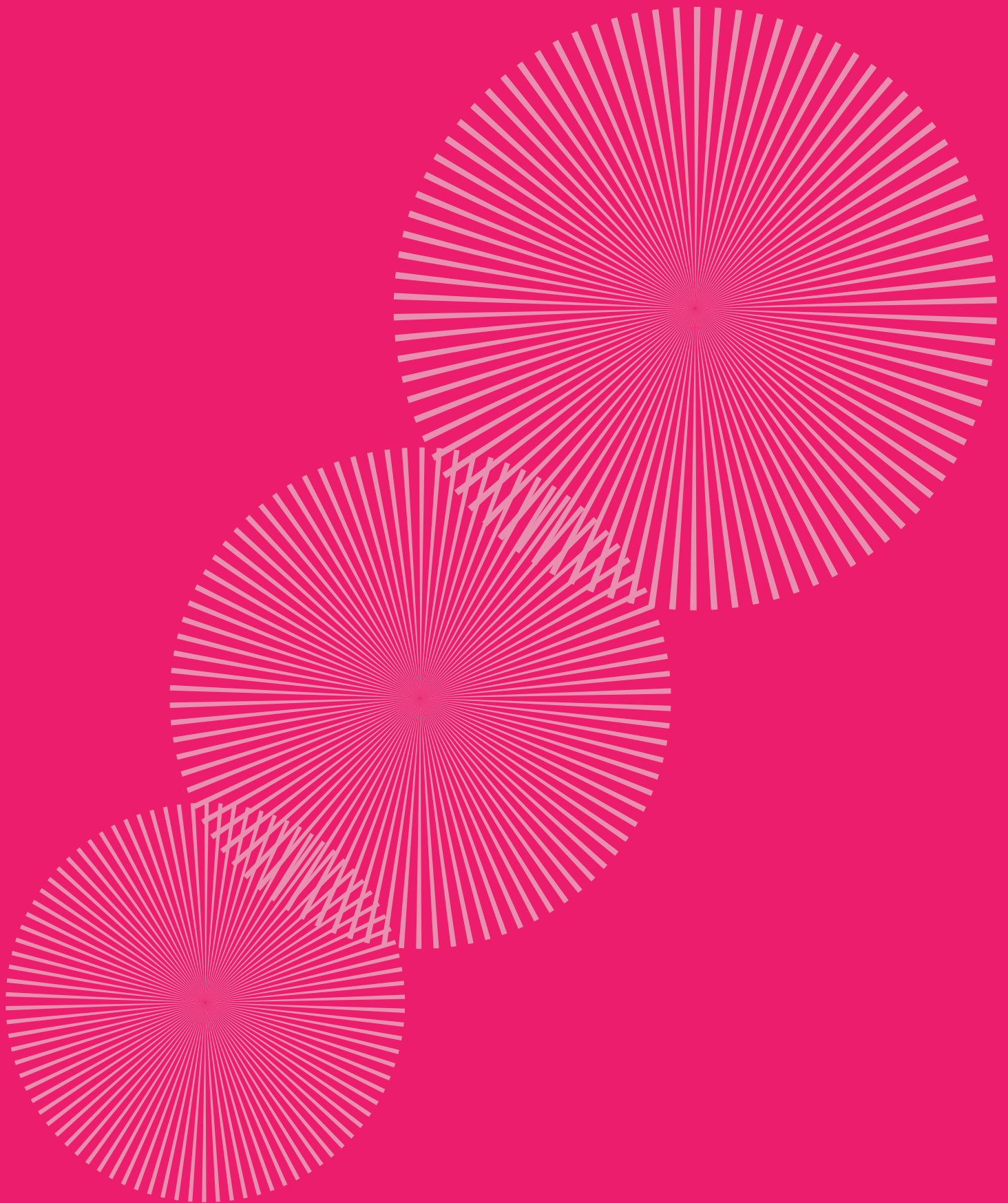


PAISALO

EASY LOAN आसान लोन



PAISALO DIGITAL LIMITED

ANNUAL REPORT | 2021–22

Success is not a destination, but a journey for the future.



Reporting Principles

The financial and statutory data disclosed in this Report is in line with the requirements of the Companies Act, 2013; Indian Accounting Standards; the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015; and the Secretarial Standards.

Forward-looking Statements

Certain statements in this Report relating to the Company's business operations and prospects may be forward-looking statements. These statements can be identified by usage of words such as 'believes', 'estimates', 'anticipates', 'expects', 'intends', 'may', 'will', 'plans', 'outlook' and other words of

similar meaning in connection with a discussion of future operating or financial performance. These forward-looking statements are dependent on assumptions, data or methods that may be incorrect or imprecise and hence may be incapable of being realised. Such statements are not guaranteed of future operating, financial and other results, but constitute our current expectations based on reasonable assumptions. The Company's actual results could materially differ from those projected in any forward-looking statements due to various future events, risks and uncertainties some of which are beyond our control. The Company does not assume any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

This Annual Report can be accessed at www.paisalo.in

Table of Content

Letter to Shareholders	5
Mission and Vision	12
Success Story	13
Company at a Glance	14
10 Year Financial Highlights	16
ESG	18
Corporate Information	20
Offices and Branches	22
Board of Directors	28
Key Management Team	34
Business Segment	38
Management's Discussion and Analysis	40
Board's Report	54
Annexure A: Secretarial Audit Reports for the Financial Year Ended March 31, 2022	67
Annexure B: Annual Report on CSR Activities for Financial Year Ended March 31, 2022	73
Annexure C Business Responsibility Report	76
Details Pertaining to Employees	85
Corporate Governance Report	86
Certificate of Non-Disqualification of Directors	117
Chief Executive Officer & Chief Financial Officer Certification	118
Financial Statements	119
Notice of 30th AGM	212



Dear Shareholders,

THE PALL OF GLOOM continued to subdue virtually all spheres of human existence in the year gone by. The world continued to battle with raging pandemic, government actions, a strong recovery after a sharp and deep global recession, mounting inflation, a war in Ukraine and dramatic economic sanctions against Russia. All this turmoil has serious ramifications for the world—with the potential restructuring of the global order and indirectly on our company.

But during this difficult time, we put aside our differences to offer solutions and work with others in the world to come together in defence of democracy and essential freedoms, including free enterprise. These difficult times has seen India work in unison with other countries around the globe, especially during instances of conflict and crisis. This juncture is also a moment when our country needs to work across the private and public sectors to lead. Paisalo as a company has historically always continued to work and will do its part to ensure the safety and security of the country.

Although I begin this annual letter to shareholders in a challenging landscape, I remain proud of what our company and our thousands of employees around the country have achieved, collectively and individually. As you know, we have championed the essential role of Co-Lending in the community—its potential for bringing people together, for

enabling companies and individuals to reach for their dreams, and for being a source of strength.

Throughout these past two challenging years, we never stopped doing all the things we should be doing to serve our borrowers and our community.

Looking back on previous year and the past three decades—starting from my time as CEO in 1989—it is clear that our financial discipline, constant investment in innovation, and ongoing development of our people are what enabled us to persevere in our steadfast dedication to help borrowers and communities throughout the country.

Financial Year 2021–2022 was another strong year for Paisalo, with the firm generating record revenue in our business history. We earned INR 793 million in net income on revenue of INR 3,922 million versus INR 609 million on revenue of INR 3,115 million in FY 2021, reflecting strong underlying performance across our business. Our market share continued to grow across our business, and we continued to make significant investments in products, people and technology, all the while maintaining credit discipline and a robust balance sheet. In total, we extended credit of INR 16,343 million for micro, small and medium individuals, businesses, and women entrepreneurs.

I would like to reiterate some steadfast principles that are worth focusing upon. The first is that while Paisalo stock

owned by large institutions, pension plans, mutual funds and directly by individual investors, in almost all cases, the ultimate beneficiaries are individuals in our communities. More than 89 million people in the country invest in stocks, and a percentage of these individuals, in one way or another, own Paisalo's shares. Many of these people are veterans, teachers, police officers, firefighters, healthcare workers, senior citizens or those saving for a home, education or retirement. Our management team goes to work every day recognizing the enormous responsibility that we have towards our shareholders.

Secondly, while we do not run the company worrying about the stock price in the short run, in the long run our stock price is a measure of the progress we have made over the years. This progress is a function of continual investments in our people, systems and products, in good and bad times, to build our capabilities. When looking back at the last five years these investments have resulted in our stock's outperformance of the Sensex. These important investments will also drive our company's future prospects and position it to grow and prosper for decades.

We have consistently described to you, our shareholders, the basic principles and strategies we use to build this company– from maintaining a robust balance sheet, constantly investing and nurturing talent to fully satisfying regulators, continually improving risk, governance and controls, and serving customers and clients while lifting up communities.

If you look deeper, you will find that our success and accomplishments are founded on our commitment to our shareholders. Shareholder value can be built only if you maintain a healthy and vibrant company, which means doing a good job of taking care of your customers, employees and communities. Conversely, how can you have a healthy company if you neglect any of these stakeholders? As we have learned in 2021, there are myriad ways an institution can demonstrate its compassion for its employees and its communities while still upholding shareholder value.

Adhering to our basic principles and strategies allows us to drive good organic growth and properly manage our capital (including dividends), as we have consistently demonstrated over the past decades.

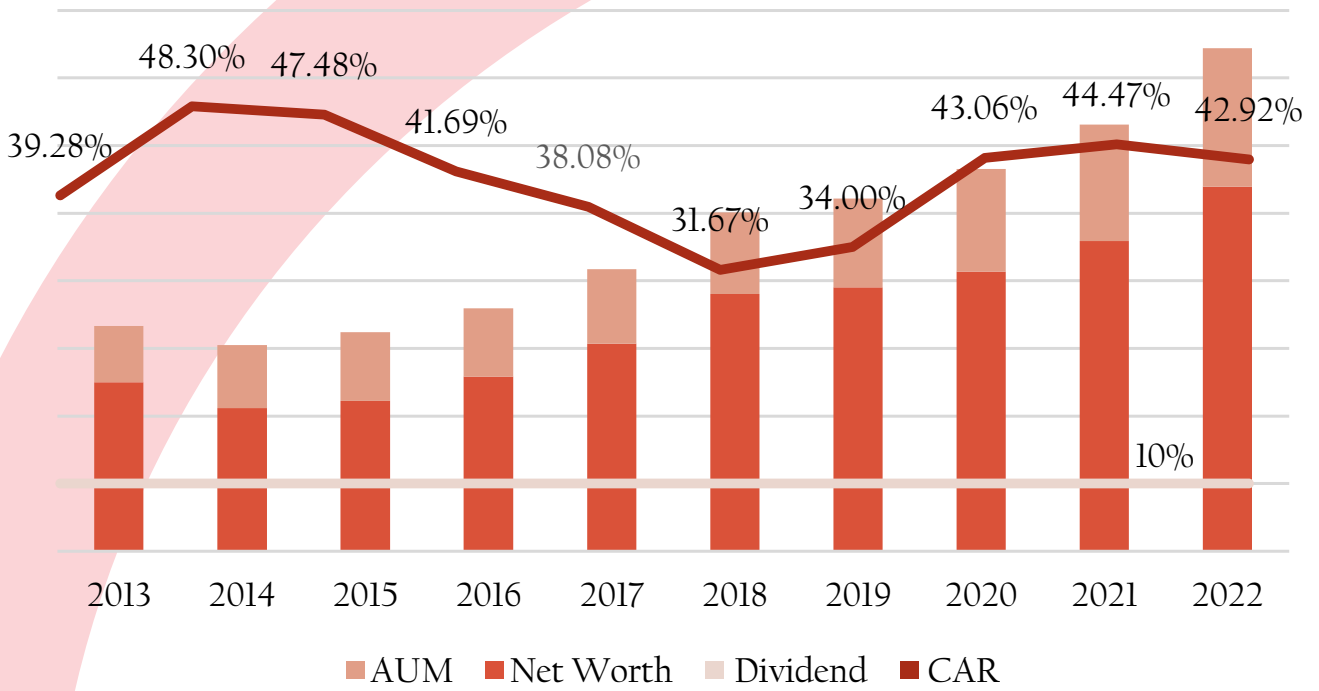
There are two other critical points I would like to make. We strive to build enduring businesses, and we are not a conglomerate– our business relies on and benefit from each other. Both of these factors help generate our returns.

All of our company's success is predicated upon the extraordinary conditions our silent partner–the Indian Government–creates. We recommend to all shareholders that when you see the Indian flag, say thank you. Paisalo is a healthy and thriving company, and we always want to give back and pay our fair share– and we want it to have the greatest impact. To give you an idea of our taxes: In the last 10 years, we paid INR 2,548.33 million in taxes.

Finally, the basis of our success is our people. They are the ones who serve our borrowers and communities, build the technology, make the strategic decisions, manage the risks, determine our investments and drive innovation. Whatever your view is of the world's complexity and the risks and opportunities ahead, having a great team of people– with guts, brains, integrity and enormous capabilities to navigate personally challenging circumstances while maintaining high standards of professional excellence– is what ensures our prosperity, now and in the future.

Within this letter, I discuss the following:

1. Geopolitical and Economic Challenges
2. Competitive Threat
3. Understanding the Community
4. Management Lesson



Paisalo vs Sensex

Geopolitical and Economic Challenges

India and the rest of the world are facing the confluence of three important and conflicting forces: 1) a strong Indian economy, which, we hope, has COVID-19 in its rear-view mirror; 2) high inflation, which means rising interest rates; and 3) the war in Ukraine and the accompanying humanitarian crisis, with its impact on the global economy in the short term, as well as its significant impact on the geopolitics of the future. These factors will likely have a meaningful effect on the economy over the next few years and on geopolitics for the next several decades.

I should remind the reader that we normally do not worry about— or even try to predict— normal fluctuations of the economy. In all times, we are prepared for difficult markets and severe recessions, as well as for unpredictable events, not only to survive them but also provide a pillar of support to our borrowers when they need us the most.

In today's economy, the people are in excellent financial shape (on average), with controlled leverage and plentiful jobs with wage increases. But we must recognize that the account balances in lower-income households, smaller to begin with, are going down faster and that the income for those households is not keeping pace with rising inflation.

During FY 2021 and FY 2022, many aberration happened in our industry: Wage growth accelerated dramatically, particularly in low-income jobs. We should not be unhappy that wages are going up— and that workers have more choices and are making different decisions— in spite of the fact that this causes some difficulties for business. Housing prices surged during the pandemic, and asset prices remained high, some, in my view, in bubble territory.

Inflation soared to 7%; while clearly some of this rise is transitory due to supply chain shortages, some is not, because higher wages, higher housing costs, and higher energy and commodity prices will persist. All these factors will continue in FY 2023, driving further growth as well as continued inflation. One additional point: Consumer confidence and consumer spending have diverged dramatically. The drop in consumer confidence may be in reaction to ongoing fatigue from the pandemic shutdown and concerns over high inflation. Persistent inflation will require rising interest rates and a massive but necessary shift to quantitative tightening.

The Reserve Bank of India and the Government did the right

thing by taking bold dramatic actions following the misfortune unleashed by the pandemic. In hindsight, it worked.

I do not envy the RBI for what it must do next; If the RBI gets it just right, we can have years of growth, and inflation will eventually start to recede. In any event, this process will cause lots of consternation and very volatile markets. The RBI should not worry about volatile markets unless they affect the actual economy. A strong economy trumps market volatility.

This is in no way traditional RBI tightening— and there are no models that can even remotely give us the answers. I have always been critical of people's excessive reliance on models— since they don't capture major catalysts, such as culture, character and technological advances. The data will likely continue to be inconsistent and volatile— and hard to read.

One thing the RBI should do, and seems to have done, is to exempt themselves— give themselves ultimate flexibility— from the pattern of raising rates and doing so on a regular schedule. And while they may announce their intentions, they should be free to change this plan on a moment's notice. In any case, rates will need to go up substantially. The RBI has a hard job to do, so let us all wish them the best.

The massive change in the flow of funds triggered by RBI tightening is certain to have market and economic effects that will be studied for decades to come. Our company is prepared for drastically higher rates and more volatile markets.

The war in Ukraine and the sanctions on Russia, at a minimum, will slow the global economy— and it could easily get worse.

The effects of geopolitics on the economy are harder to predict. For as much attention as it gets, geopolitics over the past 50 years has rarely disrupted the global economy in the short run. However, it's important to point out that while past geopolitical events often did not have short-term economic effects, they frequently had large, longer-term consequences.

Russian aggression is having another dramatic and important result: It is coalescing the democratic, Western world— across Europe and the North Atlantic Treaty Organization (NATO) countries to Australia, Japan and Korea. The United States and the West realize that there is no replacement for strong allies and strong militaries. The war can affect geopolitics for decades. How the West comports itself, and whether the West can maintain its unity, will likely determine the future global order and shape India's (and its allies') important relationships.

The
Reserve Bank
of India and the
Government did the
right thing by taking bold
dramatic actions following
the misfortune unleashed
by the pandemic. In
hindsight, it
worked.

Competitive Threat

The growing competition of banks amongst each other, NBFCs and fintechs is intensifying. How did Paisalo perform during the recent COVID-19 crisis?

Paisalo performed magnificently during the COVID-19 crisis. In FY 2021-22, we provided credit totalling INR 16,343 million for customers and businesses of all sizes, helping them fund normal operations.

Within days of realizing COVID-19 was a pandemic that would virtually close large parts of the world's economies, the Indian government moved with unprecedented speed.

Yes, of course, it is true that large government actions dramatically helped individuals, companies (including NBFCs) and the economy overall. But it is also true that NBFCs performed magnificently during the COVID-19 crisis. They extended a huge amount of credit, waived fees and postponed debt repayment, and were at the forefront of delivering loans to small businesses.

While the Indian government's actions were a benefit to the whole economy, including the banking industry, banks and NBFCs were more than able to weather the terrible financial storm while setting aside extensive reserves for potential future loan losses.

Banks around the world are already engaged in tough competition with each other. A quick review of the numbers shows the phenomenal size of nonbanks- from lending companies and fintechs to exchanges and Big Tech- that compete with traditional banks, in providing certain financial services. Last year alone, \$130 billion was invested in fintech lenders like Paisalo, allowing them to speed things up- and at scale.

The pace of change and the size of the competition are extraordinary, and activity is accelerating. Properly regulated NBFCs like Paisalo are meant to protect and enhance the financial system. They are transparent with regulators, and they strive mightily to protect the system from terrorism financing and tax evasion as they implement know your customer (KYC) and anti-money laundering laws. They also help customers- from protecting their data and minimizing fraud and cyber risk to providing financial education- and must abide by social requirements, such as Financial Inclusion of Micro Markets, which requires NBFCs to extend their services into lower-income communities.

NeoBank's and FinTech's, have it easier as they do not

have to abide by certain regulatory or social requirements. Other start-up companies providing banking-type services have lakhs of accounts that hold consumer money, process payments, access bank accounts and extensively use and may distribute customer data. I can go on and on, but suffice it to say, we must be prepared for this trend to continue until these companies are brought under the Regulatory scanner.

It seems unlikely to me that all the banks and NBFCs will thrive as they strive to take share from each other over the next decade. You should expect to see some winners and lots of casualties. I would expect to see this going forward in two primary ways-

1. Banks and NBFCs will partner up under the Co-Lending guidelines released by RBI on 05 November 2020; and
2. Many mergers among India's NBFCs and Fintechs- they need to do this, in some cases, to create more economies of scale to be able to compete.

Banks and NBFCs need to acknowledge the dramatically changing competitive landscape.

If they want to compete in this new and increasingly competitive world, they need to acknowledge the truth of this new landscape and respond appropriately.

As they adopt new technologies like cloud, artificial intelligence (AI) and digital platforms, NBFCs have an advantage in being able to leverage their large customer base to offer increasingly

comprehensive products and services, often at no additional cost. While many fintech companies specialize in one area, you already see many others moving in this direction- trying to deepen and broaden their client relationships. Paisalo offers numerous services to our customers- many of which, depending on the product and customer relationship, are at no additional cost to the company. The principle is the same- constantly invest and innovate to ensure our future prosperity.

As we have highlighted in previous letters, we cannot overemphasize how cyber threats pose extreme hazards to our company and our country. This has become even more evident as the cost of ransomware has increased dramatically. And it is evident to everyone, with the war in Ukraine, that grave damage could be inflicted if cyber is widely used as a tool of war. We believe that our company has some of the best cyber protections in place, as well as the best talent to monitor and guard our information. We also work extensively, and increasingly, with the appropriate agencies to Audit our system on regular intervals.

Properly regulated NBFCs like Paisalo are meant to protect and enhance the financial system. They are transparent with regulators, and they strive mightily to protect the system

Understanding the Community

We need to consider the unique needs of communities across the country more thoughtfully. Companies of all sizes need to show up, listen, and make the right investments and decisions to earn a neighborhood's trust. Impact is most effective when it is local.

A local bank branch, especially in a low-income neighborhood, can be successful only when it fits the community's needs. That is why over the last several years we have shifted our approach to how we offer access to financial education, as well as low-cost lending products and services, to help borrowers by making Paisalo truly Available-Aware-Affordable; especially in Unbanked Rural Centres.

We are delivering this approach through our High Tech-High Touch Model branches, unique spaces in the heart of semi-urban and rural communities. We have opened 174 branches across 10 states as Q1 FY23. These branches host grassroots community events, small business mentoring sessions and financial health seminars.

The Branch Manager, a role within Paisalo, primarily functions as a local ambassador to build and nurture relationships with community leaders, women entrepreneurs and small businesses. We have now hired over 138 Branch Managers in underserved communities and intend to keep growing that number. Our Branch Managers have hosted more than 45,000 financial events with over 450,000 people participating. We want people who live and work in these communities to feel welcomed and included when they visit our branches. We ask them to come as they are and bring the family.

Most professionals learn their job through an apprenticeship model, which is almost impossible to replicate in the Virtual world. Since the onset of COVID-19, Paisalo has hired new people into the company — and we are making sure they are properly trained on all aspects of our business, from their special role to the significance of conduct and culture.

I have attended many openings of our branches. The energy is vivacious. We have hosted community leaders and small business customers who have shared their sense of pride and optimism about what these branches mean for their community. Our Branch employees are always at the front and at the center of these events, connecting people to one another and forging new relationships.

We know that to be sustainable, this effort must be measured by results. Our company is closely tracking the number of loan accounts opened, the number of borrowers funded, the pace and scale of new small business loans extended, and a host of other metrics to ensure that we are achieving results and listening to feedback so we can have even greater impact.

Being the Lender of choice for all is our goal—and we want everyone to feel welcomed here and be able to contribute to our core mission to the best of their ability.

Today, in many places COVID-19 has moved from pandemic to endemic status, although there is still suffering in some parts of the world. And we are cognizant that the risk of new variants is real and that if they occur, we will need to take appropriate action.

As a company, while we continually prepare for multiple business resiliency scenarios (e.g., data center failures, closures of cities & major storms), we never fully prepared for a pandemic that entailed a large-scale shutdown of the global economy. Although some of our employees, particularly in the branches, continued to work on our premises every day, we quickly set up the technology—ranging from call centers and operations banking—that enabled many of our employees to work from home. We learned that we could function virtually with Zoom and Teams and maintain productivity, at least in the short run.

Although the pandemic changed the way we work in many ways, for the most part it only accelerated ongoing trends. While it's clear that working from home will become more permanent in Indian business, such arrangements also need to work for both the company and its clients. Most professionals learn their job through an apprenticeship model, which is almost impossible to replicate in the Virtual world. Since the onset of COVID-19, Paisalo has hired new people into the company— and we are making sure they are properly trained on all aspects of our business, from their special role to the significance of conduct and culture.

Management Lesson

Great management and leadership are critical to any large organization's long-term success, whether it is a company or a country. Strong management is disciplined and rigorous. You can never do enough, and it does not end. But creating an exceptional management team is an art, not a science. Consider our most important investment: our people, who in accounting terms are not even considered an asset. But we all understand the value of building a great team.

Personally and professionally, I am motivated by the desire to leave the world a better place– if I do my job well, this company can do so much for individuals, shareholders, communities, India and humanity. I am motivated when I see our customers and employees in action, knowing there is increased opportunity for each of them when we do better as a company.

Work, all work, has value. It was a beautiful thing during the onset of COVID-19 when we celebrated our essential workers, including nurses, firefighters, emergency medical service staff, sanitation workers and police officers. They were always essential workers, and they appreciated our recognition. Along the same lines, some in society diminish Unbanked Rural Communities and low-income activities, such as animal husbandry, papad making, agarbatti making, fast food cooks and others. These 'starter' jobs bring dignity, provide security for many families and create a solid work ethic. Often, they result in better social outcomes in terms of reduction in crime. For many, these jobs are the first rung on the career ladder, leading to bigger and bigger jobs. For example, more than 95% of fruit and vegetable kiosk owners started as street hawkers.

To maximize human creativity and freedoms– trust is essential. Trust is the force multiplier that gets the best out of everyone. You do not earn trust if you finger-point, do not admit to your own mistakes or do not share the credit.

A couple of important things:

1. You don't create a winning team by pandering to individuals.
2. You must deal with conflict immediately, directly and forthrightly– problems do not age well.
3. Bring energy and drive– not just every day– but to every meeting and interaction.
4. Sharing credit, recognizing the contributions of others, and not finger-pointing all are critical to earning trust.
5. Retaining your best talent is essential.
6. All companies have turnover in staff, and all turnover is not necessarily bad.
7. No one likes to feel that they are being taken advantage of– everyone wants to go home each day thinking they are treated fairly and equitably.
8. We also recognize and ask our employees to take care of their mind, body, spirit, soul, friends and family. We try to constantly remind them to give the needed time and attention to what they cherish most.
9. And, lastly, everyone has their own needs in terms of family, income, work-life balance and other factors.

I would like to express my deep gratitude and appreciation to the Paisalo workforce and their families. From this letter, I hope our shareholders and all readers gain an appreciation for the tremendous character and capabilities of our people and how they have helped clients and communities. They have faced these times of adversity with grace and fortitude. I hope you are as proud of them as I am.

Finally, we sincerely hope that all the citizens and countries of the world see an end to this terrible pandemic, see an end to the war in Ukraine, and see a renaissance of a world on the path to peace and prosperity.

Sunil Agarwal
Managing Director and CEO

Mission and Vision

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

India definitely remains as 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, 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. aims to be Available–Aware–Affordable

Apna Kal Badlo



Borrower Name: Rekha Devi
Kind of work: General Store
Period of Business: 5 Years
Spouse Name: Gira Kumar Bharti
Daughter: Manisha, Priti

मैं Rekha Devi w/o Gira Kumar Bharti छत्तरपुर गाजीपुर की रहने वाली हूँ। मेरे पास एक छोटी सी किराना की दुकान थी, दुकान छोटी होने के कारण आय कम होती थी। जिससे परिवार का पालन पोषण में बहुत समस्या आती थी। इसी दौरान मेरी सखी सहेली के द्वारा पैसालो डीजीटल लिमिटेड के बारे में पता चला जो बहुत ही कम ब्याज दर पर महिलाओं का समूह बनाकर ऋण प्रदान करती है। हम लोग कंपनी के कार्यकर्ता से संपर्क करके 6 लोगों का समूह बनाकर ऋण लिए। मुझे कंपनी से 45,060 रुपये का ऋण मिला जिसे मैंने किराना की दुकान में लगाया। आज बहुत ही अच्छे से मैं अपने परिवार का पालन पोषण करते हुए कंपनी की समय से नियम पूर्वक किस्त भी चुकता कर रही हूँ। मैं ईश्वर से यही प्रार्थना करूँगी की मेरे जैसे और भी जरूरतमंद लोगों तक ये सुविधा पहुँचे और साथ ही साथ कंपनी भी दिन दूनी रात चौगुनी तरक्की करे।

Borrower Name: Kushma Devi
Spouse Name: Santosh Kumar
Kind of work: Bangles Manufacturing
Period of Business: 4 Years
Son: Aman and Lakshaman



मैं कुशमा देवी पत्नी संतोष कुमार, ग्राम-अंगदपुर, मकखनपुर की रहने वाली हूँ। मेरे परिवार में अर्थिक तंगी होने के कारण हम बहुत ही परेशानी में थे जिसके कारण हम परिवार का भरण पोषण नहीं कर पा रहे थे। उस समय किसी ने भी हमारी मदद नहीं की। फिर एक दिन पैसालो परिवार के एक सदस्य हमारे गांव आये। जिनके द्वारा हमको पैसालो कम्पनी के बारे में पता चला। फिर हम ने समूह द्वारा तीस-तीस हजार रुपए प्राप्त किये। पहले मैं किसी के यहाँ मजदूरी करने जाती थी अब उन पैसों से मेने अपने घर पर चूड़ी का कार्य शुरू किया अब हमारा परिवार बहुत खुश है और अच्छा मुनाफा भी पा रहा है।

जब हमारी किसी ने मदद नहीं की तब पैसालो परिवार हमारे साथ खड़ा था।

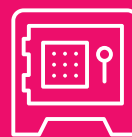
हम पैसालो परिवार के हम बहुत आभारी है।

Company at a Glance



AUM

INR 26,973 Million



Net Worth

INR 10,240 Million



PAT

INR 787 Million



Disbursement

INR 16343 Million



Capital Adequacy Ratio

42.92 %



Debt-Equity Ratio

1.46



Gross NPA to Book Debt

1.52 %



Net NPA to Book Debt

1.26 %



Credit Rating

IVR AA- Stable Outlook



No. of Customers

1241816



Office+ Branches+ CSPs

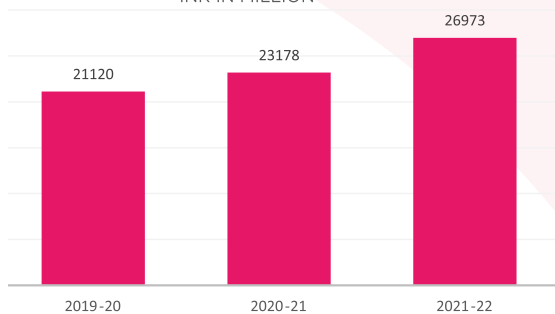
133



Employee/Business Associates

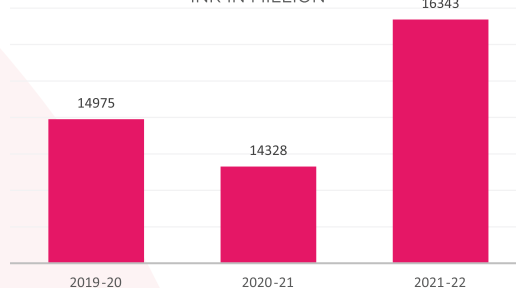
1322

Assets Under Management
INR IN MILLION

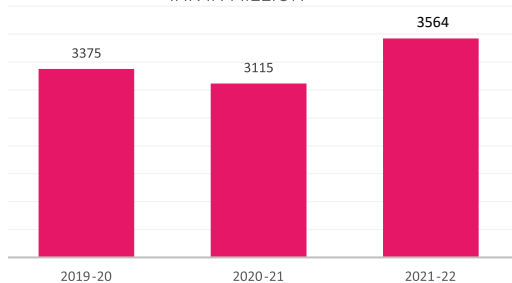


Consolidated assets under management

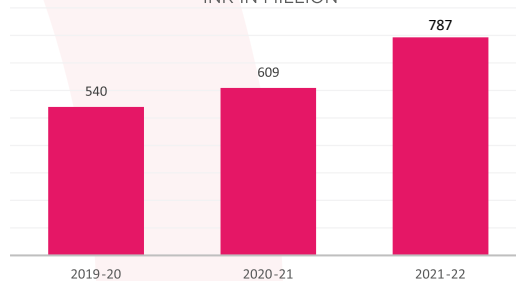
Disbursement
INR IN MILLION



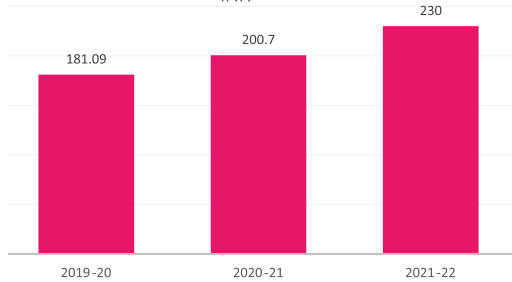
Revenue
INR IN MILLION



Profit After Tax
INR IN MILLION

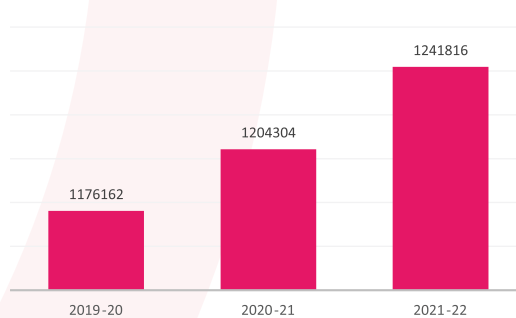


Book Value Of Shares*
INR

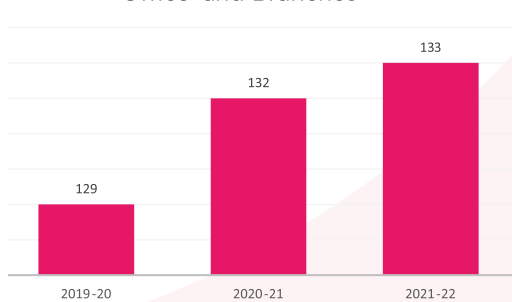


Share split 1:10 w.e.f. 01.07.2022

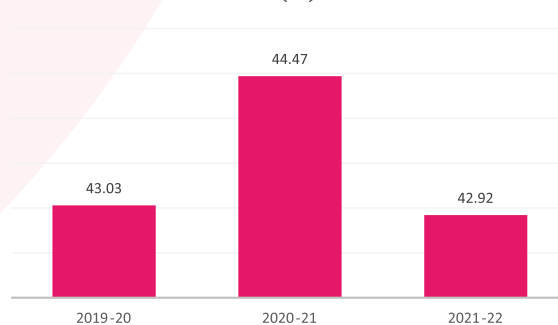
Customers Outreach



Office and Branches



CAR (%)



10 Year Financials

S. No.	Parameters	2013	2014	2015	
1	Portfolio	9590.00	8710.00	9612.10	
2	Revenue from Operation	2190.00	2080.00	1783.80	
3	Profit after Tax	704.46	562.50	445.15	
4	Provision for Tax	334.50	279.00	221.90	
5	Cash Accruals	729.70	606.40	508.10	
6	Bad Debts w/o Net	202.90	235.00	196.50	
7	Bad Debts w/o on Loans o/s	2.12	2.70	2.04	
8	Bad Debts Recovered	37.60	26.80	40.60	
9	Net Worth	4334.00	4849.70	5144.10	
10	Total Assets	12476.90	10601.00	11119.40	
11	Outside Debt	5896.90	6108.90	4711.50	
12	Bank Borrowings	3741.2	3866.90	4104.00	
13	Deposits	–	–	–	
14	Inter-corporate Loans	625.00	1693.00	454.10	
15	Other Outside Liabilities	1530.70	549.00	153.40	
16	Debt to Equity Ratio (TOL/ATNW)	1.36	1.26	0.92	
16(a)	Debt Equity Ratio	NA	NA	NA	
17	ROE (%)	16.25	11.60	8.65	
18	ROA (%)	5.65	5.31	4.00	
19	No. of Branches and Office	10	10	20	
20	No. of Customers	562000	610000	655000	

Financial Highlights

₹ in million

2016	2017	2018	2019	2020	2021	2022
9969.40	12618.40	14902.88	16977.80	17249.81	19345.56	23482.71
1933.70	2495.20	2736.70	3177.39	3374.51	3115.48	3563.98
451.31	512.91	598.49	567.71	540.39	576.38	787.14
234.70	259.00	543.79	588.31	780.90	662.86	930.06
505.00	570.30	615.84	614.52	580.52	613.68	819.43
142.10	323.50	346.50	488.61	653.18	353.24	363.60
1.43	2.56	2.33	2.88	3.79	1.83	1.55
83.90	112.50	146.60	367.09	384.05	111.84	120.32
5051.40	5524.00	6038.60	6558.74	7603.20	8618.83	10240.91
12930.50	15337.00	18534.00	19525.00	20684.20	22943.94	25492.63
7750.10	9714.90	12970.00	13496.40	13738.21	14814.13	15988.88
5071.80	5975.50	7785.00	7418.60	7983.01	7286.72	9588.01
–	–	–	–	–	–	–
271.80	170.30	141.10	37.78	331.33	550.85	1102.43
148.00	121.60	67.40	444.26	96.81	198.32	143.48
1.53	1.76	2.15	2.06	1.81	1.72	1.46
NA	NA	0.25	0.38	0.45	0.63	0.65
8.93	10.89	9.91	8.66	7.15	7.07	7.69
3.49	3.79	3.23	2.91	2.61	2.66	3.09
22	49	66	112	129	132	133
710000	770000	879000	1045000	1176162	1204304	1241816

ESG

AT A GLANCE



Decent Work and Economic Environment

Revenue

3,922 Mn

EBITDA

2944.62 Mn

PAT

793 Mn

RoA

3.09%

RoE

7.78%

Employment Generation

1322



Industry, Innovation and Infrastructure

**Centralized Process, Real Time Credit
Credential and Character Check**

States

10

Small and Medium Businesses Helped

63,000

**Innovative Financial Lending
Product and Service**

Branch Network

133

Digital platform in

2,125 Pincodes



Gender Equality

Women Customers

4,84,512



Reduced Inequalities

Customer Serviced

12,41,816



Peace, Justice and Strong Institutions

Board of Directors

150 years experience



Good Health and Well being

Independent Directors

6



Climate Action

Paper Consumption

Minimal

Cashless Disbursement

100%



Responsible Consumption and Production

Sourcing and Servicing

Digital Process

Cashless Collection

92%

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

I. SOCIAL

REDUCE POVERTY

Paisalo provides income-generation loans to both first-time borrowers and existing credit history holders, as well as conducts financial literacy programs to help borrowers take better financial decisions of managing and growing their funds.

REDUCE HUNGER

Paisalo, by helping borrowers through financial literacy programs, is able to reduce hunger in families as Paisalo team teaches borrowers about adequate utilisation of funds.

INCREASE GENDER EQUALITY

Paisalo encouraged 4,84,512 women entrepreneurs through unsecured loans with a median ticket size of about INR 27,000

ECONOMIC GROWTH AND DECENT WORK

- ✦ Contributed to the national agenda of job creation by financially empowering enterprises and individuals
- ✦ Employment and growth opportunities to over 1,284 employees across over 133 offices
- ✦ Low Attrition Rate-1.82%

WOMEN ENTREPRENEURS AND BUSINESSES

- ✦ Encouraged 4,84,512 women entrepreneurs through unsecured loans with a median ticket size of about INR 27,000
- ✦ Encouraged 63,000 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 4,84,512 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 sensitizing 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 recognize, 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. 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 recycling initiatives at PAISALO Registered Office; installed smart water dispensers and smart water meters.

Corporate Information

Board of Directors

Mr. Sunil Agarwal	–	Managing Director & Chief Executive Officer
Mr. Harish Singh	–	Executive Director & Chief Financial Officer
Mr. Santanu Agarwal	–	Deputy Managing Director
Mr. Anoop Krishna	–	Executive Director
Mr. Naresh Kumar Jain	–	Independent Director
Mr. Gauri Shankar	–	Independent Director
Mr. Raman Aggarwal	–	Independent Director
Mrs. Nisha Jolly	–	Independent Director
Mr. Vijay Ronjan	–	Independent Director

Key Managerial Personnel

Mr. Manendra Singh	–	Company Secretary & Compliance Officer
--------------------	---	--

Statutory Auditors

M/s Manish Goyal & Co.	–	Chartered Accountants (Firm Registration no. 006066C)
------------------------	---	--

Committees (as on August 5, 2022)

Audit Committee

Mr. Naresh Kumar Jain	:	Chairman
Mr. Harish Singh	:	Member
Mr. Gauri Shankar	:	Member

Stakeholders Relationship Committee

Mr. Naresh Kumar Jain	:	Chairman
Mr. Gauri Shankar	:	Member
Mr. Raman Aggarwal	:	Member

Nomination and Remuneration Committee

Mr. Raman Aggarwal	:	Chairman
Mrs. Nisha Jolly	:	Member
Mr. Vijay Ronjan	:	Member

Risk Management Committee

Mr. Gauri Shankar	:	Chairman
Mr. Sunil Agarwal	:	Member
Mr. Harish Singh	:	Member
Mr. Gaurav Chaubey	:	Member

Asset Liability Management Committee

Mr. Sunil Agarwal	:	Chairman
Mr. Harish Singh	:	Member
Mr. Gaurav Chaubey	:	Member
Mrs. Nidhi Gupta	:	Member

Corporate Social Responsibility Committee

Mr. Harish Singh	:	Chairman
Mr. Sunil Agarwal	:	Member
Mr. Vijay Ronjan	:	Member

Operations and Finance Committee

Mr. Harish Singh	:	Chairman
Mr. Sunil Agarwal	:	Member
Mrs. Nisha Jolly	:	Member

IT Strategy Committee

Mrs. Nisha Jolly	:	Chairman
Mr. Harish Singh	:	Member
Mr. Santanu Agarwal	:	Member
Mr. Kailash Singh	:	Member
Mr. Shiv Kumar Tyagi	:	Member

IT Steering Committee

Mr. Harish Singh	:	Chairman
Mr. Santanu Agarwal	:	Member
Mr. Kailash Singh	:	Member

Bankers

1. Bank of Baroda	2. Bank of India
3. Bank of Maharashtra	4. Central Bank of India
5. IDBI Bank Limited	6. Punjab National Bank
7. The South Indian Bank Ltd.	8. State Bank of India
9. UCO Bank	10. Union Bank of India
11. Dhanlaxmi Bank Ltd.	12. The Karnataka Bank Ltd.
13. CSB Bank Limited	14. Indian Bank

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 Securities

Equity Shares : National Stock Exchange of India Limited (NSE) and BSE Limited (BSE)

Secured Non-Convertible Debentures : BSE Limited (BSE)

Depository Receipts : Societe De La Bourse De Luxembourg

Registration Number

Corporate Identification Number (CIN):
L65921DL1992PLC120483

RBI Registration Number : B-14.02997

30th Annual General Meeting on Friday, September 30, 2022 at 2:30 PM (IST)

Through Video Conferencing (VC)/ Other Audio Visual Means (OAVM)

This Annual Report can be accessed at www.paisalo.in



Shri Pradeep Agarwal

Independent Director

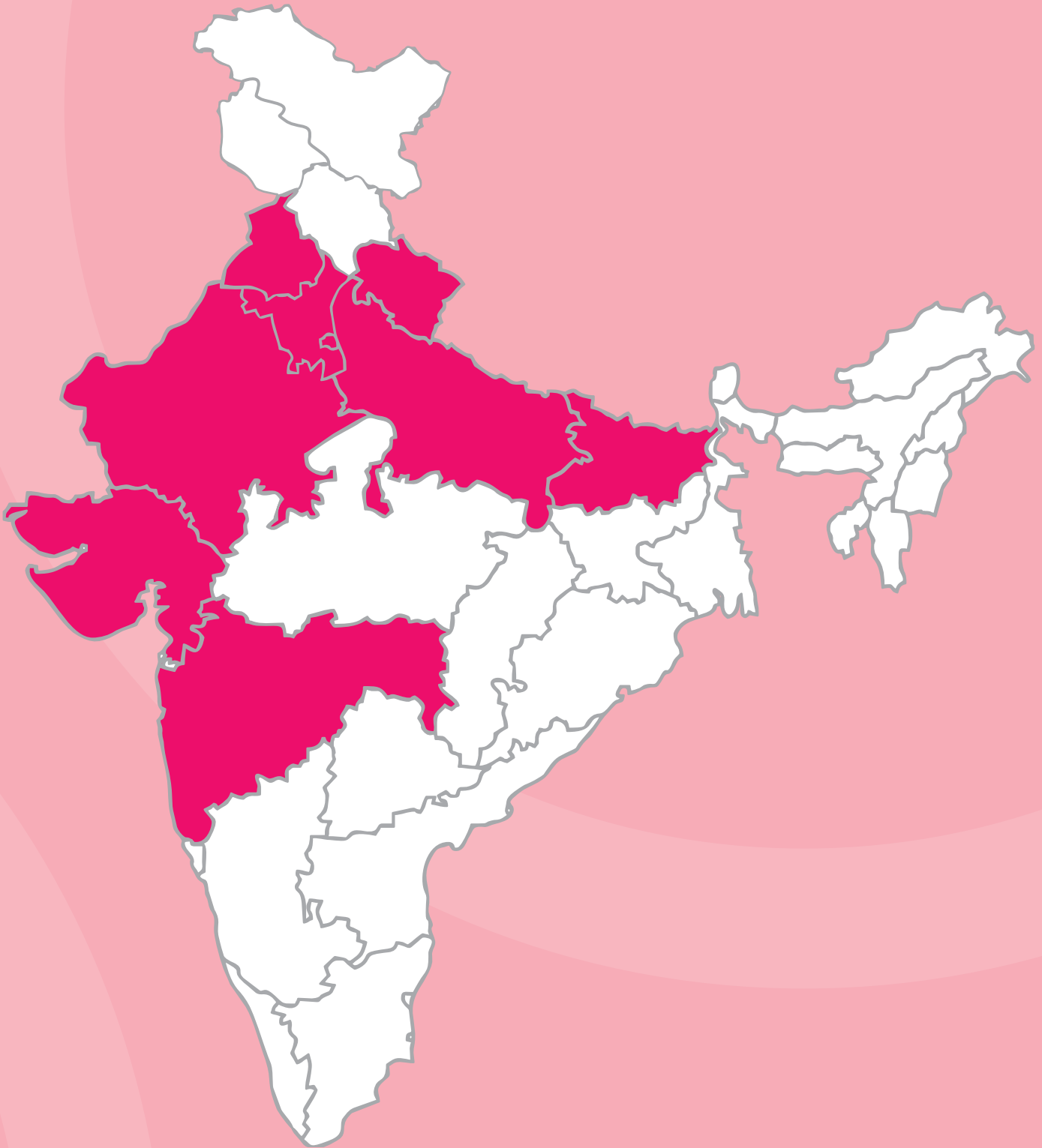
Date of Appointment : 28-03-2015– Date of Death 02-08-2022

It is hard for us to believe that Shri Pradeep Agarwal is no longer among us.

We want to express our deepest sympathies.

Paisalo benefited immensely from his invaluable guidance over the years. We knew him as a man of great intellect and vision who leaves behind a legacy of incredible commitment, dedication and a passion for business excellence. He was a true Karmayogi and a source of inspiration to all those whose lives he touched. He will remain in our memories for the rest of our lives.

Offices and Branches



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.

Office and Branches

(As on 31 March, 2022)

Sr. No. Office

- 1 Registered Office
- 2 Head Office
- 3 Mumbai Office

Address

CSC, Pocket 52, Near Police Station, CR Park, New Delhi-110019
Block 54, Sanjay Place, Agra-282002 Uttar Pradesh
262, Solitaire Corporate Park, Andheri (E), Mumbai-400059 Maharashtra

BIHAR

- 4 Arrah, Bhojpur, Bihar
- 5 Chapra, Saran, Bihar
- 6 Danapur, Khagol, Patna
- 7 Koran Sarai Buxar
- 8 Maharajganj Siwan
- 9 Masrakh, Saran
- 10 Piro, Bhojpur, Bihar
- 11 Sarimpur, Buxar, Bihar
- 12 Sonepur, Saran, Bihar
- 13 Ziradevi, Narendrapur Siwan

Rupam Cinema Road, N.S. Mall Shivganj, Arrah, Bhojpur-802301
Shyam Chak, Chapara, Saran-841301
Sheetal Chaya, Lekha Nagar, DAV Vidhyalaya, Cantt Road, Danapur, Danapur cum Khagol, Patna-801105
Village & Post Koran Sarai, Koran Sarai Road, Koran Sarai, Buxar-802126
Uma Bhawan, Ward No. 11, Village and Post Pasnauli Sagar, Maharajganj, Siwan-841238
Kawalpura, Saran-841417
Ward No. 3, In front of Bihiya Road, Shiva Temple, Piro, Bhojpur-802207
Ward No. 10, Sarimpur, Barki, Buxar-802101
Near Chandmaari, Akilpur, Sonepur, Saran-841101
Village & Post Zeeradei, Siwan-841245

DELHI

- 14 Delhi (Shakarpur)

S-547, IInd Floor, Main Road, Shakarpur, Delhi-110092

GUJARAT

- 15 Ahmedabad

203, IIND Floor, Jitendra Chambers, Near RBI, PF Office, Income Tax, Ashram Road, Ahmedabad-380009

HARYANA

- 16 Asandh
- 17 Ekta Nagar Palwal
- 18 Faridabad, Haryana
- 19 Indri
- 20 Jagadhri, Yamuna Nagar
- 21 Jind, Narwana, Haryana
- 22 Kaithal
- 23 Karan Vihar Karnal
- 24 Khojkipur, Ambala
- 25 Naraingarh
- 26 Pipli, Kurushetra
- 27 Radaur, Yamuna nagar
- 28 Rohtak
- 29 Sonipat, Haryana

Ward Number 11, Assandh-132103
Ekta Nagar, Near Kuldip MR House, Palwal-121102
Pno 2210 A Jawahar Colony NIT, Faridabad-121005
Shree Bhagwan Parashuram Bhawan, SDM Court, Karnal Road, Indri-132041
Rajeev Nagar, Near Vridhashram, Jagadhri-135001
Gali Number 7, Hari Nagar, Narwana Jind-126116
K-41, City Kaithal-136027
H. No. 9, Ground Floor GN 21, Karan Vihar, Karnal-132001
1303, Prabhu Prem Puram, Near Kalyanai Ashram Khojkipur, Ambala-133001
Vishkarma Mandir, Sadaura Road, Naraingarh-134203
H.No. 202/5A, Bhagwan Nagar Colony, Near Neeldhari Gurudwara, Pipli Kurushetra-136131
Chhotabans Radaur, Yamuna Nagar-135133
H. No. 278, Surya Nagar, Near Gohana Road, Rohtak-124001
H.No. 520/30, Kakroi Road, Shyam Nagar, Sonipat-131001

MAHARASHTRA

- 30 Dombivli

Shop No. 5, Sai Deepak Pride, Reti Bunder Road, Dombivli (W), Sub-District Kalyan, District Thane-421202

31	Goregaon	Shop No. G 103, Ground Floor, Shagun Arcade Co-operative Society Ltd. Situated at General A. K. Vaidya Marg, Malad (E), Mumbai-400097
32	Indapur	C/o Mahesh Bharat Palange, 392/1, W1522005364, Khadakpura, Indapur, Pune-413106
33	Karve Nagar, Wajre Road,	Survey No. 16, 17, 18, 19, 51 & 53, C.T.S. No. 437, N.D.A. Road, Karvenagar, Pune-411052
34	Navi Mumbai	Shop no. 23, Ashirwad Complex, Plot No. 83, Sector-1, Navi Mumbai, Koparkhairane, Thane-400709
35	Sakinaka	Unit No. 207, 2nd Floor, Kaveri Building, Jagannath Mandir Road, Near Holiday Inn Hotel, Sakinaka, Mumbai-400072
36	Virar	Shop No. A/03, Ground Floor, Riddhi Siddhi Tower Chs Ltd. C.T.S. No. 1, Manvel Pada Road, Pimpal Wadi, Virar (East), Palghar-401305

PUNJAB

37	Zirakpur, Dera Bassi Ambala	Z21, Dera Bassi, Ambala-140507
38	Raikot	Near Punjab National Wali Gali, Raikot, Ludhiana-141109
39	Gajjumajra, Patiala	Lallouchhi Road, Near Dev Medical Store, Channo, Patiala-148026
40	Kharar	GTB Nagar Kharar Sector-15, Kharar, Mohali-140301

RAJASTHAN

41	Bandikui Dausa	Sheetla Mata Mandir, Guda Katla Road, Bandikui, District Dausa-301333
42	Baran	128 Adarsh Nagar Colony, Nalka Tehsil Baran, Nalka Baran, Kota-325205
43	Bayana Road Hindaun	Near Hindaun Court, Bayana Road, Hindaun-322236
44	Begun, Chittorgarh	Begun Katunda Road, Near Joshi Guest House, Ahinsa Circle, Begun, Chittorgarh-312023
45	Bharatpur	Gali No. 6, Vijay Nagar, Bharatpur-321001
46	Bhilwara	House No. MTM-22, R.K. Colony, Bhilwara-311001
47	Chittorgarh	3 Mahaveer Colony Behindn Neel Kamal Stationers, Chittorgarh-312001
48	Gangapur City, Rajasthan	Near Baba Ram Laddu Ki Samadhi, College Road, Gangapur City-322201
49	Gulabpura Bhilwara	ITI Road, Near Shishusadan, Gulabpura, Tehsil Hurda, Bhilwara-311021
50	Jhotwara, Jaipur	20-A, Saini Marg, Laxmi Nagar, South Niwaru Road, Jhotwara, Jaipur-302012
51	Mahaveer Nagar, Jodhpur	Plot No. 04, Bhagwan Mahaveer Nagar, Nadari Road, Banar, Jodhpur-342027
52	Mahwa Dausa	Mishra Mohalla, Devi Wali Gali, Mahwa, Dausa-321609
53	Mansarovar, Jaipur	Shop No. 457, 4th Floor, Sunny Mart, New Aatish Market, Mansarovar, Jaipur-302020
54	Kherli, Alwar	Ganesh Market, Kherli Bus Stand, Alwar-321605
55	Kota	MC Agarwal and Sons Manu Smriti Raj Bhawan Road, Civil Line Nayapura Kota-324001
56	Rajasmand	B, 153 Nai Abadi, Asotiya Road, Kankroli, Rajasmand-3133274
57	Sawai Madhopur	Kazi Colony, Near Maszid, Gangapur City, Sawai Madhopur-322201
58	Tonk	Behind I.P.S. School, Bammor, Puliya, NH-12, Tonk-304001
59	Udaipur	7, Agarsen Nagar, Girwa-313001 Udaipur

UTTARAKHAND

60	Jhabrera, Haridwar	2395, Nai Mandi, Jhabrera, District Haridwar-247665
----	--------------------	---

UTTAR PRADESH

61	Alambagh, Lucknow	H.No. 561/255, Plot B-145, 2nd Floor, Sindhu Nagar (Krishna Nagar), Lucknow-226005
62	Aligarh	76, Malviya Pustkalaya, G.T. Road, Aligarh-202001
63	Avas Vikas Colony, Kasganj	Sector 4C, Near Gautam Budh Nagar, Awas Vikas Colony, Kasganj-207123

64	Awagarh	Village Kataliya, Khatauta, Awagarh, Etah-207301
65	Ayodhya	MLIG-26, Phase-1, Kaushalpur Colony, District Ayodhya-224001
66	Baajna. Mathura	Ram Nagar Colony, Near Karawan River Bridge, Bajaj Agency, Police Chowky Baajna, Mathura-281201
67	Badibagh, Lanka, Ghazipur	Badibagh, Lanka, Ghazipur-233001
68	Barabanki, Lucknow	Ground Floor, Faizabad Road, Paisar Dehat Nawabganj, Barabanki-225001
69	Bareilly	Near Ram Pyari Inter College, Pani Ki Tanki Ke Pass, Patel Vihar Colony, Thana Subhash Nagar, Bareilly-243001
70	Barnahal, Mainpur	Village Maharam, Post Barnahal, District Mainpuri-205261
71	Behat, Saharanpur	Shakumbhari Dham Colony, Behat Post Behat, Saharanpur-247121
72	Bewar, Mainpuri	Kaji Tola Bewar Gramin Mainpuri-205301
73	Bilsanda, Pilibhit	Mohalla Madan Mohan Colony, Bilsanda District Pilibhit-262202
74	Bilsa, Budaun	Kumharon Wali Gali, Bilsa, Budaun-243633
75	Bisauli, Budaun	Ward No. 7, Near Vodafone Tower, Mohalla Gulab Bagh, Bisauli, District Budaun-243720
76	Chahniya, Chandauli	Village Khandwari, Post Chahniya, P.S. Balua, Block Chahniya, Sakaldeeha, Chandauli-232109
77	Charra, Aligarh	Sanjay Nagar Colony, Near Vivekanand Inter College, Ward No. 5 Charra, Aligarh-202130
78	Chibramau, Kannauj	Geetampur Colony, Phase-2, Farrukhabad Crossing, Chibramau, Kannauj-209721
79	Dataganj, Budaun	Opposite Roadways, Dataganj, Budaun-243635
80	Dhampur, Bijnor	Mohalla Badvan, Dhampur, Bijnor-246761
81	Dhanaura, Amroha	Ground Floor, 45, Ward-13, Moh. Mahadev, Dhanaura, Amroha-244231
82	Dhumri, Etah	84, Aruna Nagar, Etah-207001
83	Dibai, Bulandshahr	Mohalla Mahadev, Near Kotwali, Dibai, Bulandshahr-203393
84	Fatima Hospital Mau	H.No. 38, Imliya, Near Fatima Hospital, District Mau-275101
85	Firozabad	3/186, Suhag Nagar, Firozabad-283203
86	Gargai, Mainpuri	Village Gargai, Post Kapurpur, District Mainpuri-205001
87	Garhmukteshwar	First Floor House No. 52, Mandi Chawk, Garhmukteshwar, Hapur-245205
88	Gulaothi	Ground Floor of Sikandrabad Road, Bijli Ghar ke Samne, Gulaothi Bulandshahr-203408
89	Gorakhpur	Padri Chauraha, Near Indian Oil Petrol Tanki, Gorakhpur-273007
90	Gyan Vihar Bijnor	Near Chakkar Chauraha, Mohalla Gyan Vihar, Nagina Chauraha, Bijnor-246701
91	Hasanpur, Amroha	Near Sarkari Hospital, Rajput Colony, Hasanpur, Amroha-244241
92	Hathras	Mangaldham Market, 2nd Floor, Near Police Chowky, Agra Road, Hathras-282006
93	Iglas, Aligarh	Krishna Nagar, Hathras Road, Iglas, Aligarh-202124
94	Jakhaniya, Ghazipur	Shadiyabad Road, Near South Cabin of Jakhaniya Railway Station, Gazipur-275203
95	Jalesar, Etah	H.No. 119, Village Akbarpur Santha, Post Narau, Narau Bir Nagar, Jalesar, Etah-207302
96	Jankipuram, Lucknow	1/195, Near Law Campus, Sector-1, Jankipuram, Lucknow-226021
97	Jath Jut Bulandshahr	H. No. 78, Post Balka, Village Jauth Jut, District Bulandshahr-203394
98	Jhangirabad	First floor, House No. 112, Lodhan Rajputan-3, Budh Wali Paith, Daulatpur Road, Jhangirabad, Tehsil Anupshahar, District Bulandshahr-203394
99	Kadipur, Sultanpura	Opposite Dev Dharm Kanta, Ranipur, Kayasth, Kadipur, Sultanpur-228145
100	Kalindi Vihar, Agra	MIG, B-617, Kalindi Vihar, 100 Ft. Road, Agra-282001
101	Khair, Aligarh	Chonkrat, Khair, Aligarh-202138
102	Khandauli	Babu Lal Wali Gali, Khandauli, Agra-283126
103	Kharkhoda, Meerut	Ward No. 6, Vichapatiya, Kharkhoda, District Meerut-245206

104	Khurja	New Tehsil, Vijay Nagar, Khurja, Bulandshahr
105	Kiraoli, Agra	Sai Dham Colony, Runkta Road, Kiraoli, Agra-283122
106	Lakhimpur,	Mohalla Dulari Vihar, Lahori Nagar, Near Highway Trauma Center, Bahraich Road, Lakhimpur Kheri-262701
107	Maant, Mathura	Zabra Road, Maant Raja, Maant, Mathura-281202
108	Mathura	Shop No. 201, Krishna Plaza, Krishna Nagar, Goverdhan Road, Mathura-281004
109	Mawana, Meerut	Kabli Gate, Shakuntala Vihar Colony, Phalawda Road, Near Krishak Inter Collage, Mawana, Meerut-250401
110	Modi Nagar, Ghaziabad	Permanand P 130, DD Park, Jagatpuri, Modi Nagar, Ghaziabad-201002
111	Nanauta, Saharanpur	Near Deoband Road, Sekhjadgaan, Nanauta Dehat, Nanauta, Saharanpur-247452
112	Nazibabad, Bijnor	Sales Tax Bhawan, BSNL Office, Dariyapur Road, Nazibabad-246763
113	Noorpur, Bijnor	Ward No. 16 T.P. Nagar, Noorpur, Bijnor-246734
114	Parham, Firozabad	Village Sikandarpur, Post Parham, District Firozabad-283130
115	Patiyali, Kasganj	Bijli Road, Mohalla Mishrana, Patiyali, District Kasganj-207243
116	Pilkhuwa, Ghaziabad	In front of Bank of Baroda, nearby Mohan Nagar Colony, Gali No. 3, Pilkhuwa, Hapur-245304
117	Pipraich, Gorakhpur	96 Nagar Panchayat Pipraich, Ward 1, Pipara, Pipraich, Gorakhpur-273152
118	Premchek Balia	J.P. Nagar, Garwar Road, Premchak alias Umerganj, Balia City, Balia-277301
119	Punjabi Bagh Colony, Saharanpur	Punjabi Bagh Colony, Near Mohiyaal, Dharamshala, Hakikat Nagar, Saharanpur-247001
120	Kahrai, Agra	H.No. 7/3A, Krishnapuri, Shamshabad Road, Agra-282001
121	Reoti, Balia	Vill. & Post Reoti, Near Railway Station Tiraha, Bairiya Road, Tehsil Bansdih, District Balia-277209
122	Sahjanwa Gorakhpur	Luchui Ward No. 15, Mangal Bazaar, Sahjanwa, Gorakhpur-273209
123	Santosh Nagar, Etah	168, Sector 10, Mal Godam Road, Santosh Nagar, Etah-207001
124	Shikohabad, Firozabad	24/320 Awas Vikas Colony, Shikohabad, District Firozabad-205135
125	Shivpur, Varanasi	M.N.S. 16/2, Al Nepali Bag, Shivpur, Varanasi-221003
126	Sidhauli, Sitapur	H. No. 135, Sant Nagar, Sidhauli, Near Noor Shopping Complex, Sitapur-261303
127	Sikandarpur, Balia	117, Mohalla Milki, Post-Sikandarpur, District Balia-277302
128	Sirsaganj, Firozabad	Karhal Road, Pani Ki Tank Ke Pass (Vijay Nagar), Sirsaganj, District Firozabad-283151
129	Sitapur	Nepalpur Crossing, Near Ashish Palace, Sitapur-261001
130	Siyana	First & Second Floor, Durga Complex, Purana Chatta, Patti Harnam Singh, Siyana Distt. Bulandshahr-203412
131	Sultanpur	Chandapur, Kanauli, Sultanpur-228125
132	Tundla, Firozabad	Ram Nagar Colony, Etah Road, Tundla, District Firozabad-281204
133	Unnao	123/2 Swastik Sadan Model Vihar, Unnao Shekhpur, Unnao-209801

Board of Directors

Mr. Sunil Agarwal

Managing Director & CEO

Mr. Sunil Agarwal is a founder member, Promoter and Managing Director & CEO 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 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 is expected to grow bigger and better.



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 of 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. Harish Singh

Executive Director & CFO

Mr. Harish Singh is a Fellow Member of 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 and 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 and he strengthens the operation and finance department of the Company with his rich experience and specialization.





Mr. Santanu Agarwal

Deputy Managing Director

Mr. Santanu Agarwal is a law graduate from Amity Law School, Noida. He started his business journey as Chief Innovation Officer of the Company in 2018 and in 2020 was appointed as Deputy CEO of the Company. Before joining the business, Mr. Santanu has done internship in various foreign organizations. He is well skilled in Negotiation, Business Planning, Analytical Skills and Risk Management. He has a flair for technology and has been a driving force behind the transformation of the Company to a digital NBFC in operations. He successfully lead the team Paisalo in the negotiation and finalization of co-lending agreements with State Bank of India, Punjab National Bank, Bank of Baroda and UCO Bank. Out of the agreements entered, currently SBI, PNB and Bank of Baroda are operationalized and daily disbursement it is taking place. He was instrumental in getting the national banking correspondent agreement with SBI. He has been featured in a number of interactions/interviews on CNBC 18, ET Now and is an announced youngster in prestigious "Forbes 30 under 30" list of February 2021.

Mr. Santanu Agarwal joined the Board as Deputy Managing Director w.e.f. May 6, 2022.



Mr. Gauri Shankar

Independent Director

Mr. Gauri Shankar having 40+ years' of experience in Banking and Finance, served as Managing Director and Chief Executive Officer of Punjab National Bank in 2015. He also served the Punjab National Bank as Executive Director. Prior to joining Punjab National Bank, he worked with 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. He is double Graduate in Science & Commerce. He has vast experience in domestic and international operations of banking sector. He worked in Bank of India's Singapore and Jakarta Operations. He also worked as DGM and Zonal Manager of Lucknow Zone. While in PNB, he was Chairman of PNB's wholly owned subsidiary Punjab National Bank (International) Limited, London and Director in the other subsidiaries and JVs (for different periods) namely PNB Housing Finance Limited, PNB Gilts Ltd. and Punjab National Bank, Kazakhstan.

At present he is also associated with some respected listed companies as an Independent Director.



Mr. Naresh Kumar Jain

Independent Director

Mr. Naresh Kumar Jain is a Fellow Member of Institute of Company Secretaries of India and a law graduate having 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. Vijay Ronjan

Independent Director

Mr. Vijay Ronjan is a retired Banker having 35+ years' experience of banking with one of India's largest lender, State Bank of India. He was a Chief General Manager with India's largest bank, State Bank of India, possessing over 35 years of banking experience in the Indian banking industry and having demonstrated a strong track record of performance and leadership initiatives. As the leader of various teams at SBI from time to time, he has displayed superior interpersonal skills and capability of resolving multiple and complex issues, while also motivating the staff to consistently perform at peak levels at the same time. He places a strong reliance on the use of business analytics and a collective team approach for business improvement and implementation of best practices. He played a pivotal role during the merger of associate banks with State Bank of India and also played a crucial role in planning and coordinating banking and thereafter structural changes in the merger affected offices. He also had the opportunity to work in various roles like Retail, Human Resources, International Banking, Forex Business and Risk Management.

He joined the Board of the Company as an Independent Director on October 8, 2021.



Mr. Raman Aggarwal

Independent Director

Mr. Raman Aggarwal is the Director of Finance Industry Development Council (FIDC)—A representative body of Assets and Loan Financing Non-Banking Finance Companies. He is currently Consultant to the World Bank; Consultant to Nomura Research Institute Consulting & Solutions India Pvt. Ltd.; Area Head-NBFCs at Council for International Economic Understanding (CIEU); and Advisor, Shriram Transport Finance Ltd., which is one of the leading NBFCs. He has more than 29 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 set up by Ministry of Corporate Affairs, and Special Task Force at FICCI. He was the signatory to the Engagement Letters signed by World Bank Group with FIDC. He is the Chairman, Working Group on NBFCs at Centre for Economic Policy Research (CEPR).

He was awarded the 'Man of Excellence' Award by Indian Achievers' Forum in 2021, '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 has addressed major events and seminars, like Global Convention on Corporate Governance and Sustainability at London, IFC's Financial Infrastructure Workshop for Da Afghanistan Bank, EuroFinance India, The Economic Times Summit on Financial Inclusion, National Summit on NBFCs and World Auto Congress organized by ASSOCHAM.

Mr. Raman is Masters in Urban Planning from School of Planning & Architecture, New Delhi and 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.





Mrs. Nisha Jolly

Independent Director

Mrs. Nisha Jolly, a retired banker aged about 69 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 joined Punjab National Bank in 1976, as Management Trainee & got 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 about Banking Routine, Loans & Advances & Foreign Exchange related work. She was also involved in framing General Policies for the Bank. Currently she is associated with a Non-Government Organization (NGO).

ADVISOR TO THE BOARD

Mr. Sunil Srivastav



Mr. Sunil Srivastav had a stint of more than 38 years with State Bank of India. He had joined State Bank of India in 1980 and held various positions in the bank until he retired as Deputy Managing Director of Corporate Banking in 2018. Mr. Srivastav's rich experience in banking includes Credit Risk, Project Finance, Corporate Finance, International Banking, Investment Banking, Corporate Strategy, National/elite Banking, Corporate Banking and Digital & Retail Banking with varied experience across geographies in India & abroad, having been a part of various cycles in the development of the Indian economy. Mr. Srivastav was a keen analyst and commentator on developments in the field of Corporate Finance and Banking. Post retirement in April 2018, Mr. Srivastav has been engaged as a Senior Advisor (part time) with Edelweiss Group, Vedanta India, and The World Bank-Energy and Extractives program in India. Mr. Srivastav had previously served on the Boards of Gillanders Arbuthnot Ltd., SBICAP Trustee and Custodial Services, West Bengal Financial Development Corp and National Payments Corporation of India and has also been a member of Global Advisory Board of Mastercard, to name a few. He also has a deep understanding of the NBFC Sector, gained while heading the Corporate Banking function of the SBI. He is associated with the company as an Advisor to the Board.





Aapka Sapna Humara Apna

Photo clicked on occasion of Agra Head Office Poojan on 4 August 2022

Key Management Team



Mr. Sunil Agarwal
Managing Director & CEO



Mr. Anoop Krishna
Executive Director
(Strategy & Planning)



Mr. Harish Singh
Executive Director (Operations) & CFO



Mr. Anurag Sinha
Chief Operating Officer



Mr. Santanu Agarwal
Deputy Managing Director



Mr. Gaurav Chaubey
Chief Credit Officer



Mr. Samresh Agarwal
Chief Recovery Officer



Mr. Manendra Singh
Company Secretary & Compliance
Officer



Mr. Kailash Singh
Chief Information Officer

Prominent Team Members



Mr. BVSKT Bhaskar
SVP Retail



Mr. S.G. Dubey
VP Legal



Mr. Rajeev Seth
VP MSME



Mr. Sushant Sharma
VP IT



Apna
Kal
Badlo




ग्राहक सेवा केंद्र
CUSTOMER SERVICE POINT

सीएसपी कोड
CSP CODE: 1A990001

लिंक ब्रांच कोड
LINK BRANCH CODE: 15281

सीएसपी मोबाइल
CSP MOBILE: +91 78385 24783

शाखा दूरभाष
BRANCH TEL: 011 40195648




ग्राहक सेवा केंद्र
CUSTOMER SERVICE POINT

PAISALO
PAISALO DIGITAL LIMITED
ग्राहक सेवा केंद्र CUSTOMER SERVICE POINT


ATM सुविधा

सभी बैंक के ATM के द्वारा यहाँ लेन-देन किया जाता है



सुचना

1. ग्राहक सेवा केंद्रों पर सभी बैंकों के ATM के द्वारा लेन-देन किया जाता है।
2. ग्राहक सेवा केंद्रों पर सभी बैंकों के ATM के द्वारा लेन-देन किया जाता है।
3. ग्राहक सेवा केंद्रों पर सभी बैंकों के ATM के द्वारा लेन-देन किया जाता है।
4. ग्राहक सेवा केंद्रों पर सभी बैंकों के ATM के द्वारा लेन-देन किया जाता है।
5. ग्राहक सेवा केंद्रों पर सभी बैंकों के ATM के द्वारा लेन-देन किया जाता है।
6. ग्राहक सेवा केंद्रों पर सभी बैंकों के ATM के द्वारा लेन-देन किया जाता है।
7. ग्राहक सेवा केंद्रों पर सभी बैंकों के ATM के द्वारा लेन-देन किया जाता है।
8. ग्राहक सेवा केंद्रों पर सभी बैंकों के ATM के द्वारा लेन-देन किया जाता है।
9. ग्राहक सेवा केंद्रों पर सभी बैंकों के ATM के द्वारा लेन-देन किया जाता है।
10. ग्राहक सेवा केंद्रों पर सभी बैंकों के ATM के द्वारा लेन-देन किया जाता है।







PAISALO

EASY LOAN आसान लोन

NATIONAL BUSINESS CORRESPONDENT OF SBI

भारतीय स्टेट बैंक
STATE BANK OF INDIA

सीएसपी नाम

CSP NAME: Neelam Sahni

बी सी कोड

BC CODE: 1A99

सीएसपी स्थान

CSP LOCATION: CSC, Pocket-52, CR Park,

Near Police Station, New Delhi-110019

Ready
Steady
Go

PAISALO

EASY LOAN आसान लोन

Business Segment

I. Company is focused on the following business segments:

A. Small Finance Division

B. Corporate Loan Division

C. Fee Based Business–Business Correspondent

A. Small Finance Division

- (i) Target Group: This division works for lower income generation group. Focus mainly is in rural & semi urban areas. Loan is granted only for income generation activities i.e. Dairy Farming, Cycle Rickshaw, E-Rickshaw, Cattle Farming, Tiny Traders, Handicraft work, Papad making, and similar other activities.
- (ii) Ticket Size: Ticket Size for such loans ranges from Rs. 10,000 to Rs. 2,00,000.
- (iii) Tenure & Terms of Repayment: Tenure Ranges from 18 months to 24 months. Repayment of loan is on EMI basis.
- a. Income Generation Loans (IGL–DIGITAL–E–SIGN)– Company 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)–Company 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 Sector.
- c. Co–Lending Scheme–With a vision of empowering the AGRI, MSME segment and small businesses, Company has signed the co–lending loan agreement with State Bank of India, Punjab National Bank, Bank of Baroda and UCO Bank and started operation under the co–lending model. 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 loan with minimum turnaround 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 Co–lending partner Banks's low operating cost. The Co–lending model is designed in such a way that the Company would be contributing 20% of the entire disbursement amount for the small loans, with Co–lending partner Bank's contribution being 80%. Paisalo digital will be allowed to charge a specific percentage of loan amount as processing fee upfront from the customer. The rate of interest charged by the Co–lending partner 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 the priority sector criteria defined by the RBI. In this way, the company will still be able to charge its usual lending rate, combined with Co–lending partner Bank'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 signed co–lending agreements not only with State Bank of India, Punjab National Bank, Bank of Baroda and UCO Bank, but also with some other Banks. Work is under process to finanlize the terms and conditions to start the operation in terms of agreement signed with other Banks.

B. Corporate Loan Division

- (i) Target Group: This division is working for funding to SME's, Corporate Group, Educational Institutions, Loan against Property etc. The company provides loan only for working capital requirement; The company never ever funds for project financing.
- (ii) Ticket Size: Loan size under this category primarily ranges in between Rs. 25 lacs to Rs. 5 crores.
- (iii) Tenure & Terms of Repayment: Tenure under this category ranges between 18 to 60 months. Repayment terms are monthly equated Installments (EMIs).
- (v) Scheme: MSME's / SME / BUSINESS LOANS 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.
- (iv) Scheme: Income Generation Loans, Paisalo–JLG, Co–lending Scheme

C. Fee Based Business–Business Correspondent

Paisalo Digital Limited has been into serving under–privileged and unbanked bottom of the pyramid economic section in rural population since its inception. To further strengthen its ecosystem Paisalo has taken a new initiative to venture in to Business correspondence services for banks to develop its deep–rooted network to serve this targeted segment of weaker section and low–income group in the rural territories of Bharat (Bharat being referred to under served rural potential of India).

So, to serve this financial inclusion motive, Paisalo Digital Limited has entered into Business Correspondent Agreement with State Bank of India to provide services of Business Correspondents (BCs) as National BC (Code–1A99) of SBI.

The process of ensuring access to financial services, timely and in adequate way for vulnerable groups such as weaker sections and low–income groups at an affordable cost is financial inclusion as a whole. So financial inclusion ensures that individuals and businesses have access to useful and affordable financial products and services that meet their needs–transactions, payments, savings, credit and insurance–delivered in a responsible and sustainable way. To cater these services, Bank CSP (Customer Service Point) came into existence which provides financial services to banking deprived people in rural area who are unbanked or under served by banks at their doorstep and also provides them financial literacy.

The BCs or CSP's (Customer Service Providers) are retail agents engaged by Banks for providing banking services at various locations. BCs enable a Bank to expand its outreach and offer a range of banking services at low cost, as against setting up a brick–and–mortar branch which may not be viable in all cases. BCs, thus, are an integral part of a business strategy for achieving greater financial inclusion. Under the agreement with SBI as National Business correspondent, the Company is permitted to perform a variety of banking activities via its CSP outlets through the use of Information and Communication Technology, through the kiosk portal of the Bank. The financial services offered by BCs range from Account Opening, Savings Bank Deposits, Fixed Deposit, Recurring Deposit, Remittances, Micro Pension, Micro Insurance, Micro Credit and Recovery etc.; or any other product as approved by RBI/ DFS/ Bank.

Currently the Company is in the process of rolling out its first phase 700 CSP locations across 11 states of India. It will help to strengthening company's reach to new territories of the country as well will open opportunity for new business segment along with this BC business, like micro credits to this channel operator agents in supporting their working capital and infrastructure to help in making this channel more robust, sustainable to operate and make it more profitable for its stakeholders. Paisalo will be marching with ambitious numbers in this segment through new agreements with different banks as per available RFP and its long–lasting relationship in this segmented players, banks.

Management's Discussion and Analysis

Economy

Global Economy

The International Monetary Fund (IMF) in its World Economic Outlook April 2022 has projected world global growth to slow from an estimated 6.1 percent in 2021 to 3.6 percent in 2022 and 2023. After a sharp setback due to the virulent Delta variant of the coronavirus in the early part of 2021, the global recovery had regained some traction even as paths of growth were widely differentiated across jurisdictions by the size and durability of monetary and fiscal stimuli, and access to vaccines. Global growth lost pace in the second half of the year, beset by the highly transmissible but milder variant of COVID-19-Omicron. Despite these waves superimposed on global supply chain and logistics disruptions, global trade recovered in the second half of the year and grew by 10.1 per cent in 2021.

Following the effects of more than two years of pandemic, the global economy is experiencing yet another major negative shock. The war in Ukraine has triggered a costly humanitarian crisis that demands a peaceful resolution. Economic damage from the conflict will contribute to a significant slowdown in global growth in 2022. Even as the war reduces growth, it will add to inflation by high commodity prices, adding to supply disruptions, increasing food insecurity and poverty, exacerbating inflation, contributing to tighter financial conditions and magnifying financial vulnerability. Fuel and food prices have increased rapidly, with vulnerable populations—particularly in low-income countries—most affected. Due to elevated inflation global financial conditions have tightened and borrowing costs have increased, particularly in emerging market and developing economies (EMDEs), reflecting reduced policy accommodation in response to inflationary pressures, elevated uncertainty, and heightened geopolitical risks.

According to the International Monetary Fund (IMF) in its World Economic Outlook April 2022, Scarring effects are expected to be much larger in emerging market and developing economies than in advanced economies—reflecting more limited policy support and generally slower vaccination—with output expected to remain below the pre-pandemic trend throughout the forecast horizon. Unusually high uncertainty surrounds this forecast, and downside risks to the global outlook dominate—including from a possible worsening of the war, escalation of sanctions on Russia, a sharper-than-anticipated deceleration in China as a strict zero-COVID strategy is tested by Omicron, and a renewed flare-up of the pandemic should a new, more virulent virus strain emerge. Moreover, the war in Ukraine has increased the probability of wider social tensions because of higher food and energy prices, which would further weigh on the outlook.

For 2022, inflation is projected at 5.7 percent in advanced economies and 8.7 percent in emerging market and developing economies. Although a gradual resolution of supply-demand imbalances and a modest pickup in labor supply are expected in the baseline, easing price inflation eventually, uncertainty again surrounds the forecast. Conditions could significantly deteriorate. Worsening supply-demand imbalances—including those stemming from the war and further increases in commodity prices could lead to persistently high inflation, rising inflation expectations, and stronger wage growth. If signs emerge that inflation will be high over the medium term, central banks will be forced to react faster than currently anticipated raising interest rates and exposing debt vulnerabilities, particularly in emerging markets.

Beyond the immediate challenges of the war and the pandemic, policymakers should not lose sight of longer term goals. Pandemic disruptions have highlighted the productivity of novel ways of working. Governments should look to harness positive structural change wherever possible, embracing the digital transformation and retooling and reskilling workers to meet its challenges. Carbon pricing and fossil fuel subsidy reform can also help with the transition to a cleaner mode of production, less exposed to fossil fuel prices—more important than ever in light of the fallout of the war on the global energy market. The green energy transition will also entail labor market reallocation across occupations and sectors.

Indian Economy

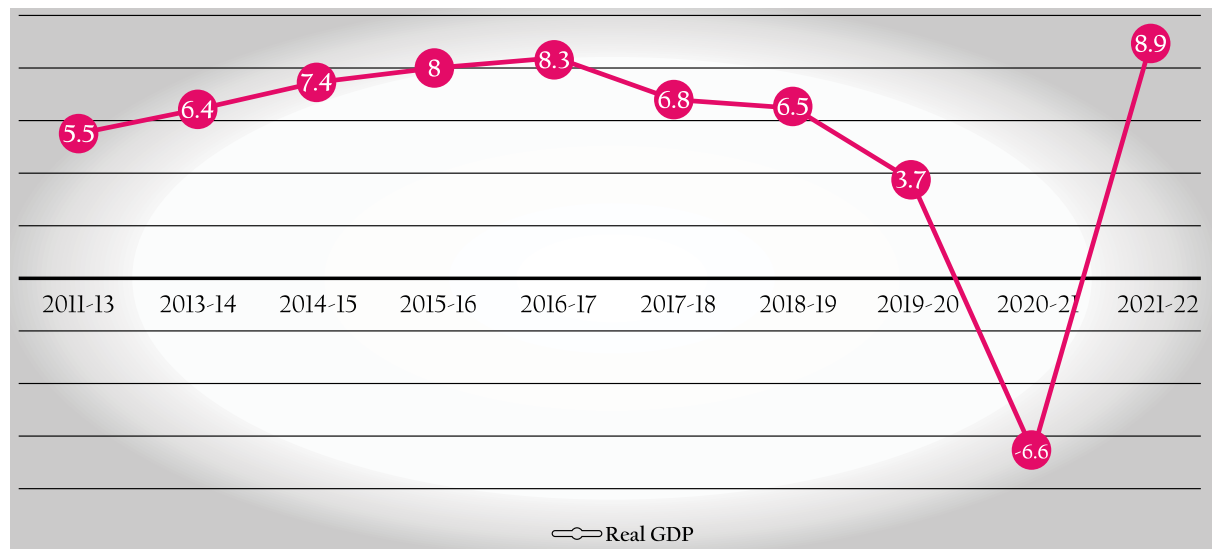
The Delta variant of COVID-19 struck India in the beginning of 2021-22 marking the onset of the second wave. Although the second wave of the pandemic in April- June 2021 was more severe from a health perspective, the economic impact was muted compared to the national lockdown of the previous year. The second advance estimates (SAE) that were released by the National Statistical Office (NSO) on February 28, 2022 indicated that aggregate demand, measured by real GDP, registered a growth of 8.9 per cent in 2021-22, up from a contraction of 6.6 per cent in the previous year.

Real GDP Growth

Component	Growth (per cent)				
	2017-18	2018-19	2019-20	2020-21	2021-22
1	2	3	4	5	6
I. Total Consumption Expenditure	7.1	7.0	4.9	-4.5	7.2
Private	6.2	7.1	5.2	-6.0	7.6
Government	11.9	6.7	3.4	3.6	4.8
II. Gross Capital Formation	14.5	6.2	-5.2	-13.8	21.5
Gross Fixed Capital Formation	7.8	11.2	1.6	-10.4	14.6
Change in Stocks	68.3	27.3	-58.8	-110.7	-1,723.9
Valuables	40.2	-9.7	-14.2	26.4	63.0
III. Net Exports					
Exports	4.6	11.9	-3.4	-9.2	21.1
Imports	17.4	8.8	-0.8	-13.8	29.9
IV. GDP	6.8	6.5	3.7	-6.6	8.9

Source: NSO.

ANNUAL ESTIMATES OF GDP AT CONSTANT PRICES OR REAL GDP



The world's largest free vaccination drive (with more than 167.87 crore doses administered as on 3rd February 2022) and continuing supporting fiscal measures and congenial financial conditions engendered by monetary, regulatory and liquidity initiatives undertaken by the Reserve Bank, including some unconventional ones, the real GDP bounced back in Q2:2021-22. The recovery was further entrenched in Q3:2021-22 with GDP exceeding the corresponding pre-pandemic quarter by 6.2 per cent. In Q4, however, the third wave of the pandemic driven by the Omicron variant and more recently, the geopolitical crisis between Russia and Ukraine has caused a loss of pace in the recovery.

Sectoral growth estimates show that all three sectors—agriculture, manufacturing, and services grew well. In absolute terms, the economic output of all the three sectors crossed the pre-pandemic levels of FY2020. RBI in its monetary policy report dated 8 April 2022 projected a real GDP growth of 7.2% for the financial year 2022-23 (FY2023).

Unlike in the first wave, the economic impact of the second wave of the pandemic was contained due to the localised nature of lockdowns and better adaptability to pandemic protocols. Growth impulses, rejuvenated by the receding of the second wave from June 2021, were fortified by the pace and scale of inoculation.

The services sector contracted by 7.8 per cent Year on Year (YoY) in 2020-21. This decline was driven by a sharp contraction of 20.2 per cent YoY in the sub-sector 'Trade, hotels, transport, communication & services related to broadcasting'. The sub-sector 'Public administration, defence & other services' which includes expenditure by the government on one hand and

services such as health, education, recreation etc, on the other, contracted by 5.5 per cent, whereas the 'Financial, real estate & professional services' sub-sector grew by 2.2 per cent YoY in 2020–21. In 2021–22, services sector grew (YoY) by 8.6 per cent with growth of 11.6 per cent in subsector 'Trade, hotels, transport, communication & services related to broadcasting', 12.5 per cent in 'Public administration & other services', 4.3 per cent in 'Financial, real estate & professional services'.

Service Sector Performance

Sector	Share in GVA (per cent)		Growth (YoY) (per cent)			
	2021–22 (2nd AE)	2020–21 (1st RE)	2021–22 (2nd AE)	2021–22		
				Q1	Q2	Q3
Total Services (Excluding construction)	52.8	–7.8	8.6	10.5	10.2	8.2
Trade, hotels, transport, communication & services related to broadcasting	16.6	–20.2	11.6	34.3	9.5	6.1
Financial, real estate & professional services	21.4	2.2	4.3	2.3	6.2	4.6
Public administration, defence & other services*	14.8	–5.5	12.5	6.3	19.5	16.8

Source: Ministry of Statistics and Programme Implementation.

Note: Share in GVA is in current prices and growth in GVA is at constant 2011–12 prices.

*: Other services include Education, Health, Recreation and other personal services.

RE : Revised Estimates. PE : Provisional Estimates. AE : Advance Estimates.

Services sector is the largest recipient of FDI inflows in India. According to the World Investment Report 2021 by the UN Conference on Trade and Development (UNCTAD), India was the fifth-largest recipient of Foreign Direct Investment (FDI) in 2020 improving its rank by four places, from ninth position in 2019. In 2020–21, India registered highest ever annual FDI inflows of US\$ 81.97 billion. The country has received US\$ 43.12 billion FDI inflows in the first six months of 2021–22. FDI equity inflows, i.e., FDI inflows minus re-invested earnings, were US\$ 31.15 billion during April–September 2021, growing by 3.8 per cent over the corresponding period last year.

The services sector, which had suffered an unprecedented contraction in 2020–21, regained some lost ground in 2021–22. Despite the virulent second wave during Q1:2021–22, the recovery of the services sector was broad-based as all the sub-segments except trade, hotels, transport, communication, and services related to broadcasting surpassed their pre-pandemic levels.

Monetary and credit conditions during the year evolved in sync with the Reserve Bank's accommodative policy stance. Overall financial conditions remained benign although there has been some tightening in the recent period largely due to global spillovers. Reserve money (RM), adjusted for the first-round effects of the increase in the cash reserve ratio (CRR), moderated. Precautionary demand for currency, which had surged in 2020–21 due to the COVID-19-induced uncertainties, softened during the year.

Finance Sector

The RBI also strengthened the regulatory and supervisory framework for financial sectors to proactively identify, assess and deal with vulnerabilities. Thus, despite pandemic-induced bouts of volatility, the Indian financial system remains resilient and is now in a better position to meet credit demands as recovery takes hold and private investment activity picks up. According to the RBI's Financial Stability Report (December 2021), Scheduled Commercial Banks (SCBs) continued to bolster their capital, with a capital-to-risk assets ratio (CRAR) of 16.6% in September 2021. Banks' asset qualities also improved, with gross non-performing asset (GNPA) and net non-performing asset (NNPA) ratios declining to 6.9% and 2.3%, respectively. The provision coverage ratio (PCR) increased from 67.6% in March 2021 to 68.1% in September 2021. The improvement in CRAR levels of PSBs was due to capital infusion by the government alongside fund raising from the markets, while private sector banks tapped capital from market sources. Based on the capital position as on September 30, 2021, all Public Sector and Private Sector banks maintained the Capital Conservation Buffer (CCB) well over 2.5 per cent. The RBI's macro-stress tests for credit risks indicate that SCBs' GNPA ratio may increase to 8.1% by September 2022, but banks can still comply with minimum capital requirements under severe stress scenarios.

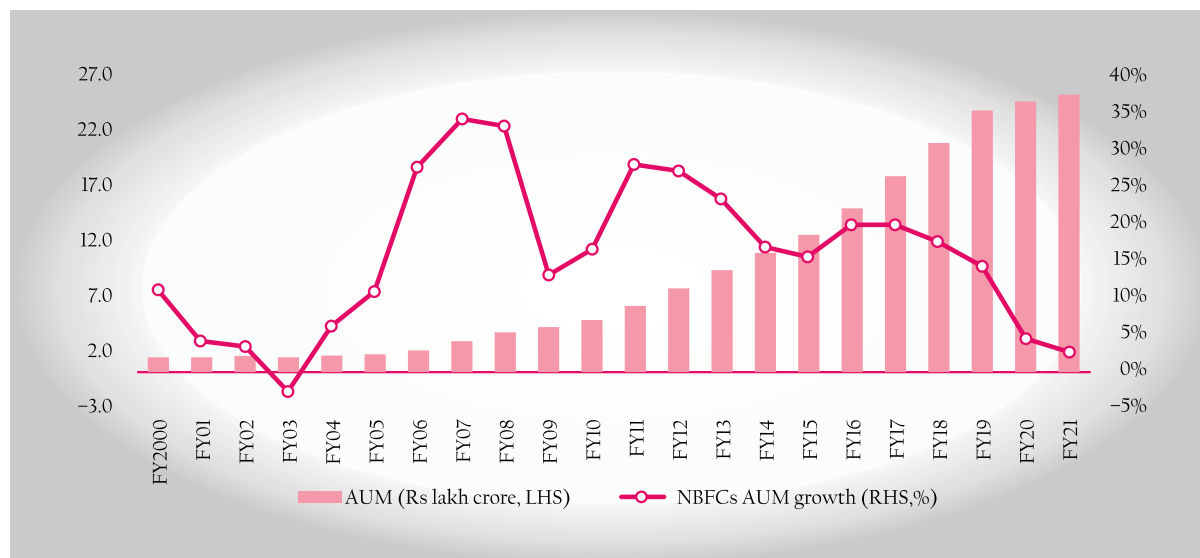
Industry Overview

Non-Banking Financial Companies (NBFCs), along with Public Sector Banks, Private Banks and Financial Institutions, form one of the four broad constituents of the credit ecosystem of the Indian financial sector. However, NBFCs have a competitive edge in their superior understanding of regional dynamics, well-developed collection systems and personalised services in the drive to expand financial inclusion in India. Lower transaction costs, quick decision making, customer orientation and prompt provision of services have typically differentiated NBFCs from banks. The reach and last mile advantages of NBFCs

have empowered them with agility, innovation and a cutting edge in providing formal financial services to underbanked and unserved sections of the society.

During 2020–21, NBFCs consolidated their balance sheets with credit deployment gaining traction, improved asset quality and enhanced capital buffers notwithstanding the testing challenges imposed by navigated several storms over the last few decades, some of them unprecedented, specially, over the past three fiscals NBFCs faced multiple challenges, the Covid-19 pandemic made it worse, but NBFCs managed to revive and recover from the disruptions.

Substantial growth in NBFC AUM over the past two decades

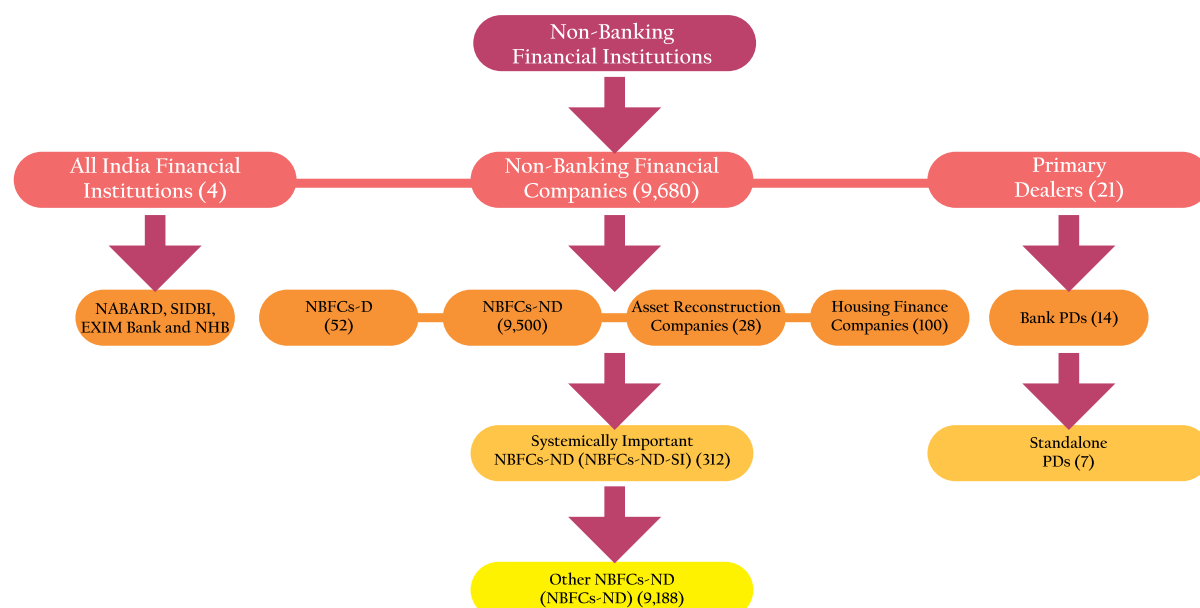


Source: CRISIL Report

NBFCs can be classified on the basis of a) asset/liability structures; b) systemic importance; and c) the activities they undertake. In terms of liability structures, NBFCs are subdivided into deposit-taking NBFCs (NBFCs-D)–which Accept and Hold Public Deposits–and Non-Deposit Taking NBFCs (NBFCs-ND)–which source their funding from markets and banks. Among Non-Deposit Taking NBFCs, those with asset size of INR 500 crore or more are classified as Non-Deposit Taking Systemically Important NBFCs (NBFCs ND-SI). As on September 30, 2021, there were 52 NBFCs-D and 312 NBFCs-ND-SI. Based on activities, there are 11 categories of NBFCs.

Structure of NBFIs under the Reserve Bank's Regulation

(As on September 30, 2021)

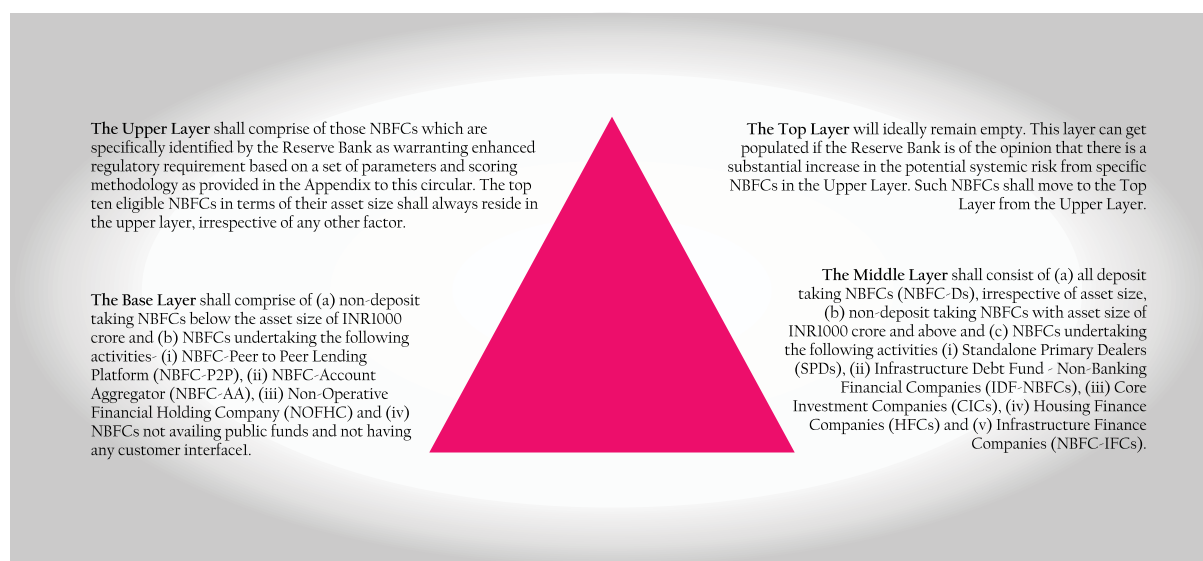


Classification of NBFCs by Activity

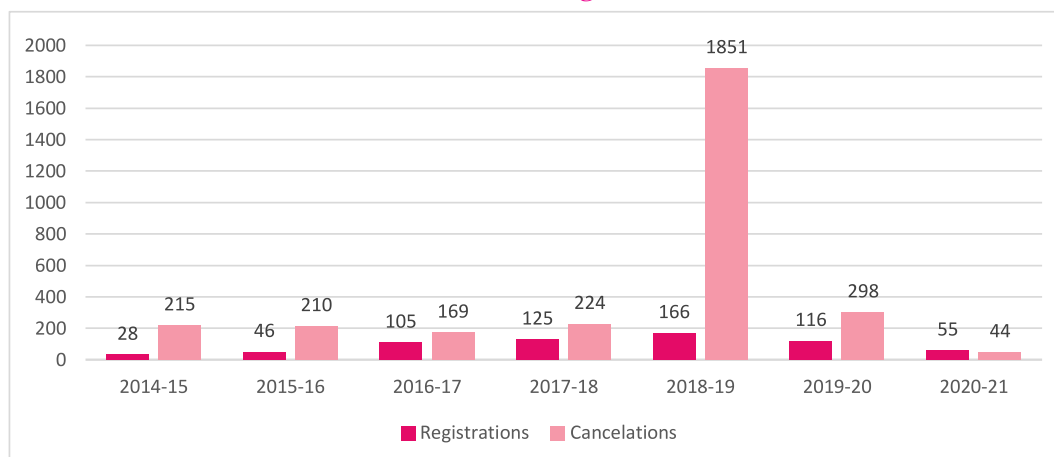
Sr. No.	Type of NBFC	Activity
1.	Investment and Credit Company (ICC)	Lending and investment
2.	NBFC-Infrastructure Finance Company (NBFC-IFC)	Financing of infrastructure sector
3.	Core Investment Company (CIC)	Investment in equity shares, preference shares, debt, or loans of group companies
4.	NBFC-Infrastructure Debt Fund (NBFC-IDF)	Facilitation of flow of long-term debt only into post commencement operations in infrastructure projects which have completed at least one year of satisfactory performance.
5.	NBFC-Micro Finance Institution (NBFC-MFI)	Providing collateral free small ticket loans to economically disadvantaged groups
6.	NBFC-Factor	Acquisition of receivables of an assignor or extending loans against the security interest of the receivables at a discount
7.	NBFC-Non-Operative Financial Holding Company (NBFC-NOFHC)	Facilitation of promoters/ promoter groups in setting up new banks
8.	Mortgage Guarantee Company (MGC)	Undertaking of mortgage guarantee business
9.	NBFC-Account Aggregator (NBFC-AA)	Collecting and providing information about a customer's financial assets in a consolidated, organised, and retrievable manner to the customer or others as specified by the customer
10.	NBFC-Peer to Peer Lending Platform (NBFC-P2P)	Providing an online platform to bring lenders and borrowers together to help mobilise funds
11.	Housing Finance Company (HFC)	Financing for housing

Source: RBI.

Further, considering considerable evolution in terms of size, complexity, and interconnectedness in the NBFC sector within the financial sector. RBI, to aid in better governance practices and structural strengthening of the sector, vide its Notification dated October 22, 2021 issued A Revised Regulatory Framework for NBFCs-Scale Based Regulation (SBR) and classified Regulatory structure for NBFCs into four layers based on their size, activity, and perceived riskiness. BFCs in the lowest layer shall be known as NBFC-Base Layer (NBFC-BL). NBFCs in middle layer and upper layer shall be known as NBFC-Middle Layer (NBFC-ML) and NBFC-Upper Layer (NBFC-UL) respectively. The Top Layer is ideally expected to be empty and will be known as NBFC-Top Layer (NBFC-TL).



Registrations and Cancellations of Certificate of Registrations of NBFCs



Note: Data are provisional. Source: RBI

The NBFC sector is dominated by NBFCs–ND–SI that constitute 85.1 per cent of the total assets of the sector. The number of large government–owned NBFCs, which mainly lend in the infrastructure space, has remained

On credit disbursement, 57 NBFCs, each having a loan book of more than INR 5000 crore, lent 90.1 per cent of the total credit disbursed in 2020–21. Smaller NBFCs (asset size less than INR500 crore) are numerous but accounted for only 0.9 per cent of total NBFC credit outstanding.

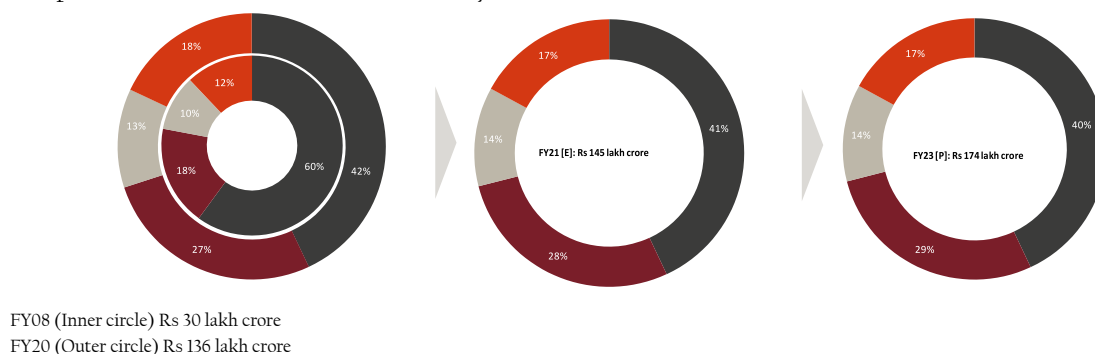
The share of NBFCs in the overall credit pie increased to 18% as of March 2020 from 12% as of March 2008. Public sector banks lost share—from 60% to 42%—which was picked up by private banks and NBFCs. However, the share of NBFCs slipped to a still-significant 17% last fiscal, because of multiple challenges in the recent past. We expect it to hold steady at this level, with growth picking up this fiscal and the next.





Industry remained the largest recipient of credit extended by the NBFC sector, followed by retail loans and services. In 2020–21, the share of the retail loan portfolio of the sector continued to rise with a concomitant fall in the share of services sector. ICCs and IFCs together comprise 96.2 per cent credit extended by NBFCs as of end-March 2021.

NBFCs' credit to MSMEs grew at 17.8 per cent during 2020–21. ICCs, together with NBFCs MFI, are the main purveyors of MSME credit. Eleven per cent of the NBFCs MFI' loan book comprises micro and small loans. In view of the significance of the sector for income and employment generation, many regulatory policies to support the sector have been extended. The scheme of one-time restructuring of loans to MSMEs without an asset classification downgrade was extended in May 2021 and the exposure threshold was increased to INR 50 crore in June, 2021. The on Tap TLTRO scheme was extended till December 31, 2021. The special refinance facility was bolstered in April 2021 by providing fresh support of INR 15,000 crore to the SIDBI to meet the funding requirements of MSMEs during 2021–22. In June 2021, another special liquidity facility of INR 16,000 crore was provided to the SIDBI for on-lending/refinancing through novel models and structures including double intermediation and pooled bond/loan issuances to meet MSMEs' short and mediumterm credit needs with a focus on smaller MSMEs and businesses, including those in credit deficient and aspirational districts. The Union Government extended the ECLGS facility till September 30, 2021 or till guarantees worth INR 3 trillion are issued. Bank lending to registered NBFCs was permitted to be classified as PSL till September 30, 2021.

NBFCs to retain share in the Indian financial ecosystem

Composition of total credit in Indian credit ecosystem



	Public sector banks		Private banks including foreign banks and small finance banks (SFBs)		Non-banks= NBFCs excluding government owned NBFCs + housing finance companies (HFCs)		FIIs = All-India financial institutions + government-owned NBFCs
---	---------------------	---	--	---	--	---	--

Source: CRISIL Report

NBFCs have faced four key challenges over the past decade i) funding, 2) liquidity, 3) asset quality and 3) competition. A relatively calm period between fiscals 2010 and 2018 helped the sector grow substantially, even as banks reeled under asset quality pressure. However, funding and liquidity issues cropped up post September 2018 — an inflection point for the sector. These too were just about subsiding, when Covid-19 struck. The most stressful period from a liquidity perspective was April–May 2020, when the first Covid-19 wave was at its peak. At that time, 23% of the NBFCs rated by CRISIL Ratings had a liquidity cover of less than one time over a three-month horizon. Over time, while the funding and liquidity situation has improved, increasing competition and potential asset quality challenges are now key monitorables for the sector. Many NBFCs have, however, demonstrated admirable resilience by adopting the three-pronged formula of enhancing liquidity, provisioning cover, and capitalisation to strengthen their balance sheets.

In FY 2020–21, NBFCs witnessed a sharp drop in collections and disbursements and a substantial increase in the cost of their borrowings even as access to market funding became restricted. The provision of moratorium also had an impact on their cash inflows, resulting in reduction in collections. Timely measures on monetary, fiscal, and regulatory fronts by the Reserve Bank and the government aided their revival, eased financial conditions and bolstered market sentiments.

By taking lessons from the challenges, NBFCs have strengthened collection infrastructure, including through addition of modes of equated monthly instalment, or EMI, payments. As a result, collection efficiency is nearly back to pre-Covid levels for most segments. This, along with an improvement in the macroeconomic environment, bodes well for the sector. Further, the drop-in collections during the second Covid-19 wave was not as severe as what was seen during the first wave. This may be partly because of the starker uncertainties and the complete nationwide lockdown last year. In contrast, the lockdowns were localized and some business activities continued this year.

NBFCs' income growth decelerated steeply, as both NBFCs–ND–SI and NBFCs–D reported lower incomes in 2020–21. However, the sector has leveraged technology to counter the challenges posed by the pandemic through rationalisation of expenditure. Net profits of NBFCs–ND–SI witnessed a significant improvement in the aftermath of the first wave of COVID-19 and their cost to income ratios dropped. Conversely, NBFCs–D experienced a moderation in their income due to marginal growth in fund-based income. This, coupled with rising interest payments, increasing cost to income ratio and other expenditures, resulted in a decline in their profits. Net profits of NBFCs during H1:2021–22 declined on the back of fall in fund-based income. Asset quality performance will drive the sector's fortunes going forward.

The recent regulatory clarification in NPA recognition norm to a daily due date basis instead of the month-end will have implications as NBFCs ramp up collection activity between the due date and the month-end—the reason their overdue reduces by the end of the month. However, this flexibility is no longer available.

Also, bounce rates in the 60–90 days bucket are estimated at 25–35%. Consequently, a significant proportion of loans in the 60–90 days bucket may slip into the >90 days overdue bucket and will have to be recognised as NPAs.

The impact of higher provisioning requirements amid elevated slippages and recent regulatory clarifications on NPA recognition norms may lead to reduction in return on assets. However, alongside with improvement in economic activity, the earnings of NBFCs shall also be improve.

What also bears watching is the performance of the restructured book. While the monthly collection efficiency ratio of NBFCs has seen an improvement across segments in the quarter ended September, the quantum of restructuring done under the RBI Resolution Framework 2.0 is more than that logged last year. The performance of this book after moratorium is monitorable as it mostly involved offering moratorium.

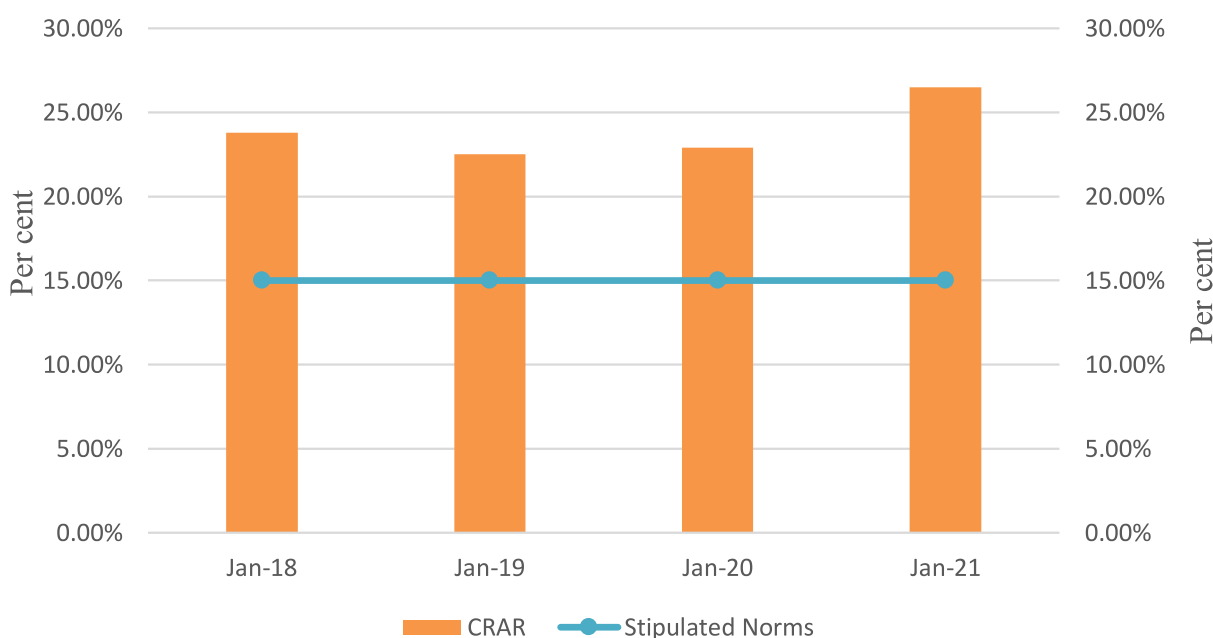
Another factor that will determine growth of NBFCs is the normalisation of funding access. Though access to capital market borrowings for NBFCs is still not easy due to high cost and lack of availability of funds. For fund requirements NBFCs are depended on bank borrowings. On the debt capital markets front, fund mobilisation still remains below the peak achieved in the fourth quarter of fiscal 2018. NBFCs' borrowings from banks continued to grow on top of a y-o-y growth rate of 13.8 per

cent in the previous year. Borrowings through debentures and via commercial paper (CPs) also increased. At end-September 2021, total borrowings mobilised by NBFCs decelerated. NBFCs have been gradually swapping their short-term borrowings for long-term borrowings; consequently, the share of long-term borrowings (payable in more than 12 months) in March 2021 inched up. Further, NBFCs on their part are also focusing on diversifying their funding avenues with a number of them looking closely at co-lending and securitisation as well as retail borrowings.

Wholesale finance, which was a key growth driver for the sector in the past, has been declining lately on account of the funding access challenges. Over time, many players have scaled down this business and shifted focus towards granularisation of portfolios. Another key factor for growth of NBFCs is performance of the unsecured loan portfolio. This is generally a short-tenure portfolio, and therefore, has a higher run down in the book. This segment too faced headwinds last year, given the economic environment and asset quality concerns. However, an improvement in high frequency indicators signifying better consumption should drive growth, as also higher yields, even as competition from banks in the traditional segments keep yield slow in the salaried and prime borrower segments.

NBFCs are well capitalised, with their capital to risk-weighted asset ratio (CRAR) well above the stipulated level of 15 per cent. During 2020-21, NBFCs' CRARs improved further, attributable to an increase in the level of Tier-I capital, retained earnings and moderation in non-performing assets.

Capital Position of NBFC Sector



Going forward, we expect to see NBFCs continuing to play a key role in Indian financial ecosystem. We expect digitalisation, tech-enablement of business processes and use of data analytics gaining momentum, which should help on both asset quality and growth fronts. And the focus on maintaining higher capital and liquidity levels will continue for some more time to provide stakeholder confidence and progress towards normalisation of funding access.

Business Overview

The pandemic induced disruptions continued in FY2022 as well. The first half of FY2022 witnessed a significant impact of the lethal second wave (Delta) of the pandemic impacting performance of business. The third wave (Omicron) strain was more transmissible; however, its impact on Company's operation was limited.

During FY 2021-22, 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 the FY 2021-22, total disbursement was INR 16,343.40 Million, Company's total Assets Under Management stood at INR 24,719.40 Million (Standalone) and INR 26,972.60 Million (Consolidated) as on March 31, 2022. As on March 31, 2022 Company's Gross & Net NPA stood at INR 356.93 Million and INR 295.61 Million respectively.

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 36.57 % increase in the Net Profit after tax from the finance business of the Company.

Results of our 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 36.57 % increase in the Net Profit after tax from the finance business of the Company financial performance of the Company for the Financial Year 2021-22 is summarized below:

Particulars	Standalone		Consolidated	
	FY 2021-22	FY 2020-21	FY 2021-22	FY 2020-21
Revenue from Operations	3,563.98	3,115.48	3,922.23	3,460.22
Less: Expenditure	2,500.06	2,349.43	2,850.69	2,686.78
Profit Before Tax (PBT)	1,063.91	772.49	1,071.22	777.68
Tax Expenses	276.76	196.11	278.71	197.87
Net Profit After Tax (PAT)	787.14	576.38	792.51	579.80
Earnings per Share (EPS) (INR)	18.59	13.63	18.71	13.71

Standalone Key Ratio for Financial Year 2021-22

Current Ratio	3.58
Debt- Equity Ratio	1.46
Debt Service Coverage Ratio	1.19
Return on Equity Ratio	7.78%
Inventory Turnover Ratio	0.76
Trade Receivable Turnover Ratio	0.02
Trade Payable Turnover Ratio	0.01
Net Capital Turnover Ratio	1.62
Net Profit Ratio	22.09 %
Return on Capital Employed	15.06 %
Return on Investments	0.56%

Asset Liability Management

The company is continuously 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, 2022:

Behaviouralised ALM snapshot as on 31 March 2022

(INR in million)

	Upto 14 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	490.1	535.9	1076.8	943.1	2,834.3	5,634.7	8,905.5	2,799.2	263.1	23,482.7
Investments (Bank FDR)	50.0	—	—	—	—	—	4.5	—	—	54.5
Borrowings	1.6	76.7	216.9	199.0	238.3	5,898.5	5,872.5	2,030.0	280.0	14,813.5
Foreign Currency Assets	—	—	—	—	—	—	—	—	—	—
Foreign Currency Liabilities	—	—	—	—	—	—	—	—	—	—

Capital Adequacy Ratio

The company's strength lies in its healthy capital structure. Our Company is among those few NBFCs who are low leveraged. As of March 31, 2022, the Company's Capital Adequacy Ratio (CRAR) stood at 42.92 % as against 15.00 % of statutory requirement.

Particulars		2021-22	2020-21
i)	CRAR %	42.92%	44.47%
ii)	CRAR-Tier I Capital %	37.73%	37.08%

iii)	CRAR–Tier II Capital %	5.19%	7.39%
iv)	Amount of subordinated debt raised as Tier–II Capital (INR in Million)	10.0	10.0
v)	Liquidity Coverage Ratio	3.24	1.33
vi)	Amount raised by issue of Perpetual Debt Instruments	Nil	Nil

Asset Quality

Asset quality is the criteria where the Company stands far ahead from its peers as for last several years. Company has a policy of writing off its overdue advances. However, recovery efforts in such accounts are continued. The Standard Assets as on the date of Balance Sheet stood at INR 23,125.77 Million and Sub–Standard Assets stood at INR 356.93 Million.

Movement of NPAs

(INR in Lakhs)

Particulars		Current Year	Previous Year
(i)	Net NPAs to Net Advance (%)	1.26%	0.57%
(ii)	Movement of NPAs (Gross)		
	(a) Opening balance	1,394.59	761.43
	(b) Additions during the year	2,875.07	672.66
	(c) Reductions during the year	700.32	39.50
	(d) Closing balance	3,569.34	1,394.59
(iii)	Movement of Net NPAs		
	(a) Opening balance	1,093.42	594.06
	(b) Additions during the year	2,585.79	608.80
	(c) Reductions during the year	723.11	109.44
	(d) Closing balance	2,956.10	1,093.42
(iv)	Movement of provisions for NPAs (excluding provisions on standard assets)		
	(a) Opening balance	301.18	167.38
	(b) Provisions made during the year	383.37	134.32
	(c) Write –back of excess provisions	71.29	0.52
	(d) Closing Balance	613.24	301.18

Sector wise NPAs (Write Offs)

Sr. No.	Category	% of Write offs to Total Advances	
		2021–22	2020–21
1	Agriculture & Allied activities	0.02	0.33
2	MSME	0.24	0.55
3	Corporate Borrowers	0.27	0.46
4	Services	1.38	0.37
5	Unsecured Personal Loans	0.00	0.00
6	Auto Loans	0.00	0.00
7	Other Personal Loans (LAP)	0.32	0.11
	Total	2.23	1.83

Fully Convertible Warrants

In terms of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 and Special Resolution passed by the Shareholders of the Company at Extraordinary General Meeting held on March 8, 2021, on receipt of initial warrant subscription amount of INR 460.01 Million equivalent to 25% of the warrant issue price as prescribed by the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 for allotment of Fully Convertible Warrants ('Warrants'), on March 20, 2021 the Company considered and allotted 26,10,000 Warrants to Promoter Group entities, on preferential basis. As per the terms of the issue of Warrants, conversion option can be exercised by Warrant holders at any time during the period of 18 (Eighteen) months from the date of allotment of warrants, in one or more tranches.

During the year 16,20,000 warrants have been converted into equity and balance 9,90,000 warrants are available for conversion till September 19, 2022.

Share Capital

During the financial year ended March 31, 2022 Warrant Holders opted to exercise their right to convert the 16,20,000 warrants into equity shares and paid 75% of issue price to convert 26,10,000 warrants into equivalent number of equity shares. Accordingly, 8,10,000 equity shares of INR 10/- each at premium of INR 695/- each on March 14, 2022 and 8,10,000 equity shares of INR 10/- each at premium of INR 695/- each on March 25, 2022, allotted to the warrant holders on conversion of warrants.

After above allotment the Share Capital of the Company was stood as under as on March 31, 2022:

Authorized Share Capital	INR 1,250.00 Million (consisting of 12,00,00,000 Equity Shares of face value of INR 10/- each and 50,00,000 Preference Shares of face value of INR 10/- each)
Issued Share Capital	INR 439.25 Million (consisting of 4,39,24,699 Equity Shares of face value of INR 10/- each).
Subscribed Share Capital	INR 439.18 Million (consisting of 4,39,12,199 Equity Shares of face value of INR 10/- each and 12,500 forfeited equity shares of INR 10/- each face value-amount originally paid-up @ INR 5 each).
Paid-up Share Capital	INR 439.18 Million (fully paid-up) (consisting of 4,39,12,199 Equity Shares of INR 10/- each fully paid-up and INR 62,500 consisting of 12,500 forfeited equity shares of face value of INR 10/- each -amount originally paid-up @ INR 5 each).

Shareholders' Funds

As on March 31, 2022 Company has only one class of outstanding issued share capital i.e. Equity Shares of face value INR 10/- each and on March 31, 2022, total fully paid capital was stood at INR 439.12 Million. The Other Equity increased to INR 9,686.93 Million as on March 31, 2022 from INR 8,128.09 Million as on March 31, 2021.

The Book value of per equity share of the Company stood at INR 229.62/- as on March 31, 2022.

Credit Rating

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

Sr No.	Instrument/Facility	Amount (INR in Million)	Rating Assigned
1	Fund Based Facilities from Banks	11,600.00	IVR AA-/Stable Outlook (IVR Double A Minus with Stable Outlook)
2	Non-Convertible Debentures	1150.00	

Risk Management

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

Some of the major risk associates with the business of the Company and Company's strategy to mitigate such risk

Type of risk	Strategy to mitigate the risk
Credit Risk The risk of loss to the Company from the failure of customers or counterparties to fully honour their obligations to the Company, including the whole and timely payment of principal, interest, and other receivables.	A strong framework in place for identifying, assessing, measuring, monitoring, controlling and reporting credit risks in a timely and efficient manner. Fixing up the responsibility of business units for effective credit risk governance. Observe early warning signs of delinquency and ensuring proactive measures to maintain asset quality. Customize risk measurement approaches for various portfolio segments/sub-segments.
Liquidity Risk The risk that the Company is unable to meet its contractual or contingent obligations or that it does not have the appropriate amount, tenor and composition of funding and liquidity to support its assets	Constitution of ALCO for looking after the liquidity position of the Company against the Company's financial obligations. Holding optimum levels of liquidity to manage business requirements and maturing debt obligations. Projected cashflow planning in discussion with business to have adequate flow of funds. Obtain longer maturity debt to manage the asset-liability mismatch. Diversified and sustainable funding mix.

Technology Risk The risk that comes from lack of up-to-date systems, system failure and continuously changing cyber threat landscape	In-house dedicated team of experienced IT professionals responsible to robust the IT infrastructure of the Company. Constantly monitoring systems for uptime and health Continuously upgrading in technology and security system. Creation of disaster recovery system for seamless operations. Reviewing and monitoring data and systems for security. IT System Audit from independent IT Auditor to check the IT and Security system. Real Time back of data in back-up server(s) located at different place from main server. Effective monitoring & controls Tested disaster management system.
--	--

Internal Control Systems and Audit

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. Internal Control System of the Company 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 fixed the responsibility of various officials inside the organization to oversee implementation of fraud prevention measures. Frauds are investigated to identify the root cause and relevant corrective steps are taken to prevent recurrence. Periodic reports are submitted to the Board and senior management committees.

Human Resource Development

PAISALO believes that "happy employees are the key for Company's success". The 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, the 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, 2022, Company had 958 permanent employees.

Opportunities and Threats

In the pyramid of development, the bottom most layer needs to be strengthened through financial inclusion by serving the financing needs through employment and income generation loans to the economically weaker section.

Non-Banking Finance Companies (NBFCs) provides loans and other financial services to the public, forming an integral part of the Indian financial ecosystem. NBFCs are providing boost to the generation of employment and wealth through providing credit to millions of underbanked and unbanked individuals and businesses across the country, these companies provide them an opportunity to be a part of the financial mainstream and contribute towards development of Indian economy.

India is a land of opportunities, so this so right for the NBFCs, as there are opportunities for NBFCs to succeed in the country. What sets NBFCs apart from traditional banks is their ground-level understanding of their customers' profile and their credit needs. These insights add to their ability to innovate and customize products as per their clients' needs. This is why NBFCs are often able to carve their niche based on their customer profile.

There are some of the opportunities for the future of NBFCs in India which would help them to grow and emerge and contribute in the economy. One of the biggest opportunities for NBFCs is its new to credit investment customers. Rural sector has limited ground presence of banks and other institutional credit financial services and whatever banks are present in these sector as regulated by legislation, have rely on banking and credit history while assessing the loan and cannot provide loans or financial services to the people who do not qualify for the bank loan. Therefore, NBFCs are a boon for the rural sector. They have emerged as a lucrative segment as far as NBFCs concerned. To serve this segment, NBFCs have to build the entire machinery in a different way. They need to implement unique models to assess the creditworthiness of applicants and lend them with comparatively less paperwork.

Such credit people are the greatest opportunity for NBFC as there are no competitions due to probable risk and the new to credit segment provides a huge opportunity for NBFCs to expand their market base in villages and tier 2 & 3 towns across the country. Majority of population in India lives in areas where banks would not provide loans and financial services because of the absence of requisite paperwork. And such people look for financial help and are capable of returning the loan but face the problem due to paperwork and are denied loans.

The NBFCs, becomes a source of help to provide financial aid as it involves less paper work. Taking into consideration the rise in non-performing assets (NPA), banks are being cautious in relation to credit worthiness of the customers and deny loans for the same. Due to this, credit gap is made. However, in the case of NBFCs, they charge high rate of interest, within the guidelines of the government. The customers accept to pay additional interest rate for loan to the NBFCs in order to skip any complications of complying with the requisites of the banks that are put on them.

These people needs and wants are more than that which NBFCs are providing to these people and if these people are nurtured and educated accordingly, they can become long term business opportunity for the NBFCs.

Also, keeping in regard the financial needs of the people and the structure of the banks, for the interest of the people the government has exempted NBFC from some hard rules and regulations that are imposed on the other financial institutions, such as in the case of banks. The NBFCs enjoy the flexibility in rules relating to restrictions paper work, thereby making it suitable for the entrepreneurs to show their interest in NBFCs,

Further, NBFCs have played an important role in contributing towards India's GDP to the extent that the government is also coming forward now and will do so in future to protect the interests and help the NBFCs to grow and emerge as they have been providing financial help and services with easy procedure to the people of the country. The business of NBFCs are of profit and their contribution in the growth of the India's GDP shows that NBFCs are working for a better in these past years.

Market Expansion: New-to-credit segment presents a massive opportunity for NBFCs to expand their market base. This market is largely untapped or underpenetrated in villages and tier 2 & 3 towns across the country. The segment also sees comparatively less competition due to probable risk.

The Standing Committee on Finance (Chair: Mr Jayant Sinha) presented its report on 'Strengthening Credit Flows to the MSME Sector' on April 8, 2022. The Micro, Small and Medium Enterprises (MSME) sector contributes around 30% to India's GDP, 45% to its manufacturing output, and 48% to exports. It provides employment to around 11 crore people. The Committee noted that credit gap in the MSME sector is estimated to be around Rs 20-25 lakh crore. The Committee noted that less than 40% of MSMEs avail credit from formal financial systems and therefore depend on costly and unreliable credit. As a result, there's a big opportunity in the coming years for the NBFCs to capture this unserved sector 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.

This offers a good opportunity to NBFCs to diversify their assets by remotely offering products which otherwise required expensive physical distribution.

Co-Lending Partnerships with Banks: Co-lending partnerships are a "win-win" for banks and non-banking financial companies. While it enables NBFCs to compete on the pricing front, banks get the benefit of the last mile reach of NBFCs, access to new product lines typically financed by NBFCs, this also speed up the execution and strength of collections.

The unhindered reach to the smallest customer on the socioeconomic ladder and low cost of operations of NBFCs coupled with low cost of funds of Banks, can be blended and benefit be passed on to the bottom of pyramid customer via Co-Lending model. The size of the bottom rung is mind-boggling and can be estimated to be around 40 crores of Indians waiting to be touched by the banking system on the credit side.

Emerging Trends in Technology: 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.

Higher yield: Since these customers find it hard to attain a bank loan, they are ready to pay some additional amount of interest on their loan. Moreover, given the rise of non-performing assets (NPAs) in the banking industry, banks have become even more

cautious to evaluate the credit worthiness of their borrowers. The credit gap presents a significant opportunity for NBFCs.

Fund requirement: Availability of fund a major challenge that NBFCs face in its smooth functioning, Banks and Capital Market are the major source of fund for NBFCs. There are no other economically efficient options for NBFCs for its funding requirements.

Several Representative Bodies: In the current times, there are several representative bodies for NBFCs. This is quite a challenge for NBFCs as the NBFC sector is still in developing stage and presence of several representative bodies poses a challenge for NBFCs. There is a need to ensure that every segment of NBFCs are adequately represented in an apex body in wat that it promotes the balances growth of the NBFC sector

Lack of education among people: The most of population in India is uneducated and unaware with the norms and processing of NBFCs. This can be challenge to NBFC sector at various levels. People hesitate at first to take loan from NBFCs and even after taking loan from NBFCs people not familiar with the processing of NBFCs that may cause NBFCs to indulge extra manpower and fund to make people educate about the NBFCs.

Due Diligence: The due diligence is important to optimize the default risk. Since the customers who avail borrowings from NBFCs do not have any credit history, it becomes quite difficult to verify their financial credentials. Therefore, NBFCs have to deploy additional resources for on-ground visits, psychoanalytic tests, reference checks and so on. All this adds to the operational cost and makes it tough to service this segment. However, this due diligence is critical to optimize the default Risk.

Business risk management: NPAs have been a challenge not only for Indian banks but also for NBFCs. With new to credit customers, despite all the possible measures, the risk remains higher compared with those customers who have a strong credit history. Therefore, NBFCs have to continuously work on checks and balances to make sure that the EMIs are on time, customer records remain up to date, and any red alerts are notified immediately.

Outlook

India Ratings and Research (Ind-Ra) has maintained a neutral sector outlook and a Stable rating Outlook for Non-Banking Finance Companies (NBFCs) for FY23. With the positive approach, in absence of any negative event, Sector would see normalization of business activities, after facing challenges in the past few years following the default by Infrastructure Leasing & Financial Services Ltd ('IND ID') leading to liquidity challenges and then the COVID-19 pandemic. NBFCs would begin the year with sufficient capital buffers, stable margins and sizeable on-balance sheet provisioning, while adequate system liquidity would aid funding. Nevertheless, an expected increase in systemic interest rates and asset quality issues in some segments due to the lagged impact of pandemic would be a drag on the operating performance.

India Rating and Research its report expected that NBFCs to maintain loan growth of around 14% YoY in FY23, with FY22 growth closing at 7%-8%.

The sector has been facing increased regulatory oversight and push towards convergence with banks through various measures such as scale-based regulation, realignment in asset quality classification and Prompt Corrective Action norm. The incremental impact of the notification on NPA recognition however will be moderate as the maximum impact has already been seen in FY22 and NBFCs are holding adequate provisions.

Funding, one of the major challenges for NBFCs, but in near past funding condition is stable because banks are lending to NBFCs. Mutual funds, that had become very cautious to lend to NBFCs, have now also started lending. NBFCs are also diversifying their funding base by looking at retail borrowing.

RBI in its Report on Trend and Progress of Banking in India 2020-21, said "With increased pace of vaccinations and the broadening revival of the economy, the NBFC sector is expected to remain buoyant. The financial system is maturing from a bank dominated space to a hybrid system wherein nonbank intermediaries are gaining prominence. The developments in the sector in 2020-21 are harbinger of even brighter prospects in the years ahead.

We believe that as the sector revive and bounced back in the second quarter of 2021-22 in terms of disbursements and AUM (asset under management) growth, the years to come shall be very good for the sector and the Company with improvement and growth in Indian economy.

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, 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.

Board's Report

Board's Report

To

The Members of Paisalo Digital Limited

Your Board of Directors have pleasure in presenting the 30th Annual Report together with the Audited Standalone and Consolidated Financial Statements for the Financial Year ended March 31, 2022. This report read with Corporate Governance Report and Management Discussion & Analysis includes macro-economic scenario, governance philosophy, financial performance of the Company, business overview, opportunity and threats and various initiative taken by the Company.

Financial Highlights

The Standalone financial performance of the Company for the Financial Year 2021–22 is summarized below:

(INR in Million)

Particulars	FY 2021–22	FY 2020–21
Revenue from Operations	3,563.98	3,115.48
Less: Expenditure	2,500.06	2,349.43
Exceptional Item	0.02	(6.44)
Profit Before Tax (PBT)	1,063.91	772.49
Tax Expenses	276.76	196.11
Net Profit After Tax (PAT)	787.14	576.38
Total Comprehensive Income for the Period	787.14	576.38
Transfer to Statutory Reserves (RBI Reserve Fund)	157.43	121.84
Transfer to General Reserve	550.00	400.00
Provisions of Standard Assets	(18.49)	(8.20)
Earnings per Share (EPS) (INR)	18.59	13.63
Net Worth	10,240.91	8,618.83
Assets Under Management (AUM)	24,719.40	21,424.66

Results of Operations and State of Company's affairs

Revenue from operations for the year ended March 31, 2022 has increased by 14.40 % at INR 3,563.98 Million over the corresponding previous year. The Net Profit of your Company for the financial year ended March 31, 2022 stood at INR 787.14 Million as against the Net Profit of INR 576.38 Million for the financial year ended March 31, 2021. Accordingly, the Net Profit for the financial year ended March 31, 2022 reflects a growth of 36.57 % over the corresponding Profit for the financial year ended March 31, 2021.

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 157.43 Million (previous year INR 121.84 Million) to Statutory Reserve created and INR 550.00 Million has been transferred to General Reserve for financial year 2021–22.

Subsidiary Company

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, 2022, the net worth of the Company stood at INR 541.80 Million. During the reporting period the subsidiary reported income of INR 359.14 Million and Profit Before Tax (PBT) and Profit After Tax (PAT) at INR 3.71 Million and INR 5.36 Million respectively.

Consolidated Financial Statements

In compliance with the applicable provisions of Companies Act, 2013 including applicable Accounting Standard on Consolidated Financial Statements, this Annual Report also includes Consolidated Financial Statements for the Financial Year 2021–22.

Consolidated financial performance of the Company financial year ended March 31, 2022 is summarized below:

(INR in Million)

Particulars	FY 2021-22	FY 2020-21
Revenue from Operations	3,922.23	3,460.22
Less: Expenditure	2,850.69	2,686.78
Exceptional Item	0.33	(4.23)
Profit Before Tax (PBT)	1,071.22	777.68
Tax Expenses	278.71	197.87
Net Profit After Tax (PAT)	792.51	579.80
Total Comprehensive Income for the Period	792.51	579.80
Total Comprehensive income attributable to the Owner of the Company	792.51	579.80
Earnings per Share (EPS) (INR)	18.71	13.71

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 36.57 % increase in the Net Profit after tax from the finance business of the Company.

Key Ratio

The Key Ratio for Financial Year 2021-22:

Current Ratio	3.58
Debt- Equity Ratio	1.46
Debt Service Coverage Ratio	1.19
Return on Equity Ratio	7.78%
Inventory Turnover Ratio	0.76
Trade Receivable Turnover Ratio	0.02
Trade Payable Turnover Ratio	0.01
Net Capital Turnover Ratio	1.62
Net Profit Ratio	22.09 %
Return on Capital Employed	15.06 %
Return on Investments	0.56%

COVID-19

The financial year ended March 31, 2022 was the second year since the outbreak of COVID-19. Economic and Social disruptions continued with localized restrictions and lockdown as India witnessed a second wave of infections in April 21 and another wave from January to March 22.

Disbursements

During the Financial Year 2021-22, total disbursements reached to INR 16,343.40 Million.

Number of Customers

During the year under review the Customer outreach increased by 3.12 % and total Customers outreach stood at 12,41,816.

Fully Convertible Warrants

In terms of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 and Special Resolution passed by the Shareholders of the Company at Extraordinary General Meeting held on March 8, 2021, on receipt of initial warrant subscription amount of INR 460.01 Million equivalent to 25% of the warrant issue price as prescribed by the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 for allotment of Fully Convertible Warrants ('Warrants'), on March 20, 2021 the Company considered and allotted 26,10,000 Warrants to Promoter Group entities, on preferential basis. As per the terms of

the issue of Warrants, conversion option can be exercised by Warrant holders at any time during the period of 18 (Eighteen) months from the date of allotment of warrants, in one or more tranches.

During the year 16,20,000 warrants have been converted into equity and balance 9,90,000 warrants are available for conversion till September 19, 2022.

Share Capital

During the financial year ended March 31, 2022 Warrant Holders opted to exercise their right to convert the 16,20,000 warrants into equity shares and paid 75% of issue price to convert 26,10,000 warrants into equivalent number of equity shares. Accordingly, 8,10,000 equity shares of INR 10/- each at premium of INR 695/- each on March 14, 2022 and 8,10,000 equity shares of INR 10/- each at premium of INR 695/- each on March 25, 2022, allotted to the warrant holders on conversion of warrants.

The Authorized Share Capital of the Company stood at INR 1,25,00,00,000.00 and consequent to allotment of equity shares on conversion of warrants, the Issued Share Capital of the Company, as on March 31, 2022, was stood at INR 43,92,46,990.00 consisting of 4,39,24,699 Equity Shares of face value of INR 10/- each and the Subscribed Share Capital of the Company, as on March 31, 2022, was stood at INR 43,91,84,490.00 consisting of 4,39,12,199 Equity Shares of face value of INR 10/- each and 12,500 forfeited equity shares of face value of INR 10/- each (amount originally paid-up @ INR 5 each) and the Paid-up Share Capital of the Company, as on March 31, 2022, was stood at INR 43,91,21,990.00 consisting of 4,39,12,199 Equity Shares of face value of INR 10/- each fully paid-up and Rs.62,500 for 12,500 forfeited equity shares of face value of INR 10/- each (amount originally paid-up @ INR 5 each).

Dematerialization of Equity Shares

Equity Shares of the Company are compulsorily tradable in demat form. As on March 31, 2022, 99.99% of the Equity Shares are held in demat form and only 4,006 Equity Shares out of total Equity Shares were held in physical form.

Net Worth and Capital to Risk Adjusted Ratio (CRAR)

The Net Worth of the Company (Standalone) increased to INR 10240.91 Million as on March 31, 2022 from INR 8,618.83 Million as on March 31, 2021. The Capital to Risk Adjusted Ratio (CRAR) stood at 42.92 % as on March 31, 2022 as against 44.47 % as on March 31, 2021, which is much above the requirement as stipulated by Reserve Bank of India.

Disclosure of Utilization of Funds pursuant to Regulation 32(7A) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

During the year under review, the fund raised (75% of issue price) through allotment of equity shares on conversion of warrants had been utilized for general working capital, repay of borrowings and other corporate purpose as mentioned in the explanatory statement annexed to the Notice of Extra-Ordinary General Meeting, held on March 8, 2021 in which Special Resolution was passed by the Shareholders for preferential issue of Fully Convertible Warrants.

Dividend

Your Board is pleased to recommend a final dividend of 10% on each fully paid equity share for Financial Year 2021-22. The dividend, if declared, by the Members at the forthcoming Annual General Meeting (AGM) shall be paid to the eligible Members of the Company. Final dividend is subject to deduction of income tax at source.

The dividend recommended is in accordance with the Company's Dividend Distribution Policy

Dividend Distribution Policy

In terms of Regulation 43A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors of the Company at their meeting held on June 4 2021 has approved and adopted Dividend Distribution Policy of the Company. The policy is available on the website of the Company at <https://paisalo.in/corporategovernance.php>

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 1,53,696.00 as on the date of financial year ended on March 31, 2021. During the year under review, there was an amount of INR 40,522.00 of unpaid and unclaimed dividend for a period of 7 years from the date it was lying in the unpaid dividend, accordingly, pursuant to provisions of Section 124(5) of the Companies Act, 2013,

INR 40,522.00 have been transferred in the Investor Education and Protection Fund (IEPF) of the Central Government in November 2021.

As on March 31, 2022 following amount was lying in the unclaimed dividend account:

Financial Year	Type of Dividend	%	Dividend per share (INR)	Dividend Declared in	Date of Dividend Declaration	Unclaimed divided amount
2014-15	Final	10	1	23rd AGM	30-09-2015	26860
2015-16	Final	10	1	24th AGM	30-09-2016	20451
2016-17	Final	10	1	25th AGM	26-09-2017	17859
2017-18	Final	10	1	26th AGM	29-09-2018	12633
2018-19	Final	10	1	27th AGM	10-08-2019	13815
2019-20	Final	10	1	28th AGM	08-09-2020	21556
2020-21	Final	10	1	29th AGM	25-09-2021	35707

For details please refer the list available on Company's website www.paisalo.in

Deposit

During the year and review, the Company has not accepted any public deposits and as such, no amount on account of principal or interest on deposits from public, in terms of Section 73 of the Companies Act, 2013 was outstanding as on the date of the 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, 2022 was INR 10,261.10 Million as against INR 7,286.72 Million on March 31, 2021.

During the year under review, your Company maintained banking relationships with 14 Banks.

Fund Raising Through Issue of Debentures

During the year under review, Company has raised INR 1,610.00 Million by issuing Unlisted Unsecured Unrated Non-Convertible Debentures of INR 10.00 Million each on private placement basis. The fund raised from such issue were utilized for the same purpose for which it were raised.

Timely Repayment of Debt Liabilities

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

During the year the Company has also make payment of interest and principal amount on Non-Convertible Debentures as per the terms of issue.

Credit Rating

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

Sr No.	Instrument/Facility	Amount (INR in Million)	Rating Assigned
1	Fund Based Facilities from Banks	11,600.00	IVR AA-/Stable Outlook (IVR Double A Minus with Stable Outlook)
2	Non Convertible Debentures	1150.00	

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, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, RBI's Corporate Governance provisions as applicable on the Company 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 29th Annual General Meeting, was re-appointed as an Executive Director of the Company.

W.e.f. November 10, 2021, Mr. Atul Agrawal ceased to be Chief Financial Officer of the Company and Mr. Harish Singh, Executive Director has also been appointed as Chief Financial Officer.

During the year under review, Mr. Sunil Srivastav (DIN: 00237561) resigned from the Board as Independent Director w.e.f. July 29, 2021 due to potential conflict of interest, Mr. Srivastav has also clarified in his resignation letter there was no other reason for his resignation from the Board of the Company. The Board places on record its deep sense of appreciation for the guidance and support provided by Mr. Sunil Srivastav during his tenure as Independent Director of the Company.

Board of Directors of the Company appointed Mr. Vijay Ronjan (DIN:09345384) as an Additional Independent Director on the Board of the Company w.e.f. October 8, 2021.

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, Executive Director (DIN 00039501), is liable to retire by rotation at the forthcoming Annual General Meeting and being eligible for re-appointment, offers himself for re-appointment as Director.

The Board of the Company recommends re-appointment of Mr. Harish Singh as a Director of the Company, liable to retire by rotation. Brief particulars of Mr. Harish Singh as required under the Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India and Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements Regulations, 2015 is provided in the Notice convening the 30th Annual General Meeting of the Company.

Since the date of 29th Annual General Meeting of the Company, on the recommendation of Nomination and Remuneration Committee, the Board of Directors has appointed Mr. Vijay Ronjan (DIN:09345384) on October 8, 2021 as Additional Independent Director 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 Additional Director 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. Vijay Ronjan as Non-Executive Independent Director.

On May 6, 2022 Board of Directors inducted Mr. Santanu Agarwal (DIN: 07069797) on the Board of the Company as Deputy Managing Director and also recommended to the Shareholders for his appointment as Director and to fix his terms and remuneration as Deputy Managing Director.

Declaration of Independence by Independent Directors:

All 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; Regulation 16(1) (b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and RBI Corporate Governance Norms as applicable on the Company. 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.

Evaluation of Board of Directors:

The Board has carried out an annual evaluation of its own performance, the Board committees and individual Directors pursuant to the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Through a structured questionnaire, feedback from Directors was obtained as a part of performance evaluation. This questionnaire and criteria of performance was broadly based on the guidance note on the Board evaluation issued by SEBI on January 5, 2017.

Basis on the feedback received from the directors, the Board and the Nomination and Remuneration Committee reviewed the performance of the individual directors, the Managing Director including various committees established by the Board at their respective meetings.

The performance evaluation of the individual Directors including the Managing Director, inter alia, was done based on the criteria such as professional conduct, roles and functions, discharge of duties, their contribution to Board/Committees/senior management, preparedness on the issues to be discussed, contribution to the decision making, etc. The performance evaluation of the Board as a whole and its committees was made after seeking inputs from the Directors/committee members on various criteria such as structure and composition, effectiveness of the Board process, information, roles and responsibilities, professional development, functioning of the Board and its committees, establishment and determination of responsibilities of committees, and the quality of relationship between the Board and the management.

The performance evaluation of the Non-Independent Directors viz., Managing Director and Executive Directors and the Board as a whole was also carried out by the Independent Directors at their separate meeting held on February 7, 2022, considering the views of the Executive and the Non-Executive Directors.

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 has 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.

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.

Board & Committees of the Company

Board of Directors

As on March 31, 2022, there are nine members on the Board of the Company, out of nine members six are Non-Executive Independent Directors. Board members of the Company having vast experience in the field of finance, banking, taxation, legal and compliance.

Meetings of Board

During the year under review, a total of Six Meetings of the Board of Directors of the Company were held, i.e., on June 4, 2021; August 14, 2021; November 10, 2021; February 7, 2022; March 14, 2022 and March 25, 2022. Details of Board composition and Board Meetings held during the financial year 2021-22 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. Raman Aggarwal 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 ('NRC') recommends to the Board the suitability of candidates for appointment as Director/Managing Director, Key Managerial Personnel and 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. The Nomination & Remuneration Committee of the Company leads the process for Board appointments in accordance with the requirements of Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 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 reappointment, 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, values; prominence in business, institutions or professions; professional skill, knowledge and expertise; financial literacy and such other 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, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, 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, time to time, the policy represents the overarching approach of the Company for the remuneration of Director, KMPs and other employees.

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:

- a) in the preparation of the annual accounts, the applicable accounting standards have been followed and that no material departure has been made in following the same;
- b) appropriate accounting policies have been selected and applied consistently and judgements and estimates made 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 of the Company for that period;
- c) proper and sufficient care for maintenance of adequate accounting records in accordance with the provisions of Companies Act, 2013 have been taken for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities;
- d) the annual accounts have been prepared on a going concern basis;
- e) internal financial controls to be followed by the Company had been laid down and such internal financial controls are adequate and operating effectively; and
- f) proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

Auditors & Audit Reports

Statutory Auditor and Statutory Audit Report:

In terms of Guidelines for Appointment of Statutory Central Auditors (SCAs)/Statutory Auditors (SAs) of Commercial Banks (excluding RRBs), UCBs and NBFCs (including HFCs) issued by Reserve Bank of India vide its notification RBI/2021-22/25 Ref. No. DoS. CO. ARG/SEC.01/08.91.001/2021-22 dated April 27, 2021, during the financial year 2021-22, the Company had appointed M/s Manish Goyal & Co. Chartered Accountants, having Firm Registration no. 006066C, as the Statutory Auditors of the Company in place of M/s. D. Tayal & Jain, Chartered Accountants, having Firm Registration No. 011181C, to fill in the casual vacancy caused due to the resignation of D. Tayal & Jain, Chartered Accountants who was not falling in the category of eligible Statutory Auditor(s) as prescribed in the aforesaid guidelines. M/s Manish Goyal & Co., Chartered Accountants, holds the office as Statutory Auditors till the conclusion of the 30th Annual General Meeting of the Company.

As the term of the office of M/s Manish Goyal & Co., Chartered Accountants, will complete post conclusion of the 30th Annual General Meeting of the Company. Accordingly, in terms of aforesaid guidelines and Company's policy for Appointment of Statutory Auditors, which provides that subject to satisfying the eligibility norms each year, an Auditor can be appointed as Statutory Auditor of the Company for 3 continuous years, The Board of Directors of the Company on the recommendation of the Audit Committee, has recommended the re-appointment of M/s Manish Goyal & Co., Chartered Accountants, who is fulfilling the eligibility norms as per RBI Guidelines, as Statutory Auditors of the Company

for remaining period of two years commencing from the conclusion of 30th Annual General Meeting till the 32nd Annual General Meeting of the Company.

The Report given by the Statutory Auditor M/s Manish Goyal & Co., Chartered Accountants, on the financial statement of the Company for the financial year 2021-22 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 7, 2022 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, 2022 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/CMDI/27/2019 dated February 8, 2019, issued by the Securities and Exchanges Board of India and Regulation 24A(2) of SEBI (LODR) Regulations, 2015, the Company has obtained Secretarial Compliance Report for financial year ended March 31, 2022, from Practicing Company Secretary on compliance of all applicable SEBI Regulations and circular/ guidelines issued thereunder and the copy of same has been submitted with the Stock Exchanges within the prescribed due date.

There are no qualifications, reservations, adverse remarks or disclaimer in the above Secretarial Audit Report.

Secretarial audit of material unlisted Indian subsidiary

Nupur Finvest Private Limited, the material unlisted subsidiary of the Company, has got the secretarial audit conducted for financial year 2021-22 pursuant to Section 204 of the Act, a copy of the report of which is appended to this Report as **Annexure A1**.

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.

Maintenance of cost records

The cost records as specified by the Central Government under Section 148(1) of the Act are not required to be maintained by the Company.

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

Pursuant to 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 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 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 no. 6 of the Standalone Financial Statement for the year ended March 31, 2022. 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, 2022, transactions with the Related Parties as defined under the Companies Act, 2013 read with Rules framed thereunder and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 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 the Board of Directors, as required under Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Subsequently, the Audit Committee and the Board have 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, therefore 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. 38 of the Notes to the Financial Statements for the year ended March 31, 2022 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 financial year 2021-22, 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

As the Company is engaged in the financial services activities, its operations are not energy intensive nor does it require adoption of specific technology and hence information in terms of Section 134(3)(m) of the Act read with the Companies (Accounts) Rules, 2014, to the extent applicable, are as follows:

- being a Non-banking Finance Company, the particulars regarding 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 2,13,680/-

Corporate Social Responsibility

In accordance with the provisions of Section 135 of the Companies Act, 2013 read with rules made thereunder, Company has constituted a Corporate Social Responsibility Committee, which framed a CSR Policy for the Company and 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 is reviewed, time to time,

For the financial year 2021-22 the Board of Directors of the Company in their meeting held on June 4, 2021 approved INR 15.91 Million as the budget for CSR activities. During the year Company has spent CSR budget in various activities which are disclosed in the Annual Report on CSR activities for financial year ended March 31, 2022 annexed with this report as **Annexure B**.

Composition of CSR Committee is disclosed in Corporate Governance Section of this Annual Report as part of Board's Report.

Business Responsibility Report

Pursuant to Regulation 34(2)(f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with SEBI Circular No. CIR/CFD/CMD/10/2015 dated November 4, 2015, the Business Responsibility Report describing the initiatives taken by the Company from an environmental, social and governance perspective forms part of this Report as **Annexure C**.

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 ensure 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. Competent professionals have 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 are tested periodically by Internal Auditors and Internal Control over financial reporting is tested and certified by Statutory Auditors.

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.

During the year, no material or serious observations have been highlighted for inefficiency or inadequacy of such controls.

Risk Management

Risk management forms an integral part of the Company's business operations and monitoring activities. The Company and its subsidiaries are exposed to a variety of risks, including liquidity risk, interest rate risk, market risk, credit risk, technology risk, operational risk, regulatory and compliance risk, reputational risk, business continuity risk, legal risk, competition risk, risks pertaining to Covid-19 pandemic, among others.

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 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. Further, Risk Management Committee of the Company is also performed the function as prescribed under Regulation 21 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. 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 D** 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 at cs@paisalo.in in this regard and same will be furnished on such request.

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. The Company has a detailed policy in place in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention,

Prohibition and Redressal) Act, 2013 (the “POSH”), Internal Complaints Committees (the “ICC”) has been set up to redress complaints, if any, received regarding sexual harassment and the Company has complied with provisions relating to the constitution of ICC under the POSH. During the financial year 2021–22, no complaints was received from any of the employees.

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 2021–22.

Annual Return

In accordance with the provisions of Section 92(3) read with Section 134(3) (a) of the Act and the applicable rules, Annual Return of the Company as on March 31, 2022 is hosted on website of the Company at https://www.paisalo.in/pdf/MGT-7_PAISALO_2021-22.PDF

Management Discussion and Analysis

The Management Discussion and Analysis report for the year under review as required under Regulation 34(2)(e) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is provided as a separate section forming part of the Annual Report.

Vigil Mechanism/Whistle Blower Policy

The vigil mechanism as envisaged in the Companies Act, 2013, the rules prescribed thereunder and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is implemented through the Company’s Whistle Blower Policy to enable the Directors and Employees of the Company to report genuine concerns, to provide for adequate safeguards against victimisation and make provision for direct access to the Chairman of the Audit Committee. Details of vigil mechanism/whistle blower are included in the Corporate Governance Report, forming part of this Report.

During the financial year 2021–22, no cases under this mechanism have been reported.

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 give 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 (Listing Obligations and Disclosure Requirements) 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. 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.

Certificate from the Managing Directors and Chief Financial Officer

The certificate received from Mr. Sunil Agarwal, Managing Director and Mr. Harish Singh, Executive Director and Chief Financial Officer with respect to the financial statements and other matters as required under Part B of Schedule II to the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 forms part of this Report.

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 and your Board is also looking forward to continued support and co-operation in future.

The Board regrets the loss of life due to Covid-19 pandemic. The Board of Directors are deeply grateful and have immense respect for medical fraternity, other professional and front-line workers who have worked throughout to save the lives.

Place : New Delhi
Date : May 6, 2022

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 A:

Secretarial Audit Reports for the Financial Year Ended March 31, 2022

To,
 The Members,
 M/s Paisalo Digital Limited
 (CIN:L65921DL1992PLC120483)
 CSC, Pocket 52, CR Park, Near Police Station,
 New Delhi-110019

Our Secretarial Audit Report of even date is to be read along with 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 nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Place : Agra
 Date : 28/04/ 2022

For Satish Jadon & Associates
 Company Secretaries
 Sd/-
 Satish Kumar Jadon
 Membership No. F9512
 CoP No.9810
 P.R. No. 1028/2020
 UDIN : F009512D000232121

Form No. MR-3

Secretarial Audit Report for the Financial Year Ended March 31, 2022

[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
(CIN:L65921DL1992PLC120483)
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 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, 2022 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, 2022 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 (Buyback of Securities) Regulations, 2018;
 - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008/ the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;
 - f) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
 - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021;
 - h) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2021
 - i) 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
 - j) The Securities and Exchange Board of India (Share based Employee Benefits) Regulations, 2014;
- 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 as applicable.

We further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive 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 major decision, in pursuance to above referred laws, rules, regulations, guidelines, standards:

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

a. During under review Company has issues and allotted following Debentures:

S. No	Debentures	Date of Allotment	Tenure Months	No. of Debentures	Face Value (Rs. in Lakh)	Listed/ Unlisted
1.	Unsecured Non-Convertible Debentures	30-07-2021	60	25	100.00	Unlisted
2.	Unsecured Non-Convertible Debentures	17-09-2021	60	94	100.00	Unlisted
3.	Unsecured Non-Convertible Debentures	27-09-2021	60	15	100.00	Unlisted
4.	Unsecured Non-Convertible Debentures	05-02-2022	84	27	100.00	Unlisted

b. In terms of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 and Special Resolution passed by the Shareholders of the Company at Extraordinary General Meeting held on March 8, 2021, on receipt of balance 75% amount of issues price, during the year, Company has allotted 16,20,000 equity shares as under on conversion of Fully Convertible Warrants (Warrants), out of 26,10,000 Warrants which were allotted on March 20, 2021, on preferential basis and can be convertible within 18 months from the date of allotment, in one or more tranches.

S. No	Shares	Date of Allotment	Number of shares	Face Value (in Rs.)	Premium (in Rs.)	On Conversion of Warrants	Balance number of warrants
1.	Equity Shares	14-03-2022	8,10,000	10.00	695.00	8,10,000	18,00,000
2.	Equity Shares	25-03-2022	8,10,000	10.00	695.00	8,10,000	9,90,000

2. The consent of the Shareholders has been obtained, at the Twenty Ninth Annual General Meeting of the Company held on September 25, 2021 for the following the Special Business:

- To fix the borrowing power of the Board of Directors u/s 180(1) (c) of the Act not exceeding to Rs. 3600 Crores.
- To authorize Board of Directors u/s 180(1) (a) of the Act to create charge on the assets of the Company.
- 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.
- To alter Object clause of Memorandum of Association of the Company.

Place : Agra

Date : 28/04/ 2022

For Satish Jadon & Associates
Company Secretaries
Sd/-
Satish Kumar Jadon
Membership No. F9512
CoP No.9810
P.R. No. 1028/2020
UDIN : F009512D000232121

Annexure A1:
SECRETARIAL AUDIT REPORTS OF MATERIAL SUBSIDIARY
FOR THE FINANCIAL YEAR ENDED MARCH 31, 2022

To,
The Members,
M/s Nupur Finvest Private Limited
(CIN: U67120DL1995PTC231086)
101, CSC, Pocket 52, CR Park,
Near Police Station, New Delhi-110019;

Our 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.

Place : Agra
Date : 28/04/2022

For Satish Jadon & Associates
Company Secretaries
Sd/-
Satish Kumar Jadon
Membership No. F9512
CoP No.9810
P.R. No. 1028/2020
UDIN : F009512D000231888

FORM NO. MR-3

Secretarial Audit Report of Nupur Finvest Private Limited for the Financial Year Ended March 31, 2022

[Pursuant to Regulation 24A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To,
The Members,
M/s Nupur Finvest Private Limited
(CIN: U67120DL1995PTC231086)
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, 2022 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, 2022 according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iii. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- iv. 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.

We have relied on the representation made by the Company and its officers for the systems and mechanisms formed by the Company for compliances under applicable Act, Rules, Laws and Regulations to the Company. 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 taken following major decision, pursuant to above referred laws, rules, regulations, guidelines, standards.

The consent of the Shareholders has been obtained, at the Twenty Sixth Annual General Meeting of the Company held on

September 15, 2021 for the following the Special Business:

- i. To fix the borrowing power of the Board of Directors u/s 180(1) (c) of the Act not exceeding to Rs. 500 Crores.
- ii. To authorize Board of Directors u/s 180(1) (a) of the Act to create charge on the assets of the Company.

Place : Agra

Date : 28/04/2022

For Satish Jadon & Associates

Company Secretaries

Sd/-

Satish Kumar Jadon

Membership No. F9512

CoP No.9810

P.R. No. 1028/2020

UDIN : F009512D000231888

Annexure B:**Annual Report on CSR Activities for Financial Year Ended March 31, 2022**

1.	A Brief outline of the Company's CSR Policy		:	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 2021-22 the Board of Directors allocated budget of INR 15.90 Million (more than 2% of Company's Average net profit of last three years) for CSR activities.																																			
2.	The Composition of the CSR Committee		:	Mr. Harish Singh (Chairman) Mr. Sunil Agarwal (Member) Mr. Pradeep Agarwal (Member)																																			
3.	Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company		:	https://paisalo.in/corporate-governance.php																																			
4.	Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report)		:	N.A.																																			
5.	Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any		:	Sl. No.	Financial Year	Amount available for set-off from preceding financial years (INR in Million)			Amount required to be setoff for the financial year, if any (INR in Million)																														
				N.A.																																			
6.	Average net profit of the company as per section 135(5)		:	INR 795.03 Million																																			
7.	(a)	Two percent of average net profit of the company as per section 135(5)	:	INR 15.90 Million																																			
	(b)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years	:	Nil																																			
	(c)	Amount required to be set off for the financial year if any	:	Nil																																			
	(d)	Total CSR obligation for the financial year (7a+7b- 7c)	:	INR 15.90 Million																																			
8.	(a)	CSR amount spent or unspent for the financial year: <table><tr><td rowspan="3">Total Amount Spent for the Financial Year (INR in Million)</td><td colspan="6">Amount Unspent (INR in Million)</td></tr><tr><td colspan="3">Total Amount transferred to Unspent CSR Account as per Section 135(6)</td><td colspan="3">Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5)</td></tr><tr><td>Amount</td><td colspan="2">Date of transfer</td><td>Name of the Fund</td><td>Amount</td><td>Date of transfer</td></tr><tr><td>15.96</td><td>---</td><td colspan="2">---</td><td>---</td><td>---</td><td>---</td></tr></table>												Total Amount Spent for the Financial Year (INR in Million)	Amount Unspent (INR in Million)						Total Amount transferred to Unspent CSR Account as per Section 135(6)			Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5)			Amount	Date of transfer		Name of the Fund	Amount	Date of transfer	15.96	---	---		---	---	---
Total Amount Spent for the Financial Year (INR in Million)	Amount Unspent (INR in Million)																																						
	Total Amount transferred to Unspent CSR Account as per Section 135(6)			Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5)																																			
	Amount	Date of transfer		Name of the Fund	Amount	Date of transfer																																	
15.96	---	---		---	---	---																																	
	(b)	Details of CSR amount spent against ongoing projects for the financial year:																																					
		(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)																										
		Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No)	Location of the Project		Project Duration	Amount allocated for the project (INR in Million)	Amount spent in the current financial Year (INR in Million)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (INR in Million)	Mode of Implementation – Direct (Yes/No)	Mode of Implementation Through Implementing Agency																										
						State	District						Name	CSR Registration number																									
		1.	Construction of School Building at Agra	Promoting education	Yes	Uttar Pradesh	Agra	3 years	39.57	12.67	---	Yes	N.A.	N.A.																									

	(c)	Details of CSR amount spent against other than ongoing projects for the financial year:									
		(1)	(2)	(3)	(4)	(5)		(6)	(7)	(11)	
		Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/ No)	Location of the Project		Amount allocated for the project (INR in Million)	Mode of Implemen- tation – Direct (Yes/No)	Mode of Implementation Through Implementing Agency	
						State	District			CSR Registration number	
		1.	Aid to organize Health Camp for those suffering from low- vision and give Medicines for Basic Illness	Promoting health care including preventive health care	No	Uttar Pradesh	Ghaziabad	0.138	No	Anugraha Drishtidaan	CSR00005982
		2.	Health Check- up Medicine/ Spectacles Distribution	Promoting health care including preventive health care	Yes	Delhi	New Delhi	0.051	No	Netram Eye Foundation	CSR00000560
		3.	To build small community centers for tribal people	Measures for reducing inequalities faced by socially and economically backward groups	No	Gujarat	Dang	1.10	No	Jan Swabhiman Welfare Society	CSR00017155
		4.	To Cow welfare and other animals and to arrange scholarship for students	Promoting education and Animal welfare	Yes	Uttar Pradesh	Kasganj, Agra	2.02	No	Swadeshi Gau Seva Sansthan	CSR00021189
		Uttarakhand	Haridwar								
Total							3.29				
	(d)	Amount spent in Administrative Overheads				:	–				
	(e)	Amount spent on Impact Assessment, if applicable				:	N.A				
	(f)	Total amount spent for the Financial Year (8b+8c+8d+8e)				:	INR 15.96 Million				
	(g)	Excess amount for set off, if any				:	–				
		Sl. No.	Particular					Amount (INR in Millions))			
		(i)	Two percent of average net profit of the company as per Section 135(5)					INR 15.90 Million			
		(ii)	Total amount spent for the Financial Year					INR 15.96 Million			
		(iii)	Excess amount spent for the financial year [(ii)–(i)]					Nil			
		(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any					Nil			
		(v)	Amount available for set off in succeeding financial years [(iii)–(iv)]					Nil			
9.	(a)	Details of Unspent CSR amount for the preceding three financial years:									

	Sl. No.	Preceding Financial Year.	Amount transferred to Unspent CSR Account under section 135 (6) (INR in Millions)	Amount spent in the reporting Financial Year (INR in Millions)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years. (INR in Millions)	
					Name of the Fund	Amount (INR in Millions)	Date of transfer.		
									Not Applicable
	(b)	Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):							
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
	Sl. No.	Project ID	Name of the Project	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project (INR in Millions)	Amount spent on the project in the reporting Financial Year (INR in Millions)	Cumulative amount spent at the end of reporting Financial Year (INR in Millions)	Status of the project – Completed /Ongoing
	1	FY31.03.2021_1	Construction of School Building at Agra	2020–21	3 Years	39.57	12.67	39.57	Ongoing
10.	In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details)								
	(a)	Date of creation or acquisition of the capital asset(s)			:	–			
	(b)	Amount of CSR spent for creation or acquisition of capital asset			:	–			
	(c)	Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.			:	–			
	(d)	Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset)			:	–			
11.	Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5)				:	N.A.			

Date : May 6, 2022

Place : New Delhi

For Paisalo Digital Ltd.

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

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

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), an Investment and Credit-Systemically Important Non-Deposit Taking Non-Banking Financial Company (NBFCs-ND-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 135 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 1.6 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.

About this report

The Securities and Exchange Board of India (SEBI) by Regulation 34(2)(f) of the SEBI (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2021 effective from May 5, 2021 has mandated the inclusion of a "Business Responsibility Report" (BRR) as part of Company's Annual Report for top 1000 listed entities based on market capitalization at the BSE Ltd. (BSE) /the National Stock Exchange of India Ltd. (NSE).

This BRR for the financial year 2021-22 is prepared in accordance with the National Voluntary Guidelines (the "NVG") on social, environmental and economic responsibilities of business released by the Ministry of Corporate Affairs. This report covers the Company's response to the questions on the practices and performance undertaken by it towards sustainability as a business imperative.

In this regard following is the Business Responsibility Report of our Company for FY 2021-22 based on the format suggested by SEBI.

SECTION A: GENERAL DISCLOSURES

I	DETAILS OF THE LISTED ENTITY			
1	Corporate Identity Number (CIN) of the Company		L65921DL1992PLC120483	
2	Name of the Company		Paisalo Digital Limited	
3	Year of incorporation		1992	
4	Registered Office address		CSC POCKET-52, CR Park Near Police Station New Delhi, Delhi-110019	
5	Head office Address		Block-54, First Floor, Sanjay Place, Agra-282002	
6	Website		www.paisalo.in	
7	E-mail id		cs@paisalo.in	
8	Telephone		+91 11 43518888	
9	Financial year for which reporting is being done		April 1, 2021-March 31, 2022	
10	Sector(s) that the Company is engaged in (industrial activity code-wise)		<u>As per India's National Industrial Classification 2008 (NIC-2008):</u> <u>Section K-Financial and Insurance Activities</u> <u>Division 64-Financial service activities, except insurance and pension funding</u>	
11	Name of the Stock Exchange(s) where shares are listed		National Stock Exchange of India Ltd. (NSE) BSE Limited (BSE)	
II	PRODUCT/SERVICE			
12	Details of business activities (accounting for 90% of the turnover):			
	S. No	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
	1	Financial Service	Financial Activities	100
13	Products/Services sold by the entity (accounting for 90% of the entity's Turnover):			

	<table><tr><th>S. No</th><th>Product/Service</th><th>NIC Code</th><th>% of total Turnover contributed</th></tr><tr><td>1</td><td>Non-Banking Finance Company engaged in lending and allied activities (Small Loans, Corporate Loans)</td><td>As per India's National Industrial Classification 2008 (NIC-2008): <u>Section K-Financial and Insurance Activities</u> <u>Division 64-Financial service activities, except insurance and pension funding</u></td><td>100</td></tr></table>	S. No	Product/Service	NIC Code	% of total Turnover contributed	1	Non-Banking Finance Company engaged in lending and allied activities (Small Loans, Corporate Loans)	As per India's National Industrial Classification 2008 (NIC-2008): <u>Section K-Financial and Insurance Activities</u> <u>Division 64-Financial service activities, except insurance and pension funding</u>	100						
S. No	Product/Service	NIC Code	% of total Turnover contributed												
1	Non-Banking Finance Company engaged in lending and allied activities (Small Loans, Corporate Loans)	As per India's National Industrial Classification 2008 (NIC-2008): <u>Section K-Financial and Insurance Activities</u> <u>Division 64-Financial service activities, except insurance and pension funding</u>	100												
III	OPERATIONS														
14	Number of locations where plants and/or operations/offices of the entity are situated:														
	<table><tr><th>Location</th><th>Number of plants</th><th>Number of offices</th><th>Total</th></tr><tr><td>National</td><td>N.A.*</td><td>133#</td><td>133#</td></tr><tr><td>International</td><td>N.A.*</td><td>Nil</td><td>Nil</td></tr></table> <p>*Paisalo Digital Limited and its Subsidiary provides financial services and does not undertake any manufacturing activity. # Includes all the branches, registered office and head office as at 31 March 2022.</p>			Location	Number of plants	Number of offices	Total	National	N.A.*	133#	133#	International	N.A.*	Nil	Nil
Location	Number of plants	Number of offices	Total												
National	N.A.*	133#	133#												
International	N.A.*	Nil	Nil												
15	Markets served by the entity:														
A	Number of locations														
	<table><tr><th>Locations</th><th>Number</th></tr><tr><td>National (No. of States)</td><td>10 (States and Union Territory)</td></tr><tr><td>International (No. of Countries)</td><td>Nil</td></tr></table>			Locations	Number	National (No. of States)	10 (States and Union Territory)	International (No. of Countries)	Nil						
Locations	Number														
National (No. of States)	10 (States and Union Territory)														
International (No. of Countries)	Nil														
B	What is the contribution of exports as a percentage of the total turnover of the entity?														
	Nil														

SECTION B: Financial Details of the Company

Sr. No.	Particular	Standalone (INR in Million)	Consolidated (INR in Million)
1	Fully Paid up Capital	439.12	439.12
2	Total Turnover	3,563.98	3922.23
3	Total profit after taxes	787.14	792.51
4	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	The Company's total CSR spending is INR 15.96 Million for FY 2021-22, which is more than 2% of the average net profit of the Company for the last three financial years.	
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, As on March 31, 2022, has 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 Operations of the subsidiary company were not at a scale that can support CSR activities.
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 No other entity that the Company does business with, participate in the BR initiatives of the Company

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	00006991

	ii	Name	Mr. Sunil Agarwal
	iii	Designation	Managing Director & CEO
	b)	Details of the BR head	
	i	DIN Number	00006991
	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:

Principle 1 Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.	Principle 2 Businesses should provide goods and services in a manner that is sustainable and safe.	Principle 3 Businesses should respect and promote the well-being of all employees, including those in their value chains.
Principle 4 Businesses should respect the interests of and be responsive to all its stakeholders.	Principle 5 Businesses should respect and promote human rights	Principle 6 Businesses should respect and make efforts to protect and restore the environment
Principle 7 Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent.	Principle 8 Businesses should promote inclusive growth and equitable development.	Principle 9 Businesses should engage with and provide value to their 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 Read with note i	Y	Y	Y	Y Read with note ii	Y Read with note iii	Y	Y
2	Has the policy been formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	–	Y	Y
3	Does the policy conform to any national / international standards? If yes, specify?	Y	Y	Y	Y	–	–	–	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	Y	Y	–	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	–	Y	–	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	Y	Y	–	Y	Y
8	Does the company have an in-house structure to implement the policy?	Y	Y	Y	Y	–	–	–	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	–	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	Y	–	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)	–	–	–	–	–	–	–	–	–	–

*All policies have been formulated in accordance with the applicable laws and regulations and after considering the best practices as prevailing in the industry.

Some policies of the Company are internal documents and are not accessible to the public. These policies have been formally communicated to the concerned employees of the Company.

Notes:

- The core business area is to provide financial services and hence this principle has limited applicability. We, however, strive to comply with all the applicable regulations in respect of our operations.
- Considering that we operate in financial services sector, Principle-6 is not applicable to us. We however comply with applicable environmental regulations in respect of our office premises. We along with our employees take initiative to reduce consumption of energy and also make continuous efforts to ensure that there is an optimum utilisation of the available resources with minimum or no wastage at all.
- The Company and/or its subsidiary entities are the members of various industry associations, through which they provide various suggestions with respect to healthy development of the financial market.
- Policies and processes are subject to internal audit and internal reviews from time to time.

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 BR 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. The employees of the Company are encouraged to ensure transparency in their conduct with various stakeholders. The purpose of which is to protect and enhance the Company's reputation for integrity and fair dealing by setting forth standards for employees behaviour within the Organization and outside. As part of the Code, the employees of the Company can also report genuine concerns about any unethical behaviour, financial irregularities including fraud or suspected fraud through the Whistle Blower Policy. The Company's Code for prevention of insider trading ensures that the employees do not handle unpublished price sensitive information in an unethical manner. The Code conforms to the Company's values of ethics and transparency by following a practice of timely disclosures of important information. Though the Company's policies currently do not apply to external stakeholders such as suppliers, contractors, NGOs, etc.
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. 57 of the Notes to the Standalone Financial Statements. During the financial year 2021–22, the Company received One (1) complaint from its shareholders relating to non-receipt of dividend, which were satisfactorily resolved. No complaints were pending as on March 31, 2022. The complaints, if any, received from the stakeholders, other than the above, were promptly and satisfactorily resolved by the management.

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. Digitalisation initiatives undertaken by the Group have enabled business continuity even during lockdowns owing to the Covid-19 pandemic. This digitalization initiative has turned out to be time and cost efficient for the Company. Company has adopted loan documentation for its small ticket size loan in digitalization mode that led to the paperless processing/documentation of loans and the 'green initiative' adopted by the Company and supported by its shareholders has also led to the paperless communications. The adoption of digitalization in business and communication with stakeholders resulted in substantial reduction in paper consumption.
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? Not Applicable Reduction during usage by consumers (energy, water) has been achieved since the previous year? Not Applicable
2.3	Does the Company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.	The Company's product offering is financial services. the Company do not have any raw material requirements. The primary resources consumed for its day to-day operations are paper, electricity and water. The Company strives to achieve greater transparency, compliance and adoption of environmental best practices in its procurement process.
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. Team Paisalo always endeavor to provide a seamless financial solution for India's bottom of the pyramid population through its tailor-made small ticket size financial products targeting the lower income generation group in under-banked and unbanked population in rural, semi-urban and urban India.
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. Since the Company is in the Financial Business, hence there is no question arises of wastage of any natural resources. However, wherever possible, the Company make its best effort to use papers efficiently and recycle the waste paper.

Principle 3 Businesses should promote the wellbeing of all employees.

3.1	Please indicate the total number of employees.	As on March 31, 2022, Company had 958 permanent employees.
3.2	Please indicate the total number of employees hired on a temporary / contractual / casual basis.	The Company had 364 temporary/contractual/casual employees as on March 31, 2022
3.3	Please indicate the number of permanent women employees.	The Company had 18 women employees as on March 31, 2022
3.4	Please indicate the number of permanent employees with disabilities.	As on March 31, 2022, Company had 1 permanent employee having disability.
3.5	Do you have an employee association that is recognized by the Management?	The Company does not have any employee association.
3.6	What percentage of your permanent employees are members of this recognized employee association?	Not Applicable

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.	The Company do not engage child labour/forced labour/involuntary labour and does not adopt or allow discriminatory employment practices.																								
		<table><tr><th>No.</th><th>Category</th><th>No of complaints filed during the financial year</th><th>No of complaints pending as on end of the financial year</th></tr><tr><td>1</td><td>Child labour/ forced Labour / involuntary labour</td><td>Nil</td><td>Nil</td></tr><tr><td>2</td><td>Sexual harassment</td><td>Nil</td><td>Nil</td></tr><tr><td>3</td><td>Discriminatory employment</td><td>Nil</td><td>Nil</td></tr></table>				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					
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?	<p>The details of training provided during the financial year are as follows.</p> <p>Safety Training</p> <table><tr><td>1</td><td>Permanent employees</td><td rowspan="4">Real Time Trainings were provided during the year to newly appointed employees and trainings were also provided, time to time during the year, to upgrade the skills of the employees.</td></tr><tr><td>2</td><td>Permanent women employees</td></tr><tr><td>3</td><td>Casual / temporary / contractual employees</td></tr><tr><td>4</td><td>Employees with disabilities</td></tr></table> <p>Skill Up-gradation</p> <table><tr><td>1</td><td>Permanent employees</td><td>80%</td></tr><tr><td>2</td><td>Permanent women employees</td><td>90%</td></tr><tr><td>3</td><td>Casual / temporary / contractual employees</td><td>70%</td></tr><tr><td>4</td><td>Employees with disabilities</td><td>100%</td></tr></table>				1	Permanent employees	Real Time Trainings were provided during the year to newly appointed employees and trainings were also provided, time to time during the year, to upgrade the skills of the employees.	2	Permanent women employees	3	Casual / temporary / contractual employees	4	Employees with disabilities	1	Permanent employees	80%	2	Permanent women employees	90%	3	Casual / temporary / contractual employees	70%	4	Employees with disabilities	100%
1	Permanent employees	Real Time Trainings were provided during the year to newly appointed employees and trainings were also provided, time to time during the year, to upgrade the skills of the employees.																								
2	Permanent women employees																									
3	Casual / temporary / contractual employees																									
4	Employees with disabilities																									
1	Permanent employees	80%																								
2	Permanent women employees	90%																								
3	Casual / temporary / contractual employees	70%																								
4	Employees with disabilities	100%																								

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	<p>Yes</p> <p>The Company value the support of all its stakeholders and respect their interest and concerns and also Company believes that the stakeholder engagement is the greatest source of input for company's development activities and it's sustainability performance.</p> <p>The process of mapping the stakeholders is an ongoing exercise and is conducted on regular basis by the Company with various stakeholders viz., employees, customers, investors, shareholders, government and regulatory bodies, business associates etc.</p>
4.2	Out of the above, has the Company identified the disadvantaged, vulnerable and marginalized stakeholders?	The under-banked and unbanked population in rural, semi-urban and urban India, which is still not entirely interpreted into India's mainstream economy can be vulnerable to socio-economic exploitation. The Company focuses on financial inclusion as the key business priority to impact this under-banked and unbanked population positively
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?	<p>:</p> <p>The Company respects and adheres to all the human rights laws framed under the Constitution of India and all other statutes which embodies the principles of human rights such as prevention of child labour, forced labour, woman empowerment etc. The Company maintains cordial and transparent relations with all its stakeholders including its employees.</p> <p>Protection of human rights and prevention of violations are fundamental under all circumstances and the Company remains committed in its efforts in this direction. The Company has adopted several policies viz., Code of Conduct, Policy against Sexual Harassment, Whistle Blower Policy, etc., which assists in ensuring that there is no violation of human rights in its conduct-externally or internally. The Company do not hire child labour, forced labour or involuntary labour.</p> <p>Company advocates as well as practices fair and transparent business conduct which is clearly embodied in its systems and policies. The Company will continue to conduct its business in a manner that respects the rights and dignity of all the people, complying with all legal requirements.</p> <p>Persons not directly connected to the Company viz., outside vendors, consultants, suppliers or clients are also expected to comply with principles of human rights in all respects.</p>
5.2	How many stakeholder complaints have been received in the past financial year, and what percentage was satisfactorily resolved by the Management?	<p>:</p> <p>During the financial year 2021-22, the Company has not received any complaint pertaining to violation of human rights from stakeholders in this regard.</p>

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?	<p>The Company, is a Non-Banking Financial Company and not indulged in any manufacturing activities, which emit the pollution, still the Company is committed to safety and preservation of environment. The Company also believes in conservation of natural resources and minimizing hazardous impact on the ecological environment. Wherever possible Company utilize natural and manmade resources in an optimal and responsible manner and ensure the sustainability of resources by reducing, reusing, recycling and managing waste.</p> <p>The Company has rationalized consumption of electricity usages of natural resource to same energy through :</p> <p>use of energy efficient and environment friendly technologies use of high star rated electronic devices.</p> <p>Company always encourage go-Green initiative and accordingly under digitalization of loan processing, Company has transferred its small loan document processing in digital mode and it is almost paperless process that</p>
-----	---	---

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 However, the Company is aware of the direct and indirect environmental impact of its operations and considers them in decision making. The Company ensures financial inclusion of various marginalised sections of society through affordable easy and affordable loans even in the remoter parts of the country. A significant portion of the company's loans are extended for "Priority Sector Lending" in line with the Government norms.
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?	The Company does not have any project related to Clean Development Mechanism
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.	The Company has taken several measures to minimize its environmental impact caused due to various factors. Digitalization is one of the platforms, which has helped the Company in reducing the paper and stationery. We use energy efficient hardware and other electronic equipment in our offices, which uses optimum energy and saves in energy consumption and such equipment are maintained regularly thereby saving energy and costs. The Company continues to contribute towards green & sustainable environment like adoption and promoting virtualization, datacenter energy optimization, paperless processing, replacing physical customer correspondence with e-Communication, etc.. These actions contribute towards saving environment by reduction in usage of resources.
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 since the Company is not a industrial/manufacturing Company.
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 2021-22.

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: Finance Industry Development Council (FIDC) National Chamber of Commerce 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).	The Company through various associations and trade bodies provide suggestions with respect to development and regulation of financial services sector. Board Members of the Company are members of the committees constituted by industry bodies. The Company supports and participates in various discussions and initiatives taken by the regulators and the above associations in light of changing business environment for economic development

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 with financial inclusion to impact financially unserved population, the thrust areas are sustainable livelihood and skill development through income generation and group financing scheme of the Company. 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?	There are no material customer complaints/consumer cases pending as at the end of the FY 2021-22.
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).	Since the Company is engaged in financial services sector business, this question is not applicable to it. However, all necessary disclosure requirements relating to the services offered by the Company are being made in compliance with the fair practice code as set by the Reserve Bank of India.
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.	None to the best of our knowledge and belief.
9.4	Did your Company carry out any consumer survey / measure consumer satisfaction trends?	Though the Company has not carried out any formal consumer survey to map consumer satisfaction, it always put the interest of customers at high priority in its' business conduct. The Company contributes towards customers and the broader community by understanding its customers' needs, addressing and delivering them the unique financial product as per their need. The high number of repetitive client history itself indicate the consumer satisfaction trend.

Annexure D:**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)–272.97:1 Mr. Anoop Krishna (Executive Director)– 24.82:1 Mr. Harish Singh (Executive Director)– 20.67:1 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)–15.68% Mr. Anoop Krishna (Executive Director)–23.10 % Mr. Harish Singh (Executive Director)–23.50% Key Managerial Person Mr. Mananendra Singh (Company Secretary & Chief Compliance Officer)–11.71%
3.	Percentage increase in the median remuneration of employees in the financial year	7.88%
4.	The number of permanent employees on the rolls of company	958 as on March 31, 2022
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 2021–22, Employees remuneration increased by 7.88% as against the 16.71% increase in Managerial Remuneration.

Note– Due to pandemic COVID–19 the above managerial personnel have themselves voluntarily reduced their remuneration in FY 2020–21. There is no increase in the remuneration of Executive Directors in FY 2021–22 and the remuneration of Company Secretary increased by 5% during FY 2021–22, the above percentage changed in the remuneration is due to resumption/increase of remuneration in FY 2021–22.

It is hereby confirmed that the remuneration paid to the Directors and other employees are as per remuneration policy of the company.

Date : May 6, 2022

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

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 Company's 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 organisation. We have imbibed the 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.
- Compliance with applicable rules and regulation.

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 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 work 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, 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 should be 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 frame work 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
- Policy for appointment of Statutory Auditors
- Resource Planning Policy
- Credit Policy
- Dividend distribution 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, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 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 synthesis complex information; time availability; honesty and integrity; and high ethical standards.

Keeping in the view of 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, 2022, the Board of Directors of the Company consisted of nine members of which six were Independent Directors, who do fulfil the criteria of 'Independence' as laid down in the Companies Act, 2013, RBI Guidelines and SEBI (Listing Obligations and Disclosure Requirements) 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, experience 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 of 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 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 (Listing Obligations and Disclosure Requirements) 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 Board of the Company as on March 31, 2022 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 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. 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 an Executive Director is responsible for Strategic Planning for funding to the Company.

Mr. Harish Singh

Executive Director

Mr. Harish Singh is a Fellow Member of 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 and 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 and finance department of the Company with his rich experience and specialization.

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 & 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. Gauri Shankar

Independent Director

Mr. Gauri Shankar having 40+ years' of experience in Banking and Finance, served as Managing Director and Chief Executive Officer of Punjab National Bank in 2015 also served the Punjab National Bank as Executive Director. Prior to joining Punjab National Bank, he worked with Bank of India in various positions, which include General Manager of various department viz. Finance (CFO), National Banking Group North (Operations), Asset Recovery, Learning and Development (HR) and Strategy and Planning. He is double Graduate in Science & Commerce. He has vast experience in domestic and international operations of banking sector. He worked in Bank of India's Singapore and Jakarta Operations. He also worked as DGM and Zonal Manager of Lucknow Zone. While in PNB, he was Chairman of PNB's wholly owned subsidiary Punjab National Bank (International) Limited, London and Director in the other subsidiaries and JVs (for different periods) namely PNB Housing Finance Limited, PNB Gilts Ltd. and Punjab National Bank Kazakhstan.

At present he is also associated with some reputed listed companies as Independent Director.

Mrs. Nisha Jolly

Independent Director

Mrs. Nisha Jolly, a retired Banker aged about 69 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 joined Punjab National Bank in 1976, as Management Trainee & got 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 about Banking Routine, Loans & Advances & Foreign Exchange related work. She was also involved in framing General Policies for the Bank. Currently she is associated with Non-Government Organization (NGO). She is associated with the Company as Independent Woman Director.

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. Naresh Kumar Jain associated with the Company since August 14, 2014 as an Independent Director.

Mr. Raman Aggarwal

Independent Director

Mr. Raman Aggarwal is the Director of Finance Industry Development Council (FIDC)–A Representative body of Assets and Loan Financing Non-Banking Finance Companies. He is currently Consultant to the World Bank, Consultant to Nomura Research Institute Consulting & Solutions India P Ltd., Area Head–NBFCs at Council for International Economic Understanding

(CIEU) and Advisor, Shriram Transport Finance Ltd., which is one of the leading NBFCs. He has more than 29 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 was the signatory to the Engagement Letters signed by World Bank Group with FIDC. He is the Chairman, Working Group on NBFCs at Centre for Economic Policy Research (CEPR).

He was awarded the “Man of Excellence” Award by Indian Achievers’ Forum in 2021, “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 has addressed major events and seminars, like Global Convention on Corporate Governance and Sustainability at London, IFC’s Financial Infrastructure Workshop for Da Afghanistan Bank, EuroFinance India, The Economic Times Summit on Financial Inclusion, National Summit on NBFCs and World Auto Congress organized by ASSOCHAM.

Mr. Raman is Masters in Urban Planning from School of Planning & Architecture, New Delhi and 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.

He is associated with the Company as Non-Executive Independent Director since October 15, 2019.

Mr. Vijay Ronjan

Independent Director

Mr. Vijay Ronjan is a retired Banker having 35+ years’ Experience of banking with one of the India’s largest Lender, State Bank of India. He was a Chief General Manager with India’s largest bank, State Bank of India, possessing over 35 years of banking experience in the Indian banking industry and having demonstrated a strong track record of performance and leadership initiatives. As a leader of various teams at SBI from time to time, he has displayed superior interpersonal skills and capability of resolving multiple and complex issues, while also motivating the staff to consistently perform at peak levels at the same time. He place a strong reliance on the use of business analytics and a collective team approach for business improvement and implementation of best practices. He played a pivotal role during the merger of associate banks with State Bank of India and also played a crucial role in planning and coordinating thereafter structural changes in the merger affected offices. He also had the opportunity to work in various roles like Retail, Human Resources, International Banking, Forex Business and Risk Management.

He joined Board of the Company as Independent Director on October 8, 2021.

Familiarization Program for Independent Directors

In accordance with 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, meetings with management team of the Company have been conducted by the Company to make understand the Independent Directors about the business of the Company. Through meetings and interaction among Senior Managements and Independent Directors, Company has made its best effort to ensure that the Independent Directors understand their roles, rights, responsibilities in the Company etc.

The Familiarization 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 categorised 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); and
- 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								
Board Member	Strategy and planning	Policy Development	Governance, Risk and Compliance	Financial Performance	Communications	Commercial Experience	Technology	Executive management
	Ability to think strategically; identify 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; 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 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.
Mr. Sunil Agarwal	✓	✓	✓	✓	✓	✓	✓	✓
Mr. Anoop Krishna	✓	✓	✓	✓	✓	✓	✓	✓
Mr. Harish Singh	✓	✓	✓	✓	✓	✓	✓	✓
Mr. Gauri Shankar	✓	✓	✓	✓	✓	✓	✓	✓
Mr. Pradeep Agarwal	✓	✓	✓	✓	✓	✓	✓	✓
Mr. Naresh K. Jain	✓	✓	✓	✓	✓	✓	✓	✓
Mr. Raman Aggarwal	✓	✓	✓	✓	✓	✓	✓	✓
Mrs. Nisha Jolly	✓	✓	✓	✓	✓	✓	✓	✓
Mr. Sunil Srivastav*	✓	✓	✓	✓	✓	✓	✓	✓
Mr. Vijay Ronjan^	✓	✓	✓	✓	✓	✓	✓	✓

* Independent Director on the board till July 29, 2021.

^ Appointed as Independent Director w.e.f. October 8, 2021

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 Company also provides the facility to the Board Members to participate in the meeting through video conferencing mode or other audio visual means and provides all the necessary information to enable the Directors to participate through video conferencing mode or other audio visual means.

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, Six Meetings of the Board of Directors of the Company were held, i.e., on June 4, 2021; August 14, 2021; November 10, 2021; February 7, 2022; March 14, 2022 and March 25, 2022. The details regarding the composition of the Board of Directors as on March 31, 2022, 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 along with the name of the other listed entity(ies) where the Director(s) hold directorship and their shareholding in the Company as on the March 31, 2022 are as follows:

S. No.	Name of Director	Director Identification Number	Category	No. of Shares/convertible instruments held in Company as on March 31, 2022	Board meeting held in FY 2021-22 during director's tenure	Attendance at Board meeting	Attendance at Last AGM held on September 25, 2021	No. of Directorship held in other Companies\$	Committee Positions in Public Companies#			Name of other listed Entity(ies) where Director held Directorship alongwith category
									As Member	As Chairman	Total	
1	Mr. Sunil Agarwal	00006991	Managing Director (Promoter)	52,85,140	6	6	Yes	6	-	-	-	-
2	Mr. Anoop Krishna	08068261	Executive Director	-	6	6	Yes	-	-	-	-	-
3	Mr. Harish Singh	00039501	Executive Director	-	6	6	Yes	1	1	1	2	-
4	Mr. Gauri Shankar	06764026	Non-Executive Independent Director	-	6	6	Yes	3	3	-	3	PNC Infotech Limited (Independent Director)
5	Mr. Pradeep Agarwal	06892799	Non-Executive Independent Director	-	6	6	Yes	1	1	1	2	-
6	Mr. Naresh Kumar Jain	01281538	Non-Executive Independent Director	-	6	6	Yes	2	2	1	3	Optimus Infracon Limited (Independent Director)
7	Mr. Raman Aggarwal	0016103	Non-Executive Independent Director	-	6	6	Yes	3	2	1	3	Emerald Leasing Finance and Investment company Limited (Independent Director)
8	Mrs. Nisha Jolly	08717762	Non-Executive Independent Director	-	6	5	Yes	-	-	-	-	-
9	Mr. Vijay Ronjan*	09345384	Non-Executive Independent Director	-	4	4	N.A.	1	-	-	-	-
10	Mr. Sunil Srivastav &	00237561	Non-Executive Independent Director	-	1	1	N.A.	-	-	-	-	-

* Appointed Director w.e.f. October 8, 2021

& Ceased to be the Director of the Company w.e.f. July 29, 2021

\$ Includes Private Limited Companies, Companies registered under Section 8 of Companies Act, 2013, Foreign Companies and Government Bodies;

Includes only Audit and Stakeholders Relationship Committees in Public Limited Companies have been considered for the Committee positions as per Regulation 26(f) (b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

There are no inter-se relationships between the above 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 have 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, are 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 (Listing Obligations and Disclosure Requirements) Regulations, 2015. The role and powers of the Audit Committee of the Company are governed by Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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:
 - a) 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,
 - b) Changes, if any, in accounting policies and practices and reasons for the same,
 - c) Major accounting entries involving estimates based on the exercise of judgment by management,
 - d) Significant adjustments made in the financial statements arising out of audit findings,
 - e) Compliance with listing and other legal requirements relating to financial statements,
 - f) Reviewing, approving all or any subsequent modification of transactions with related parties,
 - g) Disclosure of any related party transactions,
 - h) Modified opinion(s) in the draft Audit Report,

- i) Qualifications in the draft audit report;
- Reviewing appointment, removal and terms of remuneration of the 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;
- 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;
- Looking into the reasons for substantial defaults in the payment to the debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- Reviewing 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;
- Appointment of Chief Financial Officer after assessing the qualifications, experience and background, etc. of the candidate;
- Consideration and comment on rationale, cost benefits and impact of schemes involving merger, demerger, amalgamation etc. on the Company its shareholders;
- Reviewing management discussion and analysis of financial condition and results of the operations;
- Reviewing, with the management, the statement of uses/application of funds raised through an issue (public issue, right issue, preferential issue etc.) the statement of funds utilized for the purpose other than those stated in the offer document/ prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of the proceeds of a public or rights issue and making appropriate recommendation to the Board to take up steps in this matter;
- Reviewing management letter(s) of internal control weaknesses issued by the Statutory Auditors;
- Reviewing Internal Audit Reports relating to internal control weakness;
- Carrying out any other function as is mentioned in the terms of reference of the Audit Committee;

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 Five (5) times during the year under review on June 4, 2021; August 14, 2021; September 10, 2021; November 10, 2021 and February 7, 2022.

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 2021-22	Committee meeting attended during the tenure of Member in FY 2021-22
1	Mr. Pradeep Agarwal	Chairman	5	5
2	Mr. Gauri Shankar	Member	5	5
3	Mr. Harish Singh	Member	5	5

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 (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Role of Nomination and Remuneration Committee

The role of the Nomination and Remuneration Committee, inter alia, include 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;
- 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; and
- Reviewing such other matters which the Board may from time to time request the Committee to consider, examine recommended and/or approve.
- Recommending the Board name of person for appointment as director on the Board of the Company;
- Evaluation of the balance of skills, knowledge and experience on the Board for every appointment of Independent Director and on the basis of such evaluation preparation of a description of the role and capabilities required of an independent director;
- Recommending to the Board all remunerations payable to senior management;
- Formulation of criteria for evaluation of Independent Directors and the Board and
- Devising a policy on Board diversity.

Meeting and Composition

The Nomination & Remuneration Committee met Three (3) times during the year under review on August 14, 2021, November 10, 2021 and February 7, 2022.

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 2021-22	Committee meeting attended during the tenure of Member in FY 2021-22
1	Mr. Sunil Srivastav*	Chairman	–	–
2	Mr. Raman Aggarwal#	Chairman	3	3
3	Mrs. Nisha Jolly	Member	3	3
4	Mr. Pradeep Agarwal	Member	3	3

* ceased to be the chairman/member of the Committee w.e.f. July 29, 2021

#Appointed as Members/Chairman of the Committee w.e.f. October 6, 2021.

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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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, with in 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 2021–22, are as under:

(Amount INR in Lakh)

S. No.	Name of Director	Sitting fees for attending Board and Committee Meetings	Salary and Perquisite	Incentive/ Bonus	Total
1	Mr. Sunil Agarwal	0.00	435.60	0.00	435.60
2	Mr. Anoop Krishna	0.00	39.60	0.00	39.60
3	Mr. Harish Singh	0.00	33.00	0.00	33.00
4	Mr. Naresh Kumar Jain	2.10	0.00	0.00	2.10
5	Mr. Pradeep Agarwal	3.45	0.00	0.00	3.45
6	Mr. Gauri Shankar	3.45	0.00	0.00	3.45
7	Mr. Raman Agarwal	2.40	0.00	0.00	2.40
8	Mrs. Nisha Jolly	1.55	0.00	0.00	1.55
9	Mr. Vijay Ronjan*	1.00	0.00	0.00	1.00
10	Mr. Sunil Srivastav#	0.40	0.00	0.00	0.40

* Appointed as Director of the Company w.e.f. October 8, 2021

Ceased to be Director of the Company w.e.f. July 29, 2021

Employee Stock Option

The Company does not have an Employee Stock Option.

Pecuniary relationship or transaction with Non-Executive Directors

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 from time to time 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.

The Directors expressed their satisfaction with the evaluation process.

C. STAKEHOLDERS RELATIONSHIP COMMITTEE

The Stakeholders Relationship Committee is, led by an Independent Director, constituted in accordance with provisions of Companies Act, 2013 and Regulation 20 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Committee, inter-alia, oversees and review:

- 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, non-receipt of annual report and notice of general meeting, complaints related to transfer/transmission of shares, re-materialization and de-materialization of shares and transfer/transmission of shares or any other grievances as reported by the security holders;
- the measure taken for effective exercise of voting rights by the shareholders;
- the performance of the Registrar and Transfer Agents of the Company and recommends measures for overall improvement in the quality of investor services;

- the measures and initiatives taken by the company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/ annual reports/ statutory notices by the shareholder of the Company.

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 June 4, 2021; August 14, 2021; November 10, 2021 and February 7, 2022.

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 2021-22	Committee meeting attended during the tenure of Member in FY 2021-22
1	Mr. Naresh Kumar Jain	Chairman	4	4
2	Mr. Gauri Shankar	Member	4	4
3	Mr. Raman Aggarwal*	Member	3	3
4	Mr. Sunil Srivastav#	Member	1	1

* Appointed as member of the Committee w.e.f. October 6, 2021

Ceased to be member of the Committee w.e.f. July 29, 2021

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, stock exchanges are reviewed and they are expeditiously attended to by the Registrar and Share Transfer Agents.

No. of complaints pending at the beginning of the year	Nil
No. of complaints received by correspondence during the year	1
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	1
No. of Investors complaints pending at the end of the year	Nil

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 & 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 Board.

Meeting and Composition

Corporate Social Responsibility Committee met One (1) times during the year under review on June 4, 2021.

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 2021-22	Committee meeting attended during the tenure of Member in FY 2021-22
1	Mr. Harish Singh	Chairman	1	1
2	Mr. Sunil Agarwal	Member	1	1
3	Mr. Pradeep Agarwal	Member	1	1

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 and Regulation 21 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Committee, inter-alia, responsible to:

- identify and evaluate operational, strategic & external environment risks associated with the Company's business;
- formulate a detailed risk management policy
- ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
- monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
- periodically review the risk management policy; and
- keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken.

Meeting and Composition

Risk Management Committee met Four (4) times during the year under review on June 4, 2021; August 14, 2021; November 10, 2021 and February 7, 2022.

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 2021-22	Committee meeting attended during the tenure of Member in FY 2021-22
1	Mr. Gauri Shankar	Chairman	4	4
2	Mr. Pradeep Agarwal	Vice Chairman	4	4
3	Mr. Sunil Agarwal	Member	4	4
4	Mr. Harish Singh	Member	4	4
5	Mr. Gaurav Chaubey	Member	4	3

E-2. Asset Liability Management Committee (Alco)

Based on RBI Guidelines, the Company has 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, time to time and assist 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 June 4, 2021; August 14, 2021; November 9, 2021 and February 5, 2022.

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 2021-22	Committee meeting attended during the tenure of Member in FY 2021-22
1	Mr. Sunil Agarwal	Chairman	4	4
2	Mr. Harish Singh	Member	4	4
3	Mr. Atul Kumar Agarwal [*]	Member	3	3
4	Mr. Gaurav Chaubey	Member	4	3

^{*} Ceased to member of the Committee w.e.f. 30.11.2021

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 Directors and 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 time during the year under review on June 9, 2021 and December 2, 2021.

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 2021-22	Committee meeting attended during the tenure of Member in FY 2021-22
1	Mr. Pradeep Agarwal	Chairman	2	2
2	Mr. Harish Singh	Member	2	2
3	Mr. Kailash Singh	Member	2	2
4	Mr. Shiv Kumar Tyagi	Member	2	2

E-4. IT Steering 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 Steering Committee. The IT Committee comprises of Three (3) members, The functions of the IT Steering Committee include to provide oversight and monitoring of the progress of the Information System project, including deliverables to be realized at each phase of the project and milestones to be reached according to the project timetable.

Meeting and Composition

IT Steering Committee met three time during the year under review on June 7, 2021, November 15, 2021 and February 8, 2022.

The constitution of IT Steering 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 2021-22	Committee meeting attended during the tenure of Member in FY 2021-22
1	Mr. Harish Singh	Chairman	3	3
2	Mr. Sunil Agarwal	Member	3	3
3	Mr. Kailash Singh	Member	3	3

E-5. 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 transact to decide on and transact the business of routine operational nature for the Company, such as opening of bank account, availing various banking facilities, changes to the signatories, delegation of authority for initiating and defending litigation etc.

COMPLIANCE OFFICER

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 7, 2022 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 time line of flow of information between the management and Board and its committees which is necessary for effective and reasonable perform and discharge of their duties.

GENERAL BODY MEETINGS

Annual General Meeting (AGM) of Last Three Years:

AGM	Year	Date, Time And Venue	Special Resolution Passed
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	To re-appoint Mr. Naresh Kumar Jain as Non-Executive Independent Director of the Company To fix borrowing power of the Board of Directors u/s 180 (1) (c) of the Companies Act, 2013. 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. To issue Non-Convertible Debentures, in one or more series / tranches pursuant to section 42 of the Companies act, 2013.
28th	2019–2020	September 8, 2020 at 9:30 A.M. Through Video Conferencing (VC)/ Other Audio Visual Means (OAVM)	To fix borrowing power of the Board of Directors u/s 180 (1) (c) of the Companies Act, 2013. 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. To issue Non-Convertible Debentures, in one or more series / tranches pursuant to section 42 of the Companies act, 2013.
29th	2020–2021	September 25, 2021 at 10:30 A.M. Through Video Conferencing (VC)/ Other Audio Visual Means (OAVM)	To fix borrowing power of the Board of Directors u/s 180 (1) (c) of the Companies Act, 2013. 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. To issue Non-Convertible Debentures, in one or more series / tranches pursuant to section 42 of the Companies act, 2013. To approve the alteration in Object Clause of Memorandum of Association of the Company

All the resolutions moved at last Annual General Meeting were passed by means of e-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, the Company did not pass any special resolution through postal ballot. The details of the previous postal ballots are available on the website of the Company.

DISCLOSURES

- Related Party Transactions: Transactions with related parties are periodically brought to the notice of Audit Committee. During the year under review, there were no materially significant related party transactions entered into by the Company with Promoters Directors, KMPs, Senior Management or other designated persons which may have a potential conflict with the interest of the Company at large. Related party transactions entered into during the year were on arms' -length basis, in the ordinary course of business and were in compliance with the applicable provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Company has adopted a Related Party Transactions Policy in accordance with the Act and SEBI Listing Regulations and the same is displayed on the Company's website at <https://paisalo.in/corporate-governance.php>. The transactions with related parties as per requirements of Ind AS–24–'Related Party Disclosures' are disclosed in note no. 38 of the Notes to the Financial Statements for the year ended March 31, 2022. The Company's policy on dealing with 'Related Party Transitions' is available on the website of the Company.
- Details of non-compliance: No penalty or strictures is imposed on the Company either by SEBI or the Stock Exchanges or any statutory authority for non-compliance of any matter related to the capital market over the last three years.
There was a instance of delay compliance of provision of SEBI circular SEBI/HO/MIRSD/CRADT/ CIR/P/2020/207 dated October 22, 2020 effective from January 1, 2021(Contribution by the Issuers of listed or proposed to be listed debt securities towards creation of "Recovery Expense Fund", which has been condoned by the SEBI vide its letter SEBI/HO/MIRSD/CRADT/RGA/NK/P/OW/2021/14132/1 dated July 1, 2021.
- Policy on Archival: In terms of Regulation 30(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Policy on Archival of Documents is available on the website of the Company at [https:// paisalo.in/corporate-governance.php](https://paisalo.in/corporate-governance.php).
- Policy on Preservation of Documents: As required under Regulation 9 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 of Preservation of Documents is available on the website of the Company at [https:// paisalo.in/corporate-governance.php](https://paisalo.in/corporate-governance.php).

- Policy on Determination of Materiality for disclosures of Events or information: As per Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Policy is available on the website of the Company at <https://paisalo.in/corporate-governance.php>.
- Policy on Material Subsidiary: Pursuant to Regulation 16(1) (c) of SEBI Listing Regulations, the Board has approved a Policy on Material Subsidiary, which is available on the website of the Company at <https://paisalo.in/corporate-governance.php>.
- Whistleblower Policy and Vigil Mechanism: 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 at <https://paisalo.in/corporate-governance.php>.
- Code of Conduct for Prevention of Insider Trading: The Company has adopted the Code of Conduct for Prevention of Insider Trading under the SEBI (Prohibition of Insider Trading) Regulations, 2015 ('the Code'). The Code lays down guidelines for procedures to be followed and disclosures to be made by insiders while trading in the securities of the Company. The Code was amended by the Board of Directors time to time to incorporate the amendments to the SEBI (Prohibition of Insider Trading) Regulations, 2015. The Company has also adopted a Code of Corporate Disclosure Practices for ensuring timely and adequate disclosure of Unpublished Price Sensitive Information ('UPSI') by the Company to enable the investor community to take informed investment decisions with regard to the Company's shares. Policy for Determination of Legitimate Purposes. The Code of Corporate Disclosure Practices along with the Policy for Determination of Legitimate Purposes. The Code is also available on the website of the Company at <https://paisalo.in/corporategovernance.php>.
- Fair Practice Code: Company has adopted Fair Practice Code pursuant to guidelines issued by Reserve Bank of India (RBI) vide its Circular No. RBI/2006-07/138- DNBS(PD) CC No.: 80/03.10.042/2005-06 dated September 28, 2006, on Fair Practices Code for Non-Banking Financial Companies and same is amended time to time. The Company adhere to the code in its Business conduct.
- Secretarial Standards: The Company has complied with all the applicable provisions of the Secretarial Standards issued by the Institute of Company Secretaries.
- Acceptance of recommendation of all Committees: There was no instance during the financial year 2021-22 when the Board had not accepted any recommendation of the Committee of the Board.
- Demat suspense account/unclaimed suspense account: Disclosure with respect to demat suspense account/unclaimed suspense account-not applicable.
- Issue and allotment of Securities: During the year under review, the Company has not raised proceeds/ funds from public issue and right issue of equity shares. During the year under review, the Company has issued and allotted the following securities:

Sr. No.	Date of Allotment	Security	Number	Private Placement/ Preferential
1	July 30, 2021	Unlisted Unsecured Non Convertible Debentures (NCDs) of INR 1,00,00,000/- each (ROI 12.00 % P.A.)	25	Private Placement
2	September 17, 2021	Unlisted Unsecured Non Convertible Debentures (NCDs) of INR 1,00,00,000/- each (ROI 12.00 % P.A.)	94	Private Placement
3	September 27, 2021	Unlisted Unsecured Non Convertible Debentures (NCDs) of INR 1,00,00,000/- each (ROI 12.00 % P.A.)	15	Private Placement
4	February 5, 2022	Unlisted Unsecured Non Convertible Debentures (NCDs) of INR 1,00,00,000/- each (ROI 9.00 % P.A.)	27	Private Placement
5	March 14, 2022	Equity Shares of Rs. 10/- each	8,10,000	Private Placement On Conversion of Convertible Warrants issued at issues price of INR 705/- each
6	March 25, 2022	Equity Shares of Rs. 10/- each	8,10,000	Private Placement On Conversion of Convertible Warrants issued at issues price of INR 705/- each

- Fees paid to Statutory Auditor: Details of fees paid by the Company and its Subsidiary, on a consolidated basis, to the Statutory Auditor is disclosed in note no. 33 of the Notes to the standalone/Consolidated Financial Statements for the year ended March 31, 2022 forming part of this Annual Report.
- Non disqualification of Director: 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.

- Corporate Governance Compliance: 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 for the Financial Year ended March 31, 2022.

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 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

- Prevention, Prohibition and Redressal of Sexual: As per the requirement of the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 and Rules made thereunder, the Company has constituted Internal Committee at all its locations to redress complaints received regarding sexual harassment and recommend appropriate action. The objective being to provide a safe working environment to all employees (permanent, contractual, temporary and trainees) covered under this policy. No complaints were pending at the beginning of the year. Further, the Company did not receive any complaints of sexual harassment during the year and accordingly, no complaints were pending as at the end of the financial year.
- 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 (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Non-Mandatory Requirements

The status of compliance with the discretionary requirements as stated under Part E of Schedule II to SEBI (Listing

Obligations and Disclosure Requirements) Regulations, 2015 are as under:

Modified opinion(s) in Audit Report: During the year under review, there was no audit qualification in the Company's Financial Statements. The Company continues to adopt best practices to ensure regime of unmodified audit opinion.

Reporting of Internal Auditor: The Internal Auditor may report directly to the Audit Committee.

MEANS OF COMMUNICATION

Stock Exchange Intimations

All price-sensitive information and matters that are material to shareholders are disclosed to the respective Stock Exchanges where the securities of the Company are listed. All submissions to the Exchanges including Shareholding Pattern and Corporate Governance Report are made through the respective electronic filing systems. Material events or information as detailed in Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are disseminated on the Stock Exchanges by filing them with the National Stock Exchange of India Limited ('NSE') through NEAPS and with BSE Limited ('BSE') through BSE Online Portal. They are also displayed on the Company's website at www.paisalo.in under 'Investor Relations'.

Financial Results

The quarterly/half-yearly/annual financial results are published within the timeline stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The results are also uploaded on NEAPS and BSE Online Portal of NSE and BSE respectively. The financial results are published within the time stipulated under the SEBI Listing Regulations in newspapers viz. Business Standard (English) and Business Standard (Hindi). They are also published on the website of the Company at <https://paisalo.in/financial-information.php>. The same are not sent to the shareholders separately. The information regarding performance of the Company is shared with the Shareholders vide Annual Report.

In view of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, 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.

Analyst/Investor Meets

The Managing Director & CEO, Chief Financial Officer and Deputy CEO periodically meet or have conference calls with institutional investors and analysts. Intimation of such meetings/calls are uploaded on NEAPS and BSE Online Portal of NSE and BSE respectively and posted on the Company's website.

Company's Website

Comprehensive information about the Company, its business and operations can be viewed on the Company's website. The 'Investor Relations' section on the website gives information relating to financial results, annual reports, shareholding pattern and other relevant information. Outcome and voting results of the 29th AGM held on September 25, 2021 are also available under the 'Investor Relations' section.

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.

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, 2022
For the half year	:	On or before November 14, 2022
For the 3rd quarter	:	On or before February 14, 2023

For the year end	:	On or before May 30, 2023
------------------	---	---------------------------

30th Annual General Meeting for FY 2021-22		
Date and Time	:	September 30, 2022 at IST 2:30 P.M.
Venue	:	Through Video Conferencing (VC)/Other Audio Visual means (OAVM)–deemed venue shall be Registered Office of the Company
Cut-off Date	:	For the purpose of e-voting & dividend the cutoff date is September 23, 2022
Date of Book Closure	:	The Books of the Company will remain closed from September 24, 2022 to September 30, 2022 (both days inclusive)
E-voting period	:	Start on September 27, 2022 at IST 9:00 A.M. and ends on September 29, 2022 at IST 5:00 P.M.
Last date for receipt of Proxy Forms	:	In terms of the relaxations granted by the MCA, the facility for appointment of proxies by Members will not be available for the ensuing AGM
Dividend payment date	:	Dividend @ 10% i.e. 10 paise per fully paid-up Equity Share of INR 1/- of the Company will be paid to the shareholders whose names appear in the Register of Members as on September 23, 2022, subject to approval of the shareholders at the 30th Annual General Meeting, within the statutory time limit of 30 days.

Credit Rating

M/s Infomeries Valuation and Rating Pvt. Ltd., vide its letter dated August 25, 2021 assigned following rating to Company's instruments:

Sr No.	Instrument/Facility	Amount (INR in Million)	Rating Assigned
1	Fund Based Facilities from Banks	11,600.00	IVR AA-/Stable Outlook (IVR Double A Minus with Stable Outlook)
2	Non Convertible Debentures	1150.00	

Listing:

The Securities of the Company are/were listed on BSE Ltd. (BSE) and National Stock Exchange of India Ltd. (NSE) as under:

Stock Exchange	National Stock Exchange of India Limited (NSE) Exchange Plaza, Bandra Kurla Complex, Bandra (East) Mumbai -400 051 www.nseindia.com	BSE Limited (BSE) P. J. Towers, 25th Floor, Dalal Street, Mumbai -400001 www.bseindia.com			
Type of Securities	Equity Shares	Equity Shares	Secured Non-Convertible Debentures		
ISIN	INE420C01042	INE420C01042	INE420C07015	INE420C07023	INE420C07031
Security Code	PAISALO	532900	959759	959963	960204

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

Global Depository Receipts (GDRs) of Company are listed on Luxembourg Stock Exchange. Each five (5) Depository Receipts represents One (1) Equity Share of Rs. 10/- each of the Company. The details of outstanding Depository Receipts as on March 31, 2022 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	:	GDRs
ISIN	:	US6954891049
Security Code/ Symbol	:	Paisalo Digital GDR
Outstanding Securities	:	6,71,53,975 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.

Convertible Warrants: In terms of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 and Special Resolution passed by the Shareholders of the Company at Extra-ordinary General Meeting held on March 8, 2021, on receipt of initial warrant subscription amount of INR 460.01 Million equivalent to 25% of the warrant issue price as prescribed by the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 for allotment of Fully Convertible Warrants ('Warrants'),

on March 20, 2021 the Company allotted total 26,10,000 Warrants (ISIN INE420C13013) to Promoter Group Entities, on preferential basis. The conversion option can be exercised by Warrant holders at any time during the period of 18 (Eighteen) months from the date of allotment of warrants, in one or more tranches.

During the financial year ended on March 31, 2022 the Warrant holders exercised their right to convert 16,20,000 warrants into equity. On receipt of 75% of balance issue price of warrant, the Company has allotted equity shares on conversion of warrants. The details of warrants converted and outstanding warrants are as under:

Date	Particular	Warrants Converted	Number of Equity Shares allotted on Conversion of Warrants	Outstanding Warrants
March 20, 2021	Allotment of Fully Convertibles Warrants	–	–	26,10,000
April 1, 2021	Balance Warrants	–	–	26,10,000
March 14, 2022	Conversion of Warrants	8,10,000	8,10,000	18,00,000
March 25, 2022	Conversion of Warrants	8,10,000	8,10,000	9,90,000
March 31, 2022	Balance Warrants	–	–	9,90,000

Warrant holder wise outstanding warrants:

Sr. No.	Name Warrant holder	Category	Number of warrants allotted	Number of warrants converted during the year	Number of warrants outstanding as on March 31, 2022
1	Pro Fitch (P) Ltd.	Promoter Group Entity	8,70,000	5,40,000	3,30,000
2	Equilibrated Venture Cflow (P) Ltd.	Promoter Group Entity	8,70,000	5,40,000	3,30,000
3	Pri Caf (P) Ltd.	Promoter Group Entity	8,70,000	5,40,000	3,30,000

The Warrant holder can exercise their right to convert the warrants into equity till September 19, 2022. The outstanding warrants shall be converted into equivalent number of equity shares on exercise the right and payment of balance amount of issue price by the Warrant holders.

Out Standing Non-Convertible Debentures as on March 31, 2022

Sr. No.	Series	Listed/ unlisted	Tenure		Rated/ Unrated	Secured/ Unsecured	Outstanding Principal amount (INR in Million)
			Month	days			
1	PDL1802 NCD	Unlisted	60	0	Unrated	Unsecured	280.00
2	PDL1808 NCD	Unlisted	72	0	Unrated	Unsecured	810.00
3	PDL 2020-1	Unlisted	72	0	Unrated	Unsecured	60.00
4	PDL 2020-2	Unlisted	72	0	Unrated	Unsecured	10.00
5	PDL 2020-3	Unlisted	60	0	Unrated	Unsecured	90.00
6	PDL Series -07-2020	Listed*	33	5	Rated	Secured	500.00
7	PDL Series -11-2020	Listed*	18	0	Rated	Secured	160.00
8	PDL -12-2020	Unlisted	120	0	Unrated	Unsecured	10.00
9	PDL-12-2020-2	Unlisted	36	0	Unrated	Unsecured	350.00
10	PDL-02-2021	Unlisted	60	0	Unrated	Unsecured	230.00
11	PDL-07-2021	Unlisted	60	0	Unrated	Unsecured	250.00
12	PDL-09-2021	Unlisted	60	0	Unrated	Unsecured	940.00
13	PDL-09-2-2021	Unlisted	60	0	Unrated	Unsecured	150.00
14	PDL-02-2022	Unlisted	84	0	Unrated	Unsecured	270.00

*Listed NCDs are listed on Wholesale Debt Market Segment of BSE.

Debenture Trustee for Secured Debentures

IDBI Trusteeship Services Limited has been appointed as Debenture Trustee for Secured Non-Convertible Debentures issued by the Company. The Contact details of the trustee is as under:

IDBI Trusteeship Services Limited

Asian Building, Ground Floor,

17. R. Kamani Marg, Ballard Estate, Mumbai-400001

Contact Person : Mr. Naresh A Sachwani, Email: naresh.sachwani@idbitrustee.com, Tel.: 022 40807000

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.

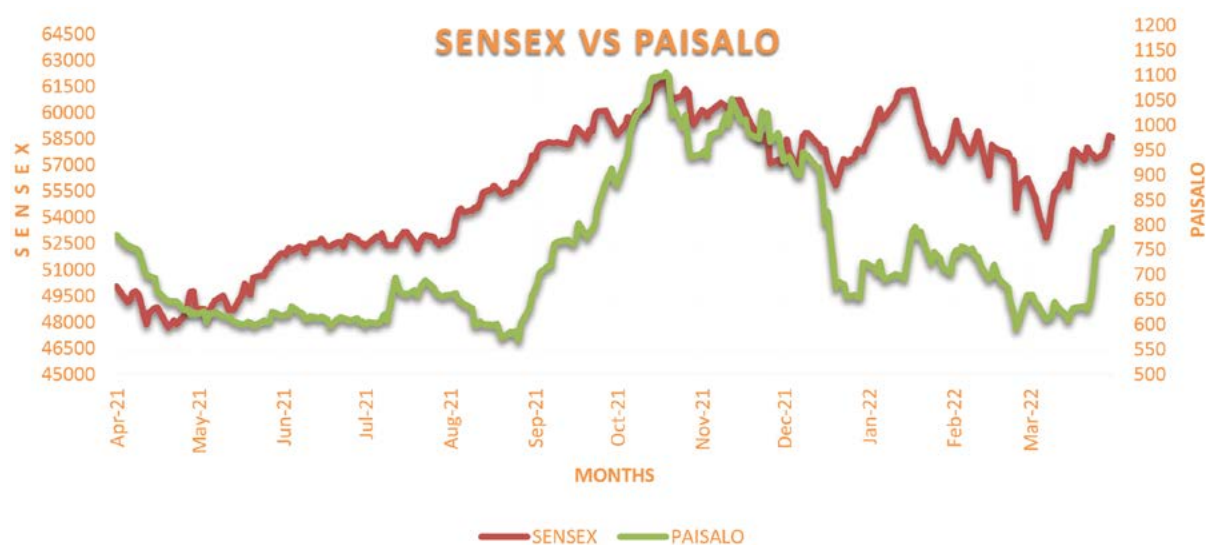
Market Price Data

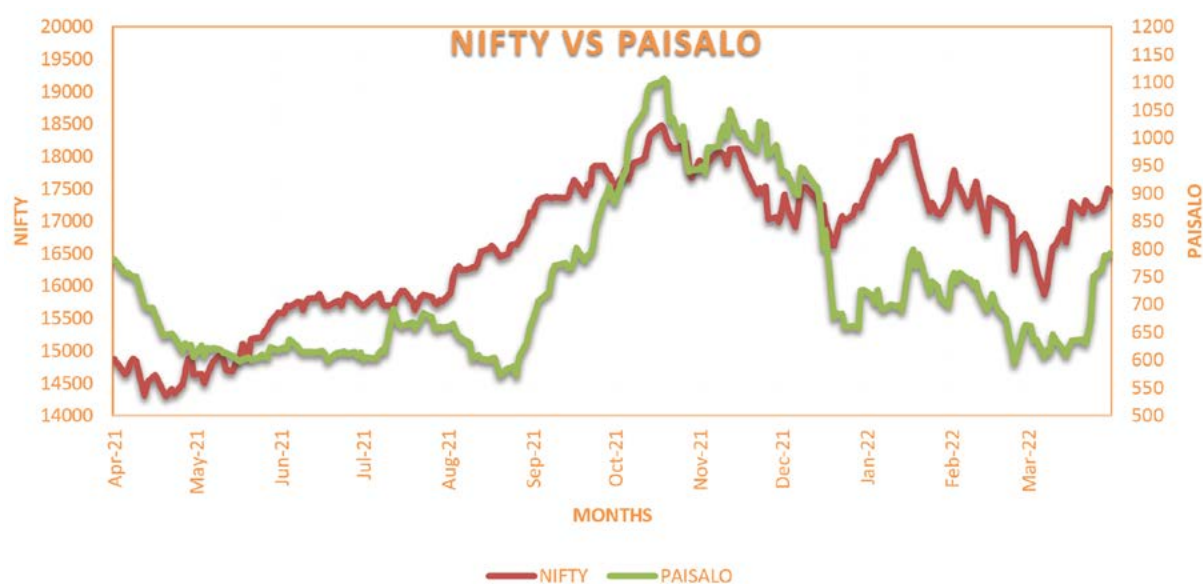
Monthly high and low prices of equity shares of the Company on NSE and BSE during the year under review in comparison to BSE (Sensex) and NSE (Nifty) are given hereunder:

Month	NSE		BSE	
	High (INR)	Low (INR)	High (INR)	Low (INR)
April 2021	794.95	597.80	818.00	600.35
May 2021	650.00	562.90	650.00	566.00
June 2021	645.00	560.00	644.95	587.80
July 2021	712.00	580.00	711.90	581.35
August 2021	674.70	560.00	680.00	560.10
September 2021	932.00	651.10	930.50	652.00
October 2021	1,143.00	870.50	1143.15	875.00
November 2021	1,062.95	915.45	1099.00	908.85
December 2021	975.00	629.70	971.00	630.00
January 2022	808.00	656.00	805.00	658.05
February 2022	820.00	583.05	819.00	584.00
March 2022	829.90	601.00	828.60	602.30

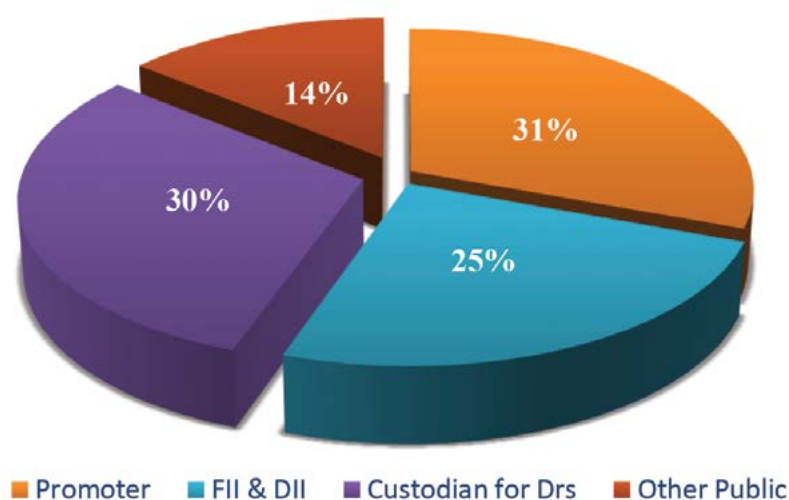
Performance of the Company's Shares vis-a-vis SENSEX

The performance of the Company's average monthly share price data in comparison to broad-based indices like BSE Sensex and Nifty in FY 2021-22 are given below:





Distribution of Shareholding as on March 31, 2022



Shareholding Pattern as on March 31, 2022

Category of Shareholders	Demat	Physical	Total	% of Total Shares
A. Promoters				
(1) Indian				
a) Individual/ HUF	73,28,640	–	73,28,640	16.69
b) Central Govt.	–	–	–	–
c) State Govt(s)	–	–	–	–
d) Bodies Corp.	61,31,693	–	61,31,693	13.96
e) Bank/FI	–	–	–	–
f) Any Other	–	–	–	–
Sub-total (A) (1)	1,34,60,333	–	1,34,60,333	30.65
(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)	1,34,60,333	–	1,34,60,333	30.65
B. Public Shareholding				
I. Institutions				
a) Mutual Funds	–	–	–	–
b) Banks/FI	3,37,803	–	3,37,803	0.77
c) Central Govt.	–	–	–	–
d) State Govt.(s)	–	–	–	–
e) Venture Capital Funds	–	–	–	–
f) Insurance Companies	45,98,485	–	45,98,485	10.47
g) FIIs/FPI	58,93,668	–	58,93,668	13.42
h) Foreign Venture Capital Funds	–	–	–	–
i) Others (specify)	–	–	–	–
Sub-total (B) (1)	1,08,29,956	–	1,08,29,956	24.66
2. Non- Institutions				
a) Bodies Corp.				
i) Indian	–	–	–	–
ii) Overseas	–	–	–	–
b) Individual				
i) Individual shareholders holding nominal share capital upto Rs. 2 lac	9,80,398	4,006	9,84,404	2.24
ii) Individual shareholders holding nominal share capital in excess of Rs. 2 lac	11,19,036	–	11,19,036	2.55
c) NBFC registered with RBI	5,000	–	5,000	0.01
d) Other (specify)				
(d-i) Bodies Corporate	39,41,703	–	39,41,703	8.98
(d-ii) Non-Resident Indians	61,587	–	61,587	0.14
(d-iii) Clearing Member	41,546	–	41,546	0.09
(d-iv) Resident HUF	37,839	–	37,839	0.09
Sub-total (B) (2)	61,87,109	4,006	61,91,115	14.10
Total Public Shareholding (B)=(B)(1)+ (B)(2)	1,70,17,065	4,006	1,70,21,071	38.76
C. Shares held by Custodian	1,34,30,795	–	1,34,30,795	30.59
Grand Total (A+B+C)	4,39,08,193	4,006	4,39,12,199	100.00

Details of Promoter/Promoter Group Shareholding as on March 31, 2022

Sr No.	Name/Address	Holding	% to the Capital
1	Mr. Sunil Agarwal	52,85,140	12.03
2	Ms. Suneeti Agarwal	3,58,300	0.82
3	Mr. Santanu Agarwal	16,85,200	3.84
4	Equilibrated Venture Cflow Private Limited	46,24,212	10.53
5	PRI CAF Private Limited	7,96,920	1.81
6	Pro Fitcc Private Limited	7,10,561	1.62
	Total	1,34,60,333	30.65

Details of Public Shareholder holding more than 1 % shares as on March 31, 2022

(Other than Promoter/ Directors/Custodian for GDRs)

S. No.	Name of Shareholder	No. of Shares	% of total shares of the Company
1	SBI Life Insurance Co. Ltd.	39,93,672	9.09
2	Antara India Evergreen Fund Ltd.	40,53,623	9.23

3	Zeal Professional Services Pvt. Ltd.	9,73,561	2.22
4	Nomura Singapore Limited ODI	7,40,000	1.69
5	Life Insurance Corporation of India	6,04,813	1.38

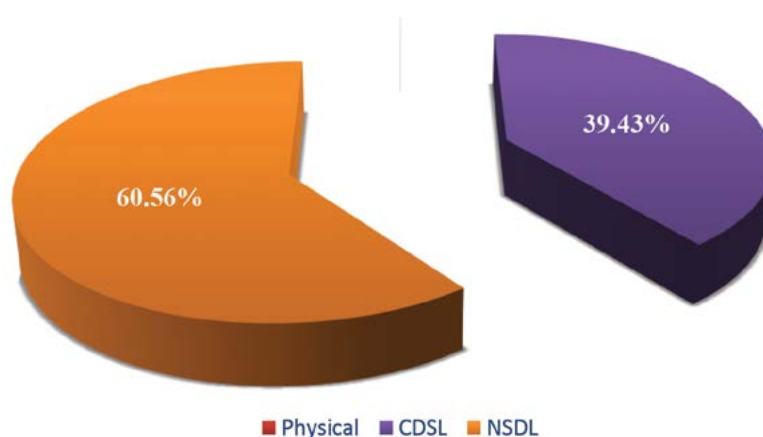
Distribution of Shareholding as on March 31, 2022

Number of Shares	Shareholding			
	Shareholders	%	Shareholding	%
1-500	5,210	92.59	2,37,576	0.54
501-1000	103	1.83	79,108	0.18
1001-2000	77	1.37	1,14,068	0.26
2001-3000	31	0.55	78,629	0.18
3001-4000	23	0.41	83,790	0.19
4001-5000	26	0.46	1,23,316	0.28
5001-10000	40	0.71	2,85,448	0.65
10001-9999999999	117	2.08	4,29,10,264	97.72
Total	5,627	100.00	4,39,12,199	100.00

Dematerialization of Shares as on March 31, 2022

The Company's shares are compulsorily traded in dematerialised form and are available for trading on both the Depositories viz. NSDL and CDSL.

Shares held in	Number of Share as on March 31, 2022	% as on March 31, 2022
Physical form	4,006	0.01
Electronic form with NSDL	2,65,94,314	60.56
Electronic form with CDSL	1,73,13,879	39.43
Total	4,39,12,199	100.00



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

Alankit House, 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 Shares held in Demat Form	To the Investors' Depository Participant(s) or Alankit Assignments Limited
	For Shares held in Physical Form	Mr. Ram Avtar Pandey Alankit Assignments Limited Alankit House, 4E/2, Jhandewalan Extension New Delhi-110 055 Tel.011-42541955 Email: ramap@alankit.com, Website : info@alankit.com
For Grievance Redressal and any query on Annual Report		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

Share Transfer System

Effective April 01, 2019, requests for effecting the transfer of listed securities were required to be processed only in dematerialized form with a Depository. 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 dematerialised is as follows:

SR. NO.	SHARES DEMATERIALIZATION PROCESS
1	SHAREHOLDER WILL SUBMIT SHARE CERTIFICATE(S) ALONG WITH DEMATERIALIZATION REQUEST FORM (DRF) TO THE DEPOSITORY PARTICIPANT (DP)
2	THE DP WILL GENERATE A UNIQUE DEMATERIALIZATION REQUEST NUMBER
3	DP FORWARD DRF AND SHARE CERTIFICATE(S) TO THE REGISTRAR AND SHARE TRANSFER AGENT (RTA)
4	IF CONFIRMED BY THE RTA, DEPOSITORY GIVE CREDIT TO SHAREHOLDER IN HIS ACCOUNT MAINTAINED WITH DP

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 dematerialised. 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

Mode of Holding of securities

Investors should hold securities in dematerialised form, as transfer of shares in physical form is no longer permissible. As mandated by SEBI, w.e.f. April 1, 2019, request for effecting transfer of securities shall not be processed unless the securities are held in dematerialised form with a depository except for transmission and transposition of securities.

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

Holding securities in dematerialised 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) can be obtained by writing to Company or Company's RTA Alankit Assignments Limited.
- 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:
 - a) The relaxation shall only be available for transfers executed after January 1, 2016.
 - b) The relaxation shall only be available to non-commercial transactions, i.e. transfer by way of gift among immediate relatives.
 - c) Non-resident shall provide copy of an alternate valid document to ascertain identity as well as the nonresident 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; and
- 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 dematerialised 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 Rs. 50,000; and (b) Annual Maintenance charges not exceeding Rs. 100 for value of holding from Rs. 50,001 to Rs. 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).

Dividend

The Board of Directors of the Company has recommend a final dividend of 10% on each fully paid equity share for Financial Year 2021-22. The dividend, if declared, by the Members at the forthcoming Annual General Meeting (AGM) shall be paid to the eligible Members of the Company

Transfer to Investor Education and Protection Fund

Members are hereby informed that under the Companies Act, 2013 and Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, the Company is required to transfer the dividend which remains unpaid or unclaimed for a period of seven consecutive years or more, to the credit of the Investor Education and Protection Fund ('IEPF'). Accordingly, a Final Dividend of INR 40,522.00 for FY 2013-14 which remained unpaid or unclaimed was transferred to the IEPF Authority in FY 2021-22.

Members are requested to note the following due date(s) for claiming the unpaid or unclaimed dividend declared by the Company for FY 2014-15 and thereafter-

Financial Year	Dividend (Interim/Final)	Dividend Per Share	Date of Declaration	Due date for transfer in IEPF
2014-15	Final	Re. 1	30-09-2015	06-11-2022
2015-16	Final	Re. 1	30-09-2016	06-11-2023
2016-17	Final	Re. 1	26-09-2017	02-11-2024
2017-18	Final	Re. 1	29-09-2018	05-11-2025
2018-19	Final	Re. 1	10-08-2019	16-09-2026
2019-20	Final	Re. 1	08-09-2020	15-10-2027
2020-21	Final	Re. 1	25-09-2021	01-11-2028

Members who have so far not encashed dividend warrant for the aforesaid years are requested to approach the Company well in advance of the above due dates.

The Company shall transfer to IEPF within the stipulated period a) the unpaid or unclaimed dividend for the financial year 2014-15; 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.

As per the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended ('IEPF Rules'), the Company has uploaded the information in respect of unclaimed dividends as on the date of the previous AGM i.e. September 25, 2021 (29th AGM) on the website of IEPF at www.iepf.gov.in and on the website of the Company

Secretarial Audit and other certificates

- M/s. Satish Jadon & Associates, Practising Company Secretaries, have conducted the Secretarial Audit of the Company for FY 2021-22. Their Audit Report confirms that the Company has complied with its Memorandum and Articles of Association, the applicable provisions of the Act and the Rules made thereunder, SEBI Listing Regulations, applicable SEBI Regulations and other laws applicable to the Company.
- The Secretarial Audit Report forms part of the Board's Report as an Annexure.
- Pursuant to Regulation 40(9) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, certificates have been issued on a yearly basis by M/s. Satish Jadon & Associates, Practising Company Secretaries, certifying due compliance of share transfer formalities by the Company.
- M/s. Satish Jadon & Associates, Practising Company Secretaries, carries out a quarterly Reconciliation of Share Capital Audit, to reconcile the total admitted capital with National Securities Depository Limited ('NSDL') and Central Depository Services (India) Limited ('CDSL') and the total issued and listed capital.
- The audit confirms that the total issued/paid-up capital is in agreement with the aggregate of the total number of shares in physical form and the total number of shares in dematerialised form (held with NSDL and CDSL).
- In accordance with the SEBI Circular dated February 8, 2019 read with Regulation 24A of SEBI Listing Regulations, the Company has obtained an Annual Secretarial Compliance Report from M/s. Satish Jadon & Associates, Practising Company Secretaries, confirming compliances with all applicable SEBI Regulations, Circulars and Guidelines for the year ended March 31, 2022.
- M/s. Satish Jadon & Associates, Practising Company Secretaries, has issued a certificate confirming that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by SEBI/MCA or any such statutory authority. The said report is annexed to this Report on Corporate Governance.

Certificate of 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, 2022.

Date : May 6, 2022

Place : New Delhi

For Paisalo Digital Limited

Sd/–

Sunil Agarwal

Managing Director

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 2022, 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.

Date : 28/04/ 2022

Place : Agra

For Satish Jadon & Associates
Company Secretaries

Sd/-

Satish Kumar Jadon
Membership No. F9512
CoP No.9810
P.R. No. 1028/2020
UDIN : F009512D000232009

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, 2022 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. Naresh Kumar Jain	01281538	14/08/2014
4.	Mr. Anoop Krishna	08068261	23/02/2018
5.	Mr. Gauri Shankar	06764026	22/07/2017
6.	Mr. Pradeep Agarwal	06892799	28/03/2015
7.	Mr. Raman Aggarwal	00116103	15/10/2019
8.	Mrs. Nisha Jolly	08717762	30/05/2020
9.	Mr. Vijay Ronjan	09345384	08/10/2021

*List of Directors as on 31st March 2022

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 verifications. 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.

Date : 28/04/ 2022

Place : Agra

For Satish Jadon & Associates
Company Secretaries
Sd/-
Satish Kumar Jadon
Membership No. F9512
CoP No.9810
P.R. No. 1028/2020
UDIN : F009512D000232451

Chief Executive Officer & 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 2021-22 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, other than as required for adopting first time Indian Accounting Standards (Ind AS) as Notified by the Ministry of Corporate Affairs, Government of India, during the year and that the same has been disclosed in the notes to the financial statements; 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 : June 6, 2022

Place : New Delhi

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

Sd/-

Sd/-

(Sunil Agarwal)

(Harish Singh)

Managing Director & CEO

Executive Director & CFO

DIN : 00006991

DIN : 00039501

Financial Statements

INDEPENDENT AUDITOR'S REPORT

TO
THE MEMBERS OF
M/S PAISALO DIGITAL LIMITED
NEW DELHI

REPORT ON THE STANDALONE FINANCIAL STATEMENTS

OPINION

We have audited the accompanying Standalone Financial Statements of M/S PAISALO DIGITAL LIMITED ("the Company") which comprises the Balance Sheet as at 31st March 2022 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 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 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 2022 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. 58 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 addresses the Key Audit Matters
<p>Impairment of financial Instruments (Expected Credit Loss) (refer Note No. 28 of the Standalone Financial Statements)</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 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 Statements 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.

The Board of Directors are also responsible for overseeing the company's financial reporting process.

AUDITOR'S RESPONSIBILITY FOR THE AUDIT OF THE STANDALONE 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, 2020 ("the Order"), issued by the Central Government of India in terms of Sub-Section (II) 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 accounts.
- 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 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2022 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 : 6th May 2022

For Manish Goyal & Co.
Chartered Accountants
Firm Reg. No. 006066C

Sd/-
(CA. MANISH GOYAL)
Partner
Membership No. 074778
UDIN : 22074778AINMFD5539

ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT OF M/S PAISALO DIGITAL LIMITED
(Referred to in paragraph of our Report of even date for F. Y. 2021-22)

- i. (a) (A) The Company has maintained proper records to show full particulars including quantitative details and situation of fixed assets.
(B) The company has maintained proper records to show full particulars of intangible assets.
- (b) As explained to us, the Property, Plant and Equipments have been physically verified by the management at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (c) 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.
- (d) According to the information and explanations given to us, Company has not revalued its Property, Plant and Equipment or Intangible assets.
- (e) According to the information and explanations given to us, no proceedings have been initiated or are pending against the Company under the Benami Transactions (Prohibition) Act, 1988 (45 of 1998).
- ii. (a) The Company is a Non-Banking Financial Company (NBFC) and has not dealt with any goods and the Company does not hold any inventory of goods during the period under audit. Accordingly, the reporting requirement under clause (ii) (a) of para no 3 of the Order is not applicable.
- (b) In our opinion and according to the information and explanations given to us, Company is availing working capital limits of more than Rupees five crore on the basis of security of current assets during the financial year. The monthly returns or statements filed by the company with banks or financial institutions are in agreement with the books of accounts of the Company.
- iii. The Company has made investments in or granted loans, secured or unsecured to individuals, companies, firms, limited liability partnership or other entities in ordinary course of business.
The Company has provided corporate guarantee to Bank / Financial Institution for the loans taken by its wholly owned subsidiary M/s Nupur Finvest Pvt. Ltd.
The Company is a Non-Banking Financial Company and principal business of the Company is providing loans and advance to other concerns, therefore Para (iii) (a) and (e) of the Order are not applicable to the Company.
(a) The terms & conditions of grant of such loans are not prejudicial to the interest of the company.
(b) The repayment/receipt of the principal and interest of loan granted is regular as per the schedule of repayment and there is no amount which is overdue more than ninety days in respect of standard Assets.
(c) As explained to us, as per RBI Prudential norms, the Company has made the required / specified provision for overdues of more than ninety days. However, the Company has taken reasonable steps for recovery of principal and interest for those cases.
(d) The Company has not given any loans or advances in the nature of loans which are repayable on demand or without specification of any terms or period of repayment. No loan have been granted to Promoters and/or related parties as defined under Section 2(76) of the Companies Act, 2013.
- 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 Taking or Holding Systemically Important (ND-SI) Company, and in our opinion, the Company has not accepted any public deposits within the meaning of Section 73 to 76 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014 and Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 2016. Accordingly, the provisions of para 3(v) of the Order 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 Goods & Service Tax and Custom Duty on account of any dispute except following matters under Income Tax:

Sr. No.	Forum	Period	Remark
1	Assessment Proceeding u/s 147	F.Y. 2012-13	Order Pending
2	Assessment Proceeding u/s 147	F.Y. 2014-15	Order Pending
3	Assessment Proceeding u/s 147	F.Y. 2015-16	Order Pending
4	Income Tax Department u/s 154	F.Y. 2016-17	Rs. 69,09,140/- amount involved
5	Appeal to Commissioner of Income Tax (Appeal)	F.Y. 2017-18	Rs. 23,29,246/- amount involved
6	Assessment Proceeding u/s 143(3)	F.Y. 2019-20	Order Pending

- viii. There are no transactions which are not recorded in the books of account which have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.
- ix. (a) The Company has not defaulted in the repayment of loans or other borrowings or in the payment of interest thereon to any lender.
- (b) The Company has not been declared willful defaulter by any bank or financial institution or other lender
- (c) The term loans were applied for the purpose for which the loans were sanctioned
- (d) Funds raised on short term basis have not been utilized for long term purposes
- (e) The Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.
- (f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.
- x. (a) 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.
- (b) According to the information and explanations given to us, during the year, the Company has allotted equity shares upon conversion of convertible warrants on preferential basis to promotor group entities pursuant to the provision of the Companies Act, 2013, read with regulation made thereunder and the SEBI (ICDR) Regulations, 2018.
- xi. (a) Based on the records examined by us and according to the information, explanations given to us, no fraud has been committed by the Company or any fraud committed on the Company by its officers or employees has been noticed or reported during the year.
- (b) No report under Sub-Section (12) of Section 143 of the Companies Act has been filed by the Auditors in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules 2014 with the Central Government.
- (c) the Auditor has not received any whistle-blower complaints during the year.
- xii. The Company is not the Nidhi Company, therefore provisions of Para 3 (xii) of the 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. (a) According to the information & explanation given to us, The Company has an Internal Audit System commensurate with the size and nature of its business.
- (b) We have considered the internal audit report for the period under audit and there are no major issues raised by the internal auditor.
- 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. (a) 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-Deposit Accepting or Holding Non-Banking Financial Company.
- (b) According to the information & explanation given to us, the Company is Non-Banking Financial Company and having a valid Certificate of Registration (CoR) from Reserve Bank of India as per Reserve Bank of India Act, 1934.
- (c) According to the information & explanation given to us, the Company is not a Core Investment Company (CIC), therefore CIC regulation of RBI are not applicable on the Company.
- (d) According to the information & explanation given to us, there are no CIC in the group.

- xvii. According to the information & explanation given to us, the Company has not incurred any cash losses in the financial year and in the immediately preceding financial year.
- xviii. During the year, the predecessor Statutory Auditor has resigned from the Company, However, there are no adverse issues, objections or concerns raised by the predecessor Auditor.
- xix. On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, the Auditor's knowledge of the Board of Directors and management plans, the Auditor is of the opinion that there is no material uncertainty exists as on the date of the audit report and that Company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date.
- xx. According to the information and explanations given to us, there are no projects other than ongoing project hence, provision of Sub Section (5) of Section 135 of the Companies Act 2013 are not applicable to the Company.

Place : New Delhi
Date : 6th May 2022

For Manish Goyal & Co.
Chartered Accountants
Firm Reg. No. 006066C

Sd/-
(CA. MANISH GOYAL)
Partner
Membership No. 074778
UDIN : 22074778AINMFD5539

ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT OF M/S PAISALO DIGITAL LIMITED (Referred to in paragraph of our Report of even date for F. Y. 2021-22)

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 as of 31st March 2022 in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

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

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls, 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 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 2022 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 : 6th May 2022

For Manish Goyal & Co.
Chartered Accountants
Firm Reg. No. 006066C

Sd/-
(CA. MANISH GOYAL)
Partner
Membership No. 074778
UDIN : 22074778AINMFD5539

BALANCE SHEET AS ON 31ST MARCH 2022

(₹ 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	910.56	1,394.79
	(b) Bank Balances other than (a) above	2	45.14	3,287.30
	(c) Derivative Financial Instruments	3	-	-
	(d) Receivables			
	(i) Trade Receivables	4	2,788.24	3,124.94
	(ii) Other Receivables		-	-
	(e) Loans	5	2,32,038.87	1,90,330.68
	(f) Investments	6	6,791.89	6,614.22
	(g) Other Financial Assets	7	5,159.36	303.41
	(2) Non Financial Assets			
	(a) Current Tax Assets (Net)	8	756.41	491.59
	(b) Deferred Tax Asset (Net)		-	-
	(c) Investment Property		-	-
	(d) Biological Assets other than Bearer plants		-	-
	(e) Property, Plant and Equipments	9	6,240.82	6,268.41
	(f) Capital Work-in-Progress		-	-
	(g) Intangible Assets under development		-	-
	(h) Goodwill		10.70	10.70
	(i) Other Intangible Assets	9	109.92	147.12
	(j) Other Non-Financial Assets	10	74.39	201.47
	Total Assets		2,54,926.30	2,12,174.63
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		7.69	4.62
	(ii) Outstanding dues of creditors other than Micro Enterprises and Small Enterprises		974.47	1,675.80
	(II) Other Payables			
	(i) Total outstanding dues of Micro Enterprises and Small Enterprises		-	-
	(ii) Outstanding dues of creditors other than Micro Enterprises and Small Enterprises		452.67	302.80
	(c) Debt Securities	13	32,330.89	27,844.37
	(d) Borrowings (Other than Debt Securities)	14	1,06,904.37	81,852.10
	(e) Deposits	15	-	-
	(f) Subordinated Liabilities	16	8,900.00	8,900.00
	(g) Other Financial Liabilities	17	251.49	2,777.38
	(2) Non-Financial Liabilities			
	(a) Current Tax Liabilities (Net)	18	-	-
	(b) Provisions	19	3,253.76	2,734.98
	(c) Deferred Tax Liabilities (Net)	20	262.46	166.80
	(d) Other non-financial Liabilities	21	327.41	467.85
	(3) Equity			
	(a) Equity Share Capital	22	4,391.84	4,229.84
	(b) Other Equity	23	96,869.25	81,218.09
	Total Equity & Liabilities		2,54,926.30	2,12,174.63

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 Manish Goyal & Co.
Chartered Accountants
Firm Reg. No. 006066C

Sd/-
(CA. MANISH GOYAL)
Partner
Membership No. 074778
UDIN : 22074778AINMFD5539

Place : New Delhi
Date : 6th May 2022

For and on behalf of the Board

Sd/-

(SUNIL AGARWAL)
Managing Director
DIN : 00006991

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

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

PROFIT & LOSS STATEMENT FOR THE PERIOD ENDED 31ST MARCH 2022

(₹ in Lakhs)

Sr. No.	Particulars	Note No.	Figures for current reporting period	Figures for previous reporting period
I	<u>Revenue from operations:</u>			
	(i) Interest Income	24	35,639.82	31,154.77
	(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)		35,639.82	31,154.77
II	Other Income	26	–	–
	Total Income (I+II)		35,639.82	31,154.77
III	<u>Expenses:</u>			
	(i) Finance Costs	27	16,679.32	14,375.66
	(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	3,953.69	4,033.80
	(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	2,378.08	2,164.65
	(xi) Depreciation, amortization and impairment	30	322.90	372.99
	(x) Others expenses	31	1,666.58	2,547.22
	Total Expenses (III)		25,000.57	23,494.32
IV	Profit before exceptional items and tax (II-III)		10,639.25	7,660.45
V	Exceptional items		0.17	(64.45)
VI	Profit before tax (IV-V)		10,639.08	7,724.90
VII	<u>Tax Expense:</u>			
	(1) Current Tax		2,671.98	1,913.16
	(2) Deferred Tax		95.66	47.92
VIII	Profit for the period from continuing operations (VI-VII)		7,871.44	5,763.82
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)		7,871.44	5,763.82

Sr. No.	Particulars	Note No.	Figures for current reporting period	Figures for previous reporting period
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) (Comprising Profit and other Comprehensive Income for the period)		7,871.44	5,763.82
XV	Earnings per Equity Share (for continuing operations):	34		
	Basic (Rs.)		18.59	13.63
	Diluted (Rs.)		18.59	13.63
XVI	Earnings per Equity Share (for discontinued operations):			
	Basic (Rs.)		–	–
	Diluted (Rs.)		–	–
XVII	Earnings per Equity Share (for continuing and discontinued operations):	34		
	Basic (Rs.)		18.59	13.63
	Diluted (Rs.)		18.59	13.63

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 Manish Goyal & Co.
 Chartered Accountants
 Firm Reg. No. 006066C

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

Sd/–
 (CA. MANISH GOYAL)
 Partner
 Membership No. 074778
 UDIN : 22074778AINMFD5539

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

Sd/–
 (HARISH SINGH)
 Executive Director & CFO
 DIN : 00039501

Place : New Delhi
 Date : 6th May 2022

STATEMENT OF STANDALONE CASH FLOW

STATEMENT FOR THE YEAR ENDED 31ST MARCH 2022

(₹ in Lakhs)

Sr. No.	Particulars	Figures for current reporting period		Figures for previous reporting period	
A	Cash Flow from Operating Activities:				
	Net Profit before tax and extraordinary items and Interest		27,318.57		22,036.10
	Adjustments for				
I	Depreciation	195.82		205.53	
II	Deferred Expense W/O	127.08		167.46	
III	Impairment on financial instruments	3,953.69		4,033.80	
IV	Expenditure on CSR Activities	161.03		328.08	
V	Profit/loss on Sale of Investments/Assets	(0.50)		-	
	Operating Profit before working capital changes		31,755.69		26,770.97
	Adjustments for				
I	Change in Other Financial Assets	(3.29)		456.13	
II	Change in Loans & Receivables	(45,007.50)		(24,322.48)	
III	Change in Payable & non financial liabilities	(688.83)		1,073.56	
IV	Misc. Expenses	-		-	
	Cash generated from Operations		(13,943.93)		3,978.18
I	Interest paid	(16,679.32)		(14,375.66)	
II	Income Tax paid	(2,936.81)		(1,993.05)	
III	Expenditure on CSR Activities	(161.03)		(328.08)	
	Cash flow before Extraordinary Items		(33,721.09)		(12,718.61)
I	Extraordinary items		0.17		(64.45)
	Net Cash from Operating Activities		(33,721.26)		(12,654.16)
B	Cash Flows from Investing Activities:				
I	Purchase of Fixed Assets	(131.04)		(7.16)	
II	Sale of Fixed Assets	0.50		-	
III	Purchase/transfer of Investments	(177.67)		-	
	Net Cash from Investing activities		(308.21)		(7.16)
C	Net Cash from Financing Activities:				
I	Proceeds from Borrowings	25,052.27		(3,161.60)	
II	Proceeds from Debt Service Repayment Account	(2,525.89)		(1,550.95)	
III	Proceeds from Debt Securities	4,486.52		14,644.37	
IV	Proceeds from Subordinated Liability	-		100.00	
V	Dividend Paid	(422.92)		(422.92)	
VI	Purchase of Security Receipts	(4,852.65)			
VII	Money received against Share Warrant (allotment of equity shares upon conversion of 16,20,000 warrents)	8,565.75		4,600.13	
	Net Cash from Financing activities		30,303.08		14,209.03
	Net Increase/(decrease) in cash & cash equivalents		(3,726.39)		1,547.71
	Cash & Cash equivalents at beginning of period		4,682.09		3,134.38
	Cash & Cash equivalent at end of period		955.70		4,682.09

Signed in terms of our Report of even date
For Manish Goyal & Co.
Chartered Accountants
Firm Reg. No. 006066C

Sd/-
(CA. MANISH GOYAL)
Partner
Membership No. 074778
UDIN : 22074778AINMFD5539
Place : New Delhi
Date : 6th May 2022

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 & CFO
DIN : 00039501

AUDITORS' REPORT

We have verified the attached Cash Flow Statement of M/s Paisalo Digital Limited derived from audited financial statements and the books and records maintained by the Company for the year ended 31st March 2022 and 31st March 2021 and found the same in agreement here with.

For Manish Goyal & Co.
Chartered Accountants
Firm Reg. No. 006066C

Sd/-
(CA. MANISH GOYAL)
Partner
Membership No. 074778
UDIN : 22074778AINMFD5539

Place : New Delhi
Date : 6th May 2022

Financial Statements

ACCOUNTING POLICIES

1. CORPORATE INFORMATION

M/S PAISALO DIGITAL LIMITED is a Systemically Important Non-Deposit Taking Non-Banking Financial Company engaged in providing loans.

Paisalo Digital Limited is a 30 years 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 / unserved, using state of art technology, has enabled to register significant growth. The Company is able to scale up its business operations through its intranet model of financing from more than 130 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 situated at CSC, Pocket 52, Chitranjan 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 (value in Lakhs up to two decimal), 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 at 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 Financial 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.

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 the 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 is 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.

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 Standard Assets is created against company's credit exposures.

The Company shows overdue installment amount of customers under trade receivables.

Expected Credit Loss model:

Company'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 risk, 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.

Company 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

Company 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 Company'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. Company 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 for past 90 days, Company recognize the lifetime expected credit losses. In this scenario PD is estimated at 100%. For Company, 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 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 Company's internal policy, the Company follows a policy of writing off 100% of Sub-Standard Assets which does incorporate the requirements of Ind AS of better presentation of financial position.

Company 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 Registered Office Premises on fair market value as per the valuation done by an independent valuer, except for a registered office building situated at New Delhi, 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 (Software)	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 is to be recognized in the Statement of Profit and Loss and 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.

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.

The Company has not recognized the Assets & Liability in respect of Arbitration Decree.

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 Executive Officer 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 the 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 EMPLOYEE RETIREMENT BENEFITS

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

Employees Gratuity liabilities has been calculated on the basis of Projected Unit Credit method adopted by LIC of India at the time of renewal of gratuity policy. Accordingly, Company has made contribution in line of that which is charged to Statement of Profit & Loss Account in the year of contribution.

5.14 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.

5.15 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"

5.16 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.

5.17 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 2022

Statement of Changes in Equity:

1. Current Reporting Period

(Amount in ₹)

Balance at the beginning of the Current Reporting Period	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in Equity share capital during the current year	Balance at the end of the current reporting period
42,29,84,490	–	42,29,84,490	1,62,00,000	43,91,84,490
42,29,84,490	–	42,29,84,490	1,62,00,000	43,91,84,490

2. Previous Reporting Period

(Amount in ₹)

Balance at the beginning of the Current Reporting Period	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in Equity share capital during the current year	Balance at the end of the current reporting period
42,29,84,490	–	42,29,84,490	–	42,29,84,490
42,29,84,490	–	42,29,84,490	–	42,29,84,490

List of Shareholders holding more than 5% shares of Company:

Sr. No.	Name of the Shareholders	No of Shares	% of shareholding
1	Mr. Sunil Agarwal	52,85,140	12.04
2	Equilibrated Venture Cflow Pvt. Ltd.	46,24,212	10.53
3	SBI Life Insurance Co. Ltd.	39,93,672	9.10
4	Antara India Evergreen Fund Ltd.	40,53,623	9.23

List of Promoter's and Promoter Group Shareholding as on 31st March 2022

Sr. No.	Promoter Name	Number of Shares held	Percentage of total shares	Percentage change during the year
1	Mr. Sunil Agarwal	52,85,140	12.04	(0.46)
2	Ms. Suneeti Agarwal	3,58,300	0.82	(0.03)
3	Mr. Santanu Agarwal	16,85,200	3.84	(0.15)
4	Equilibrated Venture Cflow Pvt. Ltd.	46,24,212	10.53	0.87
5	Pri Caf Pvt. Ltd.	7,96,920	1.81	1.21
6	Pro Fitech Pvt. Ltd.	7,10,561	1.62	1.47

Note : 1 Cash & Cash Equivalents

(₹ in Lakhs)

Sr. No.	Particulars	Current Year	Previous Year
1	Cash Balances	249.16	223.21
2	Bank Balances		
	Current a/c with Scheduled Banks (Subject to reconciliation)	161.33	1,171.51
	Cheques/ Drafts on Hands	–	–
3	In Fixed Deposits – Unencumbered With Banks	500.07	0.07
	Total	910.56	1,394.79

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	45.14	3,287.30
	Total	45.14	3,287.30

– Refer Note No. 41

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	137.28	858.56
	—Overdue Installments : Considered Good – Unsecured	658.78	894.88
	—Overdue Installments : Sub Standard Assets	1,992.18	1,371.50
2	Other Receivables		
	Total	2,788.24	3,124.94

Note : 4 (a) Trade Receivable– Additional Disclosures:

Outstanding for following periods from the due date of payment (FY. 2021–22)

(₹ in Lakhs)

Sr. No.	Particulars	less than 6 months	6 months – 1 year	1 – 2 years	2 – 3 years	More than 3 years	Total
1	Undisputed Trade Receivables – Considered Good	796.07		–	–	–	796.07
2	Undisputed Trade Receivables – which have significant increase in credit risk	–	–	–	–	–	–
3	Undisputed Trade Receivables – credit impaired		1,992.18	–	–	–	1,992.18
4	Disputed Trade Receivables – considered good	–	–	–	–	–	–
5	Disputed Trade Receivables – which have significant increase in credit risk	–	–	–	–	–	–
	Grand Total	796.07	1,992.18	–	–	–	2788.24

Outstanding for following periods from the due date of payment (FY. 2020–21)

(₹ in Lakhs)

Sr. No.	Particulars	less than 6 months	6 months – 1 year	1 – 2 years	2 – 3 years	More than 3 years	Total
1	Undisputed Trade Receivables – Considered Good	1,753.44		–	–	–	1,753.44
2	Undisputed Trade Receivables – which have significant increase in credit risk	–	–	–	–	–	–
3	Undisputed Trade Receivables – credit impaired	–	1,371.50	–	–	–	1,371.50
4	Disputed Trade Receivables – considered good	–	–	–	–	–	–
5	Disputed Trade Receivables – which have significant increase in credit risk	–	–	–	–	–	–
	Grand Total	1,753.44	1,371.50	–	–	–	3,124.94

(₹ in Lakhs)

Note : 5 Loans

Particulars	Current Year					Previous Year				
	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)
Loans										
(A) (i) Bills Purchased and Bills Discounted	-	-	-	-	-	-	-	-	-	-
(ii) Loans repayable on Demand	-	-	-	-	-	-	-	-	-	-
(iii) Term Loans	2,32,350.94	-	-	-	-	2,32,350.94	1,90,464.48	-	-	-
(iv) Leasing	-	-	-	-	-	-	-	-	-	-
(v) Factoring	-	-	-	-	-	-	-	-	-	-
(vi) Others (to be specified)	-	-	-	-	-	-	-	-	-	-
Total (A) – Gross	2,32,350.94	-	-	-	-	2,32,350.94	1,90,464.48	-	-	-
Less: Impairment loss allowance	312.07	-	-	-	-	312.07	133.80	-	-	-
Total (A) – Net	2,32,038.87	-	-	-	-	2,32,038.87	1,90,330.68	-	-	-
(B) (i) Secured by tangible assets	2,27,700.97	-	-	-	-	2,27,700.97	1,88,880.70	-	-	-
(ii) Secured by intangible assets	-	-	-	-	-	-	-	-	-	-
(iii) Covered by Bank/ Government Guarantees	-	-	-	-	-	-	-	-	-	-
(iv) Unsecured	4,649.97	-	-	-	-	4,649.97	1,583.78	-	-	-
Total (B) – Gross	2,32,350.94	-	-	-	-	2,32,350.94	1,90,464.48	-	-	-
Less: Impairment loss allowance	312.07	-	-	-	-	312.07	133.80	-	-	-
Total (B) – Net	2,32,038.87	-	-	-	-	2,32,038.87	1,90,330.68	-	-	-
(C) (I) Loans in India	2,32,350.94	-	-	-	-	2,32,350.94	1,90,464.48	-	-	-
(i) Public Sector	-	-	-	-	-	-	-	-	-	-
(ii) Others (to be specified)	-	-	-	-	-	-	-	-	-	-
Total (C) – Gross	2,32,350.94	-	-	-	-	2,32,350.94	1,90,464.48	-	-	-
Less: Impairment loss allowance	312.07	-	-	-	-	312.07	133.80	-	-	-
Total (C)(I) – Net	2,32,038.87	-	-	-	-	2,32,038.87	1,90,330.68	-	-	-
(C) (II) Loans outside India	-	-	-	-	-	-	-	-	-	-
Less: Impairment loss allowance	-	-	-	-	-	-	-	-	-	-
Total (C)(II) – Net	-	-	-	-	-	-	-	-	-	-
Total C (I) and C (II)	2,32,038.87	-	-	-	-	2,32,038.87	1,90,330.68	-	-	-

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	177.67	-	-	-	-	-	177.67	-	-	-	-	-	-	-
Subsidiaries	4,223.91	-	-	-	-	-	4,223.91	4,223.91	-	-	-	-	-	4,223.91
Associates	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Joint Ventures	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Others (specify)*	2,390.31	-	-	-	-	-	2,390.31	2,390.31	-	-	-	-	-	2,390.31
Total (A)	6,791.89	-	-	-	-	-	6,791.89	6,614.22	-	-	-	-	-	6,614.22
(i) Investments outside India	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(ii) Investments in India	6,791.89	-	-	-	-	-	6,791.89	6,614.22	-	-	-	-	-	6,614.22
Total (B)	6,791.89	-	-	-	-	-	6,791.89	6,614.22	-	-	-	-	-	6,614.22
Total (A) to tally with (B)	6,791.89	-	-	-	-	-	6,791.89	6,614.22	-	-	-	-	-	6,614.22
Less: Allowance for Impairment loss (C)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total – Net D = (A) – (C)	6,791.89	-	-	-	-	-	6,791.89	6,614.22	-	-	-	-	-	6,614.22

*Unquoted Shares of M/s Samast Vikas Limited (Formerly known as Spring Infradev Limited)

Note : 7 Others Financial Assets

(₹ in Lakhs)

Sr. No.	Particulars	Current Year	Previous Year
1	Secured, Considered Good		
	Security Deposit*	22.85	20.50
	Advances to Staff	4.02	3.11
	Income Receivables	–	1.00
	Advances for Services	42.36	93.43
	Prepaid Expenses	4.57	2.44
	GST/Service Tax Cenvat	232.91	182.93
	Security Receipts	4,852.65	–
	Total	5,159.36	303.41

* 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	10,057.06	7,120.26
	Provision for Taxation	(9,300.65)	(6,628.67)
	Total	756.41	491.59

Note : 9 Property, Plant and Equipment (₹ in Lakhs)

Sr. No.	Particulars	Gross Block				Depreciation				Net Block	
		Value at the beginning	Addition during the year	Deduction during the year	Value at the end	Value at the beginning	Addition during the year	Deduction during the year	Value at the end	WDV as on 31.03.2022	WDV as on 31.03.2021
I	Tangible Assets										
1	Land	–	–	–	–	–	–	–	–	–	–
2	Building	6,425.12	3.47	–	6,428.59	363.15	105.88	–	469.03	5,959.56	6,061.97
3	Furniture & Fittings	205.33	5.61	–	210.94	120.24	10.71	–	130.95	79.99	85.09
4	Computer Peripheral	203.52	22.35	–	225.87	184.93	10.30	–	195.23	30.64	18.59
6	Vehicles	165.62	90.07	9.50	246.19	104.87	18.64	9.50	114.01	132.18	60.75
7	Equipments, Plant & Machinery	169.85	7.83	–	177.68	127.84	11.39	–	139.23	38.45	42.01
	SUB TOTAL (A)	7,169.44	129.33	9.50	7,289.27	901.03	156.92	9.50	1,048.45	6,240.82	6,268.41
II	Intangible Assets										
1	Computer Software	529.77	1.70	–	531.47	382.65	38.90	–	421.54	109.92	147.12
2	Goodwill	10.70	–	–	10.70	–	–	–	–	10.70	10.70
	SUB TOTAL (B)	540.47	1.70	–	542.17	382.65	38.90	–	421.54	120.62	157.82
III	Capital Work-in-progress	–	–	–	–	–	–	–	–	–	–
	SUB TOTAL (C)	–	–	–	–	–	–	–	–	–	–
IV	Intangible Assets Under Development	–	–	–	–	–	–	–	–	–	–
	SUB TOTAL (D)	–	–	–	–	–	–	–	–	–	–
	Total [A+B+C+D] (Current Year)	7,709.91	131.03	9.50	7,831.44	1,283.68	195.82	9.50	1,470.00	6,361.44	6,426.23
	Total (Previous Year)	7,702.76	7.16	–	7,709.91	1,078.16	205.53	–	1,283.68	6,426.23	6,624.60

Note : 10 Other Non Financial Assets

(₹ in Lakhs)

Sr. No.	Particulars	Current Year	Previous Year
I	Deferred Revenue Expenditure	74.39	201.47
	Total	74.39	201.47

– 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	7.69	4.62
		7.69	4.62
	(ii) Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises		
	(a) SBI Assignment Payable	348.19	554.90
	(b) SIB Assignment Payable	67.57	141.47
	(c) CBI Assignment Payable	77.94	88.58
	(d) BOB Assignment Payable	–	693.04
	(e) Other Sundry Payables	480.77	197.82
		974.47	1,675.80
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	0.01	0.02
	EPF Contribution Payable	9.90	5.84
	ESI Payable	3.88	0.70
	GST Payable	5.60	9.95
	TDS Payable	111.24	43.13
	LIC GSLI Payable	0.02	0.02
	(b) Expenses Payables	322.02	243.13
		452.67	302.80
	Total	1,434.83	1,983.22

Note : 12 (a) Trade Payables Due for Payment 2021-22

(₹ in Lakhs)

Sr. No.	Particulars	less than 1 year	1 – 2 years	2 – 3 years	More than 3 years	Total
1	MSME	7.69	–	–	–	7.69
2	Others	974.47	–	–	–	974.47
3	Disputed Dues-MSME	–	–	–	–	–
4	Disputed Dues-Others	–	–	–	–	–
	Grand Total	982.16	–	–	–	982.16

Trade Payables Due for Payment 2020-21

(₹ in Lakhs)

Sr. No.	Particulars	less than 1 year	1 – 2 years	2 – 3 years	More than 3 years	Total
1	MSME	4.62	–	–	–	4.62
2	Others	1,675.80	–	–	–	1,675.80
3	Disputed Dues-MSME	–	–	–	–	–
4	Disputed Dues-Others	–	–	–	–	–
	Grand Total	1,680.42	–	–	–	1,680.42

– There are no dues pending for more than 45 days.

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 =(1)+(2)+(3)	At Amortised Cost	At Fair Value Through profit or loss	Designated at fair value through profit or loss
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
							(8) = (5)+(6)+(7)
Liability component of compound Financial Instruments	–	–	–	–	–	–	–
Others (Bonds/ Debentures etc.)*	32,330.89	–	–	32,330.89	27,844.37	–	27,844.37
Total (A)	32,330.89	–	–	32,330.89	27,844.37	–	27,844.37
Debt Securities in India	32,330.89	–	–	32,330.89	27,844.37	–	27,844.37
Debt Securities outside India	–	–	–	–	–	–	–
Total (B) to tally with (A)	32,330.89	–	–	32,330.89	27,844.37	–	27,844.37

*Details of Non Convertible Debentures

Debt Series	Issued Date	Issued Amount	Rate of Interest	Interest Periodicity	Maturity Date	Maturity Amount	Current Year	Previous Year
Series-'1609 SEIL'	Sept 2016	9,500.00	14.50%	Monthly	Sept 2021	9,500.00	No	Yes
Series-'PDL1802'	Feb-2018	2,800.00	12.00%	Monthly	Feb-2023	2,800.00	Yes	Yes
Series-'PDL2020-3'	Feb-2020	900.00	12.00%	Monthly	Feb-2025	900.00	Yes	Yes
Series-'PDL-07-2020'	Jul-2020	5,000.00	10.50%	Quarterly	Apr-2023	5,000.00	Yes	Yes
Series-'PDL-08-2020'	Aug-2020	2,000.00	9.50%	Yearly	Feb-2022	2,000.00	Yes	Yes
Series-'PDL-11-2020'	Nov-2020	1,600.00	10.50%	Quarterly	May-2022	1,600.00	Yes	Yes
Series-'PDL-12-2020'	Dec-2020	3,500.00	12.00%	Monthly	Dec-2023	3,500.00	Yes	Yes
Series-'PDL-02-2021'	Feb-2021	2,300.00	12.00%	Monthly	Feb-2026	2,300.00	Yes	Yes
Series-'PDL-07-2021'	July-2021	2,500.00	12.00%	Monthly	July-2026	2,500.00	Yes	No
Series-'PDL-09-2021'	Sep-2021	9,400.00	12.00%	Monthly	Sep-2026	9,400.00	Yes	No
Series-'PDL-09-02-2021'	Sep-2021	1,500.00	12.00%	Monthly	Sep-2026	1,500.00	Yes	No
Series-'PDL-02-2022'	Feb-2022	2,700.00	9.00%	Monthly	Feb-2029	2,700.00	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	13,140.04	0	0	13,140.04	3,940.94	0	0	3,940.94
(ii) From other parties	0	0	0	0	1,254.76	0	0	1,254.76
(b) Deferred payment liabilities	0	0	0	0	0	0	0	0
(c) Loans from related parties	0	0	0	0	2,221.63	0	0	2,221.63
(d) Finance lease obligations	0	0	0	0	0	0	0	0
(e) Liability component of compound financial instruments	0	0	0	0	0	0	0	0
(f) Loans repayable on demand:								
(i) from banks	82,740.06	0	0	82,740.06	68,926.30	0	0	68,926.30
(ii) from other parties	11,024.27	0	0	11,024.27	5,508.47	0	0	5,508.47
(g) Other loans (specify nature)	0	0	0	0	0	0	0	0
Total (A)	1,06,904.37	0	0	1,06,904.37	81,852.10	0	0	81,852.10
Borrowings in India	1,06,904.37	0	0	1,06,904.37	81,852.10	0	0	81,852.10
Borrowings outside India	0	0	0	0	0	0	0	0
Total (B) to tally with (A)	1,06,904.37	0	0	1,06,904.37	81,852.10	0	0	81,852.10

Note : 15 Deposits (₹ 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)
Deposits								
(i) Public Deposits	-	-	-	-	-	-	-	-
(ii) Form Banks	-	-	-	-	-	-	-	-
(iii) From Others	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-

Note : 16 Subordinated 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	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)
Perpetual Debt Instruments to the extent that do not qualify as equity	-	-	-	-	-	-	-	-
Preference Shares other than those that qualify as Equity	-	-	-	-	-	-	-	-
Others	8,900.00	-	-	8,900.00	8,900.00	-	-	8,900.00
(Non-Convertible Debentures*)								
Total (A)	8,900.00	-	-	8,900.00	8,900.00	-	-	8,900.00
Subordinated Liabilities in India	8,900.00	-	-	8,900.00	8,900.00	-	-	8,900.00
Subordinated Liabilities outside India	-	-	-	-	-	-	-	-
Total (B) to tally with (A)	8,900.00	-	-	8,900.00	8,900.00	-	-	8,900.00

* 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	Yes	Yes
Series-'PDL2020-1'	Jan -2020	600	12.00%	Monthly	Jan-2026	600	Yes	Yes
Series-'PDL2020-2'	Feb-2020	100	12.00%	Monthly	Feb-2026	100	Yes	Yes
Series-'PDL2020-12'	Dec-2020	100	12.00%	Monthly	Dec-2030	100	Yes	Yes

Note : 17 Others Financial Liabilities

(₹ in Lakhs)

Sr. No.	Particulars	Current Year	Previous Year
1	Debt Service Repayment Account	251.49	2,777.38
	Total	251.49	2,777.38

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	959.95	775.04
2	Provision for Proposed Dividend on Equity Shares	439.12	422.92
3	Provision for Expected Credit Loss	1,241.45	1,235.85
4	Provision for Sub Standard Assets	613.24	301.17
	Total	3,253.76	2,734.98

Note : 20 Deferred Tax Liabilities (Net)

(₹ in Lakhs)

Sr. No.	Particulars	Current Year	Previous Year
1	Opening Balance	166.80	118.88
	Add: Addition from Merger of Agarwal Meadows	–	–
	Tax on Timing difference on Property, Plant and Equipments	327.30	235.06
	Tax on Timing difference on Deferred Revenue Expenditures	19.06	51.63
	Tax on Timing difference on Unearned Processing Fees	(83.90)	(119.89)
2	Total Deferred Tax Liability	262.46	166.80
	Provision for Deferred Tax required for the year (2-1)	95.66	47.92
	Total	262.46	166.80

Note : 21 Others Non Financial Liabilities

(₹ in Lakhs)

Sr. No.	Particulars	Current Year	Previous Year
1	Unearned Income of Processing Fees	327.41	467.85
	Total	327.41	467.85

Note : 22 Share Capital

(₹ in Lakhs)

Sr. No.	Particulars	Current Year	Previous Year
1	AUTHORIZED CAPITAL		
	12,00,00,000 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		
	4,23,04,699 Equity Shares of Rs. 10 per Share fully paid up	4,230.47	4,230.47
	Add: 16,20,000 Shares of Rs. 10 per Share fully paid up issued during the year	162.00	–
		4,392.47	4,230.47
3	PAID UP CAPITAL		
	4,22,92,199 Equity Shares of Rs. 10 per Share fully paid up	4,229.22	4,229.22
	Add: 16,20,000 Shares of Rs. 10 per Share fully paid up allotted during the year	162.00	–
	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	4,391.84	4,229.84

Note : 23 Other Equity

Current Reporting Period:

(₹ in Lakhs)

Particulars	Share Application money pending Allotment	Equity component of Financial Instruments	Statutory Reserves – RBI Reserve Fund	Capital Reserve	Securities Premium	General Reserve	Retained Earnings	Capital Redemption Reserve	Revaluation Reserve	Debt Instruments through other Comprehensive Income	Equity Instruments through other Comprehensive Income	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	-	-	13,957.79	2,415.21	19,952.02	39,555.44	133.46	250.00	354.04	-	-	-	-	-	-	4,600.13	81,218.09
Add: Any change due to IND AS	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Restated Balances at the beginning of the reporting period	-	-	13,957.79	2,415.21	19,952.02	39,555.44	133.46	250.00	354.04	-	-	-	-	-	-	4,600.13	81,218.09
Total Comprehensive Income for the year	-	-	-	-	-	-	7,871.44	-	-	-	-	-	-	-	-	-	7,871.44
Money received as share warrant	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	8,565.75	8,565.75
Share warrant converted into Share capital	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(162.00)	(162.00)
Security Premium on conversion of warrants into equity	-	-	-	-	11,259.00	-	-	-	-	-	-	-	-	-	-	(11,259.00)	-
Proposed Dividends	-	-	-	-	-	-	(439.12)	-	-	-	-	-	-	-	-	-	(439.12)
Depreciation on Revaluation Amount	-	-	-	-	-	-	9.08	-	(9.08)	-	-	-	-	-	-	-	-
Income Tax Impact due to IND AS on Processing Fees	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer to General Reserve	-	-	-	-	-	5,500.00	(5,500.00)	-	-	-	-	-	-	-	-	-	-
Transfer to Statutory Reserve Fund	-	-	1,574.29	-	-	-	(1,574.29)	-	-	-	-	-	-	-	-	-	-
Provision on Standard Assets	-	-	-	-	-	-	(184.91)	-	-	-	-	-	-	-	-	-	(184.91)
Balance at the end of the reporting period	-	-	15,532.08	2,415.21	31,211.02	45,055.44	315.66	250.00	344.96	-	-	-	-	-	-	1,744.88	96,869.25

(₹ in Lakhs)

Previous Reporting Period:

Particulars	Share Application money pending Allotment	Equity component of Financial Instruments	Statutory Reserves - RBI Reserve Fund	Capital Reserve	Securities Premium	General Reserve	Retained Earnings	Capital Redemption Reserve	Revaluation Reserve	Debt instruments through other Comprehensive Income	Equity Instruments through other Comprehensive Income	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 Comprehensive Income (Specify nature)	Money received against Share Warrants	Total
Balance at the beginning of the reporting period	-	-	12,739.41	2,415.21	19,952.02	35,555.44	83.87	250.00	363.12	-	-	-	-	-	-	-	-	71,359.08
Add: Any change due to IND AS	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Restated Balances at the beginning of the reporting period	-	-	12,739.41	2,415.21	19,952.02	35,555.44	83.87	250.00	363.12	-	-	-	-	-	-	-	-	71,359.08
Total Comprehensive Income for the year	-	-	-	-	-	-	5,763.82	-	-	-	-	-	-	-	-	-	-	5,763.82
Money received as share warrant	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	4,600.13	4,600.13
Proposed Dividends	-	-	-	-	-	-	(422.92)	-	-	-	-	-	-	-	-	-	-	(422.92)
Depreciation on Revaluation Amount	-	-	-	-	-	-	9.08	-	(9.08)	-	-	-	-	-	-	-	-	-
Income Tax Impact due to IND AS on Processing Fees	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer to General Reserve	-	-	-	-	-	4,000.00	(4,000.00)	-	-	-	-	-	-	-	-	-	-	-
Transfer to Statutory Reserve Fund	-	-	1,218.38	-	-	-	(1,218.38)	-	-	-	-	-	-	-	-	-	-	-
Provision on Standard Assets	-	-	-	-	-	-	(82.01)	-	-	-	-	-	-	-	-	-	-	(82.01)
Balance at the end of the reporting period	-	-	13,957.79	2,415.21	19,952.02	39,555.44	133.46	250.00	354.04	-	-	-	-	-	-	-	4,600.13	81,218.09

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	-	35,606.67	-	-	31,131.33	-
Interest Income from Investments	-	-	-	-	-	-
Interest on Deposits with Banks	-	33.15	-	-	23.44	-
Other Interest Income	-	-	-	-	-	-
Total	-	35,639.82	-	-	31,154.77	-

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	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	–	10,969.90	–	10,115.73
3	Interest on Debt Securities	–	3,578.54	–	2,488.70
4	Interest on Subordinated Liabilities	–	1,230.00	–	1,220.96
5	Other Interest expense/ Bank Charges	–	900.88	–	550.27
	Total	–	16,679.32	–	14,375.66

Note : 28 Impairment on Financial Instruments

(₹ in Lakhs)

Sr. No.	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
1	Bad Debts Written Off on Loans	–	3,636.02	–	3,532.38
2	Provision for NPA	–	312.07	–	133.80
3	Provision on Standard Accounts in Default		5.60		367.62
4	Provision for Expected Credit Loss	–	–	–	–
5	Investments	–	–	–	–
6	Others (to be specified)				
	Total	–	3,953.69	–	4,033.80

Note : 29 Employees Benefit Expenses

(₹ in Lakhs)

Sr. No.	Particulars	Current Year	Previous Year
1	Salaries and Wages to Employess	1,728.61	1,602.41
2	Directors Salaries & Allowances	505.25	433.15
3	Contribution to Provident and other funds	106.69	107.44
4	Share Based Payments to employees	–	–
5	Staff welfare expenses	37.53	21.65
	Total	2,378.08	2,164.65

– 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. 2021–22 Rs. 5,05,24,800 (Last year Rs. 4,33,14,900) 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	195.82	205.53
2	Deferred Revenue Exp. w/o*	127.08	167.46
	Total	322.90	372.99

– *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	26.22	56.75
2	Travelling Expenses	354.70	450.32
3	Repair & Maintenance	37.43	18.95
4	Insurance Expenses	11.18	11.48
5	Electricity & Water Expenses	56.43	49.98
6	Rates & Taxes	2.69	3.15
7	Legal Expenses & Professional Fees	417.35	282.53
8	Printing & Stationery Expenses	56.58	90.52
9	Postage & Telephone Expenses	43.66	52.54
10	Auditors Remuneration	6.27	4.36
11	Rent	164.80	156.86
12	Rebate & Remission	35.46	17.69
13	Advertisement & Business Promotion Expenses	109.98	757.80
14	Recovery Expenses	6.24	40.17
15	Office and General Expenses	161.42	211.32
16	Loss/(Profit on sale of Assets/Investments)	(0.50)	–
17	Directors Sitting Fees & Expenses	15.64	14.72
18	Corporate Social Responsibility Expenditure	161.03	328.08
	Total	1,666.58	2,547.22

Note : 32 Ratios

Sr. No.	Ratio	Formula	Explanation	Ratio
1	Current Ratio	Current Assets/Current Liabilities	–	3.58
2	Debt–Equity Ratio	Debt/Equity	Total Debts (Long term + Short term)	1.46
3	Debt Service Coverage Ratio	Net Operating Income/Total Debt Service	(PBT + Dep. + Int. on T.L.) / (int. on T.L. + Principal repaid)	1.19
4	Return on Equity Ratio	Net Income/Shareholder's Equity	PAT/Shareholder's Equity	7.78%
5	Inventory turnover ratio	Disbursement/Average Inventory	–	0.76
6	Trade Receivables turnover ratio	Trade Receivable / Disbursement	–	0.02
7	Trade payables turnover ratio	Trade Payable / Disbursement	–	0.01
8	Net capital turnover ratio	Disbursement / Shareholder's Equity	–	1.62
9	Net profit ratio	Net Profit/Revenue	–	22.09%
10	Return on Capital employed	EBIT/capital employed	C.E.= Sahreholder's Equity + Long Term Liabilities)	15.06%
11	Return on investment	Income generated form Investments / weighted average investments	–	0.56%

33. : Remuneration to Auditors:

(₹ In Lakhs)

Particulars	2021–22	2020–21
For Statutory Audit	4.50	3.00
For Tax Audit	1.25	1.00
Total	5.75	4.00

34. : Earning per Share:

(₹ In Lakhs)

Particulars	2021–22	2020–21
Net profit for the year (After Tax)	7,871.44	5,763.82
No. of Equity Shares (Weighted)	423.48	422.92
Basic and diluted Earning per share	18.59	13.63

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

36. The company has paid all its dues to Small Scale Industrial Undertakings within the due time limit. There are no outstanding due pending more than 45 days under the Micro, Small and Medium Enterprises Act, 2006

37. 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	Facility	Amount o/s
State Bank of India	Term Loan	4,395.90
Karnataka Bank Limited	Cash Credit	2,000.00
Bank of Baroda	Term Loan	624.66
Tata Capital Financial Services Limited	Term Loan	1,501.22
Satin Credit Care Network Limited	Term Loan	653.33
Satin Finserv Limited	Term Loan	130.67
Total		9,305.78

38. 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 & Chief Executive Officer)

Mr. Harish Singh

(Executive Director & Chief Finance Officer)

Mr. Anoop Krishna

(Executive Director)

Mr. Atul Kumar Agarwal*

(Chief Finance Officer)

Mr. Manendra Singh

(Company Secretary)

*Since upto 30th November, 2021

Relatives of KMP

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 Krishna

(Spouse of Mr. Anoop Krishna)

List of related parties and relationship

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

1. Equilibrated Venture Cflow Pvt. Ltd.
2. Harish Singh HUF
3. Pro Fitcch Pvt. Ltd.
4. Pri Caf Pvt. Ltd.
5. Raj Shiksha Foundation
6. R N R Automate Pvt. Ltd.
7. Repartee Infrastructures Pvt. Ltd.
8. Radiance Techno Powers Company Pvt. Ltd.
9. Spaak Super Tec Pvt. Ltd.
10. SCS Education Foundation

D. Disclosures required for Related party transactions

(₹ In Lakhs)

Name of Party	Nature	Amount	Amount Receivable/ (Payable)
Mr. Sunil Agarwal	Remuneration to Director	435.60	(20.80)
Mr. Harish Singh	Remuneration to Director	33.00	(1.60)
Mr. Anoop Krishna	Remuneration to Director	39.60	(1.66)
Mr. Sunil Agarwal	Loan Repaid	233.00	—
Mrs. Raj Agarwal	Rent	9.00	(0.68)
Mr. Santanu Agarwal	Salary	18.00	(1.05)
Mr. Atul Agarwal	Salary	12.00	—
Mr. Manendra Singh	Salary	11.16	(0.80)
Mr. Santanu Agarwal	Loan Repaid	2,156.63	—
Mr. Santanu Agarwal	Interest Expenses	149.00	—
Mr. Harish Singh	Interest Payment (on NCD)	6.71	—
Mr. Pranav Chauhan	Interest Payment (on NCD)	19.60	—
Nupur Finvest Pvt. Ltd.	Sale of Portfolio	1,692.32	—
Nupur Finvest Pvt. Ltd.	Interest Expenses	189.03	—
Nupur Finvest Pvt. Ltd.	Loan given	835.00	—
Nupur Finvest Pvt. Ltd.	Interest received on ICD	8.85	—
Mr. Sunil Agarwal	Dividend Paid	52.85	—
Mr. Santanu Agarwal	Dividend Paid	16.85	—
Ms. Suneeti Agarwal	Dividend Paid	3.58	—
Pro Fitch Pvt. Ltd.	Dividend Paid	6.08	—
Equilibrated Venture Cflow Pvt. Ltd.	Dividend Paid	40.84	—
Pri Caf Pvt. Ltd.	Dividend Paid	2.57	—
Pro Fitch Pvt. Ltd.	Amount received against Share Warrants for conversion into equity (allotment of 5,40,000 equity shares to each allottee)	2,855.25	—
Equilibrated Venture Cflow Pvt. Ltd.		2,855.25	—
Pri Caf Pvt. Ltd.		2,855.25	—

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/Audit Committee 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.
- (5) Company has extended its guarantee to Banks/ Financial Institutions for credit facilities availed by the wholly owned subsidiary Nupur Finvest Pvt Ltd.

39. Working Capital, Working Capital Demand Loan and Term Loan Borrowings:

The Company has an arrangement with a consortium of fourteen 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 five commercial properties by third parties as well as personal and corporate guarantees. The outstanding details of the member banks in the consortium is as under:

(₹ In Lakhs)

Sr. No.	Name of Bank	Facility	Out- standing	ROI	Sanctioned Amount	Share in Consortium (%)
1	Bank of Baroda	CC+WCDL	9,954.51	MCLR + 1.80%	10,000.00	9.24%
2	Bank of Baroda TL	Term Loan	5,625.00	MCLR + 1.80%	6,250.00	5.77%
3	Punjab National Bank	CC	4,613.89	MCLR + 3.35%	7,000.00	6.47%
4	Punjab National Bank (e-United Bank of India)	CC	4,887.15	MCLR + 3.35%	5,000.00	4.62%
5	Bank of India	CC+WCDL	4,411.10	MCLR + 3.50%	4,550.00	4.20%
6	Union Bank of India	CC+WCDL	14,325.83	MCLR + 3.25%	14,900.00	13.76%
7	Union Bank of India (e-Andhra Bank)	CC	1,598.17	MCLR + 3.25%	1,600.00	1.48%
8	Central Bank of India	CC+WCDL	12,380.14	MCLR + 4.30%	12,500.00	11.55%
9	UCO Bank	CC	3,153.15	MCLR + 2.00%	3,700.00	3.42%
10	UCO Bank TL	Term Loan	3,333.33	MCLR + 2.00%	5,000.00	4.62%
11	IDBI Bank	CC+WCDL	1,999.27	MCLR + 4.70%	2,500.00	2.31%
12	Bank of Maharashtra	CC+WCDL	4,067.07	MCLR + 1.15%	5,000.00	4.62%
13	South Indian Bank	CC+WCDL	2,042.76	MCLR + 3.20%	2,250.00	2.08%
14	State Bank of India	CC+WCDL	2,535.29	MCLR + 2.35%	4,000.00	3.70%
15	State Bank of India TL	Term Loan	2,015.60	MCLR + 2.35%	4,000.00	3.70%
16	Karnataka Bank	CC	4,498.16	MCLR + 2.20%	5,000.00	4.62%
17	Dhanlaxmi Bank	CC+WCDL	2,296.30	MCLR + 1.50%	2,500.00	2.31%
18	Dhanlaxmi Bank TL	Term Loan	2,083.33	MCLR + 1.60%	2,500.00	2.31%
19	CSB Bank	CC+WCDL	4,987.64	MCLR + 0.70%	5,000.00	4.62%
20	Indian Bank	CC+WCDL	4,989.64	MCLR + 1.80%	5,000.00	4.62%
	Total		95,797.33		1,08,250.00	100.00

Term Loans sanctioned under the COVID-19 Scheme

(₹ In Lakhs)

Sr. No.	Name of Bank	Out- standing	ROI	Sanctioned Amount
1	State Bank of India TL	59.87	MCLR + 0.30%	400.00
2	Central Bank of India TL	22.90	MCLR + 4.30%	312.05
	Total	82.77		712.05

40. Paisalo Digital Limited, on 20.03.2021, has allotted 26,10,000 fully convertible warrants to three Promoter Group entities on preferential basis, at an issue price of RS. 705 (determined as per ICDR Regulations, 2018) on receipt of 25% upfront amount. In terms of issue of Warrants, Warrant shall be convertible into equal number of equity shares of Rs. 10/- each at a premium of Rs.695/- each within 18 months from the date of issue of warrants.

On March 14, 2022, Warrant holders applied to exercise their right to convert the 8,10,000 warrants (out of total warrants issued) into equal number of equity shares and paid Rs. 42,82,87,500 (75% of issue price for 8,10,000 shares). Accordingly, Company has allotted 8,10,000 equity shares of Rs. 10 each on conversion of warrants.

Number of Equity shares allotted	-	8,10,000
Face Value (Share Capital)	-	Rs. 81,00,000
Security Premium Amount	-	Rs. 56,29,50,000

Further, On March 25, 2022, Warrant holders again applied to exercise their right to convert the 8,10,000 warrants (out of balance warrants issued) into equal number of equity shares and paid Rs. 42,82,87,500 (75% of issue price for 8,10,000 shares). Accordingly,

Company has allotted 8,10,000 equity shares of Rs. 10 each on conversion of warrants.

Number of Equity shares allotted	–	8,10,000
Face Value (Share Capital)	–	Rs. 81,00,000
Security Premium Amount	–	Rs. 56,29,50,000

41. Detail of Bank FDR's (principal amount) held as on 31.03.2022:

Held to avail Cash Credit facility against FDRs (₹ In Lakhs)

1	Punjab National Bank	Cash Credit	8.95
	Subtotal	(A)	8.95

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 Investment (₹ In Lakhs)

2	Bank of Baroda	Unencumbered	500.00
	Subtotal	(D)	500.00

Held as Guarantee (₹ In Lakhs)

1	State Bank of India	Guarantee	10.00
	Subtotal	(E)	10.00

Held as Guarantee (₹ In Lakhs)

1	Bank of Baroda	Guarantee	25.00
	Subtotal	(F)	25.00
	Grand Total of FDR's	(A+B+C+D+E+F)	544.67

42. Reconciliation of Book Debt Assigned to the Consortium Banks with the Book Debts (Inventory) of the Company as on the date of Balance Sheet:

(₹ In Lakhs)

Sr. No.	Particulars	Value as per Book Debt Statement	Value of Inventory as per Balance Sheet	Difference	Reason
1	Standard Assets	2,28,296.29	2,31,257.76	2961.47	Some Disbursement / payments / Bad Debts were omitted to consider in MIS, pending reconciliation while submitting the Book Debts Statements.
2	Sub Standard Asset	–	3,569.34	3569.34	Not Qualified for DP Purpose

43. During the Current year, few Arbitration Awards have become executable Decrees. The amount of such Decrees available for execution stands at Rs. 17,487.60 (Previous year Rs. 17,264.79) Lakhs as on the date of Balance Sheet. In the previous years the Arbitration awards' decrees were shown as contra entries in the Financial Statements which have now been shown as a part of the notes the details of which is given below, all these cases have already been written off in the books of accounts hence there are no impact on the profit and loss count of the Company for current as well as in the previous years:

(₹ In Lakhs)

Sr. No.	Particulars	Amount
1	Opening balance of Arbitration Awards	17,264.79
2	Add: New Arbitration Award procured during the year	2,358.90
3	Less: Arbitration Award Challenged / Closed during the year	2,136.09
4	Arbitration Awards available for Execution	17,487.60

44. Capital Risk Adequacy Ratio (CRAR):

(₹ In Lakhs)

Particulars	2021-22	2020-21
i) CRAR %	42.92%	44.47%
ii) CRAR – Tier I Capital %	37.73%	37.08%
iii) CRAR – Tier II Capital %	5.19%	7.39%
iv) Amount of subordinated debt raised as Tier-II Capital	100	100
v) Liquidity Coverage Ratio	3.24	1.33
vi) Amount raised by issue of Perpetual Debt Instruments	Nil	Nil

45. Investments:

(₹ In Lakhs)

Particulars	2021-22	2020-21
1) Value of Investments		
i) Gross value of Investments		
a) In India	7,337.10	9,901.59
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	7,337.10	9,901.59
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

46. The Company had not taken any exposure in Derivatives during the financial year 2021-22.

47. Disclosure relating to Securitization:

- The Company has not done securitization of any of its loans & advances to any organization during the financial year 2021-22 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 2021-22.

- Details of stock assigned / sold during the year prior to RBI Notification dated 24 September, 2021 (₹ In Lakhs)

Particulars	2021-22	2020-21
1 No of accounts sold	8	10,820

2	Aggregate outstanding	2518	13,920
3	Aggregate consideration received	1692	12,302

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

a. Disclosures pursuant to RBI Notification – RBI/2020–21/16 DOR.No.BP.BC/3/21.04.048/2020–21 dated 6 August 2020 and RBI/2021–22/31/DOR.STR.REC.11/21.04.048/2021–22 dated 5 May 2021

(₹ in crore)

Type of borrower	Implement-tation of resolution plan for standard assets	Exposure to accounts classified as Standard consequent to Implementation of resolution plan – Position as at 30 September 2021 (A)	Of (A), aggregate debt that slipped into NPA during the half year ended 31 March 2022	Of (A) amount written off during the half year ended 31 March 2022	Of (A) amount paid by the borrowers during the half year ended 31 March 2022	Exposure to accounts classified as Standard consequent to implement-tation of resolution plan – Position as at 31 March 2022
Personal Loans	Nil	Nil	Nil	Nil	Nil	Nil
Corporate Loan						
of which, MSMEs	Nil	Nil	Nil	Nil	Nil	Nil
Others	1.69	Nil	Nil	Nil	Nil	Nil
Total	1.69	Nil	Nil	Nil	Nil	Nil

There were 1 borrower accounts having an aggregate exposure of Rs. 1.69 crore to the Company, where resolution plans had been implemented under RBI 's Resolution Framework 2.0 dated 5 May 2021.

b. Disclosures pursuant to RBI Notification – RBI /DOR/2021–22/86 DOR.STR.REC.51/21.04.048/2021–22 dated 24 September 2021

a. Details of transfer through assignment in respect of loans not in default during the financial year ended 31 March 2022

Amount of loans transferred through assignment	Nil
Retention of beneficial economic interest	Nil
Weighted average residual maturity	Nil
Weighted average holding period	Nil
Coverage of tangible security coverage	Nil
Rating-wise distribution of rated loans	Nil

b. Details of loans (not in default) acquired through assignment during the financial year ended 31 March 2022

Amount of loans transferred through assignment	Nil
Retention of beneficial economic interest	Nil
Weighted average residual maturity	Nil
Weighted average holding period	Nil
Coverage of tangible security coverage	Nil
Rating-wise distribution of rated loans	Nil

c. Details of stressed loans transferred during the financial year ended 31 March 2022

Particulars	To Asset Reconstruction Companies (ARC)		To permitted transferees	
	NPA	SMA	NPA	SMA
Number of accounts	Nil	Nil	Nil	Nil
Aggregate principal outstanding of loans transferred (Rs. in crore)	Nil	Nil	Nil	Nil
Weighted average residual tenor of the loans transferred (in years)	Nil	Nil	Nil	Nil
Net book value of loans transferred (at the time of transfer (Rs. in crore)	Nil	Nil	Nil	Nil
Aggregate consideration (Rs. in crore)	Nil	Nil	Nil	Nil

In addition to above the Company has transferred written off loans amounting to Rs. Nil for a consideration of Rs. Nil.

d. The Company has not acquired any stressed loan during the financial year ended 31 March 2022.

- c. Pursuant to the RBI circular dated 12 November 2021 – ‘Prudential norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances – Clarifications’, the Company has aligned its definition of default from number of instalments outstanding approach to Days Past Due approach. On 15 February 2022, RBI allowed deferment till 30 September 2022 of Para 1 of this circular pertaining to upgrade of Non-performing accounts. However, the Company has not opted for this deferment and such alignment does not have any significant impact on the financial results for the quarter and year ended 31 March 2022.

iv. Co-Origination/Co-Lending 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/Co-Lending loan agreement with the 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 turnaround 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 its 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 had 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.

RBI released new policy on co-lending dated 05 November 2020, wherein co-origination vide RBI circular dated 21 September 2018 was made a subset in the new policy vide RBI circular 05 November 2020 as per clarification received from RBI vide circular dated 02 December 2020.

The unhindered reach to the smallest customer on the socio economic ladder and low cost of operations of NBFCs coupled with low cost of funds of Banks, can be blended and benefit be passed on to the bottom of pyramid customer via Co-Lending only. The size of the bottom rung is mind-boggling and can be estimated to be around 40 crores of Indians waiting to be touched by the banking system on the credit side. State Bank of India with its penchant for being a partner of the Government's efforts to upgrade the economic life of the economically weakest has already showcased it, by partnering with a small NBFC like us.

The primary reason why loans upto INR 2,00,000 should be digitally processed and disbursed together under the existing 80-20 Co-Lending Model is because – it provides better monitoring and surveillance of the Borrower, a transparent credit process that enables a complete oversight on the operations of the NBFCs, greater reach and lower cost due to end to end digitalisation and better compliance control as required by RBI norms. Being fully digital, it is a scaleable business model with end to end risk mitigation.

We truly believe that Co-Origination (now Co-Lending as per revised RBI Circular) in its content and structure as guided by RBI in 2018 Circular and implemented by SBI in letter and spirit, by adopting a most transparent user friendly digital credit process, is the most revolutionary step in the interest of Small Loan Customers and Banks for loans upto INR 2,00,000.

48. Asset Liability Management Maturity pattern of certain items of Assets and Liabilities as on 31st March 2022:

(₹ In Lakhs)

Over 1 months & Upto 2 month	Upto 14 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	4,901	5,359	10,768	9,431	28,343	56,347	89,055	27,992	2631	2,34,827
Investments (Bank FDR)	500	—	—	—	—	—	45	—	—	545
Borrowings	16	767	2,169	1,990	2,383	58,985	58,725	20,300	2,800	1,48,135
Foreign Currency Assets	—	—	—	—	—	—	—	—	—	—
Foreign Currency Liabilities	—	—	—	—	—	—	—	—	—	—

49. Exposures:

a Exposures to Real Estate Sector

(₹ In Lakhs)

Category			2021-22	2020-21
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		4,154	47
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		—	—
iii)	Investments in Mortgage Backed Securities (MBS) and other securitized exposures			
	a)	—	—	—
	b)	—	—	—
Indirect Exposure			—	—

b. Capital Market Exposure

The Company has acquired 1,27,500 listed equity share of M/s Motherson Sumi System Limited at Rs. 177.67 Lakh during the financial year 2021-22. The inventory of the company as at 31st March 2022 does not contain any exposure to capital market other than above.

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 ₹ 5,308.75 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.

50 Registration obtained from other financial sector regulators:

RBI Registration No. : B-14.02997

Company Identification No. : L6592IDL1992PLC120483

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

- 51 Bank borrowings of the Company has been assigned rating of “IVR AA-/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”.

52. Provisions and Contingencies

(₹ In Lakhs)

Break up of Provisions and contingencies	2021-22	2020-21
Provisions for depreciation on investment	Nil	Nil
Provision towards NPA	312	134
Provision on Standard Accounts in default @5% *	Nil	Nil
Provision for Expected Credit Loss	6	368
Provision made towards income tax	2,672	1,913
Other provision and contingencies (Contingent Liability- Guarantee)	9,306	9,491
Provision for Standard Assets	185	82

53. 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
July 2021	12.00	60 Months	25	100.00	2,500.00
September 2021	12.00	60 Months	109	100.00	10,900.00
February 2022	9.00	84 Months	27	100.00	2,700.00

54. 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	55,129
% of advances to twenty largest borrowers to total advances of the NBFC	23.48%

c. Concentration of Exposures

(₹ In Lakhs)

Total Exposure to twenty largest borrowers / customers	55,129
% of exposures to twenty largest borrowers / customers to total exposure of the NBFC on borrowers / customers	23.48%

d. Concentration of NPAs

Provisioning for Substandard Assets/Doubtful Assets/Loss Assets has been made in compliance with the directions of Reserve Bank of India. As per decision of the Board of Directors in the cases where loan installments are overdue for more than 3 months and management is of the opinion that its recovery chances are very remote or negligible, the Company writes off these accounts (Net of Future Interest Charges) as bad debts. In all other cases where loan installments are overdue 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 4 NPA's written off during the year are given below:

(₹ In Lakhs)

Sr. No.	Total Exposure to Top Four NPA Accounts	% of Total Exposure	Amount
1	JECRC University	0.49	1,154
2	Sudhir Chauhan	0.31	738
3	Khairon Rathore	0.26	611
4	Rajender Parshad Gupta	1.32	604
	Total	2.65	3,107

e) Movement of NPAs (₹ In Lakhs)

Particulars		Current Year	Previous Year
(i)	Net NPAs to Net Advance (%)	1.26%	0.57%
(ii)	Movement of NPAs (Gross)		
	(a) Opening balance	1,394.59	761.43
	(b) Additions during the year	2,875.07	672.66
	(c) Reductions during the year	700.32	39.50
	(d) Closing balance	3,569.34	1,394.59
(iii)	Movement of Net NPAs		
	(a) Opening balance	1,093.42	594.06
	(b) Additions during the year	2,585.79	608.80
	(c) Reductions during the year	723.11	109.44
	(d) Closing balance	2,956.10	1,093.42
(iv)	Movement of provisions for NPAs (excluding provisions on standard assets)		
	(a) Opening balance	301.18	167.38
	(b) Provisions made during the year	383.37	134.32
	(c) Write -back of excess provisions	71.29	0.52
	(d) Write off	—	—
	(e) Closing Balance	613.24	301.18

f. Sector wise NPAs (Write Offs)

Sr. No.	Category	% of Write offs to Total Advances	
		2021-22	2020-21
1	Agriculture & Allied activities	0.02	0.33
2	MSME	0.24	0.55
3	Corporate Borrowers	0.27	0.46
4	Services	1.38	0.37
5	Unsecured Personal Loans	0.00	0.00
6	Auto Loans	0.00	0.00
7	Other Personal Loans (LAP)	0.32	0.11
	Total	2.23	1.83

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

56. Off Balance Sheet SPVs sponsored:

The Company has not sponsored off Balance Sheet SPVs.

57. Disclosures of Complaints:

a)	No. of complaints pending at the beginning of the year	—
b)	No. of complaints received during the year	8
c)	No. of complaints redressed during the year	8
d)	No. of complaints pending at the end of the year	—

58. Uncertainty relating to the global health pandemic from COVID-19 (“Covid-19”):

- The world is facing challenges at every turn: a global pandemic, unprecedented government actions, a strong recovery after a sharp and deep global recession, a highly polarized U.S. election, mounting inflation, a war in Ukraine and dramatic economic sanctions against Russia.
- During the ongoing global pandemic, we have been utilising and implementing alternative safe, secure and sterile work environment and arrangements. PAISALO has enabled its employees and business associates to work from home, including operations and call centre during the lockdown period. We are ensuring they continue to operate with proper and innovative technological tools so they can serve borrowers safely. Throughout the year we have had virtual sessions with our branches, employees and business associates, we have also 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 branches, 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 and ensure recovery.
- No new major frameworks were introduced during the FY 2021-22 in regard to Covid-19 relief by the Government of India, Reserve Bank of India and Banks to deal with the economic effects of the Covid-19 outbreak, namely to channel aid and to NBFCs like Paisalo. NBFCs are now becoming, pass-through vehicles for governments and big banks whose key value is that they have the local reach to households. This provides for funding and liquidity at Paisalo to be stable, given the well-established feet on ground presence, strong credit and risk assessment of the borrowers and continued support of our esteemed partner banks.

59 Expected Credit Loss:

Comparison of Provisioning done under ECL model and under RBI prudential norms 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	2,25,381	1,352	2,24,029	902	451
	Stage 1	5,241	314	4,926	21	293
	Stage 2	636	38	597	3	36
Subtotal		231,258	1,705	229,553	925	780
Non-Performing Assets (NPA)						
Substandard	Stage 3	2,873	575	2,298	287	287
Doubtful – up to 1 year	Stage 3	—	—	—	—	—
1 to 3 years	Stage 3	111	44	67	33	11
More than 3 years	Stage 3	585	351	234	293	59
Subtotal for doubtful		696	395	301	326	70
Subtotal for NPA		3,569	970	2,599	613	357

Loss	Stage 3	3,636	3,636	—	3,636	—
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	9,306	140	9,166	—	140
	Stage 2	—	—	—	—	—
	Stage 3	—	—	—	—	—
Subtotal		9,306	140	9,166	—	140
Total	Stage 1	2,39,928	1,806	2,38,122	922	884
	Stage 2	636	38	597	3	36
	Stage 3	3,569	970	2,599	613	357
	Total	2,44,133	2815	2,41,318	1,538	1,276
LESS : Provision for ECL previous year balance		—	1,236	—	—	—
Less : Provision for NPA		—	613	—	—	—
Less : Provision for Standard Assets		—	960	—	—	—
Expected Credit Loss		—	6	—	—	—

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			2021-22	
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	6,730	—
		Unsecured	34,500	—
		(other than falling within the meaning of public deposits*)		
	(b)	Deferred Credits	—	—
	(c)	Term Loans		
		Bank of Baroda (Term Loan a/c)	5,625	—
		State Bank of India (Term Loan a/c)	2,076	—
		Central Bank of India (Term Loan a/c)	23	—
		Dhanlaxmi Bank (Term Loan a/c)	2,083	—
		UCO Bank (Term Loan a/c)	3,333	—
	(d)	Inter-corporate loans and borrowing	11,024	—
	(e)	Commercial Paper	—	—
	(f)	Other Loans (specify nature)		
		Bank of Baroda (WC DL a/c)	6,000	—
		IDBI Bank (WC DL a/c)	1,800	—
		State Bank of India (WC DL a/c)	2,419	—
		The South Indian Bank Limited (WC DL a/c)	1,350	—
		Union Bank of India (WC DL a/c)	9,900	—
		Bank of India (WC DL a/c)	2,730	—
		Bank of Maharashtra (WC DL a/c)	3,029	—
		CSB Bank (WC DL a/c)	3,000	—
		Dhanlaxmi Bank (WC DL a/c)	1,500	—
		Indian Bank (WC DL a/c)	3,029	—
		Punjab National Bank (Cash Credit a/c)	4,614	—
		Central Bank of India (Cash Credit a/c)	12,380	—
		Bank of India (Cash Credit a/c)	1,681	—
		Andhra Bank (e-Union Bank of India)(Cash Credit a/c)	1,598	—
		Bank of Baroda (Cash Credit a/c)	3,955	—
		United Bank of India (e-Punjab National Bank) (Cash Credit a/c)	4,887	—
		UCO Bank (Cash Credit a/c)	3,153	—
		IDBI Bank (Cash Credit a/c)	199	—

		Bank of Maharashtra(Cash Credit a/c)	1,038	—
		State Bank of India (Cash Credit a/c)	116	—
		The South Indian Bank Limited (Cash Credit a/c)	693	—
		Union Bank of India (Cash Credit a/c)	4,426	—
		Karnataka Bank (Cash Credit a/c)	4,498	—
		CSB Bank (Cash Credit a/c)	1,988	—
		Indian Bank (Cash Credit a/c)	1,961	—
		Dhanlaxmi Bank (Cash Credit a/c)	796	—
		Assignment of Book Debts	5,395	—
		*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	2,27,389	2,129
	(b)	Unsecured	4,650	659
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	178	—
	(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	500	—
			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)	—	—
		(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	45	—
			Interest accrued	0.53	—

(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		2,29,518	5,309	2,34,827
	Total		2,29,518	5,309	2,34,827

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

Particulars		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	2,568	2,568
	Total	6,792	6,792

** As per IND AS of ICAI.

(8) Other Information

Particulars		Amount
1	Gross Non-performing Assets	
	(a) Related Parties	—
	(b) Other than related parties	3,569
2	Net Non-Performing Assets	
	(a) Related Parties	—
	(b) Other than related parties	2,956
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 Manish Goyal & Co.
Chartered Accountants
Firm Reg. No. 006066C

For and on behalf of the Board

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

Sd/-
(CA. MANISH GOYAL)
Partner
Membership No. 074778
UDIN : 22074778AINMFD5539

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

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

Place : New Delhi
Date : 6th May 2022

INDEPENDENT AUDITOR'S REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

TO
THE MEMBERS OF
M/S PAISALO DIGITAL LIMITED
NEW DELHI

REPORT ON THE AUDIT OF CONSOLIDATED FINANCIAL STATEMENTS

OPINION

We have audited the accompanying Consolidated Financial Statements of M/S PAISALO DIGITAL 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 2022, 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 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 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 2022 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 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 FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the preparation and presentation of these Consolidated 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 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 2022 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 2022 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.

REPORT ON MATTERS SPECIFIED UNDER COMPANIES (AUDITOR’S REPORT) ORDER, 2020

There has not been any qualification or adverse remarks by the auditors in the Companies (Auditor’s Report) Order (CARO) reports of the companies included in the consolidated financial statements.

Place : New Delhi
Date : 6th May 2022

For Manish Goyal & Co.
Chartered Accountants
Firm Reg. No. 006066C

Sd/-
(CA. MANISH GOYAL)
Partner
Membership No. 074778
UDIN : 22074778AINMLZ3630

ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT (Referred to in paragraph of our Report of even date for F. Y. 2021-22)

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

In conjunction with our audit of the Consolidated Financial Statements of the Company as of and for the year ended 31st March, 2022 we have audited the internal financial controls over financial reporting of M/S PAISALO DIGITAL 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 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 2022 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 : 6th May 2022

For Manish Goyal & Co.
Chartered Accountants
Firm Reg. No. 006066C

Sd/-
(CA. MANISH GOYAL)
Partner
Membership No. 074778
UDIN : 22074778AINMLZ3630

CONSOLIDATED BALANCE SHEET AS ON 31ST MARCH 2022

(₹ 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	913.56	1,418.37
	(b) Bank Balances other than (a) above	2	120.62	3,359.51
	(c) Derivative Financial Instruments	3	-	-
	(d) Receivables			
	(i) Trade Receivables	4	2,806.67	3,168.94
	(ii) Other Receivables		-	-
	(e) Loans	5	2,56,341.97	2,08,743.89
	(f) Investments	6	2,567.98	2,390.31
	(g) Other Financial Assets	7	5,214.82	352.05
	(2) Non Financial Assets			
	(a) Current Tax Assets (Net)	8	1,313.88	942.67
	(b) Deferred Tax Asset (Net)		-	-
	(c) Investment Property		-	-
	(d) Biological Assets other than Bearer plants		-	-
	(e) Property, Plant and Equipments	9	6,241.61	6,269.45
	(f) Capital Work-in-Progress		-	-
	(g) Intangible Assets under development		-	-
	(h) Goodwill		10.70	10.70
	(i) Other Intangible Assets	9	109.92	147.14
	(j) Other Non-Financial Assets	10	134.35	216.42
	Total Assets		2,75,776.08	2,27,019.45
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		7.69	4.62
	(ii) Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises		974.47	1,675.80
	(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		528.28	351.31
	(c) Debt Securities	13	37,470.89	27,844.37
	(d) Borrowings (Other than Debt Securities)	14	1,21,224.66	95,412.39
	(e) Deposits	15	-	-
	(f) Subordinated Liabilities	16	8,900.00	8,900.00
	(g) Other Financial Liabilities	17	251.49	2,777.38
	(2) Non-Financial Liabilities			
	(a) Current Tax Liabilities (Net)	18	-	-
	(b) Provisions	19	3,460.65	2,912.86
	(c) Deferred Tax Liabilities (Net)	20	273.78	169.51
	(d) Other non-financial Liabilities	21	337.65	468.02
	(3) Equity			
	(a) Equity Share Capital	22	4,391.84	4,229.84
	(b) Other Equity	23	97,954.68	82,273.35
	Total Equity & Liabilities		2,75,776.08	2,27,019.45

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 Manish Goyal & Co.
 Chartered Accountants
 Firm Reg. No. 006066C

Sd/-
 (CA. MANISH GOYAL)
 Partner
 Membership No. 074778
 UDIN : 22074778AINMLZ3630

Place : New Delhi
 Date : 6th May 2022

For and on behalf of the Board

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

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

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

CONSOLIDATED PROFIT & LOSS STATEMENT FOR THE PERIOD ENDED 31ST MARCH 2022

(₹ in Lakhs)

Sr. No.	Particulars	Note No.	Figures for current reporting period	Figures for previous reporting period
I	Revenue from operations:			
	(i) Interest Income	24	39,222.33	34,602.19
	(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)		39,222.33	34,602.19
II	Other Income	26	–	–
	Total Income (I+II)		39,222.33	34,602.19
III	Expenses:			
	(i) Finance Costs	27	18,410.68	16,195.34
	(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	5,463.99	5,371.63
	(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	2,575.45	2,331.83
	(xi) Depreciation, amortization and impairment	30	323.36	374.06
	(x) Others expenses	31	1,733.38	2,594.90
	Total Expenses (III)		28,506.86	26,867.76
IV	Profit before exceptional items and tax (II-III)		10,715.47	7,734.43
V	Exceptional items		3.31	(42.32)
VI	Profit before tax (IV-V)		10,712.16	7,776.75
VII	Tax Expense:			
	(1) Current Tax		2,682.83	1,930.51
	(2) Deferred Tax		104.26	48.23
VIII	Profit for the period from continuing operations (VI-VII)		7,925.07	5,798.01
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)		7,925.07	5,798.01
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) (Comprising Profit and other Comprehensive Income for the period)		7,925.07	5,798.01

XV	Earnings per Equity Share (for continuing operations):			
	Basic (Rs.)	34	18.71	13.71
	Diluted (Rs.)		18.71	13.71
XVI	Earnings per Equity Share (for discontinued operations):			
	Basic (Rs.)		–	–
	Diluted (Rs.)		–	–
XVII	Earnings per Equity Share (for continuing and discontinued operations):			
	Basic (Rs.)	34	18.71	13.71
	Diluted (Rs.)		18.71	13.71

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 Manish Goyal & Co.
Chartered Accountants
Firm Reg. No. 006066C

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

Sd/–
(CA. MANISH GOYAL)
Partner
Membership No. 074778
UDIN : 22074778AINMLZ3630

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

Sd/–
(HARISH SINGH)
Executive Director & CFO
DIN : 00039501

Place : New Delhi
Date : 6th May 2022

**STATEMENT OF CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31ST MARCH 2022**

(₹ in Lakhs)

Sr. No.	Particulars	Figures for current reporting period	Figures for previous reporting period
A	Cash Flow from Operating Activities:		
	Net Profit before tax and extraordinary items and Interest	29,126.15	23,929.76
	Adjustments for		
I	Depreciation	196.28	206.60
II	Deferred Expense W/O	127.08	167.46
III	Impairment on financial instruments	5,463.99	5,371.63
IV	Expenditure on CSR	161.03	328.08
V	Profit/loss on Sale of Investments/Assets	(0.50)	–
	Operating Profit before working capital changes	35,074.03	30,003.53
	Adjustments for		
I	Change in Other Financial Assets	(10.11)	13.82
II	Change in Loans & Receivables	(52,376.55)	(22,677.94)
III	Change in Payable & non financial liabilities	(651.66)	1,055.09
IV	Misc. Expenses	(45.01)	(1.57)
	Cash generated from Operations	(18,009.30)	8,392.93
I	Interest paid	(18,410.68)	(16,195.34)
II	Income Tax paid	(3,054.05)	(1,700.52)
III	Paid Expenses on CSR	(161.03)	(328.08)
	Cash flow before Extraordinary Items	(39,635.06)	(9,831.01)
I	Extraordinary items	3.31	(42.32)
	Net Cash from Operating Activities	(39,638.37)	(9,788.69)
B	Cash Flows from Investing Activities:		
I	Purchase of Fixed Assets	(131.24)	(7.16)
II	Sale of Fixed Assets	0.50	–
III	Purchase/transfer of Investments	(177.67)	–
	Net Cash from Investing activities	(308.41)	(7.16)
C	Net Cash from Financing Activities:		
I	Proceeds from Borrowings	25,812.27	(6,296.34)
II	Proceeds from Debt Service Repayment Account	(2,525.89)	(1,550.95)
III	Proceeds from Debt Securities	9,626.52	14,644.37
IV	Proceeds from Subordinated Liability	–	100.00
V	Dividend Paid	(422.92)	(422.92)
VI	Purchase of Security Receipts	(4,852.65)	–
VII	Money received against Share Warrant (allotment of equity shares upon conversion of 16,20,000 warrents)	8,565.75	4,600.13
	Net Cash from Financing activities	36,203.08	11,074.29
	Net Increase/(decrease) in cash & cash equivalents	(3,743.70)	1,278.44
	Cash & Cash equivalents at beginning of period	4,777.88	3,499.44
	Cash & Cash equivalent at end of period	1,034.18	4,777.88

Signed in terms of our Report of even date

For Manish Goyal & Co.
Chartered Accountants
Firm Reg. No. 006066C

Sd/–
(CA. MANISH GOYAL)
Partner
Membership No. 074778
UDIN : 22074778AINMLZ3630

Place : New Delhi

For and on behalf of the Board
Sd/–
(SUNIL AGARWAL)
Managing Director
DIN : 00006991

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

Sd/–
(HARISH SINGH)
Executive Director & CFO
DIN : 00039501

AUDITORS' REPORT

We have verified the attached Cash Flow Statement of M/s Paisalo Digital Limited & Nupur Finvest Private Limited derived from Audited Financial Statements and the books and records maintained by the Company for the year ended 31st March 2022 and 31st March 2021 and found the same in agreement there with.

Place : New Delhi
Date : 6th May 2022

Sd/–
For Manish Goyal & Co.
Chartered Accountants
Firm Reg. No. 006066C
(CA. MANISH GOYAL)
Partner
Membership No. 074778
UDIN : 22074778AINMLZ3630

SIGNIFICANT ACCOUNTING POLICIES

A. PRINCIPLE OF CONSOLIDATION

The Consolidated Financial Statements relate to M/S PAISALO DIGITAL 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 "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 2022**

Statement of Changes in Equity:**1. Current Reporting Period****(Amount in ₹)**

Balance at the beginning of the Current Reporting Period	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in Equity share capital during the current year	Balance at the end of the current reporting period
42,29,84,490	–	42,29,84,490	1,62,00,000	43,91,84,490
42,29,84,490	–	42,29,84,490	1,62,00,000	43,91,84,490

2. Previous Reporting Period**(Amount in ₹)**

Balance at the beginning of the Current Reporting Period	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in Equity share capital during the current year	Balance at the end of the current reporting period
42,29,84,490	–	42,29,84,490	–	42,29,84,490
42,29,84,490	–	42,29,84,490	–	42,29,84,490

List of Shareholders holding more than 5% shares of Company:

Sr. No.	Name of the Shareholders	No of Shares	% of shareholding
1	Mr. Sunil Agarwal	52,85,140	12.04
2	Equilibrated Venture Cflow Pvt. Ltd.	46,24,212	10.53
3	SBI Life Insurance Co. Ltd.	39,93,672	9.10
4	Antara India Evergreen Fund Ltd.	32,65,800	7.44

List of Promoter's and Promoter Group Shareholding:

Sr. No.	Promoter Name	Number of Shares held	Percentage of total shares	Percentage change during the year
1	Mr. Sunil Agarwal	52,85,140	12.04	(0.46)
2	Ms. Suneeti Agarwal	3,58,300	0.82	(0.03)
3	Mr. Santanu Agarwal	16,85,200	3.84	(0.15)
4	Equilibrated Venture Cflow Pvt. Ltd.	46,24,212	10.53	0.87
5	Pri Caf Pvt. Ltd.	7,96,920	1.81	1.21
6	Pro Fitch Pvt. Ltd.	7,10,561	1.62	1.47

Note : 1 Cash & Cash Equivalents

(₹ in Lakhs)

Sr. No.	Particulars	Current Year	Previous Year
1	Cash Balances	252.16	229.81
2	Bank Balances		
	Current a/c with Scheduled Banks (Subject to reconciliation)	161.33	1,188.49
	Cheques/ Drafts on Hands	–	–
3	In Fixed Deposits – Unencumbered With Banks	500.07	0.07
	Total	913.56	1,418.37

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	120.62	3,359.51
	Total	120.62	3,359.51

– Refer Note No. 41 of Standalone Financial Statement

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	153.27	884.91
	—Overdue Installments : Considered Good – Unsecured	661.22	912.53
	—Overdue Installments : Sub Standard Assets	1,992.18	1,371.50
2	Other Receivables	–	–
	Total	2,806.67	3,168.94

Note : 4 (a) Trade Receivable– Additional Disclosures:

Outstanding for following periods from the due date of payment (FY. 2021–22)

(₹ in Lakhs)

Sr. No.	Particulars	less than 6 months	6 months – 1 year	1 – 2 years	2 – 3 years	More than 3 years	Total
1	Undisputed Trade Receivables – Considered Good	814.50		–	–	–	814.50
2	Undisputed Trade Receivables – which have significant increase in credit risk	–	–	–	–	–	–
3	Undisputed Trade Receivables – credit impaired		1,992.18	–	–	–	1,992.18
4	Disputed Trade Receivables – considered good	–	–	–	–	–	–
5	Disputed Trade Receivables – which have significant increase in credit risk	–	–	–	–	–	–
	Grand Total	814.50	1,992.18	–	–	–	2,806.67

Outstanding for following periods from the due date of payment (FY. 2020–21)

(₹ in Lakhs)

Sr. No.	Particulars	less than 6 months	6 months – 1 year	1 – 2 years	2 – 3 years	More than 3 years	Total
1	Undisputed Trade Receivables – Considered Good	1,797.44		–	–	–	1,797.44
2	Undisputed Trade Receivables – which have significant increase in credit risk	–	–	–	–	–	–
3	Undisputed Trade Receivables – credit impaired	–	1,371.50	–	–	–	1,371.50
4	Disputed Trade Receivables – considered good	–	–	–	–	–	–
5	Disputed Trade Receivables – which have significant increase in credit risk	–	–	–	–	–	–
	Grand Total	1,797.44	1,371.50	–	–	–	3,168.94

–Trade Receivable includes overdue loan installments

(₹ in Lakhs)

Note : 5 Loans

Particulars	Current Year						Previous Year					
	Amortised cost	Through other comprehensive income	Through profit or loss	Designated at fair value through profit or loss	Sub total	Total	Amortised cost	Through other comprehensive income	Through profit or loss	Designated at fair value through profit or loss	Subtotal	Total
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11-8+9+10)	(12 +) (7)+(11)
Loans												
(A) (i) Bills Purchased and Bills Discounted	-	-	-	-	-	-	-	-	-	-	-	-
(ii) Loans repayable on Demand	-	-	-	-	-	-	-	-	-	-	-	-
(iii) Term Loans	2,56,654.04	-	-	-	-	2,56,654.04	2,08,877.69	-	-	-	-	2,08,877.69
(iv) Leasing	-	-	-	-	-	-	-	-	-	-	-	-
(v) Factoring	-	-	-	-	-	-	-	-	-	-	-	-
(vi) Others (to be specified)	-	-	-	-	-	-	-	-	-	-	-	-
Total (A) – Gross	2,56,654.04	-	-	-	-	2,56,654.04	2,08,877.69	-	-	-	-	2,08,877.69
Less: Impairment loss allowance	312.07	-	-	-	-	312.07	133.80	-	-	-	-	133.80
Total (A) – Net	2,56,341.97	-	-	-	-	2,56,341.97	2,08,743.89	-	-	-	-	2,08,743.89
(B) (i) Secured by tangible assets	2,51,093.21	-	-	-	-	2,51,093.21	2,06,123.96	-	-	-	-	2,06,123.96
(ii) Secured by intangible assets	-	-	-	-	-	-	-	-	-	-	-	-
(iii) Covered by Bank/Government Guarantees	-	-	-	-	-	-	-	-	-	-	-	-
(iv) Unsecured	5,560.82	-	-	-	-	5,560.82	2,753.73	-	-	-	-	2,753.73
Total (B) – Gross	2,56,654.03	-	-	-	-	2,56,654.03	2,08,877.69	-	-	-	-	2,08,877.69
Less: Impairment loss allowance	312.07	-	-	-	-	312.07	133.80	-	-	-	-	133.80
Total (B) – Net	2,56,341.96	-	-	-	-	2,56,341.96	2,08,743.89	-	-	-	-	2,08,743.89
(C) (I) Loans in India	2,56,654.04	-	-	-	-	2,56,654.04	2,08,877.69	-	-	-	-	2,08,877.69
(i) Public Sector	-	-	-	-	-	-	-	-	-	-	-	-
(ii) Others (to be specified)	-	-	-	-	-	-	-	-	-	-	-	-
Total (C) – Gross	2,56,654.04	-	-	-	-	2,56,654.04	2,08,877.69	-	-	-	-	2,08,877.69
Less: Impairment loss allowance	312.07	-	-	-	-	312.07	133.80	-	-	-	-	133.80
Total (C) (I) – Net	2,56,341.97	-	-	-	-	2,56,341.97	2,08,743.89	-	-	-	-	2,08,743.89
(C) (II) Loans outside India	-	-	-	-	-	-	-	-	-	-	-	-
Less: Impairment loss allowance	-	-	-	-	-	-	-	-	-	-	-	-
Total (C) (II) – Net	-	-	-	-	-	-	-	-	-	-	-	-
Total C (I) and C (II)	2,56,341.97	-	-	-	-	2,56,341.97	2,08,743.89	-	-	-	-	2,08,743.89

Note : 6 Investments (₹ in Lakhs)

	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
Investments	(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	177.67	-	-	-	-	-	177.67	-	-	-	-	-	-	-
Subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Associates	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Joint Ventures	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Others (specify)*	2,390.31	-	-	-	-	-	2,390.31	2,390.31	-	-	-	-	-	2,390.31
Total (A)	2,567.98	-	-	-	-	-	2,567.98	2,390.31	-	-	-	-	-	2,390.31
(i) Investments outside India	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(ii) Investments in India	2,567.98	-	-	-	-	-	2,567.98	2,390.31	-	-	-	-	-	2,390.31
Total (B)	2,567.98	-	-	-	-	-	2,567.98	2,390.31	-	-	-	-	-	2,390.31
Total (A) to tally with (B)	2,567.98	-	-	-	-	-	2,567.98	2,390.31	-	-	-	-	-	2,390.31
Less: Allowance for Impairment loss (C)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total – Net D = (A) – (C)	2,567.98	-	-	-	-	-	2,567.98	2,390.31	-	-	-	-	-	2,390.31

*Unquoted Shares of M/s Samast Vikas Limited (Formerly known as Spring Infradev Limited)

Note : 7 Others Financial Assets

(₹ in Lakhs)

Sr. No.	Particulars	Current Year	Previous Year
1	Secured, Considered Good	–	–
	Security Deposit*	22.95	20.60
	Advances to Staff	4.02	3.46
	Income Receivables	–	1.00
	Advances for Services	97.72	97.93
	Prepaid Expenses	4.57	2.44
	GST/Service Tax Cenvat	232.91	226.62
	Security Receipts	4,852.65	–
	Total	5,214.82	352.05

– * 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	10,642.73	7,612.09
	Provision for Taxation	(9,328.85)	(6,669.42)
	Total	1,313.88	942.67

(₹ in Lakhs)

Note : 9 Property, Plant and Equipment

Sr. No.	Particulars	Gross Block			Depreciation			Net Block	
		Value at the beginning	Addition during the year	Deduction during the year	Value at the end	Value at the beginning	Addition during the year	Deduction during the year	Value at the end
I	Tangible Assets								
1	Land	-	-	-	-	-	-	-	-
2	Building	6,425.12	3.47	-	6,428.59	363.15	105.88	-	469.03
3	Furniture & Fittings	217.98	5.61	-	223.59	132.50	11.04	-	143.54
4	Computer Peripheral	218.99	22.56	-	241.55	200.15	10.32	-	210.47
6	Vehicles	165.62	90.07	9.50	246.19	104.87	18.64	9.50	114.01
7	Equipments, Plant & Machinery	172.17	7.83	-	180.00	129.76	11.50	-	141.26
	SUB TOTAL (A)	7,199.88	129.54	9.50	7,319.91	930.43	157.38	9.50	1,078.31
II	Intangible Assets								
1	Computer Software	529.77	1.70	-	531.47	382.65	38.90	-	421.54
2	Goodwill	10.70	-	-	10.70	-	-	-	-
	SUB TOTAL (B)	540.47	1.70	-	542.17	382.65	38.90	-	421.54
III	Capital Work-in-progress	-	-	-	-	-	-	-	-
	SUB TOTAL (C)	-	-	-	-	-	-	-	-
IV	Intangible Assets Under Development	-	-	-	-	-	-	-	-
	SUB TOTAL (D)	-	-	-	-	-	-	-	-
	Total [A+B+C+D] (Current Year)	7,740.36	131.24	9.50	7,862.07	1,313.08	196.28	9.50	1,499.86
	Total (Previous Year)	7,733.19	7.16	-	7,740.35	1,106.47	206.61	-	1,313.08
									6,427.29
									6,626.72

Note : 10 Other Non Financial Assets

(₹ in Lakhs)

Sr. No.	Particulars	Current Year	Previous Year
1	Deferred Revenue Expenditure	74.39	201.47
2	Deferred Expenditure on Processing Fees charged by Bank	59.96	14.95
	Total	134.35	216.42

–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	7.69	4.62
		7.69	4.62
	(ii) Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises		
	(a) SBI Assignment Payable	348.19	554.90
	(b) SIB Assignment Payable	67.57	141.47
	(c) CBI Assignment Payable	77.94	88.58
	(d) BOB Assignment Payable	–	693.04
	(e) Other Sundry Payables	480.77	197.81
		974.47	1,675.80
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	0.01	0.02
	EPF Contribution Payable	9.94	5.86
	ESI Payable	3.88	0.70
	GST Payable	5.62	9.97
	TDS Payable	156.98	75.13
	LIC GSLLI Payable	0.02	0.02
	(b) Expenses Payables	351.83	259.61
		528.28	351.31
	Total	1,510.44	2,031.73

Note : 12 (a) Trade Payables Due for Payment 2021–22

(₹ in Lakhs)

Sr. No.	Particulars	less than 1 year	1 – 2 years	2 – 3 years	More than 3 years	Total
1	MSME	7.69	–	–	–	7.69
2	Others	974.47	–	–	–	974.47
3	Disputed Dues–MSME	–	–	–	–	–
4	Disputed Dues–Others	–	–	–	–	–
	Grand Total	982.16	–	–	–	982.16

Trade Payables Due for Payment 2020–21

(₹ in Lakhs)

Sr. No.	Particulars	less than 1 year	1 – 2 years	2 – 3 years	More than 3 years	Total
1	MSME	4.62	–	–	–	4.62
2	Others	1,675.80	–	–	–	1,675.80
3	Disputed Dues–MSME	–	–	–	–	–
4	Disputed Dues–Others	–	–	–	–	–
	Grand Total	1,680.42	–	–	–	1,680.42

–There are no dues pending for more than 45 days.

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.)*	37,470.89	–	–	37,470.89	27,844.37	–	–	27,844.37
Total (A)	37,470.89	–	–	37,470.89	27,844.37	–	–	27,844.37
Debt Securities in India	37,470.89	–	–	37,470.89	27,844.37	–	–	27,844.37
Debt Securities outside India	–	–	–	–	–	–	–	–
Total (B) to tally with (A)	37,470.89	–	–	37,470.89	27,844.37	–	–	27,844.37

*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-'PDL1802'	Feb-2018	2,800.00	12.00%	Monthly	Feb-2023	2,800.00	Nil	Nil
Series-'PDL2020-3'	Feb-2020	900.00	12.00%	Monthly	Feb-2025	900.00	Nil	Nil
Series-'PDL-07-2020'	Jul-2020	5,000.00	10.50%	Quarterly	Apr-2023	5,000.00	Nil	Yes
Series-'PDL-08-2020'	Aug-2020	2,000.00	9.50%	Yearly	Feb-2022	2,000.00	Nil	Yes
Series-'PDL-11-2020'	Nov-2020	1,600.00	10.50%	Quarterly	May-2022	1,600.00	Nil	Yes
Series-'PDL-12-2020'	Dec-2020	3,500.00	12.00%	Monthly	Dec-2023	3,500.00	Nil	Yes
Series-'PDL-02-2021'	Feb-2021	2,300.00	12.00%	Monthly	Feb-2026	2,300.00	Nil	Yes
Series-'PDL-07-2021'	July-2021	2,500.00	12.00%	Monthly	July-2026	2,500.00	Yes	Nil
Series-'PDL-09-2021'	Sep-2021	10,900.00	12.00%	Monthly	Sep-2026	10,900.00	Yes	Nil
Series-'NFPL-10-2021'	Oct-2021	4,300.00	12.00%	Monthly	Oct 2028	4,300.00	Yes	Nil
Series-'NFPL-12-2021'	Dec-2021	600.00	14.00%	Monthly	Dec 2031	600.00	Yes	Nil
Series-'PDL-02-2022'	Feb-2022	2,700.00	9.00%	Monthly	Feb-2029	2,700.00	Yes	Nil
Series-'NFPL-03-2022'	Mar-2022	240.00	12.00%	Monthly	Mar 2027	240.00	Yes	Nil

Note : 14 Borrowings (Other than Debt Securities) (₹ in Lakhs)

Particulars	Current Year		Designated at fair value through profit or loss	Total	Previous Year		Designated at fair value through profit or loss	Total
	At Amortised Cost	At fair value through profit or loss			At Amortised Cost	At fair value through profit or loss		
	(1)	(2)	(3)	(4) = (1)+(2)+(3)	(1)	(2)	(3)	(4) = (1)+(2)+(3)
(a) Term loans:								
(i) From banks	18,160.60	-	-	18,160.60	6,377.06	-	-	6,377.06
(ii) From other parties	2,285.22	-	-	-	3,309.44	-	-	-
(b) Deferred payment liabilities	-	-	-	-	-	-	-	-
(c) Loans from related parties	-	-	-	-	2,221.63	-	-	2,221.63
(d) Finance lease obligations	-	-	-	-	-	-	-	-
(e) Liability component of compound financial instruments	-	-	-	-	-	-	-	-
(f) Loans repayable on demand:								
(i) from banks	84,650.16	-	-	84,650.16	73,645.12	-	-	73,645.12
(ii) from other parties	16,128.68	-	-	16,128.68	9,859.14	-	-	9,859.14
(g) Other loans (specify nature)	-	-	-	-	-	-	-	-
Total (A)	1,21,224.66	-	-	1,21,224.66	95,412.39	-	-	95,412.39
Borrowings in India	1,21,224.66	-	-	1,21,224.66	95,412.39	-	-	95,412.39
Borrowings outside India	-	-	-	-	-	-	-	-
Total (B) to tally with (A)	1,21,224.66	-	-	1,21,224.66	95,412.39	-	-	95,412.39

(₹ in Lakhs)

Note : 15 Deposits

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)
Deposits								
(i) Public Deposits	-	-	-	-	-	-	-	-
(ii) Form Banks	-	-	-	-	-	-	-	-
(iii) From Others	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-

(₹ in Lakhs)

Note : 16 Subordinated Liabilities

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)
Perpetual Debt Instruments to the extent that do not qualify as equity	-	-	-	-	-	-	-	-
Preference Shares other than those that qualify as Equity	-	-	-	-	-	-	-	-
Others	8,900.00	-	-	8,900.00	8,900.00	-	-	8,900.00
(Non-Convertible Debentures*)								
Total (A)	8,900.00	-	-	8,900.00	8,900.00	-	-	8,900.00
Subordinated Liabilities in India	8,900.00	-	-	8,900.00	8,900.00	-	-	8,900.00
Subordinated Liabilities outside India	-	-	-	-	-	-	-	-
Total (B) to tally with (A)	8,900.00	-	-	8,900.00	8,900.00	-	-	8,900.00

* Details of Non-Convertible Debentures

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	Nil	Nil
Series -PDL2020-1*	Jan-2020	600	12.00%	Monthly	Jan-2026	600	Nil	Nil
Series -PDL2020-2*	Feb-2020	100	12.00%	Monthly	Feb-2026	100	Nil	Nil
Series -PDL2020-12*	Dec-2020	100	12.00%	Monthly	Dec-2030	100	Nil	Yes

(₹ in Lakhs)

Note : 17 Others Financial Liabilities**(₹ in Lakhs)**

Sr. No.	Particulars	Current Year	Previous Year
1	Debt Service Repayment Account	251.49	2,777.38
	Total	251.49	2,777.38

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	1,057.25	848.88
2	Provision for Proposed Dividend on Equity Shares	439.12	422.92
3	Provision for Expected Credit Loss	1,351.04	1,339.87
4	Provision for Sub Standard Assets	613.24	301.17
	Total	3,460.65	2,912.86

Note : 20 Deferred Tax Liabilities (Net)**(₹ in Lakhs)**

Sr. No.	Particulars	Current Year	Previous Year
1	Opening Balance	169.51	121.28
	Tax on Timing difference on Property, Plant and Equipments	326.45	234.15
	Tax on Timing difference on Deferred Revenue Expenditures	19.06	51.63
	Tax on Timing difference on Unearned Income	(2.51)	3.66
	Tax on Timing difference on Unearned Processing Fees	(69.22)	(119.93)
2	Total Deferred Tax Liability	273.78	169.51
	Provision for Deferred Tax required for the year (2-1)	104.27	48.23
	Total	273.78	169.51

Note : 21 Others Non Financial Liabilities**(₹ in Lakhs)**

Sr. No.	Particulars	Current Year	Previous Year
1	Unearned Income of Processing Fees	337.65	468.02
	Total	337.65	468.02

Note : 22 Share Capital

(₹ in Lakhs)

Sr. No.	Particulars	Current Year	Previous Year
1	AUTHORIZED CAPITAL		
	12,00,00,000 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		
	4,23,04,699 Equity Shares of Rs. 10 per Share fully paid up	4,230.47	4,230.47
	Add: 16,20,000 Shares of Rs. 10 per Share fully paid up issued during the year	162.00	–
		4,392.47	4,230.47
3	PAID UP CAPITAL		
	4,22,92,199 Equity Shares of Rs. 10 per Share fully paid up	4,229.22	4,229.22
	Add: 16,20,000 Shares of Rs. 10 per Share fully paid up allotted during the year	162.00	–
	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	4,391.84	4,229.84

(₹ in Lakhs)

Note : 23 Other Equity

Current Reporting Period:

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	Debt instruments through other Comprehensive Income	Equity Instruments through other Comprehensive Income	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	-	-	14,229.42	2,415.21	19,952.02	40,335.11	137.42	250.00	354.04	-	-	-	-	-	-	4,600.13	82,273.35
Add: Any change due to IND AS	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Restated Balances at the beginning of the reporting period	-	-	14,229.42	2,415.21	19,952.02	40,335.11	137.42	250.00	354.04	-	-	-	-	-	-	4,600.13	82,273.35
Total Comprehensive Income for the year	-	-	-	-	-	-	7,925.07	-	-	-	-	-	-	-	-	-	7,925.07
Money received as share warrant	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	8,565.75	8,565.75
Share warrant converted into Share capital	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(162.00)	(162.00)
Security Premium on conversion of warrants into equity	-	-	-	-	11,259.00	-	-	-	-	-	-	-	-	-	-	(11,259.00)	-
Proposed Dividends	-	-	-	-	-	-	(439.12)	-	-	-	-	-	-	-	-	-	(439.12)
Depreciation on Revaluation Amount	-	-	-	-	-	-	9.08	-	(9.08)	-	-	-	-	-	-	-	-
Transfer to General Reserve	-	-	-	-	-	5,500.00	(5,500.00)	-	-	-	-	-	-	-	-	-	-
Transfer to Statutory Reserve Fund	-	-	1,585.02	-	-	-	(1,585.02)	-	-	-	-	-	-	-	-	-	-
Provision on Standard Assets	-	-	-	-	-	-	(208.37)	-	-	-	-	-	-	-	-	-	(208.37)
Balance at the end of the reporting period	-	-	15,814.44	2,415.21	31,211.02	45,835.11	339.06	250.00	344.96	-	-	-	-	-	-	1,744.88	97,954.68

Previous Reporting Period:

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	Debt instruments through other Comprehensive Income	Equity Instruments through other Comprehensive Income	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	-	-	13,004.20	2,415.21	19,952.02	36,335.11	48.75	250.00	363.12	-	-	-	-	-	-	-	72,368.41
Add: Any change due to IND AS	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Restated Balances at the beginning 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
Total Comprehensive Income for the year	-	-	-	-	-	-	5,798.01	-	-	-	-	-	-	-	-	-	5,798.01
Money received as share warrant	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	4,600.13	4,600.13
Proposed Dividends	-	-	-	-	-	-	(422.92)	-	-	-	-	-	-	-	-	-	(422.92)
Depreciation on Revaluation Amount	-	-	-	-	-	-	9.08	-	(9.08)	-	-	-	-	-	-	-	-
Transfer to General Reserve	-	-	-	-	-	4,000.00	(4,000.00)	-	-	-	-	-	-	-	-	-	-
Transfer to Statutory Reserve Fund	-	-	1,225.22	-	-	-	(1,225.22)	-	-	-	-	-	-	-	-	-	-
Provision on Standard Assets	-	-	-	-	-	-	(70.28)	-	-	-	-	-	-	-	-	-	(70.28)
Balance at the end of the reporting period	-	-	14,229.42	2,415.21	19,952.02	40,335.11	137.42	250.00	354.04	-	-	-	-	-	-	4,600.13	82,273.35

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	-	39,173.79	-	-	34,527.57	-
Income from Investments	-	-	-	-	-	-
Interest on Deposits with Banks	-	36.79	-	-	27.42	-
Other Interest Income	-	11.75	-	-	47	-
Total	-	39,222.33	-	-	34,602.19	-

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

Particulars	Previous Year	
	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	–	12,426.32	–	11,877.81
3	Interest on Debt Securities	–	3,827.11	–	2,488.70
4	Interest on Subordinated Liabilities	–	1,230.00	–	1,220.96
5	Other Interest expense/ Bank Charges	–	927.25	–	607.87
	Total	–	18,410.68	–	16,195.34

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	–	5,140.76	–	4,819.52
Provision for NPA	–	312.07	–	133.80
Provision for Expected Credit Loss	–	11.16	–	418.31
Investments	–	–	–	–
Others (to be specified)	–	–	–	–
Total	–	5,463.99	–	5,371.63

Note : 29 Employees Benefit Expenses**(₹ in Lakhs)**

Sr. No.	Particulars	Current Year	Previous Year
1	Salaries and Wages to Employess	1,925.73	1,769.46
2	Directors Salaries & Allowances	505.25	433.28
3	Contribution to Provident and other funds	106.94	107.44
4	Share Based Payments to employees	–	–
5	Staff welfare expenses	37.53	21.65
	Total	2,575.45	2,331.83

– 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. 2021–22 Rs. 5,05,24,800 (Last year Rs. 4,33,14,900) 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	196.28	206.60
2	Deffered Revenue Exp. w/o*	127.08	167.46
	Total	323.36	374.06

*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	27.52	56.75
2	Travelling Expenses	355.44	452.11
3	Repair & Maintenance	37.76	19.15
4	Insurance Expenses	11.18	11.48
5	Electricity & Water Expenses	56.43	49.98
6	Rates & Taxes	2.69	3.15
7	Legal Expenses & Professional Fees	475.63	321.80
8	Printing & Stationery Expenses	56.93	90.79
9	Postage & Telephone Expenses	43.78	52.62
10	Auditors Remuneration	7.03	4.86
11	Rent	164.80	156.86
12	Rebate & Remission	35.46	17.69
13	Advertisement & Business Promotion Expenses	111.20	758.97
14	Recovery Expenses	6.24	40.17
15	Office and General Expenses	165.12	215.72
16	Loss/(Profit on sale of Assets/Investments)	(0.50)	–
17	Directors Sitting Fees & Expenses	15.64	14.72
18	Corporate Social Responsibility Expenditure	161.03	328.08
	Total	1,733.38	2,594.90

Note : 32. Ratios

(₹ in Lakhs)

Sr. No.	Ratio	Formula	Explanation	Ratio
1	Current Ratio	Current Assets/Current Liabilities	–	3.70
2	Debt–Equity Ratio	Debt/Equity	total Debts (Long term + Short term)	1.64
3	Debt Service Coverage Ratio	Net Operating Income/Total Debt Service	(PBT + Dep. + Int. on T.L.) / (int. on T.L. + Principal repaid)	1.01
4	Return on Equity Ratio	Net Income/Shareholder's Equity	PAT/Shareholder's Equity	7.75%
5	Inventory turnover ratio	Disbursement/Average Inventory	–	0.79
6	Trade Receivables turnover ratio	Trade Receivable/Disbursement	–	0.02
7	Trade payables turnover ratio	Trade Payable/Disbursement	–	0.01
8	Net capital turnover ratio	Disbursement/Shareholder's Equity	–	1.82
9	Net profit ratio	Net Profit/Revenue	–	20.21%
10	Return on Capital employed	EBIT/capital employed	C.E. = Sahreholder's Equity + Long Term Liabilities)	14.73%
11	Return on investment	Income generated form Investments / weighted average investments	–	0.59%

Note : 33. Remuneration to Auditors:

(₹ In Lakhs)

Particulars	2021–22	2020–21
For Statutory Audit	4.95	3.30
For Tax Audit	1.50	1.20
Total	6.45	4.50

Note : 34. Earning per Share:

(₹ In Lakhs)

Particulars	2021–22	2020–21
Net profit for the year (After Tax)	7,925.07	5,798.01
No. of Equity Shares (Weighted)	423.48	422.91
Basic and diluted Earning per share	18.71	13.71

35. Figures for the previous year have been regrouped/rearranged/reclassified and restated in compliance with the IND AS wherever considered necessary.

36. 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	Facility	Amount
State Bank of India	Term Loan	4,395.90
Karnataka Bank Ltd	Cash Credit	2,000.00
Bank of Baroda	Term Loan	624.66
Tata Capital Financial Services Limited	Term Loan	1,501.22
Satin Credit Care Network Limited	Term Loan	653.33
Satin Finserv Limited	Term Loan	130.67
Total		9,305.78

37. Disclosure of Related party transactions:

Refer note no. 38 (A, B & C) of Notes to the Account of Standalone Financial Statement of Paisalo Digital Limited

D. Disclosures required for Related party transactions

(₹ In Lakhs)

Name of Party	Nature	Amount	Amount Receivable/ (Payable)
Mr. Sunil Agarwal	Remuneration to Director	435.60	(20.80)
Mr. Harish Singh	Remuneration to Director	33.00	(1.60)
Mr. Anoop Krishna	Remuneration to Director	39.60	(1.66)
Mr. Sunil Agarwal	Loan Repaid	233.00	—
Mrs. Raj Agarwal	Rent	9.00	(0.68)
Mr. Santanu Agarwal	Salary	18.00	(1.05)
Mr. Atul Agarwal	Salary	12.00	—
Mr. Manendra Singh	Salary	11.16	(0.80)
Mr. Santanu Agarwal	Loan Repaid	2,156.63	—
Mr. Santanu Agarwal	Interest Expenses	149.00	—
Mr. Harish Singh	Interest Payment (on NCD)	6.71	—
Mr. Pranav Chauhan	Interest Payment (on NCD)	19.60	—
Mr. Sunil Agarwal	Dividend Paid	52.85	—
Mr. Santanu Agarwal	Dividend Paid	16.85	—
Ms. Suneeti Agarwal	Dividend Paid	3.58	—
Pro Fitch Pvt. Ltd.	Dividend Paid	6.08	—
Equilibrated Venture Cflow Pvt. Ltd.	Dividend Paid	40.84	—
Pri Caf Pvt. Ltd.	Dividend Paid	2.57	—
Pro Fitch Pvt. Ltd.	Amount received against Share Warrants for conversion into equity (allotment of 5,40,000 equity shares to each allottee)	2,855.25	—
Equilibrated Venture Cflow Pvt. Ltd.		2,855.25	—
Pri Caf Pvt. Ltd.		2,855.25	—

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/Audit Committee 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.
- (5) Holding Company has extended its guarantee to Banks/ Financial Institutions for credit facilities availed by the wholly owned subsidiary Nupur Finvest Pvt Ltd.

38. 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 Paisalo Digital Limited, the details of which are given hereunder.

(₹ In Lakhs)

Name of Financial Institutions	Date of Sanction	Sanctioned Amount	Rate of Interest	Terms of repayment	Maturity Date
State Bank of India	15th July 2017	2,000.00	11.00%	16 Quarterly installments	Jun 2022
Tourism Finance Corporation of India	28th Sep 2017	2,385.00	12.00%	17 Quarterly installments	Mar 2022
Nabsamruddhi Finance Ltd.	31st Dec 2018	1,000.00	13.50%	12 Quarterly installments	Mar 2022
Bank of Baroda	29th June 2019	2,500.00	12.20%	36 monthly installment	Dec 2022
Satin Creditcare Limited	09th Dec 2020	1,000.00	18.00%	36 monthly installments	Dec 2023
Satin Finserv Limited	09th Dec 2020	200.00	18.00%	36 monthly installments	Dec 2023
State Bank of India *	02nd Jun 2021	3,000.00	9.45%	20 Quarterly installments	Jun 2026
State Bank of India	31st Jan 2022	1,500.00	9.45%	15 Quarterly installments	Mar 2026
Tata Capital Financial Services Ltd	25th Mar 2022	1,500.00	11.00%	30 Monthly installments	Jan 2024

For other details of facilities and loans refer note no. 39 Notes to the Accounts of Standalone Financial Statements of Paisalo Digital Limited.

39. Working Capital Borrowings:

The Company has availed working capital facility from Karnataka Bank Ltd. Delhi. This facility is secured by hypothecation of books debts / receivables, equitable mortgage of immovable property belonging to the third party, personal guarantee of Directors and Corporate guarantee of its Holding Company.

(₹ In Lakhs)

Sr. No.	Name of Bank	Sanctioned Amount	Date of Sanction	Rate of Interest
1	Karnataka Bank Ltd.	2,000.00	28th December, 2015	MCLR+2%
	Total	2,000.00		

For other details of facilities and loans refer note no. 39 Notes to the Accounts of Standalone Financial Statements of Paisalo Digital Limited.

40. 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	1,02,346.52	100	7,925.07
Holding Co. :				
Paisalo Digital Limited	94.81	97,037.19	99.32	7,871.44
		(Note 1)		(Note 2)
Subsidiaries–Wholly Owned :				
Nupur Finvest Pvt. Ltd.	5.19	5,309.33	0.68	53.63

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, 2021 to March 31, 2022
3	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	N.A.
4	Share Capital	536.96
5	Reserves	4,772.38
6	Total Assets	25,073.70
7	Total Liabilities	25,073.70
8	Investments	—
9	Turnover	3,591.36
10	Profit before Taxation	73.08
11	Provision for Taxation	19.45
12	Profit after Taxation	53.63
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 Manish Goyal & Co.
Chartered Accountants
Firm Reg. No. 006066C

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

Sd/-
(CA. MANISH GOYAL)
Partner
Membership No. 074778
UDIN : 22074778AINMLZ3630

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

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

Place : New Delhi
Date : 6th May 2022

Paisalo Digital Limited

CSC, Pocket 52, CR Park Near Police Station

New Delhi-110019

L6592IDL1992PLC120483

www.paisalo.in

cs@paisalo.in

+91 11 43518888

Notice of 30th AGM

NOTICE OF 30TH ANNUAL GENERAL MEETING

Notice is hereby given that the Thirtieth (30th) Annual General Meeting of the Members of Paisalo Digital Limited (AGM/ Meeting) will be held on Friday, September 30, 2022 at 2:30 P.M. through Video Conferencing (VC) / Other Audio Visual Means (OAVM), to transact the following business(s):

ORDINARY BUSINESS:

Item No. 1 – Adoption of Audited Standalone and Consolidated Financial Statements

In this regard, to consider and if thought fit, to pass, with or without modification(s), the following resolutions as an **Ordinary Resolution**:

“RESOLVED THAT the audited financial statements (including the consolidated financial statements) of the Company for the financial year ended March 31, 2022 and the reports of the Board of Directors and Auditors thereon, as circulated to the members, be and are hereby considered and adopted.”

Item No. 2 – Appointment of Mr. Harish Singh (DIN: 00039501) as a Director, liable to retire by rotation, and being eligible, offers himself for re-appointment

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 and being eligible, offers himself for re-appointment be and is hereby appointed as a Director of the Company.”

Item No. 3 – Declaration of final dividend for financial year ended March 31, 2022

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 0.10 (Ten Paise only) per equity share of INR 1/- (Rupee One) each of the Company as recommended by the Board of Directors, be and is hereby declared for the financial year ended March 31, 2022 and the same be paid out of the profits of the Company for the financial year ended March 31, 2022.”

Item No. 4 – Reappointment of M/s Manish Goyal & Co., Chartered Accountants, as Statutory Auditors of the Company

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 RBI Guidelines for Appointment of Statutory Central Auditors (SCAs)/ Statutory Auditors (SAs) of Commercial Banks (excluding RRBs), UCBs and NBFCs (including HFCs) (Ref. No. DoS.CO.ARG/SEC.01/08.91.001/2021-22) dated April 27, 2021 (‘RBI Guidelines’) read with Company’s policy on appointment of Statutory Auditors and provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 (the ‘Act’), and the relevant rules made thereunder (including any amendment, modification, variation or re-enactment thereof) and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (‘SEBI Listing Regulations’) including any statutory modification(s) or amendment(s) thereto or re-enactment(s) thereof for the time being in force, M/s Manish Goyal & Co., Chartered Accountants, Firm Registration No. 006066C, who being eligible for appointment as Statutory Auditors in terms of section 141 of the Act and applicable rules and the RBI Guidelines, be and is hereby re-appointed as Statutory Auditors of the Company, to hold office from the conclusion of 30th Annual General Meeting till conclusion of the 32nd Annual General Meeting of the Company to conduct audit of accounts of the Company for the financial year ending March 31, 2023 and March 31, 2024 respectively, at a remuneration mentioned in the statement annexed herewith.

RESOLVED FURTHER THAT for the purpose of giving effect to the above resolution, the Board of Directors of the Company (hereinafter referred to as “Board” which term shall be deemed to include any Committee(s) which the Board may have constituted / reconstituted or hereinafter constitute / reconstitute to exercise its powers including the powers conferred by this Resolution) be and is hereby authorised on behalf of the Company to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary or desirable for such purpose and with power on behalf of the Company to settle all questions, difficulties or doubts that

may arise in regard to implementation of the aforesaid resolution including but not limited to determination of roles and responsibilities/scope of work of the Statutory Auditors, negotiating, finalising, amending, signing, delivering, executing, the terms of appointment including any contracts or documents in this regard and to alter and vary the terms and conditions of remuneration arising out of increase in scope of work, amendment in Accounting Standards or regulations and such other requirements resulting in the change in scope of work, etc. without being required to seek any further consent or approval of the Members of the Company.”

SPECIAL BUSINESS

Item No. 5 – Fixation of borrowing power of the Board of Directors u/s 180 (1) (c) of the Companies Act, 2013

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(s) 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, without being required to seek any further consent or approval of the Members of the Company.”

Item No. 6 – Authorization to Board of Directors u/s 180 (1) (a) of the Companies Act, 2013 to create charges on movable and immovable properties of the Company

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 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(s) 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 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 aforesaid purpose 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, without being required to seek any further consent or approval of the Members of the Company.”

Item No. 7– Approval to issue Non-Convertible Debentures through private placement

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 the provisions of Sections 42, 71 and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”), and rules made thereunder, including any statutory modifications, clarifications, exemptions or re-enactment thereof, for the time being in force and pursuant to the provisions of the the SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time and RBI-Master Directions on Non-Banking Financial Company-Systemically Important Non Deposit Taking Company and Deposit Taking Company (Reserve Bank) Directions, 2016 and all other rules, regulations, guidelines, notifications, clarifications and circular, if any issued by any statutory/regulatory authority, as may be applicable and the provisions of the Memorandum of Association and the Articles of Association of the Company and subject to such consent, approvals, permissions and sanctioned of the concerned statutory and regulatory authorities if and to the extent necessary, consent of the 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(s) which the Board may have constituted / reconstituted or hereinafter constitute / reconstitute to exercise its powers including the powers conferred by this Resolution) to create, offer, invite for subscription, issue and allot, in one or more tranches secured/unsecured, redeemable, Non-Convertible Debentures (“NCDs”) including but not limited to subordinated/ senior, perpetual/non perpetual, cumulative/non-cumulative rated/ unrated, listed/ unlisted, debentures, bonds, and/or other debt securities, etc. on private placement basis, aggregating upto 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), body(ies) corporate, statutory corporation(s), commercial bank(s), lending agency(ies), financial institution(s), insurance company(ies), mutual fund(s), pension/ provident funds family office(s) and individual(s), as the case may be, or such other person(s) as the Board may decide/approve in its absolute discretion, during the period of one year or for such other period as permissible under the applicable law from the date of passing of the Special Resolution by the Members, within the overall borrowing limits of the Company as approved by the Members of the Company from time to time under Section 180(1)(c) of the Act.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorised to determine the terms of issue of NCDs including but not limited to determine the size, issue price, timing, tenure, interest rate of NCDs, listing of NCDs, if required, creation of security, utilization of issue proceeds, appointment of Debenture Trustee(s), Registrar and Transfer Agent, Legal Counsel and other agency(ies) and to do all necessary acts, deeds, and things and to execute such documents / deeds / writings / papers / agreements as may be required 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 5, 2022

NOTES:

1. In view of the extraordinary circumstances created due to COVID-19 global pandemic, the Ministry of Corporate Affairs (MCA) vide its Circular No. 14/2020 dated April 8, 2020, Circular No.17/2020 dated April 13, 2020, Circular No. 20/2020 dated May 05, 2020 read with Circular No. 02/2021 dated January 13, 2021, General Circular No. 19/2021 dated December 21, 2021, General Circular No. 21/2021 dated December 14, 2021 and General Circular No. 2/2022 dated May 05, 2022 (collectively referred as "MCA circulars") and SEBI circular no SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 read with SEBI circular no. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021 and Circular No. SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated May 13, 2022 (collectively referred as "SEBI circulars") permitted the holding of the Annual General Meeting (AGM) through Video Conferencing (VC) or Other Audio Visual Means (OAVM) till 31 December 2022, without the physical presence of the Members at a common venue. Accordingly, 30th AGM of the Company is being conducted through VC/ OAVM. Hence, Shareholders can attend and participate in the 30th AGM of the Company through VC/OAVM. The deemed venue of the meeting shall be considered at the Registered Office of the Company.
2. Company is convening 30th AGM through VC / OAVM and no physical presence of Members, Directors, Auditors and other eligible persons shall be required for the 30th AGM.
3. Item mentioned in this AGM Notice are considered unavoidable and forms part of this Notice. Further, a statement pursuant to Section 102(1) of the Act, relating to the Special Business to be transacted at the AGM is forms a part of this Notice.
4. As required under regulation 36(3) of the Listing Regulations and the provisions of the Secretarial Standard on General Meetings, details of the Director, who is being appointed/re-appointed is annexed hereto. Details as per regulation 36(5) of the Listing Regulations in respect of re-appointment of Statutory Auditors is also annexed to the extent applicable.
5. 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 Corporate Members are entitled to appoint authorised representatives to attend the AGM through VC/OAVM and participate thereat and cast their votes through e-voting.
6. Since the meeting will be conducted through VC/OAVM facility, the route map is not annexed to this Notice.
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 Saturday, September 24, 2022 to Friday, September 30, 2022, both days inclusive.

DISPATCH OF NOTICE OF AGM AND ANNUAL REPORT THROUGH ELECTRONIC MODE:

8. In terms of Section 136 of the Companies Act, 2013 (the "Act") read with the rules made thereunder, Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 ("SEBI (LODR) Regulations, 2015") and in terms of MCA circular dated 5 May 2022 and SEBI circular dated 13 May 2022, the listed companies may send the notice of AGM and the Annual Report, including financial statements, Boards' Report, etc. by electronic mode in case the meeting is conducted through VC/OAVM. Accordingly, Notice of 30th AGM along with the Annual Report for financial year ended March 31, 2022 is being sent only through electronic mode to those members whose email addresses are registered with the Company/Depositories. Members may note that the Notice of the 30th AGM and Annual Report for financial year ended March 31, 2022 will also be available on the Company's website at www.paisalo.in, website of the Stock Exchanges i.e., BSE Ltd. ('BSE') at www.bseindia.com and National Stock Exchange of India Ltd. ('NSE') at www.nseindia.com and on the website of National Securities Depository Limited (NSDL) at www.evoting.nsdl.com.
9. In this notice, the term member(s) or shareholder(s) are used interchangeably.
10. 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 E-VOTING AT THE AGM:

11. 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 (LODR) Regulations, 2015 (as amended) and MCA Circulars, the Company is providing facility of remote e-voting and e-voting during the AGM (collectively referred as “electronic voting”) to its members to cast their votes in respect of the resolutions listed in this Notice. For this purpose, the Company has entered into an agreement with NSDL for facilitating VC and electronic voting, as the authorized e-voting agency. The facility of casting votes by a member using remote e-voting as well as the evoting system on the date of the AGM will be provided by NSDL.
12. 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 Friday, September 23, 2022.
13. 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. Friday, September 23, 2022, 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 (RTA).
14. 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 on the day of AGM.
15. 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.
16. The remote e-voting period begins on Tuesday, September 27, 2022 at 9:00 A.M. and ends on Thursday, September 29, 2022 at 5:00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter.
17. 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: Access to NSDL e-Voting system

A. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	<p>Users registered for NSDL IDeAS facility Open web browser by typing the following URL: https://eservices.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the “Beneficial Owner” icon under “Login” which is available under “IDeAS” section. A new screen will open. Enter your User ID and Password. After successful authentication, you will be able to see e-voting services. Click on “Access to e-voting” under e-voting services and you will be able to see e-voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period.</p> <p>Users not registered for IDeAS e-Services: Option to register is available at https://eservices.nsdl.com. Select “Register Online for IDeAS” Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp and proceed with completing the required fields. After successful registration, please follow the steps given above to cast your vote.</p> <p>By visiting the e-voting website of NSDL: 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 mobile. Once the home page of e-voting system is launched, click on the “Login” icon, available under the ‘Shareholder/Member’ section. A new screen will open. Enter your User ID (i.e. your 16-digit Demat account number held with NSDL), Password/OTP, and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period.</p> <p>By Scanning QR Code: Shareholders/Members can also download NSDL Mobile App “NSDL Speede” facility by scanning the QR code mentioned below for seamless voting experience.</p> <p style="text-align: center;">NSDL Mobile App is available on</p> <div style="display: flex; justify-content: space-around; align-items: center;">   </div> <div style="display: flex; justify-content: space-around; align-items: center;">   </div>

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with CDSL	<p>Existing users who have opted for Easi/Easiest:</p> <p>Open URL to login to Easi/Easiest: https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on login icon and select New System Myeasi.</p> <p>Shareholders can login through their existing user ID and password. Option will be made available to reach e-voting page without any further authentication.</p> <p>After successful login on Easi/Easiest, the user will also be able to see the e-voting Menu. The menu will have links of e-Voting service provider i.e. NSDL. Click on NSDL to cast your vote.</p> <p>Users who have not opted for Easi/Easiest:</p> <p>Option to register for Easi/Easiest is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration. Proceed with completing the required fields. After successful registration, please follow the steps given above to cast your vote</p> <p>By visiting the e-voting website of CDSL:</p> <p>The user can directly access e-voting page by providing demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & e-mail ID as recorded in the demat Account.</p> <p>After successful authentication, user will be able to see the e-voting option where the e-voting is in progress and will also be able to directly access the system of e-Voting Service Provider i.e. NSDL.</p>
Individual Shareholders (holding securities in demat mode) login through their depository participants	<p>Shareholders can also login using the login credentials of their demat account through their Depository Participant registered with NSDL/CDSL for e-voting facility. Once logged-in, you will be able to see e-voting option.</p> <p>Once you click on e-voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-voting feature.</p> <p>Click on option available against Company name or e-voting service provider i.e. NSDL and you will be redirected to e-voting service provide website for casting your vote during the remote e-voting period.</p>

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 or 022-23058542-43

- B. Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

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 'Shareholder/ Member' section.
- A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL e-services i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL e-services after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

iv. 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. Password details for shareholders other than Individual shareholders 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'?
 - i. 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'.
 - ii. 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 etc.
- 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.

Step 2: Cast your vote electronically on NSDL e-Voting system.

How to cast your vote electronically and join General Meeting on NSDL e-Voting system?

- i. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.
- ii. Select "EVEN" of Paisalo Digital Limited for which you wish to cast your vote during the General Meeting.
- iii. Now you are ready for e-Voting as the Voting page opens.

- iv. 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.
 - v. Upon confirmation, the message “Vote cast successfully” will be displayed.
 - vi. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
 - vii. Once you confirm your vote on the resolution, you will not be allowed to modify your vote
18. 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. If you are an Individual shareholder holding securities in demat mode, you are requested to refer to the login method explained at step I (A) i.e. Login method for e-Voting or Individual shareholders holding securities in demat mode.
 - iii. Alternatively shareholder/members may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing above mentioned documents.
 - iv. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.
19. 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 102 0990; 1800 22 4430 or send a request to Ms. Soni Singh, Assistant Manager, at evoting@nsdl.co.in.

PROCEDURE FOR JOINING THE AGM THROUGH VC / OAVM:

20. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for Access to NSDL e-Voting system. After successful login, you can see link of “VC/OAVM link” placed under “Join General Meeting” menu against company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/Member 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.
21. 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.
22. Members are encouraged to join the Meeting through Laptops for better experience.
23. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.

24. 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.
25. Members 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.
26. For ease of conduct, members who would like to ask questions/express their views on the items of the businesses to be transacted at the meeting can send in their questions/comments in advance to cs@paisalo.in on or before September 23, 2022 mentioning their name, DP ID Client ID/Folio no., e-mail ID, mobile number, etc. The queries may be raised precisely and in brief to enable the Company to answer the same suitably depending on the availability of time at the meeting.

PROCEDURE FOR e-VOTING ON THE DAY OF AGM:

27. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
28. 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.
29. 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.
30. 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:

31. 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.
32. 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 upto the date of AGM. Members seeking to inspect such documents can send an email to cs@paisalo.in.
33. 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.

SCRUTINISER FOR ANNUAL GENERAL MEETING:

34. 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.
35. 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.
36. 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.
37. The Resolutions shall be deemed to be passed at the Annual General Meeting of the Company scheduled to be held on Friday, September 30, 2022.

IEPF RELATED INFORMATION:

38. The Company has transferred the unpaid or unclaimed dividends declared up to financial years 2013- 14, 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.
39. Members may note that unclaimed dividends transferred to IEPF Authority can be claimed back from the IEPF Authority.

40. Due dates for transfer to IEPF, of the unclaimed/unpaid dividends for the financial year 2014-15 and thereafter, are as under:

Financial Year	Dividend Declared Per Share	Date of Declaration	Due date for transfer in IEPF
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
2019-20	Re. 1	08-09-2020	14-10-2027
2020-21	Re. 1	25-09-2021	01-11-2028

41. Further, in terms of section 124(6) of the Act, in case of such shareholders whose dividends are unpaid for a continuous period of 7 years, the corresponding shares shall also be transferred to the IEPF's demat account.
42. Members who have not claimed dividends from FY2015 onwards are requested to approach the Company/RTA for claiming the same as early as possible, to avoid transfer of the relevant shares to the IEPF's demat account.

DIVIDEND RELATED INFORMATION

43. 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:
- 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 Friday, September 23, 2022; and
 - to all those shareholders holding shares in physical form, on the closing hours on Friday, September 23, 2022.
44. 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. 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, if available, printed thereon.
45. For enabling the payment of dividend through electronic mode, Members holding shares in physical form are requested to furnish, on or before Friday, September 23, 2022, 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 Friday, September 23, 2022. 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.
46. 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.
47. 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.
48. 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.
49. Pursuant to the requirement of Income Tax Act, 1961, the Company will be required to withhold taxes at the prescribed rates on the dividend paid to its shareholders.

The withholding tax rate would vary depending on the residential status of the shareholders and documents submitted by the shareholder with Company/ RTA/ Depository Participant.

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	10%	No document required (if no exemption is sought) If dividend does not exceed INR 5,000/-, no TDS/ withholding tax will be deducted. Also, please refer note (v) below.
2	No PAN/Valid PAN not updated in the Company's Register of Members	20%	TDS/ Withholding tax will be deducted, regardless of dividend amount, if PAN of the shareholder is not registered with the Company/ RTA/ Depository Participant. All the shareholders are requested to update, on or before September 23, 2022, their PAN with their Depository Participant (if shares are held in electronic form) and Company / RTA (if shares are held in physical form). Please quote all the folio numbers under which you hold your shares while updating the records. Please also refer note (v) below.
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 to be submitted on or before September 23, 2022

A.2 No Tax Deductible at Source on dividend payment to resident shareholders if the Shareholders submit 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 for exemption u/s 194 of Income Tax Act, 1961
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

7	Any resident shareholder exempted from TDS deduction as per the provisions of Income Tax Act or by any other law or notification	Nil	Necessary documentary evidence substantiating exemption from deduction of TDS
---	--	-----	---

- B. **NON-RESIDENT SHAREHOLDERS:** Withholding tax on dividend payment to non-resident shareholders if the non-resident shareholders submit, on or before September 23, 2022 following document as mentioned in column no.4 of the below table with the Company / Alankit Assignments Limited (RTA of the Company). In case all necessary documents are not submitted, then the TDS/ Withholding tax will be deducted @ 20% (plus applicable surcharge and cess):

Sr. No (1)	Particulars (2)	Withholding tax rate (3)	Documents required (if any) (4)
1	Foreign Institutional Investors (FIIs) / Foreign Portfolio Investors (FPIs)/ Other Non-Resident shareholders	20% (plus applicable surcharge and cess) or tax treaty rate, whichever is beneficial	FPI registration number / certificate. 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 or declaration as per Rule 37BC of Income Tax Rules, 1962 in a specified format. 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)
2	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
3	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.
4	Any non-resident shareholder exempted from WHT deduction as per the provisions of Income Tax Act or any other law such as The United Nations (Privileges and Immunities) Act 1947, etc.	Nil	Necessary documentary evidence substantiating exemption from WHT deduction

Notes:

- 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 23, 2022 to enable the Company to determine the appropriate TDS / withholding tax rate applicable. Any communication on the tax determination/deduction received post September 23, 2022 shall not be considered.

- iii) 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.
- iv) 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) No TDS will be deducted in case of resident individual shareholders who furnish their PAN details and whose dividend does not exceed INR 5,000/-. However, where the PAN is not updated in Company/ RTA/ Depository Participant records or in case of an invalid PAN, the Company will deduct TDS u/s 194 without considering the exemption limit of INR 5,000/-. All the shareholders are requested to update their PAN with their Depository Participant (if shares are held in electronic form) and Company / RTA (if shares are held in physical form) against all their folio holdings on or before September 23, 2022.
- vi) 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.
- vii) 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:

- 50. 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.
- 51. Further, as an on-going measure to enhance ease of dealing in security markets by investors Securities and Exchange Board of India (SEBI) vide its circular having reference no. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/8 dated January 25, 2022, has mandated that the listed companies shall henceforth issue the securities in dematerialized form only while processing the following service request:
 - i. Issue of duplicate securities certificate;
 - ii. Claim from Unclaimed Suspense Account;
 - iii. Renewal / Exchange of securities certificate;
 - iv. Endorsement;
 - v. Sub-division/ Splitting of securities certificate;
 - vi. Consolidation of securities certificates/folios;
 - vii. Transmission; and
 - viii. Transposition
- 52. Pursuant to SEBI circulars, the Company has sent communication to the members holding shares in physical form requesting them to furnish the required details.
- 53. 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
- 54. 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.
- 55. 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

Pursuant to provisions of Section 102 of the Companies Act, 2013

Item no. 5 – Fixation of borrowing power of the Board of Directors u/s 180 (1) (c) of the Companies Act, 2013
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. 5 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. 5 of the Notice, except to the extent of their shareholding in the Company, if any.

Item no. 6 – Authorization to Board of Directors u/s 180 (1) (a) of the Companies Act, 2013 to create charges on movable and immovable properties of the Company

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 accordingly recommends the Special Resolution set out in Item No.6 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. 6 of the Notice, except to the extent of their shareholding in the Company, if any.

Item no. 7– Approval to issue Non-Convertible Debentures through private placement

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. Borrowings through non-convertible debentures not only work out cost effective but also facilitate the raising of resource in a highly flexible and requirement driven manner. The Company intends to raise long term funds through NCDs in the current year to meet lending requirements.

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) 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 as set at Item No. 7, within the overall borrowing limits of the Company, as approved by the Members from time to time.

The Board of Directors accordingly recommends the Special Resolution set out in 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 share/debenture holding in the Company, if any.

ANNEXURE TO THE NOTICE of 30TH ANNUAL GENERAL MEETING

Additional information as required under Regulation 36 of the SEBI (LODR) Regulations and applicable Secretarial Standards

Item no. 2 – Appointment of M. Harish Singh (DIN: 00039501) as a director, liable to retire by rotation
Pursuant to the applicable provisions of Section 152 of the Companies Act, 2013, Mr. Harish Singh retires at the 30th AGM and being eligible, seeks re-appointment.

Name of the Director recommended for appointment	Mr. Harish Singh								
Date of Birth	November 22, 1967								
Age	about 52 years								
Date of first appointment on the Board	August 01, 2008								
Qualification	Fellow member of Institute of Chartered Accountants of India Master of Business Administration in Marketing								
Expertise in Specific functional areas/brief profile	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.								
No. of Equity Shares held in the Company	Nil								
Terms & conditions of reappointment	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								
Details of Remuneration sought to be paid (Per annum)	As per the resolution passed by the shareholders at the 26th Annual General Meeting held on September 29, 2018.								
Remuneration last drawn during FY 2021-22	INR 3.30 Million								
No. of meetings of Board attended during FY 2021-22	6 (Six)								
Directorships held in other Companies	Nupur Finvest Pvt. Ltd. (Wholly owned Subsidiary of the Company)								
Committee Details	<p>Membership / Chairmanship of Committees of Paisalo Digital Limited</p> <table> <tr> <td>Member</td><td>Audit Committee, Risk Management Committee, Assets Liability Management Committee, IT Strategy Committee</td></tr> <tr> <td>Chairman</td><td>Corporate Social Responsibility Committee, IT Steering Committee, Operation and Finance Committee</td></tr> </table> <p>Membership / Chairmanship of Committees of Nupur Finvest Pvt. Ltd.</p> <table> <tr> <td>Member</td><td>Nomination and Remuneration Committee</td></tr> <tr> <td>Chairman</td><td>Audit Committee, Assets Liability Management Committee,</td></tr> </table>	Member	Audit Committee, Risk Management Committee, Assets Liability Management Committee, IT Strategy Committee	Chairman	Corporate Social Responsibility Committee, IT Steering Committee, Operation and Finance Committee	Member	Nomination and Remuneration Committee	Chairman	Audit Committee, Assets Liability Management Committee,
Member	Audit Committee, Risk Management Committee, Assets Liability Management Committee, IT Strategy Committee								
Chairman	Corporate Social Responsibility Committee, IT Steering Committee, Operation and Finance Committee								
Member	Nomination and Remuneration Committee								
Chairman	Audit Committee, Assets Liability Management Committee,								
Relationship with any other Director inter-se and KMPs of the Company	No Relationship with other Directors/ Key Managerial Personnel								
Listed entities from which Director has resigned in the past three years	Nil								

Item no. 4 – Reappointment of M/s Manish Goyal & Co., Chartered Accountants, as statutory auditors of the Company

M/s Manish Goyal & Co., Chartered Accountants, Firm Registration No. 006066C, were appointed as the Statutory Auditors of the Company, through resolution passed by the members of the Company at 29th AGM of the Company held on September 25, 2021. Their appointment was made to fill the casual vacancy caused by the resignation of M/s D. Tayal & Jain, Chartered Accountants as the Statutory Auditors in view of the RBI Guidelines issued vide Circular No. RBI/2021-22/25, Reference No. DoS. CO.ARG/SEC.01/08.91.001/2021-22 dated April 27, 2021 (the “RBI Guidelines”). M/s Manish Goyal & Co., Chartered Accountants, holds office up to the conclusion of the 30th AGM of the Company.

Considering the past performance, experience, competency of the audit team, independence etc., the Audit Committee and the Board at their respective meetings held on May 6, 2022, have approved the re-appointment of M/s Manish Goyal & Co., Chartered Accountants, as the Statutory Auditors of the Company for a further period of Two (2) years with effect from the conclusion of the 30th AGM until the conclusion of the 32nd AGM of the Company to be held in the financial year 2023-24 and have recommended their appointment for approval of the members of the Company.

Additionally, approval of the members have also been sought to give authority to the Board to decide on the amount of remuneration to be paid to the Statutory Auditors.

M/s Manish Goyal & Co., Chartered Accountants, has provided its consent for the appointment as the Statutory Auditors of the Company along with a confirmation that their appointment, if made, would be within the limits prescribed under the Act and eligible to be appointed as Statutory Auditors in terms of RBI Guidelines.

The remuneration paid to M/s Manish Goyal & Co. for the financial year ended March 31, 2022 was INR 5.00 Lakh. And the proposed remuneration to be paid to M/s Manish Goyal & Co. for the financial year ending March 31, 2023, is INR 6.00 Lakh plus applicable taxes and reimbursement of out of pocket expenses, if any.

The Board of Directors and the Audit Committee shall approve revisions to the remuneration of the Statutory Auditors for the remaining part of the tenure.

The Board of Directors, in consultation with the Audit Committee, may alter and vary the terms and conditions of appointment, including remuneration, in such manner and to such extent as may be mutually agreed with the Statutory Auditors.

The Chartered Accountants Firm AM/s Manish Goyal & Co., constituted on March 17, 1992, having firm registered no. 006066C. The firm having 30 plus years of experience in Statutory Audit, Stock Audit, Revenue Audit etc. In addition to the audits of Banks and PSU's, the firm also undertake audits of Co-operative Societies, Proprietorship Concern, Partnership Firms, Private Limited Companies, Public Limited Companies, Trusts & Educational Institutions. The firm is equipped with the partners who have done certificate courses on FEMA, MSME, Arbitration, Mediation & Conciliation, Cyber Security.

PAISALO

EASY LOAN आसान लोन

PAISALO DIGITAL LIMITED

Registered Office:

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

Head Office:

Block 54, First Floor
Sanjay Place, Agra - 282 002
Phone : +91 562 402 8888
Email: agra@paisalo.in

Mumbai Office:

Unit 262, Solitaire Corporate Park
Andheri Kurla Road
Chakla, Andheri (E), Mumbai
Phone: +91 22 4228 8888
Email: mumbai@paisalo.in