

Date: August 31, 2021

The Manager  
Department of Corporate Relationship  
**BSE Limited**  
25<sup>th</sup> Floor P. J. Towers, Dalal Street  
Mumbai -400 001  
**SCRIP CODE : 532900 (Equity)**  
**959759, 959963, 960204 (Debt)**

The Listing Department  
**National Stock Exchange of India Limited**  
Exchange Plaza, Bandra Kurla Complex  
Bandra (East)  
Mumbai -400 051  
**SCRIP SYMBOL : PAISALO**

**SUB.: Intimation under Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR") - Annual Report for the Financial Year 2020-21 including Notice of the 29<sup>th</sup> Annual General Meeting of the Company**

Dear Sir/Madam,

This is to inform that the 29<sup>th</sup> Annual General Meeting ("AGM") of the Members of the Company will be held on Saturday, September 25, 2021 at 10:30 A.M. (IST) through Video Conferencing ("VC") /Other Audio Visual Means ("OAVM"), in accordance with the relevant circulars issued by the Ministry of Corporate Affairs and the Securities and Exchange Board of India.

The Company has fixed Saturday, September 18, 2021 as the "Cut-off Date" for the purpose of determining the members eligible to vote through remote e-voting on the resolutions set out in the Notice of the AGM or to attend the AGM and cast their vote thereat.

Register of Members and Share Transfer Books of the Company shall remain close from September 19, 2021 to September 25, 2021 (both days inclusive) for the purpose of 29<sup>th</sup> AGM of Company and Final Dividend on fully paid-up equity shares of the Company for the Financial Year ended March 31, 2021.

Pursuant to Regulation 34 of the SEBI (LODR) Regulations, 2015, Annual Report for the Financial Year 2020-21, including the Notice convening 29<sup>th</sup> Annual General Meeting, being sent to the Members through electronic mode, is enclosed herewith and also available on the Company's website at [www.paisalo.in](http://www.paisalo.in).

Thanking you,

Yours faithfully,

**For Paisalo Digital Limited**

  
(Manendra Singh)  
Company Secretary



**Encl. As above**

Copy to:

1. National Securities Depository Ltd.
2. Central Depository Services (India) Ltd.
3. Alankit Assignments Limited

## 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](mailto:delhi@paisalo.in)

**Head Office:** Block 54, First Floor, Sanjay Place, Agra - 282 002. Phone : +91 562 402 8888. Email: [agra@paisalo.in](mailto:agra@paisalo.in)

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CIN: L65921DL1992PLC120483

[www.paisalo.in](http://www.paisalo.in)

अर्थ: समाजस्य न्यासः



# PAISALO

EASY LOAN आसान लोन

2020-2021  
ANNUAL REPORT  
PAISALO DIGITAL LIMITED



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](http://www.paisalo.in)

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**Apna  
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Since inception we have supported the crucial role that the banking sector plays in the community through its potential for empowering people economically, for enabling corporations in realizing their vision and mission

# Dear Shareholders,

2020 has been an extraordinary year by any measure. It brought in its wake a global pandemic that manifested a global recession hitherto unknown to mankind. It induced governments the world over to take decisions and actions that have no global precedence. It presented tribulations for which there were no answers. It felled millions with the scythe of the Grim Reaper, foisting everlasting grief on family members, friends, and colleagues. It was a year which wreaked havoc on those of us lesser privileged by forcing joblessness and unwanted impoverishment. And it was a time where corporations discovered what they very were and, sometimes, what they could become.

Watching events unfold throughout the year, we keenly targeted on what we, as an organization, might do to serve our communities. We at Paisalo also recognise the need to evolve and adapt to the new normal, and it gives me great pleasure to tell you that our Company and its numerous employees all over the country performed exceedingly well as a team and on an individual level.

Since inception we have supported the crucial role that the banking sector plays in the community through its potential for empowering people economically, for enabling corporations in realizing their vision and mission, and for being a monetary bulwark during tough times. It was great to see that during these debilitating times, the banking sector stepped up to meet the financial challenges and it pleases me to inform you that Paisalo in consonance with the banking sector stepped up to this challenge.

As I look back on the previous year and the last almost three decades - starting from a small office in 1992 - Paisalo has faced, survived and grown despite some unexampled, distinctive and unknown challenges; not solely in terms of economic performance, but also has grown conjointly in our dedication to assist clients and communities. FY 2020-21 was another strong year for Paisalo. We earned INR 3,315 million in revenue and Profit after Tax (PAT) of INR 609 million, reflecting strong underlying performance across our business. We saw a growth in our market share in the Co-Originator of Small Priority Sector Loan (known as Co-Lending of Loans w.e.f. 5 November, 2020); and continued to make significant investments in our lending products, people and technology, while maintaining credit discipline and our balance sheet. In total, we extended credit of INR 14,238 million to businesses, and individuals including significant number of women borrowers.

Paisalo was listed on Delhi, Kanpur and Ahmedabad Stock Exchange in 1996. Our stocks are owned by DIs, FIIs, Institutional Funds and directly by individual investors. However, it's necessary to recollect that in the

majority of cases, the final beneficiaries are the people in our communities. Several of these are veterans, teachers, health-care staff, retirees or those saving for a home or retirement. Your management team goes to work every day recognising and understanding the responsibilities that we have taken on so as to maximise returns for our shareholders.

While we do not run Paisalo worrying about the stock price in the short run, in the long run our stock price is a measure of progress that 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. These necessary investments drive our company's future prospects and position it to grow and prosper.

We have over the years represented to you—our shareholders—the essential principles and techniques we use to make this company—from maintaining a strong Capital Adequacy Ratio (CAR), constantly investing, nurturing talent, fully satisfying regulators, and continually improving risk to governance and controls serving customers while lifting up communities across India.

Adhering to these principles permits us to drive sensible organic growth and properly manage our capital (including dividends), which we have consistently demonstrated over the past decade.

If you look deeper, you will observe that our successes and accomplishments are a function supported on our foundational commitment to our shareholders. Shareholder value can be built only by maintaining a healthy and vibrant company, which is an outcome of good job done well and constantly caring for our customers, workers and communities. As we have learnt in 2020, there are many ways an establishment can demonstrate its compassion for its workers and its communities while still upholding stockholder value.

Ultimately, the premise of our success is our people. They serve our customers and communities, bolster technology, make strategic choices, manage risks, verify investments and drive innovation. Having an excellent team of individuals - with determination, domain knowledge and proven capabilities and an insatiable desire to dedicate themselves to difficult circumstances with skilled excellence - is what ensures our prosperity, currently and in the future.

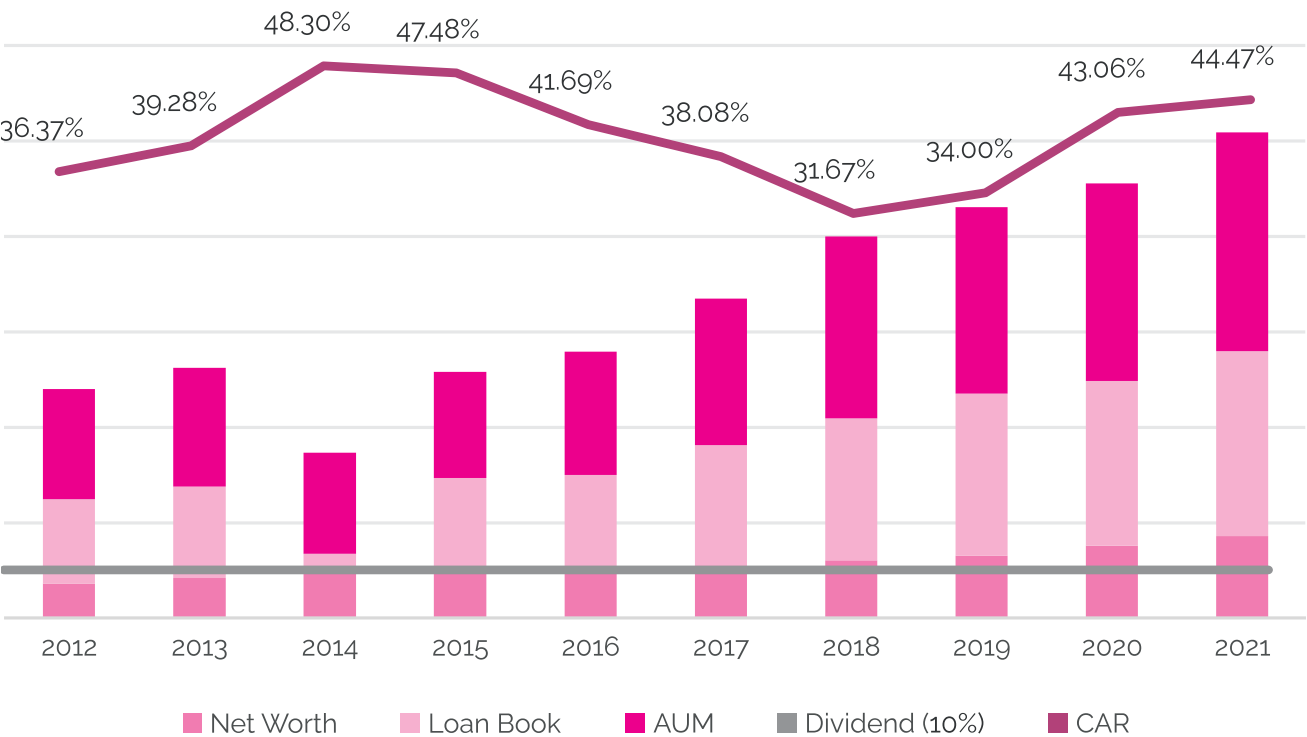
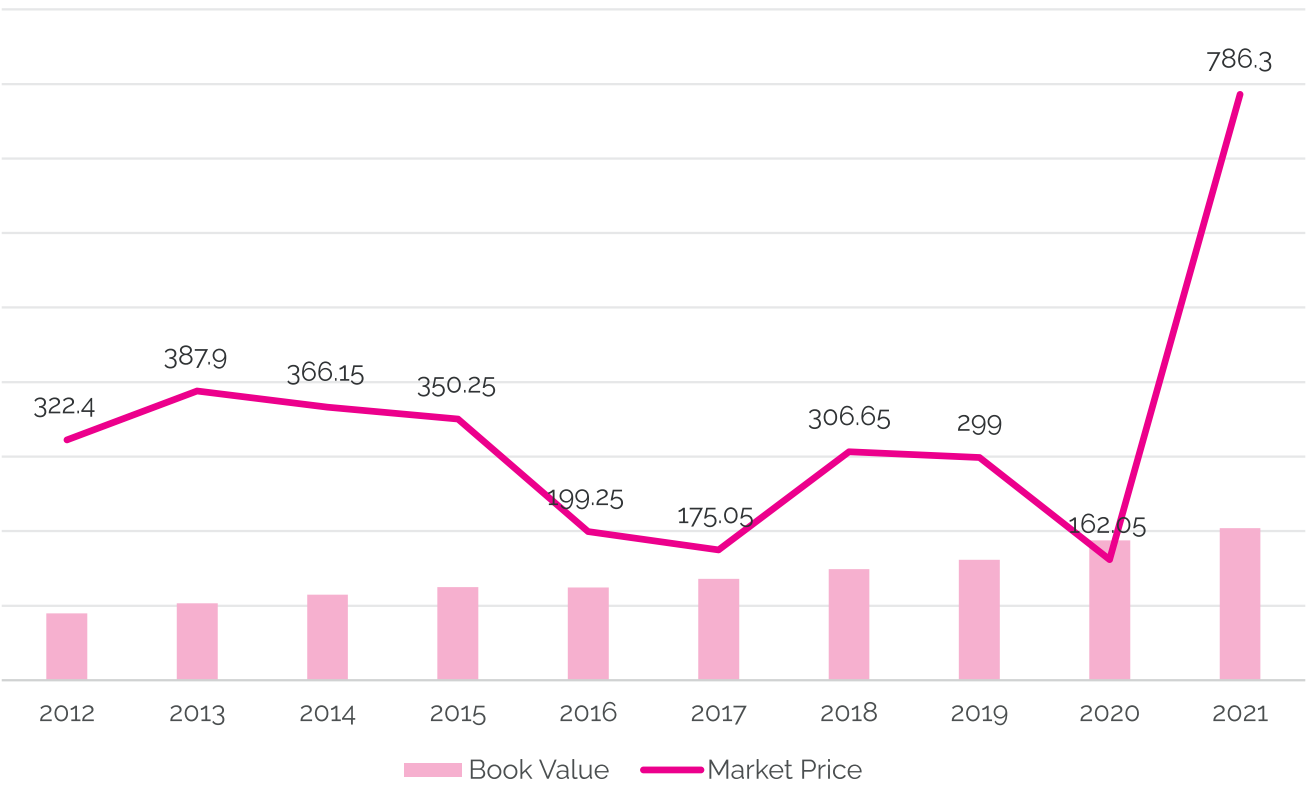
**Within this letter, I discuss the following:**

**A. Aim of a company**

**B. Lessons of Leadership**

**C. Paisalo's Competitive advantage**





# A.

We need to make and maintain a healthy and vivacious company, over the long haul, to be able to contend with the uncertainties of life, to invest, to initiate and to grow.

To be healthy and vivacious, an organisation should do several things well; it should do an excellent job for customers; attract, develop and retain talented employees; and serve its communities

It is very important that all these virtues are observed with dedication, because the failure to perform any one of them with excellence may lead to the failure of all. Over the years, we have practised these efforts extensively in order to care for our customers and our workers.

To be healthy and vibrant - and to create long term shareholder value - a company must be financially successful over the long run.

The day for every member of Team Paisalo begins with these principles that ensures a prospering company. An organisation is as good as its team. It is imperative for us to do several things well to succeed, and, ultimately, that results in making long-term shareholder value.

The problem with the people at large is the impression that too many of them interpret it to mean short, quick profit taking - which, ironically, is the last thing that leads to building real, long-term shareholder value.

Businesses should earn the trust of their customers and communities by acting ethically and virtuously. To a company, its name is everything. That name is earned day in and day out with each interaction with customers and communities.

While all businesses differ from each other, there are some fundamentals which should be kept in mind, like, smart and easy to use products, clear evaluation and pricing, responsive service and continuous innovation. Successful corporations perpetually set high standards, acknowledge their mistakes and discipline themselves.

Great companies are strict about having fair dealings with their customers. I want to remind customers, clients and institutions that Paisalo is currently offering one of the cheapest and easy Loan product in the market to the bottom of pyramid of population in the country.

NBFCs, especially have to be compelled to be rigorous regarding standards. Unlike several other corporations which will merely sell you a product, NBFCs should essentially turn down clients or enforce rules that a customer may not like (for example, covenants to ensure recovery, amongst others). This makes open and clear dealings even a lot more necessary.

We should always try to earn the trust of our customers and communities. Businesses should earn the trust of

Aim  
of a company



their customers and communities by acting ethically and virtuously.

When Paisalo now enters a community, we take great pride in being a responsible institution at the local level. We lend to and support local businesses, by offering one of the cheapest lending product in the market. Now with Paisalo becoming National Business Correspondent of State Bank of India, we will be able to help customers with banking, lending, insurance and saving. All these initiatives will help Paisalo make these communities stronger.

Most people consider corporate social responsibility to be merely enhanced philanthropy. But it is far harder to understand what being a responsible community citizen means in terms of macro corporate responsibility. While we are devoted to Corporate Social Responsibility— we have spent INR 114.73 million in the past years, and INR 32.80 million in FY 2020-21— but corporate responsibility is far more than that.

We can now help not just with funding but with

developing stronger and seamless banking service offering to the bottom of pyramid population, communities and clients, which can have a greater impact on society.

- a. Almost 42,000 of our borrowers from amongst almost 4,50,000 received credit at 12.4% p.a., which is one of the cheapest offerings in the market
- b. We have encouraged over 30,000 borrowers, open Basic Savings Bank Deposit Account, by explaining through our financial literacy program about the importance and advantages of joining mainstream banking.
- c. We have encouraged 45 borrowers, complete and/or refresh their KYC details on their KYC documents, by explaining to them about the errors and omissions.
- d. We have designed branches, products, services and digital solutions to help clients and borrowers manage their financial lives, with particular focus on bottom of pyramid population.

When Paisalo now enters a community, we take great pride in being a responsible institution at the local level

Lessons for Leadership

B.

Great management is crucial for the long run success of any organisation. Robust management is disciplined and rigorous. Facts, analysis, detail...repeat. Complicated activity needs exertions and analysed ideas.

Effective business models must be developed, albeit with the rider that such models, cannot be perceived as the only solution. Dynamic judgement must be considered and excersied in matters associated with individuals and extraordinary events. You need to have good decision-making processes. Force urgency and kill complacency. Recognise that there is competition in everyplace at all the time.

A good deciding process involves having the correct individuals within the area with all information shared amongst the group. There is, additionally the requirement for constant feedback and follow-up. A bad decision-making process is the path to failure. If necessary, review the knowledge over and over. Typically, the solution is just waiting to be found—and if you don't have to, don't rush. Intuition matters, and it may be the ultimate deciding issue, as intuition is not estimation - it is usually based on years of experience, hard work and practice; something which can be demonstrated by Paisalo's Board of Directors having a combined experience over 100 years.

It is useful to separate and examine actual information versus calculated numbers. You always learn a great deal after you dig deep into the numbers—investigation of total automobile sales, employment data, asset quality numbers across various portfolios, asset quality numbers across various postal codes, the actual price of goods compared with calculated data like gross domestic product (GDP), inflation, productivity, etc. Being faithful to this principle needs relentless discipline—which you can expect of Paisalo.

Sometimes a new product or an investment should simply be considered without much analysis at all. Think about Paisalo adding the National Business Correspondent Service to its basket of easy financial product offering, maintaining a strong technology infrastructure and our constant adoption of new technology, like cloud services, artificial intelligence and machine learning for credit decision making. These could be life-or-death decisions for a company. So, the emphasis should be on getting the work done properly, efficiently and quickly.

I often see individuals attempting to solve or tackle complex issues in an superficial manner without delving into all the factors concerned. It is necessary to put out all the variables before you begin forming an assessment to confirm that they are all rigorously reviewed, and one's judgment isn't clouded by over-specialising. In business, this kind of assessment ought to be applied even to your competitors and to those you consider to be future competitors, similarly on your own strengths and weaknesses.

In business, as in life, we have a to deal with certainty and uncertainty. A straightforward investigation in history and our economic past illustrates the rather unpredictable nature of things. As a result, at Paisalo we have developed a propensity for investigating all possible variables and scenarios that can possibly occur. We minutely examine a broad array of potentialities and possibilities to confirm all of the attainable outcomes. Sometimes the action you take may not be the



one that gives you the best outcome, but one that results in a fairly decent outcome mitigating the possibilities of a bad outcome. It also is often very difficult to capture the inflection points in the economy. Most people imagine the future as being roughly equivalent to the past, give or take a bit. However, we know there are significant inflection points, which are sometimes easy to see in hindsight but almost impossible to predict.

In addition to the above thoughts on analysis, assessment and good decision making, some leadership lessons are equally necessary. As corporations get larger and a lot more complicated, leaders have to be a lot of like coaches and conductors, rather than players. If MDs and CEOs are running a small business, they will virtually be able to be concerned in just about everything and do most of the selections - they typically follow

the command and manage approach. This approach does not work as corporations get larger. Command and constant feedback are better than command and manage approach. Here leaders provide clear direction, letting people do their job, including making mistakes along the way.

Leaders need to frequently learn from individuals. They need to attend sales conference and raise a lot of queries from their CSPs. Gather technology people in the room with branch managers and ask about things.

In business, some selections need to be done rigorously. But others, such as addressing client issues, repetitional problems, should be done quickly, for these issues do not age well.



## Paisalo's Competitive Advantage

It is crystal clear that progressively, several banking services and product offerings, are moving out of the banking industry. Additionally, lending in many forms—including joint lending group, small income generations loans, mortgages, student loans, consumer loans—is moving out of the banking system. Non-Banks like Paisalo are adding these to their product portfolio.

We believe that lending and financial service products, combining the infrastructure of Non-Banks like Paisalo and the Banking System is the future, as proven by the State Bank of India and Paisalo Co-Originator of Small Ticket Size Priority Sector Loans, as well in the pipeline is the National Business Correspondent Service; these product tie-ups do a terrific job in easing consumer pain points and making a product or service extremely simple and easy to use.

We cannot hyperbolise the extraordinary importance of latest technology within the new world. Today, all technology is made 'cloud enabled', which implies that these applications and their associated knowledge will run on the cloud. This brings several extraordinary benefits. However, the one that I wish to highlight is the immediate ability to access knowledge and associate machine learning with just about unlimited reckoning

computing power. Primarily, within the cloud, you have access to numerous databases and you can deploy machine learning in seconds—one thing legacy systems and databases cannot do. To travel from the legacy world to the cloud, applications need to be refurbished, but a lot more necessary, data and knowledge should be refurbished so that it is accessible. All of this work takes time and resources, but it is essential that we do it.

Paisalo already extensively uses Artificial Intelligence and Machine Learning in its credit method and is quite successful, in mitigating fraud, risk management, postal code analysis for opening new branches and efficiency improvement to great effect. We are still in the journey to optimise and improve. All of this has helped us develop simple to use, intuitive, quick, smart and sensible loaning products.

While we have a tendency to ceaselessly get ready for multiple business situations, we were never prepared for a worldwide pandemic that created a gargantuan blockage of the world economy. Whereas several of our staff, significantly within the branches, continued to work on our premises daily, we quickly and seamlessly adapted our systems and technologies to allow our staff to work from home safely and securely.

In conclusion I would like to express my deepest feeling and appreciation for the staff of Paisalo. From this letter, I hope shareholders and every reader is able to appreciate the tremendous character and capabilities of our team members. They have faced these times of adversity head-on with grace and courage.

I hope you are as proud of them as I am.

We sincerely hope that the global community will be able to move beyond this unprecedented pandemic and look forward to a brighter future.

~Sunil Agarwal

Managing Director & Chief Executive Officer



# 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.

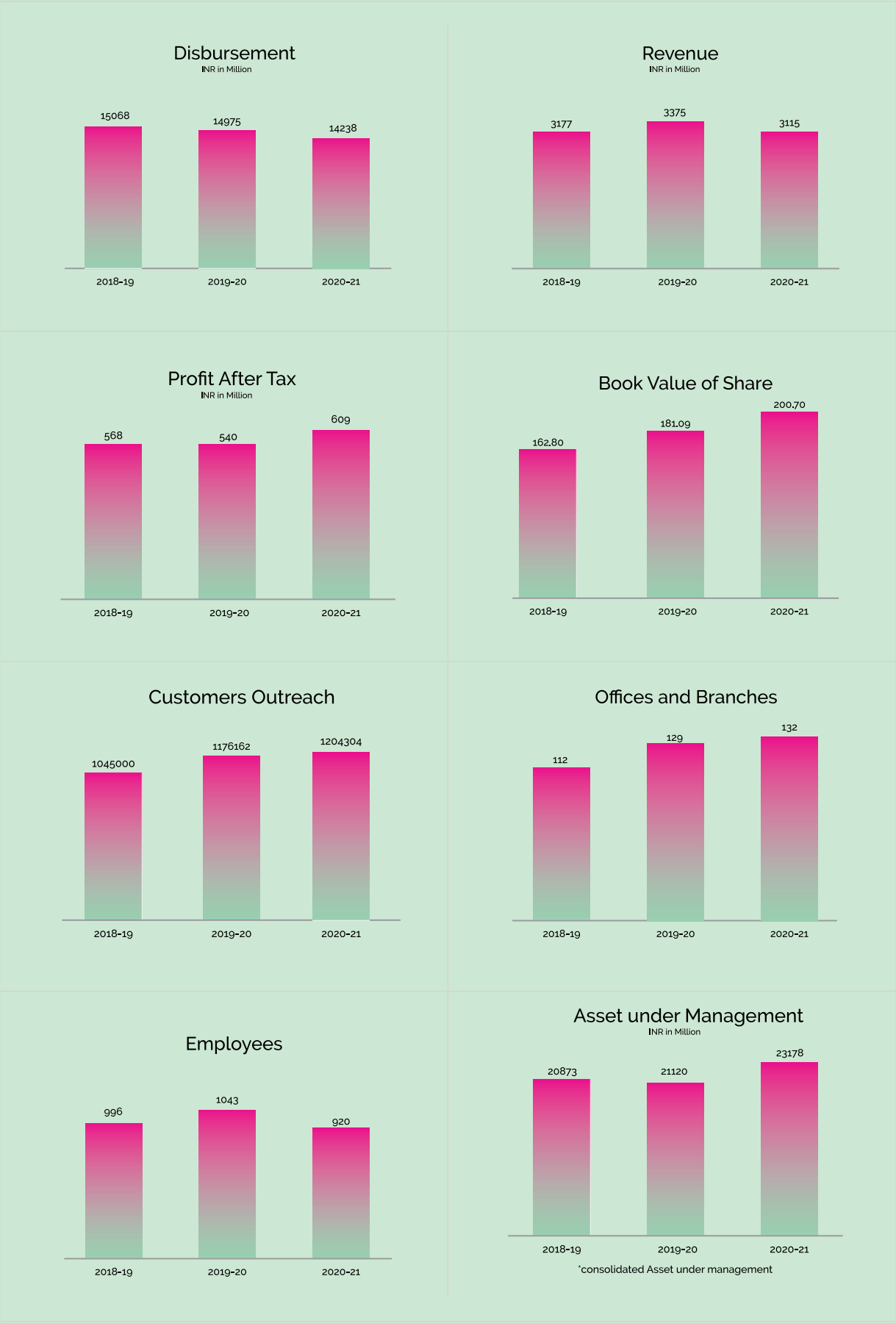
PAISALO has always emerged a winner by coming up with its OWN WAY – a sustainable and better way.

PAISALO aims to be Available - Aware – Affordable









# ESG

AT A GLANCE



## Decent Work and Economic Environment

Revenue 3,115 Mn	EBITDA 2,212.34 Mn	PAT 609 Mn
RoA 2.66%	RoE 7.07%	Employment Generation 1284



## Industry, Innovation and Infrastructure

Centralized Process, Real Time Credit Credential and Character Check	Innovative Financial Lending Product and Service
States 10	Branch Network 132
Small and Medium Businesses Helped 60,000	Digital platform in 2,125 Pincodes



## Gender Equality

Women Customers  
4,50,000



## Reduced Inequalities

Customer Serviced  
12,04,304



## 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%



# 10-Year Financial Highlight

S. No.	Parameters	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
1	Portfolio*	8807.30	9590.00	8710.00	9612.10	9969.40	12618.40	14902.88	16977.80	17249.81	19345.56
2	Revenue from operation*	2109.80	2190.00	2080.00	1783.80	1933.70	2495.20	2736.70	3177.39	3374.51	3115.48
3	Profit after tax*	703.20	704.46	562.50	445.15	451.31	512.91	598.49	567.71	540.39	609.19
4	Provision for Tax*	304.30	334.50	279.00	221.90	234.70	259.00	543.79	588.31	780.90	662.86
5	Cash Accruals*	723.00	729.70	606.40	508.10	505.00	570.30	615.84	614.52	580.52	646.49
6	Bad Debts W/o Net*	103.00	202.90	235.00	196.50	142.10	323.50	346.50	488.61	653.18	353.24
7	Bad Debts w/o on Loans O/s*	1.17	2.12	2.70	2.04	1.43	2.56	2.33	2.88	3.79	1.83
8	Bad Debts recovered*	29.80	37.60	26.80	40.60	83.90	112.50	146.60	367.09	384.05	111.84
9	Net Worth*	3680.30	4334.00	4849.70	5144.10	5051.40	5524.00	6038.60	6558.74	7603.20	8618.83
10	Total Assets*	11546.70	12476.90	10601.00	11119.40	12930.50	15337.00	18534.00	19525.00	20684.20	22943.94
11	Outside Debt*	6880.00	5896.90	6108.90	4711.50	7750.10	9714.90	12970.00	13496.40	13738.21	14814.13
12	Bank Borrowings*	4218.00	3741.20	3866.90	4104.00	5071.80	5975.50	7785.00	7418.60	7983.01	7286.72
13	Deposits*	100.40	-	-	-	-	-	-	-	-	-
14	Inter-corporate Loans*	1018.20	625.00	1693.00	454.10	271.80	170.30	141.10	37.78	331.33	550.85
15	Other Outside Liabilities *	1543.40	1530.70	549.00	153.40	148.00	121.60	67.40	444.26	96.81	198.32
16	Debt To Equity Ratio (TOL/ATNW)	1.87	1.36	1.26	0.92	1.53	1.76	2.15	2.06	1.81	1.72
16(a)	Debt Equity Ratio	NA	NA	NA	NA	NA	NA	0.25	0.38	0.45	0.63
17	ROE (%)	19.11	16.25	11.60	8.65	8.93	10.89	9.91	8.66	7.15	7.07
18	ROA (%)	6.09	5.65	5.31	4.00	3.49	3.79	3.23	2.91	2.61	2.66
19	No. of Branches and Office	10	10	10	20	22	49	66	112	129	132
20	No. of Customers	522000	562000	610000	655000	710000	770000	879000	1045000	1176162	1204304

\*INR in millions



# Apna kal badlo.







मैं कुशमा देवी, करोधना कला की रहने वाली हूँ 3 वर्ष पहले हमारे परिवार का गुजर वसर नहीं हो पा रहा था, लेकिन एक दिन पैसालो से एक सर आये थे उन्होंने पैसालो कम्पनी के बारे में बताया था जिससे हमने एक समूह बनाया और सभी को बीस-बीस हजार मिले, मैंने बीस हजार से कॉस्मेटिक की दुकान खोली। मुझे बहुत खुशी हुई क्योंकि मेरी दुकान बहुत अच्छी चलने लग गई थी, और पैसालो कम्पनी से और लोन लेकर मैंने अपनी दुकान में और सामान बढ़ाया। मैं अपने परिवार का भरण अच्छी तरह से कर रही हूँ। मेरे बच्चे भी आज सरकारी स्कूल से अच्छे प्राइवेट स्कूल में पढ़ रहे हैं, और अच्छा खासा मुनाफा भी कमा रही हूँ। आज हम पैसालो डिजिटल लिमिटेड परिवार के बहुत आभारी हैं। जिन्होंने छोटा पैसा देकर हमें कमाई का स्रोत प्रदान किया। हमारा पूरा परिवार पैसालो डिजिटल लिमिटेड को धन्यवाद देता है।

मैं सुमन शर्मा, दुर्गा नगर राजपुर चुंगी की रहने वाली हूँ। पहले हमारे परिवार का गुजर वसर नहीं हो पा रहा था, एक दिन मुझे पैसालो कम्पनी के बारे में पता चला जिसमें हमने एक समूह बनाया और सभी को बीस-बीस हजार रुपये मिले, मैंने बीस हजार से दो छोटी सिलाई मशीन खरीदकर दुकान चालू की। मुझे बहुत खुशी हुई क्योंकि मेरी दुकान बहुत अच्छी चलने लग गई थी, मैंने अपना एक सिलाई सेंटर भी डाल लिया और पैसालो कम्पनी से एक और लोन लेकर मशीन और बढ़ा ली। अब मैं अपने परिवार का भरण - पोषण खूब अच्छी तरह से कर रही हूँ और अच्छा खासा मुनाफा भी कमा रही हूँ हम पैसालो डिजिटल लिमिटेड परिवार के बहुत आभारी हैं।



# Aapka Sapna



# Humara Apna

मैं ममता देवी ग्राम रेवती तिवारी खंड की रहने वाली हूँ। मैंने पैसालो डिजिटल लिमिटेड से तीस हज़ार का लोन ली थी। मैंने उस पैसे से मास्क, सैनिटाइज़र आदि का काम शुरू किया। जिससे मेरी दुकान की बिक्री दिन प्रतिदिन बढ़ती गयी और इस समय मेरी आर्थिक स्थिति काफी अच्छी हो गयी है। जिससे मेरा पूरा परिवार खुशहाल है। इसलिए हम अपनी जैसी और बहनो को पैसालो से जुड़ने के लिए प्रेरित करूँगी और पैसालो परिवार का आभार प्रकट करती हूँ। मैं ईश्वर से यही प्रार्थना करूँगी कि मेरे जैसे और भी जरूरतमंद लोगों तक ये सुविधा पहुँचे।



मैं पुष्पा देवी छपरा बलिया 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 डिजिटल 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 लिया। मुझे कंपनी से तीस हज़ार का ऋण मिला जिसे मैंने किराना की दुकान में लगाई। आज बहुत ही अच्छे से मैं अपने परिवार का पालन पोषण कर रही हूँ। मैं ईश्वर से यही प्रार्थना करूँगी कि मेरे जैसे और भी जरूरतमंद लोगों तक ये सुविधा पहुँचे।



# Corporate Information

## Board of Directors

Mr. Sunil Agarwal	-	Managing Director & Chief Executive Officer
Mr. Harish Singh	-	Executive Director
Mr. Anoop Krishna	-	Executive Director
Mr. Naresh Kumar Jain	-	Independent Director
Mr. Pradeep Agarwal	-	Independent Director
Mr. Gauri Shankar	-	Independent Director
Mr. Raman Aggarwal	-	Independent Director
Mrs. Nisha Jolly	-	Independent Director

## Key Managerial Personnel

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

## Statutory Auditors

M/s D. Tayal & Jain	-	Chartered Accountants
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## Committees

### Audit Committee

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

### Stakeholders Relationship Committee

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

### Nomination and Remuneration Committee

Mr. Raman Aggarwal	:	Chairman
Mr. Pradeep Agarwal	:	Member
Mrs. Nisha Jolly	:	Member

### Risk Management Committee

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

### Asset Liability Management Committee

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

## Corporate Social Responsibility Committee

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

## Operations and Finance Committee

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

## IT Strategy Committee

Mr. Pradeep Agarwal	:	Chairman
Mr. Harish Singh	:	Member
Mr. Kailash Singh	:	Member
Mr. Shiv Kumar Tyagi	:	Member

## IT Steering Committee

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

## Bankers

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

## Registrar and Transfer Agent

### Alankit Assignments Ltd.

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

## Debenture Trustee

### IDBI Trusteeship Services Limited

Asian Building, Ground Floor, 17,  
R. Kamani Marg, Ballard Estate, Mumbai - 400001  
Tel: +91-22-40807000  
E-mail: itsl@idbitrustee.com, Website: idbitrustee.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

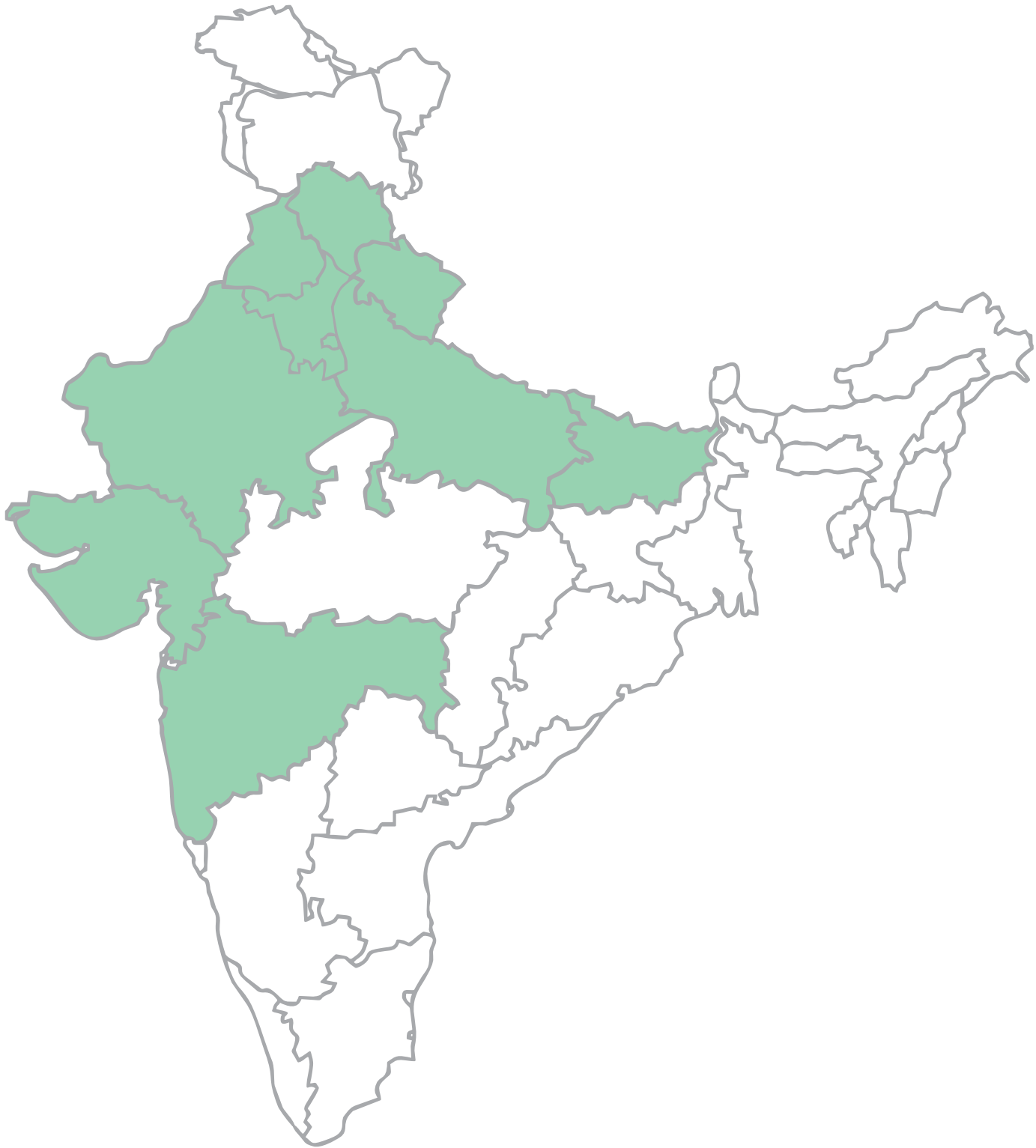
Corporate Identification Number (CIN) : L65921DL1992PLC120483  
RBI Registration Number: B-14.02997







# 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.*



Sr. No.	Office/Branch	Address
1	Registered Office	CSC, Pocket 52, Near Police Station, CR Park, New Delhi-110019
2	Head Office	Block 54, Sanjay Place, Agra-282002 Uttar Pradesh
3	Mumbai Office	262, Solitaire Corporate Park, Andheri (E), Mumbai, Maharashtra
BIHAR		
4	Arrah	Rupam Cinema Road, N.S. Mall Shivganj, Arrah, Bhijpur-80301
5	Buxar-I	Village & Post Koran Sarai, Koran Sarai Road, Koran Sarai, Buxar-802126
6	Buxar-II	Village & Post Badaki, Sarimpur Bandh, Near Shiv Mandir, Sarimpur, District Buxar-802116
7	Chapra	Shyam Chak, Chapara, Saran -841301
8	Danapur	Sheetal Chaya, Lekha Nagar, DAV Vidhyalaya, Cantt Road, Danapur, Danapur cum Khagol, Patna-801105
9	Siwan-I	K.P. Bhawan, Ward No. 11, Village & Post Pasnauli Sagar, Maharajganj, Pasnauli, Siwan-841238
10	Siwan-II	Village & Post Narendrapur, P.S. Andar, Siwan-841446
11	Saran-I	Kawalpura, Saran -841417
12	Saran-II	Near Chandmaari, Akilpur, Sonapur, Saran-841101
13	Piro, Bhojpur,	Ward No. 3, In front of Bihiya Road, Shiva Temple, Piro, Bhojpur-802207
DELHI		
14	Delhi (Shakarpur)	S-547, IInd Floor, Main Road, Shakarpur, Delhi
GUJRAT		
15	Ahmedabad	203, IIND Floor, Jitendra Chambers, Near RBI, PF Office, Income Tax, Ashram Road, Ahmedabad
HARYANA		
16	Asandh	Ward Number 11, Assandh
17	DeraBassi, Ambala	Z21, DeraBassi, Ambala
18	Ekta Nagar Palwal	Ekta Nagar, Near Kuldip MR House, Palwal-121102
19	Faridabad,	Pno 2210 A Jawahar Colony NIT Faridabad
20	Ghauranda	Ground Floor, New Ward 13, Gharaunda
21	Indri	Shree Bhagwan Parashuram Bhawan, SDM Court, Karnal Road, Indri
22	Jagadhri, Yamuna Nagar	Vishav Karma Colony, Jagadri, Yamuna Nagar
23	Jind, Narwana	Gali Number 7, Hari Nagar, NarwanaJind
24	Kaithal	K-41, City Kaithal
25	Karan Vihar Karnal	H. No. 9, Ground Floor GN 21, Karan Vihar, Karnal
26	Khojkipur, Ambala	1303, Prabhu Prem Puram, Near Kalyanai Ashram Khojkipur, Ambala-133001
27	Rohtak	H.No. 335 Ladhot Road, Near KVM College, Rohtak, -124001
28	Naraingarh	Vishkarma Mandir, Sadaura Road, Naraingarh-134203
29	Pipli, Kurushetra	H.No. 202/5A, Bhagwan Nagar Colony, Near Neeldhari Gurudwara, Pipli Kurukshetra
30	Radaur, Yamuna Nagar	ChhotabansRadaur, Yamuna Nagar
31	Rohtak	R-43, Number III, Rohtak City Rohtak
32	Sonipat	H.No. 520/30, Kakroi Road, Shyam Nagar, Sonipat
HIMACHAL		
33	Jamniwal	Village Gujjar Colony, Jamniwal-173025

34	Nahan, Sirmaur	Near Govindgarh, Nahan, District Sirmaur Himachal Pradesh
35	Sirmaur, Paonta Sahib	Sita Ram Majra 1314 Sirmaur
MAHARASHTRA		
36	Sakinaka	Unit No. 207, 2nd Floor, Kaveri Building, Jagannath Mandir Road, Near Holiday Inn Hotel, Sakinaka, Mumbai
37	Goregaon	Shop No. G 103, Ground Floor, Shagun Arcade Co-operative Society Ltd. Situated at General A. K. Vaidya Marg, Malad (E), Mumbai
38	Karve Nagar, Pune	Survey No. 54, Karve Nagar, Wajre Road, Pune
PUNJAB		
39	Chamkur Sahib, Ropar	Guru Pyari Multi Hospital, Sandhuan Road, Chamkaur Sahib, Ropar, Punjab-140112
40	Eidgah Road, Raikot	Near Bus Stand, Idgah Road, Raikot, Punjab-141109
41	Gajjumajra, Patiala	Lallouchhi Road, Near Dev Medical Store, Channo, Patiala-148026 (Punjab)
42	Kharar, Sas Nagar	Building No. 541, Ward No. 2, Block Opp. Bus Stand Kharar, Sas Nagar, Mohali, Punjab
43	Shivalik Vihar Bhabha Chandigarh	411 Shivalik ViharBhaba, Chandigarh, Punjab
RAJSHTHAN		
44	Baran	Vijay Bhawan Purani Civil-Line, Sundar Ji Ki Bagichi, Baran-325205
45	Begun, Chittorgarh	Office, Chittorgarh Road, Near Water Works, Begun, Chittorgarh-312023
46	Bharatpur	Nagla Barela, Bachamdi, Hall 21-A, Laxmi Nagar, Sadar Gate Road, Bharatpur
47	Bhilwara	House No. MTM-22, R.K. Colony, Bhilwara-311001
48	Chittorgarh	3 Mahaveer Colony Behindn Neel Kamal Stationers, Chittorgarh
49	Dausa	Shop no. 01, First Tower, Near P G College,
50	Gangapur City	Near Baba Ram Laddu Ki Samadhi, College Road, Gangapur City (Raj.)
51	Gulabpura, Bhilwara	House no. 1-E-23, SFS, Housing Board, Gulabpura, Bhilwara
52	Jaipur	Shree Sheel Mohar Plaza, Plot No. A1, Office No. 102, First Floor, Opposite Udyog Bhawan, Tilak Marg, C-Scheme, Jaipur
53	Jhotwara, Jaipur	20-A, Saini Marg, Laxmi Nagar, South Niwaru Road, Jhotwara, Jaipur-302012
54	Jodhpur	Gulab Singh Building, 11, Chopasani Road, Near Bombay Motor Circle, Opposite Arora Motors, Jodhpur
55	KarauliHindaun	Bayana Road, Jaat Ki Sarai, Hindaun-322230, Rajasthan
56	Kota	MC Agarwal and Sons Manu Smriti Raj Bhawan Road, Civil Line Nayapura Kota-324001
57	Phooliya Kalan	Dhaneshwar Road, Near Bus Stand, Phooliya Kalan, Bhilwara Road -311407
58	Rajasmand	B, 153 Nai Abadi, Asotiya Road, Kankroli, Rajasmand-3133274
59	Rajgarh, Alwar	Ward No. 20, Mansarovar Colony, Bus Stand, Rajgarh, District Alwar
60	Sawai Madhopur	Ward No. 16, 25, Raj Vihar Colony, Sawai Madhopur (Rajasthan)
61	Tonk	Behind I.P.S. School, Bammor, Puliya, NH-12, Tonk
62	Udaipur	7-8, First Floor, Near Ashoka Bakery, Shakti Nagar, Corner, Udaipur
UTTARAKHAND		
63	Jhabrera, Haridwar	2395, Nai Mandi, Jhabrera, District Haridwar-247665
64	Roorki, Haridwar	480/1, Hanuman Colony, Chawmandi, Roorki, District Haridwar-247667
UTTAR PRADESH		
65	Alambagh, Lucknow	H.No. 561/255, Plot B-145, 2nd Floor, Sindhu Nagar (Krishna Nagar) Lucknow-226005



66	Aligarh	76, Malviya Pustkalaya, G.T. Road, Aligarh
67	Aonla, Bareilly	Mohalla Kheda, Near Sargam Road, Aonla, Bareilly-243301
68	Avas Vikas Colony, Kasganj	Sector 4C, Near Gautam Budh Nagar, Awas Vikas Colony, Kasganj
69	Awagarh	Village Kataliya, Khatauta, Awagarh, Etah
70	Baajna, Mathura	Ram Nagar Colony, Near Karawan River Bridge, Bajaj Agency, Police Chowky Baajna, Mathura
71	Badibagh, Lanka, Gazipur	Badibagh , Lanka, Gazipur
72	Barabanki, Lucknow	Ground Floor, Faizabad Road, PaisarDehat Nawabganj, Barabanki-225001
73	Bareilly	Near Ram Pyari Inter College, Pani Ki TankiKe Pass, Patel Vihar Colony, Thana Subhash Nagar, Bareilly-243001
74	Barnahal, Mainpur	Village Maharam, Post Barnahal, District Mainpuri
75	Behat, Saharanpur	Shakumbhari Dham Colony, Behat Post Behat, Saharanpur, 247121
76	Bewar, Mainpuri	Kaji Tola Bewar Gramin Mainpuri
77	BhoorBulandshasr	H. No. 78, Post Balka, Village Jauth Jut, District Bulandshahr
78	Bilsanda, Pilibhit	Mohalla Madan Mohan Colony, Bilsanda District Pilibhit-262202
79	Charra, Aligarh	Sanjay Nagar Colony, Near Vivekanand Inter College, Ward No. 5 Charra, Aligarh
80	Chibramau, Kannauj	Geetampur Colony, Phase-2, Farrukhabad Crossing, Chibramau, Kannauj-209721
81	Chutmalpur, Saharanpur	Shanti Nagar, Chutmalpur
82	Dataganj, Badaun	Opposite Roadways, Bataganj, Badaun
83	Dhampur, Bijnor	Mohalla Badvan, Dhampur, Bijnor-246761
84	Dhanaura	Ground Floor, 45, Ward-13, Moh. Mahadev, Dhanaura, Amroha-244231
85	Dhumri, Etah	Near Sabji Mandi, Dhumari, Etah-207248
86	Dibai, Bulandshahr	Mohalla Mahadev, Near Kotwali, Dibai, Bulandshahr
87	Dildar Nagar, Gazipur	Dildar Nagar (Raza Nagar), Near Railway Station, District Gazipur-232325
88	Farrukhabad	6B/540, Awash Vikash Colony, Badhpur, Farrukhabad-209625
89	Fatima Hospital Mau	H.No. 38, Imliya, Near Fatima Hospital, District Mau
90	Firozabad	3/186, Suhag Nagar, Firozabad-283203
91	Gargai, Mainpuri	Village Gargai, Post Kapurpur, District Mainpuri
92	Garhmukteshwar	First Floor House No. 52, Mandi Chawk, Garhmukteshwar, Hapur-245205
93	Gosainganj, Mohanlalganj, Lucknow	Village Maheshkheda, Sisendi, Mohanlalganj, Lucknow
94	Gulaothi	Ground Floor of Sikandrabad Road, Bijli GharkeSamne, Gulaothi Bulandshahr-203408
95	Gyan Vihar Bijnor	Near ChakkarChauraha Mohalla Gyan Vihar, Binor-246701
96	Hasanpur	Near Sarkari Hospital, Rajput Colony, Hasanpur, Amroha
97	Iglas, Aligarh	Prakash Nagar, Opposite Bijlighar, Near Punjab National Bank, Iglas, Aligarh-202124
98	J J Puram Colony, Saharanpur	Punjabi Bagh Colony, Near Mohiyaal, Dharamshala, Hakikat Nagar, Saharanpur
99	Jakhaniya, Ghazipur	Sajyabad Road, Near South Cabin of Jakhaniya Railway Station, Ghazipur-275203
100	Jankipuram, Lucknow	1/195, Near Law Campus, Sector-1, Jankipuram, Lucknow-226021
101	Jhangirabad	First floor, House No. 112, Lodhan Rajputan-3, BudhWaliPaith, Daulatpur Road, Jhangirabad, Tehsil Anupshahar, District Bulandshahr-203394
102	Kadipur, Sultanpura	Narayanpura, Bararipura, Kadipur, Sultanpura
103	Kharkhoda	Ward No. 6, Vichpatiya, Kharkhauda, District Meerut-245206

104	Kheria Ahmed, Shikohabad, Firozabad	Near Lucky Dharmkanta, Etah Road, Shikohabad, Firozabad
105	Khojanpur, Ayodhya	Naya Khojanpur, Tehsil & District Faizabad
106	Kiraoli, Agra	Sai Dham Colony, Runkta Road, Kiraoli, Agra
107	KurjaBulandshahr	New Tehsil, Vijay Nagar, Behind Tafe Tractor Agency, KhurjaBulandshahr
108	Lakhimpur,	Mohalla DulariVihar, Lahori Nagar, Near Highway Trauma Center, Bahraich Road, Lakhimpur Kheri-262701
109	Mathura	Shop No. 201, Krishna Plaza, Krishna Nagar, Goverdhan Road, Mathura
110	Mawana, Meerut	Kabli Gate, Shakuntala Vihar Colony, Phalawda Road, Near Krishak Inter Collage, Mawana, Meerut-250401
111	Modi Nagar	Permanand P 130, DD Park, Jagatpuri, Modinagar, UP
112	Nanauta, Saharanpur	Mohalla Shekhjadaan Near PNB Bank Nanauta Distt. Saharanpur
113	Nazibabad	Sales Tax Bhawan, BSNL Office, Dariyapur Road, Nazibabad
114	Noorpur, Bijnor	67, Ram Nagar, Noorpur, Bijnor-246734
115	Parham, Firozabad	Village Sikandarpur, Post Parham, District Firozabad
116	Pilkhauwa	Ground Floor, Ram Lila Ground, PilkhauwaDehat, Ghaziabad, Pilkhauwa Post Office, District Ghaziabad-245304
117	Pipraich	273152, Hata Road, Pipraich, Gorakhpur
118	PremchekBalía	PremchakurfUmarganj, JP Nagar, Balía-277001
119	RajpurChungi, Kahrai, Agra	H. no. 24-25 (Part), Charul, Enclave, Kahrai, Shamshabad Road, Agra-282001
120	Ram Janki Nagar, Gorakhpur	Nakatta No. 2, Yadav Tola, Ram Janki Nagar, Gorakhpur
121	Reoti, Balía	Vill. & Post Reoti, Near Railway Station Tiraha, Bariya Road, Tehsil Basand, Balía-277209
122	Sahjanwa Gorakhpur	Luchui Ward No. 15, Mangal Bazaar, Sahjanwa, Gorakhpur
123	Shivpur, Varanasi	M.N.S. 16/2, Al Nepali Bag, Shivpur, Varanasi
124	Sidhauli, Sitapur	H. No. 135, Sant Nagar, Sidhauli, Near Noor Shopping Complex, Sitapur
125	Sikandarpur, Balía	117 Mohalla Milki, Post-Sikandarpur, District Balía
126	Sirsaganj, Firozabad	Seengemai Post, Aryagurukul, Sirsaganj, Firozabad-205151
127	Sitapur	Nepalpur Crossing, Near Ashish Palace, Sitapur-261001
128	Siyana	First & Second Floor, Durga Complex, Purana Chatta, Patti Harnam Singh, Siyana Distt. Bulandshahr
129	Sultanpur	1893, Chopra Gali, Punjabi Colony, Khairabad, Sultanpur city, Sultanpur-228001
130	Tundla, Firozabad	Mahavir Nagar, Phase-1, Alawalpur Road, Radha Nagar, Tundla District Firozabad
131	Unnao	123/2 Swastik Sadan Model Vihar, Unnao Shekhpur, Unnao-209801
132	Bisauli, Badaun	Ward No. 7, Near Vodafone Tower, Mohalla gulab Bagh, Bisauli, District Badaun





Board  
of  
Directors



**Mr. Sunil Agarwal**

Managing Director &amp; 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 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 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 associated with few 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 joined Board of the Company as Independent Woman Director on May 30, 2020.

**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 Master in Urban Planning from School of Planning & Architecture, from New Delhi and Bachelor of Civil Engineering from Thapar Institute of Engineering and Technology, Patiala and also undertaken a Special Training Programme for the Personnel of Non-Banking Finance Companies at RBI College of Agricultural Banking, Pune. He have more than 29 years of working experience in the NBFC sector.

He is Director, Finance Industry Development Council (FIDC) – A Representative body for Loan & Asset Financing Non-Banking Finance Companies. He is currently a Short Term Consultant (STC) to The World Bank on NBFCs and Advisor to Shriram Transport Finance Ltd., which is one of the leading NBFCs in India.

He has been actively representing the NBFC sector, being a member of Advisory Groups to Ministry of Finance & RBI, Core Group setup by Ministry of Corporate Affairs, and Special Task Force at FICCI. He is also Area Chair – NBFCs at Council for International Economic Understanding (CIEU) and Chairman, Working Group on NBFCs at Centre for Economic Policy and Research (CEPR).

He is associated with the Company as Independent Director.



## 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 State Bank of India until he retired as Deputy Managing Director of Corporate Banking from State Bank of India, 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., National Payments Corporation of India and Member Global Advisory Board of Master Card, to name a few. He also has a deep understanding of the NBFC Sector, gained while heading the Corporate Banking function of the SBI. As Mr. Srivastav resigned from the Board as independent director w.e.f. July 29, 2021 due to potential conflict of interest, however, keeping in view his vast experience in the financial sector and to avail his guidance for benefit of the Company he has been appointed as advisor to the Board w.e.f. July 30, 2021.



## Key Management Team



**Mr. Sunil Agarwal**  
Managing Director & CEO



**Mr. Anoop Krishna**  
Executive Director  
(Strategy & Planning)



**Mr. Harish Singh**  
Executive Director (Operations)



**Mr. Anurag Sinha**  
Chief Operating Officer



**Mr. Santanu Agarwal**  
Deputy CEO



**Mr. Atul Agrawal**  
Chief Financial Officer



**Mr. Manendra Singh**  
Company Secretary & Compliance  
Officer



**Mr. Samresh Agarwal**  
Chief Recovery Officer



**Mr. Gaurav Chaubey**  
Chief Credit Officer



**Mr. Manish Goyal**  
Chief Marketing Officer



**Mr. Kailash Singh**  
Chief Information Officer



# Forbes 30 Under 30

Team Paisalo is busy creating a seamless banking solutions for India's Bottom of the Pyramid Population



*Mr. Santanu Agarwal*  
Deputy CEO







## Business Segment

Company is in lending business primarily focused on following two segments

### A. Small Finance Division

### B. Corporate Loan Division

#### 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, Cattle Farming, Tiny Traders, Handicraft work, Papad making, and similar other activities.
- (ii) Ticket Size: Ticket Size for such loans ranges from Rs. 15,000 to Rs. 2,00,000.
- (iii) Tenor & Terms of Repayment: Tenor Ranges from 18 months to 24 months. Repayment of loan is on EMI basis.
- (iv) Scheme: Income Generation Loans, Paisalo-JLG, Co-origination Scheme



- a. **Income Generation Loans (IGL-DIGITAL-E-SIGN)** - Paisalo Digital Limited offers small business Income Generation Loans to support business enterprises and income enhancement activities of the clients like purchasing seeds, fodder, cattle's etc. These loans also meet the additional working capital requirements of the client's businesses.
- b. **Paisalo-JLG (KYC+ESIGN)** - Paisalo Digital Limited offers JLG loans through its intra net based Paisalo App deployed across its branch network. Joint Liability Group (JLG) is an informal group comprising of 4-10 individuals coming together for the purpose of availing loan on individual basis or through group mechanism against mutual guarantee. Generally, the members of a JLG would engage in a similar type of economic activity in the Agriculture and Allied Sector.
- c. **Co-origination Scheme** - With a vision of empowering the AGRI, MSME segment and small businesses, Paisalo Digital Ltd. signed the first co-origination loan agreement with State Bank of India. Such a co-lending financing model is in lines with the Reserve Bank of India guidelines which will benefit the micro-borrowers through easy, hassle free online loan with minimum turn around time and quick disposal. Introducing a platform for the last mile customer, the loan ticket is designed at Rs 10,000 to 2 lakh. The purpose is to increase lending to the income generating priority sectors by capitalizing on Paisalo Digital's deep distribution network and SBI's low operating cost. The deal is designed in such a way that the company would be contributing 20% of the entire disbursement amount for the

small loans, with SBI's contribution being 80%. Paisalo digital will be allowed to charge a specific percentage of loan amount as processing fee upfront from the customer. Rate of interest charged by the bank will be the rate of interest being charged by banks on priority sector while the company will be allowed to charge ROI to such an extent that blended ROI will not increase priority sector criteria defined by RBI. In this way, the company will still be able to charge it's usual lending rate, combined with SBI's significantly low lending rate, which will help in drastically reducing the effective lending due to cost averaging to as low as 12.4%. This will not only be helping the company to raise funds easily and reduce the cost of funding but also the borrowers as the blended rate of interest charged to the customer will be lower than the other MFIs in the market. The company has not only signed co-origination deals with SBI, but also with Bank of India, Bank of Baroda and Bank of Maharashtra as of now and is in talks with various other banks for the same.

#### B. Corporate Loan Division

- (i) Target Group: This division is working for funding to SME's, Corporate Group, Educational Institutions, Loan against Property etc. PDL provides loan only for working capital requirement; 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) Tenor & Terms of Repayment: Tenor under this category ranges between 18 to 36 months. Repayment terms are monthly equated Installment (EMI).
- (v) Scheme: MSME's / SME / BUSINESS LOANS

**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 rate are highly competitive.



# ESG Report

## Environment Social Governance

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

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

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

Paisalo Digital Limited - Environment, Social, Governance

### 1. SOCIAL

#### REDUCE POVERTY

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

#### REDUCE HUNGER

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

#### INCREASE GENDER EQUALITY

Paisalo encouraged 4,50,000 women entrepreneurs through unsecured loans with a median ticket size of about INR 27,000

#### ECONOMIC GROWTH AND DECENT WORK

- ◆ Paisalo Provides Income Generation Loans to Both First Time Borrowers and Existing Credit History Holders, as well as conduct Financial Literacy Programs to help Borrower takes better financial decision of managing and growing there funds
- ◆ Contribute to the national agenda of job creation by financially empowering enterprises and individuals
- ◆ Employment and growth opportunities to over 1,284 employees across over 132 offices
- ◆ Low Attrition Rate - 1.82%

#### WOMEN ENTREPRENEURS AND BUSINESSES

- ◆ Encouraged 4,50,000 women entrepreneurs through unsecured loans with a median ticket size of about INR 27,000
- ◆ Encouraged 60,000 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 4,50,000 women from diverse communities by providing them with credit

### 2. GOVERNANCE -

#### MANAGEMENT, EMPLOYEES, SHAREHOLDERS AND REGULATORS

##### REGULATORS

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

##### PARTNERS

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

##### EMPLOYEES

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

#### INVESTORS AND CLIENTS:

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

#### PEACE, JUSTICE AND STRONG INSTITUTIONS

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

### 3. FOR ENVIRONMENT-

#### ONGOING INITIATIVES:

##### AFFORDABLE AND CLEAN ENERGY

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

##### RESPONSIBLE CONSUMPTION

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

##### REDUCE WATER CONSUMPTION

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







## MANAGEMENT DISCUSSION AND ANALYSIS

### 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.

### Global Economy

The pandemic continues to exact a heavy toll, particularly across emerging market and developing economies (EMDEs). Since COVID-19 started to spread, it has infected at least 160 million people and caused more than 3 million deaths. Hundreds of new cases are being reported every day, and the number of unreported cases is estimated to be substantial. Global outbreaks of the virus have come in several waves, each cresting at a higher daily infection rate than the one before.

Following a 3.5 % contraction caused by the COVID-19 pandemic in 2020, the global economy is experiencing an exceptionally strong but uneven recovery and there is considerable uncertainty about its durability. While advanced economies are rebounding, many of the world's poorest countries are being left behind, and much remains to be done to reverse the pandemic's staggering human and economic costs. The ongoing pandemic continues to shape the path for global economic activity, with severe outbreaks continuing to weigh on growth in many countries.

The global economy is set to expand 5.6 percent in 2021, its strongest post-recession pace in 80 years. This recovery is uneven and largely reflects sharp rebounds in some major economies. Growth is concentrated in a few major economies, with most EMDEs lagging behind: while about 90 percent of advanced economies are expected to regain their pre-pandemic per capita income levels by 2022, only about one-third of EMDEs are expected to do so. In low-income countries, the effects of the pandemic are reversing earlier gains in poverty reduction and compounding food insecurity and other long-standing challenges.

The global outlook remains highly uncertain, with major risks around the path of the pandemic and the possibility of financial stress amid large debt loads. Controlling the pandemic at the global level will require more equitable vaccine distribution, especially for low-income countries.

Despite the strong pickup, the level of global GDP in 2021 is expected to be 3.2 percent below pre-pandemic projections. The recovery is envisioned to continue into 2022, with global growth moderating to 4.3 percent. Still, by 2022, global GDP is expected to remain 1.8 percent below pre-pandemic projections.

The near- and longer-term consequences of the COVID-19 crisis pose enormous policy challenges. The immediate priority continues to be pandemic control, including overcoming obstacles in procuring and distributing vaccines. International cooperation is needed to help ensure timely and equitable vaccine distribution particularly in Low Income Countries, where inoculation continues to be very slow. As the pandemic is brought under control, policy actions will also be needed to address its adverse legacies, which will require balancing competing priorities. Vaccination campaigns are gathering pace in many advanced economies and a number of EMDEs, with about 10 percent of the global population having received at least one vaccine dose. All countries remain vulnerable to renewed outbreaks so long as the virus continues to circulate in some areas amid unequal global vaccine coverage.

Despite continued waves of infection, the impact of the virus and associated lockdown measures on economic activity appears to be diminishing in most countries. Over time, firms and households have adjusted their behavior to mitigate disruptions and shift activity to less-affected sectors. In addition, compliance with lockdown measures appears to have waned somewhat over time. Global trade has continued to rebound; however, the strength of global trade growth is set to be dampened by shifting activity from manufacturing to the low-trade-intensity domestic services sector in countries where COVID-19 caseloads have been declining. The recovery in global trade started earlier and has been stronger than that of other components of global output, as the pandemic's impact on activities requiring face to face contact initially encouraged a rotation in demand toward the consumption of durable goods, which have a high trade intensity.

Financial conditions have tightened but remain generally supportive. Global borrowing costs have increased as expectations of stronger future growth and higher inflation have pushed up long-term yields on government bonds. Thus far, these developments have been substantially less disruptive to global and EMDE financial conditions than the 2013 taper tantrum. Global corporate borrowing costs have also risen, but spreads have been stable and stock market valuations in most regions are still close to multiyear highs. Business bankruptcies, which had been limited considering the depth of the global recession, have picked up in some industries and countries but remain below pre-pandemic levels amid easy access to credit and the extension of some COVID-19 relief measures. The extent of post-pandemic credit losses may be limited by the fact that crisis-hit sectors account for a small share of total non-financial-sector debt.

The recovery of foreign direct investment (FDI) flows to EMDEs is largely attributable to investors' optimism about prospects in China and a few large foreign acquisitions in India. FDI flows to other EMDEs remain subdued due to concerns about the course of the pandemic and uncertainty about growth prospects.

Commodity prices have seen a sharp rise in 2021, with many now well above their pre-pandemic levels. Oil prices have rallied markedly, averaging \$60/bbl in 2021 so far. Prices have been supported by a gradual firming in demand and continued production restraint among OPEC+, even if the group is gradually reducing the extent of its production cuts as the market recovers. However, the pickup in oil prices has been partly dampened by uncertainty regarding the evolution of the pandemic and its potential impact on future oil demand. Oil prices are projected to average \$62/bbl in 2021 and 2022. Base metal prices have increased sharply this year, supported by continued strong demand from China as well as recovery in the rest of the world. The forecast for metals prices in 2021 has been revised sharply upwards, and prices are now expected to be 36 percent higher in 2021 on average relative to last year, before falling back in 2022 as some supply constraints ease. Agricultural prices have also seen a substantial rise, particularly those of food commodities, and concerns about food insecurity persist in some countries, especially those afflicted by conflict or experiencing adverse weather events. While most global agricultural commodity markets remain well supplied, production growth for the main crops has been below trend for the past few years. Agricultural prices are expected to rise by 16 percent in 2021 before plateauing in 2022.

Despite continued waves of infection, the impact of the virus and associated lockdown measures on economic activity appears to be diminishing in most countries. Over time, firms and households have adjusted their behavior to mitigate disruptions and shift activity to less-affected sectors. In addition, compliance with lockdown measures appears to have waned somewhat over time.

### Indian Economy

The Indian economy is estimated to decline by 7.3 % in FY 2020-21, the first year of contraction since 1980. India's economic decline was sharper than other key economies due to strict and early lockdowns to control the spread of COVID-19. However, the economy registered a YoY growth of 1.1 per cent in H2: FY 2020-21 as compared to (-) 15.9 per cent in H1: FY 2020-21 – implying a growth of 25.5 per cent in H2 over H1. In terms of Real GVA, the economy registered a contraction of 6.2 per cent in FY: 2020-21 with a contraction of 14.9 per cent in H1: FY 2020-21 and growth of 2.4 per cent in H2: FY 2020-21.

The country's GDP grew by 1.6 per cent in Q4: FY 2020-21, an improvement over the 0.5 per cent growth in Q3: FY 2020-21 and the negative growth of 24.4 per cent and 7.4 per cent in the first two quarters of FY 2020-21. The higher economic growth during the fourth quarter can be linked to the unlocking of the economy and revival in business and consumer confidence that was underway during the period. India is one of the select few economies that have witnessed positive year-on-year growth in the last two consecutive quarters.

The growth in output in Q4 FY:2020-21 was broad-based across sectors. Agriculture, industry and services sector witnessed positive YoY growth during the quarter. The industrial sector grew at a 11-quarter high of 7.9 per cent aided by the higher output in manufacturing (6.9 per cent), electricity, gas, water & utility services (9.1 per cent) and construction (14.5 per cent). Only the mining and quarrying sector recorded negative growth during the quarter (-5.7 per cent). Agriculture sector grew by a strong 3.1 per cent in Q4 FY: 2020-21 which was over a high base of 6.8 per cent growth in the same period last year. The services sector returned to growth after a gap of three quarters in Q4 FY: 2020-21, recording a YoY growth of 1.5 per cent. This improvement was led by finance, real estate & professional service (5.4 per cent growth) along with public administration (2.3 per cent growth). Contact-intensive hotels, trade and transport sectors contracted by only 2.3 per cent in Q4 after large declines in previous quarters. Agriculture was the only sector which registered growth in FY: 2020-21 raising its share in overall GVA.



The onset of the second wave of COVID-19, however, has posed a downside risk to this momentum in India's economic recovery. With the peaking of the second wave in first half of May 2021 and the localised restrictions adopted to combat its spread, its economic impact is expected to be restricted to the first quarter of FY: 2021-22. Taking all these factors into consideration, RBI has projected real GDP growth at 9.5 per cent in 2021-22 consisting of 18.5 per cent in Q1; 7.9 per cent in Q2; 7.2 per cent in Q3; and 6.6 per cent in Q4 of 2021-22.

Emerging as the silver lining among the pandemic-hit economy, agricultural sector has cushioned the economic impact being the only sector posting growth in FY 2020-21. India's foodgrain production is estimated to rise 2.7 per cent to a new record of 305.43 million tonnes in the current crop year 2020-21, on record output of rice, wheat, maize and gram. Total pulses production has also posted a record at 25.58 million tonnes – a rise of 11.2 per cent over last year. In the non-food grain category, based on record production of groundnut and Rapeseed & Mustard, total oilseeds production touched a record of 36.57 million tonnes – 10.1 per cent rise over last year. With the prediction of a 'normal' monsoons this year, the government has set a record target to raise foodgrain production further to 307.31 million tonnes during 2021-22 crop year, starting July.

The Index of Industrial Production (IIP) posted a robust double-digit expansion of 22.4 per cent YoY in March 2021 against a decline of 18.7 per cent in March 2020 and registering a growth of 4.7 per cent over March 2019 - largely due to the lockdown induced favourable base from last year. During FY 2020-21, IIP has de-grown by 8.6 per cent compared with negative growth of 0.8 per cent in FY 2019-20. Industrial output in first half fell by 20.8 per cent while in the second half the growth has been steady at 3.5 per cent. Manufacturing sector fell by 9.8 per cent in FY 2020-21 as compared to a decline of 1.4 per cent in FY 2019-20; followed by significant decline in Mining at 7.8 per cent (against a growth of 1.6 per cent in FY 2019-20) and a decline of 0.5 percent in Electricity (against a growth of 1.0 per cent in FY 2019-20). Under the use-based classification, capital goods and consumer-durables showed a sharp double digit decline at 19.2 per cent and 15.2 percent respectively followed by de-growth of 9.7 percent in intermediate and 9.1 per cent in infrastructure goods.

India's power consumption, one of the bright spots of the economic recovery since September 2020, registered a growth rate of 7.3 per cent in May 2021 over May 2020. Local lockdown restrictions imposed by state governments, impact of cyclones Tauktae and Yaas hitting the West and East coasts respectively, and rains over North Indian regions, led to the moderation in power consumption in the month of May. It dimmed in the first half of May followed by an uptick in the second half. With COVID-19 cases on the downhill, unlocking of mobility restrictions is expected to refuel industrial activity and power demand.

Strong pent-up demand renewal continued in the last month of FY 2020-21 with domestic sales of passenger vehicle and two & three wheelers growing at a strong 115 per cent and 71 per cent YoY respectively during March 2021 over the low base of March 2020. This suggests shifting consumer preference for personal travel in response to the pandemic. Total domestic sales of commercial vehicles in FY 2020-21 were 5.68 lakh units, 20.7 per cent lower than previous year levels. Resilient rural demand trajectory since June 2020 continued with tractor sales growing at a strong 172.4 per cent YoY and 12.5 per cent sequentially in March 2021. Even on a pre-COVID base of March 2019, tractor sales grew at 36.5 per cent.

Travel indicators have remained weak – air traffic still at -37% y-o-y in March 2021 and rail traffic also weak at -28% y-o-y. Among other industrial indicators, electricity demand growth is now positive and GST collections registered a good growth and collections exceeded INR 1 lakh crore in each of the last six months owing to economic recovery during this period. Digital adoption saw acceleration during the crisis, particularly in the usage of digital payments. UPI digital transactions was almost double at INR 41.0 lakh crore as compared to INR 21.3 lakh crore in FY: 2019-20. The external sector exhibited resilience as current account turned surplus for the first time since 2004, on weaker domestic demand, falling oil prices and strength in India's services exports.

India emerged as the preferred investment destination in the year, attracting highest ever FDI inflow of USD 81.72 billion during FY 2020-21 as compared to USD 74.39 billion in FY 2019-20. This reflected the confidence of the foreign investors in India's fundamentals. This drive India's forex reserves to an all time high of ~USD 580 billion by the end of FY 2020-21, against ~USD 475 billion by the end of FY 2019-20.

Overall monetary and credit conditions in the economy remained accommodative with money supply growing by 11.3 per cent as on April 9, 2021 compared to 10.2 per cent a year ago. As on April 23, 2021, currency in circulation grew at 15.2 per cent compared to 15.7 per cent at same time in previous year.

Bank credit growth stood at 5.3 per cent in the fortnight ending April 9, 2021 as compared to 5.6 per cent in the previous fortnight. Non-food credit growth of scheduled commercial banks stood at 5.4 per cent as on April 9, 2021 as compared to 5.5 per cent as on March 26, 2021. Continuing its uptrend, credit growth to agriculture and allied activities accelerated to 12.3 per cent in March 2021 from 4.2 per cent in March 2020. Credit growth to industry

decelerated marginally to 0.4 per cent in March 2021 from 0.7 per cent in March 2020. However, credit to medium industries registered a robust growth of 28.8 per cent in March 2021 as compared to a contraction of 0.7 per cent a year ago. Credit growth to micro and small industries decelerated to 0.5 per cent in March 2021 from 1.7 per cent a year ago, while credit to large industries contracted by 0.8 per cent as compared to a growth of 0.6 per cent a year ago. Credit growth to the services sector decelerated to 1.4 per cent in March 2021 from 7.4 per cent in March 2020, mainly due to deceleration in credit growth to NBFCs and contraction in credit to professional services. However, credit to trade segment continued to perform well, registering accelerated growth of 11.8 per cent in March 2021 as compared to 4.6 per cent a year ago. Slowdown in growth of personal loans continued, as it decelerated to 10.2 per cent in March 2021 from 15.0 per cent a year ago. However, vehicle loans and loans against gold jewellery continued to perform well during the month, registering accelerated growth.

Easy financing conditions enabled the corporate sector to raise substantial funds from financial markets. Private placements of listed corporate bonds stood at INR 7.72 lakh crore in FY 2020-21, 14.4 per cent higher than that in previous year (INR 6.7 lakh crore), supported by low interest rate and surplus liquidity in the system.

Domestic financial conditions continue to remain comfortable with RBI's consistent efforts to maintain adequate liquidity support. The Central bank has conducted open market purchases to the tune of INR 3.13 lakh crore in FY 2020-21 and INR 25,000 crore in April 2021. Average daily net liquidity absorption under the liquidity adjustment facility (LAF) was at INR 5.8 lakh crore in April 2021. Further, RBI conducted two fine-tuning variable rate repo auctions of INR 25,000 crore each on March 26 and March 31, 2021 for 11 days and 5 days respectively to provide for unanticipated liquidity needs and ensure flexibility to the banking system. During April, the RBI conducted two 14-day variable rate reverse repo auctions on April 9 and April 23, 2021 for INR 2 lakh crore each. As a one-time measure, RBI did not conduct any variable rate reverse repo auction for the fortnight beginning March 27, 2021 to ensure ample liquidity to fulfil year-end CRR requirements.

In its monetary policy statement on April 7, 2021, RBI announced extension of TLTRO on Tap Scheme by six months till September 30, 2021 and additional support of INR 50,000 crore to the All-India Financial Institutions (AIFIs) for fresh lending in FY 21-22, thereby standing to ensure adequate liquidity to productive sectors of economy. Further on May 5, 2021, RBI announced further measures as a part of its calibrated and comprehensive strategy against the second wave. These measures included Term Liquidity Facility of INR 50,000 crore to Ease Access to Emergency Health Services, Special Long-Term Repo Operations (SLTRO) INR 10,000 crore for Small Finance Banks (SFBs), Lending by Small Finance Banks (SFBs) to MFIs for on-lending classified as Priority Sector Lending, incentivising credit to MSME Entrepreneurs, Resolution Framework 2.0 for COVID Related Stressed Assets of Individuals, Small Businesses and MSMEs, rationalization of compliance to KYC Requirements for customer convenience, utilization of Floating Provisions and Countercyclical Provisioning Buffer and relaxation in Overdraft (OD) facility for States Governments

The second wave of COVID in India is witnessing a much higher caseload with new peaks of daily cases, daily deaths and positivity rates and presents a challenge to ongoing economic recovery. India is emphasizing on a five-fold strategy to curb the tide of new COVID cases –Test, Track, Treat, COVID Appropriate Behaviour, Vaccination. A dynamic and concerted policy response to the second surge has been initiated with ramping up health infrastructure, oxygen supplies and deregulating the vaccine availability for all Indians above the age of 18 from May 1, 2021. With the second wave of COVID-19 infections forcing localized or state-wide restrictions, there is a downside risk to growth in the first quarter of FY:2021-22. However, there are reasons to expect a muted economic impact as compared to the first wave. The experience from other countries suggests a lower correlation between falling mobility and growth as economic activity has learnt to operate 'with COVID-19'.

## Industry Structure

Non-Banking Finance Companies (NBFCs) have played an important role in the Indian financial system by complementing and competing with banks, and by bringing in efficiency and diversity into financial intermediation.

In its monetary policy statement on April 7, 2021, RBI announced extension of TLTRO on Tap Scheme by six months till September 30, 2021 and additional support of INR 50,000 crore to the All-India Financial Institutions (AIFIs) for fresh lending in FY 21-22, thereby standing to ensure adequate liquidity to productive sectors of economy.



As on May 31, 2021, 56 NBFCs-D and 310 NBFCs-ND-SI were registered with Reserve Bank of India . All NBFCs-D and NBFCs-ND-SI, including Government owned NBFCs, are subject to prudential regulations such as capital adequacy requirements and provisioning norms, along with reporting requirements.

NBFCs balance sheet in aggregate is around 18.8% of total SCBs balance sheet of the total asset size (INR 33.9 lakh crore) of NBFCs in FY 20, 38.6% is dominated by the government owned NBFCs. As of H1 FY21, the balance sheet of NBFC-ND-SI comprises of 86.1% share, while balance 13.9% is accounted by NBFC-D in total balance sheet size of NBFCs.

As of H1 FY 21, the Industry sector has received the highest credit (53.6%) by NBFC sector, followed by retail segment (23.3%) and services (15.8%). Within the industrial sector, large industries segment has received 46.4% of the credit disbursed to industrial sector.

Lockdown, moratorium and NBFCs

The extent of lockdown triggered by the Covid-19 pandemic impact will depend on four factors: asset class, income source of the customer, level of field work in operations, and proportion of cash collections. This will have impact on collections and fresh-loan disbursements of Non-Banking Financial Companies (NBFCs).

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

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

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

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

Loan Moratorium availed by customers of NBFC sector (As on August 31, 2020)

Sector	Corporate		MSME		Individual		Others		Total	
	% of total customers	% of total outstanding	% of total customers	% of total outstanding	% of total customers	% of total outstanding	% of total customers	% of total outstanding	% of total customers	% of total outstanding
NBFCs	42.70	37.20	68.80	67.00	23.10	56.50	50.20	33.20	26.60	44.90
SCBs	18.00	30.40	77.20	68.10	43.70	33.90	35.60	39.10	43.80	37.90
System	31.30	34.30	77.50	69.30	42.60	41.00	45.40	42.10	45.60	40.40

Source: RBI Trends and Progress of Banking in India

As on August 31, 2020, the overall percentage of NBFC customers availed the loan moratorium has been comparatively lower than banks, while the loans outstanding under moratorium were higher as compared with banks. Among the sectors MSME segment under NBFCs availed the scheme most. ~69.0% of MSME customers have availed the moratorium as of August 30, 2020 as compared with ~61.0% as of April 30, 2020. Other categories such as individuals, witnessed a reduction in the share of customers 32.5% as of April 30, 2020 to 23.1% as of August 30, 2020, while, the corporate segment has registered a fall in outstanding amount of loans under moratorium between April 2020 and August 2020.

Performance of NBFC sector

During the last two years, liabilities of the NBFC sector grew at CAGR of 13.8%, i.e., from INR 26.2 lakh crore in FY18 to INR 33.9 lakh crore in FY20. The growth in liabilities slowed to 5.8% (INR 35.8 lakh crore) in H1FY21. Post the NBFC crisis, the focus shifted from growth to stability, liquidity and concentrated on managing their ALM (asset-liability management). However, larger NBFCs were able to borrow from debt market based on their scale and parentage. Specific measures taken by RBI and Government (e.g. special liquidity scheme for NBFCs/HFCs) enabled these entities to combat liquidity constraints and restricted market access.

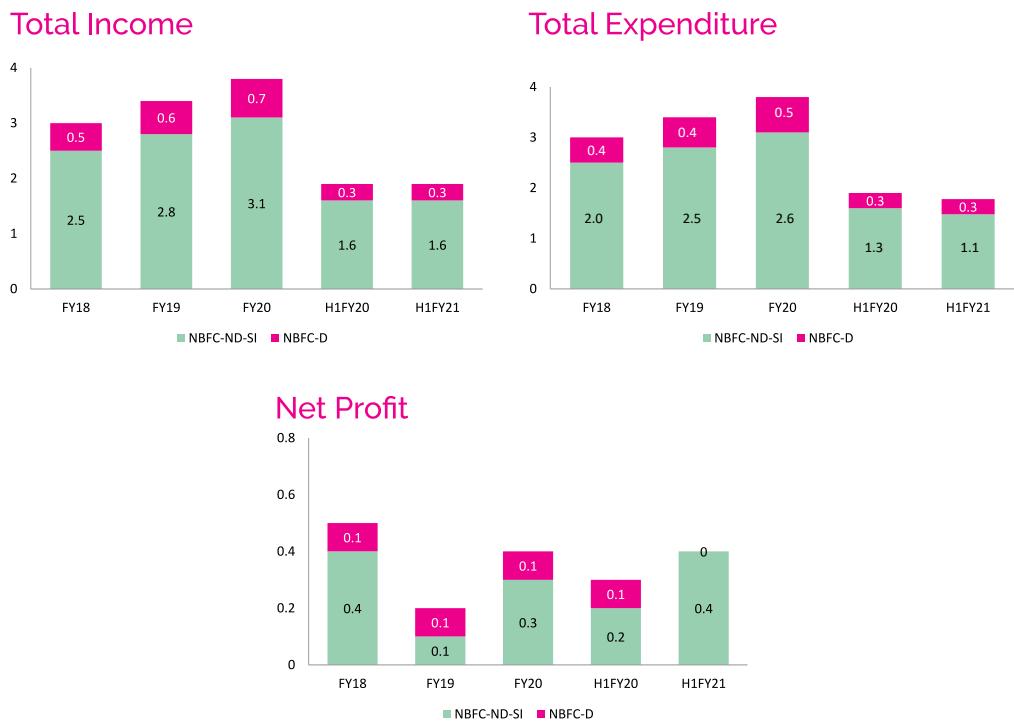
On the supply side, sources of funds, especially for small and mid-sized NBFCs, were impacted due to reduced risk appetite of banks for low rated and unrated exposures. On the demand side, the prevailing economic contraction contributed to the subdued credit offtake.

As of H1FY21, the overall borrowings of NBFCs grew by 7.9% YoY, while NBFC-ND-SI and NBFC-D registered a growth of 8.8% and 1.4% respectively. The share of NBFC-ND-SI marginally improved to 87.9% in overall borrowings (87.1% share in H1FY20).

Out of the total assets of the NBFC sector (INR 35.8 lakh crore) in H1FY21, loans and advances account for approximately 70%. Of the total asset size (INR 33.9 lakh crore) of NBFC segment in FY20, approximately 39.0% is dominated by the government owned NBFCs. There was a sharp reduction in credit growth to all sectors except retail. Agriculture, Industry and Services sectors witnessed a significant decline, while the retail sector registered a slower growth in FY20 as compared with FY19.

The annual and half-yearly performance of the NBFC-ND-SI and NBFC-D companies for the financial years, FY18, FY19, FY20, H1FY20 and H1FY21. Key financial indicators of the profit and loss account like total income, total expenditure and net profit after tax have been presented.

Comparison of Financial Performance between NBFC-ND-SI and NBFC-D companies (INR lakh crore)



Source: RBI Trends and Progress of Banking in India

The above figure shows that the total income grew strongly at 13.9% y-o-y in FY19, but the growth slowed down to 12.9% y-o-y in FY20 due to slower loan disbursements and rate cuts. NBFC sector registered a net profit growth of 167.3% in FY20 as compared with a de growth of 59.4% in FY19 (low base).

NBFC-ND-SI comprise around 83.0% share in total income of the NBFC sector, the income and net profit measured as percentage of total asset is higher for the NBFC-D set of companies (it accounts for around 23% share in net profit of NBFCs). The total cost to income ratio of the NBFC-ND-SI declined from 80.2% in FY18 to 70.8% in H1FY21 indicating a fall in operating expenditure of this segment. On contrary, the total cost to income ratio of the NBFC-D increased from 77.8% in FY18 to 81.9% in H1 FY21.

Interestingly, while NBFCs have ROA of 1.9% in FY20, while SCBs (Scheduled Commercial Banks) had ROA of 0.2% in the same period. Similarly SCBs had NIM of 2.9% in FY20 thus, indicating higher profitability of NBFCs.

The GNPA ratio increased to 6.6% in FY20 from 6.0% in FY19 which is partly due to increase in slippages (from 0.30% in FY19 to 0.52% in FY20), while the NNPA ratio stood stable. Recovery and write offs ratio of NBFCs increased from 0.08% and 0.07% in FY19 to 0.10% and 0.13% in FY20 respectively.

Banks' outstanding to NBFCs registered a highest growth of 46.3% in absolute terms from September 2018 (INR 5.5 lakh crore) to September 2020 (INR 8.0 lakh crore). The overall composition of NBFCs in bank credit increased from 6.9% in September 2018 to 8.7% in September 2020 and remained stable on m-o-m basis (8.7% in August



2020). However, growth in bank credit to NBFCs has registered a downward trend, due to the base effect and risk aversion in banking system due to the COVID-19 pandemic. Also, NBFCs were not in need of funds as disbursements were muted.

Despite slower rundown due to moratorium to a significant part of their borrowers, the loan growth for the NBFCs on y-o-y basis came at 11.8% in Q2FY21 as compared with 13.6% in Q2FY20 due to weak demand on the back of nationwide lockdown and the resultant risk aversion. Except one or two NBFCs, all NBFCs witnessed a decline in overall disbursement growth.

The profitability of NBFCs stood largely stable due to the slow growth in their advances in Q2FY21. The NBFCs recorded return on assets (ROA) from 0.46% in Q2FY20 to 0.52% in Q2FY21 as profitability impacted majorly on account of an increase in their provisions despite significant reduction in operating costs. The moderation in interest income comes on account of the slow growth in the advances of the NBFCs. As a result, the NBFCs have been able to conserve their NIMs and ROA at levels similar to that in Q2FY20. Most NBFCs made additional COVID related provisions as a prudent measure. Hence there was an increase in the provisions of NBFCs in Q2FY21. The ROA chain indicates that the growth in the loan of NBFCs has led to a rise in their interest income; their interest expense as a percentage of total assets has declined marginally and there was a fall in the cost of borrowing of some NBFCs.

### Business Overview

During FY 2020-21, 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 2020-21, total disbursement was INR 14,238.10 Million Company's total Assets Under Management stood at INR 21,424.66 Million (Standalone) and INR 23,178.51 Million (Consolidated) as on March 31, 2021. As on March 31, 2021 Company's Gross & Net NPA stood at INR 139.46 Million and INR 109.34 Million respectively. For the FY 2020-21 the Net Profit of the Company was stood at INR 609.19 Million. As of March 31, 2021, the standalone net-worth of the Company stood at INR 8,618.83 Million.

### Asset Liability Management

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

Asset Liability Management Maturity pattern of certain items of Assets and Liabilities as on March 31, 2021:

(Amount in Lakhs)										
	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 1year & Upto 3 years	Over 3 years & upto 5 years	Over 5 Years	Total
Deposits	—	—	—	—	—	—	—	—	—	—
Advances	3833	3627	6250	7514	19643	44233	86266	18227	3863	193456
Investments (Bank FDR)	—	—	—	—	—	3253	34	—	—	3287
Borrowings	1536	267	340	140	10238	40423	18302	15904	31446	118596
Foreign Currency Assets	—	—	—	—	—	—	—	—	—	—
Foreign Currency Liabilities	—	—	—	—	—	—	—	—	—	—

### Capital Adequacy Ratio

The company's strength lies in its healthy capital structure. PAISALO is among those few NBFCs who are low leveraged. As of March 31, 2021, the Company's Capital Adequacy Ratio (CRAR) stood at 44.47 % as against 15.00 % of statutory requirement.

### Asset Quality

Asset quality is the criteria where PAISALO stands far ahead from its peers as for last several years company has a policy of writing off its overdue advances. However, recovery efforts in such accounts are continued. Due to this unique methodology of cleaning the balance sheet, now company is standing on a hidden asset of INR 1726.48 Million.

### Movement of NPAs

(Amount in INR Lakhs)			
Particulars		Current Year	Previous Year
(i)	Net NPAs to Net Advance (%)	0.57%	0.34%
(ii)	Movement of NPAs (Gross)		
(a)	Opening balance	761.43	515.65
(b)	Additions during the year	672.66	256.04
(c)	Reductions during the year	39.50	10.26
(d)	Closing balance	1394.59	761.43
(iii)	Movement of Net NPAs		
(a)	Opening balance	594.06	437.38
(b)	Additions during the year	608.80	180.97
(c)	Reductions during the year	109.44	24.29
(d)	Closing balance	1093.42	594.06
(iv)	Movement of provisions for NPAs (excluding provisions on standard assets)		
(a)	Opening balance	167.38	78.27
(b)	Provisions made during the year	134.32	90.69
(c)	Write -back of excess provisions	0.52	1.59
(d)	Write off	—	—
(e)	Closing Balance	301.18	167.38

### Sector wise NPAs (Write Offs)

S. No.	Category	% of Write offs to Total Advances	
		2020-21	2019-20
1	Agriculture & Allied activities	0.33	0.39
2	MSME	0.55	0.67
3	Corporate Borrowers	0.46	0.84
4	Services	0.37	1.68
5	Unsecured Personal Loans	0.00	0.00
6	Auto Loans	0.00	0.00
7	Other Personal Loans (LAP)	0.11	0.21
Total		1.83	3.79

### Shareholders' Funds

As on March 31, 2021 total fully paid up outstanding shares of the company stood at 4,22,92,199 equity shares of INR 10/- each with the book value of INR 200.70 per share.



Outlook

During FY20, the NBFC sector faced headwinds in the aftermath of the IL&FS crisis in the form of erosion of confidence among investors, rating downgrades and liquidity stress compounded by the COVID-19 pandemic. On an overall basis, NBFCs were taking corrective actions including reducing business growth, correcting ALM profiles, reducing leverage, etc.

Further, in H1FY21, the Reserve Bank of India continued to take sequential regulatory measures to make available sufficient liquidity to the NBFC sector. The consolidated balance sheet of NBFCs gained traction in H1FY21 after witnessing a deceleration in FY20 due to stagnant growth in loans and advances.

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

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

Risk Management

Risk Management at 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.

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

IT Security

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

Health Safety and Pandemic Risk

The Company's priority is the safety and wellbeing of our employees and customers and with the relaxation provided

by the Governments/ Authorities, in phase manner, the Registered Head Office and various Branch Offices have been /will be open as per government guidelines.

Human Resource Development

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, 2021, your Company had 920 employees.

Opportunities and Threats

Non-Banking Finance Companies (NBFCs) form an integral part of the Indian financial ecosystem. By extending the line of secured and unsecured 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. 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 growth and emerge and contribute in the economy. One of the biggest opportunities for NBFCs is its new to credit investment customers. One such segment is low income, new to credit customers. These customers have not borrowed from any financial institution in the past. These customers usually reside in rural pockets where banking and institutional credit financial services have limited ground presence. Therefore, NBFCs are a boon for the rural sector. NBFCs have become a profitable segment for such purposes.

Usually, banks often rely on banking and credit history while assessing the loan applications of their customers. Therefore, these new to credit customers do not qualify for a bank loan. However, they have become a lucrative segment for NBFCs. 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. There 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.

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 harsh 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,

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



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. There are approximately 6.3 crore MSME's in India, contributing to about 29 per cent of India's GDP. According to a survey, the credit gap is huge and it at about INR 16.66 lakh crore. Only 16% of the credit demand of this sector is being served by the formal sector. 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.

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

**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. Extensive use of technology tools due to lock down is likely to result in faster adoption of technology in payments and Customer interactions.

**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.

**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.

**Customer education:** As the name suggests, new to credit customers do not have any experience of availing financial services. Therefore, they may not naturally look to engage with any NBFC to attain loan for their personal or business requirements. Hence, to onboard such potential customers, NBFCs have to spend additional resources in financial literacy and awareness. On the positive side, once these customers understand the benefits of obtaining a loan from an NBFC, there is a high likelihood to convert the lead into real business.

**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.





Board's Report

TO  
THE MEMBERS OF PAISALO DIGITAL LIMITED

Your Board of Directors have pleasure in presenting the 29th Annual Report together with the Audited Financial Statements for the Financial Year ended March 31, 2021.

Financial Highlights

The standalone financial performance of the Company for the Financial Year 2020-21 is summarized below:

(INR in Million)		
Particulars	FY 2020-21	FY 2019-20
Revenue from Operations	3,115.48	3374.51
Less: Expenditure	2,316.62	2635.29
Exceptional Item	6.44	-
Profit Before Tax (PBT)	805.30	739.22
Tax Expenses	196.11	198.84
Net Profit After Tax (PAT)	609.19	540.39
Total Comprehensive Income for the Period	609.19	540.39
Transfer to Statutory Reserves (RBI Reserve Fund)	121.84	108.65
Transfer to General Reserve	400.00	390.00
Provisions of Standard Assets	(8.20)	1.22
Earnings per Share (EPS) (INR)	14.40	12.78
Net Worth	8,618.83	7,603.20
Assets Under Management (AUM)	21,424.66	19,195.70

Results of Operations and State of Company's affairs

Revenue from operations for the year ended March 31, 2021 has marginally decreased by 7.68 % at INR 3115.47 Million over the corresponding previous year. The Net Profit of your Company for the financial year ended March 31, 2021 stood at INR 609.19 Million as against the Net Profit of INR 540.38 Million for the financial year ended March 31, 2020. Accordingly, the Net Profit for the financial year ended March 31, 2021 reflects a growth of 12.73 % over the corresponding Profit for the financial year ended March 31, 2020.

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 121.84 Millions (previous year INR 108.65 Million) to Statutory Reserve created and INR 400.00 Million has been transferred to General Reserve for financial year 2020-21.

Subsidiary

Nupur Finvest Private Limited, a registered Non-Deposit taking Non-Banking Finance Company, is the only Subsidiary Company, of which the Company owned hundred percent shares. Nupur Finvest Private Limited is engaged in finance activities. At the year ended March 31, 2021, the net worth of the Company stood at INR 535.57 Million. During the reporting period the subsidiary reported income of INR 346.26 Million and Profit Before Tax (PBT) and Profit After Tax (PAT) at INR 5.19 Million and INR 3.42 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 2020-21, Consolidated Income of the Company for financial year 2020-21 stood at INR 3,460.22 Million as against INR 3,747.69 Million in the previous year.

Review of Operations

The Company is providing a number of financial products like Business Loans, SME & MSME Loans, Income

Generation Loans for business/self-employment purpose. During, the year under review Company has posted 12.73 % increase in the Net Profit after tax from the finance business of the Company.

Disbursements

During the Financial Year 2020-21, total disbursements reached to INR 14,238.10 Million.

Number of Customers

During the year under review the Customer outreach increased by 2.39 % and total Customers outreach stood at 12,04,304.

Net Worth and Capital to Risk Adjusted Ratio (CRAR)

The Net Worth of the Company (Standalone) increased to INR 8,618.83 Million as on March 31, 2021 from INR 7,603.20 Million as on March 31, 2020. The Capital to Risk Adjusted Ratio (CRAR) stood at 44.47 % as on March 31, 2021 as against 43.06 % as on March 31, 2020, which is much above the requirement as stipulated by Reserve Bank of India.

Share Capital

During the year under review, the Authorized Share Capital of the Company stood at INR 1250.00 Million. The Issued, Subscribed Share Capital of the Company as on March 31, 2021 was INR 423.05 Million consisting of 4,23,04,699 Equity Shares of INR 10 each and the Paid-up Share Capital of the Company as on March 31, 2021 was INR 422.98 Million consisting of 4,22,92,199 Equity Shares of INR 10 each fully paid-up and 12,500 forfeited equity shares of INR 10 each (amount originally paid-up @ INR 5 each).

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 Millions 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. 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, as the case may be and on such other terms and conditions as applicable.

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 (initial subscription amount-25% of issue price) through preferential allotment of Fully Convertible Warrants has 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 passed by the Shareholders for preferential issue of Fully Convertible Warrants.

Dematerialization of Equity Shares

Equity Shares of the Company are compulsorily tradable in demat form. As on March 31, 2021, 99.99% of the Equity Shares are held in demat form and only 4,006 Equity Shares out of 4,22,92,199 Equity Shares were held in physical form.

Dividend

Your Board is pleased to recommend a final dividend of INR 1/- (Rupee One only) per share i.e. 10% on each fully paid equity share of INR 10/- (Rupees Ten Only) for Financial Year 2020-21. The dividend, if declared, by the Members at the forthcoming Annual General Meeting (AGM) shall be paid to the eligible Members of the Company.

Unclaimed Dividend and Unclaimed Shares

Pursuant to Rule 5(8) of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, your company furnished a statement / information through Form IEPF 2 to the Ministry of Corporate Affairs, of the unclaimed dividends amounting to INR 2,00,558.00 as on the date of financial year ended on March 31, 2020. During the year under review, there was an amount of INR 53,616.00 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 53,616.00 has been transferred in the Investor Education and Protection Fund (IEPF) of the Central Government in November 2020.

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/corporate-governance.php>

Fixed Deposit

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

Bank finance

Your Company raised funds for its working capital and business requirements from various banks and the total amount of bank loan outstanding as on March 31, 2021 was INR 7,286.72 Million as against INR 7,983.01 Million on March 31, 2020.

During the year under review, your Company maintained banking relationships with 10 Banks.

Fund Raising Through Issue of Debentures

During the year under review, Company has raised INR 860.00 Million by issuing Listed Secured Rated Non-Convertible Debentures of INR 1.00 Million each on private placement basis and INR 590.00 Million 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.

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	8,900.00	IVR A+ / Stable Outlook (IVR Single A Plus with Stable Outlook)
2.	Non Convertible Debentures	1,000.00	

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 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. Harish Singh (DIN: 00039501), who retired at the 28th Annual General Meeting, was re-appointed as an Executive Director of the Company. In the 28th Annual General Meeting of the Company, Mr. Raman Aggarwal and Mrs. Nisha Jolly, who were appointed by the Board of Directors as Additional Independent Directors, have been appointed as Independent Directors of the Company for term of 5 years commencing from October 15, 2019 and May 30, 2020 respectively.

Appointment/Reappointment of Directors or KMP

Reappointment of Mr. Anoop Krishna retire by rotation:

In terms of Section 152 of Companies Act, 2013, Mr. Anoop Krishna (DIN 08068261), is liable to retire by rotation at the ensuing Annual General Meeting and being eligible for re-appointment, offers himself for re-appointment. The Board of the Company recommends re-appointment of Mr. Anoop Krishna as a Director of the Company, liable to retire by rotation.

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.

Board Meetings

During the year under review, a total of Six Meetings of the Board of Directors of the Company were held, i.e., on April 3, 2020; May 30, 2020; June 30, 2020; August 13, 2020; October 31, 2020 and February 6, 2021. Details of Board composition and Board Meetings held during the financial year 2020-21 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, Mr. Sunil Srivataav (till July 29, 2021) and Mr. Raman Aggarwal (w.e.f. August 6, 2021) 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 subject to a minimum of 3 (three) and maximum of 15 (fifteen) Directors, including at least one-woman Director.

The Nomination & Remuneration Committee of the Company leads the process for Board appointments in accordance with the requirements of Companies Act, 2013, 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 re-appointment, the outcome of their performance evaluation and the recommendation by the Nomination and Remuneration Committee, the Independent Directors may be re-appointed by the Board for another term of five consecutive years, subject to approval of the Shareholders of the Company. The Directors, Key Managerial Personnel and Senior Management Personnel shall retire as per the applicable provisions of the Companies Act, 2013 and the policy of the Company.

The potential candidates for appointment to the Board are inter-alia evaluated on the basis of personal and professional ethics, standing, integrity, values and character; appreciation of the Company's vision, mission, 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.

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

Considering the above fact and in the light of Company's performance, the performance of the Board of Directors and their committees, along with 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 judgment, 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.

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

Independent Directors also reviewed the performance of the Board as a whole and assessed the quality and timeliness of the flow of the information between the Company Management and Board. Pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, performance evaluation of the Independent Directors was done by the entire Board, excluding the Independent Director being evaluated. Performance of Non-Independent Directors, the Board as whole and that of the Chairman of the Board were also evaluated in a separate meeting of the Independent Directors held on February 4, 2021.

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

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

#### **Directors' Responsibility Statement**

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

- in the preparation of the annual accounts for the financial year ended March, 31, 2021, the applicable accounting standards have been followed and there are no material departures from the same;
- the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;
- the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- the Directors had prepared the annual accounts on a going concern basis;
- the Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

#### **Auditors & Audit Reports**

##### **Statutory Auditor and Statutory Audit Report**

On April 27, 2021 Reserve Bank of India (RBI) came with Guidelines for Appointment of Statutory Central Auditors (SCAs)/Statutory Auditors (SAs) of Commercial Banks (excluding RRBs), UCBs and NBFCs (including HFCs) vide its notification RBI/2021-22/25 Ref.No. DoS. CO. ARG/SEC.01/08.g1.001/2021-22 inter alia, providing the Eligibility Criteria of Statutory Auditors.

In terms para 2.2 of said guidelines the Company is required to adopt these guidelines from H2 (second half) of FY 2021-22 to ensure no disruption.

M/s. D. Tayal & Jain, Chartered Accountants (Firm Registration No. 011181C) ("firm"), who have been appointed as Statutory Auditor of the Company in the 28th Annual General Meeting held on September 8, 2020 until the conclusion of the 31st Annual General Meeting of the Company, are not falling in the category of eligible Statutory Auditor(s) as prescribed in the aforesaid guidelines issued by RBI and accordingly the said firm is not eligible to continue as Statutory Auditor of the Company from the H2 (second half) of FY 2021-22. Therefore, M/s D. Tayal & Jain communicated their intention vide their letter dated August 13, 2021 to resign as Statutory Auditors of the Company and confirmed that resignation will be effective upon conclusion of 29th AGM of the Company or September 30, 2021 whichever is earlier.

Accordingly, to comply with the provisions of aforesaid guidelines regarding appointment of Statutory Auditor, and to fill the vacancy of statutory auditor office, on the recommendation of the Audit Committee, Board of Directors of the Company has recommended M/s Manish Goyal & Co. Chartered Accountants, having Firm Registration no. 006066C who is fulfilling the eligibility norms as per RBI Guidelines, the Companies Act, 2013 and SEBI Listing Regulations, to be appointed as Statutory Auditors of the Company for a period of one year commencing from the conclusion of 29th Annual General Meeting till the 30th Annual General Meeting of the Company.

The same will be placed before the Members, at 29th Annual General Meeting for their approval.

The Report given by the Statutory Auditor M/s D Tayal & Jain, Chartered Accountants, on the financial statement of the Company for the financial year 2020-21 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 6, 2021 has appointed M/s. Satish Jadon & Associates, Practicing Company Secretary, as Secretarial Auditor of the company to conduct Secretarial Audit of the Company for financial year ended March 31, 2021 and to submit Secretarial Audit Report in Form No. MR-3.

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

Pursuant to circular No. CIR/CFD/CMD1/27/2019 dated February 8, 2019, issued by the 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, 2021, 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.

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

#### **Secretarial Standards**

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

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

Pursuant to 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: 6 of the Financial Statement for the year ended March 31, 2021. 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, 2021, 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. 37 to the Financial Statements for the year ended March 31, 2021 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

Other than mention hereinunder 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 ;

- on July 30, 2021 company has issued and allotted 25 Unsecured, Unlisted, Unrated Non-Convertible Debenture of Rs. 1 crore each on Private Placement basis.

#### Significant and Material Litigations / Orders

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

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

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

- being a Non-banking Finance Company, the particulars regarding 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 223,543.87.

#### 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 2020-21 the Board of Directors of the Company in their meeting held on June 30, 2020 approved INR 15.90 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, 2021 annexed with this report as **Annexure B**. Further, during the financial year ended March 31, 2021 Company has also spent INR 16.90 Million the unspent budget amount of CSR of previous years.

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, the Business Responsibility Report for the year under review is annexed to 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. An independent firm of Competent Chartered Accountants has been engaged by the Company for conducting internal audit, to examine and evaluate the adequacy and effectiveness of internal financial control system of the Company. The Internal Audit team is responsible to assist the Audit Committee and Risk Management Committee on an independent basis with a complete review of the risk assessments and associated management action plans. The Internal Audit Reports and Risk related report are reviewed periodically by the Audit Committee and Risk Management Committee of the company. Efficacy of Internal control systems 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.

#### Risk Management

Non-Banking Financial Companies (NBFCs) form an integral part of Indian financial system. NBFCs are required to ensure that a proper framework on Risk Management System is formulated and put in place. For this purpose 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, in terms of Regulation 21 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as the Company fall in the category of top 1000 listed entities, determined on the basis of market capitalisation, as at the end of the immediate previous financial year i.e. as on March 31, 2021, the Board of Directors has decided that the existing Risk Management Committee of the Company shall also be deemed to be constituted under Regulation 21 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and do the function as prescribed under the listing regulations.

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 in this regard.



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

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

Compliance of Reserve Bank of India Guidelines

Your Company is categorized as a Non-Deposit taking Systemically Important Non-Banking Finance Company (NBFC-NDSI). Accordingly, during the year, the Company has not accepted any deposits from the public and there were no deposits which become due for repayment or renewal. The Company has complied with the 'Master Direction-Non-Banking Financial Company- Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016, as amended from time to time and all other applicable Directions of RBI during FY 2020-21.

Extracts of Annual Return

In compliance with Section 134(3)(a) of the Act, the extract of Annual Return in MGT-9 as required under Section 92(3) of the Act and prescribed in Rule 12 of the Companies (Management and Administration) Rules, 2014 may be accessed on the Company's website at [https://www.paisalo.in/pdf/MGT-9\\_PAISALO\\_2020-21.PDF](https://www.paisalo.in/pdf/MGT-9_PAISALO_2020-21.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 Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 is provided as a separate section forming part of the Annual Report.

Corporate Governance

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

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.

Date : August 14, 2021  
Place : New Delhi

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

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

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

ANNEXURE-A

Secretarial Audit Report for the  
Financial Year Ended March 31, 2021

Form No. MR-3  
Secretarial Audit Report for the Financial Year Ended March 31, 2021  
[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, 2021 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, 2021 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;
  - 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, 2009;
  - h) 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
  - i) 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:

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

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

- In terms of Section 149 (1) of the Companies Act, 2013, Company is required to have a Woman Director on its Board, but during the year under review, from April 1, 2020 till May 29, 2020 there was no women Director on the Board of the Company, such vacancy arised due to resignation of Woman Independent Director on March 3, 2020 and such vacancy was filled, within the stipulated time given under the Companies Act, 2013, by appointing Mrs. Nisha Jolly as an Independent Woman Director pursuant w.e.f. May 30, 2020.
- Pursuant to SEBI Circular No SEBI/HO/MIRSD/CRADT/CIR/P/ 2020/207 dated October 22, 2020 effective from January 1, 2021, the Company was required to make contribution to BSE Limited towards creation of "Recovery Expense Fund" for its listed debt securities till March 31, 2021. However, the Company had deposited requisite amount towards creation of Recovery Expense Fund to BSE Limited on April 15, 2021 and there was a delay of 15 days to comply with the provisions of above referred SEBI circular. Such delay in creation of REF had been condone by the SEBI vide its letter dated July 01, 2021.

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:

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

S. No	Debentures	Date of Allotment	Tenure Months/days	No. of Debentures	Face Value (Rs. in Lakh)	Listed/ Unlisted
1	Listed Secured Rated Non Convertible Debentures	16-07-2020	33 /05	500	10.00	Listed
2	Listed Secured Rated Non Convertible Debentures	26-08-2020	18/00	200	10.00	Listed
3	Listed Secured Rated Non Convertible Debentures	10-11-2020	18/00	160	10.00	Listed
4	Unsecured Non Convertible Debentures	04-12-2020	120/00	1	100.00	Unlisted
5	Unsecured Non Convertible Debentures	11-12-2020	36/00	35	100.00	Unlisted
6	Unsecured Non Convertible Debentures	16-02-2021	60/00	23	100.00	Unlisted

- 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 25% of issue price, on March 20, 2021, Company has allotted, on preferential basis, 26,10,000 Fully Convertible Warrants (Warrants"), at a issue price of Rs. 705/- each, being convertible into equivalent number of equity shares of face value of Rs. 10/- each within 18 months from the date of allotment of Warrants, in one or more tranches on payment of balance 75% amount of issues price.

- The consent of the Shareholders has been obtained, at the Twenty Eight Annual General Meeting of the Company held on September 8, 2020 for the following the Special Business:
  - To appoint Mr. Raman Aggarwal (DIN:00116103) as Non-Executive Independent Director of the Company for term of 5 years commencing from October 15, 2019.
  - To appoint Mrs. Nisha Jolly (DIN:08717762) as Non-Executive Independent Director of the Company for term of 5 years commencing from May 30, 2020.
  - 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.
- The consent of the Shareholders has been obtained in Extra-Ordinary General Meeting held on March 8, 2021 for issuance of Fully Convertible Warrants to the Promoter group of the Company, on a preferential basis.

Date : August 4, 2021  
Place : Agra

For Satish Jadon & Associates  
Company Secretaries

Sd/-  
Satish Kumar Jadon  
Membership No. F9512  
CoP No.9810  
P.R. No. 1028/2020  
UDIN:F009512C000732817

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



Annexure to the Secretarial Audit Report

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

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

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

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

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

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

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

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

Date : August 4, 2021  
Place : Agra

For Satish Jadon & Associates  
Company Secretaries

Sd/-  
Satish Kumar Jadon  
Membership No. F9512  
CoP No.9810  
P.R. No. 1028/2020  
UDIN:F009512C000732817

FORM NO. MR-3

Secretarial Audit Report of Nupur Finvest Private Limited for the Financial Year Ended March 31, 2021  
[Pursuant 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, 2021 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, 2021 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;

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

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

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

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

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

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

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

We further report that there are adequate systems and processes in the Company commensurate with the size



Annexure to the Secretarial Audit Report

and operations of the Company, to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

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

1. The consent of the Shareholders has been obtained, at the Twenty Fifth Annual General Meeting of the Company held on August 14, 2020 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.
2. The consent of the Shareholders has been obtained, at the Extra-Ordinary General Meeting of the Company held on October 3, 2020 for appointment of Statutory Auditor to fill the casual vacancy caused by the resignation of existing Statutory Auditor of the Company.

Date : August 4, 2021  
Place : Agra

For Satish Jadon & Associates  
Company Secretaries  
  
Sd/-  
Satish Kumar Jadon  
Membership No. F9512  
CoP No.9810  
P.R. No. 1028/2020  
UDIN:F009512C000733125

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

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

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

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

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

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

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

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

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

Date : August 4, 2021  
Place : Agra

For Satish Jadon & Associates  
Company Secretaries  
  
Sd/-  
Satish Kumar Jadon  
Membership No. F9512  
CoP No.9810  
P.R. No. 1028/2020  
UDIN:F009512C000733125



ANNEXURE-B

Annual Report on CSR Activities for Financial Year Ended March 31, 2021

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 : <a href="https://paisalo.in/corporate-governance.php">https://paisalo.in/corporate-governance.php</a> For the financial year 2020-21 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) The details of composition and details of meetings held during the year are disclosed in the Report on Corporated Governance.											
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.	:	<a href="https://paisalo.in/corporate-governance.php">https://paisalo.in/corporate-governance.php</a>											
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	:	<table><tr><th>Sl. No.</th><th>Financial Year</th><th>Amount available for set-off from preceding financial years (INR in Million)</th><th>Amount required to be setoff for the financial year, if any (INR in Million)</th></tr><tr><td colspan="4">N.A.</td></tr></table>				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.			
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 794.80 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:	:												
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.									
15.90	—	—	—	—	—									
(b) Details of CSR amount spent against ongoing projects for the financial year:														

(1) Sl. No.	(2) Name of the Project.	(3) Item from the list of activities in Schedule VII to the Act.	(4) Local area (Yes/No).	(5) Location of the project.		(6) Project duration.	(7) Amount allocated for the project (INR in Million)	(8) Amount spent in the current financial Year (INR in Million)	(9) Amount transferrd to Unspent CSR Account for the project as per Section 135(6) (INR in Million).	(10) Mode of Implementa tion - Direct (Yes/No).	(11) 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	26.91*	0.00	Yes	N.A.	N.A

\*Includes INR 16.90 Millions of previous year unsent CSR amount balance.

c. Details of CSR amount spent against other than ongoing projects for the financial year:

(1) Sl. No.	(2) Name of the Project.	(3) Item from the list of activities in Schedule VII to the Act.	(4) Local area (Yes/No).	(5) Location of the project.		(6) Amount spent for the project (INR in Million)	(7) Mode of Implementa tion Direct (Yes/No). Name	(8) Mode of Implementation - Through Implementing Agency	
				State	District			Name	CSR Registration number.
1.	Food Distribution during lock down	Eradicating hunger	Yes	Uttar Pradesh	Agra	1.99	Yes	N.A.	N.A
2.	Aid to organize eye screening and cataract operation camps	Promoting health care including preventinve health care	Yes	Uttar Pradesh	Shahjahanpur	0.20	No	Anugraha Drishtidhaan and The Blind Relief Association	—
3.	For generating employment for tribal people specially women	Promoting employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement	No	Gujarat	Dang – Tribal District	1.10	No	Jan Swabhiman Welfare Society	—
4.	Aid to install first aid centers	Promoting health care including preventinve health care	Yes	Delhi	New Delhi	0.10	No	SWAWIN Society for Children and Women in Need	—
5.	Fee payment of needy students	Promoting education	No	Pondicherry	Pillayirkuppan	2.50	Yes	N.A.	N.A.
Total						5.89			

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 32.80 Million
g	Excess amount for set off, if any	:	Nil



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 15.90 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.	

N.A.

b Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

(1) Sl. No.	(2) Project ID.	(3) Name of the Project.	(4) Financial Year in which the project was commenced.	(5) Project duration.	(6) Total amount allocated for the project (in Rs.).	(7) Amount spent on the project in the reporting Financial Year (INR in Millions)	(8) Cumulative amount spent at the end of reporting Financial Year. (in Rs.)	(9) Status of the project - Completed /Ongoing.
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N.A.

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 : August 14, 2021

Place : New Delhi

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

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

ANNEXURE-C

# 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 (NBFC-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 132 offices and have presence in ten States of the Country and primarily focusing on financing of self-employed borrowers, a segment which is still untapped/ unserved, driven by rising affluence, aspiration and favorable demographics.

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

## About This Report

The Securities and Exchange Board of India (SEBI) by the SEBI (Listing Obligations and Disclosure Requirements) (Fifth Amendment) Regulations, 2019 effective from December 12, 2019 has mandated the inclusion of a "Business Responsibility Report" (BRR) as part of Company's Annual Report for top 1000 listed entities based on market capitalization at the BSE Ltd. (BSE) and the National Stock Exchange of India Ltd. (NSE). The reporting framework is based on the 'National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business (NVGs)' released by the Ministry of Corporate Affairs, Government of India, in July 2011 which contains 9 Principles and Core Elements for each of the those 9 Principles. Following is the Business Responsibility Report of our Company based on the format suggested by SEBI. Detailed Business Responsibility Report for 2020-21.

## SECTION A: General Information about the Company

1	Corporate Identity Number (CIN) of the Company	:	L65921DL1992PLC120483
2	Name of the Company	:	Paisalo Digital Limited
3	Registered address	:	CSC POCKET-52, CR Park Near Police Station New Delhi, Delhi-110019
4	Website	:	<a href="http://www.paisalo.in">www.paisalo.in</a>
5	E-mail id	:	<a href="mailto:cs@paisalo.in">cs@paisalo.in</a>
6	Financial Year reported	:	April 1, 2020 – March 31, 2021
7	Sector(s) that the Company is engaged in (industrial activity code-wise)	:	Financial Services (NIC Code-64)
8	List three key products/services that the Company manufactures/provides (as in balance sheet)	:	Small Loan, Corporate Loan
9	Total number of locations where business activity is undertaken by the Company		
	a) Number of International Locations (Provide details of major 5)	:	0
	b) Number of National Locations	:	132 (includes Registered Office, Head Office and Branches)
10	Markets served by the Company Local/ State/ National/ International	:	National



## SECTION B: Financial Details of the Company

Sr. No.	Particular	Standalone	Consolidated
1	Paid up Capital	422.98	422.98
2	Total Turnover	3115.48	3460.22
3	Total profit after taxes	609.19	612.61
4	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	The Company's total CSR spending is INR 15.90 Millions for FY 2020-21, 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, The Company has only one Wholly Owned Subsidiary M/s Nupur Finvest Private Limited as on March 31, 2021
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	<p>Principle for BR Policy/policies</p> <p>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:</p> <p>P1 Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.</p> <p>P2 Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.</p> <p>P3 Businesses should promote the wellbeing of all employees.</p> <p>P4 Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised.</p> <p>P5 Businesses should respect and promote human rights.</p> <p>P6 Business should respect, protect, and make efforts to restore the environment.</p> <p>P7 Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.</p> <p>P8 Businesses should support inclusive growth and equitable development.</p> <p>P9 Businesses should engage with and provide value to their customers and consumers in a responsible manner.</p> <p>a) Details of compliance (Reply in Y/N)</p>		

[illegible]



## SECTION E: Principle-Wise Performance

Principle 1 Businesses should conduct and govern themselves with Ethics, Transparency and Accountability		
1.1	Does the policy relating to ethics, bribery and corruption cover only the company? Yes/ No. Does it extend to the Group/ Joint Ventures/ Suppliers/ Contractors/ NGOs / Others?	Our Policies, Code of Conduct, Fair Practice Code and Ethics informs our approach to sustainability and how we conduct ourselves day-to-day – with each other, our customers, our shareholders, our employees, our neighbouring communities and our customers.  The Code applies to all Directors, officers and employees of the Company and its subsidiaries.
1.2	How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.	We have a mechanism for all our stakeholders to communicate us of any inappropriate behaviour. Our Whistle-Blower Policy/Vigil Mechanism, has provisioned for reporting to the management regarding unlawful or unethical or improper practice or act or activity or violation of the Company's Code of Ethics & Business Conduct. During the reporting period, no Whistle-blowing cases were reported. For customer complaints and redressal status, please refer note no. 57 of the Standalone Financial Statements. For investor complaints and redressal status please refer Corporate Governance Report.
Principle 2 Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.		
2.1	List up to three of your products or services whose design has incorporated social or environmental concerns, risks and / or opportunities.	Financial Service i.e. providing loan to income generation activities and general corporate purposes.
2.2	For each such product, provide the following details in respect of resource use (energy, water, raw material, etc.) per unit of product (optional) : Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain? Reduction during usage by consumers (energy, water) has been achieved since the previous year?	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.
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.	Yes, Company has policy for Resource Planning for raising funds through various sources in a manner that ensures a optimize mix of fund at lowest cost.
2.4	Has the Company taken any steps to procure goods and services from local and small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?	Yes, wherever possible.
2.5	Does the Company have a mechanism to recycle products and waste? If yes, what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%)? Also, provide details thereof, in about 50 words or so.	Yes, wherever possible.
Principle 3 Businesses should promote the wellbeing of all employees		
3.1	Please indicate the total number of employees.	Permanent Employees: 920
3.2	Please indicate the total number of employees hired on a temporary / contractual / casual basis.	364
3.3	Please indicate the number of permanent women employees.	19
3.4	Please indicate the number of permanent employees with disabilities.	1
3.5	Do you have an employee association that is recognized by the Management?	No

3.6	What percentage of your permanent employees are members of this recognized employee association?	:	N/A																
3.7	Please indicate the number of complaints relating to child labor, forced labor, involuntary labor and sexual harassment in the last financial year, and those that are pending, as on the end of the financial year.	:	<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? • Permanent employees • Permanent women employees • Casual / temporary / contractual employees • Employees with disabilities	:	 90% 100% 80% 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	:	Yes																
4.2	Out of the above, has the Company identified the disadvantaged, vulnerable and marginalized stakeholders?	:	Yes																
4.3	Are there any special initiatives undertaken by the Company to engage with the disadvantaged, vulnerable and marginalized stakeholders? If so, provide the details thereof, in about 50 words or so.	:	The Company is engaged in providing financial products at reasonable cost to self-help group, women belonging to weaker section of the society to enable them to start economic activity and generate income for their family.																
Principle 5 Businesses should respect and promote human rights.																			
5.1	Does the policy of the Company on human rights cover only the Company or extend to the Group / Joint Ventures / Suppliers / Contractors / NGOs / Others?	:	Company's policy on code of conduct applies to staff, borrowers, vendors, as well as on its subsidiary.																
5.2	How many stakeholder complaints have been received in the past financial year, and what percentage was satisfactorily resolved by the Management?	:	For customer complaints and redressal status, please refer note no. 57 of the Standalone Financial Statements. For investor complaints and redressal status please refer Corporate Governance Report.																
Principle 6 Business should respect, protect, and make efforts to restore the environment.																			
6.1	Does the policy related to Principle 6 cover only the Company, or does it extend to the Group / Joint Ventures / Suppliers / Contractors / NGOs / Others?	:	The Company's CSR Policy has the provisions for protection of environment and its cover only the Company.																
6.2	Does the Company have strategies / initiatives to address global environmental issues such as climate change, global warming, etc? Yes / No. If yes, please give the hyperlink for the web page, etc.	:	No																
6.3	Does the Company identify and assess potential environmental risks? Yes/no	:	No																
6.4	Does the Company have any project related to the Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if yes, has any environmental compliance report been filed?	:	N/A																
6.5	Has the Company undertaken any other initiatives on clean technology, energy efficiency, renewable energy, etc.? Yes / No. If yes, please give the hyperlink for the web page, etc.	:	No.																



6.6	Are the emissions / waste generated by the Company within the permissible limits given by CPCB / SPCB for the financial year being reported?	:	N/A
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 2020-21.
Principle 7 Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.			
7.1	Is your Company a member of any trade and chamber or association? If yes, name only those major ones that your business deals with.	:	The Company is member of the following associations: 1. Finance Industry Development Council (FIDC) 2. National Chamber of Commerce 3. Delhi Hire Purchase & Leasing Companies Associations
7.2	Have you advocated / lobbied through the above associations for the advancement or improvement of public good? Yes / No. If yes, specify the broad areas (Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy Security, Water, Food Security, Sustainable Business Principles, Others).	:	Nil
Principle 8 Businesses should support inclusive growth and equitable development.			
8.1	Does the Company have specified programs / initiatives / projects in pursuit of the policy related to Principle 8? If yes, provide the details thereof.	:	The Company focuses on responsible business practices. The thrust areas are sustainable livelihood, skill development and vocational training. In addition to that we also promote education and healthcare through our CSR activities.
8.2	Are the programs / projects undertaken through an in-house team / own foundation / external NGO / government structures / any other organization?	:	The Company programs/projects undertaken by the Company itself or through not for profit organizations.
8.3	Have you done any impact assessment of your initiative?	:	No
8.4	What is your Company's direct contribution to community development projects – amount in ` and the details of the projects undertaken.	:	Please refer Report on CSR for the details
8.5	Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words or so.	:	Please refer Report on CSR for the details
Principle 9 Businesses should engage with and provide value to their customers and consumers in a responsible manner.			
9.1	What percentage of client complaints / consumer cases are pending as on the end of the financial year?	:	None
9.2	Does the Company display product information on the product label, over and above what is mandated as per local laws? Yes / No / NA / Remarks (additional information).	:	Yes. As per Fair Practice Code, the Company is required to display interest being charged and other practice being adopted by the Company in lending loan to the borrowers.
9.3	Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising, and / or anti-competitive behavior during the last five years and pending as on the end of the financial year? If so, provide the details thereof, in about 50 words or so.	:	No
9.4	Did your Company carry out any consumer survey / measure consumer satisfaction trends?	:	Yes, this is done periodically.

Date : August 14, 2021  
Place : New Delhi

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

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

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

ANNEXURE-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) – 170.29:1 Mr. Anoop Krishna (Executive Director)- 14.55:1 Mr. Harish Singh (Executive Director)- 14.55:1 No other Directors are in receipt of remuneration
2.	Percentage increase (decrease) in remuneration of each director, CFO, CEO, Company Secretary or Manager, if any, in financial year	<b>Director</b> Mr. Sunil Agarwal (Managing Director & CEO) - (13.55%) Mr. Anoop Krishna (Executive Director) – (18.75%) Mr. Harish Singh (Executive Director) – (11.07%) <b>Key Managerial Pereson</b> Mr. Atul Kumar Agrawal (Chief Financial Officer)- (18.75%) Mr. Mananendra Singh (Company Secretary & Chief Compliance Officer)-(7.57%)
3.	Percentage increase in the median remuneration of employees in the financial year	0.53%
4.	The number of permanent employees on the rolls of company	920 as on March 31, 2021
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 2020-21, Employees remuneration decreased by 7.34% as against the 6.50 % decrease in Managerial Remuneration

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

Date : August 14, 2021  
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 a Company's many stakeholders, such as shareholders, management, customers, suppliers, financiers, government and the community. Since Corporate Governance also provides the framework for attaining a Company's objectives, it encompasses practically every sphere of management, from action plans and internal controls to performance measurement and corporate disclosure. It is a set of processes, customs, policies, rules, regulations and laws by which companies are managed in the best interest of the stakeholders. Corporate Governance is related to satisfy the spirit of the law and not just the letter of law.

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

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

### Our Governing Principles on Corporate Governance

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

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

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

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

- Independent analysis and verification of Company's financial information, to safeguard the integrity of 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, 2021 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, 2021 is as under:

#### Mr. Sunil Agarwal (DIN: 00006991)

##### Managing Director and Chief Executive Officer

Mr. Sunil Agarwal is a founder Member, Promoter and Managing Director of the Company with an experience of over 30 years. 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 and he is the main driving force behind the success of the Company. 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 (DIN: 08068261)

##### Executive Director (Strategy & Planning)

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

#### Mr. Harish Singh (DIN: 00039501)

##### Executive Director (Operation)

Mr. Harish Singh is a Fellow Member of Institute of Chartered Accountants of India and Master of Business Administration in Marketing. His association with the Company is for more than two decades and he has a rich experience 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. Gauri Shankar (DIN: 06764026)

##### 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 associated with few companies as Independent Director

#### Mr. Pradeep Agarwal (DIN: 06892799)

##### Independent Director

Mr. Pradeep Agarwal is associated with the Company as an Independent Director of the Company. He is an experienced banking professional with an exemplary track record of more than 39 years in all facets of Banking Industry. He was the General Manager of Oriental Bank of Commerce before joining the Company. 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, Colleges. Mr. Pradeep Agarwal, has been reappointed on the Board of the Company as Independent Director, for further term of five years commencing from March 28, 2020.



**Mr. Naresh Kumar Jain (DIN: 01281538 )****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 compliances Matters.

**Mr. Raman Aggarwal (DIN: 00116103)****Independent Director**

Mr. Raman Aggarwal is Master in Urban Planning from School of Planning & Architecture, from New Delhi and Bachelor of Civil Engineering from Thapar Institute of Engineering and Technology, Patiala and also undertaken a Special Training Programme for the Personnel of Non-Banking Finance Companies at RBI College of Agricultural Banking, Pune. He have more than 29 years of working experience in the NBFC sector.

He is Director of Finance Industry Development Council (FIDC) – A Representative body for Loan & Asset Financing Non-Banking Finance Companies. He is currently a Short Term Consultant (STC) to The World Bank on NBFCs and Advisor to Shriram Transport Finance Ltd., which is one of the leading NBFCs in India.

He has been actively representing the NBFC sector, being a member of Advisory Groups to Ministry of Finance & RBI, Core Group setup by Ministry of Corporate Affairs, and Special Task Force at FICCI. He is also Area Chair – NBFCs at Council for International Economic Understanding (CIEU) and Chairman, Working Group on NBFCs at Centre for Economic Policy and Research (CEPR).

**Mrs. Nisha Jolly (DIN: 08717762)****Independent Director**

Mrs. Nisha Jolly, 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 is a retired banker. She joined Punjab National Bank in 1976, as Management Trainee & retired in 2012 as Chief Manager. In her 34 Years of Service in the Bank, she had varied experiences. She worked at field level in branches as Officer, Manager and Senior Manager. She is well aware of Banking Routine, Loans & Advances and Foreign Exchange related work. She was also involved in framing General Policies for the Bank. Currently she is associated with an Non-Government Organization (NGO).

**Mr. Sunil Srivastav (DIN: 00237561)****Independent Director**

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 State Bank of India until he retired as Deputy Managing Director of Corporate Banking from State Bank of India, 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., National Payments Corporation of India and Member Global Advisory Board of Master Card, to name a few. He also has a deep understanding of the NBFC Sector, gained while heading the Corporate Banking function of the SBI.

Information pursuant to Regulations 34 and 53 read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015,

Mr. Sunil Srivastav joined the Board of CSB Bank (Formerly The Catholic Syrian Bank Ltd.), Kerala, as an Independent Director on June 8, 2021, which may pose a potential conflict of interest on being as Member on the Board of the

Bank as well as on the Board of the Company. Hence as a matter of abundant caution, he resigned from the office of the Independent Director of the Company with effect from July 29, 2021.

Further, vide his resignation letter dated July 29, 2021 he also confirmed that there are no material reasons for his resignation other than those mentioned above.

**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 Familiarisation Program for Independent Directors of the Company is available on the website of the Company i.e. [www.paisalo.in](http://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.



Board Member	CORE SKILLS/ COMPETENCIES/ EXPERTISE							
	Strategy and planning	Policy Development	Governance, Risk and Compliance	Financial Performance	Communications	Commercial Experience	Technology	Executive management
	Ability to think strategically; identify and critically assess strategic opportunities and threats. Develop effective strategies in the con- text 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 and governance of information management and information technology within the Company.	Experience at an executive level including the ability to appoint and evaluate the performance of Senior Managerial Personnel; oversee strategic human resource management including workforce planning.
Mr. Sunil Agarwal	✓	✓	✓	✓	✓	✓	✓	✓
Mr. Anoop Krishna	✓	✓	✓	✓	✓	✓	✓	✓
Mr. Harish Singh	✓	✓	✓	✓	✓	✓	✓	✓
Mr. Sunil Sivastav	✓	✓	✓	✓	✓	✓	✓	✓
Mr. Gauri Shankar	✓	✓	✓	✓	✓	✓	✓	✓
Mr. Pradeep Agarwal	✓	✓	✓	✓	✓	✓	✓	✓
Mr. Naresh K. Jain	✓	✓	✓	✓	✓	✓	✓	✓
Mr. Raman Aggarwal	✓	✓	✓	✓	✓	✓	✓	✓
Mrs. Nisha Jolly	✓	✓	✓	✓	✓	✓	-	✓

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 April 3, 2020; May 30, 2020; June 30, 2020; August 13, 2020; October 31, 2020 and February 6, 2021. The details regarding the composition of the Board of Directors as on March 31, 2021, category of the Directors, their attendance at the Board Meeting held during the year under review and also at the last Annual General Meeting and the number of Directorship and Chairmanships/Membership in Committees held by them in other public companies and their shareholding as on the March 31, 2021 are as follows:



S. No.	Name of Director (DIN)	Category	No. of Shares held in Company as on March 31, 2021	Board meeting held during director's tenure	Attendance at Board meeting	Attendance at Last AGM held on September 8, 2020	No. of Directorship held in other Public Companies*	Committee Positions in other Public Companies*#	
								As Member	As Chairperson
1	Mr. Sunil Agarwal (00006991)	Managing Director (Promoter)	52,85,140	6	6	Yes	1	-	-
2	Mr. Anoop Krishna (08068261)	Executive Director	-	6	6	No	-	-	-
3	Mr. Harish Singh (00039501)	Executive Director	-	6	6	Yes	1	1	1
4	Mr. Sunil Srivastav (00237561)	Non-Executive Independent Director	-	6	6	Yes	6	2	2
5	Mr. Gauri Shankar (06764026)	Non-Executive Independent Director	-	6	6	Yes	1	2	-
6	Mr. Pradeep Agarwal (06892799)	Non-Executive Independent Director	-	6	6	Yes	1	1	1
7	Mr. Naresh Kumar Jain (01281538)	Non-Executive Independent Director	-	6	5	Yes	2	2	1
8	Mr. Raman Aggarwal (00146103)	Non-Executive Independent Director	-	6	6	Yes	1	1	1
9	Mrs. Nisha Jolly^ (08717762)	Non-Executive Independent Director	-	4	4	Yes	-	-	-

^Appointed as a Director of the Company with effect from May 30, 2020;  
\*Includes Private Limited Company(ies) which is subsidiary of Public Limited Company, Excludes Directorship of Private Limited Companies, Companies registered under Section 8 of Companies Act, 2013, Foreign Companies and Government Bodies;  
# Includes only Audit and Stakeholders Relationship Committees in Public Limited Companies have been considered for the Committee positions as per Regulation 26(d)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

Agenda and Minutes

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

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

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

Compliance Certificate by the Secretarial Auditor

The Secretarial Auditor of the Company 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) Qualifications in the draft audit report;



- Reviewing appointment, removal and terms of remuneration of the Chief internal auditor and reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- Discussion with internal auditors of any significant findings and follow up there on;
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
- Carrying out any other function as is mentioned in the terms of reference of the Audit Committee;
- Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- To look into the reasons for substantial defaults in the payment to the debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- To review the functioning of the Whistle Blower mechanism;
- Reviewing the utilization of loans and/ or advances from/investment by the Company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision; and
- Appointment of Chief Financial Officer after assessing the qualifications, experience and background, etc. of the candidate

Powers of Audit Committee:

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

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

Meeting and Composition

The Audit Committee met Five (5) times during the year under review on May 29, 2020; June 30, 2020; August 13, 2020; October 31, 2020; and February 6, 2021.

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 2020-21	Committee meeting attended during the tenure of Member in FY 2020-21
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;
- Formulation of criteria for evaluation of Independent Directors and the Board;
- Devising a policy on Board diversity;
- Identification of person who will qualify to become Director and who may be appointed in senior management

in accordance with the criteria laid down and recommend to the Board their appointment, removal and remuneration;

- Recommendation to the board of directors whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of Independent Directors.
- Reviewing the performance of the Managing /Whole-time Director; and
- Reviewing such other matters which the Board may from time to time request the Committee to consider, examine recommended and/or approve.

Meeting and Composition

The Nomination & Remuneration Committee met Two (2) times during the year under review on August 13, 2020 and February 6, 2021.

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 2020-21	Committee meeting attended during the tenure of Member in FY 2020-21
1	Mr. Sunil Srivastav	Chairman	2	2
2	Mrs. Nisha Jolly*	Member	2	2
3	Mr. Pradeep Agarwal	Member	2	2

\* Appointed as Member of the Committee in the Board Meeting held on May 30, 2020.

Nomination and Remuneration Policy

The Company adopted a Nomination and Remuneration Policy for Directors, KMP and other employees, in accordance with the provisions of the Companies Act, 2013 and 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 2020-21, are as under:

(Amount INR in Lakh)

S. No.	Name of Director	Sitting fees for attending Board and Committee Meetings (Amount in INR)	Salary and Perquisite (Amount in INR)	Incentive/ Bonus (Amount in INR)	Total (Amount in INR)
1	Mr. Sunil Agarwal	N.A.	376.56	N.A.	376.56
2	Mr. Anoop Krishna	N.A.	32.18	N.A.	32.17
3	Mr. Harish Singh	N.A.	26.75	N.A.	26.72
4	Mr. Sunil Srivastav	2.40	N.A.	N.A.	2.40
5	Mr. Gauri Shnakar	3.30	N.A.	N.A.	3.30
6	Mr. Pradeep Agarwal	3.15	N.A.	N.A.	3.15
7	Mr. Naresh Kumar Jain	1.85	N.A.	N.A.	1.85
8	Mr. Raman Agarwal	1.50	N.A.	N.A.	1.50
9	Mrs. Nisha Jolly	1.30	N.A.	N.A.	1.30



The Company does not have an Employee Stock Option.

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

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

The Board of Directors have recognized that it would be important for them to continually assess how effectively they are performing their roles against the objectives and the goals they have set for themselves. This growing recognition has resulted in Board evolutions as a critical structural tool for assessing Board effectiveness and efficiency. Considering this fact and in the light of Company's performance, the performance of the Board of Directors and their committees, along with performance of individual Director is reviewed and evaluated 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, re-materialization and de-materialization of shares and transfer of shares or any other grievances as reported by the security holders. The Committee also oversees the performance of the Registrar and Transfer Agents of the Company and recommends measures for overall improvement in the quality of investor services. The Board has delegated the power of approving transfer of securities to the officers of the Company.

Meeting and Composition

Stakeholder Relationship Committee met Four (4) times during the year under review on June 30, 2020; August 13, 2020; October 31, 2020 and February 6, 2021.

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 2020-21	Committee meeting attended during the tenure of Member in FY 2020-21
1	Mr. Naresh Kumar Jain	Chairman	4	4
2	Mr. Gauri Shankar	Member	4	4
3	Mr. Sunil Srivastav	Member	4	4

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.

Investor's Complaints status for the Financial Year 2020-21

No. of complaints pending at the beginning of the year	:	Nil
No. of complaints received by correspondence during the year	:	Nil
No. of complaints received from BSE during the year	:	Nil

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

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

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

Compliance Officer

Mr. Manendra Singh, Chief Compliance Officer and Company Secretary is the Compliance Officer for complying with the requirements of Securities Laws and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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 Two (2) times during the year under review on June 30, 2020 and March 29, 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 2020-21	Committee meeting attended during the tenure of Member in FY 2020-21
1	Mr. Harish Singh	Chairman	2	2
2	Mr. Sunil Agarwal	Member	2	2
3	Mr. Pradeep Agarwal	Member	2	2

E. Executive Committees Constituted By The Board

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

E-1. Risk Management Committee

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

Meeting and Composition

Risk Management Committee met Four (4) times during the year under review on June 30, 2020; August 13, 2020; October 31, 2020 and February 6, 2021.

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 2020-21	Committee meeting attended during the tenure of Member in FY 2020-21
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
6	Mr. Dhiraj Beri	Member	4	3

Existing Risk Management Committee of the Company w.e.f. June 04, 2021 shall also deemed to be constituted under Regulation 21 of SEBI (LODR) Regulations, 2015 and shall also performed such role and responsibilities as provided under aforesaid regulation



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 30, 2020; August 13, 2020; October 31, 2020 and February 6, 2021.

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 2020-21	Committee meeting attended during the tenure of Member in FY 2020-21
1	Mr. Sunil Agarwal	Chairman	4	4
2	Mr. Harish Singh	Member	4	-
3	Mr. Atul Kumar Agarwal	Member	4	4
4	Mr. Gaurav Chaubey	Member	4	4
5	Mr. Dhiraj Beri	Member	4	4

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 three times during the year under review on June 10, 2020; September 19, 2020 ; January 30, 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 2020-21	Committee meeting attended during the tenure of Member in FY 2020-21
1	Mr. Pradeep Agarwal	Chairman	3	3
2	Mr. Harish Singh	Member	3	3
3	Mr. Sachindra Kumar	Member	2	2
4	Mr. Kailash Singh	Member	3	3

E-4. IT Steering Committee

IT Steering Committee is also constituted by the Board pursuant to the provisions of Reserve Bank of India's Master Direction on the Information Technology Framework for the NBFC Sector.

Meeting and Composition

IT Steering Committee met three times during the year under review on September 28, 2020; December 16, 2020 and February 16, 2021.

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 2020-21	Committee meeting attended during the tenure of Member in FY 2020-21
1	Mr. Harish Singh	Chairman	3	3
2	Mr. Sunil Agarwal	Member	3	3
3	Mr. Sachindra Kumar	Member	1	1

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.

Nodal Officer for IEPF

In terms of Rule 7(2B) of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016) the Company has designated Mr. Manendra Singh, Company Secretary, as a Nodal Officer.

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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a separate meeting of Independent Directors was held on February 4, 2021 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

The details of the special resolutions passed during the last three Annual General Meetings (AGM) are as follows:

AGM	Year	Date, Time And Venue	Special Resolution Passed
26th	2017-18	September 29, 2018 at 03.00 P.M. Auditorium ISKCON Complex, Hare Krishna Hill, Sant Nagar, Main Road, East of Kailash, New Delhi – 110065	1. To fix borrowing power of the Board of Directors u/s 180 (1) (c) of the Companies Act, 2013. 2. 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. 3. To issue Non-Convertible Debentures, in one or more series / tranches pursuant to section 42 of the Companies act, 2013.
27th	2018-19	August 10, 2019 at 11.30 A.M. Auditorium ISKCON Complex, Hare Krishna Hill, Sant Nagar, Main Road, East of Kailash, New Delhi – 110065	1. To re-appoint Mr. Naresh Kumar Jain as Non-Executive Independent Director of the Company 2. To fix borrowing power of the Board of Directors u/s 180 (1) (c) of the Companies Act, 2013. 3. 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. 4. To issue Non-Convertible Debentures, in one or more series / tranches pursuant to section 42 of the Companies act, 2013.
28th	2019-20	September 8, 2020 at 9:30 A.M. Through Video Conferencing (VC)/ Other Audio Visual Means (OAVM)	1. To fix borrowing power of the Board of Directors u/s 180 (1) (c) of the Companies Act, 2013. 2. 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. 3. To issue Non-Convertible Debentures, in one or more series / tranches pursuant to section 42 of the Companies act, 2013.

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, one Extraordinary General Meeting was held on March 8, 2021 through Video Conferencing (VC)/ Other Audio Visual Means (OAVM) to pass Special Resolution for issuance of 26,10,000 Fully Convertible Warrants (Warrants) to the Promoter group entities of the Company, on a preferential basis at a issue price of INR 705 per warrant.

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: 37 of the Notes to the Financial Statements for the year ended March 31, 2021.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 condone 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>.
- 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>.
- Policy on Determination of Materiality for disclosures of Events or information** as per Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 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/corporate-governance.php>.

- 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 2020-21 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 Allotment
	July 16, 2020	Listed Secured Rated Non-Convertible Debentures (NCDs) of INR 10,00,000/- each (ROI 10.50 % P.A.)	500	Private Placement
	August 26, 2020	Listed Secured Rated Non-Convertible Debentures (NCDs) of INR 10,00,000/- each (ROI 9.50 % P.A.),	200	Private Placement
	November 10, 2020	Listed Secured Rated Non-Convertible Debentures (NCDs) of INR 10,00,000/- each (ROI 10.50 % P.A.),	160	Private Placement
	December 4, 2020	Unlisted Unsecured Non-Convertible Debentures (NCDs) of INR 1,00,00,000/- each (ROI 12.00 % P.A.)	1	Private Placement
	December 11, 2020	Unlisted Unsecured Non-Convertible Debentures (NCDs) of INR 1,00,00,000/- each (ROI 12.00 % P.A.)	35	Private Placement
	February 16, 2021	Unlisted Unsecured Non-Convertible Debentures (NCDs) of INR 1,00,00,000/- each (ROI 12.00 % P.A.)	23	Private Placement
	March 20, 2021	Fully Convertible Warrant at issue price of INR 705 each	26,10,000	Preferential Allotment

- 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: 32 of the Notes to the standalone/Consolidated Financial Statements for the year ended March 31, 2021 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, 2021.

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)	N.A.
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](http://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](http://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 .The outcome and voting results of the 28th AGM held on September 8, 2020 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, 2021
For the half year	:	On or before November 14, 2021
For the 3rd quarter	:	On or before February 14, 2022
For the year end	:	On or before May 30, 2022

29th Annual General Meeting for FY 2020-21

Date and Time	:	September 25, 2021 at IST 10:30 a.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 cut off date is September 18 2021



Date of Book Closure	: The Books of the Company will remain closed from September 19, 2021 to September 25, 2021 (both days inclusive)
E-voting period	Start on September 22, 2021 at IST 9:00 a.m. and ends on September 24, 2021 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 @ INR 1.00 per fully paid-up Equity Share of INR 10/- of the Company will be paid to the shareholders whose names appear in the Register of Members as on September 18, 2021, subject to approval of the shareholders at the 29th Annual General Meeting, within the statutory time limit of 30 days.

Credit Rating

M/s Infomermics Valuation and Rating Pvt. Ltd., vide its letter dated August 25, 2020 assigned following rating to Company's instruments:

Sr No.	Instrument/Facility	Amount (INR in Million)	Rating Assigned
1.	Fund Based Facilities from Banks	8900.00	IVR A+ /Stable Outlook
2.	Non-Convertible Debentures	1,000.00	(IVR Single A Plus with Stable Outlook)

Listing

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

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

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, 2021 are as follows:

Listing on Foreign Stock Exchange	Luxembourg Stock Exchange (LSE) Societe De La Bourse, De Luxembourg
Address	35A Boulevard Jospeh II, Luxembourg
Website	www.burse.lu
Security Type	GDR
ISIN	US6954891049
Security Code/ Symbol	Paisalo Digital GDR
Outstanding Securities	7,74,99,060 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 Extraordinary General Meeting held on March 8, 2021, on receipt of initial warrant subscription amount of INR 460.01 Millions 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 total 26,10,000 Warrants (ISIN INE420C13013) to below mentioned Promoter Group Entities, on preferential basis. The conversion option can be exercised by Warrantholders at any time during the period of 18 (Eighteen) months from the date of allotment of equity warrants, in one or more tranches, as the case may be and on such other terms and conditions as applicable.

Sr. No.	Name Warrantholder	Category	Number of warrants allotted
1	PRO FITCCH (P) Ltd.	Promoter Group	8,70,000
2	EQUILIBRATED VENTURE CFLOW (P) Ltd.	Promoter Group	8,70,000
3	PRI CAF (P) Ltd.	Promoter Group	8,70,000

Out Standing Non Convertible Debentures as on March 331, 2021

Sr. No.	Series	Listed/ unlisted	Tenure		Rated/ Unrated	Secured/ Unsecured	Outstanding Principal amount (INR in million)
			Month	days			
1	1609 SEIL NCD	Unlisted	60	0	Unrated	Unsecured	950.00
2	PDL1802 NCD	Unlisted	60	0	Unrated	Unsecured	280.00
3	PDL1808 NCD	Unlisted	72	0	Unrated	Unsecured	810.00
4	PDL 2020-1	Unlisted	72	0	Unrated	Unsecured	60.00
5	PDL 2020-2	Unlisted	72	0	Unrated	Unsecured	10.00
6	PDL 2020-3	Unlisted	60	0	Unrated	Unsecured	90.00
7	PDL -07-2020	Listed	33	5	Rated	Secured	500.00
8	PDL -08-2020	Listed	18	0	Rated	Secured	200.00
9	PDL -11-2020	Listed	18	0	Rated	Secured	160.00
10	PDL -12-2020	Unlisted	120	0	Unrated	Unsecured	10.00
11	PDL-12-2020-2	Unlisted	36	0	Unrated	Unsecured	350.00
12	PDL-02-2021	Unlisted	60	0	Unrated	Unsecured	230.00

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

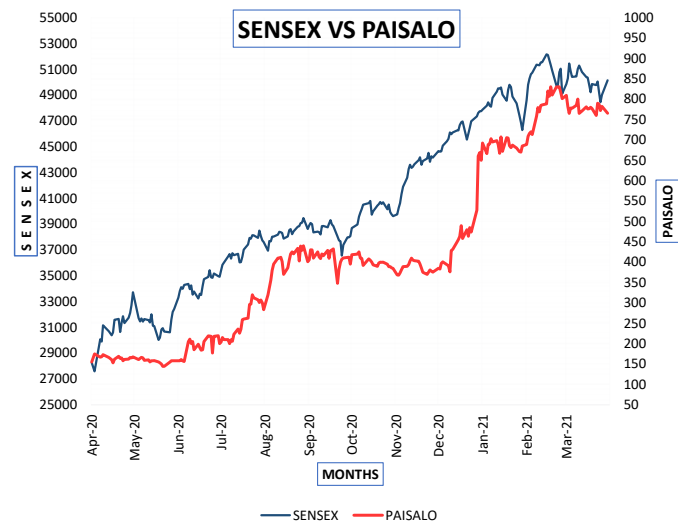
Monthly high and low prices of equity shares of the Company on NSE and BSE during the year under review in comparison to BSE (Sensex) and NSE (Nifty) are given hereunder:

Month	NSE		BSE	
	High (INR)	Low (INR)	High (INR)	Low (INR)
April 2020	180.00	155.10	178.00	153.00
May 2020	172.40	145.10	167.45	144.30
June 2020	238.40	152.30	240.00	156.00
July 2020	350.00	206.00	391.50	200.00
August 2020	474.95	316.10	489.95	320.05
September 2020	465.00	346.00	464.60	348.00
October 2020	459.85	381.35	443.10	384.70
November 2020	442.50	365.05	424.00	368.10
December 2020	745.95	382.30	748.20	376.15
January 2021	752.90	663.05	759.00	666.45
February 2021	875.00	688.85	874.70	688.80
March 2021	880.00	756.05	877.00	760.00

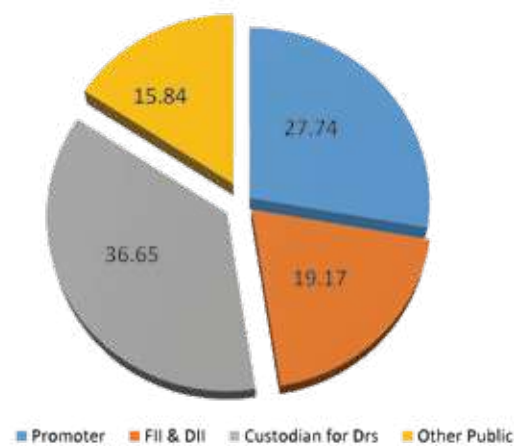
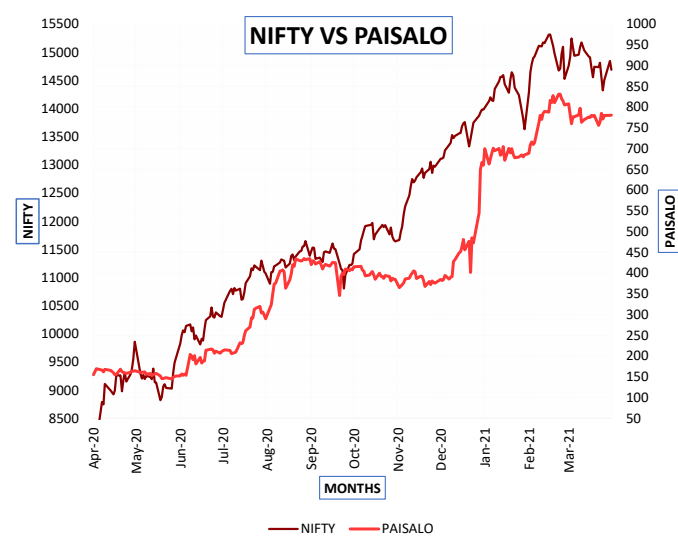


The performance of the Company's average monthly share price data in comparison to broad-based indices like BSE Sensex and Nifty in FY 2020-21 are given below:

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



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



### Shareholding Pattern as on March 31, 2021

Category of Shareholders	Demat	Physical	Total	% of Total Shares
<b>A. Promoters</b>				
<b>(1) Indian</b>				
a) Individual/ HUF	73,28,640	-	73,28,640	17.33
b) Central Govt.	-	-	-	-
c) State Govt(s)	-	-	-	-
d) Bodies Corp.	44,01,932	-	44,01,932	10.41
e) Bank/FI	-	-	-	-
f) Any Other	-	-	-	-
<b>Sub-total (A) (1)</b>	<b>1,17,30,572</b>	<b>-</b>	<b>1,17,30,572</b>	<b>27.74</b>
<b>(2) Foreign</b>				
a) NRIs -Individual	-	-	-	-
b) Other- Individuals	-	-	-	-
c) Bodies Corp.	-	-	-	-
d) Banks/FI	-	-	-	-
e) Any Other	-	-	-	-
<b>Sub-total (A) (2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Shareholding of Promoter (A) = (A) (1)+(A) (2)</b>	<b>1,17,30,572</b>	<b>-</b>	<b>1,17,30,572</b>	<b>27.74</b>
<b>B. Public Shareholding</b>				
<b>1. Institutions</b>				
a) Mutual Funds	-	-	-	-
b) Banks/FI	-	-	-	-
c) Central Govt.	-	-	-	-
d) Sate Govt.(s)	-	-	-	-
e) Venture Capital Funds	-	-	-	-
f) Insurance Companies	45,46,874	-	45,46,874	10.75
g) FIIs/FPI	37,88,963	-	37,88,963	8.96
h) Foreign Venture Capital Funds	-	-	-	-
i) Alternate Investment Funds	25,096	-	25,096	0.06
j) Others (specify)	-	-	-	-
<b>Sub-total (B) (1)</b>	<b>83,60,933</b>	<b>-</b>	<b>83,60,933</b>	<b>19.77</b>
<b>2. Non- Institutions</b>				
<b>a) Bodies Corp.</b>				
i) Indian	56,08,451	-	56,08,451	13.26
ii) Overseas	-	-	-	-
<b>b) Individual</b>				
i) Individual shareholders holding nominal share capital upto Rs. 2 lac	5,90,338	4,006	5,94,344	1.41
ii) Individual shareholders holding nominal share capital in excess of Rs. 2 lac	3,18,873	-	3,18,873	0.75
<b>c) Other (specify)</b>				
(c-i) Non-Resident Indians	53,778	-	53,778	0.13
c-ii) Clearing Member	76,792	-	76,792	0.18
(c-iii) Resident HUF	48,644	-	48,644	0.11
<b>Sub-total (B) (2)</b>	<b>66,96,876</b>	<b>4,006</b>	<b>67,00,882</b>	<b>15.84</b>
<b>Total Public Shareholding (B)=(B)(1)+ (B)(2)</b>	<b>1,50,57,809</b>	<b>4,006</b>	<b>1,50,61,815</b>	<b>35.61</b>
<b>C. Shares held by Custodian</b>	<b>1,54,99,812</b>	<b>-</b>	<b>1,54,99,812</b>	<b>36.65</b>
<b>Grand Total (A+B+C)</b>	<b>4,22,88,193</b>	<b>4,006</b>	<b>4,22,92,199</b>	<b>100.00</b>



Details of Promoter/Promoter Group Shareholding as on March 31, 2021

Sr No.	Name/Address	Holding	% to the Capital
1	Mr. Sunil Agarwal	52,85,140	12.50
2	Ms. Suneeti Agarwal	3,58,300	0.85
3	Mr. Santanu Agarwal	16,85,200	3.98
4	Equilibrated Venture Cflow Private Limited (Formerly Known as Bhavya Electronics & Networks Private Limited)	40,84,212	9.66
5	PRI CAF Private Limited (Formerly Known as Diamond Infradev Private Limited)	2,56,920	0.61
6	Pro Fitch Private Limited (Formerly Known as Baba Herbals Private Limited)	60,800	0.14
Total		1,17,30,572	27.74

Details of Public Shareholder holding more than 1 % sharesas on March 31, 2021

(Other than Promoter/ Directors/Custodian for GDRs)

S. No.	Name of Shareholder	No. of Shares	% of total shares of the Company
1	Nomura Singapore Limited Odi	7,40,000	1.75
2	Antara India Evergreen Fund Ltd	20,56,657	4.86
3	Elara India Opportunities Fund Limited	4,51,560	1.07
4	Life Insurance Corporation Of India	7,46,874	1.77
5	SBI Life Insurance Co. Ltd	38,00,000	8.98
6	Zeal Professional Services Private Limited	12,19,364	2.88
7	Eastern Star Infradev Private Limited	5,62,210	1.33

Distribution of Shareholding as on March 31, 2021

Range	Shareholding				
	No. of Shareholders	% to total holder	Shares	Amount (INR)	% to Capital
1 to 500	3289	92.15	1,27,504	12,75,040	0.30
501 to 1,000	71	1.99	53,498	5,34,980	0.13
1,001 to 2,000	57	1.60	81,915	8,19,150	0.19
2,001 to 3,000	20	0.56	51,296	5,12,960	0.12
3,001 to 4,000	16	0.45	57,074	5,70,740	0.14
4,001 to 5,000	12	0.34	55,936	5,59,360	0.13
5,001 to 10,000	21	0.59	1,53,954	15,39,540	0.36
Greater than 10,000	83	2.33	4,17,11,022	41,71,10,220	98.63
Total	3,569	100.00	42292199	42,29,21,990	100.00

Dematerialization of Shares as on March 31, 2021

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, 2021	% as on March 31, 2021
Physical form	4,006	0.01
Electronic form with NSDL	2,38,86,041	56.48
Electronic form with CDSL	1,84,02,152	43.51
Total	4,22,92,199	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

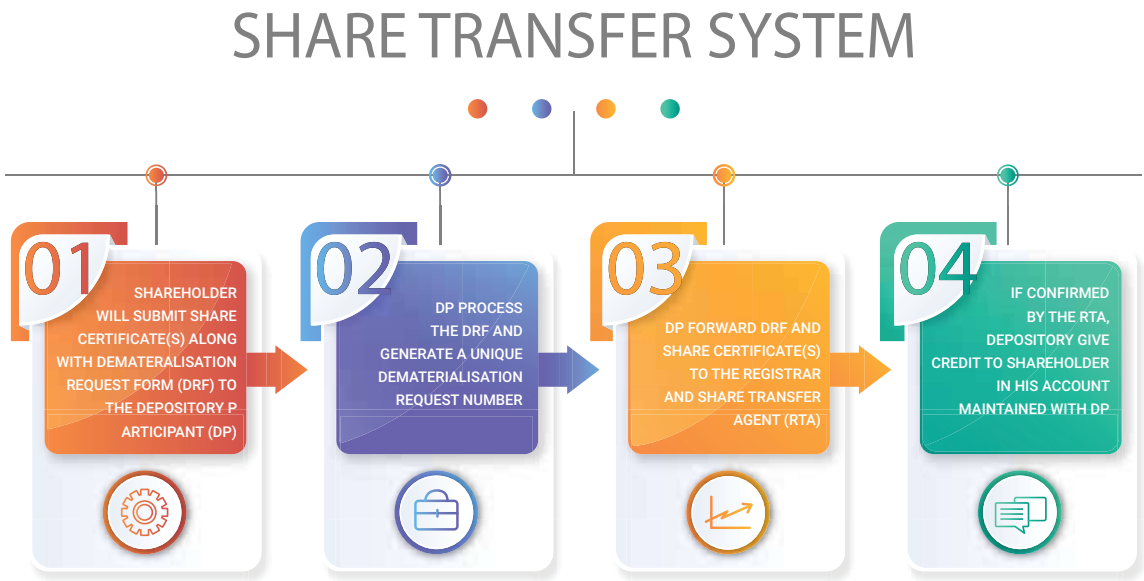
Address for correspondence

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

Share Transfer System

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:



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

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) is put on the Company's website and can be accessed at link <http://www.reliancecapital.co.in/Download-Forms.aspx>.
- are requested to register/ update their e-mail address with the Company / Alankit Assignments Limited for receiving all communications from the Company electronically.

#### Shareholders holding shares in electronic mode:

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

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

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

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

### Electronic Payment Services

Shareholders should avail the Electronic Payment Services for payment of dividend as the same reduces risk

attached to physical dividend warrants. Some of the advantages of payment through electronic credit services are as under:

- Avoidance of frequent visits to banks for depositing the physical instruments;
- Prompt credit to the bank account of the investor through electronic clearing;
- Fraudulent encashment of warrants is avoided;
- Exposure to delays / loss in postal service avoided; 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 INR 1/- (Rupee One only) per share i.e. 10% on each fully paid equity share of INR 10/- (Rupees Ten Only) for Financial Year 2020-21. 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 53,616.00 for FY 2012-13 which remained unpaid or unclaimed was transferred to the IEPF Authority in FY 2020-21.

Members are requested to note the following due date(s) for claiming the unpaid or unclaimed dividend declared by the Company for FY 2013-14 and thereafter–

Financial Year	Dividend (Interim/Final)	Dividend Per Share	Date of Declaration	Due date for transfer in IEPF
2013-14	Final	Re. 1	30-09-2014	06-11-2021
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

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 2013-14; 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 8, 2020 (28th AGM) on the website of IEPF at [www.iepf.gov.in](http://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 2020-21. 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 half-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, 2021
- 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.



## 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, 2021.

Date : August 14, 2021  
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 March 31, 2021, 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 : August 04, 2021  
Place : Agra

For Satish Jadon & Associates  
Company Secretaries

Sd/-  
Satish Kumar Jadon  
Membership No. F9512  
CoP No.9810  
P.R. No. 1028/2020  
UDIN : F009512C000733323



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 March 31, 2021 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, Reserve Bank of India or any such other Statutory Authority.

S. No.	Name of Director	DIN	Date of Appointment in the Company
1.	Mr. Sunil Agarwal	00006991	05/03/1992
2.	Mr. Harish Singh	00039501	01/08/2008
3.	Mr. Sunil Srivastav	00237561	12/04/2018
4.	Mr. Naresh Kumar Jain	01281538	14/08/2014
5.	Mr. Anoop Krishna	08068261	23/02/2018
6.	Mr. Gauri Shankar	06764026	22/07/2017
7.	Mr. Pradeep Agarwal	06892799	28/03/2015
8.	Mr. Raman Aggarwal	00116103	15/10/2019
9.	Mrs. Nisha Jolly	08717762	30/05/2020

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

Date : August 04, 2021  
Place : Agra

For Satish Jadon & Associates  
Company Secretaries

Satish Kumar Jadon  
Membership No. F9512  
CoP No.9810  
P.R. No. 1028/2020  
UDIN : F009512C000734962

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 2020-21 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: August 14, 2021  
Place: New Delhi

For Paisalo Digital Ltd.

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

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



INDEPENDENT AUDITOR'S REPORT

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

REPORT ON THE STANDALONE IND AS FINANCIAL STATEMENTS

OPINION

We have audited the accompanying Standalone Ind AS Financial Statements of **M/S PAISALO DIGITAL LIMITED** ("the Company") which comprises the Balance Sheet as at 31st March 2021 the Statement of Profit and Loss (including Statement of Other Comprehensive Income), Statement of changes in Equity and Statement of Cash Flows for the year ended on that date, and notes to the Standalone Ind AS Financial Statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Ind AS Financial Statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2021 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
<b>Impairment of financial Instruments (Expected Credit Loss)</b> (refer Note No. 28 of the Standalone Financial Statement)	<ul style="list-style-type: none"><li>We read and assessed the Company's accounting policies for impairment of financial assets and their compliance with Ind AS 109.</li></ul>
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:	<ul style="list-style-type: none"><li>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.</li></ul>
<ul style="list-style-type: none"><li>unbiased, probability weighted outcome under the various scenarios;</li><li>time value of money;</li><li>impact arising from forward looking macro-economic factors and;</li><li>availability of reasonable and supportable information without undue costs.</li></ul>	<ul style="list-style-type: none"><li>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.</li></ul>
Applying these principles involves significant estimation in various aspects, such as;	<ul style="list-style-type: none"><li>Tested the ECL model, including assumptions and underlying computation.</li></ul>
<ul style="list-style-type: none"><li>grouping of borrowers based on homogeneity by using appropriate statistical techniques;</li><li>staging of loans and estimation of behavior life;</li><li>estimation of losses for loan products/ corporate guarantee with historical defaults.</li><li>Determining macro-economic factors impacting credit quality of financial assets.</li></ul>	
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.	

MANAGEMENT'S RESPONSIBILITY FOR THE STANDALONE IND AS FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Standalone Financial Statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Financial 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.

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

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

Our objectives are to obtain reasonable assurance about whether the Standalone Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are



considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Standalone Financial Statements.

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

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

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

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

## REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Companies Act, 2013, we give in the Annexure 'A' a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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

- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c. The audit of all the branch offices of the Company has been conducted by us, hence Section 143(8) is not applicable;
- d. The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity, and the Cash Flow Statement dealt with by this Report are in agreement with the books of 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 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2021 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 : 4th June 2021

For D. TAYAL & JAIN  
Chartered Accountants  
Firm Reg. No. 011181C

Sd/-  
(CA. DEEPAK TAYAL)  
Proprietor  
Membership No. 073102  
UDIN :21073102AAAADL1219



## ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT

### M/S PAISALO DIGITAL LIMITED

(Referred to in paragraph of our Report of even date for F. Y. 2020-21)

- i. The Company has maintained proper records to show full particulars including quantitative details and situation of fixed assets.  
As explained to us, the Property, Plant and Equipments have been physically verified by the management at reasonable interval. According to the information and explanations given to us, no material discrepancies were noticed on such verification.  
According to information and explanations given to us, the title deeds of immovable properties of the company are held in the name of the Company.
- ii. The Company is a Non-Banking Finance Company and has not dealt with any goods and the Company does not hold any inventory during the period under audit. Accordingly, the reporting requirement under clause (iii) of para no 3 of the Order is not applicable.
- iii. The Company has granted loans, secured or unsecured to companies, firms, limited liability partnership or other parties listed in the register maintained under Section 189 of the Companies Act, 2013 in ordinary course of business.  
The terms & conditions of grant of such loans are not prejudicial to the interest of the Company.  
The repayment/receipt of the principal and interest of loan granted is regular and there is no amount which is overdue as at the year end.
- iv. According to the information and explanations given to us, the provisions of Section 185 and 186 of the Companies Act, 2013 in respect of loans, investments, guarantees and security have been complied with.
- v. The Company is a Non Banking Financial (Non-Deposit Accepting or Holding Systemically Important) (ND-SI) Company, hence directives issued by Reserve Bank of India and provisions of Section 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the Rules framed there under are not applicable to the Company.
- vi. Maintenance of cost records as required under sub-section (1) of Section 148 of the Companies Act, 2013 are not applicable to the Company.
- vii.
  - a) According to the information and explanations given to us, the Company has been regular in depositing with appropriate authorities undisputed statutory dues and there are no undisputed amounts of Income Tax, Goods & Service Tax, Cess, Employees State Insurance, Customs Duty, Provident Fund and Professional Tax etc. outstanding as at the last day of financial year concerned for a period of more than six months from the date they became payable.
  - b) There are no dues of Income Tax, Goods & Service Tax and Custom Duty on account of any dispute.
- viii. Based on the records examined by us and according to the information and explanation given to us, the Company has not defaulted in the repayment of loans or borrowings to a Financial Institution or Bank or Government or dues to Debenture holders.
- ix. According to the information and explanations given to us, the Company had not raised money by way of initial public offer or further public offer during the year. During the year, the Company has raised term loan from Bank and applied to the purpose for which they were raised.
- x. Based on the records examined by us and according to the information, explanations given to us, no fraud by the Company or any fraud on the Company by its officers or employees has been noticed or reported during the year.
- xi. Based on the records examined by us and according to the information & explanations given to us, provision of Section 197 read with Schedule V to the Companies Act, 2013 for managerial remuneration paid or provided have been duly complied with.
- xii. In our opinion and according to the information & explanation given to us, the Company is Non Banking Financial (Non-Deposit Accepting or Holding Systemically Important) (ND-SI) Company, therefore the clause xii of para no. 3 of the said order is not applicable to the Company.
- xiii. Based on the records examined by us and according to the information & explanation given to us, the provisions of Section 177 and 188 of the Companies Act, 2013 regarding transaction with related parties have been complied with

and details of the transaction as per applicable accounting standard have been disclosed in the notes to accounts of the Standalone Financial Statements.

- xiv. Based on the records examined by us and according to the information & explanation given to us, the Company has made preferential allotment of fully convertible warrants during the year in compliance with the requirement of Section 42 of the Act and amount raised has been used for the purpose for which the funds were raised.
- xv. Based on the records examined by us and according to the information & explanation given to us, no non-cash transactions with directors or persons connected with him, have been taken place during the year, hence the provisions of Section 192 of the Companies Act, 2013 are not applicable to the company.
- xvi. According to the information & explanation given to us, the Company is registered under section 45-IA of the Reserve Bank of India Act, 1934 as Non Banking Financial (Non-Deposit Accepting or Holding) Company.

Place : New Delhi  
Date : 4th June 2021

For D. TAYAL & JAIN  
Chartered Accountants  
Firm Reg. No. 011181C

Sd/-  
(CA. DEEPAK TAYAL)  
Proprietor  
Membership No. 073102  
UDIN :21073102AAAADL1219



# ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT

M/S PAISALO DIGITAL LIMITED  
(Referred to in paragraph of our Report of even date for F. Y. 2020-21)

## 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, 2021 in conjunction with our audit of the Standalone Ind AS Financial Statements of the Company for the year ended on that date.

### MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

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

### AUDITOR'S RESPONSIBILITY

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

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

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

### MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

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

## INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

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

## OPINION

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2021 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 : 4th June 2021

For D. TAYAL & JAIN  
Chartered Accountants  
Firm Reg. No. 011181C

Sd/-  
(CA. DEEPAK TAYAL)  
Proprietor  
Membership No. 073102  
UDIN :21073102AAAADL1219



BALANCE SHEET AS ON 31ST MARCH 2021

(₹ 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	1,394.79	3,100.49
	(b) Bank Balances other than (a) above	2	3,287.30	33.88
	(c) Derivative Financial Instruments	3	-	-
	(d) Receivables			
	(i) Trade Receivables	4	3,124.94	1,065.42
	(ii) Other Receivables		-	-
	(e) Loans	5	190,330.68	171,600.11
	(f) Investments	6	6,614.22	6,614.22
	(g) Other Financial Assets	7	17,568.20	17,190.21
	(2) Non Financial Assets			
	(a) Current Tax Assets (Net)	8	491.59	411.72
	(b) Deferred Tax Asset (Net)		-	-
	(c) Investment Property		-	-
	(d) Biological Assets other than Bearer plants		-	-
	(e) Property, Plant and Equipments	9	6,268.41	6,427.63
	(f) Capital Work-in-Progress		-	-
	(g) Intangible Assets under development		-	-
	(h) Goodwill		10.70	10.70
	(i) Other Intangible Assets	9	147.12	186.27
	(j) Other Non-Financial Assets	10	201.47	368.94
	Total Assets		229,439.42	207,009.59
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		4.62	114.16
	(ii) Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises		1,675.80	391.76
	(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		302.80	462.17
	(c) Debt Securities	13	27,844.37	13,200.00
	(d) Borrowings (Other than Debt Securities)	14	81,852.10	85,013.70
	(e) Deposits	15	-	-
	(f) Subordinated Liabilities	16	8,900.00	8,800.00
	(g) Other Financial Liabilities	17	20,042.17	20,759.01
	(2) Non-Financial Liabilities			
	(a) Current Tax Liabilities (Net)	18	-	-
	(b) Provisions	19	2,734.98	2,151.56
	(c) Deferred Tax Liabilities (Net)	20	166.80	118.88
	(d) Other non-financial Liabilities	21	467.85	409.43
	(3) Equity			
	(a) Equity Share Capital	22	4,229.84	4,229.84
	(b) Other Equity	23	81,218.09	71,359.08
	Total Equity & Liabilities		229,439.42	207,009.59

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 D. TAYAL & JAIN  
Chartered Accountants  
Firm Reg. No. 011181C

Sd/-  
(CA. DEEPAK TAYAL)  
Proprietor  
Membership No. 073102

Place : New Delhi  
Date : 4th June 2021

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

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

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

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

For and on behalf of the Board

PROFIT & LOSS STATEMENT FOR THE PERIOD ENDED 31ST MARCH 2021

(₹ 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	31,154.77	33,745.11
	(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)		31,154.77	33,745.11
II	Other Income	26	-	-
	Total Income (I+II)		31,154.77	33,745.11
III	Expenses:			
	(i) Finance Costs	27	14,375.66	13,357.35
	(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	4,033.80	7,489.13
	(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	2,164.65	2,328.25
	(xi) Depreciation, amortization and impairment	30	372.99	401.29
	(x) Others expenses	31	2,219.14	2,776.83
	Total Expenses (III)		23,166.24	26,352.85
IV	Profit before exceptional items and tax (II-III)		7,988.53	7,392.26
V	Exceptional items		(64.45)	-
VI	Profit before tax (IV-V)		8,052.98	7,392.26
VII	Tax Expense:			
	(1) Current Tax		1,913.16	1,939.96
	(2) Deferred Tax		47.92	48.40
VIII	Profit for the period from continuing operations (VI-VII)		6,091.90	5,403.90
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)		6,091.90	5,403.90
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)		6,091.90	5,403.90
XV	Earnings per Equity Share (for continuing operations):			
	Basic (Rs.)	33	14.40	12.78
	Diluted (Rs.)		14.40	12.78
XVI	Earnings per Equity Share (for discontinued operations):			
	Basic (Rs.)		-	-
	Diluted (Rs.)		-	-
XVII	Earnings per Equity Share (for continuing and discontinued operations):			
	Basic (Rs.)	33	14.40	12.78
	Diluted (Rs.)		14.40	12.78

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

Sd/-  
For D. TAYAL & JAIN  
Chartered Accountants  
Firm Reg. No. 011181C

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

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

(CA. DEEPAK TAYAL)  
Proprietor  
Membership No. 073102

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

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

Place : New Delhi  
Date : 4th June 2021

STATEMENT OF STANDALONE CASH FLOW  
STATEMENT FOR THE YEAR ENDED 31ST MARCH 2021

(₹ 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		22,364.18		20,749.61
	Adjustments for				
I	Depreciation	205.53		188.00	
II	Deferred Expense W/O	167.46		213.29	
III	Impairment on financial instruments	4,033.80		7,489.13	
	Operating Profit before working capital changes		26,770.97		28,640.03
	Adjustments for				
I	Change in Other Financial Assets	456.13		(322.91)	
II	Change in Loans & Receivables	(24,322.48)		(9,884.10)	
III	Change in Payable & non financial liabilities	1,073.56		(3,612.10)	
	Cash generated from Operations		3,978.18		14,820.92
I	Interest paid	(14,375.66)		(13,357.35)	
II	Income Tax paid	(1,993.05)		(2,137.32)	
III	Paid Expenses on CSR	(328.08)		(97.91)	
	Cash flow before Extraordinary Items		(12,718.61)		(771.66)
I	Extraordinary items		(64.45)		-
	Net Cash from Operating Activities		(12,654.16)		(771.66)
B	Cash Flows from Investing Activities:				
I	Purchase of Fixed Assets	(7.16)		(29.98)	
	Net Cash from Investing activities		(7.16)		(29.98)
C	Net Cash from Financing Activities:				
I	Proceeds from Borrowings	(3,161.60)		10,795.05	
II	Proceeds from Debt Service Repayment Account	(1,550.95)		(8,943.77)	
III	Proceeds from Debt Securities	14,644.37		900.00	
IV	Proceeds from Subordinated Liability	100.00		700.00	
V	Dividend Paid	(422.92)		(466.90)	
VI	Money received against Share Warrant	4,600.13			
	Net Cash from Financing activities		14,209.03		2,984.38
	Net Increase/(decrease) in cash & cash equivalents		1,547.71		2,182.74
	Cash & Cash equivalents at beginning of period		3,134.38		951.64
	Cash & Cash equivalent at end of period		4,682.09		3,134.38

Signed in terms of our Report of even date

For and on behalf of the Board

Sd/-  
For D. TAYAL & JAIN  
Chartered Accountants  
Firm Reg. No. 011181C

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

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

Sd/-  
(CA. DEEPAK TAYAL)  
Proprietor  
Membership No. 073102

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

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

AUDITORS' REPORT

We have verified the attached Cash Flow Statement of M/s Paisalo Digital Limited derived from audited Financial Statements and the books and records maintained by the Company for the year ended 31st March 2021 and 31st March 2020 and found the same in agreement here with.

Place : New Delhi  
Date : 4th June 2021

For D. TAYAL & JAIN  
Chartered Accountants  
Firm Reg. No. 011181C

Sd/-  
(CA. DEEPAK TAYAL)  
Proprietor  
Membership No. 073102



## ACCOUNTING POLICIES

### 1. CORPORATE INFORMATION

**M/S PAISALO DIGITAL LIMITED** is a systemically important non deposit taking non-banking finance company providing loans.

Paisalo Digital Limited is a 29 year old company primarily focusing on financing self-employed borrowers, a segment which is still untapped / unserved, driven by rising affluence, aspirations and favorable demographics.

The Company's successful digital mode of financing self – employed underserved / under – penetrated, using technology with high touch hi-tech model, enabled to register strong growth. The Company is able to scale up its business operations through its intranet model of financing to 132 branches as on date and still growing. The Company has cumulatively served more than 1 million satisfied customers. While remaining focused on growth, Company consistently maintains high asset quality level and continues to build the institution on the strong pillars of ethics, values and corporate governance.

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

### 2. FUNCTIONAL AND PRESENTATION CURRENCY

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

### 3. BASIS OF PREPARATION OF Financial Statements

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

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

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

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

Accounting policies have been consistently applied except where a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

### 4. USE OF ESTIMATES AND JUDGEMENTS

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

#### 4.1 REVENUE RECOGNITION

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company

and the revenue can be reliably measured. Company follows accrual basis for all revenue recognition. Interest income is recognized on due basis and penal income 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 NPA is created against company's credit exposures.



The Company recognize overdue amount from customers in trade receivables.

Expected Credit Loss model:

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

ECL model is divided into three stages as follows:

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

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

Determining significant increase in credit risk

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

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

Forward looking information

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

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

The Calculations of ECL

PDL calculates ECL on the basis of probability-weighted average scenarios on the basis of historical data. The calculation of ECL has following key elements of PDL's internal estimates:

Probability of default(PD):

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

Exposure at default:

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

Loss Given Default:

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

Discount rate:

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

ECL system:

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

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

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

Conclusion:

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

PDL ECL model is subjected to review every year.

5.4 DERECOGNITION OF FINANCIAL INSTRUMENTS

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

5.5 INVESTMENTS

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

5.6 PROPERTY, PLANT AND EQUIPMENT

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

Costs directly attributable to acquisition are capitalized until the property, plant and equipment are ready for use, as intended by the Management. If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment. An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or



loss on disposal of an item of property, plant and equipment is recognized in the statement of profit and loss.

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

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

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

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

5.7 IMPAIRMENT

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

5.8 INTANGIBLE ASSETS

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

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

5.9 CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Contingent liabilities are disclosed for:

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

5.10 SHARE CAPITAL

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

5.11 SEGMENT REPORTING POLICY

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

5.12 BUSINESS MODEL

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

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 2021

### Note : 1 Cash & Cash Equivalents

(₹ in Lakhs)

Sr. No.	Particulars	Current Year	Previous Year
1	Cash Balances	223.21	129.74
2	<b>Bank Balances</b>		
	Current a/c with Scheduled Banks (Subject to reconciliation)	1,171.51	2,970.68
	Cheques/ Drafts on Hands	-	-
3	<b>In Fixed Deposits - Unencumbered</b>		
	With Banks	0.07	0.07
	<b>Total</b>	<b>1,394.79</b>	<b>3,100.49</b>

### Note : 2 Bank Balances other than (a) above

(₹ in Lakhs)

Sr. No.	Particulars	Current Year	Previous Year
1	<b>Bank Balances</b>		
	Current a/c with Scheduled Banks (Subject to reconciliation)	-	-
2	<b>In Fixed Deposits - Encumbered</b>		
	With Banks	3,287.30	33.88
	<b>Total</b>	<b>3,287.30</b>	<b>33.88</b>

### 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
<b>Part I</b>						
<b>(i) Currency Derivatives</b>						
— Spot and Forwards	-	-	-	-	-	-
— Currency Futures	-	-	-	-	-	-
— Currency Swaps	-	-	-	-	-	-
— Options purchased	-	-	-	-	-	-
— Options sold (written)	-	-	-	-	-	-
— Others	-	-	-	-	-	-
<b>Sub Total (i)</b>	-	-	-	-	-	-
<b>(ii) Interest rate Derivatives</b>						
— Forward Rate Agreements and Interest Rate Swaps	-	-	-	-	-	-
— Options purchased	-	-	-	-	-	-
— Options sold (written)	-	-	-	-	-	-
— Futures	-	-	-	-	-	-



— Others	-	-	-	-	-	-
Sub Total (iii)	-	-	-	-	-	-
(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	2,230.06	811.21
	—Overdue Installments : Considered Good - Unsecured	894.88	254.21
2	Other Receivables	-	-
	Total	3,124.94	1,065.42

Note : 5 Loans

₹ in Lakhs

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	Through other comprehensive income	Through profit or loss
	(1)	(2)	(3)	(4)	(5)	(6)	(8)	(9)
Loans								
(A) (i) Bills Purchased and Bills Discounted	-	-	-	-	-	-	-	-
(ii) Loans repayable on Demand	-	-	-	-	-	-	-	-
(iii) Term Loans	190.464.48	-	-	-	-	190.464.48	-	-
(iv) Leasing	-	-	-	-	-	-	-	-
(v) Factoring	-	-	-	-	-	-	-	-
(vi) Others (to be specified)	-	-	-	-	-	-	-	-
Total (A) - Gross	190.464.48	-	-	-	-	190.464.48	-	-
Less: Impairment loss allowance	133.80	-	-	-	-	133.80	-	-
Total (A) - Net	190.330.68	-	-	-	-	190.330.68	-	-
(B) (i) Secured by tangible assets	188.880.70	-	-	-	-	188.880.70	-	-
(ii) Secure d by intangible assets	-	-	-	-	-	-	-	-
(iii) Covered by Bank/Government Guarantees	-	-	-	-	-	-	-	-
(iv) Unsecured	1.583.78	-	-	-	-	1.583.78	-	-
Total (B) - Gross	190.464.48	-	-	-	-	190.464.48	-	-
Less: Impairment loss allowance	133.80	-	-	-	-	133.80	-	-
Total (B) - Net	190.330.68	-	-	-	-	190.330.68	-	-
(C) (i) Loans in India	190.464.48	-	-	-	-	190.464.48	-	-
(i) Public Sector	-	-	-	-	-	-	-	-
(ii) Others (to be specified)	-	-	-	-	-	-	-	-
Total (C) - Gross	190.464.48	-	-	-	-	190.464.48	-	-
Less: Impairment loss allowance	133.80	-	-	-	-	133.80	-	-
Total (C) (i) - Net	190.330.68	-	-	-	-	190.330.68	-	-
(C) (ii) Loans outside India	-	-	-	-	-	-	-	-
Less: Impairment loss allowance	-	-	-	-	-	-	-	-
Total (C) (ii) - Net	-	-	-	-	-	-	-	-
Total C (i) and C (ii)	190.330.68	-	-	-	-	190.330.68	-	-



Note : 6 Investments															(₹ in Lakhs)
	Current Year							Previous Year							
	At Fair Value							At Fair Value							
Investments	Amortised cost	Through Other Comprehensive Income	Through Profit or Loss	Designated at fair value through profit or loss	Sub - Total	Others*	Total	Amortised cost	Through Other Comprehensive Income	Through Profit or Loss	Designated at fair value through profit or loss	Sub - Total	Others*	Total	
	(1)	(2)	(3)	(4)	(5) = (2)+(3)+(4)	(6)	(7) = (1)+(5)+(6)	(8)	(9)	(10)	(11)	(12) = (9)+(10)+(11)	(13)	(14) = (8)+(12)+(13)	
Mutual funds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Government securities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Other approved securities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Debt securities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Subsidiaries	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)	6,614.22	-	-	-	-	-	6,614.22	6,614.22	-	-	-	-	-	6,614.22	
(i) Investments outside India	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
(ii) Investments in India	6,614.22	-	-	-	-	-	6,614.22	6,614.22	-	-	-	-	-	6,614.22	
Total (B)	6,614.22	-	-	-	-	-	6,614.22	6,614.22	-	-	-	-	-	6,614.22	
Total (A) to tally with (B)	6,614.22	-	-	-	-	-	6,614.22	6,614.22	-	-	-	-	-	6,614.22	
Less: Allowance for Impairment loss (C)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total - Net D = (A) - (C)	6,614.22	-	-	-	-	-	6,614.22	6,614.22	-	-	-	-	-	6,614.22	

\*unquoted shares of M/s Samast Vikas Ltd.

Note : 7 Others Financial Assets			(₹ in Lakhs)
Sr. No.	Particulars	Current Year	Previous Year
1	Secured, Considered Good		
	Security Deposit*	20.50	21.52
	Advances to Staff	3.11	69.53
	Income Receivables	1.00	0.12
	Advances for Services	93.43	50.79
	Prepaid Expenses	2.44	4.08
	Nupur Finvest Pvt. Ltd	-	435.01
	GST/Service Tax Cenvat	182.93	178.50
2	Arbitration Awards/ Decree Recievable	17,264.79	16,430.67
	Total	17,568.20	17,190.21

\* 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	7,120.26	8,220.73
	Provision for Taxation	(6,628.67)	(7,809.01)
	Total	491.59	411.72



Note : 9 Property, Plant and Equipment											
		Gross Block				Depreciation			Net Block		
	Particulars	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	W/DV as on 31.03.2021	W/DV as on 31.03.2020
I	Tangible Assets										
1	Land	-	-	-	-	-	-	-	-	-	-
2	Building	6,425.12	-	-	6,425.12	257.27	105.88	-	363.15	6,061.97	6,167.86
3	Furniture & Fittings	202.50	2.83	-	205.33	109.48	10.76	-	120.24	85.09	93.02
4	Computer Peripheral	202.09	1.43	-	203.52	166.07	18.86	-	184.93	18.59	36.02
6	Vehicles	165.62	-	-	165.62	89.54	15.33	-	104.87	60.75	76.07
7	Equipments, Plant & Machinery	166.95	2.90	-	169.85	112.29	15.55	-	127.84	42.01	54.66
	SUB TOTAL (A)	7,162.28	7.16	-	7,169.44	734.65	166.38	-	901.03	6,268.41	6,427.63
II	Intangible Assets										
1	Computer Software	529.77	-	-	529.77	343.50	39.15	-	382.65	147.12	186.27
2	Goodwill	10.70	-	-	10.70	-	-	-	-	10.70	10.70
	SUB TOTAL (B)	540.47	-	-	540.47	343.50	39.15	-	382.65	157.82	196.97
III	Capital Work-in-progress	-	-	-	-	-	-	-	-	-	-
	SUB TOTAL (C)	-	-	-	-	-	-	-	-	-	-
IV	Intangible Assets Under Development	-	-	-	-	-	-	-	-	-	-
	SUB TOTAL (D)	-	-	-	-	-	-	-	-	-	-
	Total [A+B+C+D] (Current Year)	7,702.76	7.16	-	7,709.91	1,078.16	205.53	-	1,283.68	6,426.23	6,624.60
	Total (Previous Year)	1,678.26	6,024.49	-	7,702.76	737.57	340.59	-	1,078.16	6,624.60	940.70

Note : 10 Other Non Financial Assets				(₹ in Lakhs)
Sr. No.	Particulars	Current Year	Previous Year	
1	Deferred Revenue Expenditure	201.47	368.94	
	Total	201.47	368.94	

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	4.62	114.16
		4.62	114.16
	(ii) Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises		
	(a) SBI Assignment Payable	554.90	83.44
	(b) SIB Assignment Payable	141.47	30.58
	(c) DJT Financial Services Payable	-	43.55
	(d) CBI Financial Services Payable	88.58	-
	(f) BOB Financial Services Payable	693.04	-
	(g) Other Sundry Payables	197.82	234.19
		1,675.81	391.76
2	Other Payables		
	(i) Total outstanding dues of Micro Enterprises and Small Enterprises	-	-
	(ii) Total outstanding dues of creditors other than Micro enterprises and Small Enterprises		
	(a) Statutory Payables		
	Professional Tax Payable	0.02	0.02
	EPF Contribution Payable	5.84	6.60
	ESI Payable	0.70	0.77
	GST Payable	9.95	16.87
	TDS Payable	43.13	77.47
	LIC GSLI Payable	0.02	0.03
	(b) Expenses Payables	243.13	360.41
		302.79	462.17
	Total	1,983.22	968.09

Note : 13 Debt Securities

₹ in Lakhs

Particulars	Current Year			Previous Year			Total	(8) = (5)+(6)+(7)
	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		
Liability component of compound Financial Instruments	-	-	-	-	-	-	-	-
Others (Bonds/ Debentures etc.)*	27,844.37	-	-	27,844.37	13,200.00	-	-	13,200.00
Total (A)	27,844.37	-	-	27,844.37	13,200.00	-	13,200.00	13,200.00
Debt Securities in India	27,844.37	-	-	27,844.37	13,200.00	-	-	13,200.00
Debt Securities outside India	-	-	-	-	-	-	-	-
Total (B) to tally with (A)	27,844.37	-	-	27,844.37	13,200.00	-	13,200.00	13,200.00

\*Details of Non Convertible Debentures

₹ in Lakhs

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	Yes	Yes
Series-'PDL 1802'	Feb-2018	2,800.00	12.00%	Monthly	Feb-2023	2,800.00	Yes	Yes
Series-'PDL 2020-3'	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	No
Series-'PDL-08-2020'	Aug-2020	2,000.00	9.50%	Yearly	Feb-2022	2,000.00	Yes	No
Series-'PDL-11-2020'	Nov-2020	1,600.00	10.50%	Quarterly	May-2022	1,600.00	Yes	No
Series-'PDL-12-2020'	Dec-2020	3,500.00	12.00%	Monthly	Dec-2023	3,500.00	Yes	No
Series-'PDL-02-2021'	Feb-2021	2,300.00	12.00%	Monthly	Feb-2026	2,300.00	Yes	No



Note : 14 Borrowings (Other than Debt Securities)							(₹ in Lakhs)	
Particulars	Current Year				Previous Year			Total
	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	
	(1)	(2)	(3)	(4) = (1)+(2)+(3)	(1)	(2)	(3)	(4) = (1)+(2)+(3)
(a) Term loans:								
(i) From banks	3,940.94	-	-	3,940.94	5,896.94	-	-	5,896.94
(ii) From other parties	1,254.76	-	-	1,254.76	-	-	-	-
(b) Deferred payment liabilities	-	-	-	-	-	-	-	-
(c) Loans from related parties	2,221.63	-	-	2,221.63	1,870.26	-	-	1,870.26
(d) Finance lease obligations	-	-	-	-	-	-	-	-
(e) Liability component of compound financial instruments	-	-	-	-	-	-	-	-
(f) Loans repayable on demand:								
(i) from banks	68,926.30	-	-	68,926.30	73,933.14	-	-	73,933.14
(ii) from other parties	5,508.47	-	-	5,508.47	3,313.36	-	-	3,313.36
(g) Other loans (specify nature)	-	-	-	-	-	-	-	-
Total (A)	81,852.10	-	-	81,852.10	85,013.70	-	-	85,013.70
Borrowings in India	81,852.10	-	-	81,852.10	85,013.70	-	-	85,013.70
Borrowings outside India	-	-	-	-	-	-	-	-
Total (B) to tally with (A)	81,852.10	-	-	81,852.10	85,013.70	-	-	85,013.70

Note : 15 Deposits							(₹ in Lakhs)	
Particulars	Current Year				Previous Year			Total
	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	
	(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			Total
	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	
	(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	8,800.00	-	-	8,800.00
(Non-Convertible Debentures*)								
Total (A)	8,900.00	-	-	8,900.00	8,800.00	-	-	8,800.00
Subordinated Liabilities in India	8,900.00	-	-	8,900.00	8,800.00	-	-	8,800.00
Subordinated Liabilities outside India	-	-	-	-	-	-	-	-
Total (B) to tally with (A)	8,900.00	-	-	8,900.00	8,800.00	-	-	8,800.00

*Details of Non-Convertible Debentures							(₹ in Lakhs)	
Debt Series	Issued Date	Issued Amount	Rate of Interest	Interest Periodicity	Maturity Date	Maturity Amount	Current Year	Previous Year
Series-PDL 1808'	Aug-2018	8,100.00	14.00%	Monthly	Aug-2024	8,100.00	Yes	Yes
Series-PDL 2020-1'	Jan -2020	600.00	12.00%	Monthly	Jan-2026	600.00	Yes	Yes
Series-PDL 2020-2'	Feb-2020	100.00	12.00%	Monthly	Feb-2026	100.00	Yes	Yes
Series-PDL-12-2020'	Dec-2020	100.00	12.00%	Monthly	Dec-2030	100.00	Yes	No



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

Sr. No.	Particulars	Current Year	Previous Year
1	Debt Service Repayment Account	2,777.38	4,328.34
2	Arbitration Awards/ Decree Recievables	17,264.79	16,430.67
	<b>Total</b>	<b>20,042.17</b>	<b>20,759.01</b>

**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	-	-
	<b>Total</b>	<b>-</b>	<b>-</b>

**Note : 19 Provisions** (₹ in Lakhs)

Sr. No.	Particulars	Current Year	Previous Year
1	Provision for Standard Assets	775.04	693.03
2	Provision for Proposed Dividend on Equity Shares	422.92	422.92
3	General Provision on Standard Accounts in Default	-	601.80
4	Provision for Expected Credit Loss	1,235.85	266.43
5	Provision for Sub Standard Assets	301.17	167.38
	<b>Total</b>	<b>2,734.98</b>	<b>2,151.56</b>

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

Sr. No.	Particulars	Current Year	Previous Year
1	Opening Balance	118.88	59.95
	Add: Addition from Merger of Agarwal Meadows	-	10.54
	Tax on Timing difference on Property, Plant and Equipments	235.06	129.26
	Tax on Timing difference on Deferred Revenue Expenditures	51.63	94.54
	Tax on Timing difference on Unearned Processing Fees	(119.89)	(104.92)
2	Total Deferred Tax Liability	166.80	118.88
	Provision for Deferred Tax required for the year (2-1)	47.92	48.40
	<b>Total</b>	<b>166.80</b>	<b>118.88</b>

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

Sr. No.	Particulars	Current Year	Previous Year
1	Unearned Income of Processing Fees	467.85	409.43
	<b>Total</b>	<b>467.85</b>	<b>409.43</b>

**Note : 22 Share Capital** (₹ in Lakhs)

Sr. No.	Particulars	Current Year	Previous Year
1	<b>AUTHORIZED CAPITAL</b>		
	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
		<b>12,500.00</b>	<b>12,500.00</b>
2	<b>ISSUED, SUBSCRIBED CAPITAL</b>		
	4,23,04,699 Equity Shares of Rs. 10 per Share fully paid up	4,230.47	4,230.47
		<b>4,230.47</b>	<b>4,230.47</b>
3	<b>PAID UP CAPITAL</b>		
	4,22,92,199 Equity Shares of Rs. 10 per Share fully paid up	4,229.22	4,229.22
	Add: Share Forfeited a/c (Amount originally Paid up @ Rs 5 each on 12,500 Equity Shares of Rs. 10 each)	0.63	0.63
	<b>Total</b>	<b>4,229.84</b>	<b>4,229.84</b>

- **More than 5% shares:**  
Mr. Sunil Agarwal holds 52,85,140 equity shares (12.50%) [Previous year 32,69,940 equity shares (8.06%)]  
M/s Equilibrated Venture Cflow Pvt Ltd holds 40,84,212 equity shares (9.65%) [Previous year 29,14,223 equity shares (7.19%)]  
SBI Life Insurance Co. Ltd holds 38,00,000 equity shares (8.98%)

**Statement of Changes in Equity for the period ending on 31-03-2021**

Balance at the beginning of the reporting period	Changes in equity share capital during the year	Balance at the end of the reporting period
42,29,84,490	-	42,29,84,490



Note : 23 Other Equity (₹ in Lakhs)

Particulars	Share Application money pending Allotment	Equity component of compound Financial Instruments	Statutory Reserves - RBI Reserve Fund	Capital Reserve	Securities Premium	General Reserve	Retained Earnings	Capital Redemption Reserve	Revaluation Reserve	Equity portion of Cash Flow Hedges	Effective portion of Cash Flow Hedges	Revaluation Surplus	Exchange differences on translating the Financial Statements of a foreign operation	Other items of Other Comprehensive Income (Specify nature)	Money received against Share Warrants	Total
Balance at the beginning of the reporting period	-	-	12739.41	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	-	-	12739.41	2,415.21	19,952.02	35,555.44	83.87	250.00	363.12	-	-	-	-	-	-	71,359.08
Total Comprehensive Income for the year	-	-	-	-	-	-	6,091.90	-	-	-	-	-	-	-	-	6,091.90
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)
Expenditure on Corporate Social Responsibility	-	-	-	-	-	-	(328.08)	-	-	-	-	-	-	-	-	(328.08)
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)

	Current Year			Previous Year		
Particulars	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	-	31,131.33	-	-	33,742.71	-
Interest Income from Investments	-	-	-	-	-	-
Interest on Deposits with Banks	-	23.44	-	-	2.40	-
Other Interest Income	-	-	-	-	-	-
Total	-	31,154.77	-	-	33,745.11	-

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	-	-
	<b>Total</b>	<b>-</b>	<b>-</b>

**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	-	10,115.73	-	10,055.31
3	Interest on Debt Securities	-	2,488.70	-	2,022.07
4	Interest on Subordinated Liabilities	-	1,220.96	-	857.87
5	Other Interest expense/ Bank Charges	-	550.27	-	422.10
	<b>Total</b>	<b>-</b>	<b>14,375.66</b>	<b>-</b>	<b>13,357.35</b>

**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	-	3,532.38	-	6,531.79
Provision for NPA	-	133.80	-	89.11
<b>Provision for Expected Credit Loss</b>				
Provision on Standard Accounts in Default	-	-	-	601.80
Additional Provision for Expected Credit Loss	-	367.62	-	266.43
Investments	-	-	-	-
Others (to be specified)	-	-	-	-
<b>Total</b>	<b>-</b>	<b>4,033.80</b>	<b>-</b>	<b>7,489.13</b>

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

Sr. No.	Particulars	Current Year	Previous Year
1	Salaries and Wages to Employess	1,602.41	1,729.33
2	Directors Salaries & Allowances	433.15	463.25
3	Contribution to Provident and other funds	107.44	103.82
4	Share Based Payments to employees	-	-
5	Staff welfare expenses	21.65	31.85
	<b>Total</b>	<b>2,164.65</b>	<b>2,328.25</b>

-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. 2020-21 is Rs. 4,33,14,900 (last year Rs 4,63,24,800) 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	205.53	188.00
2	Deffered Revenue Exp. w/o*	167.46	213.29
	<b>Total</b>	<b>372.99</b>	<b>401.29</b>

-\*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	56.75	96.32
2	Travelling Expenses	450.32	517.80
3	Repair & Maintenance	18.95	45.94
4	Insurance Expenses	11.48	12.62
5	Electricity & Water Expenses	49.98	60.24
6	Rates & Taxes	3.15	6.28
7	Legal Expenses & Professional Fees	256.22	417.58
8	Printing & Stationery Expenses	90.52	377.03
9	Postage & Telephone Expenses	52.54	86.85
10	Auditors Remuneration	30.67	32.89
11	Rent	156.86	203.13
12	Rebate & Remission	17.69	12.57
13	Advertisement & Business Promotion Expenses	757.80	580.11
14	Recovery Expenses	40.17	54.39
15	Office and General Expenses	211.32	258.09
16	Directors Sitting Fees & Expenses	14.72	14.99
	<b>Total</b>	<b>2,219.14</b>	<b>2,776.83</b>



32. Remuneration to Auditors: (₹ In Lakhs)

Particulars	Current Year	Previous Year
For Statutory Audit	3.00	3.00
For Tax Audit	1.00	1.00
For Certification work/other services	27.67	28.89
Total	30.67	32.89

33. Earning per Share:

Particulars	Current Year	Previous Year
Net profit for the year (After Tax)	6,091.90	5,403.90
No. of Equity Shares (Weighted)	422.92	422.92
Basic and diluted Earning per share	14.40	12.78

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

35. 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

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	Amount o/s
State Bank of India Term Loan	977.78
State Bank of India Cash Credit Limit	3,000.00
Karnataka Bank Ltd Cash Credit Limit	2,000.00
Bank of Baroda Term Loan	1,458.33
Tourism Finance Corporation of India Ltd Term Loan	587.88
Nabsamruddhi Finance Limited Term Loan	333.33
Satin Credit care Network Limited Term Loan	944.55
Satin Finserv Limited Term Loan	188.91
Total	9,490.78

37. Disclosure of Related party transactions:

A. Wholly owned Subsidiary	Nupur Finvest Pvt. Ltd.
B. List of related parties and relationship	
Related Party	(Relation)
Key Managerial Personnel	
Mr. Sunil Agarwal	(Managing Director)
Mr. Harish Singh	(Executive Director)
Mr. Anoop Krishna	(Executive Director)
Mr. Atul Kumar Agarawal	(Chief Finance Officer)
Mr. Manendra Singh	(Company Secretary)

Relatives of K M P

Mr. Purushottam Agrawal	(Father of Mr. Sunil Agarwal)
Mrs. Raj Agarwal	(Mother of Mr. Sunil Agarwal)
Mrs. Neetu Agarwal	(Spouse of Mr. Sunil Agarwal)
Mrs. Priti Chauhan	(Spouse of Mr. Harish Singh)
Mrs. Sushila Devi Chauhan	(Mother of Mr. Harish Singh)
Ms. Suneeti Agarwal	(Daughter of Mr. Sunil Agarwal)
Mr. Santanu Agarwal	(Son of Mr. Sunil Agarwal)
Mr. Pranav Chauhan	(Son of Mr. Harish Singh)
Mrs. Mamta Krishnan	(Spouse of Mr. Anoop Krishnan)

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

1. Pro Fitch Private Limited (Formerly known as Baba Herbals Pvt. Ltd.)
2. Equilibrated Venture Cflow Pvt. Ltd. (Formerly known as Bhavya Electronics and Networks Pvt. Ltd.)
3. Pri Caf Private Limited (Formerly known as Diamond Infradev Pvt. Ltd.)
4. Repartee Infrastructures Pvt. Ltd.
5. Radiance Techno Powers Company Pvt. Ltd.
6. SCS Educational Foundation
7. Raj Shiksha Foundation
8. Spaak Super Tec Pvt. Ltd.
9. R N R Automate Pvt. Ltd.
10. Harish Singh HUF

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

Name of Party	Nature	Amount	Amount Receivable/ (Payable)
Mr. Sunil Agarwal	Remuneration to Director	376.56	(3.24)
Mr. Harish Singh	Remuneration to Director	26.72	(1.05)
Mr. Anoop Krishnan	Remuneration to Director	32.18	(2.34)
Mr. Sunil Agarwal	Loan	—	(33.00)
Mrs. Raj Agarwal	Rent	9.00	(0.69)
Mr. Santanu Agarwal	Salary	18.00	(3.15)
Mr. Atul Agarwal	Salary	14.63	(1.23)
Mr. Manendra Singh	Salary	9.99	(0.87)
Mr. Santanu Agarwal	Loan Received	291.90	(1,768.16)
Mr. Santanu Agarwal	Loan Repaid	361.00	—
Mr. Santanu Agarwal	Interest Expenses	238.35	(220.48)
Mr. Harish Singh	Interest Payment (on NCD)	14.50	—
Mr. Pranav Chauhan	Interest Payment (on NCD)	14.50	—
M/s Nupur Finvest Pvt. Ltd.	Sale of Portfolio	480.53	—
M/s Nupur Finvest Pvt. Ltd.	Interest Expenses	169.79	—
M/s Nupur Finvest Pvt. Ltd.	Loan given	1,330.00	—
M/s Nupur Finvest Pvt. Ltd.	Interest on ICD	15.17	—

Notes:

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



**38. Working Capital, Working Capital Demand Loan and Term Loan Borrowings:**

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

(₹ In Lakhs)

S. No.	Name of Bank	Out-standing	ROI*	Sanctioned Amount	Share in Consortium (%)
1	Bank of Baroda	9,479.53	MCLR + 3.75%	10,000.00	12.28
2	IDBI Bank	2,489.59	MCLR + 4.50%	5,700.00	7.00
3	Punjab National Bank	5,987.33	MCLR + 2.35%	7,000.00	8.59
4	Punjab National Bank (e-United Bank of India)	4,991.84	MCLR + 3.40%	5,000.00	6.14
5	Union Bank of India (e-Corporation Bank)	6,493.61	MCLR + 3.70%	7,500.00	9.21
6	Bank of Maharashtra	4,794.50	MCLR + 1.15%	5,000.00	6.14
7	Bank of India	4,040.64	MCLR + 3.50%	4,550.00	5.59
8	Union Bank of India (e-Andhra Bank)	4,997.24	MCLR + 3.40%	5,000.00	6.14
9	UCO Bank	3,696.55	MCLR + 1.75%	3,700.00	4.54
10	Central Bank of India	11,039.65	MCLR + 3.70%	12,500.00	15.35
11	State Bank of India	3,682.08	MCLR + 3.90%	4,000.00	4.91
12	State Bank of India TL	3,200.00	MCLR + 4.85%	4,000.00	4.91
13	South Indian Bank	2,247.70	MCLR + 3.20%	2,500.00	3.07
14	Union Bank of India	4,992.08	MCLR + 3.25%	5,000.00	6.14
	<b>Total</b>	<b>72,132.34</b>		<b>81,450.00</b>	<b>100</b>

During the year, the company have availed following short term loan from bank under the scheme of COVID -19:

S. No.	Name of Bank	Out-standing	ROI*	Sanctioned Amount
1	Bank of India TL	173.13	MCLR + 3.50%	173.26
2	State Bank of India TL	335.4	MCLR + 4.85%	400.00
3	Central Bank of India TL	232.42	MCLR + 3.35%	312.05
4	Central Bank of India TL	-	MCLR + 3.35%	525.14
5	UCO Bank TL	-	MCLR + 1.75%	98.18
6	IDBI Bank TL	-	MCLR + 4.50%	270.07
7	Bank of Maharashtra	-	MCLR + 1.15%	257.08
8	State Bank of India TL	-	MCLR + 4.85%	105.32
9	Union Bank of India	-	MCLR + 3.25%	755.02
	<b>Total</b>	<b>740.95</b>		<b>2,896.12</b>

\*Indicative rate of interest charged by respective Bank.

39. During the year the company availed short term credit facility in the form of Term Loan of Rs. 7500.00 Cr from SIDBI under special liquidity scheme to NBFCs for MSMEs on 04th Sep 2020 at the rate of 2.32% above the repo rate being 4.00% for providing liquidity support during COVID-19. The said facility is secured by first pari-passu charge by way of hypothecation of standard assets of the company (present and future) including current assets, book debts and advances & receivables and personal guarantee of Mr. Sunil Agarwal. As on 31st March 2021, outstanding balance was Rs. 1254.76 Cr.

40. On receipt of initial warrant subscription amount of Rs. 46.00 crore equivalent to 25% of the warrant issue price, i.e. Rs. 705 per warrant, as prescribed by the SEBI (ICDR) Regulations for allotment of the equity warrants, on March 20, 2021 the Company considered and allotted 26,10,000 fully convertible warrants to Promoter Group entity, on preferential basis. The conversion option can be exercised by Warrant holder(s) at any time during

the period of 18 (Eighteen) months from the date of allotment of equity warrants, in one or more tranches, as the case may be and on such other terms and conditions as applicable.

**41. Listed Secured Non-Convertible Redeemable Debentures (NCDs):**

Company has issued Listed Secured 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	Allotee
July 2020	10.50	33 Months	250	10.00	2500.00	State Bank of India*
July 2020	10.50	33 Months	250	10.00	2500.00	Punjab National Bank*
August 2020	9.50	18 Months	200	10.00	2000.00	Punjab & Sindh Bank@
November 2020	10.50	18 Months	160	10.00	1600.00	Bank of India#

\* The NCDs issued to SBI & PNB are primarily secured first pari-passu charge by hypothecation over hypothecated assets of the company to the extent of 1.33 times of issue and pari-passu charge of immovable properties including office premises, a flat owned by the Company and six commercial properties by third parties as well as personal and corporate guarantees.

@ The NCD issued by Punjab & Sindh Bank secured by first pari-passu charge by hypothecation over hypothecated assets of the company to the extent of 1.10 times of issue.

# The NCD issued by Bank of India secured by first raking pari-passu charge by hypothecation over the loan receivable of the company (Hypothecated receivable) to the extent of 1.10 times of issue.

**42. Detail of Bank FDR's (principal amount) held as on 31.03.2021:****Held to avail Cash Credit facility against FDRs** (₹ In Lakhs)

1	United Bank of India	Cash Credit	8.50
	<b>Subtotal</b>	<b>(A)</b>	<b>8.50</b>

**Held as Guarantee** (₹ In Lakhs)

1	Punjab National Bank	Guarantee	0.66
	<b>Subtotal</b>	<b>(B)</b>	<b>0.66</b>

**Held as Investment** (₹ In Lakhs)

1	Punjab National Bank	Unencumbered	0.07
	<b>Subtotal</b>	<b>(C)</b>	<b>0.07</b>

**Held to avail buy out transaction facility against FDRs** (₹ In Lakhs)

2	Bank of Baroda	Guarantee	3252.90
	<b>Subtotal</b>	<b>(D)</b>	<b>3252.90</b>

**Held as Guarantee** (₹ In Lakhs)

1	Bank of Baroda	Guarantee	25.00
	<b>Subtotal</b>	<b>(E)</b>	<b>25.00</b>
	<b>Grand Total of FDR's</b>	<b>(A+B+C+D+E)</b>	<b>3287.13</b>



43. During the Current year, few Arbitration Awards have become executable Decrees. The amount of such Decrees available for execution stands at Rs. 17,264.79 Lakhs as on the date of Balance Sheet. The Accounting treatment has been done as per IND Accounting Standard 37 "Provisions, Contingent Liabilities and Contingent Assets" Issued by The Institute of Chartered Accountants of India.

(₹ In Lakhs)

S. No.	Particulars	Amount
1	Opening balance of Arbitration Awards	16,430.67
2	Add: New Arbitration Award procured during the year	834.12
3	Less: Arbitration Award Challenged during the year	-
	Arbitration Awards available for Execution	17,264.79

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

44. **Capital Risk Adequacy Ratio (CRAR):** (₹ In Lakhs)

	Particulars	Current Year	Previous Year
i)	CRAR %	44.47%	43.06%
ii)	CRAR – Tier I Capital %	37.08%	37.74%
iii)	CRAR – Tier II Capital %	7.39%	5.32%
iv)	Amount of subordinated debt raised as Tier-II Capital	100	8800
v)	Amount raised by issue of Perpetual Debt Instruments	Nil	Nil

45. **Investments:** (₹ In Lakhs)

	Particulars	Current Year	Previous Year
1)	Value of Investments		
	i) Gross value of Investments		
	a) In India	9,901.59	6,648.17
	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	9,901.59	6,648.17
	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 2020-21.

47. **Disclosure relating to Securitization:**

- i) The Company has not done securitization of any of its loans & advances to any organization during the financial year 2020-21 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 2020-21.

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

- iii) **Details of stock assigned / sold during the year**

(₹ In Lakhs)

	Particulars	Current Year	Previous Year
1	No of accounts sold	10,820	1,93,006
2	Aggregate outstanding	13,920	29,343
3	Aggregate consideration received	12,302	26,170

- iv) **Co-origination done by the company with Banks**

With a vision of empowering the AGRI, MSME segment and small businesses, Paisalo Digital Ltd. signed the first co origination loan agreement with 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 it's usual lending rate, combined with SBI's significantly low lending rate, which will help in drastically reducing the effective lending due to cost averaging. This will not only be helping the company to raise funds easily and reduce the cost of funding but also the borrowers as the blended rate of interest charged to the customer will be lower than the other MFIs in the market. The company 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 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 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 1,50,000 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 scale able 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 Smallest Loan Customers and Banks for loans upto INR 1,50,000.

- V) **Assets Eligible for Securitisation**

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

#### Minimum Holding Period

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



**Minimum Retention Requirement (MRR)**

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

**Process**

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

**48. Asset Liability Management Maturity pattern of certain items of Assets and Liabilities as on 31st March 2021:**

(₹ In Lakhs)

	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	3,833	3,627	6,250	7,514	19,643	44,233	86,266	18,227	3,863	1,93,456
Investments (Bank FDR)	—	—	—	—	—	3,253	34	—	—	3,287
Borrowings	1,536	267	340	140	10,238	40,423	18,302	15,904	31,446	1,18,596
Foreign Currency Assets	—	—	—	—	—	—	—	—	—	—
Foreign Currency Liabilities	—	—	—	—	—	—	—	—	—	—

**49. Exposures:****a) Exposures to Real Estate Sector**

(₹ In Lakhs)

Category		Current Year	Previous Year
<b>Direct Exposure</b>			
i)	Residential Mortgages		
	Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented	47	277
ii)	Commercial Real Estate		
	Lending secured by mortgages on commercial real estates (office buildings, retail space, multipurpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non-fund based limits	—	69
iii)	Investments in Mortgage Backed Securities (MBS) and other securitized exposures		
a)	—	—	—
b)	—	—	—
<b>Indirect Exposure</b>		—	—

**b) Capital Market Exposure**

The company has not taken any exposure in capital market during the financial year 2020-21, and also the inventory of the company as at 31st March 2021 does not contain any exposure to capital market

**c) Details of financing of parent company products: NIL****d) Details of Single Borrower Limit and Group Borrower Limit exceeded by NBFC**

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

**e) Unsecured Advances**

The unsecured advances outstanding as at Balance Sheet date are ₹ 2479 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. : L65921DL1992PLC120483

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 "IVRA+/STABLE OUTLOOK" by Infomeries 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	Current Year	Previous Year
Provisions for depreciation on investment	-	-
Provision towards NPA	134.00	89.00
Provision on Standard Accounts in default @5% *	-	602.00
Provision for Expected Credit Loss	368.00	266.00
Provision made towards income tax	1,913.00	1,940.00
Other provision and contingencies		
(Contingent Liability- in Arbitration matters)	17,265.00	16,431.00
(Contingent Liability- Guarantee)	9,491.00	12,027.00
Provision for Standard Assets at the Balance Sheet date	775.00	693.00

**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
December 2020	12.00	120 Months	1	100.00	100.00
December 2020	12.00	36 Months	35	100.00	3,500.00
February 2021	12.00	60 Months	23	100.00	2,300.00

**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	50,696
% of advances to twenty largest borrowers to total advances of the NBFC	26.21%

**c) Concentration of Exposures**

(₹ In Lakhs)

Total Exposure to twenty largest borrowers / customers	50,696
% of exposures to twenty largest borrowers / customers to total exposure of the NBFC on borrowers / customers	26.21%



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 3 NPA's written off during the year are given below:

(₹ In Lakhs)		
1	Hindustan Infraprojects Pvt Ltd	382.00
2	Janki Devi	303.00
3	751 Films LLP	62.00
4	Hitkari Production and Creations	58.00

e) Movement of NPAs

Particulars		Current Year	Previous Year
(i)	Net NPAs to Net Advance (%)	0.57%	0.34%
(ii)	Movement of NPAs (Gross)		
	(a) Opening balance	761.43	515.65
	(b) Additions during the year	672.66	256.04
	(c) Reductions during the year	39.50	10.26
	(d) Closing balance	1394.59	761.43
(iii)	Movement of Net NPAs		
	(a) Opening balance	594.06	437.38
	(b) Additions during the year	608.80	180.97
	(c) Reductions during the year	109.44	24.29
	(d) Closing balance	1093.42	594.06
(iv)	Movement of provisions for NPAs (excluding provisions on standard assets)		
	(a) Opening balance	167.38	78.27
	(b) Provisions made during the year	134.32	90.69
	(c) Write -back of excess provisions	0.52	1.59
	(d) Write off	—	—
	(e) Closing Balance	301.18	167.38

f) Sector wise NPAs (Write Offs)

S. No.	Category	% of Write offs to Total Advances	
		Current Year	Previous Year
1	Agriculture & Allied activities	0.33	0.39
2	MSME	0.55	0.67
3	Corporate Borrowers	0.46	0.84
4	Services	0.37	1.68
5	Unsecured Personal Loans	0.00	0.00
6	Auto Loans	0.00	0.00
7	Other Personal Loans (LAP)	0.11	0.21
	Total	1.83	3.79

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	7
c)	No. of complaints redressed during the year	7
d)	No. of complaints pending at the end of the year	—

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

a) A deterioration of global economic conditions, central lockdown, state lockdown and curfews imposed by the Central and State Governments in an effort to slow the spread of coronavirus weighed on the domestic demand, supply and liquidity side due to disruption of business service offering, as we look forward to uncertainty due to the virus and economic macro and micro fluctuations, Paisalo remains resilient and maintains its strong CRAR.

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. We are constantly 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.

The new frameworks introduced by the Government of India, Reserve Bank of India and Banks recognise the important role of the credit sector to deal with the economic effects of the Covid-19 outbreak, namely to channel aid to NBFCs like Paisalo, the frameworks makes clear that such aid is direct aid to the credit sector. So while holders of nbfc equity and debt have been selling these off over fears of weaker earnings and higher loan losses, that does not quite recognize what NBFC's are now becoming, which is 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.

The outbreak of Covid-19 pandemic across the globe & India has contributed to a significant decline and volatility in the global and Indian financial markets and slowdown in economic activities. The RBI has issued guidelines relating to COVID-19 Regulatory Package dated March 27, 2020 and April 17, 2020 and in accordance therewith, the Company has offered a moratorium of six months on the payment of installments falling due between March 1, 2020 and August 31, 2020 to eligible borrowers. For all such loan asset accounts classified as standard and overdue as on February 29, 2020, where the moratorium is granted, the asset classification both, as per the RBI's income recognition and asset classification norms and for determining the staging of such assets to determine the expected credit loss allowance as per the model approved by the Board of Directors of the Company, will remain at a standstill during the moratorium period (i.e. the number of days past due shall exclude the moratorium period for the purposes of asset classification).

b) The Reserve Bank of India has issued a circular DOR.No.BP.BC.26/21.04.048/2020-21 dated 26 October 2020 on "Scheme for grant of ex-gratia payment of difference between compound interest and simple interest for six months to borrowers in specified loan accounts (1.3.2020 to 31.8.2020).

The Government of India has announced the Scheme for grant of ex-gratia payment of difference between compound interest and simple interest for six months to borrowers in specified loan accounts (1.3.2020 to 31.8.2020) (the 'Scheme') on October 23, 2020, which mandates ex-gratia payment to certain categories of



borrowers by way of crediting the difference between simple interest and compound interest for the period between March 1, 2020 to August 31, 2020 by respective lending institutions.

The company has adjusted an amount of Rs. 30.61 Lakh in the borrower's accounts towards the 'Interest on interest' charged to the borrowers during the moratorium period, i.e. March 1, 2020 to August 31, 2020 in conformity with the above circular.

**c) The Reserve Bank of India has issued a circular DOR.STR.REC.4/21.04.048/2021-22 dated 07 April 2021 on "Asset Classification and Income Recognition following the expiry of Covid-19 regulatory package"**

All lending institutions shall immediately put in place a Board-approved policy to refund/adjust the 'interest on interest' charged to the borrowers during the moratorium period, i.e. March 1, 2020 to August 31, 2020 in conformity with the above circular.

The company has adjusted an amount of Rs. 457.53 Lakh in the borrower's accounts towards the 'Interest on interest' charged to the borrowers during the moratorium period, i.e. March 1, 2020 to August 31, 2020 in conformity with the above circular, out of which Rs. 446.30 Lakh is shown under the head exceptional items and Rs. 11.23 Lakh is shown as Amount receivable from Bank of Baroda under the current Assets head in respect of loan cases assigned to them.

**59. Expected Credit Loss:**

Comparison of Provisioning done under ECL model and under RBI requirements:

(₹ In Lakhs)

Asset Classification as per RBI Norms	Asset Classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
(1)	(2)	(3)	(4)	(5)=(3)-(4)	(6)	(7) =(4)-(6)
<b>Performing Assets</b>						
Standard	<b>Stage 1</b>	1,80,942	1,086	1,79,856	721	362
	<b>Stage 1</b>	5,208	313	4,896	21	292
	<b>Stage 2</b>	5,911	355	5,556	24	331
<b>Subtotal</b>		<b>1,92,061</b>	<b>1,753</b>	<b>1,90,308</b>	<b>768</b>	<b>985</b>
<b>Non-Performing Assets (NPA)</b>						
Substandard	<b>Stage 3</b>	672	134	538	67	67
Doubtful - up to 1 year	<b>Stage 3</b>	137	41	96	27	14
1 to 3 years	<b>Stage 3</b>	276	110	165	83	28
More than 3 years	<b>Stage 3</b>	309	155	155	124	31
<b>Subtotal for doubtful</b>		<b>723</b>	<b>306</b>	<b>416</b>	<b>234</b>	<b>72</b>
<b>Subtotal for NPA</b>		<b>1,395</b>	<b>441</b>	<b>954</b>	<b>301</b>	<b>139</b>
<b>Loss</b>	<b>Stage 3</b>	3,532	3,532	—	3,532	—

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	<b>Stage 1</b>	9,491	119	9,372	—	119
	<b>Stage 2</b>	—	—	—	—	—
	<b>Stage 3</b>	—	—	—	—	—
	<b>Subtotal</b>	<b>9,491</b>	<b>119</b>	<b>9,372</b>	<b>—</b>	<b>119</b>
<b>Total</b>	<b>Stage 1</b>	1,95,641	1517	1,94,124	745	772
	<b>Stage 2</b>	5,911	355	5,556	24	331
	<b>Stage 3</b>	1,395	441	954	301	139
	<b>Total</b>	<b>2,02,946</b>	<b>2,312</b>	<b>2,00,634</b>	<b>1,069</b>	<b>1,243</b>
LESS : Provision for ECL previous year balance		—	266	—	—	—
Less : Provision for NPA		—	301	—	—	—
Less : Provision for Standard Assets		—	775	—	—	—
Excepted Credit Loss		—	969	—	—	—

**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			2020-21	
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	8,600.00	—
		Unsecured	27,900.00	—
		(other than falling within the meaning of public deposits*)		
	(b)	Deferred Credits	—	—
	(c)	Term Loans		
		Bank of India (Term Loan a/c)	173.00	—
		State Bank of India (Term Loan a/c)	3,535.00	—
		Central Bank of India (Term Loan a/c)	232.00	—
		SIDBI (Term Loan a/c)	1,255.00	—
	(d)	Inter-corporate loans and borrowing	5,508.00	—
	(e)	Commercial Paper	—	—
	(f)	Other Loans (specify nature)		
		Bank of Baroda (WCDL a/c)	6,000.00	—
		IDBI Bank (WCDL a/c)	1,800.00	—
		State Bank of India (WCDL a/c)	2,416.00	—



		The South Indian Bank Limited (WCDL a/c)	1,350.00	—
		UCO Bank (WCDL a/c)	2,220.00	—
		Punjab National Bank (WCDL a/c)	4,249.00	—
		Central Bank of India (WCDL a/c)	7,581.00	—
		Andhra Bank (WCDL a/c)	3,000.00	—
		Bank of India (WCDL a/c)	2,730.00	—
		Punjab National Bank (Cash Credit a/c)	1,964.00	—
		Central Bank of India (Cash Credit a/c)	3,458.00	—
		Bank of India (Cash Credit a/c)	1,311.00	—
		Andhra Bank (Cash Credit a/c)	1,997.00	—
		Corporation Bank (Cash Credit a/c)	6,494.00	—
		Bank of Baroda (Cash Credit a/c)	3,480.00	—
		United Bank of India (Cash Credit a/c)	4,992.00	—
		UCO Bank (Cash Credit a/c)	1,477.00	—
		IDBI Bank (Cash Credit a/c)	690.00	—
		Bank of Maharashtra (Cash Credit a/c)	4,795.00	—
		State Bank of India (Cash Credit a/c)	1,035.00	—
		The South Indian Bank Limited (Cash Credit a/c)	898.00	—
		Union Bank of India	4,992.00	—
		Assignment of Book Debts	—	—
		*Please see Note 1 below	—	—
<b>2.</b>	<b>Break-up of (1)(f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid)</b>			
	<b>(a)</b>	In the form of Unsecured debentures	—	—
	<b>(b)</b>	In the form of partly secured debentures i.e. debentures where there is a shortfall in the value of security	—	—
	<b>(c)</b>	Other public deposits	—	—
		*Please see Note 1 below		
<b>ASSETS SIDE:</b>				
<b>3.</b>	<b>Break-up of Loans and Advances including bills receivables (other than those included in (4) below)</b>			
	<b>(a)</b>	Secured	190,977.00	—
	<b>(b)</b>	Unsecured	2,479.00	—
<b>4.</b>	<b>Break -up of Leased Assets and stock on hire and hypothecation loans counting towards AFC activities</b>			
	<b>(i)</b>	Lease assets including lease rentals under sundry debtors		
	<b>(a)</b>	Financial lease	—	—
	<b>(b)</b>	Operating lease	—	—
	<b>(ii)</b>	Stock on hire including hire charges under sundry debtors		
	<b>(a)</b>	Assets on hire	—	—
	<b>(b)</b>	Reposessed Assets	—	—
	<b>(iii)</b>	Other loans counting towards AFC activities		
	<b>(a)</b>	Loans where assets been reposessed	—	—
	<b>(b)</b>	Loans other than (a) above	—	—

<b>5.</b>	<b>Break-up of Investments</b>				
	<b>1</b>	Current Investments			
		Quoted			
	<b>(i)</b>	Shares			
		<b>(a)</b>	Equity	—	—
		<b>(b)</b>	Preference	—	—
	<b>(ii)</b>	Debentures and Bond			—
	<b>(iii)</b>	Units of mutual funds			—
	<b>(iv)</b>	Government Securities			—
	<b>(v)</b>	Others (please specify)			—
		Unquoted			
	<b>(i)</b>	Shares			
		<b>(a)</b>	Equity (Group Companies) (Net)	—	—
		<b>(b)</b>	Preference	—	—
	<b>(ii)</b>	Debentures and Bonds			—
	<b>(iii)</b>	Units of mutual funds			—
	<b>(iv)</b>	Government Securities			—
	<b>(v)</b>	Others (please specify)			
		Fixed Deposit with NBFC			—
		Fixed deposit with Bank's			—
		Interest accrued			—
	<b>2</b>	Long Term Investments			
		Quoted			
	<b>(i)</b>	Share			
		<b>(a)</b>	Equity	—	—
		<b>(b)</b>	Preference	—	—
	<b>(ii)</b>	Debentures and Bonds			—
	<b>(iii)</b>	Units of mutual funds			—
	<b>(iv)</b>	Government Securities			—
	<b>(v)</b>	Others (Please specify)			—
		Unquoted			
	<b>(i)</b>	Share			
		<b>(a)</b>	Equity- Subsidiary Company	4,224.00	—
		<b>(b)</b>	Equity- Other Company	2,390.00	—
		<b>(c)</b>	Preference	—	—
	<b>(ii)</b>	Debentures and Bonds			—
	<b>(iii)</b>	Units of mutual funds			—
	<b>(iv)</b>	Government Securities			—
	<b>(v)</b>	Others (please specify)			
		Investment in Partnership/LLP			—
		Fixed Deposit with Banks			32.87
		Interest accrued			0.24

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



Please see Note 2

	Category	Amount net of provisions		Total
		Secured	Unsecured	
1	Related parties**			
	(a) Subsidiaries	—	—	—
	(b) Companies in the same group	—	—	—
	(c) Other related parties	—	—	—
2	Other than related parties	190,977.00	2,479.00	193,456.00
	Total	190,977.00	2,479.00	193,456.00

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

		Market Value / Value Break up or Fair Value or NAV	Book Value (Net of provisions)
1	Related parties **		
	(a) Subsidiaries	4,224	4,224
	(b) Companies in the same group	—	—
	(c) Other related parties	—	—
2	Other than related parties	—	—
	Total	4224	4224

\*\* As per IND AS of ICAI.

(8) Other Information

Particulars	Amount
1 Gross Non-performing Assets	
(a) Related Parties	—
(b) Other than related parties	1,395.00
2 Net Non-Performing Assets	
(a) Related Parties	—
(b) Other than related parties	1,093.00
3 Assets acquired in satisfaction of debt	—

Notes:

1. 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.
2. 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 D. TAYAL & JAIN  
Chartered Accountants  
Firm Reg. No. 011181C

Sd/-  
(CA. DEEPAK TAYAL)  
Proprietor  
Membership No. 073102

Place : New Delhi  
Date : 4th June 2021

For and on behalf of the Board

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

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

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

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

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 IND AS FINANCIAL STATEMENTS

OPINION

We have audited the accompanying Consolidated Ind AS 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 2021, the Consolidated Statement of Profit and Loss including Statement of Comprehensive Income and the Consolidated Cash Flow Statement for the year then ended and notes to the Consolidated Ind AS Financial Statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated Ind AS Financial Statements give the information required by the Companies Act, 2013 in the manner so required and give a true and fair view in conformity with the Accounting Principles generally accepted in India, of the Consolidated state of affairs of the Company as at 31st March 2021 of Consolidated profit and loss including statement of comprehensive income and its Consolidated Cash Flows for the year then ended.

BASIS FOR OPINION

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the Consolidated Ind AS Financial Statements in India in terms of the Code of Ethics issued by ICAI and the relevant provisions of the Companies Act, 2013, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the Consolidated Financial Statements.

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED IND AS FINANCIAL STATEMENTS

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

In preparing the Consolidated Financial Statements the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the companies to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.



The respective Board of Directors of the companies included in the Company are responsible for overseeing the financial reporting process of the Company.

## AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED IND AS FINANCIAL STATEMENTS

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

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

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

## REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Consolidated Financial Statements;
- b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid Consolidated Financial Statements have been kept so far as it appears from our examination of those books;

- c. The audit of all the branch offices of the Company has been conducted by us, hence Section 143(8) is not applicable;
- d. The Consolidated Balance Sheet, Consolidated Statement of Profit and Loss including (including Other Comprehensive Income), Consolidated Statement of Changes in Equity and Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the Consolidated Financial Statements;
- e. In our opinion, the aforesaid Consolidated Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- f. On the basis of the written representations received from the directors of the Company as on 31st March 2021 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 2021 from being appointed as a director in terms of Section 164 (2) of the Act;
- g. With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in "Annexure A"; and
- h. With respect to the other matters included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i) There were no pending litigations which would impact the Consolidated financial position of the Group.
  - ii) The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.
  - iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company and its subsidiary company, incorporated in India.

Place : New Delhi  
Date : 4th June 2021

For D. TAYAL & JAIN  
Chartered Accountants  
Firm Reg. No. 011181C

Sd/-  
(CA. DEEPAK TAYAL)  
Proprietor  
Membership No. 073102  
UDIN :21073102AAAADM1271



## ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph of our Report of even date for F. Y. 2020-21)

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

In conjunction with our audit of the Consolidated Ind AS Financial Statements of the Company as of and for the year ended 31st March 2021 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 Ind AS Financial Statements, whether due to fraud or error.

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

### MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

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

### INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

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

### OPINION

In our opinion, the Company, its subsidiary company, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2021 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 : 4th June 2021

For D. TAYAL & JAIN  
Chartered Accountants  
Firm Reg. No. 011181C

Sd/-  
(CA. DEEPAK TAYAL)  
Proprietor  
Membership No. 073102  
UDIN :21073102AAAADM1271



CONSOLIDATED BALANCE SHEET AS ON 31ST MARCH 2021

(₹ 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	1,418.37	3,396.61
	(b) Bank Balances other than (a) above	2	3,359.51	102.82
	(c) Derivative Financial Instruments	3	-	-
	(d) Receivables			
	(i) Trade Receivables	4	3,168.94	1,188.85
	(ii) Other Receivables		-	-
	(e) Loans	5	2,08,743.89	1,92,865.58
	(f) Investments	6	2,390.31	2,390.31
	(g) Other Financial Assets	7	17,616.84	16,796.55
(2)	Non Financial Assets			
	(a) Current Tax Assets (Net)	8	942.67	1,172.65
	(b) Deferred Tax Asset (Net)		-	-
	(c) Investment Property		-	-
	(d) Biological Assets other than Bearer plants		-	-
	(e) Property, Plant and Equipments	9	6,269.45	6,429.75
	(f) Capital Work-in-Progress		-	-
	(g) Intangible Assets under development		-	-
	(h) Goodwill		10.70	10.70
	(i) Other Intangible Assets	9	147.14	186.27
	(j) Other Non-Financial Assets	10	216.42	382.32
	Total Assets		2,44,284.24	2,24,922.41
II	EQUITY AND LIABILITIES			
(1)	Financial Liabilities			
	(a) Derivative Financial Instruments	11	-	-
	(b) Payables	12		
	(i) Trade Payables			
	(ii) Total outstanding dues of Micro Enterprises and Small Enterprises		4.62	114.16
	(iii) Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises		1,675.80	391.76
	(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		351.31	529.06
	(c) Debt Securities	13	27,844.37	13,200.00
	(d) Borrowings (Other than Debt Securities)	14	95,412.39	101,708.73
	(e) Deposits	15	-	-
	(f) Subordinated Liabilities	16	8,900.00	8,800.00
	(g) Other Financial Liabilities	17	20,042.17	20,759.01
(2)	Non-Financial Liabilities			
	(a) Current Tax Liabilities (Net)	18	-	-
	(b) Provisions	19	2,912.86	2,290.49
	(c) Deferred Tax Liabilities (Net)	20	169.51	121.28
	(d) Other non-financial Liabilities	21	468.02	409.67
(3)	Equity			
	(a) Equity Share Capital	22	4,229.84	4,229.84
	(b) Other Equity	23	82,273.35	72,368.41
	Total Equity & Liabilities		244,284.24	224,922.41

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 D. TAYAL & JAIN  
Chartered Accountants  
Firm Reg. No. 011181C

Sd/-  
(CA. DEEPAK TAYAL)  
Proprietor  
Membership No. 073102

Place : New Delhi  
Date : 4th June 2021

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

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

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

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

CONSOLIDATED PROFIT & LOSS STATEMENT FOR THE PERIOD ENDED 31ST MARCH 2021

(₹ 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	34,602.19	37,476.94
	(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)		34,602.19	37,476.94
II	Other Income	26	-	-
	Total Income (I+II)		34,602.19	37,476.94
III	Expenses:			
	(i) Finance Costs	27	16,195.34	15,654.57
	(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	5,371.63	8,496.18
	(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	2,331.83	2,546.16
	(xi) Depreciation, amortization and impairment	30	374.06	402.94
	(x) Others expenses	31	2,266.82	2,960.68
	Total Expenses (III)		26,539.68	30,060.53
IV	Profit before exceptional items and tax	(II-III)	8,062.51	7,416.41
V	Exceptional items		(42.32)	-
VI	Profit before tax	(IV-V)	8,104.83	7,416.41
VII	Tax Expense:			
	(1) Current Tax		1,930.51	1,963.36
	(2) Deferred Tax		48.23	39.81
VIII	Profit for the period from continuing operations	(VI-VII)	6,126.09	5,413.24
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)	6,126.09	5,413.24
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 (Comprising Profit and other Comprehensive Income for the period)	(XII+XIII)	6,126.09	5,413.24
XV	Earnings per Equity Share (for continuing operations):			
	Basic (Rs.)	34	14.49	12.80
	Diluted (Rs.)		14.49	12.80
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	14.49	12.80
	Diluted (Rs.)		14.49	12.80

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

Sd/-  
(CA. DEEPAK TAYAL)  
Proprietor  
Membership No. 073102

Place : New Delhi  
Date : 4th June 2021

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

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

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

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

STATEMENT OF CONSOLIDATED CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31ST MARCH 2021

		(₹ 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	24,257.84	23,070.97
	Adjustments for		
I	Depreciation	206.60	189.65
II	Deferred Expense W/O	167.46	213.29
III	Impairment on financial instruments	5,371.63	8,496.18
	Operating Profit before working capital changes	30,003.53	31,970.09
	Adjustments for		
I	Change in Other Financial Assets	13.82	(2.55)
II	Change in Loans & Receivables	(22,677.94)	(6,747.30)
III	Change in Payable & non financial liabilities	1,055.09	(3,637.11)
IV	Deferred Expenditure	(1.57)	22.26
	Cash generated from Operations	8,392.93	21,605.39
I	Interest paid	(16,195.34)	(15,654.57)
II	Income Tax paid	(1,700.52)	(2,336.30)
III	Paid Expenses on CSR	(328.08)	(97.91)
	Cash flow before Extraordinary Items	(9,831.01)	3,516.61
I	Extraordinary items	(42.32)	-
	Net Cash from Operating Activities	(9,788.69)	3,516.61
B	Cash Flows from Investing Activities:		
I	Purchase of Fixed Assets	(7.16)	(29.98)
	Net Cash from Investing activities	(7.16)	(29.98)
C	Net Cash from Financing Activities:		
I	Proceeds from Borrowings	(6,296.34)	6,440.08
II	Proceeds from Debt Service Repayment Account	(1,550.95)	(8,943.77)
III	Proceeds from Debt Securities	14,644.37	900.00
IV	Proceeds from Subordinated Liability	100.00	700.00
V	Dividend Paid	(422.92)	(488.97)
VI	Money received against Share Warrant	4,600.13	-
	Net Cash from Financing activities	11,074.29	(1,392.66)
	Net Increase/(decrease) in cash & cash equivalents	1,278.44	2,093.98
	Cash & Cash equivalents at beginning of period	3,499.44	1,405.46
	Cash & Cash equivalent at end of period	4,777.88	3,499.44

Signed in terms of our Report of even date

For and on behalf of the Board

For D. TAYAL & JAIN  
Chartered Accountants  
Firm Reg. No. 011181C

Sd/-  
(CA. DEEPAK TAYAL)  
Proprietor  
Membership No. 073102

Place : New Delhi  
Date : 4th June 2021

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

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

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

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

AUDITORS' REPORT

We have verified the attached Cash Flow Statement of M/s Paisalo Digital Limited derived from audited Financial Statements and the books and records maintained by the Company for the year ended 31st March 2021 and 31st March 2020 and found the same in agreement here with.

For D. TAYAL & JAIN  
Chartered Accountants  
Firm Reg. No. 011181C

Sd/-  
(CA. DEEPAK TAYAL)  
Proprietor  
Membership No. 073102

Place : New Delhi  
Date : 4th June 2021



## 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:

- 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.
- Investment in Associate Companies has been accounted under the equity method as per Ind AS "Accounting for Investments in Associates in Consolidated Financial Statements".
- 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 2021

### Note : 1 Cash & Cash Equivalents

(₹ in Lakhs)

Sr. No.	Particulars	Current Year	Previous Year
1	Cash Balances	229.81	138.86
2	Bank Balances		
	Current a/c with Scheduled Banks (Subject to reconciliation)	1,188.49	3,257.68
	Cheques/ Drafts on Hands	-	-
3	In Fixed Deposits - Unencumbered		
	With Banks	0.07	0.07
	<b>Total</b>	<b>1,418.37</b>	<b>3,396.61</b>

### 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	3,359.51	102.82
	<b>Total</b>	<b>3,359.51</b>	<b>102.82</b>

### 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
<b>Part I</b>						
<b>(i) Currency Derivatives</b>						
— Spot and Forwards	-	-	-	-	-	-
— Currency Futures	-	-	-	-	-	-
— Currency Swaps	-	-	-	-	-	-
— Options purchased	-	-	-	-	-	-
— Options sold (written)	-	-	-	-	-	-
— Others	-	-	-	-	-	-
<b>Sub Total (i)</b>	-	-	-	-	-	-
<b>(ii) Interest rate Derivatives</b>						
— Forward Rate Agreements and Interest Rate Swaps	-	-	-	-	-	-
— Options purchased	-	-	-	-	-	-
— Options sold (written)	-	-	-	-	-	-
— Futures	-	-	-	-	-	-
— Others	-	-	-	-	-	-
<b>Sub Total (ii)</b>	-	-	-	-	-	-
<b>(iii) Credit Derivatives</b>	-	-	-	-	-	-
<b>(iv) Equity linked Derivatives</b>	-	-	-	-	-	-
<b>(v) Other Derivatives (Please specify)</b>	-	-	-	-	-	-



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	2,256.41	892.49
	—Overdue Installments : Considered Good - Unsecured	912.53	296.36
2	Other Receivables	-	-
	Total	3,168.94	1,188.85

Note : 5 Loans

(₹ in Lakhs)

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	208,877.69	-	-	-	-	208,877.69	192,954.69	-	-	-
(iv) Leasing	-	-	-	-	-	-	-	-	-	-
(v) Factoring	-	-	-	-	-	-	-	-	-	-
(vi) Others (to be specified)	-	-	-	-	-	-	-	-	-	-
Total (A) - Gross	208,877.69	-	-	-	-	208,877.69	192,954.69	-	-	-
Less: Impairment loss allowance	133.80	-	-	-	-	133.80	89.11	-	-	-
Total (A) - Net	208,743.89	-	-	-	-	208,743.89	192,865.58	-	-	-
(B) (i) Secured by tangible assets	206,123.96	-	-	-	-	206,123.96	187,131.53	-	-	-
(ii) Secured by intangible assets	-	-	-	-	-	-	-	-	-	-
(iii) Covered by Bank/Government Guarantees	-	-	-	-	-	-	-	-	-	-
(iv) Unsecured	2,753.73	-	-	-	-	2,753.73	5,823.16	-	-	-
Total (B) - Gross	208,877.69	-	-	-	-	208,877.69	192,954.69	-	-	-
Less: Impairment loss allowance	133.80	-	-	-	-	133.80	89.11	-	-	-
Total (B) - Net	208,743.90	-	-	-	-	208,743.90	192,865.58	-	-	-
(C) (i) Loans in India	208,877.69	-	-	-	-	208,877.69	192,954.69	-	-	-
(i) Public Sector	-	-	-	-	-	-	-	-	-	-
(ii) Others (to be specified)	-	-	-	-	-	-	-	-	-	-
Total (C) - Gross	208,877.69	-	-	-	-	208,877.69	192,954.69	-	-	-
Less: Impairment loss allowance	133.80	-	-	-	-	133.80	89.11	-	-	-
Total (C) (i) - Net	208,743.89	-	-	-	-	208,743.89	192,865.58	-	-	-
(C) (ii) Loans outside India	-	-	-	-	-	-	-	-	-	-
Less: Impairment loss allowance	-	-	-	-	-	-	-	-	-	-
Total (C) (ii) - Net	-	-	-	-	-	-	-	-	-	-
Total C (i) and C (ii)	208,743.89	-	-	-	-	208,743.89	192,865.58	-	-	-



Note : 6 Investments	Current Year At Fair Value							Previous Year At Fair Value							(₹ in Lakhs)
	Amortised cost	Through Other Comprehensive Income	Through Profit or Loss	Designated at fair value through profit or loss	Sub - Total	Others*	Total	Amortised cost	Through Other Comprehensive Income	Through Profit or Loss	Designated at fair value through profit or loss	Sub - Total	Others*	Total	
	(1)	(2)	(3)	(4)	(5) = (2)+(3)+(4)	(6)	(7) = (1)+(5)+(6)	(8)	(9)	(10)	(11)	(12) = (9)+(10)+(11)	(13)	(14) = (8)+(12)+(13)	
Mutual funds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Government securities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other approved securities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Debt securities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Associates	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Joint Ventures	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Others (specify)*	2,390.31	-	-	-	-	-	2,390.31	2,390.31	-	-	-	-	-	2,390.31	-
Total (A)	2,390.31	-	-	-	-	-	2,390.31	2,390.31	-	-	-	-	-	2,390.31	-
(i) Investments outside India	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(ii) Investments in India	2,390.31	-	-	-	-	-	2,390.31	2,390.31	-	-	-	-	-	2,390.31	-
Total (B)	2,390.31	-	-	-	-	-	2,390.31	2,390.31	-	-	-	-	-	2,390.31	-
Total (A) to tally with (B)	2,390.31	-	-	-	-	-	2,390.31	2,390.31	-	-	-	-	-	2,390.31	-
Less: Allowance for Impairment loss (C)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total - Net D = (A) - (C)	2,390.31	-	-	-	-	-	2,390.31	2,390.31	-	-	-	-	-	2,390.31	-

\*Unquoted Shares of M/s Samast Vikas Limited

Note : 7 Others Financial Assets				(₹ in Lakhs)	
Sr. No.	Particulars	Current Year	Previous Year		
1	Secured, Considered Good				
	Security Deposit*	20.60	21.63		
	Advances to Staff	3.46	69.68		
	Income Receivables	1.00	0.11		
	Advances for Services	97.93	91.88		
	Prepaid Expenses	2.44	4.08		
	GST/Service Tax Cenvat	226.62	178.50		
2	Arbitration Awards/ Decree Recievable	17,264.79	16,430.67		
	Total	17,616.84	16,796.55		

-\*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	7,612.09	9,204.58		
	Provision for Taxation	(6,669.42)	(8,031.93)		
	Total	942.67	1,172.65		



Note : 9 Property, Plant and Equipment										(₹ in Lakhs)	
		Gross Block				Depreciation				Net Block	
Sr. No.	Particulars	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 31.03.2021	WDV as on 31.03.2020
I	Tangible Assets										
1	Land	-	-	-	-	-	-	-	-	-	-
2	Building	6,425.12	-	-	6,425.12	257.27	105.88	-	363.15	6061.97	6167.86
3	Furniture & Fittings	215.15	2.83	-	217.98	121.09	11.41	-	132.50	85.48	94.06
4	Computer Peripheral	217.56	1.43	-	218.99	180.98	19.17	-	200.15	18.84	36.58
5	Vehicles	165.62	-	-	165.62	89.54	15.33	-	104.87	60.75	76.07
6	Equipments, Plant & Machinery	169.27	2.90	-	172.17	114.09	15.67	-	129.76	42.41	55.18
	SUB TOTAL (A)	7,192.72	7.16	-	7,199.88	762.97	167.46	-	930.43	6,269.45	6,429.75
II	Intangible Assets										
1	Computer Software	529.77	-	-	529.77	343.50	39.15	-	382.65	147.14	186.27
2	Goodwill	10.70	-	-	10.70	-	-	-	-	10.70	10.70
	SUB TOTAL (B)	540.47	-	-	540.47	343.50	39.15	-	382.65	157.84	196.97
III	Capital Work-in-progress	-	-	-	-	-	-	-	-	-	-
	SUB TOTAL (C)	-	-	-	-	-	-	-	-	-	-
IV	Intangible Assets Under Development	-	-	-	-	-	-	-	-	-	-
	SUB TOTAL (D)	-	-	-	-	-	-	-	-	-	-
	Total [A+B+C+D] (Current Year)	7,733.19	7.16	-	7,740.35	1,106.47	206.61	-	1,313.08	6,427.29	6,626.72
	Total (Previous Year)	1,708.70	6,024.49	-	7,733.20	764.24	342.24	-	1,106.48	6,626.72	944.47

Note : 10 Other Non Financial Assets				(₹ in Lakhs)	
Sr. No.	Particulars	Current Year		Previous Year	
1	Deferred Revenue Expenditure	201.47		368.94	
2	Unexpired Expenses on Procesing Fees charged by Bank	14.95		13.38	
	Total	216.42		382.32	

-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	4.62	114.16
		4.62	114.16
	(ii) Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises		
	(a) SBI Assignment Payable	554.90	83.44
	(b) SIB Assignment Payable	141.47	30.58
	(c) DJT Financial Services Payable	-	43.55
	(d) CBI Financial Services Payable	88.58	-
	(e) BOB Financial Services Payable	693.04	-
	(g) Other Sundry Payables	197.82	234.19
		1,675.81	391.76
2	Other Payables		
	(i) Total outstanding dues of Micro Enterprises and Small Enterprises	-	-
	(iii) Total outstanding dues of creditors other than Micro enterprises and Small Enterprises		
	(a) Statutory Payables		
	Professional Tax Payable	0.02	0.02
	EPF Contribution Payable	5.86	6.61
	ESI Payable	0.70	0.77
	GST Payable	9.97	16.89
	TDS Payable	75.13	129.50
	LIC GSLI Payable	0.02	0.03
	(b) Expenses Payables	259.60	375.25
		351.30	529.07
	Total	2,031.73	1,034.99

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
	(1)	(2)	(3)	(4) = (1)+(2)+(3)	(5)	(6)
Liability component of compound Financial Instruments	-	-	-	-	-	-
Others (Bonds/ Debentures etc.)*	27,844.37	-	-	27,844.37	13,200.00	-
Total (A)	27,844.37	-	-	27,844.37	13,200.00	13,200.00
Debt Securities in India	27,844.37	-	-	27,844.37	13,200.00	-
Debt Securities outside India	-	-	-	-	-	-
Total (B) to tally with (A)	27,844.37	-	-	27,844.37	13,200.00	13,200.00

\*Details of Non Convertible Debentures

₹ in Lakhs

Debenture Series	Issued Date	Issued Amount	Rate of Interest	Interest Periodicity	Maturity Date	Maturity Amount	Current Year	Previous Year
Series-'1609 SEIL'	Sept-2016	9,500.00	14.50%	Monthly	Sept-2021	9,500.00	Yes	Yes
Series-'PDL 1802'	Feb-2018	2,800.00	12.00%	Monthly	Feb-2023	2,800.00	Yes	Yes
Series-'PDL 2020 -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	No
Series-'PDL-08-2020'	Aug-2020	2,000.00	9.50%	Yearly	Feb-2022	2,000.00	Yes	No
Series-'PDL-11-2020'	Nov-2020	1,600.00	10.50%	Quarterly	May-2022	1,600.00	Yes	No
Series-'PDL-12-2020'	Dec-2020	3,500.00	12.00%	Monthly	Dec-2023	3,500.00	Yes	No
Series-'PDL-02-2021'	Feb-2021	2,300.00	12.00%	Monthly	Feb-2026	2,300.00	Yes	No



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

	Current Year				Previous Year			
Particulars	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	6,377.06	-	-	6,377.06	9,696.00	-	-	9,696.00
(ii) From other parties	3,309.44	-	-	3,309.44	3,227.75	-	-	3,227.75
(b) Deferred payment liabilities	-	-	-	-	-	-	-	-
(c) Loans from related parties	2,221.63	-	-	2,221.63	1,870.26	-	-	1,870.26
(d) Finance lease obligations	-	-	-	-	-	-	-	-
(e) Liability component of compound financial instruments	-	-	-	-	-	-	-	-
(f) Loans repayable on demand:								
(i) from banks	73,645.12	-	-	73,645.12	78,925.67	-	-	78,925.67
(ii) from other parties	9,859.14	-	-	9,859.14	7,989.05	-	-	7,989.05
(g) Other loans (specify nature)	-	-	-	-	-	-	-	-
<b>Total (A)</b>	<b>95,412.39</b>	-	-	<b>95,412.39</b>	<b>101,708.73</b>	-	-	<b>101,708.73</b>
Borrowings in India	95,412.39	-	-	95,412.39	101,708.73	-	-	101,708.73
Borrowings outside India	-	-	-	-	-	-	-	-
<b>Total (B) to tally with (A)</b>	<b>95,412.39</b>	-	-	<b>95,412.39</b>	<b>101,708.73</b>	-	-	<b>101,708.73</b>

Note : 15 Deposits (₹ in Lakhs)

Particulars	Current Year			Previous Year		
	At fair value through profit or loss	Designated at fair value through profit or loss	Total	At fair value through profit or loss	Designated at fair value through profit or loss	Total
	(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 (1)	At fair value through profit or loss (2)	Designated at fair value through profit or loss (3)	Total (4)=(1)+(2)+(3)	At Amortised Cost (5)	At fair value through profit or loss (6)	Designated at fair value through profit or loss (7)	Total (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	8,800.00	-	-	8,800.00
(Non-Convertible Debentures*)								
Total (A)	8,900.00	-	-	8,900.00	8,800.00	-	-	8,800.00
Subordinated Liabilities in India	8,900.00	-	-	8,900.00	8,800.00	-	-	8,800.00
Subordinated Liabilities outside India	-	-	-	-	-	-	-	-
Total (B) to tally with (A)	8,900.00	-	-	8,900.00	8,800.00	-	-	8,800.00

\* Details of Non-Convertible Debentures

Debenture 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-'PDL 2020-1'	Jan -2020	600	12.00%	Monthly	Jan-2026	600	Yes	Yes
Series-'PDL 2020-2'	Feb-2020	100	12.00%	Monthly	Feb-2026	100	Yes	Yes
Series-'PDL-12-2020'	Dec-2020	100	12.00%	Monthly	Dec-2030	100	Yes	No



Note : 17 Others Financial Liabilities (₹ in Lakhs)			
Sr. No.	Particulars	Current Year	Previous Year
1	Debt Service Repayment Account	2,777.38	4,328.34
2	Arbitration Awards/ Decree Recievables	17,264.79	16,430.67
	Total	20,042.17	20,759.01

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	848.88	778.62
2	Provision for Proposed Dividend on Equity Shares	422.92	422.92
3	General Provision on Standard Accounts in Default	-	652.47
4	Provision for Expected Credit Loss	1,339.87	269.10
5	Provision for Sub Standard Assets	301.17	167.38
	Total	2,912.86	2,290.49

Note : 20 Deferred Tax Liabilities (Net) (₹ in Lakhs)			
Sr. No.	Particulars	Current Year	Previous Year
1	Opening Balance	121.28	70.93
	Add: Addition from Merger of Agarwal Meadows	-	10.54
	Tax on Timing difference on Property, Plant and Equipments	234.15	128.44
	Tax on Timing difference on Deferred Revenue Expenditures	51.63	94.54
	Tax on Timing difference on Unearned Processing Fees	(119.93)	(104.98)
	Tax on Timing difference on Unearned Expenses	3.66	3.28
2	Total Deferred Tax Liability	169.51	121.28
	Provision for Deferred Tax required for the year (2-1)	48.23	39.81
	Total	169.51	121.28

Note : 21 Others Non Financial Liabilities (₹ in Lakhs)			
Sr. No.	Particulars	Current Year	Previous Year
1	Unearned Income of Processing Fees	468.02	409.67
	Total	468.02	409.67

Note : 22 Share Capital (₹ in Lakhs)			
Sr. No.	Particulars	Current Year	Previous Year
1	AUTHORIZED CAPITAL		
	120,000,000 Equity Shares of Rs. 10 per share	12,000.00	12,000.00
	5,000,000 Preference Shares of Rs. 10 each	500.00	500.00
		12,500.00	12,500.00
2	ISSUED, SUBSCRIBED CAPITAL		
	42,304,699 Equity Shares of Rs. 10 per Share fully paid up	4,230.47	4,230.47
		4,230.47	4,230.47
3	PAID UP CAPITAL		
	42,292,199 Equity Shares of Rs. 10 per Share fully paid up	4,229.22	4,229.22
	Add: Share Forfeited a/c (Amount originally Paid up @ Rs 5 each on 12,500 Equity Shares of Rs. 10 each)	0.63	0.63
	Total	4,229.84	4,229.84

- More than 5% shares:
- Mr. Sunil Agarwal holds 5,285,140 equity shares (12.50%) [Previous year 3,269,940 equity shares (8.06%)]
- M/s Equilibrated Venture Cflow Pvt Ltd holds 4,084,212 equity shares (9.65%) [Previous year 2,914,223 equity shares (7.19%)]
- SBI Life Insurance Co. Ltd holds 3,800,000 equity shares (8.98%)

Statement of Changes in Equity for the period ending on 31-03-2021 (in ₹)		
Balance at the beginning of the reporting period	Changes in equity share capital during the year	Balance at the end of the reporting period
422,984,490	-	422,984,490



Note : 23 Other Equity

(₹ in Lakhs)

Particulars	Share Application money pending Allotment	Equity component of compound Financial Instruments	Statutory Reserves - RBI Reserve Fund	Capital Reserve	Securities Premium	General Reserve	Retained Earnings	Capital Redemption Reserve	Revaluation Reserve	Equity portion of Cash Flow Hedges	Effective portion of Cash Flow Hedges	Revaluation Surplus	Exchange differences on translating the Financial Statements of a foreign operation	Other items of Other Comprehensive Income (Specify nature)	Money received against Share Warrants	Total
Balance at the beginning of the reporting period	-	-	13,004.20	2,415.21	19,952.02	36,335.11	48.75	250.00	363.12	-	-	-	-	-	-	72,368.41
Add: Addition due to merger of AMPL	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
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	-	-	-	-	-	-	6,126.09	-	-	-	-	-	-	-	-	6,126.09
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	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Any other change	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
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)
Expenditure on Corporate Social Responsibility	-	-	-	-	-	-	(328.08)	-	-	-	-	-	-	-	-	(328.08)
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 Amortised Cost	On Financial Assets measured at Fair value through profit for loss	Interest Income on Financial Assets classified at Fair value through profit for loss
Interest on Loans	-	34,527.57	-	-	37,470.37	-
Interest Income from Investments	-	-	-	-	-	-
Interest on Deposits with Banks	-	27.42	-	-	6.57	-
Other Interest Income	-	47.20	-	-	-	-
Total	-	34,602.19	-	-	37,476.94	-

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	-	-
	<b>Total</b>	<b>-</b>	<b>-</b>

**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	-	11,877.81	-	12,282.44
3	Interest on Debt Securities	-	2,488.70	-	2,022.07
4	Interest on Subordinated Liabilities	-	1,220.96	-	857.87
5	Other Interest expense/ Bank Charges	-	607.87	-	492.18
	<b>Total</b>	<b>-</b>	<b>16,195.34</b>	<b>-</b>	<b>15,654.57</b>

**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	-	4,819.52	-	7,485.50
Provision for NPA	-	133.80	-	89.11
<b>Provision for Expected Credit Loss</b>				
Provision on Standard Accounts in Default	-	-	-	652.47
Additional Provision for Expected Credit Loss	-	418.31	-	269.10
Investments	-	-	-	-
Others (to be specified)	-	-	-	-
<b>Total</b>	<b>-</b>	<b>5,371.63</b>	<b>-</b>	<b>8,496.18</b>

**Note : 29 Employees Benefit Expenses**

(₹ in Lakhs)

Sr. No.	Particulars	Current Year	Previous Year
1	Salaries and Wages to Employess	1,769.46	1,947.02
2	Directors Salaries & Allowances	433.28	463.47
3	Contribution to Provident and other funds	107.44	103.82
4	Share Based Payments to employees	-	-
5	Staff welfare expenses	21.65	31.85
	<b>Total</b>	<b>2,331.83</b>	<b>2,546.16</b>

-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. 2020-21 is Rs. 4,33,14,900 (last year Rs. 4,63,24,800) 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	206.60	189.65
2	Deffered Revenue Exp. w/o*	167.46	213.29
	<b>Total</b>	<b>374.06</b>	<b>402.94</b>

\*-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	56.75	130.40
2	Travelling Expenses	452.11	528.23
3	Repair & Maintenance	19.15	48.67
4	Insurance Expenses	11.48	12.62
5	Electricity & Water Expenses	49.98	60.24
6	Rates & Taxes	3.15	6.28
7	Legal Expenses & Professional Fees	278.60	476.89
8	Printing & Stationery Expenses	90.79	382.63
9	Postage & Telephone Expenses	52.62	88.69
10	Auditors Remuneration	48.06	57.91
11	Rent	156.86	203.13
12	Rebate & Remission	17.69	12.57
13	Advertisement & Business Promotion Expenses	758.97	617.84
14	Recovery Expenses	40.17	54.39
15	Office and General Expenses	215.72	265.20
16	Directors Sitting Fees & Expenses	14.72	14.99
	<b>Total</b>	<b>2,266.82</b>	<b>2,960.68</b>



**32. Remuneration to Auditors: (₹ In Lakhs)**

	Current Year	Previous Year
For Statutory Audit	3.30	3.30
For Tax Audit	1.20	1.20
For Certification work/other services	44.57	53.41
<b>Total</b>	<b>49.07</b>	<b>57.91</b>

**33. Earning per Share: (₹ In Lakhs)**

	Current Year	Previous Year
Net profit for the year (After Tax)	6,126.09	5,413.24
No. of Equity Shares (Weighted)	422.92	422.92
Basic and diluted Earning per share	14.49	12.80

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

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

(₹ In Lakhs)	
Name of Bank / Financial Institution	Amount
State Bank of India Term Loan	977.78
State Bank of India Cash Credit Limit	3,000.00
Karnataka Bank Ltd Cash Credit Limit	2,000.00
Bank of Baroda Term Loan	1,458.33
Tourism Finance Corporation of India Ltd Term Loan	587.88
Nabsamruddhi Finance Limited Term Loan	333.33
Satin Creditcare Network Limited Term Loan	944.55
Satin Finserv Limited Term Loan	188.91
<b>Total</b>	<b>9,490.78</b>

**36. Disclosure of Related party transactions:  
Refer note no. 36 (A, B & C) of Paisalo Digital Limited Notes on Accounts****D. Disclosures required for Related party transactions (₹ In Lakhs)**

Name of Party	Nature	Amount	Amount Receivable/ (Payable)
Mr. Sunil Agarwal	Remuneration to Director	376.56	(3.24)
Mr. Harish Singh	Remuneration to Director	26.72	(1.05)
Mr. Anoop Krishnan	Remuneration to Director	32.18	(2.34)
Mr. Sunil Agarwal	Loan	—	(33.00)
Mrs. Raj Agarwal	Rent	9.00	(0.69)
Mr. Santanu Agarwal	Salary	18.00	(3.15)
Mr. Atul Agarwal	Salary	14.63	(1.23)

Mr. Manendra Singh	Salary	9.99	(0.87)
Mr. Santanu Agarwal	Loan Received	291.90	(1768.16)
Mr. Santanu Agarwal	Loan Repaid	361.00	—
Mr. Santanu Agarwal	Interest Expenses	238.35	(220.48)
Mr. Harish Singh	Interest Payment (on NCD)	14.50	—
Mr. Pranav Chauhan	Interest Payment (on NCD)	14.50	—

**Notes:**

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

**37. Term Loan facility:**

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

(₹ In Lakhs)					
Name of Financial Institutions	Date of Sanction	Sanctioned Amount	Rate of Interest	Terms of repayment	Maturity Date
State Bank of India	15th July 2017	2,000.00	11.00%	16 Quarterly installments	Jan 2022
Tourism Finance Corporation of India	28th September 2017	2,385.00	12.00%	17 Quarterly installments	Mar 2022
Nabsamruddhi Finance Ltd.	30th November 2017	1,500.00	12.50%	12 Quarterly installments	Dec 2020
Tata Capital Financial Services Ltd	11th September 2018	1,500.00	11.75%	8 Quarterly installments	Sep 2020
Nabsamruddhi Finance Ltd.	31st December 2018	1,000.00	13.50%	12 Quarterly installments	Dec 2021
Bank of Baroda	29th June 2019	2,500.00	12.20%	36 monthly installment	Dec 2022
Satin Creditcare Limited	05th June 2019	700.00	13.00%	12 monthly installments	July 2020
Satin Finserv Limited	05th June 2019	300.00	13.00%	12 monthly installments	July 2020
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

For other details of facilities and loans refer note no. 38 & 39 of Standalone Financial Statement of Paisalo Digital Ltd. notes on accounts.



38. Working Capital Borrowings:

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

(₹ In Lakhs)

S. No.	Name of Bank	Sanctioned Amount	Date of Sanction	Rate of Interest
1	Karnataka Bank Ltd.	2,000.00	28th December, 2015	MCLR+2%
2	State Bank of India	3,000.00	15th July 2017	MCLR+2.15%
	Total	5,000.00		

For other details of facilities and loans refer note no. 38 & 39 of Standalone Financial Statement of Paisalo Digital Ltd. notes on accounts.

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

(₹ In Lakhs)

Name of the Entity	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount
1	2	3	4	5
Total Consolidated	100	86,503.19	100	6,126.09
Holding Co. :				
Paisalo Digital Limited	93.90	81,224.03	99.44	6,091.90
		(Note 1)		(Note 2)
Subsidiaries-Wholly Owned :				
Nupur Finvest Pvt. Ltd.	6.10	5,279.16	0.56	34.19

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:

(₹ 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, 2020 to March 31, 2021
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	4,742.21
6	Total Assets	19,068.71
7	Total Liabilities	19,068.71
8	Investments	—
9	Turnover	3,462.60
10	Profit before Taxation	51.86
11	Provision for Taxation	17.67
12	Profit after Taxation	34.19
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 D. TAYAL & JAIN Chartered Accountants Firm Reg. No. 011181C  Sd/- (CA. DEEPAK TAYAL) Proprietor Membership No. 073102  Place : New Delhi Date : 4th June 2021	(ATUL KUMAR AGRAWAL) Chief Financial Officer PAN : ADOPA4603N	Sd/- (SUNIL AGARWAL) Managing Director DIN : 00006991	
		Sd/- (MANENDRA SINGH) Company Secretary Membership No. : F7868	Sd/- (HARISH SINGH) Executive Director DIN : 00039501



## Notice of 29Th Annual General Meeting

PAISALO DIGITAL LIMITED

## NOTICE OF 29TH ANNUAL GENERAL MEETING

Notice is hereby given that the Twenty Ninth Annual General Meeting of the Members of Paisalo Digital Limited will be held on Saturday, September 25, 2021 at 10:30 A.M. through Video Conferencing (VC) / Other Audio Visual Means (OAVM), to transact the following business(s):

### ORDINARY BUSINESS:

1. To consider and adopt (a) the audited standalone financial statements of the Company for the financial year ended March 31, 2021 and the reports of the Board of Directors and Auditors thereon; and (b) the audited consolidated financial statement of the Company for the financial year ended March 31, 2021 and the report of Auditors thereon and, in this regard, to consider and if thought fit, to pass, with or without modification(s), the following resolutions as **Ordinary Resolutions**:

- a) **"RESOLVED THAT** the audited financial statements of the Company for the financial year ended March 31, 2021 and the reports of the Board of Directors and Auditors thereon, as circulated to the members, be and are hereby considered and adopted."
- b) **"RESOLVED THAT** the audited consolidated financial statement of the Company for the financial year ended March 31, 2021 and the report of Auditors thereon, as circulated to the members, be and are hereby considered and adopted."

2. To appoint Mr. Anoop Krishna (DIN: 08068261), who retires by rotation as a Director and being eligible, offers himself for re-appointment and, in this regard, to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

**"RESOLVED THAT** in accordance with the provisions of Section 152 and other applicable provisions of the Companies Act, 2013, Mr. Anoop Krishna (DIN: 08068261), who retires by rotation at this meeting be and is hereby appointed as a Director of the Company."

3. To declare dividend on equity shares for the financial year ended March 31, 2021 and, in this regard, to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

**"RESOLVED THAT** a dividend at the rate of 10% i.e. INR 1.00 (Rupee One only) per equity share of INR 10/- (Ten rupees) each of the Company as recommended by the Board of Directors, be and is hereby declared for the financial year ended March 31, 2021 and the same be paid out of the profits of the Company for the financial year ended March 31, 2021."

4. To appoint Statutory Auditors of the Company and to fix their remuneration and, in this regard, to consider and if thought fit, to pass with or without modification(s), the following resolution as **Ordinary Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Section 139 & 142 and other applicable provisions, if any, of the Companies Act, 2013 read with rules framed thereunder, appointment procedure and eligibility criteria prescribed under the 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 for appointment of Statutory Auditors") and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") including any statutory modification(s) or amendment(s) thereto or reenactment(s) thereof for the time being in force, M/s Manish Goyal & Co., Chartered Accountants, Firm Registration No. 006066C issued by Institute of Chartered Accountants of India, be and are hereby appointed as Statutory Auditors of the Company effective from the conclusion this Annual General Meeting till the conclusion of 30<sup>th</sup> Annual General Meeting to be held in calendar year 2022 on such terms including remuneration, reimbursement of expenses (if any) as may be fixed and determined by the Board of Directors of the Company in consultation with the said Auditors.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and are hereby authorized to finalize their terms of engagement according to the scope of their services as Statutory Auditors and other permissible assignments, if any, in line with the relevant, prevailing statutory/ regulatory provisions including their terms of appointment as per the provisions of SEBI Circular No. CIR/CFD/CMD1/114/2019 dated October 18, 2019, RBI Guidelines for appointment of Statutory Auditors and Policy for appointment of Statutory Auditors of the Company.



**RESOLVED FURTHER THAT** the Board of Directors of the Company, including any Committee thereof, be and are hereby authorized to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this Resolution."

## SPECIAL BUSINESS

5. To fix borrowing power of the Board of Directors u/s 180 (1) (c) of the Companies Act, 2013 and, in this regard, to consider and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

**"RESOLVED THAT** in supersession of earlier Special Resolution passed in the 28<sup>th</sup> Annual General Meeting held on September 8, 2020 and pursuant to provisions of Section 180(l)(c) and other applicable provisions, if any, of the Companies Act, 2013 read with rules made there under [including any statutory modification(s) or re-enactment(s) thereof for the time being in force], consent of the Members of Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as "Board" which term shall be deemed to include any Committee thereof which the Board may have constituted / reconstituted or hereinafter constitute / reconstitute to exercise its powers including the powers conferred by this Resolution), to raise or borrow any sum or sums of money (including non-fund based facilities and borrowing through debt securities) from time to time at their discretion, for the purpose of the business of the Company notwithstanding that the monies to be borrowed together with the monies already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) may, at any time, exceed the paid up share capital, free reserves and securities premium of the Company not set apart for any specific purpose, provided that the total amount up to which monies may be borrowed by the Board and which shall remain outstanding at any given point of time shall not exceed a sum of INR 3600 Crores (Indian Rupees Three Thousand Six Hundred Crores) and that the Board be and is hereby empowered and authorized to arrange or fix the terms and conditions of all such monies to be borrowed from time to time as to interest, repayment, security or otherwise as it may deem fit.

**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, the Board be and is hereby authorized to do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary, proper, or desirable and to settle any question, difficulty, doubt that may arise in respect of the borrowing(s) aforesaid and further to do all such acts, deeds and things and to execute all documents and writings as may be necessary, proper, desirable or expedient to give effect to this resolution."

6. To authorise Board of Directors u/s 180 (1) (a) of the Companies Act, 2013 to create charges on movable and immovable properties of the Company and, in this regard, to consider and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

**"RESOLVED THAT** in supersession of earlier Special Resolution passed in the 28<sup>th</sup> Annual General Meeting held on September 8, 2020 and pursuant to provisions of Section 180(l)(a) and all other applicable provisions, if any, of the Companies Act, 2013, read with the relevant rules thereunder [including any statutory modification(s) or re-enactment(s) thereof for the time being in force], consent of Members of the Company be and is hereby accorded to the Board of Directors (hereinafter referred to as "Board" which term shall be deemed to include any Committee thereof which the Board may have constituted / reconstituted or hereinafter constitute / reconstitute to exercise its powers including the powers conferred by this Resolution), to create/ renew such mortgages, charge(s), hypothecation(s) and floating charges, including existing mortgages, charges and hypothecation created by the Board on behalf of the Company, on such movable and immovable properties of the Company, both present and future, and in such form and manner as the Board may deem fit, to secure any Indian Rupees or Foreign Currency loans and/or the issue of debentures whether partly/fully convertible or non-convertible and/or the issue of rupee/foreign currency convertible bonds and/or advances and/or all other moneys payable by the Company to its lender(s) (hereinafter collectively referred to as "Loans"), provided that the total amount of loans, already obtained or to be obtained from any Financial Institution, Bank, Body Corporate, Company or any other person(s), together with interest thereon, liquidated damages, commitment charges, premia on pre-payment and other cost and charges expenses and all other monies payable by the Company in respect of said Loans, shall not at any time exceed an amount of INR 3600 Crores (Indian Rupees Three Thousand Six Hundred Crores).

**RESOLVED FURTHER THAT** for the purpose of giving effect to this Resolution the Board be and is hereby authorized to do all such acts, deeds, matters and things and to give such directions as may be necessary or expedient and to settle any question, difficulty or doubt that may arise in this regard as the Board in its absolute discretion may deem necessary or desirable."

7. To consider and approve the issuance of Non-Convertible Debentures, in one or more series/tranches on private placement basis pursuant to Section 42 of the Companies Act, 2013 and in this regard, to consider and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

**"RESOLVED THAT** in supersession of earlier Special Resolution passed in the 28<sup>th</sup> Annual General Meeting held on September 8, 2020 and pursuant to the provisions of sections 23, 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, from time to time, and pursuant to the provisions of the SEBI (Issue and Listing of Debt Securities) Regulations, 2008/ the SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, 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 thereof which the Board may have constituted / reconstituted or hereinafter constitute / reconstitute to exercise its powers including the powers conferred by this Resolution) to create, 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."

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to delegate all or any of its power conferred herein to any Committee of the Board, or any Director(s) or officer(s) of the Company."

8. To consider and approve the alteration in Object Clause of Memorandum of Association of the Company and, in this regard, to consider and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Sections 4 and 13 and all other applicable provisions, if any, of the Companies Act, 2013 (hereinafter referred to as "the Act") and rules made thereunder, including any statutory modification or re-enactment thereof for the time being in force, and subject to the necessary approval(s) as may be required in this regard from appropriate statutory or regulatory authority(ies) and such term(s), condition(s), amendment(s), modification(s) as may be required or suggested or imposed by statutory or regulatory authority(ies), and agreed to by the Board of Directors (hereinafter referred to as "Board" which term shall be deemed to include any one or more directors or Committee thereof which the Board may have constituted / reconstituted or hereinafter constitute / reconstitute to exercise its powers including the powers conferred by this Resolution) and subject to approval of the Registrar of Companies, the Objects Clause of the Memorandum of Association of Company ("MOA") be altered as follows:

- A. insertion of following new sub-clause as sub-clause No. 4 in the Clause III (A), **THE OBJECTS TO BE PURSUED BY THE COMPANY ON ITS INCORPORATION ARE** (Main Objects), of the Memorandum of Association of the Company after existing sub-clause No. 3:



4. Subject to provisions of RBI Act, 1934, Companies Act, 2013, Banking Regulation Act, 2013 and any other Acts, Rules, Regulations made thereunder, to deals in financial products and services as principal or agent, including but not limited to Business Correspondent, Corporate Agent, Business Facilitator, Business Intermediary, Direct Selling Agent, Factor, Financing Agent, Broker, Recovery Agent, Bill Discounter, Co-Lender, Co-Originator, bridge financier, Money changer Finance Manager, Loan syndication for/with Banks, Financial Institutions, Mutual Funds and other Corporate Bodies or other entities.
- B. insertion of following new sub-clauses in Clause III (B), **THE MATTERS WHICH ARE NECESSARY FOR FURTHERANCE OF THE OBJECTS SPECIFIED IN CLAUSE III(A) ARE** (Incidental or Ancillary Object) of the Memorandum of Association of the Company after existing sub-clause No. 45 and renumbering of remaining sub-clauses:
46. To promote, develop, design, establish, setup, maintain, organize, advise, operate, run, purchase, sell, distribute, import export of electronic and virtual payment, loan, data processing equipment, software, hardware, technology, system and products.
47. To act either as principals agent, surveyor, broker or otherwise either alone or in conjunction with others for financial products such as deposits, units of mutual funds, government securities, shares, bonds, debentures and/or other financial instruments and to do the above in any part of the world.
48. To establish, organize, manage, solicit, promote, encourage, provide, conduct, sponsor, subsidize, operate, develop and commercialize financial product/services.
49. Subject to applicable provisions of Companies Act, 2013 and other applicable law, to raise funds by issuing Debentures, Bonds or other Debt instruments through private or public issue.
50. To undertake facilitation support services and may include identification of borrowers and fitment of activities, collection of applications and verification of primary information/data, preliminary appraisal of credit based on standard norms set by banks and using local data/information (a simple credit scoring model may be employed), marketing of the financial products including savings / providing product information, processing and submission of applications to banks, promotion and nurturing SHGs/ JLGs; post-sanction monitoring; monitoring and handholding of SHGs/ JLGs/ Credit Groups/ others, and follow-up for recovery for the attainment of main object of the Company.
51. To provide assistance in financial functions on behalf of banks, financial Institutions, individuals, corporate bodies or other entities (whether incorporated or not) such as disbursal of small value credit, and recovery of principal / collection of interest and sale of micro insurance/mutual fund products/ pension products for the attainment of main object of the Company.
52. To promote innovative use of technologies including Information and Communication Technology (ICT), automated teller machines (ATMs), smart cards, Personal Digital Assistants (PDAs), mobile phone technologies, simputers and remote transaction services resulting in expansion of customer reach, improve quality of service and customer satisfaction, increase data collection and analysis, and business transaction which is cost effective, easier, more convenient, reliable, and secure for the consumers for the attainment of main object of the Company.
53. To promote the use of mobile phones as terminals and cards and to encourage and enable the use of encryption, digital signatures, biometric and public key infrastructure for the attainment of the main object of the Company.
54. To identify potential customers and generate awareness about savings and other products offered by Banks as well as offering debt counseling and advice on money management. Collection and processing of various forms for deposits including verification of primary information or data, filling of applications / account opening forms including nomination clause and submission to the bank. To manage the collection and payment of small value deposits and withdrawals. To complete the KYC process for the customers, opening of no frill deposit accounts and other products offered by

the bank, furnishing of account information like mini account statements as well as cross-selling of other financial products by the bank.

55. To accept or deliver cash either at a kiosk or any suitable location, subject to the ceilings per day/ per customer.

**FURTHER RESOLVED THAT** the Board of Directors, hereinafter referred to as "the Board" (which term shall also include its duly authorized Committee or individual Director or the Company Secretary) to accept such terms & conditions, alteration, suggestions, stipulation, amendments or modifications as may be required by Registrar of Companies or any other Statutory Authorities in this regard and the Board be and is hereby authorized to file necessary documents with Registrar of Companies and to do all such acts, deeds and things, as may be necessary to give effect to this resolution."

**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 14, 2021**

#### NOTES:

- Considering the ongoing COVID-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its Circular nos. 14/2020 and 17/2020 dated April 8, 2020 and April 13, 2020 respectively, in relation to "Clarification on passing of ordinary and special resolutions by companies under the Companies Act, 2013 and the rules made thereunder on account of the threat posed by Covid-19", Circular no. 20/2020 dated May 5, 2020 and Circular no. 02/2021 dated January 13, 2021 in relation to "Clarification on holding of Annual General Meeting ("AGM") through Video Conferencing ("VC") or Other Audio Visual Means ("OAVM") (collectively referred to as "**MCA Circulars**") and Securities and Exchange Board of India ("SEBI") vide its Circular no. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 and Circular No. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021 in relation to "Relaxation from compliance with certain provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 due to the Covid -19 pandemic" (collectively referred to as "**SEBI Circulars**") permitted the holding of the AGM through VC/ OAVM, without the physical presence of the Members at a common venue. In accordance with the MCA Circulars and SEBI Circulars, the AGM of the members of the Company is being held through VC / OAVM. The deemed venue for the AGM shall be the Registered Office of the Company and Subject to receipt of requisite number of votes, the Resolutions proposed in the Notice shall be deemed to be passed on the date of the Meeting, i.e., Saturday, September 25, 2021.
- Company is convening 29<sup>th</sup> Annual General Meeting (AGM) through VC / OAVM and no physical presence of members, directors, auditors and other eligible persons shall be required for this Annual General Meeting.
- A statement pursuant to Section 102(1) of the Act, relating to the Special Business to be transacted at the AGM is annexed hereto.
- 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.
- Since the AGM will be held through VC/ OAVM, the route map of the venue of the Meeting is not annexed hereto.
- Brief details of the Director who is seeking appointment/re-appointment are annexed hereto as per requirements of Regulation 36(3) of the SEBI (LODR) Regulations, 2015.



7. Pursuant to the provisions of section 91 of the Companies Act, 2013, the register of members and share transfer books of the Company will remain closed from Sunday, September 19, 2021 to Saturday, September 25, 2021, both days inclusive.

DISPATCH OF NOTICE OF AGM AND ANNUAL REPORT THROUGH ELECTRONIC MODE:

8. In compliance with the MCA Circulars and SEBI Circulars, Notice of the AGM along with the Annual Report 2020-21 is being sent only through electronic mode to all the Members whose names appear on the Register of Members / List of Beneficial Owners as received from the Registrar and Share Transfer Agent, the National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) as on August 27, 2021 and whose email addresses are registered with the Company/ NSDL/CDSL. Members may note that the Notice and Annual Report 2020-21 will also be available on the Company's website [www.paisalo.in](http://www.paisalo.in), websites of the Stock Exchanges, i.e., BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively, and the Notice of Annual General Meeting is also available on the website of NSDL (agency for providing the Remote e-Voting facility) i.e. [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
9. For receiving all communication (including Annual Report) from the Company electronically: a) Members holding shares in physical mode and who have not registered / updated their email address with the Company are requested to register / update the same by writing to the Company with details of folio number and attaching a self-attested copy of PAN card at [cs@paisalo.in](mailto:cs@paisalo.in) or to Registrar and Transfer Agent of the Company M/s Alankit Assignments Limited at [ramap@alankit.com](mailto:ramap@alankit.com). b) Members holding shares in dematerialised mode are requested to register / update their email addresses with the relevant Depository Participant.

PROCEDURE FOR REMOTE E-VOTING AND E-VOTING AT THE AGM:

10. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs dated April 08, 2020, April 13, 2020 and May 05, 2020 read with General Circular No. 02/2021 dated January 13, 2021 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-voting system as well as voting on the date of the AGM will be provided by NSDL.
11. The voting rights of members shall be in proportion to their shares of the paid-up equity share capital of the Company as on the cut-off date of Saturday, September 18, 2021.
12. Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. Saturday, September 18, 2021, may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or Company's Registrar and Transfer Agent, M/s Alankit Assignments Limited (RTA).
13. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting on the day of AGM.
14. 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.
15. The remote e-voting period begins on Wednesday, September 22, 2021 at 9:00 A.M. and ends on Friday, September 24, 2021 at 5:00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter.
16. 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


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 advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.


Login method for Individual shareholders holding securities in demat mode is given below:


Type of share-holders	Login Method
Individual Share-holders holding securities in demat mode with NSDL.	(i) Existing <b>IDeAS</b> user can visit the e-Services website of NSDL Viz. <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a Personal Computer or on a mobile. On the e-Services home page click on the " <b>Beneficial Owner</b> " icon under " <b>Log-in</b> " which is available under ' <b>IDeAS</b> ' section , this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on " <b>Access to e-Voting</b> " under e-Voting services and you will be able to see e-Voting page. Click on company name or <b>e-Voting service provider i.e. NSDL</b> and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
	(ii) If you are not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> . Select " <b>Register Online for IDeAS Portal</b> " or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a>
	(iii) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> 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 (i.e. your sixteen digit demat account number hold 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 <b>e-Voting service provider i.e. NSDL</b> and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
	(iv) Shareholders/Members can also download NSDL Mobile App " <b>NSDL Speede</b> " facility by scanning the QR code mentioned below for seamless voting experience.

NSDL Mobile App is available on

 App Store

 Google Play







Individual Share-holders holding securities in demat mode with CDSL	<div><div>(i)</div><div>Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on New System Myeasi.</div></div> <div><div>(ii)</div><div>After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of <b>e-Voting service provider i.e. NSDL</b>. Click on <b>NSDL</b> to cast your vote.</div></div> <div><div>(iii)</div><div>If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></div></div> <div><div>(iv)</div><div>Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. <b>NSDL</b> where the e-Voting is in progress.</div></div>
Individual Share-holders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. 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 or joining virtual meeting & voting during the meeting.

**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 <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> 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 <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> 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?**

- (i)

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.
- (ii)

Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.
- (iii)

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 eservices 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 user 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](http://www.evoting.nsdl.com).

b.

Physical User Reset Password?" (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://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](mailto: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 and join General Meeting 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 company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join 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

**17. 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](mailto:cs@paisalo.in). If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (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](mailto: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.

**18. 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](mailto:scrutinizer.paisalo@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto: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](http://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](http://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](mailto:evoting@nsdl.co.in).

**PROCEDURE FOR JOINING THE AGM THROUGH VC / OAVM:**

19. 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.
20. 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.
21. Members are encouraged to join the Meeting through Laptops for better experience.
22. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
23. 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.
24. 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](mailto: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.
25. Members who would like to express their views/have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at [cs@paisalo.in](mailto:cs@paisalo.in). The same will be replied by the company suitably.

**PROCEDURE FOR REMOTE e-VOTING ON THE DAY OF AGM :**

26. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
27. 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.
28. 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.
29. 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:**

30. 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.
31. 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](mailto:cs@paisalo.in).



32. 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](mailto:cs@paisalo.in). The same will be replied by the Company suitably.

#### SCRUTINISER FOR ANNUAL GENERAL MEETING:

33. 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.
34. 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.
35. The results declared along with the Scrutiniser's report shall be placed on the Company's website [www.paisalo.in](http://www.paisalo.in) and on the website of NSDL <https://evoting.nsdl.co.in> and shall also be communicated to the Stock Exchanges. The Resolution shall be deemed to be passed at the Annual General Meeting of the Company scheduled to be held on Saturday, September 25, 2021.

#### IEPF RELATED INFORMATION:

36. The Company has transferred the unpaid or unclaimed dividends declared up to financial years 2012- 13, 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](http://www.iepf.gov.in).
37. Members may note that unclaimed dividends transferred to IEPF Authority can be claimed back from the IEPF Authority.
38. Due dates for transfer to IEPF, of the unclaimed/unpaid dividends for the financial year 2013-14 and thereafter, are as under:

Financial Year	Dividend Declared Per Share	Date of Declaration	Due date for transfer in IEPF
2013-14	Re. 1	30-09-2014	06-11-2021
2014-15	Re. 1	30-09-2015	06-11-2022
2015-16	Re. 1	30-09-2016	06-11-2023
2016-17	Re. 1	26-09-2017	02-11-2024
2017-18	Re. 1	29-09-2018	05-11-2025
2018-19	Re. 1	10-08-2019	16-09-2026
2019-20	Re. 1	08-09-2020	14-10-2027

#### DIVIDEND RELATED INFORMATION

39. Subject to the provisions of section 126 of the Companies Act, 2013, dividend on equity shares, if declared at the Annual General Meeting, will be made to:
- 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 Saturday, September 18, 2021; and
  - to all those shareholders holding shares in physical form, on the closing hours on Saturday, September 18, 2021.

40. As per the SEBI (LODR) Regulations, 2015, the Company shall use any electronic mode of payment approved by the Reserve Bank of India for making payment to the Members. Accordingly, dividend, if declared, will be paid through electronic mode, where the Bank Account details of the Members required for this purpose are available. 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.

41. For enabling the payment of dividend through electronic mode, Members holding shares in physical form are requested to furnish, on or before Sunday, September 19, 2021, 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 Sunday, September 19, 2021. The request for updating particulars of Bank Account should be signed as per the specimen signature registered with Company/Depository Participants, as the case may be.

42. To avoid fraudulent transactions, the identity/signature of the Members holding shares in electronic/demat form is verified with the specimen signatures furnished by NSDL/CDSL and that of Members holding shares in physical form is verified as per the records of Company/RTA of the Company. Members are requested to keep the same updated.

43. With a view to help us serve the Members better, those Members who hold shares in identical names and in the same order of names in more than one folio are requested to write to the Company to consolidate their holdings into one folio.

44. Members who still hold share certificates in physical form are advised to dematerialise their shareholding to avail of numerous benefits of dematerialisation, which include easy liquidity, ease of trading and transfer, savings in stamp duty and elimination of any possibility of loss of documents and bad deliveries.

45. Pursuant to the 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 18, 2021, 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 18, 2021
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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	• 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 18, 2021 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](mailto:cs@paisalo.in) or [ramap@alankit.com](mailto:ramap@alankit.com) on or before September 18, 2021 to enable the Company to determine the appropriate TDS / withholding tax rate applicable. Any communication on the tax determination/deduction received post September 18, 2021 shall not be considered.
- Application of TDS rate is subject to necessary verification by the Company of the shareholder details as available in Register of Members as on the Record Date, and other documents available with the Company / RTA.
- In case TDS is deducted at a higher rate, an option is still available with the shareholder to file the return of



income and claim an appropriate refund.

- (v) 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 18, 2021.
- (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

- 46. Securities and Exchange Board of India ("SEBI") has mandated that securities of listed companies can be transferred only in dematerialised form w.e.f. April 1, 2019. Accordingly, the Company / RTA has stopped accepting any fresh lodgement of transfer of shares in physical form. Members holding shares in physical form are advised to avail of the facility of dematerialisation.
- 47. Members holding shares in physical mode are:
  - a) required to submit their Permanent Account Number (PAN) and bank account details to the Company / RTA, if not registered with the Company/ RTA, as mandated by SEBI by writing to the Company at cs@paisalo.in or to RTA at ramap@alankit.com along with the details of folio no., self attested copy of PAN card, bank details (Bank account number, Bank and Branch Name and address, IFSC, MICR details) and cancelled cheque.
  - b) pursuant to section 72 of the Companies Act, 2013, are advised to file nomination in the prescribed Form SH-13 with the Company's share transfer agent. In respect of shares held in electronic/demat form, the Members may please contact their respective Depository Participants
- 48. Members holding shares in electronic mode are:
  - a) requested to submit their PAN and bank account details to their respective Depository Participants ("DPs") with whom they are maintaining their demat accounts.
  - b) advised to contact their respective DPs for registering nomination.
- 49. Non-Resident Indian members are requested to inform RTA / respective DPs, immediately of:
  - a) Change in their residential status on return to India for permanent settlement.
  - b) Particulars of their bank account maintained in India with complete name, branch, account type, account number and address of the bank with pin code number, if not furnished earlier.

EXPLANATORY STATEMENT TO SECTION 102(1) OF THE COMPANIES ACT, 2013

(Pursuant to Section 102 of the Companies Act, 2013)

In accordance with provisions of Section 102 of the Companies Act, 2013, the Explanatory Statement given below sets out the material facts relating to Item No. 4 to 8:

ITEM NO. 4

The Reserve Bank of India vides its Circular No. RBI/2021-22/25 Ref. No. DoS.CO.ARG/SEC.01/08.g1.001/2021-22 dated April 27, 2021 ("RBI Circular"), has issued Guidelines for Appointment of Statutory Central Auditors (SCAs)/Statutory Auditors (SAs) of Commercial Banks (excluding RRBs), UCBs and NBFCs (including HFCs) ('RBI Guidelines") and FAQs released subsequently. The RBI Guidelines will be applicable to the NBFCs for Financial year 2021-22 and onwards in respect of appointment/ re-appointment of Statutory Auditors.

The members of the Company had appointed M/s D. Tayal & Jain, Chartered Accountants ("Existing Auditors") as Statutory Auditors of the Company in 28<sup>th</sup> Annual General Meeting ("AGM") held on September 8, 2020 for the period of Three Years till the conclusion of 31<sup>st</sup> AGM of the Company.

As our Existing Auditors has, vide their letter dated August 13, 2021 effective from the conclusion of the 29<sup>th</sup> AGM of the Company, shows intention to resign as a Statutory Auditors of the Company, due to non qualifying the minimum required eligibility norms as prescribed in the RBI Guidelines and accordingly not eligible to continue w.e.f. October 1, 2021 i.e. w.e.f. applicability of the RBI Guidelines.

Therefore pursuant to Section 139 of the Companies Act, 2013 and RBI Guidelines, Company's policy for appointment of Statutory Auditors, after recommendation of Audit Committee, Board has shortlisted and proposed the appointment of M/s Manish Goyal & Co., Chartered Accountants, (Firm Registration No. 006066C), as Statutory Auditors of the Company from the conclusion of 29<sup>th</sup> Annual General Meeting till the conclusion of 30<sup>th</sup> AGM of the Company to be held in calendar year 2022.

M/s Manish Goyal & Co., Chartered Accountants, being eligible in terms of RBI Guidelines and other applicable provisions have provided their consent and eligibility letter to act as the Statutory Auditors of the Company along with a confirmation that, their appointment, if made, would be within the limits prescribed under the Companies Act, 2013, and RBI Guidelines, vide their letter dated August 11, 2021.

Pursuant to the provisions of Sections 139 & other applicable provisions of the Companies Act, 2013 and the Rules framed thereunder, the Board of Directors of the Company, based on the recommendations of the Audit Committee, recommend the resolution set out at Item No. 4 of the accompanying notice for approval of the member for appointment of M/s Manish Goyal & Co., Chartered Accounts,.

Additional information about Statutory Auditors pursuant to Regulation 36(5) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are provided below:-

Terms of Appointment	In terms of Section 139(8) of the Companies Act, 2013 and RBI Guidelines, the Statutory Auditors of the Company is being appointed from conclusion of this AGM till the conclusion of 30th AGM of the Company to be held in calendar year 2022.
Proposed Audit fees payable to Auditor and material change in fee payable	<p>INR 5.00 lakhs (Indian Rupees Five lakhs only) and applicable taxes and reimbursement of out of pocket expenses, if any and/or such other remuneration as may be decided by the Board of Directors from time to time.</p> <p>Further, the Existing Auditors have been paid the fee of INR 4 lakhs and applicable taxes and reimbursement of out of pocket expenses, if any, in FY 2021-22.</p> <p>Keeping in view the eligibility criteria as provided in RBI circular dated April 27, 2021, it is proposed to give 25% more remuneration to proposed new Statutory Auditor from that paid to the outgoing Statutory Auditors.</p>
Basis of recommendation and Auditor credentials	M/s Manish Goyal & Co., Chartered Accountants, having total 29 years of experience in Statutory Audit, Stock Audit, Revenue Audit etc. The firm also undertake audits of Co-operative Societies, Proprietorship Concern, Partnership Firms, Private and Public Limited Companies, Trusts & Educational Institutions. The firm is equipped with the partners who have done certificate course on FEMA, MSME, Arbitration, Mediation & Conciliation, Cyber Security



The appointment of M/s Manish Goyal & Co., Chartered Accountants, shall be pursuant to applicable provisions of the Companies Act 2013, SEBI (LODR) Regulations, 2015 and terms as contained in SEBI circular No.CIR/CFD/CMD/1/114/2019 dated October 18, 2019.

None of the Directors and Key Managerial Personnel of the Company or their relatives are concerned or interested financially or otherwise, in the said Resolution.

ITEM NO. 5

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

According to the provisions of Section 180(1)(a) of Companies Act, 2013, the Board of Directors can exercise its powers to create/renew charges, mortgages, hypothecations and floating charges on immovable or movable properties of the Company to secure its borrowings, only with the consent of the members obtained by way of Special Resolution.

Therefore, the Board of Directors of the Company seeks the consent of the members by way of Special Resolution under Section 180 (1) (a) of Companies Act, 2013, to empower the Board to create/ renew charges, mortgages, hypothecations and floating charges on the immovable and movable properties of the Company to secure the borrowing of the Company.

The Board of Directors recommends the Special Resolution set out in Item No.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

In order to augment resources for business operation of the Company, it may invite subscription for secured/unsecured Non-Convertible Debentures (NCDs), in one or more series /tranches on Private Placement basis. The NCDs proposed to be issued, may be issued either at par or at premium or at a discount to face value and the issue price (including premium, if any) shall be decided by the Board on the basis of interest rate/effective yield determined, based on market conditions prevailing at the time of the issue.

The provisions of Section 42 of the Companies Act, 2013 read with Rule 14 (2) of Companies (Prospectus and Allotment of Securities) Rules, 2014 and any other applicable provisions of the Companies Act, 2013, a Company shall not make

private placement of its securities unless the proposed offer of securities or invitation to subscribe securities has been previously approved by the members of the Company by a Special Resolution for each of the Offers or Invitations. However, pursuant to second proviso of said rule 14 (2) an offer or invitation for non-convertible debentures previous special resolution only once in a year is sufficient for all the offers or invitations for debentures during the year.

Accordingly, without the prejudice the borrowing power given/to be given by the shareholders under Section 180 (1)(c) of the Companies Act, 2013, as per the provisions of Section 42 and 71 of the Companies Act, 2013 read with the relevant Rules made there under, as amended, and subject to other relevant rules, regulation, guidelines, and directions issued by Reserve Bank of India and Securities and Exchange Board of India the approval of the Members is being sought by way of a Special Resolution, to enable the Company to offer or invite subscriptions for Non-Convertible Debentures on a private placement basis, in one or more tranches, during the period of one year from the date of passing of the Resolution at Item No. 7, within the overall borrowing limits of the Company, as approved by the Members from time to time.

The Board of Directors recommends the Special Resolution set out in Item No. 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.

ITEM NO. 8

Keeping in view future prospective and to explore the Business activities which may be undertaken by the Company with its current main business operation and to make more clarity in the object clause of the Memorandum of Association of the Company for the business activity already carrying out by the Company, the management of the Company feels that the Main Object Clause and Incidental or Ancillary Objects Clause of the Memorandum of Association should be alter by inserting the new sub-clauses in the respective object clauses. It is hereby clarified that the amendments in the objects clause doesn't means that company is going to change its principal business activity, proposed amendments are only for giving more clarity in the objects clause of the Memorandum of Association of the Company.

Pursuant to Section 13 of the Companies Act, 2013 alteration/insertion in objects clause of the Memorandum of Association of the Company requires consent of the Members by way of Special Resolution. Accordingly The Board of Directors recommends the Special Resolution set out in Item No. 8 of the accompanying notice for approval of the members.

None of the Directors or Key Managerial Personnel of the Company or their relatives is /are concerned or interested, in any manner in the passing of proposed Resolution set out at Item No. 8 of the Notice, except to the extent of their share/ debenture holding in the Company, if any.

**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 14, 2021**



## ANNEXURE TO THE NOTICE DATED AUGUST 14, 2021

### DETAILS OF DIRECTORS RETIRING BY ROTATION AT THE MEETING

Mr. Anoop Krishna	DIN: 08068261
Age in years	about 63 years
Date of Birth	January 01, 1958
Qualifications	Bachelor's degree in Science
Experience (including expertise in specific functional area) / Brief Resume	He has a rich experience of more than three decades of Banking Industry. He got amply rewarded and got several promotions and key assignments across the country. During his tenure as Head of Corporate Accounts Group for Delhi, he successfully handled a large business portfolio of more than Rs 60,000 Crs, which is larger than the Corporate Credit portfolio of some smaller Banks.
Terms and Conditions of Re-appointment	In terms of Section 152(6) of the Companies Act, 2013, Mr. Anoop Krishna who was appointed as a Executive Director at the 27th Annual General Meeting held on August 10, 2019, is liable to retire by rotation
Remuneration last drawn (FY 2020-21)	INR 32.18 Lakhs
Remuneration proposed to be paid	As per the resolution passed by the shareholders at the 26th Annual General Meeting held on September 29, 2018
Date of first appointment on the Board	February 23, 2018
Shareholding in the Company as on March 31, 2021	Nil
Relationship with other Directors / Key Managerial Personnel	No Relationship with other Directors/ Key Managerial Personnel
Number of meetings of the Board attended during the financial year (2020-21)	Six
Directorships of other Boards as on March 31, 2021	Nil
Membership / Chairmanship of Committees of other Boards as on March 31, 2021	Nil

## Note



### Note

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# PAISALO

EASY LOAN आसान लोन

## PAISALO DIGITAL LIMITED

FORMERLY KNOWN AS S. E. INVESTMENTS LIMITED

**Registered Office:**

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Near Police Station, CR Park  
New Delhi - 110 019  
Phone : + 91 11 4351 8888  
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**Head Office:**

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Phone : +91 562 402 8888  
Email: agra@paisalo.in

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