

2022-2023

**31ST ANNUAL
REPORT**

**PAISALO
DIGITAL
LIMITED**

**“SUCCESS
ISN'T ABOUT
THE END
RESULT, IT'S
ABOUT WHAT
YOU LEARN
ALONG THE
WAY.”**

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

REPORTING PRINCIPLES

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

FORWARD-LOOKING STATEMENTS

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

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



CONTENT

02 - Letter to Shareholders	56 - Board's Report
12 - Paisalo's Promise	71 - Annexure A: Secretarial Audit Report for the Financial Year Ended March 31, 2023
14 - Success Story	75 - Annexure B: Annual Report on CSR Activities for Financial Year Ended March 31, 2023
16 - Company at a Glance	78 - Annexure C: Business Responsibility Report
18 - 3 Years Financial Highlights	111 - Annexure D: Details Pertaining to Employees
20 - ESG	112 - Corporate Governance Report
22 - Corporate Information	152 - Certificate of Non-Disqualification of Directors
26 - Our Presence	153 - Chief Executive Officer & Chief Financial Officer Certification
28 - Board of Directors	154 - Financial Statements
30 - Key Management	253 - Notice of 31 st AGM
32 - Business Segment	
38 - Management's Discussion and Analysis	



SUNIL
AGARWAL
Managing Director

All of our company's success is predicated upon the extraordinary conditions our silent partner-the Indian Government- creates. We recommend to all shareholders that when you see the Indian flag, say thank you.

Dear Shareholders,

Throughout FY 2022-2023, the global landscape was marked by a series of impactful events that reverberated across nations. The year was characterized by economic uncertainty, soaring inflation rates, volatile markets, and the enduring repercussions of the COVID-19 pandemic. These circumstances challenged governments, businesses, and individuals worldwide, demanding resilience, adaptability, and a collective response.

Amidst this backdrop, India stood united within its borders, demonstrating its strength and resilience in the face of adversity. The country's global leadership role gained recognition beyond its territorial boundaries. India's unwavering commitment to democracy, free enterprise, and enhancing its competitiveness resonated with the international community. The nation came together to ensure equal access to opportunities for all, fostering an environment where every individual can thrive and contribute to the nation's progress.

As a company deeply rooted in India, Paisalo recognizes its responsibility in safeguarding and fortifying the Indian economy. With operations spanning across multiple states, Paisalo is poised to make a meaningful contribution towards maintaining the nation's economic stability and security. By adhering to sound business practices and embracing its role as a responsible corporate citizen, Paisalo strives to play a vital part in the country's growth trajectory.

Despite the turbulent landscape and the rapidly changing macro environment, FY 2022-2023 emerged as another remarkable year for Paisalo. The company achieved impressive financial results, underpinned by a robust performance across its lending sectors. Revenue soared to INR 4,732 million, while the profit after tax amounted to INR 936 million. These figures exemplify the company's unwavering commitment to excellence and its ability to navigate challenges with resilience.

Paisalo's success can be attributed to its disciplined

approach to investing in the future. By making strategic investments in its franchise, the company ensured sustainable growth and solidified its market presence. With each line of business, Paisalo continued to set new records, establishing itself as a trailblazer within the industry.

Furthermore, Paisalo remained steadfast in maintaining its credit discipline and reinforcing its balance sheet. By striking a delicate balance between prudent risk management and strategic growth, the company upheld its commitment to providing reliable financial solutions to its customers. Through responsible lending practices, Paisalo extended credit facilities totalling INR 25,996 million to micro, small, and medium-sized individuals, businesses, and women entrepreneurs, empowering them to pursue their dreams and contribute to India's economic development.

Paisalo's dedication to its employees, shareholders, and stakeholders is unwavering. The company recognizes that its success is fuelled by the tremendous character and capabilities of its workforce, comprising over 1,650 employees. It is through their unwavering dedication, expertise, and commitment that Paisalo continues to create a positive impact in communities throughout the country. Shareholders and readers of this letter are invited to appreciate the extraordinary contributions made by Paisalo's people and join in the pride felt for their accomplishments.

Looking ahead, Paisalo remains resolute in its mission to contribute to India's progress and prosperity. The company will continue to adapt to the ever-evolving business landscape, capitalize on emerging opportunities, and drive inclusive growth. By embracing innovation, nurturing talent, and fostering collaboration, Paisalo aims to catalyse positive change and be a trusted partner in the nation's journey towards economic advancement and financial well-being for all.

I am deeply grateful and want to express my heartfelt appreciation to the remarkable workforce of Paisalo. Your exceptional character, capabilities,

and unwavering commitment to serving clients and communities have made a profound difference. Even in the face of adversity during these challenging times of the COVID-19 pandemic, you have demonstrated grace and fortitude, continuously providing invaluable support to our clients and communities.

At Paisalo, we have championed the essential role of Co-Lending in fostering community growth. We understand its power to unite people, empower companies and individuals to pursue their dreams, and serve as a source of strength. I often remind our employees that the work we do holds great significance and has a tangible impact. Through our financial solutions, we enable people and businesses to access the necessary funds to realize their aspirations. By uplifting micro, small, and medium-sized individuals, businesses, women entrepreneurs, and rural areas across the nation, we contribute to their growth and the overall development of our society.

Reflecting on the past three decades, starting from my tenure as CEO in 1989, it becomes evident that our success lies in the core pillars we have steadfastly upheld. Our financial discipline has been unwavering, allowing us to navigate challenges and maintain stability. Our constant investment in innovation has enabled us to stay at the forefront of the industry, delivering cutting-edge solutions to meet the evolving needs of our clients. Most importantly, our dedication to helping clients and communities has remained the driving force behind our actions. We understand the profound impact we can have on the lives of individuals and the growth of communities, and this awareness fuels our unwavering commitment.

Our achievements are not solely attributed to the strength of our financial offerings. It is our people who have been instrumental in our resilience and success. By continuously developing our workforce, nurturing their talents, and providing them with the necessary support, we have cultivated a team capable of rising above challenges and delivering exceptional results. It is through your dedication and unwavering commitment to serving borrowers and communities that we have persevered throughout the years.

As we look toward the future, our vision remains clear. We will continue to uphold our financial discipline, invest in innovation, and develop our people, as these elements are the foundation of our unwavering dedication to helping borrowers and communities across the country. Together, we will forge ahead,

empowering individuals, supporting businesses, and contributing to the prosperity and well-being of our society. Your unwavering commitment and contributions make me immensely proud, and I am confident that our collective efforts will lead us to even greater accomplishments in the years to come.

In addition to our core values, there are several steadfast tenets at Paisalo that deserve emphasis and focus.

First, while our stock is owned by large institutions, pension plans, mutual funds, and individual investors, it is important to recognize that the ultimate beneficiaries are individuals within our communities. More than 89 million people in the country invest in stocks, and a significant number of them, in various capacities, hold Paisalo shares. Among these individuals are veterans, teachers, police officers, firefighters, healthcare workers, senior citizens, and those saving for important life goals such as a home, education, or retirement. As the management team, we carry the immense responsibility of serving our shareholders, understanding the impact it has on these individuals and their aspirations.

Second, although our focus is not solely on the short-term stock price, we acknowledge that our long-term stock performance reflects the progress we have made over the years. This progress is a result of our continuous investments in our people, systems, and products, regardless of the prevailing circumstances. Looking back at the past five years, these investments have driven our stock's outperformance of the Sensex and Nifty50 indices. Moreover, these strategic investments will continue to shape our company's future prospects, positioning us for sustainable growth and prosperity in the decades ahead.

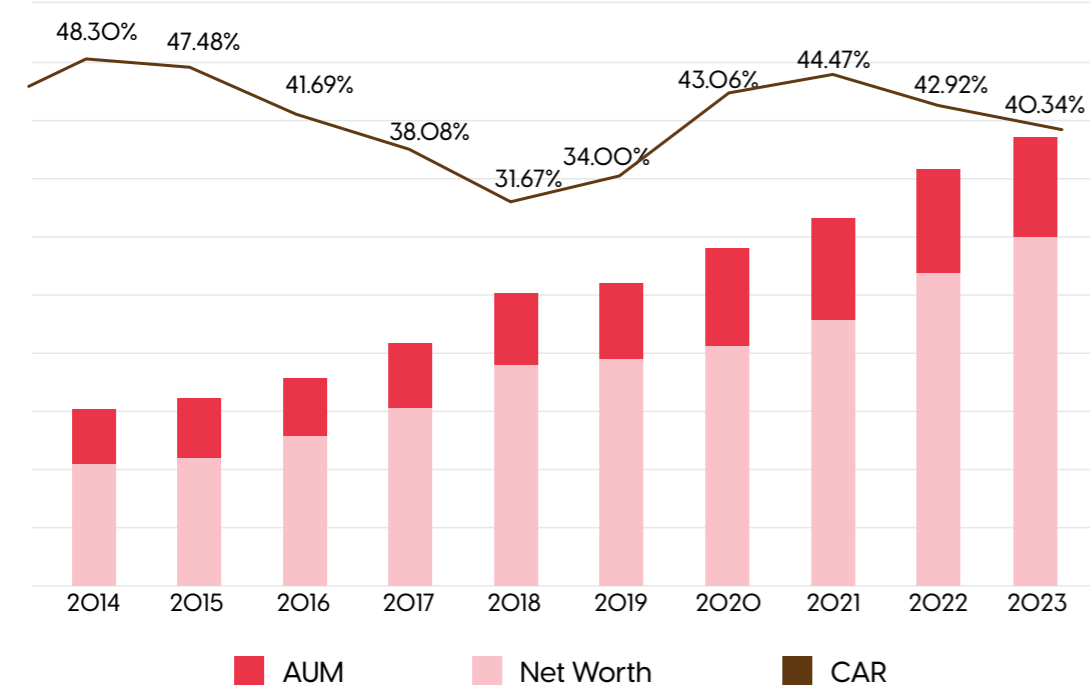
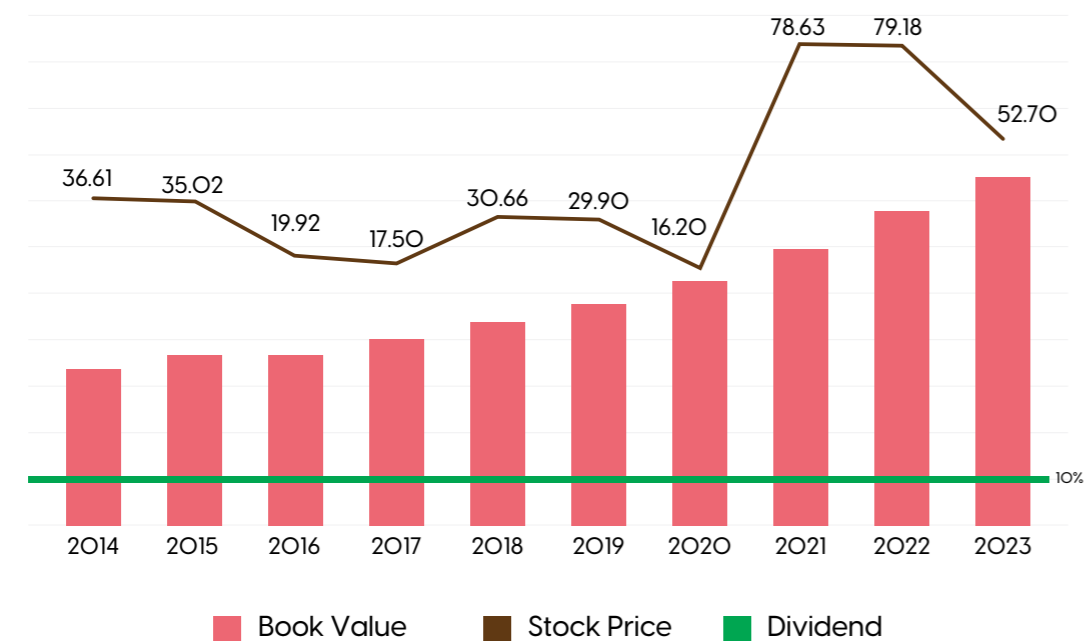
Third, our success and accomplishments are deeply rooted in our commitment to our shareholders. We recognize that shareholder value can only be built and sustained by nurturing a healthy and vibrant company. This entails taking care of our customers, employees and communities. Neglecting any of these stakeholders would undermine the foundation of a robust organization. We have learned through experience that it is possible to demonstrate compassion for our employees and communities while upholding shareholder value. Striking the right balance allows us to foster long-term success and create shared value for all.

Fourth, we have consistently described to you, our shareholders, the basic principles and strategies we use to build this company— from maintaining a robust balance sheet, constantly investing and nurturing talent to fully satisfying regulators, continually improving risk, governance and controls, and serving customers and clients while lifting up communities. Adhering to our basic principles and strategies allows us to drive good organic growth and properly manage our capital (including dividends), as we have consistently demonstrated over the past decades.

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

Sixth, all of our company's success is predicated upon the extraordinary conditions our silent partner—the Indian Government—creates. We recommend to all shareholders that when you see the Indian flag, say thank you. As a healthy and thriving company, we are committed to giving back and fulfilling our tax obligations responsibly to maximize our positive impact. Over the past 10 years, we have paid INR 2,591.32 million in taxes, exemplifying our commitment to contribute to the nation's progress.

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



Understanding the community

Our vision is simple and unchanged: At Paisalo, our promise is to empower India's underbanked and unbanked population through accessible and inclusive financial solutions. To that end, it is imperative that we run a healthy, vibrant and responsible company. In addition to traditional lending, we do a lot to help the communities in which we operate, which, in turn, provides the foundation for increased opportunity and prosperity for all. Together, we are actively building a financially inclusive India where every dream finds support, and every endeavour receives the opportunity to thrive. With our relentless efforts and unwavering commitment, we are driving positive change, enabling the underbanked and unbanked population to unlock their full potential and contribute to the nation's progress.

We have released a set of guiding principles that govern our business operations, infused with our core values. These principles serve as a unifying force for our company, connecting 1052 touch-points across 18 states. In addition to these guidelines, we have recently formulated a clear and concise purpose statement, "Bharat, Ab Rukna Nahi," which combines our values with our everyday business practices, elucidating how we have conducted ourselves for many years.

While we take pride in our company's rich history and its pivotal role in driving economic growth, we recognize the significant advantages of being a purpose-driven organization. Research has consistently demonstrated that companies with a strong sense of purpose achieve superior business outcomes and make a greater impact by prioritizing the well-being of their customers, employees, and shareholders.

By documenting our purpose, our primary aim is to invigorate our employees, distinguish our company from competitors, and inspire our organization to foster innovation on behalf of our clients, colleagues, and communities. We firmly believe that this clarity of purpose will propel us forward, enabling us to better

serve our stakeholders and contribute meaningfully to their success.

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

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

We are delivering this approach through our High Tech-High Touch Model, unique spaces in the heart of semi-urban and rural communities. We have total 1052 touchpoints across 18 states in FY23. These touchpoints host grassroots community events, small business mentoring sessions and financial health seminars.

We have hosted community leaders and small business customers who have shared their sense of pride and optimism about what these touch-points mean for their community. Our employees are always at the front and at the centre of these events, connecting people to one another and forging new relationships.

Being the Lender of choice for all is our goal and we want everyone to feel welcomed here and be able to contribute to our core mission to the best of their ability. Looking forward, Paisalo envisions itself as the leading non-banking finance company dedicated to serving the underbanked and unbanked population of India.

Competitive Threat

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

NeoBank's and FinTech's, have it easier as they do not have to abide by certain regulatory or social requirements. Other start-up companies providing banking-type services have lakhs of accounts that hold consumer money, process payments, access bank accounts and extensively use and may distribute customer data. I can go on and on, but suffice it to say, we must be prepared for this trend to continue until these companies are brought under the Regulatory scanner.

Meeting regulatory requirements is of utmost importance to us, with the Reserve Bank of India serving as our primary regulator. These regulations encompass various aspects, including stress testing, reporting, compliance, legal obligations, and surveillance, among others. While the business functions as the first line of defense in addressing these matters, we have a dedicated team of 29 compliance professionals, 31 risk experts, and 14 lawyers who actively work every day to ensure strict adherence to both the letter and the spirit of these rules. Additionally, our audit function serves as the final line of defense, further reinforcing our commitment to regulatory compliance.

The competition in the lending industry is intensifying, not only among traditional banks and NBFCs but also

with the emergence of fintech's and large technology companies. This trend is significantly impacting the role of lending in the global financial system. The rate at which this transformation is occurring, as well as the scale of the competition, is extraordinary and rapidly increasing.

For instance, retail giant JioMart, with its vast customer base, can leverage new digital technologies to efficiently provide banking services to their customers. Similarly, Apple's entry into India with their first two retail stores, already established in banking-type services through Apple Pay and the Apple Card in the USA, it might start expanding into other related areas such as payment processing, credit risk assessment, person-to-person payment systems, merchant acquiring, and buy-now-pay-later offerings. Moreover, large technology companies, being entirely digital, possess hundreds of millions of customers and extensive resources in terms of data and proprietary systems, granting them a significant competitive advantage.

Despite these challenges, we remain confident in our ability to thrive by staying vigilant, driven, adaptable, agile, and disciplined. By embracing these qualities, we are confident in our capacity to continue building our company's success amidst this rapidly evolving landscape.

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

As they adopt new technologies like cloud, artificial intelligence (AI) and digital platforms, NBFCs have an advantage in being able to leverage their large customer base to offer increasingly comprehensive products and services, often at no additional cost. While many fintech companies specialize in one area,

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

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

To ensure our business thrives in the present and future landscape, we are undertaking several actions:

1. Recognizing the evolving profitability dynamics, we acknowledge that holding certain types of credit, loans, or similar assets has become less lucrative due to stringent capital requirements. Consequently, we are strategically allocating credit where it makes more sense, while focusing on generating granular credit-related revenue to maximize profitability for our NBFC.
2. We are implementing more stringent management and execution of our business strategies. This entails repricing certain business segments, phasing out less profitable products, optimizing the business mix for individual clients, and adopting a more rigorous approach to client selection and resource optimization.
3. We are actively exploring new strategies for capital optimization. This includes forging more co-lending partnerships and potentially expanding into cross-selling opportunities in the future, among other possibilities. By leveraging these avenues, we aim to enhance our capital efficiency and overall business performance.
4. We possess the capability to incorporate low-capital or no-capital revenue streams into our operations. For example, we are exploring opportunities such as Business Correspondent services and other relevant offerings that can generate revenue without significant capital requirements.

By implementing these measures, we strive to ensure the long-term success and profitability of our business

in the ever-evolving market landscape. You will see that we have many growth opportunities in front of us and our plans to attack them. We face the future and the new competition, large and small, with confidence, strength and a dash of humility.

Management Lessons

Great management and leadership are critical to any large organization's long-term success, whether it is a company or a country. Strong management is disciplined and rigorous. You can never do enough, and it does not end. But creating an exceptional management team is an art, not a science.

Consider our most important investment: our people, who in accounting terms are not even considered an asset. But we all understand the value of building a great team.

In the following section, I will share some valuable management lessons I have learned over time through observation, personal successes, and failures:

1. I have previously discussed the distinction between good and bad revenue and expenses. Certain expenses, such as establishing well-designed and strategically located branches, represent long-term investments of significant value. Conversely, poorly underwritten credit may generate revenue that will ultimately lead to regrets.
2. It is not the individual but the highly coordinated activities of the team that deliver the championship.
3. When any value is based on models, it is essential to test the sensitivity of the outcomes against changes in assumptions. Understanding the range of potential outcomes holds far more significance than relying solely on the point estimate produced by a model. In some instances, an average outcome may appear excellent, but it could carry a significant risk of failure.
4. In the lending sector, specific examples demonstrate how blindly adhering to accounting and capital rules without considering the outcomes can lead us astray. While I will describe one example, there are countless others:

- a. If we create a loan and sell it at a profit above par, we have generated value, regardless of whether it remains on our balance sheet. Furthermore, if we establish a loan while forging a client relationship and simultaneously generating additional capital-light revenue, we have created long-term value that can be nurtured and expanded. This is what we refer to as franchise value.
5. Merely focusing on interest rates or credit risk does not constitute a comprehensive business approach. These aspects can be managed by a single individual and a computer; there is no need for 1650 people circling the country to accomplish this.
6. Another example pertains to businesses based on branches. Let's say I develop a system with well-designed and strategically located branches staffed by well-trained personnel who offer exceptional products and services, continuously striving for improvement. On the other hand, you establish a branch system with outdated sites, undertrained and underpaid staff, and lower-quality products and services. In this scenario, my branch system will consistently outperform yours. One system possesses high franchise value, delivering self-perpetuating high returns, while the other is likely headed towards eventual failure.
7. All investors should be treated fairly and with respect.
8. Explaining your business to investors, comparing yourself with competitors, and evaluating the overall performance of your business, encompassing sales, marketing, returns, growth, risks, and strategic opportunities, is an incredibly beneficial exercise.
9. While many businesses, including NBFCs like

us, claim to prioritize customers, we take it a step further by emphasizing our commitment to being there for them through good and bad times. However, the lending industry is complex, and this customer-centric approach requires further explanation. In our business, we serve as financial partners to our clients. While we strive to build strong client relationships based on trust over the long term, our role involves intricacies. Not every transaction needs to make economic sense individually; what matters is the overall client relationship year after year. Regardless of the transaction, we must be appropriately compensated for the extraordinary risks we bear. We understand that clients often seek the lowest price, and we acknowledge that NBFCs/Banks sometimes willingly undertake certain transactions for clients at a loss. There are also occasions when we need to advise a client against a specific financial transaction if it would be imprudent for both parties involved.

- a. For instance, suppose one of our strong clients is solely focused on securing the best price for a loan. If we believe that the desired price is unwise and another institution is willing to offer it, we would recommend that the client pursue that option. From our perspective, this is purely a counterparty risk consideration and not a fundamental aspect of our core relationship.

10. Fundamentally, prioritizing the client means consistently providing them with the products and services they need, even if they choose to go elsewhere due to price considerations. It means our entire team working diligently and reliably to support them. Above all, one of the most important roles we play for our clients is being a steady and reliable hand, ensuring their financial safety and security at every turn.
11. Authorized and coordinated by the board, directors should have unrestricted access to management, including those who report directly to the CEO. During board meetings, to foster open and unrestricted discussions, the full board should convene in executive sessions without the presence of the CEO or other members of management. Independent directors must ensure that they have sufficient

time for these sessions. This practice allows the board to engage in candid conversations and provide valuable feedback to the CEO and the management team. A good CEO, striving to perform their best, should appreciate this important feedback and recognize the challenges of gathering input from a large group. Such high-quality discussions among board members cultivate collaboration and facilitate effective succession planning, as each meeting should include genuine conversations on this crucial topic. These meetings foster the invaluable virtues of collaboration and trust.

12. Succession planning is also responsibility of our board, and it is an important item discussed during board meetings, whether I am present or not. We have already developed a comprehensive business continuity plan in case of unforeseen circumstances. Additionally, we have identified a successor candidate who is well-known to the board and the investors. Rest assured, our board members have diligently addressed this matter and are confident in our current state of affairs.

“ In Closing

I want to convey my heartfelt gratitude and sincere appreciation to the dedicated team of 1650+ employees at Paisalo, along with their families. Through this letter, I hope that shareholders and all readers will come to recognize the exceptional qualities and skills possessed by our employees, and how they consistently contribute to the betterment of communities across the country. I hope that you share the same sense of pride in them as I do.

Sunil Agarwal
Managing Director and CEO



Paisalo's Promise

At Paisalo, our promise is to empower India's unbanked population through accessible and inclusive financial solutions. Our company is committed to bridging the gap between financial institutions and the underserved, thereby creating avenues for economic growth and social upliftment. We firmly believe in enabling individuals and communities to become self-reliant and nurturing an action-oriented spirit through our services and communication. Looking forward, Paisalo envisions itself as the leading non-banking financial company (NBFC) dedicated to serving the unbanked population of India. We aspire to create a future where every individual, regardless of their socio-economic background, has equal

access to financial resources and services. To achieve this, we leverage technology, promote financial literacy, and embrace a customer-centric approach. Our goal is to become the trusted lender for our customers, empowering them to attain financial independence and enhance their quality of life. Together, we are actively building a financially inclusive India where every dream finds support, and every endeavor receives the opportunity to thrive. With our relentless efforts and unwavering commitment, we are driving positive change, enabling the unbanked population to unlock their full potential and contribute to the nation's progress.



अर्थ: समाजस्य न्यासः

AB RUKNA NAHI.

Name - Sunita

Profession - Animal Husbandry

Village - Baroli Ahir

District – Agra

Sunita, a determined and resilient individual, faced challenges as a small business owner in buffalo rearing. Refusing to accept defeat, she sought to improve her circumstances. Through Paisalo Digital Limited, she secured a loan and rebuilt her business, becoming an inspiration in her community. Sunita's story showcases the power of determination and the potential for transformation. Her journey reminds us that even in the darkest times, there is hope for a brighter future. With the right support and commitment, individuals can overcome adversity and achieve remarkable success.



Name - Komal

Profession - Animal Husbandry

Village - Baroli Ahir

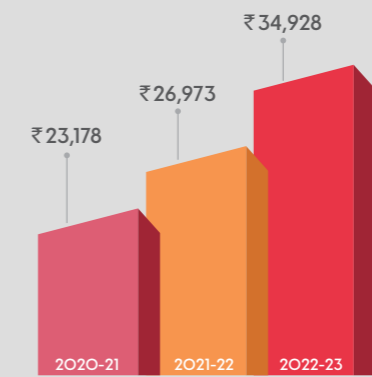
District – Agra

Komal, a tenacious and determined individual has established a flourishing buffalo-rearing enterprise. Despite the challenges she encountered in providing for her family, Komal's unwavering spirit propelled her to build her business from the ground up. With the invaluable assistance of Paisalo Digital Limited, she secured a loan and embraced personal responsibility, surmounting obstacles and edging closer to a more promising life. Today, Komal's buffalo-rearing venture thrives, serving as a testament to her unwavering determination and relentless pursuit of excellence. We take immense pride in being part of Komal's extraordinary journey and remain steadfast in our commitment to supporting small business owners.

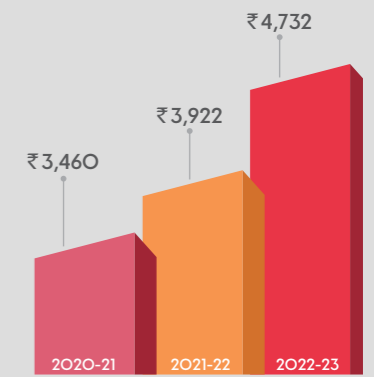


Company at a Glance

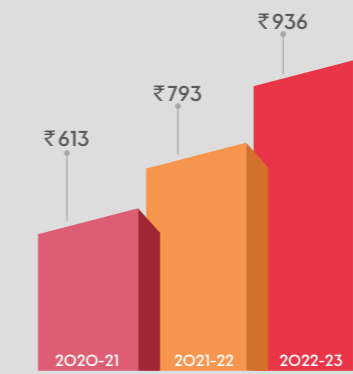
as on 31st March 2023



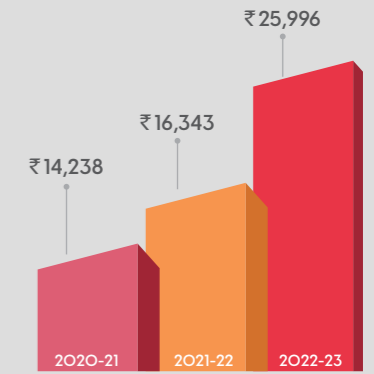
Assets Under Management* (INR in Million)



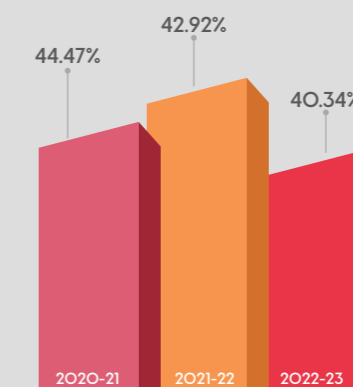
Revenue* (INR in Million)



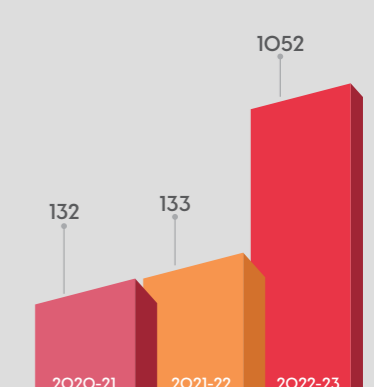
Profit After Tax* (INR in Million)



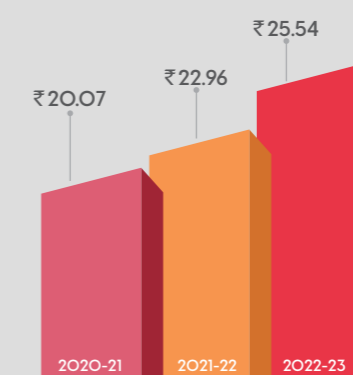
Disbursement (INR in Million)



Capital Adequacy Ratio (CAR)%

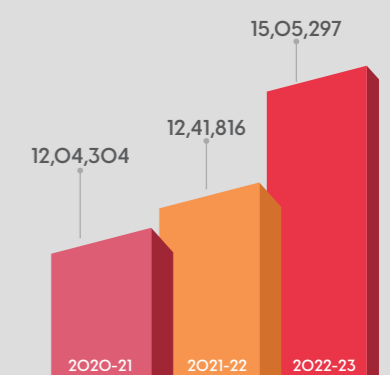


Touch Points



Book Value*

Book Value of Share of INR1 Each (FV) INR*



Lives Touched

*Face value of shares readjusted to Re. 1/- each for previous years for calculating book value of shares

*Consolidated figures

3 YEARS FINANCIAL HIGHLIGHTS

S. No.	Parameters	2021	2022	2023
1	AUM*	₹ 23,178	₹ 26,973	₹ 34,928
2	Revenue from Operations*	₹ 3,460	₹ 3,922	₹ 4,732
3	PAT*	₹ 613	₹ 793	₹ 936
4	Cash Accrual*	₹ 650	₹ 825	₹ 969
5	Net worth	₹ 8,619	₹ 10,241	₹ 11,610
6	Total Debt	₹ 14,814	₹ 15,989	₹ 18,567
7	Debt Equity Ratio	1.72	1.56	1.60
8	Gross NPA	0.72%	1.52%	0.25%
9	NET NPA	0.57%	1.26%	0.02%
10	ROA	2.66%	3.09%	3.02%
11	ROE	7.07%	7.69%	7.90%
12	CAR	44.47%	42.92%	40.34%
13	Bad Debts w/o Net	₹ 353	₹ 363	₹ 441
14	Bad Debts Recovered	₹ 111	₹ 120	₹ 177
15	Book Value	₹ 20.07	₹ 22.96	₹ 25.54
16	Touch Points	132	133	1052

₹ in Millions

*Consolidated figures

Total geographic footprint stood at to 1052 touch points (220 Branches + 432 Business Correspondent CSPs + 400 Distribution Points)

ESG

AT A GLANCE



₹ 4,732 Mn
Revenue

₹ 3,381.98 Mn
EBITDA

₹ 936 Mn
PAT

3.02%
ROA

7.90%
ROE

1650
Employment Generation



Centralized process, real time credit credential and character check

18

States

66,000

Small and medium businesses helped

Innovative financial lending product and service

1052

Touch Points

3125 Pincodes

Digital platform in



Gender Equality



Reduced Inequalities



Health and Well being



Peace, justice and strong institutions

15,05,297

Customer Served

150+ years experience

Board of Directors

06

Independent Directors

6,06,294

Women Customers



Climate Action



Responsible Consumption and Production

SOURCING

and Servicing Digital Process

PAPER

Consumption Minimal

CASHLESS

Disbursement 100%

CASHLESS

Collection 92%

CORPORATE INFORMATION

Board of Directors

Mr. Sunil Agarwal
Managing Director &
Chief Executive Officer

Mr. Harish Singh
Executive Director &
Chief Financial Officer

Mr. Santanu Agarwal
Deputy Managing Director

Mr. Anoop Krishna
Executive Director

Mr. Naresh Kumar Jain
Independent Director

Mr. Gauri Shankar
Independent Director

Mr. Raman Aggarwal
Independent Director

Mrs. Nisha Jolly
Independent Director

Mr. Vijuy Ronjan
Independent Director

Mr. Nirmal Chand*
Independent Director

Key Managerial Personnel

Mr. Manendra Singh
Company Secretary &
Compliance Officer

Statutory Auditors

M/s Manish Goyal & Co.
Chartered Accountants
(Firm Registration no. OO6O66C)

Committees

Audit Committee

Mr. Gauri Shankar
Chairman

Mr. Harish Singh
Member

Mr. Naresh Kumar Jain
Member

Stakeholders Relationship Committee

Mr. Naresh Kumar Jain
Chairman

Mr. Nirmal Chand*
Member

Mr. Raman Aggarwal
Member

Nomination and Remuneration Committee

Mr. Raman Aggarwal
Chairman

Mr. Nirmal Chand*
Member

Mr. Vijuy Ronjan
Member

Risk Management Committee

Mr. Gauri Shankar
Chairman

Mr. Sunil Agarwal
Member

Mr. Harish Singh
Member

Mr. Gaurav Chaubey
Member

Asset Liability Management Committee

Mr. Sunil Agarwal
Chairman

Mr. Harish Singh
Member

Mr. Gaurav Chaubey
Member

Corporate Social Responsibility Committee

Mr. Harish Singh
Chairman

Mr. Sunil Agarwal
Member

Mr. Vijuy Ronjan
Member

Operations and Finance Committee

Mr. Harish Singh
Chairman

Mr. Sunil Agarwal
Member

Mrs. Nisha Jolly
Member

IT Strategy Committee

Mrs. Nisha Jolly
Chairman

Mr. Harish Singh
Member

Mr. Santanu Agarwal
Member

Mr. Kailash Singh
Member

IT Steering Committee

Mr. Harish Singh
Chairman

Mr. Santanu Agarwal
Member

Mr. Kailash Singh
Member

*Ceased to be the Director and Member of the Board & Committees respectively w.e.f July 19, 2023

Bankers

- a. Bank of Baroda
- b. State Bank of India
- c. Punjab National Bank
- d. Canara Bank
- e. Bank of India
- f. Bank of Maharashtra
- g. IDBI Bank Limited
- h. The South Indian Bank Ltd.
- i. UCO Bank
- j. Union Bank of India
- k. Dhanlaxmi Bank Ltd.
- l. The Karnataka Bank Ltd.
- m. CSB Bank Limited
- n. Indian Bank

31st AGM Details

31st Annual General Meeting scheduled on Thursday, September 21, 2023 at 2:45 PM (IST).

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

Registrar and Transfer Agent

Alankit Assignments Ltd.

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

Listing of Securities

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

Secured Non – Convertible Debentures :
BSE Limited (BSE)

Depository Receipts :
Societe De La Bourse De Luxembourg

Registration Number

Corporate Identification Number(CIN):
L65921DL1992PLC12O483

RBI Registration Number:
B-14.O2997

Yeh woh hai,
Jo darte nahi,
Jo rukte nahi

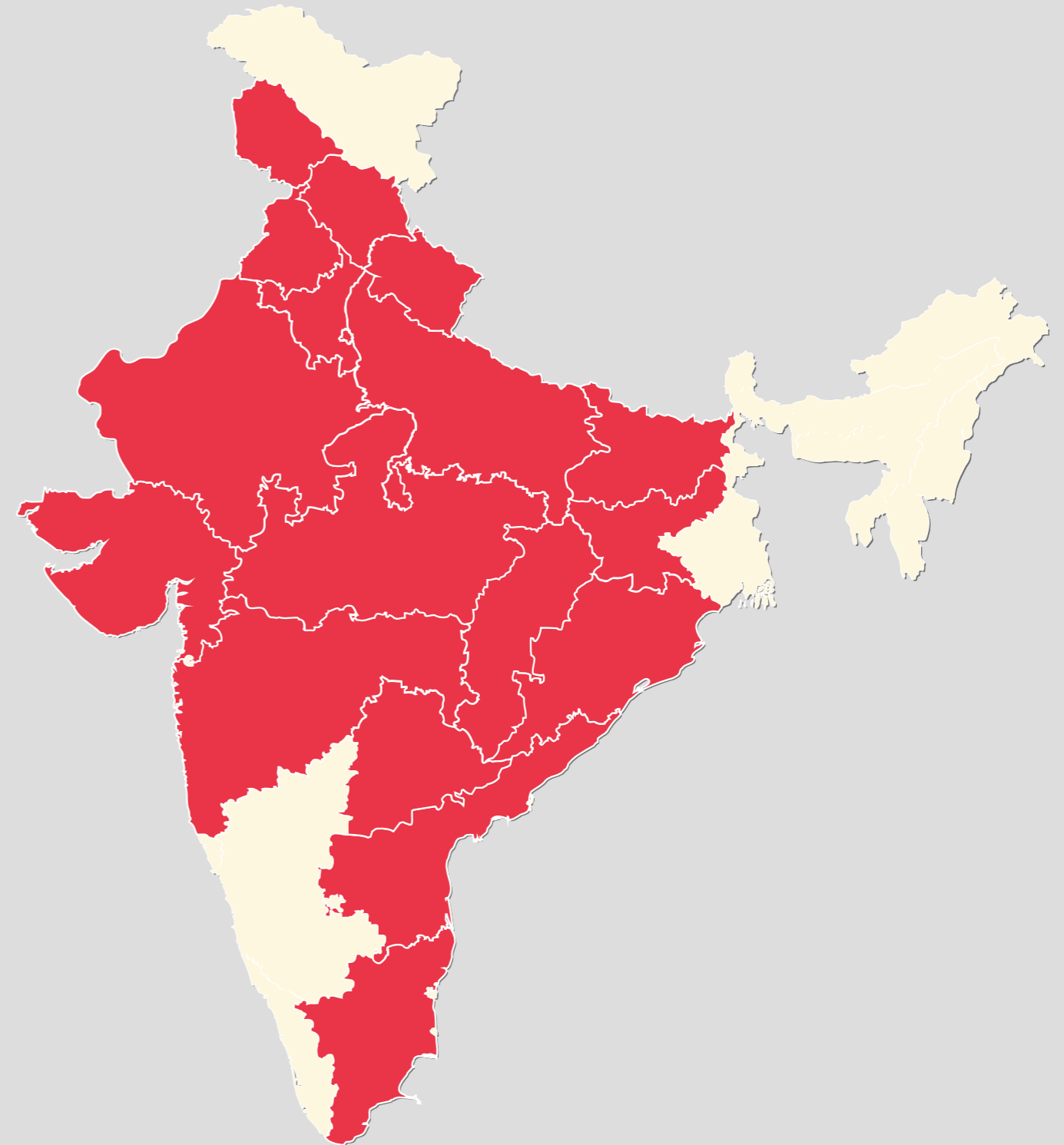
Toh Bharat,
AB RUKNA NAHI.

OUR PRESENCE

1052 TOUCH POINTS

15 LAKH+ LIVES TOUCHED

18 STATES



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

BOARD OF DIRECTORS

BOARD OF DIRECTORS



Mr. Sunil Agarwal
Managing Director & CEO



Mr. Anoop Krishna
Executive Director



Mr. Gauri Shankar
Independent Director



Mr. Vijuy Ronjan
Independent Director



Mr. Raman Aggarwal
Independent Director



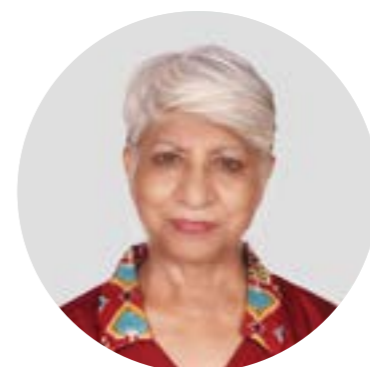
Mr. Santanu Agarwal
Deputy Managing Director



Mr. Harish Singh
Executive Director & CFO



Mr. Naresh Kumar Jain
Independent Director



Mrs. Nisha Jolly
Independent Director



Mr. Nirmal Chand
Independent Director
(Up to 19-07-2023)

KEY MANAGEMENT TEAM



Mr. Sunil Agarwal
Managing Director & CEO



Mr. Anoop Krishna
Executive Director
(Strategy & Planning)



Mr. Samresh Agarwal
Chief Recovery Officer



Mr. Kailash Singh
Chief Information Officer



Mr. Harish Singh
Executive Director
(Operations) & CFO



Mr. Anurag Sinha
Chief Operating Officer



Mr. BVSKT Bhaskar
SVP Retail



Mr. Sushant Sharma
VP IT



Mr. Santanu Agarwal
Deputy Managing Director



Mr. Manendra Singh
Company Secretary &
Compliance Officer



Mr. Gaurav Chaubey
Chief Credit Officer



Ms. Nishtha Sharma
VP Marketing



Mr. S.G. Dubey
VP Legal



Mr. Rajeev Seth
VP MSME

Business Segment

SMALL INCOME GENERATION

UMEED LOAN

"Umeed" in English translates to hope and that is what we aim to do with this product. Through this product, we wish to not just provide the means but also give them the encouragement and confidence to change their lives. It revolutionizes lending by bridging the gap between regulated traditional institutions and underserved communities. Using the high tech, high touch approach and alternative indicators, "Umeed" assesses credit worthiness beyond traditional metrics, unlocking opportunities for individuals. We simplify the application process by providing quick responses and transparent terms.

PRAGATI LOAN

"Pragati" translates to 'progress' in English. This lending product is designed to enable and empower the individuals seeking financial assistance. "Pragati" Provides the means and the strength to a customer to take action and progress towards their goals. By leveraging a comprehensive evaluation process and using digital tools, the product assesses creditworthiness beyond traditional ways and takes into account the basic intentions and potential of the individual. The streamlined application process ensures ease of access, with timely approvals. "Pragati" promotes their financial progress, fostering long-term stability and inclusion. It represents a transformative solution for individuals seeking to achieve their goals and contribute to their overall economic well-being.

VIKAS LOAN

"Vikas" translates to 'development' in English. It is a lending product bringing individuals closer to their financial goals. By recognizing the unique challenges faced by borrowers seeking further financial assistance, "Vikas" aims to focus on their potential and development. Through our technological tools and seamless process, there is ease of access and quick approvals. With "Vikas," borrowers can embark on a path of financial empowerment and personal growth.



MOBILITY LOAN

GATI LOAN

"Gati" translates to 'pace' in English. It is a lending product specifically designed to promote financial inclusion by providing financing solutions for auto rickshaw drivers. With a focus on empowering this segment of the population, "Gati" offers accessible loans tailored to the unique needs of auto rickshaw drivers, enabling them to expand their businesses, upgrade their vehicles, and improve their livelihoods.

The simplified application process ensures quick approvals and customer satisfaction. By promoting financial inclusion for auto rickshaw drivers, "Gati" serves as a catalyst for economic growth, empowering individuals to drive to their dreams.

RAFTAAR LOAN

"Raftaar" translates to 'speed' in English. It is a unique lending product catering to small vehicle owners. Recognizing the importance of these vehicles for transportation and livelihoods, "Raftaar" provides accessible loans to empower small vehicle owners. The product was designed keeping in mind the pace of change and the size of the competition that a customer faces. Through this product we aim to propel him in the right direction and achieve his goals.

Through our high tech, high touch approach we understand the customer's requirements, his credit history and his intentions.

READY STEADY GO LOAN

"Ready Steady Go" is a lending product built around a customer who wants to buy a pre-owned car. We at Paisalo recognise wants and needs of every kind and hence aim to provide the means to achieve them. We extend our seamless process and high tech, high touch approach to implement this product for our customers.

DO KA DUM LOAN

"Do Ka Dum" is a lending product offering financing solutions specifically designed for two-wheeler purchases. Recognizing the significance of two-wheelers for personal transportation and economic empowerment, "Do Ka Dum" provides accessible loans to enable individuals to own their own two-wheelers. With the plethora of existing products in the market, we have designed this product representative of our triple A strategy - Available, aware, affordable. Prioritizing customer relationships and ease of business is what truly distinguishes it from our competitors.

ENTREPRENEURIAL LOAN

UDAAN LOAN

"Udaan" translates to 'fly' in English. It is a lending product that promotes financial progression by providing Small Business loans of up to 20 lakhs. Designed to empower entrepreneurs and small business owners, "Udaan" offers accessible financing solutions to fuel business growth and expansion. With a streamlined application process and quick approvals, the product ensures ease of access to capital for underserved entrepreneurs. "Udaan" not only helps existing small business owners but also a customer who wishes to do something of their own from scratch like female homemakers. "Udaan" empowers entrepreneurs to realize their ambitions, drive economic growth, and contribute to the overall development of their communities.

CORPORATE

Corporate Loan is a lending product that promotes financial progression by providing Business loans of 500 lakhs. Designed to empower entrepreneurs and business owners, CL offers accessible financing solutions to fuel business growth and expansion. With a streamlined application process, the product ensures ease of access to capital for entrepreneurs and business owners. CL empowers entrepreneurs and business owners to realize their ambitions, drive economic growth, and contribute to the overall development of their communities.



BUSINESS CORRESPONDENT

Paisalo Digital Limited entered into a Business Correspondent Agreement with State Bank of India as National BC (Code-1A99) of SBI. The larger aim is provide seamless banking solutions to unbanked and underbanked groups at an affordable cost, promoting financial inclusion as a whole. BCs enable us to expand outreach and offer a range of banking services at a low cost. BCs, thus, are an integral part of a business strategy for achieving greater financial inclusion. Under the agreement with SBI as the National Business correspondent, the Company is permitted to perform a variety of banking activities via its CSP outlets. The financial services offered by BCs range from Account Opening, Savings Bank Deposits, Fixed Deposits, Recurring Deposits, Remittances, Micro Pension, Micro Insurance, Micro Credit, and Recovery, etc.; or any other product as approved by RBI/ DFS/ Bank.

Currently, our presence through Bank CSP is in 432+ locations across 18 states. In financial year 2023-24, we have received a mandate of 2000 codes from SBI, which will be rolled out by March 2024.



MANAGEMENT'S DISCUSSION AND ANALYSIS



GLOBAL ECONOMY

With the mounting effects of the past three years of adverse impact mainly by the COVID-19 pandemic and Russia-Ukraine crisis, the global economy is yet again at a highly uncertain moment. Last year in many economies the inflation reached at a very high level caused by low demand, supply disruptions and hike in commodity price. This lead central banks to tighten aggressively to bring inflation back toward their targets and keep inflation expectations anchored.

The unexpected failures of two specialized regional banks in the United States in mid-March 2023 and the collapse of confidence in Credit Suisse—a globally significant bank—have fret financial markets, with bank depositors and investors re-evaluating the safety of their holdings and shifting away from institutions and investments perceived as vulnerable. As a result of this bank equities have come under extreme pressure and other broad equity indices across major markets have also fallen below their levels prior to the turmoil. Despite strong policy actions to support the banking sector and reassure markets, some depositors and investors have become highly sensitive to any news, as they struggle to discern the breadth of vulnerabilities across banks and nonbank financial institutions and their implications for the likely near-term path of the economy. Financial conditions have tightened, which is likely to entail lower lending and activity if they persist.

In its June 2023 edition of Global Economic Prospects World Bank reported that after growing 3.1 percent last year, the global economy is set to slow substantially in 2023, to 2.1 percent, amid continued monetary policy tightening to rein in high inflation, before a tepid recovery in 2024, to 2.4 percent. Tight global financial conditions and subdued external demand are expected to weigh on growth across emerging market and developing economies.

With the recent increase in financial market volatility and multiple indicators pointing in different directions, the fog around the world economic outlook has thickened. Uncertainty is high, and the balance of risks has shifted firmly to the downside so long as the financial sector remains unsettled. The emergence of stress in financial markets is complicating the task of central banks at a time when inflationary pressures are proving more persistent than anticipated. Before the recent stress episodes, interest rates in advanced economies had risen sharply and were more aligned

with central bank communications about the need to keep monetary policy restrictive for longer. Since then, investors have sharply repriced downward the expected path of monetary policy in advanced economies. They now anticipate central banks to begin easing monetary policy well in advance of what was previously forecast. Inflation, however, has remained uncomfortably well above target. After having significantly increased their securities holdings during the pandemic, central banks have started to reduce their balance sheets. This normalization process could pose challenges for sovereign debt markets at a time when liquidity is generally poor, debt levels are high, and additional supply of sovereign debt will have to be absorbed by private investors

The major forces that affected the world in 2022—central banks' tight monetary stances to allay inflation, limited fiscal buffers to absorb shocks amid historically high debt levels, commodity price spikes and geo economic fragmentation with Russia's war in Ukraine, and China's economic reopening—seem likely to continue into 2023. But these forces are now overlaid by and interacting with new financial stability concerns, particularly for advanced economies hard landing has become a much larger risk. Policymakers may face difficult trade-offs to bring sticky inflation down and maintain growth while also preserving financial stability.

Further, the impact of tighter monetary and financial conditions could be amplified because of financial leverage, mismatches in asset and liability liquidity, and high levels of interconnectedness within the NBFIs sector and with traditional banking institutions.

These events have been a reminder that funding can disappear rapidly amid widespread loss of confidence. Shifting patterns of deposits across different institutions could raise funding costs for banks which could restrict their ability to provide credit to the economy.

In the event of more widespread banking sector stress, global growth could be weaker than anticipated. To restore price stability monetary policy should stay the course, and fiscal policy should aim to tone down the cost of living pressures while maintaining a sufficiently tight stance aligned with monetary policy. Structural reforms can further support the fight against inflation by improving productivity and easing supply constraints.

INDIAN ECONOMY

India's growth continues to be resilient despite some signs of moderation in growth, says the World Bank in its latest India Development Update, the World Bank India's biannual flagship publication.

In FY 2023, multiple challenges confronted the Indian economy. Country's headline inflation remained above the upper tolerance level of 6 per cent for 10 successive months since January 2022, before moderating during November-December on seasonal easing in food prices. Unfavourable rise in the international commodity prices (crude oil, metals and food prices) followed by war in Ukraine and adverse domestic weather conditions increasing the retail inflation in the Country. Despite of multiple challenges, the India has remained among the fastest growing major economies of the world, contributing more than 12 per cent to global growth on average during the last five years. The overall growth remains robust and is estimated to be 6.9 percent for the full year with real GDP growing 7.7 percent year-on-year during the first three quarters of fiscal year 2022-23. There were some signs of moderation in the second half of FY 2022-23.

The World Bank has revised its FY2023-24 GDP forecast to 6.3 percent from 6.6 percent (December 2022). Growth is expected to be constrained by slower consumption growth and challenging external conditions. Rising borrowing costs and slower income growth will weigh on private consumption growth, and government consumption is projected to grow at a slower pace due to the withdrawal of pandemic-related fiscal support measures. The Governments and the Reserve Bank of India has taken various measures like cut excise duties, customs duties, restriction on exports, raised the monetary policy rates and reduction in excess systemic liquidity to control the inflation rate. India's financial sector also remains strong, buoyed by improvements in asset quality and robust private-sector credit growth. Strong and healthy balance sheets of banks, financial institutions and corporate entities is helping to regain growth momentum eroded by the pandemic and the war.

When inflation surged as a consequence of the war in Ukraine, the Monetary Policy Committee (MPC) accorded priority to price stability in the conduct of monetary policy. It changed its stance in April 2022 to

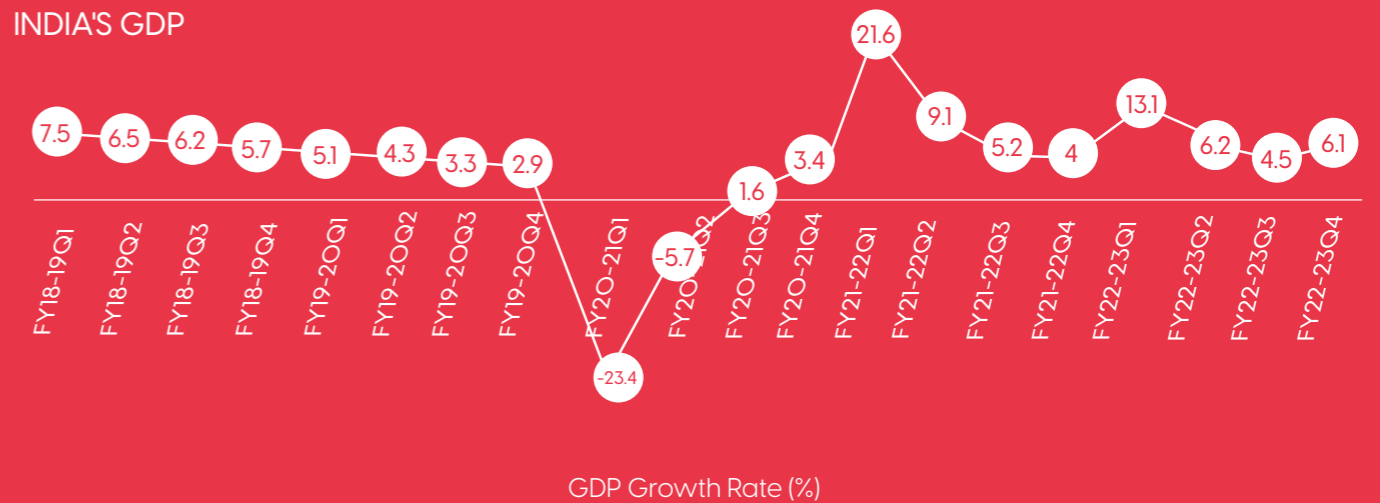
remain focused on withdrawal of accommodation to ensure that inflation remains within the target going forward, while supporting growth.

Various international agencies have forecasted India to be one of the fastest-growing economies in 2023-24, supported by robust growth in private consumption and sustained pick-up in private investment, despite strong global headwinds and tighter domestic monetary policy.

Despite prolonged geopolitical tensions and slowing global trade, India's merchandise exports touched US\$ 450.4 billion during 2022-23, which is 6.7 per cent above the previous year's record level. India witnessed a transition from net importer to exporter in areas such as mobile phones and toys and registered a 10-fold increase in exports of defense goods in a short span, leveraging on policies such as 'Make in India' and 'Aatma Nirbhar Bharat'. India's merchandise imports, after recording high growth in the first half of the year, decelerated during the second half, reflecting, inter alia, the fall in international commodity prices and slowing demand for export-related imports. India's merchandise trade deficit increased during the year, but the pace of increase slowed in the second half.

The Union Budget FY 2023-24 aimed at enhancing the nation's positioning with increased capital expenditure to Rs. 10 Lac crore, marking an increment of 33% in capital outlay as compared to FY 2022-23. Union government's focus on capital expenditure, strong manufacturing capacity utilisation, double-digit credit growth, and moderation in commodity prices are likely to enhance manufacturing and investment activities. This move is highly optimistic for key industries like manufacturing, infrastructure and health care coupled with Governments' introduction of various measures to support economic growth including the National Infrastructure Pipeline (NIP) and the Production Linked Incentive (PLI) scheme. India's GDP growth accelerated to 6.1% in the January to March 2023 quarter, lifting the economy's uptick in 2022-23 to 7.2% from the 7% estimated earlier, according to the provisional national income data released by the National Statistical Office (NSO).

INDIA'S GDP



Source: MoSPI, India (Publication: Advance and Quarterly Estimate)

To sum up, several shocks tested the resilience of the Indian economy in 2022-23. On the back of sound macroeconomic policies, softer commodity prices, a robust financial sector, a healthy corporate sector, continued fiscal policy thrust on quality of government expenditure, and new growth opportunities stemming from global realignment of supply chains, India's growth momentum is likely to be sustained in 2023-24 in an atmosphere of easing inflationary pressures. Slowing global growth, protracted geopolitical tensions and a possible upsurge in financial market volatility following new stress events in the global financial system, however, could pose downside risks to growth. It is important, therefore, to sustain structural reforms to improve India's medium-term growth potential.

India to witness GDP growth of 6.0 per cent to 6.8 per cent in 2023-24, depending on the trajectory of economic and political developments globally.



Source: Ministry of Finance

The optimistic growth forecasts stem from a number of positives like the rebound of private consumption given a boost to production activity, higher Capital Expenditure (Capex), near-universal vaccination coverage enabling people to spend on contact-based services, such as restaurants, hotels, shopping malls, and cinemas, as well as the return of migrant workers to cities to work in construction sites leading to a significant decline in housing market inventory, the strengthening of the balance sheets of the Corporates, a well-capitalised public sector banks ready to increase the credit supply and the credit growth to the Micro, Small, and Medium Enterprises (MSME) sector to name the major ones.

Source: <https://pib.gov.in/PressReleasePage.aspx?PRID=1894932>

SERVICE SECTOR PERFORMANCE

In Economic Survey 2022-23, Ministry of Finance noted that India's services sector is a source of strength and is poised to gain more. From low to high value-added activities with export potential, the sector has enough scope to generate employment and foreign exchange and contribute to India's external stability. The Economic Survey projected a baseline

GDP growth of 6.5 per cent in real terms in FY 24. The projection is broadly comparable to the estimates provided by multilateral agencies such as the World Bank, the IMF, and the ADB and by RBI, domestically. Growth in service sector is expected to be high in FY 24 as a vigorous credit disbursement, and capital investment cycle is expected to unfold in India with the strengthening of the balance sheets of the corporate and banking sectors.

Further support to economic growth will come from the expansion of public digital platforms and path breaking measures such as

- PM Gati Shakti National Master Plan for seamless movement of people and goods.
- National Monetisation Pipeline with Rs. 9.0 lakh crore investment potential.
- UPI touched its highest ever mark with 782 crore transaction in Dec 2022.
- National Logistics Policy for making Indian logistics competitive globally.
- Capacity of major ports nearly doubled in 8 years.
- Open Network for Digital Commerce in pipeline.
- Open Credit Enablement Network for democratising lending operations.

FINANCE SECTOR

The recent financial sector disturbance in the US and Europe has compelled the need to reassess risks to financial stability and recovery of financial institutions in the context of monetary policy tightening. While Indian banks and nonbanking financial intermediaries remain sound and resilient, they need to stress test for new challenges. Capital buffer and liquidity position, therefore, must be constantly reviewed and strengthened. Accordingly, policy measures, such as guidelines on introduction of expected loss-based approach for provisioning are likely to be announced during 2023-24.

The finance system continued the efforts to augment capital and improve asset quality, during the year. The onset of a fresh lending cycle since the second half of 2021-22 gained momentum during 2022-23, resulting in double digit credit growth encompassing all major sectors. The asset quality of scheduled commercial banks (SCBs) continued to improve, with gross non-performing assets (GNPA) ratio and net non-performing assets (NNPA) ratio declining and the quarterly slippage ratio cooling off. The provisioning coverage ratio (PCR) also steadily increased. Net interest margin (NIM) witnessed an improvement,

reflecting the higher degree of transmission of monetary policy to lending rates than to deposit rates in the rising interest rate cycle. Consequently, profit after tax (PAT) registered strong growth. Return on equity (RoE) and return on assets (RoA) for SCBs improved further during the year.

To commemorate 75 years of independence (Azadi Ka Amrit Mahotsav), 75 Digital Banking Units (DBUs) were set up in 75 districts of the country to catalyse the adoption of digital modes of doing banking transactions in the country. These 75 DBUs were dedicated to the service of the nation by the Hon'ble Prime Minister on October 16, 2022. As on March 31, 2023, there were 84 DBUs functioning across the country.

India outpaced other nations to emerge as the largest player in real-time transactions at the global level, with a 46 per cent share in 2022. The strong penetration and growth in Unified Payments Interface (UPI) were buoyed by rapid merchant onboarding, growing digital awareness and policy thrust on continuous enhancements in the scope and reach of payment systems.

Non-banking financial companies (NBFCs) maintained robust credit growth during 2022-23, supported by the broad-based revival in economic activity and targeted policy initiatives. The sector strengthened its financial soundness during the year through robust capital buffers, improved asset quality and consolidation of balance sheet. A scale based regulatory framework was implemented for NBFCs during 2022-23.

Furthermore, as a part of a responsive and forward-looking regulatory approach, several measures were undertaken for strengthening and developing credit risk markets, enhancing the robustness of the capital adequacy and provisioning frameworks applicable to regulated entities, and augmenting the rating processes adopted by the credit rating agencies for bank loan ratings. A new SupTech initiative - DAKSH - Reserve Bank's Advanced Supervisory Monitoring System - was launched by the Reserve Bank on October 6, 2022. It is a web-based end-to-end workflow application through which the Reserve Bank monitors actual compliances in a more focused manner with the objective of further improving compliance culture among supervised entities (SEs). Due to the wave of digital transformation, India has emerged stronger and more resilient from the pandemic. Taking forward digitisation efforts

announced in the Union Budget 2022-23, the Reserve Bank introduced its Central Bank Digital Currency (CBDC) in phases during the year, with the launch of pilots for Digital Rupee (e₹) in the wholesale and retail segments on November 1, 2022 and December 1, 2022, respectively. The pilots were preceded by issuance of a 'Concept Note' on CBDC to create awareness about CBDCs in general and the planned features of the Digital Rupee (e₹), in particular.

To protect the interests of customers of regulated entities (REs) and for ensuring public confidence in the financial system, the Reserve Bank is in the process of embedding artificial intelligence (AI)/machine learning (ML) and other cutting edge technological tools in its 24x7 online complaint management system (CMS) to facilitate lodging of complaints with ease, provide complainants with necessary information on grievance redressal and expedite complaint processing by aiding decision making for the ombudsman.

INDUSTRY OVERVIEW

Non-Banking Financial Companies (NBFCs), form one of the four broad constituents of the credit ecosystem of the Indian financial sector along with Public Sector Banks, Private Banks and Financial Institutions. As the statics shows, in past few years, NBFCs have been recording higher credit growth than Schedule Commercial Banks (SCBs) with their competitive edge in their superior understanding of regional dynamics, customised products, well-developed collection systems and personalised services in the drive to expand financial inclusion in India. Lower transaction costs, quick decision making, customer orientation and prompt provision of services have typically differentiated NBFCs from banks. The reach and last mile advantages of NBFCs have empowered them with agility, innovation and a cutting edge in providing formal financial services to under banked and unserved sections of the society.

Over 9,500 NBFCs are currently registered with the RBI. Even though the combined balance sheet size of NBFCs continues to be approximately one-fifth when compared with the Scheduled Commercial Banks (SCBs), NBFCs play a significant role in last-mile credit delivery.

As per RBI Financial Stability Reports over the last five years, loans to industry lost market share from 40.6% in FY19 to 36.8% in FY23 and yet continued to constitute the largest segment, followed by personal loans at 31.2%, services at 14.2% and agriculture at

1.7%. Advances to the retail segment grew the fastest in H1FY23. Government-owned NBFCs have been ceding ground in the industry segment. According to RBI's Financial Stability Report June 2023, the NBFC-UL group recorded higher credit growth (y-o-y) of 18.8% and a better GNPA ratio of 3.7% as of March 2023 than the overall NBFC sector.

The largest net borrowers of funds from the financial system are NBFCs which owed close to 57% in FY23 (similar levels in FY22) to Banks. Banks' outstanding credit to NBFCs rose by Rs.3.09 lakh crore over the last 12 months and stood at Rs.13.3 lakh crore in March 2023. This was primarily because the NBFCs' additional borrowings moved to banks due to differentials between market yields and interest rates offered by Banks. On the other hand, mutual funds' debt exposure to NBFCs fell 14.1% YoY to Rs. 46 lakh crore in March 2023, while increasing sequentially by 2.5% from February 2023 levels. Absolute bank lending to NBFCs has more than tripled in the last five years, while mutual funds exposure has reduced by over a third over during the same period. Banks' credit to NBFCs started witnessing healthy growth in H2 FY22 which continued its upward trajectory into FY23, data shows.

As part of the overall objective of aligning the regulatory/supervisory framework with global best practices, important strides in the areas of risk management, regulatory compliance and enforcement, and consumer education and protection in banks were made during the year. Accordingly, several guidelines were issued during the year, pertaining to classification of Non-Banking Financial Companies (NBFCs) in the middle layer of scale-based regulation (SBR), digital lending, large exposure framework for the upper layer NBFCs under the SBR, review of regulatory framework for Asset Reconstruction Companies (ARCs), establishment of digital banking units (DBUs), and a revised regulatory framework for UCBs. The FinTech Department launched pilots of the digital rupee in phases for wholesale and retail segments. The Department of Supervision (DoS) also initiated a host of measures to further strengthen both onsite and off-site supervision, including developing dynamic supervisory dashboards/early warning indicator model, strengthening cross-border supervisory cooperation, monitoring of large borrower groups, enhancement of cyber security and the launch of advanced supervisory monitoring system (DAKSH), among others.

RBI's supervision of NBFCs

The Department of Non-Banking Supervision (DNBS) continued to closely monitor the NBFCs (excluding HFCs) and ARCs registered with the Reserve Bank. DNBS had set the following goals for supervision of NBFCs in 2022-23

- Review the supervisory framework and the returns' formats for NBFCs under Indian Accounting Standards (Ind-AS) based on the regulatory guidance in the matter (Utkarsh)- During the year, a Working Group comprising of officials from the Reserve Bank, select large NBFCs and audit firms reviewed and designed new returns' formats as per the supervisory framework for NBFCs in alignment with the Indian Accounting Standards (Ind-AS).
- Make changes in sectoral assessment in the context of recently released scale based regulatory framework for NBFCs- During the year, the Reserve Bank, for the purpose of sectoral assessment of NBFCs in the context of recently released scale-based regulatory framework for NBFCs, classified 16 NBFCs in the upper layer. The model design was also modified to cover all NBFCs in various layers, viz., top, upper, middle and base layer.
- Roll out KRIs for select NBFCs to assess their cyber security risk profile and Roll out of IT examination for select NBFCs- In order to assess the inherent risks and put in place an effective off-site monitoring mechanism, KRIs were rolled out for select NBFCs. These NBFCs have started submitting KRI data and a scoring model is being formulated based on the same. IT examination for select NBFCs will be initiated in 2023-24.
- Fraud Reporting and Sensitisation of NBFCs - The online fraud reporting system for NBFCs has commenced from July 1, 2022. As part of online reporting system, a separate quarterly return (FMR 4) has been introduced for reporting security incidences, i.e., theft, burglary, dacoity and robbery. Further, workshops have been conducted for select NBFCs to sensitise them on fraud prevention, prompt /accurate reporting and follow up action.
(Source: RBI Annual Report-2022-23)

Action Against Non-compliant NBFCs

During the year, based on targeted scrutiny of arrangements entered into by certain NBFCs with

Digital Lending Partners (DLPs), various issues such as non-adherence to outsourcing guidelines (including those pertaining to recovery agents), fair practices code and KYC norms were examined. Further, certain dormant NBFCs were also identified which were vulnerable to misuse by miscreants. Appropriate supervisory actions, including cancellation of certificate of registration (CoR) of a few NBFCs, were taken based on the supervisory examinations.
(Source: RBI Annual Report-2022-23)

BUSINESS OVERVIEW

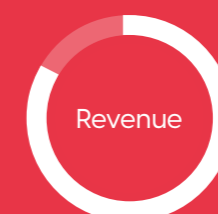
During FY 2022-23, Company registered a consistent performance in all key financial parameters including business growth especially in small loan segment, robust asset quality and improved key financial indicators. For the FY 23 Company's consolidated revenue from operation was INR 4731.89 Million and During the FY 2022-23, total disbursement was INR 25,996 Million, Company's total Assets Under Management stood at INR 32,204 Million (Standalone) and at INR 34,928 Million (consolidated) as on March 31, 2023. As on March 31, 2023 Company's Gross & Net NPA stood at INR 69.63 Million and INR 5.55 Million respectively.

The Company is providing a number of financial products like Business Loans, SME & MSME Loans, Income Generation Loans for business/self-employment purpose.

PAISALO SNAPSHOT FY 2023



₹34,928 million
YoY Growth ~ 29%



₹4,732 million
YoY Growth ~ 21%



₹11,610 million
YoY Growth ~ 13%



₹936 million
YoY Growth ~ 18%



40.34 %



0.02 %

Excellent year across all financial and portfolio metrics. Given the momentum, and robust portfolio metrics, we are confident about growth and portfolio metrics for FY24.

- Highest ever AUM of ₹34,928 Million
- AUM as at FY 2023 was up 29.49% at ₹34,928 Million as against FY 2022 at ₹26,973 Million.
- Total geographic footprint stood at to 1052 touchpoints* (220 Branches + 432 Business Correspondent CSPs +400 Distribution Points) across 18 states.
- The Company continues to protect its margin profile, Interest Income for FY 2023 was up 20.64% at ₹4,732 Million as against ₹3,922 Million in 2022. The company has posted 17.85% increase in PBT and 18.13% increase in PAT YoY.
- GNPA and NNPA stood at 0.25% and 0.02% as at FY 2023 compared to 1.52% and 1.26% as at FY 2022. The Company expects its GNPA and NNPA to stay within the Long-Term outlook of below 2%.

The company does small income generation loans, entrepreneurial loans, corporate loans and offers business correspondent services.

RESULTS OF OUR OPERATIONS

The Company is providing a number of financial products like Business Loans, SME & MSME Loans, Income Generation Loans for business/self-employment purpose. During, the year under review Company has posted 18.13 % increase in the Net Profit after tax from the finance business of the Company financial performance of the Company for the Financial Year 2022-23 is summarized below:

(INR in Million)

Particulars	Standalone		Consolidated	
	FY 2022-23	FY 2021-22	FY 2022-23	FY 2021-22
Revenue from Operations	4,229.72	3,563.98	4,731.89	3,922.23
Less: Expenditure	2,945.53	2,500.06	3,424.24	2,850.69
Profit Before Tax (PBT)	1,238.30	1,063.91	1,262.37	1,071.22
Tax Expenses	321.38	276.76	326.19	278.71
Net Profit After Tax (PAT)	916.93	787.14	936.19	792.51
Earnings per Share (EPS) (INR)	2.06	1.86	2.10	1.87

STANDALONE KEY RATIO FOR FINANCIAL YEAR 2022-23

Current Ratio	2.38
Debt- Equity Ratio	1.58
Debt Service Coverage Ratio	0.58
Return on Equity Ratio	7.90%
Net Capital Turnover Ratio	0.37
Net Profit Ratio	21.68%
Return on Capital Employed	10.07%
Return on Investments	0.14%

ASSET LIABILITY MANAGEMENT

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

Asset Liability Management Maturity pattern of certain items of Assets and Liabilities as on March 31, 2023:

Behaviouralised ALM snapshot as on 31 March 2023

(INR in Million)

	Upto 14 days	Over 14 days to 1 month	Over 1 month & Upto 2 months	Over 2 months & Upto 3 months	Over 3 months & Upto 6 months	Over 6 month & upto 1 year	Over 1 year & Upto 3 years	Over 3 years & upto 5 years	Over 5 Years	Total
Deposits	—	—	—	—	—	—	—	—	—	—
Advances	426.20	653.70	1053.80	1044.70	3085.20	6338.00	10038.00	5157.70	191.50	27988.80
Investments (Bank FDR)	180.00	—	—	—	—	—	26.60	—	—	206.60
Borrowings	—	623.80	188.00	388.80	684.90	5473.40	7615.40	2219.70	984.00	18178.00
Foreign Currency Assets	—	—	—	—	—	—	—	—	—	—
Foreign Currency Liabilities	—	—	—	—	—	—	—	—	—	—

CAPITAL ADEQUACY RATIO

The company's strength lies in its healthy capital structure. Our Company is among those few NBFCs who are low leveraged. As of March 31, 2023, the Company's Capital Adequacy Ratio (CRAR) stood at 40.34 % as against 15.00 % of statutory requirement.

Particulars		2022-23	2021-22
i)	CRAR %	40.34%	42.92%
ii)	CRAR – Tier I Capital %	36.49%	37.73%
iii)	CRAR – Tier II Capital %	3.85%	5.19%
iv)	Amount of subordinated debt raised as Tier-II Capital	8,900	8,900
v)	Liquidity Coverage Ratio	2.45	3.24
vi)	Amount raised by issue of Perpetual Debt Instruments	Nil	Nil

ASSET QUALITY

Asset quality is the criteria where the Company stands far ahead from its peers as for last several years. Company has a policy of writing off its overdue advances. However, recovery efforts in such accounts are continued. The Standard Assets as on the date of Balance Sheet stood at INR 27,919.16 Million and Sub-Standard Assets stood at INR 69.63 Million.

Movement of NPAs

(INR in Lakhs)

Particulars		Current Year	Previous Year
(i)	Net NPAs to Net Advance (%)	0.02%	1.26%
(ii)	Movement of NPAs (Gross)		
(a)	Opening balance	3,569.34	1,394.59
(b)	Additions during the year	1.03	2,875.07
(c)	Reductions during the year	2,874.08	700.32
(d)	Closing balance	696.29	3,569.34
(iii)	Movement of Net NPAs		
(a)	Opening balance	2,956.10	1,093.42
(b)	Additions during the year	—	2,585.79
(c)	Reductions during the year	2,900.63	723.11
(d)	Closing balance	55.47	2,956.10
(iv)	Movement of provisions for NPAs (excluding provisions on standard assets)		
(a)	Opening balance	613.24	301.18
(b)	Provisions made during the year	314.89	383.37
(c)	Write -back of excess provisions	287.30	71.29
(d)	Write off	—	—
(e)	Closing Balance	640.83	613.24

Sector wise NPAs (Write Offs)

Sr. No.	Category	% of Write offs to Total Advances	
		2022-23	2021-22
1	Agriculture & Allied activities	0.24	0.02
2	MSME	0.46	0.24
3	Corporate Borrowers	1.41	0.27
4	Services	0.18	1.38

5	Unsecured Personal Loans	—	—
6	Auto Loans	—	—
7	Other Personal Loans (LAP)	0.04	0.32
	Total	2.33	1.83

CONVERSION OF FULLY CONVERTIBLE WARRANTS AND ISSUE OF EQUITY SHARES

In terms of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 and Special Resolution passed by the Shareholders of the Company at Extraordinary General Meeting held on March 8, 2021, on receipt of initial warrant subscription amount of INR 46.01 Million equivalent to 25% of the warrant issue price as prescribed by the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 for allotment of Fully Convertible Warrants ('Warrants'), on March 20, 2021 the Company considered and allotted 26,10,000 Warrants to Promoter Group entities, on preferential basis. As per the terms of the issue of Warrants, conversion option can be exercised by Warrant holders at any time during the period of 18 (Eighteen) months from the date of allotment of warrants, in one or more tranches.

Out of total convertible warrants, 16,20,000 warrants had already been converted into equity shares during the financial year ended March 31, 2022 and balance 9,90,000 warrants had been converted during the reporting financial year.

As on March 31, 2023, no convertible warrants / convertible securities were outstanding.

SHARE CAPITAL

During the financial year ended March 31, 2023 Warrant Holders opted to exercise their right to convert the 9,90,000 warrants into equity shares and paid 75% of issue price to convert 9,90,000 warrants into equity shares. Accordingly, 85,55,000 equity shares of INR 1/- each at premium of INR 69.50/- each on September 3, 2022 and 13,45,000 equity shares of INR 1/- each at premium of INR 69.50/- each on September 12, 2022, allotted to the warrant holders on conversion of warrants.

The Authorized Share Capital of the Company stood at INR 1,25,00,00,000.00 and consequent to allotment of equity shares on conversion of warrants, the Issued Share Capital of the Company, as on March 31, 2023, was stood at INR 44,91,46,990.00 consisting of 44,91,46,990 Equity Shares of face value of INR 1/- each and the Subscribed Share Capital of the Company, as on March 31, 2023, was stood at INR 44,90,84,490.00 consisting of 44,90,21,990 Equity Shares of face value of INR 1/- each and 1,25,000 forfeited equity shares of face value of INR 1/- each (amount originally paid-up @ INR 0.50 each) and the Paid-up Share Capital of the Company, as on March 31, 2023, was stood at INR 44,90,21,990.00 consisting of 44,90,21,990 Equity Shares of face value of INR 1/- each fully paid-up and INR 62,500 for 1,25,000 forfeited equity shares of face value of INR 1/- each (amount originally paid-up @ INR 0.50 each).

Capital Structure of the Company as on March 31, 2023:

Authorized Share Capital	INR 1,250.00 Million (consisting of 1,20,00,00,000 Equity Shares of face value of INR 1/- each and 50,00,000 Preference Shares of face value of INR 10/- each)
Issued Share Capital	INR 449.15 Million (consisting of 44,91,46,990 Equity Shares of face value of INR 1/- each).
Subscribed Share Capital	INR 449.08 Million (consisting of 44,90,21,990 Equity Shares of face value of INR 1/- each and 1,25,000 forfeited equity shares of face value of INR 1/- each, amount originally paid-up @ INR 0.50 each).
Paid-up Share Capital	INR 449.02 Million (fully paid-up) (consisting of 44,90,21,990 Equity Shares of INR 1/- each fully paid-up and INR 62,500 consisting of 1,25,000 forfeited equity shares of face value of INR 1/- each, amount originally paid-up @ INR 0.50 each).

SHAREHOLDERS' FUNDS

As on March 31, 2022, Company has only one class of outstanding issued share capital i.e. Equity Shares of face value INR 1/- each and on March 31, 2023, total fully paid capital was stood at INR 449.02 Million. The Other Equity increased to INR 11,052.81 Million as on March 31, 2023 from INR 9,686.93 Million as on March 31, 2022.

The Book value of per equity share of the Company stood at INR 25.54/- as on March 31, 2023.

CREDIT RATING

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

Sr No.	Instrument/Facility	Amount (INR in Million)	Rating Assigned
1	Fund Based Facilities from Banks- Long Term	18000.00	IVR AA-/Stable Outlook (IVR Double A Minus with Stable Outlook)
2	Non-Convertible Debentures	1150.00	
3.	Commercial Paper	1500.00	IVR A1+ (IVR A One Plus)

RISK MANAGEMENT

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

The risks that could have significant influence on the Company and Company's strategy to mitigate such risks are:

i. Credit Risk

Associate risk	The risk of loss to the Company from the failure of customers or counterparties to fully honour their obligations to the Company, including the whole and timely payment of principal, interest, and other receivables. It is measured as the amount at risk due to repayment default by customers or counterparties to the Company. Various metrics such as instalment default rate, overdue position, instalment moratorium, restructuring, onetime resolution plan, debt management efficiency, credit bureau information etc. are used as leading indicators to assess credit risk.
Strategy to mitigate such risk	Company has a strong governance framework in place for identifying, assessing, measuring, monitoring, controlling and reporting credit risks in a timely and efficient manner. Fixing up the responsibility of business units for effective credit risk governance. Continuously aligning credit and debt management policies and resourcing, obtaining external data from credit bureaus and reviews of portfolios and delinquencies by senior and middle management team observe early warning signs of delinquency and ensuring proactive measures to maintain asset quality. Customize risk measurement approaches for various portfolio segments/sub-segments.

ii. Liquidity Risk

Associate risk	<p>The risk that the Company is unable to meet its contractual or contingent obligations or that it does not have the appropriate amount, tenor and composition of funding and liquidity to support its assets.</p> <p>Funding risk arises from:</p> <ul style="list-style-type: none"> • Inability to raise incremental borrowings and deposits to fund business requirement or repayment obligations • When long term assets cannot be funded at the expected term resulting in cash flow mismatches • Amidst volatile market conditions impacting sourcing of funds from banks and money markets
Strategy to mitigate such risk	<p>Liquidity Risk measure, monitored and managed by the Company as under It is measured by:</p> <ul style="list-style-type: none"> • Identification of gaps in the structural and dynamic liquidity statements. • Assessment of incremental borrowings required for meeting the repayment obligation, the Company's business plan and prevailing market conditions. • Liquidity Coverage Ratio (LCR) in accordance with guidelines. <p>It is monitored by:</p> <ul style="list-style-type: none"> • Assessment of the gap between visibility of funds and the near term liabilities given current liquidity conditions and evolving regulatory framework for NBFCs. • A constant calibration of sources of funds in line with emerging market conditions in banking and money markets. • Periodic reviews of liquidity position, LCR and stress tests assuming varied 'what if' scenarios and comparing probable gaps with the liquidity buffers maintained by the Company. <p>It is managed by:</p> <ul style="list-style-type: none"> • Constitution of Assets and Liability Management Committee (ALCO) in line with the guidelines issued by the RBI, for looking after the liquidity position of the Company against the Company's financial obligations. • Holding optimum levels of liquidity to manage business requirements and maturing debt obligations. • Projected cashflow planning in discussion with business to have adequate flow of funds. • Obtain longer maturity debt to manage the asset-liability mismatch. • Diversified and sustainable funding mix.

iii. Technology Risk

Associate risk	The risk that comes from lack of up-to-date systems, system failure and continuously changing cyber threat landscape.
Strategy to mitigate such risk	<p>To mitigate technology risk Company has taken following steps:</p> <ul style="list-style-type: none"> • In-house dedicated team of experienced IT professionals responsible to robust the IT infrastructure of the Company. • Constantly monitoring systems for uptime and health. • Continuously upgrading in technology and security system. • Creation of disaster recovery system for seamless operations. • Reviewing and monitoring data and systems for security. • IT System Audit from independent IT Auditor to check the IT and Security system. • Real Time back of data in back-up server(s) located at different place from main server. • Effective monitoring & controls • Tested disaster management system.

iv. Operational Risk

Associate risk	Operational risk is the risk arising from inadequate or failed internal processes, people or systems, or from external events.
Strategy to mitigate such risk	<p>The Company manages operational risks through comprehensive internal control systems and procedures laid down around various key activities in the Company viz. loan acquisition, customer service, IT operations, finance function etc. Internal Audit also conducts a detailed review of all the functions from time to time, this helps to identify process gaps on timely basis. Further IT and Operations have a dedicated compliance and control units within the function who on continuous basis review internal processes. This enables the Management to evaluate key areas of operational risks and the process to adequately mitigate them on an ongoing basis.</p> <p>Further, the Company has put in place a robust Disaster Recovery (DR) plan and Business Continuity Plan (BCP) to ensure continuity of operations including services to customers.</p>

INTERNAL CONTROL SYSTEMS AND AUDIT

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

The Company has adequate working infrastructure having computerization in all its operations including accounts and MIS.

The internal control system is supported by an internal audit process for reviewing the design, adequacy and effectiveness of the Company's internal controls, including its systems, processes and procedures to ensure

compliance with regulatory directives. Internal Audit Reports are discussed with the Management and are reviewed by the Audit Committee of the Board, which also reviews the adequacy and effectiveness of the internal controls in the Company. The Company has various committees including Risk Management Committee and the Asset and Liabilities Management Committee to review and oversee critical aspects of the Company's operations. Further, to strengthen the internal control system, Chief Compliance Officer has been appointed, under whose supervision, the compliance function shall, among others, be responsible for identification and assessment of compliance risk, provide guidance on related matters and monitor and test compliance across the Company.

The Company has implemented controls through systems and processes ensuring a robust control framework. The Internal Audit department and compliance function review the business unit's adherence to internal processes and procedures as well as to regulatory and legal requirements providing timely feedback to management for corrective action, including minimising the design risk, if any.

The Audit Committee of the Board also reviews the performance of the audit and compliance functions and reviews the effectiveness of controls and compliance with regulatory guidelines. In the opinion of Board and the Senior management, Internal Control System of the Company is commensurate with its size and the nature of its operations.

FRAUD MONITORING AND CONTROL

The Company has put in place a Whistle Blower Policy and fixed the responsibility of various officials inside the organization to oversee implementation of fraud prevention measures. Frauds are investigated to identify the root cause and relevant corrective steps are taken to prevent recurrence. Periodic reports are submitted to the Board and senior management committees.

HUMAN RESOURCE DEVELOPMENT

The Human Resource (HR) function in the Company remains focused on improving organizational effectiveness, developing frontline leaders, promoting employee empowerment and maintaining stability and sustainability amidst growth and a rapidly changing business environment.

As PAISALO believes that "happy employees are the key for Company's success". The Company has a work environment that inspires people to do their best and encourages an ecosystem of teamwork, continuous learning and work-life balance. In an increasingly competitive market for talent, the Company continues to focus on attracting and retaining the right talent. The Company fosters work-life balance and condemns any kind of unfair treatment in the workplace. Regulation and compliance have remained as the major focus area for the Management of the Company. The Company enforces a strict compliant and ethical culture with adequate channels for raising concerns supported by a grievance handling mechanism.

As on March 31, 2023, Company had 1,650 permanent employees.

SWOT ANALYSIS

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

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

Strengths

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

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

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

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

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

- Flexible rules and regulations : Also, keeping in regard the financial needs of the people and the structure of the banks, for the interest of the people the government has exempted NBFC from some hard rules and regulations that are imposed on the other financial institutions, such as in the case of banks. The NBFCs enjoy the flexibility in rules relating to restrictions paper work, easy and simplified sanction procedure and disbursement, thereby making it suitable for the entrepreneurs to show their interest in NBFCs, Further, NBFCs have played an important role in contributing towards India's GDP to the extent that the government is also coming forward now and will do so in future to protect the interests and help the NBFCs to grow and emerge as they have been providing financial help and services with easy procedure to the people of the country. The business of NBFCs are of profit and their contribution in the growth of the India's GDP shows that NBFCs are working for a better in these past years.

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

Opportunities

As per the Standing Committee report on 'Strengthening Credit Flows to the MSME Sector'-

The Micro, Small and Medium Enterprises (MSMEs) which contributes around 30% to the Indian GDP, 48% to exports and provides employment to around 11 crore people is facing credit gap of around Rs 20-25 lakh crore.

The Committee noted that less than 40% of MSMEs avail credit from formal financial systems and therefore depend on costly and unreliable credit.

As a result, there's a big opportunity in the coming years for the NBFCs to capture this unserved sector and partner in India's growth story. This is because banks often find it expensive or unviable to serve these segments which new-age NBFCs are serving on the back of advanced technology and better reach in the remote corners of the country.

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

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

- **Co-Lending Partnerships with Banks:** Co-lending partnerships are a “win-win” for banks and non-banking financial companies. While it enables NBFCs to compete on the pricing front, banks get the benefit of the last mile reach of NBFCs, access to new product lines typically financed by NBFCs, this also speed up the execution and strength of collections.
- **The unhindered reach to the smallest customer on the socioeconomic ladder and low cost of operations of NBFCs coupled with low cost of funds of Banks,** can be blended and benefit be passed on to the bottom of pyramid customer via Co-Lending model. The size of the bottom rung is mind-boggling and can be estimated to be around 40 crores of Indians waiting to be touched by the banking system on the credit side.
- **Emerging Trends in Technology:** The financialization of Indian household is already presenting newer opportunities for financial services and we are ready to capture a fair share. Social, Mobility, Analytics and Cloud Computing are the emerging trends in technology. The use of modern methods by NBFCs has overcome key challenges that had overwhelmed conventional lending Government initiatives in respect of Digital India and move towards formal and cashless economy has also opened new client segments which NBFCs like PASIALO can tap for future growth.
- **Higher yield:** Since these customers find it hard to attain a bank loan, they are ready to pay some additional amount of interest on their loan. Moreover, given the rise of non-performing assets (NPAs) in the banking industry, banks have become even more cautious to evaluate the credit worthiness of their borrowers. The credit gap presents a significant opportunity for NBFCs

Weaknesses

- **Fund requirement:** Availability of fund a major challenge that NBFCs face in its smooth functioning, Banks and Capital Market are the major source of fund for NBFCs. There are no other economically efficient options for NBFCs for its funding requirements.
- **Lack of education among people:** The most of population in India is uneducated and unaware with the norms and processing of NBFCs. This can be challenge to NBFC sector at various levels. People hesitate at first to take loan from NBFCs and even after taking loan from NBFCs people not familiar with the processing of NBFCs that may cause NBFCs to indulge extra manpower and fund to make people educate about the NBFCs.
- **Due Diligence:** The due diligence is important to optimize the default risk. Since the customers who avail borrowings from NBFCs do not have any credit history, it becomes quite difficult to verify their financial credentials. Therefore, NBFCs have to deploy additional resources for on-ground visits, psychoanalytic tests, reference checks and so on. All this adds to the operational cost and makes it tough to service this segment. However, this due diligence is critical to optimize the default Risk.
- **Several Representative Bodies:** In the current times, there are several representative bodies for NBFCs. This is quite a challenge for NBFCs as the NBFC sector is still in developing stage and presence of several representative bodies poses a challenge for NBFCs. There is a need to ensure that every segment of NBFCs are adequately represented in an apex body in a way that it promotes the balances growth of the NBFC sector
- **Business risk management:** NPAs have been a challenge not only for Indian banks but also for NBFCs. With new to credit customers, despite all the possible measures, the risk remains higher compared with those customers who have a strong credit history. Therefore, NBFCs have to continuously work on checks and balances to make sure that the EMIs are on time, customer records remain up to date, and any red alerts are notified immediately.

Threats

Threats refer to components that have the potential to damage an organization. For example, unfavorable government policies, drastic decline in revenue. Other common threats include things like rising costs for materials, increasing competition, and tight labour supply, and so on.

- **Government Policies:** Government regulations can directly affect the banking sector of a country, these government policies might be unfavourable for PASIALO.
- **Global Uncertainty in the Financial Ecosystem:** The world is going through difficult economic times at the moment. The international banking sector has all been affected by trade wars, protectionist policies, and economic downturns. If the world's economic conditions do not change, the financial service industry will face a bleak future.
- **Lack of Proper Cyber Security Systems:** The current banking industry relies entirely on the cyber-world. Whether it is data storage, monetary transactions, or personal information, everything is stored digitally. This makes the banking sector a primary target for hackers who are seeking to benefit financially by leveraging flaws in the bank's digital infrastructure. NBFCs need to take effective cybersecurity steps to safeguard their records, they will face a significant cyberspace threat.

Outlook

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

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

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

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

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

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

Forward looking statements

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

Board's Report



To The Members of Paisalo Digital Limited

Your Board of Directors have pleasure in presenting the 31st Annual Report together with the Audited Standalone and Consolidated Financial Statements for the Financial Year ended March 31, 2023. This report read with Corporate Governance Report and Management Discussion & Analysis includes macro-economic scenario, governance philosophy, financial performance of the Company, business overview, opportunity and threats and various initiative taken by the Company.

FINANCIAL HIGHLIGHTS

The Standalone financial performance of the Company for the Financial Year 2022–23 is summarized below:

(INR in Million)

Particulars	FY 2022–23	FY 2021–22
Revenue from Operations	4,229.72	3,563.98
Less: Expenditure	2,945.53	2,500.06
Exceptional Item	45.89	0.02
Profit Before Tax (PBT)	1,238.30	1,063.91
Tax Expenses	321.38	276.76
Net Profit After Tax (PAT)	916.93	787.14
Total Comprehensive Income for the Period	916.93	787.14
Transfer to Reserve Fund U/S 45 IC(I) of the RBI Act, 1934	183.39	157.43
Transfer to General Reserve	630.0	550.00
Provisions of Standard Assets	(18.71)	(18.49)
Earnings per Share of Re. 1 each (EPS) (INR)	2.06	1.86
Net Worth	11,609.99	10,240.91
Assets Under Management (AUM)	32,203.70	24,719.40

RESULTS OF OPERATIONS AND STATE OF COMPANY'S AFFAIRS

Revenue from operations for the year ended March 31, 2023 has increased by 18.68 % at INR 4,229.72 Million over the corresponding previous year. The Net Profit of your Company for the financial year ended March 31, 2023 stood at INR 916.93 Million as against the Net Profit of INR 787.14 Million for the financial year ended March 31, 2022. Accordingly, the Net Profit for the financial year ended March 31, 2023 reflects a growth of 16.49 % over the corresponding Profit for the financial year ended March 31, 2022.

TRANSFER TO RESERVES

Under Section 45IC of the Reserve Bank of India Act, 1934, Non-Banking Financial Companies (NBFC) are required to transfer a sum not less than 20% of its net profits every year to Reserve Fund before declaration of any dividend. Accordingly, the Company has transferred INR 183.39 Million (previous year INR 157.43 Million) to Reserve Fund. Further, INR 630.00 Million has been transferred to General Reserve for financial year 2022–23.

SUBSIDIARY COMPANY

The Company has only one Wholly Owned Subsidiary viz. Nupur Finvest Private Limited, a registered Non-Deposit Taking Non-Banking Finance Company. Nupur Finvest Private Limited is engaged in finance activities. At the year ended March 31, 2023, the net worth of the Company stood at INR 561.47 Million. During the reporting period the subsidiary reported income of INR 502.18 Million and Profit Before Tax (PBT) and Profit After Tax (PAT) at INR 24.07

Million and INR 19.26 Million respectively.

During the FY 2023, no new subsidiary was incorporated/acquired. The Company does not have any Associate Company nor has entered into a Joint Venture with any other Company.

The Financial Statement of Subsidiary Company is also available in a downloadable format under the Investor section on the Company's website at www.paisalo.in.

Pursuant to the provisions of Regulation 16 of SEBI (LODR) Regulations, 2015, Company has adopted Policy for Determining of Material Subsidiary which is available at Company's website at https://www.paisalo.in/pdf/corporate_governance/Policy_for_determining_material_subsidary.pdf

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 ended March 31, 2023.

Consolidated financial performance of the Company financial year ended March 31, 2023 is summarized below:
(INR in Million)

Particulars	FY 2022-23	FY 2021-22
Revenue from Operations	4,731.89	3,922.23
Less: Expenditure	3,424.24	2,850.69
Exceptional Item	45.29	0.33
Profit Before Tax (PBT)	1,262.37	1,071.22
Tax Expenses	326.19	278.71
Net Profit After Tax (PAT)	936.19	792.51
Total Comprehensive Income for the Period	936.19	792.51
Earnings per Share of Re. 1 each (EPS) (INR)	2.10	1.87
AUM	34927.92	26972.60

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 16.49 % increase in the Net Profit after tax from the finance business of the Company.

KEY RATIO

The Key Ratio for Financial Year ended March 31, 2023:

Current Ratio	2.38
Debt- Equity Ratio	1.58
Debt Service Coverage Ratio	0.58
Return on Equity Ratio	7.90%
Net Capital Turnover Ratio	0.37
Net Profit Ratio	21.68%
Return on Capital Employed	10.07%
Return on Investments	0.14%

DISBURSEMENTS

During the Financial Year 2022-23, total disbursements reached to INR 25,995.97 Million.

NUMBER OF CUSTOMERS

During the year under review the Customer outreach stood at 15,05,297.

CONVERSION OF FULLY CONVERTIBLE WARRANTS AND ISSUE OF EQUITY SHARES

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

Out of total convertible warrants, 16,20,000 warrants had already been converted into equity shares during the financial year ended March 31, 2022 and balance 9,90,000 warrants had been converted during the reporting financial year.

As on March 31, 2023, no convertible warrants/ convertible securities were outstanding.

SHARE CAPITAL

During the financial year ended March 31, 2023 Warrant Holders opted to exercise their right to convert the 9,90,000 warrants into equity shares and paid 75% of issue price to convert 9,90,000 warrants into equity shares. Accordingly, 85,55,000 equity shares of INR 1/- each at premium of INR 69.50/- each on September 3, 2022 and 13,45,000 equity shares of INR 1/- each at premium of INR 69.50/- each on September 12, 2022, allotted to the warrant holders on conversion of warrants.

The Authorized Share Capital of the Company stood at INR 1,25,00,00,000.00 and consequent to allotment of equity shares on conversion of warrants, the Issued Share Capital of the Company, as on March 31, 2023, was stood at INR 44,91,46,990.00 consisting of 44,91,46,990 Equity Shares of face value of INR 1/- each and the Subscribed Share Capital of the Company, as on March 31, 2023, was stood at INR 44,90,84,490.00 consisting of 44,90,21,990 Equity Shares of face value of INR 1/- each and 1,25,000 forfeited equity shares of face value of INR 1/- each (amount originally paid-up @ INR 0.50 each) and the Paid-up Share Capital of the Company, as on March 31, 2023, was stood at INR 44,90,21,990.00 consisting of 44,90,21,990 Equity Shares of face value of INR 1/- each fully paid-up and INR 62,500 for 1,25,000 forfeited equity shares of face value of INR 1/- each (amount originally paid-up @ INR 0.50 each).

DISCLOSURE OF UTILIZATION OF FUNDS PURSUANT TO REGULATION 32(7A) OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

During the year under review, the fund raised INR 523.46 Million (75% of issue price) through allotment of 99,00,000 equity shares of INR 1/- each on conversion of warrants had been utilized for general working capital, repay of borrowings and other corporate purpose as mentioned in the explanatory statement annexed to the Notice of Extra-Ordinary General Meeting, held on March 8, 2021 in which Special Resolution was passed by the Shareholders for preferential issue of Fully Convertible Warrants.

DEMATERIALIZATION OF EQUITY SHARES

Equity Shares of the Company are compulsorily tradable in demat form. As on March 31, 2023, 99.99% of the Equity Shares are held in demat form and only 40,060 Equity Shares of INR 1/- each out of total Equity Shares were held in physical form.

NET WORTH AND CAPITAL TO RISK ADJUSTED RATIO (CRAR)

The Net Worth of the Company (Standalone) increased to INR 11,609.99 Million as on March 31, 2023 from INR 10,240.91 Million as on March 31, 2022.

The Capital to Risk Adjusted Ratio (CRAR) stood at 40.34 % as on March 31, 2023 as against 42.92 % as on March 31, 2022, which is much above the requirement as stipulated by Reserve Bank of India.

DIVIDEND DISTRIBUTION POLICY

In terms of Regulation 43A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Company had formulated a Dividend Distribution Policy of the Company, which sets out the parameters and circumstances to be considered by the Board in determining the distribution of dividend to its shareholders and/or retaining profit earned. The policy is available on the website of the Company at https://paisalo.in/pdf/corporate_governance/Dividend_Distribution_Policy.pdf

DIVIDEND

Your Board is pleased to recommend a final dividend of 10% on each fully paid equity share for Financial Year 2022-23. The dividend, if declared, by the Members at the forthcoming Annual General Meeting (AGM) shall be paid to the eligible Members of the Company.

The dividend recommended is in accordance with the Company's Dividend Distribution Policy and framework laid down by the Reserve Bank of India vide its circular dated June 24, 2021

The dividend, if declared, at the ensuing AGM will be taxable in the hands of the Members of the Company pursuant to Income Tax Act, 1961.

UNCLAIMED DIVIDEND AND UNCLAIMED SHARES

Pursuant to Rule 5(8) of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, your company furnished a statement / information through Form IEPF 2 to the Ministry of Corporate Affairs, of the unclaimed dividends amounting to INR 1,48,881.00 as on the date of financial year ended on March 31, 2022. During the year under review, there was an amount of INR 26,860.00 of unpaid and unclaimed dividend for a period of 7 years from the date it was lying in the unpaid dividend, accordingly, pursuant to provisions of Section 124(5) of the Companies Act, 2013, INR 26,860.00 have been transferred in the Investor Education and Protection Fund (IEPF) of the Central Government in November 2022. And During the year Company has transferred 5870 equity shares of INR 1/- each against which dividends were not claimed/paid for the 7 consecutive years.

As on March 31, 2023 following amount was lying in the unclaimed dividend account:

Financial Year	Type of Dividend	%	Dividend per share (in INR)	Dividend Declared in	Date of Dividend Declaration	Unclaimed dividend amount (in INR)
2015-16	Final	10	1.00	24 th AGM	30-09-2016	20,451.00
2016-17	Final	10	1.00	25 th AGM	26-09-2017	17,858.00
2017-18	Final	10	1.00	26 th AGM	29-09-2018	12,633.00
2018-19	Final	10	1.00	27 th AGM	10-08-2019	13,814.00
2019-20	Final	10	1.00	28 th AGM	08-09-2020	21,556.00
2020-21	Final	10	1.00	29 th AGM	25-09-2021	35,707.00
2021-22	Final	10	0.10	30 th AGM	30-09-2022	11,588.38

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

DEPOSIT

During the year and review, the Company has not accepted any public deposits and as such, no amount on account of principal or interest on deposits from public, in terms of Section 73 of the Companies Act, 2013 was outstanding as on the date of the balance sheet.

BANK FINANCE

Your Company raised funds for its working capital and business requirements from various banks and the total amount of bank loan outstanding as on March 31, 2023 was INR 13,017.52 Million as against INR 10,261.10 Million on March 31, 2022.

During the year under review, your Company maintained banking relationships with 15 Banks.

FUND RAISING THROUGH ISSUE OF DEBENTURES

During the year under review, Company has raised INR 480.00 Million by issuing Unlisted Unsecured Unrated Non-Convertible Debentures on private placement basis. The fund raised from such issue were utilized for the financing activities and other general purpose.

TIMELY REPAYMENT OF DEBT LIABILITIES

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

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

CREDIT RATING

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

Sr No.	Instrument/Facility	Amount (INR in Million)	Rating Assigned
1	Fund Based Facilities from Banks-Long Term	18000.00	IVR AA-/Stable Outlook (IVR Double A Minus with Stable Outlook)
2	Non-Convertible Debentures	1150.00	
3.	Commercial Paper	1500.00	IVR A1+ (IVR A One Plus)

BOARD OF DIRECTORS, BOARD MEETINGS AND KEY MANAGERIAL PERSONNEL

The Company's Board is duly constituted and is in compliance with the requirements of the Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, RBI's Corporate Governance provisions as applicable on the Company and provisions of the Articles of Association of the Company. The Company's Board has been constituted with requisite diversity, wisdom and experience commensurate to the business of your Company.

APPOINTMENT/REAPPOINTMENT OF DIRECTORS

The Board of Directors based on recommendation of Nomination and Remuneration Committee in their meeting held on May 6, 2022 appointed Mr. Santanu Agarwal (DIN: 07069797) as Additional Director in the category of Executive Director designated as Deputy Managing Director for five years w.e.f. May 6, 2022. On June 10, 2022 Members of the Company passed the Special Resolution through Postal Ballot for the appointment of Mr. Santanu Agarwal as Deputy Managing Director of the Company.

As per the provisions of Section 149(10) of the Companies Act, 2013 and in terms of appointment of Mr. Gauri Shankar, as Non-Executive Independent Director, his tenure of five year was completing on July 21, 2022, Accordingly, based on the recommendation of Nomination and Remuneration Committee and keeping in the view the knowledge and experience of Mr. Gauri Shankar, the Board of Director, in their meeting held on May 6, 2022 recommended to the Members for reappointment of Mr. Gauri Shankar as Non-Executive Independent Director another term of three consecutive years from July 22, 2022 upto July 21, 2025. Members of the Company, on June 10, 2023, passed the Special Resolution through Postal Ballot for the reappointment of Mr. Gauri Shankar as Non-Executive Independent Director of the Company for three years commencing from July 22, 2022.

Further, Board of Directors of the Company appointed Mr. Nirmal Chand (DIN: 10041305) as an Additional Director of the Company in the category of Non-Executive Independent Director, not liable to retire by rotation for a term of three consecutive years w.e.f. March 27, 2023 subject to approval of Members of the Company. On May 5, 2023, Members passed Special Resolution through Postal Ballot for appointment of Mr. Nirmal Chand as Independent Director of the Company.

CHANGE IN DESIGNATION

During the year Members of the Company, on June 10, 2023, passed the Special Resolution through Postal Ballot for the appointment of Mr. Vijay Ronjan (DIN: 09345384), who was appointed as an Additional Director in the category of Non-Executive Independent Director by the Board w.e.f. October 8, 2021, as Non-Executive Independent Director of the Company for three years from his initial date of appointment as Non-Executive Independent Director viz. October 8, 2021.

The Board of Directors in their meeting held on May 6, 2022 changed the designation of Mr. Santanu Agarwal from Deputy CEO to Deputy Managing Director, the Members of the Company passed the Ordinary Resolution through Postal Ballot for appointment of Mr. Santanu Agarwal as Deputy Managing Director and for his remuneration as Deputy Managing Director on June 10, 2022.

CESSATION OF DIRECTOR

With deep regret, we report the sad demise of our Independent Director Mr. Pradeep Agarwal on August 2, 2022. Your Board would like to place on record their highest gratitude and appreciation for the guidance given by Mr. Pradeep Agarwal to the Board during his tenure as a Director. Paisalo benefited immensely from his invaluable guidance over the years. We knew him as a man of great intellect and vision who leaves behind a legacy of incredible commitment, dedication and a passion for business excellence. He was a true Karmayogi and a source of inspiration to all those whose lives he touched. He will remain in our memories for the rest of our lives.

RETIREMENT OF DIRECTOR BY ROTATION

During the year under review, Mr. Harish Singh (DIN: 00039501), who retired at the 30th Annual General Meeting, was re-appointed as an Executive Director of the Company.

In terms of Section 152 of Companies Act, 2013, Mr. Anoop Krishna, Executive Director (DIN 08068261), is liable to retire by rotation at the forthcoming Annual General Meeting and being eligible for re-appointment, offers himself for re-appointment as Director. The Board Directors of the Company in its meeting held on July 24, 2023 based on the recommendation of Nomination and Remuneration Committee recommended to the Members re-appointment of Mr. Anoop Krishna as a Director of the Company, liable to retire by rotation. Brief particulars of Mr. Anoop Krishna as required under the Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India and Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements Regulations, 2015 is provided in the Notice convening the 31st Annual General Meeting of the Company.

KMPS

There was no change in the KMPs of the Company during the year 2022-23

DECLARATION OF INDEPENDENCE BY INDEPENDENT DIRECTORS

All Independent Directors of the Company have declared to the Board of Directors that they meet the criteria of Independence as laid down in Sections 149(6) and 149(7) of the Companies Act, 2013; Regulation 16(1) (b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and RBI Corporate Governance Norms as applicable on the Company. In the opinion of the Board, the Independent Directors possess the requisite expertise and experience and are the person of integrity and repute. They fulfil the conditions specified in the Companies Act, 2013 and the Rules made thereunder and are independent of the management of the Company. The Board also places on records its deep appreciation for their continuous guidance, support and contribution to the Management of the Company.

EVALUATION OF BOARD OF DIRECTORS

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

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

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

The performance evaluation of the Non-Independent Directors viz., Managing Director and Executive Directors and the Board as a whole was also carried out by the Independent Directors at their separate meeting held on February 9, 2023, considering the views of the Executive and the Non-Executive Directors.

The Company conducts a Board Evaluation process for the Board of Directors as a whole, Board Committees and also for the Directors individually through self-assessment and peer assessment. Performance of the Board of Directors, its Committees and Individual Directors Mounting stakeholders' expectations, challenges faced by the Companies to operate under fluctuating economic conditions and increased regulatory requirements have brought the quality of performance of the Board of Directors under greater scrutiny. The Board of Directors has recognized that it would be important for them to continually assess how effectively they are performing their roles against the objectives and the goals they have set for themselves. This growing recognition has resulted in Board evolutions as a critical structural tool for assessing Board effectiveness and efficiency.

The Directors expressed satisfaction with the evaluation process. The performance of the Director individually and collectively and performance of the Committees are found satisfactory.

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

BOARD & COMMITTEES OF THE COMPANY

BOARD OF DIRECTORS

As on March 31, 2023, there are ten members on the Board of the Company, out of ten members six are Non-

Executive Independent Directors. Board members of the Company having experience in the field of finance, banking, taxation, legal and compliance.

MEETINGS OF BOARD

During the year under review, a total of Six Meetings of the Board of Directors of the Company were held, i.e., on May 6, 2022; August 5, 2022; September 3, 2022; September 12, 2022; November 10, 2022 and February 10, 2023. Details of Board composition and Board Meetings held during the financial year 2022–23 have been provided in the Corporate Governance Report which forms part of this Report.

AUDIT COMMITTEE

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

STAKEHOLDERS RELATIONSHIP COMMITTEE

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

NOMINATION AND REMUNERATION COMMITTEE

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

POLICY ON DIRECTORS APPOINTMENT AND REMUNERATION

The Company strives to maintain an appropriate combination of Executive, Non-Executive and Independent Directors. The Nomination & Remuneration Committee of the Company leads the process for Board appointments in accordance with the requirements of Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable rules or guidelines. All the Board appointments are based on meritocracy. Generally, the Managing Director and Whole-time Directors (Executive Directors) are appointed for a period of five years. Independent Directors of the Company are appointed to hold their office for a term of up to five consecutive years on the Board of your Company. Based on their eligibility for reappointment, the outcome of their performance evaluation and the recommendation by the Nomination and Remuneration Committee, the Independent Directors may be re-appointed by the Board for another term of five consecutive years, subject to approval of the Shareholders of the Company. The Directors, Key Managerial Personnel and Senior Management Personnel shall retire as per the applicable provisions of the Companies Act, 2013 and the policy of the Company. The potential candidates for appointment to the Board are inter-alia evaluated on the basis of personal and professional ethics, standing, integrity, values and character; appreciation of the Company's vision, mission, values; prominence in business, institutions or professions; professional skill, knowledge and expertise; financial literacy and such other competencies and skills as may be considered necessary.

In addition to the above, the candidature of an Independent Director is also evaluated in terms of the criteria for determining independence as stipulated under Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, guidelines issued by RBI and other applicable regulations or guidelines. In case of re-appointment of Director, the Board shall take into consideration the results of the performance evaluation of the Directors and their engagement level.

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

COMPLIANCE WITH THE CODE OF CONDUCT OF BOARD OF DIRECTORS AND SENIOR MANAGEMENT

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

DIRECTORS' RESPONSIBILITY STATEMENT

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

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

AUDITORS & AUDIT REPORTS

STATUTORY AUDITOR AND STATUTORY AUDIT REPORT

In terms of Guidelines for Appointment of Statutory Central Auditors (SCAs)/Statutory Auditors (SAs) of Commercial Banks (excluding RRBs), UCBs and NBFCs (including HFCs) issued by Reserve Bank of India vide its notification RBI/2021-22/25 Ref. No. DoS. CO. ARG/SEC.01/O8.91.OO1/2021-22 dated April 27, 2021 and provisions of Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Members of the Company appointed M/s Manish Goyal & Co. Chartered Accountants, having Firm Registration no. OO6O66C, as the Statutory Auditors of the Company at the 30th Annual General Meeting held on September 30, 2022 to hold office from conclusion of 30th Annual General Meeting till the conclusion of 32nd Annual General Meeting of the Company to conduct the audit of accounts for the financial year ending March 31, 2023 and March 31, 2024. M/s Manish Goyal & Co. Chartered Accountants, has audited the Company's Financial Statements for the financial year ended March 31, 2023. The Notes on financial statements referred to in the Auditors Report are self-explanatory and do not call for any further comments under Section 134 of the Companies Act, 2013. The Auditors' Report to the Members for the year under review is unmodified, i.e. it does not contain any qualification, reservation or adverse remark.

The Report given by the Statutory Auditor M/s Manish Goyal & Co., Chartered Accountants, on the Financial Statement of the Company for the financial year 2022–23 is part of the Annual Report.

SECRETARIAL AUDITOR AND SECRETARIAL AUDIT REPORT

In accordance with the provisions of Section 204 of the Companies Act, 2013 read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, and as a measure of good Corporate Governance practice, Board of Directors in their Meeting held on February 10, 2023 has appointed M/s. Satish Jadon & Associates, Practising Company Secretaries, as Secretarial Auditor of the Company to conduct Secretarial Audit of the Company for financial year ended March 31, 2023 and to submit Secretarial Audit Report in Form No. MR-3.

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

Pursuant to circular No. CIR/CFD/CMD1/27/2019 dated February 8, 2019, issued by the Securities and Exchanges Board of India and Regulation 24A(2) of SEBI (LODR) Regulations, 2015, the Company has obtained Secretarial Compliance Report for financial year ended March 31, 2023, from Practising Company Secretary on compliance of all applicable SEBI Regulations and circular/ guidelines issued thereunder and the copy of same has been submitted with the Stock Exchanges within the prescribed due date.

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

SECRETARIAL STANDARDS

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

MAINTENANCE OF COST RECORDS

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

FRAUD REPORTED BY AUDITORS UNDER SECTION 143(12) OTHER THAN THOSE WHICH ARE REPORTED TO THE CENTRAL GOVERNMENT

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

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186 OF COMPANIES ACT, 2013

Being RBI registered Non-Banking Financial Company, pursuant to Section 186(11) of the Companies Act, 2013 the provisions of Section 186, except Sub-Section 1 of the said Section, shall not apply on the Company, hence disclosure under Section 134 (3) (g) of the Companies Act, 2013, of particulars of the loans given securities provided under Section 186 of the Companies Act, 2013 is not applicable to the Company. The details of Investment made by the Company have been disclosed in the note no. 6 of the Standalone Financial Statement for the year ended March 31, 2023. The Company has given its guarantee only for the credit facilities availed by its Wholly Owned Subsidiary M/s. Nupur Finvest Private Limited.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

During the financial year ended March 31, 2023, transactions with the Related Parties as defined under the Companies Act, 2013 read with Rules framed thereunder and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 were in the 'ordinary course of business' and 'at arm's length' basis. During the year under review, your Company did not enter into any Related Party Transactions which require prior approval of the Members. All Related Party Transactions of the Company had approval of the Audit Committee and the Board of Directors, as required under Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Subsequently, the Audit Committee and the Board have reviewed the Related Party Transactions on a quarterly basis. The Company has an internal mechanism for the purpose of identification and monitoring of Related Party Transactions. During the year under review, there has been no materially significant Related Party Transactions having potential conflict with the interest of the Company. Since all Related Party Transactions entered into by your Company were in the ordinary course of business and also on an arm's length basis, therefore details required to be provided under the provisions of Section 134(3)(h) of the Companies Act, 2013 in the prescribed Form AOC-2 is not applicable to the Company. The Directors draw attention of the Members to note no. 37 of the Notes to the Financial Statements for the year ended March 31, 2023 which sets out details of related party transactions.

Policy on materiality of related party transactions and on dealing with related party transactions is displayed on the website of the Company at https://paisalo.in/pdf/corporate_governance/Policy_on_related_party_transactions.pdf

MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY

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

SIGNIFICANT AND MATERIAL LITIGATIONS / ORDERS

During the financial year 2022-23, there were no significant and material orders passed by the Regulators / Courts which would impact the going concern status of the Company and its future operations. Further, no penalties have been levied by the RBI or any other regulator during the year under review.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

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

- being a Non-banking Finance Company, the particulars regarding conservation of energy and technology absorption as required to be disclosed pursuant to the Rule 8(3) of the Companies (Accounts) Rules, 2014 are not relevant to its activities.
- Foreign Exchange earnings for the Company during the financial year under review was nil and Company's Foreign Exchange outgo during the financial year under review was INR 2,31,219/-

CORPORATE SOCIAL RESPONSIBILITY

In accordance with the provisions of Section 135 of the Companies Act, 2013 read with rules made thereunder, Company has constituted a Corporate Social Responsibility Committee, which framed a CSR Policy for the Company and same has been approved by the Board of Directors of the Company, which is available on the website of the Company. CSR Policy of the Company is reviewed, time to time,

For the financial year 2022-23 the Board of Directors of the Company in their meeting held on May 6, 2022 approved INR 17.45 Million as the budget for CSR activities. During the Year Company has spent INR 17.60 Million, CSR fund in various activities which are disclosed in the Annual Report on CSR activities for financial year ended March 31, 2023 annexed with this report as Annexure B.

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

BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT

Pursuant to Regulation 34(2)(f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with SEBI Circular No. SEBI/HO/CFD/CMD-2/P/CIR/2021/562 dated May 10, 2021, top 1,000 listed entities based on market capitalisation are required to submit a BRSR with effect from the FY2023 Accordingly, the Company has adopted a Policy on BRSR and other ESG initiatives. A detailed BRSR in the format prescribed by SEBI describing various initiatives, actions and process of the Company towards the ESG endeavor has been hosted on Company's website and can be accessed at <https://www.paisalo.in/> and also annexed with this report as Annexure C

INTERNAL FINANCIAL CONTROL

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

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

The internal control is supplemented by an extensive program of internal, external audits and periodic review by the Management. This system is designed to adequately ensure that financial and other records are reliable for preparing financial information and other data and for maintaining accountability of assets. Competent professionals have been engaged by the Company for conducting internal audit, to examine and evaluate the adequacy and effectiveness of internal financial control system of the Company. The Internal Audit team is responsible to assist the Audit Committee and Risk Management Committee on an independent basis with a complete review of the risk assessments and associated management action plans. The Internal Audit Reports and Risk related report are reviewed periodically by the Audit Committee and Risk Management Committee of the Company. Efficacy of internal control systems are tested periodically by Internal Auditors and Internal Control over financial reporting is tested and certified by Statutory Auditors.

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

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

RISK MANAGEMENT

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

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

HUMAN RESOURCES

Company's industrial relations continued to be harmonious during the period under review. The Company strives to provide the best work environment with ample opportunities to grow and explore. Healthy, cordial and harmonious industrial relations have been maintained by the Company at all levels.

DISCLOSURES AS PER THE PROVISION OF SECTION 197 (12) OF COMPANIES ACT, 2013

The information required pursuant to the provisions of Section 197 of the Act read with Rule 5(l) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company has been appended as Annexure D of this Report. In terms of first proviso to Section 136 of the Act, the Report and Accounts are being sent to the Members and others entitled thereto, excluding the information on employee's

particulars as required pursuant to provisions of Rule 5(2) and Rule 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. The said information is available for inspection by the Members at the Registered Office of the Company during business hours on working days of the Company up to the date of the ensuing AGM. If any Member is interested in obtaining a copy thereof, such Member may write to the Company Secretary at cs@paisalo.in in this regard and same will be furnished on such request.

COMPLIANCE WITH PROVISIONS OF SEXUAL HARASSMENT OF WOMEN AT WORK PLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT, 2013

The Company is committed to providing and promoting a safe and healthy work environment for all its employees. The Company has a detailed policy in place in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (the "POSH"), Internal Complaints Committees (the "ICC") has been set up to redress complaints, if any, received regarding sexual harassment and the Company has complied with provisions relating to the constitution of ICC under the POSH. During the financial year 2022-23, no complaints was received from any of the employees.

COMPLIANCE OF RESERVE BANK OF INDIA GUIDELINES

Your Company is categorized as a Non-Deposit taking Systemically Important Middle Layer Non-Banking Finance Company. Accordingly, during the year, the Company has not accepted any deposits from the public and there were no deposits which become due for repayment or renewal. The Company has complied with the 'Master Direction-Non-Banking Financial Company- Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016, as amended from time to time and all other applicable Directions of RBI during FY 2022-23.

ANNUAL RETURN

In accordance with the provisions of Section 92(3) read with Section 134(3) (a) of the Act and the applicable rules, Annual Return of the Company as on March 31, 2023, in the prescribed form, which will be filed with Registrar of Companies/MCA, is hosted on website of the Company at https://paisalo.in/pdf/annual_report/MGT-7_PAISALO_2022-23.pdf

MANAGEMENT DISCUSSION AND ANALYSIS

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

VIGIL MECHANISM/WHISTLE BLOWER POLICY

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

During the financial year 2022-23, no cases under this mechanism have been reported.

PREVENTION OF INSIDER TRADING

The Company has adopted a Code of Conduct for Prevention of Insider Trading with a view to regulate trading in securities by the Directors and designated employees of the Company. The Company has also taken software containing structural digital database for maintaining names of persons with whom unpublished price sensitive

information is shared. The software contains details of information shared and the names of such persons with whom information is shared under this regulation along with the Permanent Account Number.

The Code requires pre-clearance for dealing in the Company's securities and prohibits the purchase or sale of Company securities by the Directors and the designated employees while in possession of unpublished price sensitive information in relation to the Company and during the period when the trading window is closed. The Board is responsible for implementation of the Code. The Code is available on the website of the company at https://www.paisalo.in/pdf/corporate_governance/Code_of_conduct_for_prevention_of_insider_trading.pdf

CORPORATE GOVERNANCE

Your Company believes that good corporate governance is the basis for sustainable growth of the business and effective management of relationship among constituents of the system and always works towards strengthening this relationship through corporate fairness, transparency and accountability. Your Company give prime importance to reliable financial information, integrity transparency, fairness, empowerment and compliance with law in letter and spirit.

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

CERTIFICATE FROM THE MANAGING DIRECTORS AND CHIEF FINANCIAL OFFICER

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

ACKNOWLEDGMENTS

Your Board acknowledges the support and co-operation received from all regulatory authorities of the Central Government and all State Governments in India. Your Board takes this opportunity to thank all its Banks and other stakeholders as it considers them essential partners in progress.

Your Board acknowledges and appreciates the relentless efforts of the employees and staff including the management team headed by the Executive Directors who always lead from the front in achieving a commendable business performance year on year despite a challenging business environment. Your Board is indebted for the unstinted support and trust reposed by you, the Members. Your Board wishes to place on record its deep appreciation of the Non-Executive Directors of the Company for their immense contribution by way of strategic guidance, sharing of knowledge, experience and wisdom, which helps your Company to take right decisions in achieving its business goals. Your Board is also looking forward to continued support and co-operation in future.

Place : New Delhi
Date : July 24, 2023

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

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

Sd/-
Harish Singh
Executive Director
DIN : 00039501

ANNEXURE A:

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED MARCH 31, 2023

The Members,
M/s Paisalo Digital Limited
(CIN : L65921DL1992PLC12O483)
CSC, Pocket 52, CR Park, Near Police Station,
New Delhi-110019

Our Secretarial Audit Report of even date is to be read along with this letter.

Maintenance of Secretarial Record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these Secretarial Records based on our audit.

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

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

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

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

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

Date : 24.06.2023
Place : Agra

For Satish Jadon & Associates
Company Secretaries

Sd/-
Satish Kumar Jadon
Membership No. F9512
CoP No.9810
P.R. No. 1028/2020
UDIN : F009512E000494238

FORM NO. MR-3

Secretarial Audit Report for the Financial Year Ended March 31, 2023

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

To,
The Members,
M/s Paisalo Digital Limited
(CIN : L65921DL1992PLC12O483)
CSC, Pocket 52, CR Park, Near Police Station,
New Delhi-110019

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

Auditor's Responsibility:

Our responsibility is to express an opinion on the compliance of the applicable laws and maintenance of record based on audit. We have conducted the audit in accordance with the applicable Auditing Standards issued by the Institute of Company Secretaries of India. The Auditing Standards require that the Auditor shall comply with statutory and regulatory requirements and plan and perform the audit to obtain reasonable assurance about the compliance with applicable laws and maintenance of records.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2023 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent and in the manner reported hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2023 according to the provisions of:

- i. The Companies Act, 2013 ("the Act") and the rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment;
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') to the extent applicable to the Company:
 - a) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
 - b) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - d) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; (Not applicable to the company during the Audit Period)

- e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;
- f) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; (Not applicable to the company during the Audit Period)
- h) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2021 (Not applicable to the company during the Audit Period)
- i) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; and
- vi. The Reserve Bank of India Act, 1934, rules/regulations made thereunder as applicable to the Non-Deposit taking Systemically Important Non-Banking Finance Company (NBFC-NDSI) and Master Directions/guidelines/notifications issued by RBI for Non-Deposit taking Systemically Important Non-Banking Finance Company (NBFC-NDSI).

We have also examined on test check basis the relevant documents and records maintained by the Company and the Returns filed by the Company with the Reserve Bank of India ('RBI'). The Company is generally regular in filing the Returns with the RBI.

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

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

We report that during the year under review, the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors & 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 and Committee Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. Decisions were taken according to the majority rule and subject to the requirement of the Act and other applicable laws.

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

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

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

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

a. Company has allotted following Debentures:

S. No	Debentures	Date of Allotment	Tenure Months	No. of Debentures	Face Value (Rs. in Lakh)	Listed/ Unlisted
1.	Unsecured Non-Convertible Debentures	06.07.2022	120	14	100.00	Unlisted
2.	Unsecured Non-Convertible Debentures	18.01.2023	120	340	10.00	Unlisted

- b. In terms of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 and Special Resolution passed by the Shareholders of the Company at Extraordinary General Meeting held on March 8, 2021, on receipt of balance 75% amount of issues price, during the year, Company has allotted 99,00,000 equity shares as under on conversion of balance 9,90,000 Fully Convertible Warrants (Warrants) (Conversion of 1 warrant into 10 equity shares), out of 26,10,000 Warrants which were allotted on March 20, 2021, on preferential basis and can be convertible within 18 months from the date of allotment of Share Warrants, in one or more tranches:

S. No	Shares	Date of Allotment	Number of shares	Face Value (in Rs.)	Premium (in Rs.)	No. of Warrants converted	Balance number of warrants
1.	Equity Shares	03-09-2022	85,55,000	1.00	69.50	8,55,500	1,34,500
2.	Equity Shares	12-09-2022	13,45,000	1.00	69.50	1,34,500	0

2. The Company has redeemed following debentures:

S. No	Debentures	Date of Redemption	No. of Debentures	Face Value (Rs. in Lakh)	Listed/ Unlisted
1.	Unsecured Non-Convertible Debentures	09.05.2022	160	10.00	Unlisted
2.	Unsecured Non-Convertible Debentures	17.01.2023	28	100.00	Unlisted

3. Company has sub-divided /splits its equity shares from face value of Rs.10 each to face value of Re. 1 each and amended its MoA accordingly via Resolutions passed by the Shareholders through postal ballot on 10th June 2022.

4. The Company has appointed Mr. Santanu Agarwal (Din No. 07069797) as Deputy Managing Director w.e.f. 6th May, 2022 via Resolution passed by the Shareholders through postal ballot on 10th June 2022.

Date : 24.06.2023
Place : Agra

For Satish Jadon & Associates
Company Secretaries

Sd/-
Satish Kumar Jadon
Membership No. F9512
CoP No.9810
P.R. No. 1028/2020
UDIN : F009512E000494238

ANNEXURE B:

ANNUAL REPORT ON CSR ACTIVITIES FOR FINANCIAL YEAR ENDED MARCH 31, 2023

1. A Brief outline of the Company's CSR Policy : The aim of the Company's CSR Policy is to support causes related to supporting rural development, promoting education, providing preventive healthcare and sustainable development of green environment, provided they are covered as per the statutory requirements of social responsibility. The Company has always focused to contribute towards sustainable development of the society and environment, and to make our planet a better place for future generations. For more information please refer CSR policy at : https://paisalo.in/pdf/corporate_governance/CSR_Policy.pdf For the financial year 2022-23 the Board of Directors allocated budget of INR 17.45 Million (more than 2% of Company's Average net profit of last three years) for CSR activities.
2. The Composition of the CSR Committee : Mr. Harish Singh (Chairman)
Mr. Sunil Agarwal (Member)
Mr. Vijay Ronjan (Member)
3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company : <https://paisalo.in/home/investorrelation>
4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report) : N.A.
5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (INR in Million)	Amount required to be setoff for the financial year, if any (INR in Million)
			N.A.

6. Average net profit of the company as per section 135(5) : INR 872.70 Million
7. (a) Two percent of average net profit of the company as per section 135(5) : INR 17.45 Million
- (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years : Nil
- (c) Amount required to be set off for the financial year if any : Nil
- (d) Total CSR obligation for the financial year (7a+7b- 7c) : INR 17.45 Million
8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year (INR in Million)	Amount Unspent (INR in Million)				
	Total Amount transferred to Unspent CSR Account as per Section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
17.60	Nil	-	None	Nil	-

- (b) Details of CSR amount spent against ongoing projects for the financial year:

(1) Sl. No.	(2) Name of the Project	(3) Item from the list of activities in Schedule VII to the Act.	(4) Local area (Yes/ No)	(5) Location of the Project		(6) Project Duration	(7) Amount allocated for the project (INR in Million)	(8) Amount spent in the current financial year (INR in Million)	(9) Amount transferred to Unspent CSR Account for the project as per Section 135(6) (INR in Million)	(10) Mode of Implementation - Direct (Yes/No)	(11) Mode of Implementation Through Implementing Agency	
				State	District						Name	CSR Registration number
1.	-	-	-	-	-	-	-	-	-	-	-	-

(c) Two percent of average net profit of the company as per section 135(5)

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
				State	District			Name	CSR Registration number
1.	Hygiene and Health care E-Rickshaw donated to Mental Hospital at Agra	Promoting health care including preventive health care	Yes	Uttar Pradesh	Agra	0.14	Yes	-	-
2.	Aid to install Health Centers and Distributing Nutritional supplements for Kids	Promoting health care including preventive health care	Yes	Delhi	East Delhi	0.10	No	Scawin Society for children	CSR00018624
3.	Aid to organize Health Camp for those suffering from low-vision and give medicines for basic illness	Promoting health care including preventive health care	No	Uttarakhand	Rishikesh	0.14	No	Anugraha Drishtidaan	CSR00005982
4.	Free education of kids in poorest slums	Promoting education and measures for reducing inequalities faced by socially and economically backward groups	No	Delhi, Uttar Pradesh & Rajasthan	New Delhi, Ghaziabad, Meerut, Muzaffarnagar, Jodhpur	1.10	No	Jan Swabhiman Welfare Society	CSR00017155
5.	Treatment and rehabilitation of disabled ("Specially Abled") peoples belonging to weaker section of society	Promoting health care including preventive health care	No	Uttar Pradesh	Muradnagar	3.20	No	Saurabh Sagar Sewa Sansthan	CSR00013522
6.	Aid to Food for life (a free meal distribution program of ISKCON for poor and needy peoples)	Eradication of hunger	No	Uttar Pradesh	Ghaziabad	2.10	No	International Society for Krishna Consciousness	CSR00005241
7.	Distribution of cloths and foods	Eradicating hunger, poverty and malnutrition	No	Madhya Pradesh, Jharkhand, Uttar Pradesh	Datia, Deoghar, Ayodhya	5.72	Yes	-	-
8.	Sponsorship for underprivileged student's	Promoting education and measures for reducing inequalities faced by socially and economically backward group	No	Maharashtra	Mumbai	5.10	No	Uttam Prakash Agarwal Foundation Trust	CSR00049427
Total						17.60			

(d)	Amount spent in Administrative Overheads	:	Nil
(e)	Amount spent on Impact Assessment, if applicable	:	Nil
(f)	Total amount spent for the Financial Year (8b+8c+8d+8e)	:	INR 17.60 Million
(g)	Excess amount for set off, if any	:	Nil

Sl. No.	Particular	Amount (INR in Millions)
(i)	Two percent of average net profit of the company as per Section 135(5)	INR 17.45 Million
(ii)	Total amount spent for the Financial Year	INR 17.60 Million
(iii)	Excess amount spent for the financial year [(ii)-(i)]	INR 0.15 Million
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	INR 0.15 Million

9.

(a) Details of Unspent CSR amount for the preceding three financial years:							
Sl. No.	Preceding Financial Year.	Amount transferred to Unspent CSR Account under section 135 (6) (INR in Millions)	Amount spent in the reporting Financial Year (INR in Millions)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years. (INR in Millions)
				Name of the Fund	Amount (INR in Millions)	Date of transfer.	
N.A.							

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

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details)

(a)	Date of creation or acquisition of the capital asset(s)	:	-
(b)	Amount of CSR spent for creation or acquisition of capital asset	:	-
(c)	Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.	:	-
(d)	Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset)	:	-

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5) : NA

Place : New Delhi
Date : July 24, 2023

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

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

Sd/-
Harish Singh
Executive Director
DIN : 00039501

Business Responsibility



Sustainability Report

ANNEXURE C:

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT

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

PREFACE

The Ministry of Corporate Affairs (MCA), Government of India, released a set of guidelines in 2011 called the National Voluntary Guidelines on the Social, Environmental and Economic Responsibilities of Business (NVGs). This was expected to provide guidance to businesses on what constitutes responsible business conduct. In order to align the NVGs with the Sustainable Development Goals (SDGs) and the 'Respect' pillar of the United Nations Guiding Principles (UNGP) the process of revision of NVGs was started in 2015. After, revision and updation, the new principles are called the National Guidelines on Responsible Business Conduct (NGRBC) was released by MCA in 2019.

NGRBC PROVIDES FOLLOWING NINE THEMATIC PILLARS OF BUSINESS RESPONSIBILITY WHICH ARE CALLED PRINCIPLES:

<p>Principle 1: Businesses should conduct and govern themselves with integrity, and in a manner that is ethical, transparent, and accountable.</p>	<p>Principle 2: Businesses should provide goods and services in a manner that is sustainable and safe.</p>	<p>Principle 3: Businesses should respect and promote the well-being of all employees, including those in their value chains.</p>
<p>Principle 4: Businesses should respect the interests of and be responsive to all its stakeholders.</p>	<p>Principle 5: Businesses should respect and promote human rights.</p>	<p>Principle 6: Businesses should respect and make efforts to protect and restore the environment.</p>
<p>Principle 7: Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent.</p>	<p>Principle 8: Businesses should promote inclusive growth and equitable development.</p>	<p>Principle 9: Businesses should engage with and provide value to their consumers in a responsible manner.</p>

Pursuant to the National Guidelines on Responsible Business Conduct, the Securities and Exchange Board of India (SEBI), from FY2023, has mandated India's top 1,000 listed entities based on market capitalisation on BSE Ltd. (BSE) and National Stock Exchange of India Ltd. (NSE), to submit a Business Responsibility and Sustainability Report (BRSR/ Report) in line with the National Guidelines on Responsible Business Conduct.

'Paisalo Digital Limited' (Paisalo/'the Company') presents its BRSR for FY2022-23 (earlier known as 'Business Responsibility Report') in line with the NGRBCs and BRSR requirements under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "SEBI (LODR) Regulations, 2015").

This report covers the Company's response to the questions on the practices and performance undertaken by it towards sustainability as a business imperative.

In this regard following is the Report of our Company for FY 2022-23 based on the format suggested by SEBI.

ABOUT PAISALO

The three word ancient Sanskrit phrase re-produces the motto and philosophy of Paisalo Digital Limited's meaning.

अर्थ: समाजस्य न्यासः

WEALTH – WORLDLY THINGS – SOCIETY TRUST

Thus, Wealth owned by Paisalo Digital Limited is Trust property of Society

Paisalo Digital Limited, an Investment and Credit Non-Deposit Taking Systemically Important Middle Layer Non-Banking Financial Company. PAISALO's humble beginning dates back to 1992 when it started its finance business from a small office, now it has pan India presence through 1052 touch points (220 Branches + 432 Business Correspondent CSPs +400 Distribution Points) across 18 states and primarily focusing on financing of self-employed borrowers, a segment which is still untapped/ unserved, driven by rising affluence, aspiration and favorable demographics.

The Company has cumulatively served more than 1.5 million satisfied customers. While remaining focused on growth, Company consistently maintains high asset quality level and continues to build the institution on the strong pillars of ethics, values and corporate governance.

31
Years of operation

₹ 34,928
Million (AUM)

1052
Touch Points

40.34%
CAR

SECTION A: GENERAL DISCLOSURES

I. Details of the listed entity

1. Corporate Identity Number (CIN) of the Listed Entity	L65921DL1992PLC12O483
2. Name of the Listed Entity	Paisalo Digital Limited
3. Year of incorporation	1992
4. Registered/Corporate office address	CSC Pocket-52, CR Park Near Police Station New Delhi, Delhi-110019
5. Head office address	Paisalo House, 74, Gandhi Nagar, NH-2, Agra-282003
6. E-mail	cs@paisalo.in
7. Telephone	+91 11 43518888
8. Website	www.paisalo.in
9. Financial year for which reporting is being done	April 1, 2022 – March 31, 2023
10. Name of the Stock Exchange(s) where shares are listed	1. National Stock Exchange of India (NSE) 2. BSE Limited (BSE)
11. Paid-up Capital	INR 449.02 Million

12. Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report

Name and designation of the person	Manendra Singh Company Secretary
Contact details	+91 11 43518888
Email ID	cs@paisalo.in

13. Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together).

Standalone Basis

II. Products/services

14. Details of business activities (accounting for 90% of the turnover):

S. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1	Financial Services	The Company is primarily engaged in the finance business	100 %

15. Products/Services sold by the entity (accounting for 90% of the entity's Turnover):

S. No.	Product/Service	NIC Code	% of total Turnover contributed
1	Non-Banking Finance Company engaged in lending and allied activity	65923	100%

III. Operations

16. Number of locations where plants and/or operations/offices of the entity are situated:

Location	Number of plants	Number of offices	Total
National	Not applicable*	220#	220
International		Nil	Nil

*PAISALO and its subsidiaries provides financial services and does not undertake any manufacturing activity.

#Includes all the branches, registered and head offices as at March 31, 2023. Total geographic footprint stood at to 1052 touch points (220 Branches + 432 Business Correspondent CSPs +400 Distribution Points) across 18 states

17. Markets served by the entity:

a.	Number of locations
	Locations
	Number
	National (No. of States)
	18*
	International (No. of Countries)
	Nil
	* Total geographic footprint stood at 1052 touch points* (220 Branches + 432 Business Correspondent CSPs +400 Distribution Points) across 18 states
b.	What is the contribution of exports as a percentage of the total turnover of the entity?
	Nil
c.	A brief on types of customers: Paisalo focuses on continuous innovation to transform customer experience and create growth opportunities. Total Customer outreach as on March 31, 2023 stood at 15,05,297. During the year, the Company acquired over 1.10 lakh new customers. In the pyramid of development the bottom most layer needs to be strengthened through financial inclusion by serving the financing needs through employment and income generation loans to the economically weaker section. Paisalo mainly focused on income generation loans which includes priority sector lending, corporate loans for working capital. Company's small ticket size loans basically aims to provide financial assistance to weaker section of society to make them self-independent and to earn their livelihood.

IV. Employees

18. Details as at the end of Financial Year:

a.	Employees (including differently abled)*:					
S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
EMPLOYEES						
1.	Permanent (D)	1650	1586	96.12	64	3.88
2.	Other than Permanent (E)	-	-	-	-	-
3.	Total employees (D + E)	1650	1586	96.12	64	3.88
WORKERS						
1.	Permanent (D)	The Company does not have any 'worker'.				
2.	Other than Permanent (E)					
3.	Total employees (D + E)					
*Note: Provided details with respect to permanent employees only						
b.	Differently abled Employees and workers*:					
S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
DIFFERENTLY ABLED EMPLOYEES						
1.	Permanent (D)	1	1	100.00	0	0.00
2.	Other than Permanent (E)	-	-	-	-	-
3.	Total differently abled employees (D+E)	1	1	100.00	0	0.00
DIFFERENTLY ABLED WORKERS						
1.	Permanent (D)	The Company does not have any 'worker'.				
2.	Other than Permanent (E)					
3.	Total differently abled workers (D + E)					
*Note: Provided details with respect to permanent employees only						

19. Participation/Inclusion/Representation of women:

	Total (A)	No. and percentage of Females	
		No. (B)	% (B/A)
Board of Directors	10	1	10
Key Management Personnel*	5	0	0

* Key Managerial Personnel are as defined under Section 2(51) of the Companies Act, 2013 and includes Managing Director and Executive Directors also.

20. Turnover rate for permanent employees and workers (Disclose trends for the past 3 years)

	FY- 2023 (Turnover rate in current FY) (%)			FY-2022 (Turnover rate in previous FY) (%)			FY-2021 (Turnover rate in the year prior to the previous FY) (%)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	49.23	0.38	49.61	31.42	0.00	31.42	35.86	0	35.86
Permanent Workers	The Company does not have any 'worker'.								

V. Holding, Subsidiary and Associate Companies (including joint ventures)

21. (a) Names of holding / subsidiary / associate companies / joint ventures:

S. No.	Name of the holding/ subsidiary/ associate companies/ joint ventures (A)	Indicate whether holding/Subsidiary/ Associate/ Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1	Nupur Finvest Private Limited	Subsidiary Company	100	No

VI. CSR Details

22.	(i)	Whether CSR is applicable as per section 135 of Companies Act, 2013 (Yes/No)	Yes
	(ii)	Turnover FY 2023 (INR in Million)	4205.37
	(iii)	Net worth FY 2023 (INR in Million)	11,609.99

VII. Transparency and Disclosures Compliances

23. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If Yes, then provide web-link for grievance redress policy ²)	FY 2023 Current Financial Year			FY 2022 Previous Financial Year		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Investors(Other than Shareholders ¹)	Yes	0	0	-	0	0	-
Shareholders	Yes	0	0	-	1	0	-
Customers	Yes	6	0	-	8	0	-
Government and Regulators	Yes	0	0	-	0	0	-
Value Chain Partners	Yes	0	0	-	0	0	-
Employees	Yes	0	0	-	0	0	-
Communities	Paisalo has not instituted a dedicated structure for a formal local community grievance.	0	0	-	0	0	-
Other (please specify)	-	0	0	-	0	0	-

1. Investors (Other than Shareholders) means Debenture holders of the Company.
 2. As a principle, in line with policies, practices and processes, Paisalo engages with its stakeholders and strives to redress their grievance in a just, fair and equitable manner and if warranted takes corrective measures. There are certain policies which are internal documents and are not accessible to public, in addition to the policies available on Company's website at <https://paisalo.in/home/investor-relation>, regarding conduct with stakeholders, including grievance mechanisms.

24. Overview of the entity's material responsible business conduct issues:

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format:

S. No	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1	Financial Inclusion	Opportunity	Non-Banking Financial Companies (NBFCs) have been at the forefront of financial inclusion in the Country, lending to underserved segment such as small business and rural households. NBFCs played an important role in deepening access to formal credit and promoting inclusive growth. NBFCs have reached out to rural, semi-urban and metro areas, where access to formal credit is often limited. The expertise that NBFCs provide is underwriting risk with the nuanced ability to assess income and repayment capability over the tenor of the loan. Furthermore, NBFCs address the gap between the Banks and the consumers by offering low-ticket loan amounts tailored product with less paperwork to suit the relevant needs of the customer.	-	Positive- Paisalo is engaged in the business of providing convenient and easy loans to the financially excluded at bottom of India's economic pyramid. Experience to serve more than 1.5 million customers and use of modern technology viz. in-house proprietary digital platform uses data AI and ML gives edge to the Company to touch the lives of unbanked unserved population of the country with a huge early mover advantage in "Co-Lending" Paisalo giving its services through 1000 touch points in 18 state of the Country and continuously increasing its footprints other geographical areas of the Country.
2	Climate Change	Opportunity	Climate change is a global collective action problem. India with more than 17% of the global population has contributed only about 4% of the global cumulative greenhouse gas emissions between 1850 and 2019. Reports from various sources, including Intergovernmental Panel on Climate	-	Positive- Paisalo through its lending product specifically designed to promote financial inclusion by providing financing solutions for Electric Vehicles, which reduces air pollution considerable and reduce overall carbon foot prints. To achieve Sustainable Development Goals,

			<p>Change, highlight that the challenges faced due to global warming are mainly due to cumulative historical and current greenhouse gas emissions of the developed countries. Even though, we are not part of the problem, India is part of the solution and is doing more than its fair share. India is a Party to the United Nations Framework Convention on Climate Change, its Kyoto Protocol and Paris Agreement. Under the Paris Agreement in 2015, India had submitted its Nationally Determined Contribution (NDC) balancing the concerns and priorities of climate change. Government of India is implementing several programmes and schemes including the National Action Plan on Climate Change (NAPCC) which comprises missions in specific areas of solar energy, energy efficiency, water, sustainable agriculture, Himalayan ecosystem, sustainable habitat, green India, and strategic knowledge for climate change.</p>		<p>Government is promoting use of Electric Vehicles that shall promote customers to avail Paisalo services.</p>
3	Customer Support and Satisfaction	Risk	<p>Without the customer satisfaction sector of Non-Banking Finance Companies cannot survive in their business. Hence, customer satisfaction is essential for NBFCs. An unsatisfactory Customer experience may pose a risk to business continuity, while a positive customer experience can ensure enhanced profits and brand reputation.</p>	<p>To mitigate this kind of risk, we at Paisalo has mechanism to collect feedback from the Customers about the financial products of the Company and its services, on regular intervals and focus on prompt issue resolution. We provide adequate training to our staff to provide better service to our customer and for ensuring customer satisfaction. We also tries to provide tailored product to satisfied the need of the Costumers.</p>	Negative

4	Data Security and Privacy	Risk	<p>The Company has huge personal data related to its borrowers. The data breach through any form or mode may cause of regulatory action, financial loss, loss of reputation and loss of customer trust.</p>	<p>To mitigate data security and privacy risks, the Company has implemented measures such as strict access controls, encryption of sensitive data, regular security audits. In addition to that Company has framed a well defined information security and data privacy policy and provide training to its employee on data handling practices.</p>	Negative
5	Regulatory Compliance	Risk	<p>Regulatory compliance can be broadly defined as the adherence to laws, regulations, and guidelines created by Government and Regulator applicable to Corporates it help to ensure that they are operating within the legal boundaries. Non-compliance of applicable regulatory compliance can result in significant financial and reputational consequences for the corporate.</p>	<p>To mitigate this risk, we have a professional team to look after the compliance of applicable laws, rules, regulations, guidelines issued by the Regulators. The team ensure adherence to all applicable laws and regulations, maintain accurate documentation, conduct regular internal audits</p>	Negative

SECTION B: MANAGEMENT AND PROCESS DISCLOSURE

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

Disclosure Questions		P1 Business Ethics	P2 Product Responsibility	P3 Wellbeing of Employees	P4 Stakeholders Engagement	P5 Human Rights	P6 Environment	P7 Responsible Advocacy	P8 Inclusive Growth	P9 Customer Value
Policy and management processes										
1.	a.	Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Y	Y Read with note i	Y	Y	Y	Y Read with note ii	Y Read with note iii	Y
	b.	Has the policy been approved by the Board? (Yes/No)	Y	Y	Y	Y	Y	-	Y	Y
	c.	Web Link of the Policies, if available	www.paisalo.in*							
2.		Whether the entity has translated the policy into procedures. (Yes / No)	Yes. The Company has translated the policies and imbibed the same into procedures and practices of the Company, as applicable.							
3.		Do the enlisted policies extend to your value chain partners? (Yes/No)	No	No	No	No	No	No	No	No
			However, the Company endeavour to ensure that its partners in the value chain to participate in the responsible and sustainable business conduct depending upon their means and resources. For this purpose, the Board of Paisalo has approved Fair Practice Code, Whistle Blower Policy, etc. enabling / requiring participation of value chain partners.							
4.		Name of the national and international codes/certifications /labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	All policies have been developed based on industry practices, as per the regulatory requirements.							
5.		Specific commitments, goals and targets set by the entity with defined timelines, if any.	We don't have mandated targets, commitments, or evaluation process for assessing advancement towards achieving all the principles of the National Guidelines on Responsible Business Conduct (NGRBC). We are in our initial stage of ESG adoption, we intend to specify our objectives and targets in the upcoming reporting period. We recognise the need to align our ESG efforts with our business goals and in this regard we endeavour for: <ul style="list-style-type: none"> • Environment restoration - plantation, migration to electric vehicles, including develop more financial products for e-vehicle finance segment, water conservation. • Opening of additional branches in rural and backward areas. • Gender Equality- development of our income generation financial products, designed to create employment for women customers at rural areas. 							
6.		Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	We are committed to providing performance updates in the forthcoming years. In future, we intend to communicate our achievements, financial results, and strategic advancements.							

	Governance, leadership and oversight
7.	<p>Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements</p> <p>Dear Stakeholders,</p> <p>I am pleased to present the BRSR report for Paisalo Digital Limited (Paisalo), being a systemically important Non-Banking Finance Company, we do our business in a responsible and sustainable manner. We always endeavour to identify key ESG issues and have identified Ethical Business Conduct, Efficient and Transparent Customer Service, Corporate Governance, Risk Management, engagement with Communities and Environmental Footprint to be some of the most important issues.</p> <p>Our range of credit solutions includes small income generation loan, customizable MSME, SME, and Commercial loans, E-vehicle loans and Corporate loans for working capital requirements. We recognise that we have the dual responsibility of ensuring sustainable finance and protect the environment in our day to-day activities. To that end, as a corporate entity, we, with the aim of creating self-employment, eco-friendly environment & efficient transportation across India, stepped up and entered the EV financing industry in 2022. PDL has always supported and fulfilled the dreams of the underserved section of the society by providing them financial solutions. The focus is to improve the living of the groups of people living in rural or semi-urban areas and support the government of India in making mode of transportation completely green by 2030.</p> <p>Additionally, we have transitioned to digital processes to reduce paper wastage and embraced energy-efficient lighting fixtures and gadgets to conserve energy. Water-saving measures such as water harvesting to minimize water wastage.</p> <p>At Paisalo, we understand the significance of social responsibility. Regarding this we have undertaken initiatives to support education, healthcare, and skill development for underprivileged sections of society through our CSR scheme.</p> <p>We, 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.</p> <p>Our Corporate Governance norms reflect our commitment to compliance to regulatory requirements as there exists a fundamental link with the organization of business, corporate responsibility and shareholders' wealth maximization and realize the significance of sound governance practices to the long term growth of the organisation. We have imbibed the good corporate practices in our business as we built it for the long haul. It is an optimum combination of policies, process and practices, which governs the affairs of a Company in pursuant of its business goal. Our Corporate Governance is based on the principles of integrity, fairness, equity, transparency, accountability and commitment to values. We adhere to established policies and frameworks that guide ethical decision-making in all our engagements. Our commitment to employee welfare is unwavering, as we provide comprehensive benefits. We also conduct skill development workshops to encourage the professional growth of our employees.</p> <p>At PAISALO, We are very conscious that accelerated growth in our businesses cannot come at the cost of deteriorating environment, social inequality or unfaithful governance.</p> <p>How we do our business is as important as what we do. With sustainable and responsible growth being the future of business growth, we are making the necessary changes to embrace all or some parts of ESG in the upcoming years. Our ESG reflects our responsibility to Environment, Shareholders and the Communities in which we operate.</p> <p>Thank you for your continued support and partnership.</p> <p>Sincerely, Sunil Agarwal Managing Director and CEO Paisalo Digital Limited</p>

8.	Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	Name Mr. Sunil Agarwal Designation Managing Director and CEO DIN OOOO6991
9.	Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.	No However, the Company's business responsibility performance is reviewed by the Board of Directors on an annual basis. In addition, the Risk Management Committee also assesses risks pertaining to certain principles of BR as identified by the Chief Risk Officer of the Corporation.
10.	Details of Review of NGRBCs by the Company:	
	Subject for Review	Indicate whether review was undertaken by Director/Committee of the Board/Any other Committee Frequency (Annually/ Half yearly/Quarterly/ Any other – please specify)
		P 1 P 2 P 3 P 4 P 5 P 6 P 7 P 8 P 9 P 1 P 2 P 3 P 4 P 5 P 6 P 7 P 8 P 9
	Performance against above policies and follow up action	As a practice, all the policies of the Company are reviewed periodically or on a need basis by department heads, business heads, senior management personnel and placed before the Board of Directors as and when required. During this assessment, the efficacy of these policies is also reviewed and necessary changes to policies and procedures are implemented.
	Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances	The Company is in compliance with the extant regulations, as applicable.
11.	Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.	No Evaluation is a continuous process and is done internally.
12.	If answer to question (1) above is "No" i.e. not all Principles are covered by a policy, reasons to be stated:	
	Questions	P 1 P 2 P 3 P 4 P 5 P 6 P 7 P 8 P 9
	The entity does not consider the Principles material to its business (Yes/No)	Not Applicable
	The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)	
	The entity does not have the financial or/human and technical resources available for the task (Yes/No)	
	It is planned to be done in the next financial year (Yes/No)	
	Any other reason (please specify)	
	*Some policies of the Company are internal documents and are not accessible to the public. These policies have been formally communicated to the concerned employees of the Company. Notes: i. The core business area is to provide financial services and hence this principle has limited applicability. We, however strive to comply with all the applicable regulations in respect of our operations. ii. Considering that we operate in financial services sector, Principle-6 is not applicable to us. We, however comply with applicable environmental regulations in respect of our office premises. We along with our employees take initiative to reduce consumption of energy and also make continuous efforts to ensure that there is an optimum utilization of the available resources with minimum or no wastage at all. iii. The Company and/or its subsidiary entities are the members of various industry associations, through which they provide various suggestions with respect to healthy development of the financial market. iv. Policies and processes are subject to internal audit and internal reviews from time to time.	

SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

PRINCIPLE 1 BUSINESSES SHOULD CONDUCT AND GOVERN THEMSELVES WITH INTEGRITY, AND IN A MANNER THAT IS ETHICAL, TRANSPARENT AND ACCOUNTABLE.

1. Percentage coverage by training and awareness programmes on any of the Principles during the financial year:

Segment	Total number of training and awareness programmes held	Topics principles covered under the training and its impact	% of persons in respective category covered by awareness programmes
Board of Directors	The Company, on an ongoing basis, carries out familiarization programs for its directors, as required under the SEBI Listing Regulations and on an ongoing basis keep the Directors and KMPs well informed on matters relating to the industry, business models, risk associates with the business of the Company its mitigation and management, governing regulations, information technology including cyber security, their roles, rights and responsibilities and major developments and updates on the Company, etc.		100%
Key Managerial Personnel	Declaration from all the Directors and Senior Management's affirmation to the Code of Conduct for Directors and Senior Management communicated to all Stakeholders by the Managing Director, through the Annual Report.		
Employees other than BoD and KMPs	The training of employees is an ongoing process in the Paisalo where resource are deployed for updating the knowledge and awareness as regard to changes and modification in technology, techniques, regulation and norms. Existing Employee under-go the periodical training programmes to make them familiar with the latest development in KYC, Cyber Crimes and Securities, Data Security, Fraud prevention, code of conduct and working ethics etc. All the new employees undertake training to make them understand the practice procedure and operational guidelines specific to Paisalo. This involves on-job training on continual basis.		100%
Workers	Not Applicable		

2. Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format

(Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and as disclosed on the entity's website):

Monetary					
	NGRBC Principle*	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (In INR)	Brief of the case	Has an appeal been preferred? (Yes/No)
Penalty/Fine					
Settlement			Nil		
Compounding fee					

Non-monetary				
	NGRBC Principle*	Name of the regulatory/ enforcement agencies/ judicial institutions	Brief of the case	Has an appeal been preferred? (Yes/No)
Imprisonment				
Punishment			Nil	
*For penalty/fine/settlement imposed/ levied other than NGRBC Principle please refer Corporate Governance Report which forms part of Annual Report 2023				

3. Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed.

Case Details	Name of the regulatory/ enforcement agencies/ judicial institutions
	Not Applicable

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.

Our Policies, Code of Conduct, Fair Practice Code and Ethics informs our approach to sustainability and how we conduct ourselves day-to-day-with each other, our customers, our shareholders, our employees, our neighbouring communities and our customers. The Code applies to all Directors, officers and employees of the Company.

The employees of the Company are encouraged to ensure transparency in their conduct with various stakeholders. The purpose of which is to protect and enhance the Company's reputation for integrity and fair dealing by setting forth standards for employees behaviour within the Company and outside.

As part of the Code, the employees of the Company can also report genuine concerns about any unethical behaviour, financial irregularities including fraud or suspected fraud through the Whistle Blower Policy.

The Company's Code for prevention of insider trading ensures that the employees do not handle unpublished price sensitive information in an unethical manner. The Code conforms to the Company's values of ethics and transparency by following a practice of timely disclosures of important information. The policies and codes are available at Company's website in Investor Relation section at <https://paisalo.in/home/investorrelation>

5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption

	Current Financial Year 2023	Previous Financial Year 2022
Directors	0	0
KMPs	0	0
Employees	0	0
Worker	NA	NA
Note: Based on the information available with the Company		

6. Details of complaints with regard to conflict of interest:

	Current Financial Year 2023		Previous Financial Year 2022	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	0	-	0	-
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	0	-	0	-

7. Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.

No corrective actions pertaining to above mentioned parameters was necessitated by Paisalo during the year under review.

PRINCIPLE 2: BUSINESSES SHOULD PROVIDE GOODS AND SERVICES IN A MANNER THAT IS SUSTAINABLE AND SAFE

1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively

	Current Financial Year	Previous Financial Year	Details of improvements in environmental and social impacts
R&D	0	0	0
Capex	0	0	0

Paisalo uses Artificial Intelligence and Machine Learning to provide smart and easy loans with a High Tech: High Touch process thereby promoting the Government of India's twin objectives of 'Digital India' and 'Financial Inclusion' and continuously make a capital expenditure in specific technologies.

Paisalo is a Non-Banking Financial Company indulge in the finance activities and operation of the Company is technology driven and frequent updation in it required to pace with the market. For this Company make invest in technologies, in financial year 2023, Paisalo has invested INR 15.84 Million on IT Infrastructure modernisations. Adoption of digital platforms not only brings in increased efficiencies of operations but also ensures substantially through reduced consumption of paper.

2. a. Does the entity have procedures in place for sustainable sourcing? (Yes/No)

No

Paisalo provides financial products and services, and thus neither has a sizeable consumption of any raw material nor produces any tangible goods. Its activities are limited to providing finance to serve the needs of the people; hence we do not currently maintain records for sustainable sourcing.

b. If yes, what percentage of inputs were sourced sustainability?

Please refer note above.

3. Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste

Not Applicable

Paisalo provides financial services to its customers and does not involve in the manufacturing activity, hence we do not currently maintain records for hazardous and other waste generation.

However, Paisalo always endeavour to encourage its staff to use the resource in efficient manner and wherever possible to reuse the papers at all the offices of the Company.

4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.

As the Company is engaged in the financial services activities the above is not applicable.

PRINCIPLE 3: BUSINESSES SHOULD RESPECT AND PROMOTE THE WELL-BEING OF ALL EMPLOYEES, INCLUDING THOSE IN THEIR VALUE CHAINS

1. a. Details of measures for the well-being of employees

1. a. Details of measures for the well-being of employees												
FY 2023												
Current Financial Year												
Benefits	FY 2023			FY 2022			FY 2023			FY 2022		
	No. of employees covered as a % of Total employees	No. of workers covered as a % of Total employees	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of Total employees	No. of workers covered as a % of Total employees	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of Total employees	No. of workers covered as a % of Total employees	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of Total employees	No. of workers covered as a % of Total employees	Deducted and deposited with the authority (Y/N/N.A.)
PF	76.77	0	Y	73.28	0	Y						
Gratuity	100.00	0	Y	100.00	0	Y						
ESI*	93.23	0	Y	87.68	0	Y						
Others-please specify	-	-	N.A.	-	-	N.A.						
PF, Gratuity and ESI are as per the prevailing norms governed by the relevant Act.												

% of employees covered by											
Category	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B / A)	Number (C)	% (C / A)	Number (D)	% (D / A)	Number (E)	% (E / A)	Number (F)	% (F / A)
Permanent employees											
Male	1586	1427	89.97	1586	100.00	-	-	1586	100.00	-	-
Female	64	56	87.50	64	100.00	64	100.00	-	-	-	-
Total	1650	1483	89.88	1650	100.00	64	100.00	1586	100.00	-	-
Other than Permanent employees											
Male	Nil										
Female	Nil										
Total	Nil										

*The Maternity Leave benefit has been extended to all female employees of the Company.
**The Paternity Leave benefit has been extended to all male employees of the Company.

2. Details of retirement benefits, for Current FY and Previous Financial Year.

1. a. Details of measures for the well-being of employees												
FY 2023												
Current Financial Year												
Benefits	FY 2023			FY 2022			FY 2023			FY 2022		
	No. of employees covered as a % of Total employees	No. of workers covered as a % of Total employees	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of Total employees	No. of workers covered as a % of Total employees	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of Total employees	No. of workers covered as a % of Total employees	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of Total employees	No. of workers covered as a % of Total employees	Deducted and deposited with the authority (Y/N/N.A.)
PF	76.77	0	Y	73.28	0	Y						
Gratuity	100.00	0	Y	100.00	0	Y						
ESI*	93.23	0	Y	87.68	0	Y						
Others-please specify	-	-	N.A.	-	-	N.A.						
PF, Gratuity and ESI are as per the prevailing norms governed by the relevant Act.												

3. Accessibility of workplaces: Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

Paisalo supports its differently abled staff completely. Our premises/offices are accessible to differently abled employees wherever they are employed.

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.

Yes

The Policy is available internally to the employees of the Company.

5. Return to work and Retention rates of permanent employees and workers that took parental leave.

Gender	Permanent employees		Permanent workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	100%	100%	N.A.	N.A.
Female	100%	100%	N.A.	N.A.
Total	100%	100%	N.A.	N.A.

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.

	Yes/No (If Yes, then give details of the mechanism in brief)
Permanent Workers	Not Applicable
Other than Permanent Workers	Not Applicable
Permanent Employees	Yes. Paisalo strives to create a culture which is fair, open and transparent and where employees can openly present their views. Paisalo transparently communicates its policies and practices such as plans, compensation, performance metrics, performance pay grids and calculation, career enhancements, compliance and other processes. Paisalo enables employees to work without fear of prejudice, gender discrimination and harassment. It has zero tolerance towards any non-compliance of these principles. Paisalo has 'Code of Conduct', 'Whistle blower policy/ vigil mechanism', and 'Policy on Sexual Harassment for Women at Workplace' serving as grievance mechanisms for its employees to report or raise their concerns confidentially and anonymously, and without fear of any retaliation.
Other than Permanent Employees	Not Applicable

7. Membership of employees and worker in association(s) or Unions recognized by the listed entity:

Category	FY 2023 (Current Financial Year)			FY 2022 (Previous Financial Year)		
	Total employees / workers in respective category (A)	No. of employees / workers in respective category, who are part of association(s) or Union (B)	% (B / A)	Total employees / workers in respective category (C)	No. of employees / workers in respective category, who are part of association(s) or Union (D)	% (D/C)
Total Permanent Employees	Employees of Paisalo are currently not part of any employee association.					
- Male						
- Female						
Total Permanent Workers	Not Applicable					
- Male						
- Female						

8. Details of training given to employees and workers:

Category	FY 2023 (Current Financial Year)					FY 2022 (Previous Financial Year)				
	Total (A)	On Health and safety measure		On skill up gradation		Total (D)	On Health and safety measures		On Skill up gradation	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Employees										
Male	1586	0	0	1298	81.84	930	0	0	307	33.01
Female	64	0	0	41	64.06	28	0	0	12	42.86
Total	1650	0	0	1339	81.15	958	0	0	319	33.30
Workers										
Male	Not Applicable									
Female										
Total										

9. Details of performance and career development reviews of employees and worker:

Category	FY 2023 (Current Financial Year)			FY 2022 (Previous Financial Year)		
	Total (A)	No. (B)	% (B / A)	Total (C)	No. (D)	% (D / C)
Male	Performance appraisal of the eligible employee conducted during the year.					
Female						
Total						
Male	Not Applicable					
Female						
Total						

10. Health and safety management system:

a) Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage such system?

Since the Company is engaged in the financial activities, it acknowledges that there are no occupational health and safety hazards associated with the business operation. However, Paisalo is committed to provide a safe and healthy workplace by minimizing the risk of accidents, injury and exposure to health risks and it complies with applicable laws and regulations with respect to safety at workplace.

Paisalo trains its employees on safety protocols – it conducts periodic trainings on fire safety and evacuation drills for employees. We also advise our employees to use helmets while riding.

Various facilities are available at Paisalo's registered and head offices and branches premises such as proper ventilation, branch hygiene & sanitation, emergency exits, first aid box, etc.

b) What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

Since the Company is engaged in the finance business activities, hazard identification may not directly applicable.

c) Whether you have processes for workers to report the work related hazards and to remove themselves from such risks. (Y/N)

No

d) Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)

No. However, Paisalo has insured its employees under group term insurance, health insurance and accidental insurance policies.

11. Details of safety related incidents, in the following format:

Safety Incident/Number	Category	FY 2023 (Current Financial Year)	FY 2022 (Previous Financial Year)
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0	0
	Workers	N.A.	N.A.
Total recordable work-related injuries	Employees	0	0
	Workers	N.A.	N.A.
No. of fatalities	Employees	0	0
	Workers	N.A.	N.A.
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0	0
	Workers	N.A.	N.A.

12. Describe the measures taken by the entity to ensure a safe and healthy work place.

Company has arrangements for fire extinguishers at its offices and having proper arrangement for ventilation and safe & purified drinking water. All our employees are guided to wear helmet/seat belt while riding/driving.

13. Number of Complaints on the following made by employees and workers:

	FY 2023 (Current Financial Year)			FY 2022 (Previous Financial Year)		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working conditions	0	0	NA	0	0	NA
Health & Safety	0	0	NA	0	0	NA

14. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third party)
Health and safety practices	0
Working Conditions	0
Paisalo strives to keep the workplace environment safe, hygienic and humane, upholding the dignity of the employees.	

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.

No corrective actions related to above mentioned parameters was necessitated by the Company during the year under review.

PRINCIPLE 4: BUSINESSES SHOULD RESPECT THE INTERESTS OF AND BE RESPONSIVE TO ALL ITS STAKEHOLDERS

1. Describe the processes for identifying key stakeholder groups of the entity.

Individual or group concerned or interested with or impacted by the activities of the businesses and vice-versa or adds value to the business chain, now or in the future are identified as key stakeholder by the Company. This inter alia includes employees, shareholders, investors, customers, channel partners, regulators, lenders and Society.

Paisalo understands the impact of its policies, decisions, products & services and associated operations on the stakeholders. In line with its policies, practices and processes, Company engages with its stakeholders and strives to resolve differences with them in a just, fair, equitable and consistent manner and if warranted takes corrective measures.

2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communications (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meeting, Notice of Board, Website), Others	Frequency of engagement (Annually/ Half yearly/ Quarterly / other-please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Shareholder & Investor	No	Multiple channels – physical and digital including quarterly investor presentations, press releases and communications through Stock Exchanges etc.	Annually / Quarterly Need based	To inform about the performance, major developments and other relevant updates regarding the Company.
Vulnerable Customer	Yes	Multiple channels – physical and digital including in-person meetings SMS, email and Website	Need based	To inform about the new financial products, change in interest rate, if any, and servicing throughout the lifecycle of product and address queries / grievances that the customer may have.
Customer	No	Multiple channels – physical and digital including SMS, email, Website and in person meeting	Need based	To inform about the new financial products, change in interest rate, if any, and servicing throughout the life cycle of product and address queries / grievances that the customer may have.

Government and Regulators	No	Multiple channels – physical and digital through Email, Physical letter	Need based	To update on various compliances and to seek approvals or clarifications.
Employees	No	Multiple channels – physical through letters and digital through Email, website, social media groups, digital info platforms.	Daily	To share updates about the Company its products, regulatory compliance related requirements and health & safety related information.
Value Chain Partners	No	Multiple channels – physical and digital including in-person meetings, emails.	Frequent and need based	To further strengthen the business relationship and update about the Company

PRINCIPLE 5: BUSINESSES SHOULD RESPECT AND PROMOTE HUMAN RIGHTS

1. **Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:**

Category	FY 2023 (Current Financial Year)			FY 2022 (Previous Financial Year)		
	Total (A)	No. of employees/ workers covered (B)	% (B/A)	Total (C)	No. of employees/ workers covered (D)	% (D/C)
Employees						
Permanent	1650	0	0.00	958	0	0.00
Other than permanent	0	0	0.00	0	0	0.00
Total Employees	1650	0	0.00	958	0	0.00
Workers						
Permanent	Not Applicable					
Other than permanent						
Total Workers						
Any employee who works for Paisalo must adhere to the commitment of Paisalo to integrity and ensure following the principles laid down in code for employees which amongst other things includes principles of mutual respect, privacy, equal opportunities and non- discrimination, health, safety and environment, sexual harassment.						

2. **Details of minimum wages paid to employees and workers, in the following format:**

Category	FY 2023 (Current Financial Year)					FY 2022 (Previous Financial Year)				
	Total (A)	Equal to Minimum wage		More than Minimum wage		Total (D)	Equal to Minimum wage		More than Minimum wage	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Employees										
Permanent										
Male	1586	3	0.19	1583	99.81	930	3	0.32	927	99.68
Female	64	0	0.00	64	100.00	28	1	3.57	27	96.43
Other than permanent										
Male	0	0	0.00	0	0.00	0	0	0.00	0	0.00
Female	0	0	0.00	0	0.00	0	0	0.00	0	0.00
Total Employees	1650	3	0.18	1647	99.82	958	4	0.42	954	99.58
Workers										
Permanent	Not Applicable									
Male										
Female										
Other than permanent										
Male										
Female										
Total Workers										

3. Details of remuneration/salary/wages, in the following format:

	Male		Female	
	Number	Median remuneration/ salary/wages of respective category(Rs. in Lakh)	Number	Median remuneration/ salary/wages of respective category (Rs. in Lakh)
Board of Directors (BoD)*	9	150.00	1	0.00
Key Managerial Personnel (excluding BoD)#	1	12.10	0	0.00
Employees other than BoD and KMP	1581	2.70	64	2.60
Workers	Not Applicable			

*The remuneration of Board of Directors includes the remuneration paid to Executive Directors.
Excluding 4 KMP already covered under Board of Directors.

4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)

Yes

5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

Paisalo believes that every workplace shall be free from violence, harassment, intimidation and/or any other unsafe or disruptive conditions, either due to external or internal threats. Accordingly, Company has aimed to provide reasonable safeguards for the benefit of employees at the workplace, while having due regard for their privacy and dignity. Paisalo also has zero tolerance towards and prohibits all forms of slavery, coerced labour, child labour, human trafficking, violence or physical, sexual, psychological or verbal abuse. As a matter of policy, Paisalo does not hire any employee or engage with any agent or vendor against their free will.

While Paisalo aims to not have a situation that leads to any grievance; should such a situation arise, Paisalo has a well-defined grievance redressal policy for its employees. A formal grievance mechanism is available to all employees, to report or raise their concerns confidentially and anonymously, without fear of any retaliation.

6. Number of Complaints on the following made by employees and workers:

	FY 2023 (Current Financial Year)			FY 2022 (Previous Financial Year)		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	Nil	Nil	NA	Nil	Nil	NA
Discrimination at workplace	Nil	Nil	NA	Nil	Nil	NA
Child Labour	Nil	Nil	NA	Nil	Nil	NA
Forced Labour/ Involuntary Labour	Nil	Nil	NA	Nil	Nil	NA
Wages	Nil	Nil	NA	Nil	Nil	NA
Other human rights related issues	Nil	Nil	NA	Nil	Nil	NA

7. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

A formal grievance mechanism is available to all employees to report or raise their concerns confidentially and anonymously, without fear of retaliation, along with mechanism to consult on ethical issues through the explicit means like Whistle Blower and Vigil Mechanism policies. Paisalo prohibits retaliation against any employee who reports in good faith any suspected or potential violation of Company's code for employees which includes aspects of discrimination and harassment.

At Paisalo sharing a possible concern about the code honestly and in good faith, even if it turns out to be unfounded – is never an excuse for any kind of retaliation.

8. Do human rights requirements form part of your business agreements and contracts? (Yes/No)

No

9. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	0
Forced/involuntary labour	0
Sexual harassment	0
Discrimination at workplace	0
Wages	0
Others – please specify	0

Company is in compliance with the laws, as applicable.

10. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above.

No corrective actions relating to Question 9 was required during the year under review.

PRINCIPLE 6: BUSINESSES SHOULD RESPECT AND MAKE EFFORTS TO PROTECT AND RESTORE THE ENVIRONMENT

1. Details of total energy consumption (in Gigajoules) and energy intensity, in the following format:

Parameter	FY 2023 (Current Financial Year)	FY 2022 (Previous Financial Year)
Total electricity consumption (A)	6,678.72	4,683.04
Total fuel consumption (B)	22,684.22	14,049.30
Energy consumption through other sources (C)	0.00	0.00
Total energy consumption (A+B+C)	29,362.94	18,732.34
Energy intensity per rupee of turnover (Total energy consumption/turnover in lakhs)	0.69	0.53
Energy intensity (optional) – the relevant metric may be selected by the entity	-	-
Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. No		

2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.

No

3. Provide details of the following disclosures related to water, in the following format:

Parameter	FY 2023 (Current Financial Year)	FY 2022 (Previous Financial Year)
Water withdrawal by source (in kilolitres)		
(i) Surface water	0	0
(ii) Ground water	837.99	517.15
(iii) Third party water	272.37	127.11
(iv) Seawater/desalinated water	0	0
(v) Others	0	0
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	1,110.36	644.26
Total volume of water consumption (in kilolitres)	1075.20	626.53
Water intensity per rupee of turnover (Water consumed / turnover in lakhs)	0.03	0.02
Water intensity (optional)–the relevant metric may be selected by the entity	-	-

4. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

No

5. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

Parameter	Please specify unit	FY 2023 (Current Financial Year)	FY 2022 (Previous Financial Year)
NOx	NA	0	0
SOx	NA	0	0
Particulate matter (PM)	NA	0	0
Persistent organic pollutants (POP)	NA	0	0
Volatile organic compounds (VOC)	NA	0	0
Hazardous air pollutants (HAP)	NA	0	0
Others–please specify	NA	0	0
Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. No			

6. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:

Parameter	Unit	FY 2023 (Current Financial Year)	FY 2022 (Previous Financial Year)
Total Scope 1 emissions (Break- up of the GHG into CO ₂ ,CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ equivalent	337.31	209.19
Total Scope 2 emissions (Break- up of the GHG into CO ₂ ,CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ equivalent	0	0
Total Scope 1 and Scope 2 emissions per rupee of turnover in lakhs		0.01	0.01
Total Scope 1 and Scope 2 emission intensity(optional)–the relevant metric may be selected by the entity		-	-
Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. No			

7. Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details.

No

Paisalo does not have any specific project to reduce Green House Gas emission but Paisalo has undertaken various steps on environmental sustainability in its operational activities such as:

Reducing paper consumption and recycle / reuse of papers: It has been an endeavour of Paisalo over last many years to keep reducing paper consumption across all its business operations. Further, Paisalo also endeavour to recycle and reuse the paper, wherever possible.

Design of Company's office Infrastructure to less consumption of electricity: Paisalo always endeavour to use power in more efficient and effective manner, to extend this, the registered and head office infrastructure are designed to use direct sun light for lighting the offices premises. Electric equipment are also energy efficient/ star rated that also save natural resources and reduce green House Gas emission.

Ozone-friendly air conditioners: Installed ozone-friendly air conditioners manufactured with R32 refrigerant – resulting lower carbon emission.

Company's product a contribution to reduce Green House Gas emission: Electric Vehicles are undoubtedly a major step towards CLEAN & GREEN India and also the most innovative and efficient way of using electric energy without causing harm to the environment. Company designed its product especially to finance electric vehicles with the aim to improve the living of the groups of people living in rural or semi-urban areas and support the government of India in making mode of transportation completely green by 2030.

8. Provide details related to waste management by the entity, in the following format:

Parameter	FY 2023 (Current Financial Year)	FY 2022 (Previous Financial Year)
Total Waste generated (in metric tonnes)		
Plastic waste (A)	0	0
E-waste (B)	0	0
Bio-medical waste (C)	0	0
Construction and demolition waste (D)	0	0
Battery waste (E)	0	0
Radioactive waste (F)	0	0
Other Hazardous waste. Please specify, if any. (G)	0	0
Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)	0	0
Total (A+B + C + D + E + F + G+ H)	0	0
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of waste		
(i) Recycled	0	0
(ii) Re-used	0	0
(iii) Other recovery operations	0	0
Total	0	0
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste		
(i) Incineration	0	0
(ii) Landfilling	0	0
(iii) Other disposal operations	0	0
Total	0	0
Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.		
No		

9. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

Since Company is engaged in the financial business activities, hence there is no usages of hazardous and toxic chemicals.

10. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:

S. No.	Location of operations/offices	Type of operations	Whether the conditions of environmental approval / clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any.
Not Applicable			

Company does not have any operation/office in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required

11. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
Not Applicable					

12. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:

S. No.	Specify the law / regulation / guidelines which was not complied with	Provide details of the non-compliance	Any fines / penalties / action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken, if any
Based on the nature of business, Paisalo is in compliance with applicable environmental norms.				

PRINCIPLE 7: BUSINESSES, WHEN ENGAGING IN INFLUENCING PUBLIC AND REGULATORY POLICY, SHOULD DO SO IN A MANNER THAT IS RESPONSIBLE AND TRANSPARENT

1. a. Number of affiliations with trade and industry chambers/ associations.

The Company is member of the 3 chambers/associations.

b. List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of / affiliated to:

S. No.	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/National)
1	Finance Industry Development Council (FIDC)	National
2	National Chamber of Commerce	National
3	Delhi Hire Purchase & Leasing Companies Associations	State

2. Provide details of corrective action taken or underway on any issues related to anti- competitive conduct by the entity, based on adverse orders from regulatory authorities

Name of authority	Brief of the case	Corrective action taken
No corrective action was necessitated by the Company during the year under review.		

PRINCIPLE 8: BUSINESSES SHOULD PROMOTE INCLUSIVE GROWTH AND EQUITABLE DEVELOPMENT

1. **Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.**

Name and details of project brief	SIA Notification No.	Date of notification	Whether conducted by independent external agency (Yes / No)	Results communicated in public link domain (Yes / No)	Relevant Web link
No project was required to be assessed for their impact during the year under the regulatory requirement					

2. **Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:**

S No.	Name of Project for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amounts paid to PAFs in the FY (In INR)
Not Applicable						

3. **Describe the mechanisms to receive and redress grievances of the community.**

Paisalo has a Grievance Redressal Policy

4. **Percentage of input material (inputs to total inputs by value) sourced from suppliers:**

	FY 2023 (Current Financial Year)	FY 2022 (Previous Financial Year)
Directly sourced from MSMEs/ small producers	Not Applicable	Not Applicable
Sourced directly from within the district and neighboring districts	Not Applicable	Not Applicable
Not Applicable considering the business model of the Company.		

PRINCIPLE 9: BUSINESSES SHOULD ENGAGE WITH AND PROVIDE VALUE TO THEIR CONSUMERS IN A RESPONSIBLE MANNER

1. **Describe the mechanisms in place to receive and respond to consumer complaints and feedback**
Company has its code for dealings with its customers complaints. Company deal with its customers in professional, fair and transparent manner.

The complaints can be raised through the following modes:

1. Customers can raise complaints/requests by calling the Call Centre/Branch/Head Office/Registered Office
2. Customers can raise complaints/requests by sending e-mail to the designated Customer Care/ Grievances mail IDs

All the issues raised by customers through various modes such as Call centre/Branch/emails/ letters etc., are redressed by the Branches. In case of delay in redressal of complaint by the Branch, then the same is tried to be redressed in the following manner:

1	Region Credit Head try to redress the complaints if the complaint is not redressed at branch level.
2	If Region Credit Head unable to redress the complaints then complaint is referred to Zonal Business Head for redressal.
3	If the complaint is still pending then its goes to Grievance Redressal officer for appropriate resolution.
4	If the complaint partly or wholly rejected by the Company then it may deals by Internal Ombudsman.

The Company responds to the customer within a maximum period of 30 days from the date of receipt of the complaint. If the customer has not received any response within 30 days or if the customer is not satisfied with the response, then he/she can raise a complaint with the Reserve Bank of India (RBI) either through RBI CMS Portal or RBI Contact Centre as given below:-

RBI CMS Portal: <https://cms.rbi.org.in>

RBI Contact Centre Phone Number 14440

RBI Postal Address: Reserve Bank of India Centralised Receipt and Processing Centre, 4th Floor, Sector 17, Chandigarh – 160017

For the customer's feedback Company has two side communication policy where customer can give their response through personal communication with Company's personnel or in writing by email or letters to Company's officers.

2. **Turnover of products and/ services as a percentage of turnover from all products/service that carry information about:**

	As a percentage to total turnover
Environmental and social parameters relevant to the product	Not Applicable
Safe and responsible usage	100%
Recycling and/or safe disposal	Not Applicable

Company deals with its customers according to its Fair Practice Code and always adhere to provide all relevant information about the company's products to its customers and none of the company's products withhold any relevant information needed by the customers.

3. Number of consumer complaints in respect of the following:

	FY 2023 (Current Financial Year)		Remarks	FY 2022 (Previous Financial Year)		Remarks
	Received during the year	Pending resolution at end of year		Received during the year	Pending resolution at end of year	
Data privacy	0	0	None	0	0	None
Advertising	0	0	None	0	0	None
Cyber-security	0	0	None	0	0	None
Delivery of essential services	0	0	None	0	0	None
Restrictive Trade Practices	0	0	None	0	0	None
Unfair Trade Practices	0	0	None	0	0	None
Other	6	0	None	8	0	None

4. Details of instances of product recalls on account of safety issues:

	Number	Reasons for recall
Voluntary recalls	0	Not Applicable
Forced recalls	0	Not Applicable

5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.

Company has adopted Information Technology Policy which interalia included guidelines for Cyber Security, Privacy policy and Outsourcing of Information Technology. The Company has Data Privacy Policy in place and same is available on the website of the Company. The Company is compliant with ISO/IEC 27001:2013 Information security management system. The Company also complies with the applicable regulatory framework and guidelines (viz. RBI's Master Direction – Information Technology Framework for the NBFC Sector. Privacy policy link Data Privacy Policy

6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.

No corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty/ action taken by regulatory authorities on safety of products / services.

ANNEXURE D:

DETAILS PERTAINING TO EMPLOYEES PURSUANT TO SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

S. No.	Particular	Relevant Information
1.	Ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year	Mr. Sunil Agarwal (Managing Director & CEO)–151.34:1 Mr. Anoop Krishna (Executive Director)– 14.77:1 Mr. Harish Singh (Executive Director & CFO)– 12.31:1 Mr. Santanu Agarwal (Deputy Managing Director)- 59.04:1 No other Directors are in receipt of remuneration
2.	Percentage increase in remuneration of each director, CFO, CEO, Company Secretary or Manager, if any, in financial year	Director Mr. Sunil Agarwal (Managing Director & CEO)–7.90% Mr. Anoop Krishna (Executive Director)–0.00% Mr. Harish Singh (Executive Director & CFO)–0.00% Mr. Santanu Agarwal (Deputy Managing Director) –NA (appointed on the Board during the year) Key Managerial Person Mr. Manendra Singh (Company Secretary & Chief Compliance Officer)–9.41 %
3.	Percentage increase in the median remuneration of employees in the financial year	12.02%
4.	The number of permanent employees on the rolls of company	1650 as on March 31, 2023
5.	Average percentile increases already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration	During the financial year 2022–23, Employees remuneration increased by 43.83% as against the 25.45 % increase in Managerial Remuneration

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

Place : New Delhi
Date : July 24, 2023

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

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

Sd/-
Harish Singh
Executive Director
DIN : 00039501

CORPORATE GOVERNANCE REPORT



CORPORATE GOVERNANCE REPORT

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

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

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

OUR GOVERNING PRINCIPLES ON CORPORATE GOVERNANCE

We, at Paisalo Digital Limited, believe that the Corporate Governance is based on creating and sustaining a deep relationship of trust and transparency with all stakeholders. We always consider our stakeholders as partners in our journey forward and we are committed to ensure their wellbeing, despite business challenges and economic volatilities.

The Company has designed policies and committees to strengthen the ability of the Board of Directors to supervise the management and to enhance long-term shareholders value.

Our Corporate Governance norms reflect our commitment towards compliance of regulatory requirements as there exists a fundamental link with the organization of business, corporate responsibility and shareholders' wealth maximization and realize the significance of sound governance practices to the long term growth of the organisation. We have imbibed the good corporate practices in our business as we built it for the long haul. It is an optimum combination of policies, process and practices, which governs the affairs of a Company in pursuant of its business goal. Our Corporate Governance is based on the principles of integrity, fairness, equity, transparency, accountability and commitment to values.

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

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

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

- Constituting an effective Board of Directors, in terms of composition, size, varied expertise and commitment so as to enable them to skilfully discharge their responsibilities and duties;
- Ensuring timely flow of information to the Board and its Committees to enable them to discharge their functions efficiently;

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

COMPANY'S PHILOSOPHY OF CORPORATE GOVERNANCE

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

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

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

COMPANY'S EXISTING GOVERNANCE PRACTICES

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

- Code of Conduct for Board Members and Senior Managerial Personnel;
- Fair Practice Code;
- Corporate Social Responsibility Policy;
- Code of Conduct for Directors and Senior Management;
- Code for Independent Directors;
- Fraud Detection Policy;
- Vigil Mechanism-Whistle Blower policy;
- Policy on Related Party Transaction;
- Risk Management Policy;
- Nomination and Remuneration Policy;
- Code of Conduct for Prevention of Insider Trading;
- Policy on Prevention of Money Laundering;
- Policy for determining material events and information;
- Policy on Material Subsidiaries;
- Documents preservation and archival Policy;
- Policy for determining Material Subsidiary;
- Investment Policy;
- Data Privacy Policy;
- Policy for appointment of Statutory Auditors;
- Resource Planning Policy;
- Credit Policy;
- Dividend Distribution Policy.

All the above measures ensure that the Organization is governed in an ethical and transparent manner. The Company has complied with the requirements of the Corporate Governance as laid down under the provisions of Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and RBI Directions as applicable to the Company.

SOUND BOARD STRUCTURE & DIRECTORS WITH DIVERSE BACKGROUNDS

Board composition is a broad term that encompasses issues such as who is on the Board and the skills mix of the Board. It involves both structural and cultural issues and Board effectiveness depends on obtaining the right mix of skills and experience. Board composition varies significantly between organizations and is influenced by:

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

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

Keeping in the view of above factors, Our Board comprises of distinguished members with rich experience, mainly in the area of finance, law and accounting. The Board along with its Committees provides guidance for managing the Company and also supervises and controls the performance of the Company. The Board of the Company has an optimum combination of Executive and Non-Executive Directors. As of March 31, 2023, the Board of Directors of the Company consisted of ten members of which six were Independent Directors, who do fulfil the criteria of 'Independence' as laid down in the Companies Act, 2013, RBI Guidelines and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Independent Directors bring independent judgment in the Board's deliberation and decisions. Considering the stringent requirement of the skill-sets on the Board, experience persons, having an independent standing in their respective field/profession and who can effectively contribute to the Company's business and policy decisions, are considered by the Nomination & Remuneration Committee for appointment as Independent Directors on the Board. The number of directorships and memberships held in various committees of other companies by such persons is also considered. The Board considers the recommendations of the Nomination & Remuneration Committee and takes appropriate decisions regarding continuance of and induction of new skill sets at the Board level to ensure the availability of these experienced professionals to guide the Company in an ever-evolving business environment.

None of Independent Director on the Board of the Company is a Non-Independent Director of another Company on the Board of which any Non-Independent Director of the Company is an Independent Director. None of the Independent Director of the Company is serving as an Independent Director in more than seven/three listed entities as required under Regulation 17A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Further, none of the Directors of the Company is a member in more than ten Committees or is acting as Chairperson of more than five Committees (Committees being Audit Committee and Stakeholder Relationship Committee), across

all the Indian Public Limited Companies in which he/she is Director. Furthermore, the necessary annual disclosures have been submitted by the Directors to the Company, regarding Committee positions held by them in other public Companies. All the Non-Executive Independent Directors and Managing Director are not liable to retire by rotation.

Brief profile of members of Board of the Company as on March 31, 2023 is as under:

Mr. Sunil Agarwal

Managing Director & CEO

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

Mr. Anoop Krishna

Executive Director

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

Mr. Harish Singh

Executive Director & CFO

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

Mr. Santanu Agarwal

Deputy Managing Director

Mr. Santanu Agarwal is B.Com., LL.B. graduate from Amity University, Noida. Mr. Santanu started his business journey as Chief Innovation of the Company in September 2017 and on May 6, 2022 he inducted on the Board of the Company as Deputy Managing Director. He is well skilled in Negotiation, Business Planning, Analytical Skills and Risk Management. He has a flair for technology and has been a driving force behind the transformation of the Company to a fully digital NBFC in operations.

He has successfully led the Company in negotiation, finalization, implementation and execution of Co-Lending agreements with State Bank of India, Punjab National Bank and Bank of Baroda. All agreements entered currently with SBI, PNB and BOB are fully operationalized and daily disbursement are taking place. He was instrumental in getting the National Business Correspondent Agreement with SBI. He has been featured in number of interaction/ interviews on CNBC TV18, ET Now and was featured in the prestigious "Forbes 30 under 30" list of Year 2020-2021. Prior to joining the Company he worked in various algorithmic trading and forex trading organizations in Singapore and Hong Kong.

Mr. Gauri Shankar

Independent Director

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

At present he is also associated with few companies as Independent Director.

Mrs. Nisha Jolly

Independent Director

Mrs. Nisha Jolly, a retired Banker aged about 70 years, did her B.Sc and B.Ed. from Delhi University and M.Sc. Genetics from Pantnagar Ag. & Technology University. She is also a Certified Associate of Indian Institute of Bankers. She joined Punjab National Bank in 1976, as Management Trainee & got retired in 2012 as Chief Manager. In her 34 Years of Service in the Bank, she had varied experiences. She worked at field level in Branches as Officer, Manager, and Senior Manager. She is well aware about Banking Routine, Loans & Advances & Foreign Exchange related work. She was also involved in framing general policies for the Bank. Currently she is associated with Non-Government Organization (NGO). She is associated with the Company as Independent Woman Director.

Mr. Naresh Kumar Jain

Independent Director

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

Mr. Raman Aggarwal

Independent Director

Raman Aggarwal is the Director of Finance Industry Development Council (FIDC)—A Representative body of Assets and Loan Financing Non-Banking Finance Companies. He is currently Consultant to The World Bank, Area Head—NBFCs at Council for International Economic Understanding (CIEU) and Advisor/Consultant to some of the leading NBFCs. He has more than 30 years of working experience in the NBFC sector. He has been actively representing the NBFC sector, being a member of Advisory Groups to Ministry of Finance & RBI, Core Group setup by Ministry of Corporate Affairs, and Special Task Force at FICCI. He was the signatory to the Engagement Letters signed by World Bank Group with FIDC. He is the Chairman, Working Group on NBFCs at Centre for Economic Policy Research (CEPR). He is currently a member of the Advisory Committee on NBFCs set up by SIDBI. He was awarded the "Man of Excellence" Award by Indian Achievers' Forum in 2021, "Best NBFC Exemplary Leader" Award at the ET NOW BFSI Awards and "100 Top Most Influential BFSI Leaders" award at the World BFSI Congress in 2018 & 2019. He has addressed major events and seminars, like Global Convention on Corporate Governance and Sustainability at London, IFC's Financial Infrastructure Workshop for Da Afghanistan Bank, EuroFinance India, The Economic Times Summit on Financial

Inclusion, National Summit on NBFCs and World Auto Congress organized by ASSOCHAM. He has been an invitee to the Pre-budget discussion of the Finance Minister with representatives from banking and financial institutions. He is a Guest Faculty at Institute of Chartered Accountants, India (ICAI), International Management Institute (IMI), New Delhi and Indian Institute of Management (IIM), Tiruchirappalli. Raman is Masters in Urban Planning from School of Planning & Architecture, New Delhi and Bachelor of Civil Engineering from Thapar Institute of Engineering and Technology, Patiala. He has also undertaken a Special Training Programme for the Personnel of Non-Banking Finance Companies at RBI College of Agricultural Banking, Pune.

Mr. Vijay Ronjan

Independent Director

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

Mr. Nirmal Chand

Additional Independent Director

Mr. Nirmal Chand has an experience to act as RBI Nominee Director on the Board of Indian Overseas Bank from 2014-2019. During the period 2018-2021, he headed the Department of Govt. and Bank Accounts in Central Office of RBI at Mumbai as Principal Chief General Manager. He was also posted as Regional Director at RBI Chandigarh and RBI Thiruvananthapuram during 2014-2018 wherein he was responsible for supervision/Inspection of banks and NBFCs, Financial Inclusion, Currency Management, Payment & Settlement system, representing RBI/banking sector for close coordination with the state Govts and UT for various regulatory and developmental activities and coordination with the state Govt and UT for various developmental activities. He is also responsible for convening the State Level Coordination Committee meetings related to NBFCs and other Financial Sector entities with the State and Central Govt authorities and heads of other financial sector entities. During the period 2007-2011, he headed the Department of Non- Banking Supervision, RBI New Delhi, where he had shouldered the responsibility of supervision of about 2500 NBFCs which included the many of the large NBFCs of all the categories under the jurisdiction of RBI New Delhi. Total business carried out by these NBFCs at that time accounted for more than 50% of the business carried out by all the NBFCs in the country. He has also the exposure of working in the areas of Currency Management and Payment Systems in RBI.

Mr. Nirmal Chand joined the Board of the Company on March 27, 2023 as Independent Director.

FAMILIARIZATION PROGRAM FOR INDEPENDENT DIRECTORS

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

The Familiarization Program for Independent Directors of the Company is available on the website of the Company i.e. www.paisalo.in

CORE SKILLS/EXPERTISE/COMPETENCIES AVAILABLE WITH THE BOARD

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

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

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

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

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

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

* Appointed as a Deputy Managing Director on the Board from May 6, 2022.

**Director on the Board till August 2, 2022

Appointed as an Independent Director on the Board from March 27, 2023

BOARD PROCEDURE AND MEETING

The Board meets at least once in a quarter to review the quarterly performance and the financial results. The Board Meetings are scheduled in advance and the notice of each Board Meeting is given in writing to each Director. All the items on the agenda are accompanied by notes giving comprehensive information on the related subject and in certain matters such as financial/ business plans, financial results, detailed presentations are made. The Company also provides the facility to the Board Members to participate in the meeting through video conferencing mode or other audio visual means and provides all the necessary information to enable the Directors to participate through video conferencing mode or other audio visual means.

The Board's role, functions, responsibility and accountability are clearly defined and to enable the Board to discharge its responsibilities effectively, the members of the Board are briefed of about the overall performance of the Company.

During the year under review, Six Meetings of the Board of Directors of the Company were held, i.e., on May 6, 2022; August 5, 2022; September 3, 2022; September 12, 2022; November 10, 2022 and February 10, 2023. The details regarding the composition of the Board of Directors as on March 31, 2023, category of the Directors, their attendance at the Board Meeting held during the year under review and also at the last Annual General Meeting and the number of Directorship and Chairmanships/Membership in Committees held by them in other public companies along with the name of the other listed entity(ies) where the Director(s) hold directorship and their shareholding in the Company as on the March 31, 2023 are as follows:

S. No.	Name of Director	Director Identification Number	Category	No. of Shares/convertible instruments held in Company as on March 31, 2023	Board meeting held in FY 2022-23 during director's tenure	Attendance at Board meeting	Attendance at Last AGM held on September 30, 2022	No. of Directorship held in other Companies ¹	Committee Positions in other Public Companies ²			Name of other listed Entity(ies) where Director held directorship along with category
									As Member	As Chairman	Total	
1	Mr. Sunil Agarwal	00006991	Managing Director (Promoter)	5,28,51,400	6	6	Yes	10	-	-	-	-
2	Mr. Anoop Krishna	08068261	Executive Director	-	6	5	Yes	-	-	-	-	-
3	Mr. Harish Singh	00039501	Executive Director	-	6	6	Yes	1	1	2	-	-
4	Mr. Santanu Agarwal ¹	07069797	Deputy Managing Director	1,68,52,000	6	6	Yes	6	-	-	-	-
5	Mr. Gauri Shankar	06764026	Non-Executive Independent Director	-	6	6	Yes	3	1	3	-	PNC Infratech Limited (Independent Director)
6	Mr. Pradeep Agarwal ²	06892799	Non-Executive Independent Director	-	1	1	NA	-	-	-	-	-
7	Mr. Naresh Kumar Jain	01281538	Non-Executive Independent Director	-	6	6	Yes	2	1	4	-	Optiemus Infracom Limited (Independent Director)
8	Mr. Raman Aggarwal	00116103	Non-Executive Independent Director	-	6	5	Yes	3	1	3	-	Emerald Leasing Finance and Investment company Limited (Independent Director)
9	Mrs. Nisha Jolly	08717762	Non-Executive Independent Director	-	6	6	Yes	1	-	-	-	-
10	Mr. Vijay Ronjan	09345384	Non-Executive Independent Director	500	6	6	Yes	3	-	-	-	-
11	Mr. Nirmal Chand ³	10041305	Non-Executive Independent Director	-	-	-	NA	1	-	-	-	-

¹ Appointed as Deputy Managing Director w.e.f. May 6, 2023.

² Ceased to be the Director w.e.f. August 2, 2022 due to his sad demise

³ Appointed as an Independent Director w.e.f. March 27, 2023

⁴ Includes Private Limited Companies, Companies registered under Section 8 of Companies Act, 2013, Foreign Companies and Government Bodies;

⁵ Includes only Audit and Stakeholders Relationship Committees in Public Limited Companies (and subsidiaries of Public Limited Company) have been considered for the Committee positions as per Regulation 26(1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Except Mr. Sunil Agarwal (Father) and Mr. Santanu Agarwal (Son), there are no inter-se relationships between the above Directors of the Company.

AGENDA AND MINUTES

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

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

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

COMPLIANCE CERTIFICATE BY THE SECRETARIAL AUDITOR

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

BOARD SUPERVISED COMMITTEES

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

The details of various Committees, are as follows:

A. AUDIT COMMITTEE

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

FUNCTIONS AND RESPONSIBILITIES OF AUDIT COMMITTEE:

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

- Auditing and accounting matter, including recommendation for appointment, remuneration and terms of appointment of Auditors of the Company;
- Review and monitoring the Auditor's independence and performance, and effectiveness of audit process;
- Reviewing, with the management, the quarterly financial statements before submission to the Board for approval;
- Approval or any subsequent modification of transactions of the Company with related parties and required disclosures thereof;
- Integrity of Company's financial statements, discussing with the independent Auditors the scope of the annual audits;
- Valuation of undertakings or assets of the company, wherever it is necessary;
- Evaluation of internal financial controls and risk management systems;
- Monitoring the end use of funds raised through public offers and related matters.
- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
 - a) Matters required to be included in the Directors' Responsibility Statement to be included in the Directors' Report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013,
 - b) Changes, if any, in accounting policies and practices and reasons for the same,

- c) Major accounting entries involving estimates based on the exercise of judgment by management,
- d) Significant adjustments made in the financial statements arising out of audit findings,
- e) Compliance with listing and other legal requirements relating to financial statements,
- f) Reviewing, approving all or any subsequent modification of transactions with related parties,
- g) Disclosure of any related party transactions,
- h) Modified opinion(s) in the draft Audit Report,
- i) Qualifications in the draft audit report;
- Reviewing appointment, removal and terms of remuneration of the Internal Auditor and reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- Discussion with internal auditors of any significant findings and follow up there on;
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
- Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- Looking into the reasons for substantial defaults in the payment to the debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- Reviewing the functioning of the Whistle Blower mechanism;
- Reviewing the utilization of loans and/ or advances from/investment by the Company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision;
- Appointment of Chief Financial Officer after assessing the qualifications, experience and background, etc. of the candidate;
- Consideration and comment on rationale, cost benefits and impact of schemes involving merger, demerger, amalgamation etc. on the Company its shareholders;
- Reviewing management discussion and analysis of financial condition and results of the operations;
- Reviewing, with the management, the statement of uses/application of funds raised through an issue (public issue, right issue, preferential issue etc.) the statement of funds utilized for the purpose other than those stated in the offer document/ prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of the proceeds of a public or rights issue and making appropriate recommendation to the Board to take up steps in this matter;
- Reviewing management letter(s) of internal control weaknesses issued by the Statutory Auditors;
- Reviewing Internal Audit Reports relating to internal control weakness;
- Carrying out any other function as is mentioned in the terms of reference of the Audit Committee;

POWERS OF AUDIT COMMITTEE:

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

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

MEETING AND COMPOSITION

The Audit Committee met Four (4) times during the year under review on May 6, 2022; August 5, 2022; November 10, 2022; and February 10, 2023.

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 2022-23	Committee meeting attended during the tenure of Member in FY 2022-23
1	Mr. Pradeep Agarwal ¹	Chairman	1	1
2	Mr. Gauri Shankar ²	Chairman/Member	4	4
3	Mr. Harish Singh	Member	4	4
4	Mr. Naresh Kumar Jain ³	Member	3	3

¹ Ceased to be the Chairman/Member of the Committee w.e.f. August 2, 2022 due to his sad demise

² Appointed as the Chairman of the Committee w.e.f. August 2, 2022

³ Appointed as the Member of the Committee w.e.f. August 2, 2022

B. NOMINATION & REMUNERATION COMMITTEE

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

ROLE OF NOMINATION AND REMUNERATION COMMITTEE

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

- Formulation of the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy, relating to the remuneration of the Directors, Key Managerial Personnel and other employees;
- Identification of person who will qualify to become Director and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board their appointment, removal and remuneration;
- Recommendation to the board of directors whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of Independent Directors;
- Reviewing the performance of the Managing /Whole-time Director;
- Reviewing such other matters which the Board may from time to time request the Committee to consider, examine recommended and/or approve;
- Recommending the Board name of person for appointment as director on the Board of the Company;
- Evaluation of the balance of skills, knowledge and experience on the Board for every appointment of Independent Director and on the basis of such evaluation preparation of a description of the role and capabilities required of an independent director;
- Recommending to the Board all remunerations payable to senior management;
- Formulation of criteria for evaluation of Independent Directors and the Board and
- Devising a policy on Board diversity.

MEETING AND COMPOSITION

The Nomination & Remuneration Committee met Two (2) times during the year under review on May 6, 2022, and February 10, 2023.

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 2022-23	Committee meeting attended during the tenure of Member in FY 2022-23
1	Mr. Raman Aggarwal	Chairman	2	2
2	Mrs. Nisha Jolly	Member	2	2
3	Mr. Pradeep Agarwal ¹	Member	-	-
4	Mr. Vijay Ronjan ²	Member	2	2

¹Ceased to be the Member of the Committee w.e.f. April 28, 2022.

²Appointed as Member of the Committee w.e.f. April 28, 2022.

NOMINATION AND REMUNERATION POLICY

The Company adopted a Nomination and Remuneration Policy for Directors, KMP and other employees, in accordance with the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

REMUNERATION TO DIRECTORS

Non-Executive Directors

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

Executive Directors

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

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

The details of sitting fees/remuneration paid to Directors during the FY 2022-23, are as under:

(₹ in Lakhs)					
S. No.	Name of Director	Sitting fees for attending Board and Committee Meetings	Salary and Perquisite	Incentive/ Bonus	Total
1	Mr. Sunil Agarwal	0.00	405.85	0.00	405.85
2	Mr. Anoop Krishna	0.00	39.60	0.00	39.60
3	Mr. Harish Singh	0.00	33.00	0.00	33.00
4	Mr. Santanu Agarwal ¹	0.00	164.32 ²	0.00	164.32
5	Mr. Naresh Kumar Jain	2.55	0.00	0.00	2.55
6	Mr. Pradeep Agarwal ³	0.55	0.00	0.00	0.55
7	Mr. Gauri Shankar	3.30	0.00	0.00	3.30
8	Mr. Raman Aggarwal	2.15	0.00	0.00	2.15
9	Mrs. Nisha Jolly	1.80	0.00	0.00	1.80
10	Mr. Vijay Ronjan	1.95	0.00	0.00	1.95
11	Mr. Nirmal Chand ⁴	0.00	0.00	0.00	0.00

¹Appointed as Deputy Managing Director of the Company w.e.f. May 6, 2022.

²Includes remuneration paid as CIO of the Company.

³Ceased to be Director of the Company w.e.f. August 2, 2022

⁴Appointed as an Additional Independent Director of the Company w.e.f. March 27, 2023

EMPLOYEE STOCK OPTION

The Company does not have an Employee Stock Option.

PECUNIARY RELATIONSHIP OR TRANSACTION WITH NON-EXECUTIVE DIRECTORS

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

PERFORMANCE EVALUATION OF THE BOARD, DIRECTORS AND COMMITTEES OF THE BOARD

The Board of Directors have recognized that it would be important for them to continually assess how effectively they are performing their roles against the objectives and the goals they have set for themselves. This growing recognition has resulted in Board evolutions as a critical structural tool for assessing Board effectiveness and efficiency. Considering this fact and in the light of Company's performance, the performance of the Board of Directors and their committees, along with performance of individual Director is reviewed and evaluated from time to time by Nomination and Remuneration Committee and the Board of Directors through various manner like discussion with Directors, by seeking views of one Director from other Directors, inputs from the Directors through structured questionnaires covering the various aspects of the Board functioning such as adequacy of composition of the Board and its Committee, Board culture, execution and performance of specific duties, obligations, participation of Directors in the various matters, skill and knowledge of individual Director and independence of judgement, contribution towards development of the strategy, risk management. The Directors expressed satisfaction with the evaluation process. The performance of the Director individually and collectively and performance of the Committees are found satisfactory.

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

The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Chairman and the Non-independent Directors were carried out by the Independent Directors.

The Directors expressed their satisfaction with the evaluation process.

C. STAKEHOLDERS RELATIONSHIP COMMITTEE

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

The Committee, inter-alia, oversees and review:

- All matters connected with the grievances of the security holders or investor services in connection with non-receipt of Balance Sheet, non-receipt of declared dividend, non-receipt of annual report notice of general meeting, non-complaints related to transfer/transmission of shares, re-materialization and de-materialization of shares and transfer/transmission of shares or any other grievances as reported by the security holders;
- The measure taken for effective exercise of voting rights by the shareholders;
- The performance of the Registrar and Transfer Agents of the Company and recommends measures for overall improvement in the quality of investor services;
- The measures and initiatives taken by the company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/ annual reports/ statutory notices by the shareholder of the Company.

The Board has delegated the power of approving transfer of securities to the officers of the Company.

MEETING AND COMPOSITION

Stakeholder Relationship Committee met Four (4) times during the year under review on May 6, 2022; August 5, 2022; November 10, 2022 and February 10, 2023.

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 2022-23	Committee meeting attended during the tenure of Member in FY 2022-23
1	Mr. Naresh Kumar Jain	Chairman	4	4
2	Mr. Gauri Shankar	Member	4	4
3	Mr. Raman Aggarwal	Member	4	4

INVESTOR GRIEVANCE REDRESSAL

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

Investor's Complaints status for the Financial Year 2022-23

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

D. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE (CSR COMMITTEE)

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

MEETING AND COMPOSITION

Corporate Social Responsibility Committee met One (1) time during the year under review on May 6, 2022.

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 2022-23	Committee meeting attended during the tenure of Member in FY 2022-23
1	Mr. Harish Singh	Chairman	1	1
2	Mr. Sunil Agarwal	Member	1	1
3	Mr. Pradeep Agarwal ¹	Member	-	-
4	Mr. Vijay Ronjan ²	Member	1	1

¹ Ceased to be the Member of the Committee w.e.f. April 28, 2022.

² Appointed as Member of the Committee w.e.f. April 28, 2022.

E. EXECUTIVE COMMITTEES CONSTITUTED BY THE BOARD

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

E-1. RISK MANAGEMENT COMMITTEE

Risk Management Committee of the Company has been constituted by the Company pursuant to requirement of RBI guidelines and Regulation 21 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Committee, inter-alia, responsible to:

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

MEETING AND COMPOSITION

Risk Management Committee met Four (4) times during the year under review on May 6, 2022; August 5, 2022; November 10, 2022 and February 10, 2023.

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 2022-23	Committee meeting attended during the tenure of Member in FY 2022-23
1	Mr. Gauri Shankar	Chairman	4	4
2	Mr. Pradeep Agarwal ¹	Vice Chairman	1	1
3	Mr. Sunil Agarwal	Member	4	4
4	Mr. Harish Singh	Member	4	4
5	Mr. Gaurav Chaubey	Member	4	4

¹ Ceased to be the Member of the Committee w.e.f. August 2, 2022 due to his sad demise.

E-2. ASSET LIABILITY MANAGEMENT COMMITTEE (ALCO)

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

MEETING AND COMPOSITION

Asset Liability Management Committee met Four (4) times during the year under review on May 6, 2022; August 5, 2022; November 10, 2022 and February 9, 2023.

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 2022-23	Committee meeting attended during the tenure of Member in FY 2022-23
1	Mr. Sunil Agarwal	Chairman	4	4
2	Mr. Harish Singh	Member	4	4
3	Mr. Gaurav Chaubey	Member	4	4
4	Mrs. Nidhi Gupta	Member	4	4

E-3. IT STRATEGY COMMITTEE

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

MEETING AND COMPOSITION

IT Strategy Committee met three (3) times during the year under review on April 28, 2022, August 6, 2022 and September 1, 2022.

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

S. No.	Name of Member	Designation	Committee meeting held during the tenure of Member in FY 2022-23	Committee meeting attended during the tenure of Member in FY 2022-23
1	Mr. Pradeep Agarwal ¹	Chairman	1	1
2	Mrs. Nisha Jolly ²	Chairman	2	2
3	Mr. Harish Singh	Member	3	3
4	Mr. Kailash Singh	Member	3	3
5	Mr. Shiv Kumar Tyagi ³	Member	3	3
6	Mr. Santanu Agarwal ⁴	Member	2	2

¹ Ceased to be the Chairman of the Committee w.e.f. August 2, 2022.

² Appointed as the Chairman of the Committee w.e.f. August 5, 2022.

³ Ceased to be the Member of the Committee w.e.f. September 6, 2022.

⁴ Appointed as the Member of the Committee w.e.f. April 28, 2022.

E-4. IT STEERING COMMITTEE

The Board, in accordance with the provisions of Reserve Bank of India's Master Direction on the Information Technology Framework for the NBFC Sector, constituted IT Steering Committee. The IT Committee comprises of Three (3) members. The functions of the IT Steering Committee includes to provide oversight and monitoring of the progress of the Information System project, including deliverables to be realized at each phase of the project and milestones to be reached according to the project timetable.

MEETING AND COMPOSITION

IT Steering Committee met Three (3) times during the year under review on April 28, 2022, July 4, 2022 and November 24, 2022.

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

S. No.	Name of Member	Designation	Committee meeting held during the tenure of Member in FY 2022-23	Committee meeting attended during the tenure of Member in FY 2022-23
1	Mr. Harish Singh	Chairman	3	3
2	Mr. Sunil Agarwal ¹	Member	1	1
3	Mr. Kailash Singh	Member	3	3
4.	Mr. Santanu Agarwal ²	Member	2	2

¹ Ceased to be the member of the Committee w.e.f. April 28, 2022.

² Appointed as the member of the Committee w.e.f. April 28, 2022.

E-5. OPERATION AND FINANCE COMMITTEE

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

COMPLIANCE OFFICER

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

CORPORATE ETHICS

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

MEETINGS OF INDEPENDENT DIRECTORS

As stipulated by the code of Independent Directors under the Companies Act, 2013 and Listing Regulation, a separate meeting of Independent Directors was held on February 9, 2023 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
28 th	2019-2020	September 8, 2020 at 9:30 A.M. Through Video Conferencing (VC)/Other Audio Visual Means (OAVM)	1. To fix borrowing power of the Board of Directors u/s 180 (1) (c) of the Companies Act, 2013. 2. To authorize Board of Directors u/s 180 (1) (a) of the Companies Act, 2013 to create charges on movable and immovable properties of the Company. 3. To issue Non-Convertible Debentures, in one or more series / tranches pursuant to section 42 of the Companies Act, 2013.

29 th	2020-2021	September 25, 2021 at 10:30 A.M. Through Video Conferencing (VC)/Other Audio Visual Means (OAVM)	<ol style="list-style-type: none"> To fix borrowing power of the Board of Directors u/s 180 (1) (c) of the Companies Act, 2013. To authorise Board of Directors u/s 180 (1) (a) of the Companies Act, 2013 to create charges on movable and immovable properties of the Company. To issue Non-Convertible Debentures, in one or more series / tranches pursuant to section 42 of the Companies Act, 2013. To approve the alteration in Object Clause of Memorandum of Association of the Company
30 th	2021-2022	September 30, 2022 at 2:30 P.M. Through Video Conferencing (VC)/Other Audio Visual Means (OAVM)	<ol style="list-style-type: none"> To fix borrowing power of the Board of Directors u/s 180 (1) (c) of the Companies Act, 2013. To authorise Board of Directors u/s 180 (1) (a) of the Companies Act, 2013 to create charges on movable and immovable properties of the Company. To issue Non-Convertible Debentures, in one or more series / tranches pursuant to section 42 of the Companies Act, 2013.

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

EXTRAORDINARY GENERAL MEETING

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

POSTAL BALLOT

During the year under review, pursuant to Section 108 and Section 110 of the Companies Act, 2013 read with Rule 20 and Rule 22 of Companies (Management and Administration) Rules, 2014, Circular Nos. 14/2020 dated April 08, 2020, 17/2020 dated April 13, 2020, 22/2020 dated June 15, 2020, 33/2020 dated September 28, 2020, 39/2020 dated December 31, 2020, 10/2021 dated June 23, 2021, 20/2021 dated December 08, 2021 and 03/2022 dated May 05, 2022 issued by the Ministry of Corporate Affairs (hereinafter collectively referred to as "MCA Circulars"), and Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time and Secretarial Standard on General Meetings ('SS-2') issued by the Institute of Company Secretaries of India and other applicable provisions, approval of Shareholders was sought through Postal Ballot by electronic means for:

- Sub-division/Split of Equity Shares of the Company from Face Value of Rs. 10 each to Face Value of Re. 1 each as an Ordinary Resolution.
- Alteration in Clause V of the Memorandum of Association of the Company as an Ordinary Resolution.
- Re-appointment of Mr. Gauri Shankar as a Non-Executive Independent Director of the Company as a Special Resolution.
- Appointment of Mr. Vijay Ronjan as a Non-Executive Independent Director of the Company a Special Resolution.
- Appointment of Mr. Santanu Agarwal as a Director of the Company and to approve the term of appointment as Deputy Managing Director as an Ordinary Resolution.

NOTICE OF POSTAL BALLOT

In compliance with MCA Circulars, the Postal Ballot Notice was sent only through electronic mode to those Members whose e-mail addresses are registered with the Company/ RTA (in case of physical shareholding)/Depositories (in case of electronic shareholding) and 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 May 6, 2022. Dispatch of Notice of Postal Ballot was completed on May 11, 2022 and Notice of Postal Ballot also published in Hindi and English edition of Business Standard Newspapers on May 12, 2022.

Postal Ballot Notice was also available on the Company's website www.paisalo.in, websites of the Stock Exchanges where the equity shares of the Company are listed i.e. BSE Limited, www.bseindia.com and National Stock Exchange of India Limited, www.nseindia.com and on the website of NSDL, www.evoting.nsdl.com.

MODE OF VOTING

E-voting facility was provided by the Company to the Shareholders to cast their votes on the Resolutions as specified in the Postal Ballot Notice.

Company availed the services of Nation Securities Depository Limited for the purpose of providing e-voting facility to all its Members.

VOTING PERIOD

The voting by the Shareholders on the Resolutions was commenced on May 12, 2022, at 09.00 A.M (IST) and ended on at June 10, 2022 at 5.00 P.M (IST) (both days inclusive).

SCRUTINIZER FOR CONDUCTING THE VOTING THROUGH POSTAL BALLOT AND E-VOTING

PROCESS AND SCRUTINIZER'S REPORT

Mr. Satish Jadon, Proprietor of Satish Jadon & Associates, Practicing Company Secretaries, (Membership No. FCS 9512 and CP No. 9810) was appointed for conducting the Postal Ballot process in a fair and transparent manner. Scrutinizer has submitted Scrutinizer's Report on June 11, 2022 to the Company.

VOTING RESULT

On June 11, 2022, the result of voting through Postal Ballot was declared and the Resolutions were passed with requisite majority and such Resolutions are deemed to have been passed on the last date of voting through postal ballot / e-voting i.e., June 10, 2022.

DISCLOSURES

- Related Party Transactions:** Transactions with related parties are periodically brought to the notice of Audit Committee. During the year under review, there were no materially significant related party transactions entered into by the Company with Promoters Directors, KMPs, Senior Management or other designated persons which may have a potential conflict with the interest of the Company at large. Related party transactions entered into during the year were on arms' -length basis, in the ordinary course of business and were in compliance with the applicable provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Company has adopted a Related Party Transactions Policy in accordance with the Act and SEBI Listing Regulations and the same is displayed on the Company's website at <https://paisalo.in/corporate-governance.php>. The transactions with related parties as per requirements of Ind AS-24 – 'Related Party Disclosures' are disclosed in note no. 37 of the Notes to the Financial Statements for the year ended March 31, 2023. The Company's policy on dealing with 'Related Party Transitions' is available on the website of the Company.
- Details of non-compliance:** Except the following, there is no penalty or strictures is imposed on the Company either by SEBI or the Stock Exchanges or any statutory authority for non-compliance of any matter related to the capital market over the last three years.

- There was an instance of delay compliance of provision of SEBI circular SEBI/HO/MIRSD/CRADT/CIR/P/2020/207 dated October 22, 2020 effective from January 1, 2021 (Contribution by the Issuers of listed or proposed to be listed debt securities towards creation of "Recovery Expense Fund", which has been condoned by the SEBI vide its letter SEBI/HO/MIRSD/CRADT/RGA/NK/P/OW/2021/14132/1 dated July 1, 2021.
- In the month of September-October 2022, BSE imposed a fine of Rs. 10,000/- (excluding tax) for delay compliance of notice of Record date to stock exchange under regulation 60(2) of SEBI (LODR) Regulations, 2015, for the period from 01-Jan-2021 to 31-Jan-2021. The notice was given by the Company to Stock exchange on January 15, 2021 for record date viz. January 26, 2021 for payment of interest in respect of NCDs (ISIN: INE420CO7031/ Scrip 96O2O4) (delay of one working day). The Company has paid the fine and no further action is required in this regard.
- **Policy on Archival:** In terms of Regulation 30(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Policy on Archival of Documents is available on the website of the Company at https://paisalo.in/pdf/corporate_governance/Archival_policy.pdf
- **Policy on Preservation of Documents:** As required under Regulation 9 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 of Preservation of Documents is available on the website of the Company at <https://paisalo.in/corporate-governance.php>.
- **Policy on Determination of Materiality for disclosures of Events or information:** As per Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Policy is available on the website of the Company at https://paisalo.in/pdf/corporate_governance/Policy_for_determination_of_materiality_of_events_and_information_for_disclosures.pdf
- **Policy on Material Subsidiary:** Pursuant to Regulation 16(1)(c) of SEBI Listing Regulations, the Board has approved a Policy on Material Subsidiary, which is available on the website of the Company at https://paisalo.in/pdf/corporate_governance/Policy_for_determining_material_subsidary.pdf
- **Whistle blower Policy and Vigil Mechanism:** Whistle Blower Mechanism has been established for employees to report concerns about unethical behaviour, actual or suspected fraud, or violation of our code of conduct or ethics policy. It provides for adequate safeguards against victimization of employees who avail of the mechanism, and also allows direct access to the Chairman of the Audit Committee in exceptional cases. We further affirm that no employee has been denied access to the Audit Committee. The details of Whistle Blower Mechanism are available on the website of the Company at https://paisalo.in/pdf/corporate_governance/Whistle_blower_policy_vigil_mechanism.pdf
- **Code of Conduct for Prevention of Insider Trading:** The Company has adopted the Code of Conduct for Prevention of Insider Trading under the SEBI (Prohibition of Insider Trading) Regulations, 2015 ('the Code'). The Code lays down guidelines for procedures to be followed and disclosures to be made by insiders while trading in the securities of the Company. The Code was amended by the Board of Directors time to time to incorporate the amendments to the SEBI (Prohibition of Insider Trading) Regulations, 2015. The Company has also adopted a Code of Corporate Disclosure Practices for ensuring timely and adequate disclosure of Unpublished Price Sensitive Information ('UPS') by the Company to enable the investor community to take informed investment decisions with regard to the Company's shares. Policy for Determination of Legitimate Purposes. The Code of Corporate Disclosure Practices along with the Policy for Determination of Legitimate Purposes. The Code is also available on the website of the Company at https://paisalo.in/pdf/corporate_governance/Code_of_conduct_for_prevention_of_insider_trading.pdf
- **Fair Practice Code:** Company has adopted Fair Practice Code pursuant to guidelines issued by Reserve Bank of India (RBI) vide its Circular No. RBI/2006-07/138- DNBS(PD) CC No.: 80/O3.10.042/2005-06 dated September 28, 2006, on Fair Practices Code for Non-Banking Financial Companies and same is amended time to time. The Company adheres to the code in its Business conduct.

- **Secretarial Standards:** The Company has complied with all the applicable provisions of the Secretarial Standards issued by the Institute of Company Secretaries.
- **Acceptance of recommendation of all Committees:** There was no instance during the financial year 2022-23 when the Board had not accepted any recommendation of the Committee of the Board.
- **Demat suspense account/unclaimed suspense account:** Disclosure with respect to demat suspense account/unclaimed suspense account – not applicable.
- **Issue and allotment of Securities:** During the year under review, the Company has not raised proceeds/ funds from public issue and right issue of equity shares. During the year under review, the Company has issued and allotted the following securities:

Sr. No.	Date of Allotment	Security	Number	Private Placement/ Preferential
1	July 6, 2022	Unlisted Unsecured Unrated Redeemable Non Convertible Debentures (NCDs) of INR 1,00,00,000/- each (ROI 9.90 % P.A.)	14	Private Placement
2.	September 3, 2022	Issue of Equity Shares of Re. 1 each @ a premium of Rs. 69.50 each share on conversion of share warrants issued on March 20, 2021 in terms of Special Resolution passed by the shareholders on March 8, 2021.	85,55,000	Private Placement
3	September 12, 2022	Issue of Equity Shares of Re. 1 each @ a premium of Rs. 69.50 each share on conversion of share warrants issued on March 20, 2021 in terms of Special Resolution passed by the shareholders on March 8, 2021.	13,45,000	Private Placement
4	January 18, 2023	Unlisted Unsecured Unrated Redeemable Non Convertible Debentures (NCDs) of INR 10,00,000/- each (ROI 12.00 % P.A.)	340	Private Placement

- **Fees paid to Statutory Auditor:** Details of fees paid by the Company to the Statutory Auditor is disclosed in note no. 32 of the Notes to the standalone/Consolidated Financial Statements for the year ended March 31, 2023 forming part of this Annual Report.
- **Non disqualification of Director:** A certificate from a Company Secretary in practice states that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of Company by the SEBI/ Ministry of Corporate Affairs or any such statutory authority is annexed as forming part of this Annual Report.
- **Corporate Governance Compliance:** Disclosures of the compliance with corporate governance requirements specified in regulation 17 to 27 and Regulation 46 (2) (b) to (i) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the Financial Year ended March 31, 2023.

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

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

Mandatory Requirements

The Company has complied with all the mandatory requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Non-Mandatory Requirements

The status of compliance with the discretionary requirements as stated under Part E of Schedule II to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are as under:

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

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

MEANS OF COMMUNICATION

STOCK EXCHANGE INTIMATIONS

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

FINANCIAL RESULTS

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

In view of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the soft copies of Annual Report have been emailed by the Company to all those Shareholders who have registered their email address for this purpose. We would appreciate and encourage more Shareholders to register their email address with their Depository Participant or the Registrar and Transfer Agent of the Company, to receive soft copies of the Annual Report, Postal Ballot, Notices and other information disseminated by the Company, on a real-time basis without any delay.

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

ANALYST/INVESTOR MEETS

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

COMPANY'S WEBSITE

Comprehensive information about the Company, its business and operations can be viewed on the Company's website. The 'Investor' section on the website gives information relating to Financial Results, Annual Reports, Shareholding Pattern and other relevant information. Outcome and voting results of the 30th AGM held on September 30, 2022 are also available under the 'Investor Information' section.

GENERAL SHAREHOLDER INFORMATION

The Company is registered with the Registrar of Companies, Delhi. The Corporate Identity Number (CIN) allotted to the Company by Ministry of Corporate Affairs is L65921DL1992PLC12O483.

The Company is also registered with the Reserve Bank of India as Non-Banking Financial Company having registration number B-14.O2997.

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, 2023
For the half year	: On or before November 14, 2023
For the 3rd quarter	: On or before February 14, 2024
For the year end	: On or before May 30, 2024

31 st Annual General Meeting for FY 2022-23	
Date and Time	: September 21, 2023 at IST 2:45 P.M.
Venue	: Through Video Conferencing (VC)/Other Audio Visual means (OAVM) - deemed venue shall be Registered Office of the Company
Cut-off Date	: For the purpose of e-voting & dividend the cutoff date is September 14, 2023
Date of Book Closure	: The Books of the Company will remain closed from September 15, 2023 to September 21, 2023 (both days inclusive)
E-voting period	: Start on September 18, 2023 at IST 9:00 A.M. and ends on September 20, 2023 at IST 5:00 P.M.
Last date for receipt of Proxy Forms	: In terms of the relaxations granted by the MCA, the facility for appointment of proxies by Members will not be available for the ensuing AGM
Dividend payment date	: Dividend @ 10% i.e. 10 paise per fully paid-up Equity Share of INR 1/- of the Company will be paid to the shareholders whose names appear in the Register of Members as on September 14, 2023, subject to approval of the shareholders at the 30 th Annual General Meeting, within the statutory time limit of 30 days.

CREDIT RATING

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

Sr No.	Instrument/Facility	Amount (INR in Million)	Rating Assigned
1	Fund Based Facilities from Banks- Long Term	18000.00	IVR AA-/Stable Outlook (IVR Double A Minus with Stable Outlook)
2	Non-Convertible Debentures	1150.00	
3.	Commercial Paper	1500.00	IVR A1+ (IVR A One Plus)

LISTING:

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

Stock Exchange	National Stock Exchange of India Limited (NSE) Exchange Plaza, Bandra Kurla Complex, Bandra (East) Mumbai -400051 www.nseindia.com	BSE Limited (BSE) P. J. Towers, 25th Floor, Dalal Street, Mumbai -400001 www.bseindia.com	
Type of Securities	Equity Shares	Equity Shares	Secured Non- Convertible Debentures
ISIN	INE420C01059	INE420C01059	INE420C07015
Security Code	PAISALO	532900	959759

OUTSTANDING GDRS/ADRS/WARRANTS OR ANY CONVERTIBLE INSTRUMENTS, CONVERSION DATE AND LIKELY IMPACT ON EQUITY

Global Depository Receipts (GDRs) of Company are listed on Luxembourg Stock Exchange. Each One (1) Depository Receipts represents 2 (Two) Equity Shares of Re. 1/- each of the Company. The details of outstanding Depository

Receipts as on March 31, 2023 are as follows:

Listing on Foreign Stock Exchange	: Luxembourg Stock Exchange (LSE) Societe De La Bourse, De Luxembourg
Address	: 35A Boulevard Joseph II, Luxembourg
Website	: www.burse.lu
Security Type	: GDRs
ISIN	: US6954891049
Security Code/ Symbol	: Paisalo Digital GDR
Outstanding Securities	: 6,71,53,975 Depository Receipts
Custodian Bank	: The Bank of New York Mellon, DR

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

CONVERTIBLE WARRANTS:

In terms of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 and Special Resolution passed by the Shareholders of the Company at Extra-ordinary General Meeting held on March 8, 2021, on receipt of initial warrant subscription amount of INR 460.01 Million equivalent to 25% of the warrant issue price as prescribed by the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 for allotment of Fully Convertible Warrants ('Warrants'), on March 20, 2021 the Company allotted total 26,10,000 Warrants (ISIN INE420C13013) to Promoter Group Entities, on preferential basis. The conversion option can be exercised by Warrant holders at any time during the period of 18 (Eighteen) months from the date of allotment of warrants, in one or more tranches.

During the financial year ended on March 31, 2023 the Warrant holders exercised their right to convert 9,90,000 warrants into equity. On receipt of 75% of issue price of warrant, the Company has allotted equity shares on conversion of warrants. The details of warrants converted and outstanding warrants are as under:

Date	Particular	Warrants Converted	Number of Equity Shares allotted on Conversion of Warrants	Outstanding Warrants
March 20, 2021	Allotment of Fully Convertibles Warrants	-	-	26,10,000
April 1, 2022	Balance Warrants	-	-	9,90,000
September 3, 2022	Conversion of Warrants	8,55,500	85,55,000	1,34,500
September 12, 2022	Conversion of Warrants	1,34,500	13,45,000	0
March 31, 2023	Balance Warrants	-	-	0

OUT STANDING NON-CONVERTIBLE DEBENTURES AS ON MARCH 31, 2023

Sr. No.	Series	Listed/ unlisted	Tenure		Rated/ Unrated	Secured/ Unsecured	Outstanding Principal amount (INR in Million)
			Month	days			
1	PDL1808 NCD	Unlisted	72	0	Unrated	Unsecured	810.00
2	PDL 2020-1	Unlisted	72	0	Unrated	Unsecured	60.00
3	PDL 2020-2	Unlisted	72	0	Unrated	Unsecured	10.00
4	PDL 2020-3	Unlisted	60	0	Unrated	Unsecured	90.00
5	PDL Series -07-2020	Listed*	33	5	Rated	Secured	500.00

6	PDL-12-2020	Unlisted	120	0	Unrated	Unsecured	10.00
7	PDL-12-2020-2	Unlisted	36	0	Unrated	Unsecured	350.00
8	PDL-02-2021	Unlisted	60	0	Unrated	Unsecured	230.00
9	PDL-07-2021	Unlisted	60	0	Unrated	Unsecured	250.00
10	PDL-09-2021	Unlisted	60	0	Unrated	Unsecured	940.00
11	PDL-09-2-2021	Unlisted	60	0	Unrated	Unsecured	150.00
12	PDL-02-2022	Unlisted	84	0	Unrated	Unsecured	270.00
13	PDL-07-2022	Unlisted	120	0	Unrated	Unsecured	140.00
14	PDL-01-2023	Unlisted	120	0	Unrated	Unsecured	340.00

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

DEBENTURE TRUSTEE FOR SECURED DEBENTURES

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

IDBI Trusteeship Services Limited

Asian Building, Ground Floor,

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

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

LISTING FEES

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

MARKET PRICE DATA

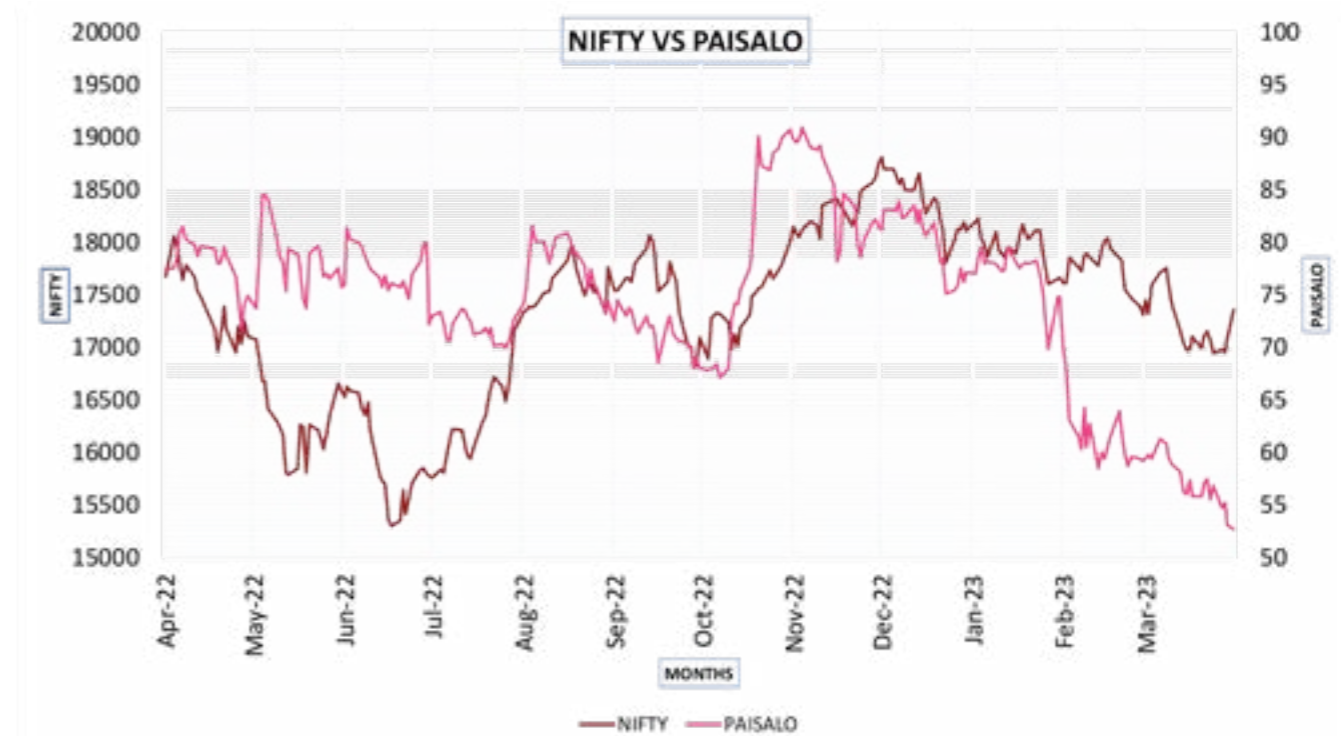
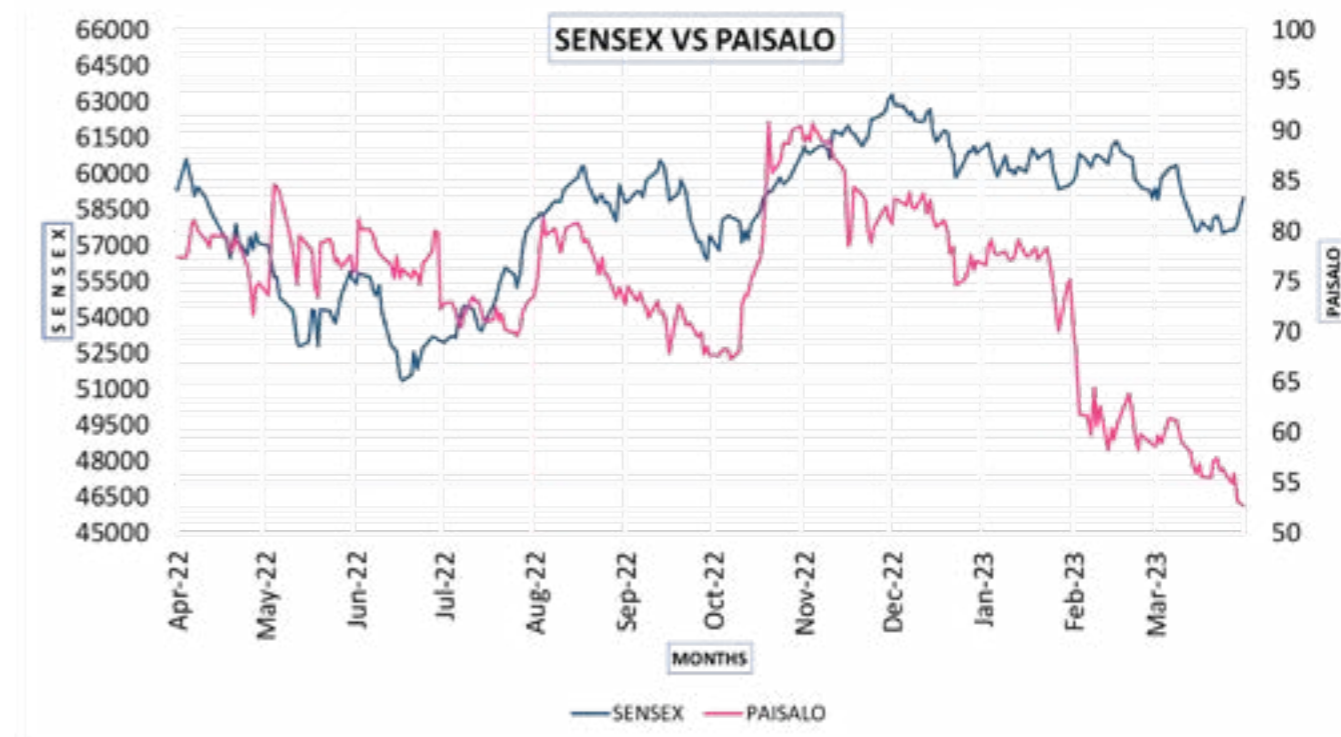
Monthly high and low prices of equity shares of the Company on NSE and BSE during the year under review in comparison to BSE (Sensex) and NSE (Nifty) are given hereunder:

Month	NSE		BSE	
	High (INR)	Low (INR)	High (INR)	Low (INR)
April 2022	828.00	712.80	828.00	714.00
May 2022	878.40	722.00	879.00	725.00
June 2022 ¹	865.70	71.25	864.95	71.30
July 2022	74.50	68.20	78.00	68.25
August 2022	84.45	72.00	85.00	71.60
September 2022	76.90	65.65	76.50	65.45
October 2022	98.00	66.20	97.2	66.25
November 2022	94.00	75.60	94.95	75.75
December 2022	89.00	73.70	86.75	71.00
January 2023	79.95	67.55	84.95	68.90
February 2023	77.60	56.35	77.30	56.15
March 2023	62.65	49.00	62.50	49.52

1. The face value of the Company's shares changed from Rs. 10/- each to Re. 1/- each w.e.f. from June 1, 2023

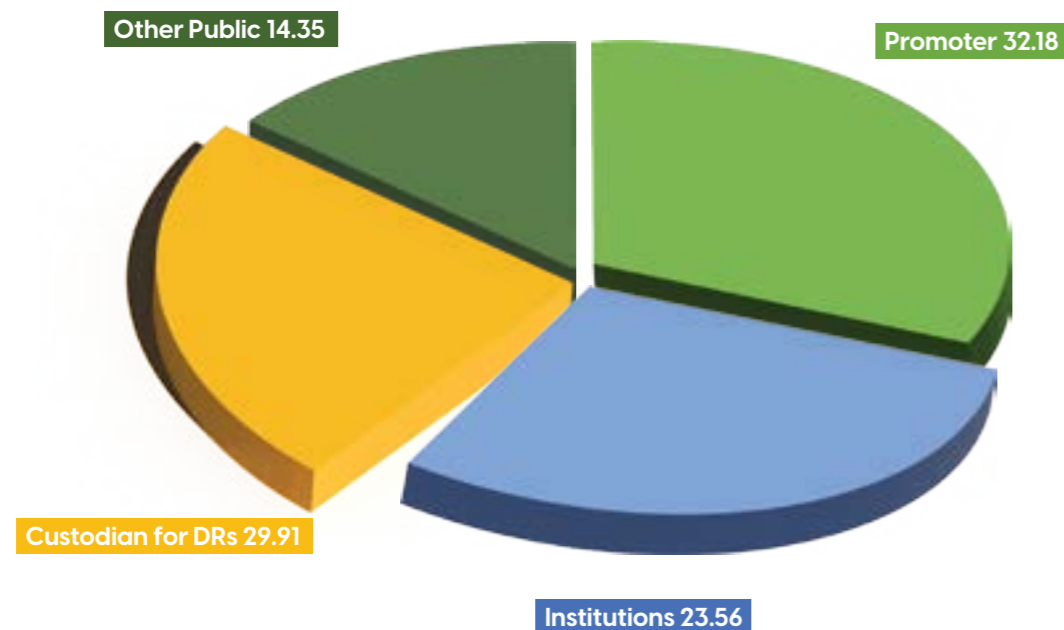
PERFORMANCE OF THE COMPANY'S SHARES VIS-A-VIS SENSEX

The performance of the Company's average monthly share price data in comparison to broad-based indices like BSE Sensex and Nifty in FY 2022-23 are given below:



Note: The price of Paisalo shares have been readjusted for the period from April 1, 2022 till June 29, 2022 according to sub-division of face value of the shares from Rs. 10 each to Re. 1 each.

DISTRIBUTION OF SHAREHOLDING % AS ON MARCH 31, 2023



SHAREHOLDING PATTERN AS ON MARCH 31, 2023

Category of Shareholders	Demat	Physical	Total	% of Total Shares
A. Promoters				
(1) Indian				
a) Individual/ HUF	7,32,86,400	-	7,32,86,400	16.32
b) Central Govt.	-	-	-	-
c) State Govt(s)	-	-	-	-
d) Bodies Corp.	7,12,16,930	-	7,12,16,930	15.86
e) Bank/FI	-	-	-	-
f) Any Other	-	-	-	-
Sub-total (A) (1)	14,45,03,330	-	14,45,03,330	32.18
(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)	14,45,03,330	-	14,45,03,330	32.18
B. Public Shareholding				
1. Institutions				
a) Mutual Funds	-	-	-	-

b) Banks/FI	16,96,614	-	16,96,614	0.38
c) Central Govt.	-	-	-	-
d) State Govt.(s)	-	-	-	-
e) Venture Capital Funds	-	-	-	-
f) Insurance Companies	4,02,34,853	-	4,02,34,853	8.96
g) FIs/FPI	6,32,95,538	-	6,32,95,538	14.09
h) Foreign Venture Capital Funds	-	-	-	-
i) Others (specify)	-	-	-	-
Sub-total (B) (1)	105227005	-	105227005	23.43
2. Non- Institutions				
a) Bodies Corp.				
i) Indian	-	-	-	-
ii) Overseas	-	-	-	-
b) Individual				
i) Individual shareholders holding nominal share capital upto Rs. 2 lac	1,22,71,765	20,060	1,22,91,825	2.74
ii) Individual shareholders holding nominal share capital in excess of Rs. 2 lac	1,13,07,286	-	1,13,07,286	2.52
c) NBFC registered with RBI	5,38,000	-	5,38,000	0.12
d) Other (specify) # IEPF	5870	-	5870	0.00
(d-i) Bodies Corporate	3,96,83,329	-	3,96,83,329	8.84
(d-ii) Non-Resident Indians	5,43,757	-	5,43,757	0.12
(d-iii) Clearing Member	6,850	-	6,850	0.00
(d-iv) Resident HUF	6,06,788	-	6,06,788	0.14
Sub-total (B) (2)	6,49,63,645	20,060	6,49,83,705	14.47
Total Public Shareholding (B)=(B)(1)+ (B)(2)	17,01,90,650	20,060	17,02,10,710	37.91
C. Shares held by Custodian	13,43,07,950	-	13,43,07,950	29.91
Grand Total (A+B+C)	449001930	20060	44,90,21,990	100.00

DETAILS OF PROMOTER/PROMOTER GROUP SHAREHOLDING AS ON MARCH 31, 2023

S. No.	Name/Address	Holding	% to the Capital
1	Mr. Sunil Agarwal	5,28,51,400	11.77
2	Ms. Suneeti Agarwal	35,83,000	0.80
3	Mr. Santanu Agarwal	1,68,52,000	3.75
4	Equilibrated Venture Cflow Private Limited	4,95,42,120	11.03
5	PRI CAF Private Limited	1,12,69,200	2.51
6	Pro Fitch Private Limited	1,04,05,610	2.32
	Total	14,45,03,330	32.18

DETAILS OF PUBLIC SHAREHOLDER HOLDING MORE THAN 1 % SHARES AS ON MARCH 31, 2023

(Other than Promoter/ Directors/Custodian for GDRs)

S. No.	Name of Shareholder	No. of Shares	% of total shares of the Company
1	SBI Life Insurance Co. Ltd.	3,59,98,031	8.02
2	Antara India Evergreen Fund Ltd.	4,03,36,230	8.98
3	Zeal Professional Services Pvt. Ltd.	94,71,610	2.11
4	Nomura Singapore Limited ODI	74,00,000	1.65

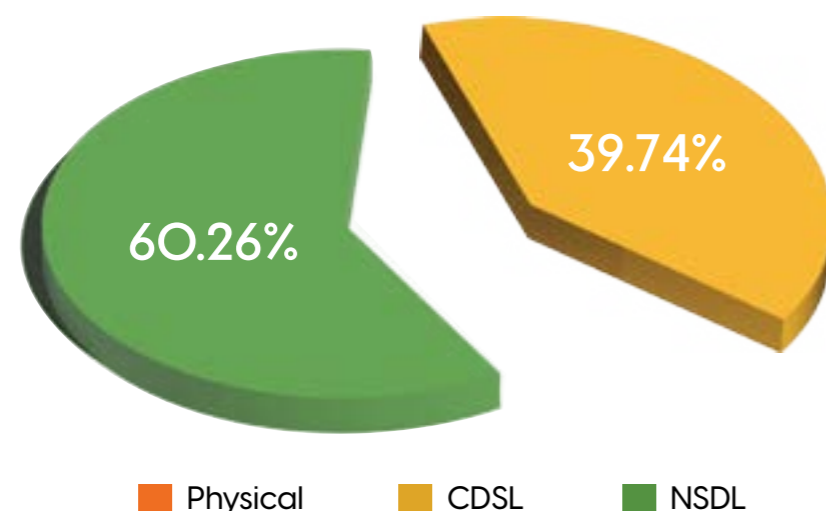
DISTRIBUTION OF SHAREHOLDING AS ON MARCH 31, 2023

Number of Shares	Shareholding			
	Shareholders	%	Shareholding	%
1-500	6959	77.33	861911	0.19
501-1000	800	8.89	653974	0.15
1001-2000	424	4.71	651161	0.15
2001-3000	165	1.83	428561	0.10
3001-4000	85	0.94	306897	0.07
4001-5000	83	0.92	392995	0.09
5001-10000	149	1.66	1134274	0.25
10001-99999999999	334	3.71	444592217	99.01
Total	8999	100.00	449021990	100.00

DEMATERIALIZATION OF SHARES AS ON MARCH 31, 2023

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

Shares held in	Number of Share as on March 31, 2023	% as on March 31, 2023
Physical form	20,060	0.00
Electronic form with NSDL	27,05,67,782	60.26
Electronic form with CDSL	17,84,34,148	39.74
Total	44,90,21,990	100.00



REGISTRAR AND SHARE TRANSFER AGENTS

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

ALANKIT ASSIGNMENTS LIMITED

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

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

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

SHARE TRANSFER SYSTEM

Effective April 01, 2019, requests for effecting the transfer of listed securities were required to be processed only in dematerialized form with a Depository. However, Shareholders have the option of holding shares in physical form even after April 01, 2019.

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

SR. NO. SHARES DEMATERIALIZATION PROCESS

- Shareholder will submit share certificate(s) along with Dematerialisation Request Form (DRF) to the Depository Participant (DP)
- The DRF and generate a unique Dematerialisation Request Number
- DP forward DRF and share certificate(s) to the Registrar and Share Transfer Agent (RTA)
- If confirmed by the RTA, depository give credit to shareholder in his account maintained with DP

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

IMPORTANT POINTS

Mode of Holding of securities

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

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

1. A safe and convenient way to hold securities;
2. Elimination of risk(s) associated with physical certificates such as bad delivery, fake securities, delays, thefts, etc;
3. Immediate transfer of securities;
4. Reduction in transaction cost;
5. Reduction in paperwork involved in transfer of securities;
6. No odd lot problem, even one share can be traded;
7. Availability of nomination facility;
8. Ease in effecting change of address / bank account details as change with Depository Participants (DPs) gets registered with all companies in which investor holds securities electronically;
9. Easier transmission of securities as the same is done by DPs for all securities in demat account;
10. Automatic credit in to demat account of shares, arising out of bonus / split / consolidation / merger/ etc.;
11. Convenient method of consolidation of folios/accounts;
12. Holding investments in Equity, Debt Instruments, Government securities, Mutual Fund Units etc. in a single account;
13. Ease of pledging of securities; and
14. Ease in monitoring of portfolio.

SHAREHOLDERS HOLDING SHARES IN PHYSICAL MODE

- are required to submit their Permanent Account Number (PAN) and bank account details to the Company / Alankit Assignments Limited if not registered with the Company as mandated by SEBI.
- are advised to register the nomination in respect of their shareholding in the Company. Nomination Form (SH-13) can be obtained by writing to Company or Company's RTA Alankit Assignments Limited.
- are requested to register/ update their e-mail address with the Company / Alankit Assignments Limited for receiving all communications from the Company electronically.

SHAREHOLDERS HOLDING SHARES IN ELECTRONIC MODE:

- are requested to submit their PAN and bank account details to their respective DPs with whom they are maintaining their demat accounts.
- are advised to contact their respective DPs for registering the nomination.
- are requested to register/ update their e-mail address with their respective DPs for receiving all communications from the Company electronically.
- the Securities and Exchange Board of India vide its circular no. SEBI / HO / MIRS D / DOS3 / CIR / P / 2019 / 30 dated February 11, 2019, with a view to address the difficulties in transfer of shares, faced by non-residents and foreign nationals, has decided to grant relaxations to non-residents from the requirement to furnish PAN and permit them to transfer equity shares held by them in listed entities to their immediate relatives subject to the following conditions:

- a) The relaxation shall only be available for transfers executed after January 1, 2016.

- b) The relaxation shall only be available to non-commercial transactions, i.e. transfer by way of gift among immediate relatives.
 - c) Non-resident shall provide copy of an alternate valid document to ascertain identity as well as the non-resident status,
- Non-Resident Indian Shareholders are requested to inform Alankit Assignments Limited, Company's Registrar and Transfer Agent immediately on the change in the residential status on return to India for permanent settlement.

ELECTRONIC PAYMENT SERVICES

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

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

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

REGISTER FOR SMS ALERT FACILITY

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

INTIMATE MOBILE NUMBER

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

SUBMIT NOMINATION FORM AND AVOID TRANSMISSION HASSLE

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

DEAL ONLY WITH SEBI REGISTERED INTERMEDIARIES

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

CORPORATE BENEFITS IN ELECTRONIC FORM

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

REGISTER E-MAIL ADDRESS

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

COURSE OF ACTION FOR REVALIDATION OF DIVIDEND WARRANT FOR PREVIOUS YEARS

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

FACILITY FOR A BASIC SERVICES DEMAT ACCOUNT (BSDA)

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

DIVIDEND

The Board of Directors of the Company has recommended a final dividend of 10% on each fully paid equity share for Financial Year 2022-23. The dividend, if declared, by the Members at the forthcoming Annual General Meeting (AGM) shall be paid to the eligible Members of the Company

TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND

Members are hereby informed that under the Companies Act, 2013 and Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, the Company is required to transfer the dividend which remains unpaid or unclaimed for a period of seven consecutive years or more, to the credit of the Investor Education and Protection Fund ('IEPF'). Accordingly, a Final Dividend of INR 26,860.00 for FY 2014-15 which remained unpaid or unclaimed was transferred to the IEPF Authority in FY 2022-23.

Members are requested to note the following due date(s) for claiming the unpaid or unclaimed dividend declared by the Company for FY 2015-16 and thereafter-

Financial Year	Dividend (Interim/Final)	Dividend Per Share	Date of Declaration	Due date for transfer in IEPF
2015-16	Final	Re. 1	30-09-2016	06-11-2023
2016-17	Final	Re. 1	26-09-2017	02-11-2024
2017-18	Final	Re. 1	29-09-2018	05-11-2025
2018-19	Final	Re. 1	10-08-2019	16-09-2026
2019-20	Final	Re. 1	08-09-2020	15-10-2027
2020-21	Final	Re. 1	25-09-2021	01-11-2028
2021-22	Final	Re. 0.10	30-09-2022	06-11-2029

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

The Company shall transfer to IEPF within the stipulated period a) the unpaid or unclaimed dividend for the financial year 2015-16; b) the shares, if any, on which dividend has not been claimed or encashed for last seven consecutive years.

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

As per the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended ('IEPF Rules'), the Company has uploaded the information in respect of unclaimed dividends as on the date of the previous AGM i.e. September 30, 2022 (30th AGM) on the website of IEPF at www.iepf.gov.in and on the website of the Company

SECRETARIAL AUDIT AND OTHER CERTIFICATES

- M/s. Satish Jadon & Associates, Practicing Company Secretaries, have conducted the Secretarial Audit of the Company for FY 2022-23. Their Audit Report confirms that the Company has complied with its Memorandum and Articles of Association, the applicable provisions of the Act and the Rules made thereunder, SEBI Listing Regulations, applicable SEBI Regulations and other laws applicable to the Company.
- The Secretarial Audit Report forms part of the Board's Report as an Annexure.
- Pursuant to Regulation 40(9) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, certificates have been issued on a yearly basis by M/s. Satish Jadon & Associates, Practicing Company Secretaries, certifying due compliance of share transfer formalities by the Company.
- M/s. Satish Jadon & Associates, Practicing Company Secretaries, carries out a quarterly Reconciliation of Share Capital Audit, to reconcile the total admitted capital with National Securities Depository Limited ('NSDL') and Central Depository Services (India) Limited ('CDSL') and the total issued and listed capital.
- The audit confirms that the total issued/paid-up capital is in agreement with the aggregate of the total number of shares in physical form and the total number of shares in dematerialised form (held with NSDL and CDSL).
- In accordance with the SEBI Circular dated February 8, 2019 read with Regulation 24A of SEBI Listing Regulations, the Company has obtained an Annual Secretarial Compliance Report from M/s. Satish Jadon & Associates, Practicing Company Secretaries, confirming compliances with all applicable SEBI Regulations, Circulars and Guidelines for the year ended March 31, 2023.

M/s. Satish Jadon & Associates, Practicing Company Secretaries, has issued a certificate confirming that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by SEBI/MCA or any such statutory authority. The said report is annexed to this Report on Corporate Governance.

CERTIFICATE OF COMPLIANCE WITH CODE OF CONDUCT

To,
The Shareholders of
Paisalo Digital Limited
New Delhi

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

In accordance with Regulations of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, I hereby certify that Members of Board of Directors and Senior Management Personnel of the Company have affirmed compliance with the Company's Code of Conduct applicable to Board of Directors and Senior Management, for the year ended March 31, 2023.

Date : July 24, 2023
Place : New Delhi

For Paisalo Digital Limited

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

CERTIFICATE OF CORPORATE GOVERNANCE

To,
The Shareholders of
Paisalo Digital Limited
New Delhi

We have examined the compliance of conditions of Corporate Governance by Paisalo Digital Limited for the year ended 31st March 2023, 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 : 05.05.2023
Place : Agra

For Satish Jadon & Associates
Company Secretaries

Sd/-
Satish Kumar Jadon
Membership No. F9512
CoP No.9810
P.R. No. 1028/2020
UDIN : F009512E000260862

CERTIFICATE OF NON –DISQUALIFICATION OF DIRECTORS

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

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

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Paisalo Digital Limited having CIN L65921DL1992PLC12O483 and having registered office at CSC Pocket-52, CR Park, Near Police Station, New Delhi-110019 (hereinafter referred to as 'the Company') as produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers. We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending 31st March, 2023 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, Reserve Bank of India or any such other Statutory Authority.

S. No.	Name of Directors	DIN	Date of Appointment in the Company
1.	Mr. Sunil Agarwal	00006991	05/03/1992
2.	Mr. Harish Singh	00039501	01/08/2008
3.	Mr. Anoop Krishna	08068261	23/02/2018
4.	Mr. Santanu Agarwal	07069797	06/05/2022
5.	Mr. Naresh Kumar Jain	01281538	14/08/2014
6.	Mr. Gauri Shankar	06764026	22/07/2017
7.	Mr. Raman Aggarwal	00116103	15/10/2019
8.	Mrs. Nisha Jolly	08717762	30/05/2020
9.	Mr. Vijay Ronjan	09345384	08/10/2021
10.	Mr. Nirmal Chand	10041305	27/03/2023

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

Date : 05.05.2023
Place : Agra

For Satish Jadon & Associates
Company Secretaries

Sd/-
Satish Kumar Jadon
Membership No. F9512
CoP No.9810
P.R. No. 1028/2020
UDIN : F009512E000260708

CHIEF EXECUTIVE OFFICER & CHIEF FINANCIAL OFFICER CERTIFICATION

To
The Board of Directors,
Paisalo Digital Limited
New Delhi

Dear Members of the Board,

We have reviewed the financial statements and cash flow statement for the Financial Year 2022-23 and to the best of our knowledge and belief:

- These statements do not contain any materially untrue statement or omit any material fact or contain statement that might be misleading;
- These statements present a true & fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations;
- There are no transactions entered into by the Company during the year, which is fraudulent, illegal or in violation to the Company's Code of Conduct;
- We accept the responsibility of establishing and maintaining Internal Controls and that we have evaluated the effectiveness of the internal control systems of the Company and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of internal control, if any, of which we are aware and the steps we have taken or proposed to take to rectify these deficiencies;

We further certify that

- There have been no significant changes in internal control system during the year;
- There have been no significant changes in accounting policies, other than as required for adopting first time Indian Accounting Standards (Ind AS) as Notified by the Ministry of Corporate Affairs, Government of India, during the year and that the same has been disclosed in the notes to the financial statements; and
- We are not aware of any instance during the year about any significant fraud with involvement therein of the management or any employee having a significant role in the Company's internal control system over financial reporting.

Date : July 24, 2023
Place : New Delhi

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

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

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



Financial Statements

INDEPENDENT AUDITOR'S REPORT

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

REPORT ON THE STANDALONE FINANCIAL STATEMENTS

OPINION

We have audited the accompanying Standalone Financial Statements of M/S PAISALO DIGITAL LIMITED ("the Company") which comprises the Balance Sheet as at 31st March 2023, the Statement of Profit and Loss (including Statement of Other Comprehensive Income), Statement of changes in Equity and Statement of Cash Flows for the year ended on that date, and notes to the Standalone Financial Statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2023 and profit (including Statement of Other Comprehensive Income), Statement of changes in Equity and its Cash Flows for the year ended on that date.

BASIS FOR OPINION

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

EMPHASIS OF MATTER

We draw attention to note no. 37(b) for Contingent Assets.
Our opinion is not modified in respect of the above matter.

KEY AUDIT MATTERS

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

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

INFORMATION OTHER THAN THE FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility and Sustainability Report, Corporate Governance and Shareholder's Information, but does not include the consolidated financial statements, Standalone Financial Statements and our Auditor's Report thereon.

Our opinion on the Standalone Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Standalone Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Standalone Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

MANAGEMENT'S RESPONSIBILITY FOR THE STANDALONE FINANCIAL STATEMENTS

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

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

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

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

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

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

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

uncertainty exists, we are required to draw attention in our Auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Auditor's Report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation

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

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Companies Act, 2013, we give in the Annexure 'A' a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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

- 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.
- 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.
- The audit of all the branch offices of the Company has been conducted by us, hence Section 143(8) is not applicable;
- The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity, and the Cash Flow Statement dealt with in this Report are in agreement with the books of accounts.
- In our opinion, the aforesaid Standalone Financial Statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- On the basis of the written representations received from the Directors as on 31st March 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2023 from being appointed as a director in terms of Section 164 (2) of the Act.
- 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".
- With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of Section 197 of the Act.

- With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - The Company does not have any pending litigations (other than in the ordinary course of business) which would impact its financial position.
 - The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
 - The management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity (ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - The management has represented, that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
 - Based on audit procedures which we considered reasonable and appropriate in the circumstances, nothing has come to their notice that has caused them to believe that the representations under sub-clause (i) and (ii) contain any material mis-statement.
 - As stated in Note 61 to the Standalone Financial Statements
 - The final dividend proposed in the previous year, declared and paid by the Company during the year is in accordance with Section 123 of the Act, as applicable.
 - The Company has not declared and has not paid any interim dividend during the year.
 - The Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with Section 123 of the Act, as applicable.
 - Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

PLACE : NEW DELHI
DATE : 11TH MAY, 2023

FOR MANISH GOYAL & CO.
Chartered Accountants
Firm Reg. No. 006066C

Sd/-
(CA. MANISH GOYAL)
Partner
Membership No. 074778
UDIN : 23074778BGUSZN8411

**ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT OF
M/S PAISALO DIGITAL LIMITED**

(Referred to in paragraph of our Report of even date for F. Y. 2022-23)

- i. (a) (A) The Company has maintained proper records to show full particulars including quantitative details and situation of fixed assets.
(B) The Company has maintained proper records to show full particulars of intangible assets.
- (b) As explained to us, the Property, Plant and Equipments have been physically verified by the management at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (c) According to information and explanations given to us, the title deeds of immovable properties of the company are held in the name of the Company.
- (d) According to the information and explanations given to us, Company has not revalued its Property, Plant and Equipment or Intangible assets.
- (e) According to the information and explanations given to us, no proceedings have been initiated or are pending against the Company under the Benami Transactions (Prohibition) Act, 1988 (45 of 1998).
- ii. (a) The Company is a Non-Banking Financial Company (NBFC) and has not dealt with any goods and the Company does not hold any inventory of goods during the period under audit. Accordingly, the reporting requirement under clause (ii) (a) of para no 3 of the Order is not applicable.
- (b) In our opinion and according to the information and explanations given to us, Company is availing working capital limits of more than Rupees five crore on the basis of security of current assets during the financial year. The monthly returns or statements filed by the Company with banks or financial institutions are in agreement with the books of accounts of the Company.
- iii. (a) The Company has made investments in or granted loans, secured or unsecured to individuals, companies, firms, limited liability partnership or other entities in ordinary course of business.
The Company has provided corporate guarantee to Bank / Financial Institution for the loans taken by its wholly owned subsidiary M/s Nupur Finvest Pvt. Ltd.
The Company is a Non-Banking Financial Company and principal business of the Company is providing loans and advance to other concerns, therefore Para (iii) (a) and (e) of the Order are not applicable to the Company.
- (b) The terms & conditions of grant of such loans are not prejudicial to the interest of the Company.
- (c) The repayment/receipt of the principal and interest of loan granted is regular as per the schedule of repayment and there is no amount which is overdue more than ninety days in respect of standard Assets.
- (d) As explained to us, as per RBI Prudential norms, the Company has made the required / specified provision for overdue of more than ninety days. However, the Company has taken reasonable steps for recovery of principal and interest for those cases.
- (e) The Company has not given any loans or advances in the nature of loans which are repayable on demand or without specification of any terms or period of repayment. No loan has been granted to Promoters and/ or related parties as defined under Section 2(76) of the Companies Act, 2013.
- iv. According to the information and explanations given to us, the provisions of Section 185 and 186 of the Companies Act, 2013 in respect of loans, investments, guarantees and security have been complied with.
- v. The Company is a Non-Banking Financial Non-Deposit Taking or Holding Systemically Important (ND-SI) Company, and in our opinion, the Company has not accepted any public deposits within the meaning of Section 73 to 76 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014 and Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 2016. Accordingly, the provisions of para 3(v) of the Order are not applicable to the Company.
- vi. Maintenance of cost records as required under sub-section (1) of Section 148 of the Companies Act, 2013 are not applicable to the Company.

- vii. (a) According to the information and explanations given to us, the Company has been regular in depositing with appropriate authorities undisputed statutory dues and there are no undisputed amounts of Income Tax, Goods & Service Tax, Cess, Employees State Insurance, Customs Duty, Provident Fund and Professional Tax etc. outstanding as at the last day of financial year concerned for a period of more than six months from the date they became payable.
- (b) There are no dues of Goods & Service Tax and Custom Duty on account of any dispute except following matters under Income Tax:

SR. NO.	FORUM	PERIOD	REMARK
1.	Assessment Proceeding u/s 147	F.Y. 2012-13	Order Pending
2.	Assessment Proceeding u/s 147	F.Y. 2014-15	Order Pending
3.	Assessment Proceeding u/s 147	F.Y. 2015-16	Order Pending
4.	Income Tax Department u/s 154	F.Y. 2016-17	Order Pending
5.	Appeal to Commissioner of Income Tax	F.Y. 2017-18	Appeal Pending
6.	Appeal to Commissioner of Income Tax	F.Y. 2019-20	Appeal Pending
7.	Penalty Proceedings u/s 271(1)(c)	F.Y. 2017-18	Order Pending
8.	Penalty Proceedings u/s 271(1)(c)	F.Y. 2019-20	Order Pending
9.	Goods & Service Tax Proceedings u/s 61	F.Y. 2019-20	Order Pending
10.	Survey Proceedings u/s 133(A)	F.Y. 2022-23	Order Pending

- viii. There are no transactions which are not recorded in the books of account which have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.
- ix. (a) The Company has not defaulted in the repayment of loans or other borrowings or in the payment of interest thereon to any lender.
- (b) The Company has not been declared willful defaulter by any bank or financial institution or other lender.
- (c) The term loans were applied for the purpose for which the loans were sanctioned.
- (d) Funds raised on short term basis have not been utilized for long term purposes.
- (e) The Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.
- (f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.
- x. (a) According to the information and explanations given to us, the Company had not raised money by way of initial public offer or further public offer during the year.
- (b) According to the information and explanations given to us, during the year, the Company has allotted equity shares upon conversion of convertible warrants allotted on preferential basis to promotor group entities pursuant to the provision of the Companies Act, 2013, read with regulation made thereunder and the SEBI (ICDR) Regulations, 2018.
- xi. (a) Based on the records examined by us and according to the information, explanations given to us, no fraud has been committed by the Company or any fraud committed on the Company by its officers or employees has been noticed or reported during the year.
- (b) No report under sub-section (12) of Section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules 2014 with the Central Government.
- (c) According to the information and explanation given to us, No whistle-blower complaints received during the year.

- xii. The Company is not the Nidhi Company, therefore provisions of Para 3(xii)(a) to (c) of the Order is not applicable to the Company.
- xiii. Based on the records examined by us and according to the information & explanation given to us, the provisions of Section 177 and 188 of the Companies Act, 2013 regarding transaction with related parties have been complied with and details of the transaction as per applicable accounting standard have been disclosed in the notes to accounts of the Standalone Financial Statements.
- xiv. (a) According to the information & explanation given to us, The Company has an Internal Audit System commensurate with the size and nature of its business.
(b) We have considered the internal audit report for the period under audit and there are no major issues raised by the internal auditor.
- xv. Based on the records examined by us and according to the information & explanation given to us, no non-cash transactions with Directors or persons connected with him, have been taken place during the year, hence the provisions of Section 192 of the Companies Act, 2013 are not applicable to the Company.
- xvi. (a) According to the information & explanation given to us, the Company is registered under Section 45-IA of the Reserve Bank of India Act, 1934 as Non-Deposit Accepting or Holding Non-Banking Financial Company.
(b) According to the information & explanation given to us, the Company is Non-Banking Financial Company and having a valid Certificate of Registration (CoR) from Reserve Bank of India as per Reserve Bank of India Act, 1934.
(c) According to the information & explanation given to us, the Company is not a Core Investment Company (CIC), therefore CIC regulation of RBI are not applicable on the Company.
(d) According to the information & explanation given to us, there are no CIC in the group.
- xvii. According to the information & explanation given to us, the Company has not incurred any cash losses in the financial year and in the immediately preceding financial year.
- xviii. There has been no resignation of the Statutory Auditors of the Company during the year.
- xix. On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, the Auditor's knowledge of the Board of Directors and management plans, the Auditor is of the opinion that there is no material uncertainty exists as on the date of the audit report and that Company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date.
- xx. According to the information and explanations given to us, the provisions of Section 135 of the Act are applicable to the Company. The Company has made the required contributions during the year and there are no unspent amounts which are required to be transferred to the special account as on the date of our audit report. Accordingly, the provisions of paragraph 3(xx)(a) to (b) of the Order are not applicable to the Company.

PLACE : NEW DELHI
DATE : 11TH MAY 2023

FOR MANISH GOYAL & CO.
Chartered Accountants
Firm Reg. No. 006066C

sd/-
(CA. MANISH GOYAL)
Partner
Membership No. 074778
UDIN : 23074778BGUSZN8411

ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT OF M/S PAISALO DIGITAL LIMITED

(Referred to in paragraph of our Report of even date for F. Y. 2022-23)

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

We have audited the internal financial controls over financial reporting of **M/S PAISALO DIGITAL LIMITED** as of 31st March 2023 in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

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

AUDITOR'S RESPONSIBILITY

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

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

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

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Financial Statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (i) 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 2023 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 : 11TH MAY, 2023

FOR MANISH GOYAL & CO.
Chartered Accountants
Firm Reg. No. 006066C

Sd/-
(CA. MANISH GOYAL)
Partner
Membership No. 074778
UDIN : 23074778BGUSZN8411

BALANCE SHEET AS ON 31ST MARCH 2023

(₹ in Lakhs)

Sr. No.	Particulars	Note No.	Figures as at the end of current reporting period	Figures as at the end of previous reporting period
I	ASSETS			
	(1) Financial Assets			
	(a) Cash & Cash Equivalents	1	2,558.68	910.56
	(b) Bank Balances other than (a) above	2	265.95	45.14
	(c) Derivative Financial Instruments	3	-	-
	(d) Receivables			
	(i) Trade Receivables	4	938.14	2,788.24
	(ii) Other Receivables		-	-
	(e) Loans	5	2,78,949.73	2,32,038.87
	(f) Investments	6	6,742.51	6,791.89
	(g) Other Financial Assets	7	6,873.83	5,159.36
	(2) Non Financial Assets			
	(a) Current Tax Assets (Net)	8	710.46	756.41
	(b) Deferred Tax Asset (Net)	20	66.06	-
	(c) Investment Property		-	-
	(d) Biological Assets other than Bearer plants		-	-
	(e) Property, Plant and Equipments	9	6,555.97	6,240.82
	(f) Capital Work-in-Progress		-	-
	(g) Intangible Assets under development		-	-
	(h) Goodwill		-	10.70
	(i) Other Intangible Assets	9	70.80	109.92
	(j) Other Non-Financial Assets	10	-	74.39
	Total Assets		3,03,732.13	2,54,926.30
II	EQUITY AND LIABILITIES			
	(1) Financial Liabilities			
	(a) Derivative Financial Instruments	11	-	-
	(b) Payables	12		
	(I) Trade Payables			
	(i) Total outstanding dues of Micro Enterprises and Small Enterprises		11.31	7.69
	(ii) Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises		141.63	974.47
	(II) Other Payables			
	(i) Total outstanding dues of Micro Enterprises and Small Enterprises		-	-
	(ii) Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises		952.48	452.67
	(c) Debt Securities	13	32,707.88	32,330.89
	(d) Borrowings (Other than Debt Securities)	14	1,40,172.57	1,06,904.37
	(e) Deposits	15	-	-
	(f) Subordinated Liabilities	16	8,900.00	8,900.00
	(g) Other Financial Liabilities	17	443.14	251.49
	(2) Non-Financial Liabilities			
	(a) Current Tax Liabilities (Net)	18	-	-
	(b) Provisions	19	3,489.93	3,253.76
	(c) Deferred Tax Liabilities (Net)	20	-	262.46
	(d) Other non-financial Liabilities	21	1,894.25	327.41
	(a) Equity Share Capital	22	4,490.84	4,391.84
	(b) Other Equity	23	1,10,528.10	96,869.25
	Total Equity & Liabilities		3,03,732.13	2,54,926.30

Notes to the Accounts & Significant Accounting Policies annexed
Notes referred to above form an integral part of these Financial Statements
Signed in terms of our Report of even date

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

Sd/-
(CA. MANISH GOYAL)
Partner
Membership No. 074778
UDIN : 23074778BGUSZN8411

Place : New Delhi
Date : 11th May 2023

For and on behalf of the Board

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

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

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

PROFIT & LOSS STATEMENT FOR THE PERIOD ENDED 31ST MARCH 2023

(₹ in Lakhs)

Sr. No.	Particulars	Note No.	Figures as at the end of current reporting period	Figures as at the end of previous reporting period
I	Revenue from operations:			
	(i) Interest Income	24	42,053.68	35,639.82
	(ii) Dividend Income		0.83	-
	(iii) Rental Income		-	-
	(iv) Fees and commission Income		242.68	-
	(v) Net gain on fair value changes	25	-	-
	(vi) Net gain on derecognition of financial instruments under amortised cost category		-	-
	(vii) Sale of products (including Excise Duty)		-	-
	(viii) Sale of services		-	-
	(ix) Others		-	-
	Total Revenue from Operations (I)		42,297.19	35,639.82
II	Other Income	26	-	-
	Total Income (I+II)		42,297.19	35,639.82
III	Expenses:			
	(i) Finance Costs	27	18,035.46	16,679.32
	(ii) Fees and commission expense		-	-
	(iii) Net loss on fair value changes	25	49.38	-
	(iv) Net loss on derecognition of financial instruments under amortised cost category		-	-
	(v) Impairment on financial instruments	28	4,454.08	3,953.69
	(vi) Cost of materials consumed		-	-
	(vii) Purchases of Stock-in-trade		-	-
	(viii) Changes in Inventories of finished goods, stock-in-trade and work-in-progress		-	-
	(ix) Employee Benefits Expenses	29	3,271.10	2,378.08
	(xi) Depreciation, amortization and impairment	30	328.68	322.90
	(x) Others expenses	31	3,316.62	1,666.58
	Total Expenses (III)		29,455.32	25,000.57
IV	Profit before exceptional items and tax (II-III)		12,841.87	10,639.25
V	Exceptional items		458.85	0.17
VI	Profit before tax (IV-V)		12,383.02	10,639.08
VII	Tax Expense:			
	(1) Current Tax		3,542.29	2,671.98
	(2) Deferred Tax		(328.52)	95.66
VIII	Profit for the period from continuing operations (VI-VII)		9,169.25	7,871.44
IX	Profit/(loss) from discontinued operations		-	-
X	Tax Expense of discontinued operations		-	-
XI	Profit/(loss) from discontinued operations (After tax) (IX-X)		-	-

XII	Profit for the period (VIII+XI)		9,169.25	7,871.44
XIII	Other Comprehensive Income:			
	(A) (i) Items that will not be reclassified to profit or loss (Revaluation of Properties)		-	-
	(ii) Income tax relating to items that will not be reclassified to profit or loss		-	-
	Sub Total (A)		-	-
	(B) (i) Items that will be reclassified to profit or loss (specify items and amounts)		-	-
	(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
	Sub Total (B)		-	-
	Other Comprehensive Income (A+B)		-	-
XIV	Total Comprehensive Income for the period (Comprising Profit and other Comprehensive Income for the period) (XII-XIII)		9,169.25	7,871.44
XV	Earnings per Equity Share (for continuing operations):			
	Basic (Rs.)	34	2.06	1.86
	Diluted (Rs.)		2.06	1.86
XVI	Earnings per Equity Share (for discontinued operations):			
	Basic (Rs.)		-	-
	Diluted (Rs.)		-	-
XVII	Earnings per Equity Share (for continuing and discontinued operations):			
	Basic (Rs.)	34	2.06	1.86
	Diluted (Rs.)		2.06	1.86

Notes to the Accounts & Significant Accounting Policies annexed
Notes referred to above form an integral part of these Financial Statements
Signed in terms of our Report of even date

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

Sd/-
(CA. MANISH GOYAL)
Partner
Membership No. 074778
UDIN : 23074778BGUSZN8411

Place : New Delhi
Date : 11th May 2023

For and on behalf of the Board

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

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

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

STATEMENT OF STANDALONE CASH FLOW

STATEMENT FOR THE YEAR ENDED 31ST MARCH 2023

(₹ in Lakhs)

Sr. No.	Particulars	Figures for current reporting period	Figures for previous reporting period
A	Cash Flow from Operating Activities:		
	Net Profit before tax and extraordinary items and Interest	30,877.33	27,318.57
	Adjustments for		
I	Depreciation	243.59	195.82
II	Deferred Expense W/O	85.09	127.08
III	Impairment on financial instruments	4,454.08	3,953.69
IV	Expenditure on CSR	176.01	161.03
V	Dividend Income Received	(0.83)	-
VI	Profit/loss on Sale of Shares	49.38	-
VII	Profit/loss on Sale of Investments/Assets	(12.85)	(0.50)
	Operating Profit before working capital changes	35,871.80	31,755.69
	Adjustments for		
I	Change in Other Financial Assets	(214.48)	(3.29)
II	Change in Loans & Receivables	(49,475.69)	(45,007.50)
III	Change in Payable & non financial liabilities	1,237.43	(688.83)
	Cash generated from Operations	(12,580.94)	(13,943.93)
I	Interest paid	(18,035.46)	(16,679.32)
II	Income Tax paid	(3,496.33)	(2,936.81)
III	Paid Expenses on CSR	(176.01)	(161.03)
	Cash flow before Extraordinary Items	(34,288.74)	(33,721.09)
I	Extraordinary items	458.85	0.17
	Net Cash from Operating Activities	(34,747.59)	(33,721.26)
B	Cash Flows from Investing Activities:		
I	Purchase of Fixed Assets	(625.03)	(131.04)
II	Sale of Fixed Assets	118.28	0.50
III	Purchase/transfer of Investments	(0.00)	(177.67)
	Net Cash from Investing activities	(506.75)	(308.21)
C	Net Cash from Financing Activities:		
I	Proceeds from Borrowings	33,268.20	25,052.27
II	Proceeds from Debt Service Repayment Account	191.64	(2,525.89)
III	Proceeds from Debt Securities	376.99	4,486.52
IV	Dividend Paid/(Received)	(448.19)	(422.92)
V	Purchase of Security Receipts	(1,500.00)	(4,852.65)
VI	Money received against Share Warrant	5,234.63	8,565.75
	Net Cash from Financing activities	37,123.27	30,303.08
	Net Increase/(decrease) in cash & cash equivalents	1,868.92	(3,726.39)
	Cash & Cash equivalents at beginning of period	955.70	4,682.09
	Cash & Cash equivalent at end of period	2,824.63	955.70

Signed in terms of our Report of even date

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

Sd/-
(CA. MANISH GOYAL)
Partner
Membership No. 074778
UDIN : 23074778BGUSZ8411

Place : New Delhi
Date : 11th May 2023

For and on behalf of the Board

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

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

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

AUDITORS' REPORT

We have verified the attached Cash Flow Statement of M/s Paisalo Digital Limited, derived from audited financial statements and the books and records maintained by the Company for the year ended 31st March 2023 and 31st March 2022 and found the same in agreement here with.

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

Sd/-
(CA. MANISH GOYAL)
Partner
Membership No. 074778
UDIN : 23074778BGUSZ8411

Place : New Delhi
Date : 11th May 2023

ACCOUNTING POLICIES

1. CORPORATE INFORMATION

M/S PAISALO DIGITAL LIMITED is a Middle Layer, as per RBI scale-based Regulation, Systemically Important Non-Deposit Taking Non-Banking Financial Company engaged in providing loans.

Paisalo Digital Limited is a 30+ years old company primarily focusing on financing self-employed borrowers, a segment which is still untapped / unserved, driven by rising affluence, aspirations and favorable demographics.

The Company's successful digital mode of financing self – employed underserved / unserved, using state of art technology, has enabled to register significant growth. The Company is able to scale up its business operations through its intranet model of financing from more than 200 branches as on date and still growing. The Company has cumulatively served more than 1 million satisfied customers. While remaining focused on growth, Company consistently maintains high asset quality level and continues to build the institution on the strong pillars of ethics, values and corporate governance.

The equity of the company is listed on BSE since 2007 and on NSE since 2009. The registered office of the Company is situated at CSC, Pocket 52, Chitraranjan Park, Delhi 110019 and the head office at Paisalo House, 74, Gandhi Nagar, NH-2, Agra 282003.

2. FUNCTIONAL AND PRESENTATION CURRENCY

These Financial Statements are presented in Indian rupees (value in Lakhs up to two decimal), which is the functional currency of the Company. All financial information is presented in Indian rupees.

3. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

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

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

Financial statements have been presented in accordance with format prescribed for Non-Banking Financial Companies under Companies (Indian Accounting Standards) Rules, 2015 in Division III as per the notification No. G.S.R. 1022(E) dated 11.10.2018 as amended vide notification dated 24th March, 2021.

4. USE OF ESTIMATES AND JUDGMENTS

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

4.1 REVENUE RECOGNITION

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Company follows accrual basis for all revenue recognition. Interest income is recognized on due basis and penal income is recognized on receipt basis.

4.2 INCOME TAXES

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

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

4.3 PROPERTY, PLANT AND EQUIPMENT

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

4.4 PROVISION

Provision is recognized when the Company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation as at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.

4.5 CASH FLOW STATEMENT

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

5. ACCOUNTING POLICIES

5.1 CASH & CASH EQUIVALENTS

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

5.2 FINANCIAL INSTRUMENTS

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

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

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

5.3 IMPAIRMENT OF FINANCIAL ASSETS

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

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

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

Expected Credit Loss Model:

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

ECL model is divided into three stages as follows:

PARTICULARS ALSO REFERRED AS	STAGE 1 PERFORMING	STAGE 2 UNDER PERFORMING	STAGE 3 NON PERFORMING
Credit quality of assets Days Past Due	Not deteriorated significantly since its initial recognition 0 Days to 30 Days	Deteriorated significantly since its initial recognition 31 Days to 90 Days	Objective evidence of impairment More than 90 Days
Credit risk Recognize	Low 12 month ECL	Moderate to high Life time ECL	Very High Life time ECL
ECL	Represents financial asset's life time ECL that are expected to arise from default events that are possible within 12 months	ECL that results from all possible default events over the expected life of an instrument.	

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

Determining significant increase in credit risk

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

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

Forward looking information

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

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

The Calculations of ECL

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

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

Probability of default (PD):

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

Exposure at default:

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

Loss Given Default:

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

Discount rate:

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

ECL system:

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

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

Stage 3: When a loan is considered credit-impaired, i.e., where the same is overdue for past 90 days, Company recognize the lifetime-expected credit losses. In this scenario PD is estimated at 100%. For Company, stage 3 incorporates the loans which are due past 90 days but, in certain cases where the internal assessment of the individual borrowers reflects that the overdue amount can be recovered in the near future then the same is subjected to 100% provisioning.

Conclusion:

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

Company ECL model is subjected to review every year.

5.4 DERECOGNITION OF FINANCIAL INSTRUMENTS

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

5.5 INVESTMENTS

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

5.6 PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are stated at cost, less accumulated depreciation and impairment, if any or at fair market value if the same present a better presentation of Company's financial position.

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

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

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

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

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

5.7 IMPAIRMENT OF TANGIBLE ASSETS

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

5.8 INTANGIBLE ASSETS

Intangible assets are stated at cost less accumulated amortization and impairment or fair market value if the same present a better presentation of Company's financial position. Intangible assets are

amortized over their respective individual estimated useful lives on a straight-line basis, from the date that they are available for use. The estimated useful life of an identifiable intangible asset is based on a number of factors including the effects of obsolescence, demand, competition, and other economic factors (such as the stability of the industry, and known technological advances). Amortization methods and useful lives are reviewed periodically including at each financial year end.

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

5.9 CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Contingent liabilities are disclosed for:

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

5.10 SHARE CAPITAL

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

5.11 SEGMENT REPORTING POLICY

The Chief Executive Officer reviews the operation at the Company level. Therefore, the operations of the Company fall under "Financing activities" business only, which is considered to be the only segment in accordance with the provisions of Ind AS 108- Operating segment.

5.12 BUSINESS MODEL

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

5.13 EMPLOYEE RETIREMENT BENEFITS

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

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

5.14 BORROWING COST

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

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

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

5.15 RELATED PARTY

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

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

- Has control/joint control;
 - Has significant influence;
 - Is a member of the Key Managerial Personnel (KMP);
- of the reporting entity or its parent. Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity including:
- that person's children, spouse or domestic partner, brother, sister, father and mother;
 - children of that person's spouse or domestic partner; and
 - dependants of that person or that person's spouse or domestic partner.

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

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

5.16 REVENUE RECOGNITION

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Company follows accrual basis for all revenue recognition. Interest income is recognized on due basis and penal income is recognized on receipt basis.

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

5.17 EARNINGS PER SHARE

The Earning per Share (Basic as well as Diluted) is calculated based on the net profit or loss for the period attributable to equity shareholders i.e. the net profit or loss for the period.

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

6. RISK MANAGEMENT FRAMEWORK

A wide range of risks may affect the company's business and operational or financial performance. The risks that could have significant influence on the Company are Credit Risk, Liquidity & Funding Risk, Market Risk and Operational Risk. The management has a process to identify and analyze the risks faced by the Company, to set appropriate risk limits and to control and to monitor risks and adherence to these limits. The risk management framework aims to:

- i) create a stable business planning environment by reducing the impact of interest rate fluctuations on the company's business plan.
- ii) achieve greater predictability to earnings by determining the financial value of the expected earnings in advance.

A) CREDIT RISK

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the trade and other receivables, cash and cash equivalents and other bank balances.

It is measured as the amount at risk due to repayment default by customers or counterparties to the company. Various metrics such as installment default rate, overdue position, installment moratorium, restructuring, one-time resolution plan, debt management efficiency, credit bureau information etc. are used as leading indicators to assess credit risk.

It is monitored using level of credit exposures, portfolio monitoring, contribution of repeat customers, bureau data, concentration risk of geography, customer and portfolio; and assessment of any major change in the business environment including economic, political as well as natural calamity/pandemic.

It is managed by a robust control framework by the risk and debt management unit. This is achieved by continuously aligning credit and debt management policies and resourcing, obtaining external data from credit bureaus and reviews of portfolios and delinquencies by senior and middle management team comprising of risk, analytics, debt management and risk containment along with business.

(a) LOANS, TRADE & OTHER RECEIVABLES

Credit risk from loans, trade & other receivables is managed by establishing credit limits, credit approvals and monitoring creditworthiness of the customers. Outstanding customer receivables are regularly monitored.

(b) CASH & CASH EQUIVALENTS & OTHER BANK BALANCES

The company holds cash and cash equivalents and other bank balances. The credit worthiness of such banks and financial institutions is evaluated by the management on an ongoing basis and is considered to be good.

B) LIQUIDITY & FUNDING RISK

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

Funding risk arises from:

- Inability to raise incremental borrowings and deposits to fund business requirement or repayment obligations
- When long term assets cannot be funded at the expected term resulting in cash flow mismatches
- Amidst volatile market conditions impacting sourcing of funds from banks and money markets

It is measured by:

- Identification of gaps in the structural and dynamic liquidity statements.
- Assessment of incremental borrowings required for meeting the repayment obligation, the Company's business plan and prevailing market conditions.
- Liquidity Coverage Ratio (LCR) in accordance with guidelines.

It is monitored by:

- Assessment of the gap between visibility of funds and the near term liabilities given current liquidity conditions and evolving regulatory framework for NBFCs.
- A constant calibration of sources of funds in line with emerging market conditions in banking and money markets.
- Periodic reviews of liquidity position, LCR and stress tests assuming varied 'what if' scenarios and comparing probable gaps with the liquidity buffers maintained by the Company.

It is managed by the Company's ALM Committee under liquidity risk management framework through various means like liquidity buffers, sourcing of long term funds, positive asset liability

mismatch, keeping strong pipeline of sanctions and approvals from banks and assignment of loans under the guidance of Board.

C) MARKET RISK

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from adverse changes in market rates and prices or in the price of market risk-sensitive instruments as a result of such adverse changes in market rates & prices. Market risk comprises Currency Risk, Interest Risk & Price Risk.

It is measured using changes in equity prices, and sensitivities like Value at Risk ('VaR'), basis point value, modified duration analysis and other measures to determine movements in our portfolios and impact on our income, including the sensitivity of net interest income. Market risks for the Company encompass exposures to Equity investments, Interest rate risks on investment portfolios as well as the floating rate assets and liabilities with differing maturities.

It is monitored by assessments of fluctuation in the equity price, interest rate sensitivities under simulated stress test scenarios given range of probable interest rate movements on both fixed and floating assets and liabilities.

It is managed by the Company's various committees under the guidance of Board.

(a) CURRENCY RISK

The Company's operations are only in India which results in no foreign currency risk exposure.

(b) INTEREST RISK

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to interest rate risk through the impact of rate changes on interest-bearing liabilities and assets. The Company manages its interest rate risk by monitoring the movements in the market interest rates closely.

(c) PRICE RISK

The company is exposed to equity price risk arising from Investments held by the Company. To manage its price risk arising from investment in equity securities, the Company diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the company.

D) OPERATIONAL RISK

Operational risk is the risk arising from inadequate or failed internal processes, people or systems, or from external events. The Company manages operational risks through comprehensive internal control systems and procedures laid down around various key activities in the Company viz. loan acquisition, customer service, IT operations, finance function etc. Internal Audit also conducts a detailed review of all the functions at least once a year, this helps to identify process gaps on timely basis. Further IT and Operations have a dedicated compliance and control units within the function who on continuous basis review internal processes. This enables the Management to evaluate key areas of operational risks and the process to adequately mitigate them on an ongoing basis.

The Company has put in place a robust Disaster Recovery (DR) plan and Business Continuity Plan (BCP) to ensure continuity of operations including services to customers, if any eventuality is to happen such as natural disasters, technological outage etc. Robust periodic testing is carried, and results are analyzed to address gaps in the framework, if any.

NOTES FORMING INTEGRAL PART OF THE FINANCIAL STATEMENTS AS AT 31ST MARCH 2023

STATEMENT OF CHANGES IN EQUITY:

1. Current Reporting Period

(Amount in ₹)

Balance at the beginning of the Current Reporting Period	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in Equity share capital during the current year	Balance at the end of the current reporting period
4,39,24,699	-	4,39,24,699	43,92,46,990*	-
			99,00,000#	44,91,46,990
4,39,24,699	-	4,39,24,699	44,91,46,990	44,91,46,990

¹Total shares includes forfeited shares.

* W.e.f. July 1, 2022 the 1 equity share of Rs. 10/- each sub-divided / split into 10 equity shares of Re. 1 each.

Equity Shares issued on conversion of warrants.

2. Previous Reporting Period

(Amount in ₹)

Balance at the beginning of the Current Reporting Period	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in Equity share capital during the current year	Balance at the end of the current reporting period
4,23,04,699	-	4,23,04,699	16,20,000#	4,39,24,699
4,23,04,699	-	4,23,04,699	16,20,000#	4,23,04,699

¹Total shares includes forfeited shares.

#Equity Shares issued on conversion of warrants.

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

Sr. No.	Name of the Shareholders	No of Shares	% of shareholding
1	Sunil Agarwal	5,28,51,400	11.77
2	Equilibrated Venture Cflow Pvt Ltd	4,95,42,120	11.03
3	SBI Life Insurance Co. Ltd	3,59,98,031	8.02
4	Antara India Evergreen Fund Ltd	4,03,36,230	8.98

List of Promoter's and Promoter Group Shareholding:

Sr. No.	Name of the Shareholders	No of Shares held	Percentage of total shares	Percentage change during the year
1	Sunil Agarwal	5,28,51,400	11.77	(0.27)
2	Suneeti Agarwal	35,83,000	0.80	(0.02)
3	Santanu Agarwal	1,68,52,000	3.75	(0.08)
4	Equilibrated Venture Cflow Pvt. Ltd.	4,95,42,120	11.03	0.50
5	Pri Caf Pvt. Ltd.	1,12,69,200	2.51	0.69
6	Pro Fitch Pvt. Ltd.	1,04,05,610	2.32	0.70

Note : 1 Cash & Cash Equivalents

(₹ in Lakhs)

Sr. No.	Particulars	Current Year	Previous Year
1	Cash Balances	77.44	249.16
2	Bank Balances		
	Current a/c with Scheduled Banks (Subject to reconciliation)	681.17	161.33
	Cheques/ Drafts on Hands	-	-
3	In Fixed Deposits - Unencumbered		
	With Banks	1,800.07	500.07
	Total	2,558.68	910.56

Note : 2 Bank Balances other than (a) above

(₹ in Lakhs)

Sr. No.	Particulars	Current Year	Previous Year
1	Bank Balances		
	Current a/c with Scheduled Banks (Subject to reconciliation)	-	-
2	In Fixed Deposits - Encumbered		
	With Banks	265.95	45.14
	Total	265.95	45.14

- Refer note no. 4O

Note : 3 Derivative Financial Instruments (Assets)

(₹ in Lakhs)

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

Note : 4 Receivables

(₹ in Lakhs)

Sr. No.	Particulars	Current Year	Previous Year
1	Trade Receivables		
	–Overdue Installments : Considered Good - Secured	58.69	137.28
	–Overdue Installments : Considered Good - Unsecured	189.01	658.78
	–Overdue Installments : Sub Standard Assets	690.44	1,992.18
2	Other Receivables	-	-
	Total	938.14	2,788.24

Notes No. : 4 (a) Trade Receivable- Additional Disclosures:
Outstanding for following periods from the due date of payment (FY. 2022-23)

(₹ in Lakhs)

Sr. No.	Particulars	Less than 6 Months	6 Months-1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
1	Undisputed Trade Receivables - Considered Good	247.70	-	-	-	-	247.70
2	Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-
3	Undisputed Trade Receivables - credit impaired	-	690.44	-	-	-	690.44
4	Disputed Trade Receivables - considered good	-	-	-	-	-	-
5	Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-
6	Disputed Trade Receivables - credit impaired	-	-	-	-	-	-
	Grand Total	247.70	690.44	-	-	-	938.14

Trade Receivable includes overdue loan cases financed by Paisalo Digital Limited

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

(₹ in Lakhs)

Sr. No.	Particulars	Less than 6 Months	6 Months-1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
1	Undisputed Trade Receivables - Considered Good	796.07	-	-	-	-	796.07
2	Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-
3	Undisputed Trade Receivables - credit impaired	-	1,992.18	-	-	-	1,992.18
4	Disputed Trade Receivables - considered good	-	-	-	-	-	-
5	Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-
6	Disputed Trade Receivables - credit impaired	-	-	-	-	-	-
	Grand Total	796.07	1,992.18	-	-	-	2,788.24

Note : 5 Loans

Particulars	Current Year						Previous Year					
	Amortised cost (1)	Through other comprehensive income (2)	Through profit or loss (3)	Designated at fair value through profit or loss (4)	Sub total (5)	Total (6)	Amortised cost (7)	Through other comprehensive income (8)	Through profit or loss (9)	Designated at fair value through profit or loss (10)	Subtotal (11)=(8)+(9)+(10)	Total (12)=(7)+(11)
Loans												
(A) (i) Bills Purchased and Bills Discounted	-	-	-	-	-	-	-	-	-	-	-	-
(ii) Loans repayable on Demand	-	-	-	-	-	-	-	-	-	-	-	-
(iii) Term Loans	2,78,977.31	-	-	-	-	2,78,977.31	2,32,350.94	-	-	-	-	2,32,350.94
(iv) Leasing	-	-	-	-	-	-	-	-	-	-	-	-
(v) Factoring	-	-	-	-	-	-	-	-	-	-	-	-
(vi) Others (to be specified)	-	-	-	-	-	-	-	-	-	-	-	-
Total (A) - Gross	2,78,977.31	-	-	-	-	2,78,977.31	2,32,350.94	-	-	-	-	2,32,350.94
Less: Impairment loss allowance	27.58	-	-	-	-	27.58	312.07	-	-	-	-	312.07
Total (A) - Net	2,78,949.73	-	-	-	-	2,78,949.73	2,32,038.87	-	-	-	-	2,32,038.87
(B) (i) Secured by tangible assets	2,71,425.63	-	-	-	-	2,71,425.63	2,27,700.97	-	-	-	-	2,27,700.97
(ii) Secured by intangible assets	-	-	-	-	-	-	-	-	-	-	-	-
(iii) Covered by Bank/ Government Guarantees	-	-	-	-	-	-	-	-	-	-	-	-
(iv) Unsecured	7,551.68	-	-	-	-	7,551.68	4,649.97	-	-	-	-	4,649.97
Total (B) - Gross	2,78,977.31	-	-	-	-	2,78,977.31	2,32,350.94	-	-	-	-	2,32,350.94
Less: Impairment loss allowance	27.58	-	-	-	-	27.58	312.07	-	-	-	-	312.07
Total (B) - Net	2,78,949.73	-	-	-	-	2,78,949.73	2,32,038.87	-	-	-	-	2,32,038.87
(C) (i) Loans in India	2,78,977.31	-	-	-	-	2,78,977.31	2,32,350.94	-	-	-	-	2,32,350.94
(i) Public Sector	-	-	-	-	-	-	-	-	-	-	-	-
(ii) Others (to be specified)	-	-	-	-	-	-	-	-	-	-	-	-
Total (C) - Gross	2,78,977.31	-	-	-	-	2,78,977.31	2,32,350.94	-	-	-	-	2,32,350.94
Less: Impairment loss allowance	27.58	-	-	-	-	27.58	312.07	-	-	-	-	312.07
Total (C) (i) - Net	2,78,949.73	-	-	-	-	2,78,949.73	2,32,038.87	-	-	-	-	2,32,038.87
(C) (ii) Loans outside India	-	-	-	-	-	-	-	-	-	-	-	-
Less: Impairment loss allowance	-	-	-	-	-	-	-	-	-	-	-	-
Total (C) (ii) - Net	-	-	-	-	-	-	-	-	-	-	-	-
Total C (i) and C (ii)	2,78,949.73	-	-	-	-	2,78,949.73	2,32,038.87	-	-	-	-	2,32,038.87

Note : 6 Investments

Investments	Current Year						Previous Year						
	At Fair Value						At Fair Value						
	Amortised cost (1)	Through Other Comprehensive Income (2)	Through Profit or Loss (3)	Designated at fair value through profit or loss (4)	Sub - Total (5) = (2)+(3)+(4)	Total (7) = (1)+(5)+(6)	Amortised cost (8)	Through Other Comprehensive Income (9)	Through Profit or Loss (10)	Designated at fair value through profit or loss (11)	Sub - Total (12) = (9)+(10)+(11)	Others* (13)	Total (14) = (8)+(12)+(13)
Mutual funds	-	-	-	-	-	-	-	-	-	-	-	-	-
Government securities	-	-	-	-	-	-	-	-	-	-	-	-	-
Other approved securities	-	-	-	-	-	-	-	-	-	-	-	-	-
Debt securities	-	-	-	-	-	-	-	-	-	-	-	-	-
Equity instruments	128.29	-	-	-	-	128.29	177.67	-	-	-	-	-	177.67
Subsidiaries	4,223.91	-	-	-	-	4,223.91	4,223.91	-	-	-	-	-	4,223.91
Associates	-	-	-	-	-	-	-	-	-	-	-	-	-
Joint Ventures	-	-	-	-	-	-	-	-	-	-	-	-	-
Others (specify)*	2,390.31	-	-	-	-	2,390.31	2,390.31	-	-	-	-	-	2,390.31
Total (A)	6,742.51	-	-	-	-	6,742.51	6,791.89	-	-	-	-	-	6,791.89
(i) Investments outside India	-	-	-	-	-	-	-	-	-	-	-	-	-
(ii) Investments in India	6,742.51	-	-	-	-	6,742.51	6,791.89	-	-	-	-	-	6,791.89
Total (B)	6,742.51	-	-	-	-	6,742.51	6,791.89	-	-	-	-	-	6,791.89
Total (A) to tally with (B)	6,742.51	-	-	-	-	6,742.51	6,791.89	-	-	-	-	-	6,791.89
Less: Allowance for Impairment loss (C)	-	-	-	-	-	-	-	-	-	-	-	-	-
Total - Net (D) = (A) - (C)	6,742.51	-	-	-	-	6,742.51	6,791.89	-	-	-	-	-	6,791.89

*Unquoted Shares of M/s Samast Vikas Limited

Note : 7 Others Financial Assets

(₹ in Lakhs)

Sr. No.	Particulars	Current Year	Previous Year
1	Secured, Considered Good		
	Security Deposit*	27.24	22.85
	Advances to Staff	2.37	4.02
	Advances for Services	381.80	42.36
	Prepaid Expenses	6.59	4.57
	GST/Service Tax Cenvat	103.18	232.91
	Security Receipts	6,352.65	4,852.65
	Total	6,873.83	5,159.36

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

Note : 8 Current Tax Assets (Net)

(₹ in Lakhs)

Sr. No.	Particulars	Current Year	Previous Year
1	Advance Recoverable in cash or in kind or for value to be considered good		
	Income Tax and TDS	8,838.27	10,057.06
	Balance with Revenue Authorities	130.00	-
	Provision for Taxation	(8,257.81)	(9,300.65)
	Total	710.46	756.41

Note : 9 Property, Plant and Equipment

(₹ in Lakhs)

Sr. No.	Particulars	Gross Block				Depreciation				Net Block	
		Value at the beginning	Addition during the year	Deduction during the year	Value at the end	Value at the beginning	Addition during the year	Deduction during the year	Value at the end	WDV as on 31.03.2023	WDV as on 31.03.2022
I	Tangible Assets										
1	Land	-	-	-	-	-	-	-	-	-	-
2	Building	6,428.59	0.12	115.25	6,313.46	469.03	104.66	11.59	562.10	5,751.36	5,959.56
3	Furniture & Fittings	210.94	50.11	-	261.05	130.95	13.20	-	144.15	116.90	79.99
4	Computer Peripheral	225.87	158.37	-	384.24	195.23	35.98	-	231.21	153.03	30.64
6	Vehicles	246.19	353.70	13.07	586.82	114.01	32.45	11.30	135.16	451.66	132.18
7	Equipments, Plant & Machinery	177.68	62.74	-	240.42	139.23	18.17	-	157.40	83.02	38.45
	SUB TOTAL (A)	7,289.27	625.03	128.32	7,785.99	1,048.45	204.46	22.90	1,230.02	6,555.97	6,240.82
II	Intangible Assets										
1	Computer Software	531.47	-	-	531.47	421.54	39.13	-	460.67	70.80	109.92
2	Goodwill	10.70	-	10.70	-	-	-	-	-	-	10.70
	SUB TOTAL (B)	542.17	-	-	531.47	421.54	39.13	-	460.67	70.80	120.62
III	Capital Work-in-progress										
	SUB TOTAL (C)	-	-	-	-	-	-	-	-	-	-
IV	Intangible Assets Under Development										
	SUB TOTAL (D)	-	-	-	-	-	-	-	-	-	-
	Total [A+B+C+D] (Current Year)	7,831.44	625.03	128.32	8,317.46	1,470.00	243.59	22.90	1,690.69	6,626.77	6,361.44
	Total (Previous Year)	7,709.91	131.03	9.50	7,831.44	1,283.68	195.82	9.50	1,470.00	6,361.44	6,426.23

Note : 10 Other Non Financial Assets

(₹ in Lakhs)

Sr. No.	Particulars	Current Year	Previous Year
1	Deferred Revenue Expenditure	-	74.39
	Total	-	74.39

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

Note : 11 Derivative financial Instruments (Liabilities)

(₹ in Lakhs)

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

Note : 12 Payables

(₹ in Lakhs)

Sr. No.	Particulars	Current Year	Previous Year
1	Trade Payables		
	(i) Total outstanding dues of Micro Enterprises and Small Enterprises		
	(a) Sundry Creditors for Services	11.31	7.69
		11.31	7.69
	(ii) Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises		
	(a) SBI Assignment Payable	128.64	348.19
	(b) SIB Assignment Payable	3.86	67.57
	(c) CBI Financial Services Payable	1.08	77.94
	(e) Other Sundry Payables	8.04	480.77
		141.62	974.47
2	Other Payables		
	(i) Total outstanding dues of Micro Enterprises and Small Enterprises	-	-
	(ii) Total outstanding dues of creditors other than Micro enterprises and Small Enterprises		
	(a) Statutory Payables		
	Professional Tax Payable	0.01	0.01
	EPF Contribution Payable	20.25	9.90
	ESI Payable	6.80	3.88
	GST Payable	98.38	5.60
	TDS Payable	165.40	111.24
	LIC GSLI Payable	0.02	0.02
	(b) Expenses Payables	661.61	322.02
		952.47	452.67
	Total	1,105.40	1,434.83

Note : 12 (a) Trade Payables Due for Payment 2022-23

(₹ in Lakhs)

Sr. No.	Particulars	Less than 1 Year	1 - 2 Years	2 - 3 Years	More than 3 Years	Total
1	MSME	11.31	-	-	-	11.31
2	Others	141.62	-	-	-	141.62
3	Disputed Dues-MSME	-	-	-	-	-
4	Disputed Dues-Others	-	-	-	-	-
	Grand Total	152.93	-	-	-	152.93

Trade Payables Due for Payment 2021-22

(₹ in Lakhs)

Sr. No.	Particulars	Less than 1 Year	1 - 2 Years	2 - 3 Years	More than 3 Years	Total
1	MSME	7.69	-	-	-	7.69
2	Others	974.47	-	-	-	974.47
3	Disputed Dues-MSME	-	-	-	-	-
4	Disputed Dues-Others	-	-	-	-	-
	Grand Total	982.16	-	-	-	982.16

There are no due pending more than 45 days

Note : 13 Debt Securities

(₹ in Lakhs)

Particulars	Current Year				Previous Year			
	At Amortised Cost	At Fair Value Through profit or loss	Designated at fair value through profit or loss	Total	At Amortised Cost	At Fair Value Through profit or loss	Designated at fair value through profit or loss	Total
	(1)	(2)	(3)	(4) = (1)+(2)+(3)	(5)	(6)	(7)	(8) = (5)+(6)+(7)
Liability component of compound Financial Instruments	-	-	-	-	-	-	-	-
Others (Bonds/ Debentures etc.)*	32,707.88	-	-	32,707.88	32,330.89	-	-	32,330.89
Total (A)	32,707.88	-	-	32,707.88	32,330.89	-	-	32,330.89
Debt Securities in India	32,707.88	-	-	32,707.88	32,330.89	-	-	32,330.89
Debt Securities outside India	-	-	-	-	-	-	-	-
Total (B) to tally with (A)	32,707.88	-	-	32,707.88	32,330.89	-	-	32,330.89

***Details of Non Convertible Debentures**

(₹ in Lakhs)

Debenture Series	Issued Date	Issued Amount	Rate of Interest	Interest Periodicity	Maturity Date	Maturity Amount	Current Year	Previous Year
Series-'PDL18O2'	Feb-2018	2,800.00	12.00%	Monthly	Feb-2023	2,800.00	No	Yes
Series-'PDL2020-3'	Feb-2020	900.00	12.00%	Monthly	Feb-2025	900.00	Yes	Yes
Series-'PDL-07-2020'	Jul-2020	5,000.00	10.50%	Quarterly	Apr-2023	5,000.00	Yes	Yes
Series-'PDL-08-2020'	Aug-2020	2,000.00	9.50%	Yearly	Feb-2022	2,000.00	No	Yes
Series-'PDL-11-2020'	Nov-2020	1,600.00	10.50%	Quarterly	May-2022	1,600.00	No	Yes
Series-'PDL-12-2020'	Dec-2020	3,500.00	12.00%	Monthly	Dec-2023	3,500.00	Yes	Yes
Series-'PDL-02-2021'	Feb-2021	2,300.00	12.00%	Monthly	Feb-2026	2,300.00	Yes	Yes
Series-'PDL-07-2021'	July-2021	2,500.00	12.00%	Monthly	July-2026	2,500.00	Yes	Yes
Series-'PDL-09-2021'	Sep-2021	9,400.00	12.00%	Monthly	Sep-2026	9,400.00	Yes	Yes
Series-'PDL-09-02-2021'	Sep-2021	1,500.00	12.00%	Monthly	Sep-2026	1,500.00	Yes	Yes
Series-'PDL-02-2022'	Feb-2022	2,700.00	9.00%	Monthly	Feb-2029	2,700.00	Yes	Yes
Series-'PDL-07-2022'	Jul-2022	1,400.00	9.90%	Monthly	Jul-2032	1,400.00	Yes	No
Series-'PDL-01-2023'	Jan-2023	3,400.00	12.00%	Monthly	Jan-2033	3,400.00	Yes	No

Note : 14 Borrowings (Other than Debt Securities)

(₹ in Lakhs)

Particulars	Current Year				Previous Year			
	At Amortised Cost	At fair value through profit or loss	Designated at fair value through profit or loss	Total	At Amortised Cost	At fair value through profit or loss	Designated at fair value through profit or loss	Total
	(1)	(2)	(3)	(4) = (1)+(2)+(3)	(1)	(2)	(3)	(4) = (1)+(2)+(3)
(a) Term loans:								
(i) From banks	43,090.54	-	-	43,090.54	13,140.04	-	-	13,140.04
(ii) From other parties	-	-	-	-	-	-	-	-
(b) Deferred payment liabilities	-	-	-	-	-	-	-	-
(c) Loans from related parties	-	-	-	-	-	-	-	-
(d) Finance lease obligations	-	-	-	-	-	-	-	-
(e) Liability component of compound financial instruments	-	-	-	-	-	-	-	-
(f) Loans repayable on demand:								
(i) from banks	81,976.73	-	-	81,976.73	82,740.06	-	-	82,740.06
(ii) from other parties	15,105.30	-	-	15,105.30	11,024.27	-	-	11,024.27
(g) Other loans (specify nature)	-	-	-	-	-	-	-	-
Total (A)	1,40,172.57	-	-	1,40,172.57	1,06,904.37	-	-	1,06,904.37
Borrowings in India	1,40,172.57	-	-	1,40,172.57	1,06,904.37	-	-	1,06,904.37
Borrowings outside India	-	-	-	-	-	-	-	-
Total (B) to tally with (A)	1,40,172.57	-	-	1,40,172.57	1,06,904.37	-	-	1,06,904.37

Note : 15 Deposits

Particulars	Current Year			Previous Year				
	At Amortised Cost	At fair value through profit or loss	Designated at fair value through profit or loss	Total	At Amortised Cost	At fair value through profit or loss	Designated at fair value through profit or loss	Total
	(1)	(2)	(3)	(4)=(1)+(2)+(3)	(5)	(6)	(7)	(*8) = (5)+(6)+(7)
Deposits								
(i) Public Deposits	-	-	-	-	-	-	-	-
(ii) Form Banks	-	-	-	-	-	-	-	-
(iii) From Others	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-

Note : 16 Subordinated Liabilities

Particulars	Current Year			Previous Year				
	At Amortised Cost	At fair value through profit or loss	Designated at fair value through profit or loss	Total	At Amortised Cost	At fair value through profit or loss	Designated at fair value through profit or loss	Total
	(1)	(2)	(3)	(4)=(1)+(2)+(3)	(5)	(6)	(7)	(8)=(5)+(6)+(7)
Perpetual Debt Instruments to the extent that do not qualify as equity Preference Shares other than those that qualify as Equity	-	-	-	-	-	-	-	-
Others (Non-Convertible Debentures*)	8,900.00	-	-	8,900.00	8,900.00	-	-	8,900.00
Total (A)	8,900.00	-	-	8,900.00	8,900.00	-	-	8,900.00
Subordinated Liabilities in India	8,900.00	-	-	8,900.00	8,900.00	-	-	8,900.00
Subordinated Liabilities outside India	-	-	-	-	-	-	-	-
Total (B) to tally with (A)	8,900.00	-	-	8,900.00	8,900.00	-	-	8,900.00

*** Details of Non-Convertible Debentures**

Debenture Series	Issued Date	Issued Amount	Rate of Interest	Interest Periodicity	Maturity Date	Maturity Amount	Previous Year	
							Current Year	Previous Year
Series-PDL 1808'	Aug-2018	8,100	14.00%	Monthly	Aug-2024	8,100	Yes	Yes
Series-PDL2020-1'	Jan -2020	600	12.00%	Monthly	Jan-2026	600	Yes	Yes
Series-PDL2020-2'	Feb-2020	100	12.00%	Monthly	Feb-2026	100	Yes	Yes
Series-PDL2020-12'	Dec-2020	100	12.00%	Monthly	Dec-2030	100	Yes	Yes

Note : 17 Others Financial Liabilities

(₹ in Lakhs)

Sr. No.	Particulars	Current Year	Previous Year
1	Debt Service Repayment Account	443.14	251.49
	Total	443.14	251.49

Note : 18 Current Tax Liabilities (Net)

(₹ in Lakhs)

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

Note : 19 Provisions

(₹ in Lakhs)

Sr. No.	Particulars	Current Year	Previous Year
1	Provision for Standard Assets	1,147.05	959.95
2	Provision for Proposed Dividend on Equity Shares	449.02	439.12
3	Provision for Expected Credit Loss	1,253.02	1,241.45
4	Provision for Sub Standard Assets	640.83	613.24
	Total	3,489.92	3,253.76

Note : 20 Deferred Tax Liabilities (Net)

(₹ in Lakhs)

Sr. No.	Particulars	Current Year	Previous Year
1	Opening Balance	262.46	166.80
	Tax on Timing difference on Property, Plant and Equipments	419.35	327.30
	Tax on Timing difference on Deferred Revenue Expenditures	-	19.06
	Tax on Timing difference on Unearned Processing Fees	(485.41)	(83.90)
2	Total Deferred Tax Liability	(66.06)	262.46
	Provision for Deferred Tax required for the year (2-1)	(328.52)	95.66
	Total	(66.06)	262.46

Note : 21 Others Non Financial Liabilities

(₹ in Lakhs)

Sr. No.	Particulars	Current Year	Previous Year
1	Unearned Income of Processing Fees	1,894.25	327.41
	Total	1,894.25	327.41

Note : 22 Share Capital

(₹ in Lakhs)

Sr. No.	Particulars	Current Year	Previous Year
1	AUTHORIZED CAPITAL		
	120,00,00,000 Equity Shares of Re. 1 per share (Previous year 12,00,00,000 equity shares of Rs. 10 each)	12,000.00	12,000.00
	50,00,000 Preference Shares of Rs. 10 each	500.00	500.00
		12,500.00	12,500.00
2	ISSUED, SUBSCRIBED CAPITAL		
	43,92,46,990 Equity Shares of Re. 1 per Share fully paid up (Previous year 42,30,46,99 Equity Shares of Rs. 10 each)	4,392.47	4,230.47
	Add: 99,00,000 Shares of Re. 1 per Share fully paid up issued during the year (Previous year 16,20,000 Shares issued @ Rs. 705 each Face value of Rs. 10 each)	99.00	162.00
		4,491.47	4,392.47
3	PAID UP CAPITAL		
	43,91,21,990 Equity Shares of Re. 1 per Share fully paid up (Previous year 4,22,92,199 Equity Shares of Rs. 10 each)	4,391.22	4,229.22
	Add: 99,00,000 Share Issued @ Rs. 70.5 each of Face value Re. 1 each (Previous year 16,20,000 Share Issued @ Rs. 705 each of Face value Rs. 10 each)	99.00	162.00
	Add: Share Forfeited a/c (Amount originally Paid up @ Re. 0.50 each on 1,25,000 Equity Shares of Re. 1 each)	0.63	0.63
	Total	4,490.84	4,391.84

Note : 23 Other Equity

Current Reporting Period:

Particulars	Share Application money pending Allotment	Equity component of compound Financial Instruments	Statutory Reserves - RBI Reserve Fund	Capital Reserve	Securities Premium	General Reserve	Retained Earnings	Capital Redemption Reserve	Revaluation Reserve	Debt Instruments through other Comprehensive Income	Equity Instruments through other Comprehensive Income	Effective portion of Cash Flow Hedges	Revaluation Surplus	Exchange differences on translating the financial statements of a foreign operation	Other items of Other Comprehensive Income (Specify nature)	Money received against Share Warrants	Total
Balance at the beginning of the reporting period	-	-	15,532.08	2,415.21	3,121.02	45,055.44	315.66	250.00	344.96	-	-	-	-	-	-	1,744.88	96,869.25
Add: Any change due to IND AS	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Restated Balances at the beginning of the reporting period	-	-	15,532.08	2,415.21	3,121.02	45,055.44	315.66	250.00	344.96	-	-	-	-	-	-	1,744.88	96,869.25
Total Comprehensive Income for the year	-	-	-	-	-	-	9,169.25	-	-	-	-	-	-	-	-	-	9,169.25
Money received as share warrant	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	5,234.63	5,234.63
Share warrant converted into Share capital	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(99.00)	(99.00)
Security Premium on conversion of warrants into equity	-	-	-	-	6,880.50	-	-	-	-	-	-	-	-	-	(6,880.50)	-	-
Proposed Dividends	-	-	-	-	-	-	(468.92)	-	-	-	-	-	-	-	-	-	(468.92)
Depreciation on Revaluation Amount	-	-	-	-	-	-	9.08	-	(9.08)	-	-	-	-	-	-	-	-
Income Tax Impact due to IND AS on Processing Fees	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer to General Reserve	-	-	-	-	-	6,300.00	-	-	-	-	-	-	-	-	-	-	-
Transfer to Statutory Reserve Fund	-	-	1,833.85	-	-	-	(1,833.85)	-	-	-	-	-	-	-	-	-	-
Provision on Standard Assets	-	-	-	-	-	-	(187.10)	-	-	-	-	-	-	-	-	-	(187.10)
Expenditure on Corporate Social Responsibility	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance at the end of the reporting period	-	-	17,365.93	2,415.21	38,091.52	51,355.44	714.12	250.00	335.88	-	-	-	-	-	-	-	110,528.10

Previous Reporting Period:

Particulars	Share Application money pending Allotment	Equity component of compound Financial Instruments	Statutory Reserves - RBI Reserve Fund	Capital Reserve	Securities Premium	General Reserve	Retained Earnings	Capital Redemption Reserve	Revaluation Reserve	Debt instruments through other Comprehensive Income	Equity Instruments through other Comprehensive Income	Effective portion of Cash Flow Hedges	Revaluation Surplus	Exchange differences on translating the financial statements of a foreign operation	Other items of Other Comprehensive Income (Specify nature)	Money received against Share Warrants	Total
Balance at the beginning of the reporting period	-	-	13,957.79	2,415.21	19,952.02	39,555.44	133.46	250.00	354.04	-	-	-	-	-	-	4,500.13	81,218.09
Add: Any change due to IND AS	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Restated Balances at the beginning of the reporting period	-	-	13,957.79	2,415.21	19,952.02	39,555.44	133.46	250.00	354.04	-	-	-	-	-	-	4,500.13	81,218.09
Total Comprehensive Income for the year	-	-	-	-	-	-	7,871.44	-	-	-	-	-	-	-	-	-	7,871.44
Money received as share warrant	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	8,565.75	8,565.75
Share warrant converted into Share capital	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(162.00)	(162.00)
Security Premium on conversion of warrants into equity	-	-	-	-	11,259.00	-	-	-	-	-	-	-	-	-	-	(11,259.00)	-
Proposed Dividends	-	-	-	-	-	-	(439.12)	-	-	-	-	-	-	-	-	-	(439.12)
Depreciation on Revaluation Amount	-	-	-	-	-	-	9.08	-	(9.08)	-	-	-	-	-	-	-	-
Income Tax Impact due to IND AS on Processing Fees	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer to General Reserve	-	-	-	-	-	5,500.00	(5,500.00)	-	-	-	-	-	-	-	-	-	-
Transfer to Statutory Reserve Fund	-	-	1,574.29	-	-	-	(1,574.29)	-	-	-	-	-	-	-	-	-	-
Provision on Standard Assets	-	-	-	-	-	-	(184.91)	-	-	-	-	-	-	-	-	-	(184.91)
Balance at the end of the reporting period	-	-	15,532.08	2,415.21	31,211.02	45,055.44	315.67	250.00	344.96	-	-	-	-	-	-	17,444.88	96,869.25

Note : 24 Interest Income

(₹ in Lakhs)

Particulars	Current Year			Previous Year		
	On Financial Assets measured at Fair value through OCI	On Financial Assets measured at Amortised Cost	Interest Income on Financial Assets classified at Fair value through profit or loss	On Financial Assets measured at Fair value through OCI	On Financial Assets measured at Amortised Cost	Interest Income on Financial Assets classified at Fair value through profit or loss
Interest on Loans	-	42,018.77	-	-	35,606.67	-
Interest Income from Investments	-	-	-	-	-	-
Interest on Deposits with Banks	-	10.66	-	-	33.15	-
Other Interest Income	-	24.25	-	-	-	-
Fee and Commission Income	-	242.68	-	-	-	-
Dividend Income	-	0.83	-	-	-	-
Total	-	42,297.19	-	-	35,639.82	-

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

(₹ in Lakhs)

Particulars	Current Year	Previous Year
(A) Net gain/ (loss) on Financial Instruments at Fair value through profit or loss		
(i) On trading portfolio:		
–Investments	-	-
–Derivatives	-	-
–Others	-	-
(ii) On Financial Instruments designated at fair value through profit or loss	49.38	-
(B) Others		
(i) Total Net gain/(loss) on fair value changes (c)	-	-
(ii) Fair Value changes:		
–Realised	-	-
–Unrealised	-	-
Total Net Gain/(Loss) on Fair value changes (D) to tally with (C)	49.38	-

Note : 26 Other Income

(₹ in Lakhs)

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

Note : 27 Finance Cost

(₹ in Lakhs)

Sr. No.	Particulars	Current Year		Previous Year	
		On Financial liabilities measured at fair value through profit or loss	On Financial liabilities measured at Amortised Cost	On Financial liabilities measured at fair value through profit or loss	On Financial liabilities measured at Amortised Cost
1	Interest on Deposits	-	-	-	-
2	Interest on Borrowings	-	11,867.88	-	10,969.90
3	Interest on Debt Securities	-	3,608.81	-	3,578.54
4	Interest on Subordinated Liabilities	-	1,230.00	-	1,230.00
5	Other Interest expense/ Bank Charges	-	1,328.77	-	900.88
	Total	-	18,035.46	-	16,679.32

Note : 28 Impairment on Financial Instruments

(₹ in Lakhs)

Particulars	Current Year		Previous Year	
	On Financial instruments measured at Fair value through OCI	On Financial instruments measured at Amortised Cost	On Financial instruments measured at Fair value through OCI	On Financial instruments measured at Amortised Cost
Bad Debts Written Off on Loans	-	4,414.93	-	3,636.02
Provision for NPA	-	27.58	-	312.07
Provision for Expected Credit Loss				
Provision on Standard Accounts in Default	-	-	-	-
Additional Provision for Expected Credit Loss	-	11.57	-	5.60
Investments	-	-	-	-
Others (to be specified)	-	-	-	-
Total	-	4,454.08	-	3,953.69

Note : 29 Employees Benefit Expenses

(₹ in Lakhs)

Sr. No.	Particulars	Current Year	Previous Year
1	Salaries and Wages to Employees	2,430.89	1,728.61
2	Directors Salaries & Allowances	633.82	505.25
3	Contribution to Provident and other funds	148.58	106.69
4	Share Based Payments to employees	-	-
5	Staff welfare expenses	57.81	37.53
	Total	3,271.10	2,378.08

- No remuneration has been paid to Directors except remuneration to Managing Director and Executive Directors. The remuneration paid to Managing Director and Executive Directors during the F.Y. 2022-23 Rs. 6,33,82,058 (Last year Rs. 5,05,24,800) which is within the limit as specified u/s 197 read with Schedule V of the Companies Act, 2013.

Note : 30 Depreciation & Amortised Cost

(₹ in Lakhs)

Sr. No.	Particulars	Current Year	Previous Year
1	Depreciation	243.59	195.82
2	Deferred Revenue Exp. w/o*	74.39	127.08
3	Goodwill w/o#	10.70	-
	Total	328.68	322.90

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

- #Goodwill written off during the years

Note : 31 Other Expenses

(₹ in Lakhs)

Sr. No.	Particulars	Current Year	Previous Year
1	Car & Scooter Expenses	34.50	26.22
2	Traveling Expenses	577.59	354.70
3	Repair & Maintenance	104.61	37.43
4	Insurance Expenses	12.25	11.18
5	Electricity & Water Expenses	82.44	56.43
6	Rates & Taxes	7.75	2.69
7	Legal Expenses & Professional Fees	832.82	417.35
8	Printing & Stationery Expenses	150.27	56.58
9	Postage & Telephone Expenses	73.71	43.66
10	Auditors Remuneration	6.54	6.27
11	Rent	247.33	164.80
12	Rebate & Remission	190.09	35.46
13	Advertisement & Business Promotion Expenses	577.26	109.98
14	Recovery Expenses	(0.08)	6.24
15	Office and General Expenses	242.97	161.42
16	Loss/(Profit) on sale of Assets/Investments	(12.85)	(0.50)
18	Directors Sitting Fees & Expenses	13.41	15.64
19	Corporate Social Responsibility Expenditure*	176.01	161.03
	Total	3,316.62	1,666.58

*** Corporate Social Responsibility Expenses:**

(The Company's expenses towards Corporate Social Responsibility (CSR) activities as follows)

(₹ in Lakhs)

Sr. No.	Particulars	2022-2023	2021-2022
1	Amount required to be spent during the year	174.54	159.00
2	Amount of expenditure incurred	176.01	159.6
3	Shortfall/(excess) at the end of the year	(1.47)	(0.60)
4	Total of previous years shortfall	Nil	Nil
5	Reason for shortfall	NA	NA
6	Nature of CSR activities	Eradicating hunger, poverty and malnutrition, promoting health care including preventive health and sanitation. Promoting education, including special education and employment enhancing vocation skills.	Promoting education and Animal welfare. Promoting health care including preventive health care. Measures for reducing inequalities faced by socially and economically backward groups
7	Details of related party transactions, e.g., contribution to a trust controlled by the Company in relation to CSR expenditure as per relevant Accounting Standard	Nil	Nil
8	Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision	NA	NA

32. Remuneration to Auditors:

(₹ in Lakhs)

Particulars	2022-23	2021-22
For Statutory Audit	4.50	4.50
For Tax Audit	1.50	1.25
Total	6.00	5.75

33. Earning per Share:

(₹ in Lakhs)

Particulars	2022-23	2021-22 (Re-stated)	2021-22
Net profit for the year (After Tax)	9,169.25	7,871.44	7,871.44
No. of Equity Shares (Weighted)	4,447.84	4,234.77	423.48
Basic and diluted Earning per share	2.06	1.86	18.59

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

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

36. a) Contingent Liabilities:

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

(₹ in Lakhs)

Name of Bank / Financial Institution	Facility	Amount o/s
Karnataka Bank Ltd	Cash Credit	2,000.00
Indian Bank	Cash Credit	500.00
State Bank of India	Term Loan	6,919.90
Bank of Baroda	Term Loan	2,430.56
Indian Bank	Term Loan	828.76
Tata Capital Financial Services Limited	Term Loan	956.83
Satin Credit Care Network Limited	Term Loan	305.15
Satin Finserv Limited	Term Loan	61.03
Total		14,002.23

b) Contingent Assets:

The Company assigned book-debts, consisting of loans to 'Bottom of Pyramid' customers, amounting to Rs. 23.29 Crores to Central Bank of India in March 2020, on 10:90 sharing of risk and rewards. This transaction was based on the concept of true sales as per the RBI guidelines. The Covid 19 Pandemic struck the country immediately thereafter resulting in immense hardships to this segment of society. A moratorium was also accorded by RBI on recovery for six months. In spite of the best efforts a few of these loans became NPAs in the books of Paisalo Digital Limited and Central Bank of India. The Central Bank of India has most arbitrarily and contrary to the agreed terms & very spirit of the transaction of shared Risks and Rewards (10:90), debited our Cash Credit account by Rs. 5.38 Crores towards the outstanding amount along with the accrued interest and penalty thereon, of the subject pool of book-debts on 31st March, 2023. This debit is unauthorised and bad in law. The Company has taken up the matter with the higher authorities of the Bank for reversal of the unlawful debit. The Company has charged this amount to the profit and loss statement as an exceptional item. Considering the merits of the matter in favour of the Company, the amount has been treated as Contingent Assets.

37. Disclosure of Related party transactions:**A. Wholly owned Subsidiary**

Nupur Finvest Pvt. Ltd.

B. List of related parties and relationship**Related Party****(Relation)**

Key Managerial Personnel

Mr. Sunil Agarwal

(Managing Director & Chief Executive Officer)

Mr. Harish Singh

(Executive Director & Chief Finance Officer)

Mr. Anoop Krishna

(Executive Director)

Mr. Santanu Agarwal

(Deputy Managing Director)

Mr. Manendra Singh

(Company Secretary)

Relatives of K M P

Mr. Purushottam Agrawal

(Father of Mr. Sunil Agarwal)

Mrs. Raj Agarwal

(Mother of Mr. Sunil Agarwal)

Mrs. Neetu Agarwal

(Spouse of Mr. Sunil Agarwal)

Mrs. Priti Chauhan

(Spouse of Mr. Harish Singh)

Mrs. Sushila Devi Chauhan

(Mother of Mr. Harish Singh)

Ms. Suneeti Agarwal

(Daughter of Mr. Sunil Agarwal)

Mr. Pranav Chauhan

(Son of Mr. Harish Singh)

Mrs. Mamta Krishna

(Spouse of Mr. Anoop Krishna)

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

1. Aanjneya Motor Pvt. Ltd.

6. Radiance Techno Powers Company Pvt. Ltd.

2. Equilibrated Venture Cflow Pvt. Ltd.

7. Raj Shiksha Foundation

3. Harish Singh HUF

8. SCS Educational Foundation

4. R N R Automate Pvt. Ltd.

9. Pri Caf Private Limited

5. Repartee Infrastructures Pvt. Ltd.

10. Pro Fitch Private Limited

D. Disclosures required for Related party transactions

(₹ In Lakhs)

Name of Party	Nature	Amount	Amount Receivable/ (Payable)
Mr. Sunil Agarwal	Remuneration to Director	405.85	(18.80)
Mr. Harish Singh	Remuneration to Director	33.00	(1.60)
Mr. Anoop Krishna	Remuneration to Director	39.60	(2.44)
Mrs. Raj Agarwal	Rent	9.00	(0.68)
Mr. Santanu Agarwal	Salary	164.32	(9.00)
Mr. Manendra Singh	Salary	12.10	(0.98)
Mr. Santanu Agarwal	Loan Received	655.00	—
Mr. Santanu Agarwal	Interest Expenses	40.40	—
Mr. Pranav Chauhan	Interest Payment (on NCD)	24.00	—
Nupur Finvest Pvt. Ltd.	Sale of Portfolio	7,119.00	—
Nupur Finvest Pvt. Ltd.	Interest Expenses	548.79	—
Nupur Finvest Pvt. Ltd.	Loan given	477.00	—
Nupur Finvest Pvt. Ltd.	Interest received on ICD	4.00	—
Mr. Sunil Agarwal	Dividend Paid	52.85	—
Mr. Santanu Agarwal	Dividend Paid	16.85	—
Ms. Suneeti Agarwal	Dividend Paid	3.58	—
Pro Fitcch Pvt. Ltd.	Dividend Paid	10.41	—
Equilibrated Ventures Cflow Pvt. Ltd.	Dividend Paid	49.54	—
Pri Caf Pvt. Ltd.	Dividend Paid	11.27	—
Pro Fitcch Pvt. Ltd.	Amount received against Share	1,744.87	—
Equilibrated Ventures Cflow Pvt. Ltd.	Warrants for conversion into equity	1,744.87	—
Pri Caf Pvt. Ltd.	(allotment of 33,00,000 equity shares to each allottee)	1,744.87	—

Notes:

- Related party relationship is as identified by the Company on the basis of information available with them and accepted by the auditors as correct.
- No amount has been written off or written back during the year in respect of debt due from or to related parties.
- Company has entered into transactions with certain parties as listed above during the year under consideration. Full disclosures have been made and the Board/Audit Committee considers such transactions to be in normal course of business and at rates agreed between the parties.
- 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.
- Company has extended its guarantee to Banks/ Financial Institutions for credit facilities availed by the wholly owned subsidiary Nupur Finvest Pvt Ltd.

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

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

(₹ In Lakhs)

Sr. No.	Name of Bank	Facility	Out- standing	ROI	Sanctioned Amount	Share in Consortium (%)
1	Bank of Baroda	CC+WCDL	9,418.98	MCLR + 1.80%	10,000.00	8.28%
2	Bank of Baroda TL	Term Loan	7,500.00	MCLR + 1.80%	8,125.00	6.72%
3	Punjab National Bank	CC+WCL	9,456.40	MCLR + 1.70%	12,000.00	9.93%
4	Punjab National Bank	Term Loan	4,499.65	MCLR + 1.70%	6,000.00	4.97%
5	Bank of India	CC+WCDL	4,451.56	MCLR + 3.50%	4,550.00	3.77%
6	Union Bank of India	CC+WCDL	16,464.74	MCLR + 1.75%	16,500.00	13.66%
7	Central Bank of India	CC+WCDL	12,471.51	MCLR + 1.80%	12,500.00	10.35%
8	UCO Bank	CC	3,683.08	MCLR + 1.70%	3,700.00	3.06%
9	UCO Bank TL	Term Loan	4,166.67	MCLR + 1.70%	5,000.00	4.14%
10	IDBI Bank	CC+WCDL	2,495.46	MCLR + 2.65%	2,500.00	2.07%
11	Bank of Maharashtra	CC+WCDL	3,708.55	MCLR + 1.50%	5,000.00	4.14%
12	Bank of Maharashtra	Term Loan	2,098.33	MCLR + 1.50%	2,500.00	2.07%
13	State Bank of India TL	Term Loan	4,497.99	MCLR + 2.25%	4,950.00	4.10%
14	Karnataka Bank	CC	4,918.76	MCLR + 0.10%	5,000.00	4.14%
15	Dhanlaxmi Bank	CC+WCDL	2,492.93	MCLR + 1.10%	2,500.00	2.07%
16	Dhanlaxmi Bank TL	Term Loan	1,250.00	MCLR + 1.20%	2,500.00	2.07%
17	CSB Bank	CC+WCDL	7,465.79	MCLR + 0.10%	7,500.00	6.21%
18	Indian Bank	CC+WCDL	4,948.97	MCLR + 1.80%	5,000.00	4.14%
19	Indian Bank	Term Loan	4,415.75	MCLR + 1.80%	5,000.00	4.14%
	Total		1,10,405.12		1,20,825.00	100.00

Term Loans sanctioned under Multiple Banking Arrangement

(₹ In Lakhs)

Sr. No.	Name of Bank	Out- standing	ROI	Sanctioned Amount
1	South Indian Bank	1,500.00	MCLR + 1.10%	1,500.00
2	State Bank of India	5,400.00	MCLR + 2.25%	45,000.00
3	Canara Bank	7,500.00	MCLR + 1.00%	7,500.00
	Total	14,400.00		54,000.00

Term Loans sanctioned for vehicles

(₹ In Lakhs)

Sr. No.	Name of Bank	Out- standing	ROI	Sanctioned Amount
1	Bank of Baroda	134.26	MCLR + 1.80%	139.50
2	Bank of Baroda	32.69	MCLR + 1.80%	33.68
3	Bank of Baroda	95.20	MCLR + 1.80%	98.00
	Total	262.15		271.18

39. In financial year 2021-22, Warrant holder applied to exercise their right to convert the 16,20,000 warrants (out of total warrants issued) into equal number of equity shares and paid Rs. 85,65,75,000 (75% of issue price for 16,20,000 shares). Accordingly, Company has allotted 16,20,000 equity shares of Rs. 10 each at a premium of Rs. 695.00 per Share on conversion of warrants.

Equity shares of the Company are listed and are being traded on Bombay Stock Exchange (BSE Limited) and National Stock Exchange of India Limited. In order to improve the liquidity of the Company's shares and to make it more affordable for small investors as also to broad base the small investors, the Board of Directors of the Company, in their meeting held on May 6, 2022 has recommended to sub-divide (split) the nominal value of each Equity Share having a present face value Rs. 10/- (Rupees Ten Only) each into 10 (Ten) Equity Shares of Re. 1/- (Rupee One Only) each, subject to the approval of the Members.

During the financial year 2022-23, Warrant holders again applied to exercise their right to convert 9,90,000 warrants (out of balance warrants issued) into 99,00,000 equity shares and paid Rs. 52,34,62,500 (75% of issue price). Accordingly, Company has allotted 99,00,000 equity shares of Re. 1.00 each at a premium of Rs 69.50 per share on conversion of warrants.

40. Detail of Bank FDR's (principal amount) held as on 31.03.2023:

Held to avail Cash Credit facility against FDRs			(₹ In Lakhs)
1	Punjab National Bank	Cash Credit	8.50
Subtotal		(A)	8.50

Held as Guarantee			(₹ In Lakhs)
1	Punjab National Bank	Guarantee	0.66
Subtotal		(B)	0.66

Held as Guaranttee			(₹ In Lakhs)
1	State Bank of India	Guarantee	10.00
2	State Bank of India	Guarantee	15.00
3	State Bank of India	Guarantee	25.00
Subtotal		(C)	50.00

Held as Guarantee / Security / Overdraft facility			(₹ In Lakhs)
1	Bank of Baroda	Guarantee / Security / Overdraft facility	205.00
Subtotal		(D)	205.00

Held as Investment			(₹ In Lakhs)
1	Punjab National Bank	Unencumbered	0.07
Subtotal		(E)	0.07

Held as Investment			(₹ In Lakhs)
2	Bank of Baroda	Unencumbered	1,800.00
Subtotal		(F)	1,800.00
Grand Total of FDR's		(A+B+C+D+E+F)	2,064.23

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

(₹ In Lakhs)					
Sr. No.	Particulars	Value as per Book Debt Statement	Value of Inventory as per Balance Sheet	Difference	Reason
1	Standard Assets	2,80,036.60	2,79,191.58	845.02	Some Disbursement / payments / Bad Debts were omitted to consider in MIS, pending reconciliation while submitting the Book Debts Statements.
2	Sub Standard Asset	-	696.29	696.29	Not Qualified for DP Purpose

42. Arbitration Awards:

The amount of such Decrees available for execution stands at Rs. 17,487.60 (Previous year Rs. 17,487.60) Lakhs as on the date of Balance Sheet. All these cases have already been written off in the books of accounts hence there are no impact on the profit and loss count of the Company for current as well as in the previous years:

(₹ In Lakhs)		
Sr. No.	Particulars	Amount
1	Opening balance of Arbitration Awards	17,487.60
2	Add: New Arbitration Award procured during the year	-
3	Less: Arbitration Award Challenged / Closed during the year	-
Arbitration Awards available for Execution		17,487.60

43. Capital Risk Adequacy Ratio (CRAR):

(₹ In Lakhs)			
	Particulars	2022-23	2021-22
i)	CRAR %	40.34%	42.92%
ii)	CRAR – Tier I Capital %	36.49%	37.73%
iii)	CRAR – Tier II Capital %	3.85%	5.19%
iv)	Amount of subordinated debt raised as Tier-II Capital	8,900	8,900
v)	Liquidity Coverage Ratio	2.45	3.24
vi)	Amount raised by issue of Perpetual Debt Instruments	Nil	Nil

44. Investments:

(₹ In Lakhs)

Particulars		2022-23	2021-22
1)	Value of Investments		
i)	Gross value of Investments		
a)	In India	8,808.53	7,337.10
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	8,808.53	7,337.10
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

45. The Company had not taken any exposure in Derivatives during the financial year 2022-23.

46. Disclosure relating to Securitization:

i) The Company has not done securitization of any of its loans & advances to any organization during the financial year 2022-23 and there is no outstanding amount as on Balance Sheet date. Also, the Company has not sold its financial assets to any Securitization/Reconstruction Company for Asset Reconstruction. Further the Company has undertaken new assignment transactions during the Financial Year 2022-23.

ii) Details of stock assigned / sold during the year prior to RBI Notification dated 24 September, 2021

(₹ In Lakhs)

Particulars	2022-23	2021-22
1 No. of accounts sold	N.A.	8
2 Aggregate outstanding	N.A.	2,518
3 Aggregate consideration received	N.A.	1,692

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

a) Disclosures pursuant to RBI Notification - RBI/2020-21/16 DOR.No.BP.BC/3/21.04.048/2020-21 dated 6 August 2020 and RBI/2021-22/31/DOR.STR.REC.11 /21.04.048/2021-22 dated 5 May 2021. There were no borrower accounts where resolution plans had been implemented under RBI's Resolution Framework 2.0 dated 5 May 2021 during the year.

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

a) Details of transfer through assignment in respect of loans not in default during the financial year ended 31 March, 2023.

Date of transaction	30.06.2022	21.12.2022	27.12.2022
Amount of loans transferred through assignment	2,685.43	3,207.70	2,344.24
Retention of beneficial economic interest	15%	15%	10%
Weighted average residual maturity	52.73 Months	41.73 Months	18.70 Months
Weighted average holding period	9.22 Months	19.28 Months	4.80 Months
Coverage of tangible security coverage	100%	100%	100%
Rating-wise distribution of rated loans	A5	A5	A3

(b) Details of loans (not in default) acquired through assignment during the financial year ended 31 March, 2023.

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

(c) Details of stressed loans transferred during the financial year ended 31 March, 2023

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

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

(d) The Company has not acquired any stressed loan during the financial year ended 31 March, 2023.

c) Pursuant to the RBI circular dated 12 November 2021 - "Prudential norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances - Clarifications", the Company has aligned its definition of default from number of instalments outstanding approach to Days Past Due approach. On 15 February 2022, RBI allowed deferment till 30 September 2022 of Para 1 of this circular pertaining to upgrade of Non-performing accounts. However, the Company has not opted for this deferment and such alignment does not have any significant impact on the financial results for the quarter and year ended 31 March 2023.

iv) Co-Origination/Co-Lending done by the company with Banks

Co-Origination/Co-Lending is a financing model where a non-banking financial company (NBFC) or a financial institution partners with a bank to jointly provide loans to borrowers. In this case, Paisalo Digital Ltd.

has entered into Co-Origination/Co-Lending loan agreements with several banks, including State Bank of India, Bank of Baroda, UCO Bank, Punjab National Bank, and Karnataka Bank.

The objective of this partnership is to empower the agriculture (AGRI) sector, micro, small, and medium enterprises (MSMEs), and small businesses by offering them easy and hassle-free online loans with a quick turnaround time. The loan ticket size ranges from Rs 10,000 to 5 lakh, catering to the financing needs of these segments.

Under the Co-Lending model, both Paisalo Digital Ltd. and the partner banks contribute to the loan disbursement. Paisalo Digital Ltd. contributes 20% of the total loan amount, while the bank's contribution is 80%. This partnership capitalizes on Paisalo Digital's extensive distribution network and the bank's lower cost of funds, allowing for increased lending to the priority sectors that generate income.

The interest rate charged by the bank is based on the prevailing rate for priority sector loans, while Paisalo Digital Ltd. is allowed to charge its own rate of interest. However, the blended rate of interest charged to the customer should not exceed the priority sector criteria defined by the Reserve Bank of India (RBI). This enables Paisalo Digital to maintain its usual lending rate while benefiting from the significantly lower lending rate of the bank, resulting in a reduced effective lending cost due to cost averaging. As a result, borrowers receive loans at a lower blended rate compared to other financial institutions in the market.

The Reserve Bank of India released a new policy on Co-Lending on November 5, 2020, which incorporated the concept of Co-Origination introduced in a previous circular dated September 21, 2018. The new policy clarified the framework for Co-Lending arrangements. This move by the RBI aims to leverage the unhindered reach and low-cost operations of NBFCs in conjunction with the low-cost funds of banks to benefit customers at the bottom of the socioeconomic ladder. This aligns with the government's efforts to extend credit facilities to economically weaker sections of society.

By digitally processing and disbursing loans up to INR 5,00,000 (5 lakh) under the 80-20 Co-Lending Model, better monitoring and surveillance of borrowers can be achieved. The transparent credit process enables comprehensive oversight of NBFC operations, while end-to-end digitalization ensures greater reach and lower operational costs. Additionally, compliance control is enhanced to meet RBI norms. The fully digital and scalable business model also provides end-to-end risk mitigation.

Paisalo Digital Ltd. believes that Co-Lending, as guided by the RBI circulars in 2018 and 2020, and implemented by the partner banks through a transparent and user-friendly digital credit process, is a revolutionary step benefiting small loan customers and banks alike, particularly for loans up to INR 5,00,000.

47. Asset Liability Management Maturity pattern of certain items of Assets and Liabilities as on 31st March, 2023:

(₹ In Lakhs)

	Upto 14 days	Over 14 days to 1 month	Over 1 month & Upto 2 months	Over 2 months & Upto 3 months	Over 3 months & Upto 6 months	Over 6 months & upto 1 year	Over 1 year & Upto 3 years	Over 3 years & upto 5 years	Over 5 years	Total
Deposits	—	—	—	—	—	—	—	—	—	—
Advances	4,262	6,537	10,538	10,447	30,852	63,380	1,00,380	51,577	1,915	2,79,888
Investments (Bank FDR)	1,800	—	—	—	—	—	266	—	—	2,066
Borrowings	—	6,238	1,880	3,888	6,849	54,734	76,154	22,197	9,840	1,81,780
Foreign Currency Assets	—	—	—	—	—	—	—	—	—	—
Foreign Currency Liabilities	—	—	—	—	—	—	—	—	—	—

48. Exposures:

a) Exposures to Real Estate Sector

(₹ In Lakhs)

Category		2022-23	2021-22
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	14,453	4,154
ii)	Commercial Real Estate		
	Lending secured by mortgages on commercial real estates (office buildings, retail space, multipurpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non-fund based limits	—	—
iii)	Investments in Mortgage Backed Securities (MBS) and other securitized exposures		
a)		—	—
b)		—	—
Indirect Exposure		—	—

b) Capital Market Exposure

The Company holds the capital market exposure of Rs. 6,742.51 Lakhs as at 31st March 2023. The Company has financed Rs. 1,500.00 Lakhs for which Company has taken security which inter alia includes equity shares.

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 Rs. 7,740.69 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.

49. 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.

50. Bank borrowings of the Company has been assigned rating of "IVR AA-/STABLE OUTLOOK" by Infomeric Valuation and Rating Pvt. Ltd. which denotes "Instruments with this rating are considered to have adequate degree of safety regarding timely servicing of financial obligations. Such instruments carry low credit risk". Similarly, the Company has been assigned rating of "IVR A1+ (IVR A One Plus)" for Commercial Paper by Infomeric Valuation and Rating Pvt Ltd which denotes "Securities with this rating are considered to have very strong degree of safety regarding timely payment of financial obligation. Such instruments carry lowest credit risk."

51. Provisions and Contingencies:

(₹ In Lakhs)

Break up of Provisions and contingencies	2022-23	2021-22
Provisions for depreciation on investment	Nil	Nil
Provision towards NPA	28	312
Provision on Standard Accounts in default @ 5%	Nil	Nil
Provision for Expected Credit Loss	12	6
Provision made towards income tax	3,542	2,672
Other provision and contingencies (Contingent Liability- Guarantee)	14,002	9,306
Provision for Standard Assets	187	185

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

Company has issued Unlisted Unsecured Redeemable INR Denominated Non-Cumulative Non-Convertible Debentures (NCDs) as under

(₹ In Lakhs)

Date of Allotment	Interest Rate (%)	Tenure	No. of NCDs	Face Value per NCDs	Amount
July 2022	9.90%	120 Months	14	100	1,400
January 2023	12.00%	120 Months	340	10	34,00

53. 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	56,026
% of advances to twenty largest borrowers to total advances of the NBFC	20.02%

c) Concentration of Exposures

(₹ In Lakhs)

Total Exposure to twenty largest borrowers / customers	56,026
% of exposures to twenty largest borrowers / customers to total exposure of the NBFC on borrowers / customers	20.02%

d) Concentration of NPAs

Provisioning for Substandard Assets/Doubtful Assets/Loss Assets has been made in compliance with the directions of Reserve Bank of India. As per decision of the Board of Directors in the cases where loan installments are overdue for more than 3 months and management is of the opinion that its recovery chances are very remote or negligible, the Company writes off these accounts (Net of Future Interest Charges) as bad debts. In all other cases where loan installments are overdue for more than 3 months the provisioning for non-performing assets is made in compliance with Non-Banking Financial Company Systemically Important Non-Deposit Taking Company and Deposit Taking Company (Reserve Bank) Directions 2016, as applicable to the company. As per the RBI Directions dated 1st September 2016 updated as on 23rd February 2018 Company has made general provision of 0.40% of Standard assets. Other directives of Reserve Bank of India have been duly complied with. The details of top 4 NPA's written off during the year are given below:

(₹ In Lakhs)

Sr. No.	Total Exposure to Top Four NPA Accounts	% of Total Exposure	Amount
1	Navya Education Pvt Ltd	0.63	1,763
2	Sachetan Vidhya Pvt Ltd	0.46	1,279
3	Raisen Marketing Pvt Ltd	0.42	1,168
4	Siddhivinayak Infrazone LLP	0.26	731
	Total	1.77	4,941

e) Movement of NPAs

(₹ In Lakhs)

Particulars		Current Year	Previous Year
(i)	Net NPAs to Net Advance (%)	0.02%	1.26%
(ii)	Movement of NPAs (Gross)		
	(a) Opening balance	3,569.34	1,394.59
	(b) Additions during the year	1.03	2,875.07
	(c) Reductions during the year	2,874.08	700.32
	(d) Closing balance	696.29	3,569.34
(iii)	Movement of Net NPAs		
	(a) Opening balance	2,956.10	1,093.42
	(b) Additions during the year	—	2,585.79
	(c) Reductions during the year	2,900.63	723.11
	(d) Closing balance	55.47	2,956.10
(iv)	Movement of provisions for NPAs (excluding provisions on standard assets)		
	(a) Opening balance	613.24	301.18
	(b) Provisions made during the year	314.89	383.37
	(c) Write -back of excess provisions	287.30	71.29
	(d) Write off	—	—
	(e) Closing Balance	640.83	613.24

f) Sector wise NPAs (Write Offs)

Sr. No.	Category	% of Write offs to Total Advances	
		2022-23	2021-22
1	Agriculture & Allied activities	0.24	0.02
2	MSME	0.46	0.24
3	Corporate Borrowers	1.41	0.27
4	Services	0.18	1.38
5	Unsecured Personal Loans	—	—
6	Auto Loans	—	—
7	Other Personal Loans (LAP)	0.04	0.32
	Total	2.33	1.83

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

55. Off Balance Sheet SPVs sponsored:

The Company has not sponsored off Balance Sheet SPVs.

56. Disclosures of Complaints:

a)	No. of complaints pending at the beginning of the year	–
b)	No. of complaints received during the year	6
c)	No. of complaints redressed during the year	6
d)	No. of complaints pending at the end of the year	–

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

- a) The world is currently confronted with a range of challenges, including the pervasive global pandemic of COVID-19. This crisis has been accompanied by unprecedented government actions, a robust recovery following a deep global recession, escalating inflation, a conflict in Ukraine, and significant economic sanctions against Russia.
- b) In response to the ongoing global pandemic, Paisalo Digital Ltd. has implemented alternative work arrangements to prioritize the safety and well-being of its employees and business associates. This includes enabling work-from-home arrangements for operations and call centers during periods of lockdown. The company has equipped its workforce with the necessary technological tools to ensure the secure and efficient servicing of borrowers. Throughout the year, virtual sessions have been conducted with branches, employees, and business associates, maintaining proactive communication with customers. Services such as Door Step Sourcing and Servicing have been provided, adhering to safe distancing protocols and implementing essential non-pharmaceutical interventions. The majority of branches, employees, and business associates have access to updated technology and continue to operate, playing a vital role in providing essential credit to borrowers. Paisalo Digital Ltd. has also swiftly adapted and developed new digital and analog tools to facilitate credit requests and ensure effective loan recovery.
- c) During the financial year 2022-23, no significant new frameworks were introduced by the Government of India, Reserve Bank of India, or banks specifically targeting COVID-19 relief or aid for NBFCs like Paisalo Digital Ltd. However, NBFCs are increasingly serving as conduits for governments and major banks, leveraging their local presence to directly support households. The stability in funding and liquidity provided to Paisalo Digital Ltd. is bolstered by its well-established local presence, robust credit and risk assessment practices, and the ongoing support of its partner banks.

58. Paisalo Digital Ltd, for the financial year 2022-2023, generated a non-fund based income amounting to Rs. 242.68 Lakhs It typically includes fees, commissions, and other related activities.

Paisalo Digital Ltd adopted various strategies and undertook specific activities to increase its non-fund based income. Some of these activities include:

- 1. Business Correspondent Services:** Paisalo Digital Ltd acted as a Business Correspondent for State Bank of India and UCO bank. As a Business Correspondent, the company extended banking and financial services to underbanked or unbanked areas and populations. By facilitating banking transactions and providing services on behalf of partner institutions, Paisalo Digital earned commissions and fees, contributing to its non-interest income.
- 2. Ancillary Financial Services:** Apart from lending activities, Paisalo Digital Ltd has offered other financial services. These services often generate fees and commissions based on the assets under management or the value of transactions, contributing to the non-interest income.
- 3. Cross-Selling of Products:** To increase its non-fund based income, Paisalo Digital has implemented cross-selling strategies. This involves promoting additional financial products and services to existing customers.

These are some potential activities that Paisalo Digital Ltd have undertaken to increase its non-fund based income for the FY 2022-2023.

59. Expected Credit Loss:

Comparison of Provisioning done under ECL model and under RBI prudential norms requirements: (₹ In Lakhs)

Asset Classification as per RBI Norms	Asset Classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
(1)	(2)	(3)	(4)	(5)=(3)-(4)	(6)	(7)=(4)-(6)
Performing Assets						
Standard	Stage 1	2,74,063	1,644	2,72,419	1,096	548
	Stage 1	3,772	302	3,470	15	287
	Stage 2	1,357	163	1,194	5	157
Subtotal		2,79,192	2,109	2,77,083	1,117	992
Non-Performing Assets (NPA)						
Substandard	Stage 3	–	–	–	–	–
Doubtful - up to 1 year	Stage 3	–	–	–	–	–
1 to 3 years	Stage 3	–	–	–	–	–
More than 3 years	Stage 3	111	67	44	55	11
Subtotal for doubtful		111	67	44	55	11
Loss Assets	Stage 3	585	585	–	585	–
Subtotal for NPA		696	652	44	641	11
Loss	Stage 3	4,415	4,415	–	4,415	–
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset and Provisioning (IRACP) norms Classification	Stage 1	14,002	280	13,722	–	280
	Stage 2	–	–	–	–	–
	Stage 3	–	–	–	–	–
Subtotal		14,002	280	13,722	–	280
Total	Stage 1	2,91,837	2,226	2,89,611	1,111	1,115
	Stage 2	1,357	163	1,194	5	157
	Stage 3	696	652	44	641	11
	Total	2,93,890	3,041	2,90,849	1,758	1,283
LESS : Provision for ECL previous year balance		–	1,241	–	–	–
Less : Provision for NPA		–	641	–	–	–
Less : Provision for Standard Assets		–	1,147	–	–	–
Expected Credit Loss		–	12	–	–	–

60. Risk Management Framework:

A wide range of risks may affect the company's business and operational or financial performance. The risks that could have significant influence on the Company are Credit Risk, Liquidity & Funding Risk, Market Risk and Operational Risk. The management has a process to identify and analyze the risks faced by the Company, to set appropriate risk limits and to control and to monitor risks and adherence to these limits. The risk management framework aims to:

- i) create a stable business planning environment by reducing the impact of interest rate fluctuations on the company's business plan.
- ii) achieve greater predictability to earnings by determining the financial value of the expected earnings in advance.

A) Credit Risk

Credit risk is the risk of financial loss to the company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the trade and other receivables, cash and cash equivalents and other bank balances.

It is measured as the amount at risk due to repayment default by customers or counterparties to the company. Various metrics such as instalment default rate, overdue position, instalment moratorium, restructuring, one-time resolution plan, debt management efficiency, credit bureau information etc. are used as leading indicators to assess credit risk.

It is monitored using level of credit exposures, portfolio monitoring, contribution of repeat customers, bureau data, concentration risk of geography, customer and portfolio; and assessment of any major change in the business environment including economic, political as well as natural calamity/pandemic.

It is managed by a robust control framework by the risk and debt management unit. This is achieved by continuously aligning credit and debt management policies and resourcing, obtaining external data from credit bureaus and reviews of portfolios and delinquencies by senior and middle management team comprising of risk, analytics, debt management and risk containment along with business.

(a) Loans, Trade & Other Receivables

Credit risk from loans, trade & other receivables is managed by establishing credit limits, credit approvals and monitoring creditworthiness of the customers. Outstanding customer receivables are regularly monitored. The ageing of loans & trade receivables is as follows:

(₹ In Lakhs)	
Particulars	As at 31st March 2023
Loans	2,78,949.73
Less: Allowances for expected credit loss	1,253.02
	2,77,696.71
Trade & Other Receivables	
Outstanding for less than one year	938.14
Less: Allowance for doubtful debts	640.83
	297.31
Total	2,77,994.02

(b) Cash & Cash Equivalents & Other Bank Balances

The company holds cash and cash equivalents and other bank balances of **Rs. 2824.63 Lakh at 31 March 2023**. The credit worthiness of such banks and financial institutions is evaluated by the management on an ongoing basis and is considered to be good.

B) Liquidity & Funding Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

Funding risk arises from:

- Inability to raise incremental borrowings and deposits to fund business requirement or repayment obligations
- When long term assets cannot be funded at the expected term resulting in cash flow mismatches
- Amidst volatile market conditions impacting sourcing of funds from banks and money markets

It is measured by:

- Identification of gaps in the structural and dynamic liquidity statements.
- Assessment of incremental borrowings required for meeting the repayment obligation, the Company's business plan and prevailing market conditions.
- Liquidity coverage ratio (LCR) in accordance with guidelines.

It is monitored by:

- Assessment of the gap between visibility of funds and the near term liabilities given current liquidity conditions and evolving regulatory framework for NBFCs.
- A constant calibration of sources of funds in line with emerging market conditions in banking and money markets.
- Periodic reviews of liquidity position, LCR and stress tests assuming varied 'what if' scenarios and comparing probable gaps with the liquidity buffers maintained by the Company.

It is managed by the Company's treasury team under liquidity risk management framework through various means like liquidity buffers, sourcing of long term funds, positive asset liability mismatch, keeping strong pipeline of sanctions and approvals from banks and assignment of loans under the guidance of Board.

C) Market Risk

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from adverse changes in market rates and prices or in the price of market risk-sensitive instruments as a result of such adverse changes in market rates & prices. Market risk comprises Currency Risk, Interest Risk & Price Risk.

It is measured using changes in equity prices, and sensitivities like Value at Risk ('VaR'), basis point value (PVOI), modified duration analysis and other measures to determine movements in our portfolios and impact on our income, including the sensitivity of net interest income. Market risks for the Company encompass exposures to Equity investments, Interest rate risks on investment portfolios as well as the floating rate assets and liabilities with differing maturities.

It is monitored by assessments of fluctuation in the equity price, interest rate sensitivities under simulated stress test scenarios given range of probable interest rate movements on both fixed and floating assets and liabilities.

It is managed by the Company's treasury team under the guidance of Board.

(a) Currency Risk

The Company's operations are only in India which results in no foreign currency risk exposure.

(b) Interest Risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to interest rate risk through the impact of rate changes on interest-bearing liabilities and assets. The Company manages its interest rate risk by monitoring the movements in the market interest rates closely.

(c) Price Risk

The Company is exposed to equity price risk arising from Investments held by the Company. To manage its price risk arising from investment in equity securities, the Company diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Company.

D) Operational Risk

Operational risk is the risk arising from inadequate or failed internal processes, people or systems, or from external events. The Company manages operational risks through comprehensive internal control systems and procedures laid down around various key activities in the Company viz. loan acquisition, customer service, IT operations, finance function etc. Internal Audit also conducts a detailed review of all the functions at least once a year, this helps to identify process gaps on timely basis. Further IT and Operations have a dedicated compliance and control units within the function who on continuous basis review internal processes. This enables the Management to evaluate key areas of operational risks and the process to adequately mitigate them on an ongoing basis.

The Company has put in place a robust Disaster Recovery (DR) plan and Business Continuity Plan (BCP) to ensure continuity of operations including services to customers, if any eventuality is to happen such as natural disasters, technological outage etc. Robust periodic testing is carried, and results are analyzed to address gaps in the framework, if any.

61. Additional information pursuant to Ministry of Corporate Affairs notification dated March 24, 2021 with respect to amendments in Schedule iii of Companies Act, 2013:

- i) The Company has made provision for dividend @ Rs. 0.10 each per share and the same will be declared & paid after the approval of the shareholders in their Annual General Meeting.
- ii) All the borrowings of the Company are used for the specific purpose for which it was taken.
- iii) There are no proceedings which have been initiated or pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
- iv) The Company is not a willful defaulter as declared by any bank or financial Institution or any other lender.
- v) The Company does not have any transactions with the companies struck off under section 248 of Companies Act, 2013 or Section 56O of Companies Act, 1956.
- vi) There are no charges or satisfaction yet to be registered with Registrar of Companies (ROC) beyond the statutory period.
- vii) The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.
- viii) There are no transactions which are not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
- xi) The Company has not traded or invested in Crypto currency or Virtual Currency during 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:

(₹ In Lakhs)

PARTICULARS		2022-23	
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	5,108	—
	Unsecured	36,500	—
	(other than falling within the meaning of public deposits*)		
	(b) Deferred Credits	—	—
	(c) Term Loans		
	Bank of Baroda (Term Loan a/c)	7,500	—
	State Bank of India (Term Loan a/c)	9,898	—
	Dhanlaxmi Bank (Term Loan a/c)	1,250	—
	UCO Bank (Term Loan a/c)	4,167	—
	Bank of Maharashtra (Term Loan a/c)	2,098	—
	Canara Bank (Term Loan a/c)	7,500	—
	Indian Bank (Term Loan a/c)	4,416	—
	Punjab National Bank (Term Loan a/c)	4,500	—
	South Indian Bank (Term Loan a/c)	1,500	—
	Bank of Baroda (Car Term Loan a/c)	262	—
	(d) Inter-corporate loans and borrowing	15,105	—
	(e) Commercial Paper	—	—
	(f) Other Loans (specify nature)		
	Bank of Baroda (WCDL a/c)	6,000	—
	IDBI Bank (WCDL a/c)	1,803	—
	Central Bank of India (WCDL a/c)	7,570	—
	Punjab National Bank (WCDL a/c)	7,200	—
	Union Bank of India (WCDL a/c)	9,900	—
	Bank of India (WCDL a/c)	2,730	—
	Bank of Maharashtra (WCDL a/c)	2,268	—
	CSB Bank (WCDL a/c)	4,500	—
	Dhanlaxmi Bank (WCDL a/c)	1,500	—
	Indian Bank (WCDL a/c)	3,000	—
	Punjab National Bank (Cash Credit a/c)	2,256	—
	Central Bank of India (Cash Credit a/c)	4,901	—
	Bank of India (Cash Credit a/c)	1,722	—
	Bank of Baroda (Cash Credit a/c)	3,419	—
	Indian Bank (Cash Credit a/c)	1,949	—
	UCO Bank (Cash Credit a/c)	3,683	—
	IDBI Bank (Cash Credit a/c)	692	—
	Bank of Maharashtra (Cash Credit a/c)	1,441	—

		CSB Bank (Cash Credit a/c)	2,966	—
		Dhanlaxmi Bank (Cash Credit a/c)	993	—
		Union Bank of India (Cash Credit a/c)	6,565	—
		Karnataka Bank (Cash Credit a/c)	4,918	—
		Assignment of Book Debts	9,088	—
		*Please see Note 1 below	—	—
2.	Break-up of (1)(f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid)			
	(a)	In the form of Unsecured debentures	—	—
	(b)	In the form of partly secured debentures i.e. debentures where there is a shortfall in the value of security	—	—
	(c)	Other public deposits	—	—
		*Please see Note 1 below		
ASSETS SIDE:				
3.	Break-up of Loans and Advances including bills receivables (other than those included in (4) below)			
	(a)	Secured	2,71,398	749
	(b)	Unsecured	7,552	189
4.	Break -up of Leased Assets and stock on hire and hypothecation loans counting towards AFC activities			
	(i)	Lease assets including lease rentals under sundry debtors		
	(a)	Financial lease	—	—
	(b)	Operating lease	—	—
	(ii)	Stock on hire including hire charges under sundry debtors		
	(a)	Assets on hire	—	—
	(b)	Repossessed Assets	—	—
	(iii)	Other loans counting towards AFC activities		
	(a)	Loans where assets been repossessed	—	—
	(b)	Loans other than (a) above	—	—
5.	Break-up of Investments			
	1	Current Investments		
		Quoted		
	(i)	Shares		
		(a) Equity	128	—
		(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 Banks	1,800	—
		Interest accrued	—	—
2	Long Term Investments			
	Quoted			
	(i)	Share		
		(a) Equity	—	—
		(b) Preference	—	—
	(ii)	Debentures and Bonds	—	—
	(iii)	Units of mutual funds	—	—
	(iv)	Government Securities	—	—
	(v)	Others (Please specify)	—	—
	Unquoted			
	(i)	Share		
		(a) Equity- Subsidiary Company	4,224	—
		(b) Equity- Other Company	2,390	—
		(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	264.22	—
		Interest accrued	1.78	—

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

Please see Note 2

(₹ In Lakhs)

Category	Amount net of provisions		Total
	Secured	Unsecured	
1 Related parties**			
(a) Subsidiaries	—	—	—
(b) Companies in the same group	—	—	—
(c) Other related parties	—	—	—
2 Other than related parties	2,72,147	7,741	2,79,888
Total	2,72,147	7,741	2,79,888

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

(₹ In Lakhs)

Particulars		Market Value / Value Break up or Fair Value or NAV	Book Value (Net of provisions)
1	Related parties **		
	(a) Subsidiaries	4,224	4,224
	(b) Companies in the same group	–	–
	(c) Other related parties	–	–
2	Other than related parties	2,519	2,519
	Total	6,743	6,743

** As per IND AS of ICAI.

(8) Other Information

(₹ In Lakhs)

Particulars		Amount
1	Gross Non-performing Assets	
	(a) Related Parties	–
	(b) Other than related parties	696
2	Net Non-Performing Assets	
	(a) Related Parties	–
	(b) Other than related parties	55
3	Assets acquired in satisfaction of debt	–

Notes:

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

Signed in terms of our Report of even date

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

Sd/-
(CA. MANISH GOYAL)
Partner
Membership No. 074778
UDIN : 23074778BGUSZN8411

Place : New Delhi
Date : 11th May 2023

For and on behalf of the Board

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

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

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

INDEPENDENT AUDITOR'S REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

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

REPORT ON THE AUDIT OF CONSOLIDATED FINANCIAL STATEMENTS

OPINION

We have audited the accompanying Consolidated Financial Statements of **M/S PAISALO DIGITAL LIMITED** (hereinafter referred to as "the Holding Company") and its wholly owned subsidiary M/s Nupur Finvest Private Limited (the Holding Company and its subsidiary together referred to as "the Group") which comprise of the Consolidated Balance Sheet as at 31st March 2023, the Consolidated Statement of Profit and Loss including Statement of Comprehensive Income and the Consolidated Cash Flow Statement for the year then ended and notes to the consolidated Financial Statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated Financial Statements give the information required by the Companies Act, 2013 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Company as at 31st March 2023 of consolidated profit and loss including statement of comprehensive income and its Consolidated Cash Flows for the year then ended.

BASIS FOR OPINION

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

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

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

In preparing the consolidated financial statements, the respective Board of Directors of the companies included

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

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

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

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

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements;
- b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid Consolidated Financial Statements have been kept so far as it appears from our examination of those books;
- c. The audit of all the branch offices of the Company has been conducted by us, hence Section 143(8) is not applicable;
- d. The Consolidated Balance Sheet, Consolidated Statement of Profit and Loss including (including Other Comprehensive Income), Consolidated Statement of Changes in Equity and Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;
- e. In our opinion, the aforesaid Consolidated Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- f. On the basis of the written representations received from the directors of the Company as on 31st March 2023 taken on record by the Board of Directors of the Company and the reports of the statutory auditors of its subsidiary Company incorporated in India, none of the directors of the Group companies, is disqualified as on 31st March 2023 from being appointed as a director in terms of Section 164 (2) of the Act;
- g. With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in "Annexure A"; and
- h. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

- i. 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.
 - iv) (a) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity (ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - (b) The management has represented, that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
 - (c) Based on audit procedures which we considered reasonable and appropriate in the circumstances,

nothing has come to their notice that has caused them to believe that the representations under sub-clause (i) and (ii) contain any material mis-statement.

- v) As stated in Note 63 to the standalone financial statements
 - (a) The final dividend proposed in the previous year, declared and paid by the Company during the year is in accordance with Section 123 of the Act, as applicable.
 - (b) The Company has not declared and has not paid any interim dividend during the year.
 - (c) The Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with section 123 of the Act, as applicable.
- vi) Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

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

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

Place : New Delhi
Date : 11th May 2023

For Manish Goyal & Co.
Chartered Accountants
Firm Reg. No. OO6O66C

Sd/-
(CA. MANISH GOYAL)
Partner
Membership No. O74778
UDIN : 23074778BGUSZO9358

ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT OF M/S PAISALO DIGITAL LIMITED

(Referred to in paragraph of our Report of even date for F. Y. 2022-23)

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

In conjunction with our audit of the Consolidated Financial Statements of the Company as of and for the year ended 31st March, 2023 we have audited the internal financial controls over financial reporting of **M/S PAISALO DIGITAL LIMITED** (hereinafter referred to as "the Company") and its wholly owned subsidiary M/s Nupur Finvest Private Limited, which are companies incorporated in India, as of that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

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

AUDITOR'S RESPONSIBILITY

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

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

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

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

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

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

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

OPINION

In our opinion, the Company, its subsidiary Company, which are Companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2023 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 : 11th May 2023

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

Sd/-
(CA. MANISH GOYAL)
Partner
Membership No. 074778
UDIN : 23074778BGUSZO9358

CONSOLIDATED BALANCE SHEET AS ON 31ST MARCH 2023

(₹ in Lakhs)

Sr. No.	Particulars	Note No.	Figures as at the end of current reporting period	Figures as at the end of previous reporting period
I	ASSETS			
	(1) Financial Assets			
	(a) Cash & Cash Equivalents	1	2,563.16	913.56
	(b) Bank Balances other than (a) above	2	347.90	120.62
	(c) Derivative Financial Instruments	3	-	-
	(d) Receivables			
	(i) Trade Receivables	4	975.11	2,806.67
	(ii) Other Receivables		-	-
	(e) Loans	5	3,14,042.46	2,56,341.97
	(f) Investments	6	2,518.60	2,567.98
	(g) Other Financial Assets	7	6,998.58	5,214.82
	(2) Non Financial Assets			
	(a) Current Tax Assets (Net)	8	1,178.57	1,313.88
	(b) Deferred Tax Asset (Net)	20	50.60	-
	(c) Investment Property		-	-
	(d) Biological Assets other than Bearer plants		-	-
	(e) Property, Plant and Equipments	9	6,557.00	6,241.61
	(f) Capital Work-in-Progress		-	-
	(g) Intangible Assets under development		-	-
	(h) Goodwill		-	10.70
	(i) Other Intangible Assets	9	70.80	109.92
	(j) Other Non-Financial Assets	10	84.67	134.35
	Total Assets		3,35,387.45	2,75,776.08
II	EQUITY AND LIABILITIES			
	(1) Financial Liabilities			
	(a) Derivative Financial Instruments	11	-	-
	(b) Payables	12		
	(i) Trade Payables			
	(i) Total outstanding dues of Micro Enterprises and Small Enterprises		11.31	7.69
	(ii) Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises		141.63	974.47
	(ii) Other Payables			
	(i) Total outstanding dues of Micro Enterprises and Small Enterprises		-	-
	(ii) Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises		1,161.34	528.28
	(c) Debt Securities	13	39,997.88	37,470.89
	(d) Borrowings (Other than Debt Securities)	14	1,62,820.94	1,21,224.66
	(e) Deposits	15	-	-
	(f) Subordinated Liabilities	16	8,900.00	8,900.00
	(g) Other Financial Liabilities	17	443.14	251.49
	(2) Non-Financial Liabilities			
	(a) Current Tax Liabilities (Net)	18	-	-
	(b) Provisions	19	3,744.42	3,460.65
	(c) Deferred Tax Liabilities (Net)	20	-	273.78
	(d) Other non-financial Liabilities	21	1,913.04	337.65
	(3) Equity			
	(a) Equity Share Capital	22	4,490.84	4,391.84
	(b) Other Equity	23	1,11,762.91	97,954.68
	Total Equity & Liabilities		3,35,387.45	2,75,776.08

Notes to the Accounts & Significant Accounting Policies annexed
Notes referred to above form an integral part of these Financial Statements
Signed in terms of our Report of even date

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

Sd/-
(CA. MANISH GOYAL)
Partner
Membership No. 074778
UDIN : 23074778BGUSZO9358
Place : New Delhi
Date : 11th May 2023

For and on behalf of the Board

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

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

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

CONSOLIDATED PROFIT & LOSS STATEMENT FOR THE PERIOD ENDED 31ST MARCH 2023

(₹ In Lakhs)

Sr. No.	Particulars	Note No.	Figures as at the end of current reporting period	Figures as at the end of previous reporting period
I	Revenue from operations:			
	(i) Interest Income	24	47,075.48	39,222.33
	(ii) Dividend Income		0.83	-
	(iii) Rental Income		-	-
	(iv) Fees and commission Income		242.68	-
	(v) Net gain on fair value changes	25	-	-
	(vi) Net gain on derecognition of financial instruments under amortised cost category		-	-
	(vii) Sale of products (including Excise Duty)		-	-
	(viii) Sale of services		-	-
	(ix) Others		-	-
	Total Revenue from Operations (I)		47,318.99	39,222.33
II	Other Income	26	-	-
	Total Income (I+II)		47,318.99	39,222.33
III	Expenses:			
	(i) Finance Costs	27	20,867.00	18,410.68
	(ii) Fees and commission expense		-	-
	(iii) Net loss on fair value changes		49.38	-
	(iv) Net loss on derecognition of financial instruments under amortised cost category		-	-
	(v) Impairment on financial instruments	28	5,390.14	5,463.99
	(vi) Cost of materials consumed		-	-
	(vii) Purchases of Stock-in-trade		-	-
	(viii) Changes in Inventories of finished goods, stock-in-trade and work-in-progress		-	-
	(ix) Employee Benefits Expenses	29	3,467.12	2,575.45
	(xi) Depreciation, amortization and impairment	30	329.09	323.36
	(x) Others expenses	31	4,139.67	1,733.38
	Total Expenses (III)		34,242.40	28,506.86
IV	Profit before exceptional items and tax (II-III)		13,076.59	10,715.47
V	Exceptional items		452.87	3.31
VI	Profit before tax (IV-V)		12,623.72	10,712.16
VII	Tax Expense:			
	(1) Current Tax		3,586.24	2,682.83
	(2) Deferred Tax		(324.38)	104.26
VIII	Profit for the period from continuing operations (VI-VII)		9,361.86	7,925.07
IX	Profit/(loss) from discontinued operations		-	-

X	Tax Expense of discontinued operations		-	-
XI	Profit/(loss) from discontinued operations (After tax) (IX-X)		-	-
XII	Profit for the period (VIII+XI)		9,361.86	7,925.07
XIII	Other Comprehensive Income:			
	(A) (i) Items that will not be reclassified to profit or loss (Revaluation of Properties)		-	-
	(ii) Income tax relating to items that will not be reclassified to profit or loss		-	-
	Sub Total (A)		-	-
	(B) (i) Items that will be reclassified to profit or loss (specify items and amounts)		-	-
	(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
	Sub Total (B)		-	-
	Other Comprehensive Income (A+B)		-	-
XIV	Total Comprehensive Income for the period (XII+XIII)		9,361.86	7,925.07
	(Comprising Profit and other Comprehensive Income for the period)			
XV	Earnings per Equity Share (for continuing operations):			
	Basic (Rs.)	34	2.10	1.87
	Diluted (Rs.)		2.10	1.87
XVI	Earnings per Equity Share (for discontinued operations):			
	Basic (Rs.)		-	-
	Diluted (Rs.)		-	-
XVII	Earnings per Equity Share (for continuing and discontinued operations):			
	Basic (Rs.)	34	2.10	1.87
	Diluted (Rs.)		2.10	1.87

Notes to the Accounts & Significant Accounting Policies annexed
Notes referred to above form an integral part of these Financial Statements
Signed in terms of our Report of even date

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

Sd/-
(CA. MANISH GOYAL)
Partner
Membership No. 074778
UDIN : 23074778BGUSZ09358

Place : New Delhi
Date : 11th May 2023

For and on behalf of the Board

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

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

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

STATEMENT OF CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR
ENDED 31ST MARCH 2023

(₹ In Lakhs)

Sr. No.	Particulars	Figures for current reporting period	Figures for previous reporting period
A	Cash Flow from Operating Activities:		
	Net Profit before tax and extraordinary items and Interest	33,943.60	29,126.15
	Adjustments for		
I	Depreciation	244.00	196.28
II	Deferred Expense W/O	85.09	127.08
III	Impairment on financial instruments	5,390.14	5,463.99
IV	Expenditure on CSR	176.01	161.03
V	Dividend Income Received	(0.83)	-
VI	Profit/loss on Sale of Shares	49.38	-
VII	Profit/loss on Sale of Investments/Assets	(12.85)	(0.50)
	Operating Profit before working capital changes	39,874.54	35,074.03
	Adjustments for		
I	Change in Other Financial Assets	(283.77)	(10.11)
II	Change in Loans & Receivables	(61,215.55)	(52,376.55)
III	Change in Payable & non financial liabilities	1,379.23	(651.66)
IV	Misc. Expenses	(24.71)	(45.01)
	Cash generated from Operations	(20,270.26)	(18,009.30)
I	Interest paid	(20,867.00)	(18,410.68)
II	Income Tax paid	(3,450.93)	(3,054.05)
III	Paid Expenses on CSR	(176.01)	(161.03)
	Cash flow before Extraordinary Items	(44,764.20)	(39,635.06)
I	Extraordinary items	452.87	3.31
	Net Cash from Operating Activities	(45,217.07)	(39,638.37)
B	Cash Flows from Investing Activities:		
I	Purchase of Fixed Assets	(625.67)	(131.24)
II	Sale of Fixed Assets	118.28	0.50
III	Purchase/transfer of Investments	-	(177.67)
IV	Purchase of Security Receipts	-	-
	Net Cash from Investing activities	(507.39)	(308.41)
C	Net Cash from Financing Activities:		
I	Proceeds from Borrowings	41,596.27	25,812.27
II	Proceeds from Debt Service Repayment Account	191.64	(2,525.89)
III	Proceeds from Debt Securities	2,526.99	9,626.52
IV	Dividend Paid/(Received)	(448.19)	(422.92)
V	Purchase of Security Receipts	(1,500.00)	(4,852.65)

VI	Money received against Share Warrant	5,234.63	8,565.75
	Net Cash from Financing activities	47,601.34	36,203.08
	Net Increase/(decrease) in cash & cash equivalents	1,876.89	(3,743.70)
	Cash & Cash equivalents at beginning of period	1,034.18	4,777.88
	Cash & Cash equivalent at end of period	2,911.06	1,034.18

Signed in terms of our Report of even date

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

Sd/-
(CA. MANISH GOYAL)
Partner
Membership No. 074778
UDIN : 23074778BGUSZ09358

Place : New Delhi
Date : 11th May 2023

For and on behalf of the Board

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

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

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

AUDITORS' REPORT

We have verified the attached Cash Flow Statement of M/s Paisalo Digital Limited, derived from audited financial statements and the books and records maintained by the Company for the year ended 31st March 2023 and 31st March 2022 and found the same in agreement here with.

Place : New Delhi
Date : 11th May 2023

For Manish Goyal & Co.
Chartered Accountants
Firm Reg. No. 006066C
Sd/-
(CA. MANISH GOYAL)
Partner
Membership No. 074778
UDIN : 23074778BGUSZ09358

SIGNIFICANT ACCOUNTING POLICIES

A. PRINCIPLE OF CONSOLIDATION

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

- The Consolidated Financial Statements have been prepared in accordance with Indian Accounting Standard (AS) 110- "Consolidated Financial Statements". The financials are combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra- group balances and intra- group transactions.
- Investment in Associate Companies has been accounted under the equity method as per "Accounting for Investments in Associates in Consolidated Financial Statements".
- As far as possible, the Consolidated Financial Statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the Company's separate financial statements.

B. INVESTMENTS OTHER THAN IN SUBSIDIARIES AND ASSOCIATES

Investments other than in subsidiaries and associates have been accounted as per Accounting Standards "Accounting for Investments".

C. OTHER SIGNIFICANT ACCOUNTING POLICIES

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

NOTES FORMING INTEGRAL PART OF THE CONSOLIDATED FINANCIAL STATEMENTS AS AT 31ST MARCH 2023

Statement of Changes in Equity:

1. Current Reporting Period

(in ₹)

Balance at the beginning of the Current Reporting Period	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in Equity share capital during the current year	Balance at the end of the current reporting period
4,39,24,699	-	4,39,24,699	4,39,24,699 [*]	-
			99,00,000 [#]	44,91,46,990
4,39,24,699	-	4,39,24,699	44,91,46,990	44,91,46,990

¹Total shares includes forfeited shares.

^{*}W.e.f. July 1, 2022 the 1 equity share of Rs. 10/- each sub-divided / split into 10 equity shares of Re. 1 each.

[#]Equity shares issued on conversion of warrants.

2. Previous Reporting Period

(in ₹)

Balance at the beginning of the Current Reporting Period	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in Equity share capital during the current year	Balance at the end of the current reporting period
42,304,699	-	4,23,04,699	16,20,000 [#]	4,39,24,699
42,304,699	-	4,23,04,699	16,20,000	4,39,24,699

¹Total shares includes forfeited shares.

[#]Equity shares issued on conversion of warrants.

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

Sr. No.	Name of the Shareholders	No of Shares	% of shareholding
1	Sunil Agarwal	5,28,51,400	11.77
2	Equilibrated Venture Cflow Pvt Ltd	4,95,42,120	11.03
3	SBI Life Insurance Co. Ltd	3,59,98,031	8.02
4	Antara India Evergreen Fund Ltd	4,03,36,230	8.98

List of Promoter's and Promoter Group Shareholding:

Sr. No.	Promoter Name	Number of Shares held	Percentage of total shares	Percentage change during the year
1	Sunil Agarwal	5,28,51,400	11.77	(0.27)
2	Suneeti Agarwal	35,83,000	0.80	(0.02)
3	Santanu Agarwal	1,68,52,000	3.75	(0.08)
4	Equilibrated Venture Cflow Pvt. Ltd.	4,95,42,120	11.03	0.50
5	Pri Caf Pvt. Ltd.	1,12,69,200	2.51	0.69
6	Pro Fitch Pvt. Ltd.	1,04,05,610	2.32	0.70

Note : 1 Cash & Cash Equivalents

(₹ in Lakhs)

Sr. No.	Particulars	Current Year	Previous Year
1	Cash Balances	79.79	252.16
2	Bank Balances		
	Current a/c with Scheduled Banks (Subject to reconciliation)	683.30	161.33
	Cheques/ Drafts on Hands	-	-
3	In Fixed Deposits - Unencumbered		
	With Banks	1,800.07	500.07
	Total	2,563.16	913.56

Note : 2 Bank Balances other than (a) above

(₹ in Lakhs)

Sr. No.	Particulars	Current Year	Previous Year
1	Bank Balances		
	Current a/c with Scheduled Banks (Subject to reconciliation)	-	-
2	In Fixed Deposits - Encumbered		
	With Banks	347.90	120.62
	Total	347.90	120.62

Refer Note No. 4O of Standalone Financial Statement

Note : 3 Derivative Financial Instruments (Assets)

(₹ in Lakhs)

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

Note : 4 Receivables

(₹ in Lakhs)

Sr. No.	Particulars	Current Year	Previous Year
1	Trade Receivables		
	- Overdue Installments : Considered Good - Secured	72.81	153.27
	- Overdue Installments : Considered Good - Unsecured	211.86	661.22
	- Overdue Installments : Sub Standard Assets	690.44	1,992.18
2	Other Receivables	-	-
	Total	975.11	2,806.67

Notes No. : 4 (a) Trade Receivable- Additional Disclosures:
Outstanding for following periods from the due date of payment (FY. 2022-23)

(₹ in Lakhs)

Sr. No.	Particulars	Less than 6 Months	6 Months - 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
1	Undisputed Trade Receivables - Considered Good	284.67	-	-	-	-	284.67
2	Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-
3	Undisputed Trade Receivables - credit impaired	-	690.44	-	-	-	690.44
4	Disputed Trade Receivables - considered good	-	-	-	-	-	-
5	Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-
6	Disputed Trade Receivables - credit impaired	-	-	-	-	-	-
	Grand Total	284.67	690.44	-	-	-	975.11

- Trade Receivable includes overdue loan cases financed by Paisalo Digital Limited

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

(₹ in Lakhs)

Sr. No.	Particulars	Less than 6 Months	6 Months - 1 Year	1 - 2 Years	2 - 3 Years	More than 3 Years	Total
1	Undisputed Trade Receivables - Considered Good	814.50	-	-	-	-	814.50
2	Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-
3	Undisputed Trade Receivables - credit impaired	-	1,992.18	-	-	-	1,992.18
4	Disputed Trade Receivables - considered good	-	-	-	-	-	-
5	Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-
6	Disputed Trade Receivables - credit impaired	-	-	-	-	-	-
	Grand Total	814.50	1,992.18	-	-	-	2,806.67

Note : 5 Loans

Particulars	Current Year						Previous Year					
	Amortised cost	Through other comprehensive income	Through profit or loss	Designated at fair value through profit or loss	Sub total	Total	Amortised cost	Through other comprehensive income	Through profit or loss	Designated at fair value through profit or loss	Subtotal	Total
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)=(8)+(9)+(10)	(12)=(7)+(11)
Loans												
(A) (i) Bills Purchased and Bills Discounted	-	-	-	-	-	-	-	-	-	-	-	-
(ii) Loans repayable on Demand	-	-	-	-	-	-	-	-	-	-	-	-
(iii) Term Loans	3,14,070.05	-	-	-	-	3,14,070.05	2,56,654.04	-	-	-	-	2,56,654.04
(iv) Leasing	-	-	-	-	-	-	-	-	-	-	-	-
(v) Factoring	-	-	-	-	-	-	-	-	-	-	-	-
(vi) Others (to be specified)	-	-	-	-	-	-	-	-	-	-	-	-
Total (A) - Gross	3,14,070.05	-	-	-	-	3,14,070.05	2,56,654.04	-	-	-	-	2,56,654.04
Less: Impairment loss allowance	27.58	-	-	-	-	27.58	312.07	-	-	-	-	312.07
Total (A) - Net	3,14,042.46	-	-	-	-	3,14,042.46	2,56,341.97	-	-	-	-	2,56,341.97
(B) (i) Secured by tangible assets	3,04,010.15	-	-	-	-	3,04,010.15	2,51,093.21	-	-	-	-	2,51,093.21
(ii) Secured by intangible assets	-	-	-	-	-	-	-	-	-	-	-	-
(iii) Covered by Bank/ Government Guarantees	-	-	-	-	-	-	-	-	-	-	-	-
(iv) Unsecured	10,059.90	-	-	-	-	10,059.90	5,560.82	-	-	-	-	5,560.82
Total (B) - Gross	3,14,070.05	-	-	-	-	3,14,070.05	2,56,654.03	-	-	-	-	2,56,654.03
Less: Impairment loss allowance	27.58	-	-	-	-	27.58	312.07	-	-	-	-	312.07
Total (B) - Net	3,14,042.46	-	-	-	-	3,14,042.46	2,56,341.96	-	-	-	-	2,56,341.96
(C) (i) Loans in India	3,14,070.05	-	-	-	-	3,14,070.05	2,56,654.04	-	-	-	-	2,56,654.04
(i) Public Sector	-	-	-	-	-	-	-	-	-	-	-	-
(ii) Others (to be specified)	-	-	-	-	-	-	-	-	-	-	-	-
Total (C) - Gross	3,14,070.05	-	-	-	-	3,14,070.05	2,56,654.04	-	-	-	-	2,56,654.04
Less: Impairment loss allowance	27.58	-	-	-	-	27.58	312.07	-	-	-	-	312.07
Total (C) (i) - Net	3,14,042.46	-	-	-	-	3,14,042.46	2,56,341.97	-	-	-	-	2,56,341.97
(C) (ii) Loans outside India	-	-	-	-	-	-	-	-	-	-	-	-
Less: Impairment loss allowance	-	-	-	-	-	-	-	-	-	-	-	-
Total (C) (ii) - Net	-	-	-	-	-	-	-	-	-	-	-	-
Total C (i) and C (ii)	3,14,042.46	-	-	-	-	3,14,042.46	2,56,341.97	-	-	-	-	2,56,341.97

Note : 6 Investments

Investments	Current Year						Previous Year					
	Amortised cost	Through Other Comprehensive Income	Through Profit or Loss	Designated at fair value through profit or loss	Sub - Total	Total	Amortised cost	Through Other Comprehensive Income	Through Profit or Loss	Designated at fair value through profit or loss	Sub - Total	Total
	(1)	(2)	(3)	(4)	(5)=(2)+(3)+(4)	(6)	(7)=(1)+(5)+(6)	(8)	(9)	(10)	(11)	(12)=(8)+(9)+(10)+(11)
Mutual funds	-	-	-	-	-	-	-	-	-	-	-	-
Government securities	-	-	-	-	-	-	-	-	-	-	-	-
Other approved securities	-	-	-	-	-	-	-	-	-	-	-	-
Debt securities	-	-	-	-	-	-	-	-	-	-	-	-
Equity instruments	128.29	-	-	-	-	128.29	177.67	-	-	-	-	177.67
Subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-
Associates	-	-	-	-	-	-	-	-	-	-	-	-
Joint Ventures	-	-	-	-	-	-	-	-	-	-	-	-
Others (specify)*	2,390.31	-	-	-	-	2,390.31	2,390.31	-	-	-	-	2,390.31
Total (A)	2,518.60	-	-	-	-	2,518.60	2,567.98	-	-	-	-	2,567.98
(i) Investments outside India	-	-	-	-	-	-	-	-	-	-	-	-
(ii) Investments in India	2,518.60	-	-	-	-	2,518.60	2,567.98	-	-	-	-	2,567.98
Total (B)	2,518.60	-	-	-	-	2,518.60	2,567.98	-	-	-	-	2,567.98
Total (A) to tally with (B)	2,518.60	-	-	-	-	2,518.60	2,567.98	-	-	-	-	2,567.98
Less: Allowance for impairment loss (C)	-	-	-	-	-	-	-	-	-	-	-	-
Total - Net D = (A) - (C)	2,518.60	-	-	-	-	2,518.60	2,567.98	-	-	-	-	2,567.98

*Unquoted Shares of M/s Samast Vikas Limited

Note : 7 Others Financial Assets

(₹ in Lakhs)

Sr. No.	Particulars	Current Year	Previous Year
1	Secured, Considered Good		
	Security Deposit*	27.35	22.95
	Advances to Staff	2.37	4.02
	Advances for Services	386.29	97.72
	Prepaid Expenses	6.59	4.57
	GST/Service Tax Cenvat	223.33	232.91
	Security Receipts	6,352.65	4,852.65
	Total	6,998.58	5,214.82

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

Note : 8 Current Tax Assets (Net)

(₹ in Lakhs)

Sr. No.	Particulars	Current Year	Previous Year
1	Advance Recoverable in cash or in kind or for value to be considered good		
	Income Tax and TDS	9,350.32	10,642.73
	Balance with Revenue Authorities	130.00	-
	Provision for Taxation	(8,301.75)	(9,328.85)
	Total	1,178.57	1,313.88

Note : 9 Property, Plant and Equipment

(₹ in Lakhs)

Sr. No.	Particulars	Gross Block			Depreciation			Net Block		
		Value at the beginning	Addition during the year	Deduction during the year	Value at the end	Addition during the year	Deduction during the year	Value at the end	WDV as on 31.03.2022	WDV as on 31.03.2023
I	Tangible Assets									
1	Land	-	-	-	-	-	-	-	-	-
2	Building	6,428.59	0.12	115.25	6,313.46	104.66	11.59	562.10	5,751.36	5,959.56
3	Furniture & Fittings	223.59	50.11	-	273.70	13.23	-	156.77	116.93	80.05
4	Computer Peripheral	241.55	159.00	-	400.55	36.23	-	246.70	153.85	31.08
5	Vehicles	246.19	353.70	13.07	586.82	32.45	11.30	135.16	451.66	132.18
6	Equipments, Plant & Machinery	180.00	62.74	-	242.74	18.28	-	159.54	83.20	38.74
	SUB TOTAL (A)	7,319.91	625.67	128.32	7,817.27	204.86	22.90	1,260.27	6,557.00	6,241.61
II	Intangible Assets									
1	Computer Software	531.47	-	-	531.47	39.13	-	460.67	70.80	109.92
2	Goodwill	10.70	-	10.70	-	-	-	-	-	10.70
	SUB TOTAL (B)	542.17	-	-	531.47	39.13	-	460.67	70.80	120.62
III	Capital Work-in-progress									
	SUB TOTAL (C)	-	-	-	-	-	-	-	-	-
IV	Intangible Assets Under Development									
	SUB TOTAL (D)	-	-	-	-	-	-	-	-	-
	Total [A+B+C+D] [Current Year]	7,862.08	625.67	128.32	8,348.74	243.99	22.90	1,720.94	6,627.80	6,362.23
	Total (Previous Year)	7,740.36	131.24	9.50	7,862.07	196.28	9.50	1,499.86	6,362.23	6,427.29

Note : 10 Other Non Financial Assets

(₹ in Lakhs)

Sr. No.	Particulars	Current Year	Previous Year
1	Deferred Revenue Expenditure	-	74.39
2	Unexpired Expenses of Processing Fees	84.67	59.96
	Total	84.67	134.35

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

Note : 11 Derivative financial Instruments (Liabilities)

(₹ in Lakhs)

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

Note : 12 Payables

(₹ in Lakhs)

Sr. No.	Particulars	Current Year	Previous Year
1	Trade Payables		
	(i) Total outstanding dues of Micro Enterprises and Small Enterprises		
	(a) Sundry Creditors for Services	11.31	7.69
		11.31	7.69
	(ii) Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises		
	(a) SBI Assignment Payable	128.64	348.19
	(b) SIB Assignment Payable	3.86	67.57
	(c) CBI Financial Services Payable	1.08	77.94
	(e) Other Sundry Payables	8.04	480.77
		141.62	974.47
2	Other Payables		
	(i) Total outstanding dues of Micro Enterprises and Small Enterprises	-	-
	(ii) Total outstanding dues of creditors other than Micro enterprises and Small Enterprises		
	(a) Statutory Payables		
	Professional Tax Payable	0.01	0.01
	EPF Contribution Payable	20.27	9.94
	ESI Payable	6.80	3.88
	GST Payable	98.38	5.62
	TDS Payable	237.70	156.98
	LIC GSLI Payable	0.02	0.02
	(b) Expenses Payables	798.16	351.83
		1,161.34	528.28
	Total	1,314.27	1,510.44

Note : 12 (a) Trade Payables Due for Payment 2022-23

(₹ in Lakhs)

Sr. No.	Particulars	Less than 1 Year	1 - 2 Years	2 - 3 Years	More than 3 Years	Total
1	MSME	11.31	-	-	-	11.31
2	Others	141.62	-	-	-	141.62
3	Disputed Dues-MSME	-	-	-	-	-
4	Disputed Dues-Others	-	-	-	-	-
	Grand Total	152.93	-	-	-	152.93

Trade Payables Due for Payment 2021-22

(₹ in Lakhs)

Sr. No.	Particulars	Less than 1 Year	1 - 2 Years	2 - 3 Years	More than 3 Years	Total
1	MSME	7.69	-	-	-	7.69
2	Others	974.47	-	-	-	974.47
3	Disputed Dues-MSME	-	-	-	-	-
4	Disputed Dues-Others	-	-	-	-	-
	Grand Total	982.16	-	-	-	982.16

- There are no dues pending more than 45 days

Note : 13 Debt Securities

(₹ in Lakhs)

Particulars	Current Year				Previous Year			
	At Amortised Cost	At Fair Value Through profit or loss	Designated at fair value through profit or loss	Total	At Amortised Cost	At Fair Value Through profit or loss	Designated at fair value through profit or loss	Total
	(1)	(2)	(3)	(4)=(1)+(2)+(3)	(5)	(6)	(7)	(8)=(5)+(6)+(7)
Liability component of compound Financial Instruments	-	-	-	-	-	-	-	-
Others (Bonds/ Debentures etc.)*	39,997.88	-	-	39,997.88	37,470.89	-	-	37,470.89
Total (A)	39,997.88	-	-	39,997.88	37,470.89	-	-	37,470.89
Debt Securities in India	39,997.88	-	-	39,997.88	37,470.89	-	-	37,470.89
Debt Securities outside India	-	-	-	-	-	-	-	-
Total (B) to tally with (A)	39,997.88	-	-	39,997.88	37,470.89	-	-	37,470.89

***Details of Non Convertible Debentures**

(₹ in Lakhs)

Debenture Series	Issued Date	Issued Amount	Rate of Interest	Interest Periodicity	Maturity Date	Maturity Amount	Current Year	Previous Year
Series-'PDL1802'	Feb-2018	2,800.00	12.00%	Monthly	Feb-2023	2,800.00	No	Yes
Series-'PDL2020-3'	Feb-2020	900.00	12.00%	Monthly	Feb-2025	900.00	Yes	Yes
Series-'PDL-07-2020'	Jul-2020	5,000.00	10.50%	Quarterly	Apr-2023	5,000.00	Yes	Yes
Series-'PDL-08-2020'	Aug-2020	2,000.00	9.50%	Yearly	Feb-2022	2,000.00	No	Yes
Series-'PDL-11-2020'	Nov-2020	1,600.00	10.50%	Quarterly	May-2022	1,600.00	No	Yes
Series-'PDL-12-2020'	Dec-2020	3,500.00	12.00%	Monthly	Dec-2023	3,500.00	Yes	Yes
Series-'PDL-02-2021'	Feb-2021	2,300.00	12.00%	Monthly	Feb-2026	2,300.00	Yes	Yes
Series-'PDL-07-2021'	July-2021	2,500.00	12.00%	Monthly	July-2026	2,500.00	Yes	Yes
Series-'PDL-09-2021'	Sep-2021	9,400.00	12.00%	Monthly	Sep-2026	9,400.00	Yes	Yes
Series-'PDL-09-02-2021'	Sep-2021	1,500.00	12.00%	Monthly	Sep-2026	1,500.00	Yes	Yes
Series-'PDL-02-2022'	Feb-2022	2,700.00	9.00%	Monthly	Feb-2029	2,700.00	Yes	Yes
Series-'PDL-07-2022'	Jul-2022	1,400.00	9.90%	Monthly	Jul-2032	1,400.00	Yes	No
Series-'PDL-01-2023'	Jan-2023	3,400.00	12.00%	Monthly	Jan-2033	3,400.00	Yes	No
Series-'NFPL-10-2021'	Oct-2021	4,300.00	12.00%	Monthly	Oct-2028	4,300.00	Yes	Yes
Series-'NFPL-12-2021'	Dec-2021	600.00	14.00%	Monthly	Dec-2031	600.00	No	Yes
Series-'NFPL-03-2022'	Mar-2022	240.00	12.00%	Monthly	Mar-2027	240.00	Yes	Yes
Series-'NFPL-05-2022'	May-2022	550.00	12.00%	Monthly	May-2027	550.00	Yes	No
Series-'NFPL-06-2022'	Jun-2022	700.00	12.00%	Monthly	Jun-2032	700.00	Yes	No
Series-'NFPL-07-2022'	Jul-2022	1,500.00	12.00%	Monthly	Jul-2032	1,500.00	Yes	No

Note : 14 Borrowings (Other than Debt Securities)

(₹ in Lakhs)

Particulars	Current Year				Previous Year			
	At Amortised Cost	At fair value through profit or loss	Designated at fair value through profit or loss	Total	At Amortised Cost	At fair value through profit or loss	Designated at fair value through profit or loss	Total
	(1)	(2)	(3)	(4)=(1)+(2)+(3)	(1)	(2)	(3)	(4)=(1)+(2)+(3)
(a) Term loans:								
(i) From banks	56,269.76	-	-	56,269.76	18,160.60	-	-	18,160.60
(ii) From other parties	2,283.02	-	-	2,283.02	2,285.22	-	-	2,285.22
(b) Deferred payment liabilities	-	-	-	-	-	-	-	-
(c) Loans from related parties	-	-	-	-	-	-	-	-
(d) Finance lease obligations	-	-	-	-	-	-	-	-
(e) Liability component of compound financial instruments	-	-	-	-	-	-	-	-
(f) Loans repayable on demand:								
(i) from banks	84,381.37	-	-	84,381.37	84,650.16	-	-	84,650.16
(ii) from other parties	19,886.79	-	-	19,886.79	16,128.68	-	-	16,128.68
(g) Other loans (specify nature)	-	-	-	-	-	-	-	-
Total (A)	1,62,820.94	-	-	1,62,820.94	1,21,224.66	-	-	1,21,224.66
Borrowings in India	1,62,820.94	-	-	1,62,820.94	1,21,224.66	-	-	1,21,224.66
Borrowings outside India	-	-	-	-	-	-	-	-
Total (B) to tally with (A)	1,62,820.94	-	-	1,62,820.94	1,21,224.66	-	-	1,21,224.66

Note : 15 Deposits

Particulars	Current Year				Previous Year			
	At Amortised Cost	At fair value through profit or loss	Designated at fair value through profit or loss	Total	At Amortised Cost	At fair value through profit or loss	Designated at fair value through profit or loss	Total
	(1)	(2)	(3)	(4)=(1)+(2)+(3)	(5)	(6)	(7)	(*8)=(5)+(6)+(7)
Deposits								
(i) Public Deposits	-	-	-	-	-	-	-	-
(ii) From Banks	-	-	-	-	-	-	-	-
(iii) From Others	-	-	-	-	-	-	-	-
Total								

Note : 16 Subordinated Liabilities

Particulars	Current Year				Previous Year			
	At Amortised Cost	At fair value through profit or loss	Designated at fair value through profit or loss	Total	At Amortised Cost	At fair value through profit or loss	Designated at fair value through profit or loss	Total
	(1)	(2)	(3)	(4)=(1)+(2)+(3)	(5)	(6)	(7)	(8)=(5)+(6)+(7)
Perpetual Debt Instruments to the extent that do not qualify as equity	-	-	-	-	-	-	-	-
Preference Shares other than those that qualify as Equity	-	-	-	-	-	-	-	-
Others (Non-Convertible Debentures*)	8,900.00	-	-	8,900.00	8,900.00	-	-	8,900.00
Total (A)	8,900.00			8,900.00	8,900.00			8,900.00
Subordinated Liabilities in India	8,900.00	-	-	8,900.00	8,900.00	-	-	8,900.00
Subordinated Liabilities outside India	-	-	-	-	-	-	-	-
Total (B) to tally with (A)	8,900.00			8,900.00	8,900.00			8,900.00

*** Details of Non-Convertible Debentures**

Debt Instrument Series	Issued Date	Issued Amount	Rate of Interest	Interest Periodicity	Maturity Date	Maturity Amount	Current Year	Previous Year
Series-'PDL 1808'	Aug-2018	8,100	14.00%	Monthly	Aug-2024	8,100	Yes	Yes
Series-'PDL 2020-1'	Jan -2020	600	12.00%	Monthly	Jan-2026	600	Yes	Yes
Series-'PDL 2020-2'	Feb-2020	100	12.00%	Monthly	Feb-2026	100	Yes	Yes
Series-'PDL 2020-12'	Dec-2020	100	12.00%	Monthly	Dec-2030	100	Yes	Yes

Note : 17 Others Financial Liabilities

Sr. No.	Particulars	Current Year	Previous Year
1	Debt Service Repayment Account	443.14	251.49
	Total	443.14	251.49

Note : 18 Current Tax Liabilities (Net)

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

Note : 19 Provisions

Sr. No.	Particulars	Current Year	Previous Year
1	Provision for Standard Assets	1,287.58	1,057.25
2	Provision for Proposed Dividend on Equity Shares	449.02	439.12
3	Provision for Expected Credit Loss	1,366.98	1,351.04
4	Provision for Sub Standard Assets	640.83	613.24
	Total	3,744.41	3,460.65

Note : 20 Deferred Tax Liabilities (Net)

Sr. No.	Particulars	Current Year	Previous Year
1	Opening Balance	273.78	169.51
	Tax on Timing difference on Property, Plant and Equipments	418.68	326.45
	Tax on Timing difference on Deferred Revenue Expenditures	-	19.06
	Tax on Timing difference on Unexpired Processing Fees	20.73	(69.22)
	Tax on Timing difference on Unearned Processing Fees	(490.01)	(2.51)
2	Total Deferred Tax Liability	(50.60)	273.78
	Provision for Deferred Tax required for the year (2-1)	(324.38)	104.27
	Total	(50.60)	273.78

Note : 21 Others Non Financial Liabilities

Sr. No.	Particulars	Current Year	Previous Year
1	Unearned Income of Processing Fees	1,913.04	337.65
	Total	1,913.04	337.65

Note : 22 Share Capital

Sr. No.	Particulars	Current Year	Previous Year
1	AUTHORIZED CAPITAL		
	120,00,00,000 Equity Shares of Re. 1 per share (Previous year 12,00,00,000 equity shares of Rs. 10 each)	12,000.00	12,000.00
	50,00,000 Preference Shares of Rs. 10 each	500.00	500.00
		12,500.00	12,500.00
2	ISSUED, SUBSCRIBED CAPITAL		
	43,92,46,990 Equity Shares of Re. 1 per Share fully paid up (Previous year 42,30,46,99 Equity Shares of Rs. 10 each)	4,392.47	4,230.47
	Add: 99,00,000 Shares of Re. 1 per Share fully paid up issued during the year (Previous year 16,20,000 Shares issued @ Rs. 705 each of Face value of Rs. 10 each)	99.00	162.00
		4,491.47	4,392.47
3	PAID UP CAPITAL		
	43,91,21,990 Equity Shares of Re. 1 per Share fully paid up (Previous year 4,22,92,199 Equity Shares of Rs. 10 each)	4,391.22	4,229.22
	Add: 99,00,000 Share Issued @ Rs. 70.5 each of Face value Re. 1 each (Previous year 16,20,000 Share Issued @ Rs. 705 each of Face of value Rs. 10 each)	99.00	162.00
	Add: Share Forfeited a/c (Amount originally Paid up @ Re. 0.50 each on 1,25,000 Equity Shares of Re. 1 each)	0.63	0.63
	Total	4,490.84	4,391.84

Note : 23 Other Equity

Current Reporting Period:

Particulars	Share Application money pending Allotment	Equity component of compound Financial Instruments	Statutory Reserves - RBI Reserve Fund	Capital Reserve	Securities Premium	General Reserve	Retained Earnings	Capital Redemption Reserve	Revaluation Reserve	Debt instruments through other Comprehensive Income	Equity Instruments through other Comprehensive Income	Effective portion of Cash Flow Hedges	Revaluation Surplus	Exchange differences on translating the financial statements of a foreign operation	Other items of Other Comprehensive Income (Specify nature)	Money received against Share Warrants	Total
Balance at the beginning of the reporting period	-	-	15,814.44	2,415.21	31,211.02	45,835.11	339.06	250.00	344.96	-	-	-	-	-	-	1,744.88	97,954.68
Add: Any change due to IND AS	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Restated Balances at the beginning of the reporting period	-	-	15,814.44	2,415.21	31,211.02	45,835.11	339.06	250.00	344.96	-	-	-	-	-	-	1,744.88	97,954.67
Total Comprehensive Income for the year	-	-	-	-	-	-	9,361.86	-	-	-	-	-	-	-	-	-	9,361.86
Money received as share warrant	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	5,234.63	5,234.63
Share warrant converted into Share capital	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(99.00)	(99.00)
Security Premium on conversion of warrants into equity	-	-	-	-	6,880.50	-	-	-	-	-	-	-	-	-	-	(6,880.50)	-
Proposed Dividends	-	-	-	-	-	-	(458.92)	-	-	-	-	-	-	-	-	-	(458.92)
Depreciation on Revaluation Amount	-	-	-	-	-	-	9.08	-	(9.08)	-	-	-	-	-	-	-	-
Income Tax Impact due to IND AS on Processing Fees	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer to General Reserve	-	-	-	-	-	6,300.00	(6,300.00)	-	-	-	-	-	-	-	-	-	-
Transfer to Statutory Reserve Fund	-	-	1,872.38	-	-	-	(1,872.38)	-	-	-	-	-	-	-	-	-	-
Provision on Standard Assets	-	-	-	-	-	-	(230.33)	-	-	-	-	-	-	-	-	-	(230.33)
Expenditure on Corporate Social Responsibility	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance at the end of the reporting period	-	-	17,686.82	2,415.21	38,091.52	52,135.11	848.38	250.00	335.88	-	-	-	-	-	-	-	1,11,762.91

Previous Reporting Period:

Particulars	Share Application money pending Allotment	Equity component of compound Financial Instruments	Statutory Reserves - RBI Reserve Fund	Capital Reserve	Securities Premium	General Reserve	Retained Earnings	Capital Redemption Reserve	Revaluation Reserve	Debt instruments through other Comprehensive Income	Equity Instruments through other Comprehensive Income	Effective portion of Cash Flow Hedges	Revaluation Surplus	Exchange differences on translating the financial statements of a foreign operation	Other items of Other Comprehensive Income (Specify nature)	Money received against Share Warrants	Total
Balance at the beginning of the reporting period	-	-	14,229.42	2,415.21	19,952.02	40,335.11	137.42	250.00	354.04	-	-	-	-	-	-	4,600.13	82,273.35
Add: Any change due to IND AS	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Restated Balances at the beginning of the reporting period	-	-	14,229.42	2,415.21	19,952.02	40,335.11	137.42	250.00	354.04	-	-	-	-	-	-	4,600.13	82,273.35
Total Comprehensive Income for the year	-	-	-	-	-	-	7,925.07	-	-	-	-	-	-	-	-	-	7,925.07
Money received as share warrant	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	8,565.75	8,565.75
Share warrant converted into Share capital	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(162.00)	(162.00)
Security Premium on conversion of warrants into equity	-	-	-	-	11,259.00	-	-	-	-	-	-	-	-	-	-	(11,259.00)	-
Proposed Dividends	-	-	-	-	-	-	(439.12)	-	-	-	-	-	-	-	-	-	(439.12)
Depreciation on Revaluation Amount	-	-	-	-	-	-	9.08	-	(9.08)	-	-	-	-	-	-	-	-
Income Tax Impact due to IND AS on Processing Fees	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer to General Reserve	-	-	-	-	-	5,500.00	(5,500.00)	-	-	-	-	-	-	-	-	-	-
Transfer to Statutory Reserve Fund	-	-	1,585.02	-	-	-	(1,585.02)	-	-	-	-	-	-	-	-	-	-
Provision on Standard Assets	-	-	-	-	-	-	(208.37)	-	-	-	-	-	-	-	-	-	(208.37)
Balance at the end of the reporting period	-	-	15,814.44	2,415.21	31,211.02	45,835.11	339.06	250.00	344.96	-	-	-	-	-	-	1,744.88	97,954.68

Note : 24 Interest Income

(₹ in Lakhs)

Particulars	Current Year			Previous Year		
	On Financial Assets measured at Fair value through OCI	On Financial Assets measured at Amortised Cost	Interest Income on Financial Assets classified at Fair value through profit or loss	On Financial Assets measured at Fair value through OCI	On Financial Assets measured at Amortised Cost	Interest Income on Financial Assets classified at Fair value through profit or loss
Interest on Loans	-	47,005.80	-	-	39,173.79	-
Interest Income from Investments	-	-	-	-	-	-
Interest on Deposits with Banks	-	14.51	-	-	36.79	-
Other Interest Income	-	55.17	-	-	12	-
Fee and Commission Income	-	242.68	-	-	-	-
Dividend Income	-	0.83	-	-	-	-
Total	-	47,318.99	-	-	39,222.33	-

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

(₹ in Lakhs)

Particulars	Current Year	Previous Year
(A) Net gain/ (loss) on Financial Instruments at Fair value through profit or loss		
(i) On trading portfolio:		
– Investments	-	-
– Derivatives	-	-
– Others	-	-
(ii) On Financial Instruments designated at fair value through profit or loss	49.38	-
(B) Others		
(i) Total Net gain/(loss) on fair value changes (c)	-	-
(ii) Fair Value changes:		
– Realised	-	-
– Unrealised	-	-
Total Net Gain/(Loss) on Fair value changes (D) to tally with (C)	49.38	-

Note : 26 Other Income

(₹ in Lakhs)

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

Note : 27 Finance Cost

(₹ in Lakhs)

Sr. No.	Particulars	Current Year		Previous Year	
		On Financial liabilities measured at fair value through profit or loss	On Financial liabilities measured at Amortised Cost	On Financial liabilities measured at fair value through profit or loss	On Financial liabilities measured at Amortised Cost
1	Interest on Deposits	-	-	-	-
2	Interest on Borrowings	-	13,767.58	-	12,426.32
3	Interest on Debt Securities	-	4,478.78	-	3,827.11
4	Interest on Subordinated Liabilities	-	1,230.00	-	1,230.00
5	Other Interest expense/ Bank Charges	-	1,390.64	-	927.25
	Total	-	20,867.00	-	18,410.68

Note : 28 Impairment on Financial Instruments

(₹ in Lakhs)

Particulars	Current Year		Previous Year	
	On Financial instruments measured at Fair value through OCI	On Financial instruments measured at Amortised Cost	On Financial instruments measured at Fair value through OCI	On Financial instruments measured at Amortised Cost
Bad Debts Written Off on Loans	-	5,346.62	-	5,140.76
Provision for NPA	-	27.58	-	312.07
Provision for Expected Credit Loss				
Provision on Standard Accounts in Default	-	-	-	-
Additional Provision for Expected Credit Loss	-	15.94	-	11.16
Investments	-	-	-	-
Others (to be specified)	-	-	-	-
Total	-	5,390.14	-	5,463.99

Note : 29 Employees Benefit Expenses

(₹ in Lakhs)

Sr. No.	Particulars	Current Year	Previous Year
1	Salaries and Wages to Employees	2,626.70	1,925.73
2	Directors Salaries & Allowances	633.82	505.25
3	Contribution to Provident and other funds	148.79	106.94
4	Share Based Payments to employees	-	-
5	Staff welfare expenses	57.81	37.53
	Total	3,467.12	2,575.45

- No remuneration has been paid to Directors except remuneration to Managing Director and Executive Directors. The remuneration paid to Managing Director and Executive Directors during the F.Y. 2022-23 Rs. is 6,33,82,058 (Last year Rs. 5,05,24,800) which is within the limit as specified u/s 197 read with Schedule V of the Companies Act, 2013.

Note : 30 Depreciation & Amortised Cost

(₹ in Lakhs)

Sr. No.	Particulars	Current Year	Previous Year
1	Depreciation	244.00	196.28
2	Deferred Revenue Exp. w/o*	74.39	127.08
3	Goodwill w/o#	10.70	-
	Total	329.09	323.36

- *Deferred Expenses written off over a period of five Years.

- #Goodwill written off during the Years.

Note : 31 Other Expenses

(₹ in Lakhs)

Sr. No.	Particulars	Current Year	Previous Year
1	Car & Scooter Expenses	35.19	27.52
2	Traveling Expenses	577.69	355.44
3	Repair & Maintenance	104.61	37.76
4	Insurance Expenses	12.25	11.18
5	Electricity & Water Expenses	82.44	56.43
6	Rates & Taxes	7.75	2.69
7	Legal Expenses & Professional Fees	915.64	475.63
8	Printing & Stationery Expenses	150.27	56.93
9	Postage & Telephone Expenses	73.77	43.78
10	Auditors Remuneration	7.35	7.03
11	Rent	247.33	164.80
12	Rebate & Remission	190.15	35.46
13	Advertisement & Business Promotion Expenses	1,313.01	111.20
14	Recovery Expenses	(0.08)	6.24
15	Office and General Expenses	245.73	165.12
16	Loss/(Profit) on sale of Assets/Investments	(12.85)	(0.50)
18	Directors Sitting Fees & Expenses	13.41	15.64
19	Corporate Social Responsibility Expenditure*	176.01	161.03
	Total	4,139.67	1,733.38

- *Refer Note 31 of Standalone Financial Statements.

32. Remuneration to Auditors:

(₹ in Lakhs)

	2022-23	2021-22
For Statutory Audit	4.98	4.95
For Tax Audit	1.77	1.50
Total	6.75	6.45

33. Earning Per Share:

(₹ in Lakhs)

	2022-23	2021-22 (Re-stated)	2021-22
Net profit for the year (After Tax)	9,361.88	7,925.07	7,925.07
No. of Equity Shares (Weighted)	4,447.84	4,234.77	423.48
Basic and diluted Earning per share	2.10	1.87	18.71

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

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

(₹ in Lakhs)

Name of Bank / Financial Institution	Facility	Amount o/s
Karnataka Bank Ltd	Cash Credit	2,000.00
Indian Bank	Cash Credit	500.00
State Bank of India	Term Loan	6,919.90
Bank of Baroda	Term Loan	2,430.56
Indian Bank	Term Loan	828.76
Tata Capital Financial Services Limited	Term Loan	956.83
Satin Credit Care Network Limited	Term Loan	305.15
Satin Finserv Limited	Term Loan	61.03
Total		14,002.23

For Contingent Assets refer note no. 37 (b) Notes to the Accounts of Standalone Financial Statements of Paisalo Digital Limited.

36. Disclosure of Related party transactions:

Refer note no. 37 (A, B & C) of Notes to the Account of Standalone Financial Statement of Paisalo Digital Limited.

D. Disclosures required for Related party transactions

(₹ in Lakhs)

Name of Party	Nature	Amount	Amount Receivable/ (Payable)
Mr. Sunil Agarwal	Remuneration to Director	405.85	(18.80)
Mr. Harish Singh	Remuneration to Director	33.00	(1.60)
Mr. Anoop Krishna	Remuneration to Director	39.60	(2.44)
Mrs. Raj Agarwal	Rent	9.00	(0.68)
Mr. Santanu Agarwal	Salary	164.32	(9.00)
Mr. Manendra Singh	Salary	12.10	(0.98)
Mr. Santanu Agarwal	Loan Received	655.00	-
Mr. Santanu Agarwal	Interest Expenses	40.40	-
Mr. Pranav Chauhan	Interest Payment (on NCD)	24.00	-
Mr. Sunil Agarwal	Dividend Paid	52.85	-
Mr. Santanu Agarwal	Dividend Paid	16.85	-
Ms. Suneeti Agarwal	Dividend Paid	3.58	-
Pro Fitcch Pvt. Ltd.	Dividend Paid	10.41	-
Equilibrated Ventures Cflow Pvt. Ltd.	Dividend Paid	49.54	-
Pri Caf Pvt. Ltd.	Dividend Paid	11.27	-
Pro Fitcch Pvt. Ltd.	Amount received against Share Warrants for conversion into equity (allotment of 33,00,000 equity shares to each allottee)	1,744.87	-
Equilibrated Ventures Cflow Pvt. Ltd.		1,744.87	-
Pri Caf Pvt. Ltd.		1,744.87	-

Notes:

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

37. Term Loan facility:

The Company has taken following Term Loans which are fully secured by first charge on hypothecation of Book debts, personal guarantees of Directors and Corporate guarantee of its Holding Company Paisalo Digital Limited, the details of which are given hereunder.

(₹ in Lakhs)

Name of Financial Institutions	Date of Sanction	Sanctioned Amount	Rate of Interest	Terms of repayment	Maturity Date
State Bank of India	15 th July 2017	2,000.00	11.00%	16 quarterly installments	Jun 2022
Bank of Baroda	29 th June 2019	2,500.00	12.20%	36 monthly installments	Dec 2022
Satin Creditcare Limited	09 th Dec 2020	1,000.00	18.00%	36 monthly installments	Dec 2023
Satin Finserv Limited	09 th Dec 2020	200.00	18.00%	36 monthly installments	Dec 2023
State Bank of India	02 nd Jun 2021	3,000.00	9.45%	20 quarterly installments	Jun 2026
State Bank of India	31 st Jan 2022	1,500.00	9.45%	15 quarterly installments	Mar 2026
Tata Capital Financial Services Ltd	25 th Mar 2022	1,500.00	11.00%	30 monthly installments	Jan 2024
Indian Bank	01 st Aug 2022	1,000.00	10.70%	36 monthly installments	Aug 2025
State Bank of India	27 th Dec 2022	3,500.00	MCLR+2.70%	15 quarterly Installments	Sep 2026
Bank of Baroda	23 rd Jan 2023	2,500.00	10.05%	36 monthly installments	Feb 2026

For other details of facilities and loans refer note no. 38 Notes to the Accounts of Standalone Financial Statements of Paisalo Digital Limited.

- a) The Company has taken following Term Loans which are fully secured by first charge on hypothecation of Book debts, the details of which are given hereunder:

(₹ in Lakhs)

Name of Financial Institutions	Date of Sanction	Sanctioned Amount	Rate of Interest	Terms of repayment	Maturity Date
Unity Small Finance Bank [#]	20 th Oct 2022	3,000.00	12.75%	Principal to repaid in two installments Rs. 15 Cr each at the end of 15th and 18th month from the date of disbursement.	Mar 2024 June 2024

- b) The Company has taken unsecured Term Loans, the details of which is as:

(₹ in Lakhs)

Name of Financial Institutions	Date of Sanction	Sanctioned Amount	Rate of Interest	Terms of repayment	Maturity Date
Satin Credit care Limited	24 th June 2022	1,200.00	18.00%	36 monthly installments	June 2025

38. Working Capital Borrowings:

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

(₹ in Lakhs)

S. No.	Name of Bank	Sanctioned Amount	Date of Sanction	Rate of Interest
1	Karnataka Bank Ltd.	2,000.00	28th December, 2015	MCLR+2%
2	Indian Bank	500.00	01st Aug 2022	MCLR+3.15%
	Total	2,500.00		

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

(₹ in Lakhs)

Name of the Entity	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount
1	2	3	4	5
Total Consolidated	100	1,16,253.75	100	9,361.88
Holding Co. :				
Paisalo Digital Limited	95.30	1,10,795.01	97.94	9,169.25
		(Note 1)		(Note 2)
Subsidiaries-Wholly Owned :				
Nupur Finvest Pvt. Ltd.	4.70	5,458.74	2.06	192.63

Paisalo Digital Limited is not holding any foreign subsidiary company / joint Venture

Note 1. Net of Investment in Subsidiary Company

Note 2. Net of Income from Subsidiary Company

FORM NO. AOC-1

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

STATEMENT CONTAINING SALIENT FEATURES OF THE FINANCIAL STATEMENTS OF SUBSIDIARIES/
ASSOCIATE COMPANIES/JOINT VENTURES:

Part "A" Subsidiaries

		(₹ in Lakhs)
1	Name of Subsidiary	M/s Nupur Finvest Pvt. Ltd.
2	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Same i.e. April 1, 2022 to March 31, 2023
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	4,921.78
6	Total Assets	35,894.66
7	Total Liabilities	35,894.66
8	Investments	—
9	Turnover	5,021.81
10	Profit before Taxation	240.72
11	Provision for Taxation	48.09
12	Profit after Taxation	192.63
13	Proposed Dividend (excluding dividend distribution tax)	—
14	% of shareholding	100%

Name of subsidiaries which are yet to commence operation : NA
Names of subsidiaries which have been liquidated or sold during the year : NA
Part "B" : Associates and Joint Venture : NIL

Signed in terms of our Report of even date

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

Sd/-
(CA. MANISH GOYAL)
Partner
Membership No. 074778
UDIN : 23074778BGUSZ09358

Place : New Delhi
Date : 11th May 2023

For and on behalf of the Board

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

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

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

NOTICE OF 31ST AGM

NOTICE OF 31ST AGM

NOTICE OF 31ST ANNUAL GENERAL MEETING

Notice is hereby given that the Thirty First (31st) Annual General Meeting of the Members of Paisalo Digital Limited (AGM/ Meeting) will be held on Thursday, September 21, 2023 at 2:45 P.M. through Video Conferencing (VC) / Other Audio Visual Means (OAVM), to transact the following business(s):

ORDINARY BUSINESS:

Item No. 1 – Adoption of Audited Standalone and Consolidated Financial Statements

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

“RESOLVED THAT the audited financial statements (including the consolidated financial statements) of the Company for the financial year ended March 31, 2023 and the reports of the Board of Directors and Auditors thereon, as circulated to the members, be and are hereby considered and adopted.”

Item No. 2 – Appointment of Mr. Anoop Krishna (DIN: 08068261) as a Director, liable to retire by rotation, and being eligible, offers himself for re-appointment

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

“RESOLVED THAT in accordance with the provisions of Section 152 and other applicable provisions of the Companies Act, 2013, Mr. Anoop Krishna (DIN: 08068261), who retires by rotation at this meeting and being eligible, offers himself for re-appointment be and is hereby appointed as a Director of the Company.”

Item No. 3 – Declaration of final dividend for financial year ended March 31, 2023

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

“RESOLVED THAT a dividend at the rate of 10% i.e. INR 0.10 (Ten Paisa only) per equity share of INR 1/- (Rupee One) each of the Company as recommended by the Board of Directors, be and is hereby declared for the financial year ended March 31, 2023 and the same be paid out of the profits of the Company for the financial year ended March 31, 2023.”

SPECIAL BUSINESS

Item No. 4 – Fixation of borrowing power of the Board of Directors u/s 180 (l) (c) of the Companies Act, 2013

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

“RESOLVED THAT pursuant to provisions of Section 180(l)(c) and other applicable provisions, if any, of the Companies Act, 2013 read with rules made there under [including any statutory modification(s) or re-enactment(s) thereof for the time being in force], consent of the Members of Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as “Board” which term shall be deemed to include any Committee(s) which the Board may have constituted / reconstituted or hereinafter constitute / reconstitute to exercise its powers including the powers conferred by this Resolution), to raise or borrow any sum or sums of money (including non-fund based facilities and borrowing through debt securities) from time to time at their discretion, for the

purpose of the business of the Company notwithstanding that the monies to be borrowed together with the monies already borrowed by the Company (apart from temporary loans obtained from the Company’s bankers in the ordinary course of business) may, at any time, exceed the paid up share capital, free reserves and securities premium of the Company not set apart for any specific purpose, provided that the total amount up to which monies may be borrowed by the Board and which shall remain outstanding at any given point of time shall not exceed a sum of INR 4,500 Crores (Indian Rupees Four Thousand Five Hundred Crores) and that the Board be and is hereby empowered and authorized to arrange or fix the terms and conditions of all such monies to be borrowed from time to time as to interest, repayment, security or otherwise as it may deem fit.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorized to do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary, proper, or desirable and to settle any question, difficulty, doubt that may arise in respect of the borrowing(s) aforesaid and further to do all such acts, deeds and things and to execute all documents and writings as may be necessary, proper, desirable or expedient to give effect to this resolution, without being required to seek any further consent or approval of the Members of the Company.”

Item No. 5 – Authorization to Board of Directors u/s 180 (l) (a) of the Companies Act, 2013 to create charges on movable and immovable properties of the Company

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

“RESOLVED THAT pursuant to provisions of Section 180(l)(a) and all other applicable provisions, if any, of the Companies Act, 2013, read with the relevant rules thereunder [including any statutory modification(s) or re-enactment(s) thereof for the time being in force], consent of the Members of Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as “Board” which term shall be deemed to include any Committee(s) which the Board may have constituted / reconstituted or hereinafter constitute / reconstitute to exercise its powers including the powers conferred by this Resolution), to create/ renew such mortgages, charge(s), hypothecation(s) and floating charges, including existing mortgages, charges and hypothecation created by the Board on behalf of the Company, on such movable and immovable properties of the Company, both present and future, and in such form and manner as the Board may deem fit, to secure any Indian Rupees or Foreign Currency loans and/or the issue of debentures whether partly/ fully convertible or non-convertible and/or the issue of rupee/foreign currency convertible bonds and/or advances and/or all other moneys payable by the Company to its lender(s) (hereinafter collectively referred to as “Loans”), provided that the total amount of loans, already obtained or to be obtained from any Financial Institution, Bank, Body Corporate, Company or any other person(s), together with interest thereon, liquidated damages, commitment charges, premia on pre-payment and other cost and charges expenses and all other monies payable by the Company in respect of said loans, shall not at any time exceed an amount of INR 4,500 Crores (Indian Rupees Four Thousand Five Hundred Crores).

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorized to do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary, proper, or desirable and to settle any question, difficulty, doubt that may arise in respect of the aforesaid purpose and further to do all such acts, deeds and things and to execute all documents and writings as may be necessary, proper, desirable or expedient to give effect to this resolution, without being required to seek any further consent or approval of the Members of the Company.”

Item No. 6 – Approval to issue Non-Convertible Securities/Debentures through private placement

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

“RESOLVED THAT pursuant to the provisions of Sections 42, 71 and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”), and rules made thereunder, including any statutory modifications, clarifications, exemptions or re-enactment thereof, for the time being in force and pursuant to the provisions of the the SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time and RBI-Master Directions on Non-Banking Financial Company-Systemically Important Non Deposit Taking Company and Deposit Taking Company (Reserve Bank) Directions, 2016 and all other rules, regulations, guidelines, notifications, clarifications and circular, if any issued by any statutory/regulatory authority, as may be applicable and the provisions of the Memorandum of Association and the Articles of Association of the Company and subject to such consent, approvals, permissions and sanctioned of the concerned statutory and regulatory authorities if and to the extent necessary, consent of the Members of the Company be and is hereby accorded to the Board of Directors (hereinafter referred to as “Board” which term shall be deemed to include any Committee(s) which the Board may have constituted / reconstituted or hereinafter constitute / reconstitute to exercise its powers including the powers conferred by this Resolution) to create, offer, invite for subscription, issue and allot, in one or more tranches secured/unsecured, redeemable, Non-Convertible Securities (“NCSs”) including but not limited to subordinated/ senior, perpetual/non perpetual, cumulative/non-cumulative rated/ unrated, listed/ unlisted, debentures, bonds, and/or other debt securities, etc. on private placement basis, aggregating upto INR 4,500 Crores (Indian Rupees Four Thousand Five Hundred Crores) on such terms and conditions and at such times, as may be decided by the Board, to such person(s), including but not limited to one or more company(ies), body(ies) corporate, statutory corporation(s), commercial bank(s), lending agency(ies), financial institution(s), insurance company(ies), mutual fund(s), pension/ provident funds, family office(s) and individual(s), as the case may be, or such other person(s) as the Board may decide/approve in its absolute discretion, during the period of one year or for such other period as permissible under the applicable law from the date of passing of the Special Resolution by the Members, within the overall borrowing limits of the Company as approved by the Members of the Company from time to time under Section 180(1)(c) of the Act.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorised to determine the terms of issue of NCSs including but not limited to determine the size, issue price, timing, tenure, interest rate of NCSs, listing of NCSs, if required, creation of security, utilization of issue proceeds, appointment of Debenture Trustee(s), Registrar and Transfer Agent, Legal Counsel and other agency(ies) and to do all necessary acts, deeds, and things and to execute such documents / deeds / writings / papers / agreements as may be required as it may in its absolute discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in regard to issue of NCSs as aforesaid.”

Item No. 7 – Alteration of Articles of Association of the Company

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

“RESOLVED THAT pursuant to the provisions of section 14 and all other applicable provisions, if any, of the Companies Act, 2013 (hereinafter referred to as the ‘Act’) and rules made thereunder, SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021 read with relevant circulars issued by SEBI from time to time, (including any amendment(s), statutory modification(s), variation(s) and/or re-enactment(s) to any of the foregoing and other applicable guidelines, directions or laws), approval

of the members of the Company be and is hereby accorded for alteration of Articles of Association by addition of following article 69 (d) after the existing article 69 (c):

“The Board of Directors shall appoint the person nominated by the debenture trustee(s) in terms of clause (e) of regulation 15(1) of the SEBI (Debenture Trustees) Regulations, 1993 as a Director on the Board. Such appointment of a Director shall be subject to the provisions of Debenture Trust Deed, Companies Act, 2013, Reserve Bank of India (‘RBI’) Regulations, SEBI Regulations and all other applicable provisions of law.”

RESOLVED FURTHER THAT for giving effect to above resolution, the Board of Directors of the Company (hereinafter referred to as ‘Board’, which term shall be deemed to include any duly authorized Committee thereof, which the Board may have constituted or hereinafter constitute from time to time by whatever name called to exercise its power conferred by this resolution) be and is hereby authorized on behalf of the Company to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary or desirable for such purpose including but not limited to execution of all necessary and required agreements, documents, instruments, writings and papers, and settle all difficulties, doubts and questions that may arise in regard to implementation of the aforesaid resolution, without being required to seek any further consent or approval”

Registered Office : CSC, Pocket 52, CR Park Near Police Station
New Delhi-110019

CIN : L65921DL1992PLC120483
Website : www.paisalo.in
Email : cs@paisalo.in
Tel : +91 11 43518888
Date : July 24, 2023

By Order of the Board of Directors
For Paisalo Digital Limited

Sd/-
(Manendra Singh)
Company Secretary
Membership No. : F7868

NOTES:

1. Ministry of Corporate Affairs ("MCA") vide its General Circular Nos.14/2020 dated April 08, 2020, Circular No.17/2020 dated April 13, 2020, Circular No.20/2020 dated May 05, 2020, Circular No.02/2021 dated January 13, 2021, Circular No.19/2021 dated December 08, 2021, Circular No.21/2021 dated December 14, 2021, Circular No.02/2022 dated May 05, 2022 and Circular No. 10/2022 dated December 28, 2022 ("MCA Circulars") has permitted to conduct the Annual General Meeting through video conferencing ("VC") or other audio-visual means ("OAVM") upto September 30, 2023. In compliance with the aforesaid MCA Circulars, the 31st Annual General Meeting ("31st AGM" or "Meeting") of the Members of the Company will be held through VC/ OAVM, without the physical presence of the Members at a common venue. The venue of the Meeting shall be deemed to be the Registered Office of the Company.
2. Company is convening 31st AGM through VC / OAVM and no physical presence of Members, Directors, Auditors and other eligible persons shall be required for the 31st AGM.
3. The deemed venue for 31st AGM shall be the Registered Office of the Company at CSC, Pocket-52, CR Park, Near Police Station, New Delhi-110019.
4. Item mentioned in this AGM Notice are considered unavoidable and forms part of this Notice. Further, a statement pursuant to Section 102(1) of the Act, relating to the Special Business to be transacted at the AGM forms a part of this Notice.
5. As required under Regulation 36(3) of the Listing Regulations and the provisions of the Secretarial Standard on General Meetings, details of the Director, who is being appointed/re-appointed is annexed hereto. Details as per Regulation 36(5) of the Listing Regulations in respect of re-appointment of Statutory Auditors is also annexed to the extent applicable.
6. Generally, a member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on a poll instead of himself and the proxy need not to be a member of the Company. Since this AGM is being held through VC / OAVM pursuant to the MCA Circulars, physical attendance of members has been dispensed with. Accordingly, the facility for appointment of proxies by the members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed hereto. However, the Corporate Members are entitled to appoint authorised representatives to attend the AGM through VC/OAVM and participate there at and cast their votes through e-voting.
7. Since the meeting will be conducted through VC/OAVM facility, the route map is not annexed to this Notice.
8. 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 Friday, September 15, 2023 to Thursday, September 21, 2023, both days inclusive.

DISPATCH OF NOTICE OF AGM AND ANNUAL REPORT THROUGH ELECTRONIC MODE:

9. In terms of Sections 101 and 136 of the Companies Act, 2013 (the "Act") read with the rules made thereunder, Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 ("SEBI (LODR) Regulations, 2015") and in terms of MCA circular dated December 28, 2022 and SEBI circular dated January 5, 2023, the listed companies may send the notice of AGM and the Annual Report, including Financial Statements, Boards' Report, etc. by electronic mode in case the meeting is conducted through VC/OAVM. Accordingly, Notice of 31st AGM along with the Annual Report for financial year ended March 31, 2023 is being sent only through electronic mode to those members whose email addresses are registered with the Company/Depositories. Members may note that the Notice of the 31st AGM and Annual Report for financial year ended March 31, 2023 will also be available on the Company's website at www.paisalo.in, website of the Stock Exchanges i.e., BSE Ltd. ('BSE') at www.bseindia.com and National Stock Exchange of India Ltd. ('NSE') at www.nseindia.com and on the website of National Securities Depository Limited (NSDL) at www.evoting.nsdl.com.

10. In this notice, the term member(s) or shareholder(s) are used interchangeably.
11. For receiving all communication (including Annual Report) from the Company electronically:
 - a. Members holding shares in physical mode and who have not registered / updated their email address with the Company are requested to register / update the same by writing to the Company with details of folio number and attaching a self-attested copy of PAN card at cs@paisalo.in or to Registrar and Transfer Agent of the Company M/s Alankit Assignments Limited at ramap@alankit.com.
 - b. Members holding shares in dematerialised mode are requested to register / update their email addresses with the relevant Depository Participant.

PROCEDURE FOR E-VOTING AT THE AGM:

12. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (LODR) Regulations, 2015 (as amended) and MCA Circulars, the Company is providing facility of remote e-voting and e-voting during the AGM (collectively referred as "electronic voting") to its members to cast their votes in respect of the resolutions listed in this Notice. For this purpose, the Company has entered into an agreement with NSDL for facilitating VC and electronic voting, as the authorized e-voting agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by NSDL.
13. 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 Thursday, September 14, 2023.
14. 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 Thursday, September 14, 2023, may obtain the login ID and password by sending a request at evoting@nsdl.co.in or Company's Registrar and Transfer Agent, M/s Alankit Assignments Limited (RTA).
15. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting on the day of AGM.
16. The attendance of the members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
17. The remote e-voting period begins on Monday, September 18, 2023 at 9:00 A.M. and ends on Wednesday, September 20, 2023 at 5:00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter.
18. The details of the process and manner for remote e-voting are explained herein below:

The way to vote electronically on NSDL e-voting system consists of "Two Steps" which are mentioned below:

Step 1 : Access to the NSDL e-voting system

Step 2 : Cast your vote electronically on NSDL e-voting system.





Step 1 : Access to NSDL e-voting system

A) Login method for e-voting for Individual shareholders holding securities in demat mode

Pursuant to SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on "e-voting facility provided by Listed Companies", e-voting process has been enabled to all the individual demat account holders, by way

of single login credential, through their demat accounts/websites of Depositories/DPs to increase the efficiency of the voting process. Individual demat account holders would be able to cast their vote without having to register again with the e-voting service provider ("ESP") thereby not only facilitating seamless authentication but also ease and convenience of participating in e-voting process. Shareholders are advised to update their mobile number and e-mail ID with their DPs to access e-voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	I. NSDL IDeAS Facility
	If you are already registered for the NSDL IDeAS facility,
	i. Please visit the e-Services website of NSDL. Open the web browser by typing the following URL: https://eservices.nsd.com/ either on a personal computer or mobile phone.
	ii. Once the homepage of e-Services is launched, click on the "Beneficial Owner" icon under "Login", available under the "IDeAS" section.
	iii. A new screen will open. You will have to enter your user ID and password. After successful authentication, you will be able to see e-voting services.
	iv. Click on "Access to e-voting" under e-voting services and you will be able to see the e-voting page.
	v. Click on options available against company name or e-voting service provider – NSDL and you will be redirected to the NSDL e-voting website for casting your vote during the e-voting period or voting during the meeting.
	If the user is not registered for IDeAS e-Services,
	i. The option to register is available at https://eservices.nsd.com
	ii. Select "Register Online for IDeAS" or click on https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp
iii. Upon successful registration, please follow steps given in points i-v above.	
	E-voting website of NSDL
	i. Visit the e-voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsd.com/ either on a personal computer or mobile phone.
	ii. Once the homepage of e-voting system is launched, click on the "Login" icon, available under the "Shareholder / Member" section.
	iii. A new screen will open. You will have to enter your User ID (i.e. your 16-digit demat account number held with NSDL), Password / OTP and a verification code as shown on the screen.
	<p style="text-align: center;">NSDL Mobile App is available on</p> <div style="display: flex; justify-content: center; gap: 20px;">   </div> <div style="display: flex; justify-content: center; gap: 20px; margin-top: 10px;">   </div>

	iv. After successful authentication, you will be redirected to the NSDL Depository site wherein you can see the e-voting page. Click on options available against company name or e-voting service provider – NSDL and you will be redirected to the e-voting website of NSDL for casting your vote during the e-voting period.
	v. Shareholders / Members can also download NSDL Mobile App 'NSDL Speede' facility by scanning the QR code mentioned below for seamless voting experience.
Individual Shareholders holding securities in demat mode with CDSL	i. Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-voting page without any further authentication. The users to login Easi /Easiest are requested to visit CDSL website www.cdslindia.com and click on login icon & New System Myeasi Tab and then use your existing my easi username & password.
	ii. After successful login the Easi / Easiest user will be able to see the e-voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-voting page of the e-voting service provider for casting your vote during the e-voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-voting Service Providers, so that the user can visit the e-voting service providers' website directly.
	iii. If the user is not registered for Easi / Easiest, option to register is available at CDSL website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option.
	iv. Alternatively, the user can directly access e-voting page by providing Demat Account Number and PAN No. from a e-voting link available on www.cdslindia.com home page.
	v. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-voting option where the evoting is in progress and also able to directly access the system of all e-voting Service Providers.
Individual Shareholders (holding securities in demat mode) login through their depository participants	i. You can also log in using the login credentials of your demat account through your depository participant registered with NSDL / CDSL for the e-voting facility.
	ii. Once logged in, you will be able to see the e-voting option. Once you click on the e-voting option, you will be redirected to the NSDL / CDSL depository site after successful authentication, wherein you can see the e-voting feature.

	iii.	Click on the options available against company name or e-voting service provider-NSDL and you will be redirected to the e-voting website of NSDL for casting your vote during the e-voting period or voting during the meeting.
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Important note : Members who are unable to retrieve User ID/Password are advised to use Forget User ID and Forget Password option available at respective website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at 022 - 4886 7000 and 022 - 2499 7000
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33

B) Login method for e-voting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

How to Log-in to NSDL e-Voting website?

- i. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
- ii. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.
- iii. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.
- iv. 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.

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 2*****
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the Company For example if folio number is OO1*** and EVEN is 101456 then user ID is 101456OO1***

- vi. Password details for shareholders other than Individual shareholders are given below:
 - a) If you are already registered for e-voting, then you can use your existing password to login and cast your vote.
 - b) If you are using NSDL e-voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
 - c) How to retrieve your 'initial password'?
 - i) If your e-mail ID is registered in your demat account or with the Company, your 'initial password' is communicated to you on your e-mail ID. Trace the e-mail sent to you from NSDL from your mailbox. Open the e-mail and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
 - ii) If your e-mail ID is not registered, please follow steps mentioned below in process for those shareholders whose e-mail IDs are not registered.
- vii. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
 - a) Click on "Forgot User Details/Password?" (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
 - b) "Physical User Reset Password?" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
 - c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, PAN, name and registered address.
 - d) Members can also use the OTP based login for casting the votes on the e-voting system of NSDL.
- viii. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
- ix. Now, you will have to click on "Login" button.
- x. After you click on the "Login" button, home page of e-voting will open.

Step 2: Cast your vote electronically on NSDL e-voting system.

How to cast your vote electronically on NSDL e-voting system?

- i. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and who's voting cycle.
- ii. Select "EVEN" of Company Paisalo Digital Limited, which is 125006 for which you wish to cast your vote during the remote e-voting period.
- iii. Now you are ready for e-voting as the voting page opens.
- iv. Cast your vote by selecting appropriate options i.e. assent or dissent, verify or modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
- v. Upon confirmation, the message "Vote cast successfully" will be displayed and you will receive a confirmation by way of a SMS on your registered mobile number from depository.
- vi. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
- vii. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

19. Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e-mail ids for e-voting for the resolutions set out in this notice:
- In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAAR (self attested scanned copy of Aadhaar Card) by email to cs@paisalo.in.
 - In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAAR (self-attested scanned copy of Aadhaar Card) to cs@paisalo.in. If you are an Individual shareholder holding securities in demat mode, you are requested to refer to the login method explained at step 1 (A) i.e. Login method for e-Voting for Individual shareholders holding securities in demat mode.
 - Alternatively shareholder/member may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing above mentioned documents.
 - In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

20. General Guidelines for shareholders

- 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.
- 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.
- In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800 102 0990; 1800 22 4430 or send a request to Ms. Prajakta Pawle, Assistant Manager, at evoting@nsdl.co.in.

PROCEDURE FOR JOINING THE AGM THROUGH VC/OAVM:

- Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for Access to NSDL e-Voting system. After successful login, you can see link of "VC/OAVM link" placed under "Join General Meeting" menu against company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
- The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM is having a capacity to allow participation at least 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the

Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.

- Members are encouraged to join the Meeting through Laptops for better experience.
- Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
- Members are requested to note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
- Members who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request mentioning their name, demat account number/folio number, email id, mobile number at cs@paisalo.in. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
- For ease of conduct, members who would like to ask questions/express their views on the items of the businesses to be transacted at the meeting can send in their questions/comments in advance to cs@paisalo.in on or before September 18, 2023 mentioning their name, DP ID Client ID/Folio no., e-mail ID, mobile number, etc. The queries may be raised precisely and in brief to enable the Company to answer the same suitably depending on the availability of time at the meeting.

PROCEDURE FOR E-VOTING ON THE DAY OF AGM:

- The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
- Only those members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
- Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
- The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

PROCEDURE FOR INSPECTION OF DOCUMENTS:

- The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act, the Register of Contracts or Arrangements in which the Directors are interested, maintained under Section 189 of the Act, and the relevant documents referred to in the Notice will be available electronically for inspection by the members during the AGM.
- All documents referred to in the Notice will also be available electronically for inspection without any fee by the members from the date of circulation of this Notice upto the date of AGM. Members seeking to inspect such documents can send an email to cs@paisalo.in.

34. Members seeking any information with regard to the accounts or any matter to be placed at the AGM, are requested to write to the Company at least 7 working days through email on cs@paisalo.in. The same will be replied by the Company suitably.

SCRUTINISER FOR ANNUAL GENERAL MEETING:

35. The Board of Directors has appointed Mr. Satish Kumar Jadon, Practising Company Secretary (FCS No. 9512) as the Scrutiniser for the e-voting process and voting at the venue of the Annual General Meeting in a fair and transparent manner.

36. The Scrutiniser shall, immediately after the conclusion of voting at the Annual General Meeting, first count the votes cast at the meeting, thereafter unlock the votes through e-voting in the presence of at least 2 (two) witnesses, not in the employment of the Company and make, not later than 2 (Two) days from the conclusion of the meeting, a consolidated Scrutiniser's report of the total votes cast in favor or against, if any, to the Company, who shall countersign the same.

37. The results declared along with the Scrutiniser's report shall be placed on the Company's website www.paisalo.in and on the website of NSDL <https://evoting.nsdl.co.in> and shall also be communicated to the Stock Exchanges.

38. The Resolutions shall be deemed to be passed at the Annual General Meeting of the Company scheduled to be held on Thursday, September 21, 2023.

IEPF RELATED INFORMATION:

39. The Company has transferred the unpaid or unclaimed dividends declared up to financial years 2014-15, from time to time, to the Investor Education and Protection Fund ("IEPF") established by the Central Government. Details of dividends so far transferred to the IEPF Authority are available on the website of IEPF Authority and the same can be accessed through the link: www.iepf.gov.in.

40. Members may note that unclaimed dividends transferred to IEPF Authority can be claimed back from the IEPF Authority.

41. Due dates for transfer to IEPF, of the unclaimed/unpaid dividends for the financial year 2015-16 and thereafter, are as under:

Financial Year	Dividend Declared Per Share	Date of Declaration	Due date for transfer in IEPF
2015-16	Re. 1.00	30-09-2016	06-11-2023
2016-17	Re. 1.00	26-09-2017	02-11-2024
2017-18	Re. 1.00	29-09-2018	05-11-2025
2018-19	Re. 1.00	10-08-2019	16-09-2026
2019-20	Re. 1.00	08-09-2020	15-10-2027
2020-21	Re. 1.00	25-09-2021	01-11-2028
2021-22	Re. 0.10	30-09-2022	06-11-2029

42. Further, in terms of section 124(6) of the Act, in case of such shareholders whose dividends are unpaid for a continuous period of 7 years, the corresponding shares shall also be transferred to the IEPF's demat account.

43. Members who have not claimed dividends from FY2016 onwards are requested to approach the Company/RTA for claiming the same as early as possible, to avoid transfer of the relevant shares to the IEPF's demat account.

DIVIDEND RELATED INFORMATION:

44. 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 Thursday, September 14, 2023; and
- b) to all those shareholders holding shares in physical form, on the closing hours on Thursday, September 14, 2023.

45. As per the SEBI (LODR) Regulations, 2015, the Company shall use any electronic mode of payment approved by the Reserve Bank of India for making payment to the members. Accordingly, dividend, if declared, will be paid through electronic mode, where the Bank Account details of the members required for this purpose are available. In case where the dividend cannot be paid through electronic mode, the same will be paid by account payee/not negotiable instruments/warrants with Bank Account details, if available, printed thereon.

46. For enabling the payment of dividend through electronic mode, members holding shares in physical form are requested to furnish, on or before Thursday, September 14, 2023, 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 Thursday, September 14, 2023. 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.

47. 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.

48. 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.

49. Members who still hold share certificates in physical form are advised to dematerialize their shareholding to avail of numerous benefits of demineralization, 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.

50. Pursuant to the requirement of Income Tax Act, 1961, the Company will be required to withhold taxes at the prescribed rates on the dividend paid to its shareholders.

51. The withholding tax rate would vary depending on the residential status of the shareholders and documents submitted by the shareholder with Company/ RTA/ Depository Participant.

Resident Shareholders:

Tax shall be deducted at source under section 194 of the IT Act at the rate of 10% on the amount of dividend declared and paid by the Company during financial year 2023-24. However, in the following cases, TDS at the rate of 20% would be applicable as per IT Act:

- Section 206AA of IT Act - In case where, PAN is not available/ submitted, or PAN submitted is invalid or PAN is not linked with Aadhar; or
- Section 206AB of IT Act - Non-filing of return of income tax of previous year (i.e. FY 2021-22) and aggregate of TDS and TCS in said previous year is Rs. 50,000 or more

No tax shall be deducted at source on the dividend payable to a resident individual if the total dividend to be received by the said resident individual from the Company during a financial year does not exceed Rs. 5,000; or if an eligible resident shareholder provides a valid declaration in Form 15G/Form 15H or other documents as may be applicable to different categories of shareholders.

Further, if a shareholder has obtained a lower or Nil withholding tax certificate from the tax authorities and provides a copy of the same to the Company, tax shall be deducted on the dividend payable to such shareholder at the rate specified in the said certificate.

Non-resident Shareholders:

Tax is required to be deducted at source in the case of non-resident shareholders in accordance with the provisions of section 195 of the IT Act at the rates in force. As per the relevant provisions of the IT Act, the tax shall be deducted at the rate of 20% or applicable rate plus applicable surcharge and health & education cess on the amount of dividend payable to the non-resident shareholders.

For Foreign Institutional Investors ('FII')/ Foreign Portfolio Investors ('FPI') shareholders, TDS will be deducted under section 196D read with section 206AB of the IT Act.

However, as per section 90 of the IT Act, non-resident shareholders have the option to be governed by the provisions of the Double Tax Avoidance Agreement ('DTAA') read with applicable Multilateral Instrument (MLI) provisions, if they are more beneficial to them.

No communication on the tax determination/ deduction shall be entertained after September 14, 2023. The documents submitted by you will be verified by us and we will consider the same while deducting the appropriate taxes, if any, provided that these documents are in accordance with the provisions of the IT Act.

In addition to the above, please note the following:

- In case you hold shares under multiple accounts under different status/ category but under a single PAN, the highest rate of tax as applicable to the status in which shares held under the said PAN will be considered on the entire holding in different accounts.
- In case of joint shareholding, the withholding tax rates shall be considered basis the status of the primary beneficial shareholder.

It may be further noted that in case tax on dividend is deducted at a higher rate in the absence of receipt of any of the required details/ documents from the shareholders, the shareholders may consider filing their return of income and claiming an appropriate refund, as may be eligible. No claim shall lie against the Company for such taxes deducted.

The Company shall arrange to e-mail the soft copy of the TDS certificate, if applicable, to shareholders at the e-mail ID registered with RTA within the prescribed time as per IT Act. The amount of TDS can also be viewed in Form 26AS on the website of the Income Tax department of India <https://www.incometax.gov.in/iec/foportal/>

In the event of any income-tax demand (including interest, penalty, etc.) arising from any misrepresentation, inaccuracy or omission of information provided by the Shareholder/s, such shareholder/s will be responsible

to indemnify the Company, and also provide the Company with all information/ documents and co-operation in any assessment/ appellate proceedings before the Tax/ Government authorities.

OTHER INFORMATION:

52. Securities and Exchange Board of India (SEBI) has mandated that securities of listed companies can be transferred only in dematerialised form w.e.f. April 1, 2019. Accordingly, the Company / RTA has stopped accepting any fresh lodgement of transfer of shares in physical form. Members holding shares in physical form are advised to avail the facility dematerialisation.
53. Further, as an on-going measure to enhance ease of dealing in security markets by investors Securities and Exchange Board of India (SEBI) vide its circular having reference no. SEBI/HO/MIRSD/MIRSD_RTAMB/P/ CIR/2022/8 dated January 25, 2022, has mandated that the listed companies shall henceforth issue the securities in dematerialized form only while processing the following service request:
 - i. Issue of duplicate securities certificate;
 - ii. Claim from Unclaimed Suspense Account;
 - iii. Renewal / Exchange of securities certificate;
 - iv. Endorsement;
 - v. Sub-division/ Splitting of securities certificate;
 - vi. Consolidation of securities certificates/folios;
 - vii. Transmission; and
 - viii. Transposition
54. Pursuant to SEBI circulars, the Company has sent communication to the members holding shares in physical form requesting them to furnish the required details.
55. Members holding shares in physical mode are:
 - a) required to submit their Permanent Account Number (PAN) and bank account details to the Company / RTA, if not registered with the Company/ RTA, as mandated by SEBI, by writing to the Company at cs@paisalo.in or to RTA at ramap@alankit.com along with the details of folio no., self attested copy of PAN card, bank details (Bank account number, Bank and Branch Name and address, IFSC, MICR details) and cancelled cheque.
 - b) pursuant to Section 72 of the Companies Act, 2013, are advised to file nomination in the prescribed Form SH- 13 with the Company's share transfer agent. In respect of shares held in electronic/demat form, the Members may please contact their respective Depository Participants
56. **Members holding shares in electronic mode are:**
 - a) requested to submit their PAN and bank account details to their respective Depository Participants ("DPs") with whom they are maintaining their demat accounts.
 - b) advised to contact their respective DPs for registering nomination.
57. **Non-Resident Indian members are requested to inform RTA / respective DPs, immediately of:**
 - a) Change in their residential status on return to India for permanent settlement.
 - b) Particulars of their bank account maintained in India with complete name, branch, account type, account number and address of the bank with pin code number, if not furnished earlier.

EXPLANATORY STATEMENT

Pursuant to provisions of Section 102 of the Companies Act, 2013

Item no. 4 – Fixation of borrowing power of the Board of Directors u/s 180 (1) (c) of the Companies Act, 2013

Being a Non-Banking Finance Company, it requires more funds for smooth and consistent business operations. Accordingly, to access funds at most competitive rate(s) from various sources and forms including but not limited to term loan(s), working capital facilities, debt securities, inter corporate deposit(s) as may be allowable to the Company.

In this regard, it is, therefore proposed to fix the limit of Board of Directors to borrow money for the Company's business over and above the paid-up share capital, free reserves and securities premium of the Company.

As per the provisions of Section 180 (1) (c) of Companies Act, 2013, the Board of Directors of the Company cannot, except with the consent of the members by way of Special Resolution, borrow money, apart from temporary loans obtained from the Company's bankers in the ordinary course of business, in excess of the aggregate of the paid-up capital, free reserves and securities premium of the Company.

Accordingly, the consent of the members by way of Special Resolution under Section 180 (1) (c) of Companies Act, 2013 is sought for authorizing the Board of Directors of the Company to borrow monies which may exceed at any time the aggregate of the paid-up capital of the Company, its free reserves and securities premium (that is to say, reserves, not set apart for any specific purpose) but not exceeding an amount of INR 4,500 Crores (Indian Rupees Four Thousand Five Hundred Crores).

The Board of Directors accordingly recommends the Special Resolution set out at Item No. 4 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. 4 of the Notice, except to the extent of their shareholding in the Company, if any.

Item no. 5 – Authorization to Board of Directors u/s 180 (1) (a) of the Companies Act, 2013 to create charges on movable and immovable properties of the Company

According to the provisions of Section 180(1)(a) of Companies Act, 2013, the Board of Directors can exercise its powers to create/renew charges, mortgages, hypothecations and floating charges on immovable or movable properties of the Company to secure its borrowings, only with the consent of the members obtained by way of Special Resolution.

Therefore, the Board of Directors of the Company seeks the consent of the members by way of Special Resolution under Section 180 (1) (a) of Companies Act, 2013, to empower the Board to create/ renew charges, mortgages, hypothecations and floating charges on the immovable and movable properties of the Company to secure the borrowing of the Company.

The Board of Directors accordingly recommends the Special Resolution set out in Item No.5 of the accompanying notice for approval of the members.

None of the Directors or Key Managerial Personnel of the Company or their relatives is/are concerned or interested, in any manner in the passing of proposed Resolution set out at Item No. 5 of the Notice, except to the extent of their shareholding in the Company, if any.

Item no. 6 – Approval to issue Non-Convertible Securities/Debentures through private placement

In order to augment resources for business operation of the Company, it may invite subscription for secured/unsecured Non-Convertible Securities/Debentures in one or more series /tranches on Private Placement basis. Borrowings through non-convertible debentures not only work out cost effective but also facilitate the raising of resource in a highly flexible and requirement driven manner. The Company intends to raise long term funds through NCSs in the current year to meet lending requirements.

The NCSs proposed to be issued, may be issued either at par or at premium or at a discount to face value and the issue price (including premium, if any) shall be decided by the Board on the basis of interest rate/effective yield determined, based on market conditions prevailing at the time of the issue.

The provisions of Section 42 of the Companies Act, 2013 read with Rule 14 (2) of Companies (Prospectus and Allotment of Securities) Rules, 2014 and any other applicable provisions of the Companies Act, 2013, a Company shall not make private placement of its securities unless the proposed offer of securities or invitation to subscribe securities has been previously approved by the members of the Company by a Special Resolution for each of the Offers or Invitations.

However, pursuant to second proviso of said rule 14 (2) previous special resolution only once in a year is sufficient for all the offers or invitations for debentures during the year.

Accordingly, without the prejudice the borrowing power given/to be given by the shareholders under Section 180 (1)(c) of the Companies Act, 2013, as per the provisions of Section 42 and 71 of the Companies Act, 2013 read with the relevant rules made there under, as amended, and subject to other relevant rules, regulation, guidelines, and directions issued by Reserve Bank of India and Securities and Exchange Board of India the approval of the Members is being sought by way of a Special Resolution, to enable the Company to offer or invite subscriptions for Non-Convertible Debentures on a private placement basis, in one or more tranches, during the period of one year from the date of passing of the Resolution as set at Item No. 6, within the overall borrowing limits of the Company, as approved by the Members from time to time.

The Board of Directors accordingly recommends the Special Resolution set out in Item No. 6 of the accompanying notice for approval of the members.

None of the Directors or Key Managerial Personnel of the Company or their relatives is /are concerned or interested, in any manner in the passing of proposed Resolution set out at Item No. 6 of the Notice, except to the extent of their share/debenture holding in the Company, if any.

Item no. 7 – To alteration of Articles of Association ('AoA') of the Company

Securities and Exchange Board of India (SEBI) vide its notification dated February 2, 2023 amended SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021 by inserting sub-regulation (6) in regulation 23 which mandates an issuer to ensure that its AoA require its Board of Directors to appoint a person nominated by the Debenture Trustee ('DT') upon occurrence of any of the following event of default as per regulation 15(1)(e) of the SEBI (Debenture Trustees) Regulations, 1993 ('DT Regulations') viz.,

- (i) Two consecutive defaults in payment of interest to the debenture holders; or
- (ii) Default in creation of security for debentures; or
- (iii) Default in redemption of debentures.

In order to comply with above requirements, it is proposed to amend the AoA of the Company to enable DT to appoint their Nominee on the Board upon occurrence of any of the event specified in regulation 15(1)(e) of the DT Regulations.

Pursuant to the provisions of Section 14 of the Companies Act, 2013, approval of Members of the Company by way of a Special Resolution is required for any alteration in the AoA of the company. Accordingly, the approval of the Members is being sought by way of a Special Resolution.

A copy of AoA of the Company containing proposed alteration is available for inspection by the Members electronically and will also be available on the website of the Company.

The Board recommends special resolution at item no.7 of the notice for approval of the members.

None of the Directors or Key Managerial Personnel of the Company or their relatives are concerned or interested, directly or indirectly, financially, or otherwise, in this resolution, except to the extent of their respective shareholding, if any, in the Company.

ANNEXURE TO THE NOTICE OF 31ST ANNUAL GENERAL MEETING

Additional information as required under Regulation 36 of the SEBI (LODR) Regulations and applicable Secretarial Standards

Item no. 2 – Appointment of Mr. Anoop Krishna (DIN: O8O68261) as a director, liable to retire by rotation pursuant to the applicable provisions of Section 152 of the Companies Act, 2013, Mr. Anoop Krishna retires at the 31st AGM and being eligible, seeks re-appointment:

Name	:	Mr. Anoop Krishna
DIN	:	O8O68261
Age	:	Aged about 65 years
Qualifications	:	Bachelor's degree in science
Terms and Conditions of appointment	:	Executive Director, liable to retire by rotation.
Experience (including expertise in specific functional area) / Brief Resume	:	Mr. Anoop Krishna is a banking veteran. He started his career in the year 1982 as a Probationary Officer and retired as Chief General Manager Corporate Banking in 2017. He headed the Corporate Accounts Group of SBI in Delhi. Prior to his superannuation on December 31, 2017, he was heading the Mid Corporate Group of State Bank of India as Chief General Manager for Northern and Eastern India based out of SBI Corporate Centre, Mumbai. He has brought with him a rich and varied experience of leading a large team of people operating into complex financial structure. Currently, he as Executive Director is responsible for Strategic Planning for funding to the Company.
Date of first appointment on the Board	:	February 23, 2018
Shareholding in the Company	:	Nil
Relationship with other Directors / Key Managerial Personnel	:	No Relation with other Directors
Remuneration last drawn	:	Rs. 3.80 Lakh
Number of meetings of the Board attended during the financial year (2022-23)	:	Five
Directorships in other listed companies and other directorship	:	-
Membership/Chairmanship of Committees of other Boards	:	-
Resignation during past 3 years from listed companies	:	-
Relationship with other Directors/ KMPs	:	None of the directors or key managerial personnel or their relatives, except Mr. Anoop Krishna, Executive Director himself, is concerned or interested financially or otherwise, except to the extent of their respective shareholding, if any, in the Company.
Confirmation	:	Further, he is not disqualified from being appointed as a director in terms of section 164 of the Companies Act, 2013 (the 'Act').



PAISALO
EASY LOAN आसान लोन

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