar of Companies, NCT of Delhi & Haryana on May 22, 2003. On January 12, 2018 the Company changed its name from M/s S. E. Investments Limited to M/s Paisalo Digital Limited. At present the Registered Office of the Company situated at 101, CSC, Pocket 52, CR Park, Near Police Station, New Delhi-110019 and the Corporate Identification Number of the Company is L65921DL1992PLC120483.

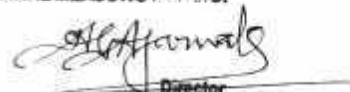
Paisalo Digital Limited is a Systemically Important Non Banking Financial Company, registered with Reserve Bank of India as Loan Company vide Certificate of Registration bearing registration No B-14.02997.

The Equity Shares of the Company are listed on National Stock Exchange of India Limited (NSE), and BSE Limited (BSE) and Global Depository Receipt are listed on Luxembourg Stock Exchange.

For **PAISALO DIGITAL LIMITED**


MANAGING DIRECTOR

For **AGARWAL MEADOWS PVT. LTD.**


Director

Currently, the Transferee Company is engaged in the financing business.

3. PURPOSE AND RATIONALE OF THE SCHEME OF ARRANGEMENT/AMALGAMATION

The Board of Directors of the Transferor Company and Transferee Company are of the opinion that the proposed arrangement between the Transferor Company with Transferee Company will be for the benefit of both the Companies in the following manner:-

- a) The amalgamation will enable pooling resource of the Companies involved in the amalgamation to their common advantage, resulting in more productive utilization of such resources, cost & operational efficiencies which would be beneficial for all stakeholders.
- b) The amalgamation would result in the creation of a Transferee Company with larger asset base and net worth with strong financials enabling further growth and development of the Company and enable the transferee Company to withstand with the growing competition in the market scenario.
- c) The proposed amalgamation will result in reduction in overhead and other expenses, reduction in administrative and procedural work and eliminate duplication of work and will enable the companies concerned to effect internal economies and optimize productivity.
- d) The proposed amalgamation if comes into effect then it will strengthen the credibility of transferee company with the financial institutions, banks and general public and which would eventually benefit the shareholders of the Transferee Company and Transferor Company.

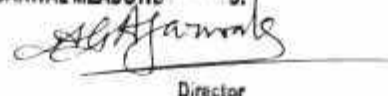
There is no likelihood that interests of any shareholder or creditor of either the Transferor Company or the Transferee Company would be prejudiced as a result of the Scheme. The Scheme of

For PAISALO DIGITAL LIMITED


MANAGING DIRECTOR

4

For AGARWAL MEADOWS LTD.


Director

Arrangement/Amalgamation will not impose any additional burden on the members of the Transferor Company or the Transferee Company.

4. DEFINITIONS

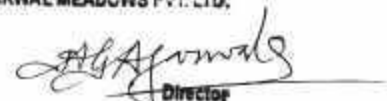
In this Scheme unless repugnant to the meaning or context thereof, the following expressions shall have the meaning as mentioned herein below:-

- 4.1 'Act' or 'The Act'** means the Companies Act, 2013 read with the applicable Rules made there under and any statutory amendments or re-enactment thereof, as may be prescribed or notified by Ministry of Corporate Affairs, from time to time.
- 4.2 'Applicable Laws'** means any statute, law, regulation, ordinance, rule, judgment, rule of law, order, decree, ruling, by-law, approval of any governmental authority, directive, guideline, policy, clearance, requirement or other governmental restriction or any similar form of decision or determination by, or any interpretation or administration having the force of law of any of the foregoing by any governmental authority having jurisdiction over the matter in question, whether in effect as of the date of the Scheme or at any time thereafter.
- 4.3 'Appointed Date'** means closing hours of December 31, 2017 or such other date as may be approved by the National Company Law Tribunal, New Delhi Bench, New Delhi or such other appropriate authority.
- 4.4 'Appropriate Authority'** means any government, statutory, regulatory, departmental or public body or authority of the jurisdiction of Delhi, including Registrar of Companies, NCT of Delhi and Haryana, New Delhi, Hon'ble NCLT, Securities and Exchange Board of India (SEBI) and Stock Exchanges(s) where the shares of Paisalo Digital Limited are listed, Reserve Bank of India (RBI)

For PAISALO DIGITAL LIMITED


MANAGING DIRECTOR

For AGARWAL MEADOWS PVT. LTD.

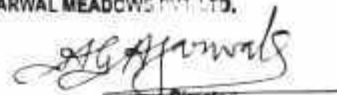

Director

- 4.5 **'Board' or Board of Directors'** in relation to the Transferor Company and the Transferee Company, as the case may be, means the Board of Directors of such Company and include a duly authorized committee of the Board if constituted for the implementation of this Scheme.
- 4.6 **'NCLT' or 'Tribunal'** means Hon'ble National Company Law Tribunal at New Delhi ("**NCLT**") as constituted and authorized as per the provisions of the Companies Act, 2013 for approving any Scheme of Arrangement/Amalgamation Compromise or Reconstruction of Companies under section 230 read with section 232 of the Companies Act, 2013.
- 4.7 **'Transferor Company' or 'Amalgamating Company' or 'AMPL' means** Agarwal Meadows Private Limited, a Private Limited Company registered under the provisions of Companies Act, 2013 and having its registered office at, CSC Pocket-52, Chittaranjan Park, Near Police Station, New Delhi-110019.
- 4.8 **'Transferee Company' or ' Amalgamated Company' or ' PDL' means** Paisalo Digital Limited, a Public Limited Company registered under the provisions of the Companies Act, 2013 and having its registered office at 101, CSC Pocket-52, Chittaranjan Park, Near Police Station, New Delhi-110019.
- 4.9 **'The Effective Date'** for the Scheme of Arrangement/ Amalgamation shall mean the date on which certified copies of the Order of the NCLT or any Appropriate Authority sanctioning this Scheme under the applicable provisions of the Companies Act, 2013 are filed with the Registrar of Companies NCT of Delhi and Haryana.
- 4.10 **'Record Date' means** any date after the Effective Date to be fixed by the Board of Directors of the Transferee Company for issuing shares of Transferee Company to the shareholders of the Transferor Company.

For PAISALO DIGITAL LIMITED


MANAGING DIRECTOR

For AGARWAL MEADOWS PVT. LTD.

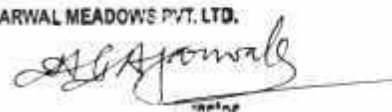

Director

- 4.11 **'Listing Regulations'** means SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and includes any amendments, modification or any enactment thereof.
- 4.12 **'Scheme of Arrangement'** or **'Scheme of Amalgamation'** or **'Scheme of Merger'** or **'Scheme'** or **"the Scheme"** or **'this Scheme'** means this Scheme of Amalgamation between Transferor Company and Transferee Company and their respective Shareholders and Creditors as approved by the Board of Directors of respective Companies, in its present form and with any modifications as may be approved by the NCLT.
- 4.13 **'Stock Exchanges'** shall mean BSE Limited (BSE) and/or National Stock Exchange of India Limited (NSE).
- 4.14 **'Swap Ratio'** means the ratio of exchange of shares between the Transferor Company and the Transferee Company. The share capital of the Transferor Company shall stand cancelled and the shareholders of the Transferor Company will receive shares of the Transferee Company based on the mutually accepted swap ratio between the Transferee Company and the Transferor Company.
- 4.15 **'Undertaking' shall mean and include:**
- 4.15.1 all the assets and property of all the undertakings of the Transferor Company as on the Appointed Date;
- 4.15.2 all the secured and unsecured debts, liabilities, duties and obligations of all the undertakings of the Transferor Company as on the Appointed Date;
- 4.15.3 Without prejudice to the generality of sub clause above, the Undertaking of the Transferor Company shall include all the assets and properties, whether movable or immovable, real or personal, in possession or reversion, corporeal or incorporeal, tangible or intangible, present or contingent and including but not limited to land and building, all fixed and movable plant and machinery, vehicles, fixed assets, work in progress, current assets,

For PAISALO DIGITAL LIMITED



For AGARWAL MEADOWS PVT. LTD.



investments, reserves, provisions, funds, licenses registrations, copyrights, patents, trade names, trademarks and other rights and licenses in respect thereof, applications for copyrights, patents, trade names, trademarks, leases, tenancy rights, premises, ownership flats, hire purchase and lease arrangements, lending arrangements, benefits of security arrangements, computers, insurance policies, office equipment, telephones, telexes, facsimile connections, communication facilities, equipment and installations and utilities, electricity, water and other service connections, benefits of agreements, contracts and arrangements, powers, authorities, permits, allotments, approvals, consents, privileges, liberties, advantages, easements and all the right, title, interest, goodwill, benefit and advantage, deposits, reserves, preliminary expenses, provisions, advances, receivables, deposits, funds, cash, bank balances, accounts and all other rights, benefits of all agreements, subsidies, grants, tax credits, sales tax, value added tax, goods and service tax and other claims and powers, of whatsoever nature and wheresoever situated belonging to or in the possession of or granted in favour of or enjoyed by the Transferor Company, as on the Appointed Date.

4.16 'Registrar of Companies' or 'ROC' means the Registrar of Companies, NCT of Delhi & Haryana.

4.17 In this Scheme, unless the context otherwise requires:

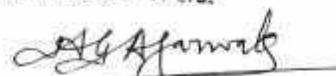
- a) reference to persons shall include individuals, bodies corporate (wherever incorporated), unincorporated associations and partnerships;
- b) the headings are inserted for ease of reference only and shall not affect the construction or interpretation of this

Scheme;

For PAISALO DIGITAL LIMITED


DIRECTOR

For AGARWAL MEADOWS PVT. LTD.


Director

- c) words in the singular shall include the plural and vice versa;
- d) any reference in the Scheme to "upon the Scheme becoming effective" or "effectiveness of the Scheme" shall mean the Effective date; and
- e) all terms and words not defined in this Scheme shall, unless repugnant or contrary to the context or meaning thereof, have same meaning prescribed to them under the Act and other applicable laws, rules, regulations, bye laws, as the case may be, including any statutory modification or re-enactment thereof from time to time.

5. DATE OF TAKING EFFECT AND OPERATIVE DATE

Upon the occurrence of the Effective Date, the Scheme set out herein, its present form or with any modification(s) approved or imposed or directed by NCLT or any other Appropriate Authority, shall become operative with effect from the Appointed Date.

PART -II

6. SHARE CAPITAL AND FINANCIAL POSITION

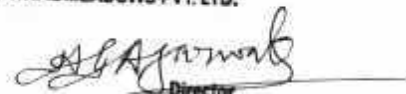
6.1 The Authorized, Issued, Subscribed and Paid-up capital of the Transferor Company as on December 31,2017 is as follows:-

| Particular | Amount (in Rupees) |
|------------------------------------------------------------------------------|-----------------------|
| Authorised Share Capital 100,000/- Equity Shares of Rs. 100/- each and | 1,00,00,000 |
| Issued Share Capital 29270 Equity Shares of Rs. 100/- each, Fully paid | 29,27,000 |

For PAISALO DIGITAL LIMITED


MANAGING DIRECTOR

For AGARWAL MEADOWS PVT. LTD.


Director

| | |
|----------------------------------------------------------------------------------|-----------|
| Subscribed Share Capital 29270 Equity Shares of Rs. 100/- each, Fully paid | 29,27,000 |
| Paid-up Share Capital 29270 Equity Shares of Rs. 100/- each, Fully paid | 29,27,000 |

Subsequent to December 31, 2017 there has been no change in the Authorized, Issued, Subscribed and Paid-up Capital of the Transferor Company.

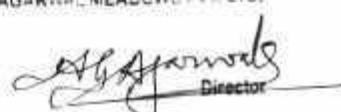
6.2 The Authorized, Issued, Subscribed and Paid-up capital of the Transferee Company as on December 31, 2017 is as follows:-

| Particular | Amount (in Rupees) |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------|
| Authorised Share Capital 12,00,00,000/- Equity Shares of Rs. 10/- each and 50,00,000/- Preference Shares of Rs. 10/- each | 1,25,00,00,000 |
| Issued Share Capital 4,05,72,500 Equity Shares of Rs. 10 per Share | 40,57,25,000 |
| Subscribed Share Capital 4,05,72,500 Equity Shares of Rs. 10 per Share | 40,57,25,000 |
| Paid-up Share Capital 4,05,60,000 Equity Shares of Rs. 10 per Share fully paid up Share Forfeited a/c (Amount originally Paid up on 12,500 Equity* Shares of Rs. 10 each) | 40,56,00,000 62,500 |

For PAISALO DIGITAL LIMITED


DIRECTOR

For AGARWAL MEADOWS PVT. LTD.


Director

*Shares forfeited by the company due to non payment of call and Company has given undertaking to stock exchange for not issuing these shares in the future.

Subsequent to December 31, 2017 there has been no change in the Authorized, Issued, Subscribed and Paid-up Capital of the Transferee Company. The Transferee Company's shares are listed in BSE, NSE and Depository Receipts on Luxembourg stock exchange respectively.

6.3 The Financial position of the Transferor Company as on December 31, 2017 and March 31,2017 are as follows:-

Extract of Audited Profit and Loss Account:

(Amount in Rupees)

| Particulars | 31.12.2017 | 31.03.2017 |
|----------------|-------------|-------------|
| Total Revenue | 1,90,000 | 2,90,958 |
| Total Expenses | 10,96,514 | 31,08,758 |
| PBT | (9,06,514) | (28,17,800) |
| PAT | (10,70,106) | (29,20,865) |

Extract of Audited Balance Sheet:

(Amount in Rupees)

| Particulars | As at 31.12.2017 | As at 31.03.2017 |
|-------------------------|---------------------|---------------------|
| Share Capital | 29,27,000 | 29,27,000 |
| Reserve & Surplus | (24,086) | 10,46,020 |
| Non Current Liabilities | 1,02,66,657 | 1,01,03,065 |
| Current Liabilities | 4,64,90,410 | 4,54,11,417 |
| Total Liability | 5,96,59,981 | 5,94,87,502 |
| Fixed Assets | 5,08,50,698 | 87,38,918 |

For PAISALO DIGITAL LIMITED


MANAGING DIRECTOR

For AGARWAL MEADOWS PVT. LTD.


Director

| | | |
|------------------------------|--------------------|--------------------|
| Capital Work in Progress | - | - |
| Long Term Loans and Advances | 37,57,036 | 37,57,036 |
| Other Non Current Assets | - | - |
| Current Investments | - | - |
| Inventories | - | 4,23,34,673 |
| Trade Receivables | 11,06,720 | 9,000 |
| Cash & Cash equivalents | 490412 | 13,80,677 |
| Short term Loans & Advances | 34,55,115 | 32,67,198 |
| Other Current Assets | - | - |
| Total Assets | 5,96,59,981 | 5,94,87,502 |

The books of accounts of the Transferor Company were audited by M/s R A K & Company Chartered Accountants. The Company's Auditor has not made any qualifications or adverse comments on financial statements of the Transferor Company.

The Transferor Company is not subject to any investigation or proceedings under the Act.

6.4 The Financial position of the Transferee Company as on March 31, 2017 and December 31, 2017 are as follows:-

Extract of Profit and Loss Account:

(Amount in Rupees)

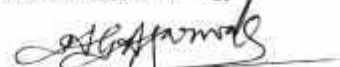
| Particulars | 31.12.2017 for 9 months (Unaudited) | 31.03.2017 (Audited) |
|----------------|-------------------------------------------|-------------------------|
| Total Revenue | 2,16,20,20,399 | 2,49,51,77,297 |
| Total Expenses | 1,50,42,29,464 | 1,72,33,16,246 |

For PAISALO DIGITAL LIMITED


MANAGING DIRECTOR

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For AGARWAL MEADOWS PVT. LTD.


Director

| | | |
|-----|--------------|--------------|
| PBT | 65,77,90,935 | 77,18,61,051 |
| PAT | 56,48,11,757 | 51,29,14,598 |

Extract of Balance Sheet:

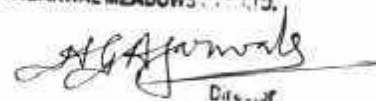
(Amount in Rupees)

| Particulars | As at 31.12.2017 (Un-audited) | As at 31.03.2017 (Audited) |
|------------------------------|----------------------------------------------|-------------------------------------------|
| Share Capital | 40,56,62,500 | 40,56,62,500 |
| Reserve & Surplus | 5,67,42,38,307 | 5,13,56,29,756 |
| Non Current Liabilities | 1,75,38,47,769 | 1,31,09,82,821 |
| Current Liabilities | 1,00,13,83,2239 | 8485171791 |
| Total Liability | 17,84,75,80,815 | 15,33,74,46,868 |
| Fixed Assets | 2,71,68,123 | 3,08,85,501 |
| Non-Current Investments | 66,14,21,800 | 66,14,21,800 |
| Long Term Loans and Advances | 20,07,80,659 | 20,10,11,945 |
| Other Non Current Assets | 6,19,32,550 | 9,84,92,622 |
| Current Investments | 32,91,999 | 81,55,824 |
| Inventories | 13,70,16,48,666 | 12,61,84,00,314 |
| Cash & Cash equivalents | 34,33,27,657 | 8,33,31,028 |
| Short term loans & advances | 88,43,69,527 | 59,45,53,156 |
| Other Current Assets | 1,96,36,39,834 | 1,04,11,94,678 |
| Total Assets | 17,84,75,80,815 | 15,33,74,46,868 |

For PAISALO DIGITAL LIMITED


MANAGING DIRECTOR

For AGARWAL MEADOWS PVT. LTD.


Director

The books of accounts of the Transferee Company for the financial year ended March 31, 2017 were audited by M/s R. Lal & Co. Chartered Accountants. From April 1, 2017 till March 31, 2020 for three financial years M/s Mukesh Kumar & Co., Chartered Accountants have been appointed as Statutory Auditor of the Transferee Company. The Company's Auditor has not made any qualifications or adverse comments on financial statements of the Transferee Company.

The Transferee Company is not subject to any investigation or proceedings under the Act.

PART-III

AMALGAMATION OF AMPL WITH PDL

7. AMALGAMATION, TRANSFER & VESTING OF UNDERTAKING

- 7.1 With effect from the Appointed Date and upon the Scheme becoming effective, the Transfer and vesting of undertaking of the Transferor Company including all its properties, assets and liabilities of whatsoever nature shall under the provisions of Sections 230 to 232 of the Act and pursuant to order(s) of the NCLT or any other Appropriate Authority sanctioning the Scheme and without any further act, instrument, deed, matter or thing, stand transferred and vested in and/ or deemed to be transferred to and vested in Transferee Company so as to become the undertaking, properties, assets and liabilities of Transferee Company in accordance with the Section 2(1B) of the Income Tax Act, 1961, in the following manner:-**

7.1.1 Transfer of Assets:

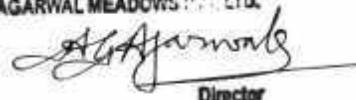
- 7.1.1.1 With effect from the Appointed Date and upon the Scheme becoming effective all memberships, licenses, rights, privileges, permits, quotas, rights, entitlements, allotments, approvals, consents, concessions, trade mark licenses including**

For PAISALO DIGITAL LIMITED


DIRECTOR

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For AGARWAL MEADOWS PVT. LTD.


Director

application for registration of trade mark, Certificate of Registrations and their right to use available to Transferor Company as on appointed date or any which may be taken after the appointed date but till the effective date, shall get transferred to Transferee Company without any further instrument, deed or act or payment of any further fee, charge or securities.

7.1.1.2 With effect from the Appointed Date and upon the Scheme becoming effective all the assets of Transferor Company as are movable in nature including, but not limited to, stock of goods, sundry debtors, investments, plants and equipments, motor vehicles, outstanding loans and advances, insurance claims, advance tax, Minimum Alternate Tax (MAT) set-off rights, pre-paid taxes, levies/liabilities, CENVAT/VAT credits /GST credits, if any, recoverable in cash or in kind or for value to be received, bank balances and deposits, if any, with Government, Semi-Government, local and other authorities and bodies, customers and other persons or any other assets otherwise capable of transfer by physical delivery would get transferred by physical delivery only and all other assets would get transferred by endorsement and delivery by vesting and recordable pursuant to this Scheme, shall stand vested in Transferee Company, and shall become the property and an integral part of Transferee Company and if require appropriate Governmental and Registration authorities shall substitute the name of Transferee Company without any further instrument, deed or act or payment of any further

For PAISALO DIGITAL LIMITED fee, charge or securities.


MANAGING DIRECTOR

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For AGARWAL MEADOWS LTD.

Director

7.1.1.3 With effect from the Appointed Date and upon the Scheme becoming effective all incorporeal properties of Transferor Company as on Appointed Date or any other property which may be taken after the Appointed Date but till the Effective Date, shall get transferred to Transferee Company without any further instrument, deed or act or payment of any further fee, charge or securities.

7.1.1.4 With effect from the Appointed Date and upon the Scheme becoming effective, all immovable properties including but not limited to land and buildings or any other immovable properties of Transferor Company, whether freehold or leasehold, and any documents of title, rights and easements in relation thereto shall stand transferred to and be vested in Transferee Company, without any further instrument, deed or act or payment of any further fee, charge or securities either by the Transferor Company or Transferee Company.

7.1.1.5 With effect from the Appointed Date and upon the Scheme becoming effective, Transferee Company shall be liable to pay ground rent, taxes and fulfill obligations, in relation to or applicable to such immovable properties. The mutation/substitution of the title to the immovable properties shall be made and shall be recorded in the name of Transferee Company by the appropriate authorities pursuant to the sanction of the Scheme by the NCLT or any other Appropriate Authority.

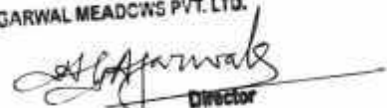
7.1.1.6 With effect from the Appointed Date and upon the Scheme becoming effective, all contracts, deeds, bonds, agreements, schemes, arrangements and other instruments of whatsoever nature in relation

For PAISALO DIGITAL LIMITED


MANAGING DIRECTOR

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For AGARWAL MEADOWS PVT. LTD.


DIRECTOR

to Transferor Company to which the Transferor Company are the party or to the benefit of which Transferor Company may be eligible, and which are subsisting or having effect immediately before the Effective Date, shall be in full force and effect against or in favor of Transferee Company and may be enforced as fully and effectually as if, instead of Transferor Company, Transferee Company had been a party or beneficiary or obligee thereto.

7.1.1.7 With effect from the Appointed Date and upon the Scheme becoming effective, any statutory licenses, no-objection certificates, permissions or approvals or consents required to carry on operations of Transferor Company or granted to Transferor Company shall stand vested in or transferred to Transferee Company without further act or deed, and shall be appropriately transferred or assigned by the statutory authorities concerned therewith in favor of Transferee Company upon vesting of Transferor Company Businesses and Undertakings pursuant to this Scheme. The benefit of all statutory and regulatory permissions, licenses, approvals and consents including the statutory licenses, permissions or approvals or consents issued or granted to Transferor Company shall vest in and become available to Transferee Company pursuant to this scheme.

7.1.2 Transfer of Liabilities:

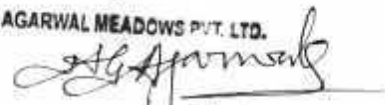
7.1.2.1 With effect from the Appointed Date and upon the Scheme becoming effective, all debts, liabilities, contingent liabilities, duties and obligations, secured or unsecured, whether provided for or not

For PAISALO DIGITAL LIMITED


MANAGING DIRECTOR

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For AGARWAL MEADOWS PVT. LTD.


Director

in the books of accounts or disclosed in the balance sheets of Transferor Company shall be deemed to be the debts, liabilities, contingent liabilities, duties and obligations of Transferee Company.

7.1.2.2 Without prejudice to the generality of the provisions contained herein, all loans raised after the Appointed Date but till the Effective Date and liabilities incurred by Transferor Company after the Appointed Date but till the Effective Date for their operations shall be deemed to be of Transferee Company.

7.1.2.3 The transfer and vesting of the undertaking and assets of Transferor Company as aforesaid, shall be subject to the existing securities, charges and mortgages, if any, subsisting, over or in respect of the property and assets or any part thereof of Transferor Company, as the case may be.

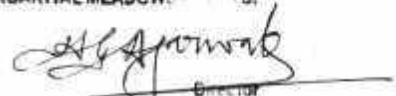
Provided that the securities, charges and mortgages (if any subsisting) over and in respect of the part thereof, of Transferee Company shall continue with respect to such assets or part thereof and this Scheme shall not operate to enlarge such securities, charges or mortgages to the end and intent that such securities, charge and mortgage shall not extend or be deemed to extend, to any of the other assets of Transferor Company vested in Transferee Company pursuant to the Scheme.

Provided always that this Scheme shall not operate to enlarge the security for any loan, deposit or facility created by Transferor Company which shall vest in Transferee Company by virtue of the

For PAISALO DIGITAL LIMITED


MONTY SINGH, DIRECTOR

For AGARWAL MEADOWS LTD.


DIRECTOR

amalgamation of Transferor Company with Transferee Company and Transferee Company shall not be obliged to create any further or additional security there for after the amalgamation has become operative.

7.1.2.4 Transferee Company will, at any time after coming into effect of this Scheme in accordance with the provisions hereof, if so required under any law or otherwise, execute deeds of confirmation or other writings or arrangements with any party to any contract or arrangements in relation to Transferor Company to which Transferor Company is party, in order to give formal effect to the above provisions. Transferee Company shall, under the provisions of this Scheme, be deemed to be authorized to execute any such writings on behalf of Transferor Company and to carry out or perform all such formalities or compliances referred to above on part of Transferor Company.

7.1.2.5 Loans or other obligations, if any, due either between Transferee Company and Transferor Company shall stand discharged and there shall be no liability in that behalf. In so far as any securities, debentures or notes issued by the Transferor Company and held by the Transferee Company and vice versa are concerned, the same shall, unless sold or transferred by holder of such securities, at any time prior to the Effective Date, stand cancelled and shall have no further effect.

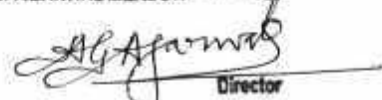
7.1.2.6 Transferee Company will distribute the dividend as when declared on the proportionate basis keeping in mind the allotment/ transfer of shares to the Transferor Company's Shareholders.

For PAISALO DIGITAL LIMITED


MANAGING DIRECTOR

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For AGARWAL MEADOWS PRIVATE LIMITED


Director

7.1.3 Legal Proceedings:

7.1.3.1 With effect from the Appointed Date, Transferee Company shall bear the burden and the benefits of any legal or other proceedings initiated by or against Transferor Company.

Provided however, all legal, administrative and other proceedings of whatsoever nature by or against Transferor Company pending in any court or before any authority, judicial, quasi judicial or administrative, any adjudicating authority and/or arising after the Appointed Date and relating to Transferor Company or its respective properties, assets, liabilities, duties and obligations shall be continued and/or enforced until the Effective Date by or against Transferor Company, and from the Effective Date, shall be continued and enforced by or against Transferee Company in the same manner and to the same extent as would or might have been continued and enforced by or against Transferor Company.

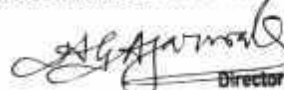
7.1.3.2 If any suit, appeal or other proceedings of whatever nature by or against Transferor Company be pending, the same shall not abate, be discontinued or in any way be prejudicially affected by reason of the transfer of the Transferor Company undertaking or of anything contained in this Scheme but the proceedings may be continued, prosecuted and enforced by or against Transferee Company in the same manner and to the same extent as it would or might have been continued, prosecuted and enforced by or against Transferor Company as if this Scheme had not been made.

For PAISALO DIGITAL LIMITED


MANAGING DIRECTOR

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For AGARWAL MEADOWS PVT. LTD.


Director

7.1.4 Taxation and Other Matters:

7.1.4.1 With effect from the Appointed Date, all the profits or income accruing or arising to Transferor Company and all expenditure or losses arising or incurred by Transferor Company shall, for all purposes, be treated (including all taxes, if any, paid or accruing in respect of any profits and income) and be deemed to be and accrue as the profits or income or as the case may be, expenditure or losses (including taxes) of Transferee Company. Moreover, Transferee Company shall be entitled to revise its statutory returns relating to indirect taxes like Goods and Service tax (GST) etc. and to claim refund/credits and/or set off all amounts under the relevant laws towards the transactions entered into by Transferee Company and Transferor Company which may occur between the Appointed Date and the Effective Date. The rights to make such revisions in the GST returns and to claim refunds/credits are expressly reserved in favor of Transferee Company.

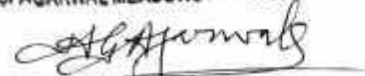
7.1.4.2 Upon the Scheme becoming effective, the Transferor Company and the Transferee Company shall be entitled, wherever necessary and pursuant to the provisions of this Scheme, to file or revise their financial statements, tax returns, tax deduction at source certificates, tax deduction at source returns, and other statutory returns, and shall have the right to claim refunds, advance tax credits, credit for Minimum Alternate Tax, carry forward of losses and unabsorbed depreciation, deductions, tax holiday benefits, deductions or any

For PAISALO DIGITAL LIMITED


MANAGING DIRECTOR

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For AGARWAL MEADOWS PVT LTD.


Director

other credits and / or set off of all amounts paid by the Transferor Company or the Transferee Company under the relevant laws relating to Income Tax, Value Added Tax, Service Tax, Central Sales Tax, Goods and Service Tax or any other tax, as may be required consequent to the implementation of the Scheme.

7.1.4.3 Transferee Company shall be entitled to revise its Statutory returns relating to Direct taxes like Income Tax and Wealth Tax and to claim refunds/advance tax credits and/or set off the tax liabilities of Transferor Company under the relevant laws and its rights to make such revisions in the statutory returns and to claim refunds, advance tax credits and/or set off the tax liabilities is expressly granted.

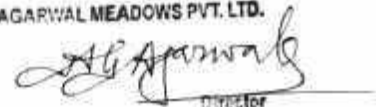
7.1.4.4 It is expressly clarified that with effect from the Appointed Date, all taxes payable by Transferor Company including all or any refunds of the claims/TDS Certificates shall be treated as the tax liability or refunds/claims/TDS Certificates as the case may be, of Transferee Company.

7.1.4.5 From the Effective Date and till such time as the name of the Transferee Company would get entered as the account holder in respect of all the bank accounts and demat accounts of Transferor Company in the relevant bank's/DP's books and records, the Transferee Company shall be entitled to operate the bank/demat accounts of Transferor Company in its existing name.

For PAISALO DIGITAL LIMITED


MANAGING DIRECTOR

For AGARWAL MEADOWS PVT. LTD.


DIRECTOR

7.1.4.6 Since each of the permissions, approvals, consents, sanctions, special reservations, incentives, concessions and other authorizations of Transferor Company shall stand transferred, by the order of the NCLT or any other Appropriate Authority sanctioning the Scheme, to Transferee Company. Transferee Company shall file the relevant intimations, for the record of the statutory authorities who shall take them on file, pursuant to the vesting orders of NCLT or any other Appropriate Authority.

7.1.5 Conduct of Business:

With effect from the Appointed Date and till the Scheme come into effect

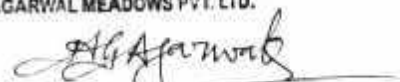
7.1.5.1 Transferor Company shall be deemed to carry on all their businesses and activities and stand possessed of their properties and assets for and on account of and in trust for Transferee Company and all the profits accruing to Transferor Company and all taxes thereon or gains or losses arising or incurred by them shall, for all purposes, be treated as and deemed to be the profits or losses, as the case may be, of Transferee Company.

7.1.5.2 Transferor Company shall carry on their businesses with reasonable diligence and in the same manner as they had been doing hitherto and Transferor Company shall not alter or substantially expand its businesses except with the concurrence of Transferee Company.

For PAISALO DIGITAL LIMITED


MANAGING DIRECTOR

For AGARWAL MEADOWS PVT. LTD.


Director

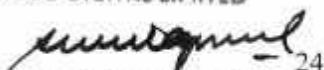
7.1.5.3 Transferor Company shall not without the written concurrence of Transferee Company, alienate charge or encumber any of its properties except in the ordinary course of business or pursuant to any pre-existing obligation undertaken prior to the date of acceptance of the Scheme by the Board of Directors of Transferee Company, as the case may be.

7.1.5.4 Transferor Company shall not vary or alter, except in the ordinary course of their business or pursuant to any pre-existing obligation undertaken prior to the date of acceptance of the Scheme by the Board of Directors of Transferee Company the terms and conditions of employment of any of its employees, except with the written cosent of Transferee Company.

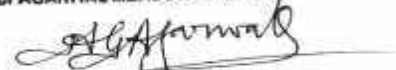
7.1.5.5 With effect from the Appointed Date, all debts, liabilities, duties and obligations of Transferor Company as on the closing business hours of Appointed Date, whether or not provided in their books and all liabilities which arise or accrue after the Appointed Date shall be deemed to be the debts, liabilities, duties and obligations of Transferee Company.

7.1.5.6 For the purpose of giving effect to the vesting order passed under Section 230 to 232 of the Companies Act, 2013 and rules made there under in respect of this Scheme by the NCLT, Transferee Company shall, at any time pursuant to the orders on this Scheme, be entitled to get the record of the change in the legal right(s) upon the vesting of the

For **PAISALO DIGITAL LIMITED**


MANAGING DIRECTOR

For **AGARWAL MEADOWS PVT. LTD.**


Director

Transferor Company undertakings in accordance with the provisions of the Act. Transferee Company shall be authorized to execute any pleadings, applications, forms, etc. as are required to remove any difficulties and carry out any formalities or compliance as are necessary for the implementation of this Scheme.

PART-III

CONSIDERATION & ACCOUNTING TREATMENT

8. CONSIDERATION ON AMALGAMATION

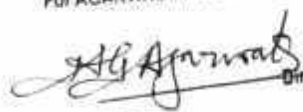
8.1 Transferee Company shall, without further application, act or deed, issue and allot to each of the Shareholders of the Transferor Company (whose names are registered in the Register of Members of the Transferor Company on the Record Date, or his/ her/ its legal heirs, executors, administrators or successors), equity shares in the Transferee Company credited as fully paid up in the ratio of 5918 equity shares of Rs. 10/- each in the Transferee Company for every 100 equity share of Rs. 100/- each held as fully paid-up in the Transferor Company ("Share Exchange Ratio"). If any of the shareholders of the Transferor Company becomes entitled to receive fraction of such an Equity Share in the capital of the Transferee Company, such fraction shall be rounded off to the nearest integer.

8.2 The Equity Shares in the Transferee Company to be issued to the shareholders of the Transferor Company (herein "New Equity Shares") shall rank pari passu in all respect, with the existing equity shares in the Transferee Company and shall be subject to the Memorandum and Articles of Association of the Transferee Company.

For PAISALO DIGITAL LIMITED

MANAGING DIRECTOR

For AGARWAL MEADOWS PVT. LTD.


Director

8.3 New Equity Shares to be issued by the Transferee Company pursuant to Clause 8.1 above shall be issued in dematerialized form by the Transferee Company. In that relation, the shareholders of the Transferor Company shall be required to have an account with a depository participant and shall be required to provide details thereof and such other confirmations as may be required. In the event any shareholder has not provided the requisite details relating to his/her/its account with a depository participant or other confirmations as may be required or if the details furnished by any shareholder do not permit electronic credit of the share of the Transferee Company, then the Transferee Company shall issue New Equity Shares in physical form to such shareholder or shareholders.

8.4 The New Equity Shares to be allotted shall, subject to applicable laws, be listed and admitted to trading on the Stock Exchanges.

8.5 The issue and allotment of equity shares by the Transferee Company to the shareholders of the Transferor Company pursuant to clause 8.1 above is an integral part of this Scheme.

8.6 The approval of this Scheme by the shareholders of the Transferee Company shall be deemed to be due compliance of the provisions of Section 62 of the Companies Act, 2013 and other relevant and applicable provisions of the Act for the issue and allotment of equity shares by the Transferee Company to the shareholders of the Transferor Company as provided in this Scheme.

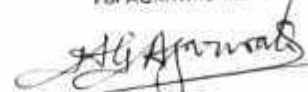
9. AUTHORIZED SHARE CAPITAL OF THE TRANSFEE COMPANY

9.1 Upon the Scheme becoming effective, the Authorized Share Capital of the Transferee Company shall not be affected and would be same as it is at present.

For PAISALO DIGITAL LIMITED


MANAGING DIRECTOR 26

For AGARWAL MEADOWS PVT. LTD.


Director

10. ACCOUNTING TREATMENT FOR AMALGAMATION

- 10.1** Upon coming into effect of this Scheme, the amalgamation of the Transferor Company with the Transferee Company shall be accounted for as per the "Accounting Standard 14: Accounting for Amalgamations" as prescribed in the Companies (Accounting Standards) Amended Rules, 2016 issued by the Ministry of Corporate Affairs.
- 10.2** The Transferee Company shall, record all the assets at its fair value as agreed between the transferor company and transferee company and liabilities as appearing in the books of the Transferor Company on the Appointed Date.
- 10.3** If at the time of amalgamation, the Transferor Company and the Transferee Company have conflicting accounting policies, a uniform accounting policy shall be adopted by the Transferee Company following the amalgamation. The effect on the financial statements of any change in accounting policies shall be reported in accordance with applicable Accounting Standard 5, 'Prior Period and Extraordinary Items and changes in accounting policies'.
- 10.4** Investment, if any, in the equity share capital of the Transferor Company or vice versa, as appearing in the books of accounts of the Transferee Company, if not transferred before the Effective Date, shall stand cancelled and there shall be no further obligation / outstanding in that behalf.

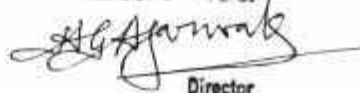
11. STAFF, WORKMEN AND EMPLOYEE

- 11.1** On the Scheme becoming effective, all staff, workmen and employee of the Transferor Company, if any, in service on the Effective Date shall become the staff, Workmen and employee of the Transferee Company with effect from the Appointed Date without any break, discontinuance or interruption in their services and on the basis of continuity of services, and the terms and

For PAISALO DIGITAL LIMITED

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MANAGING DIRECTOR

For AGAP VAL MEADOWS PVT. LTD.


Director

conditions of their employment with Transferee Company shall not be less favorable than those applicable to them with reference to the Transferor Company, on the Effective date.

12. SAVING OF CONCLUDED TRANSACTIONS

- 12.1** The transfer of properties and liabilities and the continuance of proceedings by or against Transferor Company as envisaged in above shall not affect any transaction or proceedings already concluded by Transferee Company on or before the Appointed Date and after the Appointed Date till the Effective Date, to the end and intent that Transferor Company accept and adopts all acts, deeds and things done and executed by Transferee Company in respect thereto as done and executed by Transferee Company in respect thereto as done and executed on that behalf.

13. DISSOLUTION OF TRANSFEROR COMPANY

- 13.1** On occurrence of the Effective Date, Transferor Company shall, without any further act or deed, shall stand dissolved without winding up.

PART-IV

OTHER PROVISIONS

14. APPLICATION TO NCLT

- 14.1** Transferor Company and Transferee Company shall, with all reasonable dispatch, make Joint application to the NCLT of relevant jurisdiction, under Sections 230 to 232 and other applicable provisions of the Act read with applicable provisions of Companies (Compromise, Arrangement and Amalgamation) Rules, 2016, for sanctioning the Scheme with such modifications as may be approved by the NCLT.

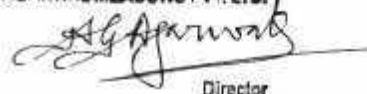
- 14.2** On the Scheme being agreed to by the requisite majorities of all the classes of the shareholders and/or creditors of Transferor Company and Transferee Company shall, with all reasonable dispatch, apply

For PAISALO DIGITAL LIMITED


MANAGING DIRECTOR

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For AGARWAL MEADOWS PVT. LTD.


Director

to the NCLT, for sanctioning the Scheme under Sections 230 to 232 and other applicable provisions of the Act read with applicable provisions of the Companies (Compromise, Arrangement and Amalgamation) Rules, 2016, and for such other orders, as the said NCLT may deem fit for carrying this Scheme into effect and for dissolution of Transferor Company without winding-up,

15. LISTING AGREEMENT AND SEBI COMPLIANCES

- 15.1** Since the Transferee Company is a listed company, this Scheme is subject to the compliances of all the requirements under the Listing Regulations and all statutory directives of the Securities Exchange Board of India ('SEBI') in so far as they relate to sanction and implementation of the Scheme.
- 15.2** Regulation 10 of SEBI (Acquisition of Shares And Takeover) Regulations, 2011, exempts from the obligation to make an open offer under regulation 3 and regulation 4 in regard of acquisition pursuant to a scheme of arrangement/amalgamation involving the target company as a transferor company or as a transferee company, or reconstruction of the target company, including amalgamation, merger or demerger, pursuant to an order of a court or a competent authority under any law or regulation, Indian or foreign.

16. CONDITIONALITY OF SCHEME

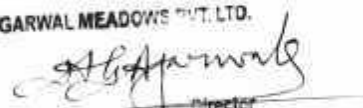
- 16.1 Unless otherwise decided by the Board of the Transferor Company and the Transferee Company, the Scheme is conditional upon and subject to:-**

- 16.1.1** Obtaining no-objection/observation letter from the Stock Exchanges in relation to the Scheme under the Regulation 37 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

For PAISALO DIGITAL LIMITED


MANAGING DIRECTOR

For AGARWAL MEADOWS INT. LTD.


Director

16.1.2 Approval of the Scheme by the requisite majority of the shareholders of the Transferor Company and Transferee Company and such classes of the persons of the said companies, if any, as applicable or as may be required under the Act and as may be directed by the NCLT;

16.1.3 The Parties, as the case may, complying with the other provisions of the SEBI circular, including seeking approval of the shareholders of the Transferee Company through e-voting, as applicable. The Scheme shall be acted upon only if the votes cast by the public shareholders in favor of the proposal are more than the number of votes cast by the public shareholders, of the Transferee Company, against it as required under the SEBI circular. The term 'public' shall carry the same meaning as defined under Rule 2 of Securities Contracts (Regulation) Rules, 1957;

16.1.4 The sanctions and orders of the NCLT, under Sections 230 to 232 of the Act being obtained by the Transferor Company and Transferee Company;


16.1.5 Certified/Authenticated copies of the orders of the NCLT, sanctioning the Scheme, being filed with the concerned Registrar of Companies NCT of Delhi and Haryana;

16.1.6 All other sanctions and approvals, as may be required by law, in respect of this Scheme being obtained.

16.1.7 It is hereby clarified that submission of this Scheme to the NCLT and to the Appropriate Authorities for their respective approvals is without prejudice to all rights, interest, titles or defenses that the Transferor Company and Transferee Company may have under or pursuant to all Applicable Laws.

16.1.8 On the approval of this Scheme by the shareholders of the Transferor Company and Transferee Company and such

For PAVSALO DIGITAL LIMITED


MANAGING DIRECTOR

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For AGARWAL MEADOWS PVT. LTD.


Director

other classes of Persons of the said parties, if any, pursuant to Clause mentioned herein above shall also be deemed to have resolved and accorded all relevant consent under the Act or otherwise to the same extent applicable in relation to the amalgamation set out in this Scheme, related matters and this Scheme itself.

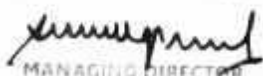
17. DIVIDENDS

- 17.1** Notwithstanding the above Clause 7, until the Effective Date, the Transferor Company and Transferee Company shall be entitled to declare and pay dividends, whether interim or final, to its shareholders in respect of the accounting period prior to the Effective Date out of its income/cash, if any, lying with Transferor Company and Transferee Company.
- 17.2** The holders of shares of Transferor Company and Transferee Company shall, save as expressly provided otherwise in this Scheme, continue to enjoy their existing rights under their respective Articles of Association including the right to receive dividends.
- 17.3** It is clarified that the aforesaid provisions in respect of declaration of dividends are enabling provisions only and shall not be deemed to confer any right on any shareholder of the Transferor Company and/or Transferee Company to demand or claim any dividend which, subject to the provisions of the Act, shall be entirely at the discretion of the respective Board of Directors of Transferor Company and Transferee Company respectively, and subject to the approval, if required, of the shareholders of the Transferor Company and/or Transferee Company

18. MODIFICATION OR AMENDMENT OF THE SCHEME AND REVOCATION OF THE SCHEME

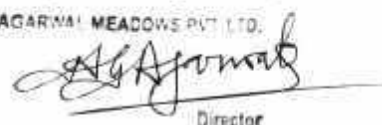
- 18.1** The Transferee Company and the Transferor Company by their respective Board of Directors or such other person or persons, as

For PAISALO DIGITAL LIMITED


MANAGING DIRECTOR

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For AGARWAL MEADOWS PVT. LTD.


Director


the respective Board of Directors may authorize, including any committee or sub-committee thereof, may make and/or consent to any modifications or amendments to the Scheme or to any conditions or limitations that the NCLT/Registrar/ Official Liquidator and/or other authority may deem fit to direct or impose or which may otherwise be considered necessary or desirable. The Transferee Company and the Transferor Company, by their respective Board of Directors, or such other person or persons, as the respective Board of Directors may authorize, including any committee or subcommittee thereof, shall be authorized to take such steps and do all acts, deeds and things as may be necessary, desirable or proper to give effect to this Scheme and to resolve any doubt, difficulties or questions whether by reason of any order(s) of the Regional Director or of any directive or order(s) of any other authority or otherwise howsoever arising out of, under or by virtue of this Scheme and/or any matters concerning or connected therewith.

- 18.2** The Transferor Company and Transferee Company acting through their respective Boards shall each be at liberty to withdraw from this Scheme: (a) in case any condition or alteration imposed by any Appropriate Authority is unacceptable to any of them; or (b) they are of the view that coming into effect of the respective parts to this Scheme could have adverse implications on the respective companies.
- 18.3** In the event of any of the said sanctions / approvals / conditions referred hereinabove not being obtained and/or complied with and/or satisfied and/or this Scheme not being sanctioned by the NCLT and/or order or orders not being passed as aforesaid and/or the Scheme failing to be made effective, this Scheme shall stand revoked, cancelled and be of no effect and in that event, no rights and liabilities whatsoever shall accrue to or be incurred *inter se* the Transferor Company and the Transferee Company or their respective shareholders or creditors or employees or any other

For PAISALO DIGITAL LIMITED


MANAGING DIRECTOR 32

For AGARWAL MEADOWS PVT. LTD.


Director

person save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any right, liability or obligation which has arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out in accordance with the applicable law and in such case, each company shall bear its own costs unless otherwise mutually agreed. Further, the Board of Directors of the Transferor Company and the Transferee Company shall be entitled to revoke, cancel and declare the Scheme to be of no effect if such boards are of the view that the coming into effect of the Scheme in terms of the provisions of this Scheme or filing of the drawn-up orders with any authority could have adverse implication on all/any of the companies.

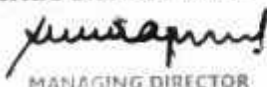
19. COSTS

- 19.1** All costs, charges, fees, taxes including duties (including the stamp duty, if any, applicable in relation to this Scheme), levies and all other expenses, if any (save as expressly otherwise agreed) arising out of or incurred in carrying out and implementing the terms and conditions or provisions of this Scheme and matters incidental thereto shall be borne and paid by Transferee Company. All such costs, charges, fees, taxes, stamp duty including duties (excluding the stamp duty, if any, paid on this scheme which shall be pro rata added to the value of the immovable properties), levies and all other expenses, shall be debited to the Profit and Loss Account of Transferee Company.

20. APPLICABILITY OF PROVISIONS OF INCOME TAX ACT,1961

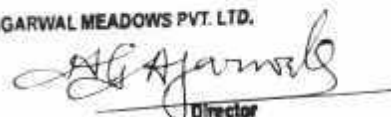
If any terms or provisions of the Scheme are found or interpreted to be inconsistent with the provisions of the Income –Tax Act,1961, at a later date, including resulting from an amendment of any Applicable Law or for any other reason whatsoever, the Scheme shall stand modified/amended to the extent determined necessary to comply and come within the definition and conditions relating to “Amalgamation” as specified in the Income-tax Act, 1961. In such an event the clauses which are inconsistent shall be

For PAISALO DIGITAL LIMITED


MANAGING DIRECTOR

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For AGARWAL MEADOWS PVT. LTD.


Director

read down or if the need arises be deemed to be deleted and such modification/reading down or deemed deletion shall however not affect the other parts of the Scheme.

Any refund, under the Income Tax Act, 1961, service tax laws, central sales tax, excise duty laws, duties, levies due to Transferor Companies consequent to the assessment made to the Transferor Companies and for which no credit is taken in the account as on the date immediately preceding the Appointed Date shall also belong to and received by the Transferee Company upon this Scheme becoming effective.

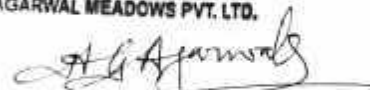
For Paisalo Digital Limited
(TRANSFEREE COMPANY)

For **PAISALO DIGITAL LIMITED**


MANAGING DIRECTOR

FOR Agarwal Meadows Private Limited
(TRANSFEROR COMPANY)

For **AGARWAL MEADOWS PVT. LTD.**


Director

VALUATION ANALYSIS

**FOR THE PROPOSED AMALGAMATION OF
AGARWAL MEADOWS PRIVATE LIMITED**

("TRANSFEROR COMPANY")

WITH

**PAISALO DIGITAL LIMITED
("TRANSFeree COMPANY")**

PREPARED BY:-

M/s SANJEEV JAGDISH CHAND & ASSOCIATES

CHARTERED ACCOUNTANTS

Address: 17A, Highway Appartments,

Ghazipur, New Delhi-110096

Email: office@casgr.com

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SECTION I – APPOINTMENT FOR DETERMINATION OF SHARE EXCHANGE RATIO

This Valuation Report has been prepared by M/s SANJEEV JAGDISH CHAND & ASSOCIATES to provide valuation of M/s Agarwal Meadows Private Limited ("Transferor Company"), with M/s Paisalo Digital Limited ("Transferee Company") in order to determine the share exchange ratio of equity shares of M/s Paisalo Digital Limited ("Transferee Company") viz-a-viz the equity shares of M/s Agarwal Meadows Private Limited ("Transferor Company") pursuant to the proposed scheme of Amalgamation and in accordance with the appropriate provisions of companies Act 2013. The Appointed Date for this amalgamation has been kept as closing Hours of 31.12.2017.

1. BRIEF OF THE COMPANIES INVOLVED UNDER THIS ARRANGEMENT

1.1 AGARWAL MEADOWS PRIVATE LIMITED (Transferor Company) was incorporated under the Companies Act, 1956 on 8th December, 1989 in the National Capital Territory of Delhi bearing registration no. 38586. At present the Registered Office of the Company is situated at CSC, Pocket-52, Chittaranjan Park, Near Police Station New Delhi - 110019. The Corporate Identification Number of the Company is U70200DL1989PTC038586. The Transferor is engaged in the real estate business.

1.2 PAISALO DIGITAL LIMITED (Transferee Company) was originally incorporated on 5th March, 1992 under the Companies Act, 1956 as S. E. Investments Private Limited, bearing Registration No. 14135 and was having its Registered Office at Agra (Uttar Pradesh). Subsequently, the Company became a Public Limited Company in pursuance to a special resolution passed by the members of the Company at the Extra Ordinary General Meeting held on 24th February, 1995. A fresh Certificate of Incorporation consequent to change of name as a result of conversion to a public limited company was issued on 1st March, 1995 by the Registrar of Companies, Uttar Pradesh, Kanpur. Subsequently, pursuant to Company Lay Tribunal, Northern Region Bench vide Order C. P. No. 128/17/2002-CLB dated 9th January, 2003 the Registered Office of the Company shifted from the State of Uttar Pradesh to National Capital Territory of Delhi and Certificate was issued by the Registrar of Companies, NCT of Delhi & Haryana on 22nd May, 2003. At present the Registered Office of the Company situated at 101, CSC, Pocket 52, CR Park, Near Police Station, New Delhi-110019 and the Corporate Identification Number of the Company is L65921DL1992PLC120483.



Paisalo Digital Limited is a Systemically Important Non Banking Financial Company, registered with Reserve Bank of India as Loan Company vide Certificate of Registration bearing registration No B-14.02997.

The Equity Shares of the Company are listed on National Stock Exchange of India Limited (NSE), and BSE Limited (BSE) and Global Depository Receipt are listed on Luxembourger Stock Exchange. Currently, the Transferee Company is engaged in the financing business.

2. OBJECTS AND RATIONALE OF THE SCHEME:-

Para 4.1 of the scheme deals with the Purpose of the Scheme:

The Board of Directors of the Transferor Company and Transferee Company are of the opinion that the proposed arrangement between the Transferor Company with Transferee Company will be for the benefit of both the Companies in the following manner:

- a) The amalgamation will enable pooling recourse of the Companies involved in the amalgamation to their common advantage, resulting in more productive utilization of such resources, cost & operational efficiencies which would be beneficial for all stakeholders.
- b) The amalgamation would result in the creation of a Transferee Company with larger asset base and net worth with strong financials enabling further growth and development of the Company and enable the transferee Company to withstand with the growing competition in the market scenario.
- c) The proposed amalgamation will result in reduction in overhead and other expenses, reduction in administrative and procedural work and eliminate duplication of work and will enable the companies concerned to effect internal economies and optimize productivity.
- d) The proposed amalgamation if comes into effect then it will strengthen the credibility of transferee company with the financial institutions, banks and general public and which would eventually benefit the shareholders of the Transferee Company and Transferor Company.

There is no likelihood that interests of any shareholder or creditor of either the Transferor Company or the Transferee Company would be prejudiced as a result of the Scheme. The Scheme of Arrangement will not impose any additional burden on the members of the Transferor Company or the Transferee Company.



3. SCOPE OF SERVICES:-

As a part of the advisory services, Management of "Paisalo Digital Limited" and "Agarwal Meadows Private Limited" has appointed, M/s SANJEEV JAGDISH CHAND & ASSOCIATES, Chartered Accountants to independently analyse and undertake the valuation of M/s Agarwal Meadows Private Limited ("Transferor Company") and M/s "Paisalo Digital Limited ("Transferee Company") involved in the proposed scheme of arrangement and recommendation of Share Exchange Ratio of equity shares on a relative basis in accordance with generally accepted principles of valuation.

4. DOCUMENTS RELIED UPON & LIMITATIONS AND CAVEATS:-

The Valuation exercise was carried out under the following limitations:

- To arrive at share exchange ratio under the said Proposed Scheme of Arrangement, we have considered for M/s Paisalo Digital Limited - Audited Financial statement as on 31.03.2017, Management certified Balance Sheet as on 30.09.2017 and profit and Loss Statement for Trailing 12 Months period ended 31.12.2017.
- For M/s Agarwal Meadows Private Limited - Audited Balance sheet as on 31.03.2017,
- Property Valuation report in case Agarwal Meadows Private Limited for its property at Chitranjan Park, Delhi as per the report issued by Er. Ajit Fauzdar dated 23.11.17;
- Property Valuation report in case of M/s Paisalo Digital Limited for its property at Flat No 205 (II Floor), Prateek Tower Block No 54/4, Sanjay Place, Agra as per the report issued by Er. Ajit Fauzdar dated 10.11.17;
- The scope of our work has been limited both in terms of the areas of the business and operations which we have reviewed and the extent to which we have reviewed them. There may be matters, other than those noted herein, which might be relevant in the context of the transaction and which a wider scope might uncover and we bear no responsibility of the same.
- We have no present or planned future interest in the Company and the fee for this Valuation analysis is not contingent upon the values reported herein. The Valuation Analysis contained herein is not intended to represent the value at any time other than the date that is specifically stated in this Certificate.
- We have not carried out the valuation of land and buildings belonging to the companies and solely relied upon the valuation report issued by Er. Ajit Fauzdar for both the properties.
- Draft Scheme of Arrangement as provided by the management.



SECTION – II Companies Assessment

1. AGARWAL MEADOWS PRIVATE LIMITED (Transferor Company) was incorporated under the Companies Act, 1956 on 8th December, 1989 in the National Capital Territory of Delhi bearing registration no. 38586. At present the Registered Office of the Company is situated at CSC, Pocket-52, Chittaranjan Park, Near Police Station New Delhi - 110019. The Corporate Identification Number of the Company is U70200DL1989PTC038586. The Transferor is engaged in the real estate business.

1.1 Extract of Audited Balance sheet of M/s Agarwal Meadows Private Limited as on 31.03.2017

| Particulars | Amount in INR Million | |
|---------------------------------------|-----------------------|--------------|
| | As on 31.03.2017 | |
| SOURCES OF FUNDS | | |
| Share Capital | | 2.93 |
| Reserve and surplus | | 1.05 |
| Non Current Liability | | 10.10 |
| Current Liability | | 45.41 |
| Total – Equity and Liabilities | | 59.48 |
| ASSETS | | |
| Non-Current Assets | | 12.49 |
| Current Assets | | 46.99 |
| Total – Assets | | 59.48 |

1.2 Extract of Audited Profit & Loss Statement of M/s Agarwal Meadows Private Limited for the period ended 31.03.2017

| Particulars | (Amount in INR Million) | |
|----------------------------------------|-----------------------------------------|---------------|
| | For the period ended on 31st March 2017 | |
| Revenue From operations | | - |
| Other Income | | 0.29 |
| Total Income | | 0.29 |
| Total Expenses | | 3.10 |
| Profit Before Tax | | (2.81) |
| Tax expense | | 0.10 |
| Profit for the period after Tax | | (2.92) |

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2. PAISALO DIGITAL LIMITED (Transferee Company) was originally incorporated on 5th March, 1992 under the Companies Act, 1956 as S. E. Investments Private Limited, bearing Registration No. 14135 and was having its Registered Office at Agra (Uttar Pradesh). Subsequently, the Company became a Public Limited Company in pursuance to a special resolution passed by the members of the Company at the Extra Ordinary General Meeting held on 24th February, 1995. A fresh Certificate of Incorporation consequent to change of name as a result of conversion to a public limited company was issued on 1st March, 1995 by the Registrar of Companies, Uttar Pradesh, Kanpur. Subsequently, pursuant to Company Lay Tribunal, Northern Region Bench vide Order C. P. No. 128/17/2002-CLB dated 9th January, 2003 the Registered Office of the Company shifted from the State of Uttar Pradesh to National Capital Territory of Delhi and Certificate was issued by the Registrar of Companies, NCT of Delhi & Haryana on 22nd May, 2003. At present the Registered Office of the Company situated at 101, CSC, Pocket 52, CR Park, Near Police Station, New Delhi-110019 and the Corporate Identification Number of the Company is L65921DL1992PLC120483. Paisalo Digital Limited is a Systemically Important Non Banking Financial Company registered with Reserve Bank of India as Loan Company vide Certificate of Registration bearing registration No B-14.02997.

The Equity Shares of the Company are listed on National Stock Exchange of India Limited (NSE), and BSE Limited (BSE) and Global Depository Receipt are listed on Luxembourg Stock Exchange. Currently, the Transferee Company is engaged in the financing business.

3. Extract of Management Certified Balance Sheet of Paisalo Digital Limited as on 30.09.2017

| Particulars | Amount in INR Million |
|---------------------------------------|-----------------------|
| | As on 30.09.2017 |
| SOURCES OF FUNDS | |
| Share Capital | 4,056.63 |
| Reserve and surplus | 55,157.17 |
| Non-Current Liabilities | 17,505.28 |
| Current Liabilities | 92,446.94 |
| Total – Equity and Liabilities | 169,166.02 |
| ASSETS | |
| Non-Current Assets | 9,627.01 |
| Current Assets | 159,539.01 |



| | |
|----------------|------------|
| Total - Assets | 169,166.02 |
|----------------|------------|

Extract of Management Certified Profit & Loss position on TTM basis for 12 Months period ended 31.12.2017 of Palsalo Digital Limited

| Particulars | Amount INR Million |
|-------------------------------------------------------------|--------------------|
| PAT of the Company for Q 1 ended 31.03.2017 | 26.00 |
| PAT of the Company for Q 2 ended 30.06.2017 | 169.90 |
| PAT of the Company for Q 3 ended 30.09.2017 | 220.00 |
| PAT of the Company for Q 4 ended 31.12.2017 | 174.90 |
| Standalone TTM PAT of the Company for 12 M ended 31.12.2017 | 590.80 |



SECTION III - METHODS OF VALUATION ADOPTED

In case of a merger valuation, the emphasis is on arriving at the "relative" values of the shares of the merging companies to facilitate determination of the "share exchange ratio". Hence, the purpose is not to arrive at absolute values of the shares of the companies.

Judicial Pronouncements:-

Hindustan lever Employees' Union v/s Hindustan lever Limited and others (1995) 83 Company cases 30 (SC)

The jurisdiction of the Court in sanctioning a claim of merger is not to ascertain mathematical accuracy if the determination satisfied the arithmetical test. A company court does not exercise an appellate jurisdiction. It exercises a jurisdiction founded on fairness. It is not required to interfere only because the figure arrived at by the valuer was not as good as it would have been if another method had been adopted. What is imperative is that such determination should not have been contrary to law and that it was not unfair for the shareholders of the company which was being merged.

The Hon'ble Supreme Court held "We do not think that the internal management, business activity or institutional operation of public bodies can be subjected to inspection by the court. To do so, is incompetent and improper and, therefore, out of bounds."

The dominance of profits for valuation of share was emphasised in "McCathies case" (Taxation, 69 CLR 1) where it was said that "the real value of shares in a company will depend more on the profits which the company has been making and should be capable of making, having regard to the nature of its business, than upon the amount which the shares would realize on liquidation". This was also re-iterated by the Indian Courts in Commissioner of Wealth Tax v. MahadeoJalan's case (S.C.) (86 ITR 621) and Additional Commissioner of Gift Tax v. Kusumben D. Mahadevia (S.C.) (122 ITR 38).

In the ultimate analysis, valuation will have to involve the exercise of judicious discretion and judgment taking into account all the relevant factors. There will always be several factors, e.g. Present and prospective competition, yield on comparable securities, and market sentiments etc. which are not evident from the face of the balance sheets but which will strongly influence the worth of a share. Based on the facts of the case, we have applied Market Value Methodology (wherever applicable) and Adjusted Book Value (BV) Methodology.



SECTION – IV Valuation Analysis

ADJUSTED BOOK VALUE METHOD:-

Book Value Method (BV) views the business as a set of assets and liabilities that are used as building blocks to construct the base value of the company. This method is generally used to evaluate the entry barrier that exists in a business as well as this method is suited for companies having common management and shareholders as in case of group consolidation no assets or liabilities are moving outside the group.

Adjusted Book Value Methodology is distinguished from Book Value Methodology as it involves a determination of fair market value of assets and liabilities on a basis of going concern.

1. M/sPaisalo Digital Limited

Company is engaged in the financing business. The Equity Shares of the Company are listed on National Stock Exchange of India Limited (NSE), and BSE Limited (BSE). However it has been observed that the shares of the company are not frequently traded, so we have relied upon the SEBI (ICDR) Regulation, 2009 Refer Regulation 76, which mentions that the valuation need to be carried in case of infrequently traded shares as per Book Value, Comparable Trading multiple and such other parameters as are customary for valuation of shares of such companies. We have carried the Valuation as per comparable company Methodology and Adjusted Book Value Methodology.

| Valuation based on Adjusted Book Value Methodology - as on 30.09.2017 | |
|--------------------------------------------------------------------------------------|------------------------|
| Particulars | Amount in INR Millions |
| Share Capital | 405.60 |
| Reserves and Surplus | 5,515.72 |
| Appreciation or (Diminution) in the Value of Investment (Post suitable adjustments)# | 228.86 |
| Net Asset Value | 6,150.17 |
| Number of shares | 40,560,000 |
| Value per share INR | 151.63 |

Notes:

- Management of the Paisalo Digital Ltd. has represented us that the Company has a WOS namely Nupur Finvest Private Limited and further it has made investment in Spring Infradev Limited in



which it holds 6.97% equity shares; we have calculated the appreciation in value of these Investment as per their NAV based on Audited balance sheet of these companies as on 31.03.2017 .

- Paisalo Digital Ltd also have land and Building and we have taken appreciation in value of these as per the report issued by Er. Ajit Fauzdar dated 10.11.17.
- one land and Building is situated at Flat No 206 (II) floor, Prateek Tower, Block 54/4, Sanjay Place, Agra with the size of 102.19 square Meter and another land and building is situated at Unit No 4,5,6,7,8,9(1st Floor)Prateek Tower Block No 54/4, Sanjay Place, Agra with a size of 365.94square Meter.

Valuation of Paisalo Digital Ltd as per Comparable Company Multiple Method Approach

Comparable Companies Multiples Method uses the valuation ratios of a publicly traded company and applies that ratio to the company being valued (after applying appropriate discount). The valuation ratio typically expresses the valuation as a function of a measure of financial performance or Book Value (e.g. Turnover, EBITDA, EBIT, EPS or Book Value). A key benefit of CCM analysis is that the methodology is based on the current market stock price. The current stock price is generally viewed as one of the best valuation metrics because markets are considered somewhat efficient. The difficulty here is in the selection of a comparable company since it is rare to find two or more companies with the same product portfolio, size, capital structure, business strategy, and profitability and accounting practices. Whereas no publicly traded company provides an identical match to the operations of a given company, important information can be drawn from the way similar enterprises are valued by public markets.

To arrive at the value of equity shares, the valuer has considered the Profit After tax (PAT) trailing 12 months period ended 31.12.2017 as provided in the management certified financials for the period ended on 31.12.2017 and multiplied it with the average PE Multiple of listed peer companies as on 22.02.2018 after considering appropriate discount on account of lack of marketability (DLOM) and added the Fair value of Investments i.e. investment in Nupur Finvest Private Limited And Spring Infradev Limited.

Comparable Company Multiple Method

| Particulars | Amount (INR Million) |
|---------------------------------------------------------------------|----------------------|
| Standalone PAT for 12 M ended 31.12.2017 | 590.80 |
| Less: Other Income | - |
| Adjusted PAT for 12 Months ended 31.12.2017 | 590.80 |
| Industry Average PE Multiple | 23.69 |
| Equity Value | 13,996.05 |
| Less: Discount on lack of marketability @15% | 2,099.41 |
| Equity value post discount | 11,896.64 |
| Add: Fair value of investment made in NUPUR FINVEST PRIVATE LIMITED | 516.47 |



| | |
|---------------------------------------------------------------|------------|
| Add: Fair value of investment made in SPRING INFRADEV LIMITED | 407.64 |
| Adjusted Equity Value | 12,820.76 |
| No of Shares as on 31.12.2017 | 40,560,000 |
| Value per Equity Share (INR) | 316.09 |

Note : Being a Non-Banking Finance Company, the Book Value of the company is significantly less than the value based on Comparable companies method (CCM) as the revenue and Profits of the company are the true indicators and these drivers can be measured by CCM method, so we have given 100% weighted to this methodology.

Valuation of Agarwal Meadows Private Limited

The company is into Real Estate Business and is predominantly Asset Backed so the Asset Approach is the most Suited Approach in the instant case, we have carried the Valuation as per Adjusted Book Value Methodology.

| Valuation based on Adjusted Book Value Methodology as per Balance sheet dated 31.03.2017 | |
|------------------------------------------------------------------------------------------|------------------------|
| Particulars | Amount in INR Millions |
| Share Capital | 2.93 |
| Reserves and Surplus | 1.05 |
| Appreciation or (Diminution) in the Value of Investment (Post suitable adjustments) | 543.56 |
| Net Asset Value | 547.53 |
| No. of Equity Shares as on 31.03.2017 | 29,270 |
| Value Per Share (INR) | 18,706.30 |

Note : We have taken the appreciation in value of Building as per valuation report issued by Er. AjitFauzdar dated 23.11.17. The building is situated at CSC, Pocket 52, EPDP colony, Chitranjan Park, Kalkaji, New Delhi and the total area of the Building is 665.15 square meter.



SECTION V - SHARE EXCHANGE RATIO

SHARE EXCHANGE RATIO FOR MERGER:-

On the basis of above analysis the share exchange ratio has been arrived at and accordingly the Transferee Company shall, without any further act or deed and without any further payment, issue and allot equity shares on a proportionate basis to the shareholders of Transferor Company.

| Valuation Approach | Paisalo Digital Limited | | Agarwal Meadows Private Limited | |
|----------------------------------------|-------------------------|--------|---------------------------------|--------|
| | Value per Share (INR) | Weight | Value per Share (INR) | Weight |
| Asset Approach # | 151.63 | 0 | 18,706.30 | 1 |
| Income Approach ## | NA | 0 | NA | 0 |
| Market Approach### | 316.09 | 1 | NA | 0 |
| Relative Value per Share (INR) | 316.09 | | 18,706.30 | |
| Exchange Ratio per share (Rounded off) | 1 | | 59.18 | |
| Exchange Ratio per 100 shares | 100 | | 5,918 | |

Note: Since the asset base of Agarwal Meadows Private Limited dominates the earning capacity of the company, so we have considered the Adjusted Net Asset Value Approach in this case and given 100% weight to Asset Approach after considering appreciation in the value of investment made in Property. However In case of Paisalo Digital Ltd we have not assigned any weight to this method as Asset approach do not hold much meaning looking into the nature of business.

##We have not applied Income Approach in case Paisalo Digital Ltd as it's a listed company so, on confidentiality Basis Company has not provided us with the future projections. While in case of Agarwal Meadows Private Limited also we have not applied this methodology as the Asset base dominates the earning capacity in this case.

In case of Paisalo Digital Ltd, we have given 100% weight to Market Approach as the company is a Non-Banking Finance company, and it's the most suited approach and we have not assigned any weight to this approach in case of Agarwal Meadows Private Limited as company is heavy asset backed and this method not able to fetch a value based on its weak profitability and revenue line.

- 5,918(Five Thousand Nine Hundred and Eighteen) Equity shares of face value of Rs.10/- (Rupees Ten) each in Paisalo Digital Limited for every 100 (One Hundred) Equity shares of face value of Rs.100/- (Rupee One Hundred) each of Agarwal Meadows Private Limited.

For SANJEEV JAGDISH CHAND & ASSOCIATES
Chartered Accountants

Sanjeev Kumar
(Partner)
M.No-507365



Place: New Delhi
Date - 22nd Feb, 2018

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FAIRNESS OPINION

PAISALO DIGITAL LIMITED

&

AGARWAL MEADOWS PRIVATE LIMITED

February 23rd, 2018

Strictly Private & Confidential

Corporate Professionals Capital Private Limited

CIN - U74899DL2000PTC104508

D-28, South Extn. Part-I, New Delhi 110049, India | T: +91 11 40622200 | F: +91 11 40622201 | E: mb@indiaccp.com
www.corporateprofessionals.com

SEBI Reg. No: INM000011435

The Board of Directors,
Paisalo Digital Limited
101, CSC, Pocket 52, CR Park, Near Police Station,
New Delhi – 110019

The Board of Directors
AGARWAL MEADOWS PRIVATE LIMITED
CSC, POCKET-52, Chittaranjan Park, Near Police Station
New Delhi -110019

Subject: Fairness Opinion on the valuation report undertaken by "M/s SANJEEV JAGDISH CHAND ASSOCIATES, Chartered Accountants" dated 22.02.2018 for the Proposed Scheme of amalgamation of Agarwal Meadows Private Limited with Paisalo Digital Limited

Dear Sir,

We refer to our appointment for the purpose of arriving at an opinion on the share exchange ratio for the proposed amalgamation of Agarwal Meadows Private Limited (hereinafter referred to as "Agarwal Meadows") with Paisalo Digital Limited (hereinafter referred to as "Paisalo Digital"). Agarwal Meadows and Paisalo Digital are hereinafter collectively referred to as the "Companies".

Under the proposed amalgamation in accordance with the provisions of sections 230 to 232 and other applicable provisions of the Companies Act, 2013 (hereinafter referred to as the "Scheme") and subject to necessary approvals, Agarwal Meadows would be amalgamated with Paisalo Digital on a going concern basis ("Proposed Amalgamation").

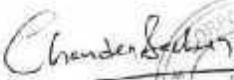
In terms of our engagement, we are enclosing our opinion along with this letter. All comments as contained herein must be read in conjunction with the Caveats to this opinion. The opinion is confidential and has been made in accordance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "listing regulations") read with SEBI Circular no. CFD/DIL3/CIR/2017/21 dated




March 10, 2017 and SEBI Circular no. CFD/DIL3/CIR/2017/26 dated March 23, 2017, it should not be used, reproduced or circulated to any other person, in whole or in part, without the prior consent of Corporate Professionals Capital Private Limited, such consent will only be given after full consideration of the circumstance at the time. We are however aware that the conclusion in this report may be used for the purpose of disclosure to be made to the stock exchanges, National Company Law Tribunal ("NCLT") and notices to be dispatched to the shareholder and creditors for convening the meeting pursuant the directions of NCLT and we provide consent for the same. Please feel free to contact us in case you require any additional information or clarifications.

Yours Faithfully,

For Corporate Professionals Capital Private Limited


Chander Sawhney
[Partner & Head-Valuations]



Content

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| Key facts & Key Extracts of the Scheme | 6 |
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CONTEXT AND BACKGROUND

1. Paisalo Digital is listed on the National Stock Exchange of India Limited and BSE Limited. The proposed scheme of amalgamation provides for amalgamation of Agarwal Meadows with Paisalo Digital in accordance with the provisions of sections 230 to 232 and other applicable provisions of the Companies Act, 2013 (hereinafter referred to as the "Scheme").
2. The opinion expressed here is confidential and has been made in accordance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "listing regulations") read with SEBI Circular no. CFD/DIL3/CIR/2017/21 dated March 10, 2017 and SEBI Circular no. CFD/DIL3/CIR/2017/26 dated March 23, 2017. It should not be used, reproduced or circulated to any other person, in whole or in part, without the prior consent of Corporate Professionals Capital Private Limited, such consent will only be given after full consideration of the circumstance at the time. We are however aware that the conclusion in this report may be used for the purpose of disclosure to be made to the stock exchange/NCLT and notices to be dispatched to the shareholder and creditors for convening the meeting pursuant the directions of NCLT and we provide consent for the same. Please feel free to contact us in case you require any additional information or clarifications.
3. With reference to the above, Corporate Professionals Capital Private Limited has been appointed as Merchant Bankers by the management of Paisalo Digital & Agarwal Meadows to provide the "Fairness Opinion" on the valuation Report issued by the Valuer dated 22.02.2018.



1. Paisalo Digital Limited

- a) Paisalo Digital Limited was originally incorporated in the year 1992 as a private limited company; in year 1995 it converted to a public limited company and its registered office is located at 101, CSC, Pocket 52, CR Park, Near Police Station, New Delhi - 110019 .
- b) The Company is a Systemically Important Non Banking Financial Company, registered with Reserve Bank of India as Loan Company vide Certificate of Registration bearing registration No B-14.02997.
- c) The Equity Shares of the Company are listed on National Stock Exchange of India Limited (NSE), and BSE Limited (BSE) and Global Depository Receipt are listed on Luxembourger Stock Exchange. Currently, the Transferee Company is engaged in the financing business.

2. Agarwal Meadows Private Limited

- a) Agarwal Meadows Private Limited was a Company incorporated under the Companies Act, 1956 on 8th December, 1989 in the National Capital Territory of Delhi bearing registration no. 38586 and its registered office is situated at CSC, Pocket-52, Chittaranjan Park, Near Police Station New Delhi - 110019.
- b) The Company is engaged in the business of development, sale and letting out of immovable properties.



KEY FACTS & KEY EXTRACTS OF THE SCHEME

As per para 4.1 of the Scheme : Purpose of Scheme, the Board of Directors of the Transferor Company and Transferee Company are of the opinion that the proposed arrangement between the Transferor Company with Transferee Company will be for the benefit of both the Companies in the following manner:

- a) The amalgamation will enable pooling recourse of the Companies involved in the amalgamation to their common advantage, resulting in more productive utilization of such resources, cost & operational efficiencies which would be beneficial for all stakeholders.
- b) The amalgamation would result in the creation of a Transferee Company with larger asset base and net worth with strong financials enabling further growth and development of the Company and enable the transferee Company to withstand with the growing competition in the market scenario.
- c) The proposed amalgamation will result in reduction in overhead and other expenses, reduction in administrative and procedural work and eliminate duplication of work and will enable the companies concerned to effect internal economies and optimize productivity.
- d) The proposed amalgamation if comes into effect then it will strengthen the credibility of transferee company with the financial institutions, banks and general public and which would eventually benefit the shareholders of the Transferee Company and Transferor Company.

There is no likelihood that interests of any shareholder or creditor of either the Transferor Company or the Transferee Company would be prejudiced as a result of the Scheme. The Scheme of Arrangement will not impose any additional burden on the members of the Transferor Company or the Transferee Company.



Based on the facts of the case, the valuer has applied Market Value Methodology (wherever applicable) and Adjusted Book Value (BV) Methodology.

ADJUSTED BOOK VALUE METHOD:-

Book Value Method (BV) views the business as a set of assets and liabilities that are used as building blocks to construct the base value of the company. This method is generally used to evaluate the entry barrier that exists in a business as well as this method is suited for companies having common management and shareholders as in case of group consolidation no assets or liabilities are moving outside the group.

Adjusted Book Value Methodology is distinguished from Book Value Methodology as it involves a determination of fair market value of assets and liabilities on a basis of going concern.

1. M/S Paisalo Digital Limited

The Equity Shares of the Company are listed on National Stock Exchange of India Limited (NSE), and BSE Limited (BSE). Currently, the Transferee Company is engaged in the financing business. However it has been observed that the shares of the company are not frequently traded, so the valuer has relied upon the SEBI(ICDR) Regulation, 2009 Refer Regulation 76, which mentions that the valuation need to be carried in case of infrequently traded shares as per Book Value, Comparable Trading multiple and such other parameters as are customary for valuation of shares of such companies. The valuer has carried the Valuation as per Comparable Company Methodology and Adjusted Book Value Methodology.

| Valuation based on Adjusted Book Value Methodology - as on 30.09.2017 | |
|--------------------------------------------------------------------------------------|------------------------|
| Particulars | Amount in INR Millions |
| Share Capital | 405.60 |
| Reserves and Surplus | 5,515.72 |
| Appreciation or (Diminution) in the Value of Investment (Post suitable adjustments)# | 228.86 |
| Net Asset Value | 6,150.17 |
| Number of shares | 40,560,000 |
| Value per share INR | 151.63 |

Notes:

- Management of the Paisalo Digital Ltd. has represented the valuer that the Company has a WOS namely Nupur Finvest Private Limited and further it has made investment in Spring Infradev Limited in which it holds 6.97% equity shares, the valuer has calculated the appreciation in value of these Investment as per their NAV based on Audited balance sheet of these companies as on 31.03.2017.



- Paisalo Digital Ltd also have land and Building and the valuer has taken appreciation in value of these as per the report issued by Er. Ajit Fauzdar dated 10.11.17.
- one land and Building is situated at Flat No 206 (II) floor, Prateek Tower, Block 54/4, Sanjay Place, Agra with the size of 102.19 square Meter and another land and building is situated at Unit No 4,5,6,7,8,9(1st Floor)Prateek Tower Block No 54/4, Sanjay Place, Agra with a size of 365.94square Meter.

Valuation of Paisalo Digital Ltd as per Comparable Company Multiple Method Approach

Comparable Companies Multiples Method uses the valuation ratios of a publicly traded company and applies that ratio to the company being valued (after applying appropriate discount). The valuation ratio typically expresses the valuation as a function of a measure of financial performance or Book Value (e.g. Turnover, EBITDA, EBIT, EPS or Book Value). A key benefit of CCM analysis is that the methodology is based on the current market stock price. The current stock price is generally viewed as one of the best valuation metrics because markets are considered somewhat efficient. The difficulty here is in the selection of a comparable company since it is rare to find two or more companies with the same product portfolio, size, capital structure, business strategy, and profitability and accounting practices. Whereas no publicly traded company provides an identical match to the operations of a given company, important information can be drawn from the way similar enterprises are valued by public markets.

To arrive at the value of equity shares, the valuer has considered the Profit After tax (PAT) for the period ended 31.12.2017 as provided in the management certified financials for the period ended on 31.12.2017 and multiplied it with the average PE Multiple of listed peer companies as on 22.03.2017 after considering appropriate discount on account of lack of marketability (DLOM) and added the Fair value of Investments i.e. investment in Nupur Finvest Private Limited And Spring Infradev Limited.

Comparable Company Multiple Method

| Particulars | Amount (INR Million) |
|---------------------------------------------------------------------|----------------------|
| Standalone PAT for 12 M ended 31.12.2017 | 590.80 |
| Less: Other Income | - |
| Adjusted PAT for 12 Months ended 31.03.2017 | 590.80 |
| Industry Average PE Multiple | 23.69 |
| Equity Value | 13,996.05 |
| Less: Discount on lack of marketability @15% | 2,099.41 |
| Equity value post discount | 11,896.64 |
| Add: Fair value of investment made in NUPUR FINVEST PRIVATE LIMITED | 516.47 |
| Add: Fair value of investment made in SPRING INFRADEV LIMITED | 407.64 |
| Adjusted Equity Value | 12,820.76 |
| No of Shares as on 31.12.2017 | 40,560,000 |
| Value per Equity Share (INR) | 316.09 |



Being a Non-Banking Finance Company, the Book Value of the company is significantly less than the value based Comparable companies method (CCM) as the revenue and Profits of the company are the true indicators and these drive can be measured by CCM method, so the valuer has given 100% weighted to this methodology.

The valuer has not applied Income Approach because Transferee Company is a listed company and management has not provided the financial projections due to confidentiality.

2. Valuation of Agarwal Meadows Private Limited

The company is into Real Estate Business and is predominantly Asset Backed so the Asset Approach is the most Suited Approach in the instant case, the valuer has carried the Valuation as per Adjusted Book Value Methodology.

| Valuation based on Adjusted Book Value Methodology as per Balance sheet dated 31.03.2017 | |
|------------------------------------------------------------------------------------------|------------------------|
| Particulars | Amount In INR Millions |
| Share Capital | 2.93 |
| Reserves and Surplus | 1.05 |
| Appreciation or (Diminution) in the Value of Investment (Post suitable adjustments) | 543.56 |
| Net Asset Value | 547.53 |
| No. of Equity Shares as on 31.03.2017 | 29,270 |
| Value Per Share (INR) | 18,706.30 |

Note : Valuer has taken the appreciation in value of Building as per valuation report issued by Er. Ajit Fauzdar dated 23.11.17. The building is situated at CSC, Pocket 52, EPDP colony, Chitranjan Park, Kalkaji, New Delhi and the total area of the Building is 665.15 square meter.



CONCLUSION & OPINION

In case of a merger valuation, the emphasis is on arriving at the "relative" values of the shares of the merging companies to facilitate determination of the "share exchange ratio". Hence, the purpose is not to arrive at absolute values of the shares of the companies. In the instant case, the valuer has considered all three valuation approaches and have also given reasons for selection or rejection of particular approaches.

On the basis of above analysis the share exchange ratio has been arrived at by the valuer and accordingly the Transferee Company shall, without any further act or deed and without any further payment, issue and allot equity shares on a proportionate basis to the shareholders of the Transferor Company as under:

- 5,918 (Five Thousand Nine Hundred and Eighteen) Equity shares of face value of Rs.10/- (Rupees Ten) each in Paisalo Digital Limited for every 100 (One Hundred) Equity shares of face value of Rs.100/- (Rupee One Hundred) each of Agarwal Meadows Private Limited.

The valuation summary workings as required by BSE & NSE vide their circulars no LIST/COMP/02/2017-18 dated May 29, 2017 and NSE/CML/2017/12 dated June 01, 2017 respectively are as under –

| Valuation Approach | Paisalo Digital Limited | | Agarwal Meadows Private Limited | |
|---------------------------------------------|-------------------------|--------|---------------------------------|--------|
| | Value per Share (INR) | Weight | Value per Share (INR) | Weight |
| Asset Approach# | 151.63 | 0 | 18,706.30 | 1 |
| Income Approach## | NA | 0 | NA | 0 |
| Market Approach### | 316.09 | 1 | NA | 0 |
| Relative Value per Share (INR) | 316.09 | | 18,706.30 | |
| Exchange Ratio per share (Rounded off) | 1 | | 59.18 | |
| Exchange Ratio per 100 shares (Rounded off) | 100 | | 5,918 | |

Note: Since the asset base of Agarwal Meadows Private Limited dominates the earning capacity of the company, so the valuer has considered the Adjusted Net Asset Value Approach in this case and given 100% weight to Asset Approach after considering appreciation in the value of investment made in Property. However In case of Paisalo Digital Ltd the valuer has not assigned any weight to this method as Asset approach do not hold much meaning looking into the nature of business.

The valuer has not applied Income Approach in case Paisalo Digital Ltd as it's a listed company so, on confidentiality Basis Company has not provided the valuer with the future projections. While in case of Agarwal



Meadows Private Limited also the valuer has not applied this methodology as the Asset base dominates the earning capacity in this case.

In case of Paisalo Digital Ltd, the valuer has given 100% weight to Market Approach as the company is a Non-Banking Finance company, and it's the most suited approach and the valuer has not assigned any weight to this approach in case of Agarwal Meadows Private Limited as company is heavy asset backed and this method not able to fetch a value based on its weak profitability and revenue line.

Thus

"Subject to above read with the caveats as detailed later, we as a Merchant Banker hereby certify that pursuant to SEBI circular no. CFD/DIL3/CIR/2017/21 dated March 10, 2017 and SEBI Circular no. CFD/DIL3/CIR/2017/26 dated March 23, 2017, we have reviewed the valuation report of the valuer pursuant to the scheme of Amalgamation and considered it to be fair and reasonable from the point of view of equity shareholders of the companies."



CAVEATS

- We wish to emphasize that, we have relied on explanations and information provided by the respective managements, and other public available information while reviewing the valuation report of the valuer. Although, we have reviewed such data for consistency and reasonableness, we have not independently investigated or otherwise verified the data provided.
- We have not made an appraisal or independent valuation of any of the assets or liabilities of the companies and have not conducted an audit or due diligence or reviewed / validated the financial data except what is provided to us by the Companies.
- The scope of our work has been limited both in terms of the areas of the business and operations which we have reviewed and the extent to which we have reviewed them. There may be matters, other than those noted in this Scheme, which might be relevant in the context of the transaction and which a wider scope might uncover.
- We have no present or planned future interest in Paisalo Digital/Agarwal Meadows and the fee payable for this opinion is not contingent upon the opinion reported herein.
- Our Fairness Opinion should not be construed as investment advice; specifically, we do not express any opinion on the suitability or otherwise of entering into the proposed transaction.
- The Opinion contained herein is not intended to represent at any time other than the date that is specifically stated in this Fairness Opinion. This opinion is issued on the understanding that the Management of Paisalo Digital/ Agarwal Meadows under the Scheme and the valuer through their Valuation report dated 22.02.2018 have drawn our attention to all matters of which they are aware, which may have an impact on our opinion up to the date of signature. We have no responsibility to update this report for events and circumstances occurring after the date of this Fairness Opinion.



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DCS/AMAL/SR/R37/1218/2018-19

July 19, 2018

The Company Secretary,
Paisalo Digital Ltd.
 101, CSC, Pocket 52, CR Park,
 Near Police Station, New Delhi, 110019

Sir,

Sub: Observation letter regarding the Draft Scheme of Amalgamation between Agarwal Meadows Private Limited and Paisalo Digital Limited.

We are in receipt of Draft Scheme of Amalgamation between Agarwal Meadows Private Limited and Paisalo Digital Limited and their respective shareholders and Creditors filed as required under SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017; SEBI vide its letter dated July 19, 2018, has inter alia given the following comment(s) on the draft scheme of arrangement.

- "Company shall ensure that additional information, if any, submitted by the Company, after filing the Scheme with the Stock Exchange, from the date of receipt of this letter is displayed on the websites of the listed company."
- "Company shall duly comply with various provisions of the Circulars."
- "Company is advised that the observations of SEBI/Stock Exchanges shall be incorporated in the petition to be filed before National Company Law Tribunal (NCLT) and the company is obliged to bring the observations to the notice of NCLT."
- "It is to be noted that the petitions are filed by the company before NCLT after processing and communication of comments/observations on draft scheme by SEBI/stock exchange. Hence, the company is not required to send notice for representation as mandated under section 230(5) of Companies Act, 2013 to SEBI again for its comments / observations / representations."

Accordingly, based on aforesaid comment offered by SEBI, the company is hereby advised:

- To provide additional information, if any, (as stated above) along with various documents to the Exchange for further dissemination on Exchange website.
- To ensure that additional information, if any, (as stated aforesaid) along with various documents are disseminated on their (company) website.
- To duly comply with various provisions of the circulars.

In light of the above, we hereby advise that we have no adverse observations with limited reference to those matters having a bearing on listing/de-listing/continuous listing requirements within the provisions of Listing Agreement, so as to enable the company to file the scheme with Hon'ble NCLT. Further, where applicable in the explanatory statement of the notice to be sent by the company to the shareholders, while seeking approval of the scheme, it shall disclose information about unlisted companies involved in the format prescribed for abridged prospectus as specified in the circular dated March 10, 2017.



BSE Limited (Formerly Bombay Stock Exchange Ltd.)
 Registered Office : Floor 25, P.J. Towers, Dalal Street, Mumbai-400 001 India
 T: +91 22 2272 1234/33 | E: corp.comm@bseindia.com | www.bseindia.com
 Corporate Identity Number : L67120MH2005PLC155188

(2)

Kindly note that as required under Regulation 37(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the validity of this Observation Letter shall be six months from the date of this Letter, within which the scheme shall be submitted to the NCLT.

The Exchange reserves its right to withdraw its 'No adverse observation' at any stage if the information submitted to the Exchange is found to be incomplete / incorrect / misleading / false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, Listing Agreement, Guidelines/Regulations issued by statutory authorities.

Please note that the aforesaid observations does not preclude the Company from complying with any other requirements.

Yours faithfully,



Nishankumar Pujari
Senior Manager



Ref: NSE/LIST/16266

July 20, 2018

The Company Secretary & Compliance Officer
 Paisalo Digital Limited
 101, CSC, Pocket-52
 CR Park, Near Police Station
 New Delhi - 110048

Kind Attn.: Mr. Manendra Singh

Dear Sir,

Sub: Observation Letter for Scheme of Amalgamation between Agarwal Meadows Private Limited and Paisalo Digital Limited

We are in receipt of the scheme of Amalgamation of Agarwal Meadows Private Limited (Transferor Company) with Paisalo Digital Limited (Transferee Company) and their respective shareholders vide application dated April 20, 2018.

Based on our letter reference no Ref: NSE/LIST/16266 submitted to SEBI and pursuant to SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017 ('Circular'), SEBI vide letter dated July 19, 2018, has given following comments:

- a. *The Company shall ensure that additional information, if any, submitted by the Company, after filing the scheme with the stock exchange, from the receipt of this letter is displayed on the website of the listed company.*
- b. *The Company shall duly comply with various provisions of the Circulars.*
- c. *The Company is advised that the observations of SEBI/Stock Exchanges shall be incorporated in the petition to be filed before National Company Law Tribunal (NCLT) and the company is obliged to bring the observations to the notice of NCLT.*
- d. *It is to be noted that the petitions are filed by the company before NCLT after processing and communication of comments/observations on draft scheme by SEBI/ stock exchange. Hence, the company is not required to send notice for representation as mandated under section 230(5) of Companies Act, 2013 to SEBI again for its comments/observations/ representations.*

Based on the draft scheme and other documents submitted by the Company, including undertaking given in terms of regulation 11 of SEBI (LODR) Regulation, 2015, we hereby convey our "No-objection" in terms of regulation 94 of SEBI (LODR) Regulation, 2015, so as to enable the Company to file the draft scheme with NCLT.

However, the Exchange reserves its rights to raise objections at any stage if the information submitted to the Exchange is found to be incomplete/ incorrect/ misleading/ false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, Listing Regulations, Guidelines / Regulations issued by statutory authorities.

The validity of this "Observation Letter" shall be six months from July 20, 2018, within which the scheme shall be submitted to NCLT.

Yours faithfully,
 For National Stock Exchange of India Ltd.

Hitesh Malhotra
 Senior Manager

P.S. Checklist for all the Further Issues is available on website of the exchange at the following URL
http://www.nseindia.com/corporates/content/further_issues.htm

This Document is Digitally Signed

Regd. Office: Exchange Plaza, Plot No. C/1, G-Block, Bandra-Kurla Corridor, Mumbai 400 051, India
 CIN: U67120MH1992PLC069769 Tel: +91 22 26598235/36, 26598346, 26598459/26598458 Web site: www.nseindia.com



Signer: Hitesh Rajeev Malhotra
 Date: Fri, Jul 20, 2018 17:36:17 IST
 Location: NSE
 E), Mumbai 400 051, India

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PAISALO

EASY LOAN आसान लोन

Date: June 21, 2018

Manager
Listing Compliance
National Stock Exchange of India Limited
Exchange Plaza', C-1, Block G
Bandra Kurla Complex, Bandra (E)
Mumbai-400051

Scrip Symbol: PAISALO

Ref.: Application No. 16266 dated April 20, 2018, for obtaining Observation Letter/ No-Objection Letter under Regulation 37 Of SEBI (LODR) Regulations, 2015 for proposed Scheme of Arrangement/Amalgamation between Agarwal Meadows Private Limited and Paisalo Digital Limited.

Sub.: Submission of "Complaints Report" in the format prescribed at Annexure-III pursuant to SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017

With reference to above referred application filed under Regulation 37 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Complaints Report dated May 19, 2018 submitted to Stock Exchanges, for the proposed Scheme of Arrangement/Amalgamation between Agarwal Meadows Private Limited and Paisalo Digital Limited and in Compliance with the requirements of paragraph 6 of Annexure I of SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017 ("the SEBI Circular"), we submit herewith the "Report on Complaints" in the format prescribed at Annexure III of the SEBI Circular.

As set out in the annexed 'Report on Complaints', we would like to confirm that the Company has not received any complaint either directly or through BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE") (BSE and NSE hereinafter collectively referred as "Stock Exchanges") or SEBI, during the 21 days period from the date of filing of Draft Scheme with the Stock Exchanges and hosting of the said Draft Scheme and other documents on the website of BSE, NSE and the Company. The Draft Scheme along with other documents hosted on the BSE and NSE on April 25, 2018 and May 31, 2018 respectively.

In Accordance with the paragraph 8(c) of Annexure I of the SEBI Circular, the 'Report on Complaints' is uploaded on the Company's website at the following link <http://paisalo.in/Scheme-of-Amalgamation.php>.

We request you to kindly take the above on record and kindly issue your no objection letter with respect to the Scheme, at earliest.

Thanking you
For Paisalo Digital Limited

Manendra Singh
Manendra Singh
(Company Secretary)



Enc.: as above

PAISALO DIGITAL LIMITED
FORMERLY KNOWN AS S. E. INVESTMENTS LIMITED

Registered Office: 101, CSC, Pocket 52, Near Police Station, CR Park, New Delhi - 110 019. Phone : + 91 11 4351 8888. Email: delhi@paisalo.in
Head Office: Block 54, First Floor, Sanjay Place, Agra - 282 002. Phone : +91 562 402 8888. Email: agra@paisalo.in

CIN: IE5921DL1992PLC120483

www.paisalo.in

अर्थ: समाजस्य न्यासः

SMS: Loan to: 5757 5007 | Give a Missed Call to 85 85 85 5757 | Toll Free 85 85 85 4848

**Report on Complaints
in respect of proposed Scheme of Arrangement/Amalgamation between Agarwal
Meadows Private Limited and Paisalo Digital Limited.**

Part A

| Sr. No. | Particulars | Number |
|---------|----------------------------------------------------|----------------|
| 1. | Number of complaints received directly | Nil |
| 2. | Number of complaints forwarded by Stock Exchange | Nil |
| 3. | Total Number of complaints/comments received (1+2) | Nil |
| 4. | Number of complaints resolved | Not Applicable |
| 5. | Number of complaints pending | Not Applicable |

Part B

| Sr. No. | Name of complainant | Date of complaint | Status (Resolved/Pending) |
|---------|---------------------|-------------------|------------------------------|
| 1. | | Not Applicable | |

For Paisalo Digital Limited

Manendra Singh
Manendra Singh
(Company Secretary)

Date: June 21, 2018

PAISALO DIGITAL LIMITED
FORMERLY KNOWN AS S. E. INVESTMENTS LIMITED

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अर्थ: समाजस्य न्यासः

SMS Loan to: 5757 5007 | Give a Missed Call to 85 85 85 5757 | Toll Free 85 85 85 4848

Date: May 19, 2018

The General Manager
Department of Corporate Services
BSE Limited
P. J. Towers,
Dalal Street
Mumbai-400001

Scrip Code: 532900

Ref.: Application (Case No.78117) dated April 20, 2018, for obtaining Observation Letter/ No-Objection Letter under Regulation 37 Of SEBI (LODR) Regulations, 2015 for proposed Scheme of Arrangement/Amalgamation between Agarwal Meadows Private Limited And Paisalo Digital Limited.

Sub.: Submission of "Complaints Report" in the format prescribed at Annexure-III pursuant to SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017

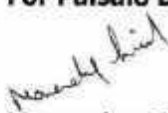
With reference to above referred application filed under Regulation 37 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the proposed Scheme of Arrangement/Amalgamation between Agarwal Meadows Private Limited and Paisalo Digital Limited and in Compliance with the requirements of paragraph 6 of Annexure I of SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017 ("the SEBI Circular"), we submit herewith the "Report on Complaints" in the format prescribed at Annexure III of the SEBI Circular.

As set out in the annexed 'Report on Complaints', we would like to confirm that the Company has not received any complaint either directly or through BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE") (BSE and NSE hereinafter collectively referred as "Stock Exchanges") or SEBI, during the 21 days period from the date of filing of Draft Scheme with the Stock Exchanges and hosting of the said Draft Scheme and other documents on the website of BSE and the Company.

In Accordance with the paragraph 8(c) of Annexure I of the SEBI Circular, the 'Report on Complaints' shall also be uploaded on the Company's website at the following link <http://paisalo.in/Scheme-of-Amalgamation.php>.

We request you to kindly take the above on record and kindly issue your no objection letter with respect to the Scheme, at earliest.

**Thanking you
For Paisalo Digital Limited**


**Manendra Singh
(Company Secretary)**



Enc.: as above

PAISALO DIGITAL LIMITED
FORMERLY KNOWN AS S. E. INVESTMENTS LIMITED

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CIN: L55921DL1992PLC120483

www.paisalo.in

अर्थ: समाजस्य न्यासः

SMS: Loan to - 5357 5007 | Give a Missed Call to 95 95 95 5357 | Toll Free 95 95 95 4848

**Report on Complaints
in respect of proposed Scheme of Arrangement/Amalgamation between Agarwal
Meadows Private Limited and Paisalo Digital Limited.**

Part A

| Sr. No. | Particulars | Number |
|---------|----------------------------------------------------|----------------|
| 1. | Number of complaints received directly | Nil |
| 2. | Number of complaints forwarded by Stock Exchange | Nil |
| 3. | Total Number of complaints/comments received (1+2) | Nil |
| 4. | Number of complaints resolved | Not Applicable |
| 5. | Number of complaints pending | Not Applicable |

Part B

| Sr. No. | Name of complainant | Date of complaint | Status (Resolved/Pending) |
|---------|---------------------|-------------------|------------------------------|
| 1. | Not Applicable | | |

For Paisalo Digital Limited

Manendra Singh
Manendra Singh
(Company Secretary)



Date : *May 19, 2018*

PAISALO DIGITAL LIMITED
FORMERLY KNOWN AS S. L. INVESTMENTS LIMITED

Registered Office: 101, CSC, Pocket 52, Near Police Station, CR Park, New Delhi - 110 019. Phone : + 91 11 4351 8888. Email: delhi@paisalo.in
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CIN: L65921DL1992PLC120483

www.paisalo.in

अर्थ: समाजस्य न्यासः

SMS Loan to: 5757 5007 | Give a Missed Call to: 85 85 85 4767 | Toll Free: 85 85 85 4888

REPORT ADOPTED BY THE BOARD OF DIRECTORS OF AGARWAL MEADOWS PRIVATE LIMITED ON OCTOBER 29, 2018 EXPLAINING THE EFFECT OF THE SCHEME OF AMALGAMATION ON SHAREHOLDERS, SECURED /UNSECURED CREDITORS, PROMOTER AND KEY MANAGERIAL PERSONNEL

1. BACKGROUND

- A. The proposed Scheme of Arrangement/ Amalgamation between Agarwal Meadows Private Limited ("Transferor Company"), and Paisalo Digital Limited ("Transferee Company") and their respective shareholders and creditors (the "Scheme") was approved by the Board of Directors of the Company (the "Board") vide resolution dated February 23, 2018.
- B. The provisions of Section 232(2)(c) of the Companies Act, 2013 ("Act") requires the directors to adopt a report explaining the effect of the Amalgamation under the Scheme on each class of shareholders, key managerial personnel; promoter and non-promoter shareholders laying out in particular the share exchange ratio, specifying any special valuation difficulties and the same is required to be circulated to the equity shareholders at the time of seeking their approval to the Scheme as may be directed by the Hon'ble National Company Law Tribunal ("NCLT").
- C. This report of the Board is accordingly prepared in pursuance to the requirements of Section 232(2)(c) of the Act.
- D. The following documents were considered by the Board:
 - i. Draft Scheme duly initialled by the Chairman of the meeting for the purpose of Identification;
 - ii. Copy of the Valuation Report dated February 22, 2018 issued by the Independent Valuer, M/s. Sanjeev Jagdish Chand & Associates, Chartered Accountants, Delhi ("Valuation Report") for the proposed Amalgamation of Agarwal Meadows Private Limited ("Transferor Company") with Paisalo Digital Limited ("Transferee Company").
 - iii. Certificate from the Statutory Auditors of the Company confirming that the Scheme is in compliance with applicable accounting treatment notified under the Companies Act, 2013 and other generally accepted principles.

2. RATIONALE

- A. The amalgamation will enable pooling resource of the Companies involved in the amalgamation to their common advantage, resulting in more productive utilization of such resources, cost & operational efficiencies which would be beneficial for all stakeholders.
- B. The amalgamation would result in the creation of a Transferee Company with larger asset base and net worth with strong financials enabling further growth and development of the Company and enable the transferee Company to withstand with the growing competition in the market scenario.
- C. The proposed amalgamation will result in reduction in overhead and other expenses, reduction in administrative and procedural work and eliminate duplication of work and will enable the companies concerned to effect internal economies and optimize productivity.
- D. The proposed amalgamation if comes into effect then it will strengthen the credibility of transferee company with the financial institutions, banks and general public and which would eventually benefit the shareholders of the Transferee Company and Transferor Company.
- E. There is no likelihood that interests of any shareholder or creditor of either the Transferor Company or the Transferee Company would be prejudiced as a result of the Scheme. The Scheme of Arrangement/Amalgamation will not impose any additional burden on the members of the Transferor Company or the Transferee Company.

3. EFFECT OF THE SCHEME ON

- A. **Directors:** Mr. Arun Gopal Agarwal and Mr. Janak Ram Prasad, Directors of the Company. They shall cease to be Director and shall not be appointed on the Board of Paisalo Digital Limited (Transferee Company).
- B. **Promoters:** Bhavya Electronics & Networks Pvt. Ltd. holds 67.54 % shares of the Company and belongs to promoter group of Paisalo Digital Limited (Transferee Company). It shall be entitled for Equity Shares of Paisalo Digital Limited to the extent of its shareholding in the Company as per Share Exchange Ratio.
- C. **Key Managerial Personnel:** None of Key Managerial Personnel ("KMP"), other than Directors as mentioned above have any interest in the Scheme.
- D. **Equity Shareholders:** Equity Shareholder of the Company shall be entitled to get Equity Shares of Paisalo Digital Limited based on Valuation Report dated February 22, 2018 issued by the Independent Valuer, M/s. Sanjeev Jagdish Chand & Associates, Chartered Accountants, Delhi in the following ratio:
 - 5918 Equity shares of Paisalo Digital Limited of face value of ₹ 10.00 each for every 100 Equity shares of Face Value ₹ 100.00 each held by Shareholders in Agarwal Meadows Private Limited.
- E. **Staff, workmen and employees:** All staff, workmen and employees of the Transferor Company in service on the Effective Date shall be deemed to have become staff, workmen and employees of the Transferee Company with effect from the Effective Date as per terms and conditions set out in Clause 11 of the Scheme.
- F. **Creditors:** This Scheme of Amalgamation shall not have any adverse impact on the Creditors whether secured or unsecured, of Transferor Company or Transferee Company.
- G. No special valuation difficulties were reported.

In the opinion of the Board, the Scheme will be of advantage and beneficial to the Company, its shareholders and other stakeholders and the terms thereof are fair and reasonable.

By Order of the Board
For Agarwal Meadows Private Limited

Sd/-
Arun Gopal Agarwal
Director
(DIN: 00374421)

REPORT ADOPTED BY THE BOARD OF DIRECTORS OF PAISALO DIGITAL LIMITED ON OCTOBER 29, 2018 EXPLAINING THE EFFECT OF THE SCHEME OF ARRANGEMENT/AMALGAMATION ON SHAREHOLDERS, SECURED AND UNSECURED CREDITORS, PROMOTER AND NON-PROMOTER SHAREHOLDERS AND KEY MANAGERIAL PERSONNEL

1. BACKGROUND

- A. The proposed Scheme of Arrangement/ Amalgamation between Agarwal Meadows Private Limited ("Transferor Company"), and Paisalo Digital Limited ("Transferee Company") and their respective shareholders and creditors (the "Scheme") was approved by the Board of Directors of the Company (the "Board") vide resolution dated February 23, 2018.
- B. The provisions of Section 232(2)(c) of the Companies Act, 2013 ("Act") requires the directors to adopt a report explaining the effect of the Amalgamation under the Scheme on each class of shareholders, secured and unsecured creditors, key managerial personnel, promoter and non-promoter shareholders laying out in particular the share exchange ratio, specifying any special valuation difficulties and the same is required to be circulated to the equity shareholders at the time of seeking their approval to the Scheme as may be directed by the Hon'ble National Company Law Tribunal ("NCLT").
- C. This report of the Board is accordingly prepared in pursuance to the requirements of Section 232(2)(c) of the Act.
- D. The following documents were considered by the Board:
 - i. Draft Scheme duly initialled by the Chairman of the meeting for the purpose of Identification;
 - ii. Copy of the Valuation Report dated February 22, 2018 issued by the Independent Valuer, M/s. Sanjeev Jagdish Chand & Associates, Chartered Accountants, Delhi ("Valuation Report") for the proposed Amalgamation of Agarwal Meadows Private Limited ("Transferor Company") with Paisalo Digital Limited ("Transferee Company").
 - iii. Fairness Opinion dated February 23, 2018 issued by Corporate Professionals Capital (P) Limited, an independent Category-I Merchant Banker.
 - iv. Certificate from the Statutory Auditors of the Company confirming that the Scheme is in compliance with applicable accounting treatment notified under the Companies Act, 2013 and other generally accepted principles;
 - v. Report of the Audit Committee dated February 23, 2018, recommending the Scheme to the Board for approval.
 - vi. Complaints Report submitted by the Company to BSE and NSE on May 19, 2018 and June 21, 2018, respectively, pursuant to SEBI Circular no. CFD/DIL3/CIR/2017/21 dated March 10, 2017
 - vii. Observation Letter Obtained from BSE and NSE dated July 19, 2018 and July 20, 2018, respectively.

2. RATIONALE

- A. The amalgamation will enable pooling resource of the Companies involved in the amalgamation to their common advantage, resulting in more productive utilization of such resources, cost & operational efficiencies which would be beneficial for all stakeholders.
- B. The amalgamation would result in the creation of a Transferee Company with larger asset base and net worth with strong financials enabling further growth and development of the Company and enable the transferee Company to withstand with the growing competition in the market scenario.
- C. The proposed amalgamation will result in reduction in overhead and other expenses, reduction in administrative and procedural work and eliminate duplication of work and will enable the companies concerned to effect internal economies and optimize productivity.

- D. The proposed amalgamation if comes into effect then it will strengthen the credibility of transferee company with the financial institutions, banks and general public and which would eventually benefit the shareholders of the Transferee Company and Transferor Company.
- E. There is no likelihood that interests of any shareholder or creditor of either the Transferor Company or the Transferee Company would be prejudiced as a result of the Scheme. The Scheme of Arrangement/Amalgamation will not impose any additional burden on the members of the Transferor Company or the Transferee Company.

3. EFFECT OF THE SCHEME ON

- A. **Directors:** Mr. Sunil Agrawal, Managing Director of the Company is shareholder and also belongs to promoter group of the Company.
- Mr. Sunil Agarwal is director and holds shares in the Bhavya Electronics & Networks Pvt. Ltd., promoter of Agarwal Meadows Private Limited (Transferor Company).
 - Relative of Mr. Sunil Agarwal, being part of promoter group, are interested in the amalgamation to the extent of their shareholding in the promoter company of Transferor Company.
 - Mr. Harish Singh, Mr. Anoop Krishna and Other Independent Directors does not hold any share, nor have any interest in the proposed amalgamation.
- B. **Promoters:** Bhavya Electronics & Networks Pvt. Ltd. belongs to promoter group of the Company and holds 67.54 % shares in the Agarwal Meadows Private Limited (Transferor Company). It shall be entitled for Equity Shares of the Company to the extent of its shareholding in the Transferee Company as per Share Exchange Ratio.
- C. **Key Managerial Personnel:** None of Key Managerial Personnel ("KMP"), other than Directors as mentioned above have any interest in the Scheme Subject to their shareholding in Transferee Company.
- D. **Equity Shareholders:** Equity Shareholder of the Transferor Company shall be entitled to get Equity Shares of Paisalo Digital Limited based on Valuation Report dated February 22, 2018 issued by the Independent Valuer, M/s. Sanjeev Jagdish Chand & Associates, Chartered Accountants, Delhi in the following ratio:
- 5918 Equity shares of Paisalo Digital Limited of face value of ₹ 10.00 each for every 100 Equity shares of Face Value ₹ 100.00 each held by Shareholders in Agarwal Meadows Private Limited.
- E. **Staff, workmen and employees:** All staff, workmen and employees of the Transferor Company in service on the Effective Date shall be deemed to have become staff, workmen and employees of the Transferee Company with effect from the Effective Date as per terms and conditions set out in Clause 11 of the Scheme.
- F. **Creditors:** This Scheme of Amalgamation shall not have any adverse impact on the Creditors whether secured or unsecured, of Transferor Company or Transferee Company.
- G. No special valuation difficulties were reported.

In the opinion of the Board, the Scheme will be of advantage and beneficial to the Company, its shareholders and other stakeholders and the terms thereof are fair and reasonable.

By Order of the Board
For Paisalo Digital Limited
(Formerly Known as S. E. Investments Limited)

Sd/-
Sunil Agarwal
Managing Director
(DIN: 00006991)



R A K & COMPANY

Chartered Accountants

INDEPENDENT AUDITOR'S REPORT

**TO,
THE MEMBERS OF
M/S AGARWAL MEADOWS PRIVATE LIMITED
NEW DELHI**

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of **M/S AGARWAL MEADOWS PRIVATE LIMITED** (the Company) which comprise the Balance Sheet as at 31st March, 2018, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position and financial performance of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.



OPINION

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

In the case of the **Balance Sheet**, of the "**State of Affairs**" of the Company as at 31st March 2018;

In the case of the **Statement of Profit and Loss**, of the "**Loss**" for the year ended on that date;

In the case of the **Cash Flow Statement**, of the "**Cash Flows**" for the year ended on that date; and

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-Section (11) of Section 143 of the Companies Act, 2013, we give in Annexure 'A' a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143(3) of the Act, we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c. The company does not have any branch, hence section 143 (8) of the Act is not applicable;
 - d. The Balance Sheet, the Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - e. In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - f. On the basis of written representations received from the directors as on 31st March, 2018, taken on record by the Board of Directors, none of the directors are disqualified as on 31st March, 2018, from being appointed as a director in terms of Section 164(2) of the Act.
 - g. With respect to the other matters included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i) The Company does not have any pending litigations which would impact its financial position.
 - ii) The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses.
 - iii) There were no amounts which were required to be transferred to Investor Education and protection fund by the Company.

Place : Camp Delhi

Date : 11 APR 2018

For R A K & COMPANY

Chartered Accountants

Firm Reg. No. 022130C



(CA. ANUS GOYAL)
Partner
M. No. 510969

**ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT OF
M/S AGARWAL MEADOWS PRIVATE LIMITED)
(Referred to in our Report of even date for F. Y. 2017-18)**

1. The Company has maintained proper records to show full particulars including quantitative details and situation of fixed assets.

As explained to us, the fixed assets have been physically verified by the management at reasonable interval. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

According to information and explanations given to us, the title deeds of immovable properties are held in the name of the company.

2. As explained to us inventory has been physically verified by the management at reasonable intervals. In our opinion, the procedure of physical verification of inventories followed by the management is reasonable and adequate in relation to the size of the company and nature of its business.

In our opinion and according to the information and explanations given to us, the company has maintained proper record of inventories. No material discrepancies were noticed on physical verification of inventories.

3. The Company has not granted loans, secured or unsecured to companies, firms or other parties listed in the register maintained under Section 189 of the Companies Act, 2013.

4. In our opinion and according to the information and explanations given to us, the provision of section 185 and 186 of the Companies Act, 2013 in respect of loans, investments, guarantees and security have been complied with.

5. Directives issued by Reserve Bank of India and provisions of Section 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the Rules framed there under are not applicable to the company.

6. Maintenance of cost records under sub-section (1) of section 148 of the Companies Act, 2013 are not applicable to the company.

7. According to the information and explanations given to us, the Company has been regular in depositing with appropriate authorities undisputed statutory dues and there are no undisputed amounts of Income Tax, Service Tax, Cess, Employees State Insurance, Wealth Tax, Sales Tax, Customs Duty, Excise Duty, Goods and Service Tax, Provident Fund etc. outstanding as at the last day of reporting period concerned for a period of more than six months from the date they became payable.

There are no dues of Income Tax, Sales Tax, Service Tax, Goods and Service Tax, Custom Duty, Excise Duty and Value Added Tax on account of any dispute.

8. The Company has not defaulted in the repayment of loans or borrowings to a Financial Institution or Bank or Government or Debenture holders.

9. In our opinion and according to information and explanations given to us, the Company had not raised money by way of public offer during the reporting period and applied the Term Loans for the purpose for which the loans were obtained.




**ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT OF
M/S AGARWAL MEADOWS PRIVATE LIMITED)
(Referred to in our Report of even date for F. Y. 2017-18)**

10. According to the information, explanations given to us and nature of the business of the Company, no fraud by the company or fraud by its officers or employees on the Company has been noticed or reported during the reporting period.
11. According to the information & explanations given to us, provision of section 197 read with Schedule V to the Companies Act for managerial remuneration paid or provided with are not applicable in the company.
12. According to the information & explanation given to us, the clause xii of Para no. 3 of the said order is not applicable to the company.
13. According to the information & explanation given to us, the provision of section 177 and 188 of the Companies Act, 2013 regarding transaction with related parties have been complied with and details of the transaction has been disclosed in the notes to accounts.
14. According to the information & explanation given to us, the clause xiv of Para no. 3 of the said order is not applicable to the company because the company has not made preferential allotment or private placement of share or fully or partly convertible debenture during the reporting period.
15. According to the information & explanation given to us, the provisions of section 192 of the Companies Act, 2013 for non-cash transaction with director or persons connected with him, order is not applicable to the company.
16. According to the information & explanation given to us, the clause xvi of Para no. 3 of the said order is not applicable to the company.

Place : ~~Camp~~ Delhi
Date : 11 APR 2018

For R A K & COMPANY
Chartered Accountants
Firm Reg. No. 022130C




(CA. ANUJ GOYAL)
Partner
M. No. 510969

M/S AGARWAL MEADOWS PRIVATE LIMITED

Balance Sheet as at 31st March, 2018

| Particulars | Note No. | Figures as at the end of current reporting period | Figures as at the end of previous reporting period |
|------------------------------------------------------|----------|---------------------------------------------------|----------------------------------------------------|
| I. EQUITY AND LIABILITIES | | ₹ | ₹ |
| (1) Shareholders' Funds | | | |
| (a) Share Capital | 1 | 29,27,000 | 29,27,000 |
| (b) Reserves and Surplus | 2 | (18,99,727) | 10,46,020 |
| (c) Money received against share warrants | | - | - |
| (2) Share Application money pending allotment | | - | - |
| (3) Non-Current Liabilities | | | |
| (a) Long-Term Borrowings | 3 | 1,25,00,000 | 1,00,00,000 |
| (b) Deferred Tax Liabilities (Net) | 4 | 10,53,516 | 1,03,065 |
| (c) Other Long Term Liabilities | | - | - |
| (d) Long Term Provisions | | - | - |
| (4) Current Liabilities | | | |
| (a) Short-Term Borrowings | | - | - |
| (b) Trade Payables | 5 | 2,48,824 | 2,54,759 |
| (c) Other Current Liabilities | 6 | 4,59,99,257 | 4,49,98,448 |
| (d) Short-Term Provisions | 7 | 1,58,210 | 1,58,210 |
| Total Equity & Liabilities | | 6,09,87,080 | 5,94,87,502 |
| II. ASSETS | | ₹ | ₹ |
| (1) Non-Current Assets | | | |
| (a) Fixed Assets | | | |
| Tangible assets | 8 | 5,36,90,053 | 87,38,918 |
| (b) Capital Work-in-Progress | | - | - |
| (c) Non-current investments | | - | - |
| (d) Deferred tax assets (net) | | - | - |
| (e) Long term loans and advances | 9 | 37,51,000 | 37,57,036 |
| (f) Other non-current assets | | - | - |
| (2) Current Assets | | | |
| (a) Current investments | | - | - |
| (b) Inventories | 10 | - | 4,23,34,673 |
| (c) Trade receivables | 11 | - | 9,000 |
| (d) Cash and cash equivalents | 12 | 15,75,707 | 13,80,677 |
| (e) Short-term loans and advances | 13 | 19,70,320 | 32,67,198 |
| (f) Other current assets | | - | - |
| Total Assets | | 6,09,87,080 | 5,94,87,502 |

Notes referred to above form an integral part of the Financial Statements
As per our Report of even date attached

For and on behalf of the Board

For R A K & COMPANY

Chartered Accountants

Firm Registration No. 022130C


(CA. ANUJ GOYAL)
Partner

Membership No. 510969

Place : Camp Delhi

Date : 11 APR 2018




(Director)


(Director)

M/S AGARWAL MEADOWS PRIVATE LIMITED
Profit & Loss Statement for the Year Ended on 31st March, 2018

| Sr. No. | Particulars | Note No. | Figures as at the end of current reporting period | Figures as at the end of previous reporting period |
|---------|--------------------------------------------------------------------|----------|---------------------------------------------------|----------------------------------------------------|
| I | Revenue From Operations | | ₹ - | ₹ - |
| II | Other Income | 14 | 2,10,000 | 2,90,958 |
| | Total Revenue (III) | | 2,10,000 | 2,90,958 |
| IV | Expenses: | | | |
| | Change in Inventory | 15 | - | - |
| | Employee Benefit Expenses | 16 | 1,00,120 | 1,44,724 |
| | Financial Costs | | - | - |
| | Other Expenses | 17 | 5,20,323 | 21,86,939 |
| | Depreciation and Amortization Expenses | 18 | 15,84,851 | 7,77,095 |
| | Total Expenses (IV) | | 22,05,296 | 31,08,758 |
| V | Profit before exceptional and extraordinary items and tax (III-IV) | | (19,95,296) | (28,17,800) |
| VI | Exceptional Items | | - | - |
| VII | Profit before extraordinary items and tax (V-VI) | | (19,95,296) | (28,17,800) |
| VIII | Extraordinary Items | | - | - |
| IX | Profit before tax (VII-VIII) | | (19,95,296) | (28,17,800) |
| X | Tax Expenses: | | | |
| | (1) Current tax | | - | - |
| | (2) Deferred tax | | 9,50,451 | 1,03,065 |
| XI | Profit/(Loss) for the period from continuing operations (IX-X) | | (29,45,747) | (29,20,865) |
| XII | Profit/(Loss) from discontinuing operations | | - | - |
| XIII | Tax expense of discontinuing operations | | - | - |
| XIV | Profit/(Loss) from Discontinuing operations after tax (XII-XIII) | | - | - |
| XV | Profit/(Loss) for the period (XI+XIV) | | (29,45,747) | (29,20,865) |
| XVI | Earning per equity share: | 24 | | |
| | (1) Basic | | (100.64) | (99.79) |
| | (2) Diluted | | (100.64) | (99.79) |

Notes referred to above form an integral part of the Financial Statements
As per our Report of even date attached

For and on behalf of the Board

For R A K & COMPANY

Chartered Accountants

Firm Registration No. 022134C

(CA. ANUJ GOYAL)

Partner

Membership No. 510969

Place : Gurgaon Delhi

Date : 11 APR 2018



[Signature]




(Director)

[Signature]

(Director)

M/S AGARWAL MEADOWS PRIVATE LIMITED
Cash Flow Statement for the Year Ended on 31st March, 2018

(in Rs.)

| Particulars | Current Year | Previous Year |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------|--------------------|
| Cash Flow from Operating Activities: | | |
| Net Profit before Taxation, Extraordinary items and Interest | (19,95,296) | (28,17,800) |
| Adjustements for | | |
| Depreciation | 15,84,851 | 7,77,095 |
| Interest Income | - | (18,763) |
| Interest Expenses | 212 | - |
| Operating Profit before working capital changes | (4,10,233) | (20,59,468) |
| Adjustements for | | |
| Trade & Other Receivable | 18,11,914 | 2,88,858 |
| Trade Payable & other Current Liabilities | 9,94,874 | 1,00,735 |
| Short-Term Provisions | - | - |
| Inventories | - | - |
| Cash generated from operations | 18,96,555 | (16,69,875) |
| Income Taxes paid | - | - |
| Cash flow before extraordinary item | 18,96,555 | (16,69,875) |
| Extraordinary items | - | - |
| Net Cash Flow from / (used) Operating activities | 18,96,555 | (16,69,875) |
| Cash Flow from Investing Activities: | | |
| Purchase of Fixed Assets | (42,02,791) | (95,16,013) |
| Deduction in asset | 1,478 | 3,22,902 |
| Interest received | - | 18,763 |
| Net Cash Flow from / (used) Investing activities | (42,01,313) | (91,74,348) |
| Cash Flow from Financing activities: | | |
| Proceeds from long-term borrowings | 25,00,000 | 1,00,00,000 |
| Interest & Other Financial Expenses | (212) | - |
| Net Cash Flow from / (used) Financing activities | 24,99,788 | 1,00,00,000 |
| Net Increase in Cash & Cash Equivalents | 1,95,030 | (8,44,223) |
| Cash & Cash Equivalent at Beginning of Period | 13,80,677 | 22,24,900 |
| Cash & Cash Equivalent at End of Period | 15,75,707 | 13,80,677 |
| Notes referred to above form an integral part of the Financial Statements | For and on behalf of the Board | |
| As per our Report of even date attached | | |
| For R A K & COMPANY Chartered Accountants Firm Registration No. 022130C |  (Director) | |
|  (CA. ANUJ GOYAL) Partner Membership No. 510969 Place : Camp Delhi Date : 11 APR 2018 |  (Director) | |

M/S AGARWAL MEADOWS PRIVATE LIMITED
Accounting Policies Forming Integral Part of the Financial Statements

A. Accounting Convention

The Financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 as applicable. The financial statements have been prepared on accrual basis under the historical cost convention.

B. Borrowing costs

Borrowing costs attributable to the acquisition, construction or production of qualifying assets, are added to the cost of those assets, up to the date when the assets are ready for their intended use. All other borrowing costs are recognized in the Statement of Profit and Loss in the period in which they are incurred.

C. Use of estimates

The preparation of the financial statements, in conformity with the generally accepted accounting principles, requires management to make estimates and assumptions that are considered in the reported amounts of assets including decline in carrying value of investments and liabilities on the date of the financial statements, disclosure of contingent liabilities and reported amounts of revenues and expenses for the reporting period. Estimates are based on historical experience, where applicable and other assumptions that management believes are reasonable under the circumstances. Actual results could vary from these estimates and any such differences are dealt with in the period in which the results are known / materialize.

D. Fixed Assets

Fixed assets are stated at cost of acquisition or construction less accumulated depreciation. Cost includes purchase price and all other attributable costs of bringing the assets to working condition for intended use.

E. Depreciation

As provided by the Companies Act 2013, Depreciation for current reporting period has been provided on straight-line method in the manner and at the rates specified in Schedule II to the Companies Act, 2013 and on pro rata basis from the date of installation till the date the assets are sold or disposed off.

F. Provisions and Contingencies

A provision is recognized when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the notes. Contingent assets are neither recognized nor disclosed in the financial statements.

Provision for product warranties is made for contractual obligations in accordance with the policy in force and is estimated for the unexpired period.



M/S AGARWAL MEADOWS PRIVATE LIMITED
Accounting Policies Forming Integral Part of the Financial Statements

G. Investments

Long term investments are carried individually at cost. However, provision for diminution is made to recognize a decline, if any, other than temporary, in the carrying value of the investment. Current investments are carried individually at lower of cost and fair value.

H. Income Taxes

Income tax expenses comprise current and deferred taxes. Current tax is determined on income for the reporting period chargeable to tax in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961 and other applicable tax laws and after considering credit for Minimum Alternate Tax (MAT) available under the said Act. MAT paid in accordance with the tax laws which gives future economic benefits in the form of adjustments to future tax liability, is considered as an asset if there is convincing evidence that the future economic benefit associated with it will flow to the Company resulting in payment of normal income tax.

I. Deferred Tax

Deferred taxes recognized on timing differences; being the difference between taxable income and accounting income that originate in one period and are capable of reversing in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date.

Deferred tax assets are recognized for timing differences other than unabsorbed depreciation and carry forward losses only to the extent that there is a reasonable certainty that there will be sufficient future taxable income to realize the assets. Deferred tax asset pertaining to unabsorbed depreciation and carry forward of losses are recognized only to the extent there is a virtual certainty of its realization.

J. Earnings per Share

Basic earnings per Share are calculated by dividing the net profit or loss for the reporting period attributable to Equity Shareholders by the weighted average number of Equity Shares outstanding during the reporting period. Earnings considered in ascertaining the Company's earnings per Share is the net profit for the reporting period after deducting preference dividends and any attributable tax thereto for the reporting period. For the purpose of calculating diluted earnings per Share, the net profit or loss for the reporting period attributable to Equity Shareholders and the weighted average number of Shares outstanding during the reporting period is adjusted for the effects of all dilutive potential Equity Shares.

K. Related Parties

Parties are considered to be related if at any time during the reporting period one party has the ability to control the other party or exercise significant influence over the other party in making financial and/or operating decisions.

As required by AS-18 "Related Party Disclosure" only following related party relationships are covered:—

- (a) Enterprises that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, the reporting enterprise (this includes holding Companies, subsidiaries and fellow subsidiaries);
- (b) Associates and joint ventures of the reporting enterprise and the investing party or venture in respect of which the reporting enterprise is an associate or a joint venture;
- (c) Individuals owning, directly or indirectly, an interest in the voting power of the reporting enterprise that gives them control or significant influence over the enterprise, and relatives of any such individual;
- (d) Key management personnel (KMP) and relatives of such personnel; and
- (e) Enterprises over which any person described in (c) or (d) is able to exercise significant influence.



M/S AGARWAL MEADOWS PRIVATE LIMITED
Notes Forming Integral Part of the Financial Statements

Note : 1 Share Capital

| | | ₹ | ₹ |
|---------|-----------------------------------------------------------------------------------------------------------------------------------------------|------------------|------------------|
| Sr. No. | Particulars | Current Year | Previous Year |
| 1 | Authorized Capital 1,00,000 Equity Shares of ₹ 100/- each | 1,00,00,000 | 1,00,00,000 |
| | | 1,00,00,000 | 1,00,00,000 |
| 2 | Issued, Subscribed & Paid Up Capital 29,270 Equity Shares of ₹ 100/- each, Fully paid | 29,27,000 | 29,27,000 |
| | | 29,27,000 | 29,27,000 |
| | Reconciliation Opening No. of Shares 29,270 Add: Issued During the year - Less: Bought Back - Closing No. of Shares 29,270 | | |
| | Total in ₹ | 29,27,000 | 29,27,000 |

Shares in the Company held by each shareholder holding more than 5% shares

| Sr. No. | Name of Shareholders | % of Holding | No. of Shares |
|---------|-----------------------------------------|--------------|---------------|
| 1 | Bhavya Electronics & Networks Pvt. Ltd. | 67.54 | 19,770 |
| 2 | Eastern Star Infradev Pvt Ltd | 32.46 | 9,500 |

Note : 2 Reserves & Surplus

| | | ₹ | ₹ |
|---------|--------------------------------------------|--------------------|------------------|
| Sr. No. | Particulars | Current Year | Previous Year |
| 1 | Surplus (Profit & Loss Account) | (18,99,727) | 10,46,020 |
| | Balance brought forward from previous year | 10,46,020 | 39,66,885 |
| | Add: Profit for the year | (29,45,747) | (29,20,865) |
| | Total in ₹ | (18,99,727) | 10,46,020 |

Note : 3 Long Term Borrowings

| | | ₹ | ₹ |
|---------|-----------------------------------------------------------|--------------------|--------------------|
| Sr. No. | Particulars | Current Year | Previous Year |
| 1 | Unsecured Loans & Advances From Related Parties | 1,25,00,000 | 1,00,00,000 |
| | Total in ₹ | 1,25,00,000 | 1,00,00,000 |



M/S AGARWAL MEADOWS PRIVATE LIMITED
Notes Forming Integral Part of the Financial Statements

Note : 4 Deferred Tax Reserve

| | | ₹ | ₹ |
|---------|--------------------------------------------------------------------------------------|--------------|---------------|
| Sr. No. | Particulars | Current Year | Previous Year |
| 1 | Calculation of Deferred Tax Asset: | | |
| | - WDV of Fixed Assets as per Books | 5,36,90,053 | 87,38,918 |
| | - WDV of Fixed Assets as per Income Tax Act | 4,95,98,727 | 83,93,872 |
| | Timing Difference between WDV of fixed assets as per books and Income Tax Act | 40,91,326 | 3,45,046 |
| | Deferred Tax Liabilities | 10,53,516 | 1,03,065 |
| | Less : Provision made up to last year | 1,03,065 | - |
| | Provision required to be made through current year Profit & Loss A/c | 9,50,451 | 1,03,065 |

Note : 5 Trade Payables

| | | ₹ | ₹ |
|---------|-------------------|--------------|---------------|
| Sr. No. | Particulars | Current Year | Previous Year |
| 1 | Others | | |
| | Sundry Creditors | 2,48,824 | 2,54,759 |
| | Total in ₹ | 2,48,824 | 2,54,759 |

Note : 6 Other Current Liabilities

| | | ₹ | ₹ |
|---------|----------------------|--------------|---------------|
| Sr. No. | Particulars | Current Year | Previous Year |
| 1 | Other Payable | | |
| | TDS Payable | 810 | - |
| | Expenses Payable | 73,499 | 73,500 |
| | Other Liabilities | 4,59,24,948 | 4,49,24,948 |
| | Total in ₹ | 4,59,99,257 | 4,49,98,448 |

Note : 7 Short Term Provisions

| | | ₹ | ₹ |
|---------|------------------------|--------------|---------------|
| Sr. No. | Particulars | Current Year | Previous Year |
| 1 | Others | | |
| | Provision for Taxation | 1,58,210 | 1,58,210 |
| | Total in ₹ | 1,58,210 | 1,58,210 |



Note : 8 Fixed Assets

M/S AGARWAL MEADOWS PRIVATE LIMITED

Notes Forming Integral Part of the Financial Statements

Note : 9 Long Term Loans and Advances

| | | ₹ | ₹ |
|---------|---------------------------------------------------------|------------------|------------------|
| Sr. No. | Particulars | Current Year | Previous Year |
| 1 | Security Deposit Unsecured considered good | 1,51,000 | 1,57,036 |
| 2 | Loans & Advances to Others Unsecured considered good | 36,00,000 | 36,00,000 |
| | Total in ₹ | 37,51,000 | 37,57,036 |

Note : 10 Inventories

| | | ₹ | ₹ |
|---------|----------------------------------------------------|--------------|--------------------|
| Sr. No. | Particulars | Current Year | Previous Year |
| 1 | Stock - in - Trade (As Certified by Management) | - | 4,23,34,673 |
| | Total in ₹ | - | 4,23,34,673 |

Note : 11 Trade Recievables

| | | ₹ | ₹ |
|---------|-----------------------------------------------------|--------------|---------------|
| Sr. No. | Particulars | Current Year | Previous Year |
| 1 | Outstanding for less than 6 month from the due date | - | 9,000 |
| | Total in ₹ | - | 9,000 |

Note : 12 Cash & Cash Equivalents

| | | ₹ | ₹ |
|---------|----------------------------------------------------------|------------------|------------------|
| Sr. No. | Particulars | Current Year | Previous Year |
| 1 | Cash in Hand | 3,94,563 | 4,88,712 |
| | Sub Total (A) | 3,94,563 | 4,88,712 |
| 2 | Balances with Scheduled Bank (Subject to reconciliation) | 11,81,144 | 8,91,965 |
| | Sub Total (B) | 11,81,144 | 8,91,965 |
| | Total in ₹ [A+B] | 15,75,707 | 13,80,677 |

Note : 13 Short Term Loans and Advances

| | | ₹ | ₹ |
|---------|------------------------------------------------------|------------------|------------------|
| Sr. No. | Particulars | Current Year | Previous Year |
| 1 | Other Loan and Advances Unsecured Considered good | 19,70,320 | 32,67,198 |
| | Total in ₹ | 19,70,320 | 32,67,198 |



M/S AGARWAL MEADOWS PRIVATE LIMITED
Notes Forming Integral Part of the Financial Statements

Note : 14 Other Income

| Sr. No. | Particulars | Current Year | Previous Year |
|---------|-------------------------------|-----------------|-----------------|
| 1 | Rent Received | 2,10,000 | 2,70,000 |
| 2 | Other Income (Interest) | - | 18,763 |
| 3 | Interest on Income Tax Refund | - | 2,195 |
| | Total in ₹ | 2,10,000 | 2,90,958 |

Note : 15 Change in Inventories

| Sr. No. | Particulars | Current Year | Previous Year |
|---------|-----------------------------|--------------|---------------|
| 1 | Stock in Trade | | |
| | Opening Stock | 4,23,34,673 | 4,23,34,673 |
| | Less:- Closing Stock | - | 4,23,34,673 |
| | Less:- Trf. To Fixed Assets | 4,23,34,673 | - |
| | Total in ₹ | - | - |

Note : 16 Employment Benefit Expenses

| Sr. No. | Particulars | Current Year | Previous Year |
|---------|-------------------|-----------------|-----------------|
| 1 | Salaries to Staff | 1,00,120 | 1,42,000 |
| 2 | Staff Welfare | - | 2,724 |
| | Total in ₹ | 1,00,120 | 1,44,724 |

Note : 17 Other Expenses

| Sr. No. | Particulars | Current Year | Previous Year |
|---------|------------------------------|-----------------|------------------|
| 1 | Auditor's Remuneration | 35,400 | 35,400 |
| 2 | Interest and Penalty | 212 | - |
| 3 | Building Insurance | 37,014 | - |
| 4 | Printing & Stationery | 3,575 | 2,465 |
| 5 | Conveyance Expenses | 23,060 | 22,375 |
| 6 | Legal & Professional Charges | 28,500 | 58,889 |
| 7 | Office Expenses | 1,00,332 | 3,56,345 |
| 8 | Property Tax | 88,597 | 88,632 |
| 9 | Repair & Maintenance | 1,88,171 | 16,09,404 |
| 10 | Water Expenses | 15,120 | 10,173 |
| 11 | Bank Charges | 344 | 3,256 |
| | Total in ₹ | 5,20,325 | 21,86,939 |



M/S AGARWAL MEADOWS PRIVATE LIMITED
Notes Forming Integral Part of the Financial Statements

Note : 18 Depreciation & Amortization Expenses

| Sr. No. | Particulars | ₹ | ₹ |
|---------|-------------------|------------------|-----------------|
| | | Current Year | Previous Year |
| 1 | Depreciation | 15,84,851 | 7,77,095 |
| | Total in ₹ | 15,84,851 | 7,77,095 |

- 19) Remuneration of Auditor for Statutory Audit is ₹ 35,400/- (P.Y. ₹ 35,400/-)
- 20) There are no contingent liabilities as on 31.03.2018
- 21) No amount is payable to small scale industrial undertakings. The Company has not received any intimation from suppliers regarding their status under Micro, Small and Medium Enterprises Act, 2006 and hence disclosures, if any relating to amounts unpaid as at the year end together with interest paid/payable as required under Act can not be furnished.
- 22) Figures for the previous year have been regrouped /rearranged / reclassified wherever considered necessary.
- 23) Considering the future prospects of the business of the company, the management has decided to convert its property situated at 101, CSC, Pocket No. 52, C R Park, Near Police Station, New Delhi which is currently part of its inventory into its capital assets w.e.f 31st December, 2017.
- 24) **Earning Per Share:**

| Particulars | ₹ | ₹ |
|----------------------------------------------------------|-------------|-------------|
| | 2017-18 | 2016-17 |
| Profit/(Loss) available to equity share holders (A) | (29,45,747) | (29,20,865) |
| Weighted Average Number of Equity Shares outstanding (B) | 29,270 | 29,270 |
| Basic and Diluted Loss per Share (A/B) | (100.64) | (99.79) |
| Nominal value per Equity Share | ₹ 10 | ₹ 10 |



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MUKESH KUMAR & CO.
Chartered Accountants

INDEPENDENT AUDITOR'S REPORT

TO
THE MEMBERS OF
M/S PAISALO DIGITAL LIMITED
(FORMERLY KNOWN AS M/S S. E. INVESTMENTS LIMITED)
NEW DELHI

REPORT ON THE STANDALONE FINANCIAL STATEMENTS

We have audited the accompanying standalone financial statements of **M/S PAISALO DIGITAL LIMITED (FORMERLY KNOWN AS M/S S. E. INVESTMENTS LIMITED)** ("the Company") which comprise the Balance Sheet as at 31st March 2018, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

MANAGEMENT'S RESPONSIBILITY FOR THE STANDALONE FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.



B-8, Keshav Kunj, Pratap Nagar, Jalpur House, Agra-282010.
Ph. 0562-4062605, M.: 9219662710, E-mail: camukesh9@gmail.com

OPINION

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

1. In the case of the Balance Sheet, of the "State of Affairs" of the Company as at 31st March 2018;
2. In the case of the Statement of Profit and Loss, of the "Profit" for the year ended on that date; and
3. In the case of the Cash Flow Statement, of the "Cash Flows" for the year ended on that date;

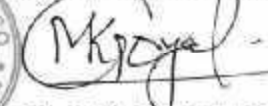
REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-Section (11) of Section 143 of the Companies Act, 2013, we give in Annexure 'A' a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. **As required by section 143(3) of the Act, we report that:**
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c. The audit of all the branch offices of the Company has been conducted by us, hence section 143(8) is not applicable;
 - d. The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - e. In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - f. On the basis of written representations received from the directors as on 31st March, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018, from being appointed as a director in terms of Section 164(2) of the Act;
 - g. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and
 - h. With respect to the other matters included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i) The Company does not have any pending litigations (other than in the ordinary course of business) which would impact its financial position.
 - ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

Place : New Delhi
Date: 02May, 2018

For MUKESH KUMAR & CO.
Chartered Accountants
Firm Reg. No. 002040C




(CA. MUKESH KUMAR)
Proprietor
Membership No. 070471

**ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT OF
M/S PAISALO DIGITAL LIMITED
(FORMERLY KNOWN AS M/S S. E. INVESTMENTS LIMITED)
(Referred to in our Report of even date for F. Y. 2017-18)**

- i. The Company has maintained proper records to show full particulars including quantitative details and situation of fixed assets.
- As explained to us, the fixed assets have been physically verified by the management at reasonable interval. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- According to information and explanations given to us, the title deeds of immovable properties of the company are held in the name of the company.
- ii. As explained to us, inventory have been physically verified by the management at reasonable interval and no material discrepancies were noticed during physical verification.
- iii. The Company has granted loans, secured or unsecured to companies, firms, limited liability partnership or other parties listed in the register maintained under Section 189 of the Companies Act, 2013.
- The terms & conditions of grant of such loans are not prejudicial to the interest of the company.
- The repayment/receipt of the principal and interest of loan granted is regular and there is no amount which is overdue.
- iv. According to the information and explanations given to us, the provisions of section 185 and 186 of the Companies Act, 2013 in respect of loans, investments, guarantees and security have been complied with.
- v. The Company is a Non Banking Financial (Non-Deposit Accepting or Holding Systemically Important ND_SI) Company, hence directives issued by Reserve Bank of India and provisions of section 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the Rules framed there under are not applicable to the Company.
- vi. Maintenance of cost records as required under sub-section (1) of section 148 of the Companies Act, 2013 are not applicable to the company.
- vii. a) According to the information and explanations given to us, the Company has been regular in depositing with appropriate authorities undisputed statutory dues and there are no undisputed amounts of Income Tax, Service Tax, Goods & Service Tax, Cess, Employees State Insurance, Wealth Tax, Sales Tax, Customs Duty, Excise Duty, Provident Fund etc. outstanding as at the last day of financial year concerned for a period of more than six months from the date they became payable.
- b) There are no dues of Income Tax, Sales Tax, Service Tax, Goods & Service Tax Custom Duty, Excise Duty and Value Added Tax on account of any dispute.
- viii. The Company has not defaulted in the repayment of loans or borrowings to a Financial Institution or Bank or Government or dues to Debenture holders.
- ix. According to the information and explanations given to us, the Company had not raised money by way of initial public offer or further public offer or term loan during the year.
- x. According to the information, explanations given to us, no fraud by the company or any fraud on the company by its officers or employees has been noticed or reported during the year.
- xi. According to the information & explanations given to us, provision of section 197 read with Schedule V to the Companies Act, 2013 for managerial remuneration paid or provided have been duly complied with.



**ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT OF
M/S PAISALO DIGITAL LIMITED
(FORMERLY KNOWN AS M/S S. E. INVESTMENTS LIMITED)
(Referred to in our Report of even date for F. Y. 2017-18)**

- xii. According to the information & explanation given to us, the Company is Non Banking Financial (Non-Deposit Accepting or Holding Systemically Important ND_SI) Company, therefore the clause xii of para no. 3 of the said order is not applicable to the company.
- xiii. According to the information & explanation given to us, the provisions of section 177 and 188 of the Companies Act, 2013 regarding transaction with related parties have been complied with and details of the transaction as per applicable accounting standard have been disclosed in the notes to accounts of the Financial Statements.
- xiv. According to the information & explanation given to us, the clause xiv of Para no. 3 of the said order is not applicable to the company because the company has not made preferential allotment or private placement of share or fully or partly convertible debenture during the year.
- xv. According to the information & explanation given to us, no non-cash transactions with directors or persons connected with him, have been taken place during the year, hence the provisions of section 192 of the Companies Act, 2013 are not applicable to the company.
- xvi. According to the information & explanation given to us, the company is registered under section 45-IA of the Reserve Bank of India Act, 1934 as Non Banking Financial (Non-Deposit Accepting or Holding) Company.

**Place : New Delhi
Date: 02May, 2018**

**For MUKESH KUMAR & CO.
Chartered Accountants
Firm Reg. No.002840C**




**(CA. MUKESH KUMAR)
Proprietor
Membership No. 070471**

**ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT OF
M/S PAISALO DIGITAL LIMITED
(FORMERLY KNOWN AS M/S S. E. INVESTMENTS LIMITED)
(Referred to in our Report of even date for F. Y. 2017-18)**

REPORT ON THE INTERNAL FINANCIAL CONTROLS UNDER CLAUSE (I) OF SUB – SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013

We have audited the internal financial controls over financial reporting of **M/S PAISALO DIGITAL LIMITED (FORMERLY KNOWN AS M/S S. E. INVESTMENTS LIMITED)** as of 31st March 2018 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.



**ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT OF
M/S PAISALO DIGITAL LIMITED
(FORMERLY KNOWN AS M/S S. E. INVESTMENTS LIMITED)
(Referred to in our Report of even date for F. Y. 2017-18)**

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

OPINION

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**Place : New Delhi
Date: 02May, 2018**

**For MUKESH KUMAR & CO.
Chartered Accountants
Firm Reg. No.002040C**




**(CA. MUKESH KUMAR)
Proprietor
Membership No. 070471**

M/S PAISALO DIGITAL LIMITED
(FORMERLY KNOWN AS M/S S. E. INVESTMENTS LIMITED)
BALANCE SHEET AS ON 31ST MARCH 2018

| Sr. No. | Particulars | Note No. | Figures as at the end of current reporting period | Figures as at the end of previous reporting period |
|-----------|------------------------------------------------------|----------|---------------------------------------------------|----------------------------------------------------|
| I | EQUITY AND LIABILITIES | | ₹ | ₹ |
| | (1) Shareholders' Funds | | | |
| | (a) Share Capital | 1 | 40,56,62,500 | 40,56,62,500 |
| | (b) Reserves and Surplus | 2 | 5,62,48,14,136 | 5,13,56,29,756 |
| | (c) Money received against share warrants | | - | - |
| | (2) Share Application money pending allotment | | - | - |
| | (3) Non-Current Liabilities | | | |
| | (a) Long-Term Borrowings | 3 | 1,23,00,00,000 | 95,00,00,000 |
| | (b) Deferred Tax Liabilities (Net) | 4 | 3,60,71,327 | 3,53,91,656 |
| | (c) Other Long Term Liabilities | 5 | 82,17,40,150 | 27,97,08,775 |
| | (d) Long Term Provisions | 6 | 6,51,60,677 | 4,58,82,390 |
| | (4) Current Liabilities | | | |
| | (a) Short-Term Borrowings | 7 | 7,78,50,74,712 | 5,97,55,15,704 |
| | (b) Trade Payables | | - | - |
| | (c) Other Current Liabilities | 8 | 1,21,55,96,873 | 1,15,37,84,752 |
| | (d) Short-Term Provisions | 9 | 1,85,58,04,501 | 1,35,58,71,335 |
| | Total Equity & Liabilities | | 19,03,99,24,876 | 15,33,74,46,868 |
| II | ASSETS | | ₹ | ₹ |
| | (1) Non-Current Assets | | | |
| | (a) Fixed Assets | 10 | | |
| | (i) Tangible Assets | | 2,84,49,317 | 3,08,85,501 |
| | (ii) Intangible Assets | | - | - |
| | (iii) Capital work in progress | | - | - |
| | (iv) Intangible assets under development | | - | - |
| | (b) Non-current Investments | 11 | 66,22,68,516 | 66,14,21,800 |
| | (c) Deferred tax assets (net) | | - | - |
| | (d) Long term loans and advances | 12 | 79,78,66,634 | 20,10,11,945 |
| | (e) Other non-current assets | 13 | 9,68,19,706 | 9,84,92,622 |
| | (2) Current Assets | | | |
| | (a) Current investments | 14 | 8,75,02,329 | 81,55,824 |
| | (b) Inventories | 15 | 14,90,28,82,127 | 12,61,84,00,314 |
| | (c) Trade receivables | | - | - |
| | (d) Cash and cash equivalents | 16 | 2,38,44,295 | 8,33,31,028 |
| | (e) Short-term loans and advances | 17 | 1,17,81,24,187 | 59,45,53,156 |
| | (f) Other current assets | 18 | 1,26,21,67,765 | 1,04,11,94,678 |
| | Total Assets | | 19,03,99,24,876 | 15,33,74,46,868 |

Notes to the Accounts & Significant Accounting Policies annexed

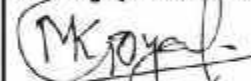
Note No. referred to above form an integral part of these Financial Statements

Signed in terms of our Report of even date

For MUKESH KUMAR & CO.

Chartered Accountants

Firm Reg. No. 002040C



(CA. MUKESH KUMAR)

Proprietor

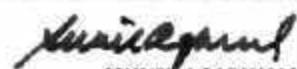
Membership No. 070471



Place : New Delhi

Date : 02 May, 2018

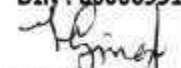
For and on behalf of the Board



(SUNIL AGARWAL)

Managing Director

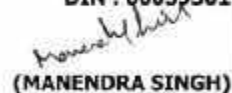
DIN : 00006991



(HARISH SINGH)

Executive Director

DIN : 00039501



(MANENDRA SINGH)

Company Secretary

Membership No. : F7868

M/S PAISALO DIGITAL LIMITED
(FORMERLY KNOWN AS M/S S. E. INVESTMENTS LIMITED)
PROFIT & LOSS STATEMENT FOR THE YEAR ENDED 31ST MARCH 2018

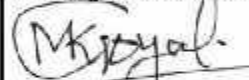
| Sr. No. | Particulars | Note No. | Figures as at the end of current reporting period | Figures as at the end of previous reporting period |
|-------------|---------------------------------------------------------------------------|----------|---------------------------------------------------|----------------------------------------------------|
| I | Revenue from operations | 19 | ₹ 2,87,49,56,063 | ₹ 2,49,51,77,297 |
| | Total Revenue (I) | | 2,87,49,56,063 | 2,49,51,77,297 |
| II | Expenses: | | | |
| | Employee Benefit Expense | 20 | 15,08,13,008 | 11,84,44,193 |
| | Financial Costs | 21 | 1,14,76,18,601 | 88,37,49,287 |
| | Depreciation and Amortization Expense | 22 | 5,54,78,610 | 5,73,42,142 |
| | Other Expenses | 23 | 67,39,23,613 | 66,37,80,624 |
| | Provision for NPA | 24 | 39,03,854 | - |
| | Total Expenses (II) | | 2,03,17,37,686 | 1,72,33,16,246 |
| III | Profit before exceptional and extraordinary items and tax (I-II) | | 84,32,18,377 | 77,18,61,051 |
| IV | Exceptional Items | | - | - |
| V | Profit before extraordinary items and tax (III-IV) | | 84,32,18,377 | 77,18,61,051 |
| VI | Extraordinary Items | | - | - |
| VII | Profit before tax (V-VI) | | 84,32,18,377 | 77,18,61,051 |
| VIII | Tax expense: | | | |
| | (1) Current tax | | 27,89,60,079 | 26,91,38,937 |
| | (2) Deferred tax | | 6,79,671 | (1,01,92,484) |
| | (3) Previous Year Income Tax | | (49,21,750) | - |
| IX | Profit(Loss) from the period from continuing operations (VII-VIII) | | 56,85,00,387 | 51,29,14,598 |
| X | Profit/(Loss) from Discontinuing operations | | - | - |
| XI | Tax expense of Discontinuing operations | | - | - |
| XII | Profit/(Loss) from Discontinuing operations (X-XI) | | - | - |
| XIII | Profit/(Loss) for the period (IX+XII) | | 56,85,00,387 | 51,29,14,598 |
| XIV | Earning per equity share: | 27 | | |
| | (1) Basic | | 14.02 | 12.65 |
| | (2) Diluted | | 14.02 | 12.65 |

Notes to the Accounts & Significant Accounting Policies annexed
Note No. referred to above form an integral part of these Financial Statements
Signed in terms of our Report of even date

For MUKESH KUMAR & CO.

Chartered Accountants

Firm Reg. No. 002040C



(CA. MUKESH KUMAR)

Proprietor

Membership No. 070471

Place : New Delhi

Date : 02 May, 2018



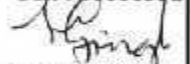
For and on behalf of the Board



(SUMIL AGARWAL)

Managing Director

DIN : 09006991



(HARISH SINGH)

Executive Director

DIN : 00039501



(MANENDRA SINGH)

Company Secretary

Membership No. : F7868

M/S PAISALO DIGITAL LIMITED
(FORMERLY KNOWN AS M/S S. E. INVESTMENTS LIMITED)
CASH FLOW STATEMENT

(Amount in ₹)

| Sr. No. | Particulars | 31.03.2018 | 31.03.2017 |
|------------|---------------------------------------------------------------|-------------------------|-------------------------|
| A | Cash Flow from Operating Activities: | | |
| | Net Profit before tax and extraordinary items and Interest | 1,99,08,36,978 | 1,65,56,10,338 |
| | Adjustments for | | |
| I | Depreciation | 42,62,200 | 39,61,584 |
| II | Deferred Expense W/O | 5,12,16,410 | 5,33,80,558 |
| III | Profit/loss on Sale of Investments/Assets | (4,50,37,959) | (24,011) |
| | Operating Profit before working capital changes | 2,00,12,77,629 | 1,71,29,28,469 |
| | Adjustments for | | |
| I | Change in Trade & Other Receivable (L&A) | (89,64,33,121) | (53,84,334) |
| II | Change in Inventories | (2,28,44,81,813) | (2,64,89,53,868) |
| III | Change in Trade Payable & other Current Liabilities | 6,18,12,121 | 14,14,26,035 |
| IV | Misc. Expenses | (4,95,43,494) | (2,28,47,510) |
| | Cash generated from Operations | (1,16,73,68,678) | (82,28,31,208) |
| I | Interest paid | (1,14,76,18,601) | (88,37,49,287) |
| II | Income Tax paid | (27,90,70,840) | (27,75,92,313) |
| III | Paid Expenses on CSR | (1,45,00,000) | (1,50,35,272) |
| | Cash flow before Extraordinary Items | (2,60,85,58,119) | (1,99,92,08,080) |
| I | Extraordinary items | | |
| | Net Cash from Operating Activities | (2,60,85,58,119) | (1,99,92,08,080) |
| B | Cash Flows from Investing Activities: | | |
| I | Purchase of Fixed Assets | (55,36,057) | (49,29,724) |
| II | Sale of Fixed Assets | 4,87,48,000 | 29,000 |
| III | Purchase/transfer of Investments | (8,01,93,221) | 1,62,17,290 |
| | Net Cash from Investing activities | (3,69,81,278) | 1,13,16,566 |
| C | Net Cash from Financing Activities: | | |
| I | Proceeds from Long Term Borrowings | 28,00,00,000 | 92,87,80,000 |
| II | Proceeds from Long Term Liabilities | 54,20,31,375 | 2,25,91,865 |
| III | Proceeds from Short Term Borrowings | 1,80,95,59,008 | 92,49,46,498 |
| IV | Dividend Paid | (4,55,37,720) | (4,55,37,720) |
| | Net Cash from Financing activities | 2,58,60,52,664 | 1,83,07,80,643 |
| | Net Increase/(decrease) in cash & cash equivalents | (5,94,86,733) | (15,71,10,871) |
| | Cash & Cash equivalents at beginning of period | 8,33,31,028 | 24,04,41,899 |
| | Cash & Cash equivalent at end of period | 2,38,44,295 | 8,33,31,028 |

Signed in terms of our Report of even date

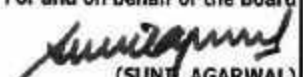


For and on behalf of the Board

For **MUKESH KUMAR & CO.**
Chartered Accountants
Firm Reg. No. 002040C


(CA. MUKESH KUMAR)
Proprietor
Membership No. 070471



Place : New Delhi
Date : 02 May, 2018


(SUNIL AGARWAL)
Managing Director
DIN : 09006991

(HARISH SINGH)
Executive Director
DIN : 00039501

(MANENDRA SINGH)
Company Secretary
Membership No. : F7868

AUDITORS' REPORT

We have verified the attached Cash Flow Statement of M/s Paisalo Digital Limited (Formerly known as M/s S. E. Investments Limited), derived from audited financial statements and the books and records maintained by the Company for the year ended 31st March 2018 and 31st March 2017 and found the same in agreement here with.

Place : New Delhi
Date : 02 May, 2018



For **MUKESH KUMAR & CO.**
Chartered Accountants
Firm Reg. No. 002040C

(CA. MUKESH KUMAR)
Proprietor
Membership No. 070471

M/S PAISALO DIGITAL LIMITED
(FORMERLY KNOWN AS M/S S. E. INVESTMENTS LIMITED)
ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

ACCOUNTING POLICIES:

A. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The Financial Statements have been prepared under the historical cost convention method, in accordance with the generally accepted accounting principles and the provisions of the Companies Act, 2013, as adopted consistently by the Company. The Company has followed Mercantile System of Accounting and the accounts have been made consistently on accrual basis as a going concern.

The Company complies with the directions issued by the Reserve Bank of India (RBI) for Non-Banking Financial Company Systemically Important Non Deposit Taking Company and Deposit Taking Company (Reserve Bank) Directions, 2016 and relevant provision of the Companies Act, 2013 and applicable accounting Standards prescribed by the Companies (Accounting Standards) Rules, 2006 as amended by Companies (Accounting Standards) Amendment Rules, 2016 w.e.f. 30th March, 2016 issued by the Central Government of India and the guidelines issued by the Securities and Exchange Board of India (SEBI) to the extent applicable. The financial statements are presented in Indian rupees rounded off to the nearest rupee.

B. STOCK IN TRADE/ASSETS HELD FOR SALE

Inventories being book debts relating to loans, advances to borrowers are valued at book value net of Future Interest including overdue installments. Stock of shares and debentures are valued at cost or market value whichever is lower.

C. CASH FLOW STATEMENT

As required by Accounting Standard-3 "Cash Flow Statement" Issued by "The Institute of Chartered Accountants of India" the Cash Flow for the period is reported using indirect method. The Cash and Cash Equivalent of the Company comprises of Cash in hand and Current account with Scheduled Banks.

D. DEPRECIATION

Depreciation has been provided on straight-line method in the manner and at the useful life specified in Schedule II to the Companies Act, 2013 and on pro rata basis from the date of installation till the date the assets are sold or disposed off.

E. REVENUE RECOGNITION

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured:

- i. Income from lease rentals and interest on loans and advances cases are recognized as revenue as per the terms of the agreements entered into with Lessees/Borrowers. Interest Income are accounted for on accrual basis in accordance with the due dates of installments of loan and advances.
- ii. Late Payment Interest on overdue of installments from Lessees/Borrowers and allowance of rebate for good and timely payment are accounted for as and when received or allowed because these income and rebates are contingent in nature.



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ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

F. FIXED ASSETS

All assets held with the intention of being used for the purpose of producing goods or providing services and not for sale in the normal course of business are recognized as Fixed Assets and are stated at cost less accumulated depreciation after considering lease adjustment account. All costs including finance cost attributable to fixed assets till assets are ready for intended use are capitalized.

Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing fixed assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the Statement of Profit and Loss for the period during which such expenses are incurred.

G. INVESTMENTS

In respect of Investments, the following policies have been adopted:

- i) Investments that are readily realizable and are intended not to be held for more than one year from the date of acquisition are classified as current investments. All other Investments are classified as Long term investments. However, that part of long-term investments which is expected to be realised within 12 months after the reporting date is also presented under 'current assets' as "current portion of long-term investments" in consonance with the current/non-current classification.
- ii) The Company values its Investments based on the Accounting Standard 13 'Accounting for Investments' issued by the Institute of Chartered Accountants of India:
 - a) Investment held as long-term investments are valued at cost. Provision for diminution in value is made only if there is a permanent decline in their net realizable value.
 - b) Current investments are valued at lower of cost or net realizable value.

H. EMPLOYEE RETIREMENT BENEFITS

Contributions to Provident Fund and Super annuation fund made during the year, are charged to Statement of Profit and Loss.

Employees Gratuity liability has been calculated on the basis of actuarial valuation made at the end of each financial year and charged to Statement of Profit and Loss as contribution to LIC policy premium

I. BORROWING COSTS

- i) Borrowing costs, which are directly attributable to the acquisition /construction of fixed assets, till the time such assets are ready for intended use, are capitalized as a part of the cost of assets.
- ii) All borrowing costs other than mentioned above are expensed in the period they are incurred. In case of unamortized identified borrowing cost is outstanding at the year end, it is classified under loans and advances as unamortized cost of borrowings.
- iii) In case any loan is prepaid/ cancelled then the unamortized borrowing cost, if any, is fully expensed off on the date of prepayment/cancellation.



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J. RELATED PARTIES

Parties are considered to be related if at any time during the reporting period one party has the ability to control the other party or exercise significant influence over the other party in making financial and/or operating decisions.

As required by AS-18 "Related Party Disclosure" only following related party relationships are covered:

- (a) Enterprises that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, the reporting enterprise (this includes holding Companies, subsidiaries and fellow subsidiaries);
- (b) Associates and joint ventures of the reporting enterprise and the investing party or venture in respect of which the reporting enterprise is an associate or a joint venture;
- (c) Individuals owning, directly or indirectly, an interest in the voting power of the reporting enterprise that gives them control or significant influence over the enterprise, and relatives of any such individual;
- (d) Key management personnel (KMP) and relatives of such personnel; and
- (e) Enterprises over which any person described in (c) or (d) is able to exercise significant influence.

K. LEASE ASSETS

Assets taken on lease are accounted for in accordance with AS-19 "Accounting for Lease" issued by "The Institute of Chartered Accountants of India".

L. EARNING PER SHARE

The Earning per Share (Basic as well as Diluted) is calculated based on the net profit or loss for the period attributable to equity shareholders i.e. the net profit or loss for the period after deducting Proposed Preference Dividend and any attributable tax thereto.

For the purpose of calculating (Basic and Diluted EPS), the number of equity shares taken are the weighted average number of equity shares outstanding during the period.

M. PROVISION FOR CURRENT TAX AND DEFERRED TAX

Income-tax expense comprises of current tax (i.e. amount of tax for the period determined in accordance with the income-tax law) and deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the period). The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognized using the tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are recognized only to the extent there is reasonable certainty that the assets can be realized in future; however, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognized only if there is virtual certainty of realization of such assets, deferred tax assets/liabilities are reviewed as at each balance sheet date and written down or written up to reflect the amount that is reasonably/virtually certain (as the case may be) to be realized/incurred.

Provisions of AS-22 "Accounting for Taxes on Income" issued by "The Institute of Chartered Accountants of India" have been complied with to all possible extent.



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N. INTERIM FINANCIAL REPORT

Interim Financial Reports are prepared in accordance with AS-25 "Interim Financial Reporting" issued by "The Institute of Chartered Accountants of India."

O. INTANGIBLE ASSETS

Intangible assets are recognized only when four of below mentioned criteria are fulfilled:

- a) Asset is identifiable.
- b) Control of the enterprise over that asset.
- c) It is probable that future economic benefits attributable to the asset will flow to the enterprise.
- d) Cost of the asset can be measured reliably.

If any of the above four criteria is not fulfilled the expenditure incurred to acquire the asset is recognized as an expense, in the year in which it is incurred.

Intangible assets are initially measured at cost, after initial recognition the intangible asset is carried at its carrying value i.e. cost less any accumulated amortization and accumulated impairment losses.

P. IMPAIRMENT OF ASSETS

An asset is treated as impaired, when carrying cost of asset exceeds its recoverable amount.

At each Balance Sheet Date, it is seen that whether there is any indication that an asset may be impaired, if any such indication exist, the recoverable amount of the asset is estimated in order to determine the extent of impairment loss; if any. Such impairment loss is charged to the profit and loss account in the year in which an asset is identified as impaired.

When an impairment loss is subsequently reversed, the carrying amount of the asset is increased to its revised estimate of its recoverable amount. However this increased amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for that asset in prior period. A reversal of an impairment loss is recognized as income immediately in the Profit & Loss Account.

Q. PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Provisions involving substantial degree of estimation in measurement are recognized when there is present obligation as a result of past events and it is probable that there will be outflow of resources. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance Sheet date and are not discounted to its present value. Further the company being NBFC also complies with provisioning norms specified by RBI. Contingent liabilities are not recognized but are disclosed in the notes on accounts. Contingent assets are neither recognized nor disclosed in the financial statements and will be recognized only when its realization is virtually certain.



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R. PROVISIONING FOR SUBSTANDARD/DOUBTFUL/LOSS ASSETS

Provisioning for Substandard Assets/Doubtful Assets/Loss Assets has been made in compliance with the directions of Reserve Bank of India. As per decision of the Board of Directors in the cases where loan installments are overdue for more than 3 months and management is of the opinion that its recovery chances are very remote or negligible, the Company writes off these accounts (Net of Future Interest Charges) as bad debts. In all other cases where loan installments are over due for more than 3 months the provisioning for non performing assets is made in compliance with Non-Banking Financial Company Systemically Important Non Deposit Taking Company and Deposit Taking Company (Reserve Bank) Directions 2016, as applicable to the company. As per the RBI Directions dated 1st September 2016 updated as on 23rd February 2018 Company has made general provision of 0.40% of Standard assets. Other directives of Reserve Bank of India have been duly complied with.

S. CONSOLIDATED FINANCIAL STATEMENT

The Consolidated Financial Statements have been prepared in accordance with Accounting Standard 21 (AS 21) – 'Consolidated Financial Statement'.

T. USE OF ESTIMATES AND JUDGEMENTS

The preparation of Financial Statements requires the management to make estimates and assumptions considered in the reported amount of Assets and Liabilities (including contingent liabilities) as on the date of the Financial Statements and the reported income and expenses during the reporting period. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Actual results could differ from these estimates. Any revision to accounting estimates is recognized prospectively in current and future periods.

U. FOREIGN CURRENCY

As prescribed in Accounting Standard 11 (AS-11) 'The Effects of Changes in Foreign Exchange Rates' Transactions in foreign currency are recorded at the rates of exchange prevalent on the date of transaction. Exchange difference, if any, arising from foreign currency transaction are dealt in the Statement of Profit & Loss at year end rates.



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NOTES FORMING INTEGRAL PART OF THE FINANCIAL STATEMENTS AS AT 31ST MARCH 2018

Note : 1 Share Capital

| | | ₹ | ₹ |
|----------|----------------------------------------------------------------|-----------------------|-----------------------|
| Sr. No. | Particulars | Current Year | Previous Year |
| 1 | AUTHORIZED CAPITAL | | |
| | 1200,00,000 Equity Shares of Rs 10 per share | 1,20,00,00,000 | 1,20,00,00,000 |
| | 50,00,000 Preference Shares of Rs. 10 each | 5,00,00,000 | 5,00,00,000 |
| | | 1,25,00,00,000 | 1,25,00,00,000 |
| 2 | ISSUED, SUBSCRIBED CAPITAL | | |
| | 405,72,500 Equity Shares of Rs 10 per Share fully paid up | 40,57,25,000 | 40,57,25,000 |
| | | 40,57,25,000 | 40,57,25,000 |
| 3 | PAID UP CAPITAL | | |
| | 405,60,000 Equity Shares of Rs 10 per Share fully paid up | 40,56,00,000 | 40,56,00,000 |
| | Add: Share Forfeited a/c | 62,500 | 62,500 |
| | (Amt originally Paid up on 12,500 Equity Shares of Rs 10 each) | | |
| | Total in ₹ | 40,56,62,500 | 40,56,62,500 |

- More than 5% shares:

Sunil Agarwal 3162440 equity shares (7.80%)

Bhavya Electronics and Networks Pvt Ltd 2914223 equity shares (7.19%)

Note : 2 Reserve & Surplus

| | | ₹ | ₹ |
|----------|--------------------------------------------------------------|-----------------------|-----------------------|
| Sr. No. | Particulars | Current Year | Previous Year |
| 1 | Capital Reserve | 24,15,21,113 | 24,15,21,113 |
| 2 | Securities Premium Reserve | 1,46,49,91,229 | 1,46,49,91,229 |
| 3 | Capital Redemption Reserve | 2,50,00,000 | 2,50,00,000 |
| 4 | General Reserve | 2,82,95,25,961 | 2,44,95,25,961 |
| | Opening Balance | 2,44,95,25,961 | 2,09,95,25,961 |
| | Addition during the year | 38,00,00,000 | 35,00,00,000 |
| 5 | Reserve Fund (As per RBI Act) | 1,05,23,20,220 | 93,86,20,143 |
| | Opening Balance | 93,86,20,143 | 83,60,37,224 |
| | Addition during the year | 11,37,00,077 | 10,25,82,919 |
| 6 | Surplus (Profit & Loss Account) | 1,14,55,613 | 1,59,71,310 |
| | Balance brought forward from Previous year | 1,59,71,310 | 3,07,30,264 |
| | Less: Transfer to General Reserve | 38,00,00,000 | 35,00,00,000 |
| | Provision on Standard Assets | 1,92,78,287 | 1,45,17,641 |
| | Expenditure incurred on Corporate Social Responsibility(CSR) | 1,45,00,000 | 1,50,35,272 |
| | Proposed Dividend on Equity Shares & Tax Thereon | 4,55,37,720 | 4,55,37,720 |
| | Reserve Fund (As per RBI Act) | 11,37,00,077 | 10,25,82,919 |
| | Add: Profit for the Period | 56,85,00,387 | 51,29,14,598 |
| | Total in ₹ | 5,62,48,14,136 | 5,13,56,29,756 |



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Note : 3 Long Term Borrowings

| Sr. No. | Particulars | Current Year | Previous Year |
|---------|-----------------------------------------|-----------------------|---------------------|
| 1 | Secured Bonds / Debentures | - | - |
| 2 | Secured Term Loan | | |
| | - From Bank/ Financial Institution | - | - |
| | - From Other Parties | - | - |
| 3 | Unsecured loans | | |
| | - Non Convertible Debenture | 1,23,00,00,000 | 95,00,00,000 |
| | - Interest accrued on fixed deposit | - | - |
| 4 | Loans & Advances From Related Parties | - | - |
| 5 | Loans from Directors including interest | - | - |
| 6 | Other Loans & Advances | - | - |
| | Total in ₹ | 1,23,00,00,000 | 95,00,00,000 |

- Refer to Note no. 43

Note 4 : Deferred Tax Liabilities (Net)

| Sr. No. | Particulars | Current Year | Previous Year |
|---------|-------------------------------------|--------------------|--------------------|
| 1 | Opening Balance | 3,53,91,656 | 4,55,84,140 |
| | Add: Provision made during the year | 6,79,671 | (1,01,92,484) |
| | Closing Balance | 3,60,71,327 | 3,53,91,656 |
| | Total in ₹ | 3,60,71,327 | 3,53,91,656 |

Note 5 : Other Long term Liabilities

| Sr. No. | Particulars | Current Year | Previous Year |
|---------|-----------------------------------------------------|---------------------|---------------------|
| 1 | Other Long Term Deposits including Interest thereon | 82,17,40,150 | 27,97,08,775 |
| | Total in ₹ | 82,17,40,150 | 27,97,08,775 |

Note : 6 Long Term Provisions

| Sr. No. | Particulars | Current Year | Previous Year |
|---------|---------------------------------|--------------------|--------------------|
| 1 | Provision For Employees Benefit | - | - |
| 2 | Others | | |
| | Provision for Standard Assets | 6,51,60,677 | 4,58,82,390 |
| | Total in ₹ | 6,51,60,677 | 4,58,82,390 |



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Note : 7 Short Term Borrowings

| | | ₹ | ₹ |
|----------|--------------------------------------------------|-----------------------|-----------------------|
| Sr. No. | Particulars | Current Year | Previous Year |
| 1 | Secured Term Loan | | |
| | - From Bank/ Financial Institution | | |
| | Small Industries Development Bank of India | - | 2,12,20,000 |
| | - From Other Parties | - | - |
| 2 | Unsecured loans | - | - |
| 3 | Loans & Advances From Related Parties | - | - |
| 4 | Others | | |
| | - Secured Borrowings - Overdraft Against FDR | - | - |
| | Bank of Baroda O/D | 8,07,60,116 | - |
| | - Secured Borrowings - Cash Credit Limits | - | - |
| | Bank of Baroda | 81,63,50,469 | 22,23,50,533 |
| | Punjab National Bank | 68,71,23,330 | 59,52,08,338 |
| | Corporation Bank | 49,97,95,487 | 44,32,09,295 |
| | Andhra Bank | 39,72,98,968 | 38,56,50,917 |
| | Bank of India | 42,30,75,080 | 37,65,82,741 |
| | Bank of Maharashtra | 49,07,62,450 | 43,92,59,042 |
| | State Bank of India Ltd. | 79,68,38,001 | 18,25,96,155 |
| | South Indian Bank | 24,75,50,884 | 16,68,29,659 |
| | Central Bank of India | 1,23,77,38,580 | 1,14,47,79,641 |
| | UCO Bank | 36,72,91,951 | 33,30,40,856 |
| | IDBI BANK | 74,39,66,770 | 65,74,33,693 |
| | United Bank of India | 49,83,63,417 | 46,14,89,710 |
| | Union Bank of India | 49,81,59,209 | - |
| | State Bank of Mysore | - | 24,67,44,858 |
| | Bank of Bikaner & Jaipur | - | 29,91,20,266 |
| | Total in ₹ | 7,78,50,74,712 | 5,97,55,15,704 |

• Refer to Note no. 31

Note : 8 Other Current Liabilities

| | | ₹ | ₹ |
|----------|--------------------------|-----------------------|-----------------------|
| Sr. No. | Particulars | Current Year | Previous Year |
| 1 | Other Liabilities | | |
| | | 1,21,55,96,873 | 1,15,37,84,752 |
| | Total in ₹ | 1,21,55,96,873 | 1,15,37,84,752 |



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Note : 9 Short Term Provisions

| Sr. No. | Particulars | Current Year | Previous Year |
|---------|------------------------------------------------------------------|-----------------------|-----------------------|
| 1 | Provision For Employees Benefit | - | - |
| 2 | Others | | |
| | Provision for Proposed Dividend on Equity shares and tax thereon | 4,55,37,720 | 4,55,37,720 |
| | Provision for Arbitration Decree Receivable | 1,26,21,67,765 | 1,04,11,94,678 |
| | Provision for Taxation | 54,80,99,016 | 26,91,38,937 |
| | Total in ₹ | 1,85,58,04,501 | 1,35,58,71,335 |

- Refer to Note no. 33

Note : 11 Non Current Investment

| Sr. No. | Particulars | Current Year | Previous Year |
|---------|----------------------------------------------------|---------------------|---------------------|
| 1 | Investments in Unquoted Equity Shares | 23,90,30,800 | 23,90,30,800 |
| 2 | Investments in Equity Shares of Subsidiary Company | 42,23,91,000 | 42,23,91,000 |
| 3 | In Fixed Deposits | | |
| | - With Banks | 7,66,188 | - |
| | - Interest accrued but not received | 80,528 | - |
| | Total in ₹ | 66,22,68,516 | 66,14,21,800 |

- Refer to Note no. 32

Note : 12 Long Term Loans and Advances

| Sr. No. | Particulars | Current Year | Previous Year |
|---------|-------------------------------------|---------------------|---------------------|
| 1 | Security Deposit | | |
| | a) Secured, Considered Good: | | |
| | Earnest Money Deposit | 19,00,00,000 | 19,00,00,000 |
| | Other Deposit | 1,35,26,199 | 1,10,11,945 |
| | b) Unsecured, Considered Good | - | - |
| | c) Doubtful | - | - |
| 2 | Loans & Advances to related parties | - | - |
| 3 | Other Loans & Advances | | |
| | a) Secured, Considered Good | 59,43,40,435 | - |
| | b) Unsecured, Considered Good | - | - |
| | c) Doubtful | - | - |
| | Total in ₹ | 79,78,66,634 | 20,10,11,945 |



NOTES FORMING INTEGRAL PART OF THE FINANCIAL STATEMENTS AS AT 31ST MARCH 2018

22

| Sr. No. | Particulars | Gross Block | | | | Depreciation | | | Net Block | | |
|---------|-------------------------------------|------------------------|--------------------------|---------------------------|------------------|------------------------|--------------------------|---------------------------|------------------|----------------------|----------------------|
| | | Value at the beginning | Addition during the year | Deduction during the year | Value at the end | Value at the beginning | Addition during the year | Deduction during the year | Value at the end | WDV as on 31.03.2018 | WDV as on 31.03.2017 |
| I | Tangible Assets | | | | | | | | | | |
| 1 | Land | 15,90,620 | - | 15,90,620 | - | - | - | - | - | - | 15,90,620 |
| 2 | Building | 1,84,69,929 | - | 26,27,200 | 1,58,42,729 | 24,16,272 | 2,63,425 | 5,07,779 | 21,71,918 | 1,36,70,811 | 1,60,53,657 |
| 3 | Furniture & Fittings | 1,16,88,052 | 1,88,867 | - | 1,18,76,919 | 82,19,561 | 5,54,981 | - | 87,74,542 | 31,02,377 | 34,68,491 |
| 4 | Computer Peripheral & Software | 4,15,89,768 | 31,05,632 | - | 4,46,95,400 | 3,85,16,965 | 19,00,073 | - | 4,04,17,038 | 42,78,362 | 30,72,803 |
| 5 | Vehicles | 96,47,756 | 10,00,000 | - | 1,06,47,756 | 52,49,611 | 9,13,808 | - | 61,63,419 | 44,84,337 | 43,98,145 |
| 6 | Equipments, Plant & Machinery | 96,93,630 | 12,41,558 | - | 1,09,35,188 | 73,91,845 | 6,29,913 | - | 80,21,758 | 29,13,430 | 23,01,785 |
| | Sub Total (A) | 9,26,79,755 | 55,36,057 | 42,17,820 | 9,39,97,992 | 6,17,94,254 | 42,62,200 | 5,07,779 | 6,55,48,675 | 2,84,49,317 | 3,08,85,501 |
| II | Intangible Assets | | | | | | | | | | |
| | Sub Total (B) | | | | | | | | | | |
| III | Capital Work-in-progress | | | | | | | | | | |
| | Sub Total (C) | | | | | | | | | | |
| IV | Intangible Assets Under Development | | | | | | | | | | |
| | Sub Total (D) | | | | | | | | | | |
| | Total [A+B+C+D] (Current Year) | 9,26,79,755 | 55,36,057 | 42,17,820 | 9,39,97,992 | 6,17,94,254 | 42,62,200 | 5,07,779 | 6,55,48,675 | 2,84,49,317 | 3,08,85,501 |
| | Total (Previous Year) | 8,78,61,031 | 49,29,724 | 1,11,000 | 9,26,79,755 | 5,79,38,681 | 39,61,584 | 1,06,011 | 6,17,94,254 | 3,08,85,501 | 2,99,22,350 |



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Note : 13 Other Non Current Assets

| Sr. No. | Particulars | ₹ Current Year | ₹ Previous Year |
|---------|------------------------------|--------------------|--------------------|
| 1 | Deferred Revenue Expenditure | 9,68,19,706 | 9,84,92,622 |
| | Total in ₹ | 9,68,19,706 | 9,84,92,622 |

- Deferred Revenue Expenses are written off over a period of five years.

Note : 14 Current Investment

| Sr. No. | Particulars | ₹ Current Year | ₹ Previous Year |
|---------|-------------------------------------|--------------------|--------------------|
| 1 | In Short term Fixed Deposits | | |
| | - With Banks | 8,75,00,000 | 72,45,447 |
| | - Interest accrued but not received | 2,329 | 9,10,378 |
| | Total in ₹ | 8,75,02,329 | 81,55,824 |

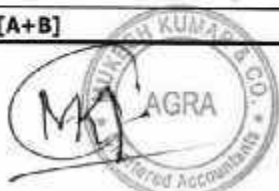
- Refer to Note no. 32

Note : 15 Inventories

| Sr. No. | Particulars | ₹ Current Year | ₹ Previous Year |
|---------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------|------------------------|
| 1 | Book Debts i.e. Advances made against agreements secured by property/vehicles and/or other assets and/or personal guarantees excluding unexpired finance charges etc including overdue installments at book value considered good. (As certified by the management) | 14,90,28,82,127 | 12,61,84,00,314 |
| | Total in ₹ | 14,90,28,82,127 | 12,61,84,00,314 |

Note : 16 Cash & Cash Equivalent

| Sr. No. | Particulars | ₹ Current Year | ₹ Previous Year |
|---------|--------------------------------------------------------------|--------------------|--------------------|
| 1 | Cash-in-Hand | | |
| | Cash Balances | 81,09,792 | 50,24,586 |
| | Sub Total (A) | 81,09,792 | 50,24,586 |
| 2 | Bank Balances | | |
| | Current a/c with scheduled banks (Subject to reconciliation) | 1,57,34,503 | 7,83,06,442 |
| | Sub Total (B) | 1,57,34,503 | 7,83,06,442 |
| | Total in ₹ [A+B] | 2,38,44,295 | 8,33,31,028 |



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NOTES FORMING INTEGRAL PART OF THE FINANCIAL STATEMENTS AS AT 31ST MARCH 2018

Note : 17 Short Terms Loans and Advances

| Sr. No. | Particulars | Current Year | Previous Year |
|----------|---------------------------------------------------------------------------|-----------------------|---------------------|
| 1 | Loans & Advances to related parties | | |
| | a) Secured, Considered Good | - | - |
| | b) Unsecured, Considered Good | - | - |
| | c) Doubtful | - | - |
| 2 | Others | | |
| | Advance Recoverable in cash or in kind or for value to be considered good | | |
| | a) Income Tax and TDS paid | 58,87,03,542 | 30,47,10,942 |
| | b) Prepaid Expenses | 9,68,488 | 2,04,781 |
| | c) Other loan and advances | 58,84,52,157 | 28,96,37,433 |
| | Total in ₹ | 1,17,81,24,187 | 59,45,53,156 |

Note : 18 Other Current Assets

| Sr. No. | Particulars | Current Year | Previous Year |
|----------|-------------------------------|-----------------------|-----------------------|
| 1 | Arbitration Decree Receivable | 1,26,21,67,765 | 1,04,11,94,678 |
| | Total in ₹ | 1,26,21,67,765 | 1,04,11,94,678 |

- Refer to Note no. 33

Note : 19 Revenue from Operations

| Sr. No. | Particulars | Current Year | Previous Year |
|----------|-------------------|-----------------------|-----------------------|
| 1 | Interest on Loans | 2,85,88,47,413 | 2,47,90,68,647 |
| 2 | Dividend Income | 1,61,08,650 | 1,61,08,650 |
| | Total in ₹ | 2,87,49,56,063 | 2,49,51,77,297 |

Note : 20 Employment Benefit Expenses

| Sr. No. | Particulars | Current Year | Previous Year |
|----------|-------------------------------------------------|---------------------|---------------------|
| 1 | Salaries & Establishment | 12,04,14,436 | 9,12,64,193 |
| 2 | Mg. Director's & Directors Remuneration | 2,99,17,858 | 2,67,60,000 |
| 3 | Mg. Director's & Directors House Rent Allowance | 4,80,714 | 4,20,000 |
| | Total in ₹ | 15,08,13,008 | 11,84,44,193 |

- No remuneration has been paid to Directors except remuneration to Managing Director and Executive Director. The remuneration paid to Managing Director and Executive Director during the F.Y. 2017-18 is Rs. 3,03,98,572 (last year Rs 2,71,80,000) which is within the limit as specified u/s 197 read with Schedule V of the Companies Act, 2013.



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NOTES FORMING INTEGRAL PART OF THE FINANCIAL STATEMENTS AS AT 31ST MARCH 2018

Note : 21 Financial Cost

| Sr. No. | Particulars | Current Year | Previous Year |
|---------|-------------------------------------|-----------------------|---------------------|
| 1 | Interest Discounting & Bank Charges | 1,14,76,18,601 | 88,37,49,287 |
| | Total in ₹ | 1,14,76,18,601 | 88,37,49,287 |

Note : 22 Depreciation & Amortised Cost

| Sr. No. | Particulars | Current Year | Previous Year |
|---------|---------------------------|--------------------|--------------------|
| 1 | Depreciation | 42,62,200 | 39,61,584 |
| 2 | Deferred Revenue Exp. w/o | 5,12,16,410 | 5,33,80,558 |
| | Total in ₹ | 5,54,78,610 | 5,73,42,142 |

- Deferred Expenses written off over a period of five years

Note : 23 Other Expenses

| Sr. No. | Particulars | Current Year | Previous Year |
|---------|---------------------------------------------|---------------------|---------------------|
| 1 | Car & Scooter Expenses | 1,71,70,756 | 1,23,20,414 |
| 2 | Travelling Expenses | 4,31,49,540 | 3,39,56,700 |
| 3 | Repair & Maintenance | 1,03,22,303 | 62,13,689 |
| 4 | Insurance Expenses | 11,74,596 | 8,06,022 |
| 5 | Electricity & Water Expenses | 52,98,533 | 30,91,089 |
| 6 | Rates & Taxes | 80,213 | 30,472 |
| 7 | Legal Expenses & Professional fees | 5,56,78,589 | 4,90,54,925 |
| 8 | Printing & Stationery | 1,97,95,587 | 1,55,70,457 |
| 9 | Postage & Telephone Expenses | 1,33,69,109 | 95,08,933 |
| 10 | Bad Debts Written off | 34,65,41,286 | 32,35,23,764 |
| 11 | Auditors Remuneration | 34,15,840 | 36,28,001 |
| 12 | Rent | 95,85,687 | 83,14,007 |
| 13 | Rebate, Remission & Brokerage | 94,97,182 | 2,22,33,229 |
| 14 | Advertisement & Business Promotion Expenses | 13,96,61,633 | 13,53,79,318 |
| 15 | Recovery Expenses | 78,17,342 | 62,70,466 |
| 16 | Office and General Expenses | 3,64,03,376 | 3,39,03,151 |
| 17 | Loss/Profit on sale of Assets/Investments | (4,50,37,959) | (24,011) |
| | Total in ₹ | 67,39,23,613 | 66,37,80,624 |

Note : 24 Provisions for NPA

| Sr. No. | Particulars | Current Year | Previous Year |
|---------|-------------------|------------------|---------------|
| 1 | Provision for NPA | 39,03,854 | - |
| | Total in ₹ | 39,03,854 | - |



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25. Remuneration to Auditors:

(In ₹)

| Particulars | 2017-18 | 2016-17 |
|---------------------------------------|------------------|------------------|
| For Statutory Audit | 3,00,000 | 3,00,000 |
| For Tax Audit | 1,00,000 | 1,00,000 |
| For Certification work/other services | 30,15,840 | 32,28,001 |
| Total | 34,15,840 | 36,28,001 |

- 26.** No amount is payable to Small Scale Industrial Undertakings. The Company has not received any intimation from suppliers regarding their status under the Micro, Small and Medium Enterprises Act, 2006 and hence disclosures, if any relating to amounts unpaid as at the year end together with interest paid/payable as required under the Act cannot be furnished.

27. Earning per Share:

(In ₹)

| Particulars | 2017-18 | 2016-17 |
|--------------------------------------------------------|--------------|--------------|
| Net profit for the year (After Tax) | 56,85,00,387 | 51,29,14,598 |
| Proposed dividend on Preference shares and tax thereon | — | — |
| No. of Equity Shares (Weighted) | 4,05,60,000 | 4,05,60,000 |
| Basic and diluted Earning per share | 14.02 | 12.65 |

- 28.** Figures for the previous year have been regrouped/rearranged/reclassified wherever considered necessary.

- 29. The company has given corporate guarantee for the loans taken by its wholly owned subsidiary Company from the following Bank's / FI's / NBFCs:**

(₹In Lakhs)

| Name of Bank / Financial Institution | Amount |
|------------------------------------------|-----------------|
| State Bank of India Term Loan | 2000.00 |
| State Bank of India CC | 3000.00 |
| Karnataka Bank Ltd | 2000.00 |
| AU Small Finance Bank Ltd | 1926.65 |
| Reliance Capital Limited | 3361.66 |
| Tourism Finance Corporation of India Ltd | 2247.49 |
| Nabsamruddhi Finance Limited | 1375.00 |
| Total | 15910.80 |



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30. Disclosure of related party transactions:

A. Wholly owned Subsidiary

Nupur Finvest Pvt. Ltd.

B. List of related parties and relationship

Related Party

Key Managerial Personnel
Mr. Sunil Agarwal
Mr. Harish Singh
Mr. Anoop Krishnan

(Relation)

(Managing Director)
(Executive Director)
(Executive Director)

Relatives of K M P

Mr. Purushottam Agrawal
Mrs. Raj Agarwal
Mrs. Neetu Agarwal
Mrs. Priti Chauhan
Mrs. Sushila Devi Chauhan
Ms. Suniti Agarwal
Mr. Shantanu Agarwal
Mr. Pranav Chauhan

(Father of Mr. Sunil Agarwal)
(Mother of Mr. Sunil Agarwal)
(Spouse of Mr. Sunil Agarwal)
(Spouse of Mr. Harish Singh)
(Mother of Mr. Harish Singh)
(Daughter of Mr. Sunil Agarwal)
(Son of Mr. Sunil Agarwal)
(Son of Mr. Harish Singh)

C. Enterprises over which significant influence exercised by Key Managerial Personnel/Relatives of Key Managerial Personnel

- | | |
|---------------------------------------|----------------------------------------------|
| 1. Agarwal Meadows Pvt. Ltd. | 2. Aerotech Aviation India Pvt. Ltd. |
| 3. Baba Herbals Pvt. Ltd. | 4. Bhavya Electronics and Networks Pvt. Ltd. |
| 5. Diamond Infradev Pvt. Ltd. | 6. Helios Aviation Pvt. Ltd. |
| 7. Repartee Infrastructures Pvt. Ltd. | 8. Radiance Techno Powers Company Pvt. Ltd. |
| 9. SCS Educational Foundation | 10. Raj Shiksha Foundation |
| 11. Sunil Agarwal HUF | 12. Harish Singh HUF |
| 13. P N Agarwal & Sons HUF | |

D. Disclosures required for related party transactions

(₹ In Lakhs)

| | KMP & Relative | Enterprise over which significant influence exercised by KMP/Directors | Subsidiary | Total |
|-------------------------------------------------|----------------|------------------------------------------------------------------------|------------|------------------|
| Transactions during the year | | | | |
| Remuneration | 303.98 | — | — | 303.98 |
| Transfer of Investments | — | — | — | — |
| Loan received | — | — | — | — |
| Loans given/repaid | — | — | — | — |
| Rendering of Services/Sale of Portfolio | 15.00 | 1.20 | 18,538.22 | 18,554.42 |
| Interest/Expenses paid | 29.00 | — | 1258.10 | 1287.10 |
| Dividend Received | — | — | 161.09 | 161.09 |
| Amount outstanding at Balance Sheet date | | | | |
| —Amount Payable | 200.00 | — | — | 200.00 |
| —Amount Receivable | — | — | 3815.74 | 3815.74 |



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Notes:

- (1) Related party relationship is as Identified by the Company on the basis of information available with them and accepted by the auditors as correct.
- (2) No amount has been written off or written back during the year in respect of debt due from or to related parties.
- (3) Company has entered into transactions with certain parties as listed above during the year under consideration. Full disclosures have been made and the Board considers such transactions to be in normal course of business and at rates agreed between the parties.
- (4) The key management personnel and their relatives have given personal guarantees and collaterals for loans raised by the Company but Company has not provided any guarantee to these persons nor paid any consideration for furnishing such guarantees.

31. Working Capital Borrowings:

The Company has an arrangement with a consortium of thirteen banks under the leadership of Bank of Baroda for its working capital requirements. The facility is primarily secured by the hypothecation of book-debts / receivables of the Company and collaterally by mortgage of immovable properties including office premises, a flat owned by the Company and seven commercial properties by third parties as well as personal and corporate guarantees. The sharing pattern of the member banks in the consortium is as under:

(₹In Lakhs)

| S. No. | Name of Bank | Sanctioned Amount | Share in Consortium(%) |
|--------|-----------------------|-------------------|------------------------|
| 1 | Central Bank of India | 13,500.00 | 16.48 |
| 2 | IDBI Bank | 7,500.00 | 9.15 |
| 3 | Punjab National Bank | 7,000.00 | 8.54 |
| 4 | United Bank of India | 6,500.00 | 7.93 |
| 5 | Corporation Bank | 5,000.00 | 6.10 |
| 6 | Bank of Maharashtra | 5,000.00 | 6.10 |
| 7 | Bank of India | 4,250.00 | 5.19 |
| 8 | Andhra Bank | 4,000.00 | 4.88 |
| 9 | UCO Bank | 3,700.00 | 4.51 |
| 10 | Bank of Baroda | 10,000.00 | 12.20 |
| 11 | State Bank of India | 8,000.00 | 9.76 |
| 12 | South Indian Bank | 2,500.00 | 3.05 |
| 13 | Union Bank of India | 5,000.00 | 6.10 |
| | Total | 81,950.00 | 100.00 |



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32. Detail of Bank FDR's (principal amount) held as on 31.03.2018:

Held to avail Cash Credit facility against FDRs

| (₹ In Lakhs) | | | |
|--------------|----------------------|-------------|-------------|
| 1 | United Bank of India | Cash Credit | 7.16 |
| | Subtotal | (A) | 7.16 |

Held as Guarantee

| (₹ In Lakhs) | | | |
|--------------|----------------------|------------|-------------|
| 1 | Punjab National Bank | Guarantee | 0.43 |
| | Subtotal | (B) | 0.43 |

Held as Investment

| (₹ In Lakhs) | | | |
|--------------|----------------------|--------------|-------------|
| 1 | Punjab National Bank | Unencumbered | 0.07 |
| | Subtotal | (C) | 0.07 |

Held as Guarantee

| (₹ In Lakhs) | | | |
|--------------|-----------------|------------|--------------|
| 1 | Bank of Baroda | Guarantee | 25.00 |
| | Subtotal | (D) | 25.00 |

Held as Security against Fixed Deposit

| (₹ In Lakhs) | | | |
|--------------|-----------------------------|--------------------|---------------|
| 1 | Bank of Baroda | Security | 850.00 |
| | Subtotal | (E) | 850.00 |
| | Grand Total of FDR'S | (A+B+C+D+E) | 882.66 |

- 33.** During the Current year, few Arbitration Awards have become executable Decrees. The amount of such Decrees available for execution stands at Rs. 12621.68 Lakhs as on the date of Balance Sheet. The Accounting treatment has been done as per Accounting Standard 29 "Provisions, Contingent Liabilities and Contingent Assets" Issued by The Institute of Chartered Accountants of India.

| (₹ In Lakhs) | | |
|--------------|-----------------------------------------------------|----------|
| S. No. | Particulars | Amount |
| 1 | Opening balance of Arbitration Awards | 10411.95 |
| 2 | Add: New Arbitration Award procured during the year | 2220.70 |
| 3 | Less: Cases Closed during the year | 5.99 |
| 4 | Less: Arbitration Awards Challenged during the year | -4.98 |
| | Arbitration Awards available for Execution | 12621.68 |

The management has recognized the Decretal Amount as asset and it is classified under the head 'Current Assets' as 'Arbitration Decree Receivable' and 100% provision is made against such assets under the head Short Term Provisions. However there is no income accrued or received from such assets during the year.



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NOTES FORMING INTEGRAL PART OF THE FINANCIAL STATEMENTS AS AT 31ST MARCH 2018

34. Capital Risk Adequacy Ratio (CRAR):

| Particulars | | 2017-18 | 2016-17 |
|-------------|-------------------------------------------------------|---------|---------|
| i) | CRAR % | 31.67% | 38.08% |
| ii) | CRAR – Tier I Capital % | 31.32% | 37.76% |
| iii) | CRAR – Tier II Capital % | 0.35% | 0.32% |
| iv) | Amount of subordinated debt raised as Tier-II Capital | Nil | Nil |
| v) | Amount raised by issue of Perpetual Debt Instruments | Nil | Nil |

35. Investments:

| Particulars | | 2017-18 | 2016-17 |
|---------------------------------------------------------------------------|-----------------------------------------------------------------------|---------|---------|
| 1) Value of Investments | | | |
| i) | Gross value of Investments | | |
| a) | In India | 7497.71 | 6695.78 |
| b) | Outside India | Nil | Nil |
| ii) | Provision for Depreciation | | |
| a) | In India | Nil | Nil |
| b) | Outside India | Nil | Nil |
| iii) | Net Value of Investments | | |
| a) | In India | 7497.71 | 6695.78 |
| b) | Outside India | Nil | Nil |
| 2) Movement of Provisions held towards depreciation on investments | | | |
| i) | Opening Balance | Nil | Nil |
| ii) | ADD: Provision made during the year | Nil | Nil |
| iii) | Less: Write – off / write – back of excess provisions during the year | Nil | Nil |
| iv) | Closing Balance | Nil | Nil |

36. The Company had not taken any exposure in Derivatives during the financial year 2017-18.



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37. Disclosure relating to Securitization:

- i) The Company has not done securitization of any of its loans & advances to any organization during the financial year 2017-18 and there is no outstanding amount as on Balance Sheet date. Also, the Company has not sold its financial assets to any Securitization/Reconstruction Company for Asset Reconstruction. Further the Company has not undertaken any new assignment transaction during the Financial Year 2017-18.
- ii) The Company has not purchased any non-performing assets (NPAs) from other NBFCs or financial institutions. However, the Company has repurchased portfolio of Rs. 93.37 Crore from NBFC's wherein Decree has been awarded against Rs. 65.02 crore by the Arbitrator.

iii) **Details of stock sold during the year**

(₹ In Lakhs)

| Particulars | | 2017-18 | 2016-17 |
|-------------|----------------------------------|---------|---------|
| 1 | No of accounts sold | 27,980 | 3,816 |
| 2 | Aggregate outstanding | 21,664 | 2,690 |
| 3 | Aggregate consideration received | 18,538 | 2,183 |

38. Asset Liability Management Maturity pattern of certain items of Assets and Liabilities as on 31st March 2018:

(₹ In Lakhs)

| | Up to 30/31 days | Over 1 month & upto 2 months | Over 2 months & upto 3 months | Over 3 months & upto 6 months | Over 6 month & upto 1 year | Over 1 year & Upto 3 years | Over 3 years & upto 5 years | Over 5 Years | Total |
|------------------------------|------------------|------------------------------|-------------------------------|-------------------------------|----------------------------|----------------------------|-----------------------------|--------------|----------|
| Deposits | — | — | — | — | — | — | — | — | — |
| Advances | 11,904 | 9,404 | 11,368 | 26,315 | 38,927 | 67,026 | 19,389 | 13 | 1,84,348 |
| Investments | 875 | — | — | — | — | 8 | — | — | 883 |
| Borrowings | 1,027 | 298 | 352 | 1,910 | 84,069 | 8,151 | — | — | 95,807 |
| Foreign Currency Assets | — | — | — | — | — | — | — | — | — |
| Foreign Currency Liabilities | — | — | — | — | — | — | — | — | — |



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39. Exposures:

a) Exposures to Real Estate Sector

| | | (₹ In Lakhs) | |
|--------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------|---------|
| Category | | 2017-18 | 2016-17 |
| Direct Exposure | | | |
| i) | Residential Mortgages | | |
| | Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented | 2,827 | 7,338 |
| ii) | Commercial Real Estate | | |
| | Lending secured by mortgages on commercial real estates (office buildings, retail space, multipurpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non-fund based limits | 75 | 2,814 |
| iii) | Investments in Mortgage Backed Securities (MBS) and other securitized exposures | | |
| a) | Residential | — | — |
| b) | Commercial Real Estate | — | — |
| Indirect Exposure | | — | — |

b) Capital Market Exposure

The company has not taken any exposure in capital market during the financial year 2017-18, and also the inventory of the company as at 31st March 2018 does not contain any exposure to capital market

c) Details of financing of parent company products : NIL

d) Details of Single Borrower Limit and Group Borrower Limit exceeded by NBFC

The company has adhered to the Prudential Exposure norms as prescribed by RBI and has not given any advances exceeding the limits as prescribed for Single borrower and Group Borrower.

e) Unsecured Advances

The unsecured advances outstanding as at Balance Sheet date are ₹22,259 Lakhs. The Company does not have any loan or advances which are partially secured against any sort of licenses, rights, authorizations charged to the company.

40. Registration obtained from other financial sector regulators:

RBI Registration No. : B-14.02997
 Company Identification No. : L65921DL1992PLC120483

The company has never been penalized for any non-compliance by financial sector regulators.



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41. Bank borrowings of the Company has been assigned rating of "IND A-" by M/s India Ratings & Research Private Limited (A Fitch Group Company) which denotes "Instruments with this rating are considered to have adequate degree of safety regarding timely servicing of financial obligations. Such instruments carry low credit risk". An additional strength to the Company financials has been added by vouching & assignment of "IVR A/STABLE OUTLOOK" rating by Infomerics Valuation and Rating Private Limited.

42. **Provisions and Contingencies:**

(₹ In Lakhs)

| Break up of Provisions and contingencies | 2017-18 | 2016-17 |
|-------------------------------------------------------------------------------------|---------|---------|
| Provisions for depreciation on investment | Nil | Nil |
| Provision towards NPA | 39 | Nil |
| Provision made towards income tax | 2,790 | 2,691 |
| Other provision and contingencies (Contingent Liability- in Arbitration matters) | 12,622 | 10,412 |
| Provision for Standard Assets at the Balance Sheet date | 652 | 459 |

43. **Unlisted Unsecured Non-Convertible Redeemable Debentures (NCDs):**

On 23rd January 2018 Company has made allotments of '12.00% Unlisted Unsecured Redeemable INR Denominated Non-Cumulative Non-Convertible Debenture' of Rs. 1,00,00,000/- (Rupees One Crore) each for an aggregating amount of Rs. 28,00,00,000/- (Rupees Twenty Eight Crores). Term of such NCDs is 60 months from the date of allotment with the call option available with the Company to redeem NCDs after expiry of One Year from the date of allotment in full or part as may be decided by the Board of Directors of the Company.

44. **Concentration of Deposits, Advances, Exposures and NPAs:**

a) **Concentration of Deposits**

The Company has not taken any deposits from public

b) **Concentration of Advances**

(₹ In Lakhs)

| | |
|-------------------------------------------------------------------------|--------|
| Total Advances to twenty largest borrowers | 32,164 |
| % of advances to twenty largest borrowers to total advances of the NBFC | 21.58% |

c) **Concentration of Exposures**

(₹ In Lakhs)

| | |
|---------------------------------------------------------------------------------------------------------------|--------|
| Total Exposure to twenty largest borrowers / customers | 32,164 |
| % of exposures to twenty largest borrowers / customers to total exposure of the NBFC on borrowers / customers | 21.58% |

d) **Concentration of NPAs**

Provisioning for Substandard Assets/Doubtful Assets/Loss Assets has been made in compliance with the directions of Reserve Bank of India. As per decision of the Board of Directors in the cases where loan installments are overdue for more than 3 months and management is of the opinion that its recovery chances are very remote or negligible, the Company writes off these accounts (Net of Future Interest Charges) as bad debts. In all other cases where loan installments are over due for more than 3 months the provisioning for non performing assets is made in compliance with Non-Banking Financial Company Systemically Important Non Deposit Taking Company and Deposit Taking Company (Reserve Bank) Directions 2016, as applicable to the company. As per the RBI Directions dated 1st September 2016 updated as on 23rd February 2018 Company has made general provision of 0.40% of Standard assets. Other directives of Reserve Bank of India have been duly complied with.



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e) Sector wise NPAs (Write Offs)

| S. No. | Category | % of Write offs to Total Advances | |
|--------|---------------------------------|-----------------------------------|---------|
| | | 2017-18 | 2016-17 |
| 1 | Agriculture & Allied activities | 1.86 | 0.18 |
| 2 | MSME | 0.19 | 1.10 |
| 3 | Corporate Borrowers | (0.02) | 1.16 |
| 4 | Services | 0.00 | 0.00 |
| 5 | Unsecured Personal Loans | 0.01 | 0.01 |
| 6 | Auto Loans | 0.00 | 0.00 |
| 7 | Other Personal Loans (LAP) | 0.28 | 0.12 |
| | Total | 2.32 | 2.57 |

45. The Company is domiciled in India and does not have any joint venture, associate or subsidiary abroad.

46. Off Balance Sheet SPVs sponsored:

The Company has not sponsored off Balance Sheet SPVs

47. Disclosures of Complaints:

| | | |
|----|--------------------------------------------------------|---|
| a) | No. of complaints pending at the beginning of the year | — |
| b) | No. of complaints received during the year | 4 |
| c) | No. of complaints redressed during the year | 4 |
| d) | No. of complaints pending at the end of the year | — |



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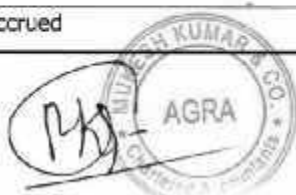
Schedule to the Balance Sheet of a Non-Deposit taking Non-Banking Financial Company(As required in Non-Banking Financial Company Systemically Important Non Deposit Taking Company and Deposit Taking Company (Reserve Bank) Directions, 2016:

| PARTICULARS | | | (₹In Lakhs) | |
|-------------------|-----------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------|--------------------|---------|
| LIABILITIES SIDE: | | | | |
| 1. | Loans and advances availed by the NBFCs inclusive of interest Amount accrued thereon but not paid | | Amount Outstanding | Overdue |
| | (a) | Debentures | | |
| | | Secured | — | — |
| | | Unsecured | 12,300 | — |
| | | (other than falling within the meaning of public deposits*) | | |
| | (b) | Deferred Credits | — | — |
| | (c) | Term Loans | | — |
| | (d) | Inter-corporate loans and borrowing | 1,411 | — |
| | (e) | Commercial Paper | — | — |
| | (f) | Other Loans (specify nature) | | |
| | | Punjab National Bank (Cash Credit a/c) | 6,871 | — |
| | | Central Bank of India (Cash Credit a/c) | 12,377 | — |
| | | Bank of India (Cash Credit a/c) | 4,231 | — |
| | | Andhra Bank (Cash Credit a/c) | 3,973 | — |
| | | Corporation Bank (Cash Credit a/c) | 4,998 | — |
| | | Bank of Baroda (Cash Credit a/c) | 8,164 | — |
| | | United Bank of India (Cash Credit a/c) | 4,984 | — |
| | | UCO Bank (Cash Credit a/c) | 3,673 | — |
| | | IDBI Bank (Cash Credit a/c) | 7,440 | — |
| | | Bank of Maharashtra(Cash Credit a/c) | 4,908 | — |
| | | State Bank of India (Cash Credit a/c) | 7,968 | — |
| | | The South Indian Bank Limited (Cash Credit a/c) | 2,476 | — |
| | | Union Bank of India | 4,982 | — |
| | | Bank of Baroda (Overdraft a/c) | 808 | — |
| | | Assignment of Book Debts | — | — |
| | | *Please see Note 1 below | — | — |
| 2. | Break-up of (1)(f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid) | | | |
| | (a) | In the form of Unsecured debentures | — | — |
| | (b) | In the form of partly secured debentures i.e. debentures where there is a shortfall in the value of security | — | — |
| | (c) | Other public deposits | — | — |
| | | *Please see Note 1 below | | |



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| ASSETS SIDE: | | | | | |
|--------------|------------------------------------------------------------------------------------------------------|-----------------------------------------------------------|--|----------|---|
| 3. | Break-up of Loans and Advances including bills receivables (other than those included in (4) below) | | | | |
| | (a) | Secured | | 1,26,769 | — |
| | (b) | Unsecured | | 22,259 | — |
| 4. | Break -up of Leased Assets and stock on hire and hypothecation loans counting towards AFC activities | | | | |
| | (i) | Lease assets including lease rentals under sundry debtors | | | |
| | (a) | Financial lease | | — | — |
| | (b) | Operating lease | | — | — |
| | (ii) | Stock on hire including hire charges under sundry debtors | | | |
| | (a) | Assets on hire | | — | — |
| | (b) | Reposessed Assets | | — | — |
| | (iii) | Other loans counting towards AFC activities | | | |
| | (a) | Loans where assets been reposessed | | — | — |
| | (b) | Loans other than (a) above | | — | — |
| 5. | Break-up of Investments | | | | |
| | 1 | Current Investments | | | |
| | | Quoted | | | |
| | (i) | Shares | | | |
| | (a) | Equity | | — | — |
| | (b) | Preference | | — | — |
| | (ii) | Debentures and Bond | | — | — |
| | (iii) | Units of mutual funds | | — | — |
| | (iv) | Government Securities | | — | — |
| | (v) | Others (please specify) | | — | — |
| | | Unquoted | | | |
| | (i) | Shares | | | |
| | (a) | Equity (Group Companies) (Net) | | — | — |
| | (b) | Preference | | — | — |
| | (ii) | Debentures and Bonds | | — | — |
| | (iii) | Units of mutual funds | | — | — |
| | (iv) | Government Securities | | — | — |
| | (v) | Others (please specify) | | | |
| | | Fixed Deposit with NBFC | | — | — |
| | | Fixed deposit with Bank's | | 875 | — |
| | | Interest accrued | | 0.02 | — |



M/S PAISALO DIGITAL LIMITED
(FORMERLY KNOWN AS M/S S. E. INVESTMENTS LIMITED)

| | | | |
|----------|--------------------------------|-------|---|
| 2 | Long Term Investments | | |
| | Quoted | | |
| | (i) Share | | |
| | (a) Equity | — | — |
| | (b) Preference | — | — |
| | (ii) Debentures and Bonds | — | — |
| | (iii) Units of mutual funds | — | — |
| | (iv) Government Securities | — | — |
| | (v) Others (Please specify) | — | — |
| | Unquoted | | |
| | (i) Share | | |
| | (a) Equity- Subsidiary Company | 4,224 | — |
| | (b) Equity- Other Company | 2,390 | — |
| | (b) Preference | — | — |
| | (ii) Debentures and Bonds | — | — |
| | (iii) Units of mutual funds | — | — |
| | (iv) Government Securities | — | — |
| | (v) Others (please specify) | | |
| | Investment in Partnership/LLP | — | — |
| | Fixed Deposit with Banks | 7 | — |
| | Interest accrued | 0.80 | — |

(6) Borrower group-wise classification of assets financed as in (2) and (3) above

Please see Note 2

| | Category | Amount net of provisions | | Total |
|----------|---------------------------------|--------------------------|---------------|-----------------|
| | | Secured | Unsecured | |
| 1 | Related parties** | | | |
| | (a) Subsidiaries | 3654 | — | 3654 |
| | (b) Companies in the same group | — | — | — |
| | (c) Other related parties | — | — | — |
| 2 | Other than related parties | 1,26,769 | 22,259 | 1,49,028 |
| | Total | 1,30,423 | 22,259 | 1,52,682 |



M/S PAISALO DIGITAL LIMITED
(FORMERLY KNOWN AS M/S S. E. INVESTMENTS LIMITED)

(7) Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted)

| | | Market Value / Value Break up or Fair Value or NAV | Book Value (Net of provisions) |
|----------|---------------------------------|----------------------------------------------------|--------------------------------|
| 1 | Related parties ** | | |
| | (a) Subsidiaries | 4,224 | 4,224 |
| | (b) Companies in the same group | — | — |
| | (c) Other related parties | — | — |
| 2 | Other than related parties | 3,274 | 3,274 |
| | Total | 7,498 | 7,498 |

** As per Accounting Standard of ICAI (Please see note 2)

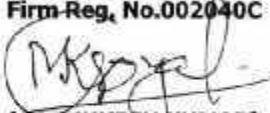
(8) Other Information

| | Particulars | Amount |
|----------|-----------------------------------------|--------|
| 1 | Gross Non-performing Assets | |
| | (a) Related Parties | — |
| | (b) Other than related parties | 351 |
| 2 | Net Non-Performing Assets | |
| | (a) Related Parties | — |
| | (b) Other than related parties | 351 |
| 3 | Assets acquired in satisfaction of debt | — |

Notes:

- Provisioning norms shall be applicable as prescribed in the Non-Banking Financial Company-Systemically Important Non-Deposit Taking Company and Deposit Taking Company (Reserve Bank) Direction, 2016.
- All Accounting Standards and Guidance Notes issued by ICAI are applicable including for valuation of investments and other assets as also assets acquired in satisfaction of debt. However, market value in respect of quoted investments and break up/fair value/NAV in respect of unquoted investments shall be disclosed irrespective of whether they are classified as long term or current in column (5) above.

Notes referred to above form in integral
Part of the Financial Statements
As per our Report of even date attached

For MUKESH KUMAR & CO.
Chartered Accountants
Firm-Reg. No.002040C

(CA. MUKESH KUMAR)
Proprietor
Membership No. 070471

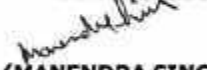


Place : New Delhi
Date: 02May, 2018

For and on behalf of the Board


(SUNIL AGARWAL)
Managing Director
DIN : 00006991

(HARISH SINGH)
Executive Director
DIN : 00039501


(MANENDRA SINGH)
Company Secretary
Membership No. : F7868



MUKESH KUMAR & CO.
Chartered Accountants



**INDEPENDENT AUDITOR'S REPORT ON
CONSOLIDATED FINANCIAL STATEMENTS**

**TO
THE MEMBERS OF
M/S PAISALO DIGITAL LIMITED
(FORMERLY KNOWN AS M/S S. E. INVESTMENTS LIMITED)
NEW DELHI**

REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

We have audited the accompanying Consolidated financial statements of **M/S PAISALO DIGITAL LIMITED (FORMERLY KNOWN AS M/S S. E. INVESTMENTS LIMITED)** (hereinafter referred to as "the Holding Company") and its wholly owned subsidiary M/s Nupur Finvest Private Limited (the Holding Company and its subsidiary together referred to as "the Group") which comprise of the Consolidated Balance Sheet as at 31st March 2018, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Companies Act, 2013. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.



B-8, Keshav Kunj, Pratap Nagar, Jaipur House, Agra-282010.
Ph. 0562-4062605, M.: 9219862710, E-mail: camukesh9@gmail.com

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

OPINION

We believe that our audit provides a reasonable basis for our opinion:

1. We report that the Consolidated Financial Statements have been prepared by the company's management in accordance with requirements of Accounting Standard 21 issued by the ICAI, "Consolidated Financial Statements".
2. In our opinion and to the best of our information and according to the explanations given to us, the consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - a. In the case of the Consolidated Balance Sheet, of the State of Affairs of the Company as at 31st March 2018;
 - b. In the case of the Consolidated Statement of Profit and Loss, of the Profit for the year ended on that date; and
 - c. In the case of the Consolidated Cash Flow Statement, of the Cash Flows for the year ended on that date.

3. Report on Other Legal and Regulatory Requirements:

As required by section 143(3) of the Act, we report that:

- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements;
- b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books;
- c. The audit of all the branch offices of the Company has been conducted by us, hence section 143(8) is not applicable;
- d. The Consolidated Balance Sheet, Consolidated Statement of Profit and Loss and Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;
- e. In our opinion, the aforesaid Consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- f. On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2018 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary company incorporated in India, none of the directors of the Group companies, is disqualified as on 31st March, 2018 from being appointed as a director in terms of Section 164 (2) of the Act;
- g. With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in "Annexure A"; and

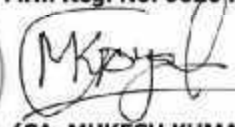


- h. With respect to the other matters included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i) There were no pending litigations which would impact the consolidated financial position of the Group.
 - ii) The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.
 - iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary company, incorporated in India.

Place : New Delhi
Date : 02 May, 2018

For **MUKESH KUMAR & CO.**
Chartered Accountants
Firm Reg. No. 002040C




(**CA. MUKESH KUMAR**)
Proprietor
Membership No. 070471

**ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT OF
M/S PAISALO DIGITAL LIMITED
(FORMERLY KNOWN AS M/S S. E. INVESTMENTS LIMITED)
(Referred to in our Report of even date for F. Y. 2017-18)**

REPORT ON THE INTERNAL FINANCIAL CONTROLS UNDER CLAUSE (i) OF SUB – SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2018, we have audited the internal financial controls over financial reporting of **M/S PAISALO DIGITAL LIMITED (FORMERLY KNOWN AS M/S S. E. INVESTMENTS LIMITED)** (hereinafter referred to as "the Holding Company") and its wholly owned subsidiary M/s Nupur Finvest Private Limited, which are companies incorporated in India, as of that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The respective Board of Directors of the of the Holding company, its subsidiary company, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the consolidated financial statements.



**ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT OF
M/S PAISALO DIGITAL LIMITED
(FORMERLY KNOWN AS M/S S. E. INVESTMENTS LIMITED)
(Referred to in our Report of even date for F. Y. 2017-18)**

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

OPINION

In our opinion, the Holding Company, its subsidiary company, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**Place : New Delhi
Date : 02 May, 2018**



**For MUKESH KUMAR & CO.
Chartered Accountants
Firm Reg. No. 002040C**

A handwritten signature in black ink, appearing to read "MKPyal".

**(CA. MUKESH KUMAR)
Proprietor
Membership No. 070471**

M/S PAISALO DIGITAL LIMITED
(FORMERLY KNOWN AS M/S S. E. INVESTMENTS LIMITED)
CONSOLIDATED BALANCE SHEET AS ON 31ST MARCH 2018

| Sr. No. | Particulars | Note No. | Figures as at the end of current reporting period | Figures as at the end of previous reporting period |
|-----------|------------------------------------------------------|----------|---------------------------------------------------|----------------------------------------------------|
| I | EQUITY AND LIABILITIES | | ₹ | ₹ |
| | (1) Shareholder's Funds | | | |
| | (a) Share Capital | 1 | 40,56,62,500 | 40,56,62,500 |
| | (b) Reserves and Surplus | 2 | 5,72,36,34,950 | 5,22,97,13,049 |
| | (c) Money received against share warrants | | - | - |
| | (2) Share application money pending allotment | | - | - |
| | (3) Non-Current Liabilities | | | |
| | (a) Long-Term Borrowings | 3 | 2,08,95,09,315 | 1,05,43,82,400 |
| | (b) Deferred Tax Liabilities (Net) | 4 | 3,60,14,168 | 3,53,07,667 |
| | (c) Other Long Term Liabilities | 5 | 82,17,40,150 | 27,97,08,775 |
| | (d) Long Term Provisions | 6 | 7,57,86,559 | 4,98,39,181 |
| | (4) Current Liabilities | | | |
| | (a) Short-Term Borrowings | 7 | 8,69,56,95,384 | 6,48,29,59,386 |
| | (b) Trade Payables | | - | - |
| | (c) Other Current Liabilities | 8 | 1,21,92,41,837 | 1,15,53,18,791 |
| | (d) Short-Term Provisions | 9 | 1,87,42,65,700 | 1,37,00,80,486 |
| | Total Equity & Liabilities | | 20,94,15,50,563 | 16,06,29,72,235 |
| II | ASSETS | | ₹ | ₹ |
| | (1) Non-current assets | | | |
| | (a) Fixed Assets | 10 | | |
| | (i) Tangible Assets | | 2,90,24,908 | 3,13,73,459 |
| | (ii) Intangible Assets | | - | - |
| | (iii) Capital work-in-progress | | - | - |
| | (iv) Intangible Assets under Development | | - | - |
| | (b) Non-Current Investments | 11 | 23,98,77,516 | 23,90,30,800 |
| | (c) Deferred Tax Assets (Net) | | - | - |
| | (d) Long Term Loans and Advances | 12 | 79,78,66,634 | 20,10,11,945 |
| | (e) Other Non-Current Assets | 13 | 9,68,19,706 | 9,84,92,622 |
| | (2) Current assets | | | |
| | (a) Current Investments | 14 | 8,75,02,329 | 81,55,824 |
| | (b) Inventories | 15 | 17,55,88,99,545 | 13,74,89,11,966 |
| | (c) Trade Receivables | | - | - |
| | (d) Cash and Cash Equivalents | 16 | 2,63,61,047 | 8,65,20,274 |
| | (e) Short-Term Loans and Advances | 17 | 84,30,31,113 | 60,82,80,667 |
| | (f) Other Current Assets | 18 | 1,26,21,67,765 | 1,04,11,94,678 |
| | Total Assets | | 20,94,15,50,563 | 16,06,29,72,235 |

Notes to the Accounts & Significant Accounting Policies annexed

Note No. referred to above form an integral part of these Consolidated Financial Statements

Signed in terms of our Report of even date

For **MUKESH KUMAR & CO.**

Chartered Accountants

Firm Reg. No. 002040C

(CA. MUKESH KUMAR)

Proprietor

Membership No. 070471

Place : New Delhi

Date : 02 May, 2018



For and on behalf of the Board

(SUNIL AGARWAL)

Managing Director

DIN : 00006991

(HARISH SINGH)

Executive Director

DIN : 00039501

(MANENDRA SINGH)

Company Secretary

Membership No. : F7868

M/S PAISALO DIGITAL LIMITED
(FORMERLY KNOWN AS M/S S. E. INVESTMENTS LIMITED)
CONSOLIDATED PROFIT & LOSS STATEMENT FOR THE YEAR ENDED ON 31ST MARCH 2018

| Sr. No. | Particulars | Note No. | Figures as at the end of current reporting period | Figures as at the end of previous reporting period |
|---------|--------------------------------------------------------------------|----------|---------------------------------------------------|----------------------------------------------------|
| I | Revenue from Operations | 19 | ₹ 3,04,35,52,926 | ₹ 2,66,54,19,500 |
| II | Other Income | | | |
| | Total Revenue (I) | | 3,04,35,52,926 | 2,66,54,19,500 |
| II | Expenses: | | | |
| | Employee Benefit Expenses | 20 | 17,83,25,583 | 14,43,84,108 |
| | Financial Cost | 21 | 1,15,09,01,977 | 94,28,81,592 |
| | Depreciation and Amortization Expenses | 22 | 5,56,63,387 | 5,77,05,746 |
| | Other Expenses | 23 | 78,16,45,107 | 73,18,43,202 |
| | Provision for NPA | 24 | 39,03,854 | |
| | Total Expenses (II) | | 2,17,04,39,908 | 1,87,68,14,648 |
| III | Profit before Exceptional and Extraordinary Items and Tax (I-II) | | 87,31,13,018 | 78,86,04,852 |
| IV | Exceptional Items | | - | - |
| V | Profit before Extraordinary Items and Tax (III-IV) | | 87,31,13,018 | 78,86,04,852 |
| VI | Extraordinary Items | | - | - |
| VII | Profit before Tax (V-VI) | | 87,31,13,018 | 78,86,04,852 |
| VIII | Tax Expense: | | | |
| | (1) Current Tax | | 29,41,41,937 | 28,00,68,747 |
| | (2) Deferred Tax | | 7,06,501 | (1,02,44,604) |
| | (3) Previous Year Income Tax | | (49,21,760) | - |
| IX | Profit/(Loss) from the period from Continuing Operations (VI-VIII) | | 58,31,86,340 | 51,87,80,709 |
| X | Profit/(Loss) from Discontinuing Operations | | - | - |
| XI | Tax Expense of Discontinuing Operations | | - | - |
| XII | Profit/(Loss) from Discontinuing Operations (X-XI) | | - | - |
| XIII | Profit/(Loss) for the period (IX+XII) | | 58,31,86,340 | 51,87,80,709 |
| XIV | Earning per Equity Share: | 27 | | |
| | (1) Basic | | 14.38 | 12.79 |
| | (2) Diluted | | 14.38 | 12.79 |

Notes to the Accounts & Significant Accounting Policies annexed

Note No. referred to above form an integral part of these Consolidated Financial Statements

Signed in terms of our Report of even date

For **MUKESH KUMAR & CO.**

Chartered Accountants

Firm Reg. No. 002040C

(CA. MUKESH KUMAR)

Proprietor

Membership No. 070471

Place : New Delhi

Date : 02 May, 2018



For and on behalf of the Board

(SUNIL AGARWAL)

Managing Director

DIN : 00006991

(HARISH SINGH)

Executive Director

DIN : 00039501

(MANENDRA SINGH)

Company Secretary

Membership No. : F7868

M/S PAISALO DIGITAL LIMITED
(FORMERLY KNOWN AS M/S S. E. INVESTMENTS LIMITED)
CONSOLIDATED CASH FLOW STATEMENT

(Amount in ₹)

| Sr. No. | Particulars | 31.03.2018 | 31.03.2017 |
|------------|------------------------------------------------------------|-------------------------|-------------------------|
| A | Cash Flow from Operating Activities: | | |
| | Net Profit before tax and extraordinary items and Interest | 2,02,40,14,995 | 1,73,14,86,444 |
| | Adjustments for | | |
| I | Depreciation | 44,46,977 | 43,25,188 |
| III | Deferred Expense W/O | 5,12,16,410 | 5,33,80,558 |
| IV | Profit/loss on Sale of Investments/Assets | (4,50,37,959) | (24,011) |
| | Operating Profit before working capital changes | 2,03,46,40,423 | 1,78,91,68,179 |
| | Adjustments for | | |
| I | Change in Trade & Other Receivable (L&A) | (53,17,15,694) | (32,81,212) |
| II | Change in Inventories | (3,80,99,87,579) | (2,68,15,67,922) |
| III | Change in Trade Payable & other Current Liabilities | 5,39,23,046 | 14,09,77,908 |
| IV | Misc. Expenses | (4,95,43,494) | (2,28,47,510) |
| | Cash generated from Operations | (2,29,26,83,298) | (77,75,50,557) |
| I | Interest paid | (1,15,09,01,977) | (94,28,81,592) |
| II | Income Tax paid | (30,58,97,491) | (29,27,16,077) |
| III | Paid Expenses on CSR | (1,45,00,000) | (1,50,35,272) |
| | Cash flow before Extraordinary Items | (3,76,39,82,766) | (2,02,81,83,498) |
| I | Extraordinary Items | - | - |
| | Net Cash from Operating Activities | (3,76,39,82,766) | (2,02,81,83,498) |
| B | Cash Flows from Investing Activities: | | |
| I | Purchase of Fixed Assets | (58,08,466) | (49,59,724) |
| II | Sale of Fixed Assets | 4,87,48,000 | 29,000 |
| III | Purchase/transfer of Investments | (8,01,93,221) | 1,92,17,290 |
| | Net Cash from Investing activities | (3,72,53,687) | 1,42,86,566 |
| C | Net Cash from Financing Activities: | | |
| I | Proceeds from Long Term Borrowings | 1,03,51,26,915 | 86,91,22,243 |
| II | Proceeds from Long Term Liabilities | 54,20,31,375 | 2,25,91,865 |
| III | Proceeds from Short Term Borrowings | 2,21,27,35,998 | 97,82,39,742 |
| IV | Dividend Paid | (4,88,17,062) | (4,88,17,062) |
| | Net Cash from Financing activities | 3,74,10,77,226 | 1,82,11,36,788 |
| | Net Increase in cash & cash equivalents | (6,01,59,227) | (19,27,60,144) |
| | Cash & Cash equivalents at beginning of period | 8,65,20,274 | 27,92,80,418 |
| | Cash & Cash equivalent at end of period | 2,63,61,047 | 8,65,20,274 |

Signed in terms of our Report of even date

For **MUKESH KUMAR & CO.**
Chartered Accountants
Firm Reg. No. 002040C


(CA. MUKESH KUMAR)
Proprietor
Membership No. 070471

Place : New Delhi
Date : 02 May, 2018

For and on behalf of the Board


(SUNIL AGARWAL)
Managing Director
DIN : 0006991

(HARISH SINGH)
Executive Director
DIN : 00039501

(MANENDRA SINGH)
Company Secretary
Membership No. : F7868

AUDITORS' REPORT

We have verified the attached Consolidated Cash Flow Statement of M/s Paisalo Digital Limited (Formerly known as M/s S. E. Investments Limited), and its subsidiary Nupur Finvest Pvt. Ltd. derived from audited financial statements and the books and records maintained by the Company for the year ended 31st March 2018 and 31st March 2017 and found the same in agreement here with.

Place : New Delhi
Date : 02 May, 2018

For **MUKESH KUMAR & CO.**
Chartered Accountants
Firm Reg. No. 002040C

(CA. MUKESH KUMAR)
Proprietor
Membership No. 070471

M/S PAISALO DIGITAL LIMITED
(FORMERLY KNOWN AS M/S S. E. INVESTMENTS LIMITED)
SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS
ON CONSOLIDATED ACCOUNTS

A. PRINCIPLE OF CONSOLIDATION

The Consolidated Financial Statements relate to **M/S PAISALO DIGITAL LIMITED (Formerly Known as M/S S. E. INVESTMENTS LIMITED)** (the Company) and its subsidiary M/s Nupur Finvest Private Limited. The Consolidated Financial Statements have been prepared on the following basis:

- a) The Consolidated Financial Statements have been prepared in accordance with Accounting Standard (AS) 21- "Consolidated Financial Statements". The financials are combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra- group balances and intra- group transactions.
- b) Investment in Associate Companies has been accounted under the equity method as per (AS 23)- "Accounting for Investments in Associates in Consolidated Financial Statements".
- c) As far as possible, the Consolidated Financial Statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the Company's separate financial statements.

B. INVESTMENTS OTHER THAN IN SUBSIDIARIES AND ASSOCIATES

Investments other than in subsidiaries and associates have been accounted as per Accounting Standards (AS) 13 on "Accounting for Investments".

C. OTHER SIGNIFICANT ACCOUNTING POLICIES

These are set out under "Significant Accounting Policies" as given in the Company's separate financial statements.



M/S PAISALO DIGITAL LIMITED

(FORMERLY KNOWN AS M/S S. E. INVESTMENTS LIMITED)

NOTES FORMING INTEGRAL PART OF THE CONSOLIDATED FINANCIAL STATEMENT AS AT 31ST MARCH 2018

Note : 1 Share Capital

| Sr. No. | Particulars | ₹ Current Year | ₹ Previous Year |
|----------|-------------------------------------------------------------------|-----------------------|-----------------------|
| 1 | AUTHORIZED CAPITAL | | |
| | 12,00,00,000 Equity Shares of Rs 10 per share | 1,20,00,00,000 | 1,20,00,00,000 |
| | 50,00,000 Preference Shares of Rs. 10 each | 5,00,00,000 | 5,00,00,000 |
| | | 1,25,00,00,000 | 1,25,00,00,000 |
| 2 | ISSUED, SUBSCRIBED CAPITAL | | |
| | 4,05,72,500 Equity Shares of Rs 10 per Share | 40,57,25,000 | 40,57,25,000 |
| | | 40,57,25,000 | 43,07,25,000 |
| 3 | PAID UP CAPITAL | | |
| | 405,60,000 Equity Shares of Rs 10 per Share fully paid up | 40,56,00,000 | 40,56,00,000 |
| | Add: Share Forfeited a/c | 62,500 | 62,500 |
| | (Amount originally Paid up on 12,500 Equity Shares of Rs 10 each) | | |
| | Total in ₹ | 40,56,62,500 | 40,56,62,500 |

- More than 5% shares:

Sunil Agarwal 3162440 equity shares (7.80%)

Bhavya Electronics and Networks Pvt Ltd 2914223 equity shares (7.19%)

Note : 2 Reserve & Surplus

| Sr. No. | Particulars | ₹ Current Year | ₹ Previous Year |
|----------|--------------------------------------------------------------|-----------------------|-----------------------|
| 1 | Capital Reserve | 24,15,21,113 | 24,15,21,113 |
| 2 | Securities Premium Reserve | 1,46,49,91,229 | 1,46,49,91,229 |
| 3 | Capital Redemption Reserve | 2,50,00,000 | 2,50,00,000 |
| 4 | General Reserve | 2,90,22,94,961 | 2,52,22,94,961 |
| | Opening Balance | 2,52,22,94,961 | 2,17,22,94,961 |
| | Addition during the year | 38,00,00,000 | 35,00,00,000 |
| 5 | Reserve Fund (As per RBI Act) | 1,07,72,38,969 | 95,73,79,971 |
| | Opening Balance | 95,73,79,971 | 85,04,02,100 |
| | Addition during the year | 11,98,58,998 | 10,69,77,871 |
| 6 | Surplus (Profit & Loss Account) | 1,25,88,678 | 1,85,25,775 |
| | Balance brought forward from Previous year | 1,85,25,775 | 3,57,56,010 |
| | Less: Transfer to General Reserve | 38,00,00,000 | 35,00,00,000 |
| | Provision on Standard Assets | 2,59,47,378 | 1,51,80,739 |
| | Expenditure Incurred on Corporate Social Responsibility(CSR) | 1,45,00,000 | 1,50,35,272 |
| | Proposed Dividend on Equity Shares & Tax Thereon | 4,88,17,061 | 4,88,17,062 |
| | Reserve Fund (As per RBI Act) | 11,98,58,998 | 10,69,77,871 |
| | Add: Profit for the Period | 58,31,86,340 | 51,87,80,709 |
| | Total in ₹ | 5,72,36,34,950 | 5,22,97,13,049 |



M/S PAISALO DIGITAL LIMITED

(FORMERLY KNOWN AS M/S S. E. INVESTMENTS LIMITED)

NOTES FORMING INTEGRAL PART OF THE CONSOLIDATED FINANCIAL STATEMENT AS AT 31ST MARCH 2018

Note : 3 Long Term Borrowings

| Sr. No. | Particulars | Current Year | Previous Year |
|---------|-------------------------------------------|-----------------------|-----------------------|
| 1 | Secured Bonds / Debentures | - | - |
| 2 | Secured Term Loan | | |
| | - From Bank/ Financial Institution | | |
| | State Bank of India | 18,15,05,130 | - |
| | AU Small Finance Bank Ltd | 9,16,66,671 | - |
| | - From Other Parties: | | |
| | Reliance Capital Limited | 9,17,69,473 | 10,43,82,400 |
| | Tourism Finance Corporation of India Ltd. | 17,85,00,000 | - |
| | Nabsamruddhi Finance Limited | 8,75,00,000 | - |
| 3 | Unsecured loans | | |
| | - Non Convertible Debenture | 1,23,00,00,000 | 95,00,00,000 |
| | - From Other Parties | 22,85,68,041 | - |
| 4 | Loans & Advances From Related Parties | - | - |
| 5 | Loans from Directors including interest | - | - |
| 6 | Other Loans & Advances | - | - |
| | Total in ₹ | 2,08,95,09,315 | 1,05,43,82,400 |

- Refer to Note no. 31

Note 4 : Deferred Tax Liabilities(Net)

| Sr. No. | Particulars | Current Year | Previous Year |
|---------|-------------------------------------|--------------------|--------------------|
| 1 | Opening Balance | 3,53,07,667 | 4,55,52,271 |
| | Add: Provision made during the year | 7,06,501 | (1,02,44,604) |
| | Closing Balance | 3,60,14,168 | 3,53,07,667 |
| | Total in ₹ | 3,60,14,168 | 3,53,07,667 |

Note 5 : Other Long Term Liabilities

| Sr. No. | Particulars | Current Year | Previous Year |
|---------|-----------------------------------------------------|---------------------|---------------------|
| 1 | Other Long Term Deposits including Interest thereon | 82,17,40,150 | 27,97,08,775 |
| | Total in ₹ | 82,17,40,150 | 27,97,08,775 |



M/S PAISALO DIGITAL LIMITED

(FORMERLY KNOWN AS M/S S. E. INVESTMENTS LIMITED)

NOTES FORMING INTEGRAL PART OF THE CONSOLIDATED FINANCIAL STATEMENT AS AT 31ST MARCH 2018

Note : 6 Long Term Provisions

| Sr. No. | Particulars | Current Year | Previous Year |
|---------|------------------------------------------------|--------------------|--------------------|
| 1 | Provision For Employees Benefit | - | - |
| 2 | Others Provision for Standard Assets | 7,57,86,559 | 4,98,39,181 |
| | Total in ₹ | 7,57,86,559 | 4,98,39,181 |

Note : 7 Short Term Borrowings

| Sr. No. | Particulars | Current Year | Previous Year |
|---------|--------------------------------------------------|-----------------------|-----------------------|
| 1 | Secured Term Loan | | |
| | - From Bank/ Financial Institution | | |
| | Small Industries Development Bank of India | - | 2,12,20,000 |
| | State Bank of India | 2,00,00,000 | - |
| | AU Small Finance Bank Ltd | 10,09,98,260 | - |
| | - From Other Parties | | |
| | Reliance Capital Limited | 24,43,97,020 | 32,02,87,280 |
| | Tourism Finance Corporation of India Ltd. | 4,62,49,151 | - |
| | Nabsamruddhi Finance Limited | 5,00,00,000 | - |
| 2 | Unsecured loans | - | - |
| 3 | Loans & Advances From Related Parties | - | - |
| 4 | Others | | |
| | - Secured Borrowings - Overdraft Against FDR | | |
| | Bank of Baroda O/D | 8,07,60,116 | - |
| | - Secured Borrowings - Cash Credit Limits | | |
| | Bank of Baroda | 81,63,50,469 | 22,23,50,533 |
| | Punjab National Bank | 68,71,23,330 | 59,52,08,338 |
| | Corporation Bank | 49,97,95,487 | 44,32,09,295 |
| | Andhra Bank | 39,72,98,968 | 38,56,50,917 |
| | Bank of India | 42,30,75,080 | 37,65,82,741 |
| | Bank of Maharashtra | 49,07,62,450 | 43,92,59,042 |
| | State Bank of India (PDL) | 79,68,38,001 | 18,25,96,155 |
| | The South Indian Bank Ltd. | 24,75,50,884 | 16,68,29,659 |
| | Central Bank of India | 1,23,77,38,580 | 1,14,47,79,641 |
| | UCO Bank | 36,72,91,951 | 33,30,40,856 |
| | IDBI Bank | 74,39,66,770 | 65,74,33,693 |
| | United Bank of India | 49,83,63,417 | 46,14,89,710 |
| | Union Bank of India | 49,81,59,209 | - |
| | State Bank of Bikaner & Jaipur | - | 29,91,20,266 |
| | State Bank of Mysore | - | 24,67,44,858 |
| | Karnataka Bank Ltd. | 18,06,12,901 | 18,71,55,402 |
| | State Bank of India (NFPL) | 26,83,63,340 | - |
| | Total in ₹ | 8,69,56,95,384 | 6,48,29,59,386 |

- Refer to Note no. 31 & 32



M/S PAISALO DIGITAL LIMITED

(FORMERLY KNOWN AS M/S S. E. INVESTMENTS LIMITED)

NOTES FORMING INTEGRAL PART OF THE CONSOLIDATED FINANCIAL STATEMENT AS AT 31ST MARCH 2018

Note : 8 Other Current Liabilities

| Sr. No. | Particulars | Current Year | Previous Year |
|---------|-------------------|-----------------------|-----------------------|
| 1 | Other Liabilities | 1,21,92,41,837 | 1,15,53,18,791 |
| | Total in ₹ | 1,21,92,41,837 | 1,15,53,18,791 |

Note : 9 Short Term Provisions

| Sr. No. | Particulars | Current Year | Previous Year |
|---------|------------------------------------------------------------------|-----------------------|-----------------------|
| 1 | Provision For Employees Benefit | - | - |
| 2 | Others | | |
| | Provision for Proposed Dividend on Equity shares and tax thereon | 4,88,17,061 | 4,88,17,061 |
| | Provision for Taxation | 56,32,80,874 | 28,00,68,747 |
| | Provision for Arbitration Decree Receivable | 1,25,21,67,765 | 1,04,11,94,678 |
| | Total in ₹ | 1,87,42,65,700 | 1,37,00,80,486 |

- Refer to Note no. 33 of PDL notes on accounts

Note : 11 Non Current Investment

| Sr. No. | Particulars | Current Year | Previous Year |
|---------|--------------------------------------|---------------------|---------------------|
| 1 | Investment in Unquoted Equity Shares | 23,90,30,800 | 23,90,30,800 |
| 2 | In Fixed Deposits | | |
| | - With Banks | 7,66,188 | - |
| | - Interest accrued but not received | 80,528 | - |
| | Total in ₹ | 23,98,77,516 | 23,90,30,800 |

- Refer to Note no. 32 of PDL notes on accounts

Note : 12 Long Term Loans and Advances

| Sr. No. | Particulars | Current Year | Previous Year |
|---------|------------------------------------------------|---------------------|---------------------|
| 1 | Security Deposit | | |
| | a) Secured, Considered Good: | | |
| | Earnest Money Deposit | 19,00,00,000 | 19,00,00,000 |
| | Other Deposit | 1,35,26,199 | 1,10,11,945 |
| | b) Unsecured, Considered Good | - | - |
| | c) Doubtful | - | - |
| 2 | Loans & Advances to related parties | - | - |
| 3 | Other Loans & Advances | | |
| | a) Secured, Considered Good | 59,43,40,435 | - |
| | b) Unsecured, Considered Good | - | - |
| | c) Doubtful | - | - |
| | Total in ₹ | 79,78,66,634 | 20,10,11,945 |



M/S PAISALO DIGITAL LIMITED

(FORMERLY KNOWN AS M/S S. E. INVESTMENTS LIMITED)

NOTES FORMING INTEGRAL PART OF THE CONSOLIDATED FINANCIAL STATEMENT AS AT 31ST MARCH 2018

Note : 10 Fixed Assets

| Sr. No. | Particulars | Gross Block | | | Depreciation | | | Net Block | |
|------------|--------------------------------------------|------------------------|--------------------------|---------------------------|--------------------|------------------------|--------------------------|----------------------|----------------------|
| | | Value at the beginning | Addition during the year | Deduction during the year | Value at the end | Value at the beginning | Addition during the year | WDV as on 31.03.2018 | WDV as on 31.03.2017 |
| I | Tangible Assets | | | | | | | | |
| 1 | Land | 15,90,620 | - | 15,90,620 | - | - | - | - | 15,90,620 |
| 2 | Building | 1,84,69,929 | - | 26,27,200 | 1,58,42,729 | 24,16,272 | 2,63,425 | 1,36,70,811 | 1,60,53,657 |
| 3 | Furniture & Fittings | 1,29,53,130 | 1,88,867 | - | 1,31,41,997 | 91,83,850 | 6,20,519 | 33,37,628 | 37,69,280 |
| 4 | Computer Peripheral & Software | 4,28,64,147 | 33,78,041 | - | 4,62,42,188 | 3,96,91,715 | 20,07,519 | 45,42,954 | 31,72,432 |
| 5 | Vehicles | 96,47,756 | 10,00,000 | - | 1,06,47,756 | 52,49,611 | 9,13,808 | 44,84,337 | 43,98,145 |
| 6 | Equipments, Plant & Machinery | 99,26,040 | 12,41,558 | - | 1,11,67,598 | 75,36,715 | 6,41,705 | 29,89,178 | 23,89,325 |
| | Sub Total (A) | 9,54,51,622 | 58,08,466 | 42,17,820 | 9,70,42,268 | 6,40,78,163 | 44,46,976 | 2,90,24,908 | 3,13,73,459 |
| II | Intangible Assets | | | | | | | | |
| | Sub Total (B) | - | - | - | - | - | - | - | - |
| III | Capital Work-in-progress | | | | | | | | |
| | Sub Total (C) | - | - | - | - | - | - | - | - |
| IV | Intangible Assets Under Development | | | | | | | | |
| | Sub Total (D) | - | - | - | - | - | - | - | - |
| | Total [A+B+C+D] (Current Year) | 9,54,51,622 | 58,08,466 | 42,17,820 | 9,70,42,268 | 6,40,78,163 | 44,46,976 | 2,90,24,908 | 3,13,73,459 |
| | Total (Previous Year) | 9,06,02,898 | 49,59,724 | 1,11,000 | 9,54,51,622 | 5,98,58,985 | 43,25,189 | 3,13,73,459 | 3,07,43,913 |



M/S PAISALO DIGITAL LIMITED

(FORMERLY KNOWN AS M/S S. E. INVESTMENTS LIMITED)

NOTES FORMING INTEGRAL PART OF THE CONSOLIDATED FINANCIAL STATEMENT AS AT 31ST MARCH 2018

Note : 13 Other Non Current Assets

| Sr. No. | Particulars | ₹ Current Year | ₹ Previous Year |
|---------|------------------------------|--------------------|--------------------|
| 1 | Deferred Revenue Expenditure | 9,68,19,706 | 9,84,92,622 |
| | Total in ₹ | 9,68,19,706 | 9,84,92,622 |

- Deferred Revenue Expenses are written off over a period of five years.

Note : 14 Current Investment

| Sr. No. | Particulars | ₹ Current Year | ₹ Previous Year |
|---------|-------------------------------------|--------------------|--------------------|
| 1 | In Short Term Fixed Deposits | | |
| | With Banks | 8,75,00,000 | 72,45,447 |
| | Interest accrued but not received | 2,329 | 9,10,377 |
| | Total in ₹ | 8,75,02,329 | 81,55,824 |

- Refer to Note no. 32 of PDL notes on accounts

Note : 15 Inventories

| Sr. No. | Particulars | ₹ Current Year | ₹ Previous Year |
|---------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------|------------------------|
| 1 | Book Debts i.e. Advances made against agreements secured by property/vehicles and/or other assets and/or personal guarantees excluding unexpired finance charges etc including overdue installments at book value considered good. (As certified by the management) | 17,55,88,99,545 | 13,74,89,11,966 |
| | Total in ₹ | 17,55,88,99,545 | 13,74,89,11,966 |

Note : 16 Cash & Cash Equivalent

| Sr. No. | Particulars | ₹ Current Year | ₹ Previous Year |
|---------|--------------------------------------------------------------------|--------------------|--------------------|
| 1 | Cash-in-Hand | | |
| | Cash Balances | 94,84,607 | 52,62,162 |
| | Sub Total (A) | 94,84,607 | 52,62,162 |
| 2 | Bank Balances | | |
| | Current accounts with Scheduled Banks (Subject to Reconciliations) | 1,68,76,440 | 8,12,58,112 |
| | Sub Total (B) | 1,68,76,440 | 8,12,58,112 |
| | Total in ₹ [A+B] | 2,63,61,047 | 8,65,20,274 |



M/S PAISALO DIGITAL LIMITED

(FORMERLY KNOWN AS M/S S. E. INVESTMENTS LIMITED)

NOTES FORMING INTEGRAL PART OF THE CONSOLIDATED FINANCIAL STATEMENT AS AT 31ST MARCH 2018

Note : 17 Short Term Loans and Advances

| Sr. No. | Particulars | Current Year | Previous Year |
|----------|---------------------------------------------------------------------------|---------------------|---------------------|
| 1 | Loans & Advances to related parties | | |
| | a) Secured, Considered Good | - | - |
| | b) Unsecured, Considered Good | - | - |
| | c) Doubtful | - | - |
| 2 | Others | | |
| | Advance Recoverable in cash or in kind or for value to be considered good | | |
| | a) Income Tax and TDS paid | 63,23,87,071 | 33,24,97,630 |
| | b) Prepaid Expenses | 9,68,488 | 2,04,781 |
| | c) Other loan and advances | 20,96,75,554 | 27,55,78,256 |
| | Total in ₹ | 84,30,31,113 | 60,82,80,667 |

Note : 18 Other Current Assets

| Sr. No. | Particulars | Current Year | Previous Year |
|----------|-------------------------------|-----------------------|-----------------------|
| 1 | Arbitration Decree Receivable | 1,26,21,67,765 | 1,04,11,94,678 |
| | Total in ₹ | 1,26,21,67,765 | 1,04,11,94,678 |

- Refer to Note no. 33 of PDL notes on accounts

Note : 19 Revenue from Operations

| Sr. No. | Particulars | Current Year | Previous Year |
|----------|-------------------|-----------------------|-----------------------|
| 1 | Interest on Loans | 3,04,35,52,926 | 2,66,54,19,500 |
| | Total in ₹ | 3,04,35,52,926 | 2,66,54,19,500 |

Note : 20 Employee Benefit Expenses

| Sr. No. | Particulars | Current Year | Previous Year |
|----------|-------------------------------------------------|---------------------|---------------------|
| 1 | Salaries & Establishment | 14,79,27,011 | 11,72,04,108 |
| 2 | Mg. Director's & Directors Remuneration | 2,99,17,858 | 2,67,60,000 |
| 3 | Mg. Director's & Directors House Rent Allowance | 4,80,714 | 4,20,000 |
| | Total in ₹ | 17,83,25,583 | 14,43,84,108 |

- No remuneration has been paid to Directors except remuneration to Managing Director, Whole time Director and Executive Director. The remuneration paid to Managing Director, Whole Time Director and Executive Director during the period 2017-18 is Rs. 3,03,98,572 (Previous year Rs. 2,71,80,000) which is less than the permitted u/s 197 read with Schedule V of the companies Act 2013.



M/S PAISALO DIGITAL LIMITED**(FORMERLY KNOWN AS M/S S. E. INVESTMENTS LIMITED)****NOTES FORMING INTEGRAL PART OF THE CONSOLIDATED FINANCIAL STATEMENT AS AT 31ST MARCH 2018****Note : 21 Financial Cost**

| | | ₹ | ₹ |
|---------|-------------------------------------|-----------------------|---------------------|
| Sr. No. | Particulars | Current Year | Previous Year |
| 1 | Interest Discounting & Bank Charges | 1,15,09,01,977 | 94,28,81,592 |
| | Total in ₹ | 1,15,09,01,977 | 94,28,81,592 |

Note : 22 Depreciation & Amortised Cost

| | | ₹ | ₹ |
|---------|---------------------------|--------------------|--------------------|
| Sr. No. | Particulars | Current Year | Previous Year |
| 1 | Depreciation | 44,46,977 | 43,25,188 |
| 2 | Deferred Revenue Exp. w/o | 5,12,16,410 | 5,33,80,558 |
| | Total in ₹ | 5,56,63,387 | 5,77,05,746 |

Note : 23 Other Expenses

| | | ₹ | ₹ |
|---------|---------------------------------------------|---------------------|---------------------|
| Sr. No. | Particulars | Current Year | Previous Year |
| 1 | Car & Scooter Expenses | 1,71,70,756 | 2,63,41,555 |
| 2 | Travelling Expenses | 5,84,90,600 | 4,17,13,603 |
| 3 | Repair & Maintenance Expenses | 1,12,17,454 | 73,48,808 |
| 4 | Insurance Expenses | 11,74,596 | 8,06,022 |
| 5 | Electricity & Water Expenses | 52,98,533 | 30,91,089 |
| 6 | Rates & Taxes | 80,213 | 44,472 |
| 7 | Legal Expenses & Professional Fees | 6,23,37,147 | 5,12,80,140 |
| 8 | Printing & Stationery | 2,08,20,061 | 1,74,84,300 |
| 9 | Postage & Telephone Expenses | 1,39,42,509 | 1,04,99,172 |
| 10 | Bad Debts Written off | 40,84,02,669 | 32,60,23,763 |
| 11 | Auditors Remuneration | 49,62,840 | 45,91,751 |
| 12 | Rent | 95,85,687 | 83,14,007 |
| 13 | Rebate, Remission & Brokerage | 1,01,63,553 | 2,25,17,433 |
| 14 | Advertisement & Business Promotion Expenses | 15,76,42,739 | 16,51,89,316 |
| 15 | Recovery Expenses | 78,17,342 | 62,70,466 |
| 16 | Office and General Expenses | 3,75,76,367 | 4,03,51,316 |
| 17 | Loss on sale of assets/shares | (4,50,37,959) | (24,011) |
| | Total in ₹ | 78,16,45,107 | 73,18,43,202 |

Note : 24 Provisions for NPA

| | | ₹ | ₹ |
|---------|-------------------|------------------|---------------|
| Sr. No. | Particulars | Current Year | Previous Year |
| 1 | Provision for NPA | 39,03,854 | - |
| | Total in ₹ | 39,03,854 | - |



M/S PAISALO DIGITAL LIMITED
(FORMERLY KNOWN AS M/S S. E. INVESTMENTS LIMITED)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT 31ST MARCH 2018

25. Remuneration to Auditors:

| | 2017-18 | 2016-17 |
|---------------------------------------|------------------|------------------|
| For Statutory Audit | 3,30,000 | 3,30,000 |
| For Tax Audit | 1,15,000 | 1,15,000 |
| For Certification work/other services | 45,17,840 | 41,46,751 |
| Total | 49,62,840 | 45,91,751 |

(In ₹)

26. Contingent Liabilities:

SEIL has given corporate guarantee for the loans taken by its wholly owned subsidiary Company from the following Bank's / FI's / NBFCs.

| Name of Bank / Financial Institution | Amount |
|------------------------------------------|-----------------|
| State Bank of India Term Loan | 2000.00 |
| State Bank of India CC | 3000.00 |
| Karnataka Bank Ltd | 2000.00 |
| AU Small Finance Bank Ltd | 1926.65 |
| Reliance Capital Limited | 3361.66 |
| Tourism Finance Corporation of India Ltd | 2247.49 |
| Nabsamruddhi Finance Limited | 1375.00 |
| Total | 15910.80 |

(₹ In Lakhs)

- 27.** No amount is payable to Small Scale Industrial Undertakings. The Company has not received any intimation from suppliers regarding their status under the Micro, Small and Medium Enterprises Act, 2006 and hence disclosures, if any relating to amounts unpaid as at the year end together with interest paid/payable as required under the Act can not be furnished.

28. Earning per Share:

| | 2017-18 | 2016-17 |
|-----------------------------------------------------|--------------|--------------|
| Net profit for the year (After Tax) | 58,31,86,340 | 51,87,80,709 |
| Proposed Preference shares dividend and tax thereon | — | — |
| No. of Equity Shares (Weighted) | 40,56,62,500 | 40,56,62,500 |
| Basic and diluted Earning per share | 14.38 | 12.79 |

(In ₹)



M/S PAISALO DIGITAL LIMITED
(FORMERLY KNOWN AS M/S S. E. INVESTMENTS LIMITED)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT 31ST MARCH 2018

29. Figures for the previous year have been regrouped/rearranged/reclassified wherever considered necessary.

30. Disclosures of related party transaction:

Refer note no. 30 (A, B & C) of PDL notes on accounts.

D. Disclosures required for related party transactions:

(₹ In Lakhs)

| | KMP & Relative | Enterprise over which significant influence exercised by KMP/Directors | Total |
|-------------------------------------------------|----------------|------------------------------------------------------------------------|---------------|
| Transactions during the year | | | |
| Remuneration | 303.98 | — | 303.98 |
| Loan received | — | — | — |
| Loans given | — | — | — |
| Purchase of Fixed Asset | — | — | — |
| Rendering of Services (Rent/Interest) | 15.00 | 1.20 | 16.20 |
| Interest paid | 29.00 | — | 29.00 |
| Interest / Dividend Received | — | — | — |
| Amount outstanding at Balance Sheet date | | | |
| —Amount Payable | 200.00 | — | 200.00 |
| —Amount Receivable | — | — | — |

Notes:

- (1) Related party relationship is as identified by the Company on the basis of information available with them and accepted by the auditors as correct.
- (2) No amount has been written off or written back during the year in respect of debt due from or to related parties.
- (3) Company has entered into transactions with certain parties as listed above during the year under consideration. Full disclosures have been made and the Board considers such transactions to be in normal course of business and at rates agreed between the parties.
- (4) The key management personnel and their relatives have given personal guarantees and collaterals for loans raised by the Company but Company has not provided any guarantee to these persons nor paid any consideration for furnishing such guarantees.



M/S PAISALO DIGITAL LIMITED
(FORMERLY KNOWN AS M/S S. E. INVESTMENTS LIMITED)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT 31ST MARCH 2018

31. Term Loan details:

Nupur Finvest Pvt. Ltd has taken following Term Loans which are fully secured by first charge on hypothecation of Book debts, personal guarantees of Directors and Corporate guarantee of its Holding Company, the details are as under.

(₹ In Lacs)

| Name of Financial Institutions | Date of Sanction | Sanctioned Amount | Rate of Interest | Terms of repayment | Maturity Date |
|--------------------------------------|---------------------------------|-------------------|------------------|---------------------------|---------------|
| Reliance Capital Ltd. | 28 th August, 2015 | 2,875.00 | 14.50% | 24 monthly installments | Sep 2017 |
| Reliance Capital Ltd. | 28 th December, 2015 | 2,485.00 | 14.50% | 24 monthly installments | Jan 2018 |
| Reliance Capital Ltd. | 27 th January, 2017 | 1,800.00 | 13.50% | 24 monthly installments | Feb 2019 |
| Reliance Capital Ltd. | 31 st January, 2017 | 930.00 | 14.25% | 17 monthly installments | July 2018 |
| Reliance Capital Ltd. | 23 rd October 2017 | 2763.78 | 12.50% | 24 monthly installments | Nov 2019 |
| State Bank of India | 15 th July 2017 | 2000.00 | 11.00% | 16 Quarterly installments | Jan 2022 |
| Tourism Finance Corporation of India | 28 th September 2017 | 2385.00 | 12.00% | 17 Quarterly installments | Mar 2022 |
| Nabsamruddhi Finance Ltd. | 30 th November 2017 | 1500.00 | 12.50% | 12 Quarterly installments | Dec 2020 |
| AU Small Finance Bank Ltd. | 20 th January 2018 | 2000.00 | 12.50% | 24 Monthly installments | Feb 2020 |

32. Working Capital Borrowings:

The Company has availed working capital facility from Karnataka Bank Ltd. and State Bank of India, Delhi. This facility is secured by hypothecation of books debts / receivables, equitable mortgage on office premises & Residential building belonging to the guarantors, personal guarantee of Directors and Corporate guarantee of its Holding Company and one other company who have stood as guarantor.

(₹ In Lacs)

| S. No. | Name of Bank | Sanctioned Amount | Date of Sanction | Rate of Interest |
|--------|---------------------|-------------------|---------------------------------|------------------|
| 1 | Karnataka Bank Ltd. | 2,000.00 | 28 th December, 2015 | BaseRate+2% |
| 2 | State Bank of India | 3000.00 | 15 th July 2017 | MCLR+1.75% |
| | Total | 5000.00 | | |

For other details of facilities and loans refer note no. 31 of PDL notes on accounts.



M/S PAISALO DIGITAL LIMITED
(FORMERLY KNOWN AS M/S S. E. INVESTMENTS LIMITED)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT 31ST MARCH 2018

33. Additional information as required in respect of Consolidated Financial Statements:

(₹ In Lakhs)

| Name of the Entity | Net Assets, i.e., total assets minus total liabilities | | Share in profit or loss | |
|-----------------------------------|--------------------------------------------------------------|-----------------------|-------------------------------------------|----------------------|
| | As % of consolidated net assets | Amount | As % of consolidated profit or loss | Amount |
| 1 | 2 | 3 | 4 | 5 |
| Total Consolidated | 100 | 61,292.97 | | 5,831.86 |
| Holding Co.: | | | | |
| Paisalo Digital Ltd. | 91.50 | 56,080.85 (Note 1) | 94.72 | 5,523.91 (Note 2) |
| Subsidiaries-Wholly Owned: | | | | |
| Nupur Finvest Pvt. Ltd. | 8.50 | 5,212.12 | 5.28 | 307.95 |

Paisalo Digital Ltd. not holding any foreign subsidiary company/ Joint Venture

Note 1. Net of Investment in Subsidiary Company

Note 2. Net of Income from Subsidiary Company



M/S PAISALO DIGITAL LIMITED
(FORMERLY KNOWN AS M/S S. E. INVESTMENTS LIMITED)

FORM NO. AOC-I

(Pursuant to first proviso to sub-section (3) of section 129 read with
rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statements of subsidiaries/associate companies/joint ventures:

Part "A": Subsidiaries

(₹ In Lakhs)

| | | |
|----|-----------------------------------------------------------------------------------------------------------------------------|-------------------------------------------|
| 1 | Name of Subsidiary | M/s Nupur Finvest Private Limited |
| 2 | Reporting period for the subsidiary concerned, if different from the holding company's reporting period | Same i.e. April 1, 2017 to March 31, 2018 |
| 3 | Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries | N.A. |
| 4 | Share Capital | 536.96 |
| 5 | Reserves | 4,675.16 |
| 6 | Total Assets | 27,056.47 |
| 7 | Total Liabilities | 27,056.47 |
| 8 | Investments | — |
| 9 | Turnover | 3,105.16 |
| 10 | Profit before Taxation | 460.03 |
| 11 | Provision for Taxation | 152.09 |
| 12 | Profit after Taxation | 307.94 |
| 13 | Proposed Dividend (excluding dividend distribution tax) | 161.09 |
| 14 | % of shareholding | 100% |

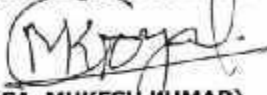
Names of subsidiaries which are yet to commence operations. : N.A.

Names of subsidiaries which have been liquidated or sold during the year. : N.A.

Part "B": Associates and Joint Ventures : **NIL**

Notes referred to above form in integral
Part of the Financial Statements
As per our Report of even date attached

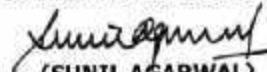
For MUKESH KUMAR & CO.
Chartered Accountants
Firm Reg. No. 002040C


(CA. MUKESH KUMAR)
Proprietor
Membership No. 070471

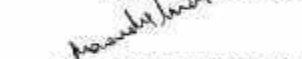


Place : New Delhi
Date : 02 May, 2018

For and on behalf of the Board


(SUNIL AGARWAL)
Managing Director
DIN : 00006991


(HARISH SINGH)
Executive Director
DIN : 00039501


(MANENDRA SINGH)
Company Secretary
Membership No. : F7868

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Date: April 17, 2018

Ref. No.: CPC/MB/14/2018-19

The Board of Directors

Agarwal Meadows Private Limited

CSC, Pocket-52, Chittaranjan Park Near,
Police Station, New Delhi – 110019

Dear Sir/Madam,

Subject: Scheme of Arrangement between Agarwal Meadows Private Limited ('Transferor Company') and Paisalo Digital Limited ('Transferee Company') and their respective shareholders and creditors.

Re: Due Diligence Certificate in adherence to para 3 of Annexure I of the SEBI Circular CFD/DIL3/CIR/2017/21 dated March 10, 2017.

PURPOSE:

This has reference to our engagement for providing Due Diligence Certificate ("Certificate") on the accuracy and adequacy of the disclosure made in the Abridged Prospectus by Agarwal Meadows Private Limited ('the Company') as per the format provided in Part D of Schedule VIII of SEBI (ICDR) Regulations, 2009 as amended, as read with SEBI Circular CFD/DIL3/CIR/2017/21 dated March 10, 2017 pursuant to the Scheme approved by the Board of Directors of the Company on February 23, 2017 with effect from closing hours of December 31, 2017 ('Appointed Date') under Section 230 and section 232 and other applicable provisions of the Companies Act, 2013 (including any statutory modification(s) thereof).

The information contained herein and our Certificate is intended only for the sole use of captioned purpose of obtaining requisite approvals as per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and compliance of SEBI Circular CFD/DIL3/CIR/2017/21 dated March 10, 2017.

SCOPE AND LIMITATIONS:

- This Certificate is for a specific purpose and is issued in terms of and in compliance with SEBI Circular dated March 10, 2017 and hence should not be used for any other purpose or transaction.
- Our due diligence and result are specific to the date of this Certificate and based on information as at April 12, 2018. Further, we have no responsibility to update this Certificate on the circumstances or events after the date hereof.



Corporate Professionals Capital Private Limited

CIN - U74899DL2000PTC104508

D-28, South Extn. Part-II, New Delhi 110049, India | T: +91 11 40622200 | F: +91 11 40622201 | E: mb@corpdiacp.com
www.corporateprofessionals.com

- We have relied upon the financials and the information and representations furnished to us by the management of the Company and the information available in public domain and have not carried out any audit of such information. Our work does not constitute audit of financials including working results of the Company and accordingly, we are unable to and do not express an opinion on the fairness of any financial information referred to in the Abridged Prospectus.
- This Certificate is issued on the undertaking that the Company have drawn our attention to all the matters, which they are aware of concerning inter-alia the financial position of the Company, its business, and any other matter, which may have an impact on our Certificate, including any material risk concerning the Company or are likely to take place in the financial position of the Company or its business.
- We shall not be liable for any losses whether financial or otherwise or expenses arising directly or indirectly out of the use of reliance on the information set out here in this Certificate.
- Our opinion is not, nor should it be construed as our opining or certifying the compliance with the provisions of any law including companies, taxation and capital market related laws or as regards any legal implications or issues arising thereon, except for the purpose expressly mentioned herein.

CONCLUSION:

In the circumstances, having regard to all relevant factors, on the basis of information and explanations given to us and on the basis of due diligence conducted by us, we certify as on the date hereof, that the disclosures made in the Abridged Prospectus dated April 12, 2018 is in conformity with the relevant documents, materials and other papers related to the Company and are fair, accurate and adequate.

Yours Faithfully,

For **Corporate Professionals Capital Private Limited**



(Manoj Kumar)

Partner and Head – M&A and Transactions

ABRIDGED PROSPECTUS

THIS DOCUMENT IS PREPARED IN ACCORDANCE WITH PART D OF SCHEDULE VIII OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009. IT CONTAINS INFORMATION PERTAINING TO UNLISTED ENTITY INVOLVED IN THE PROPOSED SCHEME OF ARRANGEMENT/AMALGAMATION BETWEEN AGARWAL MEADOWS PRIVATE LIMITED ("TRANSFEROR COMPANY" OR "AMPL") AND PAISALO DIGITAL LIMITED ("TRANSFeree COMPANY" OR "PDL") AND THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS.

This Document is prepared in terms of Regulation 37 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI Circular CFD/DIL3/CIR/2017/21 dated March 10, 2017 and in accordance with disclosures in Abridged Prospectus as provided in the Part D of Schedule VIII of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 to the extent applicable.

The Shareholders are advised to retain a copy of this Abridged Prospectus for their future reference.

These information are in terms of SEBI Circular CFD/DIL3/CIR/2017/21 dated March 10, 2017 for the scheme of Arrangement/Amalgamation between Agarwal Meadows Private Limited ("Transferor Company"/ "AMPL") and Paisalo Digital Limited ("Transferee Company" / "PDL") (hereinafter referred to as "the Scheme").

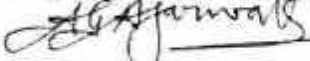
| | |
|----------------------------------------------|------------------------------------------------------------------------------------|
| Name of the Company | : Agarwal Meadows Private Limited |
| Registered Office | : CSC, Pocket-52, Chittaranjan Park Near, Police Station, New Delhi- 110019 |
| Corporate Identification Number (CIN) | : U70200DL1989PTC038586 |
| Telephone No. | : +91-11-43518888 |
| Fax No. | : Not Available |
| Website | : Not Available |
| Email ID | : agrawalmeadows@rediffmail.com |
| Contact Person | : Name: Mr. Arun Gopal Agarwal Contact No.: +91-9810033204 |

BUSINESS OVERVIEW/ STRENGTH AND STRATEGY

The Transferor Company is a Private Limited Company incorporated under the provisions of the Companies Act, 1956 having certificate of Incorporation dated December 8, 1989 bearing CIN U70200DL1989PTC038586 with the name and style of Agarwal Meadows Private Limited. The registered office of the Transferor Company is situated at CSC Pocket-52, Chittaranjan Park, Near Police Station, New Delhi- 110019, Delhi, India.

The Company is authorised by its Memorandum of Association to carry on the business of Infrastructure Development and Real Estate. At present, AMPL is carrying on the business of renting of commercial property. AMPL has also given a commercial property on rent to the transferee company and other group companies. Other than as mentioned above, the Transferor Company is not engaged in any other business.

For Agarwal Meadows Private Limited



(Arun Gopal Agarwal)
Director

DETAILS ABOUT THE PROMOTER OF TRANSFEROR COMPANY

The Transferor Company has only one promoter i.e. Bhavya Electronics & Networks Private Limited ("BENPL").

Details:

BENPL was incorporated on April 28, 2008 under the provisions of the Companies Act, 1956 as a private limited company bearing CIN U72502DL2008PTC177301 and PAN AADCB4322L with the name and style of Bhavya Electronics & Networks Private Limited. Presently, the registered office of the Transferor Company is situated at 101 CSC, Pocket No. 52, CR Park, Near Police Station, New Delhi- 110019. BENPL can carry on following business pursuant to its Memorandum of Association:-

- (a) To carry on the business of buying, selling, importing, exporting, dealing and trading of electronic goods and items of all kinds and description and their spare parts and to carry on the business of computer hardware and software and related activities within the concept of direct marketing, chain marketing and to appoint franchise, selling agents, service centre for this purpose.
- (b) To establish and carry on in India and elsewhere the business or services of communication networking, deal as a traders, wholesalers or retailers or as exports or importers or as principals or agents and assemblers of computers, computer hardware, part, and develop computer generation, computer techniques, and computer technologies, to buy in wholesale or retail, repair, alter and exchange, let on hire, import, export all kinds of articles and things which may be required for the purpose.

BENPL has 7 shareholders holding 111,367 (One Lac Eleven Thousand Three Hundred and Sixty Seven) Equity Shares of Rs. 10 (Rupees Ten) each representing 100.00% of the issued, subscribed and paid-up share capital of the Company. The list of shareholders is as under:

| Shareholders* | No of Shares | % |
|--------------------------------------------------------|----------------|---------------|
| Mr. Shantanu Agarwal | 27,755 | 24.92 |
| Mrs. Raj Agarwal | 19,833 | 17.81 |
| Mr. Sunil Agarwal as Karta of Sunil Agarwal HUF | 19,176 | 17.22 |
| Mr. Purushottam Agrwal as Karta of P. N. Agarwal (HUF) | 5,184 | 4.65 |
| Ms. Suniti Agarwal | 4,200 | 3.77 |
| M/s Baba Herbals Private Limited | 25,123 | 22.56 |
| M/s Diamond Infradev Private Limited | 10,096 | 9.07 |
| Total | 111,367 | 100.00 |

*All the Shareholders belongs to Promoters and Promoter Group of Paisalo Digital Limited.

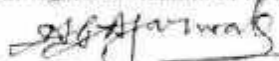
Board of Directors of BENPL

1. Mr. Sunil Agarwal
2. Mr. Raj Agarwal

Interest of promoters or directors in BENPL

Promoters and Directors have beneficial interest in the Shares of the BENPL.

For Agarwal Meadows Private Limited:


(Arun Gopal Agarwal)
Director

DETAILS OF BOARD OF DIRECTORS

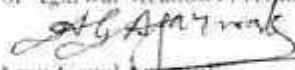
Present Directors

| | |
|---------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1. Name of Director | Mr. Arun Gopal Agarwal |
| DIN | 00374421 |
| PAN | AARPA2208D |
| Age | 71 Yrs. |
| Address | II-B/76, Vaishali, Ghaziabad, Uttar Pradesh- 201010, India |
| Date of Appointment | 25/01/2016 |
| Designation | Director |
| Number of Shares held in the Company | Nil |
| Other Directorships | 1. S.E. Power Limited 2. Bloom Inn private Limited 3. Shubham Electrochem Limited 4. R N R Infosolution Private Limited 5. Value Plus Centre Of Excellence Private Limited |
| 2. Name of Director | Mr. Janak Ram Prasad |
| DIN | 07592499 |
| PAN | DDXPP2451M |
| Age | 49 Yrs |
| Address | 16, Copernicus Lane, Near Baroda House, G.P.O., New Delhi - 110001, India |
| Date of Appointment | 18/08/2016 |
| Designation | Director |
| Number of Shares held in the Company | Nil |
| Other Directorships | Nil |

Past Directors:

| Sr. No. | Name | Address | DIN | Date of Appointment | Date of Cessation | Reason for Cessation |
|---------|--------------------------|-----------------------------------------------------------|----------|---------------------|-------------------|----------------------|
| 1. | Mr. Sanjay Aggarwal | A-5 Swasthya Vihar, Delhi-92 | 00235353 | 08.12.1989 | 25.01.2016 | Resignation |
| 2. | Mr. Jai Prakash Aggarwal | A-5 Swasthya Vihar, Delhi-92 | 00235316 | 08.12.1989 | 25.01.2016 | Resignation |
| 3. | Mr. K K Sharma | A-8 Swasthya Vihar, Delhi-92 | N.A. | 01.12.1994 | 15.04.1998 | Resignation |
| 4. | Mr. Rajesh Sharma | A-8 Swasthya Vihar, Delhi-92 | N.A. | 01.12.1994 | 15.04.1998 | Resignation |
| 5. | Mr. Samunder Vijay Jain | C-18 Preet Vihar, Delhi-92 | 01657154 | 16.07.2003 | 25.05.2014 | Resignation |
| 6. | Mr. Gaurav Jain | C-18 Preet Vihar, Delhi-92 | 01483612 | 16.07.2003 | 25.05.2014 | Resignation |
| 7. | Mr. Kuldeep Jain | B-92 Swasthya Vihar, Delhi-92 | N.A. | 21.09.2004 | 10.01.2005 | Resignation |
| 8. | Mr. Ashok Kumar Jain | C-53, Preet Vihar, Delhi-92 | 00235693 | 21.09.2004 | 25.01.2016 | Resignation |
| 9. | Mr. Kuldeep Bhat | Q-405, opp. MDU Law Collage, South City-I, Gurgaon-122001 | 06521999 | 25.01.2016 | 18.08.2016 | Resignation |

For Agarwal Meadows Private Limited


Arun Gopal Agarwal
Director

CAPITAL EVOLUTION OF TRANSFEROR COMPANY

| Date of Issue | No. of share issued | Issue Price (Rs.) | Type of Issue (IPO/FPO/ Preferential Issue/ Scheme/Bonus/ Right etc.) | Cumulative Capital (No. of Shares) | Whether listed, if not listed give reasons thereof |
|-----------------------------|---------------------|-------------------|-----------------------------------------------------------------------|------------------------------------|----------------------------------------------------|
| Friday, December 8, 1989 | 20 | 100 | Issued to the subscriber of the Memorandum | 20 | No |
| Thursday, December 29, 1994 | 9,250 | 100 | Allotment | 9,270 | No |
| Monday, November 15, 2004 | 5,000 | 100 | Allotment | 14,270 | No |
| Friday, March 25, 2005 | 15,000 | 100 | Allotment | 29,270 | No |


SHAREHOLDING STRUCTURE OF TRANSFEROR COMPANY

| Sr. No. | Name of the Shareholder | Nature | Number of Shares | % |
|---------|---------------------------------------------------|--------------|------------------|-------|
| 1. | Bhavya Electronics & Networks Pvt. Ltd. ("BENPL") | Promoter | 19,770 | 67.54 |
| 2. | Eastern Star InfraDev Pvt. Ltd. ("ESIPL") | Non-Promoter | 9,500 | 32.46 |

BUILDUP OF SHAREHOLDING OF ABOVE SHAREHOLDERS OF TRANSFEROR COMPANY

| Name of Promoter | No. of shares held (Pre) | % of shares held (Pre) | Date of acquisition/ allotment/ (sale)/ Transfer | No. of shares held/ acquired/ allotted/(sale)/ Transfer | % of shares | No. of shares held (Post) | % of shares held (Post) | Mode of acquisition/ sale |
|------------------|--------------------------|------------------------|--------------------------------------------------|---------------------------------------------------------|-------------|---------------------------|-------------------------|--------------------------------------------------|
| Sanjay Aggarwal | 12,010 | 41.03 | Nil | NA | NA | 12,010 | 41.03 | NA |
| | 12,010 | 41.03 | 25.01.2016 | (2,500) | (8.54) | 9,510 | 32.49 | Transferred to Aradhna Infra Dev Private Limited |
| | 9,510 | 32.49 | 25.01.2016 | (9,510) | (32.49) | Nil | NA | Transferred to Balram Retails Private Limited |
| J. P. Aggarwal | 17,260 | 58.97 | Nil | NA | NA | Nil | NA | NA |
| | 17,260 | 58.97 | 25.01.2016 | (7,760) | (26.51) | 9,500 | 32.46 | Transferred to Aradhna Infra Dev Private Limited |
| | 9,500 | 32.46 | 25.01.2016 | (9,500) | (32.46) | Nil | NA | Transferred to Eastern Star Private Limited |

For Agarwal Meadows Private Limited


(Arun Gopal Aggarwal)
Director

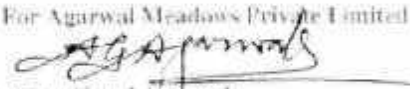
| | | | | | | | | |
|-------------------------------------------------|--------|-------|------------|----------|---------|--------|-------|---------------------------------------------------------------------------------------------------------------------------------------------------------|
| Aradhna Infra Dev Private Limited | Nil | NA | 25.01.2016 | 7,760 | 26.51 | 7,760 | 26.51 | Acquired shares from J P Aggarwal |
| | 7,760 | 26.51 | 25.01.2016 | 2,500 | 8.54 | 10,260 | 35.05 | Acquired shares from Sanjay Agarwal |
| | 10,260 | 35.05 | 10.04.2017 | (10,260) | (35.05) | Nil | NA | Transferred to Bhavya Electronics and Networks Private Limited pursuant to scheme of amalgamation |
| Balram Retails Private Limited | Nil | NA | 25.01.2016 | 9,510 | 32.49 | 9,510 | 32.49 | Acquired from Sanjay Agarwal |
| | 9,510 | 32.49 | 10.04.2017 | (9,510) | (32.49) | Nil | NA | Transferred to Bhavya Electronics and Networks Private Limited pursuant to scheme of amalgamation |
| Eastern Star Infradev Private Limited | Nil | NA | 25.01.2016 | 9,510 | 32.49 | 9,510 | 32.49 | Acquired from J P Aggarwal |
| Bhavya Electronics and Networks Private Limited | Nil | NA | 04.10.2017 | 19,770 | 67.54 | 19,770 | 67.54 | Shares held by Balram Retails Private Limited and Aradhna Infradev Private Limited pursuant to Scheme of Amalgamation as approved by Hon'ble NCLT Delhi |

DETAILS OF LISTED COMPANIES IN THE GROUP

I. Paisalo Digital Limited

DETAILS OF SUBSIDIARY AND JOINT VENTURE

Nil

For Agarwal Meadows Private Limited

 (Arun Gopal Agarwal)
 Director

FINANCIAL STRUCTURE OF THE COMPANY

1. Details of Capital Structure of the Company:

| | |
|--------------------------------------|---------------------------------------------------------------------------|
| Authorised Share Capital | Rs. 100,00,000/- Divided into 1,00,000 Equity Shares of Rs. 100/- each |
| Issued, Subscribed & Paid-up Capital | Rs. 29,27,000/- Divided into 29270 Equity Shares of Rs. 100/- each |

2. Details of financial position of last three financial years:

(Amount: Rs. in Thousands except EPS and Book Value)

| Standalone | Nine months ended | FY | FY | FY |
|-------------------------------------------------------------------------|----------------------|----------|-----------|----------|
| | 31.12.2017 | 2016-17 | 2015-16 | 2014-15 |
| Total income | 190.00 | 290.96 | 21,976.15 | 4.77 |
| Net Profit/(Loss) before tax and extra ordinary items | -906.71 | -2817.8 | 512.01 | 59.25 |
| Net Profit/(Loss) after tax and extra ordinary items | -1070.11 | -2920.87 | 344.63 | 38.23 |
| Equity Share Capital divided into 29270 equity shares of Rs. 100/- each | 2,927.00 | 2,927.00 | 2,927.00 | 2,927.00 |
| Reserve and Surplus | (24.09) | 1,046.02 | 3,966.89 | 3,622.26 |
| Net Worth | 2,902.91 | 3,973.02 | 6,893.89 | 6,549.26 |
| Basic earnings Per Share (In Rs.) | -36.56 | -99.79 | 11.77 | 1.31 |
| Diluted earnings Per Share (In Rs.) | -36.56 | -99.79 | 11.77 | 1.31 |
| Return on net worth (%) | -36.86 | -0.74 | 0.05 | 0.01 |
| Net asset value Per Share | 9.92 | 135.74 | 235.53 | 223.75 |

3. Aggregate number of Shares for capitalization of Reserves or Profits: Nil

4. Details of Revaluation of assets: Nil

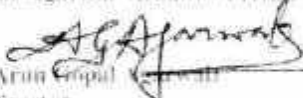
SUMMARY OF OUTSTANDING LITIGATIONS, CLAIMS AND REGULATORY ACTION

| |
|----------------------------------------------------------------------------------------------------------------|
| A. Total Number of outstanding litigations against the Company and amount involved: None |
| B. Brief details of top 5 material outstanding litigation against the Company and amount involved: None |
| C. Details of material penal actions/ litigations against the Company: None |
| D. Details of material penal actions/ litigations against the Promoters: None |
| E. Details of material penal actions/litigations against the Directors: None |

COMPANY'S ABSOLUTE RESPONSIBILITY

The Company, having made all reasonable inquiries, accepts responsibility for and confirms that the Abridged Prospectus contain all information with regard to the Company and the Scheme, which is material in the context of the Scheme, that the information contained in the Abridged Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intention expressed herein are honestly held and that there are no other facts, the omission of which makes the Abridged Prospectus as a whole or any such information or the expression of any such opinion or intentions misleading in any material respect.

For Agarwal Meadows Private Limited

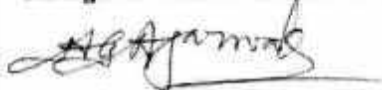

Arun Chopra
Director

DECLARATION BY THE COMPANY

We hereby declare that all relevant provisions of the Companies Act, 2013 ("the Act") and the guidelines/regulation issued by the Government of India or the guidelines/regulations issued by the Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be have been complied with and no statement made in the Abridged Prospectus is contrary to the provisions of the Act, the Securities Contracts (Regulation) Act, 1956, the SEBI Act and/or rules or regulations made or guidelines issued thereunder, as the case may be. We further certify that all disclosures made in the Abridged Prospectus are true and correct.

Also, the Company, its promoters or its Directors do hereby declare that they are not in the list of 'wilful defaulters' issued by any bank, financial institution, or consortium thereof in accordance with guidelines on wilful defaulters issued by Reserve Bank of India.

For Agarwal Meadows Private Limited



(Arun Gopal Agarwal)

Director

DIN: 00374421

Address: II-B/76, Vaishali, Ghaziabad-201010

Date: 12.04.2018

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BEFORE THE HON'BLE NATIONAL COMPANY LAW TRIBUNAL
PRINCIPAL BENCH AT NEW DELHI
COMPANY PETITION NO. C.A. (CAA) NO.172 (PB) /2018
IN THE MATTER OF SECTIONS 230 TO 232 AND OTHER APPLICABLE PROVISIONS
OF THE COMPANIES ACT, 2013 READ WITH COMPANIES
(COMPROMISES, ARRANGEMENTS AND AMALGAMATIONS) RULES, 2016

IN THE MATTER OF SCHEME OF ARRANGEMENT/ AMALGAMATION

BETWEEN

AGARWAL MEADOWS PRIVATE LIMITED ("APPLICANT COMPANY NO. 1 /TRANSFEROR COMPANY")

AND

PAISALO DIGITAL LIMITED ("APPLICANT COMPANY NO. 2/ TRANSFEREE COMPANY")

AND

THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

PAISALO DIGITAL LIMITED

(Formerly known as S. E. Investments Limited)

CIN: L65921DL1992PLC120483

a company incorporated under the provisions of
the Companies Act, 1956 and having its registered
office at 101 CSC, Pocket 52, CR Park, Near Police
Station, New Delhi-110019

TRANSFEREE COMPANY

SECURED CREDITORS

FORM OF PROXY

I/We....., the undersigned Secured
Creditor(s) of the Paisalo Digital Limited, being the above named Transferee Company, do hereby appoint

1. Name:
Address:
E-mail Id:
Signature:, or failing him
2. Name:
Address:
E-mail Id:
Signature:, or failing him
3. Name:
Address:
E-mail Id:
Signature:

as my/our proxy, to attend and vote for me/us and on my/our behalf at the meeting of the Secured Creditor of above-named Transferee Company to be held at Auditorium ISKCON Complex, Hare Krishna Hill, Sant Nagar, Main Road, East of Kailash, New Delhi-110065 at Saturday, December 1, 2018 at 12:00 P.M. and at any adjournment thereof in respect of such resolution as are indicated below:

| Res. No. | Description | For* | Against* |
|----------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------|----------|
| 1 | To approve the Scheme of Arrangement/ Amalgamation between Agarwal Meadows Private Limited and Paisalo Digital Limited and their respective Shareholders and Creditors ("Scheme") under the Section 230 to 232 of the Companies Act, 2013. | | |

*This is optional. Please put a tick mark (√) in the appropriate column against the resolution indicated in the box. If a Secured Creditor leaves the "For" or "Against" column blank against the Resolution, the proxy will be entitled to vote in the manner he/she thinks appropriate.

Signature of Secured Creditor

Signature of Proxy holder(s)

Signed thisday of 2018

**AFFIX
Revenue
Stamp
Of ` 1**

Notes:

1. The form of Proxy in order to be effective should be duly completed and deposited at the Registered office of the company not less than FORTY EIGHT HOURS before the commencement of the Meeting.
2. A Proxy need not be a Secured Creditor of the Company.
3. All alteration made in Form of Proxy should be initialled.
4. Please affix appropriate revenue stamp before putting signature.
5. In case of multiple proxies, the proxy later in time shall be accepted.
6. No person shall be appointed as proxy who is minor.
7. The proxy of a secured creditor blind or incapable of writing would be accepted if such secured creditor has attached his signature or mark thereto in the presence of a witness who shall add to his signature his descriptions and address: provided that all insertion in the proxy are in the hand writing of the witness and such witness shall have certified at the foot of the proxy that all such insertions have been made by him at the request and in the presence of the secured creditor before he attached his signature or mark.
8. The proxy of a secured creditor who does not know English would be accepted if it is executed in the manner prescribed in point no. 7 above and witness certifies that it was explained to the secured creditor in the language known to him, and give the secured creditor's name in English below the signature.

PAISALO DIGITAL LIMITED
CIN: L65921DL1992PLC120483
Registered Office: 101 CSC, Pocket 52, CR Park, Near Police Station, New Delhi-110019
Phone: +91 11- 43518888, E-mail: cs@paisalo.in, Website: www.paisalo.in

ATTENDANCE SLIP
PLEASE COMPLETE THIS ATTENDANCE SHIP AND
HAND OVER AT THE ENTRANCE OF THE MEETING HALL

**MEETING OF THE SECURED CREDITORS OF THE COMPANY CONVENED PURSUANT TO THE ORDER OF
THE HON'BLE NATIONAL COMPANY LAW TRIBUNAL, PRINCIPAL BRANCH, DELHI**

| | |
|------------------|--------------------------------------------------------------------------------------------------------|
| Venue | Auditorium ISKCON Complex, Hare Krishna Hill, Sant Nagar, Main Road, East of Kailash, New Delhi-110065 |
| Day, Date & Time | Saturday, December 1, 2018, at 12.00 P.M. |

I/We hereby record my/our presence at the Meeting of the Secured Creditors of the Company, convened pursuant to an Order dated October 12, 2018 of Hon'ble National Company Law Tribunal, Principal Bench, at Auditorium ISKCON Complex, Hare Krishna Hill, Sant Nagar, Main Road, East of Kailash, New Delhi-110065 on Saturday, December 1, 2018, at 12.00 P.M.

Full Name of the Secured Creditor:.....
(In BLOCK LETTERS)

Full Name of Proxy*:
(In BLOCK LETTERS)

Signature of Secured Creditor /Proxy:

Date:

*To be filled by the Proxy in case he/she attends instead of the shareholder.

Notes:

1. Secured Creditor attending the meeting in person or by proxy or through authorised representative are requested to complete and bring the Attendance slip with them and hand it over the entrance of the meeting hall.
2. Secured Creditor who come to attend the meeting are requested to bring their copy of the Scheme with them.

ROUTE MAP FOR THE VENUE OF THE MEETING

Auditorium ISKCON Complex, Hare Krishna Hill, Sant Nagar,
Main Road, East of Kailash, New Delhi - 110065Na

