



27th Annual Report 2018-19

PAISALO

EASY LOAN आसान लोन

PAISALO DIGITAL LIMITED



“O wise man! Give
your wealth only
to the worthy and
never to others.
The water of
the sea received
by the clouds is
always sweet.”

~ Chanakya

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MESSAGE FROM THE MANAGING DIRECTOR



Dear Shareholders,

It is with great pleasure that I present to you the Company's 27th Annual Report for FY19 against the backdrop of India becoming the world's fastest growing economy. At the onset, I would like to thank each shareholder of our Company who has shown utmost trust and confidence on the business model, its management and its business strategy. This trust has led the Company in serving 10,00,000 borrowers in 10 states all over the country. With 62% of Indian population, living in the rural areas gives us the opportunity to serve them even well by enhancing our operations model and leveraging our distribution network, providing tailor-made products for customers and focus of financial inclusion. India is set to have approximately 800 million phone users in India by the end of 2019, due to which we feel a growing need of shifting to e-commerce and digitalizing our business model. As this would not only make it easier for customers but also will make the process of sanctioning loan more efficient and transparent.

I take great pride in announcing that our Company is the first Company to sign a Co-origination Loan Agreement with State Bank of India with a vision of empowering the AGRI, MSME segment and small businesses. We have signed our first Co-origination Loan Agreement with State Bank of India. The goal of this collaboration is to introduce a new platform for the last mile customer. The loan ticket is designed at Rs 10,000 to Rs 2 lakh. The company expects to disburse 200,000 loan applications in FY20. This is a great milestone achieved as with collaboration, we will be able to expand in a much bigger way with a greater force in serving our customers.

With the crisis hit non-banking financial sector, it is understandable to be skeptical about how this will affect the growth of our Company. Firstly, the RBI governor has recently come out with draft guidelines for a robust liquidity framework for NBFCs. Which will give a major boost to the sector and will also help in expansion and making sure the non-banking financial sector is an integral part of the India's booming economy. Continued implementation of structural and financial sector reforms with efforts to reduce public debt and have continuous liquidity in the market to promote self employment, income generation and business development remain essential to secure the Indian economy's growth prospects. The current finance minister Mrs. Nirmala Sitharaman held consultations with financial and capital market stakeholders. Through this it can be understood that the new government is very optimistic about the sector and wants to play a huge role in opening up the horizons for the sector to reach greater heights.

In the near future, we plan to expand and improve our pan India footprint in existing geographies as well as enter new territories that hold new opportunities 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 increase value for our stakeholders and the community we serve at large.

At PAISALO, we are very conscious that accelerated growth in our business cannot come at the cost of deteriorating environment, social inequality or unfaithful governance. How we do our business is as important as what we do. We remain deeply committed to reducing our environmental footprint and creating positive social impact, while upholding the highest standards of governance and stakeholder returns. Demonstrating trust and integrity in everything we undertake is a reflection of our broader commitment to governance. Our Corporate Governance practices ensure the best interests of our stakeholders are continuously met and satisfied, helping us deliver what our stakeholders expect of PAISALO – the highest possible standards of professional ethics.

Technology today is an extremely important and unique feature across businesses. A strong technological backbone and foundation is now a solvency factor rather than a standout. PAISALO uses technology as the stepping stone to evolve and grow business effectively and efficiently. With PAISALO focusing on ease and customer centric growth with the help of technology and digital becoming the new competitive edge factor, our focus has been to digitally transform business of PAISALO as well provide a technological solution so simple, effective and efficient that it makes the customer experience unique, robust and trustworthy. Over the last one year several initiatives have been undertaken to implement robust, scalable and trustworthy technological architecture which will become the foundation and stepping stone for automated artificial intelligence and machine learning integrated processes that will drive PAISALO efficiency and provide a seamless and easy experience to the borrower.

Lastly, we marked the end of another remarkable year and I would like to thank the Management Team for their firm belief and commitment in the expansion of the Company 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

“We have expanded our reach to other states as well and are now fulfilling the finance needs of the underserved population of India from 112 offices/branches, 607 customer service points and 996/547 employees/business associates.”

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

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

We are in a constant search of knowledge and keep on asking ourselves. Can we come up with a better way?

At PAISALO our belief of overcoming limitations has continually inspired us to work towards raising our own benchmark.

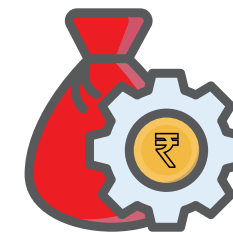
PAISALO has always emerged a winner by coming up with its OWN WAY – a sustainable and better way.

PAISALO aims to be Available - Aware – Affordable

COMPANY AT A GLANCE



AUM
₹ 19253.04 Million



Net Worth
₹ 6558.74 Million



Disbursements
₹ 15068.40 Million



Capital Adequacy Ratio
34%



Credit Rating
"IVR-A"
outlook positive by Infomerics
Valuation & Ratings Pvt. Ltd.



PAT
567.71 Million



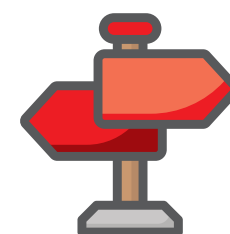
Gross NPA to Book Debt
0.30%



Net NPA to Book Debt
0.26%



No. of Customers
1045000

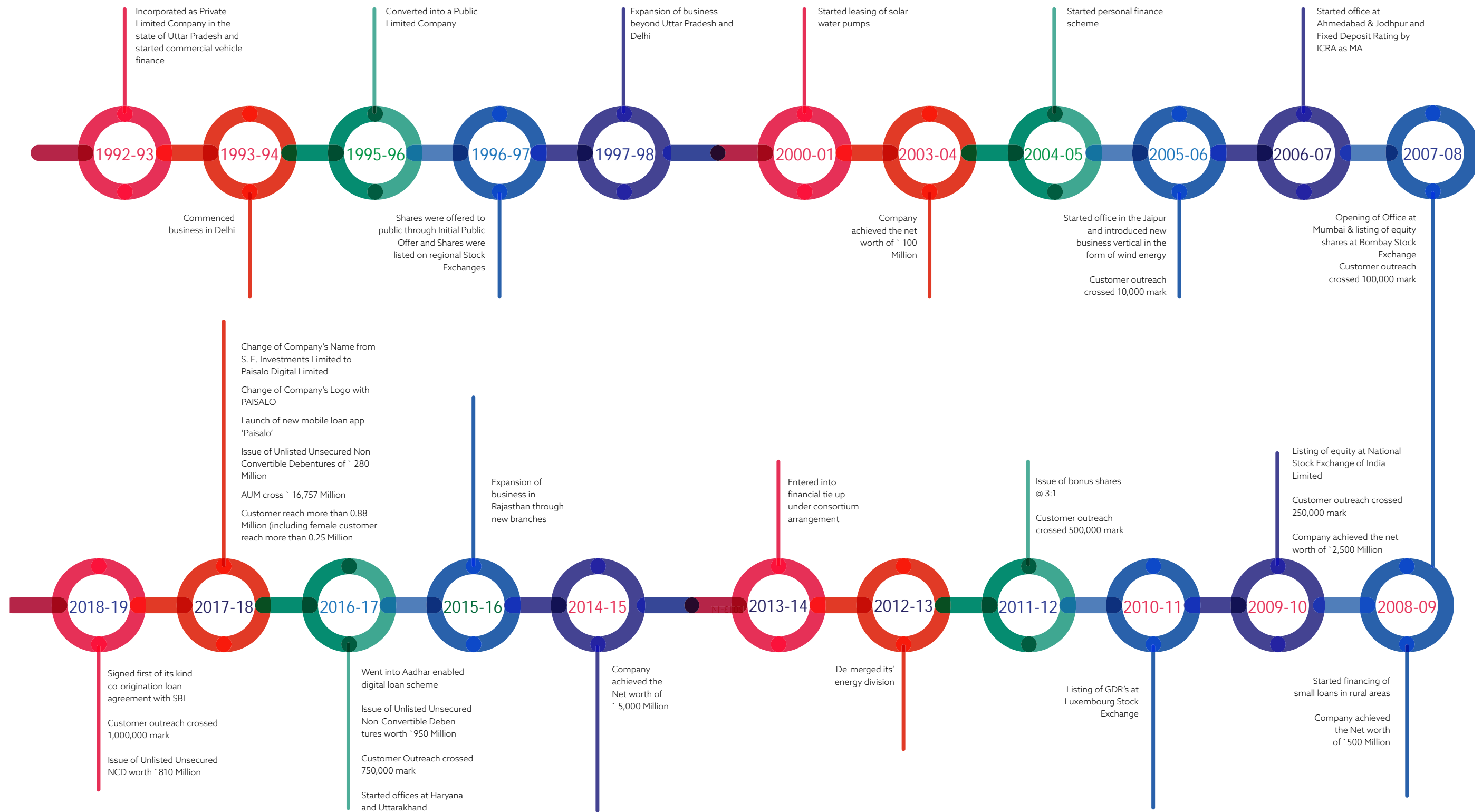


Offices + Branches + CSPs
3+109+607= 723



Employees/Business Associates
996/547

EVOLUTION OF PAISALO



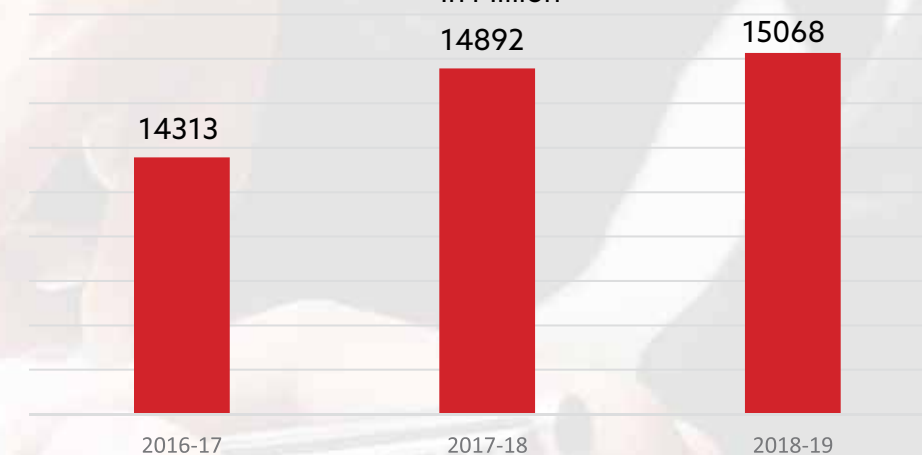


LAST THREE YEARS KEY PARAMETER

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

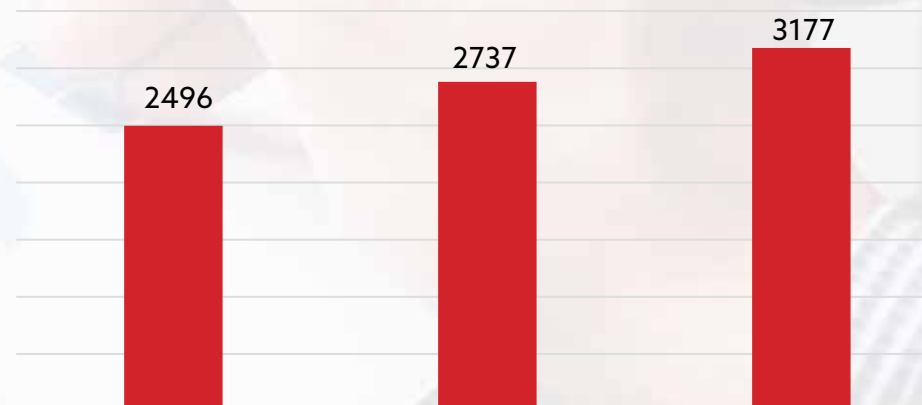
Disbursement

^ In Million



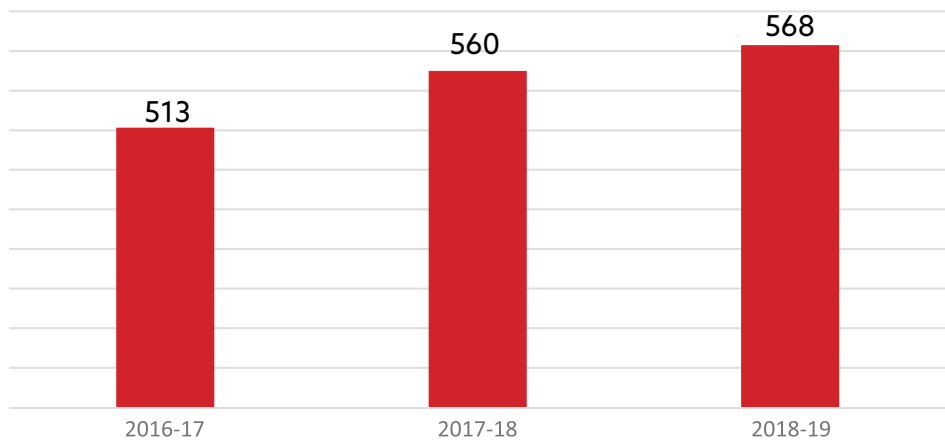
Revenue

^ In Million

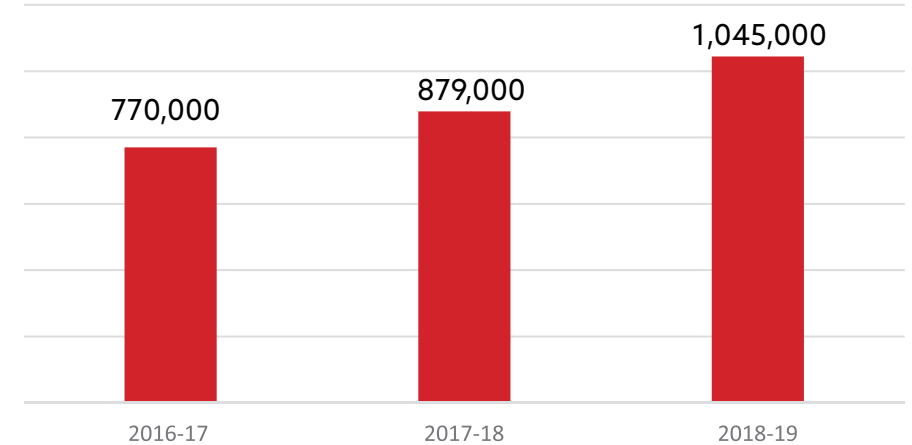


*Standalone basis

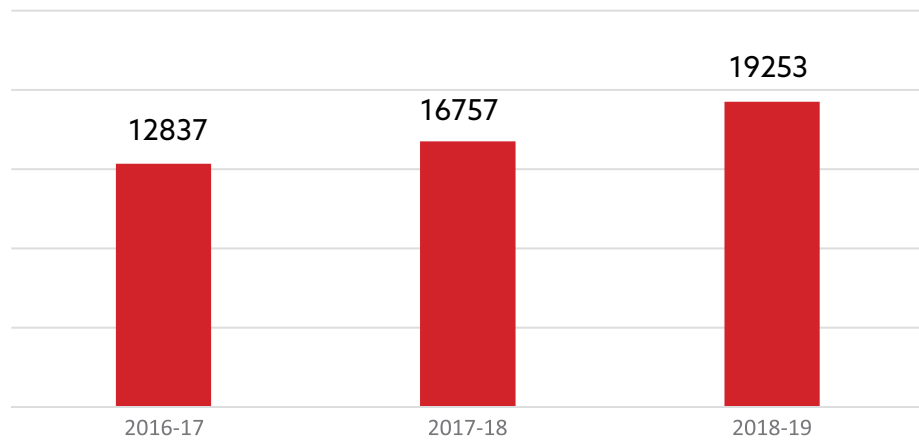
Profit After Tax
` In Million



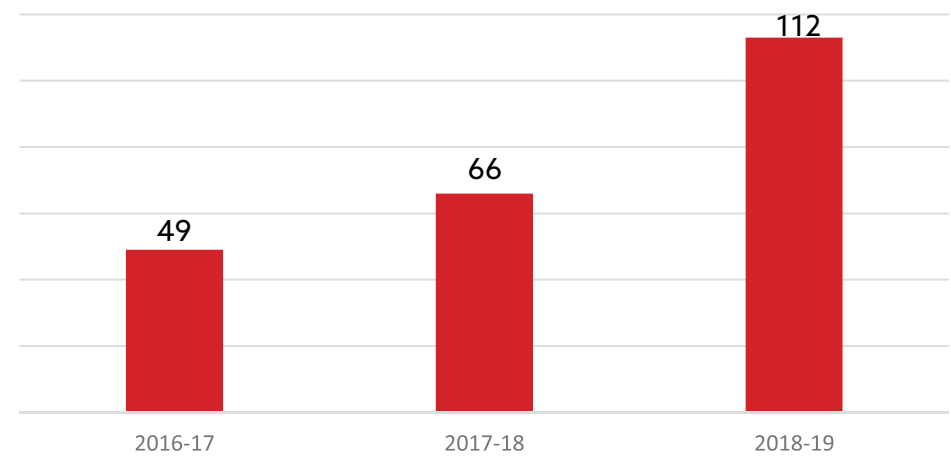
Customers Outreach



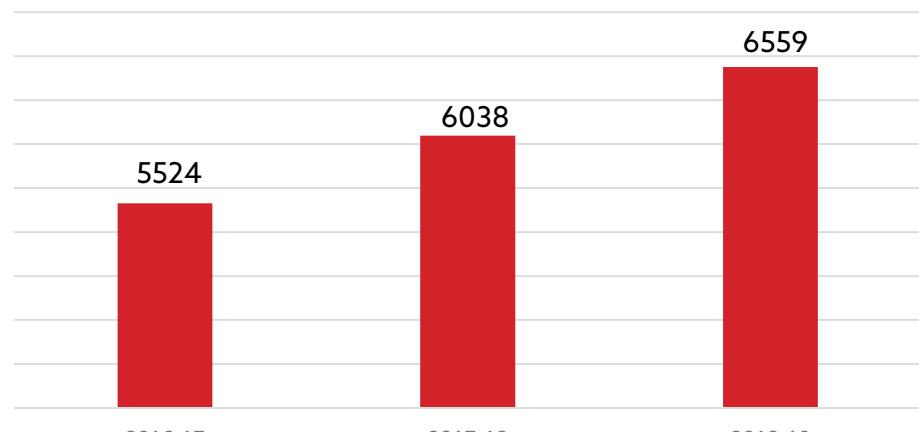
Asset under Management
` In Million



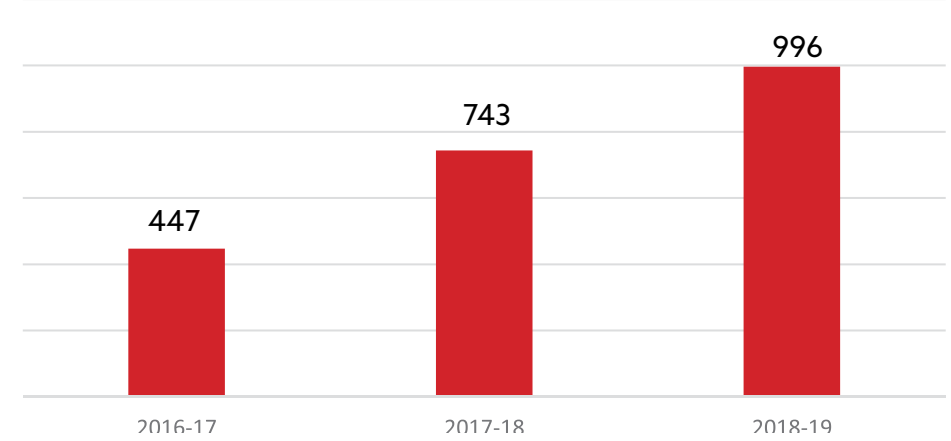
Offices and Branches

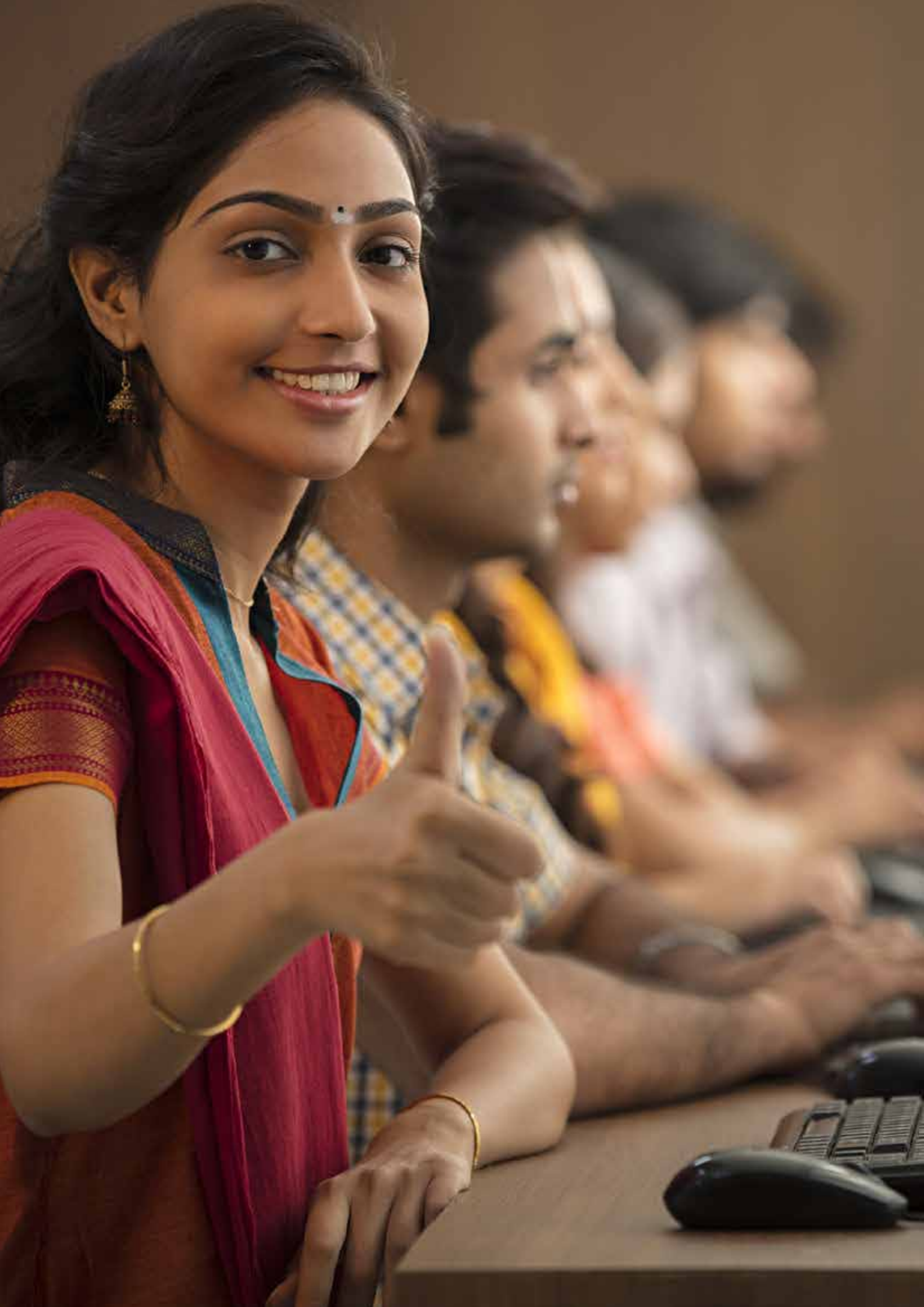


Net Worth
` In Million



Employees





PERFORMANCE OF THE COMPANY IN LAST 10 YEARS

S. No.	Parameters	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
1	Portfolio (₹ in Million)	5,237.80	8,271.00	8,807.30	9,590.00	8,710.00	9,612.10	9,969.40	12,618.40	14,902.88	16,977.80
2	Revenue from operation (₹ in Million)	881.60	1,814.40	2,109.80	2,190.00	2,080.00	1,783.80	1,933.70	2,495.20	2,736.70	3,177.39
3	Profit after tax (₹ in Million)	263.35	608.16	703.20	704.46	562.50	445.15	451.31	512.91	598.49	567.71
4	No. of Branches and Office	10	10	10	10	10	20	22	49	66	112
5	No. of Customers (Rounded off to nearest thousand)	2,50,000	3,81,000	5,22,000	5,62,000	6,10,000	6,55,000	7,10,000	7,70,000	8,79,000	10,45,000
6	Provision for Tax (₹ in Million)	60.00	252.70	304.30	334.50	279.00	221.90	234.70	259.00	543.79	588.31
7	Cash Accruals (₹ in Million)	304.20	650.80	723.00	729.70	606.40	508.10	505.00	570.30	615.84	614.52
8	Bad Debts W/o Net (₹ in Million)	18.60	53.80	103.00	202.90	235.00	196.50	142.10	323.50	346.50	488.61
9	Bad Debts w/o on Loans O/s (%)	0.36	0.65	1.17	2.12	2.70	2.04	1.43	2.56	2.33	2.88
10	Bad Debts recovered (₹ in Million)	2.00	7.40	29.80	37.60	26.80	40.60	83.90	112.50	146.60	367.09
11	Net Worth (₹ in Million)	3,007.60	3,545.00	3,680.30	4,334.00	4,849.70	5,144.10	5,051.40	5,524.00	6,038.60	6,558.74
12	Total Assets (₹ in Million)	5,887.30	9,674.30	11,546.70	12,476.90	10,601.00	11,119.40	12,930.50	15,337.00	18,534.00	19,525.00
13	Outside Debt (₹ in Million)	3,368.60	7,220.30	6,880.00	5,896.90	6,108.90	4,711.50	7,750.10	9,714.90	12,970.00	13,496.40
14	Bank Borrowings (₹ in Million)	1,886.00	4,293.60	4,218.00	3,741.20	3,866.90	4,104.00	5,071.80	5,975.50	7,785.00	7,418.60
15	Deposits (₹ in Million)	139.80	204.80	100.40	-	-	-	-	-	-	-
16	Inter-corporate Loans (₹ in Million)	829.30	1,625.10	1,018.20	625.00	1,693.00	454.10	271.80	170.30	141.10	37.78
17	Other Outside Liabilities (₹ in Million)	513.50	1,096.80	1,543.40	1,530.70	549.00	153.40	148.00	121.60	67.40	444.26
18	Debt To Equity Ratio	1.12	2.04	1.87	1.36	1.26	0.92	1.53	1.76	2.15	2.06
19	ROE (%)	8.75	17.15	19.11	16.25	11.60	8.65	8.93	10.89	9.91	8.66
20	ROA (%)	4.47	6.29	6.09	5.65	5.31	4.00	3.49	3.79	3.23	2.91

CORPORATE INFORMATION

Board of Directors

Mr. Sunil Agarwal
Mr. Anoop Krishna
Mr. Harish Singh
Mr. Sunil Srivastav
Mr. Gauri Shankar
Mrs. Bhama Krishnamurthy
Mr. Pradeep Agarwal
Mr. Naresh Kumar Jain

Managing Director, Chief Executive Officer
Executive Director
Executive Director
Independent Director
Independent Director
Independent Director
Independent Director

Chief Financial Officer

Mr. Atul Agrawal

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 Limited
Punjab National Bank
South Indian Bank Limited
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](https://www.linkedin.com/company/PaisaloDigitalLimited)

 [@paisa_lo](https://twitter.com/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

Mumbai Office

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



BOARD OF DIRECTORS



Mr. Sunil Agarwal
Managing Director

Mr. Sunil Agarwal is a founder member, Promoter and Managing Director of the Company with an experience of over 29 years. He is responsible for the Company's strategic decision making along with Company's financial activities. He embarked his journey into finance business at a very young age of 20 years. At a nascent age he established this Company, the success of which is contributed to his arduous work and commitment. 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 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 brought with him a rich and varied experience of leading a large team of people operating into complex financial structure. Currently, he, as Executive Director, is responsible for Strategic Planning for funding to the Company.



Mr. Harish Singh
Executive Director

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



Mr. Sunil Srivastav
Independent Director

Mr. Sunil Srivastav 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.



Mr. Gauri Shankar
Independent Director

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



Mrs. Bhama Krishnamurthy
Independent Director

Mrs. Bhama Krishnamurthy holds degree of MS from the University of Mumbai. 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. She is associate with the Company as Women Independent Director.



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 and 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 and Compliance matters.