PAISALO

EASY LOAN आसान लोन

26th Annual Report

"INDIA IS GOING DIGITAL, SO ARE WE"

Paisalo Digital Limited

2017-18

Message From The Managing Director

Dear Shareholders,

I am pleased to present you the 26th Annual Report of the Company for the Financial Year 2017-18.

We started our journey as S. E. Investments Limited in the year 1992, when the operations were limited to the local territory of Uttar Pradesh. Today, the Company has footprints in seven states & union territories with a customer outreach of over 8.75 lakhs. To reach this milestone, the Company has leveraged its distribution network, providing tailor-made products for customers and focused on financial inclusion in rural India. Furthermore, with the changing role of technology in the Indian financial landscape, the Company is modifying its operational model, slowly transitioning to a digital credit business, where all formalities of loan processing – from loan application to funds disbursement are carried out online.

When we were still deliberating the decision to metamorphose from a conventional finance Company to a digitalized one, we faced a lot of criticism. But someone wise once said that "I can't change the direction of the wind, but I can adjust my sails to always reach my destination." Keeping in mind this remarkable thought, we tried to change our working strategy and moved towards digitalization. In effect, the name of the Company was also changed to Paisalo Digital Limited from S. E. Investments Limited. I truly believe and assure you all that this reformation will benefit the Company in the years to come.

The Non-Banking Finance sector, in which we operate, has gained immense recognition in financing India's growth in the recent past. The sector is emerging as an integral part of the Indian Financial System as well and has made commendable contributions towards the Government's agenda of financial inclusion. NBFCs have been to some extent successful in filling the gap that existed in offering credit to retail customers in underserved and unbanked areas. In the speech for Budget 2018-19, Mr. Arun Jaitely, Finance Minister of India, also addressed the importance of NBFCs as a powerful vehicle for providing loans to MSMEs. Our ground-level understanding of the customers' profile and their credit needs gives us an edge, as does our ability to innovate and customise products as per the needs of clients. This makes us the perfect channel for delivering credit to MSMEs.

NBFCs are passing through a very crucial phase where the RBI is revising regulatory frameworks with the objective to harmonize it with banks and financial institutions to address regulatory gaps and arbitrage. While the regulations, especially asset classification norms have been made more stringent in order to be at par with banks, what is now required is to equip NBFCs with tools such as coverage under the SARFAESI Act to recover dues and income tax benefits on provisions made against NPAs.

This shall bring the desired parity with banks and other financial institutions. We hope that changes in the regulatory framework will strengthen the robustness of the sector, and allow us to operate in an enabling regulatory environment.

I take pride in sharing with you that in the 26th successful year of operation, our total income grew from ₹2500 Millions to ₹2880 Millions and the Company registered a growth of 16% in the FY 2017-18 as compared to the previous year. We are even more pleased that we have been able to maintain our assets quality at a higher standard. The Company's profit-after-tax grew from ₹510 million in the FY 2016-17 to ₹570 million. During FY 2017-18, we have expanded our reach to other states as well and are now fulfilling the finance needs of the underserved population of India from 66 branches and offices / 607 customer service points and 743/770 employees/business associates. Additionally, we are also planning to make our presence in many more new territories in the current year.

It is a pleasure to let you know that our Company has achieved new pinnacles of success in terms of growth rate. The rating received by our Company is one step ahead from the last FY. The India Ratings & Research has assigned IND A - with positive outlook rating, and Infomerics Valuation and Rating Pvt. Limited has assigned IVR A with stable outlook rating to the Company's credit instruments.

In the near future, we plan to consolidate our presence in existing geographies as well as enter new territories that hold great potential for the products we deal in. These regions shall provide steady business over the next couple of years as we leverage our existing strengths to grow with a more concerted effort.

I would like to assure all the stakeholders that we, team Paisalo, are working with great dedication and commitment to create value for our stakeholders and the community at large.

Last but not the least, we marked the end of another remarkable year and I would like to thank the Management Team for their unwavering commitment and guidance in leading the Company forward. I would also like to extend my deepest gratitude to the employees for their invaluable contributions to the Company.

On behalf of Team Paisalo, I would like to give special thanks to our shareholders, funders, bankers and customers for their continued support and loyalty towards our Company.

With Best Wishes

Sunil Agarwal

Managing Director

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Our Logo, Mission and Vision

PAISALO
EASY LOAN आसान लोन

PAISALO brand name is chosen with a thoughtful consideration to reflect the true essence of the change in the company's existing digital business approach and extending that to create a hassle-free experience for the customers. The name not only defines the business of the company but it also reflects the target audience and simplicity of the lending process.

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

PAISALO has unveiled "Paisalo App" with a mission to provide easy loan and serve millions of customers just through the smartphone.

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

Company at a Glance

AUM
₹ 16756.70 Million

Net Worth
₹ 6035 Million

Capital Adequacy Ratio 31.67%

Credit Rating
"IVR A/STABLE OUTLOOK" by Infomerics Valuation and Rating Pvt Limited "IND A-" outlook positive by India Rating & Research Pvt Limited

Gross NPA to Book Debt 0.26%

Net NPA to Book Debt 0.24%

Offices+Branches + CSPs
3+63+607=673

Employees/Business Associates
743/770

Corporate Information

BOARD OF DIRECTORS

Mr. Sunil Agarwal	Managing Director
Mr. Anoop Krishna	Professional Director
Mr. Harish Singh	Executive Director
Mr. Sunil Shrivastav	Independent Director
Mr. Gauri Shankar	Independent Director
Mrs. Bhama Krishnamurthy	Independent Director
Mr. Pradeep Agarwal	Independent Director
Mr. Naresh Kumar Jain	Independent Director

ADVISOR TO BOARD
Mr. Subhash C. Kalia

COMPANY SECRETARY CUM COMPLIANCE OFFICER
Mr. Manendra Singh

STATUTORY AUDITOR
Mukesh Kumar & Co.
Chartered Accountants
Firm Reg. No. 002040C

BANKERS
Andhra Bank
Bank of Baroda
Bank of India
Bank of Maharashtra
Central Bank of India
Corporation Bank
IDBI Bank
Punjab National Bank
South Indian Bank
State Bank of India
UCO Bank
Union Bank of India
United Bank of India

LISTING OF EQUITY SHARES
National Stock Exchange of India Limited
Exchange Plaza, Bandra Kurla Complex
Bandra (East), Mumbai - 400 051

BSE Limited
25, P. J. Towers, Dalal Street
Mumbai - 400 001

LISTING OF DEPOSITORY RECEIPT
Societe De La Bourse De Luxembourg
11, AV DE LA Porte-Neuve
L-2227, Luxembourg

REGISTRATION NUMBER
CORPORATE IDENTIFICATION NUMBER (CIN)
L65921DL1992PLC120483

RBI REGISTRATION NUMBER
B-14.02997

WEBSITE & EMAIL
www.paisalo.in
info@paisalo.in

@PaisaloDigitalLimited
@paisa_lo
Paisalo Digital Limited
Paisalo Digital Limited

REGISTERED OFFICE
101, CSC, Pocket 52, CR Park, Near Police Station
New Delhi, 110019

HEAD OFFICE
Block 54, Sanjay Place
Agra, 282002

REGIONAL OFFICE
Unit no. 262, Solitaire Corporate Park,
Andheri Ghatkopar Link Road, Andheri (E)
Mumbai - 400093

Board of Directors-Executive

Mr. Sunil Agarwal (Managing Director)

Mr. Sunil Agarwal is a founder Member, Promoter and Managing Director of the Company with an experience of over 28 years; Mr. Sunil Agarwal 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 (Professional 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 December 2017. He headed the Corporate Accounts Group for SBI in Delhi. Prior to his superannuation on 31st Dec 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 joined the Board of the Company on February 23, 2018 and has brought with him a rich and varied experience of leading a large team of people operating into complex financial structure.

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 finance department of the Company with his rich experience and specialization.

Board of Directors- Independent

Mr. Sunil Shrivastava (Independent Director)

Mr. Sunil Shrivastava is B.Sc (H) from Delhi University and has done his Masters of Management studies, from F.M.S., Banaras Hindu University. He joined State Bank of India as a Probationary Officer in 1980 and thereafter has been posted across various functions and offices of SBI in India and United States. He has also served SBI as Dy. Managing Director (Corporate Accounts Group). He has very rich experience in Credit Risk, Project Finance, Corporate Finance, International Banking, Investment Banking, Corporate Strategy and Digital & Retail Banking. He has strengthened the Company's Board by bringing with him a vast experience and specialization in the field of Digital and Retail Business He has joined the Board of Company as Additional Independent Director on April 12, 2018.

Mr. Gauri Shankar (Independent Director)

Mr. Gauri Shankar is an ex-banker with more than three decades of experience at various senior positions in Banking Industry. Before joining the Company he was the Chief Executive Officer and Managing Director of the Punjab National Bank from February, 8, 2015 to August, 13, 2015 and also pursued the position of Executive Director of the Punjab National Bank from October, 7, 2013 to March, 31, 2016. He has strengthened the Company's Board by bringing with him a vast experience and specialization in the field of finance.

Mrs. Bhama Krishnamurthy (Independent Director)

Mrs. Bhama Krishnamurthy has a degree of MS from the University of Mumbai. She joined the Company on November 25, 2017 as an Independent Director. She was the Country Head and Chief General Manager of SIDBI and has a good experience to deal with Multilateral and Bilateral Agencies in close co-ordination with the Government of India. She has brought with her a rich experience and specialisation in handling of Human Resources Development Division covering recruitment, training and promotion aspects.

Mr. Pradeep Agarwal (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 37 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.

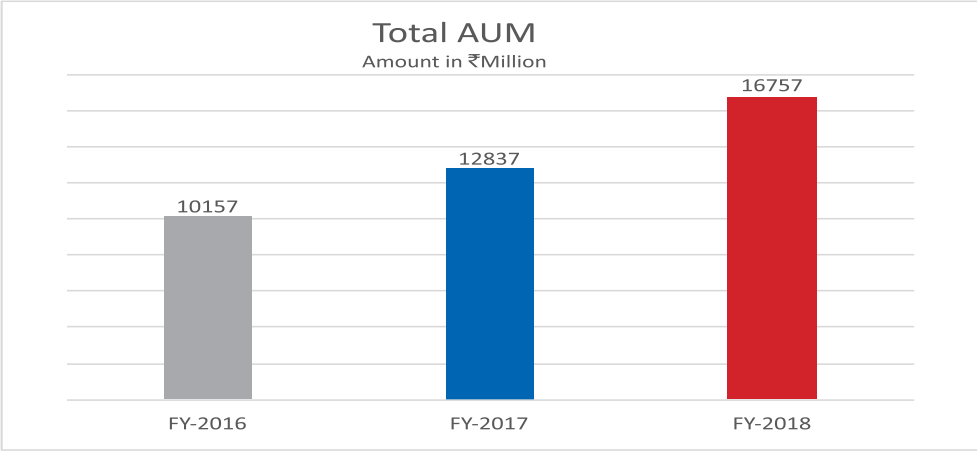
Mr. Naresh Kumar Jain (Independent Director)

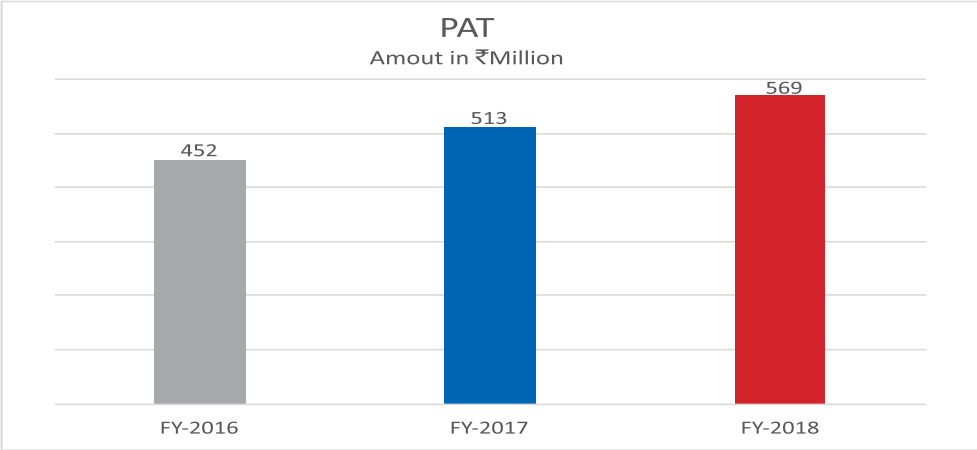
Mr. Naresh Kumar Jain is a Fellow member of Institute of Company Secretaries of India and Law Graduate with rich experience in the areas of Legal Compliances, Legal Management, Secretarial Functions, Statutory Compliances, Listing and Corporate Governance. He is well-versed with the provisions of Companies 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 Matters.

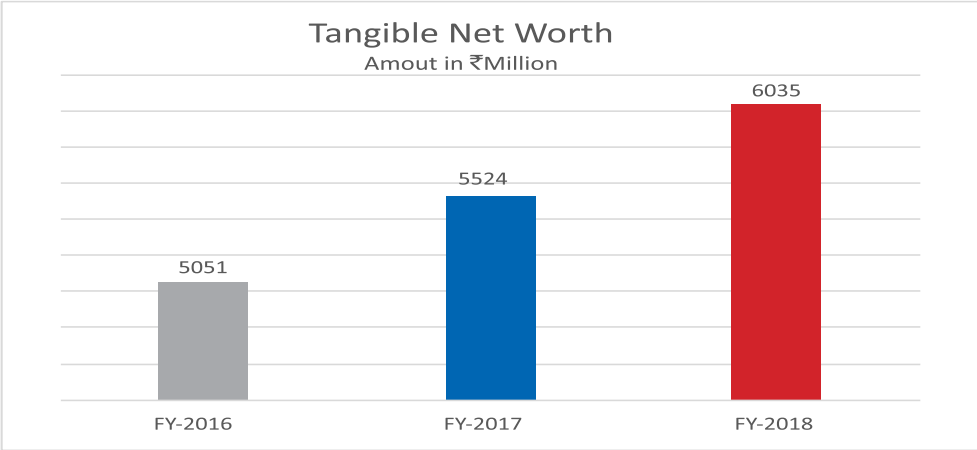
Offices and Branches

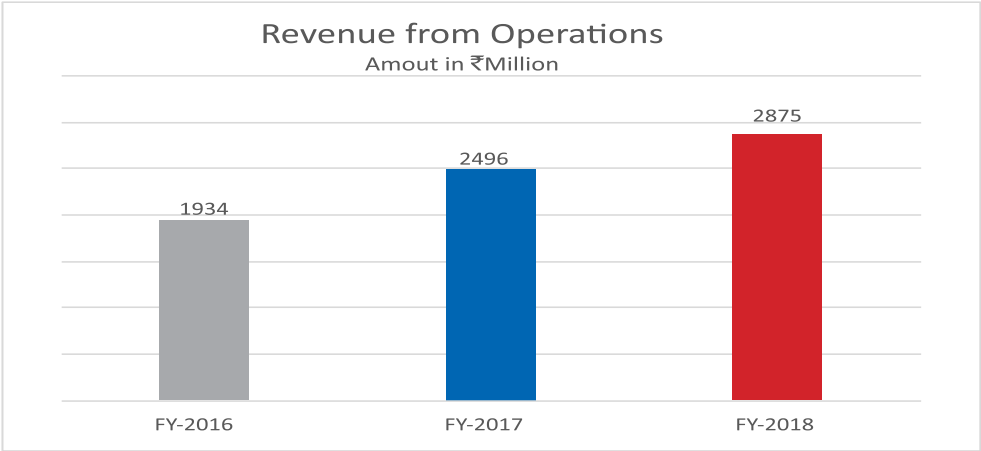
Sr. No.	Offices Name	Office Address
1	**Registered Office**	101, CSC, Pocket 52, CR Park, Near Police Station, New Delhi
2	**Head Office**	Block 54, First Floor, Sanjay Place, Agra, Uttar Pradesh
3	**Regional Office**	Unit 262, Solitaire Corporate Park, Andheri Kurla Road, Chakla, Andheri (E), Mumbai, Maharashtra
Sr. No.	**Branch Name**	**Branch Address**
1	Agra, Kahrai	H. No. 24-25 (Part), Charul, Enclave, Kahrai, Shamshabad Road, Agra, Uttar Pradesh
2	Ahmedabad	203, IInd Floor, Jitendra Chembers, Near RBI, PF Office, Income Tax, Ashram Road, Ahmedabad, Gujrat
3	Aligarh	76, Malviya Pustakalaya, G.T. Road, Aligarh
4	Amroha, Dhanaura	Ground Floor, 45, Ward-13, Moh. Mahadev, Dhanaura, Amroha, Uttar Pradesh
5	Amroha, Hasanpur	First Floor of Ward No. 14, Rajput colony, Tehsil Hasanpur, District Amroha, Uttar Pradesh
6	Barabanki	Ground Floor, Faizabad Road, Paisar Dehat Nawabganj, Barabanki, Uttar Pradesh
7	Baran	State Bank ke Samne, Kota Road, Baran. Rajasthan
8	Bareilly	200, Mehra Estate, Civil Lines, Near Civil Court, Station Road, Bareilly, Uttar Pradesh
9	Bharatpur	483, Krishna Nagar, Bharatpur, Rajasthan
10	Bhilwara	Arihant Tower, First Floor, Near Sai Temple, R. K. Colony, Bhilwara, Rajasthan
11	Bhilwara, Gulabpura	House no. 1-E-23, SFS, Housing Board, Gulabpura, Bhilwara, Rajasthan
12	Bhilwara, Phooliya Kalan	Dhaneshwar Road, Near Bus Stand, Phooliya Kalan, Bhilwara Road, Bhilwara, Rajasthan
13	Bijnor, Dhampur	H. No. 58, Teachers Colony, Dhampur, Near Bandhan Branch, Bijnor, Uttar Prdesh
14	Bijnor, Gyan Vihar	Near Chakkar Chauraha Mohalla Gyan Vihar, Bijnor, Uttar Pradesh
15	Bijnor, Noorpur	67, Ram Nagar, Noorpur, Bijnor, Uttar Pradesh
16	Bulandshahar, Bhoor Chaurha	H. No. 78, Post Balka, Village Jauth Jut, District Bulandshahr, Uttar Pradesh
17	Bulandshahar, Gulaothi	Ground Floor of Sikandrabad Road, Bijli Ghar ke Samne, Gulaothi, Bulandshahr
18	Bulandshahar, Jahangirabad	First floor, House No. 112, Lodhan Rajputan-3, Budh Wali Paith, Daulatpur Road, Jahangirabad, Bulandshahr, Uttar Pradesh
19	Bulandshahar, Syana	First & Second Floor, Durga Complex, Purana Chatta, Patti Harnam Singh, Syana, Bulandshahar, Uttar Pradesh
20	Bundi	Ward No. 12 C A D Colony, Kapran, Bundi, Rajasthan
21	Chittorgarh	Office 8,9,10 First FLoor, Rishabh Complex, Behind Bhagwati Hotel,Chittorgarh, Rajasthan
22	Chittorgarh, Begun	Office, Chittorgarh Road, Near Water Works, Begun, Chittorgarh, Rajasthan
23	Dausa	Shop No. 1, First Tower, Near PG College, Dausa
24	Delhi	S-547, IInd Floor, Main Road, SHakarpur, Delhi
25	Faridabad	MCF-8620, Ward -N, Jawahar Colony, Faridabad Haryana
26	Farrukhabad	6B/540, Awash Vikash Colony, Badhpur, Farrukhabad, Uttar Pradesh
27	Gangapur City	Ward No. -40, Sainik Nagar, Near Hunkar Hanuman Mandir, Udai Road, Gangapur City, Rajasthan
28	Ghaziabad, Modi Nagar	Permanand P 130, DD Park, Jagatpuri, Modinagar, Ghaziabad, Uttar Pradesh
29	Ghaziabad, Pilkhauwa	Ground Floor, Ram Lila Ground, Pilkhauwa Dehat, Ghaziabad, Pilkhauwa Post Office, Ghaziabad, Uttar Pradesh
30	Hapur, Garhmukteshwar	First Floor House No. 52, Mandi Chawk, Garhmukteshwar, Hapur, Uttar Pradesh
31	Hapur, Kharkhoda	Ward No. 2, Mohalla Tihai, Kharkhoda, Hapyr, Uttar Pradesh
32	Haridwar, Jhabrera	2395, Nai Mandi, Jhabrera, District Haridwar, Uttarakhand
33	Haridwar, Roorki	H. No. 60A, Nehru Nagar, Roorkee, Haridwar, Uttarakhand
34	Jaipur	Shree Sheel Mohar Plaza, Plot No. A1, Office No. 102, Opp. Udhyoy Bhawan, C- Scheme Jaipur, Rajasthan
35	Jalore, Sanchore	Saraswat Complex, Mehta Market, NH-15, Sanchore, Jalore, Rajasthan
36	Jind	Gali Number 7, Hari Nagar, Narwana Jind, Haryana
37	Jodhpur	Gulab Singh Building, 11 Chopasni Road, Near Bombay Motor Circle Opp.Arora Motors, Jodhpur, Rajasthan
38	Karauli, Hindaun	1st Floor, Pushp Tower, Near UCO Bank, Station Road, Hindaun City, Karauli, Rajasthan
39	Karnal, Ghauranda	Ground Floor, New Ward 13, Gharaunda, Haryana
40	Karnal, Indri	SDM Court Karnal Road, Indri, Haryana
41	Karnal, Karan Vihar	H. No. 9, Ground Floor GN 21, Karan Vihar, Karnal, Haryana
42	Kota	110, Ballabhbari, Kotri Road, Bhandari Stationers, Gumanpura, Kota
43	Kurushetra, Pipli	Shankar Colony, kishanpura, Thanesar, Kurukeshatra, Haryana
44	Lakhimpur	Near Rajpur Navin Galla mandi, Lakhimpur Kheri, Uttar Prdesh
45	Lucknow, Alambagh	Fround Floor 23, Vijay Nagar, Manas Nagar, Kanpur Road, Lucknow, Uttar Pradesh
46	Lucknow, Gosainganj	Village Chand, Sarayn Near Tempo Stand, Gosainganj, Lucknow, Uttar Pradesh
47	Lucknow, Jankipuram	B-24, Sector-6, Jankipuram, Lucknow, Uttar Pradesh
48	Mathura	369/2 Krishna Nagar, Goverdhan Road, Mathura, Uttar Pradesh
49	Mumbai, Goregaon	Shop No. G 103, Ground Floor, Shagun Arcade Co-operative Society Limited Situated at General A. K. Vaidya Marg, Malad (E), Mumbai, Maharashtra
50	Mumbai, Sakinaka	Unit No. 207, 2nd Floor, Kaveri Building, Jagannath Mandir Road, Near Holiday Inn Hotel, Sakinaka, Mumbai, Maharashtra
51	Rajsamand	IIIrd Floor, Jayal Tower, 100FT Road, Kishor Nagar, Rajsamand, Rajasthan
52	Saharanpur	Dehradun Road, Arya Nagar, Chutmalpur,Saharanpur, Uttar Prdesh
53	Saharanpur, Behat	Shakumbhari Dham Colony, Behat Post Behat, Saharanpur, Uttar Prdesh
54	Saharanpur, J J Puram Colony	Gali No. 4, J.J. Puram Colony, Saharanpur,Uttar Prdesh
55	Saharanpur, Nanauta	Near Santu Halwai Godown, Santosh Vihar, Saharanpur Road, Nanauta, Saharanpur, Uttar Pradesh
56	Sawai Madhopur	82, Old Truck Union, Chouraha, Gulab Bagh Factory Road, Sawai Madhopur, Rajasthan
57	Sitapur	Nepanagar Crossing Near Ashish Place, Sitapur, Uttar Pradesh
58	Sitapur, Sidhauli	H. No. 135, Sant Nagar, Sidhauli, Near Noor Shopping Complex, Sitapur, Uttar Prdesh
59	Sonipat	S11, Industrial Area, Sonipat, Haryana
60	Tonk	No. 1, Indra Nagar, Sawai Madhopur Road, Near Head Post Office, Tonk, Rajasthan
61	Udaipur	7-8, First Floor, Near Ashoka Bakery, Shakti Nagar Corner, Udaipur, Rajasthan
62	Yamuna Nagar	Vishav Karma Colony, Jagadri, Yamuna Nagar, Haryana
63	Yamuna Nagar, Radaur	Backside, Kasturba RD, Radaur, Yamuna Nagar, Haryana

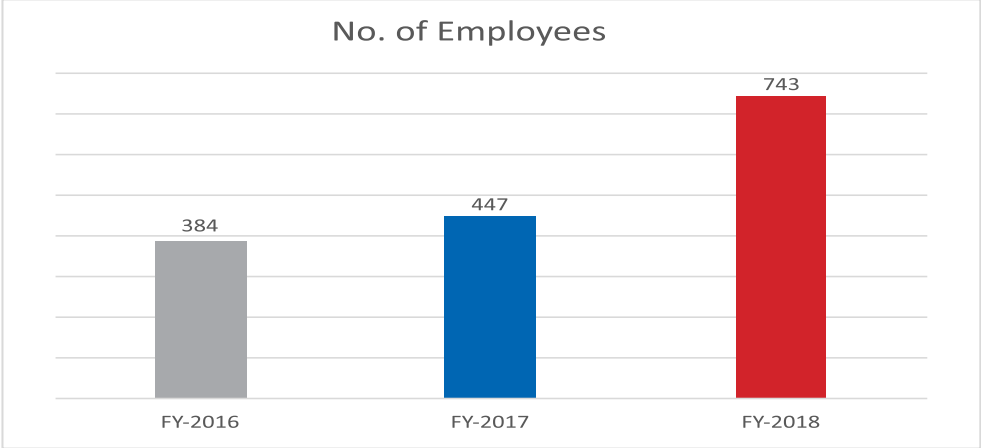
In last three years, Paisalo Digital Limited has grown significantly across all key parameter.

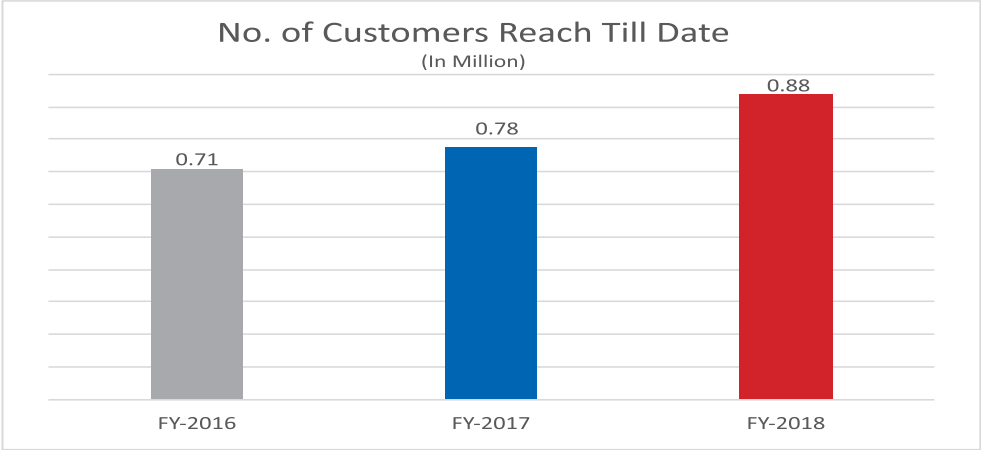







Revenue from Operations
Amout in ₹Million
1934
2496
2875
FY-2016
FY-2017
FY-2018


No. of Employees
384
447
743
FY-2016
FY-2017
FY-2018


No. of Customers Reach Till Date
(In Million)
0.71
0.78
0.88
FY-2016
FY-2017
FY-2018

Business Segment

MSME's / SME / BUSINESS LOANS

Paisalo Digital Limited offers customizable MSME, SME and Commercial loan based on borrower's profile. At Pasialo Digital Limited we offer business loans at attractive terms and our interest rate are highly competitive.

Ticket Size ₹ 1 Lakh to ₹ 5 Crore

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.

Ticket Size ₹ 15,000 to ₹ 1 Lakh

PAISALO-JLG (E-KYC)

Paisalo Digital Limited offers JLG loans through 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.

Ticket Size ₹ 20,000 to ₹ 30,000

PAISALO APP (DIGITAL-E-KYC+E-SIGN+E-NACH*)

JAM (Jan Dhan, Aadhar, Mobile) is all about maximum value, empowerment and technology in the present government that is our overarching principle in development and deployment of digital eco system.

As technology continues to move at a breakneck speed – with rapid evolution of digital businesses digital ecosystems are re-shaping entire customer cycle. At Paisalo Digital Limited we are trying to shape the way people in unbanked hinterlands get into financial inclusion fold. That was the ethos of digital ecosystem since we have conviction that this would bring a revolution in financial inclusion drive.

This platform will create an ecosystem to enable seamless connection between field staff and back office operations across entire spectrum of customer on boarding, from sourcing to due diligence ending into credit appraisal.

This digital ecosystem has brought following radical changes to our business model allowing us to make big bets on opportunities that have the potential to realise ambitious goals that transcend micro finance industry:

Ticket Size ₹ 10,000 to ₹ 50,000

* E-NACH-NOT IN 100% CASES.

Business Segment-Disbursement

(₹in Millions)

Partciulars		FY 2016	FY 2017	FY 2018
MSME Business Loans	No. of Accounts	3,376	3,812	2,007
	Amount Disbursed	10,998	10,724	11,074
PAISALO APP (Digital) E-KYC + E-SIGN + E-NACH*	No. of Accounts	-	-	58,976
	Amount Disbursed	-	-	2,907
IGL - (DIGITAL - E-SIGN)	No. of Accounts	50,602	60,132	-
	Amount Disbursed	2,842	3,574	-
PAISALO JLG (E-KYC)	No. of Accounts	-	718	43,509
	Amount Disbursed	-	15	912
Total	No. of Accounts	53,978	64,662	104,492
	Amount Disbursed	13,840	14,313	14,8920

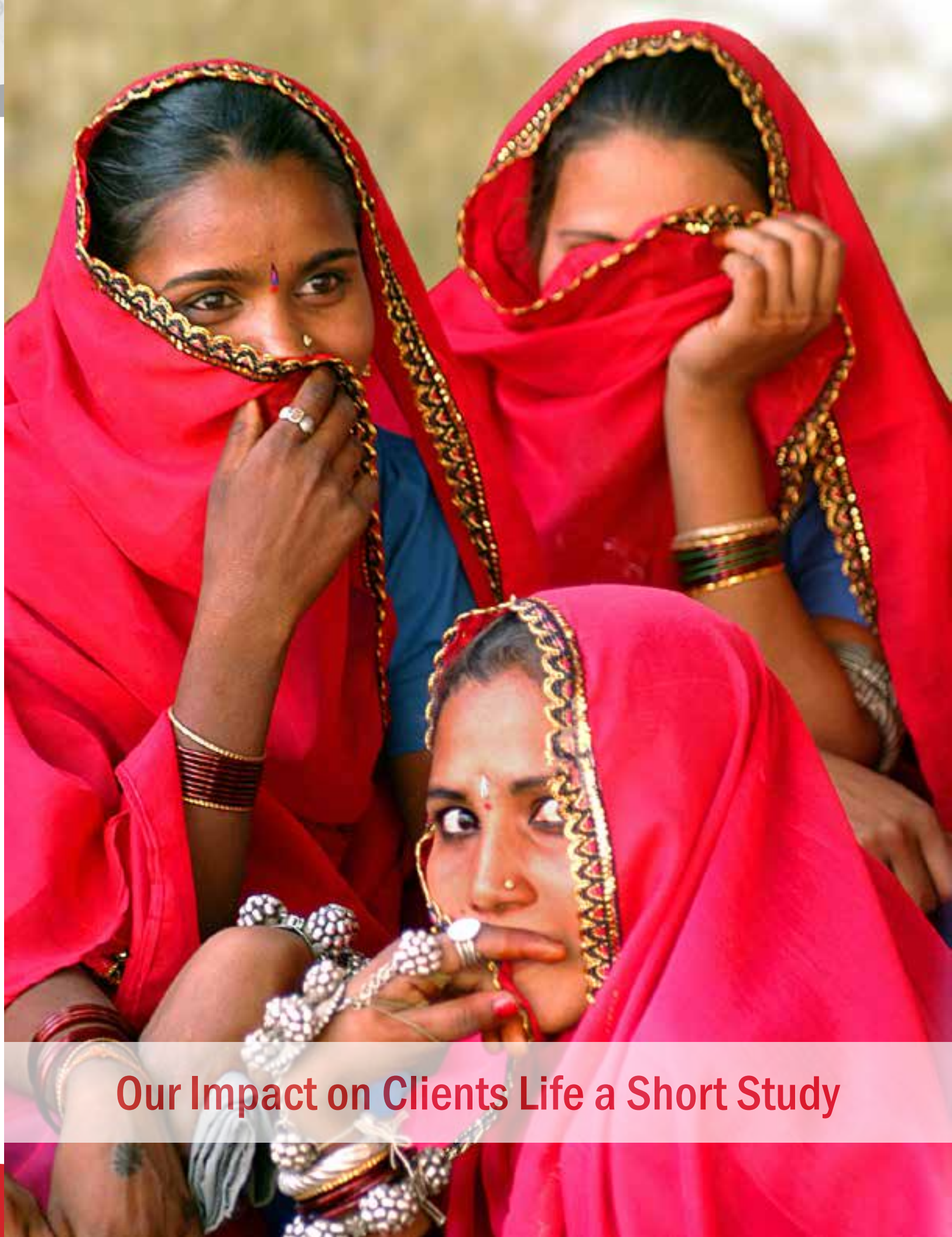
* E-NACH-NOT IN 100% CASES.

Performance of the Company in Last 10 Years

S. No.	Parameters	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
1	Portfolio/ Disbursement of the company (Amount in Million)	1639.40	5237.80	8271.00	8807.30	9590.00	8710.00	9612.10	9969.40	12618.40	14892.30
2	Revenue from operation (Interest Income) (Amount in Million)	482.40	881.60	1814.40	2109.80	2190.00	2080.00	1783.80	1933.70	2495.20	2879.60
3	Profit after tax (Amount in Million)	170.60	323.40	860.90	1007.50	1038.90	841.50	667.00	686.00	771.90	568.50
4	No. of Branches	9	10	10	10	10	10	20	22	49	66
5	No. of Customers	177500	250000	381000	522000	562000	610000	655000	710000	770000	879000
6	Provision for Tax (Amount in Million)	32.80	60.00	252.70	304.30	334.50	279.00	221.90	234.70	259.00	548.00
7	Cash Accruals (Amount in Million)	160.10	304.20	650.80	723.00	729.70	606.40	508.10	505.00	570.30	623.90
8	Bad Debts W/o Net (Amount in Million)	20.60	18.60	53.80	103.00	202.90	235.00	196.50	142.10	323.50	346.50
9	Bad Debts w/o on Loans O/s (%)	1.26	0.36	0.65	1.17	2.12	2.7	2.04	1.43	2.56	2.33
10	Bad Debts recovered (Amount in Million)	6.70	2.00	7.40	29.80	37.60	26.80	40.60	83.90	112.50	146.60
11	Net Worth (Amount in Million)	698.20	3007.60	3545.00	3680.30	4334.00	4849.70	5144.10	5051.40	5524.00	6035.00
12	Total Assets (Amount in Million)	2410.20	5887.30	9674.30	11546.70	12476.90	10601.00	11119.40	12930.50	15337.00	19400.00
13	Outside Debt (Amount in Million)	1845.60	3368.60	7220.30	6880.00	5896.90	6108.90	4711.50	7750.10	9714.90	12970.00
14	Bank Borrowings (Amount in Million)	1251.80	1886.00	4293.60	4218.00	3741.20	3866.90	4104.00	5071.80	5975.50	7785.00
15	Deposits (Amount in Million)	100.30	139.80	204.80	100.40	0.00	0.00	0.00	0.00	0.00	0.00
16	Intercorporate Loans (Amount in Million)	334.00	829.30	1625.10	1018.20	625.00	1693.00	454.10	271.80	170.30	141.10
17	Other Outside Liabilities (Amount in Million)	159.50	513.50	1096.80	1543.40	1530.70	549.00	153.40	148.00	121.60	67.40
18	Debt To Equity Ratio	2.64	1.12	2.04	1.87	1.36	1.26	0.92	1.53	1.76	2.14
19	ROE (%)	19.74	8.75	17.15	19.11	16.25	11.6	8.65	8.93	10.89	9.43
20	ROA (%)	5.72	4.47	6.29	6.09	5.65	5.31	4.00	3.49	3.79	2.99%

Evolution of PAISALO

1992-93	Incorporated as Private Limited Company in the state of Uttar Pradesh and started commercial vehicle finance
1993-94	Commence business in Delhi
1995-96	Converted into a Public Limited Company
1996-97	Shares were offered to public through Initial Public Offer and Shares were listed on regional Stock Exchanges
1997-98	Expansion of business beyond Uttar Pradesh and Delhi
2000-01	Started leasing of solar water pumps
2003-04	Company achieved the net worth of ₹10 Crores
2004-05	Started personal finance scheme
2005-06	Started office in the Jaipur and introduced new business vertical in the form of wind energy Customer outreach crossed 10,000 mark
2006-07	Started office at Ahmedabad & Jodhpur and Fixed Deposit Rating by ICRA as MA-
2007-08	Opening of Office at Mumbai & listing of equity shares at Bombay Stock Exchange Customer outreach crossed 1,00,000 mark
2008-09	Started financing of small loans in rural areas Company achieved the Net worth of ₹500 Million
2009-10	Listing of equity at National Stock Exchange of India Limited Customer outreach crossed 2,50,000 mark Company achieved the net worth of ₹2,500 Million
2010-11	Listing of GDR's at Luxembourg Stock Exchange
2011-12	Issue of bonus shares @ 3:1 Customer outreach crossed 5,00,000 mark
2012-13	De-merged its energy division
2013-14	Entered into financial tie-up under consortium arrangement
2014-15	Company achieved the net worth of ₹5,000 Million
2015-16	Expansion of business in Rajasthan through new branches
2016-17	Went into Aadhar enabled digital loan documentation over intranet Issue of Unlisted Unsecured Non Convertible Debentures worth ₹950 Million Customer Outreach crossed 7,50,000 mark Started offices at Haryana and Uttarakhand
2017-18	Change of Company's Name from S. E. Investments Limited to Paisalo Digital Limited Change of Company's Logo with PAISALO Launched of mobile app for Loans Issue of Unlisted Unsecured Non Convertible Debentures of ₹280 Million Gross INR 16757 Million AUM Total customer reach more than 0.88 Million Total female customer reach more than 0.25 Million



Our Impact on Clients Life a Short Study

These case studies were undertaken for client impact assessment, which outlines the achievements of Pasialo Digital Limited with respect to poverty reduction, based on both qualitative and quantitative analysis. These were done through face-to-face interviews as well as from a desk review of available documentation. It should be remembered that the results of these findings and summary conclusions are directly related to the five cases and not necessarily representative of the overall portfolio of Paislo Digital Limited.

CLIENT IMPACT ASSESSMENT

Due to the complexity involved in client impact assessment, multiple issues were kept in mind in order to avoid biases or pitfalls. As per UNCDF study, client impact assessment has four stages the individual, the household, the enterprise, and the community. Since no one can say definitively that the upliftment was all due to micro finance, multiple approaches were used to arrive at a fairly accurate estimate.

The use of a quantitative survey and a number of qualitative tools helped to triangulate findings. This research also offered an opportunity for Paisalo Digital Limited to gain more insight into client's needs, distinctive characteristics and demand.

Depth of Poverty

According to World bank standard "very poor" is defined as earning less than $1 a day, "poor" as earning between $1 and $2 per day and "non –poor" as earning greater than $2 per day. Paisalo Digital Limited in general targets poor and poorest of poor, who are generally too destitute to help themselves and better served by local loan sharks.

Household level Impact

In terms of an increase of income, impact was found in all the case studies. Also important was the positive impact between increase in income and education of children and community employment. Since this study was on closed group possibility of loan diversions by clients for meeting basic household expenses instead of investment in business- the stated purpose of the loans is possible in portfolio.

Enterprise Level Impact

There was not enough data to make a determination, though results point to a positive impact. Macroeconomic variables are influential in determining the profitability of an enterprise.

Individual Level Impact

In terms of access to financial services, Pasialo Digital Limited impacted the poor by increasing the access to easy funding. This is important because intermediary participation was removed thereby helping poor take baby steps towards formal financial services even though this is a gradual process which would take many years.

During the study, direct linkage of empowerment and Paisalo Digital Limited could not be established since many factors such as self-esteem and control over resources could not be captured fully in the survey.

Overall Paisalo Digital Limited programme satisfaction ranged from 'Satisfied to very Satisfied', however the main reason for client dissatisfaction was small loan ticket size. It is interesting to note that clients expected micro loans with ticket size of MSME. However the study clearly established the fact that poor people consider financial access as highly valuable which is the overarching principle of micro loans.

Conclusion

The study clearly established the role of Paisalo Digital Limited in easy access of credit for the poor which, in turn, was highly valued by clients. The study also established that micro loans played an important role in community employment which is an important indicator of social impact that Paisalo Digital Limited had in its area of operation. Paisalo Digital Limited also helped vulnerable clients to overcome the insecurity of regular or irregular income.

At the individual level, Paisalo Digital Limited loans attract relatively empowered participants. An increment in family income and being a successful entrepreneur leads to an increase in the self-esteem of borrowers. Also, Paisalo Digital Limited loans helped them diversify their business.

Even though client satisfaction varied slightly from " Satisfied to Very Satisfied", the overarching reasons for client to avail loan from Paisalo Digital Limited are same across to have easy and fair access to credit. The study found that refining products could greatly enhance customer satisfaction, improve retention and increase impact.

Disclaimer: For the purpose of better understanding a Hindi version of questionnaire was administered on target group. A copy of the same is also attached herewith.

प्रभाव का स्तर	प्रभाव क्षेत्र	उत्तर हेतु प्रश्न
व्यक्तिगत	महिला सशक्तिकरण	क्या पैसालो शॉर्ट टर्म लोन अपनाने से ग़रीबों की वित्तीय सेवाओं तक पहुँच बढ़ी है (विशेषकर ग़रीब औरतों की)?
		क्या पैसालो शॉर्ट टर्म लोन अपनाने से संसाधनों पर महिलाओं का नियंत्रण बढ़ा है?
		क्या पैसालो शॉर्ट टर्म लोन अपनाने से घरेलु आय में औरतों का योगदान बढ़ा है ?
		क्या पैसालो शॉर्ट टर्म लोन अपनाने से महिलाओं का आत्मसम्मान एवं निर्णय लेने की क्षमता में बढ़ोतरी हुई है?
	ग्राहक संतुष्टीकरण	क्या पैसालो डिज़िटल लिमिटेड द्वारा प्रदत्त ऋण उत्पाद एवं सेवाएं ग्राहकों की आवश्यकताओं एवं उनकी इच्छाओं की संतुष्टि के अनुरूप हैं जैसे उनकी पहुँच, उनके प्रकार, नियम एवं शर्तें, उनकी कीमत, वितरण, सहायता, उपयोगिता आदि.
		पैसालो डिज़िटल लिमिटेड के ग्राहक उत्पाद एवं सेवाओं उनकी उपलब्धता, प्रकार, नियम व शर्तें, उनकी कीमत, वितरण, सहायता एवं उपयोगिता आदि में सुधार हेतु क्या सुझाव देते हैं?
घरेलु स्तर	घरेलु आय	क्या पैसालो डिज़िटल लिमिटेड शॉर्ट टर्म लोन को अपनाना घरेलु आय को बढ़ाता है ?
	ग़रीबी उन्मूलन	क्या पैसालो डिज़िटल लिमिटेड शॉर्ट टर्म लोन को अपनाना ऋण ग्राहकों का ग़रीबी उन्मूलन करता है?
	घरेलु व्यय	क्या पैसालो डिज़िटल लिमिटेड शॉर्ट टर्म लोन को अपनाने से मूलभूत घरेलु ज़रूरतों (खाना, कपड़ा, दवाइयां) पर व्यय बढ़ जाता है?
	घरेलु संपत्ति	क्या पैसालो डिज़िटल लिमिटेड शॉर्ट टर्म लोन (कम अवधि ऋण) को अपनाने से घरेलु प्राप्तियों का स्तर बढ़ जाता है?
	घर के कल्याण	क्या पैसालो डिज़िटल लिमिटेड शॉर्ट टर्म लोन (कम अवधि ऋण) को अपनाने से अच्छा खाना, कपड़ा, दवाइयों से घरेलु कल्याण बढ़ जाता है?
सामुदायिक स्तर	रोज़गार निर्माण	क्या पैसालो डिज़िटल लिमिटेड शॉर्ट टर्म लोन (कम अवधि ऋण) अपारिवारिक रोज़गार निर्माण करता है?

Customer I

Borrower Name	Mrs Beena	
Spouse Name	Mr Sunil Kumar	
Family	Son	19 Years
	Son	17 Years
	Son	10 Years
Contact Number	8923760650	

Level of Impact	Impact Domain	Questions to be Answered	Response
Individual	Women Empowerment	Does participation in Paisalo STL leads to increased access to financial services by the poor (in particular poor women)?	Yes
		Does participation in Paisalo STL lead to increased control on resources by women?	Yes, Opened separate bank account.
		Does participation in Paisalo STL lead to increased contribution of income by women to the household?	Yes, Contribution increased in Rs 2500-3000 pm.
		Does participation in Paisalo STL lead to increased self esteem and decision-making power on the part of the women?	Yes
	Client Satisfaction	Do products & services offered by Paisalo Digital Limited satisfy the needs and wants of clients with regards to factors such as access, type, terms and conditions, cost, delivery, support, usefulness, etc?	Yes
		What recommendations do clients of Paisalo Digital Limited suggest to improve product and services offered in terms of access, type, terms and conditions, delivery and support?	No advice / suggestion
Household level	Household Income	Does participation in Paisalo STL lead to increased household income?	Yes
	Poverty Alleviation	Does participation in Paisalo STL lead to movement out of poverty by borrowers?	Yes, due to increase in income no more under BPL.
	Household Expenditures	Does participation in Paisalo STL lead to increased household expenditures on basic necessities (food, clothing, medical)	No, surplus going back into business.
	Household Assets	Does participation in Paisalo STL lead to increased levels of household acquisition?	Yes in future expand shop / business.
	Household Welfare	Does participation in Paisalo STL lead to increased household welfare like food, education, medical?	Yes, increase in income leads to better standard of living.
Community Level	Jobs Created	Does Paisalo STL lead to increased creation of non-family jobs?	Yes, 4 persons directly employed by her for sewing work.

Customer 2

Borrower Name	Mrs Shipra Mishra	
Spouse Name	Mr Rajiv Mishra	
Family	Son	7 Years
	Daughter	10 Years
Contact Number	9455912535	

Level of Impact	Impact Domain	Questions to be Answered	Response
Individual	Women Empowerment	Does participation in Paisalo STL leads to increased access to financial services by the poor (in particular poor women)?	Yes
		Does participation in Paisalo STL lead to increased control on resources by women?	Yes
		Does participation in Paisalo STL lead to increased contribution of income by women to the household?	Yes, Contribution increased to household income.
		Does participation in Paisalo STL lead to increased self esteem and decision-making power on the part of the women?	Yes
	Client Satisfaction	Do products & services offered by Paisalo Digital Limited satisfy the needs and wants of clients with regards to factors such as access, type, terms and conditions, cost, delivery, support, usefulness, etc?	Yes
		What recommendations do clients of Paisalo Digital Limited suggest to improve product and services offered in terms of access, type, terms and conditions, delivery and support?	Equal instalments should be recovered thereby tenure of loan would be less.
Household level	Household Income	Does participation in Paisalo STL lead to increased household income?	Yes, Increase of ₹ 2000-3000 pm
	Poverty Alleviation	Does participation in Paisalo STL lead to movement out of poverty by borrowers?	Yes due to increase in income.
	Household Expenditures	Does participation in Paisalo STL lead to increased household expenditures on basic necessities (food, clothing, medical)	Yes better education of children.
	Household Assets	Does participation in Paisalo STL lead to increased levels of household acquisition?	Yes in future planning to purchase consumer durable like TV
	Household Welfare	Does participation in Paisalo STL lead to increased household welfare like food, education, medical?	Yes increase in income leads to better standard of living.
Community Level	Jobs Created	Does Paisalo STL lead to increased creation of non-family jobs?	Yes, 10 girls were trained by her over a period out of which 4 at present are self employed in sewing business.

Customer 3

Borrower Name	Mrs Babita Verma	
Spouse Name	Mr Ravinder Verma	
Family	Son	17 Years
	Son	13 Years
Contact Number	8791414554	

Level of Impact	Impact Domain	Questions to be Answered	Response
Individual	Women Empowerment	Does participation in Paisalo STL leads to increased access to financial services by the poor (in particular poor women)?	Yes
		Does participation in Paisalo STL lead to increased control on resources by women?	Yes. Now self dependent
		Does participation in Paisalo STL lead to increased contribution of income by women to the household?	Yes, Contribution increased to household income.
		Does participation in Paisalo STL lead to increased self esteem and decision-making power on the part of the women?	Yes, however still consults husband for all decisions.
	Client Satisfaction	Do products & services offered by Paisalo Digital Limited satisfy the needs and wants of clients with regards to factors such as access, type, terms and conditions, cost, delivery, support, usefulness, etc?	Yes
		What recommendations do clients of Paisalo Digital Limited suggest to improve product and services offered in terms of access, type, terms and conditions, delivery and support?	Ticket size of loans should be increased.
Household level	Household Income	Does participation in Paisalo STL lead to increased household income?	Yes
	Poverty Alleviation	Does participation in Paisalo STL lead to movement out of poverty by borrowers?	Yes since repayment is through instalments less burden.
	Household Expenditures	Does participation in Paisalo STL lead to increased household expenditures on basic necessities (food, clothing, medical)	No increase in expenditure but increase in savings.
	Household Assets	Does participation in Paisalo STL lead to increased levels of household acquisition?	Not directly but looking to expand business in future.
	Household Welfare	Does participation in Paisalo STL lead to increased household welfare like food, education, medical?	Yes increase in income leads to increase in Savings for her.
Community Level	Jobs Created	Does Paisalo STL lead to increased creation of non-family jobs?	Yes, 2 persons are being employed by her directly.

Customer 4

Borrower Name	Mrs Savita Mittal	
Spouse Name	Mr Arvind Mittal	
Family	Son	2
Contact Number	8630683366	

Level of Impact	Impact Domain	Questions to be Answered	Response
Individual	Women Empowerment	Does participation in Paisalo STL leads to increased access to financial services by the poor (in particular poor women)?	Yes
		Does participation in Paisalo STL lead to increased control on resources by women?	Yes. Now self dependent.
		Does participation in Paisalo STL lead to increased contribution of income by women to the household?	Yes, Contribution increased to household income.
		Does participation in Paisalo STL lead to increased self esteem and decision-making power on the part of the women?	Yes.
	Client Satisfaction	Do products & services offered by Paisalo Digital Limited satisfy the needs and wants of clients with regards to factors such as access, type, terms and conditions, cost, delivery, support, usefulness, etc?	Yes
		What recommendations do clients of Paisalo Digital Limited suggest to improve product and services offered in terms of access, type, terms and conditions, delivery and support?	Ticket size of loans should be increased up to Rs 2,00,000
Household level	Household Income	Does participation in Paisalo STL lead to increased household income?	Yes
	Poverty Alleviation	Does participation in Paisalo STL lead to movement out of poverty by borrowers?	Yes
	Household Expenditures	Does participation in Paisalo STL lead to increased household expenditures on basic necessities (food, clothing, medical)	No increase in dispensable income.
	Household Assets	Does participation in Paisalo STL lead to increased levels of household acquisition?	Yes
	Household Welfare	Does participation in Paisalo STL lead to increased household welfare like food, education, medical?	Yes increase in income leads to increase in welfare.
Community Level	Jobs Created	Does Paisalo STL lead to increased creation of non-family jobs?	Not at present however planning to employ 1 person fulltime in future.

Customer 5

Borrower Name	Mrs Saroj	
Spouse Name	Mr Kalua Singh	
Family	Son	18 Years
	Son	22 Years
Contact Number	9536561139	

Level of Impact	Impact Domain	Questions to be Answered	Response
Individual	Women Empowerment	Does participation in Paisalo STL leads to increased access to financial services by the poor (in particular poor women)?	Yes
		Does participation in Paisalo STL lead to increased control on resources by women?	Yes
		Does participation in Paisalo STL lead to increased contribution of income by women to the household?	Yes, Contribution increased to Rs4000 per day from Rs2000.
		Does participation in Paisalo STL lead to increased self esteem and decision-making power on the part of the women?	Yes
	Client Satisfaction	Do products & services offered by Paisalo Digital Limited satisfy the needs and wants of clients with regards to factors such as access, type, terms and conditions, cost, delivery, support, usefulness, etc?	Yes
		What recommendations do clients of Paisalo Digital Limited suggest to improve product and services offered in terms of access, type, terms and conditions, delivery and support?	Loan amount should be increased in case of top-up depending on requirement.
Household level	Household Income	Does participation in Paisalo STL lead to increased household income?	Yes
	Poverty Alleviation	Does participation in Paisalo STL lead to movement out of poverty by borrowers?	Yes
	Household Expenditures	Does participation in Paisalo STL lead to increased household expenditures on basic necessities (food, clothing, medical)	No however used in incremental business.
	Household Assets	Does participation in Paisalo STL lead to increased levels of household acquisition?	Yes in future on business infrastructure since money attracts money.
	Household Welfare	Does participation in Paisalo STL lead to increased household welfare like food, education, medical?	Yes living standard has increased.
Community Level	Jobs Created	Does Paisalo STL lead to increased creation of non-family jobs?	No

MANAGEMENT DISCUSSION & ANALYSIS

Management Discussion and Analysis

MACRO ECONOMIC SCENARIO OF THE COUNTRY

With the rising of NDA government under the leadership of Hon'ble Prime Minister Shri Narendra Modi in the year 2014, the country has seen certain economic reforms. The biggest economic reforms in this category is the implementation of Goods & Service Tax (GST) Act in lieu of all other indirect taxes in the country. The government subsumed multiple indirect taxes into single tax through GST. Like other major reforms, it faced initial hiccups and uncertainties post its launch. However, it has brought more transparency and efficiency into the system. After a little brought down in manufacturing and economic activity in Q2FY2018, GST has shown a positive impact on the country's economy. This leads to mass scale formalization and entry of a large number of first time tax payers.

The Insolvency and Bankruptcy Code (IBC) was another such landmark reform which India sorely lacked. This also led your Company to recover certain bad debts from the corporate borrowers stuck up for years.

The positive impact of the Government's reformative initiatives was affirmed by Moody's Investor Services by upgrading Credit Rating of the country to BAA2 from BAA3 after a long gap of 14 years. Upgrade shows the confidence of global players in Indian Economy. Another major achievement of Indian Economy was upgradation of 30 position in Ease of Doing Business by World Bank.

OPPORTUNITY LANDSCAPE

With the tag line "INDIA IS GOING DIGITAL, SO ARE WE" Company entered into new era of being a FINTECH. The Company has entered into FINTECH era but without leaving the basic motto of the Company "Aartha Samjasya Nyash" i.e. Wealth is Trust Property.

With launch of new app "PAISALO" along with name change ceremony at NSE Mumbai Company steps into end to end seamless digital platform for lending small ticket size income generation loans for small self-employed population of the country.

This small ticket size loan segment offers a huge untapped opportunity owing to the major funding gap. Out of around 40 million current account holders only 4.5 million are having credit lines. This shows a vast business opportunity.

Use of data analysis, Artificial Intelligence and various third parties (mainly credit bureaus) data, swiftest decision on credit underwriting has become possible.

BUSINESS OVERVIW

Paisalo Digital Limited ("PAISALO") is 26 years old Company formed with the theme of lending to underserved / unserved self employed population of the country has, stepped into the era of being a FINTECH.

The Company primarily focuses 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 to self-employed underserved / under – penetrated, using technology with high touch hi-tech model, enabled to register strong growth. The Company was able to scale up its business operation through its Intranet model of financing from 22 branches to 66 branches in FY 2018. The Company has cumulatively served around 1.00 million satisfied borrowers, with cumulative disbursements of circa INR 93,000 million (USD 1410 Million). While remaining focused on growth, Company consistently maintains high asset quality level and continues to build the institution on the strong pillars of ethics, values and corporate governance.

During FY2018, 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. Its total Assets under management has increased to INR 16757 million from INR 12837 million in FY 2017 showing a CAGR of 28%. As on March 31st 2018 company's Gross & Net NPA stood at 0.26% and 0.24% respectively. Profit after tax has risen to INR 569 million from INR 513 million in FY 2017 thereby registering a CAGR of 11%.

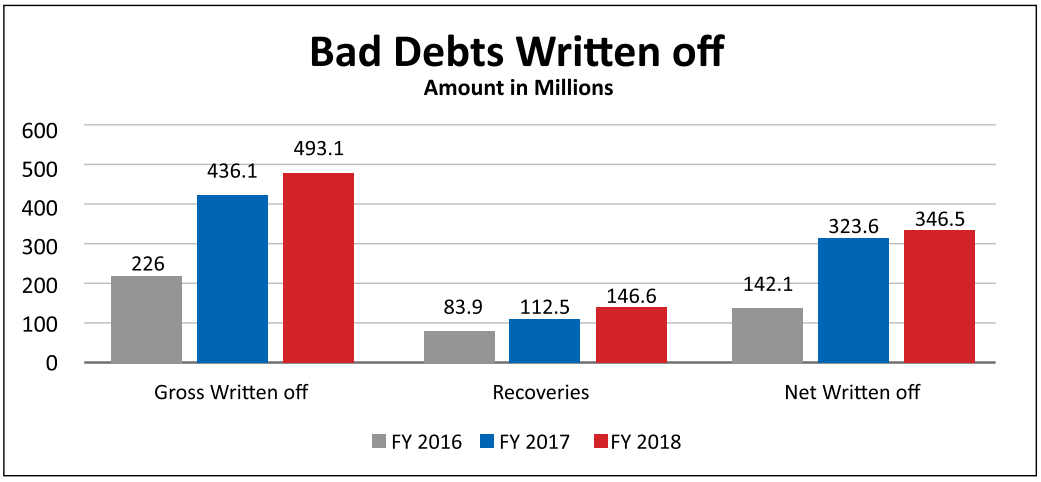
PERFORMANCE BY PORTFOLIO

PAISALO has structured its entire operations with internal checks and controls for effective risk management. Acquisition, underwriting, post disbursement follow up and back office teams operate independently and have separate line of reporting so as to avoid any conflict of interest.

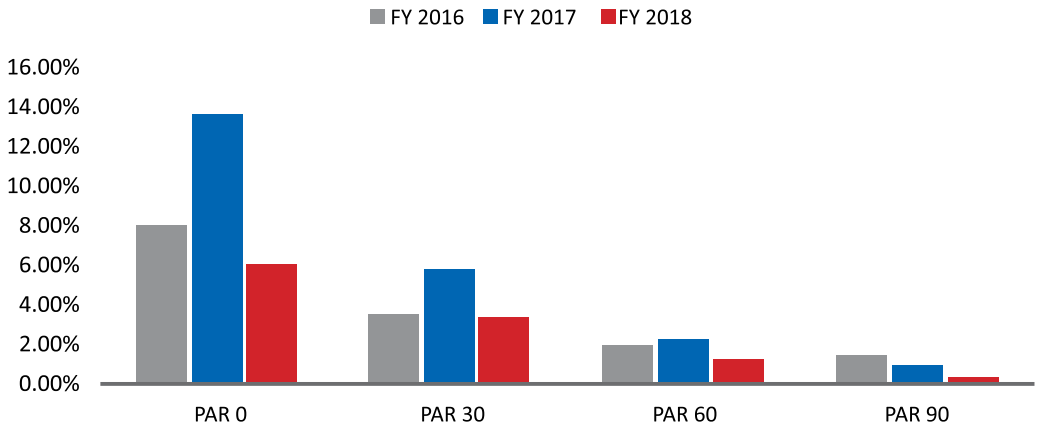
ASSET QUALITY

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 all 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 1912.23 Millions of Arbitration Awards which has become Decreed and ready to be executed. Company forsees to recover major chunk of money by 2020.



PAR ANALYSIS



CAPITAL

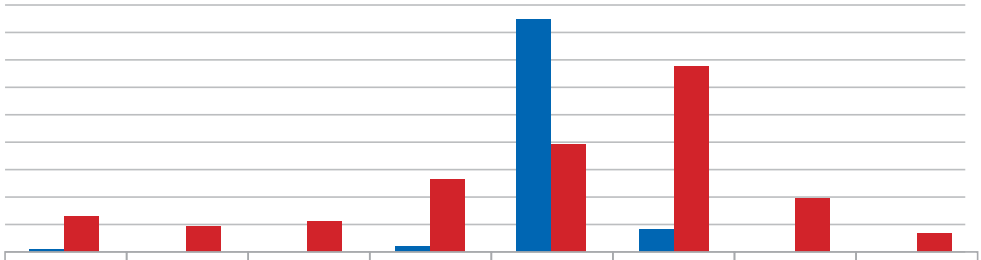
The company's strength lies in its healthy capital structure. PAISALO is among those few NBFCs who are low leveraged. As of March 31, 2018, the Company's capital adequacy ratio (CRAR) stood at 31.67% as against 15.00% of Statutory requirement.

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

Amount in Millions



	Upto 1 Month	1-2 Months	2-3 Months	3-6 Months	6 Months-1 Year	1-3 Years	3-5 Years	Over 5 Years
Outflows	102.70	29.80	35.20	191.00	8406.90	815.10	-	-
Inflows	1277.90	940.40	1136.90	2631.50	3892.70	6702.80	1938.90	1.30

SHAREHOLDERS' FUNDS

As on March 31, 2018 total fully paid up outstanding shares of the company stood at 4,05,60,000 with the book value of ₹148.78 per share. Looking at the robust, unique business model of the company certain investors are interested in investing in the company. Share of the company is also trading at a very low Price to Book Value as compared to Peers.

OPPORTUNITIES AND OUTLOOK

Adoption of digital technologies and biometric identification is demand of present time to avoid any impersonation. PAISALO also took the same as a challenge some years ago and now is ready to face this challenge by way of its new mobile APP "PAISLAO". This is boosting the financial inclusion and enables us to serve untapped / underserved market.

Paisalo App uses the Trio of Measures, along with Artificial Intelligence, Machine Learning and past as well as current data analysis to provide - Smart, Easy and Legally Eligible Loans, that is Available, Aware and Affordable, directly into the customers Bank Account, along with Electronic Clearing House facility for ensuring repayment. Paisalo has introduced Automated Digital Lending Platform entailing paperless financing on the basis of Aadhar Card and Bank Account details of the borrower, so, people no longer have to visit bank for small loans, rather the finance is available right on their handheld devices. The entire documentation process is app based, and everything that takes place when a loan to MSME is done through a bank is done on the app, real-time, in front of the user, everything is open and disclosed so that the customer knows about the loan and saves not only huge cost but also hassles to run around to borrow money. KYC (Know Your Customer) process gets authenticated through Government of India Aadhar database and documents digitally get signed. All disbursements of loan are routed through the Bank Account of the borrower and instalments collection is through e-NACH (National Automated Clearing House) mechanism. Timely availability of loan would result in Adding Value Creation, and ensuring customers are no longer borrowing from unregulated players.

Opportunity: -

The market size of small loans in the country is estimated to be US$ 46 billion, just on a conservative credit demand of US$ 400 per person per annum by just 10% of non-income tax paying citizens of India. Paisalo is poised to increase its

Loan Book significantly. The mobile app has disruption capability in the SME and Self Employment Loan Market of India.

And let's not forget digital penetration of 400 million or more. That's just a little over one-quarter of our population. And half of them transact online - the potential is huge. In three years, this number will be close to 650million, and they use the internet for two things - entertainment and financial services. Most Indians access the internet on mobile. Indians have bought and used US$16billion worth of goods and services online in 2016, and Statistics projects this number to triple to US$ 45billion by 2021.

Risk & Concerns

PAISALO believes in its efforts to continuously strengthen its risk framework and portfolio quality, which has helped to build a stable & healthy portfolio.

As an NBFC, PAISALO is exposed to credit risk, liquidity risk and interest rate risk.

The Company has invested in people, processes and technology to mitigate risks posed by external environment and by its borrowers. It has in place a strong risk management team and an effective credit process operation structure.

As such, it has formulated a sound risk management strategy to address and mitigate the risks it is exposed to. Company's risk management initiatives are aligned to its overall business objectives.

Sustained efforts to strengthen the risk framework and portfolio quality have yielded significant results over the last few years.

Adequacy of Internal Controls: -

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 the purpose of 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 Company is in the process of implementing new technology which will help to have accurate and timely information to take informed decisions.

Company's Internal Audit department has an annual audit plan based on the risk profile of business activities of the organization. The Company has established an Audit Committee to review and strengthen the adequacy of internal controls. The Audit Committee also meets the Company's Statutory Auditors to ascertain their views on the financial statements, including the financial reporting system, compliance to accounting policies and procedures, the adequacy and effectiveness of the internal control and systems followed by the Company. The Management acts upon the observations and suggestions of the Audit Committee. The Internal Auditors of the Company conduct audit of various departments based on an annual audit plan covering key areas of operations and reviews and evaluates the adequacy and effectiveness of internal controls, ensuring adherence to operating guidelines and systems and recommending improvements for strengthening them.

Human Resource Development

Company believes that people play a key role in gaining competitive advantage in our industry. The Company recognizes people as its most valuable asset and it has built an open, transparent and meritocratic culture to nurture this asset. Our Company promotes a healthy and safe work environment for its employees by offering several health and wellness initiatives and campaigns throughout its network for a positive health and safety culture.

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 organisational effectiveness, developing frontline leaders, promoting employee empowerment and maintaining stability and sustainability amidst growth and a rapidly changing business environment.

Human Resource development has a dual objective of growth of the employee and the growth of organization. As this

provides learning and growth for employees, it also leads to higher levels of employee satisfaction. As such, we have remained focused on strengthening human capital through continuous training and development and by upgrading skills of employees to meet the Company's objectives. We take great pride in being compliant to all laws and regulations governing employees and we continue to exercise strong governance over all our practices. As on March 31, 2018, PAISALO has 743 employees and 770 business associates.

Cautionary Statement

This report describing the Company's activities, projections about future estimates, assumptions with regard to global economic conditions, government policies etc. it may contain "forward looking statements" based on the information available with the Company. Forward-looking statements are based on certain assumptions and expectations of future events. These statements are subject to certain risks and uncertainties. The Company cannot guarantee that these assumptions and expectations are accurate or will be realized. The actual results may be different from those expressed or implied since the Company's operations are affected by many external and internal factors, which are beyond the control of the management. Hence the Company assumes no responsibility in respect of forward looking statements that may be amended or modified in future on the basis of subsequent developments, information or events.

Board's Report

Board's Report

TO
THE MEMBERS OF
PAISALO DIGITAL LIMITED

Your Board of Directors have pleasure in presenting the 26th Board's Report of the Company together with the Audited Financial Statements for the Financial Year ended March 31, 2018.

Financial Highlights

The standalone financial performance of the Company for the Financial Year 2017-18 is summarized below:

(₹ in Million)

Particulars	2017-18	2016-17
Total Income	2,874.96	2,495.18
Less: Expenditure	879.86	835.61
Profit Before Depreciation, Financial Cost & Tax (PBDIT)	1,995.10	1,659.57
Less: Financial Cost	1,147.62	883.75
Profit Before Depreciation & Tax (PBDT)	847.48	775.82
Less: Depreciation	4.26	3.96
Profit Before Tax (PBT)	843.22	771.86
Less: Tax Expenses	274.72	258.95
Net Profit After Tax (PAT)	568.50	512.91
Add: Profit b/f from the Previous Year	15.97	30.73
Profit Available for Appropriation	584.47	543.64
Dividend Including Tax	45.53	45.53
Provision for Standard Assets	19.28	14.52
Expenditure on CSR Activities	14.50	15.04
Transfer to General Reserve	380.00	350.00
Transfer to Reserve Fund (RBI Act)	113.70	102.58
Balance Carried to Balance Sheet	11.46	15.97

The Company has posted a profit after tax (PAT) of ₹568.50 Million for FY 2017-18 as compared to a PAT of ₹512.91 Million for FY 2016-17.

Subsidiary

Nupur Finvest Private Limited, a registered Non Deposit taking Non-Banking Finance Company, is the only Subsidiary Company, of which the Company owns one hundred percent shares.

Nupur Finvest Private Limited is engaged in business to provide MSME and income generation loans for self employement purpose. At the year ended March 31, 2018, the net worth of the Company stood at ₹531.80 Million. During the reporting period the subsidiary reported a gross income of ₹310.52 Million and Profit Before Tax (PBT) and Profit After Tax (PAT) at ₹46.00 Million Lakhs and ₹30.79 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 2017-18. Consolidated Turnover was ₹3043.55 Million as against ₹2665.42 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 18.035% increase in the total finance business of the Company.

Disbursements

During the Financial Year 2017-18, total disbursements (including figures of Subsidiary) reached to ₹17655.291Million. The Company is focusing to maintain the asset quality of its loan portfolio without compromising the risk profile.

Number of Customers

Total Customers outreach stood at 878682 being increased by 13.30 % as compared to previous year.

Net Worth and Capital to Risk Adjusted Ratio (CRAR)

The Net Worth of the Company increased to ₹6034.90 Million as on March 31, 2018 from ₹5524.10 Million as on March 31, 2017. The Capital to Risk Adjusted Ratio (CRAR) stood at 31.67% as on March 31, 2018 as against 38.08% as on March 31, 2017 which is much above the requirement as stipulated by Reserve Bank of India.

Dividend

Your Board is pleased to recommend a final dividend of ₹1/- (Rupee One only) per share i.e. 10% on each fully paid equity share of ₹10/- (Rupees Ten Only) for Financial Year 2017-18.

Pursuant to the provisions of Section 124 (5) of the Companies Act, 2013, Interim/Final dividend for the Financial Year 2009-10 and 2010-11 amounted to ₹30,029/- and ₹1,01,929/- respectively, which were unpaid and unclaimed for a period of 7 years from the date it was lying in the unpaid dividend account has been transfered by the company to the Investor Education and Protection Fund (IEPF) of the Center Government.

Fixed Deposits

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

Launch of New App

"India is getting digital, so are we", keeping this aphorism in mind your Company launched the App "PAISALO" in view to ease of finance and to eliminate the presence of the middle-man and to reduce corruption.

Through this mobile app any person who is in need of small finance can conveniently apply and borrow the amount ranging from ₹10,000 to ₹50,000 from their digital device.

This app can be downloaded from Google Play Store and is available in two languages i.e. Hindi and English while availability in additional key regional languages will be part of our future growth strategy.

Name Change

Being a Non Deposit Accepting Systemically Important Non Banking Finance Company (ND-SI-NBFC) is engaged in the finance business and with the change of use of technology in the Company's business and moving towards digitalized path, the Company w.e.f. January 12, 2018, has changed its name from S. E. INVESTMENTS LIMITED to PAISALO DIGITAL LIMITED which in itself reflects the operations of the Company with its way of operation (finance with the use of digital platform).

Further, your Board assures you that with the new name "Paisalo Digital Limited " the Company is and will always remain true to its motto "अर्थ: समाजस्य न्यास:" "Money is trust property of society".

To celebrate this moment of name change and change of Company scrip ID/code on the Stock Exchanges, an Opening Bell Ceremony was organised at NSE Mumbai on January 24, 2018.

Scheme of Amalgamation of Agarwal Meadows Private Limited into the Company

The Board of Directors of the Company, in their meeting held on February 23, 2018, has approved the Scheme of Amalgamation of Agarwal Meadows Private Limited into Paisalo Digital Limited, pursuant to such Scheme, if approved by the National Company Law Tribunal and Other Authorities, all the assets and liabilities of Agarwal Meadows Private Limited will be transferred and vested in the Company with effect from December 31, 2017, being Appointed Date for the purpose the Scheme and the Company will issue 5918 fully paid-up equity share of ₹10/- each for every 100 equity shares of Agarwal Meadows Private Limited of ₹100/- each as consideration to the shareholders of Agarwal Meadows Private Limited

As on the date of this Board's Report the Scheme has been submitted to the Stock Exchanges for their Observation Letter/ NOC and after getting the NoC from Stock Exchange company will submit the same to NCLT for its approval.

Issue of Unlisted Unsecured Non Convertible Debentures

During the year under review, Company has raised ₹280 Million through issue of Unlisted Unsecured 12% Non Convertible Debentures of ₹10.00 Million each on private placement basis.

Directors and Key Managerial Personnel

Change in Directors or KMP

The following changes took place in the composition of Board of Directors during the year under review:

Mr. Gauri Shankar was introduced on Board of the Company as an Additional Independent Director of the Company w.e.f. July 22, 2017. Further on September 26, 2017 in the 25th Annual General Meeting of the Company his appointment was

regularized and was appointed as the Independant Director of the Company for the term of the five years effective from July 22, 2017.

Mrs. Bhama Krishnamurthy was introduced on the Board as the Additional Woman Independent Director w.e.f November 25, 2017.

On November 25, 2017 Mr. Brij Lal Goel, Mrs. Anshu Gupta and Dr. Arun Gopal Agarwal resigned from the office of the Director of the Company.

The Board of the Company has appointed Mr. Anoop Krishna as an Additional Director of the Company w.e.f February 23, 2018.

Further on April 12, 2018, The Board of the Company has appointed Mr. Sunil Srivastava as an Additional Independent Director of the Company.

Other than that no other change took place in the Board of Directors of the Company.

Appointment/Reappointment of Directors or KMP

In terms of Section 152 of Companies Act, 2013, Mr. Harish Singh is liable to retire by rotation at the ensuing Annual General Meeting and being eligible for re-appointment, offers himself for re-appointment.

Board of Directors in their Meeting held on January 30, 2018 and May 2, 2018 has reappointed Mr. Sunil Agarwal as Managing Director for further term of 5 years effecting from February 20, 2018 and Mr. Harish Singh as Executive Director for further term of 5 year effecting from August 1, 2018, respectively and their such reappointment is proposed to be ratified in the upcoming Annual General Meeting.

Since the date of 25th Annual General Meeting of the Company, The Board of Directors has appointed Mrs. Bhama Krishnamurthy as Additional Independent Director, Mr. Anoop Krishna as Additional Professional Director and Mr. Sunil Srivastava has been appointed as Additional Independent Director of the Company to hold the office till the date of forthcoming Annual General Meeting. Keeping in the view the good experience, knowledge and expertise of all these Additional Directors in Banking Industry, Board believes that their association with the Company will be in the interest of the Company and will benefit the Company in its endeavours. Accordingly, Board recommends the appointment of Mrs. Bhama Krishnamurthy, Sunil Srivastava as Independent Director and Mr. Anoop Krishna as Professional Director in the forthcoming Annual General Meeting of the Company.

Number of Board Meetings

During the Financial Year 2017-18, Board of Directors met 8 times on April 28, 2017, July 22, 2017, August 23, 2017, October 27, 2017, November 25, 2017, January 30, 2018 and February 23, 2018 (2:00 pm and 4:00 pm).

Declaration of Independence by Independent Directors

The Company has received the necessary declaration from each Independent Director in accordance with Section 149(7) of the Companies Act, 2013, that he/she meets the criteria of independence as laid out in sub-section (6) of Section 149 of the Companies Act, 2013 and Listing Regulation.

Policy on Directors Appointment and Remuneration

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

The Nomination & Remuneration Committee of the Company leads the process for Board appointments in accordance with the requirements of Companies Act, 2013, listing agreement and other applicable regulations or guidelines. All the Board appointments are based on meritocracy.

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, Listing Regulation, guidelines issued by RBI and other applicable regulations or guidelines. In case of re-appointment of Directors, the Board shall take into consideration the results of the performance evaluation of the Directors and their engagement level.

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

Board's Responsibility Statement

Pursuant to the requirement under Section 134(3)(c), read with Section 134(5) of the Companies Act, 2013 with respect to Board's Responsibility Statement, it is hereby confirmed that:

a) in the preparation of the annual accounts for the financial year ended March, 31, 2018, the applicable accounting standards have been followed and there are no material departures from the same;

b) 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;

c) 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;

d) the Directors had prepared the annual accounts on a going concern basis;

e) 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

f) 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 & Audit Report

M/s Mukesh Kumar & Co, Chartered Accountants, have been appointed as Statutory Auditor of the Company in its 25th Annual General Meeting held on September 26, 2017 for 3 years, subject to annual ratification. Accordingly Board of Directors recommends the ratification of appointment of Statutory Auditor of the Company.

The observations of Auditors in their report read with notes to the accounts are self-explanatory and do not call for any further explanation. The Auditors of the Company have not given any adverse remarks or disclaimers in the report.

Secretarial Auditor and Secretarial Audit Report

In accordance with the provisions of Section 204 of the Companies Act, 2013 and as a measure of good Corporate Governance practice, the Company in its Board Meeting held on January 30, 2018 has appointed CS Satish Kumar Jadon, Practicing Company Secretary, as its Secretarial Auditor to conduct secretarial audit of the Company for financial year ended March 31, 2018. The Report of Secretarial Auditor for financial year ended March 31, 2018, being a part of this Board's Report is enclosed herewith as **Annexure A**. The Report of Secretarial Auditor is self explanatory and no explanation is required thereon from the Board of Directors of the Company.

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

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

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

Being RBI registered Non Banking Finance Company, in terms of 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.

Related Party Transactions

During the year under review, transactions entered into with Related Parties, as defined under Companies Act, 2013 and SEBI (LODR) Regulations, 2015, were in the ordinary course of business and at an arm's length pricing basis, and do not attract the provisions of Sections 188 of the Companies Act, 2013. Related party transactions under the ordinary courcse of business are disclosed in the Note no. 30 of the financial statement.

The details of the transactions with Related Parties were placed before the Audit Committee for its prior approval, from time to time.

Policy on materiality of related party transactions and on dealing with related party transactions is displayed on the website of the Company at www.paisalo.in.

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

There are no material changes and commitments affecting the financial position of the Company, which occurred between the end of the financial year of the Company and date of this Board's Report.

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:

- Since the Company does not own any manufacturing facility, the particulars relating to conservation of energy and technology absorption have not been furnished.
- 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 ₹0.20 million.

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 Board approved CSR Policy for the Company, and the same is available on the website of the Company. CSR Policy of the Company has vision to make concrete efforts towards providing preventive health care, sustainable development of green environment and welfare of animal.

For the financial year 2017-18 the Company has decided to undertake its CSR activities through a registered trust a Company not for profit, which is engaged to develop start-ups in the space of Agribusiness and Technology domains and rural health care initiatives. Composition of CSR Committee as disclosed in Corporate Governance Section of this Annual Report as part of Board's Report and other details as required under Companies Act, 2013 is as annexed with this Report as **Annexure B.**

Details of Significant and Material Orders Passed by the Regulator or Courts or Tribunal Impacting the Going Concern Status and Company's Operation in Future

There is no order passed by the Regulators, Courts or Tribunals which would impact the going concern status of the Company and its future operations.

Risk Management Policy

Non-Banking Finance 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 constituted Assets Liability Management Committee and Risk Management Committee to facilitate the Board to address the risk associated with the business of the Company and developed and implemented a risk management policy to ensure sustainable business growth with stability and promote a proactive approach in reporting, evaluating and resolving risks associated with the Company's business. The Policy also highlights the functions, responsibilities and role of the Committees and Board to address the risks associated with the Company and to mitigate/ reduce the impact of the risk on the Company.

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

Internal Financial Control

Your 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 and timely preparation of reliable financial information.
The internal financial controls with reference to the Financial Statements are adequate, in the opinion of the Board of Directors.

The Company has a proper system of internal controls to ensure that all assets are safeguarded and protected against loss from unauthorized use or disposition and that transactions are authorized, recorded and reported correctly.

The internal control is supplemented by an extensive programme 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. A firm of 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.

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.

Human Resources

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

Your 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.

Information required under Sexual Harassment of Women at Work Place (Prevention, Prohibition & Redressal) Act, 2013

The Company has a policy against sexual harassment and process for dealing with complaints of harassment or discrimination in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013. The Directors further state that during the year under review there was no case filed pursuant to the sexual harassment of women at workplace (Prevention Prohibition and Redressal) Act, 2013.

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

Information in accordance with provisions of Section, 197(12) of the Companies Act, 2013 read with Rule 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are forming part of this report as **Annexure C**. The statement containing particulars of employees as required under Section 197 (12) of the Companies Act, 2013 read with rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnal) rule 2014 may be obtained by the members by the writing to the Company Secratary of the Company.

Credit Rating

Infomerics Valuation and Rating Pvt. Limited vide its letter dated March 26, 2018, has assigned IVR A/Stable outlook rating to company's fund based Bank facilities for an amount of ₹9,900.00 Million

Further, M/s India Ratings & Research Private Limited (A Fitch Group Company) through its letter dated July 25, 2017 has assigned following rating to Company's instruments:

i) Long Term Banks Loans Limit of ₹8,000.00 million (increased from ₹6,500.00 million): Rating **IND A-,** Outlook-Positive;

i) Long Term Debenture aggregating to ₹1,000 million: Rating-**IND A-,** Outlook **–Positive.**

Compliance of Reserve Bank of India Guidelines

The Company always adheres to comply with applicable provisions of prudential norms, rules, regulations and guidelines issued by Reserve Bank of India for Non Banking Financials Companies.

Timely Repayment of Loan Liabilities

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

Extracts of Annual Return

Pursuant to section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014, Extracts of Annual Return in the form MGT-9 is annexed herewith as integral part of this Report as **Annexure D**.

Management Discussion and Analysis of Financial Conditions

An analysis of the financial conditions and results of operations of the Company for the year under review, has been represented in the Annual Report as a separate section on Management Discussion and Analysis as an integral part of this Annual Report.

Corporate Governance

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

The report on corporate governance forms an integral part of this report and is set out as separate section to this Annual Report.

Detailed compliance with the provisions of Listing Regulation for the Finance Year 2017-18 along with Certificate of Compliance from the Statutory Auditor, has been mentioned in the Corporate Governance Report Section of this Report which is annexed herewith as **Annexure E**.

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

Mounting stakeholders' expectations, challenges faced by the Companies to operate under fluctuating economic conditions and increased regulatory requirements have brought the quality of performance of the Board of Directors under greater scrutiny. The Board of Directors have 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's evolutions as a critical structural tool for assessing Board's effectiveness and efficiency.

Considering the above facts and in light of the Company's performance, the performance of the Board of Directors and their

committees, along with performance of individual Directors 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, 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 Committees, 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 Directors 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.

Acknowledgments

We place on record our appreciation of the contribution made by our employees at all levels. Our consistent growth was made possible by their hard work, solidarity, cooperation and support. Your Directors wish to place on record their gratitude for the valuable assistance and co-operation extended to the Company by Banks, Government Authorities, Customers, Shareholders of the Company and we are looking forward to their continued support and co-operation in future.

Date : May 2, 2018
Place : New Delhi

For & on behalf of the Board of Directors
of Paisalo Digital Limited

Sd/-	Sd/-
(Sunil Agarwal)	**(Harish Singh)**
Managing Director	**Executive Director**
DIN : 00006991	**DIN : 00039501**

Form No. MR-3

Annexure - A

Secretarial Audit Report for the Financial Year Ended March 31, 2018

[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
101, CSC, Pocket 52,
CR Park, Near Police Station,
New Delhi-110019

I 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 me a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing my opinion thereon.

Based on my 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 authorised representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on March 31, 2018 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.

I 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, 2018 according to the provisions of:

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

ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

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

iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment;

v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') to the extent applicable to the Company:

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

   b. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

   c. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

   d. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

   e. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; and

vi. The Reserve Bank of India Act, 1934, rules/regulations made thereunder as applicable to the Non- Banking Financial Company and guidelines/notifications issued by RBI for Non-Banking Financial Companies.

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

i. The Listing Agreements entered into by the Company with National Stock Exchange of India Limited and BSE Limited.

ii. Secretarial standards issued by the Institute of Company Secretaries of India.

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

I further report that

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

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

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.

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

I further report that during the audit period Company has taken following major decision, pursuant to above referred laws, rules, regulations, guidelines, standards:

i. With effect from January 12, 2018, Company has changed its name from S. E. Investments Limited to Paisalo Digital Limited, after obtaining the requisite approval of Shareholders of the Company, Ministry of Corporate Affairs, Stock Exchange on which the shares of the Company are listed and the Reserve Bank of India.

ii. Company has issued Unlisted Unsecured 12% Non Convertible Debentures for an amount of ₹28 Crores on private placement basis.

iii. Board of Directors of the Company in their meeting held on February 23, 2018 has approved the Scheme of Arrangement/Amalgamation for amalgamation of Agarwal Meadows Private Limited into the Company.

Date : April 19, 2018
Place : Agra

Sd/-
(Satish Kumar Jadon)
Company Secretary in Practice
Membership No. : FCS 9512
CP No. : 9810

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

Annexure to the Secreterial Audit Report

To,

The Members,
PAISALO DIGITAL LIMITED,
101 CSC Pocket-52, CR Park Near Police Station
New Delhi-110019

Secreterial 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. My responsibility is to express an opinion on these secretarial records based on my audit.

I 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. I believe that the process and practices, I followed provide a reasonable basis for my opinion.

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

Where ever required, I 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. My 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 : April 19, 2018
Place : Agra

Sd/-
(Satish Kumar Jadon)
Company Secretary in Practice
Membership No. : FCS 9512
CP No. : 9810

CSR

Annexure - B

Annual Report on CSR Activities

1.	A Brief outline of the Company's CSR Policy, including overview of the projects or programs undertaken and a reference to the web link to the CSR policy and project or programs	As decided by the Board of Directors of the Company, Company undertakes its CSR activities through registered not-for-profit organisation(s), which are engaged in the activities that Company is required to implement under its CSR Policy in accordance with the provision under Section 135 of the Companies Act, 2013 and rules made thereunder. In the financial Year 2017-18, Company has made contribution of ₹14.50 Million in the corpus fund of the not-profit-organisation(s), which is more than 2% of Company's Average net profit of last three years. The Company's policy on CSR is available on the website of the Company www.paisalo.in.
2.	The Composition of the CSR Committee	Mr. Harish Singh (Chairman), Mr. Sunil Agarwal (Member) Mr. Pradeep Agarwal (Member w.e.f November 25, 2017) Mrs. Anshu Gupta (Member upto November 25, 2017)
3.	Average net profit of the Company for last three financial year	₹708.25 Million
4.	Prescribed CSR Expenditure	₹14.17 Million
5.	Details of CSR spent during the financial year	
(a)	Total amount to be spent for the financial year	₹14.30 Million
(b)	Amount unspent, if any	Nil

(c)	Manner in which the amount spent during the financial year detailed below:						
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
S.No.	CSR project or activity identified	Sector in which the Project is covered	Projects or programs Local Area or Other Specify the State and district where projects or programs was undertaken	amount outlay (budget) project or programs wise	Amount spent on the projects or programs subheads: Direct expenditure Overheads	Cumulative expenditure upto the reporting period	Amount spent: Directly or through implementing agency
1	For Health & Sanitation	Health Care	Churu, Rajasthan, Nashik, Maharashtra and Murshidabad, West Bengal.	₹40.00 Lakhs	Direct expenditure ₹40.00 Lakhs	₹77.00 Lakhs	Implementing agency -Indian Society of Health Care Professionals
2	For Rural Development	Rural Development/ support to technology incubators.	Bhiwani, Sirsa, Kaithal (Haryana) Beluru, Dharwad Jamkhandi Haveri Koppal (Karnataka)	₹103.00 Lakhs	Direct expenditure ₹105.00 Lakhs	₹105 Lakhs	Implementing agency -Indian Society for Agribusiness Professionals

Further, it is hereby confirmed that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.

Date : May 2, 2018
Place : New Delhi

For & on behalf of the Board of Directors of
Paisalo Digital Limited

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

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

Disclosure As Per Section 197(12) of The Companies Act, 2013

Annexure - C

S. No.	Details	Mr. Sunil Agarwal (MD)	Mr. Harish Singh (WTD & CFO)	Mr. Anoop Krishna (Professional Director) (from 23.02.2018)	Mr. Manendra Singh (CS)
1.	Ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year	178:1	7.77:1	2.25:1	5.37:1
2.	Percentage increase in remuneration of each director, CFO, CEO, Company Secretary or Manager, if any, in financial year 2017-18	100%	0%	N.A.	0%
3.	Percentage increase in the median remuneration of employees in the financial year	8.35%			
4.	The number of permanent employees on the rolls of company	743			
5.	Average percentile increase 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	Average percentage increase made in the salaries of employees other than managerial personnel in financial year 2017-18 as compare to 2016-17 was 31.94%. The increase in the manager remuneration for the same financial year was 11.84%. In previous many years the remuneration of the Managing Director was not increased therefore to compensate the same and keeping in the view the efforts of the Managing Director towards the Company's progress, the Company has increased Managing Director's remuneration by 100%.			

It is hereby affirmed that the remuneration paid to the Directors and other employees are as per remuneration policy of the company for Directors, KMPs and other employees.

Date : May 2, 2018
Place : New Delhi

For & on behalf of the Board of Directors of
Paisalo Digital Limited

Sd/-	Sd/-
(Sunil Agarwal)	(Harish Singh)
Managing Director	Executive Director
DIN : 00006991	DIN : 00039501

Form No. MGT-9

Annexure - D

Extract of Annual Return
As on the financial year ended on March 31, 2018

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management an Administration) Rules, 2014]

I. Registration and other Details:

1.	Corporate Identification Number (CIN)	L65921DL1992PLC120483
2.	Registration Date	March 5, 1992
3.	Name of the Company	Paisalo Digital Limited (Formerly known as S. E. Investments Limited)
4.	Category/Sub-Category of the Company	Company Limited by Shares/Indian Non-Government Company
5.	Address of the Registered office and contact details	101, CSC, Pocket 52, CR Park, Near Police Station, New Delhi-110019 Email: delhi@paisalo.in Tel. +91 11 43518888
6.	Whether listed company	Equity Shares of the Company are listed on NSE and BSE
7.	Name, Address and Contact details of Registrar and Transfer Agent	M/s Alankit Assignments Limited 1E/13, Jhandewalan Extension, New Delhi-110 055 Contact Person: Mr. Ram Avtar Pandey Tel.011-42541955 Email: info@alankit.com

II. Principal Business Activities of the Company:

All the business activities contributing 10% or more of the total turnover of the Company:

S. No.	Name and Description of main products/ services	NIC Code of the Product/ services	% to total turnover of the Company
1.	Financial Services (NBFC)	6,492*	100%

*As per National Industrial Classification 2008 (NIC-2008)

III. Particulars of Holding, Subsidiary and Associate Companies:

S. No.	Name and Address of the Company	CIN /GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1.	Nupur Finvest Pvt. Limited	U67120DL1995PTC231086	Subsidiary	100%	2 (87) of Companies Act, 2013

IV. Share Holding Pattern (Equity Share Capital Breakup as percentage of Total Equity)

a. Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year i.e. 01/04/2017				No. of Shares held at the end of the year i.e. 31/03/2018				%Changes during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	73,28,640	-	73,28,640	18.07	73,28,640	-	73,28,640	18.07	-
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	32,31,943	-	32,31,943	7.97	32,31,943	-	32,31,943	7.97	-
e) Bank/FI	-	-	-	-	-	-	-	-	-
f) Any Other...	-	-	-	-	-	-	-	-	-
Sub-total (A) (1):-	1,05,60,583	-	1,05,60,583	26.04	1,05,60,583	-	1,05,60,583	26.04	-
(2) Foreign									
a) NRIs -Individual	-	-	-	-	-	-	-	-	-
b) Other- Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Crop.	-	-	-	-	-	-	-	-	-
d) Banks/FI	-	-	-	-	-	-	-	-	-
e) Any Other.	-	-	-	-	-	-	-	-	-
Sub-total (A) (2):-	-	-	-	-	-	-	-	-	-
Total Shareholding of Promoter (A) = (A) (1)+(A) (2)	**1,05,60,583**	**-**	**1,05,60,583**	**26.04**	**1,05,60,583**	**-**	**1,05,60,583**	**26.04**	**-**
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks/FI	9,67,087	-	9,67,087	2.38	9,67,087	-	9,67,087	2.38	-
c) Central Govt.	-	-	-	-	-	-	-	-	-
d) Sate Govt.(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs/FPI	67,23,548	-	67,23,548	16.58	67,33,339	-	67,33,339	16.60	0.02
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B) (1):-	76,90,635	-	76,90,635	18.96	77,00,426	-	77,00,426	18.99	0.02
2. Non- Institutions									
a) Bodies Corp.									
i) Indian	47,87,918	-	47,87,918	11.80	47,75,565	-	47,75,565	11.77	-0.03
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individual	-	-	-	-	-	-	-	-	-

i) Individual shareholders holding nominal share capital upto ₹2 lakh	3,54,808	24,406	3,79,214	0.93	3,77,843	24,406	4,02,249	0.99	0.06
ii) Individual shareholders holding nominal share capital in excess of ₹2 lakh	3,09,799	-	3,09,799	0.76	2,89,908	-	2,89,908	0.71	-0.05
c) Other (specify)									
(c-ii) Non-Resident Indians	1,851	-	1,851	-	1,269	-	1,269	-	-0.03
Sub-total (B) (2):-	54,54,376	24,406	54,78,782	13.51	54,44,585	24,406	54,68,991	13.48	-0.02
Total Public Shareholding (B)=(B)(1)+ (B)(2)	**1,31,45,011**	**24,406**	**1,31,69,417**	**32.47**	**1,31,45,011**	**24,406**	**1,31,69,417**	**32.47**	-
C. Shares held by Custodian	1,68,30,000	-	1,68,30,000	41.49	1,68,30,000	-	1,68,30,000	41.49	-
Grand Total (A+B+C)	**4,05,35,594**	**24,406**	**4,05,60,000**	**100.00**	**4,05,35,594**	**24,406**	**4,05,60,000**	**100.00**	-

b. Shareholding of Promoters

S. No.	Name of Shareholders	No. of Shares held at the beginning of the year i.e. 01.04.2017			No. of Shares held at the end of the year i.e. 31.03.2018			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	
1	Purushottam Agrawal	2,69,000	0.66	-	2,69,000	0.66	-	-
2	Mr. Sunil Agarwal	31,62,440	7.80	-	31,62,440	7.80	-	-
3	Mrs. Raj Agarwal	15,31,200	3.78	-	15,31,200	3.78	-	-
4	Ms. Suniti Agarwal	2,50,800	0.62	-	2,50,800	0.62	-	-
5	Mr. Shantanu Agarwal	12,55,200	3.09	-	12,55,200	3.09	-	-
6	P. N. Agarwal & Sons (HUF)	8,60,000	2.12	-	8,60,000	2.12	-	-
7	Bhavya Electronics & Networks Pvt. Lt.	62,608	0.15	-	29,14,223	7.18	-	7.03
8	Diamond Infradev Pvt. Limited	2,56,920	0.63	-	2,56,920	0.63	-	-
9	Baba Herbals Pvt. Limited	60,800	0.15	-	60,800	0.15	-	-
10	Agrim Marketing Pvt. Limited	6,61,897	1.63	-	-	-	-	-1.63
11	Athens Computer Technologies Pvt. Limited	3,42,662	0.84	-	-	-	-	-0.84
12	S. E. Micro Housing Finance Pvt. Limited	15,85,000	3.91	-	-	-	-	-3.91
13	Gajodhari Chemicals Pvt. Limited	61,756	0.15	-	-	-	-	-0.15
14	Balram Retails Pvt. Limited	72,632	0.18	-	-	-	-	-0.18
15	Aradhana Infradev Pvt. Limited	1,27,668	0.31	-	-	-	-	-0.31
16	Total	1,05,60,583	25.72	-	1,05,60,583	26.04	-	-

Pursuant to Scheme of Amalgamation as approved by National Company Law Tribunal New Delhi, the shares of promoter group companies at serial no 10, 11, 12, 13, 14, 15, 16 have been transferred and vested in the promoter group company at serial no. 7.

c. Change in Promoters' Shareholding

During the financial year ended March 31, 2018, there is no change in the total shareholding of Promoters and Promoter Group other than as provided above.

d. Shareholding Pattern of Shareholders holding 1% or more shares

(Other than Directors, Promoters and Holders of GDRs and ADRs)

S. No.	Name of Shareholder	Shareholding at beginning of year (01.04.2017)		Date wise increase/ decrease in the Shareholding		Cumulative Shareholding during the year	Shareholding at the end of the year (31.03.2018) or on the date of separation, if separated during the year	
		No. of Shares	% of total shares of the Company			No. of Shares	% of total shares of the Company	
1	Davos International Fund	18,25,799	4.50	Shares	N.A.	No Change	18,25,799	4.50
				Date	N.A.			
				Reason	N.A.			
2	Elara India Opportunities Fund Limited	18,46,067	4.55	Shares	N.A.	No Change	18,46,067	4.55
				Date	N.A.			
				Reason	N.A.			
3	Zeal Professional Services Private Limited	13,86,000	3.42	Shares	N.A.	No Change	13,86,000	3.42
				Date	N.A.			
				Reason	N.A.			
4	Plutus Terra India Fund	13,37,607	3.30	Shares	N.A.	No Change	13,37,607	3.30
				Date	N.A.			
				Reason	N.A.			
5	Life Insurance Corporation of India	9,67,087	2.38	Shares	N.A.	No Change	9,67,087	2.38
				Date	N.A.			
				Reason	N.A.			
6	Antara India Evergreen Fund Limited	7,55,826	1.86	Shares	N.A.	No Change	7,55,826	1.86
				Date	N.A.			
				Reason	N.A.			
7	Nomura Singapore Limited	7,40,000	1.82	Shares	N.A.	No Change	7,40,000	1.82
				Date	N.A.			
				Reason	N.A.			

e. Shareholding of Directors and Key Managerial Personnel:

As on March 31, 2018, no Director and Key Managerial Personnel except Mr. Sunil Agarwal (Managing Director), holds shares in the Company. The shareholding of Mr. Sunil Agarwal is given under the heading of Shareholding of Promoters.

V. Indebtedness

Indebtedness of the Company including interest outstanding/accrued but not due for payment

₹in Million

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness as on 01.04.2017				
i) Principal Amount	5,975.52	1,120.28	0.00	7,095.80
ii) Interest due but not paid	0.00	0.00	0.00	0.00
iii) Interest accrued but not due	0.00	0.00	0.00	0.00
Total (i+ii+iii)	**5,975.52**	**1,120.28**	**0.00**	**7,095.80**
Change in Indebtedness during the financial year				
• Addition	1,809.56	280.00	0.00	2,089.56
• Reduction	0.00	29.18	0.00	29.18
Net Change	**1,809.56**	**250.82**	**0.00**	**2,060.38**
Indebtedness as on 31.03.2018	**0.00**	**0.00**	**0.00**	**0.00**
i) Principal Amount	7,785.08	1,371.10	0.00	9,156.17
ii) Interest due but not paid	0.00	0.00	0.00	0.00
iii) Interest accrued but not due	0.00	0.00	0.00	0.00
Total (i+ii+iii)	**7,785.08**	**1,371.10**	**0.00**	**9,156.17**

VI. Remuneration of Directors and Key Managerial Personnel

a. Remuneration to Managing Director, Whole- time Directors, Manager, Company Secretary (CS):

₹in Lakh

S. No.	Particulars of Remuneration	Mr. Sunil Agarwal MD/CEO	Mr. Harish Singh ED/CFO	Mr. Anoop Krishna PD	Total Amount	Mr. Manendra Singh CS
1	Gross Salary					
a)	Salary as per provisions Contained in Section 17(1) of the Income-Tax Act, 1961	288.00	12.60	3.04	303.64	8.70
b)	Value of perquisites u/s 17(2) Income-Tax Act, 1961 (c) Profits in lieu of Salary under Section 17(3) Income-Tax Act,1961	—	—	0.61	0.61	—
2	Stock Option	—	—		—	—
3	Sweat Equity	—	—		—	—
4	Commission - as% of profit –	—	—		—	—
5	Others, please specify	—	—		—	—
	Total(A)	288.00	12.60	3.64	304.24	8.70
	Ceiling as per the Act	The total managerial remuneration paid by the Company in respect of financial year 2017-18 is within ceiling limit as prescribed under Section 197 of the Companies Act, 2013				

b. Remuneration to other Directors

During financial year 2017-18, w.e.f. January 30, 2018 sitting fees of ₹25,000/- for attending Board Meeting and ₹15000/- for attending Committee Meeting has been paid to each Non-Executive Directors of the Company and Company has reimbursed out of pocket expenses incurred by the Non Executive Directors for the Company's purpose. Other than that No Remuneration has been paid to Non-Executive Directors.

VII. Penalties/Punishment/Compounding of Offences:

During the year under review neither any penalty imposed nor any order for punishment or compounding passed by any authority under the provisions of Companies Act against the Company, it's Directors or its other officers.

Date : May 2, 2018

Place : New Delhi

For & on behalf of the Board of Directors of
Paisalo Digital Limited

Sd/-	Sd/-
(Sunil Agarwal)	(Harish Singh)
Managing Director	Executive Director
DIN : 00006991	DIN : 00039501

Corporate
Governance

Annexure - E

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 standards, which aims to improve the Company's image, efficiency and effectiveness.

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 committee 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. Being a Systemically Important NBFC, we also learn a lot as RBI gradually enhanced the governance requirements for such NBFCs. 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,
- Maintenance of transparency and accountability,
- Fair and equitable treatment of all its stakeholders including employees, customers, shareholders and investors,
- Ensuring Compliance with applicable rules and regulations.

Company's Philosophy of Corporate Governance

Corporate Governance at Paisalo, strives in development and enhancement of long term stakeholder's value.

The Board of Directors of the Company understand 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 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.

Company's Existing Governance Practices

Some of the key elements that forms the basis of our Corporate Governance frame work are-

Sound Board Structure & Directors with Diverse Backgrounds

Our Board comprises of distinguished members with varied 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. Currently Board of the Company comprises of five Independent Directors. Independent Directors, forming part of the Board, do fulfil the criteria of 'Independence' as laid down in the Companies Act, 2013, RBI Guidelines and SEBI (LODR) Regulations, 2015.

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 25 of SEBI (LODR) Regulations, 2015. Further, none of the Directors of the Company is a member in more than ten committees or is acting as Chairman 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 is as under:

Mr. Sunil Agarwal (Managing Director)

Mr. Sunil Agarwal is a founder Member, Promoter and Managing Director of the Company with an experience of over 28 years; Mr. Sunil Agarwal 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 (Professional 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 December 2017. He headed 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 joined the Board of the Company on February, 23, 2018 and has brought with him a rich and varied experience of leading a large team of people operating into complex financial structure.

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 finance department of the Company with his rich experience and specialization.

Mr. Sunil Srivastava (Independent Director)

Mr. Sunil Shrivastava is B.Sc (H) from Delhi University and has done his Masters of Management studies, from F.M.S., Banaras Hindu University. He joined State Bank of India as a Probationary Officer in 1980 and their after has been posted across various functions and offices of SBI in India and United States he has also serve SBI as Dy. Managing Director (Corporate Accounts Group). He has very rich experience in Credit Risk, Project Finance, Corporate Finance, International Banking, Investment Banking, Corporate Strategy and Digital & Retail Banking. He has strengthened the Company's Board by bringing with him a vast experience and specialization in the field of Digital and Retail Business He has joined the Board of Company as Additional Independent Director on April 12, 2018.

Mr. Gauri Shankar (Independent Director)

Mr. Gauri Shankar is an ex-banker with more than three decades of experience at various senior positions in Banking Industry. He was the Chief Executive Officer and Managing Director of the Punjab National Bank from February, 8, 2015 to August, 13, 2015 and also pursued the position of Executive Director of the Punjab National Bank from October, 7, 2013 to March, 31, 2016. He has strengthened the Company's Board by bringing with him a vast experience and specialization in the field of finance.

Mrs. Bhama Krishnamurthy (Woman Independent Director)

Mrs. Bhama Krishnamurthy has a degree of MS from the University of Mumbai. She joined the Company on November 25, 2017 as an Independent Director of the Company. She was the Country Head and Chief General Manager of SIDBI and has a good experience to deal with Multilateral and Bilateral Agencies in close co-ordination with the Government of India. She has brought with her a rich experience and specialisation in handling of Human Resources Development Division covering recruitment, training and promotion aspects.

Mr. Pradeep Agarwal (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 37 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. 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 Matters.

Board Procedure and Meeting

The Board meets at least once in a quarter to review the quarterly performance and the financial results. The Board Meetings are scheduled in advance and the notice of each Board Meeting is given in writing to each Director. All the items on the agenda are accompanied by notes giving comprehensive information on the related subject and in certain

matters such as financial/ business plans, financial results, detailed presentations are made. The Board's role, functions, responsibility and accountability are clearly defined and to enable the Board to discharge its responsibilities effectively, the members of the Board are briefed about the overall performance of the Company.

During the year under review Eight (8) Board Meetings were held on April 28, 2017; July 22, 2017; August 23, 2017; October 27, 2017; November 25, 2017; January 30, 2018, February 23, 2018 (2:00 P.M.) and February 23, 2018 (4:00 P.M.). In addition, the Board Meetings, the Board Members take part in the decision making by passing resolutions through circulation. During the year one resolution was passed through circulation. The details regarding the composition of the Board of Directors as on March 31, 2018, category of the Directors, their attendance at the Board Meetings held during the year under review and also at the last Annual General Meeting and the number of Directorships and Chairmanships/ Membership in Committees held by them in other public companies and their shareholding as on the March 31, 2018 are as follows:

S. No.	Name of Director	Category	No. of Shares held in Company as on March 31, 2018	Board meeting held during director's tenure	Attendance at Board meeting	Attendance at Last AGM	No. of Directorship held in other Public Companies*	Committee Positions in other Public Companies#	
								As Member	As Chairman
1	Mr.Sunil Agarwal	Managing Director (Promoter)	31,62,440	8	8	Yes	1	-	-
2	Mr. Harish Singh	Executive Director	0	8	8	Yes	1	-	1
3	Mr. Naresh Kumar Jain	Non-Executive Independent Director	0	8	8	Yes	1	1	-
4	Mr. Pradeep Agarwal	Non-Executive Independent Director	0	8	8	Yes	1	1	-
5	Mr. Gauri Shankar 1	Non-Executive Independent Director	0	7	7	Yes	3	2	-
6	Mrs. Bhama Krishnamurthy 2	Non-Executive Independent Director	0	4	4	N.A.	7	6	-
7	Mr. Anoop Krishna 3	Executive Director	0	2	2	N.A.	0	-	-
8	Dr. Arun Gopal Agarwal 4	Non-Executive Non Independent Director	0	5	5	Yes	3	NA	NA
9	Mr. Brij Lal Goel 4	Non-Executive Independent Director	0	5	5	Yes	1	NA	NA
10	Mrs. Anshu Gupta 4	Non-Executive Independent Director	0	5	5	Yes	4	NA	NA

*Includes Private Limited Company(ies) which is subsidiary of Public Limited Company.

Includes only Audit and Stakeholders Relationship Committees.

At present no Director of the Company is related to other Director.

1-Joined the Board w.e.f. July 22, 2017.

2-Joined the Board w.e.f. November 25, 2017.

3-Joined the Board w.e.f. February 23, 2018.

4-Ceased to be director of the company w.e.f. November 25, 2017

Agenda and Minutes

All the matters required to be discussed at the meeting of the 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/Committee Meetings.

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 Statutory Auditor

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

Board Supervised Committees

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

1. Audit Committee

The Audit Committee of the Company has been constituted in accordance with the provisions of Section 177 of the Companies Act, 2013 and Regulation 18 of SEBI (LODR) Regulations 2015. The role and powers of the Audit Committee of the Company are governed by the Companies Act, 2013 and Listing Regulations.

Functions and Responsibilities of Audit Committee

Primarily following are included 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 monitor the auditor's independence and performance, and effectiveness of audit process;
- Examination of the financial statements and the auditors' report thereon;
- Approval or any subsequent modification of transactions of the Company with related parties;
- Integrity of Company's financial statements, discussing with the independent auditors the scope of the annual audits and fees to be paid to the independent auditors;
- 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 Board's Responsibility Statement to be included in the Board's 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, with the management, the quarterly financial statements before submission to the Board for approval;
- 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 on any significant findings and follow up there on;
- Reviewing the findings of any internal investigations by the internal auditors in matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
- Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- 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;
- Approval of appointment of CFO (i.e. the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
- Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

Powers of Audit Committee:

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

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

Meeting and Composition

The Audit Committee met 5 (Five) times during the year under review on April 28, 2017; July 21, 2017; October 27, 2017; January 30, 2018 and February 23, 2018.

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 2017-18	Committee meeting attended during the tenure of Member in FY 2017-18
1	Mr. Brij Lal Goel*	Chairman	3	3
2	Mrs. Anshu Gupta *	Member	3	3
3	Mr. Harish Singh	Member	5	5
4	Mr. Pradeep Agarwal**	Chairman	2	2
5	Mr. Gauri Shankar**	Member	2	2

* Till November 25, 2017
** w.e.f November 25, 2017

2. Nomination & Remuneration Committee

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

Role of Nomination and Remuneration Committee

The role of the Nomination and Remuneration Committee, inter alia, include the following:

- 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 and removal;
- 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 4 (Four) times during the year under review on April 28, 2017; July 21, 2017; October 20, 2017 and January 30, 2018.

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 2017-18	Committee meeting attended during the tenure of Member in FY 2017-18
1	Mr. Brij Lal Goel*	Chairman	3	3
2	Dr. Arun Gopal Agarwal*	Member	3	3
3	Mrs. Anshu Gupta*	Member	3	3
4	Mr. Gauri Shankar**	Chairman	1	1
5	Mrs. Bhama Krishnamurthy**	Member	1	1
6	Mr. Pradeep Agarwal**	Member	1	1

* Till November 25, 2017
** w.e.f November 25, 2017

Nomination and Remuneration Policy

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

Remuneration to Directors

- Non-Executive Directors

No commission was paid to any Non-Executive Directors for the financial year under review. In addition to reimbursement of expenses incurred by the Non Executive Directors for the Company's related matter, with effect from January 30, 2018 Company is paying sitting fees to Non Executive Directors as under:

a.	For attending meeting of Board of Directors	:	₹25,000/- to each Non Executive Director
b.	For attending meeting of Committees	:	₹15,000/- to each Non Executive Director as member of respective committee

- 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.

For details pertaining to Managerial Remuneration paid to the Executive Directors during the financial year under review kindly refer to the MGT-9 as integral part of this report.

The Company does not have an Employee Stock Option.

3. Stakeholders Relationship Committee

The Stakeholders Relationship Committee is constituted in accordance with provisions of the Companies Act, 2013 and Regulation 20 of SEBI (LODR) 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 over sees 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 4 (Four) times during the year under review on April 28, 2017; July 21, 2017; November 15, 2017 and January 30, 2018.

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 2017-18	Committee meeting attended during the tenure of Member in FY 2017-18
1	Dr. Arun Gopal Agarwal*	Chairman	3	3
2	Mrs. Anshu Gupta *	Member	3	3
3	Mr. Naresh Kumar Jain**	Member*/Chairman**	4	4
4	Mr. Gauri Shankar**	Member	1	1
5	Mrs. Bhama Krishnamurthy**	Member	1	1

* Till November 25, 2017
** w.e.f November 25, 2017

Compliance Officer

Company has appointed Company Secretary as Compliance Officer for complying with the requirements of the Listing Agreement with the Stock Exchanges.

Investor's Complaints status for the Financial Year 2017-18

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.

4. Risk Management Committee

Risk Management Committee of the Company has been constituted by the Company 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 4 (Four) times during the year under review on April 28, 2017; July 21, 2017; October 27, 2017 and January 30, 2018.

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 2017-18	Committee meeting attended during the tenure of Member in FY 2017-18
1	Mr. Harish Singh	Chairman*/Member**	4	4
2	Mr. Sunil Agarwal*	Member	3	3
3	Mr. R. K. Jain*	Member	3	3
4	Mr. Gauri Shankar**	Chairman	1	1
5	Mr. Pradeep Agarwal**	Vice Chairman	1	1
6	Mr. Gaurav Chaubey**	Member	1	1

* Till November 25, 2017
** w.e.f November 25, 2017

5. 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, from time to time and by the Board of the Company. 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

Risk Management Committee met 4 (Four) times during the year under review on April 28, 2017; July 21, 2017; October 27, 2017 and January 30, 2018.

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 2017-18	Committee meeting attended during the tenure of Member in FY 2017-18
1	Mr. Harish Singh*	Chairman	3	3
2	Mr. Sunil Agarwal*	Member	3	3
3	Mr. R. K. Jain*	Member	3	3
4	Mrs. Bhama Krishnamurthy**	Chairperson	1	1
5	Mr. Pradeep Agarwal**	Member	1	1
6	Mr. Naresh Kumar Jain**	Member	1	1

* Till November 25, 2017
** w.e.f November 25, 2017

6. 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 1 (One) times during the year under review on April 28, 2017.

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 2017-18	Committee meeting attended during the tenure of Member in FY 2017-18
1	Mr. Harish Singh	Chairman	1	1
2	Dr. Arun Gopal Agarwal*	Member	1	1
3	Mrs. Anshu Gupta*	Member	1	1
4	Mr. Sunil Agarwal**	Member	N.A.	N.A.
5	Mr. Pradeep Agarwal**	Member	N.A.	N.A.

* Till November 25, 2017
** w.e.f November 25, 2017

7. 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 the general operation related matters of the Company.

Mr. Pradeep Agarwal has been appointed as member of this committee in place of Dr. Arun Gopal Agarwal w.e.f. November 25, 2017.

8. Compliance Officer

The Company has Appointed Company Secretary as compliance officer of the Company.

Corporate Ethics

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 act as guiding principles for carrying business in ethical way.

Familiarisation Programme for Independent Directors

In accordance with requirements of Schedule IV of the Companies Act, 2013 and applicable Listing Regulations, various meetings have been conducted by the Company to make understand the Independent Directors about the business of the Company. Through meetings and interaction among Senior Management and Non-Executive Directors, Company has made its best effort to ensure that the Non-Executive Directors understand their roles, rights, responsibilities in the Company. The Familiarisation Programme for Independent Directors of the Company is available on the website of the Company i.e. www.paisalo.in.

Meetings of Independent Directors

As stipulated by the code of Independent Directors under the Companies Act, 2013 and Listing Regulation, a separate meeting of Independent Directors was held on February 23, 2018 to review the performance of Non-Independent Directors and the Board as whole taking into account the views of Executive and Non-Executive Directors. The Independent Directors also reviewed the quality, content and time line of flow of information between the management and Board and its committees which is necessary for effective and reasonable perform and discharge of their duties.

General Body Meetings

Annual General Meeting (AGM) of Last Three Years

AGM	Year	Date, Time And Venue	Special Resolution Passed
23rd	2014-2015	September 30, 2015 at 10.00 A.M. Auditorium ISKCON Complex, Hare Krishna Hill, Sant Nagar, Main Road, East of Kailash, New Delhi – 110065	Four
24th	2015-2016	September 30, 2016 at 10.00 A.M. Auditorium ISKCON Complex, Hare Krishna Hill, Sant Nagar, Main Road, East of Kailash, New Delhi – 110065	Three
25th	2016-2017	September 26, 2017 at 10.30 A.M. Auditorium ISKCON Complex, Hare Krishna Hill, Sant Nagar, Main Road, East of Kailash, New Delhi – 110065	Three

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

Postal Ballot

During the year 2017-18, Pursuant to Section 110 of the Companies Act, 2013 read with Rule 22 of the Companies (Management and Administration) Rules, 2014 approval of shareholders by Special Resolutions is sought through Postal Ballot for the followings:

1. To change Company's existing name "S. E. Investments Limited " to "Paisalo Digital Limited " and consequent alterations in the Memorandum of Association and Articles of Association of the Company;
2. To amend Memorandum of Association of the Company to bring contents of Memorandum in line with the draft suggested in Table A of Schedule I of the Companies Act, 2013; and
3. To adopt new set of Articles of Association of the Company, to the exclusion of the existing set of Articles of Association and in this regard to consider changes as deemed appropriate.

Notice of Postal Ballot

The Postal Ballot Notice was sent to the Members, whose names appear in the Register of Members / List of Beneficial Owners as received from the National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) as on November 25, 2017.

The Postal Ballot Notice was sent to Members in electronic form at the email addresses registered with their Depository Participants (in case of electronic shareholding) / the Company's registrar and share transfer agent (in case of physical shareholding). For Members whose email IDs were not registered, physical copies of the Postal Ballot Notice was sent by permitted mode along with a postage-prepaid self-addressed Envelope.

Mode of Voting

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

Voting Period

Voting period was open from December 1, 2017, 09:00 A.M. (IST) till December 30, 2017 5:00 P.M. (IST).

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

Mr. Satish Jadon, Practising Company Secretary, (ACS No. 23580) was appointed as the Scrutinizer for conducting the voting through postal ballot and e-voting process in a fair and transparent manner.

Scrutinizer has submitted Scrutinizer's Report on January 1, 2018 to the Company.

Voting Result

On January 2, 2018, result of voting through Postal Ballot was declared and all the three Special Resolutions were passed with requisite majority and such Special Resolutions are deemed to have been passed on the last date of voting through postal ballot / e-voting i.e. December 30, 2017.

Extraordinary General Meeting

No Extraordinary General Meeting was held during the FY 2017-18.

Disclosures

- Transactions with related parties are periodically brought to the notice of Audit Committee. There are no materially significant related party transactions made by the Company during the Financial Year 2017 –18, that may have potential to conflict with the interest of the Company at large. The transactions with related parties as per requirements of Accounting Standard (AS-18) – 'Related Party Disclosures' are disclosed in Notes to Accounts Section in the Annual Report. The Company's policy on dealing with 'Related Party Transitions' is available on the website of the Company.
- The Company has complied with all the requirements of the Listing Agreement entered into with the Stock Exchanges

as well as the regulations and guidelines of SEBI. Consequently, there were no penalties or strictures imposed on the Company either by SEBI or the Stock Exchanges or any statutory authority for noncompliance of any matter related to the capital market.

- 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 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.
- During the year under review, the Company has not raised proceeds/ funds from public issue, right issue, and preferential issue of equity shares. However Company has raised ₹280.00 Million by issuing Unlisted Unsecured 12% Non Convertible Debentures on private placement basis.
- The status of Compliance with mandatory and non-mandatory requirements of Listing Agreement/Listing Regulations are as follows:

Mandatory Requirements:

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

Non-Mandatory Requirements:

The Internal auditor may report directly to the Audit Committee.

The MD and CFO have certified to the Board, as per the requirements to SEBI (LODR) regulation with regard to the financial statements.

There are no modified opinions in the financial statements for the financial year 2017-18.

Means of Communication

- The Board of Directors of the Company approves and takes on record the quarterly, half yearly and yearly financial results, as per the Performa prescribed by SEBI (LODR) Regulations, 2015. Approved financial results are forthwith submitted to the Stock Exchanges and are published in the English & Hindi Newspapers namely 'Business Standard' within forty-eight hours of approval thereof. The same are not sent to the shareholders separately. The information regarding performance of the Company is shared with the Shareholders vide Annual Report.
- The approved Financial Results, Annual Report, Shareholding Pattern, Intimation of Board Meeting and other relevant information are posted through BSE Listing Centre and NSE Electronics Application Processing System (NEAPS) portals for the information of investors.
- In view of the Listing Regulations, the soft copies of Annual Report have been emailed by the Company to all those Shareholders who have registered their email address for this purpose. We would appreciate and encourage more Shareholders to register their email address with their Depository Participant or the Registrar and Transfer Agent of the Company, to receive soft copies of the Annual Report, Postal Ballot, Notices and other information disseminated by the Company, on a real-time basis without any delay.
- The Company's financial results and official news releases are displayed on the Company's website www.paisalo.in.
- No formal presentations were made to institutional investors and analysts during the year under review.

General Shareholder Information

The Company is registered with the Registrar of Companies, Delhi NCT and Haryana. 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 Finance 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, 2018
For the half year	:	On or before November 14, 2018
For the 3rd quarter	:	On or before February 14, 2019
For the year end	:	On or before May 30, 2019

Listing

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

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

Listing fees

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

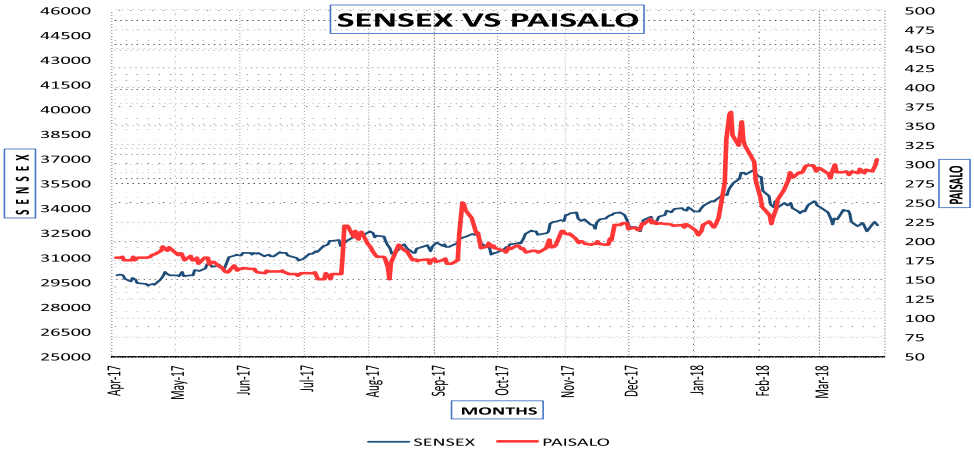
Market Price Data

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

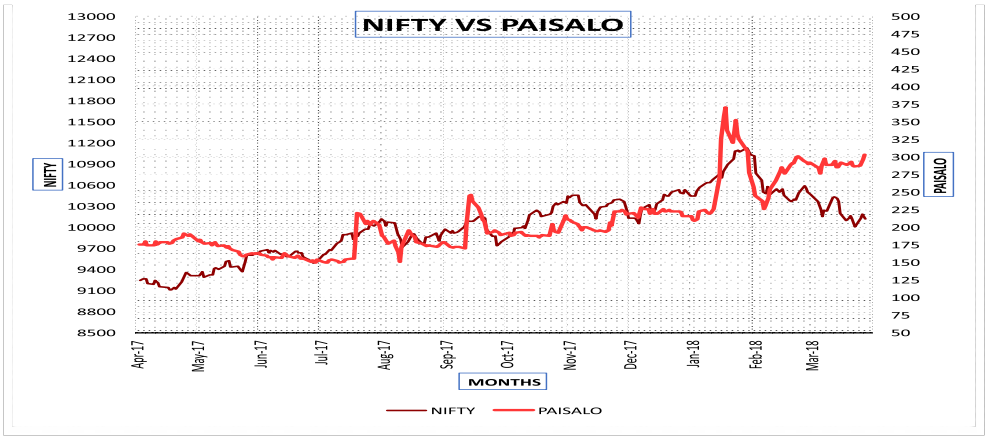
Months	NSE		BSE	
	High (₹)	Low (₹)	High (₹)	Low (₹)
Apr-17	195.00	173.10	196.00	155.00
May-17	190.80	151.05	194.95	145.00
Jun-17	166.90	146.35	167.65	148.00

Jul-17	242.55	146.35	242.40	140.70
Aug-17	202.60	140.05	201.95	145.00
Sep-17	269.00	165.15	269.90	170.60
Oct-17	224.85	180.20	224.00	185.00
Nov-17	233.40	192.15	233.55	186.30
Dec-17	248.40	212.00	235.10	212.00
Jan-18	393.30	205.50	401.55	205.30
Feb-18	310.00	220.10	312.50	221.80
Mar-18	306.00	270.10	310.95	271.00

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



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



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. All correspondence relating to Share Transfer, Transmission, Dematerialization, Rematerialisation etc. can be made at the following address:

Alankit Assignments Limited

1E/13, Jhandewalan Extension

New Delhi-110055.

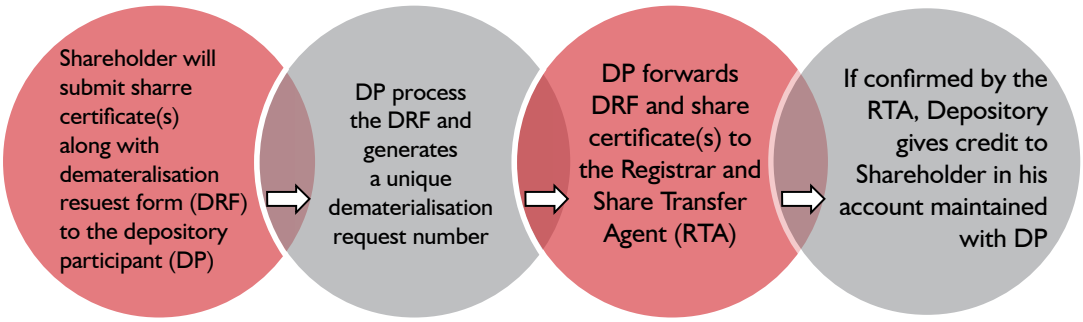
Contact Person – Mr. Ram Avtar Pandey

Email: ramap@alankit.com

Tel.: 011 42541955

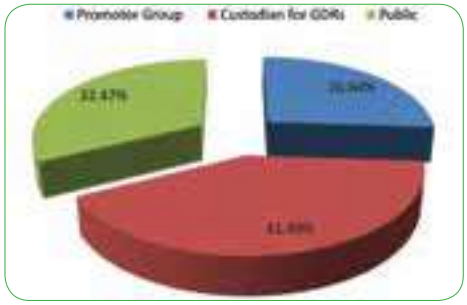
Share Transfer System

Shares sent for transfer in physical form are processed and completed by our Registrar and Share Transfer Agents within a period of 15 days from the date of receipt, provided all the documents are in order. 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.

Distribution of Shareholding as on March 31, 2018



Shareholding Pattern as on March 31, 2018

Category Code	Category of Shareholders	Demat	Physical	Total	% of Total Shares
A.	**Promoters**				
1	**Indian**				
a)	Individual/ HUF	73,28,640	-	73,28,640	18.07
b)	Central Govt.	-	-	-	-
c)	State Govt(s)	-	-	-	-
d)	Bodies Corp.	32,31,943	-	32,31,943	7.97
e)	Bank/FI	-	-	-	-
f)	Any Other...	-	-	-	-
	Sub-total (A) (1):-	1,05,60,583	-	1,05,60,583	26.04
2	**Foreign**				
a)	NRIs -Individual	-	-	-	-
b)	Other- Individuals	-	-	-	-
c)	Bodies Crop.	-	-	-	-
d)	Banks/FI	-	-	-	-
e)	Any Other.	-	-	-	-
	Sub-total (A) (2):-	-	-	-	-
	Total Shareholding of Promoter (A) = (A) (1)+(A) (2)	**1,05,60,583**	**-**	**1,05,60,583**	**26.04**
B.	**Public Shareholding**				
1	**Institutions**				
a)	Mutual Funds	-	-	-	-
b)	Banks/FI	9,67,087	-	9,67,087	2.38
c)	Central Govt.	-	-	-	-
d)	Sate Govt.(s)	-	-	-	-
e)	Venture Capital Funds	-	-	-	-
f)	Insurance Companies	-	-	-	-
g)	FIIs/FPI	67,33,339	-	67,33,339	16.60
h)	Foreign Venture Capital Funds	-	-	-	-
i)	Others (specify)	-	-	-	-
	Sub-total (B) (1):-	77,00,426	-	77,00,426	18.99
2	**Non- Institutions**				
a)	**Bodies Corp.**				
i)	Indian	47,75,565	-	47,75,565	11.77
ii)	Overseas	-	-	-	-

b)	Individual/HUF	-	-	-	-
i)	Individual/HUF shareholders holding nominal share capital upto ₹2 lakh	3,77,843	24,406	4,02,249	0.99
ii)	Individual/HUF shareholders holding nominal share capital in excess of ₹2 lakh	2,89,908	-	2,89,908	0.71
c)	Other (specify)				
i)	Non-Resident Indians	1,269	-	1,269	0.00
	Sub-total (B) (2):-	54,44,585	24,406	54,68,991	13.48
	Total Public Shareholding (B)=(B)(1)+ (B)(2)	**1,31,45,011**	**24,406**	**1,31,69,417**	**32.47**
C.	**Shares held by Custodian**	1,68,30,000	-	1,68,30,000	41.49
	Grand Total (A+B+C)	**4,05,35,594**	**24,406**	**4,05,60,000**	**100.00**

Shareholding Pattern by Size as on March 31, 2018

Shareholding of Value of ₹	Shareholders		Amounts	
	Number	% of Total	₹	% of Total
01-5000	2064	93.10	11,02,170	0.27
5001-10000	37	1.67	2,77,890	0.07
10001-20000	26	1.17	3,89,670	0.10
20001-30000	13	0.59	3,15,340	0.08
30001-40000	5	0.23	1,86,800	0.05
40001-50000	1	0.05	44,830	0.01
50001-100000	16	0.72	11,75,700	0.29
100001-Above	55	2.48	40,21,07,600	99.14
Total	**2217**	**100.00**	**40,56,00,000**	**100.00**

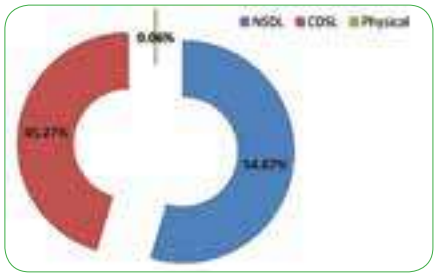
Details of Public Shareholding more than 1 % holding as on March 31, 2018

(Other than Promoter/ Directors/Custodian for GDRs)

S. No.	Name of Shareholder	No. of Shares	% of total shares of the Company
1	Davos International Fund	18,25,799	4.50
2	Elara India Opportunities Fund Limited	18,46,067	4.55
3	Zeal Professional Services Private Limited	13,86,000	3.42
4	Plutus Terra India Fund	13,37,607	3.30
5	Life Insurance Corporation of India	9,67,087	2.38
6	Antara India Evergreen Fund Limited	7,55,826	1.86
7	Nomura Singapore Limited	7,40,000	1.82

Dematerialization of Shares as won March 31, 2018

The equity shares of the Company can be held and traded in Electronic Form. As on March 31, 2018, 99.94% of the total equity shares have been dematerialized.



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

The Global Depository Receipts of Company are listed on Luxembourg Stock Exchange. Each five (5) Depository Receipts represents One (1) Equity Share of ₹10/- each of the Company. The details of outstanding Depository Receipts as on March 31, 2018 are as follows:

Listing on Foreign Stock Exchange	Luxembourg Stock Exchange (LSE)
Security Type	GDR
ISIN	US6954891049
Security Code/ Symbol	PaisaloDigital GDR
Outstanding Securities	8,41,50,000 Depository Receipts
Address	11, Av De La Porte - Neuve, L - 2227, Luxembourg

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

There are no outstanding warrants issued by the Company.

Reconciliation of Share Capital Audit

As stipulated by SEBI, Reconciliation of Share Capital Audit is carried out every quarter and the report thereon is timely submitted to Stock Exchanges.

Address for correspondence

For any query relating to the shares 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 1E/13,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 101, CSC, Pocket 52, CR Park, Near Police Station, New Delhi -110019 Phone No.: 91-11-43518888, E-mail ID: cs@paisalo.in Website: www.paisalo. in

Certificate On 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, 2018, 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 : May 2, 2018
Place : New Delhi

For Mukesh Kumar & Company
Chartered Accountants
Firm Reg. No. 0020406C

Sd/-
(CA. MUKESH KUMAR)
Proprietor
M. No. 070471

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 confirm 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, 2018.

Date : May 2, 2018
Place : New Delhi

For Paisalo Digital Limited

Sd/-
Sunil Agarwal
Managing Director
DIN:00006991

Managing Director & Chief Financial Officer Certification

The Board of Directors,
Paisalo Digital Limited
New Delhi

Dear Members of the Board,

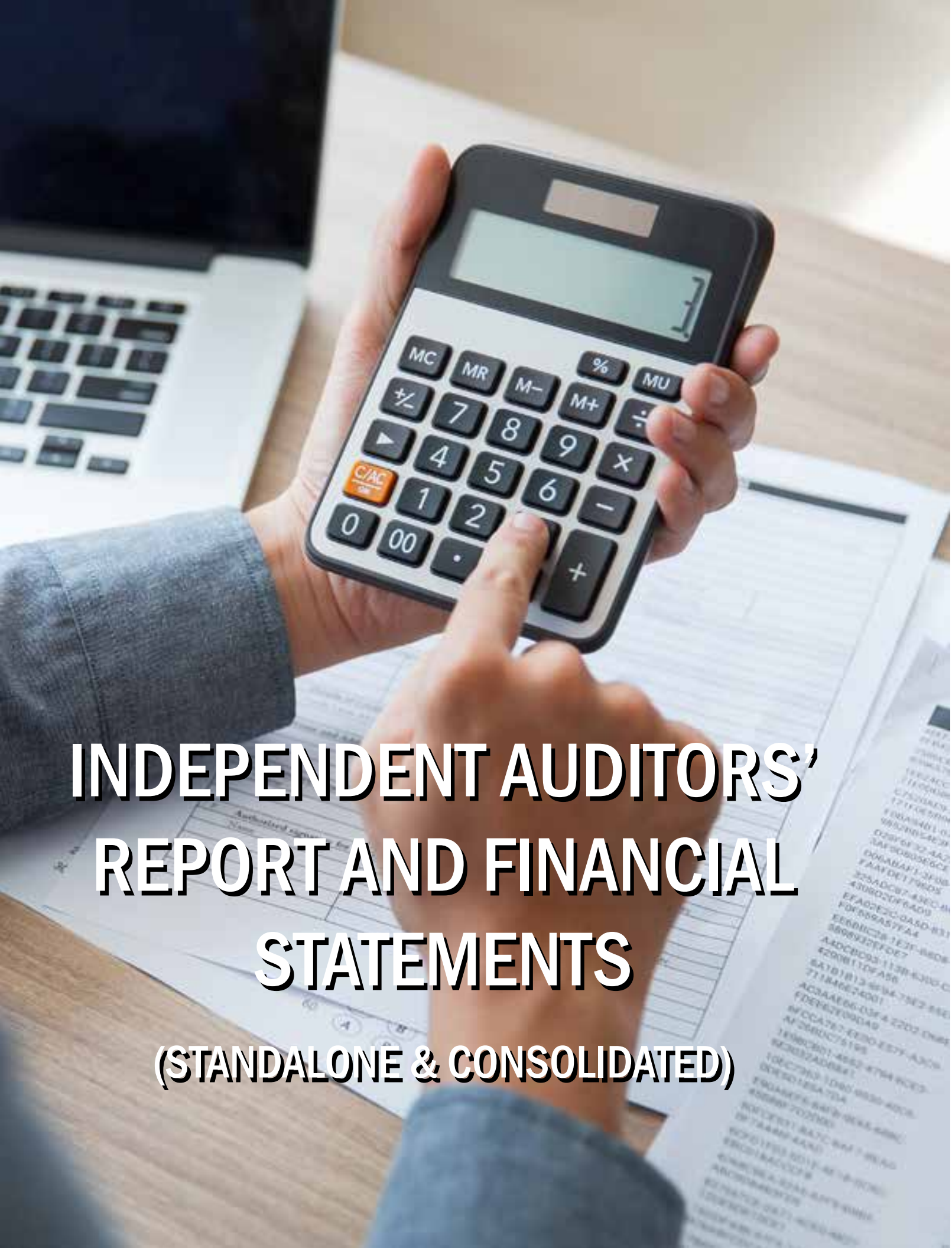
We have reviewed the financial statements and Cash Flow Statement for the Financial Year 2017 -18 and to the best of our knowledge and belief:

1. These statements do not contain any materially untrue statement or omit any material fact or contain statement that might be misleading;
2. These statements present a true & fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations;
3. 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;
4. 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;
5. We further certify that:
   - There have been no significant changes in internal control system during the year;
   - There has been no significant changes in accounting policies 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 : May 2, 2018
Place : New Delhi

For Paisalo Digital Limited

Sd/-	Sd/-
(Sunil Agarwal)	**(Harish Singh)**
Managing Director	**Executive Director**
DIN : 00006991	**DIN : 00039501**



INDEPENDENT AUDITORS' REPORT AND FINANCIAL STATEMENTS

(STANDALONE & CONSOLIDATED)

INDEPENDENT AUDITOR'S REPORT

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

REPORT ON THE STANDALONE FINANCIAL STATEMENTS

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

MANAGEMENT'S RESPONSIBILITY FOR THE STANDALONE FINANCIAL STATEMENTS

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

AUDITOR'S RESPONSIBILITY

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

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

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

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

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

OPINION

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

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

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

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

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

   a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

   b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

   c. The audit of all the branch offices of the Company has been conducted by us, hence section 143(8) is not applicable;

   d. The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;

   e. In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;

   f. On the basis of written representations received from the directors as on 31st March, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018, from being appointed as a director in terms of Section 164(2) of the Act;

   g. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and

   h. With respect to the other matters included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

      i. The Company does not have any pending litigations (other than in the ordinary course of business) which would impact its financial position.

      ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

      iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

Place : New Delhi
Date : May 2, 2018

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

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

ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in our Report of even date for F. Y. 2017-18)

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

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

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

ii. As explained to us, inventory have been physically verified by the management at reasonable interval and no material discrepancies were noticed during physical verification.

iii. The Company has granted loans, secured or unsecured to companies, firms, Limited liability partnership or other parties listed in the register maintained under Section 189 of the Companies Act, 2013.

The terms & conditions of grant of such loans are not prejudicial to the interest of the company.

The repayment/receipt of the principal and interest of loan granted is regular and there is no amount which is overdue.

iv. According to the information and explanations given to us, the provisions of section 185 and 186 of the Companies Act, 2013 in respect of loans, investments, guarantees and security have been complied with.

v. The Company is a Non Banking Financial (Non-Deposit Accepting or Holding Systemically Important ND_SI) Company, hence directives issued by Reserve Bank of India and provisions of section 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the Rules framed there under are not applicable to the Company.

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

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

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

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

ix. According to the information and explanations given to us, the Company had not raised money by way of initial public offer or further public offer or term loan during the year.

x. According to the information, explanations given to us, no fraud by the company or any fraud on the company by its officers or employees has been noticed or reported during the year.

xi. According to the information & explanations given to us, provision of section 197 read with Schedule V to the Companies Act, 2013 for managerial remuneration paid or provided have been duly complied with.

xii. According to the information & explanation given to us, the Company is Non Banking Financial (Non-Deposit Accepting or Holding Systemically Important ND_SI) Company, therefore the clause xii of para no. 3 of the said order is not applicable to the company.

xiii. According to the information & explanation given to us, the provisions of section 177 and 188 of the Companies Act, 2013 regarding transaction with related parties have been complied with and details of the transaction as per applicable accounting standard have been disclosed in the notes to accounts of the Financial Statements.

xiv. According to the information & explanation given to us, the clause xiv of Para no. 3 of the said order is not applicable to the company because the company has not made preferential allotment or private placement of share or fully or partly convertible debenture during the year.

xv. According to the information & explanation given to us, no non-cash transactions with directors or persons connected with him, have been taken place during the year, hence the provisions of section 192 of the Companies Act, 2013 are not applicable to the company.

xvi. According to the information & explanation given to us, the company is registered under section 45-IA of the Reserve Bank of India Act, 1934 as Non Banking Financial (Non-Deposit Accepting or Holding) Company.

Place : New Delhi
Date : May 2, 2018

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

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

ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in our Report of even date for F. Y. 2017-18)

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

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

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

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

AUDITOR'S RESPONSIBILITY

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

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

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

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

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

management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

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

OPINION

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

Place : New Delhi
Date : May 2, 2018

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

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

BALANCE SHEET AS ON 31ST MARCH 2018

Sr. No.	Particulars	Note No.	Figures as at the end of current reporting period	Figures as at the end of previous reporting period
I	**EQUITY AND LIABILITIES**			
	(1) Shareholders' Funds			
	(a) Share Capital	1	405,662,500	405,662,500
	(b) Reserves and Surplus	2	5,624,814,136	5,135,629,756
	(c) Money received against share warrants		-	-
	(2) Share Application money pending allotment		-	-
	(3) Non-Current Liabilities			
	(a) Long-Term Borrowings	3	1,230,000,000	950,000,000
	(b) Deferred Tax Liabilities (Net)	4	36,071,327	35,391,656
	(c) Other Long Term Liabilities	5	821,740,150	279,708,775
	(d) Long Term Provisions	6	65,160,677	45,882,390
	(4) Current Liabilities			
	(a) Short-Term Borrowings	7	7,785,074,712	5,975,515,704
	(b) Trade Payables		-	-
	(c) Other Current Liabilities	8	1,215,596,873	1,153,784,752
	(d) Short-Term Provisions	9	1,855,804,501	1,355,871,335
	Total Equity & Liabilities		**19,039,924,876**	**15,337,446,868**
II	**ASSETS**			
	(1) Non-Current Assets			
	(a) Fixed Assets		-	-
	(i) Tangible Assets	10	28,449,317	30,885,501
	(ii) Intangible Assets		-	-
	(iii) Capital work in progress		-	-
	(iv) Intangible assets under development		-	-
	(b) Non-current investments	11	662,268,516	661,421,800
	(c) Deferred tax assets (net)		-	-
	(d) Long term loans and advances	12	797,866,634	201,011,945
	(e) Other non-current assets	13	96,819,706	98,492,622
	(2) Current Assets		-	-
	(a) Current investments	14	87,502,329	8,155,824
	(b) Inventories	15	14,902,882,127	12,618,400,314
	(c) Trade receivables		-	-
	(d) Cash and cash equivalents	16	23,844,295	83,331,028
	(e) Short-term loans and advances	17	1,178,124,187	594,553,156
	(f) Other current assets	18	1,262,167,765	1,041,194,678
	Total Assets		**19,039,924,876**	**15,337,446,868**

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

For and on behalf of the Board

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

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

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

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

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

Place : New Delhi
Date : 02 May, 2018

PROFIT & LOSS STATEMENT FOR THE YEAR ENDED 31ST MARCH 2018

Sr. No.	Particulars	Note No.	Figures as at the end of current reporting period	Figures as at the end of previous reporting period
I	Revenue from operations	19	2,874,956,063	2,495,177,297
	Total Revenue (I)		**2,874,956,063**	**2,495,177,297**
II	**Expenses:**			
	Employee Benefit Expense	20	150,813,008	118,444,193
	Financial Costs	21	1,147,618,601	883,749,287
	Depreciation and Amortization Expense	22	55,478,610	57,342,142
	Other Expenses	23	673,923,613	663,780,624
	Provision for NPA	24	3,903,854	-
	Total Expenses (II)		**2,031,737,686**	**1,723,316,246**
III	Profit before exceptional and extraordinary items and tax **(I-II)**		**843,218,377**	**771,861,051**
IV	Exceptional Items	-	-	
V	Profit before extraordinary items and tax **(III-IV)**		**843,218,377**	**771,861,051**
VI	Extraordinary Items	-	-	
VII	Profit before tax **(V-VI)**		**843,218,377**	**771,861,051**
VIII	**Tax expense:**			
	(1) Current tax		278,960,079	269,138,937
	(2) Deferred tax		679,671	(10,192,484)
	(3) Previous Year Income Tax		(4,921,760)	-
IX	Profit(Loss) from the period from continuing operations **(VII-VIII)**		**568,500,387**	**512,914,598**
X	Profit/(Loss) from Discontinuing operations		-	-
XI	Tax expense of Discontinuing operations		-	-
XII	Profit/(Loss) from Discontinuing operations **(X-XI)**		-	-
XIII	Profit/(Loss) for the period **(IX+XII)**		568,500,387	512,914,598
XIV	Earning per equity share:	27		
	(1) Basic		14.02	12.65
	(2) Diluted		14.02	12.65

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

For and on behalf of the Board

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

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

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

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

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

Place : New Delhi
Date : 02 May, 2018

CASH FLOW STATEMENT

Sr. No.	Particulars	31.03.2018		31.03.2017	
A	**Cash Flow from Operating Activities:**				
	Net Profit before tax and extraordinary items and Interest		1,990,836,978		1,655,610,338
	Adjustments for				
I	Depreciation	4,262,200		3,961,584	
II	Deferred Expense W/O	51,216,410		53,380,558	
III	Profit/loss on Sale of Investments/Assets	(45,037,959)		(24,011)	
	Operating Profit before working capital changes		**2,001,277,629**		**1,712,928,469**
	Adjustments for				
I	Change in Trade & Other Receivable (L&A)	(896,433,121)		(5,384,334)	
II	Change in Inventories	(2,284,481,813)		(2,648,953,868)	
III	Change in Trade Payable & other Current Liabilities	61,812,121		141,426,035	
IV	Misc. Expenses	(49,543,494)		(22,847,510)	
	Cash generated from Operations		**(1,167,368,678)**		**(822,831,208)**
I	Interest paid	(1,147,618,601)		(883,749,287)	
II	Income Tax paid	(279,070,840)		(277,592,313)	
III	Paid Expenses on CSR	(14,500,000)		(15,035,272)	
	Cash flow before Extraordinary Items		**(2,608,558,119)**		**(1,999,208,080)**
I	Extraordinary items				-
	Net Cash from Operating Activities		**(2,608,558,119)**		**(1,999,208,080)**
B	**Cash Flows from Investing Activities:**				
I	Purchase of Fixed Assets	(5,536,057)		(4,929,724)	
II	Sale of Fixed Assets	48,748,000		29,000	
III	Purchase/transfer of Investments	(80,193,221)		16,217,290	
	Net Cash from Investing activities		**(36,981,278)**		**11,316,566**
C	**Net Cash from Financing Activities:**				
I	Proceeds from Long Term Borrowings	280,000,000		928,780,000	
II	Proceeds from Long Term Liabilities	542,031,375		22,591,865	
III	Proceeds from Short Term Borrowings	1,809,559,008		924,946,498	
IV	Dividend Paid	(45,537,720)		(45,537,720)	
	Net Cash from Financing activities		**2,586,052,664**		**1,830,780,643**
	Net Increase/(decrease) in cash & cash equivalents		**(59,486,733)**		**(157,110,871)**
	Cash & Cash equivalents at beginning of period		**83,331,028**		**240,441,899**
	Cash & Cash equivalent at end of period		**23,844,295**		**83,331,028**

Signed in terms of our Report of even date

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

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

Place : New Delhi
Date : 02 May, 2018

For and on behalf of the Board

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

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

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

AUDITORS' REPORT

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

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

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

Place : New Delhi
Date : 02 May, 2018

ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

ACCOUNTING POLICIES:

A. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

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

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

B. STOCK IN TRADE/ASSETS HELD FOR SALE

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

C. CASH FLOW STATEMENT

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

D. DEPRECIATION

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

E. REVENUE RECOGNITION

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

i. Income from lease rentals and interest on loans and advances cases are recognized as revenue as per the terms of the agreements entered into with Lessees/Borrowers. Interest Income are accounted for on accrual basis in accordance with the due dates of installments of loan and advances.

ii. Late Payment Interest on overdue of installments from Lessees/Borrowers and allowance of rebate for good and timely payment are accounted for as and when received or allowed because these income and rebates are contingent in nature.

F. FIXED ASSETS

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

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

G. INVESTMENTS

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

i. Investments that are readily realizable and are intended not to be held for more than one year from the date of acquisition are classified as current investments. All other investments are classified as Long term investments. However, that part of long-term investments which is expected to be realised within 12 months after the reporting date is also presented under 'current assets' as "current portion of long-term investments" in consonance with the current/non-current classification.

ii. The Company values its Investments based on the Accounting Standard 13 'Accounting for Investments' issued by the Institute of Chartered Accountants of India:

a. Investment held as long-term investments are valued at cost. Provision for diminution in value is made only if there is a permanent decline in their net realizable value.

b. Current investments are valued at lower of cost or net realizable value.

H. EMPLOYEE RETIREMENT BENEFITS

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

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

I. BORROWING COSTS

i. Borrowing costs, which are directly attributable to the acquisition /construction of fixed assets, till the time such assets are ready for intended use, are capitalized as a part of the cost of assets.

ii. All borrowing costs other than mentioned above are expensed in the period they are incurred. In case of unamortized identified borrowing cost is outstanding at the year end, it is classified under loans and advances as unamortized cost of borrowings.

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

J. RELATED PARTIES

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

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

a. Enterprises that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, the reporting enterprise (this includes holding Companies, subsidiaries and fellow subsidiaries);

b. Associates and joint ventures of the reporting enterprise and the investing party or venture in respect of which the reporting enterprise is an associate or a joint venture;

c. Individuals owning, directly or indirectly, an interest in the voting power of the reporting enterprise that gives them control or significant influence over the enterprise, and relatives of any such individual;

d. Key management personnel (KMP) and relatives of such personnel; and

e. Enterprises over which any person described in (c) or (d) is able to exercise significant influence.

K. LEASE ASSETS

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

L. EARNING PER SHARE

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

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

M. PROVISION FOR CURRENT TAX AND DEFERRED TAX

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

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

N. INTERIM FINANCIAL REPORT

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

O. INTANGIBLE ASSETS

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

a. Asset is identifiable.

b. Control of the enterprise over that asset.

c. It is probable that future economic benefits attributable to the asset will flow to the enterprise.

d. Cost of the asset can be measured reliably.

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

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

P. IMPAIRMENT OF ASSETS

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

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

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

Q. PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

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

R. PROVISIONING FOR SUBSTANDARD/DOUBTFUL/LOSS ASSETS

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

S. CONSOLIDATED FINANCIAL STATEMENT

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

T. USE OF ESTIMATES AND JUDGEMENTS

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

U. FOREIGN CURRENCY

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

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

Note : 1 Share Capital **(Amount in ₹)**

Sr. No.	Particulars	Current Year	Previous Year
1	**AUTHORIZED CAPITAL**		
	1200,00,000 Equity Shares of ₹10 per share	1,200,000,000	1,200,000,000
	50,00,000 Preference Shares of ₹10 each	50,000,000	50,000,000
		1,250,000,000	**1,250,000,000**
2	**ISSUED, SUBSCRIBED CAPITAL**		
	405,72,500 Equity Shares of ₹10 per Share fully paid up	405,725,000	405,725,000
		405,725,000	**405,725,000**
3	**PAID UP CAPITAL**		
	405,60,000 Equity Shares of ₹10 per Share fully paid up	405,600,000	405,600,000
	Add: Share Forfeited a/c	62,500	62,500
	(Amt originally Paid up on 12,500 Equity Shares of ₹10 each)		
	Total in ₹	**405,662,500**	**405,662,500**

- **More than 5% shares:**
  Sunil Agarwal 3162440 equity shares (7.80%)
  Bhavya Electronics and Networks Pvt Limited 2914223 equity shares (7.19%)

Note : 2 Reserve & Surplus **(Amount in ₹)**

Sr. No.	Particulars	Current Year	Previous Year
1	Capital Reserve	241,521,113	241,521,113
2	Securities Premium Reserve	1,464,991,229	1,464,991,229
3	Capital Redemption Reserve	25,000,000	25,000,000
4	General Reserve	2,829,525,961	2,449,525,961
	Opening Balance	2,449,525,961	2,099,525,961
	Addition during the year	380,000,000	350,000,000
5	Reserve Fund (As per RBI Act)	1,052,320,220	938,620,143
	Opening Balance	938,620,143	836,037,224
	Addition during the year	113,700,077	102,582,919
6	Surplus (Profit & Loss Account)	11,455,613	15,971,310
	Balance brought forward from Previous year	15,971,310	30,730,264
	Less: Transfer to General Reserve	380,000,000	350,000,000
	Provision on Standard Assets	19,278,287	14,517,641
	Expenditure incurred on Corporate Social Responsibility (CSR)	14,500,000	15,035,272
	Proposed Dividend on Equity Shares & Tax Thereon	45,537,720	45,537,720
	Reserve Fund (As per RBI Act)	113,700,077	102,582,919
	Add: Profit for the Period	568,500,387	512,914,598
	Total in ₹	**5,624,814,136**	**5,135,629,756**

Note : 3 Long Term Borrowings (Amount in ₹)

Sr. No.	Particulars	Current Year	Previous Year
1	Secured Bonds / Debentures	-	-
2	**Secured Term Loan**		
	- From Bank/ Financial Institution	-	-
	- From Other Parties	-	-
3	**Unsecured loans**		
	- Non Convertible Debenture	1,230,000,000	950,000,000
	- Interest accrued on fixed deposit	-	-
4	Loans & Advances From Related Parties	-	-
5	Loans from Directors including interest	-	-
6	Other Loans & Advances	-	-
	Total in ₹	**1,230,000,000**	**950,000,000**

- Refer to Note no. 43

Note 4 : Deferred Tax Liabilities (Net) (Amount in ₹)

Sr. No.	Particulars	Current Year	Previous Year
1	Opening Balance	35,391,656	45,584,140
	Add: Provision made during the year	679,671	(10,192,484)
	Closing Balance	36,071,327	35,391,656
	Total in ₹	**36,071,327**	**35,391,656**

Note 5 : Other Long term Liabilities (Amount in ₹)

Sr. No.	Particulars	Current Year	Previous Year
1	Other Long Term Deposits including Interest thereon	821,740,150	279,708,775
	Total in ₹	**821,740,150**	**279,708,775**

Note : 6 Long Term Provisions (Amount in ₹)

Sr. No.	Particulars	Current Year	Previous Year
1	Provision For Employees Benefit	-	-
2	**Others**		
	Provision for Standard Assets	65,160,677	45,882,390
	Total in ₹	**65,160,677**	**45,882,390**

Note : 7 Short Term Borrowings (Amount in ₹)

Sr. No.	Particulars	Current Year	Previous Year
1	**Secured Term Loan**		
	- From Bank/ Financial Institution		
	Small Industries Development Bank of India	-	21,220,000
	- From Other Parties	-	-
2	Unsecured loans	-	-
3	Loans & Advances From Related Parties	-	-
4	**Others**		
	- Secured Borrowings - Overdraft Against FDR	-	-
	Bank of Baroda O/D	80,760,116	-
	- Secured Borrowings - Cash Credit Limits	-	-
	Bank of Baroda	816,350,469	222,350,533
	Punjab National Bank	687,123,330	595,208,338
	Corporation Bank	499,795,487	443,209,295
	Andhra Bank	397,298,968	385,650,917
	Bank of India	423,075,080	376,582,741
	Bank of Maharashtra	490,762,450	439,259,042
	State Bank of India Limited	796,838,001	182,596,155
	South Indian Bank	247,550,884	166,829,659
	Central Bank of India	1,237,738,580	1,144,779,641
	UCO Bank	367,291,951	333,040,856
	IDBI BANK	743,966,770	657,433,693
	United Bank of India	498,363,417	461,489,710
	Union Bank of India	498,159,209	-
	State Bank of Mysore	-	246,744,858
	Bank of Bikaner & Jaipur	-	299,120,266
	Total in ₹	**7,785,074,712**	**5,975,515,704**

- Refer to Note no. 31

Note : 8 Other Current Liabilities (Amount in ₹)

Sr. No.	Particulars	Current Year	Previous Year
1	Other Liabilities	1,215,596,873	1,153,784,752
	Total in ₹	**1,215,596,873**	**1,153,784,752**

Note : 9 Short Term Provisions (Amount in ₹)

Sr. No.	Particulars	Current Year	Previous Year
1	Provision For Employees Benefit	-	-
2	**Others**		
	Provision for Proposed Dividend on Equity shares and tax thereon	45,537,720	45,537,720
	Provision for Arbitation Decree Receivable	1,262,167,765	1,041,194,678
	Provision for Taxation	548,099,016	269,138,937
	Total in ₹	**1,855,804,501**	**1,355,871,335**

- Refer to Note no. 33

Note : 10 Fixed Asset Chart

(Amount in ₹)

Sr. No.	Particulars	Gross Block				Depreciaton				Net Block	
		Value at the beginning	Addition during the year	Deduction during the year	Value at the end	Value at the beginning	Addition during the year	Deduction during the year	Value at the end	WDV as on 31.03.2018	WDV as on 31.03.2017
I	Tangible Assets										
1	Land	1,590,620	-	1,590,620	-	-	-	-	-	-	1,590,620
2	Building	18,469,929	-	2,627,200	15,842,729	2,416,272	263,425	507,779	2,171,918	13,670,811	16,053,657
3	Furniture & Fittings	11,688,052	188,867	-	11,876,919	8,219,561	554,981	-	8,774,542	3,102,377	3,468,491
4	Computer Peripheral & Software	41,589,768	3,105,632	-	44,695,400	38,516,965	1,900,073	-	40,417,038	4,278,362	3,072,803
5	Vehicles	9,647,756	1,000,000	-	10,647,756	5,249,611	913,808	-	6,163,419	4,484,337	4,398,145
6	Equipments, Plant & Machinery	9,693,630	1,241,558	-	10,935,188	7,391,845	629,913	-	8,021,758	2,913,430	2,301,785
	Sub Total (A)	**92,679,755**	**5,536,057**	**4,217,820**	**93,997,992**	**61,794,254**	**4,262,200**	**507,779**	**65,548,675**	**28,449,317**	**30,885,501**
II	Intangible Assets	-	-	-	-	-	-	-	-	-	-
	Sub Total (B)	-	-	-	-	-	-	-	-	-	-
III	Capital Work-in-progress										
		-	-	-	-	-	-	-	-	-	-
	Sub Total (C)	-	-	-	-	-	-	-	-	-	-
IV	Intangible Assets Under Development	-	-	-	-	-	-	-	-	-	-
	Sub Total (D)	-	-	-	-	-	-	-	-	-	-
	Total [A+B+C+D] (Current Year)	**92,679,755**	**5,536,057**	**4,217,820**	**93,997,992**	**61,794,254**	**4,262,200**	**507,779**	**65,548,675**	**28,449,317**	**30,885,501**
	Total (Previous Year)	**87,861,031**	**4,929,724**	**111,000**	**92,679,755**	**57,938,681**	**3,961,584**	**106,011**	**61,794,254**	**30,885,501**	**29,922,350**

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Note : 11 Non Current Investment (Amount in ₹)

Sr. No.	Particulars	Current Year	Previous Year
1	Investments in Unquoted Equity Shares	239,030,800	239,030,800
2	Investments in Equity Shares of Subsidiary Company	422,391,000	422,391,000
3	**In Fixed Deposits**		
	- With Banks	766,188	-
	- Interest accrued but not received	80,528	-
	Total in ₹	**662,268,516**	**661,421,800**

- Refer to Note no. 32

Note : 12 Long Term Loans and Advances (Amount in ₹)

Sr. No.	Particulars	Current Year	Previous Year
1	**Security Deposit**		
	a) Secured, Considered Good:		
	Earnest Money Deposit	190,000,000	190,000,000
	Other Deposit	13,526,199	11,011,945
	b) Unsecured, Considered Good	-	-
	c) Doubtful	-	-
2	Loans & Advances to related parties	-	-
3	**Other Loans & Advances**		
	a) Secured, Considered Good	594,340,435	-
	b) Unsecured, Considered Good	-	-
	c) Doubtful	-	-
	Total in ₹	**797,866,634**	**201,011,945**

Note : 13 Other Non Current Assets (Amount in ₹)

Sr. No.	Particulars	Current Year	Previous Year
1	Deferred Revenue Expenditure	96,819,706	98,492,622
	Total in ₹	**96,819,706**	**98,492,622**

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

Note : 14 Current Investment (Amount in ₹)

Sr. No.	Particulars	Current Year	Previous Year
1	**In Short term Fixed Deposits**		
	- With Banks	87,500,000	7,245,447
	- Interest accrued but not received	2,329	910,378
	Total in ₹	**87,502,329**	**8,155,824**

- Refer to Note no. 32

Note : 15 Inventories (Amount in ₹)

Sr. No.	Particulars	Current Year	Previous Year
1	Book Debts i.e. Advances made against agreements secured by property/vehicles and/or other assets and/or personal guarantees excluding unexpired finance charges etc including overdue installments at book value considered good. (As certified by the management)	14,902,882,127	12,618,400,314
	Total in ₹	**14,902,882,127**	**12,618,400,314**

Note : 16 Cash & Cash Equivalent (Amount in ₹)

Sr. No.	Particulars	Current Year	Previous Year
1	**Cash-in-Hand**		
	Cash Balances	8,109,792	5,024,586
	Sub Total (A)	**8,109,792**	**5,024,586**
2	**Bank Balances**		
	Current a/c with scheduled banks (Subject to reconciliation)	15,734,503	78,306,442
	Sub Total (B)	**15,734,503**	**78,306,442**
	Total in ₹ [A+B]	**23,844,295**	**83,331,028**

Note : 17 Short Terms Loans and Advances (Amount in ₹)

Sr. No.	Particulars	Current Year	Previous Year
1	**Loans & Advances to related parties**		
	a) Secured, Considered Good	-	-
	b) Unsecured, Considered Good	-	-
	c) Doubtful	-	-
2	**Others**		
	Advance Recoverable in cash or in kind or for value to be considered good		
	a) Income Tax and TDS paid	588,703,542	304,710,942
	b) Prepaid Expenses	968,488	204,781
	c) Other loan and advances	588,452,157	289,637,433
	Total in ₹	**1,178,124,187**	**594,553,156**

Note : 18 Other Current Assets (Amount in ₹)

Sr. No.	Particulars	Current Year	Previous Year
1	Arbitration Decree Receivable	1,262,167,765	1,041,194,678
	Total in ₹	**1,262,167,765**	**1,041,194,678**

- Refer to Note no. 33

Note : 19 Revenue from Operations (Amount in ₹)

Sr. No.	Particulars	Current Year	Previous Year
1	Interest on Loans	2,858,847,413	2,479,068,647
2	Dividend Income	16,108,650	16,108,650
	Total in ₹	**2,874,956,063**	**2,495,177,297**

Note : 20 Employment Benefit Expenses (Amount in ₹)

Sr. No.	Particulars	Current Year	Previous Year
1	Salaries & Establishment	120,414,436	91,264,193
2	Mg. Director's & Directors Remuneration	29,917,858	26,760,000
3	Mg. Director's & Directors House Rent Allowance	480,714	420,000
	Total in ₹	**150,813,008**	**118,444,193**

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

Note : 21 Financial Cost (Amount in ₹)

Sr. No.	Particulars	Current Year	Previous Year
1	Interest Discounting & Bank Charges	1,147,618,601	883,749,287
	Total in ₹	**1,147,618,601**	**883,749,287**

Note : 22 Depreciation & Amortised Cost (Amount in ₹)

Sr. No.	Particulars	Current Year	Previous Year
1	Depreciation	4,262,200	3,961,584
2	Deferred Revenue Exp. w/o	51,216,410	53,380,558
	Total in ₹	**55,478,610**	**57,342,142**

- Deferred Expenses written off over a period of five years

Note : 23 Other Expenses (Amount in ₹)

Sr. No.	Particulars	Current Year	Previous Year
1	Car & Scooter Expenses	17,170,756	12,320,414
2	Travelling Expenses	43,149,540	33,956,700
3	Repair & Maintenance	10,322,303	6,213,689
4	Insurance Expenses	1,174,596	806,022
5	Electricity & Water Expenses	5,298,533	3,091,089
6	Rates & Taxes	80,213	30,472

7	Legal Expenses & Professional fees	55,678,589	49,054,925
8	Printing & Stationery	19,795,587	15,570,457
9	Postage & Telephone Expenses	13,369,109	9,508,933
10	Bad Debts Written off	346,541,286	323,523,764
11	Auditors Remuneration	3,415,840	3,628,001
12	Rent	9,585,687	8,314,007
13	Rebate, Remission & Brokerage	9,497,182	22,233,229
14	Advertisement & Business Promotion Expenses	139,661,633	135,379,318
15	Recovery Expenses	7,817,342	6,270,466
16	Office and General Expenses	36,403,376	33,903,151
17	Loss/Profit on sale of Assets/Investments	(45,037,959)	(24,011)
	Total in ₹	**673,923,613**	**663,780,624**

Note : 24 Provisions for NPA **(Amount in ₹)**

Sr. No.	Particulars	Current Year	Previous Year
1	Provision for NPA	3,903,854	-
	Total in ₹	**3,903,854**	**-**

25. Remuneration to Auditors: **(Amount in ₹)**

Particulars	2017-18	2016-17
For Statutory Audit	300,000	300,000
For Tax Audit	100,000	100,000
For Certification work/other services	3,015,840	3,228,001
Total	**3,415,840**	**3,628,001**

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

27. Earning per Share: **(Amount in ₹)**

Particulars	2017-18	2016-17
Net profit for the year (After Tax)	568,500,387	512,914,598
Proposed dividend on Preference shares and tax thereon	—	—
No. of Equity Shares (Weighted)	40,560,000	40,560,000
Basic and diluted Earning per share	**14.02**	**12.65**

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

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

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

30. Disclosure of related party transactions:

A. Wholly owned Subsidiary Nupur Finvest Pvt. Limited

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)
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. Suniti Agarwal	(Daughter of Mr. Sunil Agarwal)
Mr. Shantanu Agarwal	(Son of Mr. Sunil Agarwal)
Mr. Pranav Chauhan	(Son of Mr. Harish Singh)

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

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

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

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

Notes:

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

31. Working Capital Borrowings:

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

(₹ In Lakhs)

S. No.	Name of Bank	Sanctioned Amount	Share in Consortium (%)
1	Central Bank of India	13,500.00	16.48
2	IDBI Bank	7,500.00	9.15
3	Punjab National Bank	7,000.00	8.54
4	United Bank of India	6,500.00	7.93
5	Corporation Bank	5,000.00	6.10
6	Bank of Maharashtra	5,000.00	6.10

7	Bank of India	4,250.00	5.19
8	Andhra Bank	4,000.00	4.88
9	UCO Bank	3,700.00	4.51
10	Bank of Baroda	10,000.00	12.20
11	State Bank of India	8,000.00	9.76
12	South Indian Bank	2,500.00	3.05
13	Union Bank of India	5,000.00	6.10
	Total	**81,950.00**	**100.00**

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

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

1	United Bank of India	Cash Credit	7.16
	Subtotal	**(A)**	**7.16**

Held as Guarantee **(₹ In Lakhs)**

1	Punjab National Bank	Guarantee	0.43
	Subtotal	**(B)**	**0.43**

Held as Investment **(₹ In Lakhs)**

1	Punjab National Bank	Unencumbered	0.07
	Subtotal	**(C)**	**0.07**

Held as Guarantee **(₹ In Lakhs)**

1	Bank of Baroda	Guarantee	25.00
	Subtotal	**(D)**	**25.00**

Held as Security against Fixed Deposit **(₹ In Lakhs)**

1	Bank of Baroda	Security	850.00
	Subtotal	**(E)**	**850.00**
	Grand Total of FDR'S	**(A+B+C+D+E)**	**882.66**

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

(₹ In Lakhs)

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

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

34. Capital Risk Adequacy Ratio (CRAR):

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

35. Investments: **(₹ In Lakhs)**

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

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

37. Disclosure relating to Securitization:

i. The Company has not done securitization of any of its loans & advances to any organization during the financial year 2017-18 and there is no outstanding amount as on Balance Sheet date. Also, the Company has not sold its financial assets to any Securitization/Reconstruction Company for Asset Reconstruction. Further the Company has not undertaken any new assignment transaction during the Financial Year 2017-18.

ii. The Company has not purchased any non-performing assets (NPAs) from other NBFCs or financial institutions. However, the Company has repurchased portfolio of ₹93.37 Crore from NBFC's wherein Decree has been awarded against ₹65.02 crore by the Arbitrator.

iii. Details of stock sold during the year

(₹ In Lakhs)

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

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

(₹ In Lakhs)

	Up to 30/31 days	Over 1 month & upto 2 months	Over 2 months & upto 3 months	Over 3 months & upto 6 months	Over 6 month & upto 1 year	Over 1 year & Upto 3 years	Over 3 years & upto 5 years	Over 5 Years	Total
Deposits	—	—	—	—	—	—	—	—	—
Advances	11,904	9,404	11,368	26,315	38,927	67,028	19,389	13	**1,84,348**
Investments	875	—	—	—	—	8	—	—	**863**
Borrowings	1,027	298	352	1,910	84,069	8,151	—	—	**95,807**
Foreign Currency Assets	—	—	—	—	—	—	—	—	—
Foreign Currency Liabilities	—	—	—	—	—	—	—	—	—

39. Exposures:

a. Exposures to Real Estate Sector

(₹ In Lakhs)

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

b. Capital Market Exposure

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

c. Details of financing of parent company products : NIL

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

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

e. Unsecured Advances

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

40. Registration obtained from other financial sector regulators:

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

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

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

42. Provisions and Contingencies: **(₹ In Lakhs)**

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

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

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

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

a. Concentration of Deposits

The Company has not taken any deposits from public

b. Concentration of Advances

(₹ In Lakhs)

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

c. Concentration of Exposures

(₹ In Lakhs)

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

d. Concentration of NPAs

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

e. Sector wise NPAs (Write Offs)

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

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

46. Off Balance Sheet SPVs sponsored:

The Company has not sponsored off Balance Sheet SPVs

47. Disclosures of Complaints:

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

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

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

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

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

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

Please see Note 2

(₹ In Lakhs)

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

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

(₹ In Lakhs)

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

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

(8) Other Information

(₹ In Lakhs)

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

Notes:

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.

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

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

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

Place : New Delhi
Date : 02 May, 2018

For and on behalf of the Board

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

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

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

INDEPENDENT AUDITOR'S REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

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

REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

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

MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

AUDITOR'S RESPONSIBILITY

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

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

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

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their

reports referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

OPINION

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

1. We report that the Consolidated Financial Statements have been prepared by the company's management in accordance with requirements of Accounting Standard 21 issued by the ICAI, "Consolidated Financial Statements".
2. In our opinion and to the best of our information and according to the explanations given to us, the consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
   - **a.** In the case of the Consolidated Balance Sheet, of the State of Affairs of the Company as at 31st March 2018;
   - **b.** In the case of the Consolidated Statement of Profit and Loss, of the Profit for the year ended on that date; and
   - **c.** In the case of the Consolidated Cash Flow Statement, of the Cash Flows for the year ended on that date.
3. **Report on Other Legal and Regulatory Requirements:**
   - **a.** As required by section 143(3) of the Act, we report that:
   - **b.** 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;
   - **c.** 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;
   - **d.** The audit of all the branch offices of the Company has been conducted by us, hence section 143(8) isnot applicable;
   - **e.** The Consolidated Balance Sheet, Consolidated Statement of Profit and Loss and Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;
   - **f.** 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;
   - **g.** On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2018 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary company incorporated in India, none of the directors of the Group companies, is disqualified as on 31st March, 2018 from being appointed as a director in terms of Section 164 (2) of the Act;
   - **h.** 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 With respect to the other matters included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules 2014, in our opinion and to the best of our information and according to the explanations given to us:
     - **i.** There were no pending litigations which would impact the consolidated financial position of the Group.
     - **ii.** The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.
     - **iii.** There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary company, incorporated in India.

Place : New Delhi
Date : 02 May, 2018

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

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

ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in our Report of even date for F. Y. 2017-18)

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

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

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

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

AUDITOR'S RESPONSIBILITY

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

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

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

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2)provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting

principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of 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 Holding Company, its subsidiary company, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Place : New Delhi
Date : 02 May, 2018

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

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

CONSOLIDATED BALANCE SHEET AS ON 31ST MARCH 2018

Sr. No.	Particulars	Note No.	Figures as at the end of current reporting period	Figures as at the end of previous reporting period
I	**EQUITY AND LIABILITIES**			
	(1) Shareholder's Funds			
	(a) Share Capital	1	405,662,500	405,662,500
	(b) Reserves and Surplus	2	5,723,634,950	5,229,713,049
	(c) Money received against share warrants		-	-
	(2) Share application money pending allotment		-	-
	(3) Non-Current Liabilities			
	(a) Long-Term Borrowings	3	2,089,509,315	1,054,382,400
	(b) Deferred Tax Liabilities (Net)	4	36,014,168	35,307,667
	(c) Other Long Term Liabilities	5	821,740,150	279,708,775
	(d) Long Term Provisions	6	75,786,559	49,839,181
	(4) Current Liabilities			
	(a) Short-Term Borrowings	7	8,695,695,384	6,482,959,386
	(b) Trade Payables		-	-
	(c) Other Current Liabilities	8	1,219,241,837	1,155,318,791
	(d) Short-Term Provisions	9	1,874,265,700	1,370,080,486
	Total Equity & Liabilities		**20,941,550,563**	**16,062,972,235**
II	**ASSETS**			
	(1) Non-current assets			
	(a) Fixed Assets	10		
	(i) Tangible Assets		29,024,908	31,373,459
	(ii) Intangible Assets		-	-
	(iii) Capital work-in-progress		-	-
	(iv) Intangible Assets under Development		-	-
	(b) Non-Current Investments	11	239,877,516	239,030,800
	(c) Deferred Tax Assets (Net)		-	-
	(d) Long Term Loans and Advances	12	797,866,634	201,011,945
	(e) Other Non-Current Assets	13	96,819,706	98,492,622
	(2) Current assets			
	(a) Current Investments	14	87,502,329	8,155,824
	(b) Inventories	15	17,558,899,545	13,748,911,966
	(c) Trade Receivables		-	-
	(d) Cash and Cash Equivalents	16	26,361,047	86,520,274
	(e) Short-Term Loans and Advances	17	843,031,113	608,280,667
	(f) Other Current Assets	18	1,262,167,765	1,041,194,678
	Total Assets		**20,941,550,563**	**16,062,972,235**

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

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

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

Place : New Delhi
Date : 02 May, 2018

For and on behalf of the Board

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

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

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

CONSOLIDATED PROFIT & LOSS STATEMENT FOR THE YEAR ENDED ON 31ST MARCH 2018

Sr. No.	Particulars		Note No.	Figures as at the end of current reporting period	Figures as at the end of previous reporting period
				₹	₹
I	Revenue from Operations		19	3,043,552,926	2,665,419,500
	II. Other Income				
	Total Revenue (I)			**3,043,552,926**	**2,665,419,500**
II	**Expenses:**				
	Employee Benefit Expenses		20	178,325,583	144,384,108
	Financial Cost		21	1,150,901,977	942,881,592
	Depreciation and Amortization Expenses		22	55,663,387	57,705,746
	Other Expenses		23	781,645,107	731,843,202
	Provision for NPA		24	3,903,854	
	Total Expenses (II)			**2,170,439,908**	**1,876,814,648**
III	Profit before Exceptional and Extraordinary Items and Tax	**(I-II)**		873,113,018	788,604,852
IV	Exceptional Items			-	-
V	Profit before Extraordinary Items and Tax	**(III-IV)**		873,113,018	788,604,852
VI	Extraordinary Items			-	-
VII	Profit before Tax	**(V-VI)**		873,113,018	788,604,852
VIII	Tax Expense:				
	(1) Current Tax			294,141,937	280,068,747
	(2) Deferred Tax			706,501	(10,244,604)
	(3) Previous Year Income Tax			(4,921,760)	-
IX	Profit/(Loss) from the period from Continuing Operations	**(VI-VIII)**		583,186,340	518,780,709
X	Profit/(Loss) from Discontinuing Operations			-	-
XI	Tax Expense of Discontinuing Operations			-	-
XII	Profit/(Loss) from Discontinuing Operations	**(X-XI)**		-	-
XIII	Profit/(Loss) for the period	**(IX+XII)**		583,186,340	518,780,709
XIV	Earning per Equity Share:		27		
	(1) Basic			14.38	12.79
	(2) Diluted			14.38	12.79

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

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

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

Place : New Delhi
Date : 02 May, 2018

For and on behalf of the Board

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

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

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

CONSOLIDATED CASH FLOW STATEMENT

(Amount in ₹)

Sr. No.	Particulars	31.03.2018		31.03.2017	
A	**Cash Flow from Operating Activities:**				
	Net Profit before tax and extraordinary items and Interest		2,024,014,995		1,731,486,444
	Adjustments for				
I	Depreciation	4,446,977		4,325,188	
III	Deferred Expense W/O	51,216,410		53,380,558	
IV	Profit/loss on Sale of Investments/Assets	(45,037,959)		(24,011)	
	Operating Profit before working capital changes		**2,034,640,423**		**1,789,168,179**
	Adjustments for				
I	Change in Trade & Other Receivable (L&A)	(531,715,694)		(3,281,212)	
II	Change in Inventories	(3,809,987,579)		(2,681,567,922)	
III	Change in Trade Payable & other Current Liabilities	63,923,046		140,977,908	
IV	Misc. Expenses	(49,543,494)		(22,847,510)	
	Cash generated from Operations		**(2,292,683,298)**		**(777,550,557)**
I	Interest paid	(1,150,901,977)		(942,881,592)	
II	Income Tax paid	(305,897,491)		(292,716,077)	
III	Paid Expenses on CSR	(14,500,000)		(15,035,272)	
	Cash flow before Extraordinary Items		**(3,763,982,766)**		**(2,028,183,498)**
I	Extraordinary items		-		-
	Net Cash from Operating Activities		**(3,763,982,766)**		**(2,028,183,498)**
B	**Cash Flows from Investing Activities:**				
I	Purchase of Fixed Assets	(5,808,466)		(4,959,724)	
II	Sale of Fixed Assets	48,748,000		29,000	
III	Purchase/transfer of Investments	(80,193,221)		19,217,290	
	Net Cash from Investing activities		**(37,253,687)**		**14,286,566**
C	**Net Cash from Financing Activities:**				
I	Proceeds from Long Term Borrowings	1,035,126,915		869,122,243	
II	Proceeds from Long Term Liabilities	542,031,375		22,591,865	
III	Proceeds from Short Term Borrowings	2,212,735,998		978,239,742	
IV	Dividend Paid	(48,817,062)		(48,817,062)	
	Net Cash from Financing activities		**3,741,077,226**		**1,821,136,788**
	Net Increase in cash & cash equivalents		**(60,159,227)**		**(192,760,144)**
	Cash & Cash equivalents at beginning of period		**86,520,274**		**279,280,418**
	Cash & Cash equivalent at end of period		**26,361,047**		**86,520,274**

Signed in terms of our Report of even date

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

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

Place : New Delhi
Date : May 2, 2018

For and on behalf of the Board

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

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

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

AUDITORS' REPORT

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

For MUKESH KUMAR & CO.
Chartered Accountants
Firm Reg. No. 002040C
Sd/-
(CA. MUKESH KUMAR)
Proprietor
Membership No. 070471

Place : New Delhi
Date : 02 May, 2018

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

A. PRINCIPLE OF CONSOLIDATION

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

a) The Consolidated Financial Statements have been prepared in accordance with Accounting Standard (AS) 21- "Consolidated Financial Statements". The financials are combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra- group balances and intra-group transactions.

b) Investment in Associate Companies has been accounted under the equity method as per (AS 23)- "Accounting for Investments in Associates in Consolidated Financial Statements".

c) As far as possible, the Consolidated Financial Statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the Company's separate financial statements.

B. INVESTMENTS OTHER THAN IN SUBSIDIARIES AND ASSOCIATES

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

C. OTHER SIGNIFICANT ACCOUNTING POLICIES

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

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

Note : 1 Share Capital

(Amount in ₹)

Sr. No.	Particulars	Current Year	Previous Year
1	**AUTHORIZED CAPITAL**		
	12,00,00,000 Equity Shares of ₹10 per share	1,200,000,000	1,200,000,000
	50,00,000 Preference Shares of ₹10 each	50,000,000	50,000,000
		1,250,000,000	**1,250,000,000**
2	**ISSUED, SUBSCRIBED CAPITAL**		
	4,05,72,500 Equity Shares of ₹10 per Share	405,725,000	405,725,000
		405,725,000	**430,725,000**
3	**PAID UP CAPITAL**		
	405,60,000 Equity Shares of ₹10 per Share fully paid up	405,600,000	405,600,000
	"Add: Share Forfeited a/c (Amount originally Paid up on 12,500 Equity Shares of ₹10 each)"	62,500	62,500
	Total in ₹	**405,662,500**	**405,662,500**

- **More than 5% shares:**
  Sunil Agarwal 3162440 equity shares (7.80%)
  Bhavya Electronics and Networks Pvt Limited 2914223 equity shares (7.19%)

Note : 2 Reserve & Surplus

(Amount in ₹)

Sr. No.	Particulars	Current Year	Previous Year
1	Capital Reserve	241,521,113	241,521,113
2	Securities Premium Reserve	1,464,991,229	1,464,991,229
3	Capital Redemption Reserve	25,000,000	25,000,000
4	General Reserve	2,902,294,961	2,522,294,961
	Opening Balance	2,522,294,961	2,172,294,961
	Addition during the year	380,000,000	350,000,000
5	Reserve Fund (As per RBI Act)	1,077,238,969	957,379,971
	Opening Balance	957,379,971	850,402,100
	Addition during the year	119,858,998	106,977,871
6	Surplus (Profit & Loss Account)	12,588,678	18,525,775
	Balance brought forward from Previous year	18,525,775	35,756,010
	Less: Transfer to General Reserve	380,000,000	350,000,000
	Provision on Standard Assets	25,947,378	15,180,739
	Expenditure incurred on Corporate Social Responsibility(CSR)	14,500,000	15,035,272
	Proposed Dividend on Equity Shares & Tax Thereon	48,817,061	48,817,062
	Reserve Fund (As per RBI Act)	119,858,998	106,977,871
	Add: Profit for the Period	583,186,340	518,780,709
	Total in ₹	**5,723,634,950**	**5,229,713,049**

Note : 3 Long Term Borrowings

(Amount in ₹)

Sr. No.	Particulars	Current Year	Previous Year
1	Secured Bonds / Debentures	-	-
2	**Secured Term Loan**		
	- From Bank/ Financial Institution		
	State Bank of India	181,505,130	-
	AU Small Finance Bank Limited	91,666,671	-
	- From Other Parties:		
	Reliance Capital Limited	91,769,473	104,382,400
	Tourism Finance Corporation of India Limited	178,500,000	-
	Nabsamruddhi Finance Limited	87,500,000	-
3	**Unsecured loans**		
	- Non Convertible Debenture	1,230,000,000	950,000,000
	- From Other Parties	228,568,041	-
4	Loans & Advances From Related Parties	-	-
5	Loans from Directors including interest	-	-
6	Other Loans & Advances	-	-
	Total in ₹	**2,089,509,315**	**1,054,382,400**

- Refer to Note no. 31

Note 4 : Deferred Tax Liabilities (Net)

(Amount in ₹)

Sr. No.	Particulars	Current Year	Previous Year
1	Opening Balance	35,307,667	45,552,271
	Add: Provision made during the year	706,501	(10,244,604)
	Closing Balance	36,014,168	35,307,667
	Total in ₹	**36,014,168**	**35,307,667**

Note 5 : Other Long Term Liabilities

(Amount in ₹)

Sr. No.	Particulars	Current Year	Previous Year
1	Other Long Term Deposits including Interest thereon	821,740,150	279,708,775
	Total in ₹	**821,740,150**	**279,708,775**

Note : 6 Long Term Provisions

(Amount in ₹)

Sr. No.	Particulars	Current Year	Previous Year
1	Provision For Employees Benefit	-	-
2	Others		
	Provision for Standard Assets	75,786,559	49,839,181
	Total in ₹	**75,786,559**	**49,839,181**

Note : 7 Short Term Borrowings

(Amount in ₹)

Sr. No.	Particulars	Current Year	Previous Year
1	**Secured Term Loan**		
	- From Bank/ Financial Institution		
	Small Industries Development Bank of India	-	21,220,000
	State Bank of India	20,000,000	-
	AU Small Finance Bank Limited	100,998,260	-
	- From Other Parties		
	Reliance Capital Limited	244,397,020	320,287,280
	Tourism Finance Corporation of India Limited	46,249,151	-
	Nabsamruddhi Finance Limited	50,000,000	-
2	**Unsecured loans**	-	-
3	**Loans & Advances From Related Parties**	-	-
4	**Others**		
	- Secured Borrowings - Overdraft Against FDR		
	Bank of Baroda O/D	80,760,116	-
	- Secured Borrowings - Cash Credit Limits		
	Bank of Baroda	816,350,469	222,350,533
	Punjab National Bank	687,123,330	595,208,338
	Corporation Bank	499,795,487	443,209,295
	Andhra Bank	397,298,968	385,650,917
	Bank of India	423,075,080	376,582,741
	Bank of Maharshtra	490,762,450	439,259,042
	State Bank of India (PAISALO)	796,838,001	182,596,155
	The South Indian Bank Limited	247,550,884	166,829,659
	Central Bank of India	1,237,738,580	1,144,779,641
	UCO Bank	367,291,951	333,040,856
	IDBI Bank	743,966,770	657,433,693
	United Bank of India	498,363,417	461,489,710
	Union Bank of India	498,159,209	-
	State Bank of Bikaner & Jaipur	-	299,120,266
	State Bank of Mysore	-	246,744,858
	Karnataka Bank Limited	180,612,901	187,156,402
	State Bank of India (NFPL)	268,363,340	-
	Total in ₹	**8,695,695,384**	**6,482,959,386**

- Refer to Note no. 31 & 32

Note : 8 Other Current Liabilities

(Amount in ₹)

Sr. No.	Particulars	Current Year	Previous Year
1	Other Liabilities	1,219,241,837	1,155,318,791
	Total in ₹	**1,219,241,837**	**1,155,318,791**

Note : 9 Short Term Provisions

(Amount in ₹)

Sr. No.	Particulars	Current Year	Previous Year
1	Provision For Employees Benefit	-	-
2	Others		
	Provision for Proposed Dividend on Equity shares and tax thereon	48,817,061	48,817,061
	Provision for Taxation	563,280,874	280,068,747
	Provision for Arbitration Decree Receivable	1,262,167,765	1,041,194,678
	Total in ₹	**1,874,265,700**	**1,370,080,486**

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

Note : 11 Non Current Investment

(Amount in ₹)

Sr. No.	Particulars	Current Year	Previous Year
1	Investment in Unquoted Equity Shares	239,030,800	239,030,800
2	In Fixed Deposits		
	- With Banks	766,188	-
	- Interest accrued but not received	80,528	-
	Total in ₹	**239,877,516**	**239,030,800**

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

Note : 10 Fixed Asset Chart

(Amount in ₹)

Sr. No.	Particulars	Gross Block				Depreciaton				Net Block	
		Value at the beginning	Addition during the year	Deduction during the year	Value at the end	Value at the beginning	Addition during the year	Deduction during the year	Value at the end	WDV as on 31.03.2018	WDV as on 31.03.2017
I	Tangible Assets										
1	Land	1,590,620	-	1,590,620	-	-	-	-	-	-	1,590,620
2	Building	18,469,929	-	2,627,200	15,842,729	2,416,272	263,425	507,779	2,171,918	13,670,811	16,053,657
3	Furniture & Fittings	12,953,130	188,867	-	13,141,997	9,183,850	620,519	-	9,804,369	3,337,628	3,769,280
4	Computer Peripheral & Software	42,864,147	3,378,041	-	46,242,188	39,691,715	2,007,519	-	41,699,234	4,542,954	3,172,432
5	Vehicles	9,647,756	1,000,000	-	10,647,756	5,249,611	913,808	-	6,163,419	4,484,337	4,398,145
6	Equipments, Plant & Machinery	9,926,040	1,241,558	-	11,167,598	7,536,715	641,705	-	8,178,420	2,989,178	2,389,325
	Sub Total (A)	**95,451,622**	**5,808,466**	**4,217,820**	**97,042,268**	**64,078,163**	**4,446,976**	**507,779**	**68,017,360**	**29,024,908**	**31,373,459**
II	**Intangible Assets**	-	-	-	-	-	-	-	-	-	-
	Sub Total (B)	-	-	-	-	-	-	-	-	-	-
III	**Capital Work-in-progress**	-	-	-	-	-	-	-	-	-	-
	Sub Total (C)	-	-	-	-	-	-	-	-	-	-
IV	**Intangible Assets Under Development**	-	-	-	-	-	-	-	-	-	-
	Sub Total (D)	-	-	-	-	-	-	-	-	-	-
	Total [A+B+C+D] (Current Year)	**95,451,622**	**5,808,466**	**4,217,820**	**97,042,268**	**64,078,163**	**4,446,976**	**507,779**	**68,017,360**	**29,024,908**	**31,373,459**
	Total (Previous Year)	**90,602,898**	**4,959,724**	**111,000**	**95,451,622**	**59,858,985**	**4,325,189**	**106,011**	**64,078,163**	**31,373,459**	**30,743,913**

Note : 12 Long Term Loans and Advances

(Amount in ₹)

Sr. No.	Particulars	Current Year	Previous Year
1	**Security Deposit**		
	a) Secured, Considered Good:		
	Earnest Money Deposit	190,000,000	190,000,000
	Other Deposit	13,526,199	11,011,945
	b) Unsecured, Considered Good	-	-
	c) Doubtful	-	-
2	**Loans & Advances to related parties**	-	-
3	**Other Loans & Advances**		
	a) Secured, Considered Good	594,340,435	-
	b) Unsecured, Considered Good	-	-
	c) Doubtful	-	-
	Total in ₹	**797,866,634**	**201,011,945**

Note : 13 Other Non Current Assets

(Amount in ₹)

Sr. No.	Particulars	Current Year	Previous Year
1	Deferred Revenue Expenditure	96,819,706	98,492,622
	Total in ₹	**96,819,706**	**98,492,622**

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

Note : 14 Current Investment

(Amount in ₹)

Sr. No.	Particulars	Current Year	Previous Year
1	In Short Term Fixed Deposits		
	With Banks	87,500,000	7,245,447
	Interest accrued but not received	2,329	910,377
	Total in ₹	**87,502,329**	**8,155,824**

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

Note : 15 Inventories

(Amount in ₹)

Sr. No.	Particulars	Current Year	Previous Year
1	Book Debts i.e. Advances made against agreements secured by property/vehicles and/or other assets and/or personal guarantees excluding unexpired finance charges etc including overdue installments at book value considered good. (As certified by the management)	17,558,899,545	13,748,911,966
	Total in ₹	**17,558,899,545**	**13,748,911,966**

Note : 16 Cash & Cash Equivalent

(Amount in ₹)

Sr. No.	Particulars	Current Year	Previous Year
1	**Cash-in-Hand**		
	Cash Balances	9,484,607	5,262,162
	Sub Total (A)	**9,484,607**	**5,262,162**
2	**Bank Balances**		
	Current accounts with Scheduled Banks (Subject to Reconciliations)	16,876,440	81,258,112
	Sub Total (B)	**16,876,440**	**81,258,112**
	Total in ₹ [A+B]	**26,361,047**	**86,520,274**

Note : 17 Short Term Loans and Advances

(Amount in ₹)

Sr. No.	Particulars	Current Year	Previous Year
1	**Loans & Advances to related parties**		
	a) Secured, Considered Good	-	-
	b) Unsecured, Considered Good	-	-
	c) Doubtful	-	-
2	**Others**		
	Advance Recoverable in cash or in kind or for value to be considered good		
	a) Income Tax and TDS paid	632,387,071	332,497,630
	b) Prepaid Expenses	968,488	204,781
	c) Other loan and advances	209,675,554	275,578,256
	Total in ₹	**843,031,113**	**608,280,667**

Note : 18 Other Current Assets

(Amount in ₹)

Sr. No.	Particulars	Current Year	Previous Year
1	Arbitration Decree Receivable	1,262,167,765	1,041,194,678
	Total in ₹	**1,262,167,765**	**1,041,194,678**

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

Note : 19 Revenue from Operations

(Amount in ₹)

Sr. No.	Particulars	Current Year	Previous Year
1	Interest on Loans	3,043,552,926	2,665,419,500
	Total in ₹	**3,043,552,926**	**2,665,419,500**

Note : 20 Employee Benefit Expenses

(Amount in ₹)

Sr. No.	Particulars	Current Year	Previous Year
1	Salaries & Establishment	147,927,011	117,204,108
2	Mg. Director's & Directors Remuneration	29,917,858	26,760,000
3	Mg. Director's & Directors House Rent Allowance	480,714	420,000
	Total in ₹	**178,325,583**	**144,384,108**

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

Note : 21 Financial Cost

(Amount in ₹)

Sr. No.	Particulars	Current Year	Previous Year
1	Interest Discounting & Bank Charges	1,150,901,977	942,881,592
	Total in ₹	**1,150,901,977**	**942,881,592**

Note : 22 Depreciation & Amortised Cost

(Amount in ₹)

Sr. No.	Particulars	Current Year	Previous Year
1	Depreciation	4,446,977	4,325,188
2	Deferred Revenue Exp. w/o	51,216,410	53,380,558
	Total in ₹	55,663,387	57,705,746

Note : 23 Other Expenses

(Amount in ₹)

Sr. No.	Particulars	Current Year	Previous Year
1	Car & Scooter Expenses	17,170,756	26,341,555
2	Travelling Expenses	58,490,600	41,713,603
3	Repair & Maintenance Expenses	11,217,454	7,348,808
4	Insurance Expenses	1,174,596	806,022
5	Electricity & Water Expenses	5,298,533	3,091,089
6	Rates & Taxes	80,213	44,472
7	Legal Expenses & Professional Fees	62,337,147	51,280,140
8	Printing & Stationery	20,820,061	17,484,300
9	Postage & Telephone Expenses	13,942,509	10,499,172
10	Bad Debts Written off	408,402,669	326,023,763
11	Auditors Remuneration	4,962,840	4,591,751
12	Rent	9,585,687	8,314,007
13	Rebate, Remission & Brokerage	10,163,553	22,517,433
14	Advertisement & Business Promotion Expenses	157,642,739	165,189,316
15	Recovery Expenses	7,817,342	6,270,466
16	Office and General Expenses	37,576,367	40,351,316
17	Loss on sale of assets/shares	(45,037,959)	(24,011)
	Total in ₹	**781,645,107**	**731,843,202**

Note : 24 Provisions for NPA

(Amount in ₹)

Sr. No.	Particulars	Current Year	Previous Year
1	Provision for NPA	3,903,854	-
	Total in ₹	**3,903,854**	**-**

25. Remuneration to Auditors:

(Amount in ₹)

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

26. Contingent Liabilities:

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

(₹ in Lakhs)

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

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

28. Earning per Share:

(in ₹)

	2017-18	2016-17
Net profit for the year (After Tax)	583,186,340	518,780,709
Proposed Preference shares dividend and tax thereon	—	—
No. of Equity Shares (Weighted)	405,662,500	405,662,500
Basic and diluted Earning per share	14.38	12.79

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

30. Disclosures of related party transaction:

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

D. Disclosures required for related party transactions:

(₹ In Lakhs)

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

Notes:

(1) Related party relationship is as identified by the Company on the basis of information available with them and accepted by the auditors as correct.

(2) No amount has been written off or written back during the year in respect of debt due from or to related parties.

(3) Company has entered into transactions with certain parties as listed above during the year under consideration. Full disclosures have been made and the Board considers such transactions to be in normal course of business and at rates agreed between the parties.

(4) The key management personnel and their relatives have given personal guarantees and collaterals for loans raised by the Company but Company has not provided any guarantee to these persons nor paid any consideration for furnishing such guarantees.

31. Term Loan details:

Nupur Finvest Pvt. Limited 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 Lakh)

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

32. Working Capital Borrowings:

The Company has availed working capital facility from Karnataka Bank Limited 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 Lakh)

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

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

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

(₹ in Lakh)

Name of the Entity	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount
1	2	3	4	5
Total Consolidated	**100**	**61,292.97**	**100**	**5,831.86**
Holding Co.:				
Paisalo Digital Limited	91.50	56,080.85	94.7	5,523.91
		(Note 1)		(Note 2)
Subsidiaries-Wholly Owned:				
Nupur Finvest Pvt. Limited	8.50	5212.12	5.28	307.95

Paisalo Digital Limited not holding any foreign subsidiary company/ Joint Venture

Note 1. Net of Investment in Subsidiary Company

Note 2. Net of Income from Subsidiary Company

FORM NO. AOC-I

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

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

Part "A": Subsidiaries **(₹ in Lakh)**

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

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

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

Part "B": Associates and Joint Ventures : NIL

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

For and on behalf of the Board

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

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

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

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

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

Place : New Delhi
Date : 02 May, 2018

PAISALO

EASY LOAN आसान लोन

PAISALO DIGITAL LIMITED

FORMERLY KNOWN AS S. E. INVESTMENTS LIMITED

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

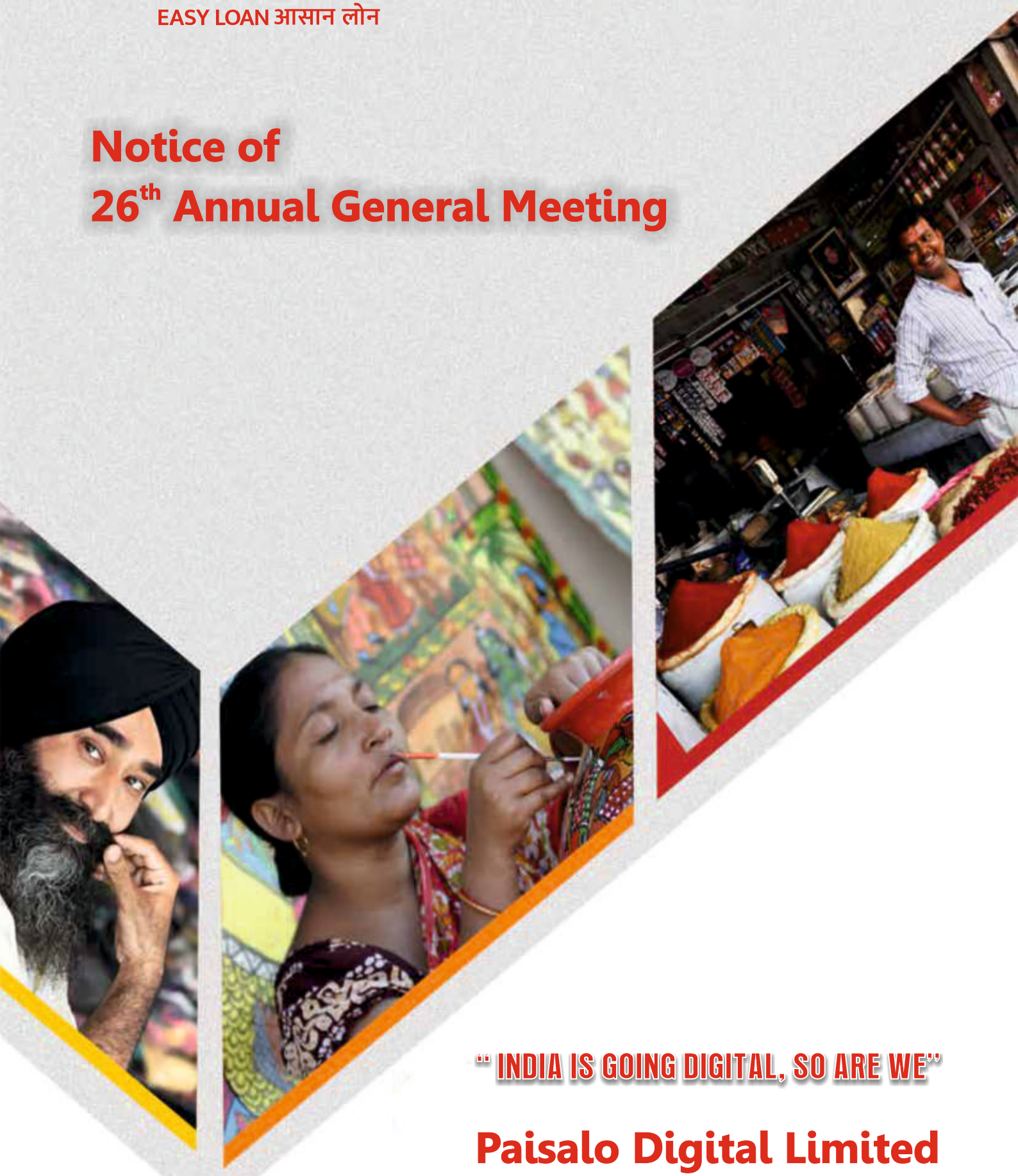
Head Office:
Block 54, First Floor
Sanjay Place, Agra - 282 002
Phone : +91 562 402 8888
Email: agra@paisalo.in

Regional Office:
Unit 262, Solitaire Corporate Park
Andheri Kurla Road
Chakla, Andheri (E), Mumbai
Phone: +91 22 4228 8888
Email: mumbai@paisalo.in

PAISALO

EASY LOAN आसान लोन

Notice of 26th Annual General Meeting



" INDIA IS GOING DIGITAL, SO ARE WE"

Paisalo Digital Limited

Formerly known as S. E. Investments Limited

CIN: L65921DL1992PLC120483

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

Phone: +91 11- 43518888, E-mail: delhi@paisalo.in, Website: www.paisalo.in

NOTICE OF 26TH ANNUAL GENERAL MEETING

Notice is hereby given that the Twenty Sixth Annual General Meeting of the Members of Paisalo Digital Limited will be held on Saturday, the September 29, 2018 at 3:00 P.M. at Auditorium ISKCON Complex, Hare Krishna Hill, Sant Nagar, Main Road, East of Kailash, New Delhi - 110065 to transact the following business(s):

ORDINARY BUSINESS:

1. To adopt Financial Statements together with the Boards' and Auditors' Reports thereon for the financial year ended March 31, 2018

To receive, consider and adopt the Audited Standalone and Consolidated Financial Statements of the Company for the financial year ended March 31, 2018, together with the Boards' and Auditors' Reports thereon.

2. To appoint Director

To appoint a Director in place of Mr. Harish Singh (DIN: 00039501), who retires by rotation in terms of Section 152(6) of the Companies Act, 2013 and being eligible, offers himself for re-appointment.

3. To declare dividend on fully paid-up Equity Shares for financial year ended on March 31, 2018

To consider and if thought fit, to pass, with or with out modification(s), the following resolution as an **Ordinary Resolution**:

"**RESOLVED THAT** a dividend of 10% (i.e. Re. 1 on every Equity share of Rs. 10/- each) on fully paid-up equity share capital of the Company, as recommended by the Board of Directors, be and is hereby declared."

4. To authorise Board of Director to fix remuneration of Statutory Auditors of the Company

To consider and if thought fit, to pass, with or without modification(s), the following resolution as **Ordinary Resolution:**

"**RESOLVED THAT** in furtherance of the ordinary resolution passed by the members of the Company at its 25th Annual General Meeting held on September 26, 2017, through which Mr. Mukesh Kumar & Co., Chartered Accountants (Firm Registration 002040C), were appointed as Statutory Auditors of the Company for a term of 3 years to hold office from the conclusion of the 25th Annual General Meeting until the conclusion of the 28th Annual General Meeting to be held in the year 2020 and pursuant to provisions of Section 139 of the Companies Act, 2013 as amended by Section 40 of the Companies (Amendment) Act, 2017 and as recommended by the Board of Directors of the Company, the appointment of Mr. Mukesh Kumar & Co., Chartered Accountants, as Statutory Auditors be and is hereby confirmed for rest of their tenure as approved by the Members of the Company through aforesaid resolution passed at the 25th Annual General Meeting of the Company and pursuant to Section 142 of the Companies Act, 2013 Board of Directors of the Company be and is hereby authorised to fix their remuneration as Statutory Auditors of the Company."

SPECIAL BUSINESS:

5. To approve the re-appointment and remuneration of Mr. Sunil Agarwal as Managing Director of the Company

To consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution:**

"RESOLVED THAT pursuant to the provisions of Sections 196, 197 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, including any statutory modification or re-enactment thereof for the time being in force and in pursuance to the provisions of Articles of Association of the Company and pursuant to the approval of the Nomination and Remuneration Committee of the Board and the Board of Directors of the Company, the approval of members of the Company be and is hereby accorded for re-appointment of Mr. Sunil Agarwal (DIN: 00006991) as Managing Director of the Company for a period of 5 (Five) years commencing from February 20, 2018 on the following term and conditions:

i. Total Salary of Rs. 43,20,000/- per month aggregating to Rs. 5,18,40,000/- P.A.

ii. The Company shall reimburse actual boarding, lodging and out of pocket expenses incurred by the Managing Director in connection with the company's business.

iii. In the event of inadequacy or absence of profits during the currency of his remaining tenure, the Managing Director shall be entitled to the remuneration herein provided and where applicable the same shall be subject to the provisions contained in the Schedule V of the Companies Act, 2013 and the approval of the Central Government, if required.

iv. He shall not be entitled to any sitting fees for attending the meeting of the Board of Directors or Committee thereof.

v. During the tenure of his term of office he shall not be liable to retire by rotation.

RESOLVED FURTHER THAT subject to the overall limit specified under the Companies Act, 2013 and rules framed thereunder, the Board of Directors of the Company be and is hereby authorized to alter or vary the scope of remuneration of Mr. Sunil Agarwal, Managing Director, including the monetary value thereof, to the extent recommended by the Nomination and Remuneration Committee from time to time as may be considered appropriate.

RESOLVED FURTHER THAT any one of the Director and Company Secretary of the Company be and is hereby jointly and severally authorized to do all necessary acts, deeds and things, which may be usual, expedient or proper to give effect to the above resolution."

6. To approve the re-appointment and remuneration of Mr. Harish Singh as Executive Director of the Company

To consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution:**

"**RESOLVED THAT** pursuant to the provisions of Sections 196, 197 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, including any statutory modification or re-enactment thereof for the time being in force and in pursuance to the provisions of Articles of Association of the Company and pursuant to the approval of the Nomination and Remuneration Committee of the Board and the Board of Directors of the Company, the approval of members of the Company be and is hereby accorded for re-appointment of Mr. Harish Singh (DIN: 00039501) as Executive Director of the Company for a period of 5 (Five) years commencing from August1, 2018 on the following term and conditions:

i. Monthly Remuneration of Rs. 2,05,000/- per month aggregating to Rs. 24,60,000/- P.A.

ii. House Rent allowance of Rs. 45,400/- per month aggregating to Rs. 5,44,800/- P.A.

iii. Company's contribution to Provident Fund Rs. 24,600/- per month aggregating to Rs. 2,95,200/- P.A.

iv. In the event of inadequacy or absence of profits during the currency of his remaining tenure, the Executive Director shall be entitled to the remuneration herein provided and where applicable the same shall be subject to the provisions contained in the Schedule V of the Companies Act, 2013 and the approval of the Central Government, if required.

v. He shall not be entitled to any sitting fees for attending the meeting of the Board of Directors or Committee thereof.

vi. During the tenure of his office he shall be liable to retire by rotation.

RESOLVED FURTHER THAT subject to the overall limit specified under the Companies Act, 2013 and rules framed thereunder, the Board of Directors of the Company be and is hereby authorized to alter or vary the scope of remuneration of Mr. Harish Singh, Executive Director, including the monetary value thereof, to the extent recommended by the Nomination and Remuneration Committee from time to time as may be considered appropriate.

RESOLVED FURTHER THAT any one of the Director and Company Secretary of the Company be and is hereby jointly and severally authorized to do all necessary acts, deeds and things, which may be usual, expedient or proper to give effect to the above resolution."

7. To appoint Mrs. Bhama Krishnamurthy as an Independent Director

To consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution:**

"**RESOLVED THAT** pursuant to provisions of Section 149, 152 read with Schedule IV and any other applicable provisions, if any, of Companies Act, 2013 and the rules made thereunder (including any statutory modification(s)or re-enactment(s) thereof for time being in force) and applicable provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mrs. Bhama Krishnamurthy (DIN: 02196839), who was appointed by the Board of Directors as an Additional Director under Section 161(1) of the Companies Act, 2013 and who vacates her office at this

Annual General Meeting and in respect of whom a notice in writing pursuant to Section 160 of the Companies Act, 2013, as amended, has been received in the prescribed manner, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, for a period of 5 (Five) consecutive years commencing from November 25, 2017."

8. To appoint Mr. Anoop Krishna as Executive Director

To consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution:**

"RESOLVED THAT pursuant to the provisions of Sections 196, 197 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, including any statutory modification or re-enactment thereof for the time being in force and in pursuance to the provisions of Articles of Association of the Company and pursuant to the approval of the Nomination and Remuneration Committee of the Board and the Board of Directors of the Company, Mr. Anoop Krishna (DIN 08068261),who was appointed by the Board of Directors as an Additional Director under Section 161(1) of the Companies Act, 2013 and who vacates his office at this Annual General Meeting and in respect of whom a notice in writing pursuant to Section 160 of the Companies Act, 2013, as amended, has been received in the prescribed manner, be and is hereby appointed as an Executive Director of the Company, for a period of five consecutive years commencing from February 23, 2018 on the following term and conditions:

i. Monthly Remuneration of Rs. 2,50,000/- per month.

ii. Conveyance and other allowance Rs. 50,000/- per month.

iii. In the event of inadequacy or absence of profits during the currency of his remaining tenure, the Executive Director shall be entitled to the remuneration herein provided and where applicable the same shall be subject to the provisions contained in the Schedule V of the Companies Act, 2013 and the approval of the Central Government, if required.

iv. He shall not be entitled to any sitting fees for attending the meeting of the Board of Directors or Committee thereof.

v. During the tenure of his office he shall be liable to retire by rotation.

RESOLVED FURTHER THAT subject to the overall limit specified under the Companies Act, 2013 and rules framed thereunder, the Board of Directors of the Company be and is hereby authorized to alter or vary the scope of remuneration of Mr. Anoop Krishna, Executive Director, including the monetary value thereof, to the extent recommended by the Nomination and Remuneration Committee from time to time as may be considered appropriate.

RESOLVED FURTHER THAT any one of the Director or Company Secretary of the Company be and is hereby authorized to do all necessary acts, deeds and things, which may be usual, expedient or proper to give effect to the above resolution."

9. To appoint Mr. Sunil Srivastav as an Independent Director

To consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution:**

"**RESOLVED THAT** pursuant to provisions of Section 149, 152 read with Schedule IV and any other applicable provisions, if any, of Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof for time being in force) and applicable provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr. Sunil Srivastav (DIN: 00237561), who was appointed by the Board of Directors as an Additional Director under Section 161(1) of the Companies Act, 2013 and who vacates his office at this Annual General Meeting and in respect of whom a notice in writing pursuant to Section 160 of the Companies Act, 2013, as amended, has been received in the prescribed manner, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, for a period of five consecutive years commencing from April 12, 2018."

10. To fix borrowing power of the Board of Directors u/s 180 (1) (c) of the Companies Act, 2013

To consider and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution:**

"**RESOLVED THAT** pursuant to provisions of Section 180 (1) (c) and other applicable provisions, if any, of the Companies Act, 2013 read with rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), consent of the members of Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the "Board" which term shall include any committee thereof for the time being exercising the powers conferred on the Board by this Resolution), to raise or borrow any sum or sums of money (including non-fund based facilities) from time to time at their discretion, for the purpose of the business of the Company not with standing 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 of Directors and which shall remain outstanding at any given point of time shall not exceed a sum of Rs. 3000 Crores (Rupees Three Thousand Crores) and that the Board be and is here by 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."

11. To authorise Board of Directors u/s 180 (1) (a) of the Companies Act, 2013 to create charges on movable and immovable properties of the Company

To consider and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution:**

"**RESOLVED THAT** pursuant to provisions of Section 180 (1) (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 member of the Company be and is hereby accorded to the Board of Directors (hereinafter referred to as the "Board" which term shall include any committee thereof for the time being exercising the powers conferred on the Board 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 Rs. 3000 Crores (Rupees Three Thousand Crores) over and above the aggregate of paid up share capital and free reserves of the Company.

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."

12. To consider and approve the issuance of Non-Convertible Debentures, in one or more series/tranches pursuant to Section 42 of the Companies Act, 2013

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 the earlier special resolution passed at the 25th Annual General Meeting held on September 26, 2017 and pursuant to the provisions of sections 42 and 71 and all other applicable provisions of the Companies Act, 2013 and rule 14(2) of the Companies (Prospectus and Allotment of Securities), Rules, 2014 (including any statutory modification(s), amendment(s) or re-enactment thereof for the time being in force) and subject to rules, regulations, guidelines, notifications and circulars, if any, issued by the Reserve Bank of India under the Reserve Bank of India Act, 1934 and Securities and Exchange Board of India under the Securities and Exchange Board of India Act, 1992 and in accordance with the relevant provisions of the Memorandum and Articles of Association of the Company, the consent of the members of the Company be and is hereby accorded to the Board of Directors (hereinafter referred to as the "Board" which terms shall be deemed to include any Committee duly constituted by the Board or any Committee, which the Board may hereafter constitute), to issue/offer/invite for subscription of Secured/Unsecured/Redeemable/Irredeemable /Perpetual/ Subordinated/Senior, Rated/Unrated, Listed/Unlisted, Non- Convertible Debentures ("Debentures") by way of Private Placement, in one or more tranches, from time to time, to any category of investors eligible to invest in the Debentures, aggregating upto Rs. 3,000 Crore (Rupees Three Thousand Crores only) on such terms and conditions and at such times whether at par/premium/discount, as may be decided by the Board to such person or persons including one or more

Company(ies), Bodies Corporate, Statutory Corporation(s), Commercial Bank(s), Domestic and Multilateral Lending Agency(ies), Financial Institution(s), Insurance Company(ies), Mutual Fund(s), Pension Fund(s), Family Office(s), and Individual(s), as the case may be or such other person/persons/investors as the Board may so decide/approve, for a period of one year or for such other period as permissible under applicable laws, from the date of approval of the Members, within the overall borrowing limits of the Company, as approved by the members of the Company from time to time.

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."

Place : New Delhi
Date : August 3, 2018

By Order of the Board of Directors
For Paisalo Digital Limited

Sd/-
(MANENDRA SINGH)
Company Secretary
Membership No.: F 7868

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER. A PERSON CAN ACT AS A PROXY ON BEHALF OF MEMBERS UP TO AND NOT EXCEEDING 50 AND HOLDING IN THE AGGREGATE NOT MORE THAN 10% PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY. FURTHER, A MEMBER HOLDING MORE THAN 10% OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS PROXY FOR ANY OTHER PERSON OR MEMBER. THE INSTRUMENT APPOINTING PROXY MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE TIME OF HOLDING THE MEETING.

2. During the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, members would be entitled to inspect the proxies lodged, at any time during the business hours of the Company, provided not less than three days written notice is given to the Company.

3. Explanatory Statement pursuant to section 102 of the Companies Act, 2013, forms part of this Notice.

4. 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.

5. 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 23, 2018 to Saturday, September 29, 2018, both days inclusive.

6. Subject to the provisions of section 126 of the Companies Act, 2013, dividend on equity shares, if declared at the Annual General Meeting, will be made to:

   a) all those beneficial owners holding shares in electronic form, as per the beneficial ownership data made available to the Company by National Securities Depository Ltd. (NSDL) and the Central Depository Services (India) Ltd. (CDSL) as of the close of business hours on Saturday, September 22, 2018; and

   b) to all those shareholders holding shares in physical form, after giving effect to all the valid share transfers lodged with the Company/share transfer agent on or before the closing hours on Saturday, September 22, 2018.

7. 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 printed thereon. In case of non-availability of bank account details, address of the members may be printed on such payment instruments.

   For enabling the payment of dividend through electronic mode, members holding shares in physical form are requested to furnish, on or before Saturday, September 22, 2018, 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 Saturday, September 22, 2018. 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.

8. 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.

9. The Securities and Exchange Board of India (SEBI) has mandated the submission of PAN by every person dealing in the securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to the depository participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company or RTA of the Company

10. In terms of section 101 and 136 of the Companies Act, 2013 read together with the rules made thereunder, the listed companies may send the notice of Annual General Meeting and the Annual Report, including Financial Statements, Board Report, etc. by electronic mode. The Company is accordingly forwarding soft copies of the above referred documents to all those members who have registered their email ids with their respective depository participants or with the RTA of the Company.

11. Notice of this Annual General Meeting, Audited Financial Statements for 2017-18 along with Auditors' Report and Directors' Report are also available on the website of the Company www.paisalo.in.

12. To receive shareholders' communications through electronic means, including Annual Reports and Notices, members are requested to kindly register/update their email address with their respective depository participants, where shares are held in electronic form. If, however, shares are held in physical form, members are advised to register their email address with RTA of the Company on ramap@alankit.com.

13. 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.

14. **Members who still hold share certificates in physical form are advised to dematerialise their shareholding to avail 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.**

15. Documents referred to in the Notice and in the Explanatory Statement shall be open for inspection by the members at the registered office of the Company on all working days (Monday to Friday) from 10.00 A.M. to 1.00 P.M. except holidays, up to the date of the meeting.

16. Members can inspect the register of Director and Key Managerial Personnel and their shareholding, required to be maintained under Section 170 of the Companies Act, 2013 during the course of the meeting at the venue. Further, the Register of Contact or Arrangements as maintained under Section 189 of the Companies Act, 2013 will be available for inspection by the members during the course of the meeting at the venue of Annual General Meeting.

17. Pursuant to section 72 of the Companies Act, 2013, members holding shares in physical form are advised to file nomination in the prescribed Form SH-13 with the Company's RTA. In respect of shares held in electronic/demat form, the members may please contact their respective depository participants.

18. In terms of section 124(5) of the Companies Act, 2013, dividend amount for the financial year 2011-12 remaining unclaimed for a period of seven years shall become due for transfer in October, 2019 to the Investor Education and Protection Fund (IEPF) established by the Central Government. Further, in terms of section 124(6) of the Act, in case of such shareholders whose dividends are unpaid for a continuous period of seven years, the corresponding shares shall be transferred to the IEPF demat account. Members who have not claimed dividends/shares in respect of the financial years from 2011-12 onwards are requested to approach the Company for claiming the same as early as possible, to avoid transfer of the relevant shares to the IEPF demat account.

19. Corporate members are requested to send in advance, a duly certified copy of the Board Resolution/Power of Attorney authorising their representative to attend the Annual General Meeting.

20. Members/Proxies are requested to bring the attendance slip/copy of proxy form duly filled and signed for attending the Meeting. Proxies are requested to bring their identity proof to the meeting for the purpose of identification.

21. Please note that for security reasons, no article/baggage will be allowed at the venue of the meeting.

22. **Voting through electronic means** –

In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of SEBI (LODR) Regulations, 2015, the Company is pleased to provide to its Members the facility to exercise their right to vote on resolutions proposed to be considered at the 26th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the Members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by National Securities Depository Limited (NSDL).

The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-Voting shall be able to exercise their right at the meeting through ballot paper.

The Members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.

The remote e-voting period commences on Wednesday, September 26, 2018 (9:00 A.M.) and ends on Friday, September 28, 2018 (5:00 P.M.) During this period members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. Saturday, September 22, 2018 may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the Member shall not be allowed to change it subsequently.

The process and manner for remote e-voting is as under:

The instructions for e-voting are as follows:

How do I vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

Step 1 : Log-in to NSDL e-Voting system at https://www.evoting.nsdl.com/

Step 2 : Cast your vote electronically on NSDL e-Voting system.

A. Details on Step 1 are mentioned below:

How to Log-into NSDL e-Voting website?

a) 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.

b) Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.

c) A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDeAS, you can log-in at https://eservices.nsdl.com/ with your existing IDeAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

d) Your User ID details are given below :

Sr. No.	Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
I	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******.
ii	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**********
iii	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***

e) Your password details are given below:

i. If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.

ii. 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 enter the 'initial password' and the system will force you to change your password.

iii. How to retrieve your 'initial password'?

1) 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 'PAISALO e- voting.pdf' file. The password to open the ' PAISALO e- voting.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 ' PAISALO e voting.pdf' file contains your 'User ID' and your 'initial password'.

2) If your email ID is not registered, your 'initial password' is communicated to you on your postal address.

f) If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:

i. 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.

ii. Physical User Reset Password?" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.

iii. If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address.

g) After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.

h) Now, you will have to click on "Login" button.

i) After you click on the "Login" button, Home page of e-Voting will open.

B. Details on Step 2 is given below:

How to cast your vote electronically on NSDL e-Voting system?

a) After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.

b) After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.

c) Select "EVEN" of company for which you wish to cast your vote.

d) Now you are ready for e-Voting as the Voting page opens.

e) 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.

f) Upon confirmation, the message "Vote cast successfully" will be displayed.

g) You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.

h) Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

C. General Guidelines for shareholders

a) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to scrutinizer.paisalo@gmail.com with a copy marked to evoting@nsdl.co.in.

b) It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.

c) In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990 or send a request at evoting@nsdl.co.in

d) The voting rights of members shall be in proportion to their share of the paid-up equity share capital of the Company as on the cut off date i.e. September 22, 2018. Voting rights in the e-voting cannot be exercised by a proxy, though corporate and institutional shareholders shall be entitled to vote through their authorized representatives with proof of their authorization.

e) You can also update your mobile number and e-mail ID in the user profile details of the folio which may be used for sending future communication(s).

23. 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 22, 2018.

24. 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 22, 2018, may obtain the login ID and password by sending a request at evoting@nsdl.co.in or Company's Registrar and Transfer Agent, M/s. Alankit Assingments Limited.

25. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.

26. The Board of Directors has appointed Mr. Satish Kumar Jadon, Practising Company Secretary (FCS No. 9512) as the Scrutinizer for the e-voting process and voting at the venue of the Annual General Meeting in a fair and transparent manner.

27. The Scrutinizer shall, immediately after the conclusion of voting at the Annual General Meeting will 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 Scrutinizer's report of the total votes cast in favour or against, if any, to the Company.

28. The results declared along with the Scrutinizer's report shall be placed on the Company's website www.paisalo.in and on the website of NSDL https://evoting.nsdl.co.in and shall also be communicated to the Stock Exchanges. The resolution shall be deemed to be passed at the Annual General Meeting of the Company scheduled to be held on September 29, 2018.

29. Route map for directions to the venue of the 26th Annual General Meeting is annexed herewith as part of this Notice.

DETAILS OF DIRECTORS SEEKING APPOINTMENT /RE-APPOINTMENT AT THE 26TH AGM
(Pursuant to Regulation 36(3) of the SEBI (LODR) Regulations, 2015)

Name of Director Seeking appointment-reappointment	Mr. Sunil Agarwal	Mr. Harish Singh	Mrs. Bhama Krishnamurthy	Mr. Anoop Krishna	Mr. Sunil Srivastav
DIN	00006991	00039501	02196839	08068261	00237561
Date of Birth	February 07, 1971	November 22, 1967	December 19, 1954	January 01, 1958	March 21, 1958
Age in years	Aged about 47 years	Aged about 50 years	Aged about 63 years	Aged about 60 years	Aged about 60 years
Date of Appointment	March 5, 1992	August 01, 2008	November 25, 2017	February 23, 2018	April 12, 2018
Qualifications	Bachelor's degree in commerce	Fellow member of Institute of Chartered Accountants of India and Master of Business Administration in Marketing	Master's degree in science	Bachelor's degree in science	Science graduate with honour and master's degree in management studies.
Designation (at which appointment to be made)	Managing Director	Executive Director	Non-Executive Independent Director	Executive Director	Non-Executive Independent Director
Expertise in specific functional area	He has an experience of over 28 years of the finance business. 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. He has a good leadership skills and positive attitude to lead the team of peoples.	He has a rich experience of more than two decades in the areas of audit, Taxation, Corporate Advisory Services, Financial Management and Fund Raising etc. He is a keen analyst with exceptional relationship management & negotiation skills with proven abilities in liaising with the various regulatory authorities.	She was the Head and Chief General Manager of SIDBI and has closely dealt with Multilateral and Bilateral Agencies in close co-ordination with the Government of India. Her areas of specialization include, inter-alia, handling of Human Resources Development Division covering recruitment, training and promotion aspects; association with drafting of CSR Policy guidelines for the Bank.	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.	He has more than 37 years of banking experience across different verticals including National /elite Banking, International Banking, Investments Banking, Corporate Strategy & Digital Banking and Corporate Banking with varied experience across geographies in India &abroad.

List of outside Directorship	· Baba Herbals Pvt. Ltd. · Helios Aviation Pvt. Ltd. · Diamond Infradev Pvt. Ltd. · Aerotech Aviation India Pvt. Ltd. · Nupur Finvest Pvt. Ltd.* · Bhavya Electronics & Networks Pvt. Ltd. · Radiance Techno Powers Company Pvt. Ltd. · Raj Shiksha Foundation	· Nupur Finvest Pvt. Ltd.*	· Reliance Industrial Infrastructure Ltd. · Muthoot Microfin Ltd. · Jain Sons Finlease Ltd. · Reliance Payment Solutions Ltd. · Tab Capital Ltd. · Five-Star Business Finance Ltd. · India SME Asset Reconstruction Company Ltd. · Kolte-Patil I-Ven Townships (Pune) Limited	Prabhat Dairy Limited	Eros International Media Ltd.
No. of shares held in the Company	31,62,440	NIL	NIL	NIL	NIL
Chairman/ Member of the Committees of the Board across all other public Companies of which he/she is a Director as on the date of this Notice	NIL	**Nupur Finvest Pvt. Ltd.*** Audit Committee — Chairman Assets and Liabilities Management Committee — Chairman Nomination and Remuneration Committee — Member	**Reliance Industrial Infrastructure Ltd.** Audit Committee — Member **Muthoot Microfin Ltd.** Nomination and Remuneration Committee — Member **Jain Sons Finlease Ltd.** Audit Committee — Member **Tab Capital Ltd.** Audit Committee — Member	NIL	NIL

PAISALO
EASY LOAN आसान लोन

			Five-Star Business Finance Ltd. Audit Committee: Member **India SME Asset Reconstruction Company Ltd.** Audit Committee: Member **Kolte-Patil I-Ven Townships (Pune) Ltd.** Audit Committee: Member		
No. of Board Meetings attend during the year 2017-18 out of eight board meeting held	Eight	Eight	Four	Two	N.A.
Relationship with Other Directors	No Relationship with other Directors	No Relationship with other Directors	No Relationship with other Directors	No Relationship with other Directors	No Relationship with other Directors
Remuneration paid during the financial year	Rs. 288.00 Lakhs	Rs. 12.60 Lakhs	NIL	Rs. 3.65 Lakhs	NIL

*Nupur Finvest Private Limited is Wholly Owned Subsidiary of Paisalo Digital Limited

EXPLANATORY STATEMENT
(Pursuant to Section 102 of the Companies Act, 2013)

In accordance with provisions of Section 102 of the Companies Act, 2013, the Explanatory Statement given below sets out the material facts relating to Item No. 5 to 12:

Item No. 5

In terms of provisions of Section 196 of the Companies Act, 2013 (Section 317 of Companies Act, 1956) and special resolution passed at 21st Annual General Meeting held on September 30, 2013, the term of re-appointment of Mr. Sunil Agarwal as Managing Director of the Company has expired on February 19, 2018. Accordingly, subject to the approval of the Shareholders by a resolution in the next General Meeting, the Board of Directors of the Company in its meeting held on January 30, 2018, re-appointed him as Managing Director of the Company for a period of 5 years with effect from February 20, 2018.

Accordingly, pursuant to provisions of Section 196 of the Companies Act, 2013 and based on recommendation of the Nomination and Remuneration Committee and resolution passed by the Board of Directors in its meeting held on January 30, 2018, re-appointment of Mr. Sunil Agarwal as the Managing Director of the Company for a further period of 5 (five) years with effect from February 20, 2018 on such remuneration as stated in the resolution set out in the Notice of 26th Annual General Meeting as item no. 5 is recommended to the members for their approval.

Brief details about Mr. Sunil Agarwal is annexed with the accompanying notice containing details of Directors Seeking Appointment /Re-Appointment at the 26thAGM.

Except Mr. Sunil Agarwal, 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.

Item No. 6

In terms of provisions of Section 196 of the Companies Act, 2013 (Section 317 of Companies Act, 1956) and special resolution passed at 21st Annual General Meeting held on September 30, 2013 the term of re-appointment of Mr. Harish Singh as Executive Director of the Company has been expired on July 31, 2018. Accordingly, subject to the approval of the Shareholders by a resolution in the next General Meeting, the Board of Directors of the Company in its meeting held on May 2, 2018, has re-appointed him as Executive Director of the Company for a period of 5 years effecting from August 1, 2018.

Accordingly, pursuant to provisions of Section 196 of the Companies Act, 2013 and based on recommendation of Nomination and Remuneration Committee and resolution passed by the Board of Directors in its meeting held on May 2, 2018, re-appointment of Mr. Harish Singh as the Executive Director of the Company for a further period of 5 (five) years with effect from August 1, 2018 on such remuneration as stated in the resolution set out in the Notice of 26th Annual General Meeting as item no. 6 is recommended to the members for their approval.

Brief details about Mr. Harish Singh is annexed with the accompanying notice Meeting containing details of Directors Seeking Appointment /Re-Appointment at the 26thAGM.

Except Mr. Harish Singh, 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.

Item No. 7

In accordance with the provisions of Section 149 and 161 of the Companies Act, 2013 Mrs. Bhama Krishnamurthy was appointed as an Additional Non-Executive Independent Director of the Company w.e.f. November 25, 2017 to hold office till this Annual General Meeting.

The Company has received a requisite notice in writing from the member under Section 160 of the Companies Act, 2013 proposing candidature of Mrs. Bhama Krishnamurthy for the office of Non-Executive Independent Director of the Company. Mrs. Bhama Krishnamurthy is not disqualified for being appointed as a Director in terms of Section 164 of the Act and has given her consent to act as an Independent Director of the Company.

Therefore, the Board of Directors recommends the resolution as set out in item no. 7 of the accompanying notice for the approval of the Members to appoint Mrs. Bhama Krishnamurthy as an Independent Director of the Company for a term of 5 (five) consecutive years from November 25, 2017.

Brief details about Mrs. Bhama Krishnamurthy is annexed with the accompanying notice containing details of Directors Seeking Appointment /Re-Appointment at the 26th AGM.

Except Mrs. Bhama Krishnamurthy, 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.

Item No. 8

In accordance with the provisions of Section 149 and 161 of the Companies Act, 2013, Mr. Anoop Krishna was appointed as an Additional Director of the Company w.e.f. February 23, 2018 to hold office till this Annual General Meeting.

Accordingly, based on recommendation of Nomination and Remuneration Committee and Board of Directors, resolution for appointment of Mr. Anoop Krishna as Executive Director of the Company for a period of 5 (five) years with effect from February 23, 2018 on such remuneration as stated in the resolution and pursuant to provisions of Section 196 of the Companies Act, 2013, set out in the Notice of 26th Annual General Meeting as item no. 8 is recommended to the members for their approval.

Mr. Anoop Krishna is not disqualified for being appointed as a Director of the Company in terms of Section 164 of the Act and has given his concern to Act as the Director of the Company. Brief details about Mr. Anoop Krishna is annexed with the accompanying notice containing details of Directors Seeking Appointment /Re-Appointment at the 26th AGM.

Except Mr. Anoop Krishna, 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.

Item No. 9

In accordance with the provisions of Section 149 and 161 of the Companies Act, 2013 Mr. Sunil Srivastav was appointed as an Additional Independent Director of the Company w.e.f. April 12, 2018 to hold office till this Annual General Meeting.

The Company has received a requisite notice in writing from the member under Section 160 of the Companies Act, 2013 proposing candidature of Mr. Sunil Srivastav for the office of Non-Executive Independent Director of the Company. Mr. Sunil Srivastav is not disqualified for being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as an Independent Director of the Company.

Therefore, the Board of Directors recommends the resolution as set out in item no. 9 of the accompanying notice for the approval of the Members to appoint Mr. Sunil Srivastav as an Independent Director of the Company for a term of 5(five) consecutive years from April 12, 2018.

Brief details about Mr. Sunil Srivastav is annexed with the accompanying notice containing details of Directors Seeking Appointment /Re-Appointment at the 26th AGM.

Except Mr. Sunil Srivastav, none of the Directors or Key Managerial Personnel of the Company or their relatives is/are concerned or interested, in any manner in the passing of proposed Resolution set out at Item No. 9 of the Notice.

Item No. 10

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 Rs. 3,000 Crores (Rupees Three Thousand Crores).

The Board of Directors accordingly recommends the Special Resolution set out at Item No. 10 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. 10 of the Notice.

Item No. 11

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. 11 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. 11 of the Notice.

Item No. 12

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, as per the provisions of Section 42 and 71 of the Companies Act, 2013 read with the relevant Rules made there under, 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. 12, 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. 12 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. 12 of the Notice.

Place : New Delhi
Date : August 03, 2018

By Order of the Board of Directors
For Paisalo Digital Limited

Sd/-
(MANENDRA SINGH)
Company Secretary
Membership No.: F 7868

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

ATTENDANCE SLIP

(To be presented at the entrance)
26th Annual General Meeting on September 29, 2018 at 3:00 P.M.
At Auditorium ISKCON Complex, Hare Krishna Hill, Sant Nagar, Main Road,
East of Kailash, New Delhi-110065

I hereby record my presence at the 26th Annual General Meeting of the Company to be held on September 29, 2018 at 3:00 P.M. at Auditorium ISKCON Complex, Hare Krishna Hill, Sant Nagar, Main Road, East of Kailash, New Delhi-110065.

Full Name of the Member:.....
(**In BLOCK LETTERS)**

Folio No. .....**DP ID No.** .....**Client ID No.** .....

No. of Shares held.....

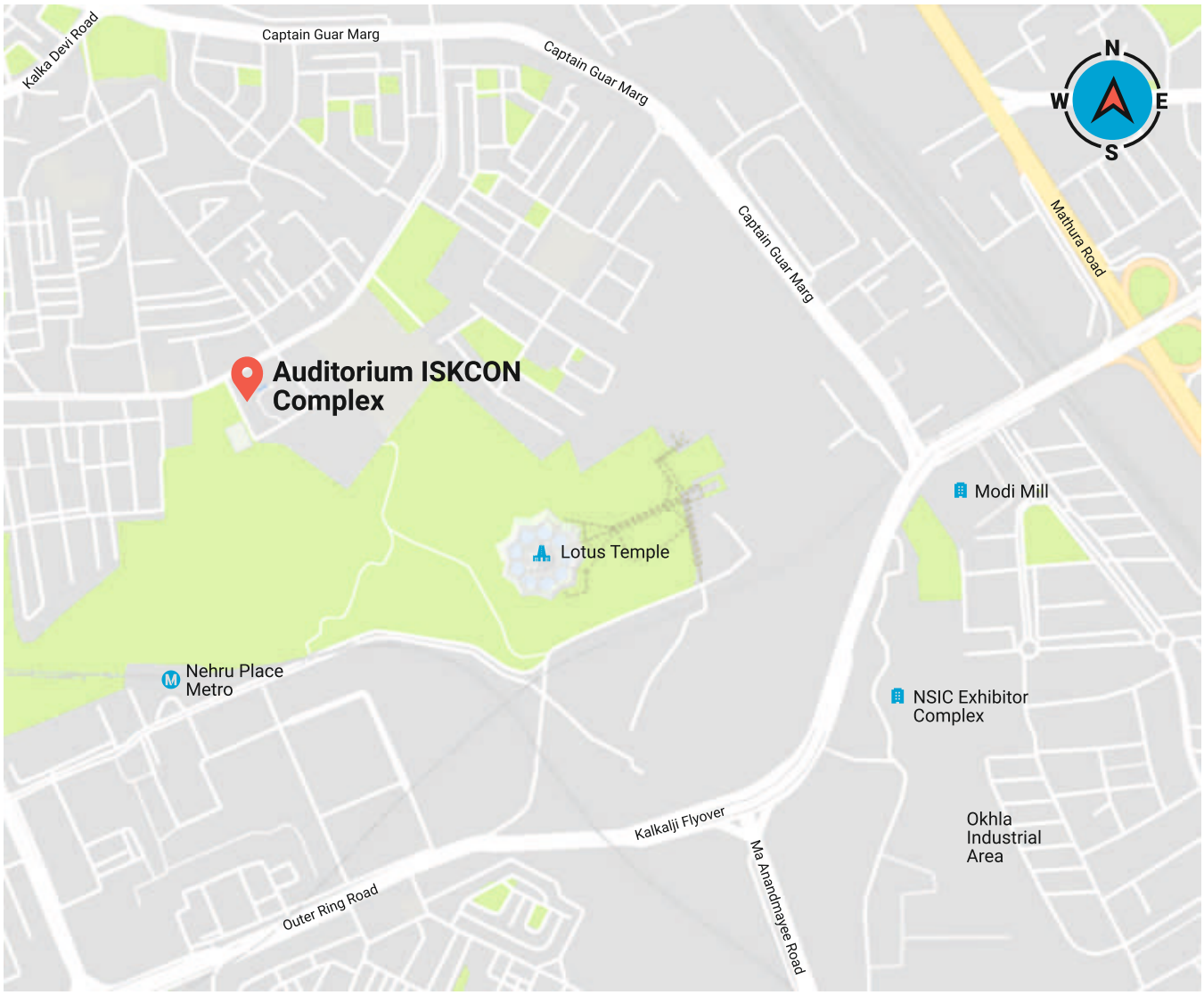
Full Name of Proxy:.....
(In BLOCK LETTERS)

Signature of Member/Proxy:.....

Date:.....

ROUTE MAP OF THE VENUE OF 26TH AGM

Auditorium ISKCON Complex, Hare Krishna Hill, Sant Nagar,
Main Road, East of Kailash, New Delhi - 110065



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

FORM NO. MGT 11

PROXY FORM

Name of the Member(s) : .....

Registered Address : .....

E-mail ID : .....

Folio No. / Client Id : .....

DP ID : .....

I/We, being the member(s) of ..... Shares of the Paisalo Digital Limited hereby appoint

1. Name: ..... E-mail Id.....

   Address: .....

   Signature: .....

2. Name: ..... E-mail Id.....

   Address: .....

   Signature: .....

3. Name: ..... E-mail Id.....

   Address: .....

   Signature: .....

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 26th Annual General Meeting of the Company, to be held on September 29, 2018 at 3:00 P.M. at Auditorium ISKCON Complex, Hare Krishna Hill, Sant Nagar, Main Road, East of Kailash, New Delhi-110065 and at any adjournment thereof in respect of such resolutions as are indicated below:

Res. No.	Resolutions	Optional	
		For	Against
Ordinary Business:			
1.	To adopt Financial Statements together with the Boards' and Auditors' Reports thereon for the financial year ended March 31, 2018.		
2.	To appoint a Director in place of Mr. Harish Singh, who retires by rotation and being eligible, offers himself for appointment.		
3.	To declare final dividend on fully paid-up Equity Shares for financial year ended on March 31, 2018.		
4.	To authorise Board of Director to fix remuneration of Statutory Auditors of the Company.		
Special Business:			
5.	To approve re-appointment and remuneration of Mr. Sunil Agarwal as Managing Director of the Company.		
6.	To approve re-appointment and remuneration of Mr. Harish Singh as Executive Director of the Company.		
7.	To appoint Mrs. Bhama Krishnamurthy as an Independent Director.		
8.	To appoint Mr. Anoop Krishna as Executive Director.		
9.	To appoint Mr. Sunil Srivastav as an Independent Director.		
10.	To fix borrowing power of the Board of Directors u/s 180 (1) (c) of the Companies Act, 2013.		
11.	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.		
12.	To consider and approve the issuance of Non-Convertible Debentures, in one or more series/tranches pursuant to Section 42 of the Companies Act, 2013.		

Signed on this ..... day of ..... 2018.

Signature of Shareholder: ..... Signature of Proxy holder(s): .....

Affix 1/-
Revenue
Stamp

PAISALO

EASY LOAN आसान लोन

Paisalo Digital Limited

FORMERLY KNOWN AS S. E. INVESTMENTS LIMITED

Registered Office :
101, CSC, Pocket 52
CR Park, Near Police Station
New Delhi-110019
Phone : + 91 11 4351 8888
Email : delhi@paisalo.in

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