

# PAISALO

EASY LOAN आसान लोन

## 26<sup>th</sup> Annual Report



"INDIA IS GOING DIGITAL, SO ARE WE"

## Paisalo Digital Limited

# 2017-18





# Message From The Managing Director



**Dear Shareholders,**

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

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

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

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

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

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

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

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

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

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

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

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

With Best Wishes

**Sunil Agarwal**  
Managing Director

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# Our Logo, Mission and Vision

**PAISALO**  
EASY LOAN आसान लोन

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



# Mission & Vision

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

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

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









We are in a constant search of knowledge and keep on asking ourselves, Can we come up with a better way? At PAISALO our belief of overcoming limitations has continually inspired us to work towards raising our own benchmark.

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

PAISALO aims to be Available - Aware - Affordable



# Company at a Glance

|   |   |   |  |
|---|---|---|--|
|  | <b>AUM</b><br>₹ 16756.70 Million                |  | <b>Net Worth</b><br>₹ 6035 Million   |
|  | <b>Capital Adequacy Ratio 31.67%</b>            |  | <b>Credit Rating</b><br>“IVR A/STABLE OUTLOOK”<br>by Infomerics Valuation and Rating Pvt Limited “IND A-”<br>outlook positive by India Rating & Research Pvt Limited |
|  | <b>Gross NPA to Book Debt 0.26%</b>             |  | <b>Net NPA to Book Debt 0.24%</b>  |
|  | <b>Offices+ Branches + CSPs</b><br>3+63+607=673 |  | <b>Employees/Business Associates</b><br>743/770  |

# Corporate Information

## BOARD OF DIRECTORS

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

## ADVISOR TO BOARD

Mr. Subhash C. Kalia

## COMPANY SECRETARY CUM COMPLIANCE OFFICER

Mr. Manendra Singh

## STATUTORY AUDITOR

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

## BANKERS

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

## LISTING OF EQUITY SHARES

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

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

## LISTING OF DEPOSITORY RECEIPT

Societe De La Bourse De Luxembourg  
11, AV DE LA Porte-Neuve  
L-2227, Luxembourg

**REGISTRATION NUMBER**  
**CORPORATE IDENTIFICATION NUMBER (CIN)**  
L65921DL1992PLC120483

**RBI REGISTRATION NUMBER**  
B-14.02997

## WEBSITE & EMAIL

www.paisalo.in  
info@paisalo.in

@PaisaloDigitalLimited  
@paisa\_lo  
Paisalo Digital Limited  
Paisalo Digital Limited

## REGISTERED OFFICE

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

## HEAD OFFICE

Block 54, Sanjay Place  
Agra, 282002

## REGIONAL OFFICE

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



# Board of Directors-Executive



## **Mr. Sunil Agarwal (Managing Director)**

Mr. Sunil Agarwal is a founder Member, Promoter and Managing Director of the Company with an experience of over 28 years; Mr. Sunil Agarwal is responsible for the Company's strategic decision making along with company's financial activities. He embarked his journey into finance business at a very young age of 20 years. At a nascent age he established this Company, the success of which is contributed to his arduous work and commitment. At present Company is doing its business from many branches in the various states of the Country, which is instrumental in steering the Company's growth story across the country. With his leadership skills and positive attitude, Company is growing and expected to grow bigger and better.



## **Mr. Anoop Krishna (Professional Director)**

Mr. Anoop Krishna is a banking veteran. He started his career in the year 1982 as a Probationary Officer and retired as Chief General Manager Corporate Banking in December 2017. He headed the Corporate Accounts Group for SBI in Delhi. Prior to his superannuation on 31st Dec 2017, he was heading the Mid Corporate Group of State Bank of India as Chief General Manager for Northern and Eastern India based out of SBI Corporate Centre, Mumbai. He has joined the Board of the Company on February 23, 2018 and has brought with him a rich and varied experience of leading a large team of people operating into complex financial structure.



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

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

# Board of Directors- Independent

**Mr. Sunil Shrivastava (Independent Director)**

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

**Mr. Gauri Shankar (Independent Director)**

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

**Mrs. Bhama Krishnamurthy (Independent Director)**

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

**Mr. Pradeep Agarwal (Independent Director)**

Mr. Pradeep Agarwal is associated with the Company as an Independent Director of the Company. He is an experienced banking professional with an exemplary track record of more than 37 years in all facets of Banking Industry. He was the General Manager of Oriental Bank of Commerce before joining the Company. He has also headed the International Banking, Credit, Treasury, Audit, Recovery & Legal Divisions of Oriental Bank of Commerce. After his superannuation he was appointed as Advisor of Oriental Bank of Commerce. He is also a regular speaker, motivator and trainer at various Professional Institutes, Colleges.

**Mr. Naresh Kumar Jain (Independent Director)**

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