

apna kal
badlo

PAISALO

EASY LOAN आसान लोन

Paisalo Digital Limited

अर्थ: समाजस्य न्यासः

28th ANNUAL REPORT
2019-20

O wise man! Give
your wealth only
to the worthy and
never to others.
The water of the
sea received by the
clouds is always
sweet.

~ Chanakya

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Our lending business grew while PAISALO continued to make increasing investments in people and technology. In total, we extended credit of INR 14,975 Million

Dear Fellow Shareholders,

As we prepare this year's annual letter to shareholders, the entire world is fighting one of the greatest health threats faced by the generation, one that exceedingly impacts the Indian economy and all of its citizens. PAISALO's thoughts and prayers remain with the frontline workers, communities and individuals and medical workers, most deeply hit by the COVID-19 global crisis.

Throughout our history, PAISALO has built its reputation of being there for borrowers and businesses in the most critical times. This unparalleled crisis is no different; PAISALO's actions during this crisis are essential in keeping the Indian economy going and will be remembered for years to come.

I usually cover a review of PAISALO's performance in this letter, and under the management discussion and analysis section we cover the broader macro issues facing our Company and the critical public policy issues affecting our country, the same shall be available in sections ahead but right now, as we and the country deal with the escalating effects of this pandemic, I want the focus of this annual letter to be on what we as an NBFC can do to remain strong, valiant and well-positioned to support our colleagues, clients and communities.

Looking back on the last almost three decades — starting from a small office in 1992 — PAISALO has faced, survived and grown despite some unprecedented, unique and unknown challenges, as we will with this current pandemic, but despite all that the Company has faced, it did not stop us from accomplishing some extraordinary and amazing things. I am thankful and proud of our 1,590 employees and business associates around the country. I also want to thank Mr. Harish Singh, Director Operations, Mr. Anurag Sinha, COO; our Board of Directors and all our Key Management People for the leadership they have shown under these difficult circumstances faced by each and every citizen of our country.

We entered this crisis in a position of strength, with continuous growing Revenue and Profit After Tax (PAT). We earned INR 540 million in PAT on revenue of INR 3,374 million reflecting strong intrinsic performance in our business. We have delivered consistent positive results since inception and we are confident that we will continue to do so in the future, though our earnings may be down in 2020. Our lending business grew while PAISALO continued to make increasing investments in people and technology. In total, we extended credit of INR 14,975 million for businesses, individuals and women borrowers all while maintaining credit discipline, ethics and governance. The performance of our business and our balance sheet can be found in the reports ahead following this letter.

PAISALO was listed on Delhi, Kanpur and Ahmedabad Stock Exchange in 1996, The stock is owned by DIs, FIs, Institutional Funds and directly by individual investors, the stock as a fact still has some original shareholders, holding the stock since 1996. Our management team goes to work every day recognizing and understanding the responsibility that we have in order to perform better and better for our shareholders. While we don't run PAISALO worrying about the stock price in the short run, in the long run our stock price is a barometer of progress that we have made over the years. This progress signifies our investment in building our capabilities, our people and our technology. These investments drive the potential, promise and possibilities to our Company and position it to continuously grow and provide returns for decades to come. Over the last 10 years ending, our stock has significant return of 59.07 per cent CAGR, but it dropped in the last couple months of FY 2019-2020. While that's still better than many others, it showcases the volatility of returns.

Message from the Managing Director



We are always there for our employees and borrowers. It is in the toughest of times that we need to use our capital and liquidity to help borrowers

Within this letter, I discuss the following:

1. Dealing with this crisis
2. Employee care
3. Our efforts to lift up our borrowers
4. Consistent transparency towards shareholders
5. Safely get back to work
6. Coming together

DEALING WITH THIS CRISIS

I have often spoken about principles like – the need for talented and motivated people; a strong balance sheet that allows us to invest in good times and in bad times; clear, comprehensive, curated and consolidated financial, risk and operating that allows us to make quick, accurate and risk managed decisions; a devotion to our borrowers; and continuous investment in technology to better prepare and serve our employees and borrowers.

Every Company is a living, breathing organism made up of people, technology, knowledge and relationships and is constructed around a vision and mission. Every Company must always and already be a well-governed and well-functioning always prepared to mobilize the efforts and resources, and survive another day for the benefit of all stakeholders.

We are always there for our employees and borrowers. It is in the toughest of times that we need to use our capital and liquidity to help borrowers, also simultaneously maintaining credit and economic risks. COVID-19 is one of those times wherein our instinct, historical learning and future outlook is being applied. Below are some of the things we are doing to help our Company and our borrowers.

Extending help to our borrowers – women borrowers, SME's, MSME's.

The untimely and threatening economic repercussions from this crisis demonstrates and establishes the critical and crucial need to keep the Indian financial system functioning; we recognize that our NBFC is an important part of the Indian economy.

During this crisis, we have been utilizing and implementing alternative safe, secure and sterile work arrangements. PAISALO now has enabled 1,590 employees and business associates to work from home, including operations and call centre. We are constantly ensuring they continue to operate with proper and innovative technological tools so they can serve borrowers safely; we have the capacity to support significantly more demand if necessary. Over the past few weeks, we have had nearly 5,000 virtual sessions.

Therefore, we incorporate plans for fortitude, perseverance and persistence in everything we do. And while we had not anticipated the effects of a global pandemic, all of this preparation has paid off. It is absolutely necessary, critical and essential that we are always up and running to understand, analyze and the better prepared for each of our borrowers. PAISALO's branches before this pandemic, collectively and commutatively, had over 300,000 customer visits each month; and during the last few weeks, we have been able to talk to all our borrowers and understand the problems they are facing as well as analyse each borrower. We have been also able to individually work with every borrower facing COVID-19-related hardships across the country.

We have been helping our borrowers, who tell us about their financial struggles as a result of the crisis, and are offering relief measures such as:

- Providing a moratorium period for all loans
- Removing minimum payment requirements.
- Not reporting of payment deferrals such as late payments to credit bureaus

- And lastly, continuing to responsibly lend to qualified women borrowers, SME's and MSME's.

of our 129 branches, 1,590 employees and business associates have continued to take appointments and proactively reach out to customers – helping them – often letting customers stay home by providing Door Step Sourcing and Servicing all the while maintaining Safe Distance and taking all necessary Non-Pharmaceutical Intervention. In addition, a vast majority of our 129 branches, 1,590 employees and business associates are equipped with all updated technology and are still functioning to provide needed credit to our borrowers. We have mobilized quickly and built new tools – digital and analog – to allow borrowers to request credit.

Some borrowers have been much more vulnerable, exposed and impacted than others, in particular, micro and small businesses that do not have enough liquidity/ cash buffer to withstand sudden, sustained and startling decline of income. PAISALO's field research and analysis during the last few weeks, revealed that 80-85% of micro and small businesses have significantly less liquidity, explaining why these businesses are being heavily disrupted and will continue to feel the effects for a while in the medium term ahead – even as more liquidity in the form of debt from the recent government stimulus program reaches them.

To support businesses during this current crisis, we are doing the following:

- Servicing borrowers with additional credit
- Continuing extending credit to micro, small and medium businesses—which we have been offering judiciously.
- Continuing in the ordinary course of business to sustain borrowers and communities

Recognizing the extension of new credit, mentioned above, means that we are exposing ourselves to crores of rupees of additional credit risk, as we help both women borrowers and business customers through these difficult times. We are in continual contact with our regulator about our actions and efforts.

We applaud and appreciate the speed with which the Honourable Prime Minister Shri Narendra Modi led Indian Government and the Reserve Bank of India, as well as Securities and Exchange Board of India, put together a stimulus package and other funding benefits to help individuals and businesses across the country.

EMPLOYEE CARE

It's amazing how quickly we have implemented work-from-home and other measures. Our team serves our borrowers; builds, services and innovates on the technology; helps make strategic decisions and implement them and help manage the risks. It is inarguable that having such a team is what ensures our future prosperity. Times like these bolster and support that our employees are an important asset – they are fundamental to the success of our Company.

We have also taken various steps to protect, secure and support our employees and their families. For example:

- We continue to pay employees who are at home
- All members of our team are there to support our employees through this difficult time
- All branch employees are being paid even if their branch is temporarily closed.
- For those who must go to work on-site, we are strengthening and bolstering personal and office hygiene. We have modified business operations, changed seating arrangements and closed branches to nonessential visitors.
- These are just some of the measures that have been put in place.

Of our 129 branches, 1,590 employees and business associates have continued to take appointments and proactively reach out to customers

We applaud and support the recent actions the Honourable Prime Minister led government, RBI and SEBI have taken to try to mitigate the economic impact

EFFORTS TO LIFT UP OUR BORROWERS

Our stakeholders know that we make extraordinary efforts to lift up, help and financially assist our borrowers and the communities they service. For example – at the national level, we provide feedback to help and formulate policies that are good for the economy. These policies directly and indirectly affect, aid and attribute a great deal towards infrastructure, finance and employment.

Funding will be deployed over time with particular focus on the most vulnerable borrowers and businesses, including:

- Additional credit to women borrowers
- Assistance to micro and small businesses exposed to economic hardships across our branch network
- Credit to micro and small businesses in low-income communities.
- Focus on designing additional lending products to promote the financial health, literacy and development of lower-income individuals.

In FY 2020, we lent a total of INR 14,975 million in debt. While many NBFC's were seeking more liquidity to serve amidst still on-going COVID-19 crisis, we were able to help fund women borrowers, MSMEs, and SMEs in additional fund availability over the lockdown period. This is a win-win for our borrowers and the communities in which they operate.

CONSISTENT TRANSPARENCY TOWARDS OUR SHAREHOLDERS

We do not know how this crisis will end, how long it will last, economic damage it will do, or how fast or how many human lives will be lost. We have always been serious about stress testing and run an a number of tests every year. But, our NBFC cannot be immune to the repercussions and immediate effects of this kind of global pandemic stress.

However, to put it in context, here is how our shareholders can think broadly about a reasonable range of outcomes.

Our FY 2020 Revenue, Profit Before Tax (PBT) and PAT were INR 3,374 million, INR 739 million and INR 540 million respectively and CAR stood at 43.06% – a strong stream that gives us space to absorb and accommodate the loss of revenues and the higher credit costs that might follow a crisis.

Additionally, we have run a more adverse stress scenario test that assumes a more deeper contraction of gross domestic product and with India unemployment to further increase. Even under this test, the Company would still end the year with reasonable liquidity and continuously tread towards raising equity or debt from banks and institutions. This scenario produced under the above additional stress environment test is quite severe, serious and subversive and we hope, unlikely.

It is also important to be aware that in both our sample stress test and in our extremely adverse additional stress environment, we will be lending – currently or plan to do so – an additional percentage for our borrowers needs. While, still continuing to maintaining our resources and liquidity at reasonable levels. Additionally I would like to point out that, as we get closer to the extremely adverse additional stress environment, we will limit additional exposures on borrowers. While we will judiciously help our customers, we must take action, steps and introduce processes to protect ourselves from ongoing and future credit risk and other risks.

We applaud and support the recent actions the Honourable Prime Minister led government, RBI and SEBI have taken to try to mitigate the economic impact of COVID-19. The RBI's actions and continuous work towards reduction on the financial stress in the system would bolster the Indian economy.

COMING TOGETHER

Right to equality, right to freedom, right against exploitation, right to cultural and educational rights, freedom of speech and promise of opportunity: These gifts have led to the world's biggest democratic and dynamic economy – one that nurtures, supports, promotes and produces businesses, education and environment for innovation.

Of course, India has always had its flaws. My hope is that India starts to fix these problems. Fixing them would create better economic outcomes for everyone with policies that aim to maximize economic growth as well as protect and foster economic growth that is more resistant, which would strengthen India's role in the world. We need to demand more of ourselves and our leaders. Business and government collaborating together in fostering, nurturing and supportive environment can conquer any of our biggest challenges.

IN CONCLUSION

I would like to express my gratitude and appreciation for the employees of PAISALO. I hope our shareholders gain an appreciation for the tremendous and mighty capabilities of our people and how they have helped borrowers across the country.

I would also like to express my heartfelt gratitude towards Reserve Bank of India, Ministry of Finance, Ministry of Co-operate affairs, Income Tax Department, Goods and Service Tax Department, Securities and Exchange Board of India, Bank of Baroda, Bank of India, Bank of Maharashtra, Central Bank of India, IDBI Bank, Punjab National Bank, South Indian Bank, State Bank of India, UCO Bank, Union Bank of India, Uttar Pradesh Government, Gujarat Government, Delhi Government, Rajasthan Government, Maharashtra Government, Haryana Government, Himachal Pradesh Government, Uttarakhand Government, Bihar Government and Punjab Government.

I have a deep, abiding and unshakable faith in the India and its extraordinary capabilities. Our challenges are significant as a powerful, developing and emerging nation. Let us all do what we can to further strengthen, foster and ensure an exceptional, flourishing nation.

We as a nation have in the past faced times of distress, misfortune and hardship with determination, bravery and perseverance. I hope you are as proud of this great nation as we are. We have the resources and capability to emerge from this crisis as a stronger country.

Sunil Agarwal
Managing Director

I hope you are as proud of this great nation as we are. We have the resources and capability to emerge from this crisis as a stronger country.

Mission and Vision



PAISALO believes in breaking barriers & limitations to create a positive difference & value for its stakeholders beyond traditional boundaries of doing business.

India definitely remains a sweet spot for investors as there is huge potential for growth and we are committed to our stakeholders to add value by questioning status quo and challenging current practices, and thereby creating opportunities.

We are in a constant search of knowledge and keep on asking ourselves. Can we come up with a better way?

At PAISALO, our belief of overcoming limitations has continually inspired us to work towards raising our own benchmark.

PAISALO has always emerged a winner by coming up with its OWN WAY – a sustainable and better way.

PAISALO aims to be Available - Aware - Affordable

PAISALO

at a Glance



AUM

INR 21,120 million



Net Worth

INR 7,603 million



Disbursements

INR 14,975 million



Capital Adequacy Ratio

43.06 %



Credit Rating

"IVR-A" Outlook Positive by
Infomerics Valuatio & Rating Pvt. Ltd.



PAT

INR 540.39 million



Gross NPA

0.44%



Net NPA

0.34%



No. of Customers

11,76,162



Offices + Branches

129



Employees/Business Associates

1,590

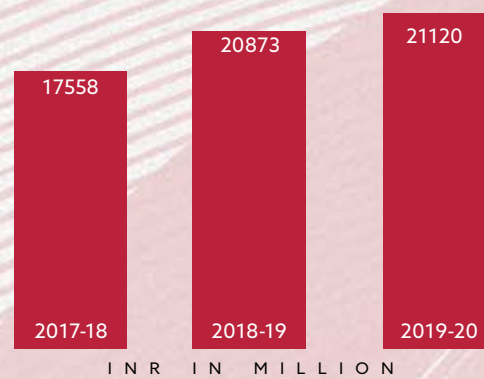


Debt-Equity Ratio

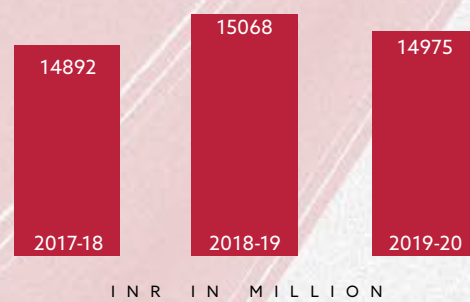
1.82

Key Parameters in Last Three Years

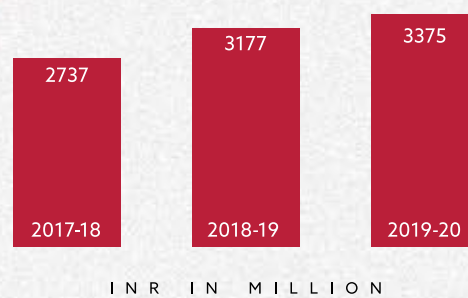
Asset under Management



Disbursement

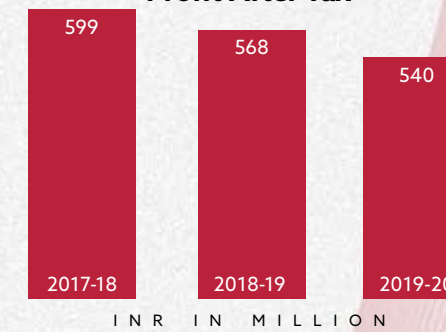


Revenue

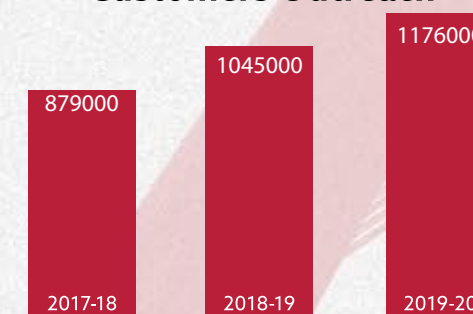




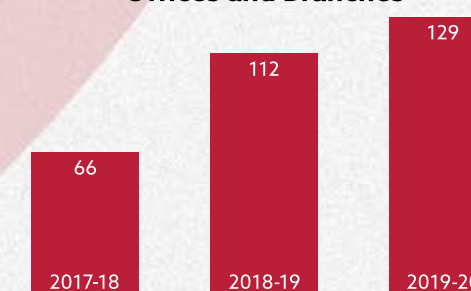
Profit After Tax



Customers Outreach



Offices and Branches



Performance of PAISALO in Last 10 Years



S. No.	Parameters	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
1	Portfolio	8271.00	8807.30	9590.00	8710.00	9612.10	9969.40	12618.40	14902.88	16977.80	17249.81
2	Revenue from operation	1814.40	2109.80	2190.00	2080.00	1783.80	1933.70	2495.20	2736.70	3177.39	3374.51
3	Profit after tax	608.16	703.20	704.46	562.50	445.15	451.31	512.91	598.49	567.71	540.39
4	Provision for Tax	252.70	304.30	334.50	279.00	221.90	234.70	259.00	543.79	588.31	780.90
5	Cash Accruals	650.80	723.00	729.70	606.40	508.10	505.00	570.30	615.84	614.52	580.52
6	Bad Debts W/o Net	53.80	103.00	202.90	235.00	196.50	142.10	323.50	346.50	488.61	653.18
7	Bad Debts w/o on Loans O/s	0.65	1.17	2.12	2.70	2.04	1.43	2.56	2.33	2.88	3.79
8	Bad Debts recovered	7.40	29.80	37.60	26.80	40.60	83.90	112.50	146.60	367.09	384.05
9	Net Worth	3545.00	3680.30	4334.00	4849.70	5144.10	5051.40	5524.00	6038.60	6558.74	7603.20
10	Total Assets	9674.30	11546.70	12476.90	10601.00	11119.40	12930.50	15337.00	18534.00	19525.00	20684.20
11	Outside Debt	7220.30	6880.00	5896.90	6108.90	4711.50	7750.10	9714.90	12970.00	13496.40	13738.21
12	Bank Borrowings	4293.60	4218.00	3741.20	3866.90	4104.00	5071.80	5975.50	7785.00	7418.60	7983.01
13	Deposits	204.80	100.40	-	-	-	-	-	-	-	-
14	Inter-corporate Loans	1625.10	1018.20	625.00	1693.00	454.10	271.80	170.30	141.10	37.78	331.33
15	Other Outside Liabilities	1096.80	1543.40	1530.70	549.00	153.40	148.00	121.60	67.40	444.26	96.81
16	Debt To Equity Ratio	2.04	1.87	1.36	1.26	0.92	1.53	1.76	2.15	2.06	1.81
17	ROE (%)	17.15	19.11	16.25	11.60	8.65	8.93	10.89	9.91	8.66	7.15
18	ROA (%)	6.29	6.09	5.65	5.31	4.00	3.49	3.79	3.23	2.91	2.61
19	No. of Branches and Office	10	10	10	10	20	22	49	66	112	129
20	No. of Customers	381000	522000	562000	610000	655000	710000	770000	879000	1045000	1176162



मैं लीलावती पत्नी शिवबचन राजभर निवासी मिट्टा बलिया की रहने वाली हूँ। आज से एक साल पहले हमारी छोटी सी चाय की दुकान थी। लेकिन इसकी आय से आवश्यक जरूरत पूरी नहीं हो पाती थी। साथ में हम और भी कोई कारोबार करना चाहते थे जिससे हमारी आय बढ़े और हम अपने आप को आगे ले जाए लेकिन आर्थिक कमजोरी के कारण चाह के भी नहीं कर पा रहे थे। तभी पैसालो डिजिटल लिमिटेड कंपनी के बारे में सुना और तत्काल कंपनी के कर्मचारी श्री सुशील से सम्पर्क किया जिनके माध्यम से हम बीस हजार रुपये कम ब्याज पर पैसालो डिजिटल लिमिटेड से लिया और ऋण राशि से जनरल स्टोर की दुकान की शुरुआत की जो आज अच्छी स्थिति में चल रही है और हमारा आय भी दुगुना हो गया। हमारा पूरा परिवार पैसालो डिजिटल लिमिटेड के बहुत आभारी है जिसके माध्यम से हम अपनी सोच को पूरा करने में सफल हो सकी।



मैं जीरा देवी पत्नी शोभनाथ भारती निवासी पिशोर की रहने वाली हूँ पहले मेरी दुकान में पैसा की कमी के कारण मेरा दुकान किसी तरह चल रहा था जिससे मेरे परिवार में पैसे की तंगी थी लेकिन जब से मैंने पैसालो कंपनी से जो लोन लिया है उसकेद्वारा दुकान की कमाई से परिवार की आर्थिक विकास हुआ है हमारा पूरा परिवार पैसालो कंपनी का आभारी है जिसके माध्यम से हम अपनी सोच को पूरा करने में सफल हो सके हमारी यही प्रार्थना है कि हम जैसे जरूरत मंद लोगों के भविष्य को उज्ज्वल बनाने में पैसालो डिजिटल लि हमेशा मदद करे।



मैं सितारा देवी पत्नी लल्लन चौधरी निवासी काशीराम आवास जिला गाजीपुर की रहने वाली हु। मेरे पति मजदूरी करते थे जिससे कभी कभार काम न मिलने पे हम लोग को बहुत ही आर्थिक परेशानी होती थी तथा उनकी आय से घर चलाना बहुत ही मुश्किल हो रहा था। इसलिए हम भी कुछ काम कर के अपना आय का स्रोत बढ़ाना चाहते थे,लेकिन आर्थिक मदद के अभाव में हम कुछ नहीं कर पाते थे। तभी पैसालो डिजिटल लिमिटेड के बारे में सुना और तत्काल कम्पनी के कर्मचारी जय प्रकाश से सम्पर्क किया और उनके माध्यम से हमने एक ग्रुप बनवाकर तत्काल बीस हजार रुपये लोन ले कर किराना का समान तथा चाय समोसा भी बनाने लगी जिससे मेरी आमदनी लगभग 400 से 500 रुपये प्रति दिन होने लगी हमारा परिवार आज बहुत ही अच्छी जीवन यापन कर रहा है। हम शुक्रगुजार है पैसालो कम्पनी का जिसके वजह से हम आज उन्नति के रास्ते पे है ,और हम दिल से कामना करते है कि पैसालो डिजिटल लिमिटेड दिन रात जरूरत मंदो को मदद कर के नई ऊँचाई को छुए ।

Apna Kal Badlo





ESG Highlights



Decent Work and Economic Environment

Revenue	EBITDA	PAT
3,375 Mn	2093.76 Mn	540 Mn
NII (NET INTEREST INCOME)	RoA	RoE
2038.77 Mn	2.61%	7.15%
		Employment Generation
		1590



Industry, Innovation and Infrastructure

Centralized Process, Real Time Credit Credential and Character Check	Innovative Financial Lending Product and Service
States	Branch Network
10	129
Collection Efficiency	Digital platform in
98%	2,125 Pincodes
Small and Medium Businesses Helped	
30,000	



Gender Equality

Women Customers
4,00,810



Reduced Inequalities

Customer Serviced
11,76,162



Peace, Justice and Strong Institutions

Board of Directors
150 years experience



Good Health and Well being

Independent Directors
6

Low attrition rate
1.82%



Climate Action

Paper Consumption
Minimal
Cashless Disbursement
100%



Responsible Consumption and Production

Sourcing and Servicing
Digital Process
Cashless Collection
92%

Corporate Information

Key Managerial Personnel

Mr. Atul Kumar Agrawal	-	Chief Financial Officer
Mr. Manendra Singh	-	Company Secretary & Compliance Officer

Statutory Auditors

M/s Mukesh Kumar & Co.	-	Chartered Accountants
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Registered Office

CSC Pocket-52, Near Police Station, CR Park, New Delhi-110019
Tel.: +91 11 43518888
E-mail: delhi@paisalo.in
Website: www.paisalo.in

Head Officer

Block 54, Sanjay Place, Agra-282002
Tel.: +91 562 4028888
E-mail: agra@paisalo.in

Bankers

Bank of Baroda	Bank of India	Bank of Maharashtra
Central Bank of India	IDBI Bank Limited	Punjab National Bank
South Indian Bank Ltd.	State Bank of India	UCO Bank
Union Bank of India		

Registrar and Transfer Agent

Alankit Assignments Ltd.
Alankit Hosue
4E/2, Jhandewalan Extension, New Delhi-110055
Tel: +91-11-4254 1955
E-mail: ramap@alankit.com, Website: www.alankit.com

Listing of Equity Shares and Depository Receipts

Equity Shares: National Stock Exchange of India Limited (NSE) and BSE Limited (BSE)
Depository Receipts: Societe De La Bourse De Luxembourg

Registration Number

Corporate Identification Number (CIN): L65921DL1992PLC120483
RBI Registration Number: B-14.02997





Board of Directors

Mr. Sunil Agarwal

Managing Director & CEO

Mr. Sunil Agarwal is a founder member, Promoter and Managing Director of the Company with an experience of over three decades. He is responsible for the Company's strategic decision making along with Company's financial activities. He embarked his journey into finance business at a very young age of 20 years. At a nascent age he established this Company, the success of which is contributed to his arduous work and commitment. At present, the Company is doing its business from many branches in the various states of the Country, which is instrumental in steering the Company's growth story across the country. With his leadership skills and positive attitude, Company is growing and expected to grow bigger and better.



Mr. Harish Singh

Executive Director

Mr. Harish Singh is a Fellow Member of the Institute of Chartered Accountants of India and Master of Business Administration in Marketing. He has a rich experience of more than two decades in the areas of Audit, Taxation, Corporate Advisory Services, Financial Management, Fund Raising, etc. He is well-versed with the provisions of other statutory laws with proficiency in steering system implementation. He is a keen analyst with exceptional relationship management & negotiation skills with proven abilities in liaising with the various regulatory authorities. He is engaged with the Company as an Executive Director of the Company and strengthens the operation department of the Company with his rich experience and specialization.



Mr. Anoop Krishna

Executive Director

Mr. Anoop Krishna is a banking veteran. He started his career in the year 1982 as a Probationary Officer and retired as Chief General Manager Corporate Banking in 2017. He headed the Corporate Accounts Group for SBI in Delhi. Prior to his superannuation on December 31, 2017, he was heading the Mid Corporate Group of State Bank of India as Chief General Manager for Northern and Eastern India based out of SBI Corporate Centre, Mumbai. He has brought with him a rich and varied experience of leading a large team of people operating into complex financial structure. Currently, he, as Executive Director, is responsible for Strategic Planning for funding to the Company.



Mr. Sunil Srivastav
Independent Director



Mr. Sunil Srivastav was a Dy. Managing Director – Corporate Accounts Group in State Bank of India. He was responsible for large corporate credit exposure including project and infrastructure financing for the bank. He holds a proven track record in his various roles in different capacities at SBI which include DMD – CSNB, CGM – Kolkata and GM – Delhi. During his esteemed tenure at SBI, as DMD – CSNB, he has overseen initiating the Bank's foray into digital delivery of financial products and services including but not limited to areas like wealth management, an e-wallet and the next generation mobile banking solution and initiation of SBI's foray into new lines of businesses including identification and negotiation with global JV partners. As CGM – Kolkata at SBI, Mr. Srivastav was tasked with managing and growing operations of a network of 1450 offices in Bengal, Sikkim and Andaman & Nicobar. His role included evolving business strategy, improving operational efficiency and delivering the bank's products and services to a diverse base of wholesale and retail customers. He was at the time responsible for a workforce of 18000, employees across different business verticals. In his early years as GM – Delhi at SBI, he was in charge of the bank's network in North India. This included a specialized business vertical that was focused on mid-size corporate clients and an assignment that involved growing the bank's business in the difficult mountainous terrain in the State of Uttarakhand. He has strengthened the Company's Board by bringing with him a vast experience and specialization in the field of Digital and Retail Finance Business.

Mr. Gauri Shankar
Independent Director



Mr. Gauri Shankar holds bachelor degree in Science and Commerce. He has over 40 years' of experience at various senior positions in banking industry. He was the Chief Executive Officer and Managing Director of the Punjab National Bank from February, 8, 2015 to August, 13, 2015 and also pursued the position of Executive Director in the same Bank. Prior to this, he worked in Bank of India in various positions, which include General Manager of various departments viz, Finance (CFO), National Banking

Group North (Operations), Asset Recovery, Learning and Development (HR) and Strategy and Planning. Mr. Shankar has vast experience in domestic and international banking operations. His forte is Finance, Strategy and HR Development. While in PNB, he was Chairman of PNB's wholly owned subsidiary Punjab National Bank (International) Limited, London and director on other subsidiaries and JVs (for different periods) namely PNB Housing Finance Limited, PNB Gilts Ltd. and Punjab National Bank Kazakhstan. He has strengthened the Company's Board by bringing with him a vast experience and specialization in the field of finance.

Mr. Pradeep Agarwal
Independent Director

Mr. Pradeep Agarwal is associated with the Company as an Independent Director. He is an experienced banking professional with an exemplary track record of more than 38 years in all facets of Banking Industry. He was the General Manager of Oriental Bank of Commerce before joining the Board of the Company as Independent Director. He has also headed the International Banking, Credit, Treasury, Audit, Recovery and Legal Divisions of Oriental Bank of Commerce. After his superannuation he was appointed as Advisor of Oriental Bank of Commerce. He is also a regular speaker, motivator and trainer at various Professional Institutes and Colleges.



Mr. Naresh Kumar Jain
Independent Director

Mr. Naresh Kumar Jain is a Fellow member of Institute of Company Secretaries of India and Law Graduate with rich experience in the areas of Legal Compliances, Legal Management, Secretarial Functions, Statutory Compliances, Listing and Corporate Governance. He is well-versed with the provisions of Companies Act, SEBI Regulations, FEMA, NBFC and other statutory laws. He has also been the Secretary and Chief Executive Officer of the Institute of Company Secretaries of India. He as an Independent



Director strengthens the Company's Board with his vast experience and specialization in Legal and Compliance matters.

Mr. Raman Aggarwal
Independent Director



Raman Aggarwal is the Co-Chairman of Finance Industry Development Council (FIDC) – a Representative body cum Self-Regulatory Organization for Non-Banking Finance Companies. He has more than 27 years of working experience in the NBFC sector.

He has been actively representing the NBFC sector, being a member of Advisory Groups to Ministry of Finance & RBI, core group setup by Ministry of Corporate Affairs— and Special Task Force at FICCI. He is the Chairman of National Council on NBFCs a Member of Managing Committee at ASSOCHAM and the Co-Convenor Industry Govt. Interface Panels at Indian Construction Equipment Manufacturers' Association (ICEMA). He was the signatory to the engagement letters signed by World Bank Group with FIDC. He was awarded the "Best NBFC Exemplary Leader" award at the ET NOW BFSI Awards and "100 Top Most Influential BFSI Leaders" award at the World BFSI Congress in 2018 & 2019. He is a Member of Academic Advisory Council of New Delhi Institute of Management and Guest Faculty at Institute of Chartered Accountants, India (ICAI) & International Management Institute (IMI), New Delhi.

Mr. Raman has done Masters in Urban Planning from School of Planning & Architecture, New Delhi and is a Bachelor of Civil Engineering from Thapar Institute of Engineering and Technology, Patiala. He has also undertaken a Special Training Programme for the Personnel of Non-Banking Finance Companies at RBI College of Agricultural Banking, Pune.

Mr. Raman Aggarwal joined the Board of the Company on October 15, 2019 as Additional Non Executive Independent Director.

Mrs. Nisha Jolly
Independent Director

Mrs. Nisha Jolly, aged about 68 years, did her B.Sc and B.Ed. from Delhi University and M.Sc. Genetics from Pantnagar Ag. & Technology University. She is also a Certified Associate of Indian Institute of Bankers. She is a retired banker. She joined Punjab National Bank in 1976, as Management Trainee & retired in 2012 as Chief Manager. In her 34 Years of Service in the Bank, she had varied experiences. She worked at field level in branches as Officer, Manager and Senior Manager. She is well aware of Banking Routine, Loans & Advances and Foreign Exchange related work. She was also involved in framing General Policies for the bank. Currently she is associated with an Non-Government Organization (NGO). She joined the Board of the Company as Additional Independent Woman Director on May 30, 2020.



Key Management Team



Mr. Sunil Agarwal
Managing Director & CEO



Mr. Anoop Krishna
Executive Director
(Strategy & Planning)



Mr. Harish Singh
Executive Director
(Operations)



Mr. Anurag Sinha
Chief Operating Officer



Mr. Santanu Agarwal
Deputy CEO



Mr. Atul Agrawal
Chief Financial Officer



Mr. Manender Singh
Company Secretary &
Compliance Officer



Mr. Samresh Agarwal
Chief Recovery Officer



Mr. Gaurav Chaubey
Chief Credit Officer



Mr. Dhiraj Beri
Chief Risk Officer



Mr. Manish Goyal
Chief Marketing Officer



Mr. Sachindra Kumar
Chief Technology Officer



Details of Committees

Audit Committee

Mr. Pradeep Agarwal	: Chairman
Mr. Harish Singh	: Member
Mr. Gauri Shankar	: Member

Stakeholders Relationship Committee

Mr. Naresh Kumar Jain	: Chairman
Mr. Gauri Shankar	: Member
Mr. Sunil Srivastav	: Member

Nomination and Remuneration Committee

Mr. Sunil Srivastav	: Chairman
Mr. Pradeep Agarwal	: Member
Mrs. Nisha Jolly	: Member

Risk Management Committee

Mr. Gauri Shankar	: Chairman
Mr. Pradeep Agarwal	: Vice Chairman
Mr. Sunil Agarwal	: Member
Mr. Harish Singh	: Member
Mr. Gaurav Chaubey	: Member
Mr. Dhiraj Beri	: Member

Asset Liability Management Committee

Mr. Sunil Agarwal	: Chairman
Mr. Harish Singh	: Member
Mr. Atul Kumar Agrawal	: Member
Mr. Gaurav Chaubey	: Member
Mr. Dhiraj Beri	: Member

Corporate Social Responsibility Committee

Mr. Harish Singh	: Chairman
Mr. Sunil Agarwal	: Member
Mr. Pradeep Agarwal	: Member

Operations and Finance Committee

Mr. Harish Singh	: Chairman
Mr. Sunil Agarwal	: Member
Mr. Pradeep Agarwal	: Member

IT Strategy Committee

Mr. Pradeep Agarwal	: Chairman
Mr. Harish Singh	: Member
Mr. Sachindra Kumar	: Member
Mr. Kailash Singh	: Member





Offices and Branches

Sr. No.	Name	Address
1.	Registered Office	CSC, Pocket 52, Near Police Station, CR Park, New Delhi
2.	Head Office	Block 54, Sanjay Place, Agra, Uttar Pradesh
3.	Mumbai Office	262, Solitaire Corporate Park, Andheri (E), Mumbai, Maharashtra
BIHAR		
4.	Achua, Patna	Ward No. 9, Village Achua, District Patna (Bihar)
5.	Danapur	Sheetal Chaya, Lekha Nagar, DAV Vidhyalaya, Cantt Road, Danapur, Danapur cum Khagol, Patna (Bihar)
6.	Masrakh	Kawalpura, Saran (Bihar)
7.	Maharajganj	K. P. Bhawan, Ward No. 11, Village & Post Pasnauli Sagar, Maharajganj, Pasnauli, Siwan (Bihar)
8.	Jiradevi	Village & Post Narendrapur, P.S. Andar, Siwan (Bihar)
9.	Sonepur	Near Chandmaari, Akilpur, Sonepur, Saran (Bihar)
10.	Arrah	Rupam Cinema Road, N.S. Mall Shivganj, Arrah, Bhijpur (Bihar)
11.	Piro	Ward No. 3, Piro, Bhojpur (Bihar)
12.	Chapra	Shyam Chak, Chapara, Saran (Bihar)
13.	Sarimpur	Village & Post Badaki, Sarimpur Bandh, Near Shiv Mandir, Sarimpur, District Buxar (Bihar)
14.	Koran Sarai	Village & Post Koran Sarai, Koran Sarai Road, Koran Sarai, Buxar, Bihar-802126
DELHI		
15.	Delhi (Shakarpur)	S-547, IInd Floor, Main Road, Shakarpur, Delhi
GUJRAT		
16.	Ahmedabad	203, IIND Floor, Jitendra Chambers, Near RBI, PF Office, Income Tax, Ashram Road, Ahmedabad (Gujarat)
HARYANA		
17.	Indri	Shree Bhagwan Parashuram Bhawan, SDM Court, Karnal Road, Indri (Haryana)
18.	Ghauranda	Ground Floor, New Ward 13, Gharaunda (Haryana)
19.	Karan Vihar Karnal	H. No. 9, Ground Floor, GN 21, Karan Vihar, Karnal (Haryana)
20.	Pipli, Kurukshetra	H. No. 202/5A, Bhagwan Nagar Colony, Near Neeldhari Gurudwara, Pipli, Kurukshetra (Haryana)
21.	Yamuna Nagar	Vishav Karma Colony, Jagadri, Yamuna Nagar (Haryana)
22.	Faridabad	P. No. 2210 A, Jawahar Colony, NIT, Faridabad (Haryana)
23.	Sonipat	H.No. 520/30, Kakroi Road, Shyam Nagar, Sonipat (Haryana)
24.	Radaur	Chhotabans Radaur, Yamuna Nagar (Haryana)
25.	Jind	Gali Number 7, Hari Nagar, Narwana Jind (Haryana)

26.	Assandh	Ward Number 11, Assandh (Haryana)
27.	Rohtak	R-43, Number III, Rohtak City, Rohtak (Haryana)
28.	Kaithal	K-41, City Kaithal, Kaithal (Haryana)
29.	Naraingarh	Vishwakarma Mandir, Sadaura Road, Naraingarh (Haryana)
30.	Khojkipur	1303, Prabhu Prem Puram, Near Kalyanai Ashram Khojkipur, Ambala (Haryana)
31.	Ekta Nagar Palwal	Ekta Nagar, Near Kuldip MR House, Palwal (Haryana)
32.	KVM College, Rohtak	H. No. 335, Ladhot Road, Near KVM College, Rohtak (Haryana)

HIMACHAL

33.	Sirmaur	Sita Ram Majra 1314, Sirmaur (H.P.)
34.	Nahan, Sirmaur	Near Govindgarh, Nahan, District Sirmaur (H.P.)
35.	Jamniwal	Gujjar Colony, Jamniwal (H.P.)

MAHARASHTRA

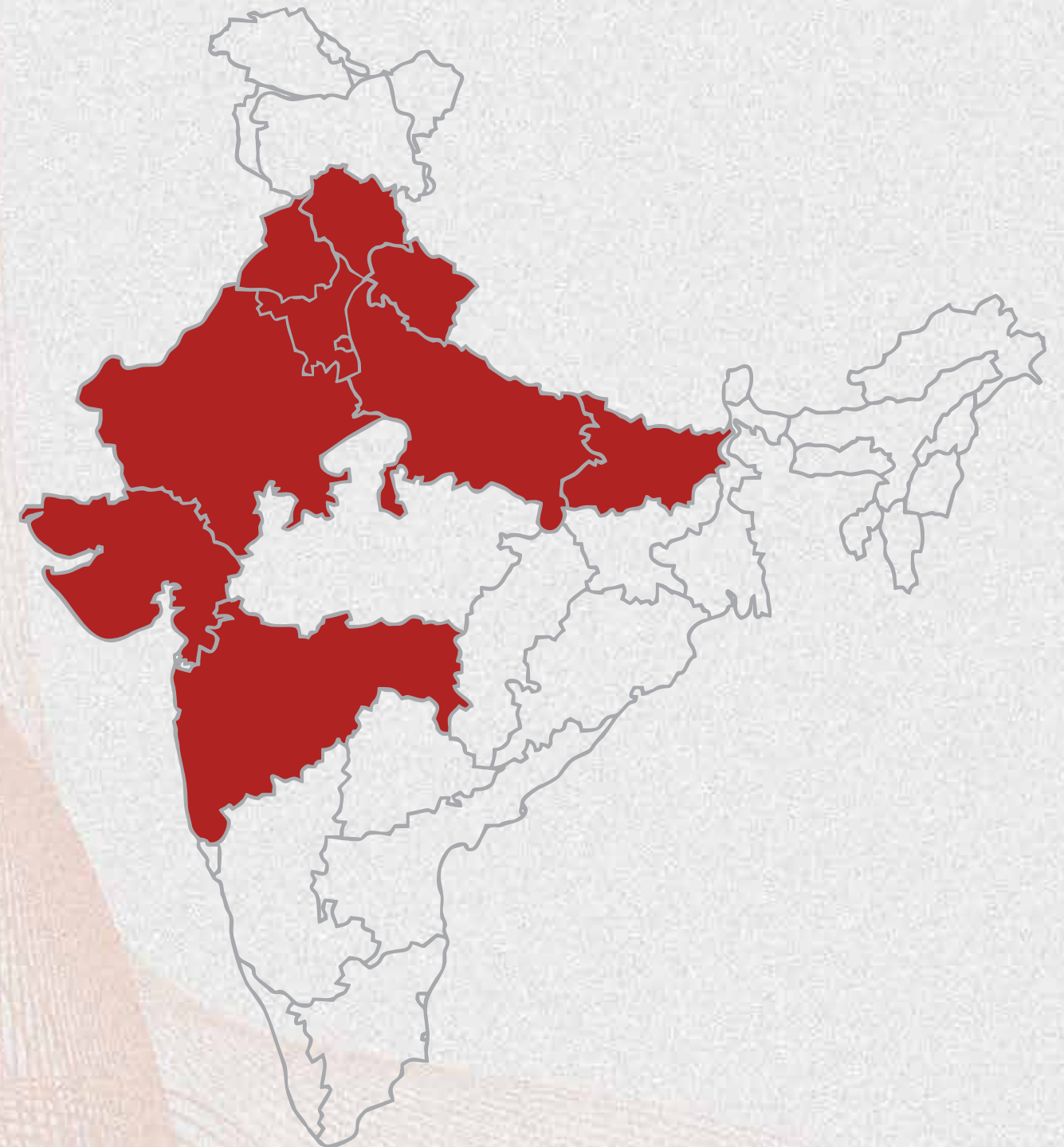
36.	Sakinaka	Unit No. 207, 2nd Floor, Kaveri Building, Jagannath Mandir Road, Near Holiday Inn Hotel, Sakinaka, Mumbai (Maharashtra)
37.	Goregaon	Shop No. G 103, Ground Floor, Shagun Arcade Co-operative Society Ltd., Situated at General A. K. Vaidya Marg, Malad (E), Mumbai (Maharashtra)
38.	Karve Nagar	Wajre Road, Survey No. 54, Karve Nagar, Wajre Road, Pune (Maharashtra)

PUNJAB

39.	Shivalik Vihar	Bhabha, 411, Shivalik Vihar Bhaba, Chandigarh (Punjab)
40.	Idgah Road	Near Bus Stand, Idgah Road, Raikot, (Punjab)
41.	Kharar	GTB Nagar, Sector-15, Kharar (Punjab)
42.	Ropar	Guru Pyari Multi Hospital, Sandhuan Road, Chamkaur Sahib, Ropar (Punjab)
43.	Gajjumajra	P-66, Gajjumajra, Sangrur Road, Patiala, Punjab-147001

RAJSTHAN

44.	Jaipur	Shree Sheel Mohar Plaza, Plot No. A1, Office No. 102, First Floor, Opp. Udhog Bhawan Tilak Mark, C-Scheme, Jaipur (Rajasthan)
45.	Jodhpur	Gulab Singh Building, 11, Chopasni Road, Near Bombay Motor Circle , Opp. Arora motors, Jodhpur (Rajasthan)
46.	Kota	MC Agarwal and Sons, Smriti Raj Bhawan Road, Civil Line, Nayapura, Kota (Rajasthan)
47.	Chittorgarh	Office 8, 9, 10, First Floor, Rishabh Complex, Behind Bhagwati Hotel, Chittorgarh (Rajasthan)
48.	Udaipur	7-8, First Floor, Near Ashoka Bakery, Shakti Nagar Corner, Udaipur (Rajasthan)
49.	Rajsamand	Illrd Floor, Jayal Tower, 100FT Road, Kishor Nagar, Rajsamand (Rajasthan)
50.	Bhilwara	House No. MTM-22, R.K. Colony, Bhilwara (Rajasthan)
51.	Bharatpur	Nagla Barela, Bachamdi, Hall 21-A, Laxmi Nagar, Sadar Gate Road, Bharatpur (Rajasthan)
52.	Dausa	Shop No. 01, First Tower, Near P G College, Dausa (Rajasthan)
53.	Karauli	E-17, Mohan Nagar, Hindaun, District Karauli (Rajasthan)
54.	Tonk	Behind I.P.S. School, Bammor, Puliya, NH-12, Tonk (Rajasthan)
55.	Sawai Madhopur	Ward No. 16, 25, Raj Vihar Colony, Sawai Madhopur (Rajasthan)
56.	Sanchore	Sarswat Complex, Mehta Market, Nh-15, Sanchore, Jalore (Rajasthan)
57.	Gangapur City	Near Baba Ram Laddu Ki Samadhi, College Road, Gangapur City (Rajasthan)
58.	Begun	Chittorgarh Road, Near Water Works, Begun, Chittorgarh (Rajasthan)



Disclaimer: This map is a generalized illustration only for the ease of the reader to understand the locations, and is not intended to be used for reference purposes. The representation of political boundaries and the names of geographical features/ states do not necessarily reflect the actual position. The Company or any of its directors, officers or employees cannot be held responsible for any misuse or misinterpretation of any information or design thereof. The Company does not warrant or represent any kind in connection to its accuracy or completeness.

59.	Phooliya Kalan	Dhaneshwar Road, Near Bus Stand, Phooliya Kalan, Bhilwara Road
60.	Baran	Vijay Bhawan, Purani Civil Line, Sundar Ji ki Bagichi, Baran (Rajasthan)
61.	Gulabpura	House No. 1-E-23, SFS, Housing Board, Gulabpura, Bhilwara (Rajasthan)
62.	Kapran Bundi	Ward No. 12, C A D Colony, Kapran, Bundi, (Rajasthan)
63.	Rajgarh	Ward No. 20, Mansarovar Colony, Bus Stand, Rajgarh, District Alwar (Rajasthan)
64.	Jhotwara	20-A, Saini Marg, Laxmi Nagar, South Niwaru Road, Jhotwara, Jaipur (Rajasthan)

UTTARAKHAND

65.	Roorki	H. No. 60A, Nehru Nagar, Roorkee, Haridwar (Uttarakhand)
66.	Jhabrera	2395, Nai Mandi, Jhabrera, District Haridwar (Uttarakhand)

UTTAR PRADESH

67.	Mathura	201, Krishna Plaza, IInd Floor, Krishna Nagar, Mathura (U.P.)
68.	Aligarh	76, Malviya Pustakalya, G. T. Road, Aligarh (U.P.)
69.	Bareilly	Near Ram Pyari Inter College, Pani ki Tanki ke Pass, Patel Vihar Colony, Thana Subhash Nagar, Bareilly (U.P.)
70.	Sitapur	Nepalapur Crossing, Near Ashish Palace, Sitapur (U.P.)
71.	Bhoor Chaurha	H. No. 78, Post Balka, Village Jauth Jut, District Bulandshahr (U.P.)
72.	Siyana	First & Second Floor, Durga Complex, Purana Chatta, Patti Harnam Singh, Siyana, Bulandshahr (U.P.)
73.	Gulaothi	Ground Floor, Bijli Ghar ke Samne, Sikandrabad Road, Gulaothi, Bulandshahr (U.P.)
74.	Garhmukteshwar	First Floor, House No. 52, Mandi Chawk, Garhmukteshwar, Hapur (U.P.)
75.	Jhangirabad	First Floor, House No. 112, Lodhan Rajputan-3, Budh Wali Paith, Daulatpur Road, Jhangirabad, Tehsil Anupshahar, District Bulandshahr (U.P.)
76.	Hasanpur	Near Sarkari Hospital, Rajput Colony, Hasanpur, Amroha, Hasanpur, District Amroha (U.P.)
77.	Dhanaura	45, Ground Floor, Ward-13, Moh. Mahadev, Dhanaura, Amroha (U.P.)
78.	Pilkhuwa	Ram Lila Ground, Pilkhuwa Dehat, Ghaziabad, Pilkhuwa Post Office, District Ghaziabad (U.P.)
79.	Kharkhoda	Ward No. 2, Mohalla Tihai, Kharkhoda, Hapur (U.P.)
80.	Modi Nagar	Permanand P 130, DD Park, Jagatpuri, Modinagar (U.P.)
81.	Noorpur	67, Ram Nagar, Noorpur, Bijnor (U.P.)
82.	Dhampur	Mohalla Badvan, Dhampur, Bijnor (U.P.)
83.	Gyan Vihar	Near Chakkar Chauraha Mohalla, Gyan Vihar, Bijnor (U.P.)
84.	Sidhauli	H. No. 135, Sant Nagar, Sidhauli, Near Noor Shopping Complex, Sitapur (U.P.)
85.	Saharanpur	Shanti Nagar, Chutmalpur, District Saharanpur (U.P.)
86.	Behat	Shakumbhari Dham Colony, Behat Post, Behat, Saharanpur (U.P.)
87.	Hakikat Nagar	Punjabi Bagh Colony, Near Mohiyaal, Dharamshala, Hakikat Nagar, Saharanpur (U.P.)
88.	Lakhimpur	Mohalla Dulari Vihar, Lahori Nagar, Near Highway Trauma Center, Bahraich Road, Lakhimpur Kheri (U.P.)
89.	Nanauta	Mohalla Shekhjadaan, Near PNB Bank Nanauta Saharanpur, U.P.
90.	Jankipuram	B-24, Sector-6, Jankipuram, Lucknow (U.P.)
91.	Kahrai	H. No. 24-25 (Part), Charul, Enclave, Kahrai, Shamshabad Road, Agra (U.P.)
92.	Alambagh	H. No. 561/255, Plot B-145, 2nd Floor, Sindhu Nagar (Krishna Nagar), Lucknow (U.P.)

93.	Barabanki	Ground Floor, Faizabad Road, Paisar Dehat Nawabganj, Barabanki, Lucknow (U.P.)
94.	Gosainganj	Village Maheshkheda, Sisendi, Mohanlalganj, Lucknow (U.P.)
95.	Farrukhabad	6B/540, Awash Vikash Colony, Badhpur, Farrukhabad (U.P.)
96.	Balia	Premchak urf Umarganj, J.P. Nagar, Balia City, Balia (U.P.)
97.	Mawana	Kabli Gate, Shakuntala Vihar Colony, Phalawda Road, Near Krishak Inter College, Meerut (U.P.)
98.	Reoti, Balia	Vill & Post Reoti, Near Railway Station Tiraha, Bairiya Road, Tehsil Bansdih, District Balia (U.P.)
99.	Ghazipur	Sajyabad Road, Near South Cabin of Jakhaniya Railway Station, Ghazipur (U.P.)
100.	Badibagh	Badibagh , Lanka, Gazipur (U.P.)
101.	Sikandarpur	Mohalla Milki, Post-Sikandarpur, District Balia (U.P.)
102.	Sultanpur	1893, Chopra Gali, Punjabi Colony, Khairabad, Sultanpur City, Sultanpur (U.P.)
103.	Nazibabad	Sales Tax Bhawan, BSNL Office, Dariyapur Road, Nazibabad (U.P.)
104.	Dildar Nagar	Dildar Nagar (Raza Nagar), Near Railway Station, District Gazipur (U.P.)
105.	Kurja	New Tehsil, Vijay Nagar, Behind Tafe Tractor Agency, Khurja, Bulandshahr (U.P.)
106.	Unnao	123/2 Swastik Sadan Model Vihar, Unnao, Shekhpur, Unnao (U.P.)
107.	Ram Janki Nagar	Nakatta No. 2, Yadav Tola, Ram Janki Nagar, Gorakhpur (U.P.)
108.	Sahjanwa	Luchui Ward No. 15, Mangal Bazaar, Sahjanwa, Gorakhpur (U.P.)
109.	Kadipur	Narayanpura, Bararipura, Kadipur, Sultanpura (U.P.)
110.	Khojanpur	Naya Khojanpur, Tehsil & District Faizabad (U.P.)
111.	Fatima Hospital	H.No. 38, Imliya, Near Fatima Hospital, District Mau (U.P.)
112.	Awagarh	Village Kataliya, Khatauta, Awagarh, Etah (U.P.)
113.	Firozabad	3/186, Suhag Nagar, Firozabad (U.P.)
114.	Charra, Aligarh	Sanjay Nagar Colony, Near Vivekanand Inter College, Ward No. 5, Charra, Aligarh (U.P.)
115.	Pipraich	273152, Hata Road, Pipraich, Gorakhpur (U.P.)
116.	Baajna	Ram Nagar Colony, Near Karawan River Bridge, Bajaj Agency, Police Chowky, Baajna, Mathura
117.	Chibramau	Geetampur Colony, Phase-2, Farrukhabad Crossing, Chibramau, Kannauj (U.P.)
118.	Aonla	Mohalla Raj Nagar Colony, Aonla, Bareilly (U.P.)
119.	Shikohabad	Near Lucky Dharmkanta, Etah Road, Shikohabad, Firozabad (U.P.)
120.	Eka	Village & Post Eka, District Firozabad (U.P.)
121.	Dataganj	Opposite Roadways, Bataganj, Badaun (U.P.)
122.	Bewar	Kaji Tola Bewar Gramin Mainpuri (U.P.)
123.	Bilsanda	Ram Rice Mill, In front of Block Office, Bisalpur Road, Bilsanda, Pilibhit (U.P.)
124.	Garjai	Village Gargai, Post Kapurpur, District Mainpuri (U.P.)
125.	Shivpur	M.N.S. 16/2, Al Nepali Bag, Shivpur, Varanasi (U.P.)
126.	Kasganj	Sector 4C, Near Gautam Budh Nagar, Awas Vikas Colony, Kasganj (U.P.)
127.	Dibai	Mohalla Mahadev, Near Kotwali, Dibai, Bulandshahr (U.P.)
128.	Barnahal	Village Maharam, Post Barnahal, District Mainpuri (U.P.)
129.	Sirsaganj	Seengemai Post, Aryagurukul, Sirsaganj, Firozabad (U.P.)



Business Segment

The Company in lending business is primarily focused on the following two segments:

A. Small Finance Division

- (i) Target Group: This division works for lower income generation group, its focus mainly is in rural & semi urban areas. Loan is granted only for income generation activities i.e. dairy farming, cycle rickshaw, cattle farming, tiny traders, handicraft work, papad making, and similar other activities.
- (ii) Ticket Size: The ticket size for such loans ranges from INR 15,000 to INR 2,00,000.
- (iii) Tenor & Terms of Repayment: Tenor ranges from 18 months to 24 months. Repayment of loan is on EMI basis.
- (iv) Scheme: Income Generation Loans, Paisalo-JLG, Co-origination Scheme
 - a. Income Generation Loans (IGL-DIGITAL-E-SIGN) — Paisalo Digital Limited offers small business Income Generation Loans to support business enterprises and income enhancement activities of the clients like purchasing seeds, fodder, cattle's etc. These loans also meet the additional working capital requirements of the client's businesses.
 - b. Paisalo-JLG (KYC+ESIGN) — Paisalo Digital Limited offers JLG loans through its intra net based Paisalo App deployed across its branch network. Joint Liability Group (JLG) is an informal group comprising of 4-10 individuals coming together for the purpose of availing loan on individual basis or through group mechanism against mutual guarantee. Generally, the members of a JLG would engage in a similar type of economic activity in the Agriculture and Allied sectors.
 - c. Co-origination Scheme — With a vision of empowering the AGRI, MSME segment and small businesses, Paisalo Digital Ltd. signed the first co-origination loan agreement with State Bank of India. Such a co-lending financing model is in lines with the Reserve Bank of India guidelines which will benefit the micro-borrowers through easy, hassle free online loan with minimum turn around time and quick disposal. Introducing a platform for the last mile customer, the loan ticket is designed at Rs 10,000 to 2 lakh. The purpose is to increase lending to the income generating priority sectors by capitalizing on Paisalo Digital's deep distribution network and SBI's low operating cost. The deal is designed in such a way that the Company would be contributing 20% of the entire disbursement amount for the small loans, with SBI's contribution being 80%. Paisalo digital will be allowed to charge a specific percentage of loan amount as processing fee upfront from the customer. Rate of interest charged by the bank will be the rate of interest being charged by banks on priority sector while the Company will be allowed to charge ROI to such an extent that blended ROI will not increase priority sector criteria defined by RBI. In this way, the Company will still be able to charge it's usual lending rate, combined with SBI's significantly low lending rate, which will help in drastically reducing the effective lending due to cost averaging to as low as 12.4%. This will not only be helping the Company to raise funds easily and reduce the cost of funding but also the borrowers as the blended rate of interest charged to the customer will be lower than the other MFIs in the market. The Company has not only signed co-origination deals with SBI, but also with Bank of India, Bank of Baroda and Bank of Maharashtra as of now and is in talks with various other banks for the same.

B. Corporate Loan Division

- (i) Target Group: This division is working for funding to SME's, Corporate Group, Educational Institutions, Loan against Property etc. PDL provides loan only for working capital requirement; The Company does not do project financing.
- (ii) Ticket Size: Loan size under this category primarily ranges in between INR 25 lacs to INR 5 crores.
- (iii) Tenor & Terms of Repayment: Tenor under this category ranges between 18 to 36 months. Repayment terms are monthly equated Installment (EMI).
- (v) Scheme: MSME's / SME / BUSINESS LOANS: Paisalo Digital Limited, offers customizable MSME, SME and Commercial loan based on borrower's profile. At Paisalo Digital Limited we offer business loans at attractive terms, and our interest rates are highly competitive.



Forward looking statements

Certain statements in this Management Discussion and Analysis may be forward-looking and are stated as may be required by applicable laws and regulations. Forward looking statements are based on certain assumptions and expectations of future events. The Company cannot guarantee that these assumptions and expectations are accurate or will be realized, and actual results may vary from those expressed or implied, depending upon economic conditions, Government policies and other incidental/related factors and external and internal factors, which are beyond the control of the management. Hence the Company assumes no responsibility in respect of forward-looking statements that may be amended or modified in future on the basis of subsequent developments, information or events.

Economy

The world is facing an unprecedented crisis with the highly contagious Novel Coronavirus (COVID-19) hitting major economies across the world in rapid succession. As on June 30, 2020, COVID-19 has had 5,82,147 people infected in India, claiming 17,322 lives.

India imposed a strict lockdown from March 25, 2020 to control the effect of COVID-19 pandemic. High frequency indicators point to a sharp dip in demand beginning March 2020 across both urban and rural segments. Domestic economic activity virtually came to a standstill in April 2020; however for several sectors the contraction became less severe from May 2020. Early data arriving for June 2020 indicates some plateauing much below pre COVID-19 levels. Agriculture and allied activities, however, showed continued resilience on the back of all-time production highs and huge buffer stocks of rice and wheat. Above normal rains predicted for 2020-21 also boded well for agricultural production. PMI (Manufacturing) has also consistently improved from 27.4 in April to 30.8 in May and further to 47.2 in June 2020. For the fiscal year as a whole, there is still heightened uncertainty about the duration of the pandemic. As such, the downside risks to growth remain significant and full restoration in economic activity would be contingent upon the support for robust health infrastructure, recovery in demand conditions and fixing of supply dislocations, in addition to the state of global factors like trade and financial conditions.

In May 2020, Government, adding to its past measures and that of RBI, announced a consolidated stimulus package of INR 20 lakh crore. The stimulus package was pivoted on "Atma Nirbhar Bharat", wherein Micro, Small and Medium Enterprises (MSMEs) received a huge financial package in terms of collateral free debt, guarantee for subordinate debt through Funds-of-Funds, and interest subvention scheme. Besides, the definition of MSME was changed to remove hindrance against their investment and expansion.

India's real GDP growth rate was 4.2 per cent in 2019-20 as per the provisional estimates released by National Statistical Office (NSO) compared to 6.1 per cent recorded in the previous year. Nominal GDP for the year was estimated at INR 203.4 lakh crore—lower compared to the budget estimates.

Rating agencies, both global and domestic, are unanimous that the Covid-19 pandemic will be an economic tsunami for the world economy. Even though India may not slip into a recession, unlike the Eurozone, the US, or Asia-Pacific that have stronger trade ties with China, it is expected that the impact on India's GDP growth would be significant.

The Asian Development Bank (ADB) has projected India's growth to slow down to 4% for the financial year 2020-21. It is expected that India's gross domestic product growth will strengthen to 6.2% in FY22, boosted by Government reforms.

RBI has taken a number of measures to ensure sufficient liquidity in the system since the beginning of 2019-20. The Government rationalized tax rate to 22/25 per cent from 30 per cent subject to the condition that companies will not avail of any exemption/incentive.

The Company's performance is highly dependent on the functioning of the different macro-economic parameters as stated above.

Management Discussion and Analysis

Industry Structure

A total of 9,601 NBFCs were registered with the RBI at end-March, 2020 of which 66 were deposit accepting (NBFCs-D) and 278 were systemically important non-deposit accepting NBFCs (NBFCsND-SI). All NBFCs-D and NBFCs-ND-SI, including Government owned NBFCs, are subject to prudential regulations such as capital adequacy requirements and provisioning norms, along with reporting requirements.

Non-banking financial institutions (NBFI)s are a group of diverse financial intermediaries which, in a bank-dominated financial system like India, serve as an alternative channel of credit flow primarily to the unbanked commercial / non-commercial sector. Among the various institutions that perform this function, those regulated by the Reserve Bank are All-India Financial Institutions (AIFIs), Non-Banking Financial Companies (NBFCs), Primary Dealers (PDs) and the most recent addition, Housing Finance Companies.

Lockdown, Moratorium and NBFCs

The lockdown triggered by the Covid-19 pandemic will have near-term impact on collections and fresh-loan disbursements of NBFCs. The extent of this impact will depend on four factors: asset class, income source of the customer, level of field work in operations, and proportion of cash collections.

The microfinance and small loan segment have impacted very badly during the lockdown because collection of repayments involves visit to households, such borrowers typically have weak credit profiles and disruption in their income generation activities.

Any delay in return to normalcy will put pressure on collections and asset-quality metrics. Additionally, any change in the behavior of borrowers on payment discipline can affect delinquency levels.

Disbursement of fresh loans have reduce substantially in the near term and remain muted in the medium term given the expected challenges on the economic front.

Amid the lockdown, the government and the Reserve Bank of India (RBI) have announced a slew of measures to provide relief. The biggest of these is the moratorium on bank facilities. It will help lenders in managing their asset classification requirement. In terms of RBI directions NBFCs are providing relief to borrowers impacted by the lockdown. . Nearly half of the customers accounting for around half of outstanding bank loans opted to avail the benefit of the relief measures

Analysis of Loan Moratorium Availed as on April 30, 2020.

Sector	Corporate		MSME		Individual		Others		Total	
	% of total customers	% of total outstanding	% of total customers	% of total outstanding	% of total customers	% of total outstanding	% of total customers	% of total outstanding	% of total customers	% of total outstanding
PSBs	28.8	58	73.9	81.5	80.3	80	48.8	63.7	66.6	67.9
PVBs	21.6	19.6	20.9	42.5	41.8	33.6	39.1	40.9	49.2	31.1
FBs	32.6	7.7	73.3	50.4	8.4	21.1	75.8	4.8	21.4	11.5
SFBs	78.8	43.7	90.5	52.3	90.9	73.2	64.6	12.3	84.7	62.6
UCBs	63.4	69.3	66.5	65.5	56.8	62	35.6	59.2	56.5	64.5
NBFCs	39.7	56.2	60.7	61.1	32.5	45.9	37.3	41.4	29	49
SCBs	24.7	39.1	43.1	65.3	52.1	56.2	45.7	55.7	55.1	50
System	30.8	41.9	45.8	65	50.4	55.3	45.7	54.6	48.6	50.1

Source: RBI Supervisory Returns.

While the moratorium provides some relief on the assets side, it is on the liabilities side that challenges could emerge for NBFCs with high share of borrowings. That’s because no formal moratorium has been announced so far for borrowings by the NBFCs and repayments on these will have to be made on time, during a period when collections would be impacted significantly.

Banks and market borrowings account for over 70 per cent of total outside liabilities of the NBFC sector. With the waning of market confidence, the share of long-term market debt i.e., non-convertible debentures (NCDs) in total borrowings of the NBFC sector declined from 49.1 per cent at end-March 2017 to 40.8 per cent at end-December 2019. The consequent funding gap was met through bank borrowings, which rose from 23.1 per cent of total borrowings to 28.9 per cent over this period. The declining share of market funding for NBFCs is a concern as it has the potential to accentuate liquidity risk for NBFCs as well as for the financial system. Smaller / mid-sized and AA or lower rated / unrated NBFCs have been shunned by both banks and markets, accentuating the liquidity tensions faced by NBFCs which was also reflected in the lacklustre response to the Targeted Long-Term Repo Operations 2.0.

The RBI move on targeted long-term repo operations (LTROs) should also provide secondary market liquidity to mutual funds and allow banks to increase their primary market subscriptions, resulting in investment appetite for NBFC debt.





However, this may be restricted to NBFCs with superior credit profiles; further the adequacy of the LTRO quantum of INR 1 Lakh crore to meet the near-term liquidity needs of the debt market will also need to be seen. Further, smooth transitioning of the investor base to banks under the LTRO route is critical. In this context, it is good to see banks, especially from the public sector, willing to provide additional working capital lines to pandemic-affected businesses.

Business Overview

The Company is using technology with high touch hi-tech model, enabled to register good and sustainable growth. The Company was able to scale up its business operation through its Intranet model of financing from 129 branches in FY 2019-20. The Company has cumulatively served around 1.18 million satisfied borrowers.

While remaining focused on growth, Company consistently maintains high asset quality level and continues to build the institution on the strong pillars of ethics, values and corporate governance.

During FY 2019-20, Company registered a consistent performance in all key financial parameters including business growth especially in retail segment, robust asset quality and improved key financial indicators. During FY 2019-20, total disbursement was INR 14975.75 million Company's total assets under management stood at INR 19195.70 million as on March 31, 2020. As on March 31, 2020 Company's Gross & Net NPA stood at INR 76.14 million and INR 59.41 million respectively. For FY 19-20 the Net Profit of the Company stood at INR 540.38 million. As of March 31, 2020, the standalone net-worth of the Company stood at INR 7603.20 million.

Asset Liability Management

The Company is following a prudent policy for matching funding of assets, which transforms into a robust Asset-Liability Stability.

Asset Liability Management Maturity Pattern of Certain Items of Assets and Liabilities as on March 31, 2020:

(Amount in Lakhs)

	Upto 7 days	Over 14 days to 1 month	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	—	—	—	—	8738	39467	96115	24072	4106	172498
Investments (Bank FDR)	—	—	—	—	—	—	34	—	—	34
Borrowings	113	100	—	625	1125	46482	44168	12800	1600	107013
Foreign Currency Assets	—	—	—	—	—	—	—	—	—	—
Foreign Currency Liabilities	—	—	—	—	—	—	—	—	—	—

Capital Adequacy Ratio

The Company's strength lies in its healthy capital structure. PAISALO is among those few NBFCs who are low leveraged. As of March 31, 2020, the Company's Capital Adequacy Ratio (CRAR) stood at 43.06 % as against 15.00 % of statutory requirement.

Asset Quality

Asset quality is the criteria where PAISALO stands far ahead from its peers as for last several years the Company has a policy of writing off all its overdue advances as per prudential norms on income recognition asset classification and pertaining to advances stipulated by RBI. However, recovery efforts in such accounts are continued. Due to this unique methodology of cleaning the balance sheet, now Company is standing on a hidden asset of INR 1643.07 million.

Movement of NPAs

(Amount In INR Lakhs)

Particulars	Current Year	Previous Year
(i) Net NPAs to Net Advance (%)	0.34%	0.26%
(ii) Movement of NPAs (Gross)		
(a) Opening balance	515.65	390.38
(b) Additions during the year	256.04	259.80
(c) Reductions during the year	10.26	134.53

Particulars		Current Year	Previous Year
(d)	Closing balance	761.43	515.65
(iii)	Movement of Net NPAs		
(a)	Opening balance	437.38	351.35
(b)	Additions during the year	180.97	224.57
(c)	Reductions during the year	24.29	138.54
(d)	Closing balance	594.06	437.38
(iv)	Movement of provisions for NPAs (excluding provisions on standard assets)		
(a)	Opening balance	78.27	39.03
(b)	Provisions made during the year	90.69	49.36
(c)	Write -back of excess provisions	1.59	10.13
(d)	Write off	—	—
(e)	Closing Balance	167.38	78.27

Shareholders' Funds

As on March 31, 2020, total fully paid up outstanding shares of the Company stood at 4,22,92,199 equity shares of INR 10/- each with the book value of INR 181.90 per share. Looking at the robust, unique business model of the Company, certain investors are interested in investing in the Company.

Outlook

Stress on Non-Banking Financial Companies that had mounted in the wake of credit events in 2019, has been exacerbated by risk aversion and flight to safety among banks, leading to funding constraints and differentiation in market access. The outlook remains clouded with considerable uncertainty as the pandemic takes its toll. In the interregnum, however, financial markets have stabilised in response to recent policy measures, and liquidity stress experienced by several financial intermediaries has eased.

NBFCs will have to evolve their customer acquisition and engagement in post COVID economy, and financial intermediary must find its niche in order to add value to consumers. The Company with the distribution that is built over the years and committed workforce is cautiously optimistic in its outlook for the year 2020-21.

NBFCs and Banks are combining their low cost of funds and low cost of operations and thereby co-lending funds to flow into these sectors to tap the vast potential that they offer. PAISALO is approaching the target customers with financial lending product solution, which is Available - Aware - Affordable.

Risk Management

Risk Management at your Company includes risk identification, risk assessment, risk measurement and risk mitigation with its main objective to minimize negative impact on profitability and capital. Your Company is exposed to various risks that are an inherent part of any financial service business. Your Company is committed towards creating an environment of increased risk awareness at all levels. Your Company has policies and procedures in place to measure, assess, monitor, and manage these risks systematically across all its portfolios.

Internal Control Systems and Audit

Your Company's internal control system is designed to ensure operational efficiency, compliance with laws and regulations and accuracy and promptness in financial reporting. The Company has proper and adequate internal controls systems to ensure that all activities are monitored and controlled against any unauthorized use or disposition of assets, misappropriation of funds and to ensure that all the transactions are authorized, recorded, reported and monitored correctly. For correctness and accuracy, the process of job rotation is followed in different departments. The Company has adequate working infrastructure having computerization in all its operations including accounts and MIS.

The internal control system is supported by an internal audit process for reviewing the design, adequacy and effectiveness of the Company's internal controls, including its systems, processes and procedures to ensure compliance with regulatory directives. Internal Audit Reports are discussed with the Management and are reviewed by the Audit Committee of the Board, which also reviews the adequacy and effectiveness of the internal controls in the Company. Your Company's internal control system is commensurate with its size and the nature of its operations.





Fraud Monitoring and Control

The Company has put in place a whistle blower policy, and a central vigilance team oversees the implementation of fraud prevention measures. Frauds are investigated to identify the root cause, and relevant corrective steps are taken to prevent recurrence. Fraud prevention committees at the senior management and board level also deliberate on material fraud events and initiate preventive action. Periodic reports are submitted to the Board and senior management committees.

IT Security

Your Company is governed by the IT framework recommended by RBI, and various initiatives have been implemented in the area of IT and Cyber security to ensure industry standard security framework. The operational processes are in place to monitor and manage the effectiveness of the security initiatives taken by the Company. Effective monitoring & controls have also been put as a part of this governance.

Health Safety and Pandemic Risk

The Company's priority is the safety and well being of our employees and customers; with the relaxation provided by the Governments/ Authorities, in a phased manner, the Registered Head Office and various Branch Offices have been /will be open as per Government guidelines.

Human Resource Development

Your Company has a work environment that inspires people to do their best and encourages an ecosystem of teamwork, continuous learning and work-life balance. In an increasingly competitive market for talent, Your Company continues to focus on attracting and retaining the right talent. The Company fosters work-life balance and condemns any kind of unfair treatment in the workplace. Regulation and compliance have remained as the major focus area for the Management of the Company. The Company enforces a strict compliant and ethical culture with adequate channels for raising concerns supported by a grievance handling mechanism. The Human Resource (HR) function in the Company remains focused on improving organizational effectiveness, developing frontline leaders, promoting employee empowerment and maintaining stability and sustainability amidst growth and a rapidly changing business environment.

As on March 31, 2020, your Company had 1,043 employees.

Opportunities and Threats

Over the years, lenders have leveraged data analytics, and data science to offer superior customer experience through new-age underwriting models, seamless partner integration and real-time loan decisions. This offers a good opportunity to NBFCs to diversify their assets by remotely offering products which otherwise required expensive physical distribution.

The financialization of Indian household is already presenting newer opportunities for financial services and we are ready to capture a fair share. Social, Mobility, Analytics and Cloud Computing are the emerging trends in technology. Government initiatives in respect of Digital India and move towards formal and cashless economy has also opened new client segments which NBFCs like PASIALO can tap for future growth. Extensive use of technology tools due to lock-down is likely to result in faster adoption of technology in payments and customer interactions.

There are around 55-60 million MSME's in India, contributing to about 30 per cent of India's GDP. This sector had a credit demand of about INR 45 lakh crore in 2018 out of which 40 per cent was served by informal credit. As a result, there's a big opportunity in the coming years for the NBFCs to capture this unserved population and partner in India's growth story. This is because banks often find it expensive or unviable to serve these segments which new-age NBFCs are serving on the back of advanced technology and better reach in the remote corners of the country.

On March 27, 2020, RBI announced various measures to address the stress in financial conditions caused by COVID-19. RBI permitted all lending institutions to allow a moratorium of three months on payment of installments in respect of all term loans outstanding as on March 1, 2020. It was further extended for 3 months till the end of August 2020.

In line with the RBI COVID Regulatory Package, the Company offered a moratorium to its eligible borrowers on loan installments based on Board approved policy. In respect of such borrowers to whom the benefit of asset classification was extended consequent to the moratorium, the Company made provisions on conservative basis for expected credit loss.

The overleveraged non-financial sector, simmering global geopolitical tensions, and economic losses on account of the pandemic are major downside risks to global economic prospects.

ESG Report

Environment Social Governance

At PAISALO, we are very conscious that accelerated growth in our businesses cannot come at the cost of deteriorating environment, social inequality or unfaithful governance. How we do our business is as important as what we do. We remain deeply committed to reducing our environmental footprint and creating positive social impact, while upholding the highest standards of governance and stakeholder returns. With sustainable and responsible growth being the future of business growth, we are making necessary changes to embrace all or some parts of ESG in the upcoming financial years.

Demonstrating trust and integrity in everything we undertake is a reflection of our broader commitment to governance. Our Corporate Governance practices ensure the best interests of our stakeholders are continuously met and satisfied, helping us deliver what our stakeholders expect of PAISALO – the highest possible standards of professional ethics.

Our ESG reflects our responsibility to clients, shareholders and the communities in which we operate.

1. SOCIAL

REDUCE POVERTY -

Paisalo Provides Income Generation Loans to Both First Time Borrowers and Existing Credit History Holders, as well as conduct Financial Literacy Programs to help Borrower takes better financial decision of managing and growing there funds

REDUCE HUNGER -

Paisalo, by helping Borrowers through Financial Literacy Program is able to reduce Hunger in families as Paisalo Team teaches borrowers about adequate utilisation of funds; Eg: One thing that we teach our borrowers is - To deploy savings from Business Income towards the Business only and rarely towards household expenses

INCREASE GENDER EQUALITY -

Paisalo encouraged 4,00,810 women entrepreneurs through unsecured loans with a median ticket size of about INR 27,000

ECONOMIC GROWTH AND DECENT WORK-Â

- Paisalo Provides Income Generation Loans to Both First Time Borrowers and Existing Credit History Holders, as well as conduct Financial Literacy Programs to help Borrower takes better financial decision of managing and growing there funds
- Contribute to the national agenda of job creation by financially empowering enterprises and individuals
- Employment and growth opportunities to over 1,590 employees across over 129 offices
- Low Attrition Rate - 1.82%

WOMEN ENTREPRENEURS AND BUSINESSES

- Encouraged 4,00,810 women entrepreneurs through unsecured loans with a median ticket size of about INR 27,000
- Encouraged 30,000 small businesses, enterprises and entrepreneurs across the North Indian

REDUCE INEQUALITY

- Empowered and promoted the social and economic inclusion of women and youth
- Financial inclusion for 4,00,810 women from diverse communities by providing them with credit





2. GOVERNANCE

MANAGEMENT, EMPLOYEES, SHAREHOLDERS AND REGULATORS

REGULATORS

Continuously striving to maintain and achieve the highest standards of legal and regulatory compliance and effective management, aimed at providing maximum value to the shareholders through a robust corporate governance framework.

PARTNERS

- Maintaining open and fair business dealings with our partner ecosystem.
- Training and sensitising partners on competing fairly and keeping borrower interests at the primary front at all times.

EMPLOYEES

- Due diligence during on-boarding to ensure a harmonious value system.
- Informing employees on the Group Policies such as Code of Conduct, Insider Trading, Information Security, Communications among others to build responsible work ethics.

INVESTORS AND CLIENTS:

- Identifying the conflict of interest situations and making full disclosures with complete integrity.
- Monitoring anti-bribery and corruption with regular risk assessments, and training employees to be able to recognise, avoid and report any potential instances.

PEACE, JUSTICE AND STRONG INSTITUTIONS

- Board of Directors ensure Effectiveness & Accountability
- A well balanced and rich board with over 150 years of experience
- 6 independent directors have oversight on subsidiary and head strategic committees

3. FOR ENVIRONMENT

ONGOING INITIATIVES:

AFFORDABLE AND CLEAN ENERGY

- Energy consumption through energy efficient LED lighting across all offices
- Relying on natural lights as much as possible
- E-waste management aimed towards recycling and reuse.

RESPONSIBLE CONSUMPTION

- Practice sustainable management and efficient use of natural resources for a cleaner environment.
- 100% Cashless Disbursements
- 92% Cashless Collection
- Minimal Paper Consumption

REDUCE WATER CONSUMPTION

- Water obtained from rainwater harvesting and re- cycling initiatives at PAISALO Registered Office, install smart water dispensers and smart water meters.



Board's Report

TO
THE MEMBERS OF
PAISALO DIGITAL LIMITED

Your Board of Directors have pleasure in presenting the 28th Annual Report together with the Audited Financial Statements for the Financial Year ended March 31, 2020.

Financial Highlights

The standalone financial performance of the Company for the Financial Year 2019-20 is summarized below:

(INR in million)		
Particulars	FY 2019-20	FY 2018-19
Revenue from Operations	3,374.51	3,177.39
Less: Expenditure	2,635.29	2,330.39
Profit Before Tax (PBT)	739.22	847.00
Tax Expenses	198.84	279.29
Net Profit After Tax (PAT)	540.38	567.71
Total Comprehensive Income for the Period	540.38	567.71
Transfer to Statutory Reserves (RBI Reserve Fund)	108.65	112.97
Transfer to General Reserve	390.00	390.00
Provisions of Standard Assets	1.22	2.92
Earnings per Share (EPS) (INR)	12.78	14.00
Net Worth	7,603.20	6,558.74
Assets Under Management (AUM)	19,195.70	19,253.04

Results of Operations and State of Company's Affairs

Revenue from operations for the year ended March 31, 2020 has marginally increased by 6.20 % at INR 3,374.51 million over the corresponding previous year. The Net Profit of your Company for the financial year ended March 31, 2020 stood at INR 540.38 million as against the Net Profit of INR 567.71 million for the financial year ended March 31, 2019. Accordingly, the Net Profit for the financial year ended March 31, 2020 reflects a marginal downfall of 4.81 % over the corresponding Profit for the financial year ended March 31, 2019.

Transfer to Reserves

As required under Section 45IC of the Reserve Bank of India Act, 1934, 20% of the profits are required to be transferred to a Special Reserve Account. The Company has transferred INR 108.65 millions (previous year INR 112.97 million) to Statutory Reserve and INR 390.00 million has been transferred to General Reserve for financial year 2019-20.

Subsidiary

Nupur Finvest Private Limited, a registered Non-Deposit Taking Non-Banking Finance Company, is the only Subsidiary Company, of which the Company owned hundred percent shares. Nupur Finvest Private Limited is engaged in finance activities. At the year ended March 31, 2020, the net worth of the Company stood at INR 532.12 million. During the reporting period, the subsidiary reported income of INR 373.18 million and PBT and PAT at INR 2.42 million and INR 0.93 million respectively.

Consolidated Financial Statements

In compliance with the applicable provisions of Companies Act, 2013 including applicable Accounting Standard on Consolidated Company's Financial Statements, stood at this Annual Report also includes Consolidated Financial Statements for the Financial Year 2019-20, consolidated Income INR 3,747.69 million as against INR 3,605.99 million in the previous year.

Review of Operations

The Company is providing a number of financial products like Business Loans, SME & MSME Loans, Income Generation Loans for business/self-employment purpose. During the year under review, Company has posted 6.20 % increase in its total finance business.

Disbursements

During the Financial Year 2019-20, total disbursements reached to INR 14975 million.

Number of Customers

During the year under review, the customer outreach increased by 12.59 % and total customers outreach stood at 11,76,162.

Net Worth and Capital to Risk Adjusted Ratio (CRAR)

The net worth of the Company increased to INR 7,603.20 million as on March 31, 2020 from INR 6,558.74 million as on March 31, 2019. The Capital to Risk Adjusted Ratio (CRAR) stood at 43 % as on March 31, 2020 as against 34% as on March 31, 2019, which is much above the requirement as stipulated by RBI.

Share Capital

During the year under review, the Authorized Share Capital of the Company stood at INR 1,250.00 million. The Issued, Subscribed Share Capital of the Company as on March 31, 2020 was INR 423.05 million consisting of 4,23,04,699 equity shares of INR 10 each. The Fully Paid-up Share Capital of the Company as on March 31, 2020 was INR 422.92 million consisting of 4,22,92,199 equity shares of INR 10 each fully paid-up and 12,500 forfeited equity shares of INR 10 each (amount originally paid-up @ INR 5 each). During the year under review, on June 27, 2019, the Company has issued 17,32,199 equity shares of INR 10 each pursuant to Scheme of Merger between Agarwal Meadows Private Limited (Transferor Company) and Paisalo Digital Limited (Transferee Company) as approved by Hon'ble National Company Law Tribunal, Principal Bench at New Delhi vide its Order dated May 17, 2019.

Dividend

Your Board is pleased to recommend a final dividend of INR 1/- (Rupee One only) per share i.e. 10% on each fully paid equity share of INR 10/- (Rupees Ten only) for Financial Year 2019-20. The dividend, if declared, by the Members at the forthcoming Annual General Meeting (AGM), shall be paid to the eligible Members of the Company.

Unclaimed Dividend and Unclaimed Shares

Pursuant to Rule 5(8) of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, your Company furnished a statement / information through Form IEPF 2 to the Ministry of Corporate Affairs, of the unclaimed dividends amounting to INR 2,59,429.00 as on the date of financial year ended on March 31, 2019. During the year under review, there was an amount of INR 57,622.00 of unpaid and unclaimed dividend for a period of 7 years from the date it was lying in the unpaid dividend, Accordingly, pursuant to the provisions of Section 124(5) of the Companies Act, 2013, INR 57,622.00 had been transferred in the Investor Education and Protection Fund (IEPF) of the Central Government during financial year 2019-20.

Fixed Deposit

During the year under review, the Company has not accepted any public deposits and no amount on account of principal or interest on public deposits was outstanding as on the date of balance sheet.

Bank finance

Your Company raised funds for its working capital and business requirements from various Banks and the total amount of Bank loan outstanding as on March 31, 2020 was INR 7,983.01 million as against INR 7,418.57 million on March 31, 2019. During the year under review, your Company maintained banking relationships with 13 Banks.

Fund Raising through Issue of Debentures

During the year under review, the Company has raised INR 160.00 million by issuing Unlisted Unsecured Unrated Non-Convertible Debentures of INR 10.00 million each on private placement basis.

Credit Rating

M/s Infomerics Valuation and Rating Pvt. Ltd. assigned the following rating to Company's instruments:

Sr. No.	Instrument/Facility	Amount (INR in million)	Rating Assigned
1.	Fund Based Facilities (CC)	8,225.00	IVRA/Positive Outlook (IVR Single A with Positive Outlook)
2.	Fund Based (Non Convertible Debentures)	1,000.00	
3.	Proposed Facilities	675.00	

Board of Directors, Board Meetings and Key Managerial Personnel

The Company's Board is duly constituted and is in compliance with the requirements of the Companies Act, 2013, the Listing Regulations and provisions of the Articles of Association of the Company. The Company's Board has been constituted with requisite diversity, wisdom and experience commensurate to the business of your Company.

Change in Directors or KMP

During the year under review, Mr. Anoop Krishna (DIN: 08068261), who retired at the 27th Annual General Meeting, was re-appointed as an Executive Director of the Company. In the 27th Annual General Meeting of the Company, through Special Resolution passed by the Shareholders of the Company under Section 149(10) of the Companies Act, 2013, Mr. Naresh Kumar Jain has been reappointed as Independent Director for further term of 5 years commencing from August 14, 2019, and on March 21, 2020, the Shareholders of the Company by passing Special Resolution under Section 149(10) of the Companies Act, 2013 through Postal Ballot have reappointed Mr. Pradeep Agarwal as Independent Director for further term of 5 years commencing from March 28, 2020.

On October 15, 2019, the Board has appointed Mr. Raman Aggarwal (DIN: 00116103) as an Additional Independent Director. During the year under review, due to time constraints and personal reasons Mrs. Bhama Krishnamurthy (DIN: 02196839) has resigned as Independent Director from the Board of the Company, effective from March 3, 2020. The Board places on record its deep sense of appreciation for the guidance and support provided by Mrs. Bhama Krishnamurthy during her tenure as Independent Director of the Company. On May 18, 2019, CA Atul Kumar Agrawal was appointed as Chief Financial Officer of the company and designation of Mr. Harish Singh was changed from Executive Director cum CFO to Executive Director

Appointment/Reappointment of Directors or KMP

Reappointment of Mr. Harish Singh retire by rotation:

In terms of Section 152 of Companies Act, 2013, Mr. Harish Singh (DIN: 00039501), is liable to retire by rotation at the ensuing Annual General Meeting and being eligible for re-appointment, offers himself for re-appointment. The Board of the Company recommends re-appointment of Mr. Harish Singh as a Director of the Company, liable to retire by rotation.

Since the date of 27th Annual General Meeting of the Company, on the recommendation of Nomination and Remuneration Committee, the Board of Directors has appointed Mr. Raman Aggarwal (on October 15, 2019) and Mrs. Nisha Jolly (on May 30, 2020) as Additional Independent Directors of the Company to hold the office till the date of forthcoming Annual General Meeting. Keeping in the view the good experience, knowledge and expertise of these Additional Directors in finance industry, the Board believes that their association with the Company will be in the interest of the Company and will benefit the Company in its endeavours. Accordingly, Board of Directors and Nomination and Remuneration Committee of the Company recommend the appointment of Mr. Raman Aggarwal and Mrs. Nisha Jolly as Non-Executive Independent Directors in the forthcoming Annual General Meeting of the Company.

Declaration of Independence by Independent Directors:

Mr. Naresh Kumar Jain, Mr. Pradeep Agarwal, Mr. Gauri Shankar, Mr. Sunil Srivastav, Mr. Raman Aggarwal and Mrs. Nisha Jolly—Independent Directors of the Company have declared to the Board of Directors that they meet the criteria of Independence as laid down in Sections 149(6) and 149(7) of the Companies Act, 2013 and Regulation 16(1) (b) of SEBI (LODR) Regulations, 2015. In the opinion of the Board, the Independent Directors possess the requisite expertise and experience and are the person of integrity and repute. They fulfil the conditions specified in the Companies Act, 2013 and the Rules made thereunder and are independent of the management of the Company. The Board also places on records its deep appreciation for their continuous guidance, support and contribution to the Management of the Company.

Board Meetings

During the year under review, a total of seven meetings of the Board of Directors of the Company were held, i.e., on May 17, 2019; June 27, 2019; August 10, 2019; October 15, 2019; January 30, 2020 (10:00 AM); January 30, 2020 (2:00 PM) and February 9, 2020. Details of Board composition and Board Meetings held during the financial year 2019-20 have been provided in the Corporate Governance Report which forms part of this Report.

Audit Committee

The Audit Committee of the Board consists of Independent Directors namely Mr. Pradeep Agarwal, as Chairperson and Mr. Gauri Shankar and Executive Director Mr. Harish Singh as Members. The composition, terms of reference and details of meetings held during the year are disclosed in the Report on Corporate Governance. All the recommendations made by the Audit Committee were accepted by the Board of Directors.

Stakeholders Relationship Committee

The Stakeholder Relationship Committee of the Board consists of Independent Directors namely Mr. Naresh Kumar Jain, as Chairperson and Mr. Gauri Shankar and Mr. Sunil Srivatav as Members. The composition, terms of reference and details of meetings held during the year are disclosed in the Report on Corporate Governance.

Nomination and Remuneration Committee

The Nomination and Remuneration Committee of the Board of Director consists of three Independent Directors the committee recommends to the Board the suitability of candidates for appointment as Director/Managing Director and Key Managerial Personnel as well as the remuneration packages payable to them. The composition, terms of reference and details of meetings held during the year are disclosed in the Report on Corporate Governance.

Policy on Directors Appointment and Remuneration

The Company strives to maintain an appropriate combination of Executive, Non-Executive and Independent Directors subject to a minimum of 3 (three) and maximum of 15 (fifteen) Directors, including at least one-woman Director.

The Nomination & Remuneration Committee of the Company leads the process for Board appointments in accordance with the requirements of Companies Act, 2013, Listing Regulations and other applicable rules or guidelines. All the Board appointments are based on meritocracy. Generally, the Managing Director and Whole-time Directors (Executive Directors) are appointed for a period of five years. Independent Directors of the Company are appointed to hold their office for a term of up to five consecutive years on the Board of your Company. Based on their eligibility for re-appointment, the outcome of their performance evaluation and the recommendation by the Nomination and Remuneration Committee, the Independent Directors may be re-appointed by the Board for another term of five consecutive years, subject to approval of the Shareholders of the Company. The Directors, Key Managerial Personnel and Senior Management Personnel shall retire as per the applicable provisions of the Companies Act, 2013 and the policy of the Company.

The potential candidates for appointment to the Board are inter-alia evaluated on the basis of personal and professional ethics, standing, integrity, values and character; appreciation of the Company's vision, mission and values; prominence in business, institutions or professions; professional skill, knowledge and expertise; financial literacy and other such competencies and skills as may be considered necessary.

In addition to the above, the candidature of an Independent Director is also evaluated in terms of the criteria for determining independence as stipulated under Companies Act, 2013, Listing Regulations, guidelines issued by RBI and other applicable regulations or guidelines. In case of re-appointment of Director, the Board shall take into consideration the results of the performance evaluation of the Directors and their engagement level.

The Company has Remuneration Policy for Directors, KMPs and other employees, which is reviewed by the Board of Directors of the Company from time to time; the Policy represents the overarching approach of the Company for the remuneration of Director, KMPs and other employees.

The Company conducts a Board Evaluation process for the Board of Directors as a whole, Board Committees and also for the Directors individually through self-assessment and peer assessment.

Performance of the Board of Directors, Its Committees and Individual Directors

Mounting stakeholders' expectations, challenges faced by the Companies to operate under fluctuating economic conditions and increased regulatory requirements have brought the quality of performance of the Board of Directors under greater

scrutiny. The Board of Directors have recognized that it would be important for them to continually assess how effectively they are performing their roles against the objectives and the goals they have set for themselves. This growing recognition has resulted in Board evolutions as a critical structural tool for assessing Board effectiveness and efficiency.

Considering the above fact and in the light of Company's performance, the performance of the Board of Directors and their committees along with the performance of individual Director is reviewed and evaluated by Nomination and Remuneration Committee and the Board of Directors through various manner, like discussion with Directors, by seeking views of one Director from other Directors, inputs from the Directors through structured questionnaires covering the various aspects of the Board functioning such as adequacy of composition of the Board and its Committee, Board culture, execution and performance of specific duties, obligations, participation of Directors in the various matters, skill and knowledge of individual Director, independence of judgment, contribution towards development of the strategy and risk management. The Directors expressed satisfaction with the evaluation process. The performance of the Director individually and collectively and performance of the Committees are found satisfactory.

With the spirit of wealth creation for the Stakeholders of the Company, your Directors are committed to give their efforts towards the development of the Company.

Independent Directors also reviewed the performance of the Board as a whole and assessed the quality and timeliness of the flow of the information between the Company Management and Board. Pursuant to Listing Regulations, performance evaluation of the Independent Directors was done by the entire Board, excluding the Independent Director being evaluated. The performance of Non-Independent Directors, the Board as a whole and that of the Chairman of the Board were also evaluated in a separate meeting of the Independent Directors held during the year.

Compliance with the Code of Conduct of Board of Directors and Senior Management

The Board of Directors and Senior Management of the Company have complied with the Company's Code of Conduct applicable to Board of Directors and Senior Management. In this regard Declaration signed by the Managing Director is annexed and forms part of this Report.

Directors' Responsibility Statement

Pursuant to the requirement under Section 134(3)(c), read with Section 134(5) of the Companies Act, 2013 with respect to Directors' Responsibility Statement, the Directors, to the best of their knowledge and belief, hereby confirm that:

- in the preparation of the annual accounts for the Financial Year ended March, 31, 2020, the applicable Accounting Standards have been followed and there are no material departures from the same;
- the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the Financial Year and of the profit and loss of the Company for that period;
- the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- the Directors had prepared the annual accounts on a going concern basis;
- the Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Auditors & Audit Reports

Statutory Auditor and Statutory Audit Report

In terms of Section 139 of the Companies Act, 2013, M/s Mukesh Kumar & Co, Chartered Accountants (Firm Reg. no. 002040C), had been appointed as Statutory Auditor of the Company in the 25th Annual General Meeting, held on September 26, 2017, for three consecutive years. Pursuant to the provisions of Section 139 (2) of the Companies Act, 2013 and RBI Directions, the term of M/s Mukesh Kumar & Co, Chartered Accountants, is being completed on the conclusion of ensuing Annual General Meeting. Accordingly, as recommended by the Audit Committee, recommendation of Board for appointment of M/s D Tayal & Jain, Chartered Accountants, (Firm Registration No. 011181C), as Statutory Auditors of the Company, for a period of three years commencing from the conclusion of 28th Annual General Meeting until the conclusion of 31st

Annual General Meeting will be placed before the Members, at the ensuing Annual General Meeting, for their approval.

The Report given by the Statutory Auditor on the financial statement of the Company for the Financial Year 2019-20 is part of the Annual Report. The Notes on financial statements referred to in the Auditors Report are self explanatory and do not call for any further comments under Section 134 of the Companies Act, 2013. The Auditors' Report does not contain any qualification, reservation or adverse remark.

Secretarial Auditor and Secretarial Audit Report

In accordance with the provisions of Section 204 of the Companies Act, 2013 read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, and as a measure of good Corporate Governance practice, Board of Directors in their Meeting held on February 9, 2020 has appointed M/s. Satish Jadon & Associates, Practicing Company Secretaries, as Secretarial Auditor of the Company to conduct Secretarial Audit of the Company for financial year ended March 31, 2020 and to submit Secretarial Audit Report in Form No. MR-3.

A copy of the Secretarial Audit Report received from M/s. Satish Jadon & Associates in the prescribed Form No. MR-3 is annexed to this Board's Report and marked as Annexure A.

Pursuant to circular No. CIR/CFD/CMD1/27/2019 dated February 8, 2019 issued by the SEBI, the Company has obtained Secretarial Compliance Report for financial year ended March 31, 2020, from Practicing Company Secretary on compliance of all applicable SEBI Regulations and circular/ guidelines issued thereunder, and the copy of the same has been submitted with the Stock Exchanges within the prescribed due date.

The Report of Secretarial Auditor is self-explanatory and no explanation is required thereon from the Board of Directors of the Company.

Secretarial Standards

During the year under review, the Company has complied with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India.

Fraud reported by auditors under Section 143(12) other than those which are reported to the Central Government

Pursuant to the provisions of Section 143(12) of the Companies Act, 2013, the Auditors of the Company have not reported about any fraud, which is being or has been committed in the Company by its officers or employees.

Particulars of Loans, Guarantees or Investments under Section 186 of Companies Act, 2013

Being an RBI registered Non-Banking Financial Company, pursuant to Section 186(11) of the Companies Act, 2013, the provisions of Section 186, except Sub-Section 1 of the said Section, shall not apply on the Company, hence disclosure under Section 134 (3) (g) of the Companies Act, 2013 of the particulars of the loans given, investments made or guarantees given or securities provided under Section 186 of the Companies Act, 2013 is not applicable to the Company. However, the details of Investment made by the Company have been disclosed in the Note: 6 of the Financial Statement for the year ended March 31, 2020. The Company has given its guarantee only for the credit facilities availed by its Wholly Owned Subsidiary M/s. Nupur Finvest Private Limited.

Particulars of Contracts or Arrangements with Related Parties

During the financial year ended March 31, 2020, transactions with the Related Parties as defined under the Companies Act, 2013 read with Rules framed thereunder and SEBI (LODR) Regulations, 2015 (Listing Regulations) were in the 'ordinary course of business' and 'at arm's length' basis. During the year under review, your Company did not enter into any Related Party Transactions which require prior approval of the Members. All Related Party Transactions of the Company had approval of the Audit Committee and / or the Board of Directors, as required under Companies Act, 2013 and Listing Regulations. The Audit Committee and the Board have also reviewed the Related Party Transactions on a quarterly basis. The Company has an internal mechanism for the purpose of identification and monitoring of Related Party Transactions. During the year under review, there has been no materially significant Related Party Transactions having potential conflict with the interest of the Company. Since all Related Party Transactions entered into by your Company were in the ordinary course of business and also on an arm's length basis, the details required to be provided under the provisions of Section 134(3)(h) of the Companies Act, 2013 in the prescribed Form AOC - 2 is not applicable to the Company. The Directors draw attention of the Members to Note No. 36 to the Financial Statements for the year ended March 31, 2020 which sets out details of related party transactions.

Policy on materiality of related party transactions and on dealing with related party transactions is displayed on the website of the Company at <https://paisalo.in/corporate-governance.php>.

Material Changes and Commitments, if any, Affecting the Financial Position of the Company

There were no material changes and commitments affecting the financial position of the Company which occurred between the end of the financial year and the date of this Report.

Significant and Material Litigations / Orders

During the year under review, there were no significant and material orders passed by the Regulators / Courts which would impact the going concern status of the Company and its future operations. Further, no penalties have been levied by the RBI or any other regulator during the year under review.

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

Considering the nature of business undertaken by the Company during the year under review, the particulars pursuant to Section 134 (3) (m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014, to the extent applicable, are as follows:

- Being a Non-banking Finance Company, the particulars regarding the conservation of energy and technology absorption as required to be disclosed pursuant to the Rule 8(3) of the Companies (Accounts) Rules, 2014 are not relevant to its activities.
- Foreign Exchange earnings for the Company during the financial year under review was nil and Company's Foreign Exchange outgo during the financial year under review was INR 1,96,220.30.

Corporate Social Responsibility

In accordance with the provisions of Section 135 of the Companies Act, 2013 read with rules made thereunder, the Company has constituted a Corporate Social Responsibility Committee, which framed a CSR Policy for the Company, and the same has been approved by the Board of Directors of the Company, which is available on the website of the Company. CSR Policy of the Company has vision to make concrete efforts towards providing preventing health care, sustainable development of green environment and welfare of animals etc.

Generally, the Company under took its CSR activities through the outside Implementing Agency(ies), which are carrying out such kind of CSR activities similar to the activities as approved by the CSR Committee and Board of the Company under the CSR Policy of the Company. For the financial year 2019-20, the Board of Directors of the Company in their meeting held on May 17, 2019 approved INR 16.12 million as the budget for CSR activities. But due to difficulty to find out suitable activities/implementing agency, as per Company's CSR policy, only INR 9.79 million was spent out of budget amount during the financial year 2019-20. For the balance amount of the CSR budget of financial year 2019-20, CSR Committee and Board have recommend to carry forward the same and shall be spent during the upcoming years.

Composition of CSR Committee is disclosed in Corporate Governance Section of this Annual Report as part of Board's Report, and other details as required under Companies Act, 2013 is as annexed with this Report as Annexure B.

Internal Financial Control

The Company remains committed to improve the effectiveness of internal financial controls and processes which would help in efficient conduct of its business operations in ensuring security to its assets, prevention and detection of frauds and errors, accuracy and completeness of accounting records, and timely preparation of reliable financial information.

The Company has put in place adequate internal controls with reference to accuracy and completeness of the accounting records and timely preparation of reliable financial information, commensurate with the size, scale and complexity of operations and ensures compliance with various policies and statutes in keeping with the organizations pace of growth, increasing complexity of operations, prevention and detection of frauds and errors. The Internal Financial Controls with reference to the financial statements are adequate in the opinion of the Board of Directors.

The internal control is supplemented by an extensive program of internal, external audits and periodic review by the Management. This system is designed to adequately ensure that financial and other records are reliable for preparing financial information and other data and for maintaining accountability of assets. An independent firm of Competent Chartered Accountants has been engaged by the Company for conducting internal audit, to examine and evaluate the adequacy and effectiveness of internal financial control system of the Company. The Internal Audit team is responsible

to assist the Audit Committee and Risk Management Committee on an independent basis with a complete review of the risk assessments and associated management action plans. The Internal Audit Reports and Risk related report are reviewed periodically by the Audit Committee and Risk Management Committee of the Company. Efficacy of Internal control systems is tested periodically by Internal Auditors, and Internal Control over financial reporting is tested and certified by Statutory Auditor.

Internal Financial Control System of the Company is modified continuously in accordance with the dynamic changes in the business conditions and to comply with the applicable laws, regulations, statutory and accounting requirements.

Risk Management

NBFCs form an integral part of Indian financial system. NBFCs are required to ensure that a proper framework on Risk Management System is formulated and put in place. For this purpose the Company, in addition to Audit Committee, has also constituted Assets Liability Management Committee and Risk Management Committee, the details of the functioning of these Committees and its frequency of meetings are provided in Report on Corporate Governance forming part of this Annual Report. These Committees are constituted to facilitate the Board to address the risk associated with the business of the Company and developed and implemented a Risk Management Policy to ensure sustainable business growth with stability and promote a proactive approach in reporting, evaluating and resolving risks associated with the Company's business. The Policy also highlights the functions, responsibilities and role of the Committees and Board to address the risks associated with the Company and to mitigate/reduce the impact of the risk on the Company.

The Company follows a disciplined risk management process and takes business decisions with balanced risk-reward paradigm.

Human Resources

Company's industrial relations continued to be harmonious during the period under review.

The Company strives to provide the best work environment with ample opportunities to grow and explore. Healthy, cordial and harmonious industrial relations have been maintained by the Company at all levels.

Disclosures as per the Provision of Section 197 (12) of Companies Act, 2013

The information required pursuant to the provisions of Section 197 of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company has been appended as Annexure C of this Report. In terms of first proviso to Section 136 of the Act, the Report and Accounts are being sent to the Members and others entitled thereto, excluding the information on employees particulars as required pursuant to provisions of Rule 5(2) and Rule 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. The said information is available for inspection by the Members at the Registered Office of the Company during business hours on working days of the Company up to the date of the ensuing AGM. If any Member is interested in obtaining a copy thereof, such Member may write to the Company Secretary in this regard.

Compliance with Provisions of Sexual Harassment of Women at Work Place (Prevention, Prohibition & Redressal) Act, 2013

The Company is committed to providing and promoting a safe and healthy work environment for all its employees. A Policy on Prevention of Sexual Harassment at work place, which in line with the statutory requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013., is in place for ensuring protection against the Sexual Harassment and right to work with dignity. The Directors further state that during the year under review, the Company has not received any complaint in this regard..

Compliance of Reserve Bank of India Guidelines

Your Company is categorized as a Non-Deposit taking Systemically Important Non-Banking Finance Company (NBFC-NDSI). Accordingly, during the year, the Company has not accepted any deposits from the public and there were no deposits which become due for repayment or renewal. The Company has complied with the 'Master Direction-Non-Banking Financial Company- Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions 2016', as amended from time to time and all other applicable Directions of RBI during FY 2019-20.

Timely Repayment of Debt Liabilities

During the year under review, the Company has duly serviced all its debts obligations in time.

Dematerialization of Equity Shares

Equity Shares of the Company are compulsorily tradable in demat form. As on March 31, 2020, 99.99% of the Equity Shares are held in demat form and only 6,006 out of 4,22,92,199 Equity Shares were held by the shareholders in physical form.

Extracts of Annual Return

In compliance with Section 134(3)(a) of the Act, the extract of Annual Return in MGT-9 as required under Section 92(3) of the Act and prescribed in Rule 12 of the Companies (Management and Administration) Rules, 2014 may be accessed on the Company's website at <https://www.paisalo.in>

Management Discussion and Analysis

The Management Discussion and Analysis report for the year under review as required under Regulation 34(2)(e) of the Securities and Exchange Board of India (LODR) Regulations, 2015 (LODR), is provided as a separate section forming part of the Annual Report.

Corporate Governance

Your Company strives to ensure that best Corporate Governance practices are identified, adopted and consistently followed. It is ensured, that the practices being followed by the Company are in alignment with its philosophy towards Corporate Governance. Your Company believes that good Corporate Governance is the basis for sustainable growth of the business and effective management of relationship among constituents of the system and always works towards strengthening this relationship through corporate fairness, transparency and accountability. Your Company gives prime importance to reliable financial information, integrity, transparency, fairness, empowerment and compliance with law in letter and spirit.

In compliance with the provisions of Regulation 34 of the SEBI (LODR) Regulation, 2015 read with Schedule V to the said Regulations, the Report on Corporate Governance forms an integral part of this report and is set out as separate section of this Report and marked as Annexure D. The certificate from the Secretarial Auditor of the Company confirming compliance with the conditions of Corporate Governance is annexed to the Report on Corporate Governance.

Business Responsibility Report

Pursuant to Regulation 34(2)(f) of the SEBI (LODR) Regulations, 2015, as amended the Business Responsibility Report for the year under review is annexed to this Report as Annexure E.

Acknowledgments

Your Board acknowledges and appreciates the relentless efforts of the employees and staff including the management team headed by the Executive Directors who always lead from the front in achieving a commendable business performance year on year despite a challenging business environment. Your Board is indebted for the unstinted support and trust reposed by you—the Members. Your Board wishes to place on record its deep appreciation of the Non-Executive Directors of the Company for their immense contribution by way of strategic guidance, sharing of knowledge, experience and wisdom, which helps your Company to take right decisions in achieving its business goals. Your Board acknowledges the support and co-operation received from all regulatory authorities of the Central Government and all State Governments in India. Your Board takes this opportunity to thank all its Banks and other stakeholders as it considers them essential partners in progress. Your Board is also looking forward to continued support and co-operation in future.

Date : 13th August, 2020

Place : New Delhi

**For & on behalf of the Board of Directors of
Paisalo Digital Ltd.**

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

**Sd/-
(Harish Singh)
Executive Director
DIN : 00039501**

Annexure to the Board's Report
ANNEXURE-A

FORM NO. MR-3

Secretarial Audit Report for the financial Year Ended March 31, 2020

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No. 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,
The Members,
M/s Paisalo Digital Limited
CSC, Pocket 52, CR Park,
Near Police Station,
New Delhi-110019

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s Paisalo Digital Limited (hereinafter called 'the Company'). The Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2020 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent and in the manner reported hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2020 according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment;
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') to the extent applicable to the Company:
 - a) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
 - b) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - d) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - e) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
 - f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; and
- vi. The Reserve Bank of India Act, 1934, rules/regulations made thereunder as applicable to the Non-Deposit taking Systemically Important Non-Banking Finance Company (NBFC-NDSI) and guidelines/notifications issued by RBI for Non-Deposit taking Systemically Important Non-Banking Finance Company (NBFC-NDSI). We have also examined on test check basis the relevant documents and records maintained by the Company and the Returns filed by the

Company with the Reserve Bank of India ('RBI'). The Company is generally regular in filing the Returns with the RBI.

We have also examined compliance with the applicable clauses of the following:

- i. The Listing Agreements entered into by the Company with National Stock Exchange of India Limited and BSE Limited.
- ii. Secretarial standards issued by the Institute of Company Secretaries of India.

We report that during the year under review the Company, the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above to the extent applicable and subject to the following observations:

1. During the year under review, till March 3, 2020 Company had one woman director on its Board, but on March 3, 2020 due to resignation of woman Independent Director Mrs. Bhama Krishnamurthy, the vacancy arise and such vacancy could not been filed till March 31, 2020, accordingly, on March 31, 2020 there was no woman Director on the Board of the Company. However, the Company has filled up such vacancy by appointing Mrs. Nisha Jolly as an Independent Woman Director pursuant to Section 149 of the Companies Act, 2013 w.e.f. May 30, 2020 which is within the stipulated time given under the Companies Act, 2013. .

We further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Decisions were taken according to the majority rule and subject to the requirement of the Act and other applicable laws.

We have relied on the representation made by the Company and its officers for adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that compliance of applicable financial laws including Direct and Indirect Tax Laws by the Company has not been reviewed in this Secretarial Audit since the same has been subject to review by the Statutory Auditors and other designated professionals of the Company.

We further report that during the audit period Company has taken following made following specific actions having major bearing on the Company's affairs in pursuance to above referred laws, rules, regulations, guidelines, standards:

During the period under review the Company has issued and allotted the securities pursuant to the provisions of the Act, which are as follows:

1. On June 27, 2019, Issued and allotted 17,32,199 fully paid-up equity shares of Rs. 10/- each to the Shareholders of M/s Agarwal Meadows Private Limited, pursuant to Scheme of Amalgamation/Merger between Agarwal Meadows Private Limited ('Transferor Company') and Paisalo Digital Limited ('Transferee Company') as approved by the Hon'ble National Company Law Tribunal, Principal Bench at New Delhi vide its order dated May 17, 2019 and pursuant to aforesaid Scheme all the assets and liabilities of the Transferor Company had been transferred and vested in the Transferee Company.
2. The consent of the Shareholders has been obtained at the Twenty Seventh Annual General Meeting of the Company held on August 10, 2019 for the following:
 - a. To reappoint Mr. Naresh Kumar Jain (DIN:01281538) as Non-Executive Independent Director of the Company for further term of 5 years.
 - b. To fix the borrowing power of the Board of Directors u/s 180(1) (c) of the Act not exceeding to Rs. 3600 Crores.
 - c. To authorize Board of Directors u/s 180(1) (a) of the Act to create charge on the assets of the Company.
 - d. To issue Non-Convertible Debentures for an amount not exceeding to Rs. 3600 Crores, pursuant to provisions of Section 42 and 71 of the Act.

- e. To upward revision in the remuneration of Managing Director of the Company.
3. Company has issued Sixteen Unlisted Unsecured Non-Convertible Debentures of Rs. 1,00,00,000/- each during the year under the report.
4. The consent of the Shareholders has been obtained through Postal Ballot on March 21, 2020 to reappoint Mr. Pradeep Agarwal(DIN: 06892799) as Non-Executive Independent Director of the Company for further term of 5 years.

For Satish Jadon & Associates
Company Secretaries
Sd/-
Satish Kumar Jadon
Membership No. F9512
CoP No.9810
UDIN: F009512B000469158
Date : 17.07. 2020

This Report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.

Annexure to the Secretarial Audit Report

To,
The Members,
Paisalo Digital Limited
CSC, Pocket 52,CR Park,
Near Police Station,
New Delhi-110019

Secretarial Audit Report of even date is to be read alongwith this letter.

Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.

We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial record. We believe that the process and practices, we followed provide a reasonable basis for our opinion.

We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

Where ever required, we have obtained the Management representation about the Compliance of the laws, rules and regulations and happening of events etc.

The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis.

The Secretarial Audit report is neither an assurance as to the future viability of the Company not of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For Satish Jadon & Associates
Company Secretaries
Sd/-

Satish Kumar Jadon
Membership No. F9512
CoP No.9810
UDIN: F009512B000469158
Date : 17.07. 2020

FORM NO. MR-3

Secretarial Audit Report of Nupur Finvest Private Limited for the Financial Year Ended March 31, 2020
[Pursuant Regulation 24A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To,
The Members,
M/s Nupur Finvest Private Limited
101, CSC, Pocket 52, CR Park,
Near Police Station, New Delhi-110019

We, Satish Jadon & Associates, have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s Nupur Finvest Private Limited (hereinafter called 'the Company'), in terms of provisions of Regulation 16(1)(c) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a Material Subsidiary of M/s Paisalo Digital Limited (CIN:L65921DL1992PLC120483). The Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2020 complied with the statutory provisions listed hereunder and also that the Company has proper board-processes and compliance-mechanism in place to the extent and in the manner reported hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2020 according to the provisions of:

The Companies Act, 2013 (the Act) and the rules made thereunder;

The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

The Reserve Bank of India Act, 1934, rules/regulations made thereunder as applicable to the NBFC and guidelines/ notifications issued by RBI for NBFC as applicable to the Company. We have also examined on test check basis the relevant documents and records maintained by the Company and the Returns filed by the Company with the Reserve Bank of India ('RBI'). The Company is generally regular in filing the Returns with the RBI.

We have also examined compliance with the applicable clauses of the Secretarial Standards issued by the Institute of Company Secretaries of India under the provisions of Companies Act, 2013.

During the period under review the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, etc. mentioned above.

We further report that compliance of applicable financial laws including Direct and Indirect Tax Laws by the Company has not been reviewed in this Secretarial Audit since the same has been subject to review by the Statutory Auditors and other designated professionals of the Company.

We further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All Decisions at Board Meetings and Committee Meetings were carried out unanimously or majority as recorded in the minutes of the meetings of the Board of Directors or Committees of Board, as the case may be.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company, to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period Company has not taken any following major decision, pursuant to above referred laws, rules, regulations, guidelines, standards.

For Satish Jadon & Associates
Company Secretaries
Sd/-
Satish Kumar Jadon
Membership No. F9512
CoP No.9810
UDIN: F009512B000469213
Date : 17.07.2020

This Secretarial Audit Report is to be read with my letter of even date annexed herewith.

Annexure to the Secretarial Audit Report

To,
The Members,
M/s Nupur Finvest Private Limited
101, CSC, Pocket 52, CR Park,
Near Police Station, New Delhi-110019

Secretarial Audit Report of even date is to be read alongwith this letter.

Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.

We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial record. We believe that the process and practices, we followed provide a reasonable basis for our opinion.

We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

Where ever required, we have obtained the Management representation about the Compliance of the laws, rules and regulations and happening of events etc.

The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis.

The Secretarial Audit report is neither an assurance as to the future viability of the Company not of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For Satish Jadon & Associates
Company Secretaries

Sd/-
Satish Kumar Jadon
Membership No. F9512
CoP No.9810
UDIN: F009512B000469213
Date : 17.07.2020

Annexure to the Board’s Report
Annexure-B

Annual Report on CSR Activities

1.	A Brief outline of the Company's CSR Policy, including overview of the projects or programs undertaken and a reference to the web link to the CSR policy and project or programs			The aim of the Company's CSR Policy is to support causes related to supporting rural development, promoting education, providing preventive healthcare and sustainable development of green environment, provided they are covered as per the statutory requirements of social responsibility. The Company has always focused to contribute towards sustainable development of the society and environment, and to make our planet a better place for future generations. For more information please refer CSR policy at : https://paisalo.in/corporate-governance.php For the financial year 2019-20 the Board of Directors allocated budget of INR 16.13 Million (more than 2% of Company's Average net profit of last three years) for CSR activities. However, Company could not spend the whole budget amount for the desired CSR activities due to difficulty in finding out other suitable implementing agency, as the activities carried out by the existing implementing agencies through which Company carrying out its CSR activities were not as per recommendation of the Company.			
2.	The Composition of the CSR Committee			Mr. Harish Singh (Chairman) Mr. Sunil Agarwal (Member) Mr. Pradeep Agarwal (Member)			
3.	Average net profit of the Company for last three financial year			INR 805.98 Million			
4.	Prescribed CSR Expenditure			INR 16.12 Million			
5.	Details of CSR spent during the FY 2019-20						
(a)	Total amount for the financial year			INR 9.79 Million			
(b)	Amount unspent, if any			INR 6.33 Million			
(c)	Manner in which the amount spent during the financial year detailed below:						
(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)
S. No.	CSR projector activity identified	Sector in which the Project is covered	Projects or programs Local Area or Other Specify the State and District where projects or Programs was undertaken	Amount outlay (budget) project or Programs wise	Amount spent on the projects or programs subheads: Direct expenditure Overheads	Cumulative expenditure upto the reporting period	Amount spent: Directly or through implementing agency
i	For Promoting Health Care	Health care including preventive health care and sanitation	Khargram Village, Murshidabad West Bengal	INR 2.50 Millions	INR 2.50 Millions	INR 10.30 Millions	Amount spent through implementing agency Indian Society of Health Care Professionals, a not-for-profit organization, registered under Section 8 of the Companies Act, 2013

Details Pertaining to Employees

Pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

S. No.	Particulars	Relevant details
1.	Ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year	Mr. Sunil Agarwal (Managing Director & CEO) – 178.95:1 Mr. Anoop Krishna (Executive Director)—18.00:1 Mr. Harish Singh (Executive Director)—13.66:1 No other Directors are in receipt of remuneration
2.	Percentage increase in remuneration of each Director, CFO, CEO, Company Secretary or Manager, if any, in financial year	Director Mr. Sunil Agarwal (Managing Director & CEO)—(24.07%) Mr. Anoop Krishna (Executive Director)—10.00% Mr. Harish Singh (Executive Director)—24.00% Key Managerial Personnel Mr. Atul Kumar Agrawal (Chief Financial Officer)—7.14% Mr. Mananendra Singh (Company Secretary & Chief Compliance Officer)—13.86%
3.	Percentage increase in the median remuneration of employees in the financial year	8.09%
4.	The number of permanent employees on the rolls of Company	1,043 as on March 31, 2020
5.	Average percentile increases already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration	During the financial year 2019-20, employees remuneration increased by 8.09% as against the 19.94 % decrease in managerial remuneration in the previous financial year.

Date : 13th August, 2020

For Paisalo Digital Limited

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

**Sd/-
(Harish Singh)
Executive Director
DIN : 00039501**

ii	For Enhancing Rural Livelihoods	Livelihood enhancement projects/Rural Development	Delhi	INR 5.50 Millions	INR 5.50 Millions (includes INR 0.72 Millions for Overhead charges)	INR 20.00 Millions	Contribution to incubators Indian Society for Agribusiness Professions & Indigram Labs Foundation, a not-for-profit organization, registered under Section 8 of the Companies Act, 2013
iii	For Promotion of Art and Culture	Promotion of Art and Culture	Delhi	INR 0.13 Millions	INR 0.13 Millions	INR 0.13 Millions	Amount spent directly and through implementing agency viz. India Photo Archive Foundation, a public charitable trust.
iv	For Plantation	Environmental sustainability	Agra	INR 0.03 Millions	INR 0.03 Millions	INR 0.03 Millions	Amount spent directly on plantation
v	For Rural Development	Rural Development	Delhi	INR 0.10 Millions	INR 0.10 Millions	INR 0.10 Millions	Amount spent through Implementing Agency Centre for Economy Research, a registered society.
vi	For Reducing inequalities faced by socially and economically backward groups	Reducing inequalities faced by socially and economically backward groups	Delhi	INR 0.24 Millions	INR 0.24 Millions	INR 0.24 Millions	Amount spent through Implementing agency Humanitarian Aid International, not for profit organization under the Indian Trusts Act.
vii	For Rural Development	Rural Development	Bihar	INR 0.20 Millions	INR 0.20 Millions	INR 0.20 Millions	Amount Spent through Implementing Agency Shaheed Maheshwari Samarak Sansthan
viii	For Promoting Health Care	Health care including preventive health care and sanitation	Ghaziabad, Uttar Pradesh	INR 1.10 Millions	INR 1.10 Millions	INR 1.10 Millions	Amount spent through Implementing Agency Saurabh Sagar Sewa Sansthan
6.	In case the Company has failed to spend the two percent of the average net profit of the last three financial years or any part thereof, the reasons for not spending the amount in its Board's report Company could not spend the whole budget amount for the desired CSR activities due to difficulty to in finding out other suitable implementing agency, as the activities carried out by the existing implementing agencies through which Company carrying out its CSR activities were not as per recommendation of the Company						
7.	It is hereby confirmed that implementation and monitoring of CSR Policy is in compliances with the CSR objective and Policy of the Company.						

Date : 13th August, 2020

For Paisalo Digital Limited

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

**Sd/-
(Harish Singh)
Chairperson of CSR Committee
DIN : 00039501**

Annexure to the Board's Report Annexure-D

CORPORATE GOVERNANCE REPORT

Corporate Governance is the system of rules, practices and processes by which a Company is directed and controlled. Corporate Governance essentially involves balancing the interests of a Company's many stakeholders, such as shareholders, management, customers, suppliers, financiers, government and the community. Since Corporate Governance also provides the framework for attaining a Company's objectives, it encompasses practically every sphere of management, from action plans and internal controls to performance measurement and corporate disclosure. It is a set of processes, customs, policies, rules, regulations and laws by which companies are managed in the best interest of the stakeholders. Corporate Governance is related to satisfy the spirit of the law and not just the letter of law.

Corporate Governance is a process that aims to allocate corporate resources in a manner that maximizes value for all stakeholders, shareholders, investors, employees, customers, suppliers, environment and the community at large and holds those at the helms to account by evaluating their decisions on transparency, inclusivity, equity and responsibility.

Corporate Governance can be defined as an approach in which the corporations are managed in an ethical, accountable, transparent and fair way, with the blend of both legal and management practices, to imbed the same in the decision making process of a Company, and to communicate the same accurately and timely, in such a way that both stakeholders, expectations and legal standards are not only met, but the corporations try to exceed them.

OUR GOVERNING PRINCIPLES ON CORPORATE GOVERNANCE

We, at Paisalo Digital Limited, believe that the Corporate Governance is based on creating and sustaining a deep relationship of trust and transparency with all stakeholders. We consider our stakeholders as partners in our journey forward and we are committed to ensure their wellbeing, despite business challenges and economic volatilities. The Company has designed policies and committees to strengthen the ability of the Board of Directors to supervise the Management and to enhance long-term shareholders value.

Our Corporate Governance norms reflect our commitment to compliance to regulatory requirements as there exists a fundamental link with the organization of business, corporate responsibility and shareholders' wealth maximization and realize the significance of sound governance practices to the long term growth of the organization.

We have imbibed good corporate practices in our business as we built it for the long haul. It is an optimum combination of policies, process and practices, which governs the affairs of a Company in pursuant of its business goal. Our Corporate Governance is based on the principles of integrity, fairness, equity, transparency, accountability and commitment to values.

In general, good Corporate Governance practices seek to ensure that:

- Board Members act in the best interests of the Organization;
- The Company acts in a lawful and ethical manner in its dealings with all stakeholders and their representatives
- the Board and its committees are structured to act independently from Management, individuals or entities that have control over Management;
- appropriate controls and procedures are in place covering Management's activities in running the day-to-day operations of the Company;
- timely and balanced disclosure of all material information, concerning the Company, to all its stakeholders;
- maintenance of transparency and accountability; and
- compliance with applicable rules and regulations.

Underlying principles of Company's Corporate Governance framework are as follows:

- Constituting an effective Board of Directors, in terms of composition, size, varied expertise and commitment so as to enable them to skilfully discharge their responsibilities and duties,
- Ensuring timely flow of information to the Board and its Committees to enable them to discharge their functions efficiently
- Establishment of a sound system of Risk Management and Internal Control

- Independent analysis and verification of Company's financial information, to safeguard the integrity of the same
- Timely and balanced disclosure of all material information, concerning the Company, to all its stakeholders
- Transparency in Board's processes and independence in the functioning of Boards
- Fair and equitable treatment of all its stakeholders including employees, customers, shareholders and investors
- Accountability to stakeholders with a view to serve the stakeholders
- Ensuring Compliance with applicable rules and regulations.

COMPANY'S PHILOSOPHY OF CORPORATE GOVERNANCE

Corporate Governance at Paisalo Digital Limited strives in development and enhancement of long-term stake holder's value. The Board of Directors of the Company understands their duties towards the stakeholders and works in furtherance of the true spirit of being "Trustees".

The Board of Directors of the Company has adopted 'Code of Conduct of Board of Directors and Senior Management, which includes Code of Conduct for prohibition of Insider Trading' based on the principles of Good Corporate Governance and good management practices being followed besides complying with the needs of the law of land.

In addition to above, the Company is also committed to ensure accountability, transparency, and fairness in all its transactions and meets the expectations of all stakeholders and to ensure that various aspects are properly and timely communicated to various stakeholders.

Company's Existing Governance Practices

Some of the key elements that form the basis of our Corporate Governance framework are as under:

- Code of Conduct for Board Members and Senior Managerial Personnel
- Fair Practice Code
- Corporate Social Responsibility Policy
- Code of Conduct for Directors and Senior Management
- Code for Independent Directors
- Fraud Detection Policy
- Vigil mechanism-Whistle Blower policy
- Policy on Related Party Transaction
- Risk Management Policy
- Nomination and Remuneration Policy
- Code of Conduct for Prevention of Insider Trading
- Policy on Prevention of Money Laundering
- Policy for determining material events and information
- Policy on Material Subsidiaries
- Documents Preservation and Archival Policy
- Policy for determining Material Subsidiary
- Investment Policy
- Resource Planning Policy
- Credit Policy

All the above measures ensure that the Organization is governed in an ethical and transparent manner. The Company has complied with the requirements of the Corporate Governance as laid down under the provisions of Companies Act, 2013, Listing Regulations and RBI directions as applicable to the Company.

SOUND BOARD STRUCTURE & DIRECTORS WITH DIVERSE BACKGROUNDS

Board composition is a broad term that encompasses issues such as who is on the Board and the skills mix of the Board. It involves both structural and cultural issues, and Board effectiveness depends on obtaining the right mix of skills and

experience. Board composition varies significantly between organizations and is influenced by:

- legal requirements including the organization's constitution and purpose;
- Board size;
- the balance of executive and non-executive directors;
- Director competencies;
- terms of office for Directors; and
- the structure of the shareholding.

Stable Board with long-serving, committed members will have the advantage of a thorough knowledge of the Company and its mission. Building the right Board requires an understanding of Director competencies, which involves consideration of the Directors' experience, skills, attributes and capabilities. Director competencies encompass two distinct areas: technical competencies and behavioral competencies. Technical competencies are Director's technical skills and experience ('what you need to know and are able to do') such as accounting or legal skills, industry knowledge, experience in strategic planning and corporate governance. Behavioral competencies are Director's capabilities and personal attributes ('how you apply what you know and your personal and interpersonal skills') and include, for example, an ability to positively influence people and situations; an ability to assimilate and synthesize complex information; time availability; honesty and integrity; and high ethical standards.

Keeping in view of the above factors, Our Board comprises of distinguished members with rich experience, mainly in the area of finance, law and accounting. The Board along with its Committees provides guidance for managing the Company and also supervises and controls the performance of the Company. The Board of the Company has an optimum combination of Executive and Non-Executive Directors. As of March 31, 2020 the Board of Directors of the Company consisted of eight members of which five were Independent Directors, who do fulfil the criteria of 'Independence' as laid down in the Companies Act, 2013, RBI Guidelines and SEBI (LODR) Regulations, 2015. The Independent Directors bring independent judgment in the Board's deliberation and decisions. Considering the stringent requirement of the skill-sets on the Board, experienced persons, having an independent standing in their respective field/profession and who can effectively contribute to the Company's business and policy decisions, are considered by the Nomination & Remuneration Committee for appointment as Independent Directors on the Board. The number of directorships and memberships held in various committees of other companies by such persons is also considered. The Board considers the recommendations of the Nomination & Remuneration Committee and takes appropriate decisions regarding, continuance and induction of new skill sets at the Board level to ensure the availability of these experienced professionals to guide the Company in an ever evolving business environment.

None of the Independent Director on the Board of the Company is a Non-Independent Director of another Company on the Board of which any Non-Independent Director of the Company is an Independent Director. None of the Independent Director of the Company is serving as an Independent Director in more than seven/three listed entities as required under Regulation 17A of SEBI (LODR) Regulations, 2015. Further, none of the Directors of the Company is a member in more than ten Committees or is acting as Chairperson of more than five Committees (Committees being, Audit Committee and Stakeholder Relationship Committee), across all the Indian Public Limited Companies in which he/she is Director. Furthermore, the necessary annual disclosures have been submitted by the Directors to the Company, regarding Committee positions held by them in other public companies. All the Non-Executive Independent Directors and Managing Director are not liable to retire by rotation.

Brief profile of members of of the Board of the Company is as under:

Mr. Sunil Agarwal

Managing Director & CEO

Mr. Sunil Agarwal is a founder member, Promoter and Managing Director of the Company with an experience of over three decades. He is responsible for the Company's strategic decision making along with Company's financial activities. He embarked his journey into finance business at a very young age of 20 years. At a nascent age he established this Company, the success of which is contributed to his arduous work and commitment, At present, the Company is doing its business from many branches in the various states of the Country, which is instrumental in steering the Company's growth story across the country. With his leadership skills and positive attitude, the Company is growing and expected to grow bigger and better.

Mr. Harish Singh

Executive Director

Mr. Harish Singh is a Fellow Member of the Institute of Chartered Accountants of India and Master of Business Administration in Marketing. He has a rich experience of more than two decades in the areas of Audit, Taxation, Corporate Advisory Services, Financial Management, Fund Raising, etc. He is well-versed with the provisions of other statutory laws with proficiency in steering system implementation. He is a keen analyst with exceptional relationship management & negotiation skills with proven abilities in liaising with the various regulatory authorities. He is engaged with the Company as an Executive Director of the Company and strengthens the operation department of the Company with his rich experience and specialization.

Mr. Anoop Krishna

Executive Director

Mr. Anoop Krishna is a banking veteran. He started his career in the year 1982 as a Probationary Officer and retired as Chief General Manager Corporate Banking in 2017. He headed the Corporate Accounts Group for SBI in Delhi. Prior to his superannuation on December 31, 2017, he was heading the Mid Corporate Group of State Bank of India as Chief General Manager for Northern and Eastern India based out of SBI Corporate Centre, Mumbai. He has brought with him a rich and varied experience of leading a large team of people operating into complex financial structure. Currently, he, as Executive Director, is responsible for Strategic Planning for the Company.

Mr. Sunil Srivastav

Independent Director

Mr. Sunil Srivastav was a Dy. Managing Director – Corporate Accounts Group in State Bank of India. He was responsible for large corporate credit exposure including project and infrastructure financing for the Bank. He holds a proven track record in his various roles in different capacities at SBI which include DMD – CSNB, CGM – Kolkata and GM – Delhi. During his esteemed tenure at SBI, as DMD – CSNB, he has overseen initiating the Bank's foray into digital delivery of financial products and services including but not limited to areas like wealth management, an e-wallet and the next generation mobile banking solution and initiation of SBI's foray into new lines of businesses including identification and negotiation with global JV partners. As CGM – Kolkata at SBI, Mr. Srivastav was tasked with managing and growing operations of a network of 1450 offices in Bengal, Sikkim and Andaman & Nicobar. His role included evolving business strategy, improving operational efficiency and delivering the bank's products and services to a diverse base of wholesale and retail customers. He was at the time responsible for a workforce of 18000, employees across different business verticals. In his early years as GM – Delhi at SBI, he was in charge of the Bank's network in North India. This included a specialized business vertical that was focused on mid-size corporate clients and an assignment that involved growing the bank's business in the difficult mountainous terrain in the State of Uttarakhand. He has strengthened the Company's Board by bringing with him a vast experience and specialization in the field of Digital and Retail Finance Business.

Mr. Gauri Shankar

Independent Director

Mr. Gauri Shankar holds bachelor degree in Science and Commerce. He has over 40 years' of experience at various senior positions in banking industry. He was the Chief Executive Officer and Managing Director of the Punjab National Bank from February, 8, 2015 to August, 13, 2015 and also pursued the position of Executive Director in the same Bank. Prior to this, he worked in Bank of India in various positions, which include General Manager of various departments viz, Finance (CFO), National Banking Group North (Operations), Asset Recovery, Learning and Development (HR) and Strategy and Planning. Mr. Shankar has vast experience in domestic and international banking operations. His forte is Finance, Strategy and HR Development. While in PNB, he was Chairman of PNB's wholly owned subsidiary Punjab National Bank (International) Limited, London and director on other subsidiaries and JVs (for different periods) namely PNB Housing Finance Limited, PNB Gilts Ltd. and Punjab National Bank Kazakhstan. He has strengthened the Company's Board by bringing with him a vast experience and specialization in the field of finance.

Mr. Pradeep Agarwal

Independent Director

Mr. Pradeep Agarwal is associated with the Company as an Independent Director. He is an experienced banking professional with an exemplary track record of more than 38 years in all facets of Banking Industry. He was the General Manager of Oriental Bank of Commerce before joining the Board of the Company as Independent Director. He has also headed the International Banking, Credit, Treasury, Audit, Recovery and Legal Divisions of Oriental Bank of Commerce. After his superannuation he was appointed as Advisor of Oriental Bank of Commerce. He is also a regular speaker, motivator and trainer at various Professional Institutes and Colleges.

Mr. Naresh Kumar Jain

Independent Director

Mr. Naresh Kumar Jain is a Fellow member of Institute of Company Secretaries of India and Law Graduate with rich experience in the areas of Legal Compliances, Legal Management, Secretarial Functions, Statutory Compliances, Listing and Corporate Governance. He is well-versed with the provisions of Companies Act, SEBI Regulations, FEMA, NBFC and other statutory laws. He has also been the Secretary and Chief Executive Officer of the Institute of Company Secretaries of India. He as an Independent Director strengthens the Company's Board with his vast experience and specialization in Legal and Compliance matters.

Mr. Raman Aggarwal

Independent Director

Raman Aggarwal is the Co-Chairman of Finance Industry Development Council (FIDC) – a Representative body cum Self-Regulatory Organization for Non-Banking Finance Companies. He has more than 27 years of working experience in the NBFC sector.

He has been actively representing the NBFC sector, being a member of Advisory Groups to Ministry of Finance & RBI, core group setup by Ministry of Corporate Affairs— and Special Task Force at FICCI. He is the Chairman of National Council on NBFCs a Member of Managing Committee at ASSOCHAM and the Co-Convenor Industry Govt. Interface Panels at Indian Construction Equipment Manufacturers' Association (ICEMA). He was the signatory to the engagement letters signed by World Bank Group with FIDC. He was awarded the "Best NBFC Exemplary Leader" award at the ET NOW BFSI Awards and "100 Top Most Influential BFSI Leaders" award at the World BFSI Congress in 2018 & 2019. He is a Member of Academic Advisory Council of New Delhi Institute of Management and Guest Faculty at Institute of Chartered Accountants, India (ICAI) & International Management Institute (IMI), New Delhi.

Mr. Raman has done Masters in Urban Planning from School of Planning & Architecture, New Delhi and is a Bachelor of Civil Engineering from Thapar Institute of Engineering and Technology, Patiala. He has also undertaken a Special Training Programme for the Personnel of Non-Banking Finance Companies at RBI College of Agricultural Banking, Pune.

Mr. Raman Aggarwal joined the Board of the Company on October 15, 2019 as Additional Non Executive Independent Director.

Mrs. Nisha Jolly

Independent Director

Mrs. Nisha Jolly, aged about 68 years, did her B.Sc and B.Ed. from Delhi University and M.Sc. Genetics from Pantnagar Ag. & Technology University. She is also a Certified Associate of Indian Institute of Bankers. She is a retired banker. She joined Punjab National Bank in 1976, as Management Trainee & retired in 2012 as Chief Manager. In her 34 Years of Service in the Bank, she had varied experiences. She worked at field level in branches as Officer, Manager and Senior Manager. She is well aware of Banking Routine, Loans & Advances and Foreign Exchange related work. She was also involved in framing General Policies for the Bank. Currently she is associated with an Non-Government Organization (NGO). She joined the Board of the Company as Additional Independent Woman Director on May 30, 2020.

Familiarization Program for Independent Directors

In accordance with the requirements of Schedule IV of the Companies Act, 2013 and Regulation 25(7) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, various meetings have been conducted by the Company to make the Independent Directors understand about the business of the Company. Through meetings and interaction among Senior Managements and Independent Directors, the Company has made its best effort to ensure that the Independent Directors understand their roles, rights, responsibilities. etc. in the Company etc. The Familiarisation Program for Independent Directors of the Company is available on the website of the Company i.e. www.paisalo.in.

Core Skills/Expertise/ Competencies available with the Board

This Board skills matrix provides a guide as to the skills, knowledge, experience, personal attributes and other criteria identified by the Board of the Company as required in the context of the Company's business.

The Board of the Company is a skills-based Board comprising of Directors who collectively have the skills, knowledge and experience to effectively govern and direct the Company.

The skills and attributes of the Company's Board can be broadly categorized as follows:

- Governance skills (that is, skills directly relevant to performing the Board's key functions);
- Industry skills (that is, skills relevant to the industry or section in which the Company predominantly operates)
- Personal attributes or qualities that are generally considered desirable to be an effective Director.

This matrix is being presented pursuant to Regulation 34(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Schedule V Annual Report as amended by the SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018.



CORE SKILLS/ COMPETENCIES/ EXPERTISE							
Strategy and Planning	Policy Development	Governance, Risk and Compliance	Financial Performance	Communications	Commercial Experience	Technology	Executive Management
Ability to think strategically; identify and critically assess strategic opportunities and threats. Develop effective strategies in the context of the strategic objectives of the Company's relevant policies and priorities.	Ability to identify key issues and opportunities for the Company within the finance industry, and develop appropriate policies to define the parameters within which the Company should operate.	Experience in the application of corporate governance principles. Ability to identify key risks to the Company in a wide range of areas including legal and regulatory compliance, and monitor risk and compliance management frameworks and systems.	Qualifications and experience in accounting and/or finance and the ability to: analyse key financial statements; critically assess financial viability and performance; contribute to strategic financial planning; oversee budgets and the efficient use of resources and oversee funding arrangements and accountability.	Experience in, or a thorough understanding of, communication with industry groups and/or end users through a range of relevant communication channels.	A broad range of commercial/ business experience, preferably in the finance business systems, practices and improvement.	Knowledge and experience in the strategic use of information management and information technology within the Company.	Experience at an executive level including the ability to appoint and evaluate the performance of Senior Managerial Personnel; oversee strategic human resource management including workforce planning.
Board Member							
Mr. Sunil Agarwal	✓	✓	✓	✓	✓	✓	✓
Mr. Anoop Krishna	✓	✓	✓	✓	✓	✓	✓
Mr. Harish Singh	✓	✓	✓	✓	✓	✓	✓
Mr. Sunil Srivastav	✓	✓	✓	✓	✓	✓	✓
Mr. Gauri Shankar	✓	✓	✓	✓	✓	✓	✓
Mr. Pradeep Agarwal	✓	✓	✓	✓	✓	✓	✓
Mr. Naresh K. Jain	✓	✓	✓	✓	✓	✓	✓
Mr. Raman Aggarwal	✓	✓	✓	✓	✓	✓	✓
Mrs. Bhama Krishnamurthy*	✓	✓	✓	✓	✓	✓	✓

*Ceased to be the Director of the Company w.e.f. March 3, 2020.

Board Procedure and Meeting

The Board meets at least once in a quarter to review the quarterly performance and the financial results. The Board Meetings are scheduled in advance and the notice of each Board Meeting is given in writing to each Director. All the items on the agenda are accompanied by notes giving comprehensive information on the related subject, and in certain matters such as financial/ business plans, financial results, detailed presentations are made. The Board's role, functions, responsibility and accountability are clearly defined, and to enable the Board to discharge its responsibilities effectively, the members of the Board are briefed of about the overall performance of the Company.

During the year under review, Seven (7) Board Meetings were held on May 17, 2019; June 27, 2019; August 10, 2019; October 15, 2019; January 30, 2020 (10:00 A.M.); January 30, 2020 (2:00 P.M.) and February 9, 2020. The details regarding the composition of the Board of Directors as on March 31, 2020, category of the Directors, their attendance at the Board Meeting held during the year under review and also at the last Annual General Meeting and the number of Directorship and Chairmanships/Membership in Committees held by them in other public companies and their shareholding as on the March 31, 2020 are as follows:

S. No.	Name of Director (DIN)	Category	No. of shares held in Company as on March 31, 2020	Board meeting held during director's tenure	Attendance at Board meeting	Attendance at last AGM held on August 10, 2019	No. of Directorship held in other Public Companies*	Committee positions in other Public Companies*#	
								As Member	As Chairman
1	Mr. Sunil Agarwal (00006991)	Managing Director (Promoter)	32,69,940	7	7	Yes	1	-	-
2	Mr. Anoop Krishna (08068261)	Executive Director	0	7	5	Yes	0	-	-
3	Mr. Harish Singh (00039501)	Executive Director	0	7	5	Yes	1	-	1
4	Mr. Sunil Srivastav (00237561)	Non-Executive Independent Director	0	7	3	No	4	1	1
5	Mr. Gauri Shankar (06764026)	Non-Executive Independent Director	0	7	5	Yes	3	1	-
6	Mrs. Bhama Krishnamurthy\$ (02196839)	Non-Executive Independent Director	0	7	3	Yes	7	N.A.	N.A.
7	Mr. Pradeep Agarwal (06892799)	Non-Executive Independent Director	0	7	7	Yes	1	1	-
8	Mr. Naresh Kumar Jain (01281538)	Non-Executive Independent Director	0	7	6	Yes	2	2	-
9	Mr. Raman Aggarwal^	Additional Director	0	3	3	N.A.	1	-	-

\$ Ceased to be a Director of the Company with effect from March 3, 2020;

^Appointed as a Director of the Company with effect from October 15, 2019;

*Includes Private Limited Company(ies) which is subsidiary of Public Limited Company, Excludes Directorship of Private Limited Companies, Companies registered under Section 8 of Companies Act, 2013, Foreign Companies and Government Bodies; and

Includes only Audit and Stakeholders Relationship Committees in Public Limited Companies have been considered for the Committee positions as per Regulation 26 of Listing Regulations.

There are no inter-se relationships between the Directors of the Company.

Agenda and Minutes

All the matter requiring Board/Committee are noted vigilantly and are circulated to the Board Members in Agenda Papers well in time before the scheduled date of the Board Meeting.

The agenda and minutes of the Board/Committee meeting are prepared with due care and adherence to applicable provisions of the law.

The Board also takes note of the minutes of the Committee meetings duly approved by their respective Chairman.

Compliance Certificate by the Secretarial Auditor

The Secretarial Auditor of the Company has certified that the Company has complied with the conditions of Corporate Governance as stipulated in Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the same is annexed elsewhere in this Annual Report as forming part of Board's Report.

Board Supervised Committees

The Board of the Company has constituted different committees to focus on specific areas and make informed decisions within the authority delegated to each of the Committees. Each Committee of Board of Directors is guided by its Charter/ terms of reference, which defines its scope, powers and composition of the Committee. All decisions and recommendations of the Committee are placed before the Board either for information or approval. The details of various Committees, is as follows:

A. AUDIT COMMITTEE

The Audit Committee of the Company has been constituted in accordance with the provisions of Section 177 of the Companies Act, 2013 and Regulation 18 of SEBI (LODR) Regulations. The role and powers of the Audit Committee of the Company are governed by Companies Act, 2013 and Listing Regulations.

Functions and Responsibilities of Audit Committee:

Primarily following includes in the responsibilities/functions of Audit Committee:

- Auditing and accounting matter, including recommendation for appointment, remuneration and terms of appointment of Auditors of the Company
- Review and monitoring the Auditor's independence and performance, and effectiveness of audit process
- Reviewing, with the Management, the quarterly financial statements before submission to the Board for approval
- Approval or any subsequent modification of transactions of the Company with related parties and required disclosures thereof
- Integrity of Company's financial statements, discussing with the Independent Auditors the scope of the annual audits
- Valuation of undertakings or assets of the Company, wherever it is necessary
- Evaluation of internal financial controls and risk management systems
- Monitoring the end use of funds raised through public offers and related matters.
- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible
- Reviewing, with the Management, the annual financial statements and Auditor's report thereon before submission to the Board for approval, with particular reference to:
 - matters required to be included in the Directors' Responsibility Statement to be included in the Directors' Report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013;
 - changes, if any, in accounting policies and practices and reasons for the same;
 - major accounting entries involving estimates based on the exercise of judgment by management;
 - significant adjustments made in the financial statements arising out of audit findings;
 - compliance with listing and other legal requirements relating to financial statements;
 - reviewing, approving all or any subsequent modification of transactions with related parties and
 - qualifications in the draft audit report.
- Reviewing appointment, removal and terms of remuneration of the Chief Internal Auditor and reviewing the adequacy of internal audit function, if any, including the structure of the Internal Audit Department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- Discussion with internal auditors of any significant findings and follow up there on;
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;

- Carrying out any other function as is mentioned in the terms of reference of the Audit Committee;
- Discussion with Statutory Auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- To look into the reasons for substantial defaults in the payment to the debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- To review the functioning of the Whistle Blower mechanism;
- Reviewing the utilization of loans and / or advances from / investment by the Company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision; and
- Appointment of Chief Financial Officer after assessing the qualifications, experience and background, etc. of the candidate

Powers of Audit Committee:

The Audit Committee shall have powers, which should include the following:

- To investigate any activity within its terms of reference
- To seek information from any employee
- To obtain outside legal or other professional advice
- To secure attendance of outsiders with relevant expertise, if it considers necessary.

Meeting and Composition

The Audit Committee met four (4) times during the year under review on May 17, 2019; August 10, 2019; October 15, 2019; and February 9, 2020.

The constitution of Audit Committee and attendance of each member is as under:

S. No.	Name of Member	Designation	Committee meeting held during the tenure of Member in FY 2019-20	Committee meeting attended during the tenure of Member in FY 2019-20
1	Mr. Pradeep Agarwal	Chairman	4	4
2	Mr. Gauri Shankar	Member	4	4
3	Mr. Harish Singh	Member	4	4

B. NOMINATION & REMUNERATION COMMITTEE

The Nomination & Remuneration Committee has been constituted in accordance with the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of SEBI (LODR) Regulations, 2015.

Role of Nomination and Remuneration Committee

The role of the Nomination and Remuneration Committee, inter alia, includes the followings:

- Formulation of the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy, relating to the remuneration of the Directors, Key Managerial Personnel and other employees
- Formulation of criteria for the evaluation of Independent Directors and the Board
- Devising a policy on Board diversity
- Identification of person who will qualify to become Director and who may be appointed in Senior Management in accordance with the criteria laid down and recommend to the Board their appointment, removal and remuneration
- Recommendation to the Board of Directors whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of Independent Directors
- Reviewing the performance of the Managing /Whole-time Director
- Reviewing such other matters which the Board may from time to time request the Committee to consider, examine recommended and/or approve

Meeting and Composition

The Nomination & Remuneration Committee met four (4) times during the year under review on May 17, 2019; August 10, 2019; October 15, 2019 and February 9, 2020.

The constitution of Nomination and Remuneration Committee and attendance of each member is as under:

S. No.	Name of Member	Designation	Committee meeting held during the tenure of Member in FY 2019-20	Committee meeting attended during the tenure of Member in FY 2019-20
1	Mr. Sunil Srivastav*	Chairman	3	2
2	Mrs. Bhama Krishnamurthy\$	Member	4	3
3	Mr. Pradeep Agarwal	Member	4	4
4	Mr. Gauri Shankar^	Chairman	1	1

* Appointed as Chairman of the Committee in the Board Meeting held on May 17, 2019.

\$ Ceased to be the Director of the Company w.e.f. March 3, 2020

^ Ceased to be the Chairman and Member of the Committee w.e.f. May 17, 2020

Nomination and Remuneration Policy

The Company adopted a Nomination and Remuneration Policy for Directors, KMP and other employees, in accordance with the provisions of the Companies Act, 2013 and Listing Regulations.

Remuneration to Directors

Non-Executive Directors

No commission was paid to any Non-Executive/Independent Director for the financial year under review. Only sitting fees, within limit as prescribed under Companies Act, 2013 and rules made thereunder and reimbursement of expenses incurred by the Non-Executive/Independent Director for the Company's related matter have been paid.

Executive Directors

The remuneration paid to the Executive Directors is commensurate with industry standards, taking into consideration the individual responsibilities shouldered by them and is in consonance with the terms of appointment approved by the Board of Directors/shareholders of the Company.

The Nomination and Remuneration Committee reviews and, if required, recommends to the Board the changes in the managerial remuneration of the Executive Directors. The review is based on the performance of the Company and the individual Director on certain defined qualitative and quantitative parameters.

The details of sitting fees/remuneration paid to Directors during the FY 2019-20, are as under:

S. No.	Name of Director	Sitting fees for attending Board and Committee Meetings (Amount in INR)	Salary and Perquisite (Amount in INR)	Incentive/ Bonus (Amount in INR)	Total (Amount in INR)
1	Mr. Sunil Agarwal	N.A.	2,95,20,000.00	N.A.	2,95,20,000.00
2	Mr. Anoop Krishna	N.A.	39,60,000.00	N.A.	39,60,000.00
3	Mr. Harish Singh	N.A.	30,04,800.00	N.A.	30,04,800.00
4	Mr. Sunil Srivastav	1,35,000.00	N.A.	N.A.	1,35,000.00
5	Mr. Gauri Shnakar	3,45,000.00	N.A.	N.A.	3,45,000.00
6	Mr. Pradeep Agarwal	4,25,000.00	N.A.	N.A.	4,25,000.00
7	Mr. Naresh Kumar Jain	2,20,000.00	N.A.	N.A.	2,20,000.00
8	Mr. Raman Agarwal	75,000.00	N.A.	N.A.	75,000.00
9	Mrs. Bhama Krishnamurthy \$	1,75,000.00	N.A.	N.A.	1,75,000.00

\$ Ceased to be the Director of the Company w.e.f. March 3, 2020

The Company does not have an Employee Stock Option.

There were no pecuniary relationships or transactions of Non-Executive Directors vis-à-vis the Company.

Performance Evaluation of the Board, Directors and Committees of the Board

The Board of Directors have recognized that it would be important for them to continually assess how effectively they are performing their roles against the objectives and the goals they have set for themselves. This growing recognition has resulted in Board evolutions as a critical structural tool for assessing Board effectiveness and efficiency. Considering

this fact and in the light of Company's performance, the performance of the Board of Directors and their committees, along with performance of individual Director is reviewed and evaluated by Nomination and Remuneration Committee and the Board of Directors through various manner like discussion with Directors, by seeking views of one Director from other Directors, inputs from the Directors through structured questionnaires covering the various aspects of the Board functioning such as adequacy of composition of the Board and its Committee, Board culture, execution and performance of specific duties, obligations, participation of Directors in the various matters, skill and knowledge of individual Director and independence of judgement, contribution towards development of the strategy, risk management. The Directors expressed satisfaction with the evaluation process. The performance of the Director individually and collectively and performance of the Committees are found satisfactory.

A separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board, who were assessed to find out knowledge / skills, contribution to the Board and their communication / relationship with the Board and senior management of the Company.

The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Chairman and the Non-independent Directors were carried out by the Independent Directors. In the separate meeting held on February 9, 2020. The Directors expressed their satisfaction with the evaluation process.

C. STAKEHOLDERS RELATIONSHIP COMMITTEE

The Stakeholders Relationship Committee, led by an Independent Director, is constituted in accordance with the provisions of Companies Act, 2013 and Regulation 20 of SEBI (LODR) Regulations, 2015. The Committee, inter-alia, oversees and reviews all matters connected with the grievances of the security holders or investor services in connection with non-receipt of Balance Sheet, non-receipt of declared dividend, re-materialization and de-materialization of shares and transfer of shares or any other grievances as reported by the security holders. The Committee also oversees the performance of the Registrar and Transfer Agents of the Company and recommends measures for overall improvement in the quality of investor services. The Board has delegated the power of approving transfer of securities to the officers of the Company.

Meeting and Composition

Stakeholder Relationship Committee met four (4) times during the year under review on May 17, 2019; August 10, 2019; October 15, 2019 and February 9, 2020.

The constitution of the Committee and attendance of each member is as under:

S. No.	Name of Member	Designation	Committee meeting held during the tenure of Member in FY 2019-20	Committee meeting attended during the tenure of Member in FY 2019-20
1	Mr. Naresh Kumar Jain	Chairman	4	3
2	Mr. Gauri Shankar	Member	4	4
3	Mr. Sunil Srivastav	Member	3	2
4	Mrs. Bhama Krishnamurthy \$	Member	1	1

\$Ceased to be the Member of the Committee w.e.f. May 17, 2019.

Investor Grievance Redressal

The status of investor complaints is monitored by the SRC periodically and reported to the Board. The complaints received from the shareholders, regulators, and stock exchanges are reviewed and they are expeditiously attended to by the Registrar and Share Transfer Agents.

Investor's Complaints status for the Financial Year 2019-20

No. of complaints pending at the beginning of the year	:	Nil
No. of complaints received by correspondence during the year	:	Nil
No. of complaints received from BSE during the year	:	Nil
No. of complaints received from NSE during the year	:	Nil
No. of complaints received from SEBI during the year	:	Nil
No. of complaints resolved / replied during the year	:	Nil
No. of Investors complaints pending at the end of the year	:	Nil

We confirm that no Complaints, if received remained unattended/ pending for more than 30 days.

There was no share transfer pending for registration for more than 15 days during the year.

Compliance Officer

Mr. Manendra Singh, Chief Compliance Officer and Company Secretary is the Compliance Officer for complying with the requirements of Securities Laws and Listing Regulations.

D. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE (CSR COMMITTEE)

Company has constituted Corporate Social Responsibility Committee, under the provisions of Section 135 of Companies Act, 2013, to formulate and recommend CSR policy for the Company to the Board. The CSR Committee is responsible to recommend the budget / expenditure as may be needed for the financial year and monitor the execution of CSR Policy of the Company and if required, to recommend modification in CSR Policy to the Board.

Meeting and Composition

Corporate Social Responsibility Committee met two (2) times during the year under review on May 17, 2019 and August 10, 2019.

The constitution of Corporate Social Responsibility Committee and attendance of each member is as under:

S. No.	Name of Member	Designation	Committee meeting held during the tenure of Member in FY 2019-20	Committee meeting attended during the tenure of Member in FY 2019-20
1	Mr. Harish Singh	Chairman	2	2
2	Mr. Sunil Agarwal	Member	2	2
3	Mr. Pradeep Agarwal	Member	2	2

E. EXECUTIVE COMMITTEES CONSTITUTED BY THE BOARD

Board has also constituted a set of committees which are led by a Board member with senior executives of the Company contributing as members. Minutes of proceedings of these committees are placed before the Board at their meetings for noting.

E-1. RISK MANAGEMENT COMMITTEE

Risk Management Committee of the Company has been constituted by the Company pursuant to requirement of RBI guidelines to identify and evaluate operational, strategic and external environment risks associated with the Company's business and to monitor and review the Company's risk management plan.

Meeting and Composition

Risk Management Committee met four (4) times during the year under review on May 17, 2019; August 10, 2019; October 15, 2019 and February 9, 2020.

The constitution of the Committee and attendance of each member is as under:

S. No.	Name of Member	Designation	Committee meeting held during the tenure of Member in FY 2019-20	Committee meeting attended during the tenure of Member in FY 2019-20
1	Mr. Gauri Shankar	Chairman	4	4
2	Mr. Pradeep Agarwal	Vice Chairman	4	4
3	Mr. Harish Singh	Member	4	4
4	Mr. Gaurav Chaubey	Member	4	3
5	Mr. Dhiraj Beri	Member	4	3
6	Mr. Sunil Agarwal^	Member	N.A.	N.A.

^ Appointed as Member with effect from February 9, 2020. In the Board Meeting held on that date.

E-2. ASSET LIABILITY MANAGEMENT COMMITTEE (ALCO)

Based on RBI Guidelines, the Company has also constituted an Asset Liability Management Committee. The committee primarily performs the role of risk management in pursuance of the Risk Management guidelines issued by RBI, from time to time and assists the Board of the Company to manage the risk. The Committee addresses the issues related to interest rate and liquidity risks. The business of the Company is periodically monitored by the Committee and the members also suggest ways and means to improve the working and profitability of the Company from time to time.

Meeting and Composition

Asset Liability Management Committee met four (4) times during the year under review on May 17, 2019; August 10, 2019; October15, 2019 and February 9, 2020.

The constitution of Assets Liability Management Committee and attendance of each member is as under:

S. No.	Name of Member	Designation	Committee meeting held during the tenure of Member in FY 2019-20	Committee meeting attended during the tenure of Member in FY 2019-20
1	Mrs. Bhama Krishnamurthy	Chairman	1	1
2	Mr. Naresh Kumar Jain	Member	1	0
3	Mr. Pradeep Agarwal	Member	1	1
4	Mr. Sunil Agarwal	Chairman	3	3
5	Mr. Harish Singh	Member	3	3
6	Mr. Atul Kumar Agarwal	Member	3	3
7	Mr. Gaurav Chaubey	Member	3	3
8	Mr. Dhiraj Beri	Member	3	3

The Asset Liability Management Committee has been reconstituted on May 17, 2019, and Mr. Sunil Agarwal, Mr. Harish Singh, Mr. Atul Kumar Agarwal, Mr. Gaurav Chaubey, and Mr. Dhiraj Beri have been appointed as the Members of the Committee and Mrs. Bhama Krishnamurthy, Mr. Naresh Kumar Jain and Mr. Pradeep Agarwal have been ceased to be the members/chairman of the Committee.

E-3. IT STRATEGY COMMITTEE

The Board, in accordance with the provisions of Reserve Bank of India's Master Direction on the Information Technology Framework for the NBFC Sector, constituted IT Strategy Committee ("IT Committee"). The IT Committee comprises of four (4) members, one of whom is Independent Director one is Executive Director and the other two are Chief Information Officer and Chief Technical Officer of the Company. The functions of the IT Committee include approval of IT strategies and policy documents, to ascertain whether the Company's management has implemented processes / practices which ensure that IT delivers value to business, ensure that the budgets allocated vis-à-vis IT investments are commensurate, monitor the method adopted to ascertain the IT resources needed to achieve strategic goals of the Company and to provide high-level directions for sourcing and use of IT resources.

Meeting and Composition

IT Strategy Committee met two (2) times during the year under review on July 11, 2019 and February 9, 2020.

The constitution of IT Strategy Committee and attendance of each member is as under:

S. No.	Name of Member	Designation	Committee meeting held during the tenure of Member in FY 2019-20	Committee meeting attended during the tenure of Member in FY 2019-20
1	Mr. Pradeep Agarwal	Chairman	2	1
2	Mr. Harish Singh	Member	2	2
3	Mr. Sachindra Kunar	Member	2	2
4	Mr. Kailash Singh	Member	2	2

E-4. OPERATION AND FINANCE COMMITTEE

Board of Directors of the Company has also constituted a Committee named Operations and Finance Committee under the chairmanship of Mr Harish Singh. Mr Sunil Agarwal and Mr. Pradeep Agarwal are the other members of the Committee. This Committee meets time to time to decide on and transact the business of routine operational nature for the Company, such as opening of bank account, availing various banking facilities, fund raising changes to the signatories, delegation of authority for initiating and defending litigation, etc.

COMPLIANCE OFFICER

The Company has appointed Mr. Manendra Singh, Chief Compliance Officer and Company Secretary as Compliance Officer for complying with the requirements of the Listing Agreement with the Stock Exchanges.

CORPORATE ETHICS

The Company's Business ethics is a guide to ethical decision making. We are committed to uncompromising integrity in all that we do and in the way in which we relate to each other and to people outside the Company. As a responsible corporate entity, the Company consciously follows corporate ethics in both business and corporate interactions. The Company has framed various codes and policies like code of conduct for Prevention of Insider Trading, Fair Practice Code, Code for Independent Directors, code of conduct for all Members of Board of Directors and Senior Management, Whistle Blower Policy, which acts as guiding principles for carrying business in ethical way.

MEETINGS OF INDEPENDENT DIRECTORS

As stipulated by the code of Independent Directors under the Companies Act, 2013 and Listing Regulation, a separate meeting of Independent Directors was held on February 9, 2020 to review the performance of Non-Independent Directors and the Board as whole taking into account the views of Executive and Non-Executive Directors. The Independent Directors also reviewed the quality, content and timeline of flow of information between the Management and Board and its committees which is necessary for effective and reasonable performing and discharge of their duties.

GENERAL BODY MEETINGS

Annual General Meeting (AGM) of Last Three Years AGM Year

AGM	Year	Date, Time And Venue	Special Resolution Passed
25th	2016-2017	September 26, 2017 at 10.30 A.M. Auditorium ISKCON Complex, Hare Krishna Hill, Sant Nagar, Main Road, East of Kailash, New Delhi – 110065	Three
26th	2017-2018	September 29, 2018 at 03.00 P.M. Auditorium ISKCON Complex, Hare Krishna Hill, Sant Nagar, Main Road, East of Kailash, New Delhi – 110065	Three
27th	2018-2019	August 10, 2019 at 11.30 A.M. Auditorium ISKCON Complex, Hare Krishna Hill, Sant Nagar, Main Road, East of Kailash, New Delhi – 110065	Four

All the resolutions moved at last Annual General Meeting were passed by means of remote e-voting and physical voting, by the requisite majority of members.

Extraordinary General Meeting

During the year under review, no Extraordinary General Meeting was held.

Postal Ballot

During the year under review, pursuant to Section 110 of the Companies Act, 2013 read with Rule 22 of the Companies (Management and Administration) Rules, 2014, approval of Shareholders by Special Resolutions under Section 149 and 152 of the Companies Act, 2013, is sought through Postal Ballot to reappoint Mr. Pradeep Agarwal as a Non-Executive Independent Director of the Company for a further term of five years commencing from March 28, 2020.

Notice of Postal Ballot

The Postal Ballot Notice was sent to the Members, whose names appear in the Register of Members / List of Beneficial Owners, as received from the National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL), as on February 14, 2020. The Postal Ballot Notice was sent to Members in electronic form at the email addresses registered with their Depository Participants (in case of electronic shareholding) / the Company's Registrar and Share Transfer Agent (in case of physical shareholding). For Members whose email IDs were not registered, physical copies of the Postal Ballot Notice was sent by permitted mode along with a postage-prepaid self-addressed envelope.

Mode of Voting

In addition to voting through physical Postal Ballot Form, e-voting facility was also provided by the Company to the Shareholders to cast their votes on the Resolutions as specified in the Postal Ballot Notice.

Voting Period

The voting by the Shareholders on the Resolution was commenced on February 21, 2020, at 09.00 A.M (IST) and ended on at March 21, 2020 at 5.00 P.M (IST) (both days inclusive).

Scrutinizer for Conducting the Voting through Postal Ballot and E-Voting Process and Scrutinizer's Report

Mr. Satish Jadon, Proprietor of Satish Jadon & Associates, Practicing Company Secretary, (Membership No. FCS 9512 and CP No. 9810) was appointed as the Scrutinizer for conducting the voting through postal ballot and e-voting process in a fair and transparent manner. Scrutinizer has submitted Scrutinizer's Report on March 23, 2020 to the Company.

Voting Result

On March 23, 2020, the result of voting through Postal Ballot was declared and the Special Resolution was passed with requisite majority and such Special Resolution is deemed to have been passed on the last date of voting through postal ballot / e-voting i.e., March 21, 2020.

Disclosures

- Transactions with related parties are periodically brought to the notice of Audit Committee. There are no materially significant related parties transactions made by the Company during the year under review, that may have potential to conflict with the interest of the Company at large. The transactions with related parties as per requirements of Ind AS-24 – ‘Related Party Disclosures’ are disclosed in Note: 36 of the Notes to the Financial Statements for the year ended March 31, 2020. The Company's policy on dealing with ‘Related Party Transitions’ is available on the website of the Company.
- The Company has complied with all the requirements of the Listing Agreement entered into with the Stock Exchanges as well as applicable regulations and guidelines of SEBI. Consequently, there were no penalties or strictures imposed on the Company either by SEBI or the Stock Exchanges or any statutory authority for noncompliance of any matter related to the capital market.
- The Board has approved a Policy on Material Subsidiary, which is available on the website of the Company.
- The Company has complied with all the applicable provisions of the Secretarial Standards issued by the Institute of Company Secretaries.
- There was no instance during the financial year 2019-20 when the Board had not accepted any recommendation of the Committee of the Board.
- Whistle Blower Mechanism has been established for employees to report concerns about unethical behaviour, actual or suspected fraud, or violation of our code of conduct or ethics policy. It provides for adequate safeguards against victimization of employees who avail of the mechanism, and also allows direct access to the Chairman of the Audit Committee in exceptional cases. We further affirm that no employee has been denied access to the Audit Committee. The details of Whistle Blower Mechanism are available on the website of the Company.
- Disclosure with respect to demat suspense account / unclaimed suspense account – not applicable.
- During the year under review, the Company has not raised proceeds / funds from public issue, right issue, and preferential issue of equity shares. However, the Company has issued and allotted securities pursuant to the provisions of Companies Act, 2013 which are as follows:
 - i. 17,32,199 fully paid-up equity shares of INR 10/- each, issued and allotted on June 27, 2019, pursuant to Scheme of Amalgamation/Merger between M/s Agarwal Meadows Private Limited (Transferor Company) and M/s Paisalo Digital Limited (Transferee Company), as approved by the Hon'ble National Company Law Tribunal, Principal Bench at New Delhi vide its order dated May 17, 20219.
 - ii. On January 30, 2020, six unlisted unsecured 12% Non-Convertible Debentures (NCDs), of INR 1,00,00,000/- each fully paid-up issued and allotted on the private placement basis.
 - iii. On February 13, 2020, one unlisted unsecured 12% Non-Convertible Debentures (NCDs), of INR 1,00,00,000/- each fully paid-up issued and allotted on the private placement basis.
 - iv. On February 24, 2020, nine unlisted unsecured 12% Non-Convertible Debentures (NCDs), of INR 1,00,00,000/- each fully paid-up issued and allotted on the private placement basis.
- A certificate from a Company Secretary in practice states that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of Company by the SEBI/ Ministry of Corporate Affairs or any such statutory authority is annexed as forming part of this Annual Report.

- Mrs. Bhama Krishnamurthy resign from the Board due to the time constraints and certain personal reasons which was confirm by her in the resignation letter.
- Details of fees paid by the Company and its Subsidiary, on a consolidated basis, to the Statutory Auditor is disclosed in Note: 32 of the Notes to the Consolidated Financial Statements for the year ended March 31, 2020 forming part of this Annual Report.
- Disclosures of the compliance with corporate governance requirements specified in regulation 17 to 27 and Regulation 46 (2) (b) to (i) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are as under:

Particulars	Regulation Number	Compliance Status
Board composition	17(1)	Yes
Meeting of Board of Directors	17(2)	Yes
Review of Compliance Reports	17(3)	Yes
Plans for orderly succession for appointments	17(4)	Yes
Code of Conduct	17(5)	Yes
Fees/compensation	17(6)	Yes
Minimum Information	17(7)	Yes
Compliance Certificate	17(8)	Yes
Risk Assessment & Management	17(9)	Yes
Performance Evaluation of Independent Directors	17(10)	Yes
Composition of Audit Committee	18(1)	Yes
Meeting of Audit Committee	18(2)	Yes
Composition of Nomination & Remuneration Committee	19(1) & (2)	Yes
Composition of Stakeholder Relationship Committee	20(1) & (2)	Yes
Composition and role of Risk Management Committee	21(1),(2),(3),(4)	Yes
Vigil Mechanism Policy	22	Yes
Policy for related party transaction	23(1),(5),(6),(7) & (8)	Yes
Prior or Omnibus approval of Audit Committee for all Related Party Transactions	23(2), (3)	Yes
Approval for Material Related Party Transactions	23(4)	N.A.
Composition of Board of Directors of unlisted material Subsidiary	24(1)	Yes
Other Corporate Governance requirements with respect to subsidiary of listed entity	24(2),(3),(4),(5) & (6)	Yes
Maximum Directorship & Tenure	25(1) & (2)	Yes
Meeting of Independent Directors	25(3) & (4)	Yes
Familiarization of Independent Directors	25(7)	Yes
Memberships in Committees 26 (1) Yes Affirmation with compliance to Code of Conduct from members of Board of Directors and Senior Management personnel	26(3)	Yes
Disclosure of shareholding by Non- Executive Directors	26(4)	Yes
Policy with respect to obligations of Directors and senior management	26(2) & 26(5)	Yes
Other corporate governance requirements	27	Yes
Website	46 (b) to (i)	Yes

Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

S. No.	Particular	Status
1.	Number of complaints filed during the financial year	Nil
2.	Number of complaints disposed of during the financial year	Nil
3.	Number of complaints pending as on end of the financial year	Nil

The status of Compliance with mandatory and non-mandatory requirements of Listing Agreement/Listing Regulations are as follows:

Mandatory Requirements:

The Company has complied with all the mandatory requirements of SEBI (LODR) Regulations, 2015.

Non-Mandatory Requirements:

The Internal Auditor may report directly to the Audit Committee.

There is no audit qualification on the financial statements of the Company for the year 2019-20.

Means of Communication

The Board of Directors of the Company approves and takes on record the quarterly, half yearly and yearly financial results, as per the performa prescribed under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Approved Financial Results are forthwith submitted to the Stock Exchanges and are generally published in the English & Hindi Newspapers namely 'Business Standard' within forty-eight hours of approval thereof. The same are not sent to the Shareholders separately. The information regarding performance of the Company is shared with the Shareholders vide Annual Report.

The approved Financial Results, Annual Report, Shareholding Pattern, Intimation of Board Meeting and other relevant information are posted through BSE Listing Centre and NSE Electronics Application Processing System (NEAPS) portals for the information of investors.

In view of the Listing Regulations, the soft copies of Annual Report have been emailed by the Company to all those Shareholders who have registered their email address for this purpose. We would appreciate and encourage more Shareholders to register their email address with their Depository Participant or the Registrar and Transfer Agent of the Company, to receive soft copies of the Annual Report, Postal Ballot, Notices and other information disseminated by the Company, on a real-time basis without any delay.

The Company's financial results and official news releases are displayed on the Company's website www.paisalo.in. No formal presentations were made to institutional investors and analysts during the year under review.

General Shareholder Information

The Company is registered with the Registrar of Companies, Delhi. The Corporate Identity Number (CIN) allotted to the Company by Ministry of Corporate Affairs is L65921DL1992PLC120483.

The Company is also registered with the Reserve Bank of India as Non-Banking Financial Company having registration number B-14.02997.

Credit Rating

M/s Infomerics Valuation and Rating Pvt. Ltd., vide its letter dated February 17, 2020, assigned following rating to Company's instruments:

Sr No.	Instrument/Facility	Amount (INR in million)	Rating Assigned
1.	Fund Based Facilities (CC)	8225.00	IVRA/Positive Outlook (IVR Single A with Positive Outlook)
2.	Fund Based (Non Convertible Debentures)	1000.00	
3.	Proposed Facilities	675.00	

Financial Calendar

Financial Year	:	The financial year of the Company is from April 01 to March 31 of the following year
Financial Results		
For the 1st quarter	:	On or before August 14
For the half year	:	On or before November 14
For the 3rd quarter	:	On or before February 14
For the year end	:	On or before May 30

28th Annual General Meeting for FY 2019-20

Date and Time	:	September 8, 2020 at 9:30 A.M.
Venue	:	Through Video Conferencing (VC)/ Other Audio Visual means
Cut-off Date	:	For the purpose of e -voting & dividend the cut off date is September 1, 2020
Date of Book Closure	:	The Books of the Company will remain closed from September 2, 2020 to September 8, 2020 (both days inclusive)
E-voting period		Start on September 5, 2020 at IST 9:00 A.M. and ends on September 7, 2020 at 5:00 P.M.
Dividend		Dividend @ INR1.00 per fully paid-up Equity Share of INR 10/- of the Company will be paid to the shareholders whose names appear in the Register of Members as on September 1, 2020, subject to approval of the shareholders at the 28th Annual General Meeting, within the statutory time limit of 30 days.

Dividend

The Board of Directors of the Company has recommend a final dividend of INR 1/- (Rupee One only) per share i.e. 10% on each fully paid equity share of INR 10/- (Rupees Ten Only) for financial year 2019-20. The dividend, if declared, by the Members at the forthcoming Annual General Meeting (AGM) shall be paid to the eligible Members of the Company.

Unclaimed Dividends

The provisions of Sections 124 and 125 on unclaimed dividend and Investor Education and Protection Fund (IEPF) under the Act and Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (IEPF Rules) have come into force with effect from September 7, 2016.

During the year under review, the Company has transferred INR 57,622.00 from unclaimed dividend account for final dividend declared for FY 2011-12, which was remaining unclaimed for seven years to IEPF.

The dividend, if any, for the following years remaining unclaimed and due date for transferring the unclaimed amount to the IEPF:

Financial Year	Dividend Per Share	Date of Declaration	Due date for transfer in IEPF
2012-13	INR 1	30-09-2013	06-11-2020
2013-14	INR 1	30-09-2014	06-11-2021
2014-15	INR 1	30-09-2015	06-11-2022
2015-16	INR 1	30-09-2016	06-11-2023
2016-17	INR 1	26-09-2017	02-11-2024
2017-18	INR 1	29-09-2018	05-11-2025
2018-19	INR 1	10-08-2019	16-09-2026

Shareholders who have so far not encashed dividend warrant for the aforesaid years are requested to approach the Company.

The Company shall transfer to IEPF within the stipulated period a) the unpaid or unclaimed dividend for the financial year 2012-13 and b) the shares, if any, on which dividend has not been claimed or encashed for last seven consecutive years.

The Shareholders are requested to note that no claims shall lie against the Company in respect of the amounts so transferred to IEPF and no payment shall be made in respect of any such claim.

Listing

The shares of the Company are listed on BSE Ltd. (BSE) and National Stock Exchange of India Ltd. (NSE). The following are the details of Shares of the Company:

Stock Exchange	BSE Limited (BSE)	National Stock Exchange of India Limited (NSE)
Type of Shares	Equity	Equity
ISIN	INE420C01042	INE420C01042
Security Code/ Symbol	532900	PAISALO
Address of Stock Exchange	P. J. Towers, 25 th Floor, Dalal Street, Mumbai -400001 (www.bseindia.com)	Exchange Plaza, BandraKurla Complex, Bandra (East), Mumbai -400 051 (www.nseindia.com)

Outstanding GDRs/ADRs/Warrants or any convertible instruments, conversion date and likely impact on Equity.

The Global Depository Receipts (GDRs) of Company are listed on Luxembourg Stock Exchange. Each five (5) Depository Receipts represents one (1) equity share of INR 10/- each of the Company. The details of outstanding Depository Receipts as on March 31, 2020 are as follows:

Listing on Foreign Stock Exchange	Luxembourg Stock Exchange (LSE) Societe De La Bourse, De Luxembourg
Address	35A Boulevard Jospeh II, Luxembourg
Website	www.burse.lu
Security Type	GDR
ISIN	US6954891049
Security Code/ Symbol	Paisalo Digital GDR
Outstanding Securities	8,41,50,000 Depository Receipts
Custodian Bank	The Bank of New York Mellon, DR

Since the underlying equity shares represented by DRs have been allotted in full, the outstanding have no impact on the equity of the Company.

There are no outstanding warrants issued by the Company.

Non Convertible Debentures

Sr. No.	Series	Listed/ unlisted	Tenure		Rated/ Unrated	Secured/ Unsecured	Outstanding Principal amount (INR in Crore)
			Month	Days			
1	1609 SEIL NCD	Unlisted	60	0	Unrated	Unsecured	95.00
2	PDL1802 NCD	Unlisted	60	0	Unrated	Unsecured	28.00
3	PDL1808 NCD	Unlisted	72	0	Unrated	Unsecured	81.00
4	PDL 2020-1	Unlisted	72	0	Unrated	Unsecured	6.00
5	PDL 2020-2	Unlisted	72	0	Unrated	Unsecured	1.00
6	PDL 2020-3	Unlisted	60	0	Unrated	Unsecured	9.00
7	PDL Series -07-2020*	Listed	33	5	Rated	Secured	50.00

*issued on July 16, 2020, and listed on Wholesale Debt Market Segment of BSE. Debenture Trustee- IDBI Trusteeship Services Limited

Listing Fees

The listing fee for all previous years had been paid to stock exchanges and fees for the current year has also been paid within stipulated time.

Market Price Data

Monthly high and low prices of equity shares of the Company on NSE and BSE during the year under review in comparison to BSE (Sensex) and NSE (Nifty) are given hereunder:

Months	NSE		BSE	
	High (Rs.)	Low (Rs.)	High (Rs.)	Low (Rs.)
Apr-19	365.90	293.05	370.00	296.00
May-19	425.00	308.80	469.00	301.50
Jun-19	405.00	364.10	408.00	352.00
Jul-19	414.90	366.05	410.00	365.15
Aug-19	418.00	334.35	425.00	302.00
Sep-19	412.45	356.30	410.50	358.40
Oct-19	488.90	400.55	470.60	401.70
Nov-19	475.00	412.30	470.90	411.85
Dec-19	464.75	414.20	459.85	412.80
Jan-20	453.95	259.00	450.00	251.00
Feb-20	284.10	205.10	283.50	201.90
Mar-20	244.80	145.90	241.90	151.55

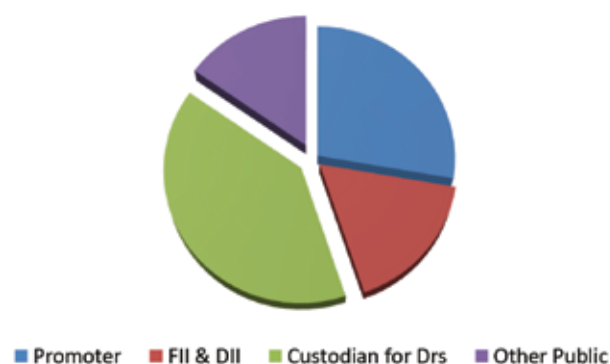
Performance of the Company's Shares vis-a-vis SENSEX



Performance of the Company's Shares vis-a-vis Nifty



Distribution of Shareholding as on March 31, 2020



Shareholding Pattern as on March 31, 2020

Category of Shareholders	Demat	Physical	Total	% of Total Shares
A. Promoters				
(1) Indian				
a) Individual/ HUF	73,28,640	-	73,28,640	17.33
b) Central Govt.	-	-	-	-
c) State Govt(s)	-	-	-	-
d) Bodies Corp.	44,01,932	-	44,01,932	10.41
e) Bank/FI	-	-	-	-
f) Any Other	-	-	-	-
Sub-total (A) (1)	1,17,30,572	-	1,17,30,572	27.74
(2) Foreign				
a) NRIs -Individual	-	-	-	-
b) Other- Individuals	-	-	-	-
c) Bodies Crop.	-	-	-	-
d) Banks/FI	-	-	-	-
e) Any Other	-	-	-	-
Sub-total (A) (2)				
Total Shareholding of Promoter (A) = (A) (1)+(A) (2)	1,17,30,572	-	1,17,30,572	27.74
B. Public Shareholding				
1. Institutions				
a) Mutual Funds	-	-	-	-

b) Banks/FI	8,99,748	-	8,99,748	2.13
c) Central Govt.	-	-	-	-
d) Sate Govt.(s)	-	-	-	-
e) Venture Capital Funds	-	-	-	-
f) Insurance Companies	-	-	-	-
g) FIIs/FPI	63,31,975	-	63,31,975	14.97
h) Foreign Venture Capital Funds	-	-	-	-
i) Others (specify)	-	-	-	-
Sub-total (B) (1)	72,31,723	-	72,31,723	17.10
2. Non- Institutions				
a) Bodies Corp.				
i) Indian	54,79,045	-	54,79,045	12.96
ii) Overseas	-	-	-	-
b) Individual				
i) Individual shareholders holding nominal share capital uptoRs. 2 lac	4,26,477	6,006	4,32,483	1.02
ii) Individual shareholders holding nominal share capital in excess of Rs. 2 lac	5,51,417	-	5,51,417	1.30
c) Other (specify)				
(c-i) Non-Resident Indians	1,202	-	1,202	0.00
c-ii) Clearing Member	4,637	-	4,637	0.01
(c-iii) Resident HUF	31,120	-	31,120	0.07
Sub-total (B) (2)	64,93,898	6,006	64,99,904	15.36
Total Public Shareholding (B)=(B)(1)+ (B)(2)	1,37,31,627	6,006	1,37,25,621	32.46
C. Shares held by Custodian	1,68,30,000	-	1,68,30,000	39.80
Grand Total (A+B+C)	4,22,86,193	6,006	4,22,92,199	100.00

Details of Promoter/Promoter Group Shareholding as on March 31, 2020

Sr No.	Name/Address	Holding	% to the Capital
1	Mr. Sunil Agarwal	3269940	7.7318
2	Mrs. Raj Agarwal	2015200	4.7649
3	Ms. Suneeti Agarwal	358300	0.8472
4	Mr. Santanu Agarwal	1685200	3.9847
5	Equilibrated Venture Cflow Private Limited (Formerly Known as Bhavya Electronics & Networks Private Limited)	4084212	9.6571
6	PRI CAF Private Limited (Formerly Known as Diamond Infradev Private Limited)	256920	0.6075
7	Pro Fitcch Private Limited (Formerly Known as Baba Herbals Private Limited)	60800	0.1438
	Total	11730572	27.74

Details of Public Shareholder holding more than 1 % shares as on March 31, 2020

(Other than Promoter/ Directors / Custodian for GDRs)

S. No.	Name of Shareholder	No. of Shares	% of total shares of the Company
1	Davos International Fund	13,78,413	3.26
2	Elara India Opportunities Fund Limited	18,46,067	4.37
3	Zeal Professional Services Private Limited	13,86,000	3.28
4	Plutus Terra India Fund	13,37,607	3.16

5	Life Insurance Corporation of India	8,99,748	2.13
6	Antara India Evergreen Fund Ltd	7,55,826	1.79
7	Nomura Singapore Limited	7,40,000	1.75
8	Eastern Star Infradev Private	5,62,210	1.33

Distribution of Shareholding as on March 31, 2020

Number of Shares	Shareholding			
	Shareholders	%	Shareholding	%
1-500	1912	90.27	84422	0.20
501-1000	43	2.03	33354	0.08
1001-2000	41	1.94	65681	0.16
2001-3000	17	0.80	42623	0.10
3001-4000	12	0.57	44270	0.10
4001-5000	6	0.28	28960	0.07
5001-10000	12	0.57	76097	0.18
10001-9999999999	75	3.54	41916792	99.11
Total	2118	100.00	42292199	100.00

Dematerialization of Shares as on March 31, 2020

The equity shares of the Company can be held and traded in Electronic Form. As on March 31, 2020, 99.99% of the total equity shares have been dematerialized. Only 6006 equity shares in the physical form.

Reconciliation of Share Capital Audit

As stipulated by SEBI, Reconciliation of Share Capital Audit is carried out every quarter and the reports thereon are timely submitted to stock exchanges.

Registrar and Share Transfer Agents

M/s Alankit Assignments Limited, New Delhi acts as the Registrar and Share Transfer Agent of the Company for handling the share transfer work both in physical and electronic form and for listed Non-Convertible Debentures of the Company. All correspondence relating to Share Transfer, Transmission, Dematerialization, Rematerialisation, etc. can be made at the following address:

Alankit Assignments Limited

4E/2, Jhandewalan Extension, New Delhi-110055.

Contact Person – Mr. Ram Avtar Pandey, Email: ramap@alankit.com, Tel.: 011 42541955

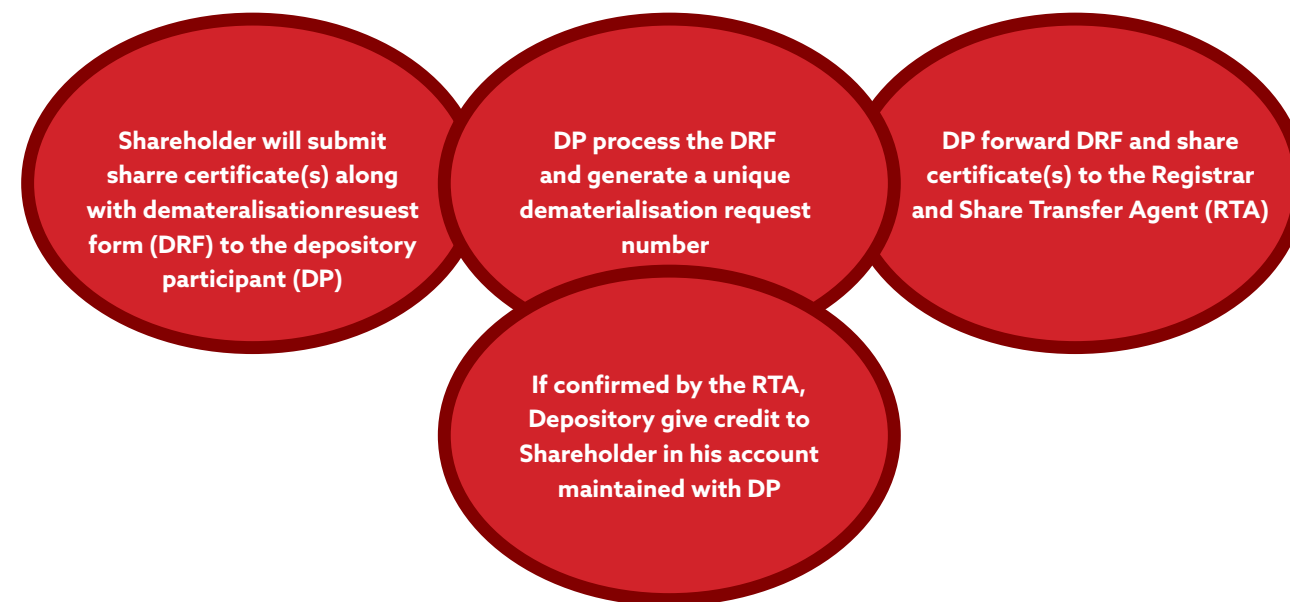
Address for correspondence

For any query relating to the shares/debentures of the Company		For Grievance Redressal and any query on Annual Report
For Shares held in Physical Form Alankit Assignments Limited 4E/2, Jhandewalan Extension New Delhi - 110 055 Contact Person: Mr. J P Rustagi Tel.011-42541955 Email: ramap@alankit.com, Website : info@alankit.com	For Shares held in Demat Form To the Investors' Depository participant(s) Or Alankit Assignments Limited	Secretarial Department Paisalo Digital Limited CSC, Pocket 52, CR Park, Near Police Station, New Delhi -110019 Phone No.: 91- 011-43518888, E-mail ID: cs@paisalo.in Website: www.paisalo.

Share Transfer System

Shareholder be informed that any shareholder who is desirous of transferring shares (which are held in physical form) after April 01, 2019 can do so only after the shares are dematerialized. However, shareholders have the option of holding shares in physical form even after April 01, 2019.

In case of shares in electronic form, the transfers are processed by NSDL/CDSL through respective depository participants. Shares under objection are returned within two weeks. Shareholders can trade in the Company's share only in electronic form. The process for getting the shares dematerialized is as follows:



This process takes approximately 10-15 days from the date of receipt of Dematerialization Request Form. As trading in shares of the Company can be done only in electronic form, it is advisable that the shareholders who have shares in physical form get their shares dematerialized. Senior Executive of the Company are empowered to approve the transfer of the shares and other investor related matters. Grievances received from investors and other miscellaneous correspondence on change of address, mandates, etc. are processed by the Registrar within 15 days.

Important points

Investors should hold securities in dematerialized form, as transfer of shares in physical form is no longer permissible.

As mandated by SEBI, w.e.f. April 1, 2019, the request for effecting transfer of securities shall not be processed unless the securities are held in dematerialized form with a depository except for transmission and transposition of securities.

Shareholders are advised to dematerialize securities in the Company to facilitate transfer of securities.

Holding securities in dematerialized form is beneficial to the investors in the following manner:

- A safe and convenient way to hold securities;
- Elimination of risk(s) associated with physical certificates such as bad delivery, fake securities, delays, thefts, etc.;
- Immediate transfer of securities;
- Reduction in transaction cost;
- Reduction in paperwork involved in transfer of securities;
- No odd lot problem, even one share can be traded;
- Availability of nomination facility;
- Ease in effecting change of address / bank account details as change with Depository Participants (DPs) gets registered with all companies in which investor holds securities electronically;
- Easier transmission of securities as the same is done by DPs for all securities in demat account;
- Automatic credit in to demat account of shares, arising out of bonus / split / consolidation / merger/ etc.;
- Convenient method of consolidation of folios/accounts;

- Holding investments in equity, debt instruments, Government securities, mutual fund units etc. in a single account;
- Ease of pledging of securities; and
- Ease in monitoring of portfolio.

Shareholders holding shares in physical mode:

- are required to submit their Permanent Account Number (PAN) and bank account details to the Company / Alankit Assignments Limited if not registered with the Company as mandated by SEBI.
- are advised to register the nomination in respect of their shareholding in the Company. Nomination Form (SH-1 3) is may be obtained by writing to Secretarial Department @ cs@paisalo.in.
- are requested to register / update their e-mail address with the Company / Alankit Assignments Limited for receiving all communications from the Company electronically.

Shareholders holding shares in electronic mode:

- are requested to submit their PAN and bank account details to their respective DPs with whom they are maintaining their demat accounts.
- are advised to contact their respective DPs for registering the nomination.
- are requested to register/ update their e-mail address with their respective DPs for receiving all communications from the Company electronically.

The Securities and Exchange Board of India vide its circular no. SEBI / HO / MIRSD / DOS3 / CIR / P / 2019 / 30 dated February 11, 2019, with a view to address the difficulties in transfer of shares, faced by non-residents and foreign nationals, has decided to grant relaxations to non-residents from the requirement to furnish PAN and permit them to transfer equity shares held by them in listed entities to their immediate relatives subject to the following conditions:

- The relaxation shall only be available for transfers executed after January 1, 2016.
- The relaxation shall only be available to non-commercial transactions i.e., transfer by way of gift among immediate relatives.
- The non-resident shall provide copy of an alternate valid document to ascertain identity as well as the non-resident status.

Non-Resident Indian shareholders are requested to inform Alankit Assignments Limited, Company's Registrar and Transfer Agent immediately on the change in the residential status on return to India for permanent settlement.

Electronic Payment Services

Shareholders should avail the Electronic Payment Services for payment of dividend as the same reduces risk attached to physical dividend warrants. Some of the advantages of payment through electronic credit services are as under:

- Avoidance of frequent visits to banks for depositing the physical instruments
- Prompt credit to the bank account of the investor through electronic clearing
- Fraudulent encashment of warrants is avoided
- Exposure to delays / loss in postal service avoided
- As there can be no loss in transit of warrants, issue of duplicate warrants is avoided

Printing of bank account numbers, names and addresses of bank branches on dividend warrants provide protection against fraudulent encashment of dividend warrants. Members are requested to provide the same to the Company's Registrar and Transfer Agent (RTA) for incorporation on their dividend warrants.

Register for SMS alert facility

Investor should register with Depository Participants for the SMS alert facility. Both Depositories viz. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) alert investors through SMS of the debits and credits in their demat account.

Intimate mobile number

Shareholders are requested to intimate their mobile number and changes therein, if any, to Company's RTA viz. Alankit Assignments Limited, if shares are held in physical form or to their DP if the holding is in electronic form, to receive communications on corporate actions and other information of the Company.

Submit nomination form and avoid transmission hassle

Nomination helps nominees to get the shares transmitted in their favour without any hassles. Shareholders should get the nomination registered with the Company in case of physical holding and with their Depository Participants in case shares are held in dematerialized form.

Deal only with SEBI registered intermediaries

Investors should deal only with SEBI registered intermediaries so that in case of deficiency of services, investor may take up the matter with SEBI.

Corporate benefits in electronic form

Shareholder holding shares in physical form should opt for corporate benefits like bonus / split / consolidation / merger / etc. in electronic form by providing their demat account details to the Company's RTA.

Register e-mail address

Shareholders should register their e-mail address with the Company / Depository Participants. This will help them in receiving all communication from the Company electronically at their e-mail address. This also avoids delay in receiving communications from the Company.

Course of action for revalidation of dividend warrant for previous years

Shareholders may write to the Company's RTA, furnishing the particulars of the dividend not received, and quoting the folio number/ DP ID and Client ID particulars (in case of dematerialized shares), as the case may be and provide bank details along with cancelled cheque bearing the name of the shareholder for updation of bank details and payment of unpaid dividend. The RTA would request the concerned shareholder to execute an indemnity before processing the request. As per circular dated April 20, 2018 issued by SEBI, the unencashed dividend can be remitted by electronic transfer only and no duplicate dividend warrants will be issued by the Company. The shareholders are advised to register their bank details with the Company / RTA or their DPs, as the case may be, to claim unencashed dividend from the Company.

Facility for a Basic Services Demat Account (BSDA)

SEBI has stated that all the depository participants shall make available a BSDA for the shareholders unless otherwise opted for regular demat account with (a) No Annual Maintenance charges if the value of holding is upto INR 50,000; and (b) Annual Maintenance charges not exceeding INR 100 for value of holding from INR 50,001 to INR 2,00,000. (Refer circular CIR/MRD/ DP/22/2012 dated August 27, 2012 and circular CIR/MRD/ DP/20/2015 dated December 11, 2015).

Annexure to the Board's Report Annexure-E

Business Responsibility Report

Pursuant to Regulation 34(2)(f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

About PAISALO

Paisalo Digital Limited (PAISALO) is an Investment and Credit-Systemically Important Non Deposit Taking Non Banking Financial Company (NBFCsND-SI). PAISALO's humble beginning dates back to 1992 when it started its finance business from a small office with the name of S.E. Investments Private Limited. Now it is carrying out its business from more than 125 offices and primarily focusing on financing of self-employed borrowers, a segment which is still untapped / unserved, driven by rising affluence, aspiration and favorable demographics.

The Company has cumulatively served more than 1 million satisfied customers. While remaining focused on growth, the Company consistently maintains high asset quality level and continues to build the institution on the strong pillars of ethics, values and corporate governance.

About This Report

The Securities and Exchange Board of India (SEBI) by the SEBI (Listing Obligations and Disclosure Requirements) (Fifth Amendment) Regulations, 2019 effective from December 12, 2019 has mandated the inclusion of a "Business Responsibility Report" (BRR) as part of Company's Annual Report for top 1,000 listed entities based on market capitalization at the BSE Ltd. (BSE) and the National Stock Exchange of India Ltd. (NSE). The reporting framework is based on the 'National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business (NVGs)' released by the Ministry of Corporate Affairs, Government of India, in July 2011 which contains 9 Principles and Core Elements for each of the those 9 Principles. Following is the first Business Responsibility Report of our Company based on the format suggested by SEBI. Detailed Business Responsibility Report for 2019-20.

SECTION A: General Information about the Company

1	Corporate Identity Number (CIN) of the Company	:	L65921DL1992PLC120483
2	Name of the Company	:	Paisalo Digital Limited
3	Registered address	:	CSC POCKET-52, CR Park, Near Police Station, New Delhi, Delhi-110019
4	Website	:	www.paisalo.in
5	E-mail id	:	cs@paisalo.in
6	Financial Year reported	:	2019-20
7	Sector(s) that the Company is engaged in (industrial activity code-wise)	:	Financial Services (NIC Code-64)
8	List three key products/services that the Company manufactures/provides (as in balance sheet)	:	Small Loan, Corporate Loan
9	Total number of locations where business activity is undertaken by the Company		
	a) Number of International Locations (Provide details of major 5)	:	0
	b) Number of National Locations	:	129 (includes Registered Office, Head Office and Branches)
10	Markets served by the Company Local/ State/ National/ International	:	National

SECTION B: Financial Details of the Company

1	Paid up Capital (INR)	:	422.98 millions
2	Total Turnover (INR)	:	3374.51 millions
3	Total profit after taxes (INR)	:	540.39 millions
4	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	:	1.21% of average profit of 2016-17 to 2018-19.
5	List of activities in which expenditure in 4 above has been incurred	:	Refer Report on CSR activities forming part of Board's Report

SECTION C: Other Details

1	Does the Company have any Subsidiary Company/ Companies?	:	Yes, Only one Wholly Owned Subsidiary M/s Nupur Finvest Private Limited
2	Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent Company? If yes, then indicate the number of such subsidiary Company(s)	:	No
3	Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%] :	:	No

SECTION D: BR Information

1	Details of Director/Directors responsible for BR			
	a)	Details of the Director/Director responsible for implementation of the BR policy/policies		
	i	DIN	:	<u>00006991</u>
	ii	Name	:	Mr. Sunil Agarwal
	iii	Designation	:	Managing Director & CEO
	b)	Details of the BR head		
	i	DIN Number	:	<u>00006991</u>
	ii	Name	:	Mr. Sunil Agarwal
	iii	Designation	:	Managing Director & CEO
	iv	Telephone number	:	011-43518888
	v	e-mail id	:	sunil@paisalo.in
2	Principle for BR Policy/policies			
	The National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business (NVGs) released by the Ministry of Corporate Affairs has adopted nine areas of Business Responsibility. These briefly are as under:			
	P1	Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.		
	P2	Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.		
	P3	Businesses should promote the wellbeing of all employees.		
	P4	Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised.		
	P5	Businesses should respect and promote human rights.		
	P6	Business should respect, protect, and make efforts to restore the environment.		
	P7	Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.		
	P8	Businesses should support inclusive growth and equitable development.		
	P9	Businesses should engage with and provide value to their customers and consumers in a responsible manner.		

	a)	Details of compliance (Reply in Y/N)									
	Sr. No	Questions	Business Ethics	Product Responsibility	Wellbeing of Employees	Stakeholders Engagement	Human Rights	Environment	Responsible Advocacy	Inclusive Growth	Customer Value
			P1	P2	P3	P4	P5	P6	P7	P8	P9
	1	Do you have policies for:	Y	Y	Y	Y	Y	Y	Y	Y	Y
	2	Has the policy been formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
	3	Does the policy conform to any national /international standards? If yes, specify?	NA	Y	Y	Y	N	N	N	Y	Y
		The spirit and intent of the Company's Code of Conduct, Fair Practices Code and other Codes/Policies are prepared in compliance with applicable laws /rules /guidelines. In addition, they reflect the vision and mission of the Company of providing financial services to the economically weaker sections that create a model that delivers high value to our customers.									
	4	Is it a board approved policy? If yes, has it been signed by MD / owner /CEO /appropriate Board Director?	Y	Y	Y	Y	N	Y	N/A	Y	Y
	5	Does the Company have a specified committee of the Board/ Director/Official to oversee the implementation of the policy?	Y	Y	Y	Y	N	Y	N/A	Y	Y
	6	Indicate the link for the policy to be viewed online	www.paisalo.in								
	7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	N	Y	N/A	Y	Y
	8	Does the Company have an in-house structure to implement the policy?	Y	Y	Y	Y	N	Y	N/A	Y	Y
	9	Does the Company have a grievance redressal mechanism related to the policy to address stakeholders' grievances related to the policy?	Y	Y	Y	Y	Y	Y	N/A	Y	Y
	10	Has the Company carried out independent audit /evaluation of the working of this policy by an internal or external agency?	Y	Y	Y	Y	Y	Y	N/A	Y	Y
	b)	If answer to the question at serial number 1 against any principle, is 'No', please explain why: (Tick up to 2 options)									
	1	The Company has not understood the Principles	—	—	—	—	—	—	—	—	—

2	The Company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles	—	—	—	—	—	—	✓	—	—
3	The Company does not have financial or manpower resources available for the task	—	—	—	—	—	—	—	—	—
4	It is planned to be done within the next 6 months	—	—	—	—	—	—	—	—	—
5	It is planned to be done within the next 1 year	—	—	—	—	—	—	✓	—	—
6	Any other reason (please specify)	—	—	—	—	—	—	—	—	—
3	Governance related to BR									
a)	Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year	:	Annually							
b)	Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?	:	No. There is no separate BRR or a Sustainability Report. It is published annually in the Annual Report. It can be found at www.paisalo.in							

SECTION E: Principle-Wise Performance

Principle 1 Businesses should conduct and govern themselves with Ethics, Transparency and Accountability

- 1.1 Does the policy relating to ethics, bribery and corruption cover only the Company? Yes / No. Does it extend to the Group / Joint Ventures / Suppliers/ Contractors / NGOs / Others? :
- Our Policies, Code of Conduct, Fair Practice Code and Ethics informs our approach to sustainability and how we conduct ourselves day-to-day – with each other, our customers, our shareholders, our employees, our neighbouring communities and our customers.

The Code applies to all Directors, officers and employees of the Company and its subsidiaries.

- 1.2 How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the Management? If so, provide details thereof, in about 50 words or so. :
- We have a mechanism for all our stakeholders to communicate us of any inappropriate behaviour.

Our Whistle-Blower Policy / Vigil Mechanism, has provisioned for reporting to the management regarding unlawful or unethical or improper practice or act or activity or violation of the Company's Code of Ethics & Business Conduct. During the reporting period, no Whistle-blowing cases were reported.

For customer complaints and redressal status, please refer note no. 54 of the Standalone Financial Statements.

For investor complaints and redressal status please refer Corporate Governance Report.

Principle 2 Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.

- 2.1 List up to three of your products or services whose design has incorporated social or environmental concerns, risks and / or opportunities. :
- Financial Service i.e. providing loan to income generation activities and general corporate purposes.

- 2.2 For each such product, provide the following details in respect of resource use (energy, water, raw material, etc.) per unit of product (optional) : Not Applicable as Company is a Non Banking Financial Company. However, being a responsible corporation, we track the consumption of resources critically in our day-to-day business operation.
- Reduction during sourcing / production / distribution achieved since the previous year throughout the value chain?
- Reduction during usage by consumers (energy, water) has been achieved since the previous year?
- 2.3 Does the Company have procedures in place for sustainable sourcing (including transportation)? : Yes, the Company has policy for Resource Planning for raising funds through various sources in a manner that ensures an optimized mix of fund at lowest cost.
- If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.
- 2.4 Has the Company taken any steps to procure goods and services from local and small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors? : Yes, wherever possible.
- 2.5 Does the Company have a mechanism to recycle products and waste? If yes, what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%)? Also, provide details thereof, in about 50 words or so. : Yes, wherever possible.

Principle 3 Businesses should promote the wellbeing of all employees

- 3.1 Please indicate the total number of employees. : Permanent Employees: 1,043
- 3.2 Please indicate the total number of employees hired on a temporary / contractual / casual basis. : 547
- 3.3 Please indicate the number of permanent women employees. : 16
- 3.4 Please indicate the number of permanent employees with disabilities. : 1
- 3.5 Do you have an employee association that is recognized by the Management? : No
- 3.6 What percentage of your permanent employees are members of this recognized employee association? : N.A.
- 3.7 Please indicate the number of complaints relating to child labor, forced labor, involuntary labor and sexual harassment in the last financial year, and those that are pending, as on the end of the financial year. :

No.	Category	No of complaints filed during the financial year	No of complaints pending as on end of the financial year
1	Child labour/ forced Labour / involuntary labour	Nil	Nil
2	Sexual harassment	Nil	Nil
3	Discriminatory employment	Nil	Nil

- 3.8 What percentage of your under mentioned employees were given safety and skill up-gradation training in the last year? : 92%
- Permanent employees : 100%
 - Permanent women employees : 80%
 - Casual / temporary / contractual employees : 100%
 - Employees with disabilities

Principle 4 Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.

- 4.1 Has the Company mapped its internal and external stakeholders? Yes / No : Yes
- 4.2 Out of the above, has the Company identified the disadvantaged, vulnerable and marginalized stakeholders? : Yes
- 4.3 Are there any special initiatives undertaken by the Company to engage with the disadvantaged, vulnerable and marginalized stakeholders? If so, provide the details thereof, in about 50 words or so. : The Company is engaged in providing financial products at reasonable cost to self-help group, women belonging to weaker section of the society to enable them to start economic activity and generate income for their family.

Principle 5 Businesses should respect and promote human rights.

- 5.1 Does the policy of the Company on human rights cover only the Company or extend to the Group / Joint Ventures / Suppliers / Contractors / NGOs / Others? : Company's policy on code of conduct applies to staff, borrowers, and vendors, as well as on its subsidiary.
- 5.2 How many stakeholder complaints have been received in the past financial year, and what percentage was satisfactorily resolved by the Management? : For customer complaints and redressal status, please refer note no. 54 of the Standalone Financial Statements.
For investor complaints and redressal status please refer Corporate Governance Report.

Principle 6 Business should respect, protect, and make efforts to restore the environment.

- 6.1 Does the policy related to Principle 6 cover only the Company, or does it extend to the Group / Joint Ventures / Suppliers / Contractors / NGOs / Others? : The Company's CSR Policy have the provisions for protection of environment and its cover only the Company.
- 6.2 Does the Company have strategies / initiatives to address global environmental issues such as climate change, global warming, etc? Yes / No. If yes, please give the hyperlink for the web page, etc. : No
- 6.3 Does the Company identify and assess potential environmental risks? Yes / No : No
- 6.4 Does the Company have any project related to the Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if yes, has any environmental compliance report been filed? : Not Applicable
- 6.5 Has the Company undertaken any other initiatives on clean technology, energy efficiency, renewable energy, etc.? Yes / No. If yes, please give the hyperlink for the web page, etc. : No.
- 6.6 Are the emissions / waste generated by the Company within the permissible limits given by CPCB / SPCB for the financial year being reported? : Not Applicable
- 6.7 Number of show cause / legal notices received from CPCB / SPCB which are pending (i.e., not resolved to satisfaction) as on the end of the financial year. : We did not have any monetary or non-monetary sanctions imposed on us for non-compliance with environmental laws and regulations during Financial Year 2019-20.

Principle 7 Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.		
7.1	Is your Company a member of any trade and chamber or association? If yes, name only those major ones that your business deals with.	: The Company is member of the following associations: 1- Finance Industry Development Council (FIDC) 2- National Chamber of Commerce 3- Delhi Hire Purchase & Leasing Companies Associations
7.2	Have you advocated / lobbied through the above associations for the advancement or improvement of public good? Yes / No. If yes, specify the broad areas (Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy Security, Water, Food Security, Sustainable Business Principles, Others).	: Nil
Principle 8 Businesses should support inclusive growth and equitable development.		
8.1	Does the Company have specified programs / initiatives / projects in pursuit of the policy related to Principle 8? If yes, provide the details thereof.	: The Company focuses on responsible business practices. The thrust areas are sustainable livelihood, skill development and vocational training. In addition to that we also promote education and healthcare through our CSR activities.
8.2	Are the programs / projects undertaken through an in-house team / own foundation / external NGO / government structures / any other organization?	: The Company programs / projects undertaken by the Company itself or through not for profit organizations.
8.3	Have you done any impact assessment of your initiative?	: No
8.4	What is your Company's direct contribution to community development projects – amount in ₹ and the details of the projects undertaken.	: Please refer Report on CSR for the details
8.5	Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words or so.	: Please refer Report on CSR for the details
Principle 9 Businesses should engage with and provide value to their customers and consumers in a responsible manner.		
9.1	What percentage of client complaints / consumer cases are pending as on the end of the financial year?	: None
9.2	Does the Company display product information on the product label, over and above what is mandated as per local laws? Yes / No / NA / Remarks (additional information).	: Yes. As per Fair Practice Code, the Company is required to display interest being charged and other practice being adopted by the Company in lending loan to the borrowers.
9.3	Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising, and / or anti-competitive behavior during the last five years and pending as on the end of the financial year? If so, provide the details thereof, in about 50 words or so.	: Nil
9.4	Did your Company carry out any consumer survey / measure consumer satisfaction trends?	: Yes, this is done periodically.

Date : 13th August, 2020
Place : New Delhi

For & on behalf of the Board of Directors of Paisalo Digital Ltd.

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

Sd/-
(Harish Singh)
Executive Director
DIN : 00039501

Compliance with Code of Conduct

To,
The Shareholders of
Paisalo Digital Limited
New Delhi

The Company has adopted “Code of Conduct for Directors and Senior Management Personnel and also for Independent Directors”.

In accordance with Regulations of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, I hereby certify that Members of Board of Directors and Senior Management Personnel of the Company have affirmed compliance with the Company's Code of Conduct applicable to Board of Directors and Senior Management, for the year ended March 31, 2020.

Date : 13th August, 2020
Place : New Delhi

For Paisalo Digital Limited
Sd/-
Sunil Agarwal
Managing Director /CEO
DIN:00006991

Certificate of Corporate Governance

To,
The Shareholders of
Paisalo Digital Limited
New Delhi

We have examined the compliance of conditions of Corporate Governance by Paisalo Digital Limited for the year ended 31st March 2020, as stipulated in Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring the compliance of conditions of Corporate Governance.

It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Regulations.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Satish Jadon & Associates
Company Secretaries

Sd/-
Satish Kumar Jadon
Membership No. F9512
CoP No.9810
UDIN: F009512B000469213
Date : 22.07.2020

Certificate of Non-Disqualification of Directors

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members of
Paisalo Digital Limited
CSC Pocket-52, CR Park,
Near Police Station, New Delhi-110019

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Paisalo Digital Limited having CIN L65921DL1992PLC120483 and having registered office at CSC Pocket-52, CR Park, Near Police Station, New Delhi-110019 (hereinafter referred to as 'the Company') as produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers. We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending 31st March, 2020 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, Reserve Bank of India or any such other Statutory Authority.

S. No.	Name of Director	DIN	Date of Appointment in the Company
1.	Mr. Sunil Agarwal	00006991	05/03/1992
2.	Mr. Harish Singh	00039501	01/08/2008
3.	Mr. Sunil Srivastav	00237561	12/04/2018
4.	Mr. Naresh Kumar Jain	01281538	14/08/2014
5.	Mr. Anoop Krishna	08068261	23/02/2018
6.	Mr. Gauri Shankar	06764026	22/07/2017
7.	Mr. Pradeep Agarwal	06892799	28/03/2015
8.	Mr. Raman Aggarwal	00116103	15/10/2019

Note:

- Mrs. Bhama Krishnamurthy (DIN: 2196839) has resigned from the Directorship of the Company w.e.f 03rd March, 2020 and was not debarred or disqualified by SEBI to act as Director.
- Mrs. Nisha Jolly (DIN: 08717762) has been appointed as an Additional Woman Non-Executive Independent Director on 30th May, 2020 and has not been debarred or disqualified from being appointed.

Ensuring the eligibility of the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion based on these verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Satish Jadon & Associates
Company Secretaries

Sd/-
Satish Kumar Jadon
Membership No. F9512
CoP No.9810
UDIN: F009512B000469213
Date : 22.07.2020

Managing Director & Chief Financial Officer Certification

To
The Board of Directors,
Paisalo Digital Limited
New Delhi

Dear Members of the Board,

We have reviewed the financial statements and cash flow statement for the Financial Year 2019 -20 and to the best of our knowledge and belief:

These statements do not contain any materially untrue statement or omit any material fact or contain statement that might be misleading;

These statements present a true & fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations;

There are no transactions entered into by the Company during the year, which is fraudulent, illegal or in violation to the Company's Code of Conduct;

We accept the responsibility of establishing and maintaining Internal Controls and that we have evaluated the effectiveness of the internal control systems of the Company and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of internal control, if any, of which we are aware and the steps we have taken or proposed to take to rectify these deficiencies;

We further certify that:

There have been no significant changes in internal control system during the year;

There have been no significant changes in accounting policies, during the year and

We are not aware of any instance during the year about any significant fraud with involvement therein of the management or any employee having a significant role in the Company's internal control system over financial reporting.

Date : 13th August, 2020

Place: New Delhi

For Paisalo Digital Ltd.

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

Sd/-
(Atul Kumar Agrawal)
CFO
PAN : ADOPA4603N

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 IND AS FINANCIAL STATEMENTS

OPINION

We have audited the accompanying standalone Ind AS Financial Statements **M/S PAISALO DIGITAL LIMITED (FORMERLY KNOWN AS M/S S. E. INVESTMENTS LIMITED)** ("the Company") which comprises the Balance Sheet as at 31st March 2020 the Statement of Profit and Loss (including Statement of Other Comprehensive Income), Statement of changes in equity and statement of cash flows for the year ended on that date, and notes to the standalone Ind AS Financial Statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS 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 Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2020 and profit (including Statement of Other Comprehensive Income), Statement of changes in equity and its cash flows for the year ended on that date.

BASIS FOR OPINION

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Companies Act, 2013 and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. 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.

EMPHASIS OF MATTER

We draw attention to note no. 55 of standalone financial statements as regard to the management evaluation of COVID-19 impact on the future performance of the Company.

Our opinion is not modified in respect of the above matter.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters below to be the key audit matters to be communicated in our report.

Key Audit Matters	How our audit address the key Audit Matters
<p>Impairment of financial Instruments (Expected Credit Loss) (refer Note No. 28 of the standalone financial statement)</p> <p>Ind AS 109 requires the Company to recognize impairment loss allowance towards its financial assets using the expected credit loss (ECL) approach. Such ECL allowance is required to be measured considering the guiding principles of Ind AS 109 including:</p> <ul style="list-style-type: none">unbiased, probability weighted outcome under the various scenarios;time value of money;impact arising from forward looking macro-economic factors and;availability of reasonable and supportable information without undue costs. <p>Applying these principles involves significant estimation in various aspects, such as;</p> <ul style="list-style-type: none">grouping of borrowers based on homogeneity by using appropriate statistical techniques;staging of loans and estimation of behavior life;estimation of losses for loan products/ corporate guarantee with historical defaults.Determining macro-economic factors impacting credit quality of financial assets, <p>Considering the significance of such allowance to the overall financial statements and the degree of estimation involved in computation of expected credit losses, this area is considered as a key audit matter.</p>	<ul style="list-style-type: none">We read and assessed the Company's accounting policies for impairment of financial assets and their compliance with Ind AS 109.We tested the criteria for staging of loans/ corporate guarantee based on their past-due status to check compliance with the requirement of Ind AS 109.Tested samples of performing loans (Stage 1) to assess whether any loss indicators were present requiring them to be classified under stage 2 or 3 and vice versa.Tested the ECL model, including assumptions and underlying computation.

MANAGEMENT’S RESPONSIBILITY FOR THE STANDALONE IND AS 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, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian accounting Standards (Ind AS) specified under section 133 of the Act. 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 implementation and maintenance of 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 standalone financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone Financial Statements, management is responsible for assessing the Company’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company’s financial reporting process.

AUDITOR’S RESPONSIBILITY FOR THE AUDIT OF THE STANDALONE IND AS FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the standalone Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor’s report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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 the Annexure ‘A’ a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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 including Other Comprehensive Income, Statement of Changes in Equity , 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 Indian 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 as on 31st March 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2020 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".
- h. With respect to the other matters to be 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 : 30th June 2020

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

Sd/-
(CA. MUKESH KUMAR)
Partner
Membership No. 070471
UDIN: 20070471AAAACL4017

Annexure 'A' to the Independent Auditor's Report

(Referred to in paragraph of our Report of even date for F. Y. 2019-20)

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

As explained to us, the Property, Plant and Equipments 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. The Company is a Non-Banking Finance Company and has not dealt with any goods and the Company does not hold any inventory during the period under audit. Accordingly, the reporting requirement under clause (ii) of para no 3 of the Order is not applicable.
- 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 as at the year end.
- 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, Goods & Service Tax, Cess, Employees State Insurance, Customs Duty, Provident Fund and Professional Tax 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, Goods & Service Tax and Custom Duty on account of any dispute.
- viii. Based on the records examined by us and according to the information and explanation given to us, 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 during the year. During the year, the Company has raised term loan from Bank and applied to the purpose for which they were raised.
- x. Based on the records examined by us and 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. Based on the records examined by us and 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.
- xii. In our opinion and 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. Based on the records examined by us and 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 standalone Financial Statements.

- xiv.** Based on the records examined by us and 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.** Based on the records examined by us and 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 : 30th June 2020

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

Sd/-
(CA. MUKESH KUMAR)
Partner
Membership No. 070471
UDIN: 20070471AAAACL4017

Annexure ‘B’ to the Independent Auditor’s Report

(Referred to in paragraph of our Report of even date for F. Y. 2019-20)

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 2020 in conjunction with our audit of the standalone Ind AS 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 standalone 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 standalone 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.

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 2020 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 : 30th June 2020

For MUKESH KUMAR & CO.

Chartered Accountants

Firm Reg. No. 002040C

Sd/-

(CA. MUKESH KUMAR)

Partner

Membership No. 070471

UDIN: 20070471AAAACL4017

BALANCE SHEET AS ON 31ST MARCH 2020

(₹ in Lakhs)

Sr. No.	Particulars	Note No.	Figures as at the end of current reporting period	Figures as at the end of previous reporting period
I	ASSETS			
	(1) Financial Assets			
	(a) Cash & Cash Equivalents	1	3,100.49	918.27
	(b) Bank Balances other than (a) above	2	33.88	33.37
	(c) Derivative Financial Instruments	3	-	-
	(d) Receivables			
	(i) Trade Receivables	4	1,065.42	956.06
	(ii) Other Receivables		-	-
	(e) Loans	5	171,432.72	168,821.99
	(f) Investments	6	6,614.22	6,614.22
	(g) Other Financial Assets	7	17,190.21	16,167.43
	(2) Non Financial Assets			
	(a) Current Tax Assets (Net)	8	411.72	215.94
	(b) Deferred Tax Asset (Net)		-	-
	(c) Investment Property		-	-
	(d) Biological Assets other than Bearer plants		-	-
	(e) Property, Plant and Equipments	9	6,427.63	720.24
	(f) Capital Work-in-Progress		-	-
	(g) Intangible Assets under development		-	-
	(h) Goodwill		10.70	-
	(i) Other Intangible Assets	9	186.27	220.46
	(j) Other Non-Financial Assets	10	368.94	582.23
	Total Assets		206,842.20	195,250.21
II	EQUITY AND LIABILITIES			
	(1) Financial Liabilities			
	(a) Derivative Financial Instruments	11	-	-
	(b) Payables	12		
	(I) Trade Payables			
	(i) Total outstanding dues of Micro Enterprises and Small Enterprises		114.16	14.47
	(ii) Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises		391.76	3,794.92
	(II) Other Payables			
	(i) Total outstanding dues of Micro Enterprises and Small Enterprises		-	-
	(ii) Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises		462.17	633.18
	(c) Debt Securities	13	13,200.00	12,300.00
	(d) Borrowings (Other than Debt Securities)	14	85,013.70	74,218.65
	(e) Deposits	15	-	-
	(f) Subordinated Liabilities	16	8,800.00	8,100.00
	(g) Other Financial Liabilities	17	20,759.01	29,007.97
	(2) Non-Financial Liabilities			
	(a) Current Tax Liabilities (Net)	18	-	-
	(b) Provisions	19	1,984.18	1,147.74
	(c) Deferred Tax Liabilities (Net)	20	118.88	59.95
	(d) Other non-financial Liabilities	21	409.43	544.49
	(3) Equity			
	(a) Equity Share Capital	22	4,229.84	4,056.63
	(b) Other Equity	23	71,359.07	61,372.22
	Total Equity & Liabilities		206,842.20	195,250.21

Notes to the Accounts & Significant Accounting Policies annexed
Notes referred to above form an integral part of these Financial Statements
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

Sd/-
(ATUL KUMAR AGRAWAL)
Chief Financial Officer
PAN : ADOPA4603N

Sd/-
(SUNIL AGARWAL)
Managing Director
DIN : 00006991

Sd/-

(CA. MUKESH KUMAR)
Partner
Membership No. 070471
Place : New Delhi
Date : 30th June 2020

Sd/-
(MANENDRA SINGH)
Company Secretary
Membership No. : F7868

Sd/-
(HARISH SINGH)
Executive Director
DIN : 00039501

PROFIT & LOSS STATEMENT FOR THE PERIOD ENDED 31ST MARCH 2020 (₹ in Lakhs)

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:			
	(i) Interest Income	24	33,745.11	31,666.47
	(ii) Dividend Income		-	107.39
	(iii) Rental Income		-	-
	(iv) Fees and commission Income		-	-
	(v) Net gain on fair value changes	25	-	-
	(vi) Net gain on derecognition of financial instruments under amortised cost category		-	-
	(vii) Sale of products (including Excise Duty)		-	-
	(viii) Sale of services		-	-
	(ix) Others		-	-
	Total Revenue from Operations (I)		33,745.11	31,773.86
II	Other Income	26	-	-
	Total Income (I+II)		33,745.11	31,773.86
III	Expenses:			
	(i) Finance Costs	27	13,357.35	12,311.26
	(ii) Fees and commission expense		-	-
	(iii) Net loss on fair value changes		-	-
	(iv) Net loss on derecognition of financial instruments under amortised cost category		-	-
	(v) Impairment on financial instruments	28	7,489.13	4,925.31
	(vi) Cost of materials consumed		-	-
	(vii) Purchases of Stock-in-trade		-	-
	(viii) Changes in Inventories of finished goods, stock-in- trade and work-in- progress		-	-
	(ix) Employee Benefits Expenses	29	2,328.25	2,245.38
	(xi) Depreciation, amortization and impairment	30	401.29	468.05
	(x) Others expenses	31	2,776.83	3,353.86
	Total Expenses (III)		26,352.85	23,303.86
IV	Profit before exceptional items and tax	(II-III)	7,392.26	8,470.01
V	Exceptional items		-	-
VI	Profit before tax	(IV-V)	7,392.26	8,470.01
VII	Tax Expense:			
	(1) Current Tax		1,939.96	3,093.62
	(2) Deferred Tax		48.40	(300.76)
VIII	Profit for the period from continuing operations	(VI-VII)	5,403.90	5,677.15
IX	Profit/(loss) from discontinued operations		-	-
X	Tax Expense of discontinued operations		-	-

XI	Profit/(loss) from discontinued operations (After tax)	(IX-X)		-	-
XII	Profit for the period	(VIII+XI)		5,403.90	5,677.15
XIII	Other Comprehensive Income:				
	(A) (i) Items that will not be reclassified to profit or loss (Revaluation of Properties)			-	-
	(ii) Income tax relating to items that will not be reclassified to profit or loss			-	-
	Sub Total (A)			-	-
	(B) (i) Items that will be reclassified to profit or loss (specify items and amounts)			-	-
	(ii) Income tax relating to items that will be reclassified to profit or loss			-	-
	Sub Total (B)			-	-
	Other Comprehensive Income (A+B)			-	-
XIV	Total Comprehensive Income for the period	(XII+XIII)		5,403.90	5,677.15
	(Comprising Profit and other Comprehensive Income for the period)				
XV	Earnings per Equity Share (for continuing operations):				
	Basic (Rs.)		33	12.78	14.00
	Diluted (Rs.)			12.78	14.00
XVI	Earnings per Equity Share (for discontinued operations):				
	Basic (Rs.)			-	-
	Diluted (Rs.)			-	-
XVII	Earnings per Equity Share (for continuing and discontinued operations):				
	Basic (Rs.)		33	12.78	14.00
	Diluted (Rs.)			12.78	14.00

Notes to the Accounts & Significant Accounting Policies annexed
Notes referred to above form an integral part of these Financial Statements
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

Sd/-
(ATUL KUMAR AGRAWAL)
Chief Financial Officer
PAN : ADOPA4603N

Sd/-
(SUNIL AGARWAL)
Managing Director
DIN : 00006991

Sd/-
(CA. MUKESH KUMAR)
Partner
Membership No. 070471

Sd/-
(MANENDRA SINGH)
Company Secretary
Membership No. : F7868

Sd/-
(HARISH SINGH)
Executive Director
DIN : 00039501

Place : New Delhi
Date : 30th June 2020

STATEMENT OF STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2020

(₹ in Lakhs)

Sr. No.	Particulars	31.03.2020	31.03.2019
A	Cash Flow from Operating Activities:		
	Net Profit before tax and extraordinary items and Interest	20,749.61	20,781.27
	Adjustments for		
I	Depreciation	188.00	82.08
II	Deferred Expense W/O	213.29	385.97
III	Bad Debts for NPA	957.34	39.23
	Operating Profit before working capital changes	22,108.24	21,288.55
	Adjustments for		
I	Change in Other Financial Assets	(322.91)	3,616.77
II	Change in Loans & Receivables	(3,352.31)	(10,963.93)
III	Change in Payable & non financial liabilities	(3,612.10)	3,925.99
	Cash generated from Operations	14,820.92	17,867.38
I	Interest paid	(13,357.35)	(12,311.26)
II	Income Tax paid	(2,137.33)	(2,903.52)
III	Paid Expenses on CSR	(97.91)	(51.00)
	Cash flow before Extraordinary Items	(771.67)	2,601.60
I	Extraordinary items	-	-
	Net Cash from Operating Activities	(771.67)	2,601.60
B	Cash Flows from Investing Activities:		
I	Purchase of Fixed Assets	(29.98)	(357.00)
	Net Cash from Investing activities	(29.98)	(357.00)
C	Net Cash from Financing Activities:		
I	Proceeds from Borrowings	10,795.05	(3,632.09)
II	Proceeds from Debt Service Repayment Account	(8,943.77)	(6,427.42)
III	Proceeds from Debt Securities	900.00	-
IV	Proceeds from Subordinated Liability	700.00	8,100.00
V	Dividend Paid	(466.90)	(455.38)
	Net Cash from Financing activities	2,984.38	(2,414.89)
	Net Increase/(decrease) in cash & cash equivalents	2,182.73	(170.29)
	Cash & Cash equivalents at beginning of period	951.64	1,121.93
	Cash & Cash equivalent at end of period	3,134.37	951.64

Signed in terms of our Report of even date

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

Sd/-
(CA. MUKESH KUMAR)
Partner
Membership No. 070471

Place : New Delhi
Date : 30th June 2020

Sd/-
(ATUL KUMAR AGRAWAL)
Chief Financial Officer
PAN : ADOPA4603N

Sd/-
(MANENDRA SINGH)
Company Secretary
Membership No. : F7868

For and on behalf of the Board

Sd/-
(SUNIL AGARWAL)
Managing Director
DIN : 00006991

Sd/-
(HARISH SINGH)
Executive Director
DIN : 00039501

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 2020 and 31st March 2019 and found the same in agreement here with.

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

Sd/-
(CA. MUKESH KUMAR)
Partner
Membership No. 070471

Place : New Delhi
Date : 30th June 2020

ACCOUNTING POLICIES

1. CORPORATE INFORMATION

M/S PAISALO DIGITAL LIMITED (FORMERLY KNOWN AS M/S S. E. INVESTMENTS LIMITED) is a systemically important non deposit taking non-banking finance company providing loans.

Paisalo Digital Limited is a 28 year old company primarily focusing on financing self-employed borrowers, a segment which is still untapped / unserved, driven by rising affluence, aspirations and favorable demographics.

The Company's successful digital mode of financing self – employed underserved / under – penetrated, using technology with high touch hi-tech model, enabled to register strong growth. The company is able to scale up its business operations through its intranet model of financing to 129 branches as on date and still growing. The company has cumulatively served more than 1 million satisfied customers. While remaining focused on growth, company consistently maintains high asset quality level and continues to build the institution on the strong pillars of ethics, values and corporate governance.

The equity of the company is listed on BSE since 2007 and on NSE since 2009. The registered office of the company is CSC, Pocket 52, Chitrangan Park, Delhi 110019 and the head office at Block 54, First Floor, Sanjay Place, Agra- 282002.

2. FUNCTIONAL AND PRESENTATION CURRENCY

These financial statements are presented in Indian rupees (rounded to nearest lakh), which is the functional currency of the company. All financial information is presented in Indian rupees.

3. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

These financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) under the historic cost convention on an accrual basis, except where the same is considered as fair market value as required by Ind AS, the provisions of the Companies Act , 2013 ('the Act') (to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI).

The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and the relevant amendment rules issued thereafter.

Financial statements have been presented in accordance with format prescribed for Non-Banking Finance Companies under Companies (Indian Accounting Standards) Rules, 2015 in Division III as per the notification No. G.S.R. 1022(E) dated 11.10.2018.

The transition was carried out from Indian Accounting Principles generally accepted in India as prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (IGAAP), which was the previous GAAP.

Accounting policies have been consistently applied except where a newly-issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

4. USE OF ESTIMATES AND JUDGMENTS

The preparation of the financial statements in conformity with Ind AS requires the Management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. The application of accounting policies that require critical accounting estimates involving complex and subjective judgments and the use of assumptions in these financial statements have been disclosed in further notes. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as the Management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

4.1 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. Company follows accrual basis for all revenue recognition. Interest income is recognized on due basis and penal income if recognized on receipt basis.

4.2 INCOME TAXES

The company's major tax jurisdiction is India. Significant judgments are involved in determining the provision for income taxes, including the amount expected to be paid or recovered in connection with uncertain tax positions.

Income tax expense comprises current and deferred tax. It is recognized in the statement of profit and loss except to the extent that it relates items recognized directly in equity or in OCI.

4.3 PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment represent a small proportion of the asset base of the Company. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. Useful lives of PPE and intangible assets are based on the life prescribed in Schedule II of the Companies Act, 2013. In cases where the useful lives are different from that prescribed in Schedule II, they are based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers' warranties and maintenance support.

4.4 PROVISION

Provision is recognized when the company has a present obligation as a result of past event 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 not discounted to its present value and are determined based on best estimate required to settle the obligation as at the Balance Sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

4.5 CASH FLOW STATEMENT

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effect of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments and item of income or expenses associated with investing or financing cash flows. Cash flow from operating, investing and financing activities are segregated.

5. ACCOUNTING POLICIES

5.1 CASH & CASH EQUIVALENTS

Cash and cash equivalents in the balance sheet comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

5.2 FINANCIAL INSTRUMENTS

The Company recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument.

Company has a business model of 'Hold to collect' with sole purpose of collecting principal and interest from loans, thus as per Ind AS 109- 'Financial Instruments' Loans are measured at amortized cost.

Other financial assets or liabilities maturing within one year from the balance sheet date are measured at the carrying value as the same approximate the fair value due to the short maturity of these instruments, thus they same.

5.3 IMPAIRMENT OF FINANCIAL ASSETS

In accordance with Ind AS 109, the Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss of the financial assets on the basis of their credit risk exposure.

For the same, ECL is measured as per the management policy after performing due diligence of company's historical data in regards to the respective asset. Also, since company is a RBI registered ND-SI- NBFC and as per RBI guidelines, a 0.4% provision for NPA is created against company's credit exposures.

The Company recognize overdue amount from customers in trade receivables.

Expected Credit Loss model:

PDL's Credit loss system is based on its credit risk function and the risk perceives. Under Ind AS, credit loss provisioning is mainly based on past trends and judgment of the entity. Implementation of expected credit losses not only consider historical data but also incorporates consideration to forward looking information.

ECL model is divided into three stages as follows:

Particulars Also Referred As	Stage 1 Performing	Stage 2 Under Performing	Stage 3 Non Performing
Credit quality of assets Days Past Due	Not deteriorated significantly since its initial recognition 0 Days to 30 Days	Deteriorated significantly since its initial recognition 31 Days to 90 Days	Objective evidence of impairment More than 90 Days
Credit risk Recognize	Low 12 month ECL	Moderate to high Life time ECL	Very High Life time ECL
ECL	Represents financial asset's life time ECL that are expected to arise from default events that are possible within 12 months	ECL that results from all possible default events over the expected life of an instrument.	

Both 12 months ECL and life time ECL are calculated on individual and collective basis, depending on the nature of the underlying portfolio of financial instrument.

Determining significant increase in credit risk

It is very judgmental to determine the significant increase in credit rise, which enable entity to move from stage 1 to stage 2. i.e. to move from 12 month expected losses to life time expected losses. Entity need to assess significant increase in credit risk as compared to its initial recognition level by considering significant changes in financial position of a borrower, expected or current delay in payment, historical trend of the repeat borrowers etc.

PDL also has a policy to perform an assessment, at the end of each reporting period, of whether a financial instrument's credit risk has increased significantly since initial recognition.

Forward looking information

ECL is based on history of financial asset and includes forward-looking statement; however, it is a forecast about future conditions over the entire expected life of a financial instrument. The Forward-looking information is based on:

- Internal historical credit loss experience, and the period of time over which its historical data has been captured and the corresponding economic conditions represented in the past
- Effects that were not present in the past or to remove the effects that are not relevant for the future
- Macroeconomic factors such as interest rates

The Calculations of ECL

PDL calculates ECL on the basis of probability-weighted average scenarios on the basis of historical data.

The calculation of ECL has following key elements of PDL's internal estimates:

Probability of default (PD):

It is an estimate of the likelihood of default over a given time horizon.

Exposure at default:

Estimate of an exposure at a future default date –expected changes in exposure after the reporting date.

Loss Given Default:

Estimate of the loss arising on default. It is based on the difference between contractual cash flows that are due and expected to receive including from collateral. It is generally referred as a percentage of exposure at default.

Discount rate:

Used to discount an expected loss to a present value at the reporting date using the effective interest rate.

ECL system:

Stage 1: At stage one 12 months ECL is recognized which is calculated as the portion of total outstanding advances, that are overdue till 30 days, that result from a default event on the financial instrument that are possible within 12 months after the reporting date. PDL calculates the 12 months ECL provision based on the expectation of default occurring in 12 months following the reporting date. These expected 12 month default probabilities are applied to an EAD and multiplied by the expected LGD.

Stage 2: When a loan has shown a significant increase in the credit risk, i.e., where the same is overdue till 90 days, PDL records a provision for life time ECL. PDs and LGDs in this case are estimated over life span of the financial instrument.

Stage 3: When a loan is considered credit-impaired, i.e., where the same is overdue past 90 days, PDL recognize the lifetime expected credit losses. In this scenario PD is estimated at 100%. For PDL, stage 3 incorporates the loans which are due past 90 days but, in certain cases where the internal assessment of the individual borrowers reflects that the overdue amount can be recovered in the near future then the same is not subjected to 100% provisioning.

Conclusion:

ECL concept is to recognize the expected loss on the defaulted advances on timely basis so as to present a true and fair view of financial position of the company. Also, Ind AS states that entity can adopt any ECL model to present its historical trends adjusted for its forward looking information. However, as per PDL’s internal policy follows a policy of writing of 100% of overdue advances which does incorporate the requirements of Ind AS of better presentation of financial position.

PDL ECL model is subjected to review every year.

5.4 DERECOGNITION OF FINANCIAL INSTRUMENTS

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. A financial liability (or a part of a financial liability) is derecognised from the balance sheet when the obligation specified in the contract is discharged or cancelled or expires.

5.5 INVESTMENTS

Investments are carried at cost in the separate financial statements. Investments in subsidiary is measured at the previous GAAP carrying amount as per the provisions of Ind AS 27 – ‘Separate Financial Statements’.

5.6 PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are stated at cost, less accumulated depreciation and impairment, if any or at Fair market value if the same present a better presentation of company's financial position. Accordingly company has taken the Office Premises on fair market value as per the valuation done by an independent valuer, except for a recently purchased building, in which case its transaction cost is taken as fair market value.

Costs directly attributable to acquisition are capitalized until the property, plant and equipment are ready for use, as intended by the Management. If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss on disposal of an item of property, plant and equipment is recognized in the statement of profit and loss.

The Company depreciates property, plant and equipment over their estimated useful lives using the straight-line method. The estimated useful lives of assets are as follows:

Asset Category	Useful Life
Building	42 Year
Furniture & Fittings	10 Year
Computer Peripheral	3 Year
Vehicles	5 Year
Equipments, Plant & Machinery	10 Year
Intangible Assets	3 Year

Depreciation methods, useful lives and residual values are reviewed periodically, including at each financial year end. Company has restated the useful life of Building as per the report of an independent valuer.

Advances, if any, paid towards the acquisition of property, plant and equipment outstanding at each Balance Sheet date is classified as capital advances under other non-current assets and the cost of assets not ready to use before such date are disclosed under ‘Capital work-in-progress’. Subsequent expenditures relating to property, plant and equipment are capitalized only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably. Repairs and maintenance costs are recognized in the Statement of Profit and Loss when incurred. The cost and related accumulated depreciation are eliminated from the financial statements upon sale or retirement of the asset and the resultant gains or losses are recognized in the Statement of Profit and Loss.

5.7 IMPAIRMENT

Property, plant and equipment are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. If such assets are considered to be impaired, the impairment to be recognized in the Statement of Profit and Loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the Statement of Profit and Loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated depreciation) had no impairment loss been recognized for the asset in prior years.

5.8 INTANGIBLE ASSETS

Intangible assets are stated at cost less accumulated amortization and impairment or Fair market value if the same present a better presentation of company's financial position. Intangible assets are amortized over their respective individual estimated useful lives on a straight-line basis, from the date that they are available for use. The estimated useful life of an identifiable intangible asset is based on a number of factors including the effects of obsolescence, demand, competition, and other economic factors (such as the stability of the industry, and known technological advances). Amortization methods and useful lives are reviewed periodically including at each financial year end.

The company has developed Paisalo app in the current financial year for which all research costs are expensed as incurred. Software product development costs are also expensed as incurred unless technical and commercial feasibility of the project is demonstrated, future economic benefits are probable. The cost during the development phase is capitalized as the cost the app to be presented in balance sheet. The costs which can be capitalized include the cost of material, direct labor and overhead costs that are directly attributable to preparing the asset for its intended use. Over the period of time the company has developed its own ERP software which is a core strength of the company, the revaluation of which shall be taken up at later stage.

5.9 CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Contingent liabilities are disclosed for:

- a. possible obligations which will be confirmed only by future events not wholly within the control of the Company, or
- b. present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

Contingent assets are disclosed wherein an inflow of economic benefits is probable.

5.10 SHARE CAPITAL

Ordinary shares are classified as equity, incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from proceeds.

5.11 SEGMENT REPORTING POLICY

The chief Operating Decision Maker ("CODM") reviews the operation at the Company level. Therefore, the operations of the company fall under "Financing activities" business only, which is considered to be the only segment in accordance with the provisions of Ind AS 108- Operating segment.

5.12 BUSINESS MODEL

During the year company entered into bilateral assignment transactions against outstanding loans. But the value of these loans are trivial in light of the company's AUM, thus Company's business model continue to be 'Hold to collect' as per Ind AS 109- Financial Instruments.

5.13 BORROWING COST

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.

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.

In case any loan is prepaid/ cancelled then the unamortized borrowing cost, if any, is fully expensed off on the date of prepayment/cancellation.

5.14 RELATED PARTY

A related party is a person or an entity that is related to the reporting entity. A related party transaction is a transfer of resources, services or obligations between a reporting entity and a related party, regardless of whether a price is charged.

A person or a close family member is related if he:

- Has control/joint control;
- Has significant influence;
- Is a member of the key management personnel (KMP);
of the reporting entity or its parent.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity including:

- that person's children, spouse or domestic partner, brother, sister, father and mother;
- children of that person's spouse or domestic partner; and
- dependants of that person or that person's spouse or domestic partner.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity.

Company has duly complied with all the disclosure requirements of Ind AS 24 "Related Party Disclosures"

5.15 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. Company follows accrual basis for all revenue recognition. Interest income is recognized on due basis and penal income is recognized on receipt basis.

Processing fees received from customer was recognized as income in the year of receipt under India GAAP. But, as per Ind AS, the same is now amortized over the period of relevant loan.

5.16 EARNINGS 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.

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.

NOTES FORMING INTEGRAL PART OF THE FINANCIAL STATEMENTS AS AT 31ST MARCH 2020

Note : 1 Cash & Cash Equivalents (₹ in Lakhs)			
Sr. No.	Particulars	Current Year	Previous Year
1	Cash Balances	129.74	125.83
2	Bank Balances		
	Current a/c with Scheduled Banks (Subject to reconciliation)	2,970.68	792.37
	Cheques/ Drafts on Hands	-	-
3	In Fixed Deposits - Unencumbered		
	With Banks	0.07	0.07
	Total	3,100.49	918.27
Note : 2 Bank Balances other than (a) above (₹ in Lakhs)			
Sr. No.	Particulars	Current Year	Previous Year
1	Bank Balances		
	Current a/c with Scheduled Banks (Subject to reconciliation)	-	-
2	In Fixed Deposits - Encumbered		
	With Banks	33.88	33.37
	Total	33.88	33.37

Note : 3 Derivative Financial Instruments (Assets) (₹ in Lakhs)						
Particulars	Current Year			Previous Year		
	Notional amounts	Fair Value Assets	Fair Value Liabilities	Notional amounts	Fair Value - Assets	Fair Value - Liabilities
Part I						
(i) Currency Derivatives						
—Spot and Forwards	-	-	-	-	-	-
—Currency Futures	-	-	-	-	-	-
—Currency Swaps	-	-	-	-	-	-
—Options purchased	-	-	-	-	-	-
—Options sold (written)	-	-	-	-	-	-
—Others	-	-	-	-	-	-
Sub Total (i)	-	-	-	-	-	-
(ii) Interest rate Derivatives						
—Forward Rate Agreements and Interest Rate Swaps	-	-	-	-	-	-
—Options purchased	-	-	-	-	-	-
—Options sold (written)	-	-	-	-	-	-
—Futures	-	-	-	-	-	-
—Others	-	-	-	-	-	-
Sub Total (ii)	-	-	-	-	-	-
(iii) Credit Derivatives	-	-	-	-	-	-
(iv) Equity linked Derivatives	-	-	-	-	-	-
(v) Other Derivatives (Please specify)	-	-	-	-	-	-
Total Derivative Financial Instruments	-	-	-	-	-	-
(i)+(ii)+(iii)+(iv)+ (V)						

Part II						
Included in above (Part I) are derivatives held for hedging and risk management purposes as follows:	-	-	-	-	-	-
(i) Fair value hedging	-	-	-	-	-	-
— Currency Derivatives	-	-	-	-	-	-
—Interest rate Derivatives	-	-	-	-	-	-
—Credit Derivatives	-	-	-	-	-	-
—Equity linked Derivatives	-	-	-	-	-	-
—Others	-	-	-	-	-	-
Sub Total (i)	-	-	-	-	-	-
(ii) Cash flow hedging	-	-	-	-	-	-
—Currency Derivatives	-	-	-	-	-	-
—Interest rate Derivatives	-	-	-	-	-	-
—Credit Derivatives	-	-	-	-	-	-
—Equity linked Derivatives	-	-	-	-	-	-
—Others	-	-	-	-	-	-
Sub Total (ii)	-	-	-	-	-	-
(iii) Net investment hedging	-	-	-	-	-	-
(iv) Undesignated Derivatives	-	-	-	-	-	-
Total Derivative Financial Instruments (i)+(ii)+(iii)+(iv)	-	-	-	-	-	-

Note : 4 Receivables (₹ in Lakhs)			
Sr. No.	Particulars	Current Year	Previous Year
1	Trade Receivables		
	—Overdue Installments : Considered Good - Secured	811.21	703.03
	—Overdue Installments : Considered Good - Unsecured	254.21	253.04
2	Other Receivables	-	-
	Total	1,065.42	956.06

Note : 7 Others Financial Assets

(₹ in Lakhs)

Sr. No.	Particulars	Current Year	Previous Year
1	Secured, Considered Good		
	Security Deposit*	21.52	145.58
	Advances to Staff	69.53	2.36
	Income Receivables	0.11	107.39
	Advances for Services	50.79	32.57
	Prepaid Expenses	4.08	5.27
	Nupur Finvest Pvt. Ltd	435.01	-
	GST/Service Tax Cenvat	178.50	138.39
2	Arbitration Awards/ Decree Recievable	16,430.67	15,735.86
	Total	17,190.21	16,167.43

-* Security Deposit amount consists of telephone/mobile security, electricity security, rent security.

Note : 8 Current Tax Assets (Net)

(₹ in Lakhs)

Sr. No.	Particulars	Current Year	Previous Year
1	Advance Recoverable in cash or in kind or for value to be considered good		
	Income Tax and TDS	8,220.73	6,099.04
	Provision for Taxation	(7,809.01)	(5,883.10)
	Total	411.72	215.94

Note: 9 Property, Plant and Equipment

Note : 9 Property, Plant and Equipment								
Sr. No.	Particulars	Gross Block			Depreciaton		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
I	Tangible Assets							
1	Land	-	-	-	-	-	-	-
2	Building	539.71	5885.41	-	6425.12	33.23	224.04	-
3	Furniture & Fittings	135.67	66.83	-	202.50	93.27	16.21	-
4	Computer Peripheral	190.61	11.48	-	202.09	143.83	22.24	-
6	Vehicles	165.62	-	-	165.62	74.17	15.37	-
7	Equipments, Plant & Machinery	121.76	45.19	-	166.95	88.64	23.65	-
SUB TOTAL (A)		1153.38	6008.91	-	7162.28	433.14	301.51	-
II	Intangible Assets							
1	Computer Software	524.89	4.88	-	529.77	304.43	39.08	-
2	Goodwill	-	10.70	-	10.70	-	0.00	-
SUB TOTAL (B)		524.89	15.58	-	540.47	304.43	39.08	-
III	Capital Work-in-progress	-	-	-	-	-	-	-
SUB TOTAL (C)		-	-	-	-	-	-	-
IV	Intangible Assets Under Development	-	-	-	-	-	-	-
SUB TOTAL (D)		-	-	-	-	-	-	-
Total [A+B+C+D] (Current Year)		1678.26	6024.49	-	7702.76	737.57	340.59	-
Total (Previous Year)		1321.26	357.00	-	1678.26	655.49	82.08	-

Note : 10 Other Non Financial Assets (₹ in Lakhs)

Sr. No.	Particulars	Current Year		Previous Year	
1	Deferred Revenue Expenditure		368.94		582.23
Total			368.94		582.23

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

Note : 11 Derivative financial Instruments (Liabilities) (₹ in Lakhs)

Particulars	(Current Year)			Previous Year		
	Notional amounts	Fair Value Assets	Fair Value Liabilities	Notional amounts	Fair Value - Assets	Fair Value - Liabilities
Part I						
(i) Currency Derivatives						
—Spot and Forwards	-	-	-	-	-	-
—Currency Futures	-	-	-	-	-	-
—Currency Swaps	-	-	-	-	-	-
—Options purchased	-	-	-	-	-	-
—Options sold (written)	-	-	-	-	-	-
—Others	-	-	-	-	-	-
Sub Total (i)	-	-	-	-	-	-
(ii) Interest rate Derivatives						
—Forward Rate Agreements and Interest Rate Swaps	-	-	-	-	-	-
—Options purchased	-	-	-	-	-	-
—Options sold (written)	-	-	-	-	-	-
—Futures	-	-	-	-	-	-
—Others	-	-	-	-	-	-
Sub Total (ii)	-	-	-	-	-	-
(iii) Credit Derivatives	-	-	-	-	-	-
(iv) Equity linked Derivatives	-	-	-	-	-	-
(v) Other Derivatives (Please specify)	-	-	-	-	-	-
Total Derivative Financial Instruments (i)+(ii)+(iii)+(iv)+ (V)	-	-	-	-	-	-
Part II						
Included in above (Part I) are derivatives held for hedging and risk management purposes as follows:	-	-	-	-	-	-
(i) Fair value hedging						
— Currency Derivatives	-	-	-	-	-	-
—Interest rate Derivatives	-	-	-	-	-	-
—Credit Derivatives	-	-	-	-	-	-
—Equity linked Derivatives	-	-	-	-	-	-
—Others	-	-	-	-	-	-
Sub Total (i)	-	-	-	-	-	-
(ii) Cash flow hedging						
—Currency Derivatives	-	-	-	-	-	-
—Interest rate Derivatives	-	-	-	-	-	-
—Credit Derivatives	-	-	-	-	-	-
—Equity linked Derivatives	-	-	-	-	-	-
—Others	-	-	-	-	-	-
Sub Total (ii)	-	-	-	-	-	-
(iii) Net investment hedging	-	-	-	-	-	-
(iv) Undesignated Derivatives	-	-	-	-	-	-
Total Derivative Financial Instruments (i)+(ii)+(iii)+(iv)	-	-	-	-	-	-

Note : 12 Payables (₹ in Lakhs)

Sr. No.	Particulars	Current Year	Previous Year
1	Trade Payables		
	(i) Total outstanding dues of Micro Enterprises and Small Enterprises		
	(a) Sundry Creditors for Services	114.16	14.47
		114.16	14.47
	(ii) Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises		
	(a) SBI Assignment Payable	83.44	2,362.78
	(b) SIB Assignment Payable	30.58	
	(c) DJT Financial Services Payable	43.55	1,180.14
	(d) Other Sundry Payables	234.19	252.01
		391.76	3,794.92
2	Other Payables		
	(i) Total outstanding dues of Micro Enterprises and Small Enterprises	-	-
	(ii) Total outstanding dues of creditors other than Micro enterprises and Small Enterprises		
	(a) Statutory Payables		
	Professional Tax Payable	0.02	0.03
	EPF Contribution Payable	6.60	6.39
	ESI Payable	0.77	1.65
	GST Payable	16.87	5.81
	TDS Payable	77.47	77.46
	LIC GSLI Payable	0.03	4.06
	(b) Expenses Payables	360.41	537.78
		462.17	633.18
Total		968.09	4,442.57

Note : 13 Debt Securities (₹ in Lakhs)										
Particulars	Current Year				Previous Year					
	At Amortised Cost	At Fair Value Through profit or loss	Designated at fair value through profit or loss	Total	At Amortised Cost	At Fair Value Through profit or loss	Designated at fair value through profit or loss	Total		
	(1)	(2)	(3)	(4) = (1)+(2)+(3)	(5)	(6)	(7)	(8) = (5)+(6)+(7)		
Liability component of compound Financial Instruments	-	-	-	-	-	-	-	-		
Others (Bonds/ Debentures etc.)*	13,200.00	-	-	13,200.00	12,300.00	-	-	12,300.00		
Total (A)	13,200.00	-	-	13,200.00	12,300.00	-	-	12,300.00		
Debt Securities in India	13,200.00	-	-	13,200.00	12,300.00	-	-	12,300.00		
Debt Securities outside India	-	-	-	-	-	-	-	-		
Total (B) to tally with (A)	13,200.00	-	-	13,200.00	12,300.00	-	-	12,300.00		

*Details of Non Convertible Debentures (₹ in Lakhs)										
Debenture Series	Issued Date	Issued Amount	Rate of Interest	Interest Periodicity	Maturity Date	Maturity Amount	Current Year	Previous Year		
Series-'PDL 1609'	Sept-2016	9,500.00	14.50%	Monthly	Sept-2021	9,500.00	No	No		
Series-'PDL 1802'	Feb-2018	2,800.00	12.00%	Monthly	Feb-2023	2,800.00	No	No		
Series-'PDL 2020-3'	Feb-2020	900.00	12.00%	Monthly	Feb-2025	900.00	Yes	No		

Note : 14 Borrowings (Other than Debt Securities) (₹ in Lakhs)										
Particulars	Current Year				Previous Year					
	At Amortised Cost	At fair value through profit or loss	Designated at fair value through profit or loss	Total	At Amortised Cost	At fair value through profit or loss	Designated at fair value through profit or loss	Total		
	(1)	(2)	(3)	(4) = (1)+(2)+(3)	(1)	(2)	(3)	(4) = (1)+(2)+(3)		
(a) Term loans:										
(i) From banks	5,896.94	-	-	5,896.94	-	-	-	-		
(ii) From other parties	-	-	-	-	-	-	-	-		
(b) Deferred payment liabilities	-	-	-	-	-	-	-	-		
(c) Loans from related parties	1,870.25	-	-	1,870.25	33.00	-	-	33.00		
(d) Finance lease obligations	-	-	-	-	-	-	-	-		
(e) Liability component of compound financial instruments	-	-	-	-	-	-	-	-		
(f) Loans repayable on demand:										
(i) from banks	73,933.14	-	-	73,933.14	74,185.65	-	-	74,185.65		
(ii) from other parties	3,313.37	-	-	3,313.37	-	-	-	-		
(g) Other loans (specify nature)	-	-	-	-	-	-	-	-		
Total (A)	85,013.70	-	-	85,013.70	74,218.65	-	-	74,218.65		
Borrowings in India	85,013.70	-	-	85,013.70	74,218.65	-	-	74,218.65		
Borrowings outside India	-	-	-	-	-	-	-	-		
Total (B) to tally with (A)	85,013.70	-	-	85,013.70	74,218.65	-	-	74,218.65		

(₹ in Lakhs)

Note : 16 Subordinated Liabilities							(₹ in Lakhs)
Particulars	Current Year			Previous Year			Total (8) =(5)+(6)+(7)
	At Amortised Cost (1)	At fair value through profit or loss (2)	Designated at fair value through profit or loss (3)	Total (4) =(1)+(2)+(3)	At Amortised Cost (5)	At fair value through profit or loss (6)	
Perpetual Debt Instruments to the extent that do not qualify as equity	-	-	-	-	-	-	-
Preference Shares other than those that qualify as Equity	-	-	-	-	-	-	-
Others	8,800.00	-	-	8,800.00	8,100.00	-	8,100.00
Non-Convertible Debentures ^(*)	-	-	-	-	-	-	-
Total (A)	8,800.00	-	-	8,800.00	8,100.00	-	8,100.00
Subordinated Liabilities in India	8,800.00	-	-	8,800.00	8,100.00	-	8,100.00
Subordinated Liabilities outside India	-	-	-	-	-	-	-
Total (B) to tally with (A)	8,800.00	-	-	8,800.00	8,100.00	-	8,100.00

(₹ in Lakhs)

Previous Year	Yes
	No
	No

(₹ in Lakhs)

Sr. No.	Particulars	Current Year	Previous Year
1	Debt Service Repayment Account	4,328.34	13,272.11
2	Arbitration Awards/ Decree Recievables	16,430.67	15,735.86
	Total	20,759.01	29,007.97

(₹ in Lakhs)

Sr. No.	Particulars	Current Year	Previous Year
1	Advance Recoverable in Cash or in kind or for value to be considered good		
	Income Tax and TDS	-	-
	Provision for Taxation	-	-
	Total	-	-

(₹ in Lakhs)

Sr. No.	Particulars	Current Year	Previous Year
1	Provision for Standard Assets	693.03	680.84
2	Provision for Proposed Dividend on Equity Shares and Tax there on	422.92	466.90
3	General Provision on Standard Accounts in Default	601.80	-
4	Provision for Expected Credit Loss	266.43	-
Total		1,984.18	1,147.74

(₹ in Lakhs)

Sr. No.	Particulars	Current Year	Previous Year
1	Opening Balance	59.95	360.71
	Add: Addition from Merger of Agarwal Meadows	10.54	-
	Tax on Timing difference on Property, Plant and Equipments	129.26	46.76
	Tax on Timing difference on Deferred Revenue Expenditures	94.54	203.45
	Tax on Timing difference on Unearned Processing Fees	(104.92)	(190.27)
2	Total Deferred Tax Liability	118.88	59.95
	Provision for Deferred Tax required for the year (2-1)	48.40	(300.76)
	Total	118.88	59.95

(₹ in Lakhs)

Sr. No.	Particulars	Current Year	Previous Year
1	Unearned Income of Processing Fees	409.43	544.49
	Total	409.43	544.49

Note : 22 Share Capital

			(₹ in Lakhs)
Sr. No.	Particulars	Current Year	Previous Year
1	AUTHORIZED CAPITAL		
	1200,00,000 Equity Shares of Rs. 10 per share	12,000.00	12,000.00
	50,00,000 Preference Shares of Rs. 10 each	500.00	500.00
		12,500.00	12,500.00
2	ISSUED, SUBSCRIBED CAPITAL		
	423,04,699 Equity Shares of Rs. 10 per Share fully paid up (pre. year 40572500 Equity Shares)	4,057.25	4,057.25
	Add: 1732199 Share Issued on the merger of Agarwal Meadows Pvt Ltd*	173.22	-
		4,230.47	4,057.25
3	PAID UP CAPITAL		
	405,60,000 Equity Shares of Rs. 10 per Share fully paid up	4,056.00	4,056.00
	Add: 1732199 Share Issued on the merger of Agarwal Meadows Pvt Ltd*	173.22	
	Add: Share Forfeited a/c	0.63	0.63
	(Amount originally Paid up @ Rs 5 each on 12,500 Equity Shares of Rs. 10 each)		
	Total	4,229.84	4,056.63

- * see note no. 40
- **More than 5% shares:**

Mr. Sunil Agarwal holds 3269940 equity shares (7.73%) [Previous year 3269940 equity shares (8.06%)]

M/s Equilibrated Venture Cflow Pvt Ltd holds 4084212 equity shares (9.66%) [Previous year 2914223 equity shares (7.19%)]

Statement of Changes in Equity for the period ending on 31-03-2020

Statement of Changes in Equity for the period ending on 31-03-2020		(Amount in ₹)
Balance at the beginning of the reporting period	Changes in equity share capital during the year	Balance at the end of the reporting period
40,56,62,500	17,321,990	42,29,84,490

Note : 23 Other Equity

Particulars	Share Application money pending allotment	Equity component of compound Financial Instruments	Statutory Reserves - RBI Reserve Fund	Capital Reserve	Securities Premium	General Reserve	Retained Earnings	Capital Redemption Reserve	Revaluation Reserve	Equity portion of Cash Flow Hedges	Effective portion of Cash Flow Hedges	Revaluation Surplus	Exchange differences on translating the financial statements of a foreign operation	Other items of Other Comprehensive Income (Specify nature)	Money received against Share Warrants	Total
Balance at the beginning of the reporting period	-	-	11,652.90	2,415.21	14,649.91	31,808.03	223.97	250.00	372.20	-	-	-	-	-	-	61,372.22
Add: Addition due to merger of AMPL	-	-	-	-	5,302.11	(152.59)	(33.55)	-	-	-	-	-	-	-	-	5,115.97
Restated Balances at the beginning of the reporting period	-	-	11,652.90	2,415.21	19,952.02	31,655.44	190.42	250.00	372.20	-	-	-	-	-	-	66,488.20
Total	-	-	-	-	-	-	5,403.90	-	-	-	-	-	-	-	-	5,403.90
Comprehensive Income for the year	-	-	-	-	-	-	(422.92)	-	-	-	-	-	-	-	-	(422.92)
Proposed Dividends	-	-	-	-	-	-	9.08	-	(9.08)	-	-	-	-	-	-	-
Depreciation on Revaluation Amount	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Income Tax Impact due to IND AS on Processing Fees	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Any other change (to bespecified)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer to General Reserve	-	-	-	-	-	3,900.00	(3,900.00)	-	-	-	-	-	-	-	-	-
Transfer to Statutory Reserve Fund	-	-	1,086.51	-	-	-	(1,086.51)	-	-	-	-	-	-	-	-	-
Provision on Standard Assets	-	-	-	-	-	-	(12.19)	-	-	-	-	-	-	-	-	(12.19)
Expenditure on Corporate Social Responsibility	-	-	-	-	-	-	(97.91)	-	-	-	-	-	-	-	-	(97.91)
Balance at the end of the reporting period	-	-	12,739.41	2,415.21	19,952.02	35,555.44	83.87	250.00	363.12	-	-	-	-	-	-	71,359.07

Note : 24 Interest Income

(₹ in Lakhs)

Particulars	Current Year			Previous Year		
	On Financial Assets measured at Fair value through OCI	On Financial Assets measured at Amortised Cost	Interest Income on Financial Assets classified at Fair value through profit for loss	On Financial Assets measured at Fair value through OCI	On Financial Assets measured at Amortised Cost	Interest Income on Financial Assets classified at Fair value through profit for loss
Interest on Loans	-	33,742.71	-	-	31,663.63	-
Interest Income from Investments	-	-	-	-	-	-
Interest on Deposits with Banks	-	2.40	-	-	2.85	-
Other Interest Income	-	-	-	-	-	-
Total	-	33,745.11	-	-	31,666.47	-

Note : 25 Net Gain/(Loss) on fair value changes

Note : 25 Net Gain/(Loss) on fair value changes				(₹ in Lakhs)
Particulars		Current Year		Previous Year
(A) Net gain/(loss) on Financial Instruments at Fair value through profit or loss				
(i) On trading portfolio:				
—Investments			-	-
—Derivatives			-	-
—Others			-	-
(ii) On Financial Instruments designated at fair value through profit or loss			-	-
(B) Others				
(i) Total Net gain/(loss) on fair value changes (c)			-	-
(ii) Fair Value changes:				
—Realised			-	-
—Unrealised			-	-
Total Net Gain/(Loss) on Fair value changes (D) to tally with (C)			-	-

Note : 26 Other Income

Sr. No.	Particulars	Current Year		Previous Year	
		(₹ in Lakhs)		(₹ in Lakhs)	
1	Net gain/(loss) on ineffective portion of hedges		-		-
2	Net gain/(loss) on derecognition of property, plant and equipment		-		-
3	Net gain or loss on foreign currency transaction and translation (other than considered as finance cost)		-		-
4	Others		-		-
Total			-		-

Note : 27 Finance Cost

Sr. No.	Particulars	Current Year		Previous Year	
		On Financial liabilities measured at fair value through profit or loss	On Financial liabilities measured at Amortised Cost	On Financial liabilities measured at fair value through profit or loss	On Financial liabilities measured at Amortised Cost
1	Interest on Deposits	-	-	-	-
2	Interest on Borrowings	-	10,055.31	-	9,405.59
3	Interest on Debt Securities	-	2,022.07	-	1,713.50
4	Interest on Subordinated Liabilities	-	857.87	-	726.96
5	Other Interest expense/ Bank Charges	-	422.10	-	465.20
Total		-	13,357.35	-	12,311.26

Note : 28 Impairment on Financial Instruments

Particulars	Current Year		Previous Year	
	On Financial instruments measured at Fair value through OCI	On Financial instruments measured at Amortised Cost	On Financial instruments measured at Fair value through OCI	On Financial instruments measured at Amortised Cost
Bad Debts Written Off on Loans	-	6,531.79	-	4,886.08
Provision for NPA	-	89.11	-	39.23
Provision for Expected Credit Loss				
Provision on Standard Accounts in Default	-	601.80	-	-
Additional Provision for Expected Credit Loss Investments	-	266.43	-	-
Others (to be specified)	-	-	-	-
Total	-	7,489.13	-	4,925.31

Note : 29 Employees Benefit Expenses (₹ in Lakhs)

Sr. No.	Particulars	Current Year	Previous Year
1	Salaries and Wages to Employess	1,729.33	1,554.32
2	Directors Salaries & Allowances	463.25	578.63
3	Contribution to Provident and other funds	103.82	74.24
4	Share Based Payments to employees	-	-
5	Staff welfare expenses	31.85	38.19
Total		2,328.25	2,245.38

- No remuneration has been paid to Directors except remuneration to Managing Director and Executive Directors. The remuneration paid to Managing Director and Executive Directors during the F.Y. 2019-20 is Rs. 4,63,24,800 (last year Rs 5,78,63,200) which is within the limit as specified u/s 197 read with Schedule V of the Companies Act, 2013.

Note : 30 Depreciation & Amortised Cost		(₹ in Lakhs)	
Sr. No.	Particulars	Current Year	Previous Year
1	Depreciation	188.00	82.08
2	Deffered Revenue Exp. w/o*	213.29	385.97
Total		401.29	468.05

- *Deferred Expenses written off over a period of five years

Note : 31 Other Expenses		(₹ in Lakhs)	
Sr. No.	Particulars	Current Year	Previous Year
1	Car & Scooter Expenses	96.32	90.75
2	Travelling Expenses	517.80	510.40
3	Repair & Maintenance	45.94	45.80
4	Insurance Expenses	12.62	18.00
5	Electricity & Water Expenses	60.24	57.22
6	Rates & Taxes	6.28	0.19
7	Legal Expenses & Professional Fees	417.58	455.11
8	Printing & Stationery Expenses	377.03	241.09
9	Postage & Telephone Expenses	86.85	83.93
10	Auditors Remuneration	32.89	31.25
11	Rent	203.13	154.81
12	Rebate & Remission	12.57	1.28
13	Advertisement & Business Promotion Expenses	580.11	1,334.37
14	Recovery Expenses	54.39	44.68
15	Office and General Expenses	258.09	268.35
16	Directors Sitting Fees & Expenses	14.99	16.62
Total		2776.83	3353.86

32. Remuneration to Auditors: (₹ in Lakhs)

Particulars	2019-20	2018-19
For Statutory Audit	3.00	3.00
For Tax Audit	1.00	1.00
For Certification work/other services	28.89	27.25
Total	32.89	31.25

33. Earning per Share: (₹ in Lakhs)

Particulars	2019-20	2018-19
Net profit for the year (After Tax)	5403.90	5677.15
Proposed dividend on Preference shares and tax thereon	—	—
No. of Equity Shares (Weighted)	422.92	405.60
Basic and diluted Earning per share	12.78	14.00

34. Figures for the previous year have been regrouped/rearranged/reclassified and restated wherever considered necessary.

35. The company has given corporate guarantee for the loans taken by its wholly owned subsidiary Company M/s Nupur Finvest Pvt. Ltd. From the following Bank's / FI's / NBFCs:

(₹ in Lakhs)	
Name of Bank / Financial Institution	Amount o/s
State Bank of India Term Loan	1413.56
State Bank of India CC	3000.00
Karnataka Bank Ltd CC	2000.00
Bank of Baroda Term Loan	2385.51
Tourism Finance Corporation of India Ltd	1292.23
Nabsamruddhi Finance Limited	1200.97
Tata Capital Financial Service Ltd.	376.72
Satin Creditcare Limited	250.48
Satin Finserv Limited	107.35
Total	12026.82

36. Disclosure of Related party transactions:

A. Wholly owned Subsidiary	Nupur Finvest Pvt. Ltd.
B. List of related parties and relationship	
Related Party	(Relation)
Key Managerial Personnel	
Mr. Sunil Agarwal	(Managing Director)
Mr. Harish Singh	(Executive Director)
Mr. Anoop Krishnan	(Executive Director)
Mr. Atul Kumar Agarwal	(Chief Finance Officer)
Mr. Manendra Singh	(Company Secretary)
Relatives of K M P	
Mr. Purushottam Agrawal	(Father of Mr. Sunil Agarwal)
Mrs. Raj Agarwal	(Mother of Mr. Sunil Agarwal)
Mrs. Neetu Agarwal	(Spouse of Mr. Sunil Agarwal)
Mrs. Priti Chauhan	(Spouse of Mr. Harish Singh)
Mrs. Sushila Devi Chauhan	(Mother of Mr. Harish Singh)
Ms. Suneeti Agarwal	(Daughter of Mr. Sunil Agarwal)
Mr. Santanu Agarwal	(Son of Mr. Sunil Agarwal)
Mr. Pranav Chauhan	(Son of Mr. Harish Singh)
Mrs. Mamta Krishnan	(Spouse of Mr. Anoop Krishnan)
C. Enterprises over which significant influence exercised by Key Managerial Personnel/Relatives of Key Managerial Personnel	
1. Aerotech Aviation Services Pvt. Ltd.	
2. Pro Fitcch Private Limited (Formerly known as Baba Herbals Pvt. Ltd.)	
3. Equilibrated Venture Cflow Pvt. Ltd. (Formerly known as Bhavya Electronics and Networks Pvt. Ltd.)	
4. Pri Caf Private Limited (Formerly known as Diamond Infradev Pvt. Ltd.)	
5. Repartee Infrastructures Pvt. Ltd.	
6. Radiance Techno Powers Company Pvt. Ltd.	
7. SCS Educational Foundation	
8. Raj Shiksha Foundation	
9. Spaak Super Tec Pvt. Ltd.	
10. Harish Singh HUF	

D. Disclosures required for Related party transactions (₹ in Lakhs)

Name of Party	Nature	Amount	Amount Receivable/ (Payable)
Mr. Sunil Agarwal	Remuneration to Director	393.60	(39.60)
Mr. Harish Singh	Remuneration to Director	30.05	(0.51)
Mr. Anoop Krishnan	Remuneration to Director	39.60	(0.93)
Mr. Sunil Agarwal	Loan	—	(33.00)
Mrs. Raj Agarwal	Rent	9.00	(0.68)
M/s Agarwal Meadows Pvt. Ltd.	Rent	0.10	—
Mr. Santanu Agarwal	Salary	18.00	(2.20)
Mr. Atul Agarwal	Salary	18.00	(0.48)
Mr. Manendra Singh	Salary	10.80	(0.32)
Mr. Santanu Agarwal	Loan Received	2844.00	(1718.00)
Mr. Santanu Agarwal	Loan Repaid	1126.00	—
Mr. Santanu Agarwal	Interest Expenses	132.51	(119.26)
Mr. Harish Singh	Interest Expenses (on NCD)	14.54	—
Mr. Pranav Chauhan	Interest Expenses (on NCD)	14.54	—
M/s Nupur Finvest Pvt. Ltd.	Sale of Portfolio	1441.41	435.00
M/s Nupur Finvest Pvt. Ltd.	Interest Expenses	728.73	—
M/s Spaak Super Tec Pvt. Ltd.	Expenses	1.00	—

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.

37. Working Capital and Term Loan 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 six 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	Out- standing	ROI*	Sanctioned Amount	Share in Consortium(%)
1	Bank of Baroda	9663.98	MCLR + 3.50%	10,000.00	11.91
2	Bank of Baroda Term Loan	1894.30	MCLR + 3.50%	2,500.00	2.98
3	IDBI Bank	3928.89	MCLR + 4.50%	5,700.00	6.79
4	Punjab National Bank	6895.38	MCLR + 2.35%	7,000.00	8.34
5	United Bank of India	4996.64	MCLR + 3.40%	5,000.00	5.96
6	Corporation Bank	6499.00	MCLR + 3.70%	7,500.00	8.93
7	Bank of Maharashtra	4994.84	MCLR + 1.15%	5,000.00	5.96
8	Bank of India	4246.00	MCLR + 3.50%	4,550.00	5.42
9	Andhra Bank	4976.44	MCLR + 3.40%	5,000.00	5.96
10	UCO Bank	3721.79	MCLR + 4.15%	3,700.00	4.41
11	Central Bank of India	12570.03	MCLR + 3.35%	12,500.00	14.89
12	State Bank of India	3942.01	MCLR + 3.90%	4,000.00	4.76
13	State Bank of India TL	4002.64	MCLR + 4.85%	4,000.00	4.76
14	South Indian Bank	2506.23	MCLR + 3.20%	2,500.00	2.98
15	Union Bank of India	4991.91	MCLR + 3.25%	5,000.00	5.95
	Total	79830.08		83,950	100.00

*Indicative rate of interest charged by respective Bank

38. Detail of Bank FDR's (principal amount) held as on 31.03.2020:

Held to avail Cash Credit facility against FDRs				(₹ in Lakhs)
1	United Bank of India	Cash Credit		8.01
	Subtotal	(A)		8.01
Held as Guarantee				(₹ in Lakhs)
1	Punjab National Bank	Guarantee		0.66
	Subtotal	(B)		0.66
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
	Grand Total of FDR's	(A+B+C+D)		33.74

- 39.** During the Current year, few Arbitration Awards have become executable Decrees. The amount of such Decrees available for execution stands at Rs. 16430.67 Lakhs as on the date of Balance Sheet. The Accounting treatment has been done as per IND Accounting Standard 37 "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	15735.86
2	Add: New Arbitration Award procured during the year	1124.26
3	Less: Arbitration Award Challenged during the year	429.45
	Arbitration Awards available for Execution	16430.67

The management has recognized the Decretal Amount an 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, no income has been accrued or received from such assets during the year.

- 40.** On June 27, 2019 the 17,32,199 equity shares of Rs. 10/- each at a premium of Rs. 306.09 per share were issued to the shareholders of Transferor Company pursuant to Scheme of Amalgamation between Agarwal Meadows Private Limited (Transferor Company) and Paisalo Digital Limited (Transferee Company) as approved by the National Company Law Tribunal, Principle Bench New Delhi, vide its order dated May 17, 2019.

41. Capital Risk Adequacy Ratio (CRAR):				(₹ in Lakhs)
Particulars		2019-20	2018-19	
i)	CRAR %	43.06%	34.04%	
ii)	CRAR – Tier I Capital %	37.74%	29.89%	
iii)	CRAR – Tier II Capital %	5.32%	4.15%	
iv)	Amount of subordinated debt raised as Tier-II Capital	8800	8100	
v)	Amount raised by issue of Perpetual Debt Instruments	Nil	Nil	

42. Investments:					(₹ in Lakhs)
Particulars			2019-20	2018-19	
1)	Value of Investments				
	i)	Gross value of Investments			
		a)	In India	6648.17	6647.66
		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	6648.17	6647.66
		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	

- 43.** The Company had not taken any exposure in Derivatives during the financial year 2019-20.

44. Disclosure relating to Securitization:

i) The Company has not done securitization of any of its loans & advances to any organization during the financial year 2019-20 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 undertaken new assignment transactions during the Financial Year 2019-20.

ii) The Company has not purchased any non-performing assets (NPAs) from other NBFCs or financial institutions.

iii) Details of stock assigned / sold during the year (₹ in Lakhs)

Particulars		2019-20	2018-19
1	No of accounts sold	1,93,006	1,50,611
2	Aggregate outstanding	29,343	41,371
3	Aggregate consideration received	26,170	33,814

iv) Co-origination done by the company with Banks

With a vision of empowering the AGRI, MSME segment and small businesses, Paisalo Digital Ltd. signed the first co origination loan agreement with State Bank of India. Such a co-origination financing model is in lines with the Reserve Bank of India guidelines which will benefit the micro-borrowers through easy, hassle free online loan with minimum turn around time and quick disposal. Introducing a platform for the last mile customer, the loan ticket is designed at Rs 10,000 to 2 lakh. The purpose is to increase lending to the income generating priority sectors by capitalizing on Paisalo Digital's deep distribution network and SBI's low operating cost. The deal is designed in such a way that the company would be contributing 20% of the entire disbursement amount for the small loans, with SBI's contribution being 80%. Rate of interest charged by the bank will be the rate of interest being charged by banks on priority sector while the company will be allowed to charge ROI to such an extent that blended ROI will not increase priority sector criteria defined by RBI. In this way, the company will still be able to charge it's usual lending rate, combined with SBI's significantly low lending rate, which will help in drastically reducing the effective lending due to cost averaging. This will not only be helping the company to raise funds easily and reduce the cost of funding but also the borrowers as the blended rate of interest charged to the customer will be lower than the other MFIs in the market. The company has not only signed co-origination deals with SBI, but also with Bank of India, Bank of Baroda and Bank of Maharashtra as of now and is in talks with various other banks for the same.

v) Assets Eligible for Securitisation

Each bank provides their specific requirements on the basis of which a portfolio is segregated for securitization.

Minimum Holding Period

PDL securitise loans only after it have been held on its book for a minimum period as prescribed by intending bank. MHP counted from the date of full disbursement of loan and is defined with reference to the number of instalments to be paid prior to securitisation.

Minimum Retention Requirement (MRR)

The MRR is primarily designed to ensure that the originating NBFCs have a continuing stake in the performance of securitised assets so as to ensure that they carry out proper due diligence of loans to be securitised. In case of PDL where the portfolio offered for securitization is not having maturity of more than 24 months, the stipulated MRR is 5% of the assets to be securitised.

Process

On receiving the requirements from the Bank, PDL segregate a portfolio fulfilling all the stipulated conditions. Specified percentage of the said portfolio is sold to the Bank for an upfront payment and the same is de-recognised from PDL's Balance sheet. Remaining percentage of the portfolio stays on PDL's Balance Sheet as a normal asset. PDL act as a servicer for the part securitized with Bank to cover the collections from loan.

45. Asset Liability Management Maturity pattern of certain items of Assets and Liabilities as on 31st March 2020:

(₹ in Lakhs)

	Upto 7 days	Over 14 days to 1 month	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	—	—	—	—	8738	39467	96115	24072	4106	172498
Investments (Bank FDR)	—	—	—	—	—	—	34	—	—	34
Borrowings	113	100	—	625	1125	46482	44168	12800	1600	107013
Foreign Currency Assets	—	—	—	—	—	—	—	—	—	—
Foreign Currency Liabilities	—	—	—	—	—	—	—	—	—	—

46. Exposures:**a. Exposures to Real Estate Sector**

(₹ in Lakhs)

Category		2019-20	2018-19
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	277	849
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	69	70
iii)	Investments in Mortgage Backed Securities (MBS) and other securitized exposures		
a)	—	—	—
b)	—	—	—
Indirect Exposure		—	—

b. Capital Market Exposure

The company has not taken any exposure in capital market during the financial year 2019-20, and also the inventory of the company as at 31st March 2020 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 ₹3,765 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.

47. 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.

48. Bank borrowings of the Company has been assigned rating of “IVRA/STABLE OUTLOOK” by Infomerics Valuation and Rating Pvt. Ltd. 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”.

49. Provisions and Contingencies: (₹ in Lakhs)

Break up of Provisions and contingencies	2019-20	2018-19
Provisions for depreciation on investment	Nil	Nil
Provision towards NPA	89	39
Provision on Standard Accounts in default @5% *	602	Nil
Provision for Expected Credit Loss	266	Nil
Provision made towards income tax	1,940	3,094
Other provision and contingencies (Contingent Liability- in Arbitration matters)	16,431	15,736
Provision for Standard Assets at the Balance Sheet date	693	681

*Pursuant to RBI notification DOR.No.BP.BC.63/21.04.048/2019-20 COVID19 Regulatory Package – Assets Classification and provisioning, a provision made @ 5% in respect of accounts in default but standard.

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

Company has issued Unlisted Unsecured Redeemable INR Denominated Non-Cumulative Non-Convertible Debentures (NCDs) as under

(₹ in Lakhs)

Date of Allotment	Interest Rate (%)	Tenure	No. of NCDs	Face Value per NCDs	Amount
30 th January 2020	12.00	72 Months	6	100.00	600.00
13 th February 2020	12.00	72 Months	1	100.00	100.00
24 th February 2020	12.00	60 Months	9	100.00	900.00

51. 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	49,580
% of advances to twenty largest borrowers to total advances of the NBFC	28.74%

c. Concentration of Exposures (₹ in Lakhs)

Total Exposure to twenty largest borrowers / customers	49,580
% of exposures to twenty largest borrowers / customers to total exposure of the NBFC on borrowers / customers	28.74%

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 installemnts 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. The details of top 3 NPA's written off during the year are given below:

(₹ in Lakhs)

1	Sat Priya Mehamia Memorial Educational Trust	1757
2	Solitarian Buildspace Pvt. Ltd.	316
3	Dwarka Prasad Mittal Education Society for Harmony	302

e) Movement of NPAs (₹ in Lakhs)

Particulars	Current Year	Previous Year
(i) Net NPAs to Net Advance (%)	0.34%	0.26%
(ii) Movement of NPAs (Gross)		
(a) Opening balance	515.65	390.38
(b) Additions during the year	256.04	259.80
(c) Reductions during the year	10.26	134.53
(d) Closing balance	761.43	515.65
(iii) Movement of Net NPAs		
(a) Opening balance	437.38	351.35
(b) Additions during the year	180.97	224.57
(c) Reductions during the year	24.29	138.54
(d) Closing balance	594.06	437.38
(iv) Movement of provisions for NPAs (excluding provisions on standard assets)		
(a) Opening balance	78.27	39.03
(b) Provisions made during the year	90.69	49.36
(c) Write -back of excess provisions	1.59	10.13
(d) Write off	—	—
(e) Closing Balance	167.38	78.27

f. Sector wise NPAs (Write Offs)

S. No.	Category	% of Write offs to Total Advances	
		2019-20	2018-19
1	Agriculture & Allied activities	0.39	1.55
2	MSME	0.67	0.35
3	Corporate Borrowers	0.84	0.68
4	Services	1.68	0.00
5	Unsecured Personal Loans	0.00	0.00
6	Auto Loans	0.00	0.00
7	Other Personal Loans (LAP)	0.21	0.30
	Total	3.79	2.88

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

53. Off Balance Sheet SPVs sponsored:

The Company has not sponsored off Balance Sheet SPVs

54. Disclosures of Complaints:

a)	No. of complaints pending at the beginning of the year	—
b)	No. of complaints received during the year	2
c)	No. of complaints redressed during the year	2
d)	No. of complaints pending at the end of the year	—

55. Uncertainty relating to the global health pandemic from COVID-19 (“Covid-19”):

- a. The outbreak of Covid-19 pandemic across the globe & India has contributed to a significant decline and volatility in the global and Indian financial markets and slowdown in the economic activities. The RBI has issued guidelines relating to COVID-19 Regulatory Package dated March 27, 2020 and April 17, 2020 and in accordance therewith, the Company has offered a moratorium of six months on the payment of instalments falling due between March 1, 2020 and August 31, 2020 to eligible borrowers. For all such loan asset accounts classified as standard and overdue as on February 29, 2020, where the moratorium is granted, the asset classification both, as per the RBI's income recognition and asset classification norms and for determining the staging of such assets to determine the expected credit loss allowance as per the model approved by the Board of Directors of the Company, will remain at a standstill during the moratorium period (i.e. the number of days past due shall exclude the moratorium period for the purposes of asset classification).

b. Moratorium in accordance with the Guidelines issued by Reserve Bank of India (RBI) vide circular no. RBI/2019-20/220 DOR.No.BP.BC.63/21.04.048/2019-20 dated 17th April 2020 (COVID 19 Regulatory Package – Asset Classification and Provisioning)

- (i) Respective amounts in SMA/overdue categories, where the moratorium/deferment was extended, in terms of paragraph 2 and 3 of above mentioned circular;

The moratorium has been extended in the following overdue categories on the basis of outstanding of 29.2.2020

Over dues Bucket upto	No of Accounts	Overdues	Principal to be due	Total	Covid Provision
0 days	2,35,445	—	1,60,167	1,60,167	—
30 days	8,521	229	3,405	3,635	182
60 days	6,005	418	6,185	6,602	330
90 days	716	1,746	53	1,799	90
	2,50,687	2,393	1,69,810	1,72,203	602

- (ii) Respective amount where asset classification benefits is extended.

The company has not extended classification benefits to any of the loan accounts.

- (iii) Provisions made during the Q4 FY 2020 and Q1 FY 2021 in terms of paragraph 5 of above mentioned circular; Rs. 602 Lakhs.

- (iv) Provisions adjusted during the respective accounting periods against slippages and the residual provisions in terms of paragraph 6 of above mentioned circular.

No Provision has been adjusted against slip pages, hence the residual provision stood at its original level of Rs 602 Lakhs at the end of the current Financial year.

56. Expected Credit Loss:

Comparison of Provisioning done under ECL model and under RBI requirements:

(₹ in Lakhs)

Asset Classification as per RBI Norms	Asset Classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
(1)	(2)	(3)	(4)	(5)=(3)-(4)	(6)	(7)=(4)-(6)
Performing Assets						
Standard	Stage 1	162965	652	162313	652	0
	Stage 2	8939	89	8850	36	54
Subtotal		171904	741	171163	688	54
Non-Performing Assets (NPA)						
Substandard	Stage 3	162	8	154	16	(8)
Doubtful - up to 1 year	Stage 3	287	29	258	57	(29)
1 to 3 years	Stage 3	313	78	235	94	(16)
More than 3 years	Stage 3	—	—	—	—	—
Subtotal for doubtful		—	—	—	—	—
Loss	Stage 3	6532	—	6532	6532	(6532)
Subtotal for NPA		762	115	647	167	(52)
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset and Provisioning (IRACP) norms Classification	Stage 1	12027	12	12015	—	12
	Stage 2	—	—	—	—	—
	Stage 3	—	—	—	—	—
Subtotal		12027	12	12015	—	12
Total	Stage 1	174992	664	174328	652	12
	Stage 2	8939	89	8850	36	54
	Stage 3	762	115	647	167	(52)
	Total	184693	868	183825	855	13
LESS : Provision on Standard Accounts in Default as on 29.2.2020		—	602	—	—	—
Balance Amount to be provided as Impairment Loss Provision		—	266	—	—	—

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:

(₹ in Lakhs)

PARTICULARS			2019-20	
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	22,000	—
		(other than falling within the meaning of public deposits*)		
	(b)	Deferred Credits	—	—
	(c)	Term Loans		
		Bank of Baroda (Term Loan a/c)	1894	—
		State Bank of India (Term Loan a/c)	4003	—
	(d)	Inter-corporate loans and borrowing	5184	—
	(e)	Commercial Paper	—	—
	(f)	Other Loans (specify nature)		
		Bank of Baroda (WCDL a/c)	6062	—
		IDBI Bank (WCDL a/c)	2832	—
		State Bank of India (WCDL a/c)	2402	—
		The South Indian Bank Limited (WCDL a/c)	1506	—
		UCO Bank (WCDL a/c)	2244	—
		Punjab National Bank (WCDL a/c)	4244	—
		Central Bank of India (WCDL a/c)	7586	—
		Andhra Bank (WCDL a/c)	3000	—
		Punjab National Bank (Cash Credit a/c)	2652	—
		Central Bank of India (Cash Credit a/c)	4984	—
		Bank of India (Cash Credit a/c)	4246	—
		Andhra Bank (Cash Credit a/c)	1976	—
		Corporation Bank (Cash Credit a/c)	6499	—
		Bank of Baroda (Cash Credit a/c)	3602	—
		United Bank of India (Cash Credit a/c)	4996	—
		UCO Bank (Cash Credit a/c)	1478	—
		IDBI Bank (Cash Credit a/c)	1097	—
		Bank of Maharashtra(Cash Credit a/c)	4995	—
		State Bank of India (Cash Credit a/c)	1540	—
		The South Indian Bank Limited (Cash Credit a/c)	1000	—
		Union Bank of India	4992	—
		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			
ASSETS SIDE:					
3.	Break-up of Loans and Advances including bills receivables (other than those included in (4) below)				
	(a)	Secured		1,68,733	—
	(b)	Unsecured		3,765	—
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)	Repossessed Assets		—	—
	(iii)	Other loans counting towards AFC activities			
	(a)	Loans where assets been repossessed		—	—
	(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	—	—
			Interest accrued	—	—
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	—
			(c) 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	33.74	—
			Interest accrued	0.21	—

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

Please see Note 2

(₹ in Lakhs)				
Category		Amount net of provisions		Total
		Secured	Unsecured	
1	Related parties**			
	(a) Subsidiaries	—	—	—
	(b) Companies in the same group	—	—	—
	(c) Other related parties	—	—	—
2	Other than related parties	1,68,733	3,765	1,72,498
	Total	1,68,733	3,765	1,72,498

(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	—	—
	Total	4224	4224

** 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	761
2	Net Non-Performing Assets	
	(a) Related Parties	—
	(b) Other than related parties	594
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.

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

SD/-
(**ATUL KUMAR AGRAWAL**)
Chief Financial Officer
PAN : ADOPA4603N

SD/-
(**SUNIL AGARWAL**)
Managing Director
DIN : 00006991

SD/-
(**CA. MUKESH KUMAR**)
Partner
Membership No. 070471

SD/-
(**MANENDRA SINGH**)
Company Secretary
Membership No. : F7868

SD/-
(**HARISH SINGH**)
Executive Director
DIN : 00039501

Place : New Delhi
Date : 30th June 2020

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 AUDIT OF CONSOLIDATED IND AS FINANCIAL STATEMENTS

OPINION

We have audited the accompanying Consolidated Ind AS 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 2020 the Consolidated Statement of Profit and Loss including Statement of Comprehensive Income and the Consolidated Cash Flow Statement for the year then ended and notes to the consolidated Ind AS financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated Ind AS financial statements give the information required by the Companies Act, 2013 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Company as at 31st March 2020 of consolidated profit and loss including statement of comprehensive income and its consolidated cash flows for the year then ended.

BASIS FOR OPINION

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated Ind AS financial statements in India in terms of the Code of Ethics issued by ICAI and the relevant provisions of the Companies Act, 2013, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED IND AS FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the preparation and presentation of these consolidated Ind AS financial statements in term of the requirements of the Companies Act, 2013 (the Act) that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Companies in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. 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; 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 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, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the companies to continue as a going concern, disclosing, as applicable,

matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Company are responsible for overseeing the financial reporting process of the Company.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED IND AS FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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 including (including Other Comprehensive Income), Consolidated Statement of Changes in Equity 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 Company as on 31st March 2020 taken on record by the Board of Directors of the 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 2020 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 Company and its subsidiary company, incorporated in India.

Place : New Delhi
Date : 30th June 2020

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

Sd/-
(CA. MUKESH KUMAR)
Partner
Membership No. 070471
UDIN: 20070471AAAACN2646

ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph of our Report of even date for F. Y. 2019-20)

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 Ind AS financial statements of the Company as of and for the year ended 31st March 2020 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 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 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 Ind AS 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 unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the consolidated financial statements.

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, 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 31st March 2020 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 : 30th June 2020

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

Sd/-
(CA. MUKESH KUMAR)
Partner
Membership No. 070471
UDIN: 20070471AAAACN2646

CONSOLIDATED BALANCE SHEET AS ON 31ST MARCH 2020

(₹ in Lakhs)

Sr. No.	Particulars	Note No.	Figures as at the end of current reporting period	Figures as at the end of previous reporting period
I	ASSETS			
	(1) Financial Assets			
	(a) Cash & Cash Equivalents	1	3,396.61	1,307.31
	(b) Bank Balances other than (a) above	2	102.82	98.14
	(c) Derivative Financial Instruments	3	-	-
	(d) Receivables			
	(i) Trade Receivables	4	1,188.85	1,259.88
	(ii) Other Receivables		-	-
	(e) Loans	5	192,698.20	193,997.61
	(f) Investments	6	2,390.31	2,390.31
	(g) Other Financial Assets	7	16,796.55	16,094.13
	(2) Non Financial Assets			
	(a) Current Tax Assets (Net)	8	1,172.65	801.28
	(b) Deferred Tax Asset (Net)		-	-
	(c) Investment Property		-	-
	(d) Biological Assets other than Bearer plants		-	-
	(e) Property, Plant and Equipments	9	6,429.75	724.01
	(f) Capital Work-in-Progress		-	-
	(g) Intangible Assets under development		-	-
	(h) Goodwill		10.70	-
	(i) Other Intangible Assets	9	186.27	220.46
	(j) Other Non-Financial Assets	10	382.32	617.87
	Total Assets		224,755.03	217,511.00
II	EQUITY AND LIABILITIES			
	(1) Financial Liabilities			
	(a) Derivative Financial Instruments	11	-	-
	(b) Payables	12		
	(I) Trade Payables			
	(i) Total outstanding dues of Micro Enterprises and Small Enterprises		114.16	14.47
	(ii) Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises		391.76	3,794.92
	(II) Other Payables			
	(i) Total outstanding dues of Micro Enterprises and Small Enterprises		-	-
	(ii) Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises		529.06	725.16
	(c) Debt Securities	13	13,200.00	12,300.00
	(d) Borrowings (Other than Debt Securities)	14	101,708.73	95,268.65
	(e) Deposits	15	-	-
	(f) Subordinated Liabilities	16	8,800.00	8,100.00
	(g) Other Financial Liabilities	17	20,759.01	29,007.97
	(2) Non-Financial Liabilities			
	(a) Current Tax Liabilities (Net)	18	-	-
	(b) Provisions	19	2,123.11	1,271.75
	(c) Deferred Tax Liabilities (Net)	20	121.28	70.93
	(d) Other non-financial Liabilities	21	409.67	544.67
	(3) Equity			
	(a) Equity Share Capital	22	4,229.84	4,056.63
	(b) Other Equity	23	72,368.41	62,355.85
	Total Equity & Liabilities		224,755.03	217,511.00

Notes to the Accounts & Significant Accounting Policies annexed
Notes referred to above form an integral part of these Financial Statements
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

Sd/-
(ATUL KUMAR AGRAWAL)
Chief Financial Officer
PAN : ADOPA4603N

Sd/-
(SUNIL AGARWAL)
Managing Director
DIN : 00006991

Sd/-

(CA. MUKESH KUMAR)
Partner
Membership No. 070471

Sd/-
(MANENDRA SINGH)
Company Secretary
Membership No. : F7868

Sd/-
(HARISH SINGH)
Executive Director
DIN : 00039501

Place : New Delhi
Date : 30th June 2020

CONSOLIDATED PROFIT & LOSS STATEMENT FOR THE PERIOD ENDED 31ST MARCH 2020

(₹ in Lakhs)				
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:			
	(i) Interest Income	24	37,476.94	36,059.98
	(ii) Dividend Income		-	-
	(iii) Rental Income		-	-
	(iv) Fees and commission Income		-	-
	(v) Net gain on fair value changes	25	-	-
	(vi) Net gain on derecognition of financial instruments under amortised cost category		-	-
	(vii) Sale of products (including Excise Duty)		-	-
	(viii) Sale of services		-	-
	(ix) Others		-	-
	Total Revenue from Operations (I)		37,476.94	36,059.98
II	Other Income	26	-	-
	Total Income (I+II)		37,476.94	36,059.98
III	Expenses:			
	(i) Finance Costs	27	15,654.57	14,911.23
	(ii) Fees and commission expense		-	-
	(iii) Net loss on fair value changes		-	-
	(iv) Net loss on derecognition of financial instruments under amortised cost category		-	-
	(v) Impairment on financial instruments	28	8,496.18	5,252.09
	(vi) Cost of materials consumed		-	-
	(vii) Purchases of Stock-in-trade		-	-
	(viii) Changes in Inventories of finished goods, stock-in- trade and work-in- progress		-	-
	(ix) Employee Benefits Expenses	29	2,546.16	2,769.81
	(xi) Depreciation, amortization and impairment	30	402.94	470.04
	(x) Others expenses	31	2,960.68	4,166.34
	Total Expenses (III)		30,060.53	27,569.51
IV	Profit before exceptional items and tax (II-III)		7,416.41	8,490.47
V	Exceptional items			-
VI	Profit before tax (IV-V)		7,416.41	8,490.47
VII	Tax Expense:			
	(1) Current Tax		1,963.36	3,141.33
	(2) Deferred Tax		39.81	(289.21)
VIII	Profit for the period from continuing operations (VI-VII)		5,413.24	5,638.34
IX	Profit/(loss) from discontinued operations		-	-
X	Tax Expense of discontinued operations		-	-
XI	Profit/(loss) from discontinued operations (After tax) (IX-X)		-	-
XII	Profit for the period (VIII+XI)		5,413.24	5,638.34
XIII	Other Comprehensive Income:			
	(A) (i) Items that will not be reclassified to profit or loss (Revaluation of Properties)		-	-

	(ii) Income tax relating to items that will not be reclassified to profit or loss		-	-
	Sub Total (A)		-	-
	(B) (i) Items that will be reclassified to profit or loss (specify items and amounts)		-	-
	(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
	Sub Total (B)		-	-
	Other Comprehensive Income (A+B)		-	-
XIV	Total Comprehensive Income for the period (XII+XIII)		5,413.24	5,638.34
	(Comprising Profit and other Comprehensive Income for the period)			
XV	Earnings per Equity Share (for continuing operations):			
	Basic (Rs.)	33	12.80	13.90
	Diluted (Rs.)		12.80	13.90
XVI	Earnings per Equity Share (for discontinued operations):			
	Basic (Rs.)		-	-
	Diluted (Rs.)		-	-
XVII	Earnings per Equity Share (for continuing and discontinued operations):			
	Basic (Rs.)	33	12.80	13.90
	Diluted (Rs.)		12.80	13.90

Notes to the Accounts & Significant Accounting Policies annexed
Notes referred to above form an integral part of these Financial Statements
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

Sd/-
(ATUL KUMAR AGRAWAL)
Chief Financial Officer
PAN : ADOPA4603N

Sd/-
(CA. MUKESH KUMAR)
Partner
Membership No. 070471

Place : New Delhi
Date : 30th June 2020

Sd/-
(SUNIL AGARWAL)
Managing Director
DIN : 00006991

Sd/-
(MANENDRA SINGH)
Company Secretary
Membership No. : F7868

Sd/-
(HARISH SINGH)
Executive Director
DIN : 00039501

STATEMENT OF CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2020

(₹ in Lakhs)					
Sr. No.	Particulars	31.03.2020		31.03.2019	
A	Cash Flow from Operating Activities:				
	Net Profit before tax and extraordinary items and Interest		23,070.97		23,401.70
	Adjustments for				
I	Depreciation	189.65		84.07	
II	Deferred Expense W/O	213.29		385.97	
III	Bad Debts for NPA	1,010.67		39.23	
	Operating Profit before working capital changes	24,484.59		23,910.97	
	Adjustments for				
I	Change in Other Financial Assets	(2.55)		(81.07)	
II	Change in Loans & Receivables	738.21		(9,883.18)	
III	Change in Payable & non financial liabilities	(3,637.11)		3,981.41	
	Cash generated from Operations	21,605.41		17,928.13	
I	Interest paid	(15,654.57)		(14,911.23)	
II	Income Tax paid	(2,336.30)		(3,251.55)	
III	Paid Expenses on CSR	(97.91)		(51.00)	
	Cash flow before Extraordinary Items	3,516.62		(285.65)	
I	Extraordinary items		-		-
	Net Cash from Operating Activities	3,516.62		(285.65)	
B	Cash Flows from Investing Activities:				
I	Purchase of Fixed Assets	(29.98)		(357.00)	
	Net Cash from Investing activities	(29.98)		(357.00)	
C	Net Cash from Financing Activities:				
I	Proceeds from Borrowings	6,440.08		(283.40)	
II	Proceeds from Debt Service Repayment Account	(8,943.77)		(6,427.42)	
III	Proceeds from Debt Securities	900.00		-	
IV	Proceeds from Subordinated Liability	700.00		8,100.00	
V	Dividend Paid	(488.97)		(488.17)	
	Net Cash from Financing activities	(1,392.66)		901.01	
	Net Increase/(decrease) in cash & cash equivalents	2,093.99		258.36	
	Cash & Cash equivalents at beginning of period	1,405.45		1,147.10	
	Cash & Cash equivalent at end of period	3,499.44		1,405.46	

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

Sd/-
(ATUL KUMAR AGRAWAL)
Chief Financial Officer
PAN : ADOPA4603N

Sd/-
(SUNIL AGARWAL)
Managing Director
DIN : 00006991

Sd/-
(CA. MUKESH KUMAR)
Partner
Membership No. 070471

Place : New Delhi
Date : 30th June 2020

Sd/-
(MANENDRA SINGH)
Company Secretary
Membership No. : F7868

Sd/-
(HARISH SINGH)
Executive Director
DIN : 00039501

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 2020 and 31st March 2019 and found the same in agreement here with.

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

Place : New Delhi
Date : 30th June 2020

Sd/-
(CA. MUKESH KUMAR)
Partner
Membership No. 070471

SIGNIFICANT ACCOUNTING POLICIES

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 Indian Accounting Standard (AS) 110- "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 Ind AS "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 "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.

NOTES FORMING INTEGRAL PART OF THE CONSOLIDATED FINANCIAL STATEMENTS AS AT 31ST MARCH 2020

Note : 1 Cash & Cash Equivalents (₹ in Lakhs)

Sr. No.	Particulars	Current Year	Previous Year
1	Cash Balances	138.86	165.87
2	Bank Balances		
	Current a/c with Scheduled Banks (Subject to reconciliation)	3,257.68	1,141.37
	Cheques/ Drafts on Hands	-	-
3	In Fixed Deposits - Unencumbered		
	With Banks	0.07	0.07
	Total	3,396.61	1,307.31

Note : 2 Bank Balances other than (a) above (₹ in Lakhs)

Sr. No.	Particulars	Current Year	Previous Year
1	Bank Balances		
	Current a/c with Scheduled Banks (Subject to reconciliation)	-	-
2	In Fixed Deposits - Encumbered		
	With Banks	102.82	98.14
	Total	102.82	98.14

Note : 3 Derivative Financial Instruments (Assets) (₹ in Lakhs)

Particulars	Notional amounts	Current Year Fair Value Assets	Fair Value Liabilities	Notional amounts	Previous Year Fair Value - Assets	Fair Value - Liabilities
Part I						
(i) Currency Derivatives						
—Spot and Forwards	-	-	-	-	-	-
—Currency Futures	-	-	-	-	-	-
—Currency Swaps	-	-	-	-	-	-
—Options purchased	-	-	-	-	-	-
—Options sold (written)	-	-	-	-	-	-
—Others	-	-	-	-	-	-
Sub Total (i)	-	-	-	-	-	-
(ii) Interest rate Derivatives						
—Forward Rate Agreements and Interest Rate Swaps	-	-	-	-	-	-
—Options purchased	-	-	-	-	-	-
—Options sold (written)	-	-	-	-	-	-
—Futures	-	-	-	-	-	-
—Others	-	-	-	-	-	-
Sub Total (ii)	-	-	-	-	-	-
(iii) Credit Derivatives	-	-	-	-	-	-
(iv) Equity linked Derivatives	-	-	-	-	-	-
(v) Other Derivatives (Please specify)	-	-	-	-	-	-
Total Derivative Financial Instruments	-	-	-	-	-	-
(i)+(ii)+(iii)+(iv)+ (V)						
Part II						
Included in above (Part I) are derivatives held for hedging and risk management purposes as follows:	-	-	-	-	-	-
(i) Fair value hedging	-	-	-	-	-	-
— Currency Derivatives	-	-	-	-	-	-
—Interest rate Derivatives	-	-	-	-	-	-
—Credit Derivatives	-	-	-	-	-	-
—Equity linked Derivatives	-	-	-	-	-	-
—Others	-	-	-	-	-	-
Sub Total (i)	-	-	-	-	-	-
(ii) Cash flow hedging	-	-	-	-	-	-
—Currency Derivatives	-	-	-	-	-	-
—Interest rate Derivatives	-	-	-	-	-	-
—Credit Derivatives	-	-	-	-	-	-
—Equity linked Derivatives	-	-	-	-	-	-
—Others	-	-	-	-	-	-
Sub Total (ii)	-	-	-	-	-	-
(iii) Net investment hedging	-	-	-	-	-	-
(iv) Undesignated Derivatives	-	-	-	-	-	-
Total Derivative Financial Instruments	-	-	-	-	-	-
(i)+(ii)+(iii)+(iv)						

Note : 4 Receivables (₹ in Lakhs)

Sr. No.	Particulars	Current Year	Previous Year
1	Trade Receivables		
	—Overdue Installments : Considered Good - Secured	892.49	935.58
	—Overdue Installments : Considered Good - Unsecured	296.36	324.30
2	Other Receivables	-	-
	Total	1,188.85	1,259.88

Note : 5 Loans (₹ in Lakhs)

Particulars	Current Year					Previous Year					Total (12 =) (7)+(11)	
	Amortised cost (1)	Through other comprehensive income (2)	Through profit or loss (3)	Designated at fair value through profit or loss (4)	Sub total (5)	Total (6)	Amortised cost (7)	Through other comprehensive income (8)	Through profit or loss (9)	Designated at fair value through profit or loss (10)		Subtotal (11=8+9+10)
Loans					-	-					-	
(A) (i) Bills Purchased and Discounted	-	-	-	-	-	-	-	-	-	-	-	-
(ii) Loans repayable on Demand	-	-	-	-	-	-	-	-	-	-	-	-
(iii) Term Loans	192,787.31	-	-	-	-	192,787.31	194,036.84	-	-	-	-	194,036.84
(iv) Leasing	-	-	-	-	-	-	-	-	-	-	-	-
(v) Factoring	-	-	-	-	-	-	-	-	-	-	-	-
(vi) Others (to be specified)	-	-	-	-	-	-	-	-	-	-	-	-
Total (A) - Gross	192,787.31	-	-	-	-	192,787.31	194,036.84	-	-	-	-	194,036.84
Less: Impairment loss allowance	89.11	-	-	-	-	89.11	39.23	-	-	-	-	39.23
Total (A) - Net	192,698.20	-	-	-	-	192,698.20	193,997.61	-	-	-	-	193,997.61
(B) (i) Secured by tangible assets	186,964.15	-	-	-	-	186,964.15	173,067.26	-	-	-	-	173,067.26
(ii) Secured by intangible assets	-	-	-	-	-	-	-	-	-	-	-	-
(iii) Covered by Bank/Government Guarantees	-	-	-	-	-	-	-	-	-	-	-	-
(iv) Unsecured	5,823.16	-	-	-	-	5,823.16	20,969.58	-	-	-	-	20,969.58
Total (B) - Gross	192,787.31	-	-	-	-	192,787.31	194,036.84	-	-	-	-	194,036.84
Less: Impairment loss allowance	89.11	-	-	-	-	89.11	39.23	-	-	-	-	39.23
Total (B) - Net	192,698.20	-	-	-	-	192,698.20	193,997.61	-	-	-	-	193,997.61
(C) (i) Loans in India	192,787.31	-	-	-	-	192,787.31	194,036.84	-	-	-	-	194,036.84
(i) Public Sector	-	-	-	-	-	-	-	-	-	-	-	-
(ii) Others (to be specified)	-	-	-	-	-	-	-	-	-	-	-	-
Total (C) - Gross	192,787.31	-	-	-	-	192,787.31	194,036.84	-	-	-	-	194,036.84
Less: Impairment loss allowance	89.11	-	-	-	-	89.11	39.23	-	-	-	-	39.23
Total (C) (I) - Net	192,698.20	-	-	-	-	192,698.20	193,997.61	-	-	-	-	193,997.61
(C) (II) Loans outside India	-	-	-	-	-	-	-	-	-	-	-	-
Less: Impairment loss allowance	-	-	-	-	-	-	-	-	-	-	-	-
Total (C) (II) - Net	-	-	-	-	-	-	-	-	-	-	-	-
Total C (I) and C (II)	192,698.20	-	-	-	-	192,698.20	193,997.61	-	-	-	-	193,997.61

Note : 6 Investments

(₹ in Lakhs)

Investments	Current Year				Previous Year									
	At Fair Value				At Fair Value									
	Amortised cost	Through Other Comprehensive Income	Through Profit or Loss	Designated at fair value through profit or loss	Sub - Total	Others*	Total	Amortised cost	Through Other Comprehensive Income	Through Profit or Loss	Designated at fair value through profit or loss	Sub - Total	Others*	Total
	(1)	(2)	(3)	(4)	(5) = (2)+(3)+(4)	(6)	(7) = (1)+(5)+(6)	(8)	(9)	(10)	(11)	(12) = (9)+(10)+(11)	(13)	(14) = (8)+(12)+(13)
Mutual funds	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Government securities	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other approved securities	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Debt securities	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Associates	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Joint Ventures	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Others (specify)*	2,390.31	-	-	-	-	-	2,390.31	2,390.31	-	-	-	-	-	2,390.31
Total (A)	2,390.31	-	-	-	-	-	2,390.31	2,390.31	-	-	-	-	-	2,390.31
(i) Investments outside India	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(ii) Investments in India	2,390.31	-	-	-	-	-	2,390.31	2,390.31	-	-	-	-	-	2,390.31
Total (B)	2,390.31	-	-	-	-	-	2,390.31	2,390.31	-	-	-	-	-	2,390.31
Total (A) to tally with (B)	2,390.31	-	-	-	-	-	2,390.31	2,390.31	-	-	-	-	-	2,390.31
Less: Allowance for Impairment loss (C)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total - Net D = (A) - (C)	2,390.31	-	-	-	-	-	2,390.31	2,390.31	-	-	-	-	-	2,390.31

- *Unquoted Shares of M/s Spring Infradev Limited

Note : 7 Others Financial Assets			(₹ in Lakhs)
Sr. No.	Particulars	Current Year	Previous Year
1	Secured, Considered Good		
	Security Deposit*	21.63	145.77
	Advances to Staff	69.68	2.48
	Income Receivables	0.11	-
	Advances for Services	91.88	37.07
	Prepaid Expenses	4.08	5.27
	GST/Service Tax Cenvat	178.50	167.68
2	Arbitration Awards/ Decree Recievable	16,430.67	15,735.86
Total		16,796.55	16,094.13

- * Security Deposit amount consists of telephone/mobile security,electricity security, rent security.

Note : 8 Current Tax Assets (Net)			(₹ in Lakhs)
Sr. No.	Particulars	Current Year	Previous Year
1	Advance Recoverable in cash or in kind or for value to be considered good		
	Income Tax and TDS	9,204.58	6,883.91
	Provision for Taxation	(8,031.93)	(6,082.63)
Total		1,172.65	801.28

Note : 9 Property, Plant and Equipment

(₹ in Lakhs)

Sr. No.	Particulars	Gross Block				Depreciaton			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 31.03.2020	WDV as on 31.03.2019
I	Tangible Assets										
1	Land	-	-	-	-	-	-	-	-	-	-
2	Building	539.71	5885.41	-	6425.12	33.23	224.04	-	257.27	6167.86	506.48
3	Furniture & Fittings	148.32	66.83	-	215.15	104.22	16.87	-	121.09	94.06	44.10
4	Computer Peripheral	206.08	11.48	-	217.56	157.87	23.11	-	180.98	36.58	48.21
6	Vehicles	165.62	0.00	-	165.62	74.17	15.37	-	89.54	76.07	91.45
7	Equipments, Plant & Machinery	124.08	45.19	-	169.27	90.32	23.77	-	114.09	55.18	33.76
SUB TOTAL (A)		1183.82	6008.91	-	7192.72	459.81	303.16	-	762.97	6429.75	724.01
II	Intangible Assets										
1	Computer Software	524.89	4.88	-	529.77	304.43	39.08	-	343.50	186.27	220.46
2	Goodwill	-	10.70	-	10.70	-	0.00	-	-	10.70	-
SUB TOTAL (B)		524.89	15.58	-	540.47	304.43	39.08	-	343.50	196.97	220.46
III	Capital Work-in-progress										
SUB TOTAL (C)		-	-	-	-	-	-	-	-	-	-
IV	Intangible Assets Under Development										
SUB TOTAL (D)		-	-	-	-	-	-	-	-	-	-
Total [A+B+C+D] (Current Year)		1708.70	6024.49	-	7733.20	764.24	342.24	-	1106.48	6626.72	944.47
Total (Previous Year)		1351.71	357.00	-	1708.71	680.17	84.07	-	764.25	944.46	671.53

Note : 10 Other Non Financial Assets

(₹ in Lakhs)

Sr. No.	Particulars	Current Year	Previous Year
1	Deferred Revenue Expenditure	368.94	582.23
	Unexpired Expenses on Procesing Fees charged by Bank	13.38	35.64
Total		382.32	617.87

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

Note : 11 Derivative financial Instruments (Liabilities)

(₹ in Lakhs)

Particulars	Current Year			Previous Year		
	Notional amounts	Fair Value Assets	Fair Value Liabilities	Notional amounts	Fair Value - Assets	Fair Value - Liabilities
Part I						
(i) Currency Derivatives						
—Spot and Forwards	-	-	-	-	-	-
—Currency Futures	-	-	-	-	-	-
—Currency Swaps	-	-	-	-	-	-
—Options purchased	-	-	-	-	-	-
—Options sold (written)	-	-	-	-	-	-
—Others	-	-	-	-	-	-
Sub Total (i)	-	-	-	-	-	-
(ii) Interest rate Derivatives						
—Forward Rate Agreements and Interest Rate Swaps	-	-	-	-	-	-
—Options purchased	-	-	-	-	-	-
—Options sold (written)	-	-	-	-	-	-
—Futures	-	-	-	-	-	-
—Others	-	-	-	-	-	-
Sub Total (ii)	-	-	-	-	-	-
(iii) Credit Derivatives	-	-	-	-	-	-
(iv) Equity linked Derivatives	-	-	-	-	-	-
(v) Other Derivatives (Please specify)	-	-	-	-	-	-
Total Derivative Financial Instruments	-	-	-	-	-	-
(i)+(ii)+(iii)+(iv)+ (V)						
Part II						
Included in above (Part I) are derivatives held for hedging and risk management purposes as follows:	-	-	-	-	-	-
(i) Fair value hedging						
— Currency Derivatives	-	-	-	-	-	-
—Interest rate Derivatives	-	-	-	-	-	-
—Credit Derivatives	-	-	-	-	-	-
—Equity linked Derivatives	-	-	-	-	-	-
—Others	-	-	-	-	-	-
Sub Total (i)	-	-	-	-	-	-
(ii) Cash flow hedging						
—Currency Derivatives	-	-	-	-	-	-
—Interest rate Derivatives	-	-	-	-	-	-
—Credit Derivatives	-	-	-	-	-	-
—Equity linked Derivatives	-	-	-	-	-	-
—Others	-	-	-	-	-	-
Sub Total (ii)	-	-	-	-	-	-
(iii) Net investment hedging	-	-	-	-	-	-
(iv) Undesignated Derivatives	-	-	-	-	-	-
Total Derivative Financial Instruments (i)+(ii)+(iii)+(iv)	-	-	-	-	-	-

Note : 12 Payables

(₹ in Lakhs)

Sr. No.	Particulars	Current Year	Previous Year
1	Trade Payables		
	(i) Total outstanding dues of Micro Enterprises and Small Enterprises		
	(a) Sundry Creditors for Services	114.16	14.47
		114.16	14.47
	(ii) Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises		
	(a) SBI Assignment Payable	83.44	2,362.78
	(b) SIB Assignment Payable	30.58	
	(c) DJT Financial Services Payable	43.55	1,180.14
	(d) Other Sundry Payables	234.19	252.01
		391.76	3,794.92
2	Other Payables		
	(i) Total outstanding dues of Micro Enterprises and Small Enterprises	-	-
	(ii) Total outstanding dues of creditors other than Micro enterprises and Small Enterprises		
	(a) Statutory Payables		
	Professional Tax Payable	0.02	0.05
	EPF Contribution Payable	6.61	6.39
	ESI Payable	0.77	1.65
	GST Payable	16.89	5.82
	TDS Payable	129.50	140.32
	LIC GSLI Payable	0.03	4.06
	(b) Expenses Payables	375.25	566.87
		529.07	725.16
Total		1,034.99	4,534.55

Note : 13 Debt Securities

(₹ in Lakhs)

Particulars	Current Year			Previous Year		
	At Amortised Cost (1)	At Fair Value Through profit or loss (2)	Designated at fair value through profit or loss (3)	At Amortised Cost (5)	At Fair Value Through profit or loss (6)	Designated at fair value through profit or loss (7)
Liability component of compound Financial Instruments	-	-	-	-	-	-
Others (Bonds/ Debentures etc.)*	13,200.00	-	-	13,200.00	-	-
Total (A)	13,200.00	-	-	13,200.00	-	-
Debt Securities in India	13,200.00	-	-	13,200.00	-	-
Debt Securities outside India	-	-	-	-	-	-
Total (B) to tally with (A)	13,200.00	-	-	13,200.00	-	-

*Details of Non Convertible Debentures

(₹ in Lakhs)

Debenture Series	Issued Date	Issued Amount	Rate of Interest	Interest Periodicity	Maturity Date	Maturity Amount	Current Year	Previous Year
Series- 'PDL 1609'	Sept-2016	9,500.00	14.50%	Monthly	Sept-2021	9,500.00	No	No
Series- 'PDL 1802'	Feb-2018	2,800.00	12.00%	Monthly	Feb-2023	2,800.00	No	No
Series- 'PDL2020-3'	Feb-2020	900.00	12.00%	Monthly	Feb-2025	900.00	Yes	No

Note : 14 Borrowings (Other than Debt Securities)

(₹ in Lakhs)

Particulars	Current Year			Previous Year		
	At Amortised Cost (1)	At fair value through profit or loss (2)	Designated at fair value through profit or loss (3)	At Amortised Cost (1)	At fair value through profit or loss (2)	Designated at fair value through profit or loss (3)
(a) Term loans:						
(i) From banks	9,696.00	-	-	2,738.84	-	-
(ii) From other parties	3,227.75	-	-	5,637.73	-	-
(b) Deferred payment liabilities	-	-	-	-	-	-
(c) Loans from related parties	1,870.26	-	-	33.00	-	-
(d) Finance lease obligations	-	-	-	-	-	-
(e) Liability component of compound financial instruments	-	-	-	-	-	-
(f) Loans repayable on demand:						
(i) from banks	78,925.67	-	-	81,549.26	-	-
(ii) from other parties	7,989.05	-	-	5,309.82	-	-
(g) Other loans (specify nature)	-	-	-	-	-	-
Total (A)	101,708.73	-	-	95,268.65	-	-
Borrowings in India	101,708.73	-	-	95,268.65	-	-
Borrowings outside India	-	-	-	-	-	-
Total (B) to tally with (A)	101,708.73	-	-	95,268.65	-	-

Note : 15 Deposits

(₹ in Lakhs)

	Current Year			Previous Year		
	At Amortised Cost	At fair value through profit or loss	Designated at fair value through profit or loss	At Amortised Cost	At fair value through profit or loss	Designated at fair value through profit or loss
	(1)	(2)	(3)	(5)	(6)	(7)
	(4) = (1)+(2)+(3)			(8) = (5)+(6)+(7)		
Deposits						
(i) Public Deposits	-	-	-	-	-	-
(ii) Form Banks	-	-	-	-	-	-
(iii) From Others	-	-	-	-	-	-
Total	-	-	-	-	-	-
Note : 16 Subordinatd Liabilities						

(₹ in Lakhs)

Particulars	Current Year			Previous Year		
	At Amortised Cost	At fair value through profit or loss	Designated at fair value through profit or loss	At Amortised Cost	At fair value through profit or loss	Designated at fair value through profit or loss
	(1)	(2)	(3)	(5)	(6)	(7)
	(4) = (1)+(2)+(3)			(8) = (5)+(6)+(7)		
Prepetual Debt Instruments to the extent that do not qualify as equity	-	-	-	-	-	-
Preferene Shares other than those that qualify as Equity	-	-	-	-	-	-
Others (Non-Convertible Debentures*)	8,800.00	-	-	8,100.00	-	-
Total (A)	8,800.00	-	-	8,100.00	-	8,100.00
Subordinated Liabilities in India	8,800.00	-	-	8,100.00	-	-
Subordinated Liabilities outside India	-	-	-	-	-	-
Total (B) to tally with (A)	8,800.00	-	-	8,100.00	-	8,100.00

- * Details of Non-Convertible Debentures

(₹ in Lakhs)

Debtenture Series	Issued Date	Issued Amount	Rate of Interest	Interest Periodicity	Maturity Date	Maturity Amount	Current Year	Previous Year
Series-'PDL 1808'	Aug-2018	8,100	14.00%	Monthly	Aug-2024	8,100	No	Yes
Series-'PDL2020-1'	Jan -2020	600	12.00%	Monthly	Jan-2026	600	Yes	No
Series-'PDL2020-2'	Feb-2020	100	12.00%	Monthly	Feb-2026	100	Yes	No

Note : 17 Others Financial Liabilities				(₹ in Lakhs)
Sr. No.	Particulars	Current Year	Previous Year	
1	Debt Service Repayment Account	4,328.34	13,272.11	
2	Arbitration Awards/ Decree Recievables	16,430.67	15,735.86	
Total		20,759.01	29,007.97	

Note : 18 Current Tax Liabilities (Net)				(₹ in Lakhs)
Sr. No.	Particulars	Current Year	Previous Year	
1	Advance Recoverable in Cash or in kind or for value to be considered good			
	Income Tax and TDS	-	-	
	Provision for Taxation	-	-	
Total		-	-	

Note : 19 Provisions				(₹ in Lakhs)
Sr. No.	Particulars	Current Year	Previous Year	
1	Provision for Standard Assets	778.62	782.78	
2	Provision for Proposed Dividend on Equity Shares and Tax there on	422.92	488.97	
3	General Provision on Standard Accounts in Default	652.47	-	
4	Provision for Expected Credit Loss	269.10	-	
Total		2,123.11	1,271.75	

Note : 20 Deferred Tax Liabilities (Net)				(₹ in Lakhs)
Sr. No.	Particulars	Current Year	Previous Year	
1	Opening Balance	70.93	360.14	
	Add: Addition from Merger of Agarwal Meadows	10.54		
	Tax on Timing difference on Property, Plant and Equipments	128.44	45.91	
	Tax on Timing difference on Deferred Revenue Expenditures	94.54	203.45	
	Tax on Timing difference on Unearned Processing Fees	(104.98)	(190.33)	
	Tax on Timing difference on Unearned Expenses	3.28	11.90	
2	Total Deferred Tax Liability	121.28	70.93	
	Provision for Deferred Tax required for the year (2-1)	39.81	(289.21)	
Total		121.28	70.93	

Note : 21 Others Non Financial Liabilities				(₹ in Lakhs)
Sr. No.	Particulars	Current Year	Previous Year	
1	Unearned Income of Processing Fees	409.67	544.67	
Total		409.67	544.67	

Note : 22 Share Capital			(₹ in Lakhs)
Sr. No.	Particulars	Current Year	Previous Year
1	AUTHORIZED CAPITAL		
	1200,00,000 Equity Shares of Rs. 10 per share	12,000.00	12,000.00
	50,00,000 Preference Shares of Rs. 10 each	500.00	500.00
		12,500.00	12,500.00
2	ISSUED, SUBSCRIBED CAPITAL		
	423,04,699 Equity Shares of Rs. 10 per Share fully paid up (P.Y. 405,72,500 Equity Shares)	4,057.25	4,057.25
	Add: 1732199 Share Issued on the merger of Agarwal Meadows Pvt Ltd*	173.22	-
		4,230.47	4,057.25
3	PAID UP CAPITAL		
	405,60,000 Equity Shares of Rs. 10 per Share fully paid up	4,056.00	4,056.00
	Add: 1732199 Share Issued on the merger of Agarwal Meadows Pvt Ltd*	173.22	-
	Add: Share Forfeited a/c	0.63	0.63
	(Amount originally Paid up @ Rs 5 each on 12,500 Equity Shares of Rs. 10 each)		
	Total	4,229.84	4,056.63

- * see note no. 40 of Standalone Financial Statements.
- **More than 5% shares:**
Mr. Sunil Agarwal holds 3269940 equity shares (7.73%) [Previous year 3269940 equity shares (8.06%)]
M/s Equilibrated Venture Cflow Pvt Ltd holds 4084212 equity shares (9.66%) [Previous year 2914223 equity shares (7.19%)]

Statement of Changes in Equity for the period ending on 31-03-2020		(in ₹)
Balance at the beginning of the reporting period	Changes in equity share capital during the year	Balance at the end of the reporting period
40,56,62,500	17,321,990	42,29,84,490

Note : 23 Other Equity

Particulars	Share Application money pending Allotment	Equity component of compound Financial Instruments	Statutory Reserves - RBI Reserve Fund	Capital Reserve	Securities Premium	General Reserve	Retained Earnings	Capital Redemption Reserve	Revaluation Reserve	Equity portion of Cash Flow Hedges	Effective portion of Cash Flow Hedges	Revaluation Surplus	Exchange differences on translating the financial statements of a foreign operation	Other items of Other Comprehensive Income (Specify nature)	Money received against Share Warrants	Total
Balance at the beginning of the reporting period	-	-	11,915.81	2,415.21	14,649.91	32,587.70	165.02	250.00	372.20	-	-	-	-	-	-	62,355.85
Add: Addition due to merger of AMPL	-	-	-	-	5,302	(152.59)	-33.54	-	-	-	-	-	-	-	-	5,115.98
Restated Balances at the beginning of the reporting period	-	-	11,915.81	2,415.21	19,952.02	32,435.11	131.48	250.00	372.20	-	-	-	-	-	-	67,471.83
Total Comprehensive Income for the year	-	-	-	-	-	-	5,413.24	-	-	-	-	-	-	-	-	5,413.24
Proposed Dividends	-	-	-	-	-	-	(422.92)	-	-	-	-	-	-	-	-	(422.92)
Depreciation on Revaluation Amount	-	-	-	-	-	-	9.08	-	(9.08)	-	-	-	-	-	-	-
Income Tax Impact due to IND AS on Processing Fees	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Any other change (to bespecified)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer to General Reserve	-	-	-	-	-	3,900.00	(3,900.00)	-	-	-	-	-	-	-	-	-
Transfer to Statutory Reserve Fund	-	-	1,088.39	-	-	-	(1,088.39)	-	-	-	-	-	-	-	-	-
Provision on Standard Assets	-	-	-	-	-	-	4.17	-	-	-	-	-	-	-	-	4.17
Expenditure on Corporate Social Responsibility	-	-	-	-	-	-	(97.91)	-	-	-	-	-	-	-	-	(97.91)
Balance at the end of the reporting period	-	-	13,004.20	2,415.21	19,952.02	36,335.11	48.75	250.00	363.12	-	-	-	-	-	-	72,368.41

Note : 24 Interest Income

(₹ in Lakhs)

Particulars	Current Year			Previous Year		
	On Financial Assets measured at Fair value through OCI	On Financial Assets measured at Amortised Cost	Interest Income on Financial Assets classified at Fair value through profit for loss	On Financial Assets measured at Fair value through OCI	On Financial Assets measured at Amortised Cost	Interest Income on Financial Assets classified at Fair value through profit for loss
Interest on Loans	-	37,470.37	-	-	36,053.22	-
Interest Income from Investments	-	-	-	-	-	-
Interest on Deposits with Banks	-	6.57	-	-	6.76	-
Other Interest Income	-	-	-	-	-	-
Total	-	37,476.94	-	-	36,059.98	-

Note : 25 Net Gain/(Loss) on fair value changes

(₹ in Lakhs)

Particulars		Current Year	Previous Year
(A) Net gain/ (loss) on Financial Instruments at Fair value through profit or loss			
(i) On trading portfolio:			
—Investments		-	-
—Derivatives		-	-
—Others		-	-
(ii) On Financial Instruments designated at fair value through profit or loss		-	-
(B) Others			
(i) Total Net gain/(loss) on fair value changes (c)		-	-
(ii) Fair Value changes:			
—Realised		-	-
—Unrealised		-	-
Total Net Gain/(Loss) on Fair value changes (D) to tally with (C)		-	-

Note : 26 Other Income

(₹ in Lakhs)

Sr. No.	Particulars	Current Year	Previous Year
1	Net gain/(loss) on ineffective portion of hedges	-	-
2	Net gain/(loss) on derecognition of property, plant and equipment	-	-
3	Net gain or loss on foreign currency transaction and translation (other than considered as finance cost)	-	-
4	Others	-	-
Total		-	-

Note : 27 Finance Cost

(₹ in Lakhs)

Sr. No.	Particulars	Current Year		Previous Year	
		On Financial liabilities measured at fair value through profit or loss	On Financial liabilities measured at Amortised Cost	On Financial liabilities measured at fair value through profit or loss	On Financial liabilities measured at Amortised Cost
1	Interest on Deposits	-	-	-	-
2	Interest on Borrowings	-	12,282.44	-	11,945.99
3	Interest on Debt Securities	-	2,022.07	-	1,713.50
4	Interest on Subordinated Liabilities	-	857.87	-	726.96
5	Other Interest expense/ Bank Charges	-	492.18	-	524.78
Total		-	15,654.57	-	14,911.23

Note : 28 Impairment on Financial Instruments

(₹ in Lakhs)

Particulars	Current Year		Previous Year	
	On Financial instruments measured at Fair value through OCI	On Financial instruments measured at Amortised Cost	On Financial instruments measured at Fair value through OCI	On Financial instruments measured at Amortised Cost
Bad Debts Written Off on Loans	-	7,485.50	-	5,212.85
Provision for NPA	-	89.11	-	39.23
Provision for Expected Credit Loss				
Provision on Standard Accounts in Default	-	652.47	-	-
Additional Provision for Expected Credit Loss	-	269.10	-	-
Investments	-	-	-	-
Others (to be specified)	-	-	-	-
Total	-	8,496.18	-	5,252.09

Note : 29 Employees Benefit Expenses (₹ in Lakhs)

Sr. No.	Particulars	Current Year	Previous Year
1	Salaries and Wages to Employees	1,947.02	2,078.47
2	Directors Salaries & Allowances	463.47	578.63
3	Contribution to Provident and other funds	103.82	74.52
4	Share Based Payments to employees	-	-
5	Staff welfare expenses	31.85	38.19
Total		2,546.16	2,769.81

- No remuneration has been paid to Directors except remuneration to Managing Director and Executive Directors. The remuneration paid to Managing Director and Executive Directors during the F.Y. 2019-20 is Rs. 4,63,24,800 (last year Rs 5,78,63,200) which is within the limit as specified u/s 197 read with Schedule V of the Companies Act, 2013.

Note : 30 Depreciation & Amortised Cost		(₹ in Lakhs)	
Sr. No.	Particulars	Current Year	Previous Year
1	Depreciation	189.65	84.07
2	Deffered Revenue Exp. w/o*	213.29	385.97
Total		402.94	470.04

- *Deferred Expenses written off over a period of five years

Note : 31 Other Expenses		(₹ in Lakhs)	
Sr. No.	Particulars	Current Year	Previous Year
1	Car & Scooter Expenses	130.40	308.49
2	Travelling Expenses	528.23	635.45
3	Repair & Maintenance	48.67	63.46
4	Insurance Expenses	12.62	18.00
5	Electricity & Water Expenses	60.24	57.22
6	Rates & Taxes	6.28	0.19
7	Legal Expenses & Professional Fees	476.89	483.91
8	Printing & Stationery Expenses	382.63	266.89
9	Postage & Telephone Expenses	88.69	98.36
10	Auditors Remuneration	57.91	56.71
11	Rent	203.13	154.81
12	Rebate & Remission	12.57	1.64
13	Advertisement & Business Promotion Expenses	617.84	1,670.99
14	Recovery Expenses	54.39	44.68
15	Office and General Expenses	265.20	288.92
16	Directors Sitting Fees & Expenses	14.99	16.62
Total		2,960.68	4,166.34

32. Remuneration to Auditors: (₹ in Lakhs)

	2019-20	2018-19
For Statutory Audit	3.30	3.30
For Tax Audit	1.20	1.20
For Certification work/other services	53.41	52.21
Total	57.91	56.71

33. Earning per Share: (₹ in Lakhs)

	2019-20	2018-19
Net profit for the year (After Tax)	5413.24	5638.34
Proposed Preference shares dividend and tax thereon	—	—
No. of Equity Shares (Weighted)	422.92	405.60
Basic and diluted Earning per share	12.80	13.90

34. Figures for the previous year have been regrouped/rearranged/reclassified and restated in compliance with the IND AS wherever considered necessary.

35. The company has given corporate guarantee for the loans taken by its wholly owned subsidiary Company M/s Nupur Finvest Pvt Ltd from the following Bank's / FI's / NBFCs:

(₹ in Lakhs)	
Name of Bank / Financial Institution	Amount
State Bank of India Term Loan	1413.56
State Bank of India CC	3000.00
Karnataka Bank Ltd CC	2000.00
Bank of Baroda Term Loan	2385.51
Tourism Finance Corporation of India Ltd	1292.23
Nabsamruddhi Finance Limited	1200.97
Tata Capital Financial Service Ltd.	376.72
Satin Creditcare Limited	250.48
Satin Finserv Limited	107.35
Total	12026.82

36. Disclosure of Related party transactions:

Refer note no. 36 (A, B & C) of Paisalo Digital Limited Notes on Accounts

D. Disclosures required for Related party transactions (₹ in Lakhs)

Name of Party	Nature	Amount	Amount Receivable/ (Payable)
Mr. Sunil Agarwal	Remuneration to Director	393.60	(39.60)
Mr. Harish Singh	Remuneration to Director	30.05	(0.51)
Mr. Anoop Krishnan	Remuneration to Director	39.60	(0.93)
Mr. Sunil Agarwal	Loan	—	(33.00)
Mrs. Raj Agarwal	Rent	9.00	(0.68)
M/s Agarwal Meadows Pvt Ltd	Rent	0.10	—
Mr. Santanu Agarwal	Salary	18.00	(2.20)
Mr. Atul Agarwal	Salary	18.00	(0.48)
Mr. Manendra Singh	Salary	10.80	(0.32)
Mr. Santanu Agarwal	Loan Received	2844.00	(1718.00)
Mr. Santanu Agarwal	Loan Repaid	1126.00	—
Mr. Santanu Agarwal	Interest Expenses	132.51	(119.26)
Mr. Harish Singh	Interest Expenses (on NCD)	14.54	—
Mr. Pranav Chauhan	Interest Expenses (on NCD)	14.54	—
M/s Spaak Super Tec Pvt Ltd	Expenses	1.00	—

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.

37. Term Loan facility:

The Company 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 Lakhs)

Name of Financial Institutions	Date of Sanction	Sanctioned Amount	Rate of Interest	Terms of repayment	Maturity Date
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
Tata Capital Financial Services Ltd.	11 th September 2018	1500.00	11.75%	8 Quarterly installments	Sep 2020
Nabsamruddhi Finance Ltd.	31 st December 2018	1000.00	13.50%	12 Quarterly installments	Dec 2021
Bank of Baroda#	29 th June 2019	690.00	12.20%	6 monthly installments	Nov 2019
Bank of Baroda*	29 th June 2019	2500.00	12.20%	36 monthly installment	Dec 2022
Satin Creditcare Limited	05 th June 2019	700.00	13.00%	12 monthly installments	July 2020
Satin Finserv Limited	05 th June 2019	300.00	13.00%	12 monthly installments	July 2020

#Loan from Reliance Capital Limited has been taken over by Bank of Baroda vide sanction letter dated 29.06.2019.

*CC Limit converted into Term Loan on 31.12.2019 vide sanction letter dated 29.06.2019.

For other details of facilities and loans refer note no. 37 of Paisalo Digital Ltd. notes on accounts.

38. 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 Lakhs)

S. No.	Name of Bank	Sanctioned Amount	Date of Sanction	Rate of Interest
1	Karnataka Bank Ltd.	2000.00	28th December, 2015	MCLR+2%
2	State Bank of India	3000.00	15th July 2017	MCLR+1.75%
3	Bank of Baroda *(note above)	2500.00	5th April 2018	MCLR+3.50%
	Total	7500.00		

For other details of facilities and loans refer note no. 37 of Paisalo Digital Ltd. notes on accounts.

39. 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	76,598.25	100	5,413.24
Holding Co. :				
Paisalo Digital Limited	93.17	71,365.00	99.83	5,403.90
		(Note 1)		(Note 2)
Subsidiaries-Wholly Owned :				
Nupur Finvest Pvt. Ltd.	6.83	5,233.25	0.17	9.34

Paisalo Digital Limited is not holding any foreign subsidiary company / joint Venture

Note 1. Net of Investment in Subsidiary Company

Note 2. Net of Income from Subsidiary Company

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 Pvt. Ltd.
2	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Same i.e. April 1, 2019 to March 31, 2020
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	536.95
5	Reserves	4,696.29
6	Total Assets	22,571.74
7	Total Liabilities	22,571.74
8	Investments	—
9	Turnover	3,731.82
10	Profit before Taxation	24.15
11	Provision for Taxation	14.81
12	Profit after Taxation	9.34
13	Proposed Dividend (excluding dividend distribution tax)	—
14	% of shareholding	100%

Name of subsidiaries which are yet to commence operation : NA

Names of subsidiaries which have been liquidated or sold during the year : NA

Part "B" : Associates and Joint Venture : NIL

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

Sd/-
(ATUL KUMAR AGRAWAL)
Chief Financial Officer
PAN : ADOPA4603N

Sd/-
(SUNIL AGARWAL)
Managing Director
DIN : 00006991

Sd/-
(CA. MUKESH KUMAR)
Partner
Membership No. 070471

Sd/-
(MANENDRA SINGH)
Company Secretary
Membership No. : F7868

Sd/-
(HARISH SINGH)
Executive Director
DIN : 00039501

Place : New Delhi
Date : 30th June 2020

Notice of 28th Annual General Meeting

NOTICE OF 28TH ANNUAL GENERAL MEETING

Notice is hereby given that the Twenty Eighth Annual General Meeting of the Members of Paisalo Digital Limited will be held on Tuesday, September 8, 2020 at 9:30 A.M. through Video Conferencing (VC) / Other Audio Visual Means (OAVM), to transact the following business(s):

ORDINARY BUSINESS:

1. To consider and adopt (a) the audited financial statements of the Company for the financial year ended March 31, 2020 and the reports of the Board of Directors and Auditors thereon; and (b) the audited consolidated financial statement of the Company for the financial year ended March 31, 2020 and the report of Auditors thereon and in this regard, to consider and if thought fit, to pass, with or without modification(s), the following resolutions as Ordinary Resolutions:

a) **"RESOLVED THAT** the audited financial statements of the Company for the financial year ended March 31, 2020 and the reports of the Board of Directors and Auditors thereon, as circulated to the members, be and are hereby considered and adopted."

b) **"RESOLVED THAT** the audited consolidated financial statement of the Company for the financial year ended March 31, 2020 and the report of Auditors thereon, as circulated to the members, be and are hereby considered and adopted."

2. To appoint Mr. Harish Singh, who retires by rotation as a Director and in this regard, to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT in accordance with the provisions of Section 152 and other applicable provisions of the Companies Act, 2013, Mr. Harish Singh (DIN: 00039501), who retires by rotation at this meeting be and is hereby appointed as a Director of the Company."

3. To declare dividend on equity shares for the financial year ended March 31, 2020 and in this regard, to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT a dividend at the rate of 10% i.e. INR 1.00 (Rupee One only) per equity share of INR 10/- (Ten rupees) each fully paid-up of the Company as recommended by the Board of Directors, be and is hereby declared for the financial year ended March 31, 2020 and the same be paid out of the profits of the Company for the financial year ended March 31, 2020."

4. To appoint Statutory Auditor of the Company and to fix their remuneration and in this regard to consider and if thought fit, to pass with or without modification(s), the following resolution as **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of section 139, 41, 142 and any other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modifications or amendments or re-enactments thereof for the time being in force) and applicable provisions of RBI directions, M/s D Tayal & Jain, Chartered Accountants, (Firm Registration No. 011181C), be and is hereby appointed as Statutory Auditors of the Company to hold office from the conclusion of this 28th Annual General Meeting until the conclusion of the 31st Annual General Meeting of the Company, in place of M/s Mukesh Kumar & Co., Chartered Accountants (Firm Registration No. 002040C), whose term is being expired on conclusion of this 28th Annual General Meeting and in this regard Board of Directors/Committee of the Board of Directors be and is hereby authorised to fix their remuneration plus other expenditures incurred by them in connection with statutory audit and also such other remuneration, as may be decided to be paid by the Board of Directors/Committee of Board of Directors, for performing duties other than those referred to herein above."

SPECIAL BUSINESS

5. To appoint Mr. Raman Aggarwal, as a Director and in this regard, to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors in their respective meetings held on August 13, 2020 and pursuant to the provisions of Sections 149, 152 and any other applicable provisions of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification (s) or re-enactment thereof for the time being in force) read with Schedule IV to the Act and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr. Raman Aggarwal (DIN: 00116103), who was appointed by the Board of Directors as an Additional Non-Executive Independent Director under Section 161(1) of the Companies Act, 2013 and who holds office up to the date of this meeting and who has submitted a declaration that he meets the criteria of independence as provided in Section 149(6) of the Act and Regulation 16 (1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, from time to time and in respect of whom a notice in writing pursuant to Section 160 of the Act, as amended, has been received by the Company in the prescribed manner, be and is hereby appointed as an Non-Executive Independent Director of the Company, not liable to retire by rotation, for a term of five consecutive years commencing from October 15, 2019.

RESOLVED FURTHER THAT the Board of Directors (which term shall, unless repugnant to the context or meaning thereof, be deemed to include a duly authorised 'Committee' thereof) be and is hereby authorized to do and perform all such acts, deeds, matters or things as may be considered necessary, appropriate, expedient or desirable to give effect to above resolution."

6. To appoint Mrs. Nisha Jolly, as a Director and in this regard, to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors in their respective meetings held on August 13, 2020 and pursuant to the provisions of Sections 149, 152 and any other applicable provisions of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification (s) or re-enactment thereof for the time being in force) read with Schedule IV to the Act and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mrs. Nisha Jolly (DIN: 08717762), who was appointed by the Board of Directors as an Additional Non-Executive Independent Director under Section 161(1) of the Companies Act, 2013 and who holds office up to the date of this meeting and who has submitted a declaration that she meets the criteria of independence as provided in Section 149(6) of the Act and Regulation 16 (1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, from time to time and in respect of whom a notice in writing pursuant to Section 160 of the Act, as amended, has been received by the Company in the prescribed manner, be and is hereby appointed as an Non-Executive Independent Director of the Company, not liable to retire by rotation, for a term of five consecutive years commencing from May 30, 2020.

RESOLVED FURTHER THAT the Board of Directors (which term shall, unless repugnant to the context or meaning thereof, be deemed to include a duly authorised 'Committee' thereof) be and is hereby authorized to do and perform all such acts, deeds, matters or things as may be considered necessary, appropriate, expedient or desirable to give effect to above resolution."

7. To fix borrowing power of the Board of Directors u/s 180 (1) (c) of the Companies Act, 2013 and in this regard, to consider and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to provisions of Section 180(l)(c) and other applicable provisions, if any, of the Companies Act, 2013 read with rules made there under [including any statutory modification(s) or re-enactment(s) thereof for the time being in force], consent of the Members of Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as "Board" which term shall be deemed to include any Committee thereof which the Board may have constituted / reconstituted or hereinafter constitute / reconstitute to exercise its powers including the powers conferred by this Resolution), to raise or borrow any sum or sums of money (including non-fund based facilities and borrowing through debt securities) from time to time at their discretion, for the purpose of the business of the Company notwithstanding that the monies to be borrowed together with the monies already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) may, at any time, exceed the paid up share capital, free reserves and securities premium of the Company not set apart for any specific purpose, provided that the total amount up to which monies may be

borrowed by the Board and which shall remain outstanding at any given point of time shall not exceed a sum of INR 3600 Crores (Indian Rupees Three Thousand Six Hundred Crores) and that the Board be and is hereby empowered and authorized to arrange or fix the terms and conditions of all such monies to be borrowed from time to time as to interest, repayment, security or otherwise as it may deem fit.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorized to do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary, proper, or desirable and to settle any question, difficulty, doubt that may arise in respect of the borrowing(s) aforesaid and further to do all such acts, deeds and things and to execute all documents and writings as may be necessary, proper, desirable or expedient to give effect to this resolution."

8. To authorise Board of Directors u/s 180 (1) (a) of the Companies Act, 2013 to create charges on movable and immovable properties of the Company and in this regard, to consider and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to provisions of Section 180(l)(a) and all other applicable provisions, if any, of the Companies Act, 2013, read with the relevant rules thereunder [including any statutory modification(s) or re-enactment(s) thereof for the time being in force], consent of Members of the Company be and is hereby accorded to the Board of Directors (hereinafter referred to as "Board" which term shall be deemed to include any Committee thereof which the Board may have constituted / reconstituted or hereinafter constitute / reconstitute to exercise its powers including the powers conferred by this Resolution), to create/ renew such mortgages, charge(s), hypothecation(s) and floating charges, including existing mortgages, charges and hypothecation created by the Board on behalf of the Company, on such movable and immovable properties of the Company, both present and future, and in such form and manner as the Board may deem fit, to secure any Indian Rupees or Foreign Currency loans and/or the issue of debentures whether partly/fully convertible or non-convertible and/or the issue of rupee/ foreign currency convertible bonds and/or advances and/or all other moneys payable by the Company to its lender(s) (hereinafter collectively referred to as "Loans"), provided that the total amount of loans, already obtained or to be obtained from any Financial Institution, Bank, Body Corporate, Company or any other person(s), together with interest thereon, liquidated damages, commitment charges, premia on pre-payment and other cost and charges expenses and all other monies payable by the Company in respect of said Loans, shall not at any time exceed an amount of INR 3600 Crores (Indian Rupees Three Thousand Six Hundred Crores).

RESOLVED FURTHER THAT for the purpose of giving effect to this Resolution the Board be and is hereby authorized to do all such acts, deeds, matters and things and to give such directions as may be necessary or expedient and to settle any question, difficulty or doubt that may arise in this regard as the Board in its absolute discretion may deem necessary or desirable."

9. To consider and approve the issuance of Non-Convertible Debentures, in one or more series/tranches pursuant to Section 42 of the Companies Act, 2013 and in this regard, to consider and if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:

"RESOLVED THAT without the prejudice the borrowing power given by the Shareholders under Section 180(1)(c) of the Companies Act, 2013 to the Board/Committee of the Company, pursuant to the provisions of section 42, 71 and all other applicable provisions, if any, of the Companies Act, 2013 ("the Act"), and rules made there under (including any statutory modifications, clarifications, exemptions or re-enactment thereof, from time to time), and pursuant to the provisions of SEBI (Issue and Listing of Debt Securities) Regulations, 2008, as amended up to date, and other applicable SEBI regulations, circulars and guidelines and subject to rules, regulations, guidelines, notifications and circulars, if any, issued in this regard by the Reserve Bank of India under the Reserve Bank of India Act, 1934 and the provisions of the Memorandum of Association and the Articles of Association of the Company and subject to such applicable laws, rules, regulations, guidelines, consent of the members be and is hereby accorded to the Board of Directors (hereinafter referred to as "Board" which term shall be deemed to include any Committee thereof which the Board may have constituted / reconstituted or hereinafter constitute / reconstitute to exercise its powers including the powers conferred by this Resolution) to offer, issue and allot, in one or more tranches secured or unsecured, redeemable, Non-Convertible Debentures ("Debentures") including but not limited to Subordinated/ Senior, Rated/ Unrated, Listed/ Unlisted, Debentures, Bonds, and/or other debt securities, etc.

on private placement basis, during the period of one year from the date of passing of the Special Resolution by the Members, for an amount not exceeding INR 3600 Crores (Indian Rupees Three Thousand Six Hundred Crores) on such terms and conditions and at such times as may be decided by the Board to such person(s), including but not limited to one or more company(ies), bodies corporate, statutory corporations, commercial banks, lending agencies, financial institutions, insurance companies, mutual funds, pension/ provident funds and individuals, as the case may be, or such other person(s) as the Board may decide, however, that the aggregate amount of funds to be raised by issue of Debentures and other debt securities etc. shall not exceed the overall amount of borrowing of INR 3600 Crores (Indian Rupees Three Thousand Six Hundred Crores) as may be approved by the Members under the provisions of section 180 of the Act.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorised to finalise, settle, and execute such documents / deeds / writings / papers / agreements as may be required and to do all such acts, deeds, matters and things, as it may in its absolute discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in regard to issue of Debenture / Bonds as aforesaid."

Registered Office:

**CSC, Pocket 52, CR Park
Near Police Station, New Delhi-110019
CIN: L65921DL1992PLC120483
Website: www.paisalo.in
Email: cs@paisalo.in
Tel :+91 11 43518888**

**By Order of the Board of Directors
For Paisalo Digital Limited**

**Sd/-
(MANENDRA SINGH)
Company Secretary
Membership No.: F 7868
August 13, 2020**

NOTES:

1. In view of the massive outbreak of the COVID-19 pandemic, social distancing is a norm to be followed, the Ministry of Corporate Affairs ("MCA") has vide its circular dated Circular No. 20/2020 dated May 05, 2020 read together with Circular No. 14/2020 dated April 08, 2020, Circular No.17/2020 dated April 13, 2020, and Circular No. 22/2020 dated June 06, 2020 (collectively referred to as "MCA Circulars"), permitted convening the Annual General Meeting ("AGM" / "Meeting") through Video Conferencing ("VC") or Other Audio Visual Means ("OAVM"), without the physical presence of the members at a common venue. In accordance with the MCA Circulars, provisions of the Companies Act, 2013 ('the Act') and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), the AGM of the Company is being held through VC / OAVM. The deemed venue for the AGM shall be the Registered Office of the Company and Subject to receipt of requisite number of votes, the Resolutions proposed in the Notice shall be deemed to be passed on the date of the Meeting, i.e., Tuesday, September 8, 2020.
2. Company is convening 28th Annual General Meeting (AGM) through VC / OAVM and no physical presence of members, directors, auditors and other eligible persons shall be required for this annual general meeting.
3. A statement pursuant to Section 102(1) of the Act, relating to the Special Business to be transacted at the AGM is annexed hereto.
4. Generally, a member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on a poll instead of himself and the proxy need not be a member of the Company. Since this AGM is being held through VC / OAVM pursuant to the MCA Circulars, physical attendance of members has been dispensed with. Accordingly, the facility for appointment of proxies by the members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed hereto. However, the Body Corporates are entitled to appoint authorised representatives to attend the EGM/AGM through VC/OAVM and participate thereat and cast their votes through e-voting.
5. Since the AGM will be held through VC/ OAVM, the route map of the venue of the Meeting is not annexed hereto.
6. Brief details of the Director who is seeking appointment/re-appointment are annexed hereto as per requirements of Regulation 36(3) of the SEBI (LODR) Regulations, 2015.
7. Pursuant to the provisions of section 91 of the Companies Act, 2013, the register of members and share transfer books of the Company will remain closed from Wednesday, September 2, 2020 to Tuesday, September 8, 2020, both days inclusive.

DISPATCH OF ANNUAL REPORT THROUGH ELECTRONIC MODE:

8. In compliance with the MCA Circulars and SEBI Circular dated May 12, 2020, Notice of the AGM along with the Annual Report 2019-20 is being sent only through electronic mode to all the Members whose names appear on the Register of Members / List of Beneficial Owners as received from the Registrar and Share Transfer Agent, the National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) as on August 7, 2020 and whose email addresses are registered with the Company/ NSDL/CDSL. Members may note that the Notice and Annual Report 2019-20 will also be available on the Company's website www.paisalo.in, websites of the Stock Exchanges, i.e., BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively, and the Notice of Annual general Meeting is also available on the website of NSDL (agency for providing the Remote e-Voting facility) i.e. www.evoting.nsdl.com.
9. For receiving all communication (including Annual Report) from the Company electronically: a) Members holding shares in physical mode and who have not registered / updated their email address with the Company are requested to register / update the same by writing to the Company with details of folio number and attaching a self-attested copy of PAN card at cs@paisalo.in or to Registrar and Transfer Agent of the Company M/s Alankit Assignments Limited at ramap@alankit.com. b) Members holding shares in dematerialised mode are requested to register / update their email addresses with the relevant Depository Participant.

PROCEDURE FOR REMOTE E-VOTING AND E-VOTING AT THE AGM:

10. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-voting system as well as venue voting on the date of the AGM will be provided by NSDL.
11. The voting rights of members shall be in proportion to their shares of the paid-up equity share capital of the Company as on the cut-off date of Tuesday, September 1, 2020.
12. Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. Tuesday, September 1, 2020, may obtain the login ID and password by sending a request at evoting@nsdl.co.in or Company's Registrar and Transfer Agent, M/s Alankit Assignments Limited.
13. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.
14. The remote e-voting period begins on Saturday, September 5, 2020 at 9:00 A.M. and ends on Monday, September 7, 2020 at 5:00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter.

15. How do I vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

Step 1: Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com/>

Step 2: Cast your vote electronically on NSDL e-Voting system.

DETAILS ON STEP 1 IS MENTIONED BELOW:

How to Log-in to NSDL e-Voting website?

- Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
- Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.
- A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.
- Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****.
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

- v. Your password details are given below:
- A. If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- B. If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
- C. How to retrieve your 'initial password'?
 - a. If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
 - b. If your email ID is not registered, please follow steps mentioned below in process for those shareholders whose email ids are not registered.
- vi. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
 - A. Click on "Forgot User Details/Password?" (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
 - B. Physical User Reset Password?" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
 - C. If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address.
 - D. Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
- vii. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
- viii. Now, you will have to click on "Login" button.
- ix. After you click on the "Login" button, Home page of e-Voting will open.

DETAILS ON STEP 2 IS GIVEN BELOW:

How to cast your vote electronically on NSDL e-Voting system?

- i. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
- ii. After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
- iii. Select "EVEN" of company for which you wish to cast your vote.
- iv. Now you are ready for e-Voting as the Voting page opens.
- v. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
- vi. Upon confirmation, the message "Vote cast successfully" will be displayed.

- vii. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
- viii. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:

- i. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to cs@paisalo.in.
- ii. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to cs@paisalo.in.

16. General Guidelines for shareholders

- i. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/ JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to scrutinizer.paisalo@gmail.com with a copy marked to evoting@nsdl.co.in.
- ii. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password
- iii. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990 or send a request at evoting@nsdl.co.in.

PROCEDURE FOR JOINING THE AGM THROUGH VC / OAVM:

- 17. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access the same at <https://www.evoting.nsdl.com> under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush. Further members can also use the OTP based login for logging into the e-Voting system of NSDL.
- 18. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM is having a capacity to allow participation at least 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
- 19. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
- 20. Members are encouraged to join the Meeting through Laptops for better experience.
- 21. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.

22. Members are requested to note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
23. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request mentioning their name, demat account number/folio number, email id, mobile number at cs@paisalo.in. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
24. Shareholders who would like to express their views/have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at cs@paisalo.in. The same will be replied by the company suitably.

PROCEDURE FOR REMOTE e-VOTING ON THE DAY OF AGM :

25. The procedure for e-Voting on the day of the EGM/AGM is same as the instructions mentioned above for remote e-voting.
26. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
27. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
28. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

PROCEDURE FOR INSPECTION OF DOCUMENTS:

29. The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act, the Register of Contracts or Arrangements in which the directors are interested, maintained under Section 189 of the Act, and the relevant documents referred to in the Notice will be available electronically for inspection by the members during the AGM.
30. All documents referred to in the Notice will also be available electronically for inspection without any fee by the members from the date of circulation of this Notice up to the date of AGM. Members seeking to inspect such documents can send an email to cs@paisalo.in .
31. Members seeking any information with regard to the accounts or any matter to be placed at the AGM, are requested to write to the Company at least 7 working days through email on cs@paisalo.in The same will be replied by the Company suitably.

SCRUTINIZER FOR ANNUAL GENERAL MEETING:

32. The Board of Directors has appointed Mr. Satish Kumar Jadon, Practising Company Secretary (FCS No. 9512) as the Scrutiniser for the e-voting process and voting at the venue of the Annual General Meeting in a fair and transparent manner.
33. The Scrutiniser shall, immediately after the conclusion of voting at the Annual General Meeting, first count the votes cast at the meeting, thereafter unlock the votes through e-voting in the presence of at least 2 (two) witnesses, not in the employment of the Company and make, not later than 3 (three) days from the conclusion of the meeting, a consolidated Scrutiniser's report of the total votes cast in favour or against, if any, to the Company, who shall countersign the same.
34. The results declared along with the Scrutiniser's report shall be placed on the Company's website www.paisalo. in

and on the website of NSDL <https://evoting.nsdl.co.in> and shall also be communicated to the Stock Exchanges. The Resolution shall be deemed to be passed at the Annual General Meeting of the Company scheduled to be held on Tuesday, September 8, 2020.

IEPF RELATED INFORMATION:

35. The Company has transferred the unpaid or unclaimed dividends declared up to financial years 2011- 12, from time to time, to the Investor Education and Protection Fund ("IEPF") established by the Central Government. Details of dividends so far transferred to the IEPF Authority are available on the website of IEPF Authority and the same can be accessed through the link: www.iepf.gov.in.
36. The details of unpaid and unclaimed dividends lying with the Company as on March 31, 2020 are uploaded on the website of the Company and can be accessed through the website of the Company i.e. www.paisalo.in. Details of unpaid and unclaimed dividends up to March 31, 2019 are also uploaded on the website of the IEPF Authority and can be accessed through the link: www.iepf.gov.in.
37. Members may note that unclaimed dividends transferred to IEPF Authority can be claimed back from the IEPF Authority.
38. Due dates for transfer to IEPF, of the unclaimed/unpaid dividends for the financial year 2012-13 and thereafter, are as under:

Financial Year	Dividend Declared Per Share	Date of Declaration	Due date for transfer in IEPF
2012-13	Re. 1	30-09-2013	06-11-2020
2013-14	Re. 1	30-09-2014	06-11-2021
2014-15	Re. 1	30-09-2015	06-11-2022
2015-16	Re. 1	30-09-2016	06-11-2023
2016-17	Re. 1	26-09-2017	02-11-2024
2017-18	Re. 1	29-09-2018	05-11-2025
2018-19	Re. 1	10-08-2019	16-09-2026

DIVIDEND RELATED INFORMATION

39. Subject to the provisions of section 126 of the Companies Act, 2013, dividend on equity shares, if declared at the Annual General Meeting, will be made to:
 - a. all those beneficial owners holding shares in electronic form, as per the beneficial ownership data made available to the Company by National Securities Depository Ltd. (NSDL) and the Central Depository Services (India) Ltd. (CDSL) as of the close of business hours on Tuesday, September 1, 2020; and
 - b. to all those shareholders holding shares in physical form, on the closing hours on Tuesday, September 1, 2020
40. As per the SEBI (LODR) Regulations, 2015, the Company shall use any electronic mode of payment approved by the Reserve Bank of India for making payment to the Members. Accordingly, dividend, if declared, will be paid through electronic mode, where the Bank Account details of the Members required for this purpose are available. Where dividend payments are made through electronic mode, intimations regarding such remittance will be sent separately to the Members. In case where the dividend cannot be paid through electronic mode, the same will be paid by account payee/not negotiable instruments/warrants with Bank Account details printed thereon. In case of non-availability of Bank Account details, address of the members will be printed on such payment instruments.
41. For enabling the payment of dividend through electronic mode, Members holding shares in physical for are requested to furnish, on or before Tuesday, September 1, 2020, updated particulars of their Bank Account, to Company/ Registrar and Share Transfer Agent (RTA) of the Company along with a photocopy of a cancelled cheque of the

Bank Account and self-attested copy of Permanent Account Number (PAN) card. Beneficial Owners holding shares in electronic form are requested to furnish their Bank Account details to their respective Depository Participants and make sure that such changes are recorded by them correctly on or before Tuesday, September 1, 2020. The request for updating particulars of Bank Account should be signed as per the specimen signature registered with Company/Depository Participants, as the case may be.

42. To avoid fraudulent transactions, the identity/signature of the Members holding shares in electronic/demat form is verified with the specimen signatures furnished by NSDL/CDSL and that of Members holding shares in physical form is verified as per the records of Company/RTA of the Company. Members are requested to keep the same updated.
43. With a view to help us serve the Members better, those Members who hold shares in identical names and in the same order of names in more than one folio are requested to write to the Company to consolidate their holdings into one folio.
44. Members who still hold share certificates in physical form are advised to dematerialise their shareholding to avail of numerous benefits of dematerialisation, which include easy liquidity, ease of trading and transfer, savings in stamp duty and elimination of any possibility of loss of documents and bad deliveries.
45. Pursuant to the amendments introduced by the Finance Act, 2020 the Company will be required to withhold taxes at the prescribed rates on the dividend paid to its shareholders w.e.f. 1st April 2020. No tax will be deducted on payment of dividend to the resident individual shareholders if the total dividend paid does not exceed INR 5,000/- The withholding tax rate would vary depending on the residential status of the shareholder and documents registered with the Company.

A. RESIDENT SHAREHOLDERS:

A.1 Tax Deductible at Source for Resident Shareholders

Sr. No	Particulars	Withholding tax rate	Documents required (if any)
1	Valid PAN updated in the Company's Register of Members	7.5%	No document required (if no exemption is sought)
2	No PAN/Valid PAN not updated in the Company's Register of Members	20%	No document required (if no exemption is sought)
3	Availability of lower/nil tax deduction certificate issued by Income Tax Department u/s 197 of Income Tax Act, 1961	Rate specified in the certificate	Lower tax deduction certificate obtained from Income Tax Authority

A.2 No Tax Deductible at Source on dividend payment to resident shareholders if the Shareholders submit and register following documents as mentioned in column no.4 of the below table with the Company / Alankit Assignments Limited (RTA of the Company):

Sr. No (1)	Particulars (2)	Withholding tax rate (3)	Documents required (if any) (4)
1	Submission of form 15G/15H	Nil	Declaration in Form No. 15G (applicable to any person other than a company or a firm) / Form 15H (applicable to an Individual who is 60 years and above), fulfilling certain conditions.
2	Shareholders to whom section 194 of the Income Tax, 1961 does not apply such as LIC, GIC, etc.	Nil	Documentary evidence that the said provisions are not applicable.
3	Shareholder covered u/s 196 of Income Tax Act, 1961 such as Government, RBI, corporations established by Central Act & mutual funds	Nil	Documentary evidence for coverage u/s 196 of Income Tax Act, 1961

4	Category I and II Alternative Investment Fund	Nil	SEBI registration certificate to claim benefit under section 197A (1F) of Income Tax Act, 1961
5	<ul style="list-style-type: none"> Recognised provident funds Approved superannuation fund Approved gratuity fund 	Nil	Necessary documentary evidence as per Circular No. 18/2017 issued by Central Board of Direct Taxes (CBDT)
6	National Pension Scheme	Nil	No TDS as per section 197A (1E) of Income Tax Act, 1961

B. NON-RESIDENT SHAREHOLDERS: Withholding tax on dividend payment to non-resident shareholders if the non-resident shareholders submit and register following document as mentioned in column no.4 of the below table with the Company / Alankit Assignments Limited (RTA of the Company):

Sr. No (1)	Particulars (2)	Withholding tax rate (3)	Documents required (if any) (4)
1	Foreign Institutional Investors (FIIs) / Foreign Portfolio Investors (FPIs)	20% (plus applicable surcharge and cess)	FPI registration number / certificate.
2	Other Non-resident shareholders	20% (plus applicable surcharge and cess) or tax treaty rate whichever is beneficial	To avail beneficial rate of tax treaty following tax documents would be required: 1. Tax Residency certificate issued by revenue authority of country of residence of shareholder for the year in which dividend is received 2. PAN 3. Form 10F filled & duly signed 4. Self-declaration for non-existence of permanent establishment/ fixed base in India (Note: Application of beneficial Tax Treaty Rate shall depend upon the completeness of the documents submitted by the Non-Resident shareholder and review to the satisfaction of the Company)
3	Indian Branch of a Foreign Bank	Nil	Lower tax deduction certificate u/s 195(3) obtained from Income Tax Authority Self-declaration confirming that the income is received on its own account and not on behalf of the Foreign Bank
4	Availability of Lower/NIL tax deduction certificate issued by Income Tax Department u/s 197 of Income Tax Act, 1961	Rate specified in certificate	Lower tax deduction certificate obtained from Income Tax Authority.

Notes:

- The Company will issue soft copy of the TDS certificate to its shareholders through email registered with the Company / RTA post payment of the dividend. Shareholders will be able to download the TDS certificate from the Income Tax Department's website <https://incometaxindiaefiling.gov.in> (refer to Form 26AS).
- The aforesaid documents such as Form 15G/ 15H, documents under section 196, 197A, FPI Registration Certificate, Tax Residency Certificate, Lower Tax certificate etc. can be submitted at cs@paisalo.in or ramap@alankit.com on or before September 1, 2020 to enable the Company to determine the appropriate TDS / withholding tax rate applicable. Any communication on the tax determination/deduction received post September 1, 2020 shall not be considered.
- Application of TDS rate is subject to necessary verification by the Company of the shareholder details as available in Register of Members as on the Record Date, and other documents available with the Company / RTA.
- In case TDS is deducted at a higher rate, an option is still available with the shareholder to file the return of income and claim an appropriate refund.

- v. In the event of any income tax demand (including interest, penalty, etc. arising from any misrepresentation, inaccuracy or omission of information provided by the Member/s, such Member/s will be responsible to indemnify the Company and also, provide the Company with all information / documents and co-operation in any appellate proceedings.
- vi. This Communication is not exhaustive and does not purport to be a complete analysis or listing of all potential tax consequences in the matter of dividend payment. Shareholders should consult their tax advisors for requisite action to be taken by them.

OTHER INFORMATION

46. Securities and Exchange Board of India ("SEBI") has mandated that securities of listed companies can be transferred only in dematerialised form w.e.f. April 1, 2019. Accordingly, the Company / RTA has stopped accepting any fresh lodgement of transfer of shares in physical form. Members holding shares in physical form are advised to avail of the facility of dematerialisation.
47. Members holding shares in physical mode are:
- a. required to submit their Permanent Account Number (PAN) and bank account details to the Company / RTA, if not registered with the Company/ RTA, as mandated by SEBI by writing to the Company at cs@paisalo.in or to RTA at ramap@alankit.com along with the details of folio no., self attested copy of PAN card, bank details (Bank account number, Bank and Branch Name and address, IFSC, MICR details) and cancelled cheque.
 - b. pursuant to section 72 of the Companies Act, 2013, are advised to file nomination in the prescribed Form SH-13 with the Company's share transfer agent. In respect of shares held in electronic/demat form, the Members may please contact their respective Depository Participants
48. Members holding shares in electronic mode are:
- a. requested to submit their PAN and bank account details to their respective Depository Participants ("DPs") with whom they are maintaining their demat accounts.
 - b. advised to contact their respective DPs for registering nomination.
49. Non-Resident Indian members are requested to inform RTA / respective DPs, immediately of:
- a. Change in their residential status on return to India for permanent settlement.
 - b. Particulars of their bank account maintained in India with complete name, branch, account type, account number and address of the bank with pin code number, if not furnished earlier.

EXPLANATORY STATEMENT TO SECTION 102(1) OF THE COMPANIES ACT, 2013

(Pursuant to Section 102 of the Companies Act, 2013)

In accordance with provisions of Section 102 of the Companies Act, 2013, the Explanatory Statement given below sets out the material facts relating to Item No. 5 to 9:

ITEM NO. 5

Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company, pursuant to the provisions of Section 149 and 161(1) of the Companies Act, 2013 ("the Act") and the Articles of Association of the Company, appointed Mr. Raman Aggarwal as an Additional Independent Director of the Company with effect from October 15, 2019. Pursuant to Section 161(1) of the Act, Mr. Raman Aggarwal holds office up to the date of this meeting.

Mr. Raman Aggarwal is not disqualified for being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as an Independent Director of the Company.

The Company has received a requisite notice in writing from the member under Section 160 of the Companies Act, 2013 proposing candidature of Mr. Raman Aggarwal for the office of Non-Executive Independent Director of the Company.

Details of Mr. Raman Aggarwal are provided in the "Annexure" to the Notice, pursuant to the provisions of (i) the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and (ii) Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India.

Therefore, the Board commends the resolution as set out in item no. 5 of the accompanying notice for the approval of the Members to appoint Mr. Raman Aggarwal as an Independent Director of the Company for a term of 5 (five) consecutive years from October 15, 2019.

Mr. Raman Aggarwal is interested in the resolution set out at Item No. 5 of the Notice with regard to his appointment. Relatives of Mr. Raman Aggarwal may be deemed to be interested in the resolution to the extent of their shareholding, if any, in the Company. Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution.

ITEM NO. 6

Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company, pursuant to the provisions of Section 149 and 161(1) of the Companies Act, 2013 ("the Act") and the Articles of Association of the Company, appointed Mrs. Nisha Jolly as an Additional Independent Director of the Company with effect from May 30, 2020. Pursuant to Section 161(1) of the Act, Mrs. Nisha Jolly holds office up to the date of this meeting.

Mrs. Nisha Jolly is not disqualified for being appointed as a Director in terms of Section 164 of the Act and has given her consent to act as an Independent Director of the Company.

The Company has received a requisite notice in writing from the member under Section 160 of the Companies Act, 2013 proposing candidature of Mrs. Nisha Jolly for the office of Non-Executive Independent Director of the Company.

Details of Mrs. Nisha Jolly are provided in the "Annexure" to the Notice, pursuant to the provisions of (i) the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and (ii) Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India.

Therefore, the Board commends the resolution as set out in item no. 6 of the accompanying notice for the approval of the Members to appoint Mrs. Nisha Jolly as an Independent Director of the Company for a term of 5 (five) consecutive years from May 30, 2020.

Mrs. Nisha Jolly is interested in the resolution set out at Item No. 6 of the Notice with regard to her appointment. Relatives of Mrs. Nisha Jolly may be deemed to be interested in the resolution to the extent of their shareholding, if any, in the Company. Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution.

ITEM NO. 7

Being a Non-Banking Finance Company, it requires more funds for smooth and consistent business operations. Accordingly to access funds at most competitive rate(s) from various sources and forms including but not limited to term loan(s), working capital facilities, debt securities, inter corporate deposit(s) as may be allowable to the Company. In this regard, it is, therefore proposed to fix the limit of Board of Directors to borrow money for the Company's business over and above the paid-up share capital, free reserves and securities premium of the Company.

As per the provisions of Section 180 (1) (c) of Companies Act, 2013, the Board of Directors of the Company cannot, except with the consent of the members by way of Special Resolution, borrow money, apart from temporary loans obtained from the Company's bankers in the ordinary course of business, in excess of the aggregate of the paid-up capital, free reserves and securities premium of the Company.

Accordingly, the consent of the members by way of Special Resolution under Section 180 (1) (c) of Companies Act, 2013 is sought for authorizing the Board of Directors of the Company to borrow monies which may exceed at any time the aggregate of the paid-up capital of the Company, its free reserves and securities premium (that is to say, reserves, not set apart for any specific purpose) but not exceeding an amount of INR 3,600 Crores (Indian Rupees Three Thousand Six Hundred Crores).

The Board of Directors accordingly recommends the Special Resolution set out at Item No. 7 of the accompanying notice for approval of the members.

None of the Directors or Key Managerial Personnel of the Company or their relatives is/are concerned or interested, in any manner in the passing of proposed Resolution set out at Item No. 7 of the Notice, except to the extent of their shareholding in the Company, if any.

ITEM NO. 8

According to the provisions of Section 180(1)(a) of Companies Act, 2013, the Board of Directors can exercise its powers to create/renew charges, mortgages, hypothecations and floating charges on immovable or movable properties of the Company to secure its borrowings, only with the consent of the members obtained by way of Special Resolution.

Therefore, the Board of Directors of the Company seeks the consent of the members by way of Special Resolution under Section 180 (1) (a) of Companies Act, 2013, to empower the Board to create/ renew charges, mortgages, hypothecations and floating charges on the immovable and movable properties of the Company to secure the borrowing of the Company.

The Board of Directors recommends the Special Resolution set out in Item No. 8 of the accompanying notice for approval of the members.

None of the Directors or Key Managerial Personnel of the Company or their relatives is/are concerned or interested, in any manner in the passing of proposed Resolution set out at Item No. 8 of the Notice, except to the extent of their shareholding in the Company, if any.

ITEM NO. 9

In order to augment resources for business operation of the Company, it may invite subscription for secured/unsecured Non-Convertible Debentures (NCDs), in one or more series /tranches on Private Placement basis. The NCDs proposed to be issued, may be issued either at par or at premium or at a discount to face value and the issue price (including premium, if any) shall be decided by the Board on the basis of interest rate/effective yield determined, based on market conditions prevailing at the time of the issue.

The provisions of Section 42 of the Companies Act, 2013 read with Rule 14 (2) of Companies (Prospectus and Allotment

of Securities) Rules, 2014 and any other applicable provisions of the Companies Act, 2013, a Company shall not make private placement of its securities unless the proposed offer of securities or invitation to subscribe securities has been previously approved by the members of the Company by a Special Resolution for each of the Offers or Invitations. However, pursuant to second proviso of said rule 14 (2) an offer or invitation for non-convertible debentures previous special resolution only once in a year is sufficient for all the offers or invitations for debentures during the year.

Accordingly, without the prejudice the borrowing power given/to be given by the shareholders under Section 180 (1)(c) of the Companies Act, 2013, as per the provisions of Section 42 and 71 of the Companies Act, 2013 read with the relevant Rules made there under, as amended, and subject to other relevant rules, regulation, guidelines, and directions issued by Reserve Bank of India and Securities and Exchange Board of India the approval of the Members is being sought by way of a Special Resolution, to enable the Company to offer or invite subscriptions for Non-Convertible Debentures on a private placement basis, in one or more tranches, during the period of one year from the date of passing of the Resolution at Item No. 9, within the overall borrowing limits of the Company, as approved by the Members from time to time.

The Board of Directors recommends the Special Resolution set out in Item No. 9 of the accompanying notice for approval of the members.

None of the Directors or Key Managerial Personnel of the Company or their relatives is /are concerned or interested, in any manner in the passing of proposed Resolution set out at Item No. 9 of the Notice, except to the extent of their share/debenture holding in the Company, if any.

Registered Office:
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Tel :+91 11 43518888

By Order of the Board of Directors
For Paisalo Digital Limited

Sd/-
(MANENDRA SINGH)
Company Secretary
Membership No.: F 7868
August 13, 2020

ANNEXURE TO THE NOTICE DATED AUGUST 13, 2020

DETAILS OF DIRECTORS RETIRING BY ROTATION / SEEKING APPOINTMENT / RE-APPOINTMENT AT THE MEETING

Mr. Harish Singh	DIN: 00039501
Age	Aged about 52 years
Qualifications	Fellow member of Institute of Chartered Accountants of India Master of Business Administration in Marketing
Experience (including expertise in specific functional area) / Brief Resume	He has a rich experience of more than two decades in the areas of audit, Taxation, Corporate Advisory Services, Financial Management and Fund Raising etc. He is a keen analyst with exceptional relationship management & negotiation skills with proven abilities in liaising with the various regulatory authorities.
Terms and Conditions of Re-appointment	In terms of Section 152(6) of the Companies Act, 2013, Mr. Harish Singh who was re appointed as a Executive Director at the Annual General Meeting held on September 29, 2018, is liable to retire by rotation
Remuneration last drawn (FY 2019-20)	INR 30.05 Lakhs
Remuneration proposed to be paid	As per the resolution passed by the shareholders at the Annual General Meeting held on September 29, 2018
Date of first appointment on the Board	August 01, 2008
Shareholding in the Company as on March 31, 2020	Nil
Relationship with other Directors / Key Managerial Personnel	No Relationship with other Directors/ Key Managerial Personnel
Number of meetings of the Board attended during the financial year (2019-20)	Five
Directorships of other Boards as on March 31, 2020	Nupur Finvest Pvt. Ltd. (Wholly owned Subsidiary of the Company)
Membership / Chairmanship of Committees of other Boards as on March 31, 2020	Nupur Finvest Pvt. Ltd. Audit Committee - Chairman Assets and Liabilities Management Committee- Chairman Nomination and Remuneration Committee-- Member

Mr. Raman Aggarwal	DIN: 00116103
Age	About 56 years
Qualifications	Masters in Urban Planning from School of Planning & Architecture, New Delhi and Bachelor of Civil Engineering from Thapar Institute of Engineering and Technology, Patiala and also undertaken a Special Training Programme for the Personnel of Non-Banking Finance Companies at RBI College of Agricultural Banking, Pune.
Experience (including expertise in specific functional area) / Brief Resume	Co-Chairman of Finance Industry Development Council (FIDC) – A Representative body cum Self-Regulatory Organization for Non-Banking Finance Companies. Currently working as Sr. Vice President, Head – Corporate Affairs with SREI Equipment Finance Ltd, which is the leading financier of construction and mining equipment in India. Member of Advisory Groups to Ministry of Finance & RBI, Core Group setup by Ministry of Corporate Affairs, and Special Task Force at FICCI. Also Chairman of National Council on NBFCs & Member, Managing Committee at ASSOCHAM and the Co-Convenor Industry Govt. Interface Panels at Indian Construction Equipment Manufacturers' Association (ICEMA).
Terms and Conditions of Re-appointment	As per the resolution at Item No. 5 of the Notice convening this Meeting read with explanatory statement thereto, Mr. Raman Aggarwal is proposed to be appointed as a Non-Executive Independent Director, not liable to retire by rotation.
Remuneration last drawn (FY 2019-20)	Nil (for details, please refer the Corporate Governance Report)
Remuneration proposed to be paid	Nil (Sitting Fee shall be paid)
Date of first appointment on the Board	October 15, 2019
Shareholding in the Company as on March 31, 2020	Nil
Relationship with other Directors / Key Managerial Personnel	No Relationship with other Directors/ Key Managerial Personnel
Number of meetings of the Board attended during the financial year (2019-20)	Three
Directorships of other Boards as on March 31, 2020	Emerald Leasing Finance and Investment Company Limited Association of Leasing and Financialservices Companies Finance Industry Development Council
Membership / Chairmanship of Committees of other Boards as on March 31, 2020	Nil

Note

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PAISALO

EASY LOAN आसान लोन

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