

Date: September 5, 2025

The Manager  
Department of Corporate Relationship  
**BSE Limited**  
25<sup>th</sup> Floor P. J. Towers, Dalal Street  
Mumbai -400 001

**SCRIP CODE: Equity- 532900**  
**NCDs-975107, 975202, 975251, 975329, 975437, 975592, 975640,**  
**975865, 976752, 977004 and CPs- 729651, 729722, 730058**

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

**SUB.: Submission of revised Annual Report for the Financial Year 2024-25 of the Company under Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR")**

Dear Sir/Madam,

With reference to our submission dated September 4, 2025, wherein we had submitted Annual Report for FY 2024-25 alongwith Notice of 33<sup>rd</sup> Annual General Meeting to be held on September 29, 2025 at 12:30 P.M. (IST) via Video Conference/Other Audio-Visual Means.

Kindly note that certain inadvertent formatting issues were noticed in the Business Responsibility & Sustainability Report section of the Annual Report i.e. at page no. 106 of the Annual Report following points were not displayed in the PDF file:

1. Awareness programmes conducted for value chain partners on any of the principles during the financial year:
2. Does the entity have processes in place to avoid/ manage conflicts of interest involving members of the Board? (Yes/No) If yes, provide details of the same.

In view of the above, we are enclosing herewith the revised Annual Report of the Company for the FY 2024-25 along with the Notice of the 33<sup>rd</sup> Annual General meeting of the Company.

The revised Annual Report is also available on the website of the Company at [www.paisalo.in](http://www.paisalo.in)

There is no change in the Annual Report other than the mentioned above.

You are requested to take the above intimation on record.

Thanking you,

Yours faithfully,

**For Paisalo Digital Limited**

(Manendra Singh)  
Company Secretary  
Encl. As above



**PAISALO DIGITAL LIMITED**

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CIN: L65921DL1992PLC120483

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अर्थ: समाजस्य न्यासः



# *AB*

# *RUKNA NAHI*

PAISALO DIGITAL LIMITED

33<sup>RD</sup> ANNUAL REPORT 2024-2025







# Contents

*The path to success is to take massive, determined action.*

Forward-looking Statement

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.

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.

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# SUNIL AGARWAL

*Managing Director & CEO*



# DEAR SHAREHOLDERS,

Despite the global challenges, the fiscal year 2024-25 highlighted new opportunities for growth and leadership. Continuous ongoing conflicts in the Middle East and Ukraine, as well as geopolitical tensions, including those with China and the USA's volatile tariff policies underscored the strength and resilience of nations like India. Despite global headwinds, including trade uncertainties and tightening financial conditions, India demonstrated strong macroeconomic stability supported by robust domestic demand, healthy exports, and prudent fiscal management.

Capital markets thrived, with IPO activity and retail participation at unprecedented levels. Meanwhile, the fiscal deficit was contained at 4.8% of GDP, even in an election year—underscoring disciplined governance. India's role as a global growth driver has never been clearer, with international institutions projecting sustained growth of around 6.5% for FY 2025-26. As we look ahead, India is positioned not only as a growth engine for the region but also as a pillar of stability in an uncertain world economy. This strong foundation gives us confidence to pursue new opportunities, expand our horizons, and deliver long-term value to all stakeholders.

Paisalo, with its deep-rooted presence across 22 states, is proud to contribute to this success story. Even amid last year's global banking turmoil, the Indian economy showcased its resilience. Consumers remained confident, and the markets are now anticipating a soft landing. This stability has been further strengthened by strategic government spending and proactive RBI policies. Looking ahead, opportunities abound—to accelerate green investments, fortify global supply chains, enhance national security, and manage rising costs. While these may introduce temporary inflationary pressures, they also promise long-term growth and innovation.

Fiscal year 2025 was another landmark year for Paisalo. We achieved record revenue of INR 7,711 million and net income of INR 2,001 million, translating into a return on equity of 12.96%. These numbers are more than financial milestones; they reflect the strength and resilience of our business model, our disciplined risk management, and our commitment to excellence. We continued to expand our market share, invested in products, people, and technology, and sharpened our focus on delivering long-term value.

In a year of many achievements, two milestones stand out. Paisalo successfully issued its first USD 50 million Foreign Currency Convertible Bond (FCCB)—a historic step that not only reflects international investor confidence but also aligns with our vision of expanding our global footprint. Equally significant was the launch of our first Employee Stock Purchase Scheme (ESPS), underscoring our deep belief that our employees are the true drivers of our growth. By enabling them to participate directly in wealth creation, we have strengthened our bond with our people and reaffirmed our commitment to inclusive growth.

Our lending philosophy once again proved its worth. We supported our customers in both good times and challenging moments, extending INR 37,199 million in credit during the year and growing our Customer Franchise to 9.45 million. These efforts continue to fuel economic progress across the nation, particularly for underserved communities.

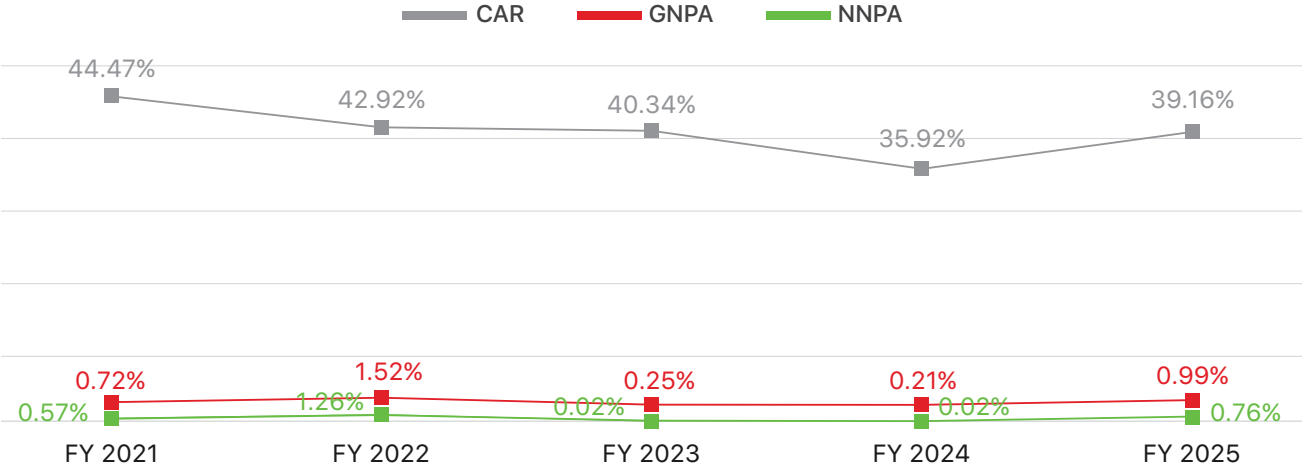
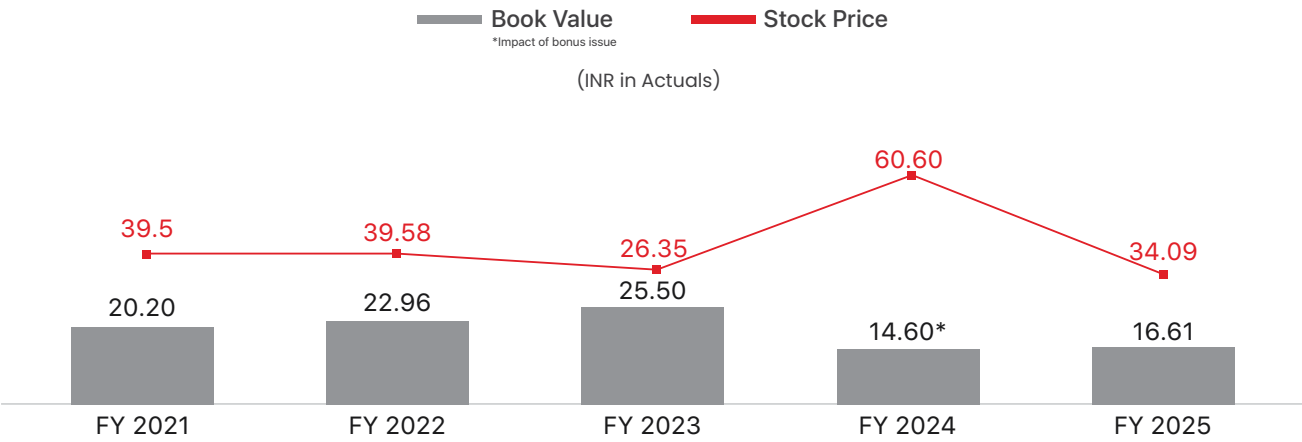
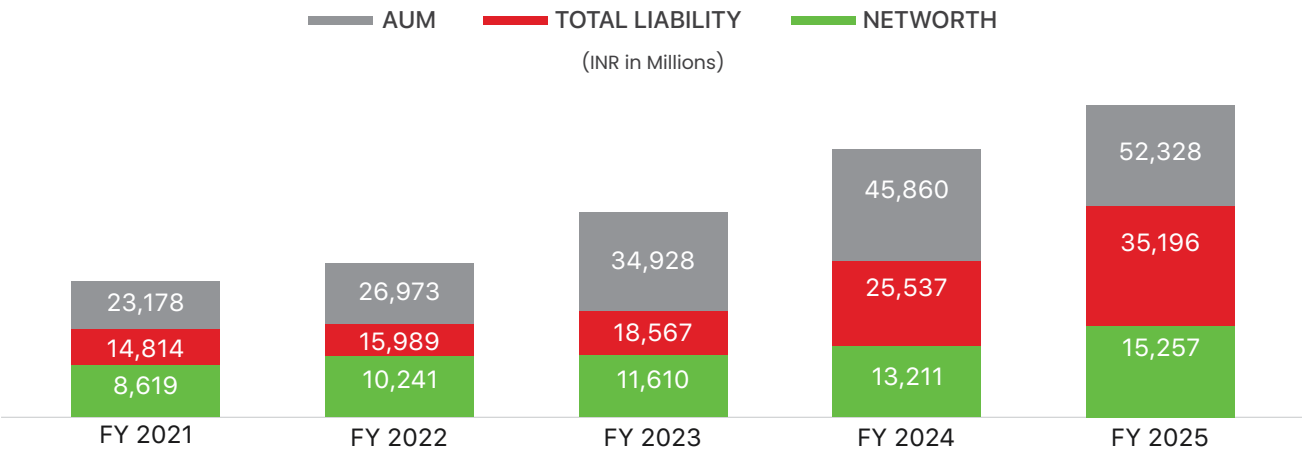
Corporate responsibility remains a cornerstone of Paisalo's mission. We have championed a more inclusive economy by financing low-income households, small businesses, and women entrepreneurs, while also investing in Unbanked Rural Centres. Alongside this, our workforce training initiatives have empowered individuals with skills for the future, demonstrating how private enterprise and government policy can work hand in hand to create meaningful change.

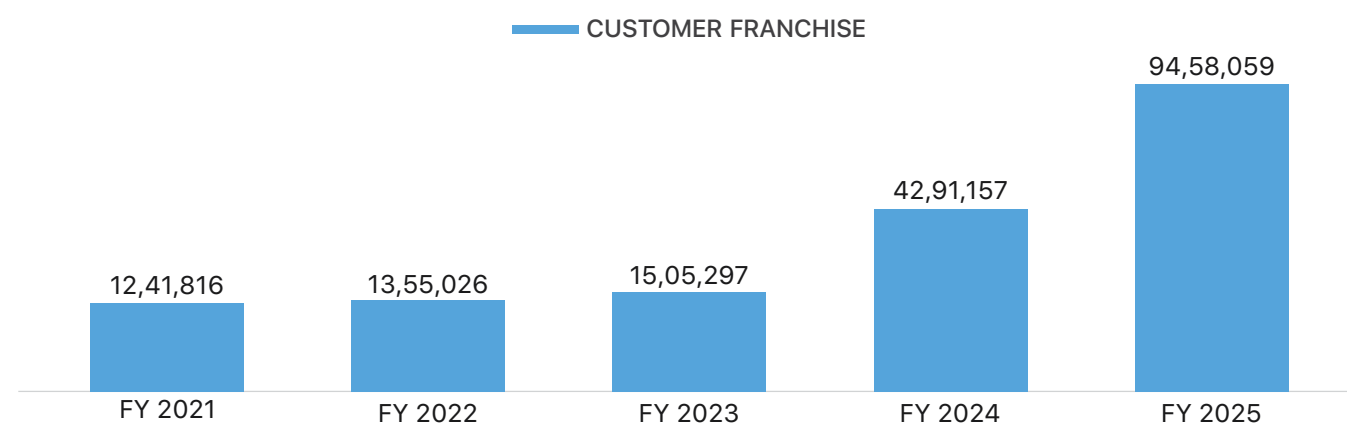
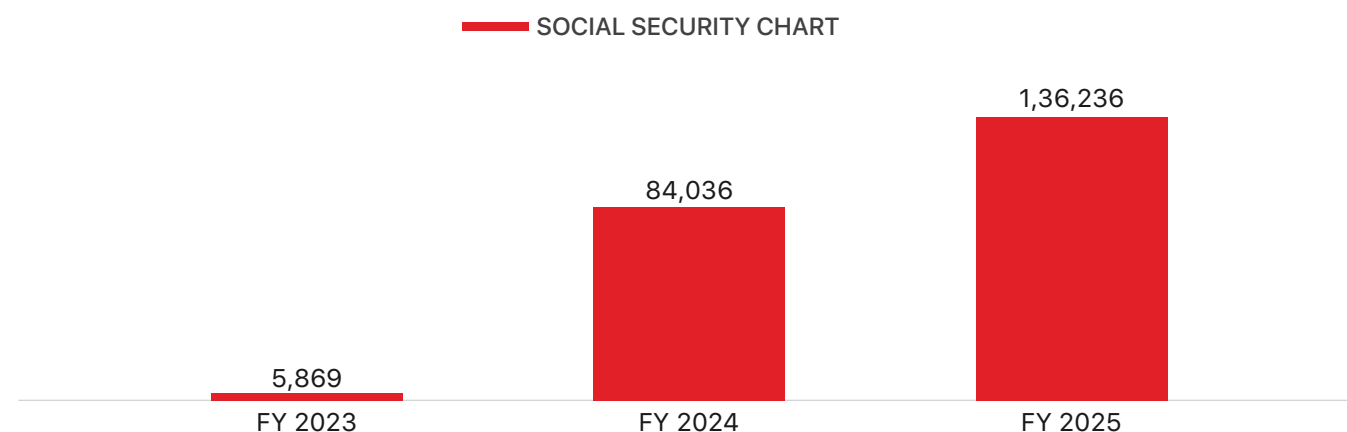
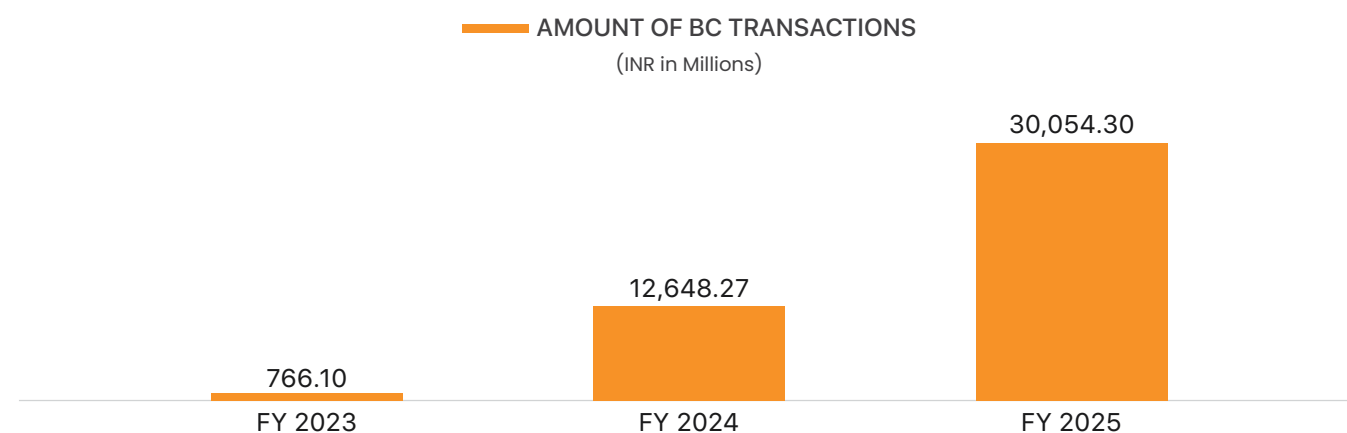
As I reflect on our journey, I am incredibly proud of the resilience and achievements of our employees across the country. Their commitment and innovation are the bedrock of Paisalo's success. Despite unprecedented challenges over the past two decades—from the global financial crisis to the COVID-19 pandemic—Paisalo has consistently delivered, transforming obstacles into opportunities.

Looking forward, we remain committed to becoming the best in each of our businesses. We will continue to grow our market share, strengthen client relationships, and build innovative products and technologies, all while upholding the highest standards of governance and responsibility. The strengths embedded in Paisalo—our people, our values, our co-lending model, and our growing national footprint—are unmatched.

With these foundations, Paisalo is poised not only to navigate the uncertainties of the global economy but also to shape a future of shared prosperity. Together with our clients, communities, and shareholders, we will continue to empower individuals, enable businesses, and contribute to the growth story of India.

The following charts illustrate the gains and improvements we have made over the years.





## EMBRACING TIMELESS PRINCIPLES FOR A BRIGHTER FUTURE

Embracing timeless principles for a brighter future has been the guiding spirit of our journey through fiscal year 2024-25. Since I began my business journey in 1989, it's clear that our success is rooted in the core pillars we've consistently upheld. Our unwavering financial discipline has been key to navigating challenges and maintaining stability. Our ongoing investment in innovation has kept us at the cutting edge, allowing us to meet our clients' evolving needs with forward-thinking solutions. Most importantly, our deep commitment to helping our esteemed customers and communities has always been the driving force behind our policies. We understand the profound impact we can have on individuals' lives and the growth of communities, and this understanding fuels our dedication to making a positive difference.

Our achievements are not just about the strength of our financial offerings—they're about our people. It is our people who have driven our resilience and success. By continually developing our workforce, nurturing their talents, and providing them with the necessary support, we've built a team capable of rising above challenges and delivering exceptional results. Your dedication and unwavering commitment to serving borrowers and communities have been the foundation of our success over the years. As we look ahead, our vision is clear. We will continue to uphold our financial discipline, invest in innovation, and develop our people—these elements are the bedrock of our commitment to helping borrowers and communities across the country. Together, we will move forward, empowering individuals, supporting businesses, and contributing to the prosperity and well-being of our society. Your 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, several timeless principles at Paisalo deserve our continued focus and attention:

1. We, management at Paisalo, in our dealings always take care of the interests of our shareholders, which includes large institutions, pension plans, mutual funds, and retail investors, and the ultimate beneficiaries are the individuals within our communities. Over 150 million people in the country invest in stocks, and many of them, in various capacities, hold Paisalo shares. Among these investors are veterans, teachers, police officers, firefighters, healthcare workers, senior citizens, and individuals saving for significant life goals, such as a home, education, or retirement. As a management team, we bear the immense responsibility of serving our shareholders, understanding the impact our work has on these individuals and their aspirations.
2. Our vision is clear to create wealth for our shareholders. This progress is a result of our continuous investments in people, systems, and products, regardless of the circumstances. These strategic investments will continue to shape our future, positioning us for sustainable growth and prosperity in the decades ahead.
3. Our success and achievements are deeply rooted in our commitment to our stakeholders. We understand that stakeholder value is built and sustained by fostering a healthy and vibrant company, one that prioritises the well-being of its customers, employees, and communities. Neglecting any of these stakeholders would undermine our foundation. We've learned that it's possible to show compassion for our employees and communities while upholding shareholder value. Striking the right balance fosters long-term success and creates shared value for all.
4. We've consistently shared with you, our shareholders, the basic principles and strategies we use to build this company—from maintaining a strong balance sheet and investing in and nurturing talent to fully satisfying regulators, continually improving risk, governance, and controls, and serving customers and clients while uplifting communities. Adhering to these principles and strategies allows us to drive organic growth and manage our capital effectively, including dividends, as we have consistently demonstrated over the past decades.
5. It's important to highlight two critical points. We aim to build enduring businesses, and we are not a conglomerate our businesses rely on and benefit from each other. Both factors contribute to generating our returns.
6. All of our company's success is made possible by the extraordinary conditions created by our silent partner—the Indian Government. We encourage all shareholders to express gratitude whenever they see the Indian flag. As a healthy and thriving company, we are committed to giving back and fulfilling our tax obligations responsibly, thereby maximising our positive impact. Over the past decade, we have paid INR 3502.82 million in taxes, demonstrating our commitment to contributing to the nation's progress.
7. Finally, at the heart of our success are our people. They are the ones who serve our borrowers and communities, build the technology, make the strategic decisions, manage risks, and drive innovation. Whatever challenges and opportunities the future holds, having a great team – one with courage, intelligence, integrity, and the capability to navigate complex situations while maintaining high standards of professional excellence—ensures our prosperity now and in the future.

# EMBRACING CHALLENGES AND OPPORTUNITIES

The past few years have been defining for Paisalo Digital Limited. We’ve expanded our presence in Bharat, strengthened our partnerships, digitised our operations, and remained true to our mission: extending fair, fast, and inclusive credit to India’s underserved communities. In a rapidly changing world, we’ve stayed agile, weathering economic shocks, regulatory change, and operational disruptions with resilience and purpose. But growth also brings reflection. In recent quarters, we’ve seen opportunities where we could have moved faster– decisions were delayed, agility was diluted, and collaboration was weakened. We are acting. Through leadership changes, realigned structures, and a recommitment to our founding culture of urgency and accountability, we are rebuilding the rhythm that made Paisalo a pioneer. Each year, I take a moment to reflect not only on where we are, but also on where we’re heading. One of the most transformative forces on the horizon is artificial intelligence (AI). Much like the mobile revolution and the rise of UPI, AI will reshape how India works, consumes, learns, and transacts. At Paisalo, we see AI as not just a tool, but a strategic lever. Since launching our AI program this year, we’ve already seen real impact:

- AI/ML models are enhancing fraud detection, underwriting accuracy, and providing early warning signals for credit stress.
- We’re piloting Generative AI to support software automation, customer support, internal compliance, and productivity.
- Our Business Intelligence Unit (BIU), reporting directly to top management including me, is embedding analytics into every layer of decision-making–from loan pricing to resource allocation.

India’s data advantage, combined with AI, can help us understand borrower behaviour at a granular level, enabling hyperlocal risk models and product innovation tailored to Bharat.

However, we are also aware of the risks associated with AI. Our internal frameworks and audit teams are working to ensure that our use of AI is safe, explainable, and compliant with regulations. We also remain committed to retraining and reskilling employees whose roles may evolve, just as we have done through previous tech transitions.

## INVESTING IN TECHNOLOGY–ON–PREMISES COMPUTING

To unlock the full value of our data and AI efforts, we’ve begun transitioning to on-premises computing infrastructure. This step boosts efficiency, data privacy, and control– critical in a regulated and sensitive domain like lending. We’ve committed approximately INR 133.93 million to building a next– generation data centre in India. Already, it’s delivering a 45% improvement in efficiency over legacy systems, with room for further improvement. It will allow faster service, lower latency, better uptime, and tighter integration across field, app, and back-office operations. This investment also aligns with India’s push toward digital sovereignty and self – reliant tech infrastructure.

## CAPITAL ALLOCATION–DISCIPLINED, DELIBERATE, PATIENT

Our approach to capital remains conservative, strategic, and long– term in nature. We deploy retained earnings with the mindset of owner–investors, always seeking quality, sustainability, and compounding.

- Organic growth remains our core focus, encompassing the expansion of our footprint in rural India, onboarding new staff, deepening our co-lending partnership with SBI, and strengthening our tech and compliance capabilities.
- Dividends are contemplated; we prioritise reinvestment over optics.
- Inorganic moves will be rare, and only when intensely synergistic. We treat shareholder capital as stored potential, not just for the next quarter, but for the next decade.

## INDIA’S ECONOMIC CROSSWINDS–AND OUR READINESS

The macroeconomic landscape remains uncertain, shaped by shifting global trade, commodity cycles, inflation concerns, and geopolitical events. Yet, India stands out with a strong growth narrative, improving fiscal indicators, and expanding digital public infrastructure.

We are preparing for multiple economic scenarios:

1. Growth with moderate inflation: Higher credit demand, tighter rates, and broader inclusion– favourable for Paisalo’s expansion plans.

2. Stagflation: A more challenging scenario, with elevated rates, slower growth, and pressure on credit quality. Here, our risk controls, diversified exposure, and early detection models will play a key role.

Our internal simulations, scenario models, and capital buffers ensure we remain resilient, adaptable, and forward-looking.

## RISKS ON OUR RADAR–FROM DIGITAL TO REGULATORY

Risk vigilance is built into Paisalo’s DNA. We are actively tracking:

- Cybersecurity threats, especially in UPI and AEPS ecosystems. We’ve scaled our InfoSec team, hardened systems, and partnered with fintech crime units.
- Regulatory changes, particularly in digital lending, AI usage, and data privacy. We are fully aligned with RBI and SEBI norms and support the push toward transparency, consent-based lending, and customer protection.
- Data governance: As we handle increasing amounts of data, our focus on quality, anonymisation, consent, and traceability is intensifying. We view compliance not as a cost but as a competitive strength.

## THE BHARAT OPPORTUNITY–LOCAL IMPACT, NATIONAL ASPIRATION

India’s future lies in the aspirations of tier 3 towns, rural districts, and small entrepreneurs. That’s Paisalo’s arena. We serve kirana stores, first-time women borrowers, dairy farmers, drivers, street vendors, and countless others whose financial lives are just beginning to emerge. We do this with:

- Doorstep service and vernacular interfaces
- Low-cost, high-frequency credit products
- Rapid approvals using alternative data
- Deep integration with India Stack Impact isn’t a side effect – it’s the strategy. Profit and purpose go together.

## CULTURE RESET– THE PAISALO PERSPECTIVE

At Paisalo Digital Limited, we ask a simple but profound question: What is culture? Culture isn’t posters in a hallway or words spoken at a town hall. It isn’t just “how we work” either.

It’s how we act, especially when things get tough. At Paisalo, culture is our character at scale. It defines the tone, trust, and truth we bring to every borrower, employee, and stakeholder we touch.

Whether it’s a recruit in rural Nashik or a zonal manager in Agra, our culture shapes the choices we make: to go the extra mile, to uphold the integrity of our process, and to act like owners. Not because it’s written down, but because it’s who we are.

## The Paisalo Code: Our Operating Ethic

In FY24–25, we refreshed and codified what has always been part of our DNA. The Paisalo Code, launched this year, outlines the three central tenets of our culture:

1. Reliability–We deliver–always. Whether it’s a 25,000–rupee credit line or a two crore disbursement, our borrowers know we will be there. Our team of over 3,178 professionals and 3,565 touchpoints across India aren’t just numbers– they are evidence of promises kept, rain or shine. Trust isn’t a slogan. At Paisalo, it’s a service standard.
2. Execution Excellence Speed matters–but follow-through matters more. From onboarding customers with zero documentation errors to ensuring 100% compliance in KYC and social security enrollments, we take pride in our execution, which is both efficient and ethical. We don’t just complete tasks–we complete them well. Our DMPAT framework (Define, Measure, Plan, Act, Track) helps our teams drive growth that is both repeatable and responsible.
3. Respect for People Respect is our universal currency–no matter the role, age, or background. In our culture, respect flows across levels and geographies. We listen with empathy, we act with dignity, and we treat our customers and colleagues alike with care.

This also means we don’t tolerate toxic behaviour. We’ve disengaged from high-value customers who mistreat staff, as no revenue is worth compromising our values.

A Culture that scales respect is our universal currency– no matter the role, age, or background. In our culture, respect flows across levels and geographies. We listen with empathy, we act with dignity, and we treat our customers and



colleagues alike with care. This also means we don't tolerate toxic behaviour. We've disengaged from high-value customers who mistreat staff, as no revenue is worth compromising our values.

**We embedded our values through:**

- Coaching & career acceleration: Our "NextGen Coaching Pods" now mentor over 120 early-career professionals.
- Skill-building at the grassroots: Our custom training modules in Siwan, Kheragarh, and Niphad are not only upskilling employees but also generating local employment.
- First Employee Share Purchase Scheme (ESPS): underscoring our deep belief that our employees are the true drivers of our growth

Choosing Heart Over Haste In an industry obsessed with cost efficiency, we made a bold choice: not to outsource roles where people lose dignity for Paisalo's gain. Years ago, when we noticed third-party security staff receiving less than adequate benefits, we reversed the model because a paisa saved at the cost of fairness is a paisa too expensive

**We are committed to long-term loyalty, not short-term savings. And that means:**

- No wage arbitrage on our frontline.
- No cutting corners on compliance.
- No tolerance for client misconduct - regardless of their balance sheet.

**Culture Drives Performance**

Here's how culture translated into outcomes in FY24-25: • Over ₹52.32 billion in active loan book, served with 99%+ process accuracy. • 351 community-integrated branches, with 5,000+ entrepreneurs mentored. • 112697 savings accounts were opened, and 136236 social security schemes were extended. • Zero major audit flags across business correspondent operations. These aren't just performance stats - they're proof that doing the right thing works.

If You Don't Believe in This, You Don't Belong Here This may sound blunt, but we mean it: if you don't believe in inclusion, in serving Bharat with empathy, in owning your work with humility, you won't fit in at Paisalo. We are a company built on execution, integrity, and heart

**If you do believe in those things, then this is a place where:**

- Your ideas will be heard.
- Your effort will be recognised.
- And your impact will be felt far beyond your desk

**Culture is who we choose to be**

Every single day, in every single decision, we have a chance to build or break our culture. Paisalo chooses to create.

We choose to stand for dignity. We choose to reward behaviour, not just metrics. We choose to listen, act, and execute with purpose.

Because culture isn't a poster or a campaign-it's what remains when the PowerPoint is gone and the cameras are off.

# UNDERSTANDING THE COMMUNITY

**Anchored in Trust. Powered by Inclusion**

At Paisalo Digital Limited, we don't just operate in communities- we are part of them. FY24-25 was a year where this connection deepened meaningfully across the 22 states we now serve. With 3,565 customer touchpoints and a growing customer base of 9.45 million, Paisalo is no longer a name- it's a presence felt in remote villages, bustling small towns, and underbanked districts across India.

We believe that financial empowerment begins with trust. And trust is built, not advertised. It is earned through years of showing up - through timely credit, honest processes, empathetic field workers, and consistent community engagement. Our philosophy is simple: when communities thrive, we thrive. That belief continues to shape our operations, whether in creating grassroots infrastructure, digitising savings access, or enabling women entrepreneurs through small-ticket income-generation loans.

We aren't in this just for profit. We are in it to build a better Bharat- where the lack of opportunity does not block aspiration, and progress doesn't require migration. FY24-25 is proof that our purpose and profit are aligned.

**Pioneering Business Models and Strategies**

From Experiment to Engine Paisalo is pioneering the Business Correspondent (BC) model - the first arrangement done with the State Bank of India has now evolved into a blueprint for inclusive finance at scale. In FY24-25, we expanded this model through a national tie-up with the Bank of India, enhancing our co-lending strategy and increasing our presence in rural Bharat.

This partnership model is more than a channel; it's a powerful engine that combines:

- Bank-grade capital
- NBFC-level agility
- Tech-enabled last-mile delivery

What started as an experiment has now matured into a reliable, scalable framework that has enabled us to fund ₹52.32 billion in loans, while opening over 112697 new savings accounts and facilitating 5 million customer-initiated transactionsall within one fiscal year.

But our innovation doesn't stop at co-lending. We have built an entire ecosystem of community-facing initiatives to support our financial inclusion strategy.

1. Business Strategy Group (BSG)

Paisalo's BSG now connects over 3,178 employees across India in a structured framework designed to crowdsource innovation, identify local insights, and pilot solutions. This has led to:

- The launch of new working capital micro-loans for vendors and micro-entrepreneurs
- Experiments in affordable health-tech utilities like temperature-controlled water solutions
- A structured Employee Referral Program that taps local trust networks to recruit talent
- The NextGen Leader Coaching Program, training our next cadre of leadership from within rural India
- First Employee Share Purchase Scheme (ESPS), underscoring our deep belief that our employees are the true drivers of our growth

2. Distribution Point Expansion

In FY24-25, we scaled to over 1,900 Distribution Points - doubling our reach from the previous year. These physical and digital nodes are not just service counters but community anchors where entrepreneurs receive mentoring, MSMEs



access funding, and women-led SHGs explore savings and insurance options. We plan to mentor over 5,000 small business owners in FY25, helping them digitise their operations, access credit, and build sustainable livelihoods.

3. Work Skills Development

Paisalo is investing in India’s most underutilised asset: its rural youth. Our localised skill development initiatives, such as those in Siwan (Bihar), Niphad (Maharashtra), and Kheragarh (Uttar Pradesh), are helping bridge the gap between untapped talent and modern financial services. These programs are curated in collaboration with local NGOs, panchayats, and community institutions. Our goal: Train for employment. Hire locally. Empower sustainably.

4. Community Branches & High Touch Engagement

Our High-Tech-High-Touch model is more than a service strategy—it is our community philosophy. We’ve reimaged how financial services are delivered in India’s most remote and neglected areas. In FY24-25, our touchpoints (branches, BCs, and CSPs) hosted:

- Financial literacy camps in local dialects
- Small business idea workshops
- Social security enrollment drives under PMJJBY, PMSBY, and Atal Pension Yojana Outsiders do not run these events—they are led by Paisalo field officers, who often come from the same communities.

This makes our outreach authentic, empathetic, and culturally aligned.

**Expanding Our Footprint in Rural India**

From Access to Impact We believe in democratizing credit. In FY24-25, Paisalo emerged as a leading financial enabler across India’s Tier 3, 4, and 5 districts, where traditional banks still hesitate to go.

Our on-ground presence now includes:

- 351 physical branches with a rural and semi-urban focus
- 1,900+ Distribution Points, doubling last year’s footprint
- 1,314 CSPs offering AEPS, account opening, savings, and pension pro

**And the results speak for themselves:**

- ₹30,054 million in customer-initiated transactions
- ₹15,582 million in AEPS transactions processed
- 77646 people covered under PMSBY
- 35879 lives secured through PMJJBY
- 22711 lives secured through APY enrolled

In a country where trust, access, and documentation barriers still hinder financial inclusion, Paisalo is quietly building a new ecosystem from the ground up, scalable and local-first.

This network is not just about credit—it’s about dignity, savings, and resilience. We see our customers not as risks, but as partners in growth.

Paisalo stands on a firm foundation—built not only through balance sheets and disbursements but through relationships, reputation, and responsibility.

We are confident that our community-integrated model, backed by data, technology, and a values-driven team, is the right strategy to lead financial transformation across India’s next billion. To our shareholders, thank you for your continued trust and confidence.

To our employees and customers, you are the heart of Paisalo. Together, we’re not just building a company—we’re building an ecosystem of inclusive growth for India.

# ENVIRONMENTAL, SOCIAL, AND GOVERNANCE (ESG) ENGAGEMENT

**Building a Future-Fit Paisalo Through Purpose, People, and Planet**

At Paisalo Digital Limited, we believe that businesses must do more than create shareholder value— they must be engines for inclusive growth, responsible innovation, and environmental stewardship. As one of India’s most widely present NBFCs with deep rural roots, our responsibilities go far beyond financial services. They include uplifting communities, enabling equitable access to opportunity, safeguarding our environment, and upholding the highest standards of corporate governance.

FY24-25 marked a significant acceleration in our ESG journey. This was the year we moved from intent to measurable impact—embedding ESG into our policies, operations, and strategic decisions, and aligning our roadmap with India’s national development goals and global sustainability expectations

**Our ESG Vision: 3P Framework**

We operate through our 3P framework – Purpose, Partnerships, and Prosperity – to channel the power of finance towards social transformation and sustainable growth.

**1. PURPOSE:** Creating Inclusive, Transparent, and Climate-Conscious Operations

**Operational Sustainability**

- We have 100% of our loan disbursements to digital/cashless modes in FY25.
- 89% of collections were also digitised, reducing dependence on cash logistics and paper-based processes.
- Deployed a modern, energy-efficient on-premises computing infrastructure to minimise energy wastage and increase processing efficiency by over 45%.
- Enhanced our e-waste management systems, ensuring environmentally safe disposal of digital infrastructure across branches.

**Climate Impact through Financial Products**

- Disbursed 12,650 EV loans during the year, helping avoid ~10,251 tonnes of CO2 emissions.
- Supported customers in transitioning to solar-powered devices and electric mobility solutions, particularly in underserved rural areas.
- Initiated an internal project to assess our Green Portfolio Share and introduced ESG tagging within our loan origination system

**Formalising Sustainability Policies**

- Adopted and implemented various policies covering environmental and social risks, grievance redressal, inclusion, ethics, and more.
- Established a robust Environmental and Social Management System (ESMS) in line with BRSR and SEBI ESG disclosure expectations.
- Appointed PwC India as our ESG advisory partner to guide us through structured governance, impact tracking, and long-term ESG strategy formulation.

**2. PARTNERSHIPS:** Enabling Equitable Access and Empowering Communities

Our core belief is that financial inclusion is a right, not a privilege. Paisalo’s strength lies in its ability to reach India’s deep 16 interiors and underbanked districts with accessible, affordable, and responsible financial solutions.

**Strategic Alliances for Scale**

- Created a 3,565-strong touchpoint network spanning 22 states and 9,500+ PIN codes, including 1,314 Customer Service Points (CSPs).

- Enabled over 5.03 million customer-initiated transactions in FY25 – double the previous fiscal – via Aadhaar-enabled payments, digital onboarding, and customer self-service portals.

**Gender Equity & Local Employment**

- Hired 769 new team members, focusing on rural and semi-urban youth, and grew total headcount to 3,178.
- Women now make up a rising share of our workforce, with 20% YoY growth in female representation.
- Designed community-led Work Skills Development Programs in districts like Siwan, Kheragarh, and Niphad, linking training to local hiring pipelines.

**PROSPERITY:** Strong Governance and Ethical Foundations for Long-Term Value Paisalo’s governance architecture is built on the principles of transparency, regulatory rigour, accountability, and ethical conduct.

We view strong governance not as a regulatory checkbox but as a strategic differentiator.

Governance Enhancements in FY24–25

- Established an ESG Steering Committee reporting to senior leadership and Board oversight.
- Fully aligned with Business Responsibility and Sustainability Reporting (BRSR) expectations from SEBI.
- Introduced ESG-linked employee awareness and training modules across departments.
- Integrated data privacy, cybersecurity, and fraud management protocols across all technology platforms.
- Enhanced controls for anti-money laundering (AML) and Know Your Customer (KYC) compliance, ensuring ethical expansion of our customer base.

**Fiscal Responsibility and Compliance**

- Paid over ₹500 million in income tax, underlining our role in nation-building.
- Maintained complete transparency with regulators and financial partners.
- Continued to invest in internal risk monitoring, control, and audit systems, with zero adverse audit findings for FY25.

**ESG Is Not a Department. It Is Our DNA.**

From reducing emissions to recruiting rural women, from enabling millions of underbanked customers to partnering with PwC for future-ready sustainability reporting–ESG is embedded in everything we do at Paisalo.

**We believe:**

- Environmental health is economic health.
- Inclusion is not a CSR activity– it’s a competitive advantage.
- Good governance is the cornerstone of stakeholder trust and confidence.

**We’re not just preparing Paisalo for tomorrow–we’re helping to shape a better tomorrow for India.**



# MANAGEMENT LESSONS FOR FY24–25

**From Vision to Action: Leading with Intention, Discipline, and Empathy**

In FY24–25, as Paisalo scaled new heights–serving over 1.52 million customer franchise, expanding to more than 3,500 touchpoints, and deploying capital responsibly across 22 states–the defining feature of our leadership journey has not just been growth, but the learning that made that growth possible. As India’s formal and informal economies merge, digital innovation blends with high-touch service, and regulatory expectations rise in tandem with opportunities, we find ourselves at a pivotal moment: one where leadership is not only about speed, but also about purposeful direction. What follows are lessons– efined over years in the trenches, in boardrooms, and across remote branches – that guide how we lead at Paisalo.

**1. The Importance of Long-Term Vision in a Fast-Moving Market**

While quarterly performance data keeps us accountable, long-term thinking helps us remain relevant. For Paisalo, operating in a country as vast and volatile as India means recognising that economic transformation is neither linear nor predictable. Fiscal spending, infrastructure investments, shifts in rural consumption, and global trade disruptions will all impact our borrower base in the years to come.

To navigate this, we apply a "future-back" approach: envisioning the financial lives we want our customers to experience in 5–10 years–whether it’s a small entrepreneur doubling her income or a first-generation borrower building a credit score – and working backwards to determine what steps we must take today.

This orientation enables us to remain resilient amid short-term headwinds while building a capability stack that makes us future-ready: deeper distribution, sharper analytics, and more empathetic credit underwriting.

**2. The Power of Deep, Comprehensive Assessment**

Understanding your business means understanding everything that drives it, not just what’s visible on dashboards.

We routinely analyse not just our costs, growth and NPA data, but also granular levers like:

- Customer disbursement turnaround time
- Geo-level profitability by branch
- Productivity variance between teams
- Competitive distribution overlaps in new districts

This is not just academic. It’s how we spot operational drag early. In FY25, it helped us improve rural loan origination speed by 27%, enhance cross-selling in mature CSPs, and reduce redundancies in our onboarding funnel.

But the most potent insights don’t come from Excel– they come from our employees and customers. They know where the bottlenecks are. They know where we’re doing well. Listening deeply and asking honestly– “What should we stop doing?”– is crucial to continuous improvement.

**3. Be a Seeker of Truth, Not a Defender of Old Beliefs**

In leadership, the ability to revise your beliefs when presented with new evidence is a superpower. Too many companies suffer because their leaders cling to outdated assumptions, defend past decisions for too long, or silence dissent.

At Paisalo, we work hard to normalise discomfort with our blind spots. When our credit rejection rates in a region climb unexpectedly, we don’t blame borrowers– we dig. If a new product underperforms, we don’t cover it up–we revisit assumptions and redesign. If a field employee flags fraud risk in a CSP, we act fast, without bureaucracy.

We foster an internal culture where questions are more valuable than opinions, and where disagreement is encouraged, not feared.

4. Stay on the Ground – That’s Where the Truth Lives

India is not one market – it’s hundreds of micro-economies, each with its own tempo, culture, and business logic. That’s why we insist on road time for senior leaders. Field visits aren’t symbolic – they’re strategy sessions with realtime feedback loops.

Over the past year, our leadership has conducted over 300 field meetings, visiting customers, agents, and teams across rural areas of Uttar Pradesh, Bihar, Maharashtra, and other regions.

These engagements helped us:

- Redesign savings product communications
- Adjust pricing in competitive zones
- Improve document collection processes in areas with literacy barriers Our rule is simple: “Don’t talk about a process if you haven’t watched it in action.”

5. Build Culture by Behaviour, Not Memos

What is culture?

It’s how people behave when no one is watching. It’s how we treat customers under stress, how we respond to a field error, how we recognise effort, not just outcomes.

In FY24–25, we made tangible changes to reinforce our values:

- We doubled down on our NextGen Leader Coaching cohorts for early-career staff.
- We empowered more women in operations, including roles in credit and customer service.

We also stood firm when needed: disengaging with customers who mistreat our people, and taking swift action against internal misconduct. Why? Because culture is what we tolerate, not just what we promote

6. Decision-Making: Process, Not Politics

Significant decisions require clarity, not consensus.

We emphasise structured pre-meeting prep, open dialogue, and shared context.

But we also train teams to differentiate between “Type 1” and “Type 2” decisions:

- Type 1: irreversible, strategic bets require careful deliberation.
- Type 2: reversible, tactical calls should be made quickly by empowered teams.

This thinking has helped us reduce approval times, streamline decision-making processes, and enable field leaders to act promptly on local matters.

We also believe accountability must follow authority. If we expect teams to move fast, we must also back their decisions, even when outcomes vary. That’s how we’ve built trust in our verticals.

7. The Role of the Heart in High-Performance Cultures

Numbers matter. But what drives enduring performance is heart. The belief that we matter to one another. That we’re not cogs – but co-builders.

At Paisalo, many of our employees come from the same communities we serve. Their stories mirror those of our customers. That’s why treating our people with dignity is non-negotiable. We invest in their growth, their safety, and their purpose. In FY25:

- We funded over 500 upskilling programs across roles.
- Introduced better health coverage for field teams.
- Doubled down on mental health support and grievance redressal forums. When people feel respected and seen, they do more than perform – they commit.

8. Trust Is the Leadership Currency

Finally, leadership is not defined by titles, strategy decks, or press quotes. It’s characterised by trust.

Employees trust you when:

- You do what you say.
- You admit when you’re wrong.
- You stand by them in challenging moments.

Customers trust you when:

- Your processes are fair.
- Your pricing is transparent.
- You solve problems, not just sell products.

Regulators trust you when:

- You’re transparent, consistent, and proactive.

At Paisalo, trust is not an abstract goal-it is our operational edge.

The Road Ahead: From Learning to Leading

The management lessons we’ve learned are not static – they evolve.

As Paisalo prepares for the future – with new AI tools, improved data infrastructure, and expanded rural reach- we will need to continue learning, unlearning, and listening.

These management lessons are not just theories but practical guidelines that have been tested and proven in the unique context of India.

As Paisalo continues to grow and evolve, these principles will continue to develop and will remain central to our journey, driving us toward sustained success and positive impact.

In Closing: Reflecting on Legacy, Looking Ahead with Purpose

As Paisalo completes over three decades of purposeful progress, I am filled with deep gratitude and pride. Our journey has been anything but ordinary, marked by bold decisions, hard-earned lessons, and a shared resilience that has helped us navigate every economic cycle, regulatory shift, and technological disruption.

What began as a vision to empower underserved communities has now grown into a trusted financial institution impacting millions across India. At every step, our values – discipline, empathy, and execution – have shaped us into who we are today.

To our 3,178 employees and their families: thank you. Your daily dedication is the soul of Paisalo. Whether you're serving customers in a rural setting, building credit models, or managing compliance in the background, you’re the reason we continue to earn trust and drive change.

To our management team, I am grateful for your clarity, conviction, and relentless focus. You've not only led through complexity, but have helped define a culture of courage and responsibility that will guide us in the years ahead.

To our shareholders and stakeholders, I hope these reflections offer a window into both the complexity and beauty of what we do – building a modern, inclusive financial company grounded in Indian realities. More than just performance metrics, I hope you feel a sense of pride in being part of a company that is deeply connected to the people it serves.

As we chart our path forward, I am confident in our ability to evolve while maintaining our identity. The trust you place in us is our greatest asset – and we will continue to honour it with humility, ambition, and heart.

Thank you for walking this journey with us.

Sunil Agarwal Managing Director,  
Paisalo Digital Limited





# PAISALO'S PROMISE

Our promise is to empower India's unbanked population through accessible and inclusive financial solutions. Paisalo is committed to bridging the gap between financial institutions and the underserved, thereby creating 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.

At Paisalo, we envision ourselves as the leading non-banking financial company (NBFC) dedicated to serving the population of India. We aspire to create a future where every individual, regardless of their socio-economic status, has equal access to financial resources and services. To achieve this, we leverage technology, promote transparency 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.

We are actively building a financially inclusive India where every dream finds support and every endeavour has 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.

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 unbanked population to unlock their full potential and contribute to the nation's progress.







## Mrs. Ganita Devi

My name is Ganita Devi from Jharkhand. A few months ago, my family was going through a difficult time. I wished to start my own business, but I didn't have enough resources to make it happen. I needed financial aid urgently, and didn't know where to start. That's when I discovered Paisalo Digital Limited.

I applied for a loan of ₹60,000. The process was very smooth and hassle free. They trusted me and gave me the loan without long delays. It felt like a blessing at that time. I still remember how relieved I felt when the money was approved and credited to me.

With the help of this loan, I was able to open my own grocery store in my village. It was a small start, but it meant a lot to me and my family. Today, that small store is running well and helping me earn a stable income. I can take care of my household needs, support my children's education, and live with confidence.



## Mr. Arun Patel

A few months ago, I took a loan of ₹1,35,000 from Paisalo Digital Limited, and it has truly changed my life.

At that time, I was going through a tough phase financially. I wanted to buy a Toto (e-rickshaw) to start earning and support my family, but I didn't have the money to get started.

I approached Paisalo, and to my surprise, the process was simple and fast. There was minimal documentation, and the loan was approved and disbursed in a short time. More importantly, they trusted me when others didn't.

Thanks to their support, I was able to purchase my own Toto and begin working. Today, I proudly drive my vehicle every day, and it feels great to earn a regular income and take care of my responsibilities.

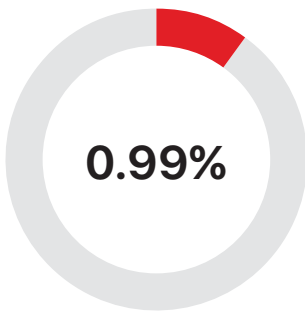
I've been paying all my EMIs on time, and my Toto is running smoothly. This loan has helped me become self-reliant and has given a new direction to my life.

I'm very thankful to Paisalo Digital Limited for believing in me and standing by me when I needed it the most.

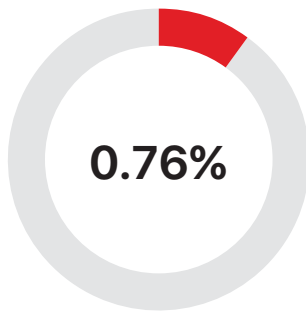




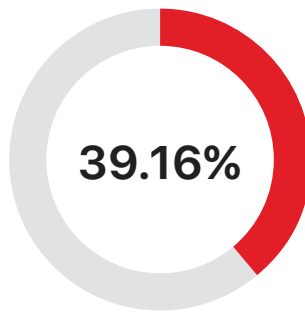
# COMPANY AT A GLANCE



• Gross NPA



• Net NPA

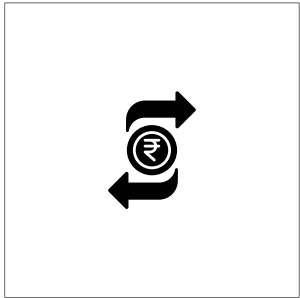


• CAR

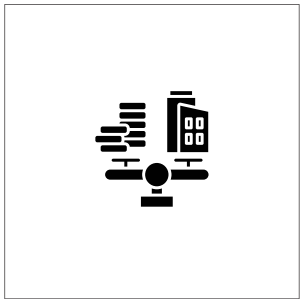
₹52,328 Mn  
AUM

₹2,001 Mn  
PAT

₹15,257 Mn  
Net Worth



₹37,199 Mn  
Disbursement



2.25  
Debt-Equity Ratio



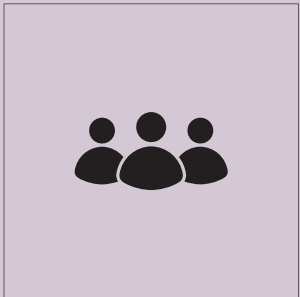
Credit Rating  
AA (Stable Outlook) and A1+



9.46 Mn  
Lives Touched



3565  
Touch Points



3178  
Employees





# 3 YEARS FINANCIAL HIGHLIGHTS

Parameters	2023	2024	2025
AUM*	₹ 34,928	₹ 45,860	₹ 52,328
Revenue from Operations*	₹ 4,732	₹ 6,587	₹ 7,711
PAT*	₹ 936	₹ 1,790	₹ 2,001
Cash Accrual*	₹ 960	₹ 1,824	₹ 2,056
Net worth	₹ 11,610	₹ 13,211	₹ 15,257
Total Debt	₹ 18,567	₹ 25,537	₹ 35,169
Debt Equity Ratio	1.58	1.87	2.25
Gross NPA	0.25%	0.21%	0.99%
NET NPA	0.02%	0.02%	0.76%
ROA	3.02%	4.53%	3.89%
ROE	7.90%	13.40%	12.96%
CAR	40.34%	35.92%	39.16%
Bad Debts Written Off Net	₹ 441	₹ 418	₹ 508
Bad Debts Recovered	₹ 177	₹ 405	₹ 366
Book Value	₹ 25.50	₹ 14.60**	₹ 16.61
Touch Points	1052	2455	3565

₹ in Millions  
\*\*Impact of Bonus Issue 1:1  
\*Consolidated figures

# ESG AT A GLANCE

## Decent Work and Economic Environment

**₹7,711 Mn**

Revenue

**₹2,001 Mn**

PAT

**12.96%**

ROE

**3.89%**

ROA

**3,565**

Touch Points

**3,178**

Jobs Created

**22**

States

**05**

Independent  
Directors

**9.46 Mn**  
Customer Serviced

**853,325**  
Women Customers  
served during the year

**180+**  
Years Experience  
Board of Directors

**76,330**  
Small and medium  
businesses helped

## Industry, Innovation and Infrastructure

Centralized process, real time credit credential and character check



Responsible  
Consumption and  
Production



Reduced Inequalities



Peace, Justice and  
Strong Institutions



Health and Well being



Paper Consumption  
Minimal



Cashless  
Disbursement 100%



Sourcing & Servicing  
Digital Process



Climate Action



Cashless  
Collection 89%



Gender Equality

\*Branches- 351, CSPs- 1314, Distribution Points- 1900

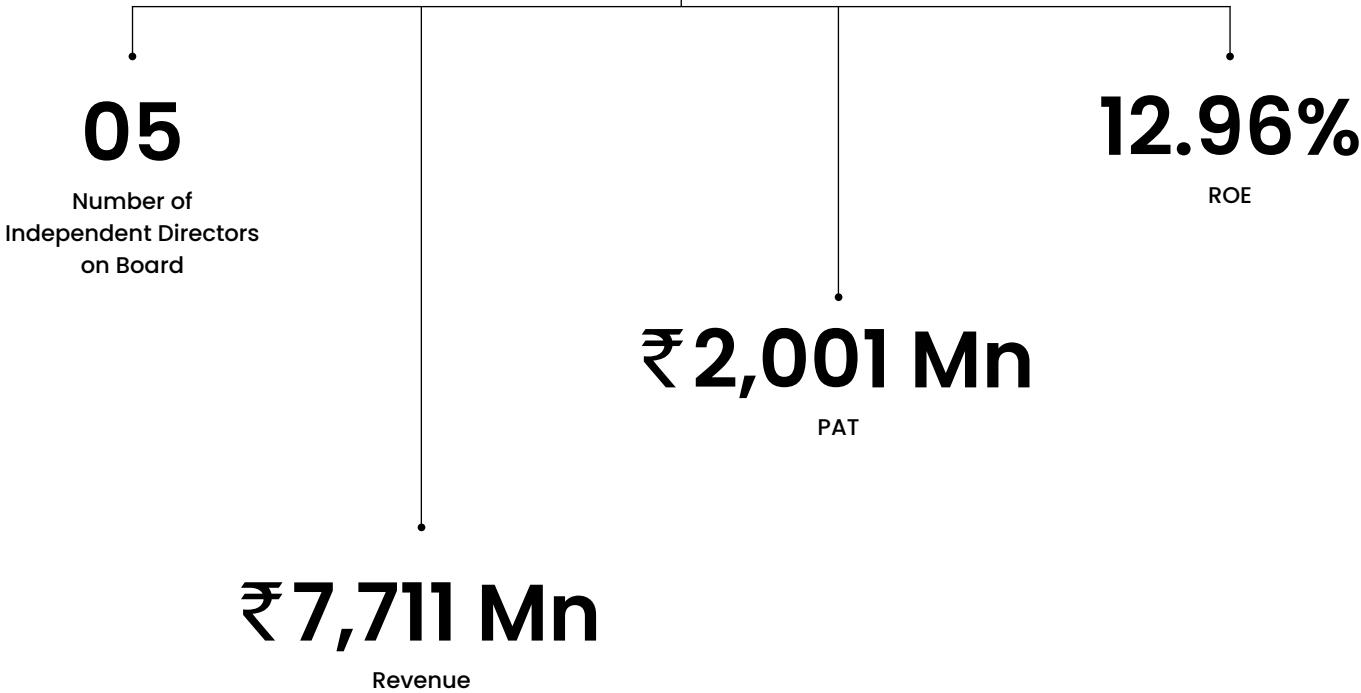


## INTRODUCTION

At Paisalo, ESG principles are deeply embedded in our operations, guiding responsible business conduct across every level. We believe that good business goes beyond profit—it's about creating meaningful impact and driving positive change. Through our inclusive financial products and services, we aim to uplift underserved communities and transform lives. Every offering is designed with purpose, aligning commercial success with social progress and environmental stewardship.

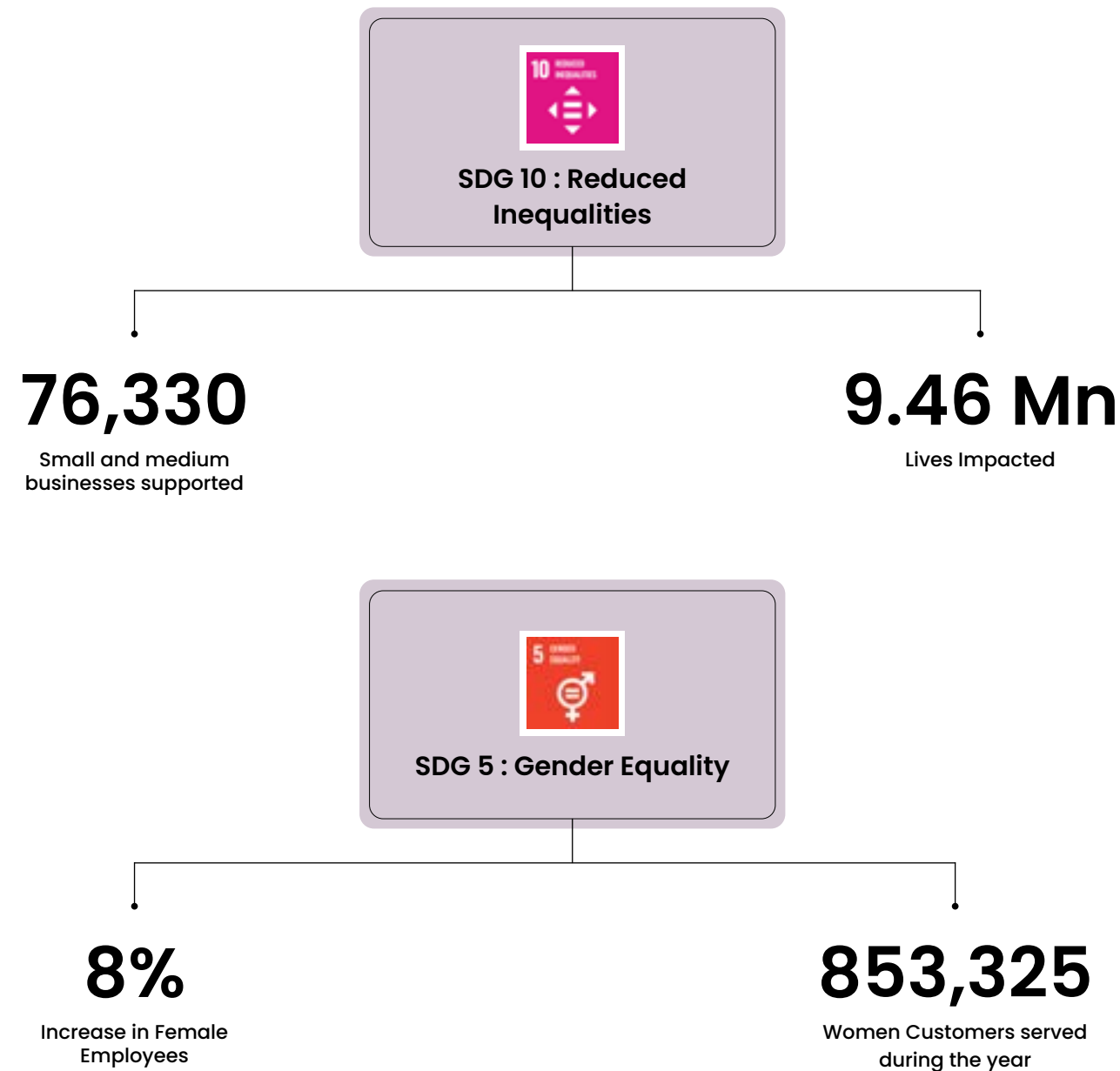
Our value creation model is woven with our vision to uplift India's bottom-of-the-pyramid and our mission to offer seamless, responsible credit access. This commitment is further reinforced through our Triple **A strategy- Empowering Bharat with Accessibility, Affordability, and Awareness**- Through this strategy, Paisalo strives to finance the future of Bharat by making financial services accessible to every corner of India, ensuring they are affordable and that there is widespread awareness of financial literacy. In doing so, we are not just serving our stakeholders but are actively participating in the inclusive development of India. Together, let's build a financially inclusive Bharat where everyone prospers.

## ESG HIGHLIGHTS & OUR LAST MILE IMPACT



\*Figures shown are on consolidated basis





SCALING OUR LAST-MILE IMPACT:

Paisalo Digital’s mission-driven products are transforming access to finance for underserved communities across India. **Paisalo’s product suite is built on its Triple A strategy–Accessibility, Affordability, and Awareness**–delivering easily available capital, no-frills financing options, and targeted financial literacy initiatives that guide first-time borrowers toward responsible credit use. Each product goes beyond transaction to become a strategic lever for long-term impact and empowerment.

Operating with a sharp focus on financial inclusion, Paisalo offers small-ticket loans averaging INR 20,000 to support economically excluded individuals—especially those in rural and semi-urban geographies. The company has a strong presence across northern and western states, including Uttar Pradesh, Delhi, Maharashtra, Haryana, and Rajasthan, serving low-income self-employed individuals, informal workers, and micro-entrepreneurs who often lack formal credit histories. Paisalo’s borrower base spans small/marginal farmers, daily wage earners, artisans, and petty traders, with a notable emphasis on empowering women through targeted lending programs. Its loan offerings include both secured and unsecured formats, backed by movable assets (like equipment and vehicles) or immovable collateral (such as land papers), tailored to fit grassroots realities.

By bridging credit gaps for micro and small enterprises, Paisalo champions last-mile financial inclusion and fosters self-reliance. Through scalable co-lending partnerships with leading banks—including SBI, PNB, Bank of Baroda, and UCO Bank—Paisalo delivers affordable credit aligned with RBI’s priority sector lending guidelines. These alliances reduce effective interest rates and help scale outreach in remote regions.

Complementing these partnerships is Paisalo’s proprietary digital platform, built with advanced AI and ML technologies, enabling efficient service delivery and data-backed decision-making. With over 3,565 touchpoints across 22 states, Paisalo ensures inclusive access to financial solutions and brings grassroots enterprise into the formal economic fold.

Loan Products	Target Audience	Key Features	Our Positive Impact
Small Income Generation Loans	Paisalo’s offerings—such as Vikas Loan, Umeed Loan, and Pragati Loan—are designed for self-employed individuals and small business owners in rural and semi-urban areas, supporting sectors like agriculture, retail, and handicrafts, with a strong focus on empowering women	<ul style="list-style-type: none"><li>Minimal documentation and a simple application process.</li><li>Flexible repayment options suited to the cash flow of small businesses.</li><li>Quick disbursal to support immediate business needs.</li></ul>	Ensures accessibility through grassroots reach, affordability via low-ticket credit tailored to underserved borrowers, and awareness through targeted financial literacy initiatives. This integrated approach fosters inclusive economic participation and sustainable livelihood creation.
MSME and SME Loans	Paisalo offers tailored financing for MSMEs across manufacturing, services, and trading sectors, including Corporate Loans up to INR 500 lakhs for expansion. The Udaan Loan—up to INR 20 lakhs—empowers small business owners and first-time entrepreneurs, including homemakers.	<ul style="list-style-type: none"><li>Competitive interest rates</li><li>Flexible repayment tenures aligned with the business.</li><li>Support for both working capital and long-term capital expenditures for business expansion, equipment purchases and other business-related expenditures.</li></ul>	Paisalo’s Corporate and Udaan Loans align with its Triple A strategy by offering accessible financing across formal and informal business segments, affordable credit with flexible structures, and targeted awareness-building to guide entrepreneurs—especially first-time and grassroots borrowers—toward informed financial choices.
Mobility Loans	Paisalo’s mobility-focused loan suite includes Do Ka Dum, Gati, Raftaar, and Ready Steady Go—each tailored to boost vehicle ownership and livelihood enhancement. These offerings provide accessible financing for two-wheelers, auto-rickshaws, small vehicles, and pre-owned cars, empowering borrowers with mobility and economic opportunity.	<ul style="list-style-type: none"><li>Special focus on financing electric vehicles</li><li>Fast processing and approval with minimal paperwork.</li><li>Competitive interest rates and customized repayment plans.</li></ul>	Offers accessible financing for commuters and livelihood seekers, affordable ownership options across vehicle segments, and building awareness through borrower education on responsible usage and financial planning. This ensures inclusive mobility and economic empowerment.

OUR ENVIRONMENTAL PERFORMANCE:

10,251  
t/co2e  
Total  
Emissions  
Avoided

10,314  
Number  
of EV's  
Financed

58  
Tonnes Total  
Paper Waste  
Avoided

Paisalo remains acutely aware of how environmental risks-particularly climate-related disruptions-can influence the financial stability of its grassroots borrower base. As part of its operational integration, the company measures and monitors energy, water consumption and carbon emissions. Paisalo embeds environmental stewardship into its operational ethos. This proactive approach reflects Paisalo’s belief that inclusive finance must be intrinsically linked with ecological resilience and long-term sustainability.

- Accelerating Green Energy Access**  
Paisalo is actively supporting the transition to clean energy by providing financing solutions for electric vehicles (EVs), making them more accessible to individuals and businesses. By facilitating the adoption of EVs, Paisalo helps reduce reliance on fossil fuels, thereby lowering greenhouse gas emissions. By embedding green financing into the product suite, we align inclusive mobility with broader sustainability goals.
- Measuring our Carbon Footprint:**  
Paisalo is strengthening its approach to environmental responsibility by developing a greenhouse gas (GHG) inventory. The company annually tracks Scope 1 and Scope 2 emissions. In FY25, Paisalo further extended its efforts to monitor select categories of Scope 3 emissions to better understand its indirect environmental impact. This focus on tracking its carbon footprint will help the company identify areas for improvement, support future reduction strategies, and contribute positively to the environment.

Particulars	Consumption in tCO2
Total Scope 1 Emissions	170.27
Total Scope 2 Emissions	626.35

- Waste & Water Management:**  
At Paisalo, we have embraced a fully digital approach, allowing us to eliminate paper usage and significantly reduce waste generation. Our commitment to sustainability goes beyond just digital practices; we are also deeply mindful of our water consumption. By implementing advanced water-saving measures, such as water harvesting systems and smart water dispensers and meters, we ensure minimal water wastage. These initiatives reflect our dedication to promoting responsible consumption and preserving natural resources for a sustainable future.

Particulars	
Total water consumed	2164.22 KL
Total water discharged	2250.57 KL
Total waste generated	0.07 MT

PEOPLE FIRST: DRIVING INCLUSIVE GROWTH

At Paisalo, people are central to our progress. The company’s mission-driven model places both employees and customers at the center of every decision, recognizing their vital role in driving inclusive finance and community impact. Through a strong emphasis on social performance-including financial literacy, customer empowerment, and employee development-Paisalo ensures that its growth story is deeply rooted in the wellbeing and success of those it serves.

1,314  
Total  
No. of CSPs

8%  
Increase in  
Female  
Employees

- Employees:**  
Our employees serve as catalysts for inclusive growth, driving our outreach, innovation, and impact at the grassroots. Their commitment and agility translate the company’s mission into meaningful financial empowerment for underserved communities.

At the end of March 2025, our total headcount stood at 3,178, comprising of permanent full-time employees (FTE). The below table provides a detailed insight/breakdown of our full-time employees by age, gender and employee category.

Employee Hierarchy	Age Group			Gender		Total
	<30	30-50	>50	Male	Female	
Senior Management	1	3	4	8	0	8
Middle Management	2	4	6	10	2	12
Junior Management	96	123	29	145	8	153
Non-Management	1,740	1,145	25	2,932	73	3,005
Total Permanent Employees	1,839	1,275	64	3,095	83	3,178

- Talent Engine: Strengthening Our Workforce**  
We continue to onboard dynamic talent to strengthen our operational reach and innovation capabilities, with a focus on hiring from diverse and local communities. The company maintains a healthy employee turnover rate, reflecting its culture of engagement, growth, and long-term career pathways.

During the year, our employee strength grew by 32% with addition of more than 750 permanent employees.

Employee Hierarchy	Age Group			Gender		Total
	<30	30-50	>50	Male	Female	
Number of New Recruits	1199	499	28	1686	40	1726

Employee Turnover:

Employee Hierarchy	<30		30-50		>50		Total Gender Wise		Grand Total
	Male	Female	Male	Female	Male	Female	Male	Female	
Number of Employee Turnover	25%	0.7%	4%	0.3%	-	-	29%	1%	30%

Built to Thrive: Investing in Employee Well-being

Zero

complaints on working conditions & Health and Safety.

81.4%

Employees trained on On-skill upgradation.

₹ 9.2 Mn

Spent on well-being measures of employees.

We place employee well-being at the core of our workplace culture, offering structured training and career development pathways that nurture professional growth. To support work-life balance and family care, the company provides inclusive maternity and paternity leave benefits. Health and safety are prioritized through regular mock fire drills, accessible first-aid kits, and emergency response protocols across offices. These measures reflect Paisalo’s commitment to fostering a safe, supportive, and growth-oriented work environment.

Category	Male	Female	Total
Employees that were entitled to parental leave	3,095	83	3,178
Employees that took parental leave	1	2	3
Employees that returned to work in the reporting period after parental leave ended	1	2	3
Employees that returned to work after parental leave ended that were still employed 12 months after their return to work	1	2	3
Return to work rate of employees that took parental leave	100%	100%	100%
Retention rate of employees that took parental leave	100%	100%	100%

At Paisalo, new employees undergo a structured onboarding and training program designed to equip them with essential knowledge of company policies, systems, and service standards. The organization invests continuously in upskilling through technical sessions, leadership development, and industry-focused workshops to foster career advancement. Paisalo offers a comprehensive benefits package—including health insurance, retirement plans, and financial safeguards—to support employee well-being. Flexible work arrangements and paid leave policies enable better work-life balance, while ongoing engagement through surveys, feedback channels, and team initiatives helps cultivate a supportive and growth-oriented workplace.

Customers:

At Paisalo, customers lie at the heart of every business decision and operational effort. The company is committed to making a lasting impact by delivering accessible and customized financial solutions tailored to the needs of

underserved individuals and communities. Whether it’s income generation, business expansion, or household essentials, Paisalo’s offerings are designed to address grassroots realities. The goal is to empower through finance, creating pathways to dignity, opportunity, and self-reliance. This customer-centric approach drives continuous innovation and responsiveness across the organization.

1,696,681

Active Customer Base

671,962

Yearly New Customers

9.46 Mn

Lives Impacted

Customer satisfaction is not just a metric at Paisalo—it’s a cornerstone of trust, loyalty, and long-term value creation. The company views every customer interaction as an opportunity to build stronger relationships and deliver impact where it matters most.

Paisalo’s commitment to customer satisfaction is deeply embedded in its operational philosophy. To enhance the overall experience, Paisalo has implemented robust systems to promptly address customer needs and concerns. This includes a suite of targeted measures designed to consistently meet and exceed customer expectations through proactive support and service excellence.

Building Local Talent Networks

5,038,384

Customers Served by BC channel

112,697

Small Savings Bank Account Opened

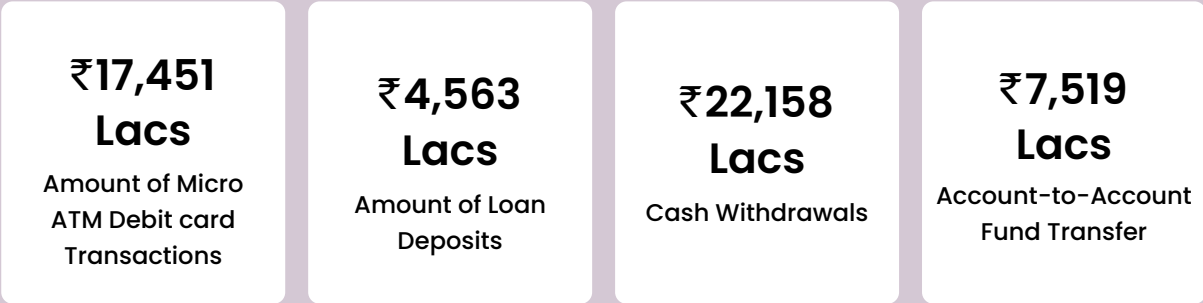
136,236

Cross Selling Accounts Opened\*

\*Includes Micro Pension, Micro Insurance, Recurring Deposits, Term Deposits covering Atal Pension Yojana (APY), Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY) and Pradhan Mantri Suraksha Bima Yojana

Paisalo has embraced co-lending partnerships with leading banks to deepen its outreach and accelerate formal financial inclusion across underserved regions. These collaborations enable the deployment of on-ground Business Correspondents (BCs), who serve as vital touchpoints for customers—facilitating loan assistance, addressing service concerns, and promoting financial literacy. BCs play a crucial role in onboarding customers to digital payment ecosystems by guiding them through mobile banking apps and ensuring secure, hassle-free transactions. Through this hyper-local engagement model, we effectively bridge the gap between institutional finance and grassroots communities.

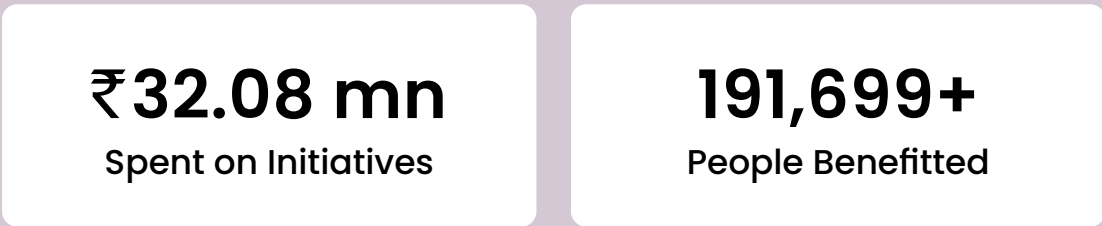




\*Aadhaar Enabled Payment

In addition to supporting financial access, Paisalo is scaling livelihoods by offering formal employment opportunities to its network of Business Correspondents. These individuals are not only the face of Paisalo in remote areas but also act as catalysts for digital adoption and financial empowerment. By equipping BCs with training, tools, and sustainable income avenues, the company enhances their socio-economic mobility while reinforcing its mission to democratize credit and strengthen financial ecosystems at the last mile.

• **CSR : Building Better Communities Together**



In FY25, we allocated INR 32.08 million towards impactful CSR initiatives, reaffirming our commitment to equitable development and inclusive growth. These efforts spanned critical areas such as food distribution, medical assistance, and enabling access to free education for underprivileged communities. By addressing essential social needs, we aim to uplift vulnerable populations and bridge opportunity gaps. The company’s CSR strategy reflects a holistic approach to nation-building-where financial empowerment is complemented by social responsibility. Providing a brief snapshot of the same below:

SL. No.	CSR Project	No of persons benefitted from CSR projects	% of beneficiaries from vulnerable and marginalized groups
1.	Distribution of Laptops, Tablets & Cycles (Uttar Pradesh and Jharkhand)	812	100%
2.	Aid for medical treatment (Uttar Pradesh)	7	100%
3.	Distribution of Food (Uttar Pradesh, Madhya Pradesh)	187927	100%

4.	Aid for treatment of physically disabled (Rajasthan)	435	100%
5.	Financial Support for Eye Surgeries of Homeless senior citizens (Delhi)	245	100%
6.	Financial support to upgrade the technology and parts required manufacturing of prosthesis (Uttar Pradesh)	33	100%
7.	Free education of kids in poorest slums (Uttar Pradesh & Rajasthan)	2000	100%
8.	Sponsorship for underprivileged students (Rajasthan)	240	100%

CORPORATE GOVERNANCE:

The Board of Directors acts as the organization’s governing authority, offering strategic guidance to ensure its enduring success and sustainability. Comprising ten seasoned professionals and industry veterans, the Board plays a pivotal role in defining the company’s vision and mission, endorsing key policies and strategic plans, and evaluating overall performance. Each member contributes a unique blend of expertise and diverse viewpoints, enriching decision-making and reinforcing strong governance practices. In addition, the Board ensures adherence to regulatory standards, actively monitors risks, and provides valuable support to senior leadership in driving the company’s objectives.



ESG STRATEGY:

Paisalo’s ESG strategy is centered on creating sustainable value by embedding responsible business practices across its operations. By integrating Environmental, Social, and Governance principles into its core functions, the company seeks to deliver long-term positive outcomes for stakeholders and the communities it serves.

The ESG function, led by the ESG Head and guided by the Deputy Managing Director, plays a pivotal role in shaping the company’s sustainability roadmap. This includes proactive stakeholder engagement, conducting periodic assessments, and transparently reporting on progress to ensure that ESG goals are consistently met and evolved.

In FY25, Paisalo took a decisive step toward embedding sustainability into its core operations with the development of an Environmental & Social Management System (ESMS). This framework serves as the foundation for integrating sustainability in every aspect of our operations, ensuring that environmental and social considerations are reflected across the business value chain. To enhance ESG governance, the company introduced an Impact Framework grounded in the Theory of Change-articulating its social vision, aligning it with quantifiable outcomes, and tracking progress toward last-mile impact. These systems have strengthened decision-making by infusing greater accountability, transparency, and stakeholder engagement at the leadership level.

Going forward, Paisalo is broadening its ESG focus through climate-related disclosures, feedback-led performance evaluation, and materiality assessments-signaling its ongoing commitment to being a responsive and resilient enterprise.

# CORPORATE INFORMATION

## Board of Directors

Mr. Sunil Agarwal  
Managing Director &  
Chief Executive Officer

Mr. Harish Singh  
Executive Director &  
Chief Financial Officer

Mr. Anoop Krishna  
Executive Director

Mr. Vinod Kumar\*  
Executive Director

Mr. Santanu Agarwal  
Deputy Managing 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

Dr. Dharmendra Singh Gangwar  
Independent Director

Mr. Jitendra Kumar Ojha\*\*\*  
Independent Director

## Key Managerial Personnel

Mr. Manendra Singh  
Company Secretary & Chief  
Compliance Officer

## Statutory Auditors

M/s Saket Jain & Co.  
Chartered Accountants  
(Firm Registration no. 14685N)

## Committees#

### Audit Committee

Mr. Vijuy Ronjan  
Chairman

Mr. Harish Singh  
Member

Mrs. Nisha Jolly  
Member

### Stakeholders Relationship Committee

Dr. Dharmendra Singh Gangwar  
Chairman

Mr. Raman Aggarwal  
Member

Mr. Vijuy Ronjan  
Member

### Nomination and Remuneration Committee

Mr. Raman Aggarwal  
Chairman

Mr. Jitendra Kumar Ojha  
Member

Dr. Dharmendra Singh Gangwar  
Member

## Corporate Social Responsibility Committee

Mr. Harish Singh  
Chairman

Mr. Sunil Agarwal  
Member

Mr. Vijuy Ronjan  
Member

## Risk Management Committee

Mr. Jitendra Kumar Ojha  
Chairman

Mr. Harish Singh  
Member

Mr. Santanu Agarwal  
Member

Mr. Gaurav Chaubey  
Member

## Asset Liability Management Committee

Mr. Harish Singh  
Chairman

Mr. Santanu Agarwal  
Member

Mr. Gaurav Chaubey  
Member

Mr. BVSKT Bhaskar  
Member

## IT Strategy Committee

Mrs. Nisha Jolly  
Chairman

Mr. Harish Singh  
Member

Mr. Santanu Agarwal  
Member

Mr. Gaurav Chaubey  
Member

Mr. Sushant Sharma  
Member

## IT Steering Committee

Mr. Harish Singh  
Chairman

Mr. Santanu Agarwal  
Member

Mr. Gaurav Chaubey  
Member

Mr. Sushant Sharma  
Member

## Operations and Finance Committee

Mr. Harish Singh  
Chairman

Mr. Sunil Agarwal  
Member

Mrs. Nisha Jolly  
Member

Mr. Santanu Agarwal  
Member

Mr. Anurag Sinha  
Member

\*Appointed w.e.f. February 04, 2025.

\*\*Director upto July 21, 2025.

\*\*\*Appointed w.e.f. May 02, 2025.

#Composition of Committees effective from July 22, 2025.

-For Committee Composition as on March 31, 2025. Please refer Corporate Governance Section of this Annual Report.

## Fraud Monitoring Committee

Dr. Dharmendra Singh Gangwar  
Chairman

Mr. Sunil Agarwal  
Member

Mr. Harish Singh  
Member

Mr. Raman Aggarwal  
Member

## Bankers/Financial Institutions

Bank of Baroda

State Bank of India

Union Bank of India

Punjab National Bank

Indian Bank

Bank of Maharashtra

Bank of India

UCO Bank

IDBI Bank

CSB Bank

Karnataka Bank

Dhanlaxmi Bank

Canara Bank

Indian Overseas Bank

South Indian Bank

Indian Renewable Energy  
Development Agency

Unity Small Finance Bank

## 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

## Internal Ombudsman

Mr. Rajesh Kumar Singh  
Email : io@paisalo.in

## 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

### FCCBs:

Afrinex Exchange, Mauritius

## Registration Number

Corporate Identification Number(CIN):  
L65921DL1992PLC120483

RBI Registration Number:  
B-14.02997

# OUR *PRESENCE*



**3565**

Touch Points



**94,58,059**

Lives Touched



**22**

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 <sub>OF</sub> *DIRECTORS*



**Mr. Vinod Kumar**  
Executive Director



**Mr. Gauri Shankar**  
Independent Director  
(Upto July 21, 2025)



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



**Mr. Harish Singh**  
Executive Director & CFO



**Mr. Raman Aggarwal**  
Independent Director



**Mrs. Nisha Jolly**  
Independent Director



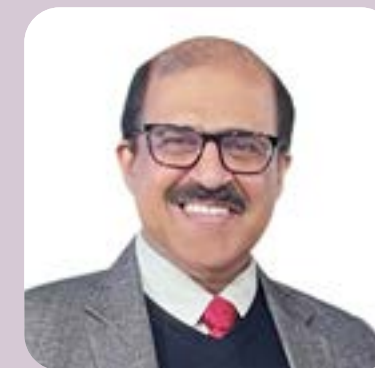
**Mr. Santanu Agarwal**  
Deputy Managing Director



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



**Mr. Vijay Ronjan**  
Independent Director



**Dr. Dharmendra Singh  
Gangwar**  
Independent Director



**Mr. Jitendra Kumar Ojha**  
Independent Director  
(Appointed on May 2, 2025)

# KEY MANAGEMENT TEAM



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



**Mr. Harish Singh**  
Executive Director & CFO



**Mr. Anurag Sinha**  
Chief Operating Officer & Chief  
Information Securities Officer



**Mr. Santanu Agarwal**  
Deputy Managing Director



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



**Mr. Vinod Kumar**  
Executive Director



**Mr. Gaurav Chaubey**  
Chief Risk Officer



**Mr. Samresh Agarwal**  
Chief Recovery Officer



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



**Mr. BVSKT Bhaskar**  
SVP Business



**Mr. Rajeev Seth**  
Strategy Head



**Ms. Nishtha Sharma**  
SVP Marketing



**Mr. Sushant Sharma**  
SVP Information Technology



**Mr. Anuj Bhatnagar**  
SVP Retail



**Mr. Mithun Kumar  
Singh Rathore**  
VP Legal

## INTERNAL OMBUDSMAN



**Mr. Rajesh Kumar Singh**

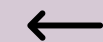




# BUSINESS SEGMENT



## Small Income Generation



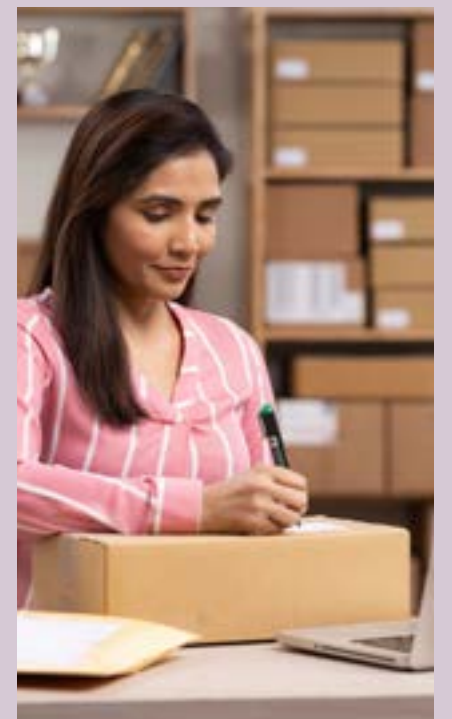
### UMEED LOAN

“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.



### 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 an ease of access and quick approvals. With “Vikas,” borrowers can embark on a path of financial empowerment and personal growth.



### 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.





# Business Correspondent



Paisalo Digital Limited entered into a Business Correspondent Agreement with State Bank of India as National BC (Code-1A99) of SBI.

Additionally, Paisalo has also partnered with the Bank of India to establish more codes for CSPs.

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 and Bank of India 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.

We currently have CSP touch points in 1,314 locations across 21 states through our partnership with SBI and Bank of India.



# Mobility Loan



## 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.



## 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.



## 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.



## 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.





# MSME, SME & Wholesale Lending



Corporate Loan is a lending product that promotes financial progression by providing Business loans upto ₹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.



# 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.

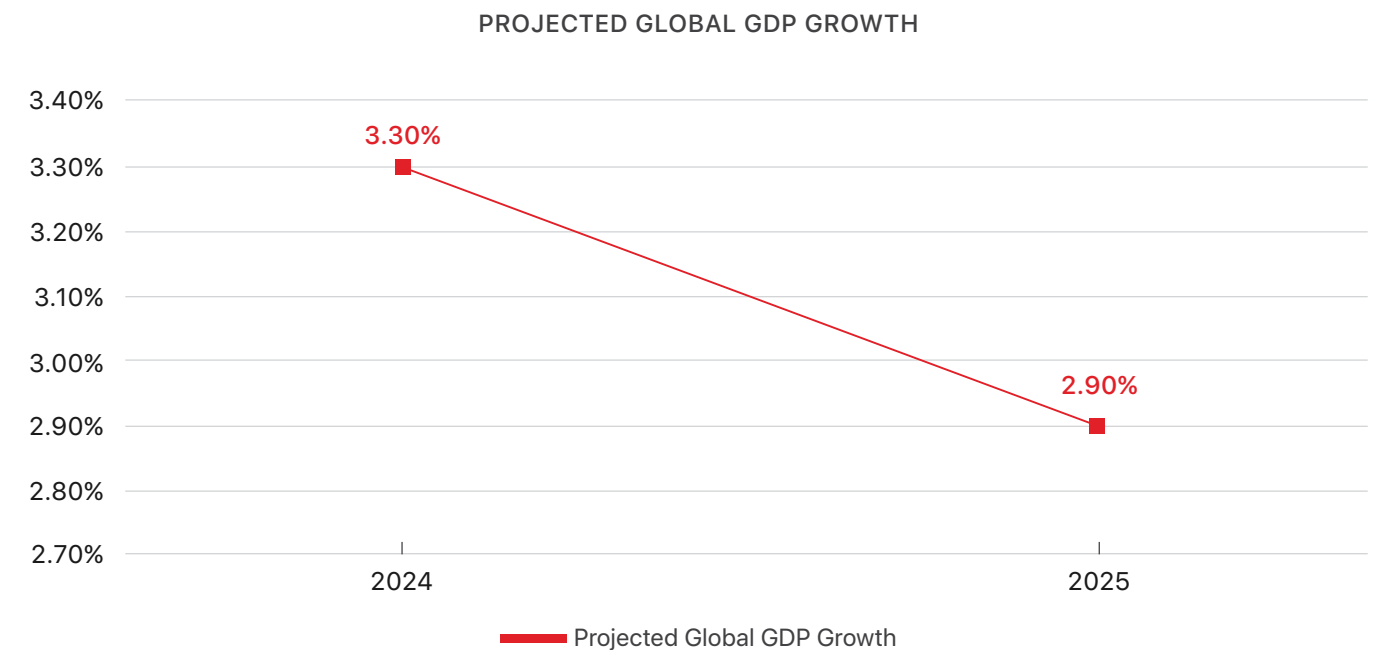




# Management's Discussion and Analysis Report

## Economic Overview

The global economic environment in FY 2024–25 faced significant challenges, primarily due to monetary policies, and geo-political uncertainties. The Organisation for Economic Co-operation and Development (OECD) projected global GDP growth to slow from 3.3% in 2024 to 2.9% in 2025, marking a notable deceleration from previous years.



A key factor contributing to this slowdown was the trade war initiated by the United States under President Donald Trump's administration. The imposition of tariffs on various countries, including China, Mexico, and Canada, led to retaliatory measures and disrupted global supply chains. The International Monetary Fund (IMF) highlighted that these trade conflicts were a significant drag on global growth, particularly affecting major economies such as the U.S., China, and the Eurozone.

Inflationary pressures remained a concern globally, with the IMF forecasting a slight increase in global inflation due to higher trade costs and supply chain disruptions. However, the easing of commodity prices provided some relief.

Central banks in major economies adopted a cautious approach, balancing the need to support growth with the necessity to control inflation. Interest rates were adjusted accordingly, with some central banks opting for rate cuts to stimulate economic activity, while others maintained a neutral stance to assess.

India, the world's fourth-largest economy, has emerged as the fastest-growing major economy recorded 6.5% growth rate (as per estimate) in FY 2024–25 and is on track to become the world's third-largest economy with a projected GDP of \$7.3 trillion by 2030. India is projected to be world's fastest growing major economy (6.3% to 6.8% in 2025–26). This transformation is the result of a decade of decisive governance, visionary reforms, and global engagement. Driven by robust domestic demand, a dynamic demographic profile, and sustained economic reforms, India is asserting its rising influence in global trade, investment, and innovation.

**At the Kautilya Economic Conclave, renowned economist Mr. Jagdish Bhagwati remarked: "In the old days, the World Bank used to tell India what to do, but now, India tells the World Bank what to do." This statement powerfully reflects India's shift from a dependent economy to a self-reliant, globally competitive powerhouse.**

At the core of this transformation is the vision of **Aatmanirbhar Bharat**, a movement that promotes **innovation, entrepreneurship** and **technological sovereignty**. Indian Government's strategic initiatives like the **Production Linked Incentive (PLI) schemes, revitalisation of MSMEs**, and the expansion of **digital infrastructure** have laid the foundation for a **high-growth, high-opportunity economy**.

The Economic Survey 2024–25 highlighted several key sectors contributing to this performance:

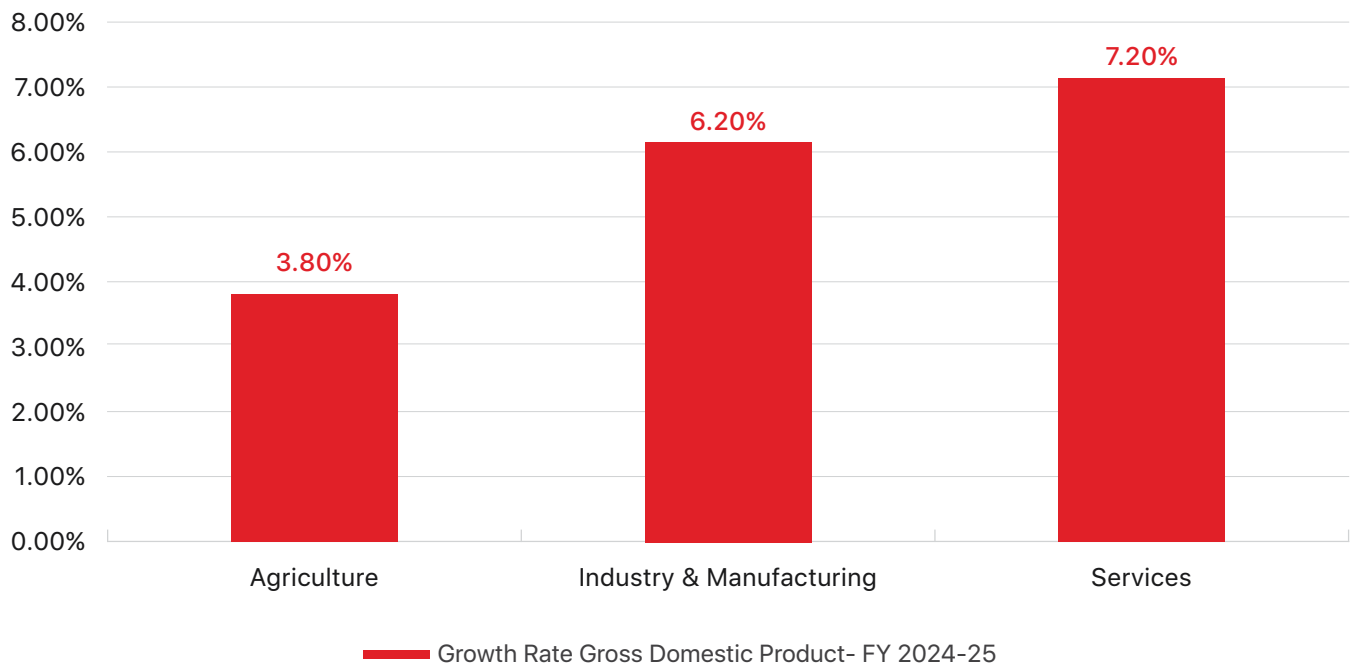
- **Agriculture:** The sector grew by 3.8%, driven by record Kharif production and strong rural demand. High-value



sectors like horticulture, livestock, and fisheries emerged as key drivers of agricultural growth.

- **Industry & Manufacturing:** The industrial sector expanded by 6.2%, with manufacturing facing challenges due to weak global demand. However, sectors like electricity and construction showed robust performance.
- **Services:** The services sector remained the fastest-growing, expanding by 7.2%. Information technology, finance, and hospitality led this growth, with services exports surging by 12.8% during April–November FY25.
- **External Sector:** Overall exports (merchandise and services) grew by 6%, with services exports rising by 11.6%. The current account deficit (CAD) was contained at 1.2% of GDP, supported by rising net services receipts and increased private transfer receipts.

GROWTH RATE GROSS DOMESTIC PRODUCT- FY 2024-25



Inflation moderated during the year, with retail inflation declining from 5.4% in FY24 to 4.9% in FY25 (April–December), driven by reduced input prices and easing food inflation.

In its monetary policy review on June 6, 2025, the Reserve Bank of India (RBI) implemented a significant 50 basis point reduction in the repo rate, bringing it down to 5.50%. This move marks the steepest rate cut since the emergency easing during the COVID-19 pandemic in March 2020. The central bank also reduced the cash reserve ratio (CRR) for banks by 100 basis points to 3%, aiming to inject ₹2.5 trillion (approximately \$29 billion) in liquidity into the banking system by December 2025.

Implications of the Rate Cut

The reduction in the repo rate is expected to have several effects on the Indian economy:

- **Lower Borrowing Costs:** Banks are likely to pass on the rate cut to consumers, leading to reduced interest rates on loans, including home and vehicle loans, making borrowing more affordable for individuals and businesses.
- **Enhanced Bank Profitability:** The rate cut, along with the CRR reduction, is anticipated to improve banks' net interest margins (NIMs), accelerating their earnings recovery.
- **Stimulus for Economic Activity:** Cheaper credit is expected to boost consumer spending and investment, providing a stimulus to the economy.
- **Stock Market Response:** Indian equity markets reacted positively to the RBI's policy measures, with benchmarks like the Nifty 50 and BSE Sensex rising on June 9, 2025, as investor sentiment improved amid the supportive monetary policy.

Today, India is a nation that is digital, green, aspirational, and future-ready, firmly advancing towards its goal of becoming a global leader.

The RBI adopted a calibrated monetary stance during the year, aiming to balance inflation control and growth revival. Key policy rates remained stable for most of the year, supporting liquidity in the financial system. The NBFC sector, in particular, continued to play a pivotal role in financial inclusion and credit delivery across underserved sectors.

Industry Structure and Developments

India's financial sector exhibited strength and stability in FY 2024–25:

- **Banking Sector:** The gross non-performing assets (GNPAs) of scheduled commercial banks fell to a 12-year low of 2.6% by September 2024, with improved asset quality and strong capital buffers. Credit growth outpaced nominal GDP growth for two consecutive years, indicating a sustainable lending environment.
- **Capital Markets:** The primary market mobilized ₹11.1 lakh crore in equity and debt funds, marking a 5% increase from FY24. The Bombay Stock Exchange (BSE) market capitalization to GDP ratio stood at 136%, surpassing that of China and Brazil, reflecting investor confidence.
- **Insurance & Pension:** The insurance sector saw a 7.7% growth in premiums, while pension subscriptions increased by 16% year-on-year, indicating a growing focus on long-term financial security.
- **Digital Finance:** The fintech ecosystem continued to expand, with digital transactions witnessing exponential growth across urban and rural areas, enhancing financial inclusion.

NBFCs form an essential component of the Indian financial system by offering credit and financial services to segments under-served by traditional banks. The year witnessed increased regulatory convergence between banks and NBFCs under RBI's scale-based regulatory framework. The sector also saw:

- Emphasis on asset quality and capital adequacy.
- Continued digital transformation.
- Enhanced governance norms and risk management protocols.

Overall, NBFC credit stood at about ₹50 trillion in December 2024 and it is set to exceed ₹60 trillion by FY 2026. Growth in retail credit, microfinance, and vehicle finance segments remained strong. However, caution around unsecured lending and rising delinquencies in select portfolios warranted increased prudence.

Asset segments like microfinance, personal loans, credit cards and unsecured business loans are witnessing higher stress in FY25, leading to elevated delinquencies and write-offs. Unsecured business loans account for nearly 28 per cent of retail NBFC credit in December 2024. However, performance of secured loans availed by borrowers, namely small-ticket vehicle loans and micro and small-ticket mortgage loans, etc., shall remain a key monitorable.

Despite of various challenges, the credit growth of the NBFCs is expected to ease to 13-15 per cent in Financial Year 25 (FY25) and FY26 from the 17 per cent in the previous two fiscals. (Source ICRA report).

To navigate challenges, NBFCs are increasingly adopting digital transformation strategies, leveraging technologies like Artificial Intelligence (AI), Machine Learning (ML), and Big Data to enhance operational efficiency and customer experience. Additionally, strategic partnerships with FinTech firms are reshaping the sector, enabling NBFCs to offer innovative financial solutions and expand their reach.

Looking ahead, NBFCs are expected to continue their growth trajectory, albeit at a moderated pace. The focus is likely to shift towards sustainable growth models, emphasizing prudent risk management, regulatory compliance, and diversification of funding sources. The evolving financial ecosystem, characterized by technological advancements and changing regulatory landscapes, presents both opportunities and challenges for NBFCs in their quest for growth and stability.

The evolution of NBFCs in India reflects their adaptability and resilience in the face of changing economic and regulatory environments. As they continue to play a crucial role in financial inclusion and economic development, their ability to innovate and align with emerging trends will determine their sustained growth and impact on the Indian economy.

Recent Sources of Financing for Non-Banking Financial Companies (NBFCs) in FY 2024–25

In FY 2024–25, Non-Banking Financial Companies (NBFCs) in India have increasingly diversified their funding sources due to regulatory changes and evolving market conditions. This strategic shift aims to mitigate risks associated with over-reliance on traditional bank loans and to optimize borrowing costs.

- External Commercial Borrowings (ECBs)**  
NBFCs have turned to international markets to raise capital through External Commercial Borrowings (ECBs). In 2024, NBFCs raised ₹3.64 lakh crore via ECBs, marking the highest amount in five years. This surge is attributed to a slowdown in domestic bank lending and favorable global liquidity conditions.
- Commercial Papers (CPs)**  
Commercial Papers have become a significant short-term funding instrument for NBFCs. In FY25, CP issuances surged to ₹8.70 lakh crore, up from ₹7.84 lakh crore in the previous year. This increase reflects NBFCs' efforts to diversify their funding profiles amid tighter bank credit. Mutual funds have emerged as key investors in these instruments, providing essential liquidity.
- Co-Lending Partnerships**  
NBFCs are engaging in co-lending arrangements with banks to expand their lending capabilities. These partnerships allow NBFCs to source loans while banks handle underwriting and funding, thereby sharing risks and resources. Co-lending assets under management for NBFCs are nearing ₹1 trillion, highlighting the growing collaboration between the two sectors.
- Securitization**  
Securitization has gained prominence as a funding avenue for NBFCs, particularly those with lower credit ratings. In FY24, securitization volumes rose to ₹1.9 lakh crore, a four-year high. This mechanism allows NBFCs to convert their loan portfolios into tradable securities, thereby improving liquidity and capital efficiency.
- Mutual Funds' Debt Exposure**  
Mutual funds have increased their exposure to NBFCs, providing a stable source of funding. As of October 2024, mutual funds' debt exposure to NBFCs exceeded ₹2.33 lakh crore, a 47% year-on-year increase. This shift is due to banks' cautious lending practices following regulatory changes, prompting NBFCs to seek alternative funding sources.
- Alternative Investment Funds (AIFs)**  
Smaller NBFCs are tapping into the nascent private credit market through Alternative Investment Funds (AIFs). AIFs have grown significantly, with annual credit rising from ₹15,000 crore in FY2019 to ₹66,600 crore in FY24, reflecting a 37% compounded annual growth rate. This trend provides smaller NBFCs with access to capital that might be otherwise unavailable through traditional channels.
- Public Market Instruments**  
NBFCs have also raised funds through public market instruments. This development indicates growing investor interest and a potentially active period ahead in the Indian capital markets.

In FY24–25, NBFCs have proactively diversified their funding sources to navigate regulatory challenges and market dynamics. By leveraging ECBs, CPs, securitization, mutual funds, co-lending partnerships, AIFs, and public market instruments, NBFCs are enhancing their financial resilience and capacity to support economic growth.

Opportunities and Threats

NBFCs provide credit to the local borrowers, the corporate sector, and other sectors. Supporting the role of the banking sector, there is a great difference between an NBFC and a bank. Forming a crucial part of the financial ecosystem of India, a Non-Banking Financial Company helps the masses fulfill their financial needs through its Tailored products, deep demographic and addressable market understanding. Non-Banking Financial Companies have played a critical role in the economic development of India. They have been extensively devoting their time to generate employment and transportation. Moreover, they provide credit to the people living in rural areas and benefit the weaker sections with much-needed financial support.

Opportunities:

- Credit Penetration in Underserved Markets  
NBFCs operates in the unorganised and underdeveloped segment of the economy and understand the requirements

of the unserved/underserved borrowers, this deep demographic and addressable market understanding provide edge them over the banks to create opportunities for themselves.

- Customized Products and Faster Turnaround Time  
NBFCs designs its products as per needs of customer groups by carefully analysing this target segment and customising pricing models. Flexibility in product design and quicker approvals provide a competitive edge over banks.
- Digital Transformation  
The use of technology is helping NBFCs customise credit assessment. The COVID 19 pandemic and consequent acceleration in both adoption of technology and change in consumer habits, as well as increasing availability of data for credit decision making, has made it possible to build an NBFC lending business without investing large sums to have brick and mortar presence on the ground.
- Co-lending Partnerships with Banks  
RBI, in November 2020, issued co lending norms that enable banks and NBFCs to collaborate for priority sector lending (PSL). This co-lending framework allows NBFCs to partner with banks, combining their reach with banks' low-cost capital.
- Government Push for Financial Inclusion  
The Government of India has also taken several initiatives aimed at addressing some of the structural issues stressing the small business lending segment. These include granting licenses to account aggregators, initiating the Pradhan Mantri Mudra Yojana (PMMY).
- Emergence of New Asset Classes  
Growth in consumer durables financing, green financing (EVs, solar), and affordable housing offers new lending avenues.

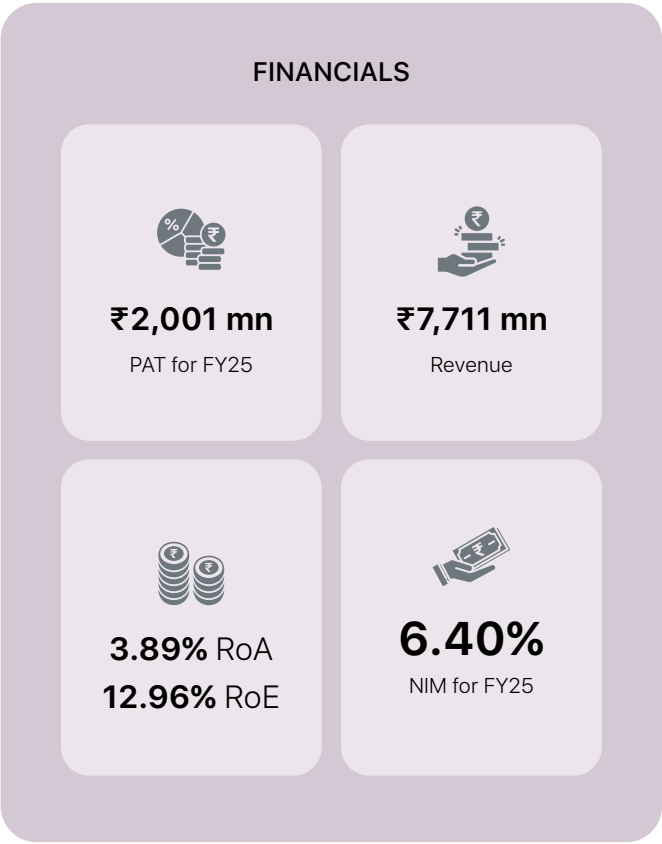
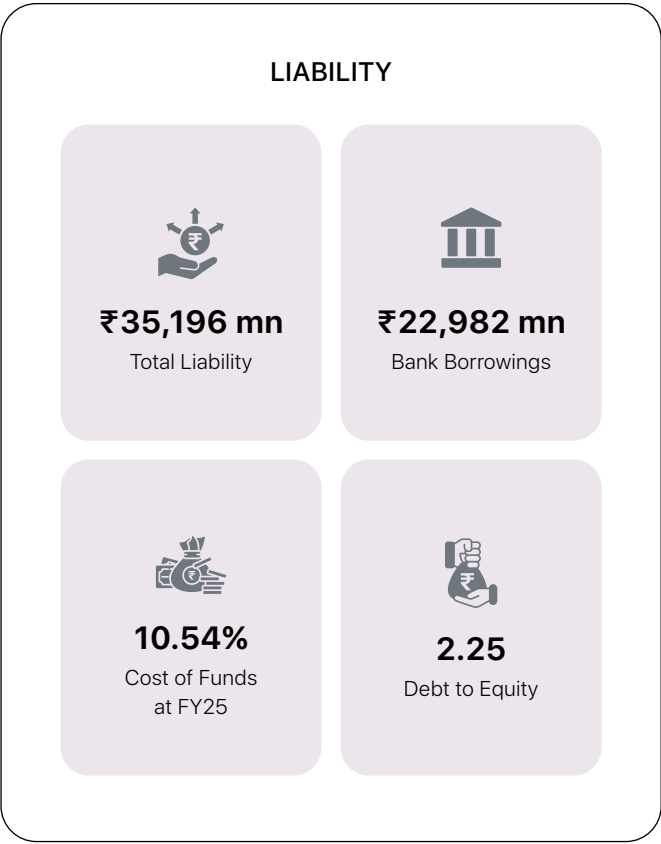
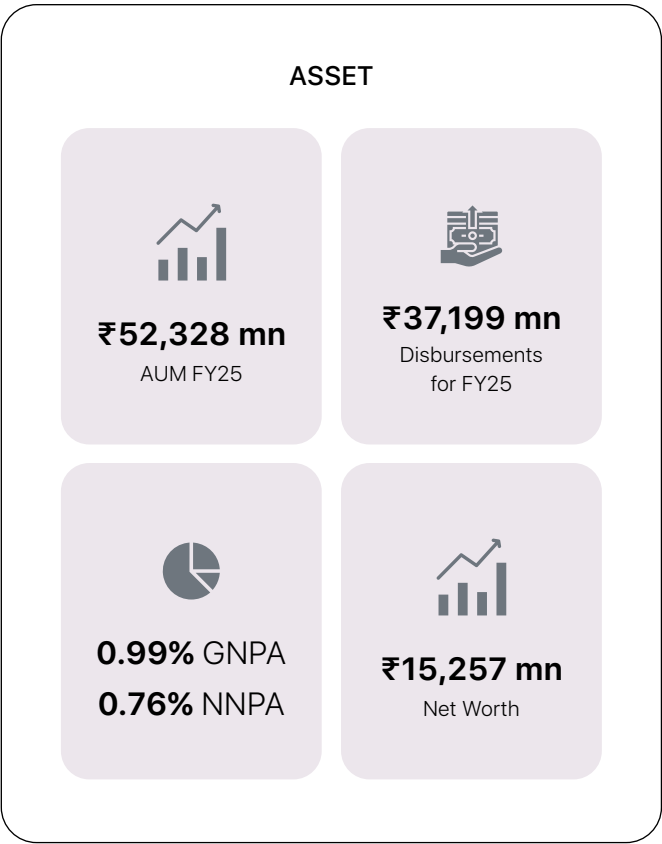
Threats:

- Credit risk due to borrower stress in unsecured segments  
Economic slowdowns, over-leveraging, and unsecured lending growth can lead to higher NPAs.
- Tightening Regulatory Norms  
Increasing RBI oversight (e.g., Scale-Based Regulation, harmonized NPA norms and evolving norms around provisioning, capital, and governance may increase compliance costs and operational complexity)
- Intense Competition from Fintechs & Banks  
Fintechs with lower cost structures and banks with cheaper capital pose threats to margins.
- Liquidity Crunch & ALM Mismatches  
Reliance on short-term funding for long-tenure assets remains a systemic risk.
- Cybersecurity & Tech Risks  
Greater digital adoption increases exposure to data breaches, frauds, and system downtime.
- Reputation Risk & Governance Concerns  
Failures or frauds in a few NBFCs can affect the sector's credibility and investor confidence.
- Interest Rate Volatility  
A rise in interest rates, inflation, or any slowdown in rural demand could impact borrower repayment capacity and increase credit costs.

Company Overview

Paisalo Digital Limited is a Non-Deposit Taking Middle Layer NBFC, the securities of the Company are listed on BSE Ltd. (BSE) and/or National Stock Exchange of India Limited (NSE). The Company operates primarily in the segments of corporate loan, small Income generation loan, vehicle finance, entrepreneurial loans, priority sector lending etc. Over the years, the Company has built a strong loan book and a growing digital footprint.





**Key highlights for FY 2024–25:**

A good year on volume, AUM, Opex and credit cost. PAT was up by 11%. Delivered AUM growth of 14% and added highest ever 1.52 million customers to its franchise. Total Customer franchise stood at 9.45 million. Business transformation has entered Phase 3 and AI transformation is progressing well.

FY25 was a mixed year, but overall a good year on volumes, customer acquisition and operating efficiencies.

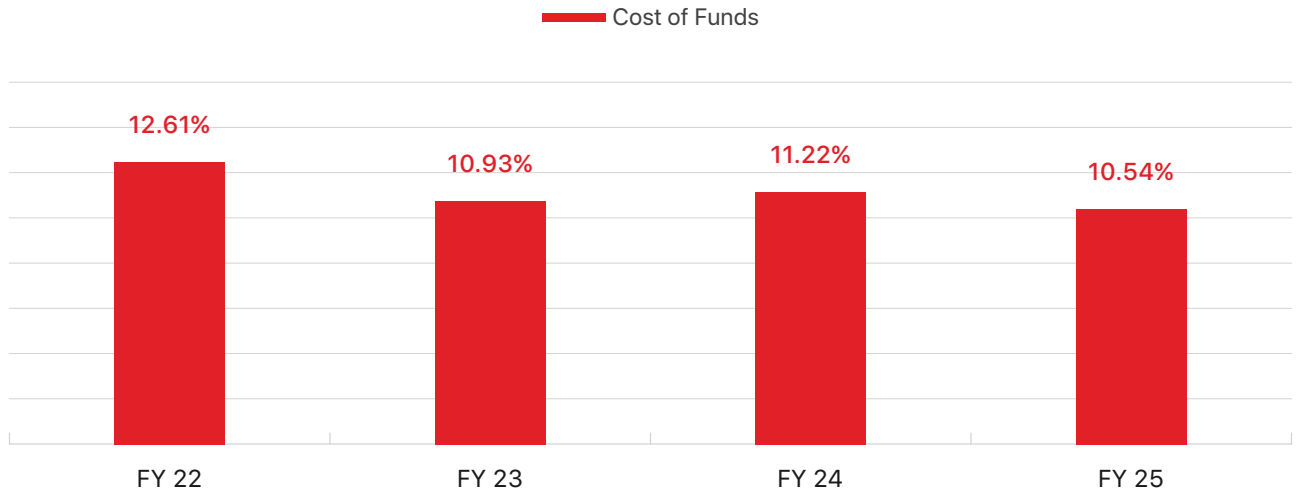
- Highest ever AUM as at FY25 was up 14.10% at ₹52,328 million as against FY24 at ₹45,860 million.
- The company has added highest ever record 5.16 million customers to its customer franchise. Total Customer franchise stood at 9.45 million.
- GNPA and NNPA stood at 0.99% and 0.76% as at FY25 compared to 0.21% and 0.02% as at FY24. The company is continuing to augment its debt management infrastructure as a mitigation measure. The company is proactively pruning as required.
- The company delivered annualized RoE of 12.96% as against 13.4% in previous financial year.
- The company delivered annualized RoA of 3.89% as against 4.53% in previous financial year.
- Capital Adequacy Ratio remained strong at 39.16%.

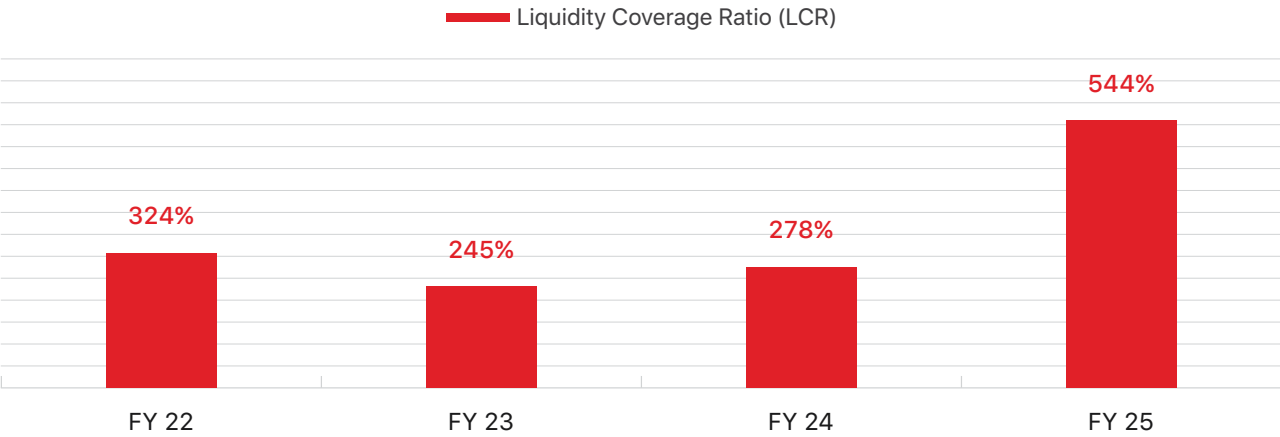
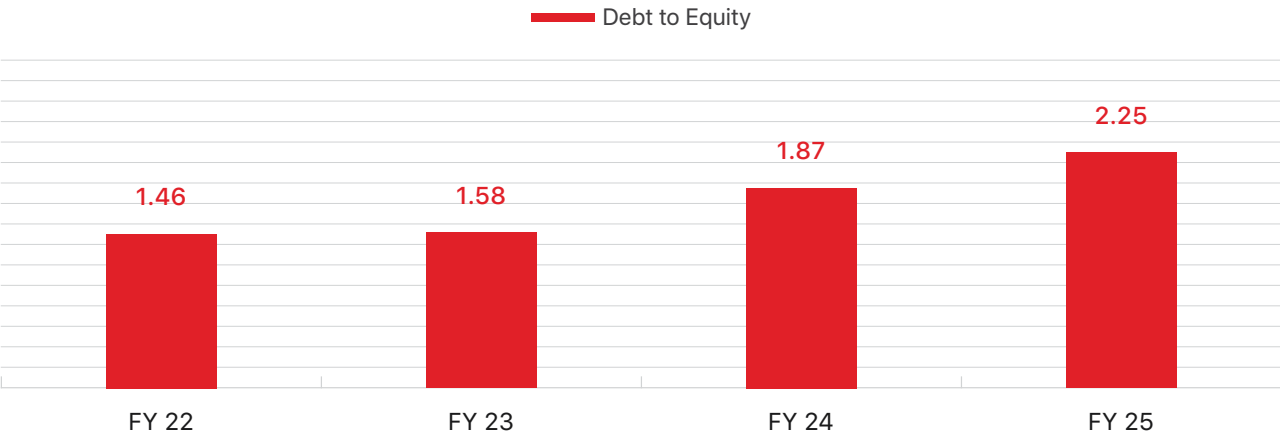
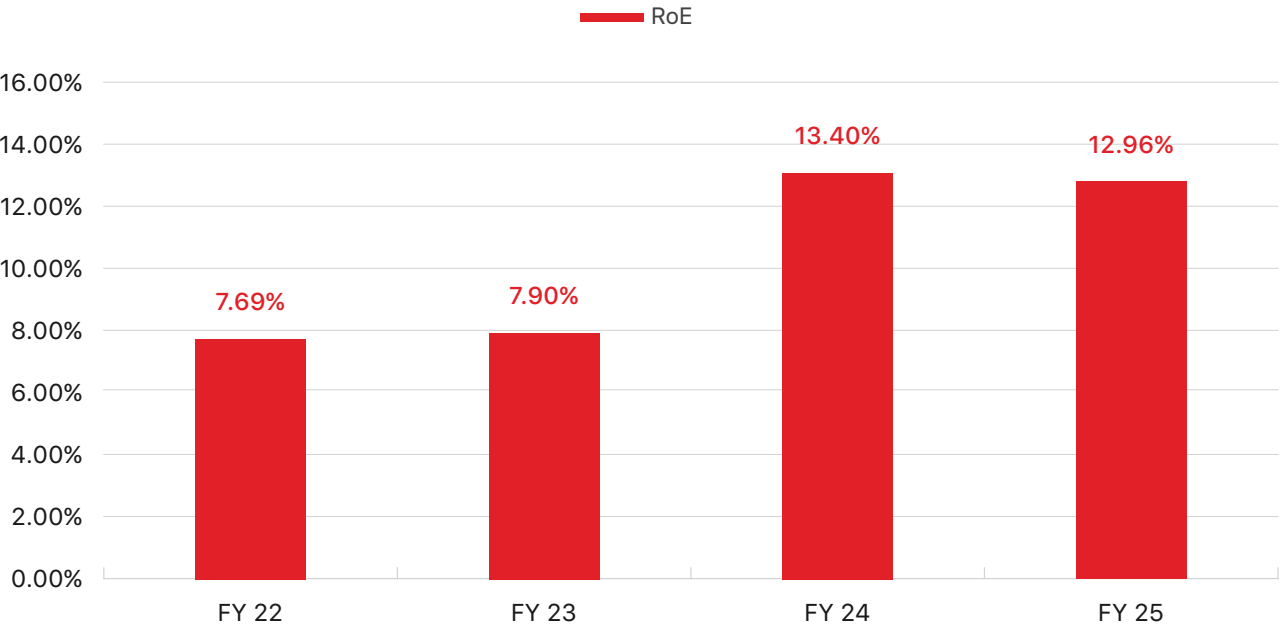
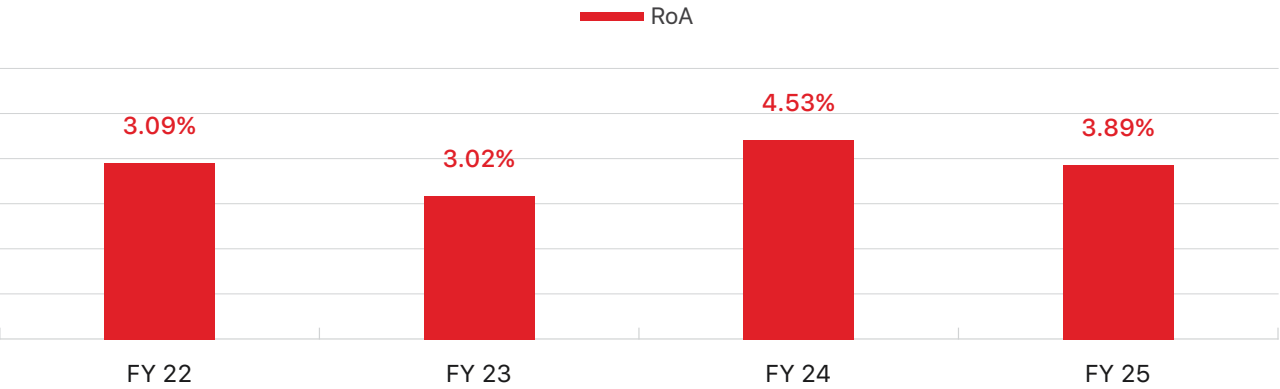
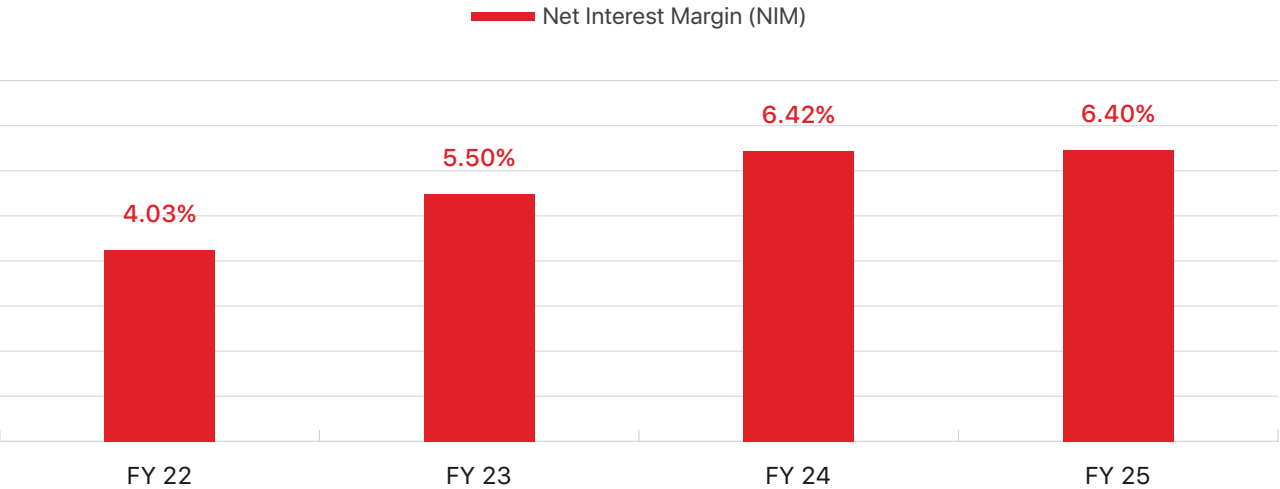
**Financial Performance Overview**

- **Revenue**  
Total standalone income increased by 21.45% to ₹7,348.32 million, driven by higher disbursements.
- **Profitability**  
Standalone Profit after Tax (PAT) stood at ₹1,976.87 million, up by 11.68 % compared to the previous year. Cost-to-income ratio improved and stood at 60.70 % against the previous year ratio of 59.70%.
- **Asset Quality:**  
Gross NPA and Net NPA were 0.99 % and 0.76 %, respectively, as of March 31, 2025. The Company made adequate provisioning in line with ECL norms.
- **Capital Adequacy:**  
Capital Adequacy Ratio (CAR) stood at 39.16 %, well above the regulatory requirement.

CRAR %	39.16%
CRAR – Tier I Capital %	29.90%
CRAR – Tier II Capital %	9.26%

**Key Ratios:**





- Issue of Foreign Currency Convertible Bonds:**  
The company successfully issued its First Foreign Currency Convertible Bonds (FCCBs) amount to US \$50million (approximately INR 4,233 million) in FY25, out of which US \$2 million has been converted into share capital.

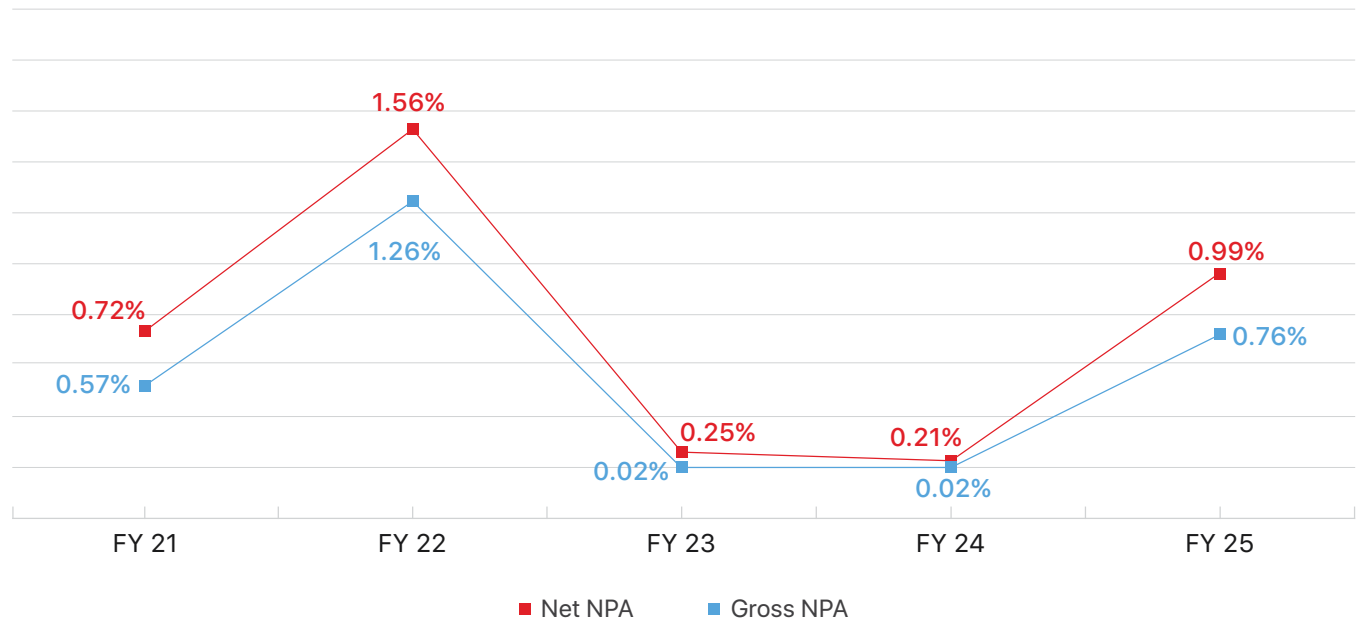
**Lower Risk Profile & Competitive Advantage**  
Under Co-Lending Paisalo maintain a lower risk profile, setting it apart from peers in the market. This differentiation is attributed to our strategic partnership with banks, which enables us to access lower cost funding while leveraging Paisalo's high tech, high-touch underwriting and recovery capabilities.

Through our digital underwriting platform, we combine the advantages of bank capital with our specialized risk management expertise, creating a position in the small ticket size co-lending segment within the Indian market.

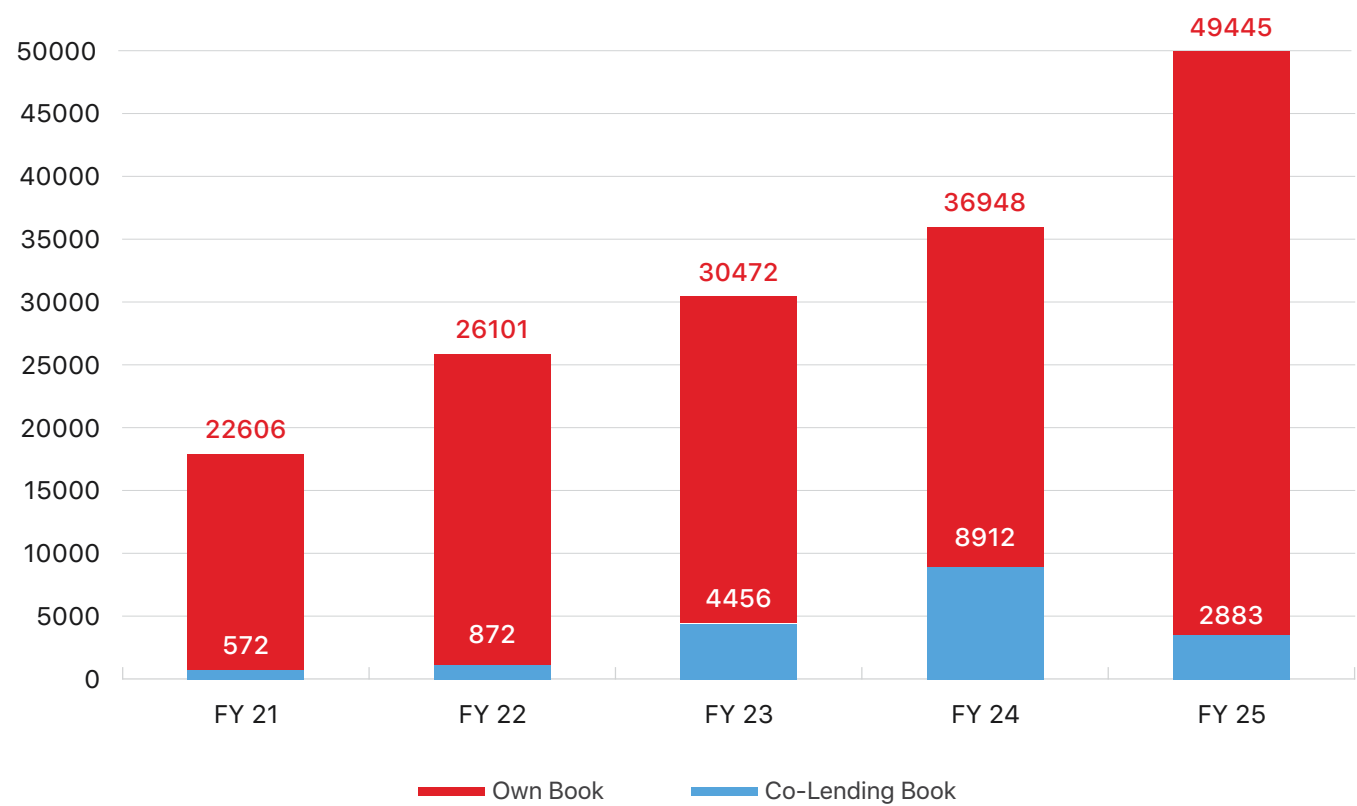
This collaboration empowers us to capture market share, capitalizing on the vast and largely untapped opportunities in the lending sector.



Net NPA & Gross NPA (%)



AUM Composition (₹ in million)



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, 2025.

	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	845.20	1,026.60	1,562.00	1,910.90	5,663.70	9,821.80	22,068.50	4,607.50	212.60	47,718.80
Investments (Bank FDR)	-	-	-	-	-	-	32.00	-	-	32.00
Borrowings	-	303.00	342.90	1,696.10	1,630.90	5,037.90	13,403.00	4,821.60	2,776.10	30,011.50
Foreign Currency Assets	-	-	-	-	-	-	-	-	-	-
Foreign Currency Liabilities	-	-	-	-	-	-	-	4,107.90	-	4,107.90

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 ₹47,248.76 million and Sub-Standard Assets stood at ₹470.03 million.

Movement of NPAs

Category	2024-25	2023-24
(i) Net NPAs to Net Advance (%)	0.76%	0.02%
(ii) Movement of NPAs (Gross)		
(a) Opening balance	76.53	69.63
(b) Additions during the year	395.77	6.90
(c) Reductions during the year	2.27	-
(d) Closing balance	470.03	76.53
(iii) Movement of Net NPAs		
(a) Opening balance	6.18	5.55
(b) Additions during the year	355.48	6.18
(c) Reductions during the year	0.05	5.55
(d) Closing balance	361.61	6.18
(iv) Movement of provisions for NPAs (excluding provisions on standard assets)		
(a) Opening balance	70.35	64.08
(b) Provisions made during the year	40.34	6.27
(c) Write -back of excess provisions	2.27	-
(d) Write off	-	-
(e) Closing Balance	108.42	70.35

Issue of Foreign Currency Convertible Bonds

Company is changing its borrowing strategies to reduce reliance on traditional bank loans and during the year, raised US\$ 50 million by issuance of 5000 (Five Thousand) 7.5 per cent Secured Foreign Currency Convertible Bonds due 2029 (FCCBs) of US \$1000 each to fuelled the Company's working capital requirements. Company is also exploring other cheap source of fund for its long term and short-term fund requirement. This diversification is crucial for maintaining growth and optimizing borrowing costs in the evolving financial landscape.

Allotment of Equity Shares under Employee Paisalo Employee Share Purchase Scheme 2024

On February 28, 2025 Company has allotted 3,72,517 Equity Shares of ₹1/- (Rupee One) each at a premium of ₹33.69 per equity shares (at discount rate of 18% of Market Price) towards the Employee Stock Purchase granted under Paisalo Employee Share Purchase Scheme 2024 (“PDL ESPS 2024”/“Scheme”) to Eligible Employees of the Company and its Wholly Owned subsidiary. These shares shall be under lock in for 18 months from the date of allotment pursuant to PDL ESPS Scheme.

Share Capital

The Authorized Share Capital of the Company stood at ₹1,80,00,00,000.00 consisting of 1,75,00,00,000 Equity Shares of ₹1/- (Rupee One only) each and 50,00,000 Preference Shares of ₹10/- (Rupees Ten only) each. Consequent to allotment of 3,72,517 Equity Shares under PDL ESPS Scheme and Conversion of 2000 FCCBs of US\$ 2 million in to 37,01,792 Equity shares, the Issued Share Capital, Subscribed Share Capital and Paid-up Share Capital of the Company has been increased and accordingly as on March 31, 2025, the same stood as under:

1.	Issued Share Capital	₹90,22,43,289 .00 Consisting of 90,22,43,289 Equity Shares of face value of ₹1/- each
2.	Subscribed Share Capital	₹90,22,43,289.00 Consisting of 90,22,43,289.00 Equity Shares of face value of ₹1/- each
3.	Paid-up Share Capital	₹90,21,80,789.00 Consisting of 90,21,18,289 Equity Shares of face value of ₹1/- each fully paid-up and ₹62,500 for 1,25,000 forfeited equity shares of face value of ₹1/- each (amount originally paid-up @ ₹0.50 each)

Shareholders’ Funds

As on March 31, 2025, Company has only one class of outstanding issued share capital i.e. Equity Shares of face value ₹1/- each and on March 31, 2025, total fully paid capital was stood at ₹902.18 million and other equity stood at ₹14,274.36 million.

The Book value of per equity share of the Company stood at ₹16.61/- as on March 31, 2025.

Credit Rating

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

Sr. No.	Instrument/Facility	Amount (INR in Million)	Rating Assigned
1	Fund Based Facilities from Banks- Long Term	27,000.00	IVR AA/Stable Outlook (IVR Double A with Stable Outlook)
2	Non-Convertible Debentures	5,400.00	
3.	Commercial Paper	5,400.00	IVR A1+ (IVR A One Plus)

Risks and concerns

In compliance with regulatory requirements applicable to Non-Banking Financial Companies (NBFCs), the Company has established a robust Risk Management framework to ensure systematic identification, assessment, and mitigation of risks across all levels of operations.

The Company has constituted the Risk Management Committee, the Audit Committee, and the Asset-Liability Management Committee (ALCO). The functioning and meeting frequency of these Committees are disclosed in detail in the Report on Corporate Governance, which forms an integral part of this Annual Report.

These Committees support the Board in evaluating and addressing business risks in a structured manner. The Company has adopted a comprehensive Risk Management Policy that focuses on maintaining sustainable growth with stability. The Policy outlines the process for identification of key risk events, assessment of their potential impact, and timely reporting, mitigation, and monitoring.

The Risk Management framework includes:

- Clearly defined risk governance structure with assigned roles and responsibilities;
- Identification and evaluation of principal business risks;

- Implementation of control measures to manage and mitigate these risks;
- A detailed Business Continuity Plan (BCP) to ensure resilience in adverse scenarios;
- Periodic monitoring and review of risk exposures and mitigation strategies.

The Company follows a disciplined approach to risk management, aligning business decisions with a well-balanced risk-reward strategy, thereby safeguarding stakeholder interests and supporting long-term value creation.

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

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.
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. Funding risk arises from:</p> <ul style="list-style-type: none"><li>Inability to raise incremental borrowings and deposits to fund business requirement or repayment obligations</li><li>When long term assets cannot be funded at the expected term resulting in cash flow mismatches</li><li>Amidst volatile market conditions impacting sourcing of funds from banks and money markets</li></ul>
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"><li>Identification of gaps in the structural and dynamic liquidity statements.</li><li>Assessment of incremental borrowings required for meeting the repayment obligation, the Company’s business plan and prevailing market conditions.</li><li>Liquidity Coverage Ratio (LCR) in accordance with guidelines.</li></ul> <p>It is monitored by:</p> <ul style="list-style-type: none"><li>Assessment of the gap between visibility of funds and the near term liabilities given current liquidity conditions and evolving regulatory framework for NBFCs.</li><li>A constant calibration of sources of funds in line with emerging market conditions in banking and money markets.</li><li>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.</li></ul> <p>It is managed by:</p> <ul style="list-style-type: none"><li>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.</li><li>Holding optimum levels of liquidity to manage business requirements and maturing debt obligations.</li><li>Projected cashflow planning in discussion with business to have adequate flow of funds.</li><li>Obtain longer maturity debt to manage the asset-liability mismatch.</li><li>Diversified and sustainable funding mix.</li></ul>



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

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 committee 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 Fraud Detection and Prevention Policy that fixes the

responsibility of various officials inside the organization to oversees implementation of fraud prevention measures. Frauds are investigated to identify the root cause and relevant corrective steps are taken to prevent recurrence. For fraud monitoring and controlling, a Fraud Monitoring Committee has also been constituted in accordance with RBI guidelines.

Human Resource Development

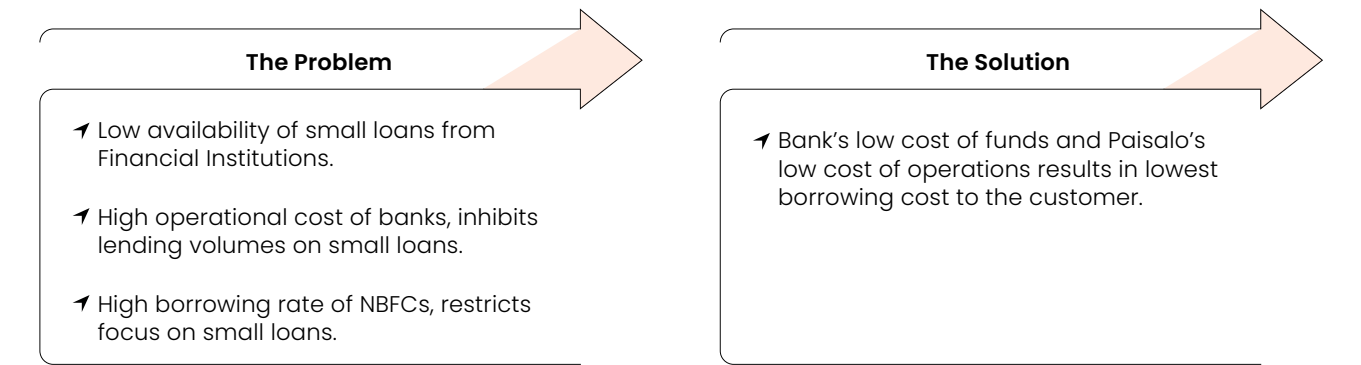
The Human Resource (HR) function in the Company remains focused on improving organizational effectiveness, developing frontline leaders, promoting employee empowerment and maintaining stability and sustainability amidst growth and a rapidly changing business environment. As at Paisalo we believe that “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, 2025, Employees head count stood at 3178.

Employee Hierarchy	Age Group			Gender		Total
	<30	30-50	>50	Male	Female	
Senior Management	1	3	4	8	0	8
Middle Management	2	4	6	10	2	12
Junior Management	96	123	29	145	8	153
Non-Management	1,740	1,145	25	2,932	73	3,005
Total Permanent Employees	1,839	1,275	64	3,095	83	3,178

Opportunities

Forming a crucial part of the financial ecosystem of India, NBFCs in India, helps the masses fulfill their needs for financial services. The Indian economy continues to show robust growth, with the projecting 6.51 per cent GDP growth rate. NBFCs have been extensively devoting their time to generating employment and transportation. Moreover, they provide credit to the people living in rural areas and benefit the weaker sections with much-needed financial support. Millions of individuals in the country don’t have access to formal credit. NFBCs can bridge this gap by providing them with an instant financial support, requiring minimal documentation. SMEs (short for Small and Medium-Sized Enterprises) require fast working capital. That is where the role of an NBFCs in India comes in, as they can step in with their bespoke plans. They help entrepreneurs take their business up a notch while leveraging a great market opportunity. The NBFC sector is expected to experience robust growth driven by high credit demand across these segments.

Market Opportunity

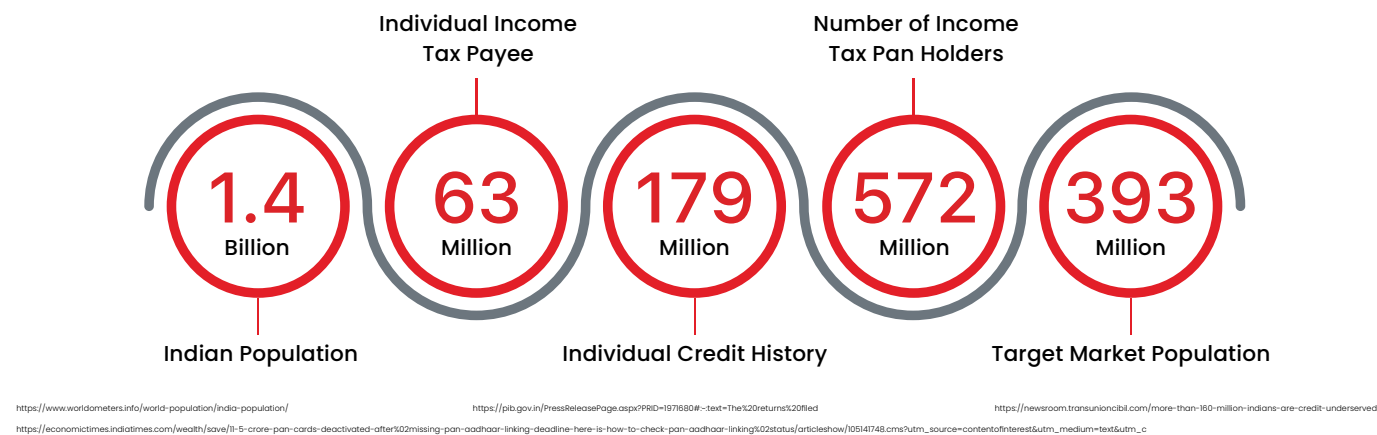


₹9,825 bn

Estimated Annual Market Size

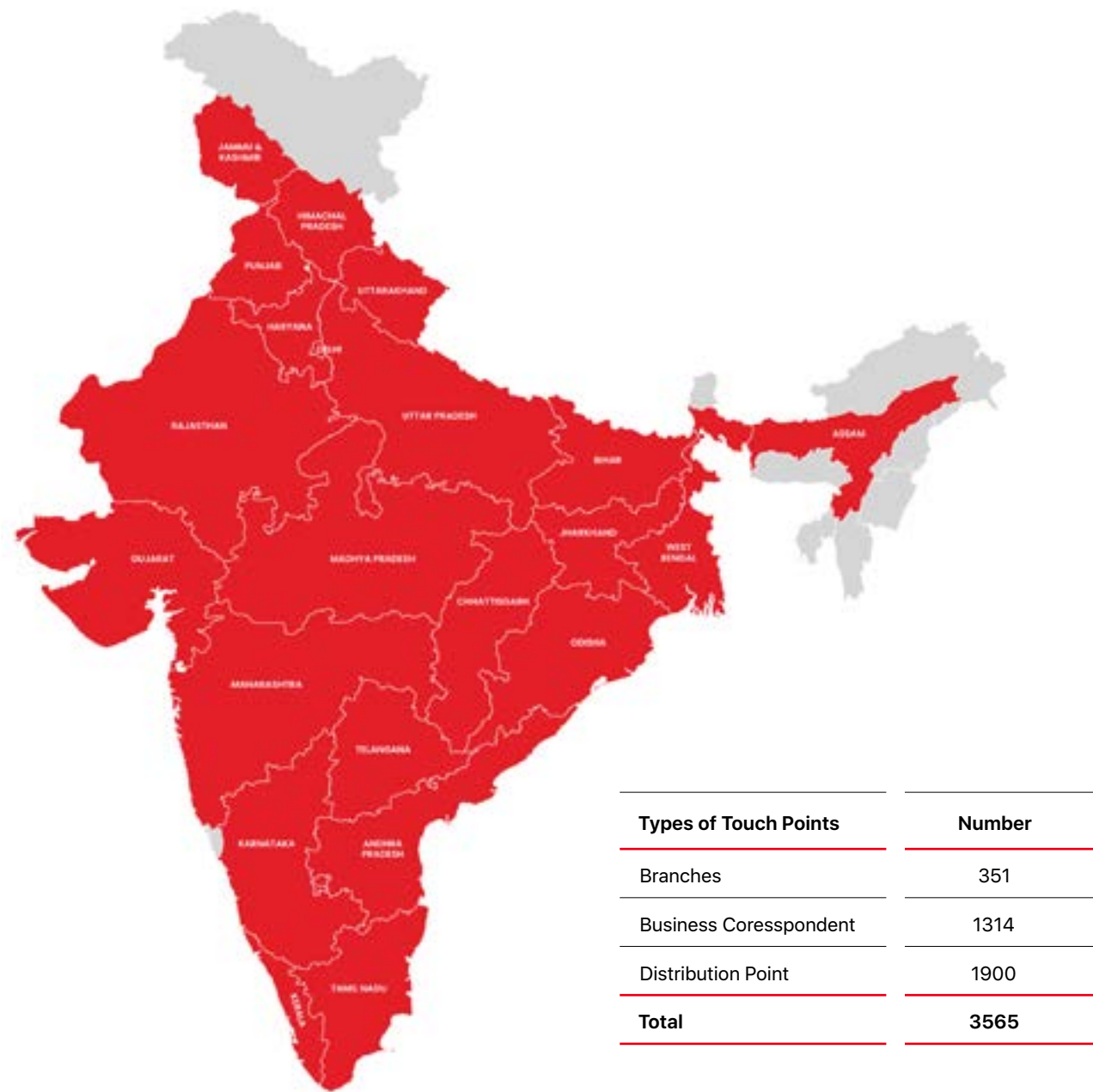
₹25,000

Estimated Ticket Size



### Geographic reach

Wide geographic reach with 3565 Touch Points across 22 States in India



### Challenges

- Funding challenges: NBFCs in India actively seek diverse funding avenues to meet their financial needs. 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.
- Credit Risk: Credit risk for NBFCs is the potential for financial loss due to borrowers failing to repay their loans or meet other debt obligations. This risk is inherent in lending activities and can significantly impact an NBFC's profitability, stability, and overall financial health. Effective credit risk management is crucial for NBFCs to mitigate potential losses and ensure sustainable operations.
- Regulatory Pressure: Fluctuating guidelines of the RBI and the urge for stringent compliance increase operational complexity.
- 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.
- Cybersecurity Threats: Although digitization has proven beneficial, it poses a great risk for data breaches, customer information leaks, and fraud.
- Customer Trust: 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.
- Cost of Capital: NBFCs often end up borrowing at rates supposedly higher than banks. That makes it difficult for them to offer various products at a low interest rate.
- 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, unfavourable government policies, drastic decline in revenue. Other common threats include things like rising costs for fundings, increasing competitions and so on.

- Competition: Aggressive digital lending by banks and fintechs puts pressure on NBFCs to innovate and reduce costs.
- Price undercutting: Competitors offering lower interest rates or flexible repayment terms can erode market share.
- Lack of Proper Cyber Security Systems: The rapid adoption of automation, digitalization and emerging technologies such as AI has raised concerns about the cyber security and privacy. Whether it is data storage, monetary transactions, or personal information, everything is stored digitally. This makes the finance sector a primary target for hackers who are seeking to benefit financially by leveraging flaws in the digital infrastructure. NBFCs need to create a robust system to address these treats.
- Government Policies: Government regulations can directly affect the finance sector of a country, these government policies might be unfavourable for the Company.
- 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.



## Outlook

The future outlook for Non-Banking Financial Companies in India is broadly positive, underpinned by rising demand for credit in underserved segments, ongoing digital transformation, and government initiatives supporting financial inclusion. NBFCs play a critical role in extending credit to sectors and geographies that are often overlooked by traditional banks—such as MSMEs, small traders, rural borrowers, and self-employed individuals. As the Indian economy continues to grow, and with increasing urbanization and consumption, NBFCs are expected to benefit from sustained credit demand across retail, housing, vehicle finance, and microfinance sectors.

Technology is poised to be a key enabler in the NBFC growth story. Many players are adopting digital platforms, AI-driven credit assessments, and automated loan disbursements to improve customer reach and operational efficiency. The rise of co-lending arrangements with banks are helping NBFCs expand their footprint and access more cost-effective funding. These innovations are also improving customer experience and reducing turnaround time, making NBFCs more competitive in a rapidly evolving financial landscape.

However, the sector also faces significant challenges. Regulatory tightening by the Reserve Bank of India (RBI), particularly under the scale-based regulatory framework, is bringing NBFCs closer to bank-like oversight. While this is aimed at improving transparency and systemic stability, it may increase compliance costs and reduce operational flexibility for smaller NBFCs. Moreover, asset quality remains a concern, especially for NBFCs with high exposure to unsecured lending or cyclical sectors like real estate and construction. Rising interest rates and increasing competition from banks and digital lenders could also pressure margins and slow growth for some players.

Despite these headwinds, well-managed NBFCs with strong governance, diversified portfolios, and robust digital capabilities are expected to thrive. The sector is likely to undergo consolidation, with stronger players gaining market share and weaker ones either exiting or being acquired. Overall, NBFCs will continue to be a vital component of India's financial ecosystem, provided they adapt swiftly to regulatory changes, adopt prudent risk practices, and leverage technology to enhance efficiency and scale.

## Cautionary Statement

Certain statements in this report are forward-looking and are based on management's current expectations. Actual results may vary materially due to various external factors beyond the Company's control.





# Board's Report



# Board's Report



To  
The Members,  
PAISALO DIGITAL LIMITED

It is our pleasure to present the 33<sup>rd</sup> Annual Report together with the Audited Standalone and Consolidated Financial Statements for the Financial Year ended March 31, 2025. This report read with Corporate Governance Report and Management Discussion & Analysis Report includes macro-economic scenario, governance philosophy, financial performance of the Company, business overview, opportunity and threats and various initiatives taken by the Company.

**Company Overview**

Paisalo Digital Limited, is a Public Limited Company incorporated on March 5, 1992 under the Companies Act, 1956 and has its registered office at Delhi, India. It is registered as a Non-Deposit taking Non-Banking Financial Company vide the Reserve Bank of India (‘RBI’) registration number B-14.02997 and classified as a Non-Deposit Taking Middle Layer NBFC. The Company launched its Initial Public Offering of equity share and was listed on UP Stock Exchange; Ahmedabad Stock Exchange and Delhi Stock Exchange in the year 1996. Subsequently, shares of the Company got listed on BSE Limited (‘BSE’) in the year 2007 and National Stock Exchange of India Limited (‘NSE’) in the year 2009. Currently equity shares are listed on BSE and NSE.

**Financial Highlights**

The Standalone financial performance of the Company for the Financial Year 2024–25 is summarized below:

Particulars	(₹ in Million)		
	FY 2025	FY 2024	% change over FY2024
Total Revenue	7,348.32	6,050.43	21.45
Less: Total operating expenses & Provisions	1,367.79	1,214.06	12.66
Pre-impairment operating profit	5,980.53	4,836.37	23.66
Less: Impairment on financial instruments	186.84	24.66	657.68
Profit before Interest, Depreciation & Taxes (PBITD)	5,793.69	4,811.71	20.41
Less: Depreciation	54.69	33.96	61.04
Less: Interest & Finance Charges	3,093.00	2,398.23	28.97
Profit Before Exceptional items and Tax	2,646.00	2,379.51	11.20
Exceptional items	-5.95	-5.83	-2.06
Profit Before Tax	2,651.95	2,385.34	11.18
Less: Tax Expense	675.08	615.16	9.74
Profit After Tax (PAT)	1,976.87	1,770.19	11.68
Statutory Reserve pursuant to Section 45-IC of the RBI Act, 1934	395.37	354.04	11.67
Transfer to General Reserve	1,400.00	1,250.00	12.00
Earnings per Share (EPS) (₹) Basic	2.20	3.83	(42.56)
Earnings per Share (EPS) (₹) Diluted	2.20	3.83	(42.56)
Net Worth	15,257.07	13,210.58	15.49
Assets Under Management (AUM)	50,290.87	43,320.88	16.09



Results Of Operations And State Of Company’s Affairs

Revenue from operations for the year ended March 31, 2025 has increased by 21.5% at ₹7348.32 Million over the corresponding previous year. The Net Profit of your Company for the financial year ended March 31, 2025 stood at ₹1,976.87 Million as against the Net Profit of ₹1,770.19 Million for the financial year ended March 31, 2024. Accordingly, the Net Profit for the financial year ended March 31, 2025 reflects a growth of 11.7 % over the corresponding Profit for the financial year ended March 31, 2024.

Transfer to reserves

Under Section 451C 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 ₹395.37 Million (previous year ₹354.04 Million) to Statutory Reserve. Further, ₹1400 Million has been transferred to General Reserve for FY25.

Pursuant to provisions of Companies Act, 2013 (the ‘Act’) read with relevant rules thereunder, the Company, being a NBFC, is exempt from creating debenture redemption reserve in respect of privately placed debentures including the requirement to invest up to 15% of the amount of debentures maturing during the next financial year. However, the Company maintains sufficient liquidity buffer to fulfill its obligations arising out of debentures.

Subsidiary company

The Company has only one Wholly Owned Subsidiary viz. Nupur Finvest Private Limited, a registered Base Layer Non–Deposit taking Non–Banking Finance Company. Nupur Finvest Private Limited is engaged in finance activities. At the year ended March 31, 2025, the net worth of the Company stood at ₹603.81 Million. During the reporting period, the subsidiary reported income of ₹366.31 Million and Profit Before Tax (PBT) and Profit After Tax (PAT) at ₹31.61Million and ₹24.34 Million respectively.

During the FY25, no new Subsidiary was incorporated/acquired. The Company neither has 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](http://www.paisalo.in).

Pursuant to the provisions of Regulation 16 of SEBI (LODR) Regulations, 2015, Company has a Policy for Determining Material Subsidiary which is available at Company’s website at [https://www.paisalo.in/pdf/corporate\\_governance/policy/Policy\\_For\\_Determining\\_Material\\_Subsiidary25.pdf](https://www.paisalo.in/pdf/corporate_governance/policy/Policy_For_Determining_Material_Subsiidary25.pdf)

Consolidated Financial Statements

In compliance with the applicable provisions of Companies Act, 2013 including applicable Accounting Standards on Consolidated Financial Statements, this Annual Report also includes Consolidated Financial Statements for the Financial Year ended March 31, 2025.

Consolidated financial performance of the Company financial year ended March 31, 2025 is summarized below:

Particulars	FY 2025	FY 2024	(₹in Million)
			% change over FY2024
Revenue from Operations	7,711.07	6,587.46	17.06
Less: Expenditure	5,035.35	4,180.38	20.45
Exceptional Item	-7.84	-4.76	64.71
Profit Before Tax (PBT)	2,683.56	2,411.84	11.27
Tax Expenses	682.35	622.11	9.68
Net Profit After Tax (PAT)	2,001.21	1789.73	11.82
Total Comprehensive Income for the Period	2,001.21	1789.73	11.82
Earnings per Share of Re. 1 each (EPS) (INR)	2.23	3.87	(42.38)
AUM	52,328.47	45860.3	14.10

Review Of Operations

Paisalo is engaged in the business of providing convenient and easy loan to financially excluded at bottom of India’s economic pyramid through its numbers of financial products which inter-alia includes SME & MSME Loans, Income Generation Loans for business/self–employment purpose. In FY25, the company has added highest ever record 5.16 million customers to its customer franchise. Total Customer franchise stood at 9.45million as of FY25 as compared to 4.29 million as of FY 2024.

Total geographic footprint as at FY25 stood at to 3,565 touchpoints (351 Branches, 1900 Distribution Points and 1314 CSPs) across 22 states as compared to 2,455 touchpoints as at FY24. During the period under review, Company’s total disbursements reached 37,198.50 Million and it has posted 11.7 % increase in the Net Profit after tax for FY25 over FY24. During this period Gross NPA and Net NPA stood at 0.99% and 0.76% respectively.

The Company delivered its FY25 assessment on customer franchise, geographic expansion, Opex to NTI, GNPA and NNPA. Credit cost was elevated, but within the long-term outlook of less than 2%. The Company took significant credit actions through FY25 and is optimistic about its impact on P&L in FY 26. The Company also saw slight NIM compression of 2 bps.

Key Ratio

The Key Ratio (standalone) for Financial Year ended March 31, 2025:

Current Ratio	4.79
Debt– Equity Ratio	2.25
Debt Service Coverage Ratio	0.64
Return on Equity Ratio	12.96%
DE Ratio (TOL/ATNW)	2.07
Net Profit Ratio	36.09%
GNPA	0.99%
NNPA	0.76%

Net Worth and Capital Risk Adequacy Ratio (CRAR)

The Net Worth of the Company (Standalone) increased to ₹15257.07 Million as on March 31, 2025 from INR 13210.58 Million as on March 31, 2024.

The Capital Risk Adequacy Ratio (CRAR) stood at 39.16% as on March 31, 2025 as against 35.92% as on March 31, 2024, which is much above the requirement as stipulated by Reserve Bank of India.

Awards and Recognition

For the period under review, Company was awarded "Prashasti Patra" by Financial Inclusion and Microfinance Department of State Bank of India, Local Head Office Jaipur, for excellent work in Pradhan Mantri Suraksha Bima Yojana (PMSBY).

Issue of Foreign Currency Convertible Bonds (FCCBs)

During the FY25 Company has raised funds by issuance of 50,000 7.5 per cent. Secured Foreign Currency Convertible Bonds due in 2029 (FCCBs) having face value of US \$1000 each. Out of 50,000 FCCBs, 2000 FCCBs have been converted into Equity Shares. FCCB Holders have the option to convert these FCCBs into Equity Shares at a conversion floor price of ₹45.74 per Equity Share. Outstanding FCCBs are listed on Afrinex Exchange, Mauritius.

Issue of Equity Shares

During the FY25 Company has issued Equity Shares as follows:

- Allotment of 37,01,792 equity shares having face value of ₹1/- (Rupee 1) each at a premium of ₹44.74 per share on January 15, 2025 on conversion of Foreign Currency Convertible Bonds of US \$2 Million.
- Allotment of 3,72,517 equity shares having face value of ₹1/- (Rupee 1) each fully paid up for cash at a premium of ₹33.69 (Rupees Thirty–Three and Sixty Nine Paisa) to the Employees of the Company and its Wholly Owned Subsidiary M/s Nupur Finvest Private Limited, on February 28, 2025. The requisite details are available at the website of the Company and the required Certificate in respect of Compliance is annexed to this Annual Report as an integral part of this Report.

Share Capital

The Authorized Share Capital of the Company stood at ₹1,80,00,00,000.00 consisting of 1,75,00,00,000 Equity Shares of ₹1/- (Rupee One only) each and 50,00,000 Preference Shares of ₹10/- (Rupees Ten only) each. Consequent to allotments made during the year, the Issued Share Capital, Subscribed Share Capital and Paid-up Share Capital of the Company has been increased and accordingly as on March 31, 2025, the same stood as under:

1.	Issued Share Capital	₹90,22,43,289 Consisting of 90,22,43,289 Equity Shares of face value of ₹1/- each
2.	Subscribed Share Capital	₹90,22,43,289 Consisting of 90,22,43,289 Equity Shares of face value of ₹1/- each
3.	Paid-up Share Capital	₹90,21,80,789 Consisting of 90,21,18,289 Equity Shares of face value of ₹1/- each fully paid-up and ₹62,500 for 1,25,000 forfeited equity shares of face value of ₹1/- each (amount originally paid-up @ ₹0.5 each)

Debt Securities/Instruments and Utilization of Fund Raised from it

During the year under review, Company has raised ₹700 Million by issuing Listed Secured Rated Non-Convertible Debentures on private placement basis. The fund raised from such issue were utilized for the same purposes as mentioned in the Issue Documents. For Secured Debentures prescribed asset cover is maintained at all times.

During the year, the Company has also raised funds for short term purpose through listed Commercial Papers.

The Fund so raised during the year from debt securities/instruments had been utilized for the same purpose as mentioned in the issue/ offer documents.

As on March 31, 2025 outstanding debt securities/instruments were as under:

Sr. No.	Securities/Instruments	Face value of Outstanding Securities/Instruments
1.	NON-CONVERTIBLE DEBENTURES	₹5,238.50 MILLION
2.	COMMERCIAL PAPERS	₹1,030.00 MILLION
3.	FOREIGN CURRENCY CONVERTIBLE BONDS	US \$48.00 MILLION

Borrowing from Banks and Financial Institutions

Your Company raised funds for its working capital and business requirements from various banks and financial institutions. The total amount of loan outstanding from Banks/FIs as on March 31, 2025 was ₹22,982.48 Million as against ₹17,494.45 Million on March 31, 2024.

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 made payment of interest and principal amount on Non-Convertible Debentures as per the terms of issue(s).

Accordingly, there is no event of default of interest/principal payment during the year.

Dematerialization of Equity Shares

Equity Shares of the Company are compulsorily tradable in demat form. As on March 31, 2025, 99.99% of the Equity Shares of total outstanding fully paid-up equity shares of the Company were in Dematerialized form and only 10 Equity Shares of ₹1/- each out of total Equity Shares are in physical form.

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://www.paisalo.in/pdf/corporate\\_governance/policy/Dividend\\_Distribution\\_Policy25.pdf](https://www.paisalo.in/pdf/corporate_governance/policy/Dividend_Distribution_Policy25.pdf)

Dividend

RBI vide its circular dated June 24, 2021 has laid down a framework for declaration of dividend by NBFCs. Accordingly, the Board of Directors, after taking into account various aspects and in compliance with the said circular, recommend for consideration of the members at the ensuing Annual General Meeting (‘AGM’), payment of final dividend of ₹0.10 (10%) per Equity Share of face value of ₹1.00. The dividend recommended is in accordance with the principles and criteria set out in the Company’s dividend distribution policy. Total dividend proposed for the year does not exceed the ceilings specified in said circular/ RBI Master Directions.

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 of the unclaimed dividends amounting to ₹1,33,367.47 as on March 31, 2024 in Form IEPF 2 to the Ministry of Corporate Affairs. For the year under review, there was an amount of ₹19,859.00 as unpaid and unclaimed dividend for a period of 7 years, accordingly, pursuant to the provisions of Section 124(5) of the Companies Act, 2013, ₹ 19,859.00 has been transferred to the Investor Education and Protection Fund (IEPF) of the Central Government on November 4, 2024.

The Company has uploaded the details of unclaimed dividend on the Company’s website at <https://www.paisalo.in> and also on website specified by the Ministry of Corporate Affairs <https://www.iepf.gov.in/IEPF/services.html>. IEPF is holding 11,740 Shares of the Company, at the end of the year under review.

Deposits

Your Company is registered with the Reserve Bank of India (RBI), as a Non-Deposit taking Middle Layer NBFC (NBFC-ML) under Section 45-IA of the RBI Act, 1934. Your Directors hereby report that during the year under review, the Company has not accepted any deposits from the public, within the meaning of provisions of the Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 2016 and the provisions of Section 73 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014 and it continues to be a Non-Deposit taking Non-Banking Financial Company in conformity with the guidelines of the RBI.

Credit Rating

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

Sr. No.	Instrument/Facility	Amount (INR in Million)	Rating Assigned
1	Fund Based Facilities from Banks- Long Term	27,000.00	IVR AA/Stable Outlook (IVR Double A with Stable Outlook)
2	Non-Convertible Debentures	5,400.00	
3	Commercial Paper	5,400.00	IVR A1+ (IVR A One Plus)

Board of Directors, Key Managerial Personnel (KMP) and Board Meetings

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. As on March 31, 2025, the Board of Directors of the Company consist of 10 (Ten) Directors, out of whom five are Non-Executive Independent Directors.



Details of the Directors are as follows:

S. No.	Name of Directors	DIN	Designation	Category
1.	Mr. Sunil Agarwal	00006991	Managing Director	Whole Time Director
2.	Mr. Harish Singh	00039501	Executive Director	Whole Time Director
3.	Mr. Anoop Krishna	08068261	Executive Director	Whole Time Director
4.	Mr. Santanu Agarwal	07069797	Deputy Managing Director	Whole Time Director
5.	Mr. Vinod Kumar	10230437	Executive Director	Whole Time Director
6.	Mr. Gauri Shankar	06764026	Independent Director	Non-Executive Director
7.	Mr. Raman Aggarwal	00116103	Independent Director	Non-Executive Director
8.	Mrs. Nisha Jolly	08717762	Independent Director	Non-Executive Director
9.	Mr. Vijuy Ronjan	09345384	Independent Director	Non-Executive Director
10.	Dr. Dharmendra Singh Gangwar	08299862	Independent Director	Non-Executive Director

During the year under review, the Non-Executive Directors of the Company had no pecuniary relationship or transactions with the Company, other than sitting fees and reimbursement of expenses, if any.

Appointment/Reappointment of Directors:

Executive Director

During the year under review, the Board of Directors vide their resolution dated February 4, 2025 appointed Mr. Vinod Kumar (DIN: 10230437) as Additional Executive Director of the Company and his appointment as Executive Director was approved by the Shareholders at the Extra-Ordinary General Meeting of the Company held on May 2, 2025.

Further, Mr. Jitendra Kumar Ojha has been appointed as an Independent Director on the Board of the Company at the Extra-Ordinary General Meeting held on May 2, 2025.

Independent Director

Shareholders in the 32nd Annual General Meeting held on September 23, 2024 has approved the re- appointment pursuant to Section 152 of the Companies Act, 2013:

1. Mr Vijuy Ronjan (DIN:09345384) as Non-Executive Independent Director of the Company for a period of five years commencing from October 8, 2024.
2. Mr. Raman Agarwal (DIN: 00116103) as Non-Executive Independent Director for a period of five years commencing from October 15, 2024.

Retirement by Rotation

During the year under review, Mr. Santanu Agarwal (DIN 07069797), who retired at the 32nd Annual General Meeting, was re-appointed as a Director of the Company.

In terms of Section 152 of Companies Act, 2013, Mr. Harish Singh, Executive Director (DIN 00039501), is liable to retire by rotation at the 33rd Annual General Meeting and being eligible for re-appointment, offers himself for re-appointment as Director. The Board of Directors of the Company in its meeting held on July 21, 2025 based on the recommendation of Nomination and Remuneration Committee recommended to the Members re-appointment of Mr. Harish Singh as a Director of the Company, liable to retire by rotation.

Brief particulars of Mr. Harish Singh as required under the Secretarial Standards 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 33<sup>rd</sup> Annual General Meeting.

Retirement as an Independent Director

Mr. Naresh Kumar Jain (DIN: 01281538) has completed two consecutive terms of five years each (total ten years) as an Independent Director on August 13, 2024. In accordance with Section 149(11) of the Companies Act, 2013, which stipulates that no person can hold the office of Independent Director for more than two consecutive terms, he ceased to be a Director of the Company effective August 13, 2024.

Mr. Gauri Shankar (DIN: 06764026) has served as an Independent Director of the Company for two consecutive terms which will conclude on July 21, 2025. As per Section 149(11) of the Companies Act, 2013, no person can hold office as an

Independent Director for more than two consecutive terms. Accordingly, Mr. Gauri Shankar cannot be re-appointed for a further term, and his current association with the Company as an Independent Director will end on July 21, 2025. The Board of Directors places on record their sincere appreciation for the valuable services rendered by him as an Independent Director and is grateful for his advice and guidance to the Board and Management during his tenure as Independent Director. The Board wishes him good health, happiness, and continued success in all his future endeavors.

KMPs

Save and except as stated above, there are no other changes in the KMPs during financial year 2024-25.

Declaration of Independence by Independent Directors & adherence to the Company’s Code of Conduct for Independent Directors

Pursuant to Section 149 (7) of the Companies Act, 2013, all Independent Directors had given declaration and necessary confirmation of eligibility under Section 149(6) of the Companies Act, 2013, and that they qualify to be Independent Directors pursuant to the Rule 5 of the Companies (Appointment and Qualification of Directors) Rules, 2014. In terms of Regulation 25(8) of SEBI Listing Regulations, the independent directors have confirmed their eligibility as per Regulation 16 (1) (b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and that they are not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties. Further, the Board has ensured the veracity of the disclosures and opines that there has been no change in the circumstances which may affect their status as Independent Directors of the Company and the Board is satisfied of the integrity, expertise, and experience (including proficiency in terms of Section 150(1) of the Act and applicable rules thereunder) of all Independent Directors on the Board.

Further, all the Independent Directors have affirmed that they have adhered and complied with the Company’s Code of Conduct for Independent Directors which is framed in accordance with Schedule IV of the Act. All the Directors meet the ‘Fit and Proper’ criteria as per the policy of the Company and as stipulated by RBI.

Meetings of Board

During the year under review, a total of Seven Meetings of the Board of Directors of the Company were held, i.e., on April 26, 2024; July 25, 2024; August 9, 2024; October 30, 2024; December 23, 2024, January 16, 2025 and February 04, 2025. Details of Board composition and Board Meetings held during the financial year 2024–25 have been provided in the Corporate Governance Report which forms part of this Report.

Audit Committee

The Company has an Audit Committee duly constituted in accordance with the provisions of Section 177 of the Companies Act, 2013, RBI Guidelines and Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended. All the members of the Committee have expertise in finance and have knowledge of accounting and financial management. The scope of the activities of the Audit Committee, as set out in Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and read with Section 177 of the Companies Act, 2013 and the RBI Regulations for NBFCs.

The present composition of the Committee is as follows: Mr. Gauri Shankar, (Independent Director) Chairman, Mr. Vijuy Ronjan (Independent Director) Member and Mr. Harish Singh (Executive Director) Member.

The detailed composition of the Audit Committee & its terms of reference and the details of meetings attended by the Audit Committee members are provided in Corporate Governance Report which forms part of this Annual Report.

During the year under review, all the recommendations of the Audit Committee were accepted by the Board of Directors of the Company.

Stakeholder Relationship Committee

The Stakeholder Relationship Committee of the Board consists of Independent Directors namely Dr. Dharmendra Singh Gangwar, as Chairperson and Mr. Raman Aggarwal, Mr. Vijuy Ronjan are as Members of the Committee. 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 of the Nomination and Remuneration Committee & its terms of reference and the details of meetings attended by the members are provided in Corporate Governance Report which forms part of this Annual Report.

**Annual Evaluation of Board, its Committees, and Individual Directors:**

Pursuant to the provisions of Section 178 of the Companies Act, 2013 and Regulation 17(10) read with Part D of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI guidance note on Board Evaluation for listed companies issued vide circular (Ref. no. SEBI/HO/CFD/CMD/ CIR/P/2017/004) dated January 5, 2017, the Board has carried out an annual evaluation of its own performance, the Board committees and individual Directors. Structured questionnaire feedback was obtained from each Director as a part of performance evaluation. Basis 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 individual Directors, including the Managing Director, was conducted based on several criteria. These included professional conduct, fulfillment of roles and responsibilities, effective discharge of duties, contributions to Board/Committees/Senior Management, preparedness on agenda items, and their contribution to decision-making processes. Similarly, the performance evaluation of the Board as a whole and its Committees involved soliciting feedback from Directors and Committee members. This feedback encompassed various criteria such as the structure and composition of the Board, effectiveness of Board processes, adequacy of information provided, clarity of roles and responsibilities, opportunities for professional development, functioning of both the Board and its Committees, establishment and determination of Committee responsibilities, and the quality of the relationship between the Board and management. These evaluations are integral to ensuring continuous improvement and effectiveness in governance practices within the Company.

The Independent Directors in their separate meeting held on January 31, 2025 under Regulation 25(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Schedule IV of the Companies Act, 2013 had:

- i. reviewed the performance of Non-Independent Directors and the Board of Directors as a whole;
- ii. reviewed the performance of the Managing Director of the Company, taking into account the views of executive and non-executive Directors; and
- iii. assessed the quality, quantity and timelines of flow of information between the Company’s management and the Board of Directors that was necessary for the Board of Directors to effectively and reasonably perform their duties.

The entire performance evaluation process was completed to the satisfaction of Board.

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

**Policy on Directors Appointment and Remuneration**

To manage the Company’s affairs effectively and efficiently, the Company has always maintained a well-balanced composition of Executive and Independent Non-Executive Directors at Board level. All appointments at Board level are made adhering to the mandates of the Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and guidelines issued by the Reserve Bank of India.

Generally, Managing Directors and Whole-time Directors (Executive Directors) are appointed for a term of five years. Independent Directors serve a term of up to five consecutive years on the Board. Based on their performance evaluation, eligibility for reappointment, and recommendations by the Nomination and Remuneration Committee, Independent Directors may be reappointed by the Board for another consecutive term of five years, subject to shareholders’ approval. Candidates considered for Board appointments undergo thorough evaluation based on criteria including personal and professional ethics, integrity, values, and character; understanding and alignment with the Company’s vision, mission, and values; prominence in their respective fields; professional skills, knowledge, expertise, and financial literacy. Additional competencies and skills deemed essential for effective governance are also taken into account during the evaluation process.

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.

All appointments at senior level are strictly based on meritocracy. Directors, Key Managerial Personnel, and Senior Management Personnel retire in accordance with the provisions of the Companies Act, 2013 and the Company’s policies.

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.

The relevant Policy(ies) have been uploaded on the website of the Company and can be accessed through the link <https://paisalo.in/home/investorrelation>.

**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:**

On April 27, 2021 Reserve Bank of India (RBI) vide its notification RBI/2021-22/25 Ref. No. DoS. CO. ARG/SEC.01/08.91.001/2021-22 inter alia, providing the Eligibility Criteria of Statutory Auditors for appointment of Statutory Central Auditors (SCAs)/ Statutory Auditors (SAs) of Commercial Banks (excluding RRBs), UCBs and NBFCs including HFCs.

In terms para 8 of said guidelines, the Company can appoint Statutory Auditor for a continuous period of three years, therefore, the Company in the 32nd Annual General Meeting held on September 23, 2024 appointed M/s Saket Jain & Co., Chartered Accountants, having firm registration no. 014685N as the Statutory Auditors of the Company until the conclusion of the 35th Annual General Meeting of the Company.

The Report given by the Statutory Auditor M/s Saket Jain & Co., Chartered Accountants, on the financial statements of the Company for the financial year 2024-25 is part of the Annual Report. The Notes on financial statements referred to in the Auditors Report are self-explanatory and do not call for any further comments under Section 134 of the Companies Act, 2013. There are no qualifications, reservations, adverse remarks or disclaimers in Auditor’s Report for the financial year 2024-25.

**Secretarial Auditor and Secretarial Audit Report of the entity:**

Pursuant to Section 204 of the Act read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Regulation 24A of the SEBI Listing Regulations, the Company had appointed M/s. Satish Jadon & Associates, Practicing Company Secretaries for conducting Secretarial Audit for the financial year ended March 31, 2025 and to submit Secretarial Audit Report in Form No. MR-3. There are no qualifications, reservations, adverse remarks or disclaimers made by the Secretarial Auditors, in their Audit Report for the financial year 2024-25.

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 Exchange 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, 2025, from Practicing Company Secretary on compliance of all applicable SEBI Regulations and circular/ guidelines issued thereunder and the copy of same has been submitted with the Stock Exchanges within the prescribed due date.

Further, pursuant to the requirements of Regulation 24A of the SEBI Listing Regulations, the Board of Directors of the Company at its meeting held on July 21, 2025 has recommended to the Members, for their approval, at the ensuing Annual General Meeting, the appointment of M/s. Satish Jadon & Associates, a peer-reviewed Company Secretaries as the Secretarial Auditors of the Company for the first term of five consecutive financial years commencing from April 1, 2025 till March 31, 2030 to conduct Secretarial Audit of the Company.

**Fraud Reported by Auditors under Section 143(12) of the Companies Act, 2013**

During the period under review, neither the Statutory Auditors nor the Secretarial Auditors have reported to the Audit Committee/ Board or Central Government any instances of fraud in the Company by its officers or employees under Section 143(12) of the Companies Act, 2013 and therefore, no detail is required to be disclosed under Section 134(3)(ca) of the Companies Act, 2013.

**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 maintenance of cost records, for the services rendered by the Company, is not required pursuant to Section 148 (1) of the Companies Act, 2013 read with Rule 3 of the Companies (Cost Records and Audit) Rules, 2014.

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

Being RBI registered Non-Banking Financial Company and engaged in the business of giving loans in ordinary course of its business, accordingly, 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, 2025. 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**

The Board of Directors of the Company has formulated a policy on materiality of Related Party Transactions and dealing with Related Party Transactions (“RPT Policy”), pursuant to the applicable provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended. The same is displayed on the website of the Company. This policy deals with the review and approval of related party transactions. All related party transactions are placed before the Audit Committee for review and approval.

Since all related party transactions entered into by your Company during the year 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 Standalone Financial Statements for the year ended March 31, 2025 which sets out details of related party transactions pursuant to Indian Accounting Standard-24 (Ind AS-24).

Policy on materiality of related party transactions and on dealing with related party transactions is displayed on the website of the Company at [https://www.paisalo.in/pdf/corporate\\_governance/policy/Policy\\_on\\_Related\\_Party\\_Transactions25.pdf](https://www.paisalo.in/pdf/corporate_governance/policy/Policy_on_Related_Party_Transactions25.pdf)

**Change in the Nature of Business, if any**

During the period under review, there was no change in the nature of business of the Company.

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

There have been 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.

**Information on Material Orders Passed by the Regulators or Courts or Tribunal**

During the period under review, there were no significant and material orders passed by the Regulators or Courts or Tribunals impacting the going concern status and the Company’s operations in future.

Furthermore, no penalties were imposed by the RBI or any other regulatory authority 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 Companies Act, 2013, 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 equal to ₹15,24,87,424.85/- as against ₹2,34,352/- in the previous year

**Corporate Social Responsibility**

Your Company aspire to contribute positively to the community’s wellbeing as a part of Company’s vision and accordingly carries CSR initiatives in line with Schedule VII of the Companies Act, 2013. In compliance with Section 135 of the Companies Act, 2013 read with Rules made thereunder and as amended from time to time, the Company has established the Corporate Social Responsibility Committee (“CSR Committee”) and formulated Company’s CSR Policy, which is available on the website of the Company at [https://paisalo.in/pdf/corporate\\_governance/policy/CSR\\_Policy25.pdf](https://paisalo.in/pdf/corporate_governance/policy/CSR_Policy25.pdf). The Company undertakes its CSR initiatives directly and/or through partnering with a trust/foundation, qualified to undertake CSR activities in accordance with Schedule VII of the Companies Act, 2013 (includes amendments thereto).

For the financial year 2024-25 the Board of Directors of the Company in their meeting held on April 26, 2024 approved ₹31.80 Million as the budget for CSR activities. During the financial year 2024-25, Company has spent ₹32.08 Million CSR fund in various activities which are disclosed in the Annual Report on CSR activities for financial year ended March 31, 2025 under Section 135 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**

In adherence 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, the Business Responsibility and Sustainability Report (BRSR) for Financial Year 2025, outlining the environmental, social, and governance (ESG) initiatives of your Company, is an integral part of this Annual Report. Additionally, this report provides comprehensive insights into the diverse ESG endeavors undertaken by your Company.

A comprehensive “Business Responsibility and Sustainability Report” (BRSR), formatted as per SEBI guidelines, detailing the Company’s initiatives, actions, and processes towards ESG endeavors, is appended as Annexure C and forms part of this Report and can also be accessed on the Company’s website at [www.paisalo.in](http://www.paisalo.in).

**Internal Financial Control**

The Company remains unwavering in its commitment to strengthening internal financial controls and processes. This strategic focus is aimed at enabling efficient business operations, safeguarding assets, preventing and detecting fraud and errors, maintaining the integrity and completeness of accounting records, and ensuring the timely generation of reliable financial information.

To support the same the Company has instituted a comprehensive internal control framework tailored to the size, scale, and complexity of its operations. These controls uphold compliance with applicable policies and legal requirements and are continually enhanced to address the evolving nature of the business. As the organization expands, these controls play a pivotal role in bolstering the detection and prevention of fraud and discrepancies. The Board of Directors affirms that the internal financial controls over financial statements are adequate and effective.

This framework is further reinforced by a structured regimen of internal and external audits and ongoing management reviews. These mechanisms ensure that financial records remain reliable and that assets are accurately accounted for. The Company engages qualified professionals to carry out internal audits, assessing the sufficiency and effectiveness of the internal control system.

The Internal Audit function supports both the Audit Committee and the Risk Management Committee by conducting detailed evaluations of risk assessments and related management action plans. Outcomes from these audits and risk reports are periodically reviewed by the respective committees to maintain oversight and drive improvements.

Additionally, the robustness of internal controls is validated through periodic testing by Internal Auditors and independent certification of financial reporting controls are carried out by the Statutory Auditors.

The Internal Financial Control System is continuously refined to respond to changes in the business environment and to comply with evolving regulatory and accounting standards. Notably, throughout the reporting period, there have been no significant observations indicating inefficiencies or shortcomings in the internal control systems.

Risk Management

In compliance with regulatory requirements applicable to Non-Banking Financial Companies (NBFCs), the Company has established a robust Risk Management framework to ensure systematic identification, assessment, and mitigation of risks across all levels of operations.

The Company has constituted the Risk Management Committee, the Audit Committee, and the Asset-Liability Management Committee (ALCO). The functioning and meeting frequency of these Committees are disclosed in detail in the Report on Corporate Governance, which forms an integral part of this Annual Report.

These Committees support the Board in evaluating and addressing business risks in a structured manner. The Company has adopted a comprehensive Risk Management Policy that focuses on maintaining sustainable growth with stability. The Policy outlines the process for identification of key risk events, assessment of their potential impact, and timely reporting, mitigation, and monitoring.

The Risk Management framework includes:

- Clearly defined risk governance structure with assigned roles and responsibilities;
- Identification and evaluation of principal business risks;
- Implementation of control measures to manage and mitigate these risks;
- A detailed Business Continuity Plan (BCP) to ensure resilience in adverse scenarios;
- Periodic monitoring and review of risk exposures and mitigation strategies.

The Company follows a disciplined approach to risk management, aligning business decisions with a well-balanced risk-reward strategy, thereby safeguarding stakeholder interests and supporting long-term value creation.

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

Disclosure pertaining to remuneration and other details as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are annexed as Annexure D of this Report. As per the provisions of Section 136(1) of the Companies Act, 2013, the reports and accounts are being sent to the Members of the Company excluding the information regarding employee remuneration as required pursuant to Rule 5(2) and Rule 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. The same is available for inspection and any Member interested in obtaining such information may write an email to the Company Secretary at cs@paisalo.in and the same will be furnished on such request. The Board of Directors affirm that the remuneration paid to employees of the Company is as per the Remuneration Policy of the Company.

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. In

adherence to the Sexual Harassment of Women at Workplace (Prevention, Prohibition, and Redressal) Act, 2013 ("POSH Act"), the Company has formulated a Policy for Prevention, Prohibition and Redressal of Sexual Harassment at Work Place. The Company has complied with the provisions relating to the constitution of Internal Complaints Committee under ("POSH Act").

Throughout the financial year 2024-25, the Company received no complaints from employees concerning sexual harassment.

Number of complaints of sexual harassment received in the year;	NIL
Number of complaints disposed off during the year	Not Applicable (No Complaints received)
Number of cases pending for more than ninety days	Not Applicable (No Complaints received)

Compliance with Maternity Benefits Act, 1961.

The Company has complied with the provisions of Maternity Benefits Act,1961.

Compliance of Reserve Bank of India Guidelines

Paisalo Digital Limited is categorized as a Non-Deposit taking Middle Layer Non-Banking Finance Company. The Company continues to fulfil all the norms and standards laid down by RBI pertaining to non-performing assets, capital adequacy, statutory liquidity assets, etc. The Company has complied with the applicable provisions of Master Directions- Non-Banking Financial Company Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions 2016 and Master Direction – Reserve Bank of India (Non-Banking Financial Company- Scale Based Regulation) Directions, 2023 and all other applicable directions/regulations/circulars of RBI during the Financial Year 2024-25.

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 for the financial year March 31, 2025, in the prescribed form, is hosted on website of the Company at [https://paisalo.in/pdf/annual\\_report/MGT-7\\_PAISALO\\_2024-25.pdf](https://paisalo.in/pdf/annual_report/MGT-7_PAISALO_2024-25.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

Company in accordance with the provisions of Section 177(9) of Companies Act, 2013 read with Rule 7 of Companies (Meetings of Board and its Powers) Rules, 2014 and Regulation 22 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 has established a vigil mechanism through the Company's Whistle Blower Policy to deal with instances of fraud and mismanagement and to enable the Directors and Employees of the Company to report genuine concerns, about unethical behaviour, actual or suspected fraud or violation of Code of Conducts. The Policy also provide adequate safeguards against victimisation and make provision for direct access to the Chairman of the Audit Committee. The Policy is available on the website of the Company at www.paisalo.in. Details of vigil mechanism/whistle blower are included in the Corporate Governance Report, forming part of this Report.

During the financial year 2024-25, no cases under this mechanism have been reported.

Listing with Stock Exchanges

The equity shares (ISIN INE420C01059) of the Company are listed on BSE Limited (BSE) and National Stock Exchange of India Limited (NSE). The listing fees payable to both the exchanges for the Financial Year 2025-26 have been paid.

The Secured Non-Convertible Debentures (NCDs) issued on Private Placement basis and Commercial Papers (CPs) are listed on BSE.

Company's Foreign Currency Convertible Bonds (FCCBs) are listed on Afrinex Exchange, Mauritius.

Prevention of Insider Trading

The Company has implemented a Code of Conduct for Prevention of Insider Trading to regulate securities trading by Directors and designated employees. As part of this framework, the Company utilizes software with a structured digital database to maintain records of individuals with whom unpublished price sensitive information has been shared. This



database includes details of the information shared and the names of such individuals, along with their Permanent Account Numbers (PAN). Company is also complied with the extending framework for restricting trading by Designated Persons (“DPs”) by freezing PAN at security level. The full text of the Code of Conduct for Prevention of Insider Trading is accessible on the Company's website at: [https://paisalo.in/pdf/corporate\\_governance/policy/Code\\_of\\_practices\\_and\\_procedures\\_for\\_prevention\\_of\\_Insider\\_Trading25.pdf](https://paisalo.in/pdf/corporate_governance/policy/Code_of_practices_and_procedures_for_prevention_of_Insider_Trading25.pdf)

**Disclosures Under the Insolvency and Bankruptcy Code, 2016**

No application for Bankruptcy under the Insolvency & Bankruptcy Code, 2016 (“IBC”) was made against the Company during the financial year under review.

Further, there are no details required to be reported with regard to difference between amount of the valuation done at the time of one-time settlement and the valuation done while taking loan from the Banks or Financial Institutions as your Company has not done any settlement with any Bank or Financial Institutions since its inception.

**Corporate Governance**

The Company firmly believes that robust corporate governance forms the foundation for sustainable business growth and the effective management of relationships among all stakeholders. It consistently strives to strengthen these relationships through principles of fairness, transparency, and accountability. The Company places utmost importance on the integrity of financial reporting, transparency, fairness, empowerment, and full compliance with the law-both in letter and spirit.

In adherence to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with Schedule V thereof, the Report on Corporate Governance for the financial year ended March 31, 2025, is included as a distinct section of this Annual Report. A certificate from the Company’s Secretarial Auditor, confirming compliance with the prescribed corporate governance norms, is annexed to the Report.

**Certificate from the Managing Director and Chief Financial Officer**

The certificate received from Mr. Sunil Agarwal, Managing Director & CEO 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 SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 forms part of this Report.

**Acknowledgments**

The Board extends its sincere appreciation for the steadfast support and cooperation received from all regulatory authorities of the Governments. We are also profoundly grateful to our banking partners and other stakeholders, whose continued collaboration remains integral to our growth and success.

We recognize and deeply value the unwavering commitment of our employees and staff, including the management team under the leadership of the Executive Directors. Their consistent pursuit of excellence and resilient performance amid a dynamic and often challenging business environment have been commendable. To our esteemed Members, we thank you for your enduring trust and support.

We also wish to place on record our sincere thanks to our Non-Executive Independent Directors. Their strategic insights, rich experience, and wise counsel have been instrumental in guiding the Company towards informed decision-making and the achievement of key business goals.

As we move forward with optimism, we look ahead with confidence and continue to count on your valued

Place : New Delhi  
Date : July 21, 2025

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’**

To,  
The Members,  
M/s Paisalo Digital Limited  
(CIN: L65921DL1992PLC120483)  
CSC, Pocket 52, Near Police Station, CR Park,  
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 nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Date : May 31, 2025  
Place : Agra

For Satish Jadon & Associates  
Company Secretaries

Sd/-  
(SATISH KUMAR JADON)  
Membership No. F9512  
CoP No. 9810  
P.R. No. 1028/2020  
UDIN : F009512G000521210

**FORM NO. MR-3**

**Secretarial Audit Report for the Financial Year Ended March 31, 2025**

[Pursuant to section 204(i) 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: L6592IDL1992PLC120483)  
CSC, Pocket 52, Near Police Station, CR Park,  
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.

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, 2025 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, 2025 according to the applicable provisions of:

- i.** The Companies Act, 2013 ("the Act") and the rules made thereunder;
- ii.** The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- iii.** The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv.** Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment;
- v.** The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act,1992 ('SEBI Act') to the extent applicable to the Company:
  - a)** The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
  - b)** The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - c)** The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - d)** The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;
  - e)** The Securities and Exchange Board of India (Issue and Listing of 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;
  - h)** The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
  - 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.** Issue of Foreign Currency Convertible Bonds and Ordinary Shares (Through Depository Receipt Mechanism) Scheme, 1993

Amongst the various laws which are applicable to the Company, based on the nature of business activities of the Company, following are the laws which are specifically applicable to the Company:

- i.** The Reserve Bank of India Act, 1934 and Rules, Regulations, Circulars, Directions and Guidelines prescribed thereunder;
- ii.** Non-Banking Financial Company-Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016,
- iii.** Master Direction-Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023

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.** Secretarial Standards issued by the Institute of Company Secretaries of India covered under the Companies Act, 2013; and
- ii.** Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited as per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

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 except an instance of delayed submission of Notice of record date for payment of interest on NCDs to stock exchanges under Regulation 60(2) of SEBI (LODR) Regulations, 2015, for this Company has received notice vide email dated July 01, 2024, from BSE for payment of fine for Rs. 10,000 (excluding GST). The Company has paid the requisite fine and the same has been intimated to the BSE.

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

Adequate notice is given to all Directors to schedule the Board 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. All decisions at Board Meetings and Committee Meetings were carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committees of the Board, as the case may be.

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 the Company, in compliance with applicable provisions of various Act, Rules, Regulations and Guidelines, has

- i.** allotted Listed Non-Convertible Debentures amounting to Rs. 70 Crores on Private Placement basis;
- ii.** issued Commercial Papers amounting to face value of Rs. 283.00 Crores from time to time;
- iii.** allotted 3,72,517 Equity Shares at face value of INR 1/- each to the Eligible Employees of the Company and its Wholly Owned Subsidiary i.e. Nupur Finvest Private Limited under the Paisalo Employee Share Purchase Scheme 2024 pursuant to Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
- iv.** issued 50,000 Foreign Cuurency Convertible Bonds (FCCBs) of Face Value of USD 1000 with coupon 7.5% under Issue of Foreign Currency Convertible Bonds and Ordinary Shares (through Depository Receipt Mechanism) Scheme, 1993. Out of such FCCBs, 2000 FCCBs were converted during this reporting period and 37,01,792 Equity Shares of Rs. 1 each were allotted.



We further report that during the audit period Members of the Company:

- i.

vide their Ordinary Resolution through Postal Ballot dated August 30, 2024, increased the Authorised Share Capital from Rs. 125,00,00,000/- (Rupees One Hundred and Twenty-Five Crores Only) to Rs. 1,80,00,00,000/ (Rupees One Hundred and Eighty Crores Only);
- ii.

vide their Special Resolution through Postal Ballot dated August 30, 2024, approved raising of funds by way of issuance of any eligible securities, including convertible debentures, foreign currency non-convertible securities, foreign currency convertible bonds, through permissible modes, including but not limited to private placement, preferential issue or any other method or combination of thereof.
- iii.

vide their Special Resolution through Postal Ballot dated August 30, 2024, approved the regularization of Dr. Dharmendra Singh Gangwar from Additional Independent Director to Non-Executive Independent Director of the Company for a period of five years commencing from July 25, 2024;
- iv.

vide their Special Resolution through Postal Ballot dated August 30, 2024, fixed the borrowing power of the Board of Directors upto sum of Rs. 9,000 Crores u/s 180 (1) (c) of the Companies Act, 2013;
- v.

vide their Special Resolution through Postal Ballot dated August 30, 2024, authorized the Board of Directors to create Charges on Movable and Immovable Properties of the Company upto sum of Rs. 9,000 Crores u/s 180 (1) (a) of the Companies Act, 2013;
- vi.

vide their Special Resolution passed in the Extra Ordinary General Meeting dated January 22, 2025, altered the Articles of Association of the Company.
- vii.

vide their Special Resolution Extra Ordinary General Meeting dated January 22, 2025, approved the issue of Convertible Equity Warrants to certain identified non-promoter persons/entities on preferential basis.

We further report that in 32<sup>nd</sup> Annual General Meeting of the Company, held on September 23, 2024, Members of the Company passed following Special Resolutions for:

- i.

Approval of Alteration in Articles of Association of the Company;
- ii.

Approval of Paisalo Employee Share Purchase Scheme 2024;
- iii.

Approval of extending benefits of Paisalo Employee Share Scheme 2024 to the Eligible Employees of its Wholly Owned Subsidiary Company;
- v.

Re-appointment of Mr. Vijuy Ronjan as a Non- Executive Director of the Company for a period of five years commencing from October 8, 2024;
- vi.

Re-appointment of Mr. Raman Aggarwal as a Non-Executive Director of the Company for a period of five years commencing from October 15, 2024;
- iv.

Approving the issuance of Non-Convertible Debt Securities/Debentures through private placement.

Date : May 31, 2025

Place : Agra

For Satish Jadon & Associates  
Company Secretaries

Sd/-  
(SATISH KUMAR JADON)  
Membership No. F9512  
CoP No. 9810  
P.R. No. 1028/2020  
UDIN : F009512G000521210

ANNEXURE ‘B’

Annual Report on CSR Activities for Financial Year Ended March 31, 2025

1.

A Brief outline of the Company's CSR Policy

:

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. We remain deeply committed to reducing our environmental footprint and creating positive social impact, while upholding the highest standards of governance and stakeholder returns.

We believe that the things which are better for stakeholders and planet are best for us.

The Company is classifying only those projects/programmes as CSR that are over and above the Company's normal course of business and/or not benefitting the Company's employees and their relatives and most importantly which are in line with the broad-based list of activities, areas or subjects that are set out under schedule VII of the Companies Act, 2013 and Rules made thereunder.

Company's CSR policy outlines the CSR projects/programmes that can be undertaken by the Company and serves as a guidance in defining the role and responsibilities of Board and CSR Committee. For more information, please refer CSR policy at: [https://paisalo.in/pdf/corporate\\_governance/policy/CSR\\_Policy25.pdf](https://paisalo.in/pdf/corporate_governance/policy/CSR_Policy25.pdf)

For the financial year ended March 31, 2025, Company spent ₹32.08 Million towards various CSR activities.

2.	The Composition of the CSR Committee	Sr. No.	Name of Director	Designation (Nature of Directorship)	Number of meetings of CSR Committee during the year	
					Held	Attended
		1	Mr. Harish Singh	Chairman (Executive Director)	1	1
		2	Mr. Sunil Agarwal	Member (Managing Director)	1	1
		3	Mr. Vijuy Ronjan	Member (Independent Director)	1	1
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	:	Web-link of Composition of Committee <a href="https://paisalo.in/home/investorrelation">https://paisalo.in/home/investorrelation</a>  Web-link of CSR Policy: <a href="https://paisalo.in/pdf/corporate_governance/policy/CSR_Policy25.pdf">https://paisalo.in/pdf/corporate_governance/policy/CSR_Policy25.pdf</a>  Web-link of CSR activities undertaken by the Company during the year: <a href="https://paisalo.in/pdf/corporate_governance/policy/CSR_Policy25.pdf">https://paisalo.in/pdf/corporate_governance/policy/CSR_Policy25.pdf</a>			
4.	Provide the executive summary along with web-link (s) 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	:	Impact assessment report was not applicable in FY 2024-25 for the CSR projects undertaken by the Company.			
5.	(a) Average net profit of the company as per Section 135(5) of the Companies Act, 2013	:	₹1585.13 Million			
	(b) Two percent of average net profit of the company as per section 135(5) of the Companies Act, 2013	:	₹31.70 Million			

	(c)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years	:	₹0.00 Million				
	(d)	Amount required to be set off for the financial year if any	:	Nil				
	(e)	Total CSR obligation for the financial year (a+b-d)	:	₹31.70 Million				
6.	(a)	Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project)	:	₹32.08 Million				
	(b)	Amount spent on Administrative Overheads	:	Nil				
	(c)	Amount spent on Impact Assessment, if applicable	:	Nil				
	(d)	Total amount spent for the Financial Year (a+b+d)	:	₹32.08 Million				
	(e)	CSR amount spent or unspent for the financial year:						
			Amount Unspent (₹in Million)					
		Total Amount Spent for the Financial Year (₹in Million)	Total Amount transferred to Unspent CSR Account as per Section 135(6) of the Companies Act, 2013		Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5) of the Companies Act, 2013			
			Amount	Date of transfer	Name of the Fund	Amount	Date of transfer	
		32.08	Nil	NA	NA	Nil	NA	
	(f)	Excess amount for set off, if any:						
		Sr. No.	Particular				Amount (₹in Millions))	
		(i)	Two percent of average net profit of the company as per Section 135(5) of the Companies Act, 2013				31.70	
		(ii)	Total amount spent for the Financial Year				32.08	
		(iii)	Excess amount spent for the financial year [(ii)-(i)]				0.38	
		(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)]				0.38	
7.	Details of Unspent Corporate Social Responsibility amount for the preceding three financial years:							
	Sr. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under Section 135 (6) of the Companies Act, 2013 (INR in Millions)	Balance Amount Unspent CSR Account under Section 135(6) (INR in Millions)	Amount spent in the Financial Year (INR in Millions)	Amount transferred to any fund specified under Schedule VII as per second proviso of Section 135(6), if any.	Amount remaining to be spent in succeeding financial year. (INR in Millions)	Deficiency, if any
					Amount (INR in Millions)	Date of transfer.		
		Not Applicable						
8.	Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year:		:	No				

If Yes, enter the number of Capital assets created/ acquired: Not Applicable

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

Sr. No.	Short particulars of the property or asset(s) [including complete address and location of the property]	Pincode of the property or asset(s)	Date of creation	Amount of CSR amount spent	Details of entity/Authority/beneficiary of the registered owner		
(1)	(5)	(3)	(4)	(5)	(6)		
					CSR Registration Number, if Applicable	Name	Registered address
	Not Applicable						
9.	Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per Section 135(5) of the Companies Act, 2013		:	N.A.			

Place : New Delhi

Date : July 21, 2025

For & on behalf of the Board of Directors of

Paisalo Digital Ltd.

sd/-

Sunil Agarwal

Managing Director & CEO

DIN : 00006991

sd/-

Harish Singh

Chairman, CSR Committee

Executive Director

DIN : 00039501



# Business Responsibility & Sustainability Report



# Business Responsibility & Sustainability Report



## ANNEXURE 'C'

### Section A: General disclosures

#### I. Details of the listed entity

1.	Corporate Identity Number (CIN) of the Listed Entity	L65921DL1992PLC120483
2.	Name of the Entity	Paisalo Digital Limited (herein referred to as "Paisalo" or "The Company" or "We")
3.	Year of Incorporation	March 05, 1992
4.	Registered office address	CSC, Pocket-52, CR Park, Near Police Station, New Delhi-110019
5.	Corporate address	CSC, Pocket-52, CR Park, Near Police Station, New Delhi-110019
6.	E-mail	delhi@paisalo.in
7.	Telephone	+91 11 4351 8888
8.	Website	www.paisalo.in
9.	Financial year for which reporting is being done	April 1, 2024 - March 31, 2025 (i.e FY2024-25)
10.	Name of the Stock Exchange(s) where shares are listed	1. National Stock Exchange of India Limited (NSE) 2. BSE Limited
11.	Paid-up Capital	₹902.18 million (As on March 31, 2025)
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 - Manendra Singh Designation - Chief Compliance Officer & 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).	The disclosures in this report are made on a standalone basis, unless stated otherwise.
14.	Name of assurance provider	Paisalo has not engaged with any third party for obtaining external assurance
15.	Type of assurance obtained	Not Applicable (N/A)

#### II. Products/services

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

SL. No.	Description of Main Activity	Description of Business Activity	% Of Turnover of the Entity (FY 2024-25)
1	Financial services	Non-Banking Financial Company engaged in providing loans for supporting businesses, small and medium enterprises and the purchase of vehicles.	100%
	<b>Corporate Loans</b> Paisalo offers small business Income Generation Loans to support business enterprises and income enhancement activities of the clients like purchasing seeds, fodder, cattle, etc	<b>MSME &amp; SME Loans</b> Paisalo offers customizable MSME, SME and Commercial loans based on the borrower's profiles.	<b>Vehicle Loans</b> Paisalo offers asset base funding (E vehicles & Used Car) to credit deprived section of the society with best price and services in rural semi urban cities servicing the financial need of real BHARAT

Paisalo offers diverse loan products tailored to meet the financial needs of rural and semi-urban India, empowering "Real Bharat" with accessible credit solutions.

17. Products/Services sold by the entity (accounting for 90% of the entity’s Turnover) (need to collect)

SL. No.	Product/Service	NIC Code	% Of Total Turnover Contributed
1	Small Income Generation Loans	65923	12.80
2	MSME & SME Commercial Loans	65923	84.57
3	Vehicles Loans	65923	2.63

III. Operations

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

Location	Number of operational locations	Number of offices#	Total
National	N/A*	351# (3565 Touch Points**)	351# (3565 Touch Points**)
International		0	0

\*Paisalo Digital Limited and its subsidiary provides financial services and does not undertake any manufacturing activity.

#Includes all the branches, registered and head offices as on March 31, 2025.

\*\* Total geographic footprint stood at to 3565 touch points (351 Branches + 1314 Business Correspondent CSPs +1900 Distribution Points)

19. Markets served by the entity:

a. Number of locations

Locations	Number
National (No. of States)	22
International (No. of Countries)	0

b. What is the contribution of exports as a percentage of the total turnover of the entity? (Please check the response):

Paisalo is a Non-Banking Financial Company (NBFC) that offers financial services to underserved individuals in India. The Company focuses solely on the domestic market and does not export its products or services internationally.

c. A brief on types of customers:

Paisalo focuses on promoting inclusive growth by targeting underserved retail segments of society. Understanding that these segments need significant financial support to succeed, Paisalo designs its loans to equip individuals and small business owners with the resources necessary for self-reliance and sustainable livelihoods. The Company offers small-ticket, employment-oriented, and income-generating loans that are crucial in nurturing self-sufficiency among borrowers.

To support small and medium-sized enterprises (SMEs) across various sectors such as education, retail, pharmaceuticals, electrical, and chemicals, Paisalo provides tailored financial solutions that address specific industry needs.

By facilitating access to finance for both individual borrowers and sectoral enterprises, Paisalo promotes sustainable livelihoods and drives long-term economic empowerment.

IV. Employees

20. Details as at the end of Financial Year:

i. Employees and workers (including differently abled):

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
Employees						
1.	Permanent (D)	3178	3095	97%	83	3%
2.	Other than Permanent (E)	0	0	0	0	0
3.	Total employees (D+E)	3178	3095	97%	83	3%
Workers*						
4	Permanent (F)					
5	Other than Permanent (G)	0				
6	Total employees (F+G)					

Note: \*Paisalo Digital Limited does not employ any permanent or contractual workers considering the nature of business operations

ii. Differently abled Employees

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
Employees						
1.	Permanent (D)	1	1	100%	0	0%
2.	Other than Permanent (E)	0	0	0%	0	0%
3.	Total employees (D+E)	1	1	100%	0	0%

iii. Differently abled Workers\*:

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
Workers						
1.	Permanent (D)					
2.	Other than Permanent (E)			N/A		
3.	Total employees (D+E)					

Note: \* Paisalo Digital Limited does not employ any permanent or contractual workers considering the nature of business operations

21. Participation/Inclusion/Representation of women

Category	Total (A)	No. and percentage of Females	
		No. (B)	% (B / A)
Board of Directors	10	1	10%
Key Management Personnel (KMP)*	6	0	0%

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

22. Turnover rate for permanent employees and workers

Note: \* Paisalo Digital Limited does not employ any permanent or contractual workers considering the nature of business operations

Category	FY2024-25			FY2023-24			FY2022-23		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	34.79%	1.63%	36.42%	27.23%	1.22%	28.45%	49.23%	0.38%	49.61%
Permanent Workers*	N/A								



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

23. (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	100%	No

Note: Nupur Finvest Private Limited (NFPL) was incorporated in 1995 and is registered with RBI in 2008 as a non-deposit taking NBFC. It is wholly owned subsidiary of Paisalo Digital Limited. NFPL lending business primarily focused on two major segments: i) Small Finance Division, ii) SME Loan Division

VI. CSR Details

24. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: (Yes/No) – Yes

(ii) Turnover (INR in Mn): 7,348.32

(iii) Net Worth (INR in Mn): 15,257.01

VII. Transparency and Disclosures Compliances

25. 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)#	FY 2024-25			FY 2023-24		
		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
Communities	Yes	0	Nil	0	0	Nil	0
Investors (other than shareholders)*	Yes	0	Nil	0	0	Nil	0
Shareholders	Yes	1	Nil	0	0	Nil	0
Employees	Yes	0	Nil	0	0	Nil	0
Customers	Yes	26	Nil	0	10	Nil	0
Value Chain Partners (Vendors)	Yes	0	Nil	0	0	Nil	0
Govt. & Regulators	Yes	0	Nil	0	0	Nil	0

Note: \* Investors (Other than Shareholders) means Debenture holders of the Company

#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://www.paisalo.in/home/investorrelation>, regarding conduct with stakeholders, including grievance mechanisms

26. Overview of the entity’s material responsible business conduct issues

Sr. No.	Material issues identified	Indicate Risk/ Opportunity	Rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial implication of the risk or opportunity (Indicate positive/negative implications)
1	Climate Change	Opportunity	Climate change opens avenues for financial inclusion through green financing and sustainability-focused products. As rural and semi-urban India seeks climate-resilient solutions, Paisalo Digital can lead by funding eco-friendly initiatives and micro-entrepreneurship.	-	Positive - Pursuing sustainable finance solutions, particularly for Electric Vehicles, presents a unique opportunity for Paisalo to strengthen its market position and brand as a leader in environmentally responsible finance. These efforts are anticipated to expand the customer base by attracting eco-conscious customers and enhancing revenue streams. This also enhances Paisalo's reputation as a proactive contributor to India's environmental objectives, thereby ensuring long-term business sustainability and stakeholder value creation.
		Risk	Climate change poses operational risks for Paisalo through increased vulnerability of its borrower base, especially in rural and semi-urban areas reliant on informal sectors. Extreme weather events may impact loan repayment capacity and asset quality. Additionally, regulatory shifts toward climate-aligned lending may require business model adjustments and proactive ESG integration. In line with this evolving landscape, the Reserve Bank of India (RBI) has issued draft guidelines mandating climate-related disclosures for NBFCs, signaling increased scrutiny and the need for enhanced climate risk preparedness.	Paisalo is strengthening its climate resilience by initiating a climate risk assessment aligned with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). This strategic move enables the Company to identify, evaluate, and integrate material climate-related risks into its broader risk management and lending frameworks.	Negative - As climate change impacts the financial stability of borrowers, it can lead to increased credit defaults, reduced cash flows, and heightened provisioning requirements, thereby exerting financial pressure on the Company's profitability and asset quality.
2	Financial Inclusion	Opportunity	Financial inclusion is deeply ingrained in Paisalo's DNA, shaping its mission to bridge credit gaps and foster economic empowerment. By serving the underserved, Paisalo unlocks vast potential in rural and semi-urban markets through accessible credit and digital financial solutions. The Company empowers micro-entrepreneurs, fuels grassroots economic growth, and aligns seamlessly with national development goals and evolving regulatory priorities-enhancing both strategic relevance and long-term viability.	-	Positive - Expanding access to credit in underserved areas creates a scalable customer base, driving consistent revenue growth. Digital financial inclusion reduces operational costs through tech-driven efficiencies and lowers customer acquisition expenses.

3	Innovation & Digitization	Opportunity	<p>Innovation and technology are central to Paisalo's strategy, fueling differentiation and enabling the Company to stand out in the competitive landscape. By developing cutting-edge financial solutions tailored to emerging customer needs, Paisalo can enhance customer satisfaction and loyalty, driving revenue growth. Leveraging technology allows the Company to offer more efficient and accessible financial services, reaching underserved markets and expanding its customer base. This dual focus not only attracts newer demographics but also reinforces Paisalo's position as a forward-thinking and agile player in the financial services sector.</p>	<p>Positive - By offering cutting-edge financial solutions, the Company enhances customer satisfaction and drives revenue growth. Leveraging technology facilitates efficient, accessible services, expanding reach to underserved markets. Digital onboarding accelerates processes and reduces acquisition costs, boosting operational efficiency. This approach reinforces Paisalo's position as a forward-thinking leader in financial services.</p>
4	Local Employment Generation	Opportunity	<p>Paisalo prioritizes financial inclusion by providing accessible credit and digital finance solutions to underserved rural and semi-urban markets. The Company serves unbanked and underbanked communities through strategic co-lending partnerships with leading banks and an expansive Business Correspondents (BC) network. This model facilitates access to credit in remote areas, unlocking economic potential for micro-entrepreneurs and small businesses. By generating employment closer to where people live-especially in rural and semi-urban regions-Paisalo promotes balanced regional development and builds long-term community resilience.</p>	<p>-</p> <p>Positive - Facilitating local job creation strengthens borrower income stability, enhancing repayment capacity and loan book quality. Hiring locally can reduce recruitment and relocation expenses, as well as minimize training costs due to the familiarity of local employees with the cultural and economic landscape. This cost efficiency can improve the Company's margins. Supporting grassroots livelihoods reinforces community trust, driving higher customer retention and repeat business.</p>
5	Data Privacy and Security	Risk	<p>As a financial services provider, Paisalo handles sensitive customer data, making it a potential target for cyber threats and breaches. Inadequate safeguards or lapses in data handling could lead to reputational damage, regulatory penalties, and customer attrition. Rapid digitization without robust security frameworks heightens exposure to phishing, fraud, and system vulnerabilities.</p>	<p>To mitigate data security and privacy risks, the Company has instituted robust safeguards, including strict access controls, data encryption, and regular security audits. In addition, it has established a comprehensive Information Security and Data Privacy Policy and conducts periodic training to ensure employees follow best practices in data handling.</p>

6	Business Ethics	Risk	<p>As a financial services provider catering to vulnerable segments, any deviation from ethical conduct could erode stakeholder trust and credibility. Lapses in fair lending practices, transparency, or customer treatment may invite regulatory scrutiny and reputational damage.</p>	<p>The Company has implemented a formal Code of Conduct and Ethics to guide employee behavior, decision-making, and stakeholder interactions. This framework is supported by regular training programs, internal audits, and whistleblower mechanisms, which promote accountability and transparency throughout the organization.</p>	<p>Negative - Ethical lapses can result in regulatory action, reputational damage, and financial penalties. Moreover, erosion of stakeholder trust can impact business continuity and investor confidence.</p>
7	Regulatory Compliance	Risk	<p>The financial services sector operates under a complex and evolving regulatory environment. Adherence to applicable laws, guidelines, and supervisory frameworks is critical to maintain business continuity, ensure market integrity, and protect customer interests</p>	<p>The Company has instituted a strong compliance culture supported by clearly defined policies, standard operating procedures, and internal control mechanisms. Regular compliance audits, regulatory reporting, and monitoring systems are in place to ensure adherence to all applicable legal and regulatory standards. The organization also undertakes periodic reviews to remain updated with new regulatory developments and provides training to relevant staff to reinforce compliance awareness.</p>	<p>Negative - Regulatory breaches may lead to financial penalties, legal costs, increased scrutiny, and reputational harm.</p>



Section B: Management and process disclosures

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

The Company has put in place structures, policies and processes conforming to below mentioned National Guidelines on Responsible Business Conduct (NGRBC) Principles:

S.No.	Principle Description	Principle Description Reference of Paisalo Policies /Procedure/ Standard/Assessment
1	Businesses should conduct and govern themselves with Ethics, Transparency and Accountability	<ul style="list-style-type: none"><li>Whistle blower policy</li><li>Anti-bribery policy and Anti-corruption policy (ABAC)*</li><li>Code of Conduct for directors &amp; senior management personnel</li><li>Terms &amp; conditions for appointment of Independent Directors</li><li>Code for Independent Directors</li><li>Fair Practices Code</li><li>Policy on related party transactions</li><li>Code of Conduct for prevention of Insider Trading</li><li>Policy for determination of material events and information for disclosures</li><li>Policy on Board Diversity*</li><li>Dividend Distribution Policy</li></ul>
2	Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle	<ul style="list-style-type: none"><li>ESG Policy*</li></ul>
3	Businesses should promote the wellbeing of all employees	<ul style="list-style-type: none"><li>Whistle blower policy</li><li>Nomination and Remuneration Policy</li><li>Grievance Redressal Policy*</li></ul>
4	Businesses should respect the interests of and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized	<ul style="list-style-type: none"><li>Stakeholder Engagement Policy*</li><li>Corporate Social Responsibility Policy</li><li>Equal Opportunity policy</li><li>Policy for preservation of documents</li><li>Diversity and Inclusion Policy*</li></ul>
5	Businesses should respect and promote human rights	<ul style="list-style-type: none"><li>Human Rights Policy*</li><li>Equal Opportunity Policy for persons with Disability</li><li>Freedom of Association and Collective Bargaining Policy*</li><li>Nomination and Remuneration Policy</li></ul>
6	Businesses should respect, protect and make efforts to restore the environment	<ul style="list-style-type: none"><li>ESG Policy*</li></ul>
7	Businesses when engaged in influencing public and regulatory policy, should do so in a responsible manner	<ul style="list-style-type: none"><li>Policy for determining material subsidiary</li><li>Stakeholder Engagement Policy*</li></ul>
8	Businesses should support inclusive growth and equitable development	<ul style="list-style-type: none"><li>Corporate Social Responsibility Policy</li></ul>
9	Businesses should engage with and provide value to their customers and consumers in a responsible manner	<ul style="list-style-type: none"><li>Data privacy Policy</li></ul>

Note: \*The policies are internal to Paisalo and are available on the Company's intranet.

Disclosure Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
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	Y	Y	Y	Y	Y	Y	Y
b. Has the policy been approved by the Board? (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
c. Web Link of the Policies, if available	All the policies (except those marked as 'Internal' are available on the Company's intranet and are accessible to internal stakeholders) are available on the Company's website: <a href="https://www.paisalo.in/home/investorrelation">https://www.paisalo.in/home/investorrelation</a>								
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)	The Company does not have any policies extending to its value chain partners. However, the Company ensures that its partners in the value chain participate in 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, Trustee) standards (e.g., SA 8000, OHSAS, ISO, BIS) mapped to each principle	Paisalo is fully compliant with all applicable rules and regulations, demonstrating its strong commitment to governance, data security, and operational integrity.								
5. Specific commitments, goals and targets set by the entity with defined timelines, if any	<p>Paisalo is in the process of finalizing its ESG roadmap, which will outline measurable goals and metrics aligned with industry standards and national priorities. While formal targets are not yet in place, the Company is actively developing policies and systems that will shape future reporting.</p> <p>Key ESG focus areas include:</p> <ul style="list-style-type: none"><li>Environmental efforts such as plantation drives, water conservation, and financing for electric vehicles</li><li>Expansion into rural and underserved regions through branch openings</li><li>Promoting gender equality by designing income-generating products for women entrepreneurs in rural areas</li></ul> <p>Our Impact Measurement and Monitoring (IMM) framework, along with Environmental and Social Management System (ESMS) tracks outcome-driven metrics to align operational practices with responsible lending and meaningful last-mile impact.</p>								
6. Performance of the entity against specific commitments, goals, and targets along with reasons in case the same are not met	Paisalo remains committed to sharing strategic updates on its sustainability performance in the coming years, highlighting key achievements and outcomes as the Company progresses on its sustainability journey.								

Governance, leadership and oversight	
7. Statement by director responsible for the business responsibility report, highlight ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure)	
Dear Stakeholders,	
I’m pleased to present Paisalo’s Business Responsibility and Sustainability Report (BRSR) for FY2025, a reflection of our commitment to responsible growth and inclusive finance. At Paisalo, our mission has always been clear: to empower underserved segments across India through low-ticket income generation loans. With technology as our ally and the grassroots as our guide, we’ve continued to scale with purpose, empathy, and impact.	
This year marked a pivotal chapter as we deepened our Environmental, Social, and Governance (ESG) integration. We introduced our Environmental and Social Management System (ESMS) Manual, which now anchors our operational ethos in responsible lending practices. Further strengthening our ESG governance, we established an Impact Framework based on a Theory of Change, enabling us to clearly define our social intent, link it to measurable outcomes, and monitor progress toward last-mile empowerment. This approach reinforces accountability, transparency, and data-driven decision-making at the leadership level.	
To advance our environmental responsibility, we have begun systematic monitoring of Scope 3 emissions for understanding and managing our indirect environmental impact while we continue to measure and monitor energy & water consumption and waste generation.	
Furthering our social commitments, we allocated ₹32.08 million towards CSR efforts covering areas such as food distribution, medical aid, and access to free education-reaffirming our belief in equitable development.	
Looking ahead, we are expanding our ESG focus by integrating climate-related disclosures, conducting customer and employee satisfaction surveys, and undertaking materiality assessments to understand and prioritize what truly matters to our stakeholders. These steps mark our journey toward becoming an even more responsive, responsible, and resilient organization.	
Paisalo remains committed to doing business responsibly-anchored in ethics, sustainability, and community impact-as we build a future that serves both people and progress.	
We look forward to continuing this journey together-creating meaningful change, one step at a time.	
Sincerely,	
Sunil Agarwal	
Paisalo Digital Limited Director and CEO	
8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy/policies	
Name – Mr. Sunil Agarwal	
Designation - Managing Director and CEO	
DIN -00006991	
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 Business Responsibility as identified by the Chief Risk Officer of the Corporation. This structured approach ensures that all sustainability initiatives are guided by a comprehensive framework and executed effectively.	

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	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P
	1	2	3	4	5	6	7	8	9	1	2	3	4	5	6	7	8	9
Performance against above policies and follow up action	All the Company policies are reviewed for efficacy and necessary changes 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.																	
Compliance with statutory requirements of relevance to the principles, and rectification of any non-compliances	The Company complies with all the rules and 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 the name of the agency.										P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
										No, Paisalo conducts regular internal assessments to identify improvement areas and enhance operational processes. When needed, the Company engages external experts for deeper, specialized evaluations.								
12. If answer to question (1) above is “No” i.e. not all Principles are covered by a policy, reasons to be stated:																		
Disclosure Questions										P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
1. The entity does not consider the Principles material to its business (Yes/No)										N/A								
2. The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)																		
3. The entity does not have the financial or/human and technical resources available for the task (Yes/No)																		
4. It is planned to be done in the next financial year (Yes/No)																		
5. Any other reason (please specify)																		

- Notes:
- i. The core business area is to provide financial services and hence this principle has limited applicability. However, we strive to comply with all the applicable regulations in respect of our operations.
  - ii. We 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

I. Principle 1: Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable

Essential Indicators

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	% age of persons in respective category covered by the awareness programmes
Board of Directors (BoD)	<ul style="list-style-type: none"><li>Industry trends, business risks, regulations, and cybersecurity.</li><li>Directors and KMPs are sensitized on their roles, rights, responsibilities, and key developments concerning the Company.</li><li>Annual declaration to the Code of Conduct by Directors and Senior Management is affirmed and communicated by the Managing Director through the Annual Report.</li></ul>		100%
Employees other than BoD and KMPs	<ul style="list-style-type: none"><li>Employees of the Company undergo various training programmes throughout the year.</li><li>Training helps the employees update their knowledge and awareness regarding changes and modifications in technology, techniques, regulations and norms.</li><li>Existing employees undergo periodical training programmes to make them familiar with the latest developments in KYC, Cyber Crimes and Securities, Data Security, Fraud prevention, Code of Conduct and work ethics etc.</li><li>All new employees undergo continuous on-the-job training to help them understand the procedures and operational guidelines specific to Paisalo.</li></ul>		100%
Workers*		N/A	

Note: \*Paisalo Digital does not employ any permanent or contractual workers considering the nature of business operations.

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 Obligations) 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	There have been no cases leading to any penalty/fine, settlement or compounding fee for Paisalo in FY 2025. For penalty/fine/settlement imposed/ levied other than NGRBC Principle please refer Corporate Governance Report which forms part of Annual Report for FY 2025				
Settlement					
Compounding fee					

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 institution
N/A	

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.

Yes, Paisalo’s Policies, Code of Conduct, Fair Practice Code, and Ethics apply to all Directors, officers, and employees, guiding the Company’s commitment to sustainability, ethical business conduct, and regulatory compliance. These standards promote integrity, transparency, and fair dealing in all interactions with stakeholders including customers, shareholders, employees, and the communities we serve.

The Company fosters a culture of accountability by encouraging employees to uphold these principles and act with honesty and fairness in their daily responsibilities. Employees are empowered to report any concerns related to unethical behavior, financial irregularities, or suspected fraud through the Whistle Blower Policy. This policy provides a secure, confidential, and accessible channel for reporting without fear of retaliation, thereby strengthening the Company’s commitment to ethical governance.

To ensure continued awareness and adherence, the Company regularly communicates these policies to its employees and provides training programs that emphasize the importance of ethical conduct, compliance, and risk management. Paisalo’s governance framework is aligned with its core values of ethics and transparency, supported by a practice of timely disclosure of material information to stakeholders.

The policies and codes are available at Company’s website in Investor Relation section at <https://paisalo.in/home/esg>

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

Case details	FY 2024-25	FY 2023-24
Directors	0	0
KMPs	0	0
Employees	0	0
Workers*	N/A	N/A

Note: \* Paisalo Digital Limited does not employ any permanent or contractual workers considering the nature of business operations

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

	FY 2024-25		FY 2023-24	
	Number	Remark	Number	Remark
Number of complaints received in relation to issues of Conflict of Interest of the Directors	0	N/A	0	N/A
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.

N/A.

8. Number of days of accounts payables ((Accounts payable\*365)/Cost of goods/services procured) in the following format:

	FY 2024-25	FY 2023-24
Number of days of accounts payables	27	25

9. Open-ness of business

Provide details of concentration of purchases and sales with trading houses, dealers, and related parties along-with loans and advances & investments, with related parties, in the following format:

Parameter	Metrics	FY 2024-25	FY 2023-24
Concentration of Purchases	a. Purchases from trading houses as % of total purchases	As Paisalo operates within the financial services industry and does not engage in the trading of goods, details regarding the concentration of purchases and sales with trading houses, dealers and related parties, as well as loans, advances and investments with related parties, are Not Applicable	
	b. Number of trading houses where purchases are made from		
	c. Purchases from top 10 trading houses as % of total purchases from trading houses		
Concentration of Sales	a. Sales to dealers/distributors as % of total sales		
	b. Number of dealers/distributors to whom sales are made		
	c. Sales to top 10 dealers/distributors as % of total sales to dealers/distributors		
Share of Related Party Transactions in	a. Purchases (Purchases with related parties/Total Purchases)	Nil	Nil
	b. Sales (Sales to related parties/Total Sales)	Nil*	Nil*
	c. Loans & advances (Loans & advances given to related parties/Total loans & advances)		
	d. Investments (Investments in related parties/Total Investments made)	Nil	Nil

Note: In FY2025, loans and advances were provided to our subsidiary Company, Nupur Finvest Private Limited; however, these amounts are not material in nature.

Leadership Indicators

1. Awareness programmes conducted for value chain partners on any of the principles during the financial year:

Total number of awareness programmes held	Topics/principles covered under the training	%age of value chain partners covered (by value of business done with such partners) under the awareness programmes
29	Governance, Employee Well Being, Stakeholder Engagement & Inclusive Growth and Equitable Development	45%

2. Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/No) If yes, provide details of the same.

Yes, the Company has established measures to prevent conflicts of interest through its Code of Conduct applicable to Directors and Senior Management. The Code clearly outlines the need to avoid personal or financial relationships with the Company unless permitted by law, and to steer clear of any situations that could compromise objectivity in dealings with employees, vendors, or the organization itself. Additionally, the Company obtains declarations from its Board of Directors and key management personnel regarding their affiliations with other entities on an annual basis,

ensuring compliance with applicable laws through requisite approvals before engaging in transactions with said entities.

Conflicts, if any, must be promptly disclosed to ensure transparency and adherence to governance standards.

For an in-depth understanding, our Code of conduct policy can be accessed at- [https://www.paisalo.in/pdf/corporate\\_governance/policy/Code\\_Of\\_Conduct\\_For\\_Directors\\_And\\_Senior\\_Management\\_Personnel25.pdf](https://www.paisalo.in/pdf/corporate_governance/policy/Code_Of_Conduct_For_Directors_And_Senior_Management_Personnel25.pdf)

II. Principle 2: Businesses should provide goods and services in a manner that is Sustainable and Safe

Essential Indicators

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.

	FY 2024-25	FY 2023-24	Details of improvements in environmental and social impacts
R&D	Given the nature of Paisalo’s business, this question is not applicable to the Company.		
Capex			

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

Paisalo is engaged in the financial products and services sector and, therefore, does not consume substantial raw materials or produce physical goods. Our core objective is to offer financing solutions and cater to individual needs. Accordingly, we currently do not maintain records or have a policy related to sustainable sourcing.

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

Paisalo is engaged in the financial products and services sector and, therefore, does not consume substantial raw materials or produce physical goods, hence this is Not Applicable.

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

As a financial services provider, Paisalo does not produce hazardous or other types of waste typically linked to physical products or services and therefore has no waste to reclaim. Also, we remain committed to sustainability and actively promote efficient resource use among our employees, with a particular emphasis on reusing paper wherever possible across all Company offices.

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.

Extended Producer Responsibility (EPR) is not directly applicable to Paisalo, as the Company operates within the financial services sector and does not manufacture or distribute physical products. Consequently, we are not subject to EPR regulations.

Leadership Indicators

1. Has the entity conducted Life Cycle Perspective/Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)?

Since the Company operates in the financial services sector, Life Cycle Assessment (LCA) is Not Applicable

2. If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products/services, as identified in the Life Cycle Perspective/Assessments (LCA) or through any other means,

briefly describe the same along-with action taken to mitigate the same.

Paisalo does not face any major social or environmental concerns or risks, given the nature of its business operations.

3. Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).

Indicate input material	Recycled or re-used input material to total material	
	FY 2024-25	FY 2023-24
	N/A	

4. Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed of.

As a financial services provider, Paisalo does not generate hazardous or industrial waste typically associated with manufacturing or physical goods and therefore has no waste to reclaim. However, in line with our commitment to sustainability, we actively promote responsible resource use within our operations-encouraging practices such as paper reuse and efficient consumption across all Company offices.

5. Reclaimed products and their packaging materials (as percentage of products sold) for each product category.

Given the nature of Paisalo’s business, product and packaging reclamation at end-of-life is not applicable.

III. Principle 3: Businesses should respect and promote the well-being of all employees, including those in their value chains

Essential Indicators

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

Category	% of employees covered by										
	Total(A)	Health Insurance		Accident Insurance		Maternity Benefits*		Paternity Benefits		Day Care Facilities	
		Number	%	Number	%	Number	%	Number	%	Number	%
		(B)	(B/A)	(C)	(C/A)	(D)	(D/A)	(E)	(E/A)	(F)	(F/A)
Permanent Employees											
Male	3095	2473	79.90%	3095	100%	NA	NA	3095	100%	Nil	Nil
Female	83	63	75.90%	83	100%	83	100%	NA	NA	Nil	Nil
Total	3178	2536	79.80%	3178	100%	83	100%	3095	100%	Nil	Nil
Other than Permanent Employees											
Male											
Female	NIL										
Total											

b. Details of measures for the well-being of workers:

Category	% of employees covered by										
	Total(A)	Health Insurance		Accident Insurance		Maternity Benefits*		Paternity Benefits		Day Care Facilities	
		Number	%	Number	%	Number	%	Number	%	Number	%
		(B)	(B/A)	(C)	(C/A)	(D)	(D/A)	(E)	(E/A)	(F)	(F/A)
Permanent Employees											
Male											
Female	N/A										
Total											
Other than Permanent Workers*											
Male											
Female	N/A										
Total											

Note: \*Paisalo Digital Limited does not employ any permanent or contractual workers considering the nature of business operations

c. Spending on measures towards well-being of employees and workers\* (including permanent and other than permanent) in the following format –

	FY 2024-25	FY 2023-24
Cost incurred on well- being measures as a % of total revenue of the Company	0.12%	0.11%

Note: Well-being costs, includes costs incurred for health insurance, accident insurance, term life insurance cost and expenses incurred towards conducting sessions such as On Call Doctor, workshop on Yoga Day etc.

2. Details of retirement benefits.

Benefits	FY 2024-25			FY 2023-24		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers*	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 workers*	Deducted and deposited with the authority (Y/N/N.A.)
PF	75.08%	N/A	Yes	71.44%	N/A	Yes
Gratuity	100%	N/A	Yes	100%	N/A	Yes
ESI	79.55%	N/A	Yes	77.17%	N/A	Yes
Others – please specify	N/A	N/A	Yes	N/A	N/A	Yes

Note: \* Paisalo Digital Limited does not employ any permanent or contractual workers considering the nature of business operations

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 fosters an inclusive workplace by ensuring that its offices are physically accessible to differently abled employees through supportive infrastructure. Beyond physical access, the Company promotes dignity and equal opportunity by embedding accessibility into its daily operations and employee support systems.

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.

Paisalo is dedicated to being an equal opportunity employer, fostering a workplace culture rooted in inclusion,



belonging, and a strict stance against any form of discrimination. The Company’s Equal Opportunity Policy ensures fair and equal treatment for all individuals, including employees and job applicants. In line with the Rights of Persons with Disabilities Act, 2016, Paisalo is committed to creating an inclusive, non-discriminatory work environment. This policy extends to all job applicants, employees, trainees, and consultants, including those hired through direct contracts with the Company.

The complete policy can be accessed at: [https://www.paisalo.in/pdf/corporate\\_governance/Equal\\_Opportunity\\_policy.pdf](https://www.paisalo.in/pdf/corporate_governance/Equal_Opportunity_policy.pdf)

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

**Note:** \*Paisalo Digital Limited does not employ any permanent or contractual workers considering the nature of business operations

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

Category	Yes/No	Details of the mechanism in brief
Permanent employee	Yes	Paisalo is dedicated to cultivating a workplace that is free from prejudice, gender discrimination, and harassment. The Company upholds a strict zero-tolerance approach towards any violations. The Company has established key policies including the Code of Conduct, Whistleblower Policy/Vigil Mechanism, and Policy on Sexual Harassment at the Workplace that provide employees with confidential and anonymous channels to report concerns without fear of retaliation. Paisalo is committed to building a fair, open, and transparent culture where employees are encouraged to voice their views. Employees can directly reach out to the HR department to report concerns via email at: Headhr@paisalo.in. The Company also ensures clear communication of its policies and practices related to plans, compensation, performance metrics, incentive structures, career development, compliance, and other relevant processes.
Other than permanent employee		
Permanent workers*		N/A
Other than permanent workers*		N/A

**Note:** \*Paisalo Digital Limited does not employ any permanent or contractual workers considering the nature of business operations

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

	FY 2024-25			FY 2023-24		
Category	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)
Permanent Employees						
Male	None of Paisalo’s Employees are part of any Employee Union or Association.					
Female						
Total						
Permanent Workers*						
Male	N/A					
Female						
Total						

**Note :** \*Paisalo Digital Limited does not employ any permanent or contractual workers considering the nature of business operations

8. Details of training given to employees and workers:

Category	FY2024-25					FY2023-24				
	Total (A)	On Health and Safety Measures		On Skill Upgradation		Total (D)	On Health and Safety Measures		On Skill Upgradation	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Permanent Employees										
Male	3095	310	10%	2564	83%	2332	0	0	1910	81.91%
Female	83	35	42%	62	75%	77	0	0	52	67.53%
Total	3178	345	10.85%	2626	83%	2409	0	0	1962	81.44%
Permanent Workers*										
Male	N/A									
Female										
Total										

**Note:** \*Paisalo Digital Limited does not employ any permanent or contractual workers considering the nature of business operations

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

Category	FY 2024-25			FY 2023-24		
	Total (A)	No. (B)	% (B/A)	Total (C)	No. (D)	% (D/C)
Permanent Employees						
Male	3095	3095	100%	Performance appraisal of the eligible employees was conducted during the year.		
Female	83	83	100%			
Total	3178	3178	100%			
Permanent Workers*						
Male	N/A					
Female						
Total						

**Note:** \*Paisalo Digital Limited does not employ any permanent or contractual workers considering the nature of business operations

10. Health and safety management system:

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

Paisalo is committed to ensuring a safe and healthy workplace by minimizing risks related to accidents, injuries, and health hazards, in full compliance with applicable regulations. The Company conducts regular training on safety protocols, including fire safety and evacuation drills, and maintains well-equipped facilities with proper ventilation, hygiene, sanitation, emergency exits, and first aid kits. Employee well-being is further promoted through ongoing internal communications and awareness sessions that encourage healthy and safe practices—such as wearing helmets, staying hydrated, and choosing stairs over elevators.

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

In FY25, Paisalo enhanced the integration of its Environmental and Social Management System (ESMS) to proactively identify and mitigate work-related hazards. Preparedness is reinforced through fire drills, evacuation protocols, and ongoing awareness sessions. Cross-functional collaboration ensures a cohesive and effective safety framework, aligned with regulatory standards and fostering a culture of preventive vigilance.

iii. Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks.

Yes, Paisalo has a well-defined process for employees to report work-related hazards and to remove themselves from unsafe conditions. Concerns are escalated through a clear reporting chain—from the immediate Supervisor to the VP and then to HR. A dedicated helpline at +91 76175-55242 is also available for direct reporting. This structure ensures swift action, transparency, and a safe working environment.

iv. Do the employees/ workers of the entity have access to non-occupational medical and healthcare services?

Yes, Paisalo provides employees access to non-occupational medical and healthcare services through robust insurance offerings. These include group term life insurance, comprehensive health coverage, and accident protection, designed not only to address workplace-related risks but also to safeguard the broader health and wellness needs of employees and their families. By extending benefits beyond occupational hazards, Paisalo promotes holistic well-being and creates a support system that enables employees to thrive both professionally and personally.

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

Safety Incident/Number	Category	FY 2024-25	FY 2023-24
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employee	0	0
	Worker*	N/A	N/A
Total recordable work-related injuries	Employee	0	0
	Worker*	N/A	N/A
No. of fatalities	Employee	0	0
	Worker*	N/A	N/A
High consequence work-related injury or ill-health (excluding fatalities)	Employee	0	0
	Worker*	N/A	N/A

Note: \*Paisalo Digital Limited does not employ any permanent or contractual workers considering the nature of business operations

12. Describe the measures taken by the Company to ensure a safe and healthy workplace.

Paisalo is committed to ensuring a safe and healthy workplace for all its employees. The Company has implemented essential safety measures across its offices, including the installation of fire extinguishers that are regularly inspected and maintained, proper ventilation systems, and provision of safe and purified drinking water to promote employee well-being.

In addition to these fundamental provisions, Paisalo fosters awareness and preparedness by conducting periodic safety drills and trainings to educate employees on emergency protocols and safety best practices. The Company also ensures that all workplace environments comply with relevant health and safety regulations to provide a secure and comfortable setting for its workforce.

13. Number of complaints on the following made by employees and workers\*:

Category	FY 2024-25			FY 2023-24		
	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	N/A	0	0	N/A
Health & Safety	0	0		0	0	

Note: \* Paisalo Digital Limited does not employ any permanent or contractual workers considering the nature of business operations

14. Assessments for the year:

Aspect	% Of your plants and offices that were assessed (by entity or statutory authorities or third parties)*
Health and safety practices	Paisalo is dedicated to creating safe, hygienic, and respectful work environments that uphold the dignity of every employee. To ensure these standards are consistently met, the Company conducts regular internal audits across its offices, evaluating critical aspects of health, safety, and overall workplace conditions.
Working Conditions	

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 health and safety were required during the year under review, as there were no reported safety-related incidents.

Leadership Indicators

1. Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) (B) Workers (Y/N).

Yes, Paisalo extends life insurance coverage of ₹10 lakhs to all employees, ensuring financial security for their families. This benefit remains applicable irrespective of whether the death occurs during active service or post-employment, reinforcing the Company’s commitment to long-term employee welfare.

2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners

Paisalo is committed to upholding high standards of compliance across its value chain. The Company expects all its value chain partners to comply fully with statutory requirements, including timely deduction and deposit of applicable statutory dues. To ensure this, Paisalo incorporates compliance obligations into contractual agreements with vendors and suppliers, emphasizing transparency and accountability.

The Company’s robust monitoring system includes periodic reviews and audits of value chain partners to verify adherence to statutory obligations. This approach helps mitigate compliance risks and reinforces Paisalo’s commitment to responsible business conduct throughout its supply chain.

3. Provide the number of employees/workers having suffered high consequence work related injury/ill-health/fatalities (as reported in Q11 of Essential Indicators above), who have been rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:

	Total no. of affected employees/worker		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY 2024-25	FY 2023-24	FY 2024-25	FY 2023-24
Employee	0	0	0	0
Workers*	N/A	N/A	N/A	N/A

Note: \*Paisalo Digital Limited does not employ any permanent or contractual workers considering the nature of business operations.

4. Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/ No)

Yes, the Company provides transition assistance programs that include counseling services for departing employees to support their career planning. Additionally, the Company offers guidance and resources to help employees explore alternative re-employment opportunities, facilitating a smoother transition during retirement or termination.

5. Details on assessment of value chain partners:

Category	% of value chain partners (by value of business done with such partners) that were assessed
Health and safety practices	100%
Working Conditions	100%

6. Provide details of any corrective actions taken or underway to address significant risks/concerns arising from assessments of health and safety practices and working conditions of value chain partners.

No.

IV. Principle 4: Businesses should respect the interests of and be responsive to all its stakeholders.

Essential Indicators

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

The Company identifies its key stakeholders as individuals or groups who are either significantly affected by its operations or could influence its activities. These stakeholders include employees, shareholders, investors, customers, channel partners, regulators, lenders, and society at large. Paisalo recognizes the influence its policies, decisions, products, services, and related operations have on these stakeholders. Accordingly, the Company actively engages with them in accordance with its established policies, practices, and processes, aiming to address any differences in a fair, just, equitable, and consistent manner, and takes corrective action when necessary.

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 communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/Half yearly/ Quarterly/others– please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Government and regulatory authorities	No	Multiple channels physical and digital through Email, Physical letter	Annual/Quarterly Need based	To update on various compliances and to seek approvals or clarifications.
NGOs	No	Multiple channels physical and digital through Email, Physical letter and in-person meeting	Need based	To undertake CSR Initiatives
Academia	No	Multiple channels physical and digital through Email, Physical letter and in-person meeting	Need based	To undertake CSR Initiatives
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.

Customers	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 rates, if any and servicing throughout the lifecycle of product and addressing queries/ grievances that the customer may have.
Suppliers	No	Multiple channels physical and digital through Email, Physical letter and in-person meeting.	Need based	To avail services/purchase supplies.
Local community	No	In- person Meetings	Need based	To undertake CSR Initiatives.
Investors	No	In- person Meetings Multiple channels– physical and digital including quarterly investor presentations, press releases and communications through Stock Exchanges etc.	Need based	To inform about the performance, major developments and other relevant updates regarding the Company.
Shareholders	No	Multiple channels– physical and digital including quarterly investor presentations, press releases and communications through Stock Exchanges etc.	Need based	To inform about the performance, major developments and other relevant updates regarding the Company.

Leadership Indicators

1. Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how feedback from such consultations is provided to the Board.

Paisalo ensures that feedback from stakeholder consultations is systematically communicated to the Board through structured discussions at Board meetings, annual general meetings, and dedicated special sessions. This enables the Board to incorporate diverse stakeholder perspectives on economic, environmental, and social issues into its strategic decision-making, thereby strengthening governance and enhancing the relevance and responsiveness of long-term business strategies.

2. Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). If so, provide details of instances as to how the input received from stakeholders on these topics were incorporated into the policies and activities of the entity.

Yes, Paisalo regularly engages with stakeholders including customers, employees, investors, and community representatives to identify material ESG issues. Inputs gathered from these consultations contribute to the ongoing development of the Company’s sustainability policies and operational initiatives. This helps ensure that Paisalo’s activities are aligned with community needs and environmental responsibilities.

3. Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalized stakeholder groups.

Paisalo has undertaken a range of CSR initiatives aimed at uplifting diverse segments of society, with particular emphasis on the underrepresented, economically disadvantaged, and marginalized communities. These efforts focus on enabling access to essential services such as healthcare, education, financial literacy to promote inclusive growth.



V. Principle 5: Businesses should respect and promote human rights

Essential Indicators

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 2024-25			FY 2023-24		
	Total (A)	No. of employees/ workers covered (B)	% (B/A)	Total (C)	No. of employees/ workers covered (D)	% (D/C)
Employees						
Permanent	3178	3178	100%	2409	0	0%
Other than permanent	0	0	0	0	0	0%
Total Employees	3178	3178	100%	2409	0	0%
Workers*						
Permanent						
Other than permanent						N/A
Total Workers						

Note: Paisalo Digital does not employ any permanent or contractual workers

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

	FY 2024-25					FY 2023-24				
Category	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	3095	11	0.36%	3084	99.64%	2332	6	0.26%	2326	99.74%
Female	83	0	0.00%	83	100.00%	77	0	0	77	100%
Other than Permanent										
Male	0	0	0	0	0	0	0	0	0	0
Female	0	0	0	0	0	0	0	0	0	0
Total Employees	3178	11	0.36%	3178	99.66%	2409	6	0.25%	2403	99.75%
Workers*										
Category	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)
Permanent										
Male										
Female										
Other than Permanent						N/A				
Male										
Female										

Note: \*Paisalo Digital Limited does not employ any permanent or contractual workers considering the nature of business operations

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

Category	Male		Female	
	Number	Median remuneration/salary/wages of respective category (in INR lacs)	Number	Median remuneration/salary/wages of respective category
Board of Directors (BoD)	9	156	1	0 <sup>#</sup>
Key Managerial Personnel (KMP)	1	18.70	0	0
Employees other than BoD and KMP	3083	2.70	83	2.70
Workers*	N/A			

Note: \*Paisalo Digital Limited does not employ any permanent or contractual workers considering the nature of business operations  
# There is only 1 female independent director on board, and she has not been paid any remuneration during the year.

b. Gross wages paid to females as % of total wages paid by the entity, in the following format:

	FY 2024-25	FY 2023-24
Gross wages paid to females as % of total wages	6%	3%

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, Paisalo has appointed a Whistle Officer/Committee that serves as the central authority for addressing issues related to human rights. The committee ensures that all concerns are investigated impartially and confidentially, reinforcing the Company's commitment to ethical conduct and employee protection.

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

Paisalo has established a dedicated committee to address Human Rights-related grievances, as outlined in its Grievance Redressal Policy for employees. This mechanism, along with provisions under the Vigil Mechanism Policy, ensures that all complaints are handled confidentially and can be reported anonymously without fear of retaliation. As an organization, Paisalo is committed to maintaining a safe, respectful, and inclusive workplace, free from violence, harassment, intimidation, or any form of unsafe or disruptive behavior, whether arising from internal or external sources. Paisalo maintains zero tolerance towards all forms of slavery, forced or coerced labor, child labor, human trafficking, and any physical, sexual, psychological, or verbal abuse. In line with this commitment, Paisalo strictly refrains from hiring or engaging with any employee, agent, or vendor who is not acting of their own free will.

Employees can directly reach out to the HR department to report concerns via email at: headhr@paisalo.in.

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

Aspect	FY 2024-25			FY 2023-24		
	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	0	0	0	0	0	0
Discrimination at workplace	0	0	0	0	0	0
Child Labour	0	0	0	0	0	0
Forced Labour/ Involuntary Labour	0	0	0	0	0	0
Wages	0	0	0	0	0	0
Other human rights related issues	0	0	0	0	0	0

Note: \*Paisalo Digital Limited does not employ any permanent or contractual workers considering the nature of business operations  
# There is only 1 female independent director on board, and she has not been paid any remuneration during the year.

7. Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in the following format:

	FY 2024-25	FY 2023-24
Total Complaints reported under Sexual Harassment on of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	0	0
Complaints on POSH as a % of female employees /workers	0	0
Complaints on POSH upheld	0	0
Other human rights related issues	0	0

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

Yes, Paisalo's Whistle Blower and Vigil Mechanism policies ensure protection for individuals reporting suspected violations of the Company's Code of Conduct, including cases related to discrimination and harassment. All complaints made in good faith are handled with strict confidentiality, and comprehensive safeguards are in place to prevent any form of retaliation or victimization of anyone who utilizes this mechanism.

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

No, This has not yet been implemented but Paisalo is in the process of implementing Human Rights Policy commitments. Even though human rights requirements are not currently included in business agreements and contracts, Paisalo values human rights and incorporates them into its business practices. Paisalo is committed to developing a Human Rights Policy to ensure that its business operations respect human rights.

10. Assessments of the year

Aspects	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labor	Nil
Forced labor	
Sexual harassment	
Discrimination at workplace	

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

Leadership Indicators

1. Details of a business process being modified/introduced as a result of addressing human rights grievances/ complaints.

During the reporting period, no business processes have been modified or introduced for addressing human rights grievances/complaints.
2. Details of the scope and coverage of any Human rights due diligence conducted

Paisalo places high importance on upholding human rights, integrating these values into daily business conduct and employee engagement. The Company has a robust Whistleblower Policy that allows employees to confidentially raise concerns directly with the HR Team or senior officials. All reported matters are diligently tracked by the HR Department to ensure timely resolution and accountability.
3. Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?

Yes, all Paisalo premises are accessible to differently abled visitors, in alignment with the Rights of Persons with Disabilities Act, 2016. This includes supportive infrastructure and designated assistance protocols to ensure ease of movement and dignified access throughout their visit.

4. Details on assessment of value chain partners:

Human rights	% of value chain partners (by value of business done with such partners) that were assessed
Sexual Harassment	100%
Discrimination at workplace	100%
Child Labour	100%
Forced Labour/Involuntary Labour	100%
Wages	100%
Others – please specify	NIL

5. Provide details of any corrective actions taken or underway to address significant risks/concerns arising from the assessments at Question 4 above.

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

VI. Principle 6: Businesses should respect and make efforts to protect and restore the environment.

Essential Indicators

1. Details of total energy consumption (in Joules or multiples) and energy intensity:

Parameter	Unit	FY 2024-25	FY 2023-24
From renewable sources (in gigajoules)			
Total electricity consumption (A)	GJ	0	0
Total fuel consumption (B)	GJ	0	0
Energy consumption through other sources (C)	GJ	0	0
Total energy consumption from renewable sources (A+B+C) (GJ)	GJ	0	0
From non - renewable sources (in gigajoules)			
Total electricity consumption (D)	GJ	9,649.56	7,914.69
Total fuel consumption (E)	GJ	70,169.61	50,586.37
Energy consumption through other sources (F)	GJ	0	0
Total energy consumption from non- renewable sources (D+E+F) (GJ)	GJ	79,819.17	58,501.06
Total energy consumption (A+B+C+D+E+F) (GJ)	GJ	79,819.17	58,501.06
Energy intensity per rupee of turnover (Total energy consumption in GJ/ turnover in rupees in Crores)	GJ/Mn (INR)	10.86	7.96
Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total energy consumed/Revenue from operations adjusted for PPP)	GJ//\$PPP	0.52	0.39*
Energy intensity in terms of physical output	-	-	-
Energy intensity (optional) – the relevant metric may be selected by the entity	-	-	-

Note: The PPP rate utilized for all data within the BRSR Report has been sourced from the International Monetary Fund (IMF) Fiscal Year 2024 & 2025 data  
The energy intensity of FY 2024 has been re-instated using IMF data.

**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.**  
There is no Independent Assessment done. All the required statutory and internal inspections/ audits are carried out on a periodic basis

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.

Not applicable, as the Company does not fall under the energy-intensive industry as specified in the Performance, Achieve and Trade (PAT) Scheme of the Government of India.

3. Provide details of the following disclosures related to water

Parameter	Unit	FY 2024-25	FY 2023-24
Water withdrawal by source (in kilolitres)			
(i) Surface water	KL	0	0
(ii) Groundwater	KL	1,480.65	1,150.36
(iii) Third party water	KL	769.92	545.33
(iv) Seawater/desalinated water	KL	0	0
(v) Others	KL	0	0
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	KL	2,250.57	1,695.69
Total volume of water consumption (in kilolitres)	KL	2,164.22	1,633.30
Water intensity per rupee of turnover (Water consumed/turnover)	KL/Mn (INR)	0.29	0.22
Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total water consumption/Revenue from operations adjusted for PPP)	KL/\$PPP	0.013	0.011*
Water intensity in terms of physical output	-	-	-
Water intensity (optional) – the relevant metric may be selected by the entity	-	-	-

Note: \*The water intensity of FY 2024 has been re-instated using IMF data.

4. Provide the following details related to water discharged:

Parameter	Unit	FY 2024-25	FY 2023-24
Water discharge by destination and level of treatment (in kilolitres)			
(i) To Surface water	KL	0	0
-No treatment	KL	-	-
-With treatment – please specify level of treatment	KL	-	-
(ii) To Groundwater	KL	-	-
-No treatment	KL	-	-
-With treatment – please specify level of treatment	KL	-	-
(iii) To Seawater	KL	-	-
-No treatment	KL	-	-
-With treatment – please specify level of treatment	KL	-	-
(iv) Sent to third-parties	KL	-	-
-No treatment	KL	-	-
- With treatment – please specify level of treatment	KL	-	-
(iv) Others	KL	-	-
-No treatment	KL	2,164.22	-
- With treatment – please specify level of treatment	KL	-	-
Total water discharged (in kilolitres)	KL	2,164.22	-

Note: \*Total water discharged is assumed to be equal to consumption.

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.

There is no Independent Assessment done. All the required statutory and internal inspections/ audits are carried out on a periodic basis

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

Not Applicable as the water is only used for human consumption (drinking and sanitation) All water discharge is managed through a centralized system.

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

Parameter	Unit	FY 2024-25	FY 2023-24
NOx	-		
SOx	-		
Particulate Matter (PM)	-		
Persistent organic pollutants	-	Considering the nature of business operations, this is N/A	
Volatile organic compounds (VOC)	-		
Hazardous air pollutants (HAP)	-		
Others – please specify	-		

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.

There is no Independent Assessment done. All the required statutory and internal inspections/ audits are carried out on a periodic basis

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

Parameter	Unit	FY 2024-25	FY 2023-24
Scope 1	Metric tons of CO2 equivalent	170.27	165.73*
Scope 2	Metric tons of CO2 equivalent	626.35	515.50*
Total	Metric tons of CO2 equivalent	796.62	601.23*
Total Scope 1 and Scope 2 emissions per rupee of turnover	tcO2/Mn	0.11	0.11*
Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total Scope 1 and Scope 2 GHG emissions/Revenue from operations adjusted for PPP)	tcO2 / \$PPP	0.005	0.005*
Total Scope 1 and Scope 2 emission intensity in terms of physical output	-	-	-
Total Scope 1 and Scope 2 emission intensity (optional) – the relevant metric may be selected by the entity	-	-	-

Note: \*The figures for FY2024 have been restated post year end reconciliation. Scope 1 emissions are calculated based on the fuel consumption of vehicles deployed for Paisalo's business operations. Scope 2 calculations are from the electricity consumption. Further, Scope 1 and 2 calculations are undertaken using guidelines and emissions factors prescribed by globally accepted frameworks and standards such as GHG Protocol and Emissions factor from IPCC & DEFRA.

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.

There is no Independent Assessment done. All the required statutory and internal inspections/audits are carried out on a periodic basis

8. Does the entity have any project related to reducing Greenhouse Gas emission? If yes, then provide details.

Paisalo does not currently have a specific project dedicated solely to reducing Greenhouse Gas (GHG) emissions. However, the Company has taken several measures to promote environmental sustainability within its operations, including:

- Reduction and Reuse of Paper: Paisalo has consistently worked towards minimizing paper usage across its business operations over the years. In addition, efforts are made to reuse and recycle paper wherever feasible.



- Energy-Efficient Office Infrastructure: The Company’s registered and head office premises are designed to maximize natural lighting and reduce dependency on artificial lighting. Energy-efficient and star-rated electrical equipment are used to optimize power consumption, thereby conserving natural resources and indirectly contributing to GHG reduction.
- Use of Ozone-Friendly Appliances: Paisalo has installed ozone-friendly air conditioners using R32 refrigerants, which significantly lower carbon emissions.
- Product-Level Contribution to GHG Reduction: The Company has designed and launched loan products specifically for the financing of electric vehicles (EVs). This initiative supports India’s vision of a Clean and Green future and aims to promote sustainable mobility, especially in rural and semi-urban areas. It also aligns with the Government of India’s target of making transportation 100% electric by 2030.

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

Parameter	FY 2024-25	FY 2023-24
Total waste generated (in metric tonnes)		
Plastic waste (A)	0	0
E-waste (B)	0.07	0.06
Bio-medical waste (C)	-	-
Construction and demolition waste (D)	-	-
Battery waste (E)	-	-
Radioactive waste (F)	-	-
Other Hazardous waste. Please specify, if any. (G)	-	-
Other Non-hazardous waste generated (H).	-	-
Total (A+B + C + D + E + F + G + H)	0.07 MT	0.06
Waste intensity per rupee of turnover (Total waste generated/Revenue from operations)	9.52 MT/Mn	-
Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total waste generated/Revenue from operations adjusted for PPP)	0.46 MT/\$PPP	-
Waste intensity in terms of physical output	-	-
Waste intensity (optional) – the relevant metric may be selected by the entity	-	-
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tons)		
Category	FY 2024-25	FY 2023-24
(i) Recycled	-	0
(ii) Re-used	-	0
(iii) Other recovery operations	-	0.06
Total	0.07	0.06
For each category of waste generated, total waste disposed by nature of disposal method (in metric tons)		
Category of waste	FY 2024-25	FY 2023-24
(i) Incineration:	-	0
(ii) Landfilling	-	0
(iii) Other disposal operations	-	0
Total	-	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.**

There is no Independent Assessment done. All the required statutory and internal inspections/ audits are carried out on a periodic basis

10. 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.

As a financial services provider, Paisalo does not generate any hazardous or toxic waste due to the nature of its business. The Company actively minimizes the use of plastic bottles, disposable cutlery, cups, plates, and spoons, and completely avoids single-use plastics. Food waste is managed and disposed of by the designated authority, i.e., the Municipal Corporation. Additionally, paper napkins have been replaced with reusable cotton napkins to encourage sustainability.

11. 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:

Not Applicable. The Company does not have any operations or offices located in or around ecologically sensitive areas such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, or coastal regulation zones that would require environmental approvals or clearances. Additionally, the Company remains in full compliance with the applicable environmental regulations, and no observations, fines, penalties, or actions have been imposed by any regulatory authority in this regard.

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

The Company does not have any offices in ecologically sensitive areas, hence this indicator is Not Applicable.

13. 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:

Serial Number	Specify the law/regulation /guidelines which was not complied with	Provide details of the noncompliance	Any fines/penalties/action taken by regulatory agencies such as pollution control boards or by courts	Corrective taken, if any action
Yes, the Paisalo has complied with all applicable environmental laws, regulations, and guidelines in India. No fines, penalties, or actions have been initiated against the Company under any of these environmental provisions.				

Leadership Indicators

1. Water withdrawal, consumption and discharge in areas of water stress (in kilolitres):

Not Applicable – Paisalo does not operate in areas of water stress.

2. Please provide details of total Scope 3 emissions & its intensity, in the following format:

Parameter	Unit	FY 2024-25	FY 2023-24
Total Scope 3 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tons of CO2 equivalent		-
Total Scope 3 emissions per rupee of turnover	Metric tons of CO2 equivalent	We are currently evaluating our Scope 3 emissions, and the findings will be disclosed in our FY2026 Sustainability Report.	
Total Scope 3 emission intensity (optional) – the relevant metric may be selected by the entity	Metric tons of CO2 equivalent		-

**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.**

There is no Independent Assessment done. All the required statutory and internal inspections/ audits are carried out on a periodic basis.

3. With respect to the ecologically sensitive areas reported at Question 11 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.

No operations in ecologically sensitive areas and therefore no impacts to report or remediation required.

4. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions/effluent discharge/waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:

S. No	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
N/A			

5. Does the entity have a business continuity and disaster management plan? Give details in 100 words/web link.  
Yes, Paisalo has established a robust Business Continuity and Disaster Management Plan that safeguards operational resilience. This framework ensures seamless service delivery, especially during unforeseen events, thereby reinforcing our commitment to supporting underserved communities without disruption.

6. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard?  
Paisalo is engaged in the financial products and services sector and, therefore, does not have any significant adverse impact to the environment, arising from the value chain, hence this is Not Applicable.

7. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.  
Considering the nature of business operations of Paisalo, this is Not Applicable.

8. How many green credits have been generated or procured:  
By the listed entity: Paisalo has not procured nor generated any green credit during the year.  
By the top ten (in terms of value of purchases and sales, respectively) value chain partners: Not ascertained.

PRINCIPLE 7 Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent.

Essential Indicators

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

Sl. 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.  
No corrective actions were required during the year under review, as there were no instances of anti-competitive conduct involving the Company.

Leadership Indicators

1. Details of public policy positions advocated by the entity:  
There are no public policy positions that have been advocated by the Company.

PRINCIPLE 8 Businesses should promote inclusive growth and equitable development.

Essential Indicators

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.  
Since our CSR spent for the FY does not constitute us to undertake an SIA, hence this is Not Applicable.
2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:  
Since the Company operates in the financial services sector, it has not engaged in any rehabilitation or resettlement projects; hence, this is Not Applicable.

3. Describe the mechanisms to receive and redress grievances of the community.  
The Company has instituted a structured grievance redressal mechanism to address and resolve disputes arising within the organization. This framework ensures that grievances related to decisions taken by functionaries are escalated and addressed at least at the next higher level of authority. A response to any complaint is to be provided within a maximum period of one month from the date of receipt, except in cases where the nature of the complaint necessitates verification of extensive facts and data. The Board periodically reviews the implementation of the Fair Practices Code and oversees the functioning of the grievance redressal mechanism across various levels of management.

- Grievance Redressal Officer (GRO)

Name	Address	Contact No. and Email
Mr. Anurag Sinha	CSC, Pocket 52, CR Park, Near Police Station, New Delhi-110019	Mob. No. 9837727603 Ph.No - 01143518888 Fax No 01143518816 Email ID- anurag.sinha@paisalo.in

- The Company shall display at all its branches/places where business is transacted the above details of Grievance Redressal Officer viz. contact details (Telephone/Mobile nos. as also email address) who can be approached by the public for resolution of complaints against the Company.
- If the complaint/dispute is not redressed within a period of one month, the customer may appeal to the Officer- in Charge as per the below mentioned contact details:

Name	Address	Contact No. and Email
The Manager, (Department of Non-Banking Supervision), Reserve Bank of India	6, Sansad Marg, RBI Building, P.B. no. 123, New Delhi-110001	Ph. No 011-23714456 Fax No 011-23713672 Telex. No 031-66361

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

Name	FY 2024-25	FY 2023-24
Directly sourced from MSMEs/ small producers	Not applicable	
Sourced directly within India		

5. Job creation in smaller towns– Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent/on contract basis) in the following locations, as % of total wage cost

Location	FY 2024-25	FY 2023-24
Rural	63%	56%
Semi-urban	21%	29%
Urban	9%	9%
Metropolitan	7%	6%

**Note:** The above categorization is made by mapping the Company's offices and branches to the total population of corresponding districts as per the 2011 Census Data (<https://censusindia.gov.in/census.website/data/census-tables>).

Leadership Indicators

1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):

Since the Company operates in the financial services sector, hence SIA is not applicable

2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:

Sr.No.	State	Aspirational District)	Amount Spent in (INR million)
1.	Distribution of Laptops,Tablets & Cycles (Uttar Pradesh and Jharkhand)	Lucknow and Deoghar	12.09
2.	Aid for medical treatment (Uttar Pradesh)	Ayodhya	0.22
3.	Distribution of Food (Uttar Pradesh, Madhya Pradesh)	Ayodhya and Datiya	5.64
4.	Aid for treatment of physically disabled (Rajasthan)	Udaipur	4.35
5.	Financial Support for Eye Surgeries of Homeless senior citizens (Delhi)	Delhi	0.18
6.	Financial support to upgrade the technology and parts required manufacturing of prosthesis (Uttar Pradesh)	Muradnagar	2.10
7.	Free education of kids in poorest slums (Uttar Pradesh & Rajasthan)	Ghaziabad & Jodhpur	2.50
8.	Sponsorship for underprivileged students (Rajasthan)	Aburoad	5.00
Total			32.08

The Company has undertaken various CSR activities amounting to INR. 32.08 million for the FY24-25, covering areas such as food distribution, medical treatment and free education. However, none of these projects were directly focused on designated aspirational districts as identified by government bodies.

3. (a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized/vulnerable groups? (Yes/No)

Paisalo operates in the financial services sector and, as such, does not engage in significant procurement from suppliers belonging to marginalized or vulnerable groups.

(b) From which marginalized/vulnerable groups do you procure?

Paisalo operates in the financial services sector and, as such, does not engage in significant procurement from suppliers belonging to marginalized or vulnerable groups.

(c) What percentage of total procurement (by value) does it constitute?

Paisalo operates in the financial services sector and, as such, does not engage in significant procurement from suppliers belonging to marginalized or vulnerable groups.

4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge:

Paisalo operates in the financial services sector and, as such, does not have any benefits derived and shared from the intellectual properties, hence it is not applicable

5. Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.

Not Applicable – The Company has not been involved in any intellectual property-related disputes involving the usage of traditional knowledge.

6. Details of beneficiaries of CSR Projects:

SL. No.	CSR Project	No of persons benefitted from CSR projects	% of beneficiaries from vulnerable and marginalized groups
1.	Distribution of Laptops, Tablets & Cycles (Uttar Pradesh and Jharkhand)	812	100%
2.	Aid for medical treatment (Uttar Pradesh)	7	100%
3.	Distribution of Food (Uttar Pradesh, Madhya Pradesh)	187927	100%
4.	Aid for treatment of physically disabled (Rajasthan)	435	100%
5.	Financial Support for Eye Surgeries of Homeless senior citizens (Delhi)	245	100%
6.	Financial support to upgrade the technology and parts required manufacturing of prosthesis (Uttar Pradesh)	33	100%
7.	Free education of kids in poorest slums (Uttar Pradesh & Rajasthan)	2000	100%
8.	Sponsorship for underprivileged students (Rajasthan)	240	100%



PRINCIPLE 9 Businesses should engage with and provide value to their consumers in a responsible manner.

Essential Indicators

1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

The Company has a code for dealings with its customers complaints. Company deals with its customers in a 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	Regional Manager tries to redress the complaints if the complaint is not redressed at branch level.
2	If Regional Manager is 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.

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: – RRBI 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, 4<sup>th</sup> Floor, Sector 17, Chandigarh – 160017

For the customer’s feedback Company has a two-sided communication policy where customers can give their response through personal communication with Company’s personnel or in writing by email or letters to the 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	
Safe and responsible usage	The nature of Paisalo’s business, being involved in financial services sector, hence this is not applicable
Recycling and/or Safe Disposal	

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

	FY 2024-25		Remarks	FY 2023-24		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		0	0	
Cyber-security	0	0		0	0	
Delivery of essential services	0	0		0	0	
Restrictive Trade Practices	0	0		0	0	
Unfair Trade Practices	0	0		0	0	
Others	0	0		0	0	

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

Aspect	Number	Reason for Recall
Voluntary recall /Mock recall	N/A	
Forced recall		

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.

Yes. The Company has an Information Technology Policy that covers Cyber Security, Data Privacy, and Outsourcing of IT services. A separate Data Privacy Policy is also in place and available on the Company’s website.

The Company is ISO/IEC 27001:2013 certified for its Information Security Management System and complies with applicable regulatory requirements, including the RBI’s Master Direction – Information Technology Framework for the NBFC sector.

Policy link: [https://paisalo.in/home/privacy\\_policy](https://paisalo.in/home/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.

There was no instance to take corrective actions or circumstances 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 and there was no penalty-imposed action also taken by regulatory authorities on safety of products/ services.

7. Provide the following information relating to data breaches:

- a. Number of instances of data breaches –Nil
- b. Percentage of data breaches involving personally identifiable information of customers –Nil
- c. Impact, if any, of the data breaches– –Nil

Leadership Indicators

1.

**Channels/platforms where information on products and services of the entity can be accessed**  
The primary financial products and services offered by Paisalo are available on the Company's website: <https://www.paisalo.in/>. Other mode of communication like Emails , Advertisements & F2F connect with Relationship Managers are also available.
2.

**Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.**  
Paisalo offers loans such as MSME Loans, Vehicle Loans, and Small Income Generation Loans to underserved communities in India. The Company fully complies with all disclosure requirements related to its services. To ensure customer safety, it actively uses its website and newsletters to educate and guide customers on safeguarding themselves against financial fraud.
3.

**Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.**  
Paisalo ensures continuous consumer awareness by actively communicating product-related risks and benefits through regular Emails, SMS alerts, and engaging social media updates. This multi-channel approach helps customers make informed decisions while fostering transparency and trust.
4.

**Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable) If yes, provide details in brief.**  
Yes, Paisalo maintains transparency across all aspects of its loan offerings. All terms and conditions related to the loans are clearly outlined in the documents provided to customers. Additionally, the Company's website offers comprehensive information on the various types of loans and their respective ticket sizes.
5.

**Did your entity carry out any survey with regard to consumer satisfaction relating to the major products/services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)**  
Paisalo consistently places customer interests at the forefront of its business practices, regularly conducting satisfaction surveys and feedback analyses to improve service quality and enhance customer experience.

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)-145.93:1  Mr. Anoop Krishna (Executive Director)- 18.03:1  Mr. Harish Singh (Executive Director & CFO)- 18.76:1  Mr. Santanu Agarwal (Deputy Managing Director)- 66.74:1  Mr. Vinod Kumar (Executive Director)- 2.93:1  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	<b>Director</b> Mr. Sunil Agarwal (Managing Director & CEO)-0.00%  Mr. Anoop Krishna (Executive Director)-6.67%  Mr. Harish Singh (Executive Director & CFO)-53.33%  Mr. Santanu Agarwal (Deputy Managing Director) -0.00%  Mr. Vinod Kumar (Executive Director)- N.A.  <b>Key Managerial Person</b> Mr. Manendra Singh (Company Secretary & Chief Compliance Officer)- 22.14%
3	Percentage increase in the median remuneration of employees in the financial year	0.03%
4	The number of permanent employees on the rolls of company	3,178 as on March 31, 2025
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 2024-25, Employees remuneration increased by 31.91% as against the 4.38 % 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 21, 2025

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 & CFO

DIN : 00039501

# Corporate Governance Report



# Corporate Governance Report



## Corporate Governance

Corporate Governance is a cornerstone for ensuring transparency, responsibility and ethical approach in today's business world. Corporate Governance meets legal standards and guides organizational behavior in critical areas while ensuring stakeholders' satisfaction. It lays foundation for long term success as it steers the organizational approach in managing risks.

Good Corporate Governance mechanism helps the Company in navigating its direction towards betterment of stakeholder satisfaction. Corporate Governance practices set the tone for a Company to operate in a competitive environment. It helps the Company stay ahead of the curve to maintain a competitive edge and attract investment.

It aims to balance the interests of all stakeholders while maximizing long-term value for the Company. It is crucial for directing strategic planning and ensuring that business strategies align with the best interests of stakeholders. It helps establish a framework for achieving company objectives and fostering a positive work environment. It builds trust and confidence among stakeholders, including investors, employees, and the community. In essence, Corporate Governance is not just a set of rules, but a fundamental way of thinking and acting within a Company. It ensures that all aspects of management are guided by ethical principles, transparency, and a commitment to the long-term success of the company and the well-being of its stakeholders. Corporate Governance is directly related to the spirit of the law and not just the letter of law.

The increased regulatory burdens imposed on companies in recent years bring new challenges from operational, regulatory and compliance perspectives and have added to the costs and complexity of overseeing and managing a corporation's business. On the other hand, adherence to these governance norms not only protects investors but also strengthens public confidence and long-term sustainability of the NBFC sector in which we operate. With these evolving laws and rules our Company has continued adapting and refining its governance practices.

## Our Governing Principles on Corporate Governance

We the listed NBFCs are mandated to adhere to governance norms laid out by the Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and relevant Master Directions, Guidelines issued by Reserve Bank of India (RBI). These frameworks emphasize a robust board structure, independent oversight, risk management, and stakeholder protection.

The Company has put in place appropriate measures to enforce corporate governance for maximizing the value for all stakeholders. The Corporate Governance mechanism through Policies and Committees drives the Company in decision making for allocating its resources in the best possible manner.

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 it helps realize the significance of sound governance practices to the long-term growth of the organization. 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.

Following are the core guiding principles of Company's Corporate Governance framework:

1. Constituting an effective Board of Directors, in terms of composition, size, varied expertise and commitment so as to enable them to skillfully discharge their responsibilities and duties;
2. Ensuring timely flow of information to the Board and its Committees to enable them to discharge their functions efficiently;
3. Establishment of a sound system of Risk Management and Internal Control;
4. Managing, developing and implementing corporate strategy and operates the Company's business under the Board's oversight, with the goal of producing sustainable long-term value creation;
5. Independent analysis and verification of Company's financial information, to safeguard the integrity of same;
6. Timely and balanced disclosure of all material information, concerning the Company, to all its stakeholders;
7. Transparency in Board's processes and independence in the functioning of Boards;
8. Fair and equitable treatment of all its stakeholders including employees, customers, shareholders and investors;
9. Accountability to stakeholders with a view to serve the stakeholders;
10. Ensuring Compliance with applicable rules and regulations



**Company’s Philosophy Of Corporate Governance:**

Paisalo Digital Limited is firmly rooted to being fair, accountable and transparent. Our Company believes effective communication is crucial for organizational success. It enables clear articulation of visions, streamlines decision-making, enhances customer relationships, and fosters a collaborative culture.

Ethical governance practices run in the legacy of the Company. As a responsible corporate entity, the Company is dedicated to upholding exemplary corporate practices rooted in integrity, transparency, fairness, professionalism, and accountability. These principles are fundamental in fostering trust among our stakeholders and ensuring the Company’s long-term success.

We are committed to surpassing mere compliance with regulatory requirements. Our corporate structure, business operations, and disclosure practices are meticulously aligned with our governance philosophy. Central to our operations are transparency, accountability, fairness, and proactive engagement with stakeholders. We prioritize system-driven performance and performance-oriented systems, safeguarding the interests of all stakeholders, especially minority stakeholders.

Our Board of Directors, formulates strategies and policies aimed at optimizing value for various stakeholders, including consumers, shareholders, and society at large.

We consider our stakeholders as partners in our journey forward and we are committed to ensure their wellbeing, despite business challenges and economic volatilities.

**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 Risk Management 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 for determining Material Subsidiary
- Policy for appointment of Statutory Auditors
- Credit Policy
- Penal Charges Policy
- Policy on Grant of Loans to Directors, Senior Officers and relatives of Directors
- Dividend distribution policy
- Compliance Policy
- Succession Policy for Appointment to the Board & Senior Management
- Know your customer (KYC) & Anti- Money Laundering Policy.
- Willful Default Policy

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.

**Board Structure & Directors:**

In accordance with the Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and the Reserve Bank of India (RBI) guidelines on corporate governance, the Company adheres to a structured and transparent process for the appointment and qualification of its Board of Directors.

The Board of Directors serves as the paramount decision-making body, steering the Company towards its strategic

objectives. The composition of the Board encompasses considerations such as the number and diversity of members, the skills mix, and the balance between executive and non-executive directors. Effective Board composition addresses both structural and cultural aspects, ensuring that the Board possesses the requisite skills and experience to fulfill its responsibilities.

A stable Board, comprising long-serving and committed members, benefits from an in-depth understanding of the Company’s operations and mission. The Nomination and Remuneration Committee evaluates director competencies, which include technical skills (e.g., accounting, legal expertise, industry knowledge) and behavioral attributes (e.g., integrity, analytical ability, interpersonal skills). This evaluation process ensures that directors are well-equipped to contribute effectively to the Company’s governance.

Directors act as trustees for the Company, with a primary responsibility to safeguard and promote the interests of stakeholders. They are tasked with addressing challenges such as regulatory compliance, shareholder interests, technological disruptions, market competition, and Environmental, Social, and Governance (ESG) considerations. These aspects are duly reflected in the Company’s Board Report.

To fulfill these responsibilities, the Board comprises distinguished individuals with extensive experience in finance, law, and accounting, ensuring an optimal balance between Executive and Independent Directors. As of March 31, 2025, the Board consists of ten members, including five Independent Directors who meet the independence criteria set forth in the Companies Act, 2013, RBI guidelines, and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Independent Directors provide impartial judgment in Board deliberations and decisions.

The Nomination and Remuneration Committee considers individuals with proven expertise and independence in their respective fields for appointment as Independent Directors. Factors such as the number of directorships and committee memberships held by candidates are also evaluated to ensure effective contribution to the Company’s governance.

The Board ensures compliance with regulatory requirements, including the stipulation that no Independent Director serves as a Non-Independent Director on the Board of another company where any Non-Independent Director of this Company serves as an Independent Director. Additionally, no Independent Director serves as an Independent Director in more than seven listed entities, in accordance with Regulation 17A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Furthermore, no Director holds membership in more than ten committees or acts as Chairperson of more than five committees across all Indian public limited companies, as per regulatory guidelines.

Pursuant to Clause C(2)(i) of Schedule V read with Regulation 34(3) of Listing Regulations, in the opinion of the Board the Independent Directors fulfil the conditions as specified in the Listing Regulations and are independent of the management.

Annual disclosures are obtained from Directors regarding their committee positions in other public companies, ensuring transparency and adherence to governance standards. All Non-Executive Independent Directors and the Managing Director are not subject to retirement by rotation, as per the Company’s Articles of Association.

**Brief profile of members of Board of the Company as on March 31, 2025 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 attributable 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 an 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 holds Master degree in Commerce. 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 Officer of the Company in December 2017 and on May 6, 2022 he was 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 High-Tech High Touch 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, Karnataka Bank, UCO Bank and Bank of Baroda. He was instrumental in getting the National Business Correspondent Agreement with SBI. Prior to joining the Company he worked in various algorithmic trading and forex trading organizations in Singapore and Hong Kong. Currently, he is responsible for negotiation with various agencies, Business Planning, IT Strategy, Fund Raising and Risk Management in the Company.

**Mr. Vinod Kumar (Executive Director)**

Mr. Vinod Kumar did B.Sc. from Osmania University in 1985; C.A.I.I.B. from Indian Institute of Banking and Finance in 1998 and Executive MBA from S P Jain Institute of Management and Research in 2011. He is a retired Banker 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. He was also nominated as Board Member in (a) State Bank of Mauritius, (b) Bank of Bhutan (c) SBI Security Trustee and (d) Oman India Joint Investment Trustee.

In September 2011, he was deputed to Japan to head SBI Branch at Osaka. He was CEO, SBI Osaka Branch from September 2011 to January 2016. He also has experience of heading two very large sized Corporate Credit Branches in Mumbai having an exposure of about Rs 20,000 crs – Rs 25,000 crs each. He also worked as General Manager (Credit), International Banking Division Handling Credit Portfolio of Foreign Offices and having Credit Exposure of \$ 50 billion. He is a dynamic and results-driven banking professional with a proven track record in corporate credit operations and strategic leadership. He joined the Board of the Company as Executive Director on February 4, 2025.

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

Mr. Gauri Shankar having 40+ years of experience in Banking and Finance, served as Managing Director and Chief Executive Officer of Punjab National Bank in 2015 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.

**Mrs. Nisha Jolly (Independent Director)**

Mrs. Nisha Jolly, a retired Banker aged about 72 years, did her B.Sc and B.Ed. from Delhi University and M.Sc. Genetics from Govind Ballabh Pant University of Agriculture & Technology. 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 an Independent Woman Director.

**Mr. Raman Aggarwal (Independent Director)**

Mr. Raman Aggarwal is the Chief Executive Officer (& a Promoter) of Finance Industry Development Council (FIDC) – A Representative body of Non-Banking Finance Companies (NBFCs) in India. He is currently a Consultant to The World Bank and Area Head – NBFCs at Council for International Economic Understanding (CIEU). He is Advisor/Consultant to some of the leading NBFCs & Fintechs. He has more than 33 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, SIDBI, core group setup by Ministry of Corporate Affairs, and Special Task Force at FICCI. He is the Chairman, Working Group on NBFCs at Centre for Economic Policy Research (CEPR). He is a Fellow Member of Institute of Directors, New Delhi and a Fellow Member cum Approved Valuer (Category: Immovable Property) by The Indian Institution of Valuers.

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 is a member of the Academic Advisory Board (Area-Finance) at IMT, Ghaziabad. He is a Guest Faculty at Indian Institute of Management (IIM) Tiruchirappalli, IIM Nagpur, Institute of Chartered Accountants, India (ICAI) and International Management Institute (IMI), New Delhi.

Mr. Raman is Master's 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.

He is associated with the Company as an Independent Director since October 10, 2019.

**Mr. Vijay Ronjan (Independent Director)**

Mr. Vijay Ronjan, an esteemed Independent Director, brings an illustrious 36-year career with State Bank of India (SBI), India's largest lender, where he served as Chief General Manager of the expansive Delhi Circle. He was instrumental in establishing and leading the newly formed Jaipur Circle, carved out post the historic merger of Associate Banks with SBI. Renowned for his dynamic leadership and exceptional performance, Mr. Ronjan has consistently driven excellence across diverse domains, including Retail, Human Resources, Credit, International Banking, Forex Business, and Risk Management.

A visionary leader, he has showcased unparalleled interpersonal skills, adeptly resolving complex challenges while fostering a collaborative, high-performing team culture. His emphasis on work-life balance has inspired teams to achieve peak performance without compromise. Leveraging business analytics and a collective team approach, Mr. Ronjan has spearheaded innovative strategies, setting benchmarks in operational efficiency and best practices.

His pivotal role during the SBI merger highlighted his strategic foresight, seamlessly coordinating structural transformations across affected offices. With a proven track record of driving impactful change, Mr. Ronjan's leadership continues to shape the future of Financial Sectors with integrity and innovation.

**Dr. Dharmendra Singh Gangwar (Independent Director)**

Dr. Dharmendra Singh Gangwar is a distinguished public administrator and medical professional with over 35 years of service in Indian Administrative Service. Throughout his illustrious career, Dr. Gangwar held pivotal positions in both the Government of India and the Government of Bihar, including Secretary (Border Management) at the Ministry of Home Affairs, Additional Secretary and Financial Advisor at the Ministry of Health & Family Welfare, and Principal Secretary to the Chief Minister of Bihar. His leadership was instrumental in spearheading significant reforms across sectors like public health, education, and governance.

Dr Gangwar earned his MBBS degree as a Gold Medalist from King George's Medical University, Lucknow, and further honed his expertise through advanced training at esteemed institutions such as Harvard Kennedy School, Duke University, and IIM Ahmedabad.

In May 2024, Dr. Gangwar was nominated President of the All India Institute of Medical Sciences (AIIMS), Rewari, Haryana, marking a significant milestone in his career.

Dr. Gangwar was appointed Secretary General of the Indian Beverage Association (IBA) in February 2025. In this capacity, he aims to steer the non-alcoholic beverage industry towards growth through strategic policy advocacy and collaboration, leveraging his extensive experience in public administration and governance. His multifaceted expertise continues to influence various sectors, contributing to India's development trajectory.

Mr. Jitendra Kumar Ojha (Independent Director)

In addition to above Board members, Mr. Jitendra Kumar Ojha has been inducted on the Board w.e.f. May 02, 2025.

Mr. Jitendra Kumar Ojha is a former civil servant who prematurely retired from the rank of Joint Secretary in Govt of India. He was one of the youngest Joint Secretaries to head Training Academy on External Security under Cabinet Secretariat of Govt of India.

Mr. Jitendra Ojha represents a rare blend of hands-on doer and leader turned innovative thinker on “Strategy” and ‘Grand Strategy’. He has harnessed his unusually deep and wide exposures to various dimensions of governance and national security- including institution building, geopolitics, geoeconomics, security, diplomacy, leadership, human behaviour and societal/strategic psyche of major powers – to create robust concepts in these spheres.

During his 26 years long career as a civil servant, he handled a wide variety of complex geopolitical, security, and governance scenarios. He has an exceptional track record in (a) anticipating evolving geopolitical-security scenarios with consistent accuracy (demonstrated even in his post-retirement talks/ write ups) (b) acting as an innovative solution architect in the area of “Strategy” in peace-building and conflict resolution.

He has served as Under Secretary, Dy Secretary, Dy Commissioner (Special Bureau), Director and Joint Secretary in Govt of India. He has also served on two long diplomatic assignments, and several short-term foreign assignments. In each assignment, he set new standards of excellence and output, due to his innovative and passionate approach and big-picture focus.

His thesis, captioned as: ‘Governance as Bedrock of National Security’ was acknowledged for its innovative perspective. He has strong academic exposure to reinforce his professional strengths. In his first M Phil in Diplomacy, he focused on Economic Diplomacy where his dissertation on India’s Economic Diplomacy for Trade and Investment With European Union (then European Economic Community) was acknowledged for novel recommendations. He earned his undergraduate degree (Political Science, Economics & History) from Presidency College, Kolkata and Post-graduate degree from JNU, New Delhi.

He has lectured and delivered keynote addresses at many globally prestigious institutions. Statesmen, think tanks & business houses seek his views on Asian geopolitics, security and strategy to shape their own assessments/strategies.

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

Key Board Skills, Expertise and Competencies:

As on March 31, 2025, the Board comprised of qualified members who bring in the required skills, competence and expertise to enable them to effectively contribute in deliberations at Board and Committee meetings. The below matrix summarizes a mix of skills, expertise and competencies expected to be possessed by our individual Directors, which are key to corporate governance and Board effectiveness:

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



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, 7 (Seven) Board Meetings were held on April 26, 2024; July 25, 2024; August 9,2024, October 30, 2024; December 23, 2024 , January 16, 2025 and February 4, 2025. The quorum for the meeting of the Board of Directors is one-third of the Board of Directors or three Directors, whichever is higher, with at least one Independent Director being present and during the year, the requisite quorum was present for all Board meetings. The following table illustrates composition of the Board, attendance of the Directors at the Board Meetings held during the year under review and at the last Annual General Meeting (‘AGM’), number of directorships and committee positions held in other public companies, their shareholding in the Company's shares or other convertible instruments and names of other listed entities in which Directorship is held, including category of Directorships, as on March 31, 2025:

S. No.	Name of Director	Director Identification Number	Category	No. of Shares/ convertible instruments held in Company as on March 31, 2025	Board meeting held in FY 2024-25 during directors tenure	Attendance at Board meeting	Attendance at Last AGM held on September 23, 2024	No. of Directorship held in other Companies <sup>1</sup>	Committee Positions in other Public Companies <sup>2</sup>			Name of other listed Entity(ies) where Director held directorship alongwith category
									As a member	As a Chairman	Total	
1	Mr. Sunil Agarwal	00006991	Managing Director (Promoter)	10,57,02,800	7	7	Yes	9	-	-	-	-
2	Mr. Anoop Krishna	08068261	Executive Director	-	7	7	Yes	-	-	-	-	-
3	Mr. Harish Singh	00039501	Executive Director	20,000	7	7	Yes	2	-	1	1	-
4	Mr. Santanu Agarwal	07069797	Deputy Managing Director (Promoter Group)	3,37,04,000	7	7	Yes	6	-	-	-	-
5	Mr. Vinod Kumar	10230437	Executive Director	-	1	1	N.A.	-				
6	Mr. Gauri Shankar	06764026	Non-Executive Independent Director	-	7	7	Yes	7	1	3	4	PNC Infratech Limited (Independent Director) Optiemus Infracom Limited (Independent Director)
7	Mr. Raman Aggarwal	00116103	Non-Executive Independent Director	-	7	7	Yes	2	-	-	-	-
8	Mrs. Nisha Jolly	08717762	Non-Executive Independent Director	-	7	7	Yes	1	1	0	1	-
9	Mr. Vijuy Ronjan	09345384	Non-Executive Independent Director	2,500	7	7	Yes	3	1	0	1	Platinum Industries Limited (Independent Director)
10	Dr. Dharmendra Singh Gangwar	08299862	Non-Executive Independent Director	-	5	5	Yes	1	1	1	2	Duncan Engineering Limited (Independent Director)

<sup>1</sup>Includes Private Limited Companies, Companies registered under Section 8 of Companies Act, 2013, Foreign Companies and Government Bodies;

<sup>2</sup>Only Audit and Stakeholders Relationship Committees in Public Limited Companies and Subsidiary 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.

**Committees of the Board**

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 Committee. Each Committee of Board of Directors is guided by its Charter/ terms of reference, which defines its scope, powers and composition of the Committee.

Given below is the composition and the terms of reference of various Committees constituted by the Board, inter alia, including the details of meetings held during the year and attendance thereat. The Chairperson of each Committee briefs the Board on significant discussions at the meetings. During the year under review all recommendations made by the various Committees were accepted by the Board. The minutes of the meetings of all Committees of the Board are placed before the Board for noting.

**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, Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and applicable provisions of RBI Governance Guidelines applicable on NBFCs. The Audit Committee functions in accordance with Section 177 of the Companies Act, 2013, Regulation 18(3) read with Part C of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, para 94 of Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 and is reviewed from time to time.

**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;
- 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 Information System Audit of the internal systems and processes;
- Reviewing management letter(s) of internal control weaknesses issued by the Statutory Auditors;
- Reviewing Internal Audit Reports relating to internal control weakness and
- 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 April 26, 2024; August 09, 2024, October 30,2024 and February 04,2025.

The composition 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 2024-25	Committee meeting attended during the tenure of Member in FY 2024-25
1	Mr. Gauri Shankar	Chairman/Member	4	4
2	Mr. Harish Singh	Member	4	4
3	Mr. Vijuy Ronjan <sup>1</sup>	Member	2	2
4	Mr. Naresh Kumar Jain <sup>2</sup>	Member	2	2

<sup>1</sup> Appointed as Member of the Committee w.e.f. August 10, 2024

<sup>2</sup> Ceased to be Member of the Committee w.e.f. August 09, 2024

B. Nomination and Remuneration Committee (‘NRC’)

The Nomination & Remuneration Committee of the Company functions according to its terms of reference, its objectives, composition, meeting requirements, authority and power, responsibilities, reporting and evaluation functions in accordance with Section 178 of the Companies Act, 2013, Regulation 19 read with Part D of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and applicable provisions of RBI Governance Guidelines applicable on NBFCs.

Role of Nomination and Remuneration Committee

Given below is a gist of Role of Nomination and Remuneration Committee:

- 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.
- Reviewing the performance of the Managing/Whole-time Director;
- 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;
- Devising a policy on Board diversity; and
- Reviewing such other matters which the Board may from time to time request the Committee to consider, examine recommend and/or approve.

Meeting and Composition

The Nomination & Remuneration Committee met Three (3) times during the year under review on August 9, 2024, December 30, 2024 and January 31, 2025.

The composition 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 2024-25	Committee meeting attended during the tenure of Member in FY 2024-25
1	Mr. Raman Aggarwal	Chairman	3	3
2	Mrs. Nisha Jolly	Member	3	3
3	Dr. Dharmendra Singh Gangwar <sup>1</sup>	Member	2	1
4	Mr. Vijuy Ronjan <sup>2</sup>	Member	1	1

<sup>1</sup> Appointed as Member of the Committee w.e.f. August 10, 2024

<sup>2</sup> Ceased to be Member of the Committee w.e.f. August 09, 2024

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.

The Remuneration Policy of the Company is designed to create a high-performance culture. It enables the Company to attract, retain and motivate employees to achieve results.

Remuneration to Directors

a) Non-Executive Independent 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, if any, incurred by the Non-Executive Independent Director for the Company’s related matter have been paid.

b) 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 2024-25, are as under:

(₹in Lakh)					
S. No.	Name of Director	Sitting fees for attending Board and Committee Meetings	Salary and Perquisite	Incentive/Bonus	Total
1	Mr. Sunil Agarwal	-	393.60	-	393.60
2	Mr. Anoop Krishna	-	48.64	-	48.64
3	Mr. Harish Singh	-	50.60	-	50.60
4	Mr. Santanu Agarwal	-	180.00	-	180.00
5	Mr. Vinod Kumar	-	7.91	-	7.91
6	Mr. Gauri Shankar	4.65	-	-	4.65
7	Mr. Naresh Kumar Jain <sup>1</sup>	1.35	-	-	1.35
8	Mr. Raman Agarwal	3.95	-	-	3.95
9	Mrs. Nisha Jolly	3.15	-	-	3.15
10	Mr. Vijuy Ronjan	3.90	-	-	3.90
11	Dr. Dharmendra Singh Gangwar <sup>2</sup>	2.65	-	-	2.65

<sup>1</sup> Ceased to be an Independent Director of the Company w.e.f. August 13, 2024

<sup>2</sup> Appointed as an Independent Director of the Company w.e.f. July 25, 2024

Service contracts, notice period, and severance fees are as per the terms of the Resolution/Written Memorandum describing the terms of appointment of respective Directors.

c) Employee Stock Option

The Company does not have an Employee Stock Option.

d) Pecuniary Relationship or Transaction with Non-Executive Independent Directors

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

e) 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 judgment, contribution towards development of the strategy, risk management. The Directors expressed satisfaction with the evaluation process. The performance of the Director individually and collectively and performance of the Committees are found satisfactory. 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

f) **Employee Share Purchase Scheme**

During the year under review 3,72,517 Equity Shares were allotted by the Company under Employee Share Purchase Scheme. Copy of the Scheme Document is available on the website of the Company at <https://www.paisalo.in/pdf/unclaimed/Scheme%20of%20ESPS.pdf>. The Scheme was also extended to the employees of the Company's wholly owned subsidiary M/s Nupur Finvest Private Limited.

- (a) Date of shareholders' approval – 23-09-2024
- (b) Total number of shares allotted- 3,72,517 Equity Shares of Re.1/- each
- (c) The price at which such shares are issued- ₹34.69 (Premium of ₹33.69)
- (d) Lock-in period– 18 months from the date of allotment i.e 28-02-2025

Relevant disclosures in terms of the accounting standards prescribed by the Central Government in terms of section 133 of the Companies Act, 2013 (18 of 2013) including the 'Guidance note on accounting for employee share-based payments' issued in that regard from time to time has been duly disclosed in the Standalone Financial Statements of the company.

Diluted EPS on issue of shares pursuant to all the schemes covered under the regulations shall be disclosed in accordance with 'Accounting Standard 20 -Earnings Per Share' issued by Central Government or any other relevant accounting standards as issued from time to time.

Details regarding allotment made under ESPS as at the end of the year

**Employee-wise details of the shares issued to;**

- (i) “Senior management” as defined under regulation 16(1)(d) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015- 9 employees & aggregating to 1,25,000 equity shares.
- (ii) Any other employee who is issued shares in any one year amounting to 5% or more shares issued during that year- None
- (iii) Identified employees who were issued shares during any one year equal to or exceeding 1% of the issued capital of the company at the time of issuance- None
- (iv) Consideration received against the issuance of shares (Scheme is implemented directly by the company- ₹1,29,22,614.76

C. **Stakeholders Relationship Committee (“SRC”)**

The Stakeholders Relationship Committee functions in accordance with Section 178 of the Act and Regulation 20 read with Part D of Schedule II of the SEBI Listing Regulations and is chaired by an Independent Director.

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, 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 April 25, 2024, August 9, 2024, October 29, 2024 and January 31, 2025.

**The composition 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 2024-25	Committee meeting attended during the tenure of Member in FY 2024-25
1	Dr. Dharmendra Singh Gangwar <sup>1</sup>	Chairman	2	2
2	Mr. Raman Aggarwal	Member	4	3
3	Mr. Vijuy Ronjan	Member	4	4
4	Mr. Naresh Kumar Jain <sup>2</sup>	Chairman	2	2

<sup>1</sup> Appointed as Chairman of the Committee w.e.f. August 10, 2024  
<sup>2</sup> Ceased to be Chairman of the Committee w.e.f. August 09, 2024

**Compliance Officer**

Company has appointed Mr. Manendra Singh, Chief Compliance Officer and Company Secretary as chief Compliance Officer.

**Status Of Shareholders Complainants**

The status on the total number of Shareholders complaints during financial year 2024-25 is as follows:

No. of complaints pending at the beginning of the year	Nil
No. of complaints received by correspondence during the year	1
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	1
No. of complaints not solved to the satisfaction of shareholders 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 read together with the Companies (Corporate Social Responsibility Policy) Rules, 2014, to: Formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Act;

- a) Recommend the amount of expenditure to be incurred on the activities referred to in the above clause (a); and

- b) Monitor the Corporate Social Responsibility Policy of the Company from time to time and, 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 April 26, 2024.

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 2024-25	Committee meeting attended during the tenure of Member in FY 2024-25
1	Mr. Harish Singh	Chairman	1	1
2	Mr. Sunil Agarwal	Member	1	1
4	Mr. Vijuy Ronjan	Member	1	1

E. Risk Management Committee

The Risk Management Committee is constituted and functions as per Regulation 21 read with Part D of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and RBI’s Governance Guidelines as applicable on the Company.

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 April 25, 2024; August 09, 2024; October 29, 2024 and January 31, 2025.

The composition 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 2024-25	Committee meeting attended during the tenure of Member in FY 2024-25
1	Mr. Gauri Shankar	Chairman	4	4
2	Mr. Santanu Agarwal <sup>1</sup>	Member	2	2
3	Mr. Harish Singh	Member	4	4
4	Mr. Gaurav Chaubey	Member	4	4
5	Mr. Sunil Agarwal <sup>2</sup>	Member	2	2

<sup>1</sup> Appointed as Member of the Committee w.e.f. August 10, 2024

<sup>2</sup> Ceased to be Member of the Committee w.e.f. August 09, 2024

F. 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 April 26, 2024; August 8, 2024; October 29, 2024 and February 1, 2025.

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 2024-25	Committee meeting attended during the tenure of Member in FY 2024-25
1	Mr. Harish Singh	Chairman	4	4
2	Mr. Sanatanu Agarwal <sup>1</sup>	Member	2	2
3	Mr. Gaurav Chaubey	Member	4	4
4	Mr. B V S K T Bhaskar	Member	4	4
5	Mr. Sunil Agarwal <sup>2</sup>	Member	2	2

<sup>1</sup> Appointed as Member of the Committee w.e.f. August 10, 2024

<sup>2</sup> Ceased to be Member of the Committee w.e.f. August 09, 2024

G. 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 five (5) members, one of whom is Independent Directors, two are Executive Directors 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 four times during the year under review on April 1, 2024, August 20, 2024, November 20, 2024 and January 17, 2025

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 2024-25	Committee meeting attended during the tenure of Member in FY 2024-25
1	Mrs. Nisha Jolly	Chairperson/Member	4	4
4	Mr. Harish Singh	Member	4	4
3	Mr. Santanu Agarwal	Member	4	4
4	Mr. Gaurav Chaubey <sup>1</sup>	Member	3	3
5	Mr. Sushant Sharma	Member	4	4
6	Mr. Kailash Singh <sup>2</sup>	Member	1	0

<sup>1</sup> Appointed as Member of the Committee w.e.f. August 10, 2024

<sup>2</sup> Ceased to be Member of the Committee w.e.f. July 17, 2024

H. 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 Four (4) members. The functions of the IT Steering Committee include 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 Four (4) times during the year under review on July 20, 2024; September 20, 2024; December 20, 2024 and February 25, 2025.

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 2024-25	Committee meeting attended during the tenure of Member in FY 2024-25
1	Mr. Harish Singh	Chairman	4	4
2	Mr. Santanu Agarwal	Member	4	4
3	Mr. Gaurav Chaubey <sup>1</sup>	Member	3	3
4	Mr. Sushant Sharma	Member	4	4
5	Mr. Kailash Singh <sup>2</sup>	Member	1	0

<sup>1</sup> Appointed as Member of the Committee w.e.f. August 10, 2024  
<sup>2</sup> Ceased to be Member of the Committee w.e.f. July 17, 2024

I. Fraud Monitoring Committee:

Board of Directors of the Company constituted Fraud Monitoring Committee in line with the Master Directions issue by RBI on Fraud Risk Management in Non-Banking Financial Companies under the Chairmanship of Dr. Dharmendra Singh Gangwar, Mr. Sunil Agarwal, Mr. Harish Singh and Mr. Raman Agarwal are other members of the committee.

J. Operations and Finance Committee and FCCB Committee

Board of Directors of the Company has also constituted a Committee named Operations and Finance Committee under the chairmanship of Mr. Harish Singh, and the other members of the Committee are Mr. Sunil Agarwal , Mrs. Nisha Jolly, Mr. Santanu Agarwal and Mr. Anurag Sinha. This Committee meets time to time to decide 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.

Further, Board has also delegates the power for allotment of Foreign Currency Convertible Bonds (FCCBs) /Equity Shares on conversion of such allotted FCCBs and such ancillary matters related to FCCBs to a Committee named FCCB Committee. The Members of the Committee are Mr. Gauri Shankar (Independent Director as Chairman), Mr. Sunil Agarwal (Managing Director as Member), Mr. Harish Singh (Executive Director as Member), Mr. Raman Aggarwal (Independent Director as Member)

Compliance Officer

Company has appointed Mr. Manendra Singh, Chief Compliance Officer and Company Secretary as chief Compliance Officer.

Particulars Of Senior Management

Particulars of the Senior Management are as follows:

NAME	DESIGNATION
Mr. Anurag Sinha	Chief Operating Officer & Chief Information Securities Officer
Mr. Gaurav Chaubey	Chief Risk Officer
Mr. Samresh Agarwal	Chief Recovery Officer
Ms. Nishtha Sharma	VP Marketing
Mr. BVSKT Bhaskar	SVP Business
Mr. Sushant Sharma	EVP IT
Mr. S.G Dubey	VP Legal
Mr. Rajeev Seth	Strategy Head
Mr. Mithun Kumar Singh Rathore	VP Legal

Changes in Senior Management during the year:

NAME	DETAILS OF CHANGE	PARTICULARS
Mr. Kailash Singh	Resignation	Chief Information Officer resigned from the services of the Company on July 17, 2024, on account of medical reasons.
Mr. Anurag Sinha	Change in Designation	Mr. Sinha who was earlier designated as Chief Operating Officer took additional responsibility of Chief Information Security Officer (CISO) of the Company.
Mr. Gaurav Chaubey	Change in Designation	Designation changed from Chief Credit Officer to Chief Risk Officer (CRO) of the Company.
Mr. BVSKT Bhaskar	Change in Designation	Designation changed from Senior Vice President Retail to Senior Vice President Business (SVP Business) of the Company.
Mr. Sushant Sharma	Change in Designation	Designation changed from Vice President Information Technology to Executive Vice President Information Technology (EVP-IT) of the Company.
Mr. Rajeev Seth	Change in Designation	Designation changed from Vice President MSME to Strategy Head of the Company.
Mr. Mithun Rathore	Change in Designation	Designated as Vice President- Legal (VP Legal) of the Company.

Investor Grievance Redressal

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

The status on the total number of investor complaints during financial year 2024-25 is as follows:

No. of complaints pending at the beginning of the year	Nil
No. of complaints received by correspondence during the year	1
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	1
No. of Investors complaints pending at the end of the year	Nil

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.

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, Penal Charge 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 January 31, 2025 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 timeline of flow of information between the management, Board and its committees which is necessary for effective and reasonable performance and discharge of their duties.



GENERAL BODY MEETINGS

A. Annual General Meeting (AGM) of Last Three Years

AGM	Year	Date, Time And Venue	Special Resolution Passed
30 <sup>th</sup>	2021-2022	September 30, 2022 at 02:30 P.M. Through Video Conferencing (VC)/ Other Audio Visual Means (OAVM)	<div>1. To fix borrowing power of the Board of Directors u/s 180 (1) (c) of the Companies Act, 2013.</div> <div>2. To authorise Board of Directors u/s 180 (1) (a) of the Companies Act, 2013 to create charges on movable and immovable properties of the Company.</div> <div>3. To issue Non-Convertible Debentures, in one or more series/tranches pursuant to section 42 of the Companies act, 2013.</div>
31 <sup>st</sup>	2022-2023	September 21, 2023 at 2:45 P.M. Through Video Conferencing (VC)/ Other Audio Visual Means (OAVM)	<div>1. To fix borrowing power of the Board of Directors u/s 180 (1) (c) of the Companies Act, 2013.</div> <div>2. To authorise Board of Directors u/s 180 (1) (a) of the Companies Act, 2013 to create charges on movable and immovable properties of the Company.</div> <div>3. To issue Non-Convertible Securities/Debentures, in one or more series / tranches pursuant to section 42 of the Companies act, 2013.</div> <div>4. To approve the alteration in Articles of Association of the Company.</div>
32 <sup>nd</sup>	2023-2024	September 23, 2024 at 2.30 P.M Through Video Conferencing (VC)/ Other Audio Visual Means (OAVM)	<div>1. To approve alteration in Articles of Association of the Company.</div> <div>2. To approve Paisalo Employee Share Purchase Scheme 2024.</div> <div>3. To approve extending benefits of Paisalo Employee Share Purchase Scheme 2024 to the Eligible Employees of its Wholly Owned Subsidiary Company.</div> <div>4. To re-appoint Mr. Vijuy Ronjan as a Non-Executive Independent Director of the Company.</div> <div>5. To re-appoint Mr. Raman Aggarwal as a Non-Executive Independent Director of the Company</div> <div>6. To approve issue Non-Convertible Debt Securities/ Debentures through private placement</div>

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

B. Extraordinary General Meeting

During the year under review, Extraordinary General Meeting was held on January 22, 2025 through Video Conferencing (“VC”) / Other Audio Visual Means (“OAVM”) and the following special resolutions were passed

1. To approve the alteration of the Articles of Association of the company.

2. To approve the issue of Convertible Equity Warrants to certain identified non-promoter persons/entities on preferential basis

C. Postal Ballot

During Financial year ended 2024-25, the Company had sought approval of the members on Ordinary/ Special Resolutions through postal ballots, the details of the same are as under:

Particular	Postal Ballot-I Postal Ballot Notice dated February 22, 2024	Postal Ballot-II Postal Ballot Notice dated July 25, 2024
Resolution(s) circulated for Members' approval through Postal Ballot	<div>1. To consider and approve raising of funds and issuance of securities upto ₹12600 million through Qualified Institutional Placement basis or through any other permissible mode, in one or more tranches (Special Resolution)</div>	<div>1. To increase in authorised share capital and consequent amendment to the capital clause of the Memorandum of Association (Ordinary Resolution)</div> <div>2. To approve raising of funds by way of issuance of any eligible securities, including convertible debentures, Foreign Currency Non-Convertible Securities, Foreign currency convertible bonds, through permissible modes, including but not limited to private placement, preferential issue or any other method or combination of thereof (Special Resolution)</div> <div>3. To appoint Dr. Dharmendra Singh Gangwar as a non-executive Independent Director of the Company. (Special Resolution)</div> <div>4. To fix borrowing power of the board of directors u/s 180 (1) (c) of the Companies Act, 2013 (Special Resolution)</div> <div>5. 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. (Special Resolution)</div>
Date of Dispatch of Notice	February 29, 2024	July 31, 2024
Date of Publication of Notice in Newspapers	March 1, 2024	August 1, 2024
Voting Period	From March 1, 2024 at 09:00 A.M. IST to March 30, 2024 at 05:00 P.M. IST (both days inclusive).	From August 1, 2024 at 09:00 A.M. IST to August 30, 2024 at 05:00 P.M. IST (both days inclusive).
Procedure for Postal Ballot	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, 11/2022 dated December 28, 2022 and 09/2023 dated September 25, 2023 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 Ballots by electronic means.	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, 11/2022 dated December 28, 2022 and 09/2023 dated September 25, 2023 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 Ballots by electronic means.

Scrutinizer	Mr. Satish Jadon, Proprietor of Satish Jadon & Associates, Practicing Company Secretary, (Membership No. FCS 9512 and CP No. 9810)	Mr. Satish Jadon, Proprietor of Satish Jadon & Associates, Practicing Company Secretary, (Membership No. FCS 9512 and CP No. 9810)
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 National Securities Depository Limited for the purpose of providing e-voting facility to all its Members.	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 National Securities Depository Limited for the purpose of providing e-voting facility to all its Members.
Date of Scrutinizer's Report	April 01, 2024	August 31, 2024
Voting result	All the resolutions as set in the notice of Postal Ballot dated February 22, 2024 were passed with requisite majority.	All the resolutions as set in the notice of Postal Ballot dated July 25, 2024 were passed with requisite majority.
Date of passing of Resolution (s)	March 30, 2024	August 30, 2024

Means Of Communication

Company focusses on Communication as a key element to the overall Corporate Governance framework, therefore the Company emphasizes on prompt, continuous, efficient and relevant communication to all external constituencies.

Financial Result

The Quarterly, Half Yearly and Annual Financial Results are regularly submitted to the National Stock Exchange of India Limited (‘NSE’) and BSE Limited (‘BSE’) within the timeline stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, which are also uploaded on the Company's website and are generally published in newspapers, namely the Business Standard (English), Business Standard (Hindi) and Mint (English). The results and other important information are also periodically updated on the Company’s website at www.paisalo.in in the “Investors Relations” section. The same are not sent to the shareholders separately.

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’.

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. Call recordings and presentations made to institutional investors and analysts during the year under review are available 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 Members can access the details of the Board, the Committees, Policies, Board Committee Charters, financial information, statutory filings, shareholding information, details of unclaimed dividend and shares transferred/liable to be transferred to IEPF, The ‘Investor’ section on the website gives information relating to Financial Results, Annual Reports, Shareholding Pattern and other relevant information. Outcome and voting results AGM are also available under the ‘Investor Information’ section.

Annual Report

The information regarding the performance of the Company is shared with the shareholders vide the Annual Report. The Annual Reports are also available in the “Investors Relations” section on the Company’s website <https://paisalo.in/home/investorrelation>.

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.

DISCLOSURES

- Related Party Transactions:** All transactions entered into with related parties as defined under the Companies Act, 2013 and Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, during the year under review were on an arm’s length basis and in the ordinary course of business. 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.  
  
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://www.paisalo.in/pdf/corporate\\_governance/policy/Policy\\_on\\_Related\\_Party\\_Transactions25.pdf](https://www.paisalo.in/pdf/corporate_governance/policy/Policy_on_Related_Party_Transactions25.pdf). 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 Standalone Financial Statements for the year ended March 31, 2025.
- Details of non-compliance:** The Company has generally complied with the requirement of various rules and regulations prescribed by the Stock Exchanges, SEBI or any other statutory authority. 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:
  - In the month of September-October 2022, BSE imposed 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: INE420C07031/ Scrip 960204) (delay of one working day). The Company has paid the fine and no further action required in this regard.
  - Pursuant to SEBI circular no. SEBI/HO/DDHS/DDHS\_DivI/P/CIR/2022/0000000103 dated July 29, 2022 BSE Ltd., has imposed fine of Rs. 5000+taxes for non-submission of prior intimation of Board Meeting in the Month ended September 2023 to consider fund raising through issuance of Non-Convertible Debentures under Regulation 50(1) (d) of SEBI (LODR) Regulations, 2015. The Company has paid the fine and no further action required in this regard.
  - On July 01, 2024, BSE imposed 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 month ended Mar, 2024. The notice was given by the Company to Stock exchange on May 16, 2021 for record date viz. May 20, 2024 for payment of interest in respect of NCDs (ISIN: INE420C07098/ Scrip 975437). The Company has paid the fine and no further action 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://www.paisalo.in/pdf/corporate\\_governance/policy/Archival\\_Policy25.pdf](https://www.paisalo.in/pdf/corporate_governance/policy/Archival_Policy25.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://www.paisalo.in/pdf/corporate\\_governance/Policy\\_on\\_the\\_Preservation\\_of\\_Document.pdf](https://www.paisalo.in/pdf/corporate_governance/Policy_on_the_Preservation_of_Document.pdf)
- 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://www.paisalo.in/pdf/corporate\\_governance/policy/Policy\\_for\\_determination\\_of\\_materiality\\_of\\_event\\_and\\_information\\_for\\_disclosures\\_24.pdf](https://www.paisalo.in/pdf/corporate_governance/policy/Policy_for_determination_of_materiality_of_event_and_information_for_disclosures_24.pdf)

- Policy on Material Subsidiary:** Pursuant to Regulation 16(1) (c) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Board has approved a Policy on Material Subsidiary, which is available on the website of the Company at [https://www.paisalo.in/pdf/corporate\\_governance/policy/Policy\\_For\\_Determining\\_Material\\_Subsidiary25.pdf](https://www.paisalo.in/pdf/corporate_governance/policy/Policy_For_Determining_Material_Subsidiary25.pdf). During the year under review, M/s. Nupur Finvest Private Limited ceased to be a material subsidiary as define in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as the prescribed threshold limits were not met.
- 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://www.paisalo.in/pdf/corporate\\_governance/policy/Whistle\\_Blower\\_Policy-Vigil\\_Mechanism25.pdf](https://www.paisalo.in/pdf/corporate_governance/policy/Whistle_Blower_Policy-Vigil_Mechanism25.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 ('UPSI') by the Company to enable the investor community to take informed investment decisions with regard to the Company's shares. Policy for Determination of Legitimate Purposes. The Company maintains Structured Digital Database (SDD) and makes requisite entries in the SDD. 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://www.paisalo.in/pdf/corporate\\_governance/policy/Code\\_of\\_practices\\_and\\_procedures\\_for\\_prevention\\_of\\_Insider\\_Trading25.pdf](https://www.paisalo.in/pdf/corporate_governance/policy/Code_of_practices_and_procedures_for_prevention_of_Insider_Trading25.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.: 80/03.10.042/2005-06 dated September 28, 2006/ Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023, 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. The Code is also available on the website of the Company at [https://www.paisalo.in/pdf/corporate\\_governance/policy/Fair\\_Practices\\_Code25.pdf](https://www.paisalo.in/pdf/corporate_governance/policy/Fair_Practices_Code25.pdf)
- 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 2024-25 where the Board had not accepted any recommendation of the Committee of the Board.
- Demat suspense account/unclaimed suspense account:** In accordance with the requirement of Regulation 34(3) and Part F of Schedule V to the SEBI Listing Regulations, details of equity shares in the suspense account are as follows:

Particulars	Number of shareholders	Number of Equity Shares
Aggregate number of shareholders and the outstanding shares in the suspense account lying as on April 1, 2024	4	20910
Shareholders who approached the Company for transfer of shares from suspense account during the year	2	900
Shareholders to whom shares were transferred from the suspense account during the year	2	900
Shareholders whose shares are transferred to the demat account of the IEPF Authority as per Section 124 of the Act	-	-
Aggregate number of shareholders and the outstanding shares in the suspense account lying as on March 31, 2025	2	20010

- 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.	06-12-2024	Issue of 7.5% Foreign Currency Convertible Bonds of USD 1000 each	50,000	Private Placement
2.	15-01-2025	Issue of Equity Shares on conversion of 2000 Foreign Currency Convertible Bonds	37,01,792	Private Placement
3.	28-02-2025	Issue of Equity Shares under Employee Share Purchase Scheme	3,72,517	Private Placement
4.	12-04-2024	Listed Secured Rated Redeemable Non Convertible Debentures (NCSs) of INR 1,00,000/- each (ROI 9.95% P.A.)	1,800	Private Placement
5.	03-05-2024	Listed Secured Rated Redeemable Non Convertible Debentures (NCSs) of INR 1,00,000/- each (ROI 9.95% P.A.)	2,700	Private Placement
6.	31-07-2024	Listed Secured Rated Redeemable Non Convertible Debentures (NCSs) of INR 1,00,000/- each (ROI 9.95% P.A.)*	2,500	Private Placement

\*Initially issued as Unsecured and after compliance of applicable provisions, converted into Secured Non-Convertible Debentures with effect from October 30, 2024

- Issue and allotment of Commercial Papers:** During the year under review, the Company has issued and allotted the following Commercial Papers:

Sr. No.	Date of Allotment	Security	Number	Date of Maturity
1.	April 25,2024	Listed Rated Commercial Paper	600.00	July 25,2024
2.	May 17, 2024	Listed Rated Commercial Paper	600.00	August 16, 2024
3.	September 12, 2024	Listed Rated Commercial Paper	600.00	December 12, 2024
4.	September 19, 2024	Listed Rated Commercial Paper	260.00	September 05, 2025
5.	September 20, 2024	Listed Rated Commercial Paper	600.00	December 20, 2024
6.	December 11, 2024	Listed Rated Commercial Paper	600.00	March 12, 2025
7.	December 19, 2024	Listed Rated Commercial Paper	600.00	March 20, 2025
8.	March 11, 2025	Listed Rated Commercial Paper	600.00	June 10, 2025
9.	March 19, 2025	Listed Rated Commercial Paper	600.00	June 18, 2025
10.	March 28, 2025	Listed Rated Commercial Paper	600.00	June 27, 2025

- 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, 2025 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, 2025.



Sr. No.	Security	Number	Private Placement/ Preferential
1	Independent director(s) have been appointed in terms of specified criteria of 'independence' and/or 'eligibility'	16(1)(b), 25(6)	Yes
2	Board composition	17(1), 17(1A), 17(1C), 17(1D), 17(1E)	Yes
3	Meeting of Board of directors	17(2)	Yes
4	Quorum of Board meeting	17(2A)	Yes
5	Review of Compliance Reports	17(3)	Yes
6	Plans for orderly succession for appointments	17(4)	Yes
7	Code of Conduct	17(5)	Yes
8	Fees/compensation	17(6)	Yes
9	Minimum Information	17(7)	Yes
10	Compliance Certificate	17(8)	Yes
11	Risk Assessment & Management	17(9)	Yes
12	Performance Evaluation of Independent Directors	17(10)	Yes
13	Recommendation of Board	17(11)	Yes
14	Maximum number of Directorships	17A	Yes
15	Composition of Audit Committee	18(1)	Yes
16	Meeting of Audit Committee	18(2)	Yes
17	Role of Audit Committee and information to be reviewed by the audit committee	18(3)	Yes
18	Composition of nomination & remuneration committee	19(1) & (2)	Yes
19	Quorum of Nomination and Remuneration Committee meeting	19(2A)	Yes
20	Meeting of Nomination and Remuneration Committee	19(3A)	Yes
21	Role of Nomination and Remuneration Committee	19(4)	Yes
22	Composition of Stakeholder Relationship Committee	20(1), 20(2) & 20(2A)	Yes
23	Meeting of Stakeholders Relationship Committee	20(3A)	Yes
24	Role of Stakeholders Relationship Committee	20(4)	Yes
25	Composition and role of risk management committee	21(1),(2),(3),(4)	Yes
26	Meeting of Risk Management Committee	21(3A)	Yes
27	Quorum of Risk Management Committee meeting	21(3B)	Yes
28	Gap between the meetings of the Risk Management Committee	21(3C)	Yes
29	Vigil Mechanism	22	Yes
30	Policy for Related Party Transaction	23(1), (1A), (5), (6), & (8)	Yes
31	Prior or Omnibus approval of Audit Committee for all related party transactions	23(2), (3)	Yes
32	Approval for material related party transactions	23(4)	NA
33	Disclosure of related party transactions on consolidated basis	23(9)	Yes
34	Composition of Board of Directors of unlisted material Subsidiary	24(1)	Yes
35	Other Corporate Governance requirements with respect to subsidiary of listed entity	24(2),(3),(4),(5) & (6)	Yes
36	Alternate Director to Independent Director	25(1)	NA
37	Maximum Tenure	25(2)	Yes

38	Appointment, Re-appointment or removal of an Independent Director through special resolution or the alternate mechanism	25(2A)	Yes
39	Meeting of independent directors	25(3) & (4)	Yes
40	Familiarization of independent directors	25(7)	Yes
41	Declaration from Independent Director	25(8) & (9)	Yes
42	Directors and Officers insurance	25(10)	Yes
43	Confirmation with respect to appointment of Independent Directors who resigned from the listed entity	25(11)	Yes
44	Memberships in Committees	26(1)	Yes
45	Affirmation with compliance to code of conduct from members of Board of Directors and Senior management personnel	26(3)	Yes
46	Disclosure of Shareholding by Non-Executive Directors	26(4)	Yes
47	Policy with respect to Obligations of directors and senior management	26(2) & 26(5)	Yes
48	Approval of the Board and shareholders for compensation or profit sharing in connection with dealings in the securities of the listed entity	26(6)	NA
49	Vacancies in respect Key Managerial Personnel	26A(1) & 26A(2)	NA
50	Other corporate governance requirements	27	Yes
51	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 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.

### GENERAL SHAREHOLDER INFORMATION

#### Registration

The Company is registered with the Registrar of Companies, Delhi. The Corporate Identity Number (CIN) allotted to the Company by Ministry of Corporate Affairs is L65921DL1992PLC120483.

The Company is also registered with the Reserve Bank of India as Non-Banking Financial Company having registration number B-14.02997.

Financial Calendar

Financial Year	The financial year of the company is from April 01 to March 31 of the following year.
Financial Results	
For the first quarter	On or before August 14, 2025
For the half year	On or before November 14, 2025
For the third quarter	On or before February 14, 2026
For the year end	On or before May 30, 2026

33<sup>rd</sup> Annual General Meeting for FY 2024-25

Date and Time	September 29, 2025 at IST 12.30 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 22, 2025
Record Date	September 22, 2025
E-voting period	Start on September 26, 2025 at IST 9:00 A.M. and ends on September 28, 2025 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 22, 2025 subject to approval of the shareholders at the 33 <sup>rd</sup> Annual General Meeting, within the statutory time limit of 30 days.

Credit Rating

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

(₹ in Lakhs)			
Sr. No.	Instrument/Facility	Amount (INR in Million)	Rating Assigned
1	Fund Based Facilities from Banks- Long Term	27,000.00	IVR AA/Stable Outlook (IVR Double A with Stable Outlook)
2	Non-Convertible Debentures	5,400.00	
3.	Commercial Paper	5,400.00	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 the details as on March 31, 2025 are as under:

Stock Exchange	Security/Instrument	ISIN	Symbol/Code
National Stock Exchange of India Limited (NSE) Exchange Plaza, Bandra Kurla Complex, Bandra (East) Mumbai-400051 www.nseindia.com	Equity	INE420C01059	PAISALO
		INE420C01059	532900
		INE420C07049	975107
		INE420C07056	975202
		INE420C07064	975251
	Secured Non-Convertible Debentures*	INE420C07072	975284
		INE420C07080	975329
		INE420C07098	975437
		INE420C07106	975592
		INE420C07114	975640
BSE Limited (BSE) P. J. Towers, 25th Floor, Dalal Street, Mumbai-400001 www.bseindia.com		INE420C07122	975865
		INE420C14110	727935
		INE420C14151	728964
		INE420C14169	729040
		INE420C14177	729147

The NCDs and Commercial Papers are listed on the wholesale debt segment of BSE.

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 4 (Four) Equity Shares of Re. 1/- each of the Company. The details of outstanding Depository Receipts as on March 31, 2025 are as follows:

Listing on Foreign Stock Exchange	Luxembourg Stock Exchange (LSE) Societe De La Bourse, De Luxembourg
Address	35A Boulevard Jospheh II, Luxembourg
Website	www.burse.lu
Security Type	GDRs
ISIN	US6954891049
Security Code/ Symbol	Paisalo Digital GDR
Outstanding Securities	5,96,53,975 Global 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.

Outstanding Foreign Currency Convertible Bonds:

Listing on Foreign Stock Exchange	AFRINEX SECURITIES LIST
Address	Wall Street, Office A11-01, Level 11, Tower A 1 Exchange Square
Website	www.afrinexexchange.com
Security Type	FCCBs
ISIN	XS2952463086
Outstanding Securities	48,000 Foreign Currency Convertible Bonds
Maturity Date	Due in 2029

Outstanding FCCBs can be converted into Equity Shares at the rate of USD/INR 84.66/- and at the conversion price of Rs.45.74/- at any time during the currency of the FCCB's.

Outstanding Non-Convertible Debentures as on March 31, 2025:

Sr. No.	Series	Listed/Unlisted	Tenure		Rated/ Unrated	Secured/ Unsecured	Outstanding Principal amount (INR in Million)
			Month	days			
1.	PDL 2020-1	Unlisted	72	0	Unrated	Unsecured	60.00
2.	PDL 2020-2	Unlisted	72	0	Unrated	Unsecured	10.00
3.	PDL -12-2020	Unlisted	120	0	Unrated	Unsecured	10.00
4.	PDL-02-2021	Unlisted	60	0	Unrated	Unsecured	230.00
5.	PDL-07-2021	Unlisted	60	0	Unrated	Unsecured	250.00
6.	PDL-09-2021	Unlisted	60	0	Unrated	Unsecured	940.00
7.	PDL-09-2-2021	Unlisted	60	0	Unrated	Unsecured	20.00
8.	PDL-02-2022	Unlisted	84	0	Unrated	Unsecured	270.00
9.	PDL-07-2022	Unlisted	120	0	Unrated	Unsecured	140.00
10.	PDL-01-2023	Unlisted	120	0	Unrated	Unsecured	340.00
11.	PDL-04-2023	Unlisted	120	0	Unrated	Unsecured	50.00
12.	PDL-04-2023-02	Unlisted	120	0	Unrated	Unsecured	364.00
13.	PDL-09-2023 (UL)	Unlisted	120	0	Unrated	Unsecured	50.00
14.	PDL092023 (L)	Listed	36	0	Rated	Secured	500.00
15.	PDL-12-2023UL	Unlisted	120	0	Unrated	Unsecured	462.00
16.	PDL-11-2023	Unlisted	120	0	Unrated	Unsecured	85.00
17.	PDL11-2023(L)	Listed	36	0	Rated	Secured	100.00
18.	PDL122023(L)	Listed	120	0	Rated	Secured	197.00
19.	PDL122023L2	Listed	15/18	0	Rated	Secured	60.00
20.	PDL012024L	Listed	120	0	Rated	Secured	197.10
21.	PDL022024L	Listed	119	24	Rated	Secured	203.40
22.	PDL042024L	Listed	15/18	0	Rated	Secured	180.00
23.	PDL042024L2	Listed	60	0	Rated	Secured	270.00
24.	PDL072024L	Listed	36	0	Rated	Secured	250.00

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

Outstanding Commercial Papers as on March 31, 2025:

Sr. No.	ISIN	Tenure	Face Value per CP	Number of CPs	Date of Issue	Maturity Date
1	INE420C14110	351 days	5,00,000.00	260	19-09-2024	05-09-2025
2	INE420C14151	91 days	5,00,000.00	600	11-03-2025	10-06-2025
3	INE420C14169	91 days	5,00,000.00	600	19-03-2025	18-06-2025
4	INE420C14177	91 days	5,00,000.00	600	28-03-2025	27-06-2025

Issuing & Paying Agent (IPA) Details

IDBI BANK LTD.

IDBI House No. 58 Mission Road

New Delhi, Delhi, Delhi, 110001

Phone:8588866840/011-69297311

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:

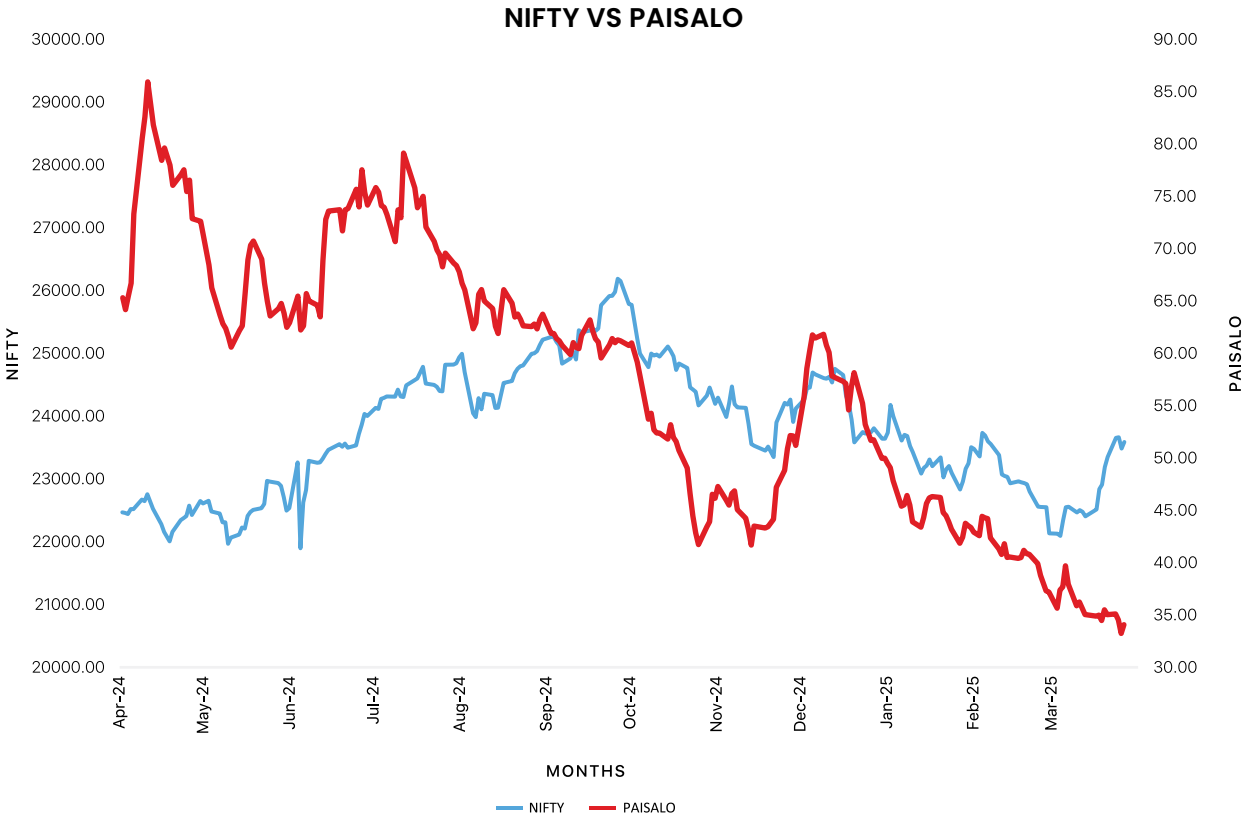
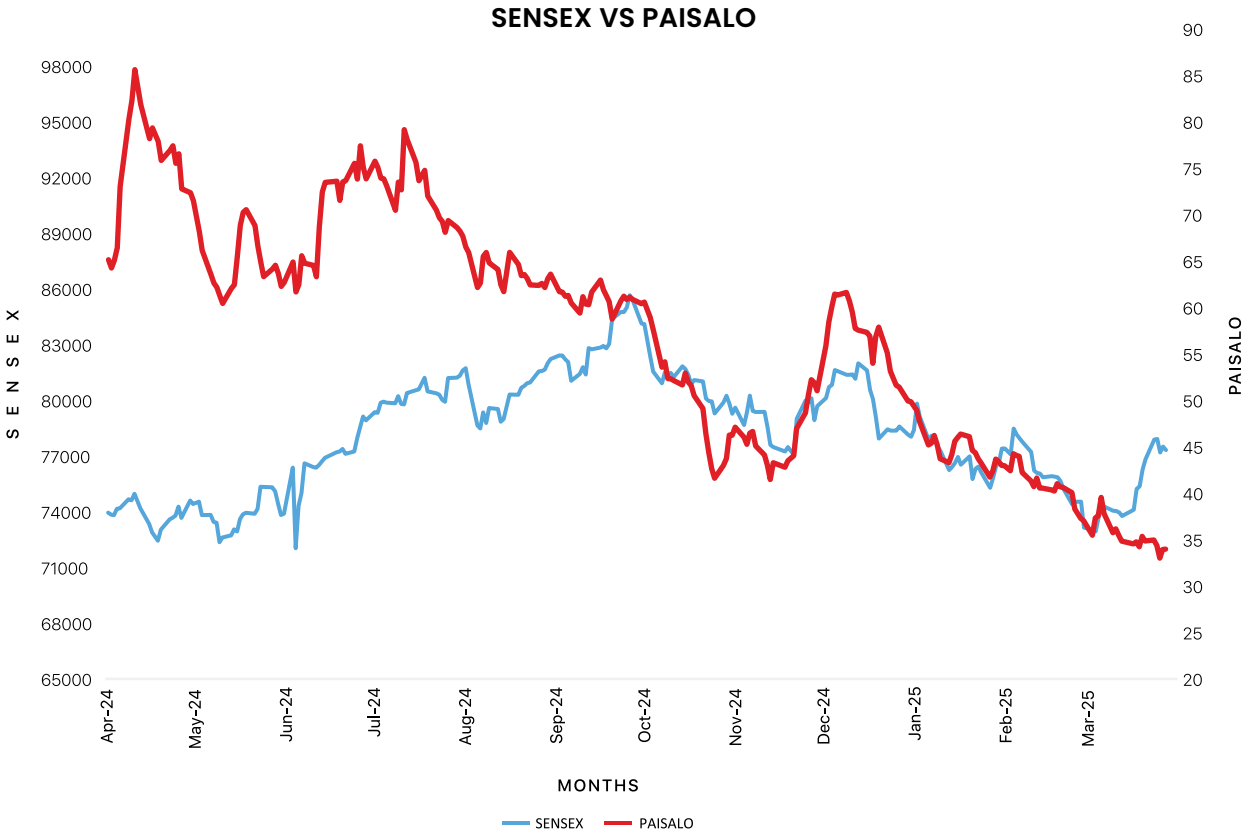
Monthly high and low prices of equity shares of the Company on NSE and BSE during the year under review in comparison to BSE (Sensex) and NSE (Nifty) are given hereunder:

Month	NSE		BSE	
	High (INR)	Low (INR)	High (INR)	Low (INR)
April 2024	86.90	60.20	86.82	60.50
May 2024	72.50	58.25	72.56	58.40
June 2024	79.41	59.20	79.79	58.85
July 2024	82.00	67.55	81.95	67.68
August 2024	69.26	60.20	69.18	60.50
September 2024	64.15	55.55	64.48	55.51
October 2024	61.20	40.25	61.44	40.40
November 2024	53.20	41.31	52.97	41.25
December 2024	63.74	48.85	63.52	49.10
January 2025	50.80	40.75	50.82	40.70
February 2025	46.45	34.07	46.50	34.00
March 2025	39.83	31.82	40.19	31.85

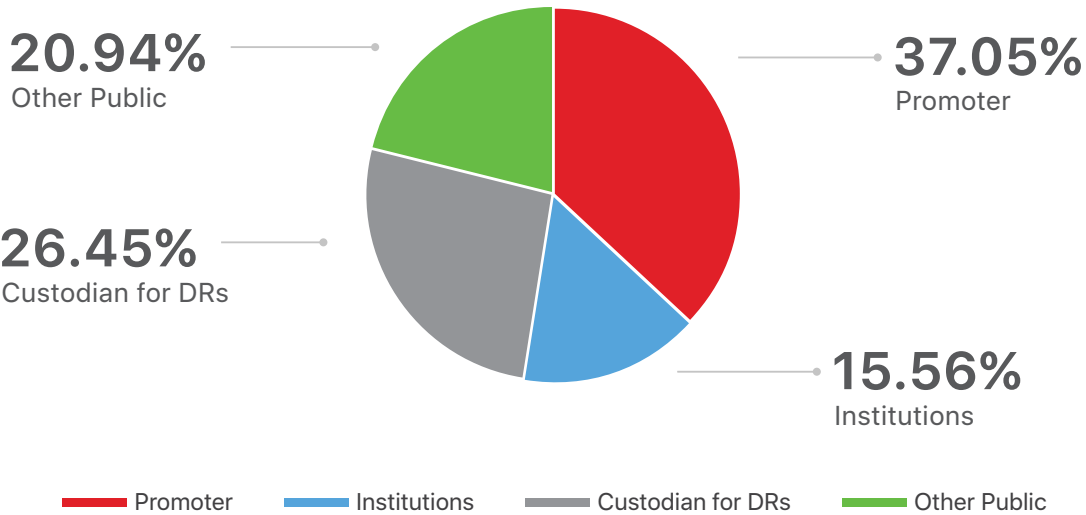


Performance of the Company’s Shares vis-a-vis SENSEX

The performance of the Company’s average monthly share price data in comparison to broad-based indices like BSE Sensex and Nifty in FY 2023-24 are given below:



Distribution of Shareholding % as on March 31, 2025



Shareholding Pattern as on March 31, 2025

Category of Shareholders	Demat	Physical	Total	% of Total Shares
<b>A. Promoters</b>				
<b>(1) Indian</b>				
a) Individual/ HUF	14,65,72,800	-	14,65,72,800	16.25
b) Central Govt.	-	-	-	-
c) State Govt(s)	-	-	-	-
d) Bodies Corp.	18,76,59,614	-	18,76,59,614	20.80
e) Bank/FI	-	-	-	-
f) Any Other	-	-	-	-
<b>Sub-total (A) (1)</b>	<b>33,42,32,414</b>	<b>-</b>	<b>33,42,32,414</b>	<b>37.05</b>
<b>(2) Foreign</b>				
a) NRIs –Individual	-	-	-	-
b) Other- Individuals	-	-	-	-
c) Bodies Crop.	-	-	-	-
d) Banks/FI	-	-	-	-
e) Any Other	-	-	-	-
<b>Sub-total (A) (2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Shareholding of Promoter (A)=(A) (1)+(A) (2)</b>	<b>33,42,32,414</b>	<b>-</b>	<b>33,42,32,414</b>	<b>37.05</b>
<b>B. Public Shareholding</b>				
<b>1. Institutions</b>				
a) Mutual Funds	15,91,232	-	15,91,232	0.18
b) Banks/FI	-	-	-	-
c) Central Govt.	-	-	-	-
d) Sate Govt.(s)	-	-	-	-
e) Venture Capital Funds	-	-	-	-

f) Alternate Investment Funds	-	-	-	-
g) Insurance Companies	6,98,73,778	-	6,98,73,778	7.75
h) NBFC registered with RBI	-	-	-	-
i) FII/FPI	6,88,74,871	-	6,88,74,871	7.63
j) Foreign Venture Capital Funds	-	-	-	-
k) Others (specify)	-	-	-	-
<b>Sub-total (B) (1)</b>	<b>14,03,39,881</b>	<b>-</b>	<b>14,03,39,881</b>	<b>15.56</b>
<b>2. Non- Institutions</b>				
a) Directors and their relatives (excluding independent directors and nominee directors)	-	-	-	-
b) Key Managerial Personnel	25,400	-	25,400	0.00
c) Bodies Corp.				
i) Indian Company	7,91,27,245	-	7,91,27,245	8.77
ii) Foreign Company	18,50,896	-	18,50,896	0.21
d) Individual				
i) Individual shareholders holding nominal share capital upto Rs. 2 lac	6,88,31,631	10	6,88,31,641	7.63
ii) Individual shareholders holding nominal share capital in excess of Rs. 2 lac	1,68,68,329	-	1,68,68,329	1.87
e) Other (specify)				
(i) IEPF	11,740	-	11,740	0.00
(ii) Unclaimed or Suspense or Escrow Account	20,010	-	20,010	0.00
(iii) Non-Resident Indians	1,31,78,304	-	1,31,78,304	1.46
(iv) Clearing Member	14,70,803	-	14,70,803	0.16
(v) Resident HUF	25,59,464	-	25,59,464	0.28
(vi) Foreign Portfolio Investor(Individual)	500	-	500	0.00
(vii) Limited Liability Partnership (LLP)	49,85,762	-	49,85,762	0.55
<b>Sub-total (B) (2)</b>	<b>18,89,30,084</b>	<b>10</b>	<b>18,89,30,094</b>	<b>20.94</b>
<b>Total Public Shareholding (B)=(B)(1)+ (B)(2)</b>	<b>32,92,69,965</b>	<b>10</b>	<b>32,92,69,975</b>	<b>36.50</b>
<b>C. Shares held by Custodian</b>	<b>23,86,15,900</b>	<b>-</b>	<b>23,86,15,900</b>	<b>26.45</b>
<b>Grand Total (A+B+C)</b>	<b>90,21,18,279</b>	<b>10</b>	<b>90,21,18,289</b>	<b>100.00</b>

Details of Promoter/Promoter Group Shareholding as on March 31, 2025

Sr. No.	Name/Address	Holding	% of total shares
1	Mr. Sunil Agarwal	10,57,02,800	11.72
2	Ms. Suneeti Agarwal	71,66,000	0.79
3	Mr. Santanu Agarwal	3,37,04,000	3.74
4	Equilibrated Venture Cflow Private Limited	14,12,89,994	15.66
5	PRI Caf Private Limited	2,40,48,400	2.67
6	Pro Fitcch Private Limited	2,23,21,220	2.47
	Total	33,42,32,414	37.05

Top Ten Shareholders as on March 31, 2025  
(Other than Promoter/Directors/Custodian for GDRs)

Sr. No.	Name of Shareholder	No. of Shares	% of total shares of the Company
1	SBI Life Insurance Co. Ltd.	6,21,14,267	6.89
2	Zeal Professional Services Pvt. Ltd.	2,10,78,520	2.34
3	Antara India Evergreen Fund Ltd.	1,10,90,771	1.23
4	Nimisha Pandey	1,03,01,651	1.14
5	Eastern Star Infradev Private	89,45,790	0.99
6	Life Insurance Corporation of India	77,59,511	0.86
7	Vanguard Total International Stock Index Fund	74,22,404	0.82
8	Vanguard Emerging Markets Stock Index Fund, A Series of Vanguard International Equity Index Funds	54,31,407	0.60
9	Asterix Education Ventures Private Limited	52,63,265	0.58
10	Ishares Core Msci Emerging Markets ETF	49,58,518	0.55

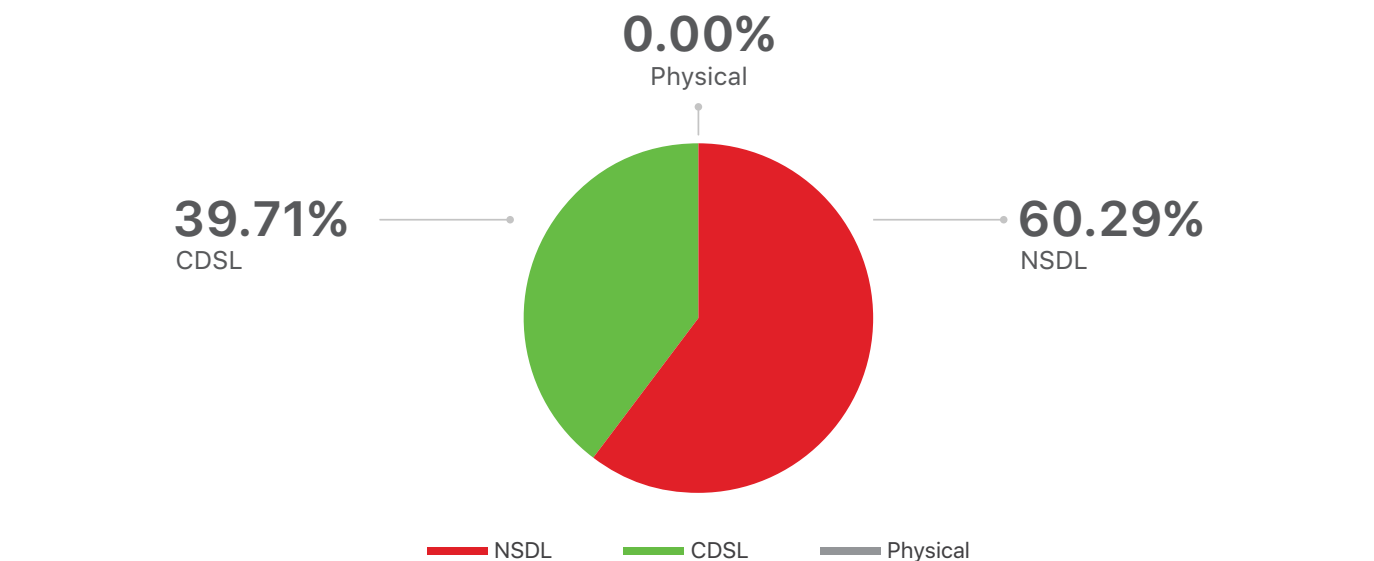
Distribution of Shareholding as on March 31, 2025

Number of Shares	Shareholding			
	Shareholders	%	Shareholding	%
1-500	65736	77.25	8657101	0.96
501-1000	8601	10.11	6812036	0.76
1001-2000	5073	5.96	7763026	0.86
2001-3000	1796	2.11	4590017	0.51
3001-4000	833	0.98	3000077	0.33
4001-5000	687	0.81	3245964	0.36
5001-10000	1156	1.36	8659365	0.96
10001-99999999999	1211	1.42	859390703	95.26
<b>Total</b>	<b>85093</b>	<b>100.00</b>	<b>902118289</b>	<b>100.00</b>

Dematerialization of Shares as on March 31, 2025

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, 2025	% as on March 31, 2025
Physical form	10	0.00
Electronic form with NSDL	54,39,20,288	60.29
Electronic form with CDSL	35,81,97,991	39.71
<b>Total</b>	<b>90,21,18,289</b>	<b>100.00</b>



### 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 Shares held in Demat Form	To the Investors' Depository Participant(s) or Alankit Assignments Limited
For any query relating to the shares/debentures of the Company	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

### Plant location

Paisalo Digital Limited does not have any manufacturing plant.

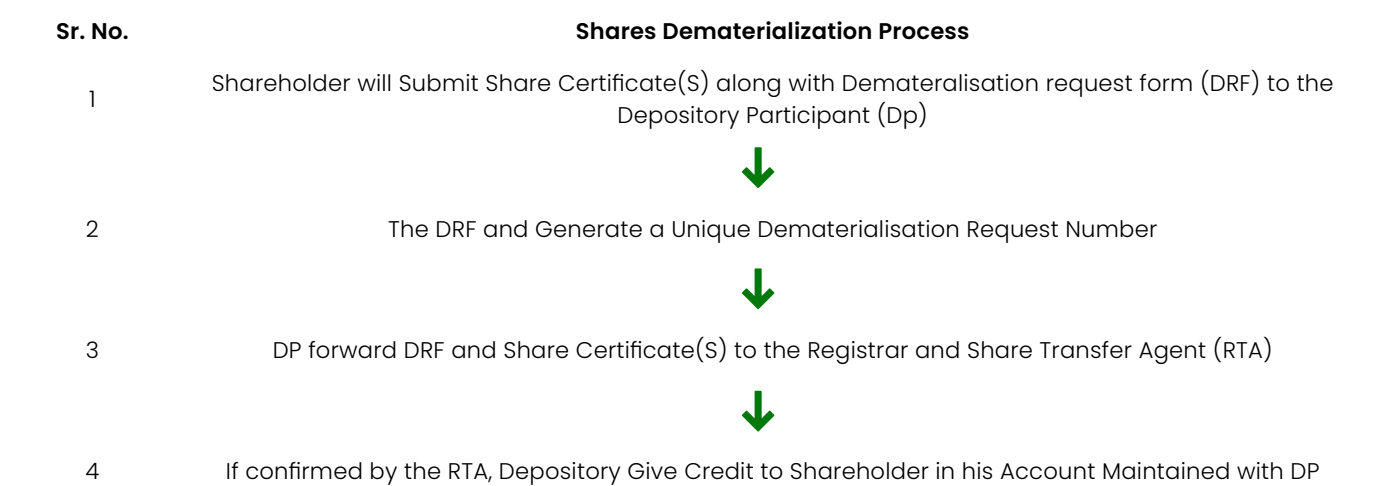
### Share Transfer System

All transmission, transposition, issue of duplicate share certificate(s), etc., as well as requests for dematerialisation/rematerialisation are processed at RTA Alankit Assignments Limited. The work related to dematerialisation/rematerialisation is handled by RTA through connectivity with NSDL and Central Depository Services (India) Ltd. ('CDSL').

SEBI vide its circular dated January 25, 2022 has mandated listed entities to issue shares in dematerialised form only

while processing any service requests. Therefore, members holding shares in physical form are advised to dematerialise their shareholding

In case of shares in electronic form, the transfers are processed by NSDL/CDSL through respective Depository Participants. Shares under objection are returned within two weeks. Shareholders can trade in the Company's share only in electronic form. The process for getting the shares dematerialised is as follows:



This process takes approximately 10-15 days from the date of receipt of Dematerialization Request Form. As trading in shares of the Company can be done only in electronic form, it is advisable that the shareholders who have shares in physical form get their shares dematerialised. Senior Executive of the Company are empowered to approve the transfer of the shares and other investor related matters. Grievances received from investors and other miscellaneous correspondence on change of address, mandates etc. are processed by the Registrar within 15 days.

### Norms for furnishing PAN, KYC, Bank details and Nomination

Pursuant to SEBI Circular no. SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2021/655 and SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2021/687 dated November 3, 2021 and December 14, 2021, respectively, SEBI has mandated all the listed companies to record PAN, Nomination, Contact details, Bank A/c details and specimen signatures for their corresponding folio numbers for holders of physical securities. The forms for updating the same are available at <https://www.paisalo.in/home/investorrelation>

In view of the above, we urge members holding shares in physical form to submit the required forms along with supporting documents at the earliest.

### Dividend

The Board of Directors of the Company has recommended a final dividend of 10% on each fully paid equity share for Financial Year 2023-24. 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

As per section 124(5) of the Companies Act, 2013 (the 'Act') and section 205A of the erstwhile Companies Act, 1956, any money transferred by the Company to the unpaid dividend account and remaining unclaimed for a period of seven years from the date of such transfer shall be transferred to the Investor Education and Protection Fund ('Fund') set up by Central Government.

The unpaid/unclaimed final dividend for financial year 2016-17, is due for transfer to the Fund in November 2024. Members are requested to verify their records and send their claim, if any, for the said year. Communication is being sent to those members, who have not yet claimed dividend requesting them to claim the same as well as unpaid dividend, if any, for subsequent years.

The following are the details of unclaimed dividends which are due to be transferred to the Fund in coming years including current year.

Financial Year	Dividend (Interim/Final)	Dividend	Date of Declaration	Date of transfer to Fund (on or before)
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. 1	30-09-2022	06-11-2029
2022-23	Final	Re. 1	21-09-2023	28-10-2030
2023-24	Final	Re. 1	23-09-2024	30-10-2031

The Company shall transfer to IEPF within the stipulated period a) the unpaid or unclaimed dividend for the financial year 2017-18; 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 23, 2024 (32nd AGM) on the website of IEPF at [www.iepf.gov.in](http://www.iepf.gov.in) and on the website of the Company.

#### Transfer of shares to IEPF

Pursuant to section 124(6) of the Act and the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended (the ‘IEPF Rules’), all shares in respect of which dividend has not been paid or claimed for seven consecutive years or more shall be transferred to Demat account of the Investor Education and Protection Fund (‘IEPF’) Authority by the Company within a period of thirty days of expiry of said seven years.

As on March 31, 2025, there are balance of 11740 equity shares of face value of Re. 1 in Demat Account of the IEPF Authority held with National Securities Depositories Ltd. (NSDL). Shareholder can claim such shares and unclaimed dividends transferred to the Fund by following the procedure prescribed under the IEPF Rules.

#### Shareholders’ and Investors’ Grievances

The Board of Directors of the Company have constituted a Stakeholders’ Relationship Committee to specifically look into and resolve grievances of security holders, viz., shareholders and debenture holders. The Composition of the Committee and details on investor complaints received during the year are given in the Report on Corporate Governance.

#### Freezing of folio

SEBI vide its circular dated November 17, 2023 has done away with the requirements of freezing of folio and referral of the frozen folio to administering authority under the Benami Transactions (Prohibitions) Act, 1988 and/or Prevention of Money Laundering Act, 2002. SEBI has also released FAQs in respect of various service request including the payment of dividend. The copy of said FAQs is hosted on Company’s website at [www.paislao.in](http://www.paislao.in) in Investor section.

#### Framework for dealing with unclaimed amounts in respect of listed non-convertible securities and manner of claiming such amounts by investors

SEBI vide its circular SEBI/HO/DDHS/DDHS-RAC-1/P/CIR/2023/176 dated November 8, 2023 has prescribed the procedural framework for dealing with unclaimed interest and redemption amounts lying with entities having listed non-convertible securities and manner of claiming such amounts by the investors. The circular requires such companies to formulate a policy specifying the process to be followed by investors for claiming their unclaimed amounts. The said circular is hosted on Company’s website at [www.paislao.in](http://www.paislao.in) in Investor section.

As on 31 March 2025, there are no unclaimed amounts lying with the Company in respect of its listed Non-Convertible Debentures.

#### Choice of nomination in eligible demat accounts

SEBI has issued various circulars from time to time for investors holding securities in demat mode to update their nomination details i.e., either opt in or opt out of nomination.

#### Online Dispute Resolution Mechanism

In order to streamline the dispute resolution mechanism in the securities market, SEBI vide its circular dated July 31, 2023, as amended from time to time, read with master circular no. SEBI/HO/OIAE/OIAE\_IAD-3/P/CIR/2023/195 dated December 28, 2023, introduced a common Online Dispute Resolution (‘ODR’) mechanism which harnesses online conciliation and arbitration for resolution of all kinds of disputes relating to securities market.

Under ODR mechanism, an investor shall first take up his/her/their grievance by lodging a complaint directly with the

concerned Market Participant viz., Company. If the grievance is not redressed satisfactorily at the first phase, the investor may escalate the same through the SCORES Portal in accordance with the process laid out therein. ODR Mechanism provides a third level of escalation, if the investor is not satisfied with the resolution provided by the Company, the investor may initiate the dispute through the ODR portal within the timeframe prescribed under the circular. The ODR portal can be accessed at <https://smartodr.in/login>.

#### Demat Suspense Account for unclaimed shares

In terms of the provisions of the SEBI Listing Regulations, the Company has a demat account titled ‘PAISALO DIGITAL LIMITED–SUSPENSE ESCROW DEMAT’ with National Securities Depository Limited., to which unclaimed shares were transferred.

Status of Unclaimed Suspense Account as on March 31, 2025 is given below:

Sr. No.	Particular	No. of Holders	No. of shares
1.	At the beginning of the year	4	20910
2.	Transferred to Suspense Account	-	-
3.	Claims received during the year	2	900
4.	Claims approved during the year	2	900
5.	At the end of the year	2	20010

The Company, acting as a trustee in respect of the unclaimed shares, follows the modalities for the operation of the said account in the manner set out in regulation 39(4) of the SEBI (LODR) Regulations, 2015. The shares lying in the aforesaid account will be transferred to the concerned members on lodging of the claim and after proper verification. Till such time, the voting rights on these shares will remain frozen.

#### Commodity Price Risks or Foreign Exchange Risks & Hedging Activities

The Company has fully hedged its foreign exchange risk associated with External Commercial Borrowings through issue of 7.5 Per Cent. Secured Foreign Currency Convertible Bonds Due 2029 (‘FCCBS’).

#### Secretarial Audit and other certificates

- M/s. Satish Jadon & Associates, Practicing Company Secretaries, have conducted the Secretarial Audit of the Company for financial year 2024-25. 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 Reports 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, 2025.
- 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, 2025.

**For Paisalo Digital Limited**

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

**Place : New Delhi**  
**Date : May 09, 2025**

**CERTIFICATE ON CORPORATE GOVERNANCE**

To,  
The Shareholders of  
Paisalo Digital Limited (“the Company”)  
New Delhi

We have examined the compliance of conditions of Corporate Governance by Paisalo Digital Limited for the year ended 31<sup>st</sup> March 2025, as prescribed in Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

We state that the compliance of conditions of Corporate Governance is the responsibility of the Management and our examination was limited to the procedures and implementation thereof adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion, and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above–mentioned Regulations.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**Date : May 07, 2025**  
**Place : Agra**

**For Satish Jadon & Associates**  
**Company Secretaries**

**sd/-**  
**(SATISH KUMAR JADON)**  
**Membership No. F9512**  
**CoP No. 9810**  
**P.R. No. 1028/2020**  
**UDIN: F009512G000289759**

CERTIFICATE OF NON –DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI  
(Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,  
The Members of  
Paisalo Digital Limited  
CSC Pocket–52, CR Park,  
Near Police Station, New Delhi–110019

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Paisalo Digital Limited, having CIN L65921DL1992PLC120483 and having registered office at CSC Pocket–52, CR Park, Near Police Station, New Delhi–110019 (hereinafter referred to as ‘The Company’), as produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para–C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers. We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending 31<sup>st</sup> March, 2025 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	Date of Cessation 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. Vinod Kumar	10230437	04/02/2025	-
5.	Mr. Santanu Agarwal	07069797	06/05/2022	-
6.	Mr. Naresh Kumar Jain	01281538	14/08/2014	13/08/2024
7.	Mr. Gauri Shankar	06764026	22/07/2017	-
8.	Mr. Raman Aggarwal	00116103	15/10/2019	-
9.	Mrs. Nisha Jolly	08717762	30/05/2020	-
10.	Mr. Vijuy Ronjan	09345384	08/10/2021	-
11.	Dr. Dharmendra Singh Gangwar	08299862	25/07/2024	-

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 : May 07, 2025  
Place : Agra

For Satish Jadon & Associates  
Company Secretaries

Sd/-  
(SATISH KUMAR JADON)  
Membership No. F9512  
CoP No. 9810  
P.R. No. 1028/2020  
UDIN: F009512G000289616

CEO AND CFO CERTIFICATION

To,  
The Board of Directors  
Paisalo Digital Limited  
New Delhi

We have reviewed the financial statements and cash flow statement for the Financial Year 2024-25 and to the best of our knowledge and belief, we hereby certify that:

- 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 for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, that there were no deficiencies in the design or operation of such internal controls of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

We have indicated to the auditors and the Audit Committee that:

- There have been no significant changes in internal control over financial reporting during the financial year ended March 31, 2025;
- There have been no significant changes in accounting policies during the financial year ended March 31, 2025, and
- There were no instances of significant fraud of which we have become aware and the involvement therein, of the management or an employee having a significant role in the Company’s internal control system over financial reporting.

Date : May 09, 2025  
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



**COMPLIANCE CERTIFICATE**

[Pursuant to Regulation 13 of the Securities Exchange Board of India  
(Share Based Employee Benefits and Sweat Equity) Regulations, 2021]

To,  
The Members of  
Paisalo Digital Limited

We, Satish Jadon & Associates, Company Secretary in practice, have been appointed as the Secretarial Auditor vide a resolution passed at its meeting held on 4th February, 2025 by the Board of Directors of Paisalo Digital Limited (hereinafter referred to as 'the Company'), having CIN L65921DL1992PLC120483 and having its registered office at CSC Pocket-52, CR Park Near Police Station, South Delhi, India, 110019. This certificate is issued under Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (hereinafter referred to as "the Regulations"), for the year ended 31st March, 2025.

**Management Responsibility**

It is the responsibility of the Management of the Company to implement the scheme(s) including designing, maintaining records and devising proper systems to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operate effectively.

**VERIFICATION**

The Company has implemented "Paisalo Employee Share Purchase Scheme 2024" ("ESPS 2024"/ "PDL ESPS 2024"/ "Scheme") in accordance with the Regulations and the Special Resolution passed by the members at the Annual General Meeting of the Company held on 23rd September, 2024. For the purpose of verifying the compliance of the Regulations, we have examined the following:

- 1. Scheme(s) received from/furnished by the Company;
- 2. Articles of Association of the Company;
- 3. Resolutions passed at the meeting of the Board of Directors;
- 4. Shareholders resolutions passed at the General Meeting(s);
- 5. Minutes of the meetings of the Nomination & Remuneration Committee;
- 6. Relevant Accounting Standards as prescribed by the Central Government;
- 7. Detailed terms and conditions of the scheme as approved by Nomination & Remuneration Committee;
- 8. Bank Statements towards Application money received under the scheme(s);
- 9. Exercise Price / Pricing formula;
- 10. Statement filed with recognised Stock Exchange(s) in accordance with Regulation 10 of these Regulations;
- 11. Disclosure by the Board of Directors;
- 12. Relevant provisions of the Regulations, Companies Act, 2013 and Rules made thereunder;

**Certification**

In our opinion and to the best of our knowledge and according to the verifications as considered necessary and explanations furnished to us by the Company and its Officers, we certify that the Company has implemented the "Paisalo Employee Share Purchase Scheme 2024 in accordance with the applicable provisions of the Regulations and Resolutions passed in its General Meeting(s).

**Assumption & Limitation Of Scope And Review**

- 1. the authenticity of documents and information furnished is the responsibility of the Board of Directors of the Company.
- 2. Our responsibility is to give certificate based upon our examination of relevant documents and information. It is neither an audit nor an investigation.
- 3. 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.
- 4. This certificate is solely for your information and it is not to be used, circulated, quoted, or otherwise referred to for any purpose other than for the Regulations.

Date : May 31, 2025  
Place : Agra

For Satish Jadon & Associates  
Company Secretaries

Sd/-  
(SATISH KUMAR JADON)  
Membership No. F9512  
CoP No.9810  
P.R. No. 1028/2020  
UDIN: F009512G000521243





# Financial Statements



# Financial Statements

## 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 31<sup>st</sup> March 2025 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 material accounting policy information 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 2025 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.

#### 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) (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"><li>unbiased, probability weighted outcome under the various scenarios;</li><li>time value of money;</li><li>impact arising from forward looking macro-economic factors and;</li><li>availability of reasonable and supportable information without undue costs.</li></ul>	<ul style="list-style-type: none"><li>We read and assessed the Company’s accounting policies for impairment of financial assets and their compliance with Ind AS 109.</li><li>We tested the criteria for staging of loans/ corporate guarantee based on their past-due status to check compliance with the requirement of Ind AS 109.</li><li>Tested samples of performing loans (Stage 1) to assess whether any loss indicators were present requiring them to be classified under stage 2 or 3 and vice versa.</li><li>Tested the ECL model, including assumptions and underlying computation.</li></ul>

<p>Applying these principles involves significant estimation in various aspects, such as;</p> <ul style="list-style-type: none"><li>• grouping of borrowers based on homogeneity by using appropriate statistical techniques;</li><li>• staging of loans and estimation of behavior life;</li><li>• estimation of losses for loan products/ corporate guarantee with historical defaults.</li><li>• Determining macro-economic factors impacting credit quality of financial assets,</li></ul> <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>	
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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:

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



- b.** In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c.** The audit of all the branch offices of the Company has been conducted by us, hence Section 143(8) is not applicable;
- d.** The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity, and the Cash Flow Statement dealt with by this Report are in agreement with the books of accounts.
- e.** In our opinion, the aforesaid Standalone Financial Statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- f.** On the basis of the written representations received from the Directors as on 31st March 2025 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2025 from being appointed as a director in terms of Section 164 (2) of the Act.
- g.** With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in “Annexure B”.
- h.** With respect to the other matters to be included in the Auditor’s Report in accordance with 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 to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i)** The Company does not have any pending litigations (other than in the ordinary course of business) which would impact its financial position.
- ii)** The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii)** There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
- iv)** **(a)** The management has represented that, to the best of it’s 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 it’s 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 61 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)** Based on our examination carried out in accordance with the Implementation Guidance on Reporting on Audit Trail under Rule 11(g) of the Companies (Audit and Auditors) Rules,2014 (Revised 2024 Edition) issued by the Institute of Chartered Accountants of India, which included test checks and we report that the company have used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit, we did not come across any instance of audit trail feature being tampered with.

**Place : New Delhi**  
**Date : May 09, 2025**

**For Saket Jain & Co.**  
**Chartered Accountants**  
**Firm Reg. No. 014685N**

**Sd/-**  
**(CA. ASHISH JAIN)**  
**Partner**  
**Membership No. 400599**  
**UDIN : 25400599BMIGVH1618**

**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. 2024-25)**

- 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 overdues 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) (Middle Layer) 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 and Goods & Service Tax:

Sr. No.	Forum	Period	Remark
1	Appeal to Commissioner of Income Tax (Appeal)	F.Y. 2012-13	Rs. 81,25,285/- amount involved
2	Appeal to Commissioner of Income Tax (Appeal)	F.Y. 2017-18	Rs. 23,29,246/- amount involved
3	Appeal to Commissioner of Income Tax (Appeal)	F.Y. 2019-20	Rs. 16,64,666/- amount involved
4	Penalty Proceedings u/s 271(1)(c)	F.Y. 2012-13	Pending Assessment
5	Penalty Proceedings u/s 270A	F.Y. 2017-18	Pending Assessment
6	Penalty Proceedings u/s 270A	F.Y. 2019-20	Pending Assessment
7	Revision Proceedings u/s 263	F.Y. 2017-18	Pending Assessment
8	Goods & Service Tax Appeal Proceedings (Delhi)	F.Y. 2017-18	Rs. 67,15,622/- amount involved
9	Goods & Service Tax Appeal Proceedings (Delhi)	F.Y. 2019-20	Rs. 89,75,312/- amount involved
10	Goods & Service Tax Appeal Proceedings (Delhi)	F.Y. 2020-21	Rs. 35,07,405/- amount involved
11	Goods & Service Tax Penalty u/s 122	F.Y. 2023-24	Pending Assessment
12	Goods & Service Tax Proceedings u/s 61 (UP)	F.Y. 2023-24	Rs. 2,18,832/- amount involved
13	Goods & Service Tax Proceedings u/s 61 (UP)	F.Y. 2024-25	Rs. 9,40,457/- amount involved

- 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 has issued USD 50 million Foreign Currency Convertible Bonds during the year.
- (b) According to the information and explanations given to us, the company has issued 372517 equity shares to the employee of the Company and its wholly owned subsidiary Company under Paisalo Employee share purchase scheme 2024 during the year.
- 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 : May 09, 2025

For Saket Jain & Co.  
Chartered Accountants  
Firm Reg. No. 014685N

Sd/-  
(CA. ASHISH JAIN)  
Partner  
Membership No. 400599  
UDIN : 25400599BMIGVH1618



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. 2024–25)

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 31<sup>st</sup> March 2025 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 (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and Directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company’s assets that could have a material effect on the Financial Statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods

are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2025 based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Place : New Delhi  
Date : May 09, 2025

For Saket Jain & Co.  
Chartered Accountants  
Firm Reg. No. 014685N

Sd/-  
(CA. ASHISH JAIN)  
Partner  
Membership No. 400599  
UDIN : 25400599BMIGVH1618

BALANCE SHEET AS ON 31<sup>ST</sup> MARCH 2025

(₹ 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	10,046.71	1,077.23
	(b) Bank Balances other than (a) above	2	320.06	279.09
	(c) Derivative Financial Instruments	3	-	-
	(d) Receivables			
	(i) Trade Receivables	4	2,112.96	1,190.09
	(ii) Other Receivables		-	-
	(e) Loans	5	4,75,074.95	3,67,341.64
	(f) Investments	6	6,254.37	6,227.76
	(g) Other Financial Assets	7	3,257.91	5,804.64
	(2) Non Financial Assets			
	(a) Current Tax Assets (Net)	8	2,458.94	915.85
	(b) Deferred Tax Asset (Net)			864.02
	(c) Investment Property		-	-
	(d) Biological Assets other than Bearer plants		-	-
	(e) Property, Plant and Equipments	9	7,446.13	6,610.21
	(f) Capital Work-in-Progress		-	-
	(g) Intangible Assets under development		-	-
	(h) Goodwill		-	-
	(i) Other Intangible Assets	9	14.00	33.38
	(j) Other Non-Financial Assets	10	1,626.33	-
	Total Assets		5,08,612.36	3,90,343.91
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		39.40	265.55
	(ii) Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises		3,387.38	1,276.85
	(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		3,092.38	1,091.82
	(c) Debt Securities	13	1,02,609.43	53,842.76
	(d) Borrowings (Other than Debt Securities)	14	2,37,783.73	182,813.31
	(e) Deposits	15	-	-
	(f) Subordinated Liabilities	16	800.00	8,900.00
	(g) Other Financial Liabilities	17	1,533.00	987.75
	(2) Non-Financial Liabilities			
	(a) Current Tax Liabilities (Net)	18	-	-
	(b) Provisions	19	5,280.60	4,403.80
	(c) Deferred Tax Liabilities (Net)	20	509.80	
	(d) Other non-financial Liabilities	21	1,811.23	5,289.62
	(3) Equity			
	(a) Equity Share Capital	22	9,021.81	8,981.06
	(b) Other Equity	23	1,42,743.60	1,22,491.39
	Total Equity & Liabilities		5,08,612.36	3,90,343.91

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 Saket Jain & Co.  
Chartered Accountants  
Firm Reg. No. 014685N

Sd/-  
(CA. ASHISH JAIN)  
Partner  
Membership No. 400599  
UDIN : 25400599BMIGVH1618

Place : New Delhi  
Date : 9<sup>th</sup> May 2025

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 31<sup>ST</sup> MARCH 2025

(₹ 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	66,023.60	53,535.56
	(ii) Dividend Income		1.53	1.24
	(iii) Rental Income		-	-
	(iv) Fees and commission Income		7,098.84	6,233.51
	(v) Net gain on fair value changes	25	26.68	95.57
	(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		332.54	638.38
	Total Revenue from Operations (I)		73,483.19	60,504.26
II	Other Income	26	-	-
	Total Income (I+II)		73,483.19	60,504.26
III	Expenses:			
	(i) Finance Costs	27	30,930.05	23,982.34
	(ii) Fees and commission expense		-	-
	(iii) Net loss on fair value changes		-	-
	(iv) Net loss on derecognition of financial instruments under amortised cost category		-	-
	(v) Impairment on financial instruments	28	1,868.43	246.63
	(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	6,074.87	4,701.30
	(xi) Depreciation, amortization and impairment	30	546.86	339.62
	(x) Others expenses	31	7,602.99	7,439.27
	Total Expenses (III)		47,023.20	36,709.16
IV	Profit before exceptional items and tax	(II-III)	26,459.99	23,795.09
V	Exceptional items		(59.46)	(58.32)
VI	Profit before tax	(IV-V)	26,519.45	23,853.41
VII	Tax Expense:			
	(1) Current Tax		5,376.93	6,949.52
	(2) Deferred Tax		1,373.82	(797.95)

VIII	Profit for the period from continuing operations	(VI-VII)	19,768.70	17,701.84
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)	19,768.70	17,701.84
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)	19,768.70	17,701.84
XV	Earnings per Equity Share (for continuing operations):			
	Basic (Rs.)	34	2.20	3.83
	Diluted (Rs.)		2.20	3.83
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	2.20	3.83
	Diluted (Rs.)		2.20	3.83

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 Saket Jain & Co.  
Chartered Accountants  
Firm Reg. No. 014685N

Sd/-  
(CA. ASHISH JAIN)  
Partner  
Membership No. 400599  
UDIN : 25400599BMIGVHI618

Place : New Delhi  
Date : May 9, 2025

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 31 <sup>ST</sup> MARCH 2025					
(₹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		57,390.04		47,777.44
	Adjustments for				
I	Depreciation		426.67		339.62
II	Deferred Expense W/O		120.19		-
III	Impairment on financial instruments		1,868.43		246.63
IV	Expenditure on CSR		320.89		211.70
V	Dividend Income Received		(1.53)		(1.24)
VI	Profit/loss on Sale of Shares		(26.68)		(95.57)
VII	Share based payment to employees		28.39		-
VIII	Profit/loss on Sale of Investments/Assets		24.69		(6.36)
	Operating Profit before working capital changes		60,151.09		48,472.22
	Adjustments for				
I	Change in Other Financial Assets		(19.27)		(274.53)
II	Change in Loans & Receivables		(110,076.32)		(88,775.93)
III	Change in Payable & non financial liabilities		406.53		4,924.18
IV	Misc. Expenses		(1,746.52)		-
	Cash generated from Operations		(51,284.49)		(35,654.06)
I	Interest paid		(30,930.05)		(23,982.34)
II	Income Tax paid		(6,919.97)		(7,154.93)
III	Paid Expenses on CSR		(320.89)		(211.70)
	Cash flow before Extraordinary Items		(89,455.40)		(67,003.03)
I	Extraordinary items		(59.46)		(58.32)
	Net Cash from Operating Activities		(89,395.94)		(66,944.71)
B	Cash Flows from Investing Activities:				
I	Purchase of Fixed Assets		(1,277.88)		(374.01)
II	Sale of Fixed Assets		10.00		12.31
III	Purchase/transfer of Investments		0.00		621.92
IV	Purchase of Security Receipts		-		-
	Net Cash from Investing activities		(1,267.88)		260.22
C	Net Cash from Financing Activities:				
I	Proceeds from Borrowings		54,970.42		42,640.74
II	Proceeds from Debt Service Repayment Account		545.26		544.61
III	Proceeds from Debt Securities		48,766.68		21,134.88
IV	Proceeds from Subordinated Liability		(8,100.00)		-
V	Dividend Paid/(Received)		(896.51)		(447.78)
VI	Proceeds from Security Receipts		2,566.00		1,343.73



VII	Money received against Share issued	1,822.42	-	
	Net Cash from Financing activities		99,674.27	65,216.18
	Net Increase/(decrease) in cash & cash equivalents		9,010.45	(1,468.31)
	Cash & Cash equivalents at beginning of period		1,356.32	2,824.63
	Cash & Cash equivalent at end of period		10,366.77	1,356.32

Signed in terms of our Report of even date

For Saket Jain & Co.  
Chartered Accountants  
Firm Reg. No. 014685N

Sd/-  
(CA. ASHISH JAIN)  
Partner  
Membership No. 400599  
UDIN : 25400599BMIGVH1618

Place : New Delhi  
Date : 9<sup>th</sup> May 2025

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 31<sup>st</sup> March 2025 and 31<sup>st</sup> March 2024 and found the same in agreement here with.

For Saket Jain & Co.  
Chartered Accountants  
Firm Reg. No. 014685N

Sd/-  
(CA. ASHISH JAIN)  
Partner  
Membership No. 400599  
UDIN : 25400599BMIGVH1618

Place : New Delhi  
Date : May 9, 2025

MATERIAL ACCOUNTING POLICY INFORMATION

1. Corporate Informations

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 having experience of more than 30 years, 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 350 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, Chitranjan 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. For recognition of revenue, the valuation of listed shares is considered at market price and that of security receipts as per the valuation report as at Balance Sheet date.

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.

The valuation of listed shares is considered at market price and that of security receipts as per the valuation report as at Balance Sheet date. Monetary Assets and liabilities denominated in foreign currencies at the reporting date are translated into the functional currency at the exchange rate at that date and valued at fair value as on the balance sheet date.

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	Stage 1	Stage 2	Stage 3
Also Referred As	Performing	Under Performing	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 some additional provision other than the prescribed 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 in respect oof these cases where possibility of recoveries are remote 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 labour 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**

- a. 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.
- b. The Company may capitalize permitted Reserves and Security Premium for Bonus Shares.
- c. The Company has issued equity shares under Paisalo ESPS scheme at discounted price which has been recognized in the Profit & Loss Statements and Reserve & Surplus.

**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 previous 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/ cancelled then the unamortized borrowing cost, if any, is fully expensed off on the date of prepayment/cancellation.

**5.15 Related Party**

A related party is a person or an entity that is related to the reporting entity. A related party transaction is a transfer of resources, services or obligations between a reporting entity and a related party, regardless of whether a price is charged.

A person or a close family member is related if he:

- Has control/joint control;
- Has significant influence;
- Is a member of the Key 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. For recognition of revenue, the valuation of listed shares is considered at market price and that of security receipts as per the valuation report as at Balance Sheet date.

Processing fees received from customer was recognized as income in the year of receipt under India GAAP. But, as per Ind AS, the same is now amortized over the period of relevant loan.

**5.17 Earnings Per Share**

The Earning per Share (Basic as well as Diluted) is calculated based on the net profit or loss for the period attributable to equity shareholders i.e. the net profit or loss for the period.

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

NOTES FORMING INTEGRAL PART OF THE FINANCIAL STATEMENTS AS AT 31<sup>ST</sup> MARCH 2025

Statement of Changes in Equity:

1. Current Reporting Period

(₹ in Lakhs)				
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
8,981.69	-	8,981.69	40.74	9,022.43
8,981.69	-	8,981.69	40.74	9,022.43

- Total share capital includes amount received against forfeited shares.
- The Company has issued 50,000 Foreign Currency Convertible Bonds (FCCBs) of face value of USD 1000 with coupon 7.5% under Issue of Foreign Currency Convertible Bonds and Ordinary Shares (Through Depository Receipt Mechanism) Scheme, 1993.
- Further 2000 Foreign Currency Convertible Bonds (FCCBs) were converted during this reporting period and 37,01,792 Equity shares of Re. 1/- each were allotted.
- The Company has allotted 3,72,517 Equity Shares of Re. 1/- each under Paisalo Employee Share Purchase Scheme 2024 to the employees of the Company and it's Wholly Owned Subsidiary as per Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021.

2. Previous Reporting Period

(₹ in Lakhs)				
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
4,491.47	-	4,491.47	4,490.22	8,981.69
4,491.47	-	4,491.47	4,490.22	8,981.69

- Total share capital includes amount received against forfeited shares.
- On March 21, 2024, the Company has allotted 44,90,21,990 equity shares of Re. 1/- pursuant to Bonus Issue to the existing shareholder.

List of Shareholders holding more than 5% shares of Company:

Sr. No.	Name of the Shareholders	No of Shares	% of shareholding
1	Sunil Agarwal	14,12,89,994	15.66
2	Equilibrated Venture Cflow Pvt. Ltd.	10,57,02,800	11.72
3	SBI Life Insurance Co. Ltd.	6,21,14,267	6.89

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	10,57,02,800	11.72	0.05
2	Suneeti Agarwal	71,66,000	0.79	0.00
3	Santanu Agarwal	3,37,04,000	3.74	0.02
4	Equilibrated Venture Cflow Pvt. Ltd.	14,12,89,994	15.66	(1.84)
5	Pri Caf Pvt. Ltd.	2,40,48,400	2.67	0.01
6	Pro Fitcch Pvt. Ltd.	2,23,21,220	2.47	0.01

Note: 1 Cash & Cash Equivalents

(₹ in Lakhs)			
Sr. No.	Particulars	Current Year	Previous Year
1	Cash Balances	1,242.72	709.27
2	Bank Balances		
	Current a/c with Scheduled Banks (Subject to reconciliation)	8,803.89	367.86
	Cheques/ Drafts on Hands	-	-
3	In Fixed Deposits - Unencumbered		
	With Banks	0.10	0.10
	Total	10,046.71	1,077.23

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	320.06	279.09
	Total	320.06	279.09

- Refer Note No. 40

Note: 3 Derivative Financial Instruments (Assets)

(₹ in Lakhs)						
Particulars	Current Year			Previous Year		
	Notional amounts	Fair Value Assets	Fair Value Liabilities	Notional amounts	Fair Value Assets	Fair Value Liabilities
<b>Part I</b>						
<b>(i) Currency Derivatives</b>						
- Spot and Forwards	-	-	-	-	-	-
- Currency Futures	-	-	-	-	-	-
- Currency Swaps	-	-	-	-	-	-
- Options purchased	-	-	-	-	-	-
- Options sold (written)	-	-	-	-	-	-
- Others	-	-	-	-	-	-
<b>Sub Total (i)</b>	-	-	-	-	-	-
<b>(ii) Interest rate Derivatives</b>						
- Forward Rate Agreements and Interest Rate Swaps	-	-	-	-	-	-
- Options purchased	-	-	-	-	-	-
- Options sold (written)	-	-	-	-	-	-
- Futures	-	-	-	-	-	-
- Others	-	-	-	-	-	-
<b>Sub Total (ii)</b>	-	-	-	-	-	-
<b>(iii) Credit Derivatives</b>	-	-	-	-	-	-
<b>(iv) Equity linked Derivatives</b>	-	-	-	-	-	-
<b>(v) Other Derivatives (Please specify)</b>	-	-	-	-	-	-
<b>Total Derivative Financial Instruments (i)+(ii)+(iii)+(iv)+ (V)</b>	-	-	-	-	-	-
<b>Part II</b>						
<b>Included in above (Part I) are derivatives held for hedging and risk management purposes as follows:</b>	-	-	-	-	-	-
<b>(i) Fair value hedging</b>	-	-	-	-	-	-
- Currency Derivatives	-	-	-	-	-	-
- Interest rate Derivatives	-	-	-	-	-	-
- Credit Derivatives	-	-	-	-	-	-
- Equity linked Derivatives	-	-	-	-	-	-
- Others	-	-	-	-	-	-
<b>Sub Total (i)</b>	-	-	-	-	-	-
<b>(ii) Cash flow hedging</b>	-	-	-	-	-	-
- Currency Derivatives	-	-	-	-	-	-
- Interest rate Derivatives	-	-	-	-	-	-
- Credit Derivatives	-	-	-	-	-	-
- Equity linked Derivatives	-	-	-	-	-	-
- Others	-	-	-	-	-	-
<b>Sub Total (ii)</b>	-	-	-	-	-	-
<b>(iii) Net investment hedging</b>	-	-	-	-	-	-
<b>(iv) Undesignated Derivatives</b>	-	-	-	-	-	-
<b>Total Derivative Financial Instruments (i)+(ii)+(iii)+(iv)</b>	-	-	-	-	-	-

Note: 4 Receivables

(₹ in Lakhs)			
Sr. No.	Particulars	Current Year	Previous Year
<b>1</b>	<b>Trade Receivables</b>		
	- Overdue Installments : Considered Good - Secured	597.56	290.79
	- Overdue Installments : Considered Good - Unsecured	559.64	195.46
	- Overdue Installments : Sub Standard Assets	955.76	703.84
<b>2</b>	<b>Other Receivables</b>	-	-
	<b>Total</b>	<b>2,112.96</b>	<b>1,190.09</b>

Note: 4 (a) Trade Receivable- Additional Disclosures:

Outstanding for following periods from the due date of payment (F.Y. 2024-25)

(₹ in Lakhs)								
Sr. No.	Particulars	Less than 6 months	6 months-1 year	1-2 years	2-3 years	More than 3 years	Total	Remarks
<b>1</b>	Undisputed Trade Receivables- onsidered Good	1,157.20	-	-	-	-	1,157.20	
<b>2</b>	Undisputed Trade Receivables- which have significant increase in credit risk	-	-	-	-	-	-	
<b>3</b>	Undisputed Trade Receivables- credit impaired	-	955.76	-	-	-	955.76	PLS REFER BELOW NOTES
<b>4</b>	Disputed Trade Receivables-considered good	-	-	-	-	-	-	
<b>5</b>	Disputed Trade Receivables- which have significant increase in credit risk	-	-	-	-	-	-	
	<b>Grand Total</b>	<b>1,157.20</b>	<b>955.76</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,112.96</b>	

- Trade Receivable includes overdue loan cases financed by Paisalo Digital Limited

Outstanding for following periods from the due date of payment (F.Y. 2023-24)

(₹ in Lakhs)							
Sr. No.	Particulars	Less than 6 months	6 months-1 year	1-2 years	2-3 years	More than 3 years	Total
<b>1</b>	Undisputed Trade Receivables- considered good	486.25	-	-	-	-	486.25
<b>2</b>	Undisputed Trade Receivables- which have significant increase in credit risk	-	-	-	-	-	-
<b>3</b>	Undisputed Trade Receivables- credit impaired	-	703.84	-	-	-	703.84
<b>4</b>	Disputed Trade Receivables-considered good	-	-	-	-	-	-
<b>5</b>	Disputed Trade Receivables- which have significant increase in credit risk	-	-	-	-	-	-
	<b>Grand Total</b>	<b>486.25</b>	<b>703.84</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,190.09</b>





Note: 7 Others Financial Assets

Sr. No.	Particulars	(₹ in Lakhs)	
		Current Year	Previous Year
1	Secured, Considered Good		
	Security Deposit*	31.84	35.74
	Advances to Staff	7.67	5.56
	Income Receivables	-	5.31
	Advances for Services	293.99	647.30
	Prepaid Expenses	33.98	13.87
	GST/Service Tax Cenvat	447.51	87.94
	Security Receipts	2,442.92	5,008.92
	Total	3,257.91	5,804.64

- \*Security Deposit amount consists of telephone/mobile security,electricity security, rent security.

Note: 8 Current Tax Assets (Net)

Sr. No.	Particulars	(₹ in Lakhs)	
		Current Year	Previous Year
1	Advance Recoverable in cash or in kind or for value to be considered good		
	Income Tax and TDS	7,705.50	7,735.01
	Balance with Revenue Authorities	130.00	130.00
	Provision for Taxation	(5,376.56)	(6,949.16)
	Total	2,458.94	915.85

Note: 9 Property, Plant and Equipment

Sr. No. Particulars		Gross Block			Depreciaton			Net Block			
		Value at the beginning	Addition during the year	Deduction during the year	Value at the end	Value at the beginning	Addition during the year	Deduction during the year	Value at the end	WDV as on 31.03.2025	WDV as on 31.03.2024
I	Tangible Assets										
1	Land	-	-	-	-	-	-	-	-	-	-
2	Building	6,313.46	669.11	-	6,982.57	666.75	114.65	-	781.40	6,201.17	5,646.71
3	Furniture & Fittings	294.91	73.25	-	368.16	161.63	21.77	-	183.40	184.76	133.28
4	Computer Peripheral	602.19	396.91	-	999.10	327.52	174.92	-	502.44	496.66	274.67
6	Vehicles	638.23	56.44	45.04	649.63	175.45	63.74	10.36	228.83	420.80	462.78
7	Equipments, Plant & Machinery	274.12	82.17	-	356.29	181.35	32.20	-	213.55	142.74	92.77
	SUB TOTAL (A)	8,122.91	1,277.88	45.04	9,355.75	1,512.70	407.28	10.36	1,909.62	7,446.13	6,610.21
II	Intangible Assets										
1	Computer Software	533.51	0.00	-	533.51	500.13	19.38	-	519.51	14.00	33.38
2	Goodwill	-	-	-	-	-	-	-	-	-	-
	SUB TOTAL (B)	533.51	0.00	-	533.51	500.13	19.38	-	519.51	14.00	33.38
III	Capital Work-in-progress	-	-	-	-	-	-	-	-	-	-
	SUB TOTAL (C)	-	-	-	-	-	-	-	-	-	-
IV	Intangible Assets Under Development	-	-	-	-	-	-	-	-	-	-
	SUB TOTAL (D)	-	-	-	-	-	-	-	-	-	-
	Total [A+B+C+D] (Current Year)	8,656.42	1,277.88	45.04	9,889.26	2,012.83	426.66	10.36	2,429.13	7,460.13	6,643.59
	Total (Previous Year)	8,317.47	374.01	35.04	8,656.42	1,690.69	339.62	17.49	2,012.83	6,643.59	6,626.77

Note: 10 Other Non Financial Assets

(₹ in Lakhs)			
Sr. No.	Particulars	Current Year	Previous Year
1	Deferred Revenue Expenditure	1,626.33	-
2	Unexpired Expenses of Processing Fees	-	-
	<b>Total</b>	<b>1,626.33</b>	<b>-</b>

- 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
<b>Part I</b>						
<b>(i) Currency Derivatives</b>						
- Spot and Forwards	-	-	-	-	-	-
- Currency Futures	-	-	-	-	-	-
- Currency Swaps	-	-	-	-	-	-
- Options purchased	-	-	-	-	-	-
- Options sold (written)	-	-	-	-	-	-
- Others	-	-	-	-	-	-
<b>Sub Total (i)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>(ii) Interest rate Derivatives</b>						
- Forward Rate Agreements and Interest Rate Swaps	-	-	-	-	-	-
- Options purchased	-	-	-	-	-	-
- Options sold (written)	-	-	-	-	-	-
- Futures	-	-	-	-	-	-
- Others	-	-	-	-	-	-
<b>Sub Total (ii)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>(iii) Credit Derivatives</b>						
-	-	-	-	-	-	-
<b>(iv) Equity linked Derivatives</b>						
-	-	-	-	-	-	-
<b>(v) Other Derivatives (Please specify)</b>						
-	-	-	-	-	-	-
<b>Total Derivative Financial Instruments (i)+(ii)+(iii)+(iv)+ (V)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Part II</b>						
Included in above (Part I) are derivatives held for hedging and risk management purposes as follows:	-	-	-	-	-	-
<b>(i) Fair value hedging</b>						
- Currency Derivatives	-	-	-	-	-	-
- Interest rate Derivatives	-	-	-	-	-	-
- Credit Derivatives	-	-	-	-	-	-
- Equity linked Derivatives	-	-	-	-	-	-
- Others	-	-	-	-	-	-
<b>Sub Total (i)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>(ii) Cash flow hedging</b>						
- Currency Derivatives	-	-	-	-	-	-
- Interest rate Derivatives	-	-	-	-	-	-
- Credit Derivatives	-	-	-	-	-	-
- Equity linked Derivatives	-	-	-	-	-	-
- Others	-	-	-	-	-	-
<b>Sub Total (ii)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>(iii) Net investment hedging</b>						
-	-	-	-	-	-	-
<b>(iv) Undesignated Derivatives</b>						
-	-	-	-	-	-	-
<b>Total Derivative Financial Instruments (i)+(ii)+(iii)+(iv)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Note: 12 Payables

(₹ in Lakhs)			
Sr. No.	Particulars	Current Year	Previous Year
1	<b>Trade Payables</b>		
	(i) Total outstanding dues of Micro Enterprises and Small Enterprises		
	(a) Sundry Creditors for Services	39.40	265.55
		39.40	265.55
	(ii) Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises		
	(a) SBI Assignment Payable	0.28	39.67
	(b) SIB Assignment Payable	0.01	2.06
	(c) Interest Payable on NCD/FCCB	1,605.06	357.45
	(d) Interest Payable on Bank	198.29	256.91
	(e) Other Sundry Payables	1,583.74	620.76
		<b>3,387.38</b>	<b>1,276.85</b>
2	<b>Other Payables</b>		
	(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	43.73	30.96
	ESI Payable	13.68	9.79
	GST Payable	99.36	122.06
	TDS Payable	259.42	206.26
	LIC GSLI Payable	0.02	0.02
	(b) Expenses Payables	2,676.16	722.71
		<b>3,092.38</b>	<b>1,091.81</b>
	<b>Total</b>	<b>6,519.16</b>	<b>2,634.22</b>

Note: 12 (a) Trade Payables Due for Payment 2024-25

(₹ in Lakhs)						
Sr. No.	Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
1	MSME	39.40	-	-	-	39.40
2	Others	3,387.38	-	-	-	3,387.38
3	Disputed Dues-MSME	-	-	-	-	-
4	Disputed Dues-Others	-	-	-	-	-
	<b>Grand Total</b>	<b>3,426.78</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,426.78</b>

Trade Payables Due for Payment 2023-24

(₹ in Lakhs)						
Sr. No.	Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
1	MSME	265.55	-	-	-	265.55
2	Others	1,276.85	-	-	-	1,276.85
3	Disputed Dues-MSME	-	-	-	-	-
4	Disputed Dues-Others	-	-	-	-	-
	<b>Grand Total</b>	<b>1,542.40</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,542.40</b>

- There are no due pending more than 45 days



Note: 13 Debt Securities

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	-	-	-	-	-	-	-	-	
Commercial Paper	9,945.36	-	-	9,945.36	6,957.76	-	-	6,958	
FCCB	41,079.07	-	-	41,079.07	-	-	-	-	
Others (Bonds/ Debentures etc.)*	51,585.00	-	-	51,585.00	46,885.00	-	-	46,885.00	
Total (A)	1,02,609.43	-	-	1,02,609.43	53,842.76	-	-	53,842.76	
Debt Securities in India	61,530.36	-	-	61,530.36	53,842.76	-	-	53,842.76	
Debt Securities outside India	41,079.07	-	-	41,079.07	-	-	-	-	
Total (B) to tally with (A)	1,02,609.43	-	-	1,02,609.43	53,842.76	-	-	53,842.76	

\*Details of Non Convertible Debentures

Debenture Series	Issued Date	Issued Amount	Rate of Interest	Interest Periodicity	Maturity Date	Maturity Amount	Current Year	Previous Year
Series-'PDL-2020-3'	Feb-2020	900.00	12.00%	Monthly	Feb-2025	900.00	No	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'	July-2022	1,400.00	9.90%	Monthly	Jul-2032	1,400.00	Yes	Yes
Series-'PDL-01-2023'	Jan-2023	3,400.00	12.00%	Monthly	Jan-2033	3,400.00	Yes	Yes
Series-'PDL-04-2023'	Apr-2023	500.00	10.00%	Monthly	Apr-2033	500.00	Yes	Yes
Series-'PDL-04-2023'	Apr-2023	1,330.00	12.00%	Monthly	Apr-2033	1,330.00	Yes	Yes
Series-'PDL-04-2023'	Apr-2023	2,310.00	12.00%	On Maturity	Apr-2033	2,310.00	Yes	Yes
Series-'PDL-09-2023'	Sep-2023	500.00	12.00%	Monthly	Sep-2033	500.00	Yes	Yes
Series-'PDL-11-2023'	Nov-2023	850.00	9.95%	Monthly	Nov-2033	850.00	Yes	Yes
Series-'PDL-11-2023'	Nov-2023	1,000.00	9.95%	Quarterly	Nov-2026	1,000.00	Yes	Yes
Series-'PDL-12-2023'	Dec-2023	4,620.00	12.00%	Monthly	Dec-2033	4,620.00	Yes	Yes
Series-'PDL-12-2023'	Dec-2023	1,970.00	9.95%	Quarterly	Dec-2033	1,970.00	Yes	Yes
Series-'PDL-12-2023'	Dec-2023	1,200.00	9.95%	Quarterly	Mar-2025	1,200.00	No	Yes
Series-'PDL-12-2023'	Dec-2023	600.00	9.95%	Quarterly	Jun-2025	600.00	Yes	Yes
Series-'PDL-01-2024'	Jan-2024	1,971.00	9.95%	Quarterly	Jan-2034	1,971.00	Yes	Yes
Series-'PDL-02-2024'	Feb-2024	2,034.00	9.95%	Quarterly	Feb-2034	2,034.00	Yes	Yes
Series-'PDL-04-2024'	Apr-2024	1,200.00	9.95%	Quarterly	July-2025	1,200.00	Yes	No
Series-'PDL-04-2024'	Apr-2024	600.00	9.95%	Quarterly	Oct-2025	600.00	Yes	No
Series-'PDL-05-2024'	May-2024	2,700.00	9.95%	Quarterly	May-2029	2,700.00	Yes	No
Series-'PDL-07-2024'	July-2024	2,500.00	9.95%	Quarterly	July-2027	2,500.00	Yes	No

Note: 14 Borrowings (Other than Debt Securities)

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	1,74,224.07	-	-	1,74,224.07	1,14,154.89	-	-	1,14,154.89	
(ii) From other parties	20,000.00	-	-	20,000.00	-	-	-	-	
(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	35,600.74	-	-	35,600.74	60,789.59	-	-	60,789.59	
(ii) from other parties	7,958.92	-	-	7,958.92	7,868.83	-	-	7,868.83	
(g) Other loans (specify nature)	-	-	-	-	-	-	-	-	
Total (A)	2,37,783.73	-	-	2,37,783.73	1,82,813.31	-	-	1,82,813.31	
Borrowings in India	2,37,783.73	-	-	2,37,783.73	1,82,813.31	-	-	1,82,813.31	
Borrowings outside India	-	-	-	-	-	-	-	-	
Total (B) to tally with (A)	2,37,783.73	-	-	2,37,783.73	1,82,813.31	-	-	1,82,813.31	

Note: 15 Deposits

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

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*)	800.00	-	-	800.00	8,900.00	-	-	8,900.00
<b>Total (A)</b>	<b>800.00</b>	<b>-</b>	<b>-</b>	<b>800.00</b>	<b>8,900.00</b>	<b>-</b>	<b>-</b>	<b>8,900.00</b>
Subordinated Liabilities in India	800.00	-	-	800.00	8,900.00	-	-	8,900.00
Subordinated Liabilities outside India	-	-	-	-	-	-	-	-
<b>Total (B) to tally with (A)</b>	<b>800.00</b>	<b>-</b>	<b>-</b>	<b>800.00</b>	<b>8,900.00</b>	<b>-</b>	<b>-</b>	<b>8,900.00</b>

\* Details of Non-Convertible Debentures

Debtenture 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	No	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	1,533.00	987.75
	<b>Total</b>	<b>1,533.00</b>	<b>987.75</b>

Note: 18 Current Tax Liabilities (Net)

(₹ in Lakhs)			
Sr. No.	Particulars	Current Year	Previous Year
1	<b>Advance Recoverable in Cash or in kind or for value to be considered good</b>		
	Income Tax and TDS	-	-
	Balance with Revenue Authorities	-	-
	Provision for Taxation	-	-
	<b>Total</b>	<b>-</b>	<b>-</b>

Note: 19 Provisions

(₹ in Lakhs)			
Sr. No.	Particulars	Current Year	Previous Year
1	Provision for Standard Assets	1,921.78	1,497.35
2	Provision for Proposed Dividend on Equity Shares	902.12	898.04
3	Provision for Expected Credit Loss	1,372.48	1,304.93
4	Provision for Sub Standard Assets	1,084.22	703.48
	<b>Total</b>	<b>5,280.60</b>	<b>4,403.80</b>

Note: 20 Deferred Tax Liabilities (Net)

(₹ in Lakhs)			
Sr. No.	Particulars	Current Year	Previous Year
1	<b>Opening Balance</b>	<b>(864.02)</b>	<b>(66.06)</b>
	Tax on Timing difference on Property, Plant and Equipments	556.33	491.48
	Tax on Timing difference on Deferred Revenue Expenditures	409.31	-
	Tax on Timing difference on Unearned Processing Fees	(455.84)	(1,355.50)
2	<b>Total Deferred Tax Liability</b>	<b>509.80</b>	<b>(864.02)</b>
	Provision for Deferred Tax required for the year (2-1)	1,373.82	(797.96)
	<b>Total</b>	<b>509.80</b>	<b>(864.02)</b>

Note: 21 Others Non Financial Liabilities

(₹ in Lakhs)			
Sr. No.	Particulars	Current Year	Previous Year
1	Unearned Income of Processing Fees	1,811.23	5,289.62
	<b>Total</b>	<b>1,811.23</b>	<b>5,289.62</b>

Note: 22 Share Capital

		(₹ in Lakhs)	
Sr. No.	Particulars	Current Year	Previous Year
1	<b>AUTHORIZED CAPITAL</b>		
	1,75,00,00,000 Equity Shares of Re.1 per share	17,500.00	12,000.00
	(Previous year 1,20,00,00,000 equity shares of Re.1 each)		
	50,00,000 Preference Shares of Re.10 each	500.00	500.00
		<b>18,000.00</b>	<b>12,500.00</b>
2	<b>ISSUED, SUBSCRIBED CAPITAL</b>		
	89,81,68,980 Equity Shares of Re. 1 per Share fully paid up	8,981.69	4,491.47
	(Previous year 44,91,46,990 Equity Shares of Re.1 each)		
	Add:- 37,01,792 Share of Face value Re.1 each @ premium of Rs.44.74 on conversion of 2000 FCCBs of USD 2 million	37.02	-
	Add: 3,72,517 Share of Face value Re.1 each@ premium of Rs. 33.69 allotted under PDL ESPS 2024	3.72	-
	(Add:- Previous year 44,90,21,990 Shares of Face value Re. 1 per Share fully paid up issued as Bonus Shares in the ratio of 1:1)	-	4,490.22
		<b>9,022.43</b>	<b>8,981.69</b>
3	<b>PAID UP CAPITAL</b>		
	89,80,43,980 Equity Shares of Re.1 per Share fully paid up	8,980.44	4,490.22
	(Previous year 44,90,21,990 Equity Shares of Re.1 each)		
	Add:- 37,01,792 Share of Face value Re.1 each @ premium of Rs.44.74 on conversion of 2000 FCCBs of USD 2 million	37.02	-
	Add:- 3,72,517 Share of Face value Re.1 each@ premium of Rs.33.69 allotted under PDL ESPS 2024	3.72	-
	(Previous year 44,90,21,990 Share of Face value Re.1 each issued as Bonus Shares in the ratio of 1:1)	-	4,490.22
	Add:- Share Forfeited a/c (Amount originally Paid up @ Rs.0.50 each on 1,25,000 Equity Shares of Re.1 each)	0.63	0.63
	<b>Total</b>	<b>9,021.81</b>	<b>8,981.06</b>

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	-	-	- 20,906.30	2,415.21	38,091.52	59,365.22	1,136.34	250.00	326.80	-	-	-	-	-	-	-	122,491.39
Add: Any change due to IND AS	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Restated Balances at the beginning of the reporting period	-	-	- 20,906.30	2,415.21	38,091.52	59,365.22	1,136.34	250.00	326.80	-	-	-	-	-	-	-	122,491.40
Total Comprehensive Income for the year	-	-	-	-	-	-	19,768.70	-	-	-	-	-	-	-	-	-	19,768.70
Money received as share warrant	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share warrant converted into Share capital	-	-	-	-	1,781.68	-	-	-	-	-	-	-	-	-	-	-	1,781.68
Security Premium	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
on conversion of warrants into equity	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Proposed Dividends	-	-	-	-	-	-	(902.12)	-	-	-	-	-	-	-	-	-	(902.12)
Depreciation on Revaluation Amount	-	-	-	-	-	-	9.08	-	(9.08)	-	-	-	-	-	-	-	-
Income Tax Impact due to IND AS on Processing Fees	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share based payment to employees	-	-	-	28.39	-	-	-	-	-	-	-	-	-	-	-	-	28.39
Transfer to General Reserve	-	-	-	-	-	14,000.00	(14,000.00)	-	-	-	-	-	-	-	-	-	-
Transfer to Statutory Reserve Fund	-	-	- 3,953.74	-	-	-	(3,953.74)	-	-	-	-	-	-	-	-	-	-
Provision on Standard Assets	-	-	-	-	-	-	(424.44)	-	-	-	-	-	-	-	-	-	(424.44)
Expenditure on Corporate Social Responsibility	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance at the end of the reporting period	-	-	- 24,860.04	2,443.60	39,873.20	73,365.22	1,633.82	250.00	317.72	-	-	-	-	-	-	-	142,743.60



Note: 23 Other Equity																	(₹ in Lakhs)
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	-	-	17,365.93	2,415.21	38,091.52	51,355.44	714.12	250.00	335.88	-	-	-	-	-	-	-	1,10,528.10
Add: Any change due to IND AS	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Restated Balances at the beginning of the reporting period	-	-	17,365.93	2,415.21	38,091.52	51,355.44	714.12	250.00	335.88	-	-	-	-	-	-	-	1,10,528.10
Total Comprehensive Income for the year	-	-	-	-	-	-	17,701.85	-	-	-	-	-	-	-	-	-	17,701.85
Money received as share warrant	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share warrant converted into Share capital	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Security Premium on conversion of warrants into equity	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Proposed Dividends	-	-	-	-	-	-	(898.04)	-	-	-	-	-	-	-	-	-	(898.04)
Depreciation on Revaluation Amount	-	-	-	-	-	-	9.08	-	(9.08)	-	-	-	-	-	-	-	-
Income Tax Impact due to IND AS on Processing Fees	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Bonus share issued	-	-	-	-	-	(4,490.22)	-	-	-	-	-	-	-	-	-	-	(4,490.22)
Transfer to General Reserve	-	-	-	-	-	12,500.00	(12,500.00)	-	-	-	-	-	-	-	-	-	-
Transfer to Statutory Reserve Fund	-	-	3,540.37	-	-	-	(3,540.37)	-	-	-	-	-	-	-	-	-	-
Provision on Standard Assets	-	-	-	-	-	-	(350.30)	-	-	-	-	-	-	-	-	-	(350.30)
Balance at the end of the reporting period	-	-	20,906.30	2,415.21	38,091.52	59,365.22	1,136.34	250.00	326.80	-	-	-	-	-	-	-	1,22,491.39

Note: 24 Interest Income

(₹ in Lakhs)

Particulars	Current Year			Previous Year		
	On Financial Assets measured at Fair value through OCI	On Financial Assets measured at Amortised Cost	Interest Income on Financial Assets classified at Fair value through profit for loss	On Financial Assets measured at Fair value through OCI	On Financial Assets measured at Amortised Cost	Interest Income on Financial Assets classified at Fair value through profit for loss
Interest on Loans	-	65,975.84	-	-	53,446.63	-
Interest Income from Investments	-	18.61	-	-	-	-
Interest on Deposits with Banks	-	29.15	-	-	19.91	-
Other Interest Income	-	-	-	-	69.02	-
Fee & Commission Income	-	7,098.84	-	-	6,233.51	-
Dividend Income	-	1.53	-	-	1.24	-
Total	-	73,123.97	-	-	59,770.31	-

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	26.68	95.57
(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)	26.68	95.57

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	332.54	638.38
Total		332.54	638

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	-	21,350.68	-	15,773.17
3	Interest on Debt Securities	-	5,820.01	-	3,784.67
4	Interest on Subordinated Liabilities	-	478.14	-	1,233.37
5	Other Interest expense/ Bank Charges	-	3,281.22	-	3,191.13
	<b>Total</b>	<b>-</b>	<b>30,930.05</b>	<b>-</b>	<b>23,982.34</b>

Note: 28 Impairment on Financial Instruments

(₹ in Lakhs)					
Particulars	Current Year		Previous Year		
	On Financial instruments measured at Fair value through OCI	On Financial instruments measured at Amortised Cost	On Financial instruments measured at Fair value through OCI	On Financial instruments measured at Amortised Cost	
Bad Debts Written Off on Loans	-	1,420.13	-	132.08	
Provision for NPA	-	380.75	-	62.65	
Provision for Expected Credit Loss					
Additional Provision for Expected Credit Loss	-	67.55	-	51.90	
Investments	-	-	-	-	
Others (to be specified)	-	-	-	-	
<b>Total</b>	<b>-</b>	<b>1,868.43</b>	<b>-</b>	<b>246.63</b>	

Note: 29 Employees Benefit Expenses

(₹ in Lakhs)			
Sr. No.	Particulars	Current Year	Previous Year
1	Salaries and Wages to Employess	4,830.96	3,662.36
2	Directors Salaries & Allowances	676.23	649.25
3	Contribution to Provident and other funds	344.43	251.67
4	Share Based Payments to employees	28.39	-
5	Staff welfare expenses	194.86	138.02
	<b>Total</b>	<b>6,074.87</b>	<b>4,701.30</b>

- No remuneration has been paid to Directors except remuneration to Managing Director and Executive Directors. The remuneration paid to Managing Director and Executive Directors during the F.Y. 2024-25 Rs. 6,76,22,575 (Last year Rs. 6,49,24,800) 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	426.67	339.62
2	Deffered Revenue Exp. w/o*	120.19	-
	<b>Total</b>	<b>546.86</b>	<b>339.62</b>

-\*Deferred Expenses written off over a period of five Years.

Note: 31 Other Expenses

(₹ in Lakhs)			
Sr. No.	Particulars	Current Year	Previous Year
1	Car & Scooter Expenses	58.03	35.35
2	Travelling Expenses	1,793.74	1,304.99
3	Repair & Maintenance	23.83	183.99
4	Insurance Expenses	32.63	18.97
5	Electricity & Water Expenses	99.69	85.72
6	Rates & Taxes	3.41	4.35
7	Legal Expenses & Professional Fees	1,682.12	1,155.67
8	Printing & Stationery Expenses	386.48	309.01
9	Postage & Telephone Expenses	175.07	190.50
10	Auditors Remuneration	8.18	6.54
11	Rent	496.35	350.80
12	Rebate & Remission	669.25	287.16
13	Advertisement & Business Promotion Expenses	558.18	1,566.85
14	Recovery Expenses	505.30	1,361.10
15	Office and General Expenses	453.67	359.63
16	Loss/(Profit) on sale of Assets/Investments	24.69	(6.36)
17	Directors Sitting Fees & Expenses	21.72	13.30
18	Loss on foreign currency transaction and translation	289.76	-
19	Corporate Social Responsibility Expenditure	320.89	211.70
	<b>Total</b>	<b>7,602.99</b>	<b>7,439.27</b>

32. Remuneration to Auditors:

(₹ in Lakhs)		
Particulars	2024-25	2023-24
For Statutory Audit	5.63	4.50
For Tax Audit	1.87	1.50
<b>Total</b>	<b>7.50</b>	<b>6.00</b>

33. Earning per Share:

(₹ in Lakhs)		
Particulars	2024-25	2023-24
Net profit for the year (After Tax)	19,768.70	17,701.85
Equity Shares in numbers (Weighted)	89,88,37,281	46,25,54,160
Basic and diluted Earning per share (Rs.)	2.20	3.83

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	2,024.44
Indian Bank	Cash Credit	500.00
State Bank of India	Term Loan	3,417.43
Bank of Baroda	Term Loan	763.89
Indian Bank	Term Loan	134.37
<b>Total</b>		<b>6,840.13</b>

b) **Contingent Assets:**

In March 2020, Paisalo Digital Limited engaged in a significant transaction involving the transfer of book-debts amounting to Rs. 23.29 Crores. These debts primarily consisted of loans extended to 'Bottom of Pyramid' customers, in accordance with a 10:90 risk and rewards sharing arrangement with Central Bank of India. This strategic move adhered to the regulatory guidelines set forth by the Reserve Bank of India (RBI), reflecting the company's commitment to prudent financial practices.

However, the unforeseen emergence of the Covid-19 Pandemic shortly thereafter precipitated unforeseen challenges within this demographic segment, resulting in a notable increase in loan defaults. Despite the company's proactive measures to mitigate these challenges, a portion of the loans turned non-performing, impacting both Paisalo Digital Limited and Central Bank of India.

Of particular concern was Central Bank of India's unilateral action on March 31, 2023, whereby they debited Paisalo Digital Limited's Cash Credit account by Rs. 5.38 Crores. This action, which deviated from the agreed terms of the transaction, has raised legal and operational concerns. Since the requests for resolution of dispute through negotiation have not been considered by the Bank hence the Company is in the process of filing pre-litigation mediation petition before the Hon'ble Court.

As a prudent accounting measure, the company has already charged this disputed amount to the profit and loss statement in the previous year as an exceptional item. However, given the merits of the company's position in contesting this debit, the amount continuous to be classified as a contingent asset pending resolution.

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. Vinod Kumar

(Additional Executive 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)

Mrs. Prayaga Vallimani

(Spouse of Mr. Vinod Kumar)

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

- |   |  |
|---|--|
| 1. Aanjneya Motor Pvt. Ltd.             | 9. Raj Shiksha Foundation                    |
| 2. Equilibrated Venture Cflow Pvt. Ltd. | 10. R N R Automate Pvt. Ltd.                 |
| 3. Golden Sandhar Mills Ltd.            | 11. Repartee Infrastructures Pvt. Ltd.       |
| 4. Harish Singh HUF                     | 12. Radiance Techno Powers Company Pvt. Ltd. |
| 5. K G Capital Services Pvt. Ltd.       | 13. SCS Education Foundation                 |
| 6. Maurya Techno Securities Pvt. Ltd.   | 14. Sandhar Overseas Ltd.                    |
| 7. Pri Caf Pvt. Ltd.                    | 15. Saadhvi Cinfra Projects Pvt. Ltd.        |
| 8. Pro Fitcch Pvt. Ltd.                 |  |

D. **Disclosures required for Related party transactions**

(₹ in Lakhs)			
Name of Party	Nature	Amount	Amount Receivable/(Payable)
Mr. Sunil Agarwal	Remuneration to Director	393.60	-
Mr. Harish Singh	Remuneration to Director	50.60	(3.26)
Mr. Anoop Krishna	Remuneration to Director	48.64	(2.93)
Mr. Santanu Agarwal	Remuneration to Director	180.00	(19.50)
Mr. Vinod Kumar	Remuneration to Director	7.91	(2.73)
Mr. Manendra Singh	Salary	18.70	(1.19)
Mr. Santanu Agarwal	Loan Received	860.00	-
Mr. Santanu Agarwal	Interest Expenses	11.91	-
Mr. Pranav Chauhan	Interest Payment (on NCD)	24.00	-
Mrs. Priti Chauhan	Interest Payment (on NCD)	26.40	-
Nupur Finvest Pvt. Ltd.	Interest Expenses	653.08	-
Nupur Finvest Pvt. Ltd.	Loan given	3,610.00	-
Nupur Finvest Pvt. Ltd.	Interest received on ICD	35.65	-
Mr. Sunil Agarwal	Dividend Paid	105.70	-
Mr. Santanu Agarwal	Dividend Paid	33.70	-
Ms. Suneeti Agarwal	Dividend Paid	7.17	-
Pro Fitcch Pvt. Ltd.	Dividend Paid	22.32	-
Equilibrated Ventures Cflow Pvt. Ltd.	Dividend Paid	135.11	-
Pri Caf Pvt. Ltd.	Dividend Paid	24.05	-



Issue of Equity Shares pursuant to ESPS

Name	Category	No. of Shares	Face Value Per Share
Mr. Harish Singh	Executive Director	20,000	1.00
Mr. Manendra Singh	Company Secretary	5,400	1.00

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) 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 Eight 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 four 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	Outstanding	Sanctioned Amount	Share in Consortium (%)
1	Bank of Baroda	CC+WCDL	3,812.31	4,000.00	7.15%
2	Bank of Baroda TL	Term Loan	5,250.00	6,000.00	10.73%
3	Punjab National Bank	CC+WCL	11,667.91	12,000.00	21.46%
4	Union Bank of India	CC	6,448.56	6,500.00	11.62%
5	Union Bank of India	Term Loan	8,000.00	8,745.00	15.64%
6	UCO Bank	CC+WCDL	3,643.10	3,700.00	6.62%
7	UCO Bank TL	Term Loan	833.14	1,110.00	1.99%
8	IDBI Bank	CC+WCDL	2,478.76	2,500.00	4.47%
9	IDBI Bank	Term Loan	291.67	416.00	0.74%
10	State Bank of India	CC	200.59	500.00	0.89%
11	State Bank of India TL	Term Loan	2496.02	2,946.00	5.27%
12	Karnataka Bank	CC	2,401.61	2,500.00	4.47%
13	Indian Bank	CC+WCDL	4,947.90	5,000.00	8.94%
	Total		52,471.57	55,917.00	100.00

Term Loans sanctioned by Banks under Multiple Banking Arrangement

(₹ in Lakhs)			
Sr. No.	Name of Bank	Outstanding	Sanctioned Amount
1	South Indian Bank	899.49	1,500.00
2	State Bank of India	54,514.92	77,500.00
3	Canara Bank	18,035.00	27,500.00
4	Indian Bank	635.51	5,000.00
5	Indian Overseas Bank	41,250.00	45,000.00
6	Bank of Maharashtra	24,133.83	30,000.00
7	Bank of India	9,500.00	10,000.00
8	Dhanlaxmi Bank	2,343.75	2,500.00
9	CSB Bank	4,582.97	5,000.00
10	Unity Small Finance Bank	1,200.00	1,200.00
	Total	1,57,095.47	1,72,700.00

Term Loans sanctioned by Financial Institutions under Multiple Banking Arrangement

(₹ in Lakhs)			
Sr. No.	Name of Bank	Outstanding	Sanctioned Amount
1	Indian Renewable Energy Development Agencies Ltd.	20,000.00	20,000.00
	Total	20,000.00	20,000.00

Term loan sanctioned for vehicle

(₹ in Lakhs)			
Sr. No.	Name of Bank	Outstanding	Sanctioned Amount
1	Bank of Baroda	103.01	139.50
2	Bank of Baroda	20.51	33.68
3	Bank of Baroda	60.92	98.00
4	Bank of Baroda	17.85	26.70
5	Bank of Baorda	23.75	27.50
6	Bank of Baroda	31.71	34.00
	Total	257.75	359.38

39. During the year 2024-25, the Company has issued 50,000 7.50% Foreign Currency Convertible Bonds (FCCBs) of USD 1000 each aggregate amount USD 50 million equivalent to Rs. 423.30 crores. Out of such FCCBs, FCCBs of USD 2 million has been converted into 37,01,792 equity share at Re.1 each at a premium of Rs. 44.74 per equity share. Further, USD 48 million FCCBs (ISIN-XS2952463086) has also been listed on Afrinex Exchange, Mauritius of AFRINEX Limited w.e.f. March 24, 2025. FCCB has also been revalued on the fair market value as on 31.03.2025.

Further during the financial year 2024-25, the Company has allotted 3,72,517 equity shares of face value of Re. 1/- each (Rupee One Only) fully paid up for cash at a premium of Rs. 33.69 (at a discounted rate of 18% on the market price of Rs.42.30 per share) to the employees of the Company and its wholly owned Subsidiary i.e. Nupur Finvest Private Limited pursuant to exercise of options granted to them under the Paisalo Employee Share Purchase Scheme 2024 in compliance with SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021. These shares shall rank pari passu with the existing equity shares of the Company in all respects. These shares have lock-in period pf 18 months from the date of issue.

40. Detail of Bank FDR's (principal amount) held as on 31.03.2025:

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		0.88
	Subtotal	(B)		0.88
Held as Guarantee				(₹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
4	State Bank of India	Guarantee		10.00
	Subtotal	(C)		60.00
Held as Guarantee / Security / Overdraft facility				(₹in Lakhs)
1	Bank of Baroda	Guarantee/Security/Overdraft facility		205.00
2	Bank of Maharashtra	Overdraft facility		6.50
	Subtotal	(D)		211.50
Held as Guarantee				(₹in Lakhs)
1	Bank of India	Guarantee		10.00
2	Canara Bank	Guarantee		20.00
	Subtotal	(E)		30.00
Held as Investment				(₹in Lakhs)
1	Punjab National Bank	Unencumbered		0.10
	Subtotal	(F)		0.10
	Grand Total of FDR's	(A+B+C+D+E+F)		274.48

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	4,72,461.88	4,72,487.61	25.73	Some Disbursement/payments /Bad Debts were omitted to consider in MIS, pending reconciliation while submitting the Book Debts Statements.
2	Sub Standard Asset	-	4,700.30	4,700.30	Not Qualified for DP Purpose

42. Arbitration Awards:

The amount of such Decrees available for execution stands at Rs. 16,477.78 (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 account 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	1,009.82
	Arbitration Awards available for Execution	16,477.78

43. Capital Risk Adequacy Ratio (CRAR):

(₹in Lakhs)		
Particulars	2024-25	2023-24
i) CRAR %	39.16%	35.92%
ii) CRAR – Tier I Capital %	29.90%	32.77%
iii) CRAR – Tier II Capital %	9.26%	3.16%
iv) Amount of subordinated debt raised as Tier-II Capital	800	800
v) Liquidity Coverage Ratio	5.44	2.78
vi) Amount raised by issue of Perpetual Debt Instruments	Nil	Nil

44. Investments:

		(₹ in Lakhs)	
Particulars		2024-25	2023-24
1)	Value of Investments		
i)	Gross value of Investments		
a)	In India	6,574.53	6,506.95
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	6,574.53	6,506.95
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 2024-25.

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 2024-25 and there is no outstanding amount as on Balance Sheet date. Also, the Company has not sold its financial assets to any Securitization/Reconstruction Company for Asset Reconstruction. Further the Company has not undertaken new assignment transactions during the Financial Year 2024-25.

ii) 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<sup>th</sup> August 2020 and RBI/2021-22/31/DOR.STR.REC.11 /21.04.048/2021-22 dated 5<sup>th</sup> May 2021.

There were no borrower accounts where resolution plans had been implemented under RBI 's Resolution Framework 2.0 dated 5<sup>th</sup> 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<sup>th</sup> September 2021.

(i) Details of transfer through assignment in respect of loans not in default during the financial year ended 31<sup>st</sup> March, 2025.

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

(ii) Details of loans (not in default) acquired through assignment during the financial year ended 31<sup>st</sup> March, 2025

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

(iii) Details of stressed loans transferred during the financial year ended 31<sup>st</sup> March, 2025

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.

(iv) The Company has not acquired any stressed loan during the financial year ended 31<sup>st</sup> March, 2025.

c) Pursuant to the RBI circular dated 12<sup>th</sup> 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<sup>th</sup> February 2022, RBI allowed deferment till 30<sup>th</sup> 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<sup>st</sup> March 2025.

iii) Co-Lending Operations with Banks

Paisalo Digital Ltd. has forged strategic Co-Lending partnerships with five prominent banking institutions-State Bank of India, Bank of Baroda, UCO Bank, Punjab National Bank, and Karnataka Bank. These collaborations are anchored in the shared objective of advancing financial inclusion by extending timely and accessible credit to underserved segments, notably in the agriculture (AGRI) sector, micro, small, and medium enterprises (MSMEs), and other small business ecosystems.

Under the Reserve Bank of India's regulated Co-Lending Model (CLM), Paisalo Digital Ltd. contributes 20% of the loan amount while the partner banks provide the remaining 80%. This model enables an equitable sharing of risk and return, and allows both parties to leverage their respective strengths-Paisalo's deep penetration into rural and semi-urban markets, and the banks' robust funding capabilities and regulatory frameworks.

The Co-Lending arrangement is designed to streamline credit delivery through end-to-end digital processes, ensuring faster loan disbursal and minimal friction for the borrower. By integrating operational workflows and aligning underwriting criteria, Paisalo and its banking partners are able to optimize risk assessment, improve cost efficiency, and provide competitive interest rates. While the banks' rates remain aligned with prevailing



benchmarks, Paisalo retains flexibility within regulatory limits to determine its own rates, thereby maintaining a fair and transparent pricing mechanism for borrowers.

Recent regulatory developments and clarifications from the Reserve Bank of India have further bolstered the Co-Lending framework, providing increased clarity and operational confidence to participating entities. Paisalo continues to invest in digital infrastructure to support seamless onboarding, documentation, and disbursement processes-positioning itself as a key enabler of last-mile credit delivery.

In essence, Co-Lending reflects a transformative shift in credit distribution strategy, one that synergizes institutional capital with grassroots reach. For Paisalo Digital Ltd., it is not merely a business model but a core pillar of its mission to democratize credit and foster inclusive economic development. The company's forward-looking alliances in this space are expected to remain a significant growth driver, contributing meaningfully to both financial performance and social impact.

47. Asset Liability Management Maturity pattern of certain items of Assets and Liabilities as on 31<sup>st</sup> March, 2025: (₹ in Lakhs)

	Upto 14 days	Over 14 days to 1 month	Over 1 month & Upto 2 months	Over 2 months & Upto 3 months	Over 3 months & Upto 6 months	Over 6 month & upto 1 year	Over 1 year & Upto 3 years	Over 3 years & upto 5 years	Over 5 Years	Total
Deposits	-	-	-	-	-	-	-	-	-	-
Advances	8,452	10,266	15,620	19,109	56,637	98,218	2,20,685	46,075	2,126	4,77,188
Investments (Bank FDR)	-	-	-	-	-	-	320	-	-	320
Borrowings	-	3,030	3,429	16,961	16,309	50,379	1,34,030	48,216	27,761	3,00,115
Foreign Currency Assets	-	-	-	-	-	-	-	-	-	-
Foreign Currency Liabilities	-	-	-	-	-	-	-	41,079	-	41,079

48. Exposures:

a) Exposures to Real Estate Sector <span>(₹ in Lakhs)</span>		
Category	2024-25	2023-24
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	8,257	8,702
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	7,916	8,341
iii) Investments in Mortgage Backed Securities (MBS) and other securitized exposures		
a)	-	-
b)	-	-
Indirect Exposure	-	-

b) Capital Market Exposure

<span>(₹ in Lakhs)</span>			
S. No.	Particulars <sup>1</sup>	2024-25	2023-24
1	Direct investment in equity shares, convertible bonds, convertible debentures and units of equity oriented mutual funds the corpus of which is not exclusively invested in corporate debt	6,254.37	6,227.76
2	Advances against shares/bonds/debentures or other securities or on clean basis to individuals for investment in shares (including IPOs/ESOPs), convertible bonds, convertible debentures, and units of equity oriented mutual funds	-	-
3	Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security	-	-
4	Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares /convertible bonds/convertible debentures/units of equity oriented mutual funds does not fully cover the advances.	1,500.00	3,814.81
5	Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers.	-	-
6	Loans sanctioned to corporates against the security of shares/bonds /debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources		
7	Bridge loans to companies against expected equity flows/issues	-	-
8	Underwriting commitments taken up by the NBFCs in respect of primary issue of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds		
9	Financing to stockbrokers for margin trading	-	-
10	All exposures to Alternative Investment Funds:		
	(i) Category I		
	(ii) Category II		
	(iii) Category III	-	-
	Total exposure to capital market	7,754.37	10,042.57

c) Sectoral Exposure

Sectors	(₹ in Lakhs)					
	2024-25			2023-24		
	Total Exposure (includes on balance sheet and off-balance sheet exposure)	Gross NPAs	Percentage of Gross NPAs to total exposure in that sector	Total Exposure (includes on balance sheet and off-balance sheet exposure)	Gross NPAs	Percentage of Gross NPAs to total exposure in that sector
1. Agriculture and Allied Activities	42,524	-	-	36,206	-	-
2. Industry						
i. Micro & Small	61,126	-	-	31,655	-	-
ii. Medium	3,59,998	4,700	1.31	2,95,421	765	0.26
Others	-	-	-	-	-	-
<b>Total of Industry (i+ii+...+Others)</b>	<b>4,16,424</b>	<b>4,700</b>	<b>1.31</b>	<b>3,27,076</b>	<b>765</b>	<b>0.26</b>
3. Services						
i. Retail Trade	2,891	-	-	2,643	-	-
ii. Commercial Real Estate	7,916	-	-	-	-	-
Others	-	-	-	-	-	-
<b>Total of Services (i+ii+...+Others)</b>	<b>10,807</b>	<b>-</b>	<b>-</b>	<b>2,643</b>	<b>-</b>	<b>-</b>
4. Personal Loans						
i. Other Retail Loans	2,732	-	-	2,607	-	-
ii...	-	-	-	-	-	-
Others	-	-	-	-	-	-
<b>Total of Personal Loans (i+ii+...+Others)</b>	<b>2,732</b>	<b>-</b>	<b>-</b>	<b>2,607</b>	<b>-</b>	<b>-</b>
5. Others, if any (please specify)	-	-	-	-	-	-

d) Details of financing of parent company products : NIL

e) 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.

f) Unsecured Advances

The unsecured advances outstanding as at Balance Sheet date are Rs. 42,524.20 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. : L6592IDL1992PLC120483

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

50. Bank borrowings and Long Term Debt Securites of the Company have been assigned rating of “IVR AA/STABLE OUTLOOK” by Infomerics 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 Infomerics 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:

Break up of Provisions and contingencies	(₹ in Lakhs)	
	2024-25	2023-24
Provisions for depreciation on investment	Nil	Nil
Provision towards NPA	381	63
Provision on Standard Accounts in default @ 5%	Nil	Nil
Provision for Expected Credit Loss	67	52
Provision made towards income tax	5,377	6,950
Other provision and contingencies (Contingent Liability- Guarantee)	6,840	10,320
Provision for Standard Assets	424	350

52. Non-Convertible Redeemable Debentures (NCDs):

During the financial year 2024-25, the Company has issued Redeemable INR Denominated Non-Convertible Debentures (NCDs) as under

Particulars	Date of Issue	Interest Rate p.a. (%)	Tenure	(₹ in Lakhs)		
				No. of Debentures	Face Value per Debenture	Amount
Secured Listed NCDs	12 <sup>th</sup> April 2024	9.95	15 Months & 18 Months	1,200	1	1,200
Secured Listed NCDs	03 <sup>rd</sup> May 2024	9.95	60 Months	2,700	1	2,700
Secured Listed NCDs	31 <sup>st</sup> July 2024	9.95	36 Months	2,500	1	2,500

53. Commercial Papers (CP):

During the financial year 2024-25, the Company has issued the following Commercial Papers as under:

Nature of CP	Date of Issue	Maturity Date	(₹ in Lakhs)		
			No. of CP	Face Value per CP	Maturity Value
Listed	25 <sup>th</sup> April 2024	25 <sup>th</sup> July 2024	600	5	3,000
Listed	17 <sup>th</sup> May 2024	16 <sup>th</sup> August 2024	600	5	3,000
Listed	12 <sup>th</sup> September 2024	12 <sup>th</sup> December 2024	600	5	3,000
Unlisted	19 <sup>th</sup> September 2024	05 <sup>th</sup> September 2025	260	5	1,300
Listed	20 <sup>th</sup> September 2024	20 <sup>th</sup> December 2024	600	5	3,000
Listed	11 <sup>th</sup> December 2024	12 <sup>th</sup> March 2025	600	5	3,000
Listed	19 <sup>th</sup> December 2024	20 <sup>th</sup> March 2025	600	5	3,000
Listed	11 <sup>th</sup> March 2025	10 <sup>th</sup> June 2025	600	5	3,000
Listed	19 <sup>th</sup> March 2025	18 <sup>th</sup> June 2025	600	5	3,000
Listed	28 <sup>th</sup> March 2025	27 <sup>th</sup> June 2025	600	5	3,000

Interest rate on above CPs varies between 10% to 11.05% per annum.

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

a) Concentration of Deposits

The Company has not taken any deposits from public.

b) Concentration of Advances

	(₹in Lakhs)
Total Advances to twenty largest borrowers	80,235.72
% of advances to twenty largest borrowers to total advances of the NBFC	16.81%

c) Concentration of Exposures

	(₹in Lakhs)
Total Exposure to twenty largest borrowers/customers	80,235.72
% of exposures to twenty largest borrowers/customers to total exposure of the NBFC on borrowers/customers	16.81%

d) The Company has issued Foreign currency convertible bonds of USD 50 millions, which are duly hedged against repayment of interest and maturity value, out of these FCCBs of USD 2 million has been converted into equity share during the year. The profit/(loss) on exchange rate fluctuation have been duly recognised in Profit & Loss Statements.

e) 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 90 days past due 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 90 days past due 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	Parvasa Developers Private Limited	0.26	1,248.73
2	Sea Unity Private Limited	0.16	780.67
3	Atara Developers Private Limited	0.14	657.33
4	Hungry N Thirsty Foods Private Limited	0.12	560.23
	<b>Total</b>	<b>0.68</b>	<b>3,246.96</b>

f) Movement of NPAs

		(₹in Lakhs)	
Particulars		2024-25	2023-24
(i)	Net NPAs to Net Advance (%)	0.76%	0.02%
(ii)	Movement of NPAs (Gross)		
(a)	Opening balance	765.31	696.29
(b)	Additions during the year	3,957.67	69.02
(c)	Reductions during the year	22.69	-
(d)	Closing balance	4,700.29	765.31
(iii)	Movement of Net NPAs		
(a)	Opening balance	61.83	55.47
(b)	Additions during the year	3,554.76	61.83
(c)	Reductions during the year	0.52	55.47
(d)	Closing balance	3,616.07	61.83
(iv)	Movement of provisions for NPAs (excluding provisions on standard assets)		
(a)	Opening balance	703.48	640.83
(b)	Provisions made during the year	403.43	62.65
(c)	Write -back of excess provisions	22.69	-
(d)	Write off	-	-
(e)	Closing Balance	1,084.22	703.48

g) Sector wise NPAs (Write Offs)

		(₹in Lakhs)	
Sr. No.	Category	% of Write offs to Total Advances	
		2024-25	2023-24
1	Agriculture & Allied activities	0.74	0.18
2	MSME	0.02	0.30
3	Corporate Borrowers	0.06	0.55
4	Services	0.02	0.01
5	Unsecured Personal Loans	-	-
6	Auto Loans	0.23	0.05
7	Other Personal Loans (LAP)	0.00	0.05
	<b>Total</b>	<b>1.07</b>	<b>1.14</b>

h) During the year 2024-25, no fraud has been found and reported to the Regulators. In previous year 2023-24, the Company has reported fraud of Rs. 21.95 Crore to the Reserve Bank of India as per the prescribed guidelines.

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



56. Related party Exposure

(₹in Lakhs)

Related Party	Parent (as per ownership or control)		Subsidiaries		Associates/ Joint ventures		Key Management Personnel		Relatives of Key Management Personnel		Others*		Total	
	CY	PY	CY	PY	CY	PY	CY	PY	CY	PY	CY	PY	CY	PY
Borrowings#	-	-	-	-	-	-	860	65	-	420	-	-	860	485
Deposits#	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Placement of deposits#	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Advances#	-	-	3,610	2,690	-	-	-	-	-	-	-	-	3,610	2,690
Investments#	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Purchase of	-	-	-	-	-	-	-	-	-	-	-	-	-	-
fixed/other assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sale of fixed/ other assets/ Portfolio	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest paid	-	-	653	884	-	-	25	2	50	32	-	-	728	918
Interest received	-	-	36	26	-	-	-	-	-	-	-	-	36	26
Others	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Remuneration	-	-	-	-	-	-	699	668	-	-	-	-	668	668
Rent	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividend	-	-	-	-	-	-	139	70	7	4	181	75	327	149
Bonus Share	-	-	-	-	-	-	-	697	-	36	-	852	-	1,585
Subscription of NCDs	-	-	-	-	-	-	-	135	-	220	-	490	-	845

CY – Current Year 2024-25 & PV – Previous Year 2023-24

57. Off Balance Sheet SPVs sponsored:

The Company has not sponsored off Balance Sheet SPVs.

58. Disclosures of Complaints:

Sr. No.	Particulars	2024-25	2023-24
<b>Complaints received by the NBFC from its customers</b>			
1.	Number of complaints pending at beginning of the year	-	-
2.	Number of complaints received during the year	26	10
3.	Number of complaints disposed during the year	26	10
3.1	Of which, number of complaints rejected by the NBFC	-	-
4.	Number of complaints pending at the end of the year	-	-
<b>Maintainable complaints received by the NBFC from Office of Ombudsman</b>			
5.	Number of maintainable complaints received by the NBFC from Office of Ombudsman	-	-
5.1.	Of 5, number of complaints resolved in favour of the NBFC by Office of Ombudsman	-	-
5.2	Of 5, number of complaints resolved through conciliation/ mediation/advisories issued by Office of Ombudsman	-	-
5.3	Of 5, number of complaints resolved after passing of Awards by Office of Ombudsman against the NBFC	-	-
6.	<b>Number of Awards unimplemented within the stipulated time (other than those appealed)</b>	-	-

Top five grounds of complaints received by the NBFCs from customers

Grounds of complaints, (i.e. complaints relating to)	Number of complaints pending at the beginning of the year	Number of complaints received during the year	% increase/ decrease in the number of complaints received over the previous year	Number of complaints pending at the end of the year	Of 5, number of complaints pending beyond 30 days
1	2	3	4	5	6
<b>Current Year</b>					
Payment made by borrower but still showing overdue in CIBIL	-	10	25	-	-
Delayed payment interest is pending	-	-	-	-	-
Made full payment but not get NOC	-	4	300	-	-
HP related issue on RC	-	10	100	-	-
Statement not given	-	1	100	-	-
<b>Total</b>	<b>-</b>	<b>25</b>	<b>150</b>	<b>-</b>	<b>-</b>
<b>Previous Year</b>					
Payment made by borrower but still showing overdue in CIBIL	-	8	100	-	-
Delayed payment interest is pending	-	1	100	-	-
Made full payment but not get NOC	-	1	100	-	-
Demanding of release property paper	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>10</b>	<b>67</b>	<b>-</b>	<b>-</b>

59. Uncertainty relating to the global health pandemic from COVID-19 (“Covid-19”):

- a) The global landscape remains fraught with challenges, chiefly stemming from the widespread COVID-19 pandemic. This unprecedented crisis has precipitated multifaceted repercussions, including sweeping governmental interventions, a resilient economic rebound post a severe global recession, surging inflation rates, geopolitical tensions such as the conflict in Ukraine, and substantial economic sanctions imposed on Russia.
- b) In light of the enduring ramifications of the global pandemic, Paisalo Digital Ltd. has proactively instituted alternative work modalities to safeguard the health and well-being of its workforce and business associates. These measures encompass the facilitation of remote work arrangements, particularly for operations and call centers during periods of enforced lockdowns. Equipping employees with requisite technological infrastructure has ensured the secure and efficient delivery of services to borrowers.

Throughout the fiscal year, the company has fostered robust communication channels via virtual sessions with branches, employees, and business associates, thereby sustaining proactive engagement with customers. Services such as Door Step Sourcing and Servicing have been meticulously executed, adhering to stringent safety protocols and implementing essential non-pharmaceutical interventions. Despite prevailing challenges, the majority of branches, employees, and business associates have remained operational, playing a pivotal role in extending essential credit to borrowers.

Furthermore, Paisalo Digital Ltd. has swiftly adapted to evolving circumstances, innovating digital and analog tools to facilitate credit requests and optimize loan recovery mechanisms.

- c) During the financial year 2024-25, no significant governmental, regulatory, or banking frameworks were introduced explicitly targeting COVID-19 relief or aid for Non-Banking Financial Companies (NBFCs) like Paisalo Digital Ltd. However, NBFCs have increasingly served as conduits for governmental and major banking institutions, leveraging their local presence to directly support households in need.

The stability in funding and liquidity afforded to Paisalo Digital Ltd. is fortified by its entrenched local footprint, robust credit and risk assessment methodologies, and enduring partnerships with esteemed banking entities.

60. In the financial year 2024–25, Paisalo Digital Ltd. delivered a robust non-fund based income of ₹701.23 lakhs. This income segment, comprising fees, commissions, and revenue from ancillary services, illustrates the company's focus on building a diversified and resilient revenue base beyond traditional interest income.

Paisalo implemented several targeted initiatives to strengthen its non-fund based income portfolio:

- a) **Business Correspondent (BC) Services:** Acting as a Business Correspondent for leading banks such as State Bank of India and Bank of India, Paisalo extended formal banking and financial services to unbanked and underbanked geographies. As a BC, the company facilitated a range of banking transactions-including account openings, deposits, withdrawals, and loan processing-on behalf of its partner banks. In return, Paisalo earned transaction-based fees and service commissions, establishing a recurring revenue stream with minimal credit risk exposure.
- b) **Ancillary Financial Services:** In addition to its core lending operations, Paisalo expanded into ancillary services designed to complement and enhance its financial offerings. These include transaction facilitation, documentation support, and financial advisory services. Revenues in this segment are typically fee-based and linked to transaction volumes, allowing the company to scale non-fund income in tandem with customer activity and asset volumes.
- c) **Cross-Selling of Financial Products:** Capitalizing on its extensive customer base and high engagement levels, Paisalo adopted a cross-selling strategy to offer supplementary financial products such as insurance, investment-linked services, and savings instruments. These initiatives aim to deepen customer relationships, increase lifetime value, and unlock incremental income streams. This strategy also aligns with the company's long-term vision of becoming a holistic financial services provider in rural and semi-urban India.

These strategic efforts have contributed significantly to enhancing the company's non-fund based income, while also reinforcing its value proposition to customers and partners alike. As part of its ongoing evolution, Paisalo continues to identify and implement innovative methods to expand its fee-based income, improve profitability, and create long-term value for shareholders.

61. **Expected Credit Loss:**

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

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	4,60,258	2,301	4,57,957	1,841	460
	Stage 1	6,992	210	6,782	28	182
	Stage 2	5,237	157	5,080	21	136
Subtotal		4,72,487	2,668	4,69,819	1,890	778
Non-Performing Assets (NPA)						
Substandard	Stage 3	3,950	869	3,081	395	474
Doubtful - up to 1 year	Stage 3	-	-	-	-	-
1 to 3 years	Stage 3	76	30	46	15	15
More than 3 years	Stage 3	-	-	-	-	-
Subtotal for doubtful		4,026	899	3,127	410	489
Loss Assets	Stage 3	674	674	-	674	-
Subtotal for NPA		4,700	1,573	3,127	1,084	489
Loss	Stage 3	1,420	1,420	-	1,420	-
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	6,840	137	6,703	-	137
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
Subtotal		8,260	1,557	6,703	1,420	137
Total	Stage 1	4,74,091	2,648	4,71,443	1,869	779
	Stage 2	5,237	157	5,080	21	136
	Stage 3	4,700	1,573	3,127	1,084	489
	Total	4,84,028	4,378	4,79,650	2,974	1,404
LESS: Provision for ECL previous year balance		-	1,305	-	-	-
Less: Provision for NPA		-	1,084	-	-	-
Less: Provision for Standard Assets		-	1,922	-	-	-
Expected Credit Loss		-	67	-	-	-

62. **Risk Management Framework:**

The company operates within a landscape of diverse risks that could significantly impact its business, operations, and financial performance. These risks include Credit Risk, Liquidity & Funding Risk, Market Risk, and Operational Risk. To address these challenges, the management has developed a comprehensive risk management framework aimed at identifying, analyzing, and mitigating potential threats while ensuring adherence to predefined risk limits.

i) **Creating a Stable Business Planning Environment**

One of the primary objectives of the risk management framework is to establish a stable business planning

environment by minimizing the impact of interest rate fluctuations on the company's business plan. This involves assessing the potential effects of interest rate changes on the company's financial position and operations, enabling more accurate forecasting and strategic decision-making.

ii) **Achieving Greater Predictability to Earnings**

Another key goal is to achieve greater predictability in earnings by determining the financial value of expected earnings in advance. This entails forecasting future earnings based on various factors such as market conditions, customer behavior, and economic trends. By accurately predicting earnings, the company can better allocate resources, plan investments, and manage its financial performance effectively.

A) **Credit Risk**

Credit risk represents the potential financial loss to the company if a customer or counterparty fails to fulfill its contractual obligations. This risk primarily emanates from trade and other receivables, cash equivalents, and bank balances. To assess credit risk, the company utilizes various metrics such as installment default rate, overdue position, and debt management efficiency.

Credit risk is closely monitored through the analysis of credit exposures, portfolio monitoring, and evaluation of customer and portfolio concentration risk. Moreover, the risk management unit employs a robust control framework to manage credit risk effectively. This framework involves aligning credit and debt management policies, leveraging external data from credit bureaus, and conducting regular reviews of portfolios and delinquencies by senior and middle management teams.

By implementing these strategies, Paisalo Digital Ltd aims to proactively identify and mitigate credit risks, thereby safeguarding its financial stability and ensuring the continuity of its operations.

(a) **Loans, Trade & Other Receivables**

Managing credit risk from loans, trade, and other receivables is a multifaceted process that involves a comprehensive approach to mitigate potential financial losses and uphold the company's financial stability. Here's a detailed overview of how the company manages credit risk:

- 1. Establishing Credit Limits:** The company meticulously sets credit limits for each customer, taking into account various factors such as creditworthiness, financial history, and repayment capacity. These credit limits serve as a safeguard against excessive borrowing and minimize the risk of default.
- 2. Credit Approvals Process:** Every credit request undergoes a stringent approval process that evaluates the creditworthiness of the customers and assesses associated risks. This process involves analyzing financial statements, credit reports, and other relevant information to determine the likelihood of repayment. Only credit requests meeting predefined risk criteria are approved.
- 3. Continuous Creditworthiness Monitoring:** The company continuously monitors the creditworthiness of its customers to identify any changes in their financial circumstances that may impact their ability to repay loans or fulfill obligations. This ongoing monitoring involves regular reviews of credit reports, financial statements, and market trends to assess credit risk profiles accurately.
- 4. Regular Monitoring of Receivables:** The company maintains a vigilant stance by regularly monitoring outstanding receivables to ensure timely repayment by customers. This includes tracking payment schedules, identifying overdue accounts, and implementing effective collection strategies for delinquent accounts. By closely monitoring receivables, the company can promptly identify potential credit risks and take appropriate actions to mitigate them.
- 5. Ageing Analysis:** The company conducts thorough ageing analysis of loans and trade receivables to categorize outstanding receivables based on their ageing profile. This analysis helps identify accounts that are overdue or at risk of default, enabling the company to prioritize collection efforts and allocate resources efficiently. By understanding the ageing profile of receivables, the company can implement targeted credit management strategies to minimize credit risk exposure.

The ageing of loans & trade receivables is as follows:

(₹in Lakhs)	
Particulars	As at 31 <sup>st</sup> March 2025
Loans	4,75,074.96
Less: Allowances for expected credit loss	1,372.48
	4,73,702.48
Trade & Other Receivables	
Outstanding for less than one year	2,112.96
Less: Allowance for doubtful debts	1,084.22
	1,028.74
Total	4,74,731.22

(b) **Cash & Cash Equivalents & Other Bank Balances**

Regarding the management of cash and cash equivalents, the company maintains a robust evaluation process for assessing the creditworthiness of banks and financial institutions where funds are held. This evaluation occurs regularly and involves comprehensive assessments of financial stability, regulatory compliance, and risk management practices. By ensuring the creditworthiness of banking partners, the company mitigates the risk associated with cash holdings and safeguards its liquidity position. The company holds cash and cash equivalents and other bank balances of Rs. 10,366.77 Lakh at 31<sup>st</sup> March 2025.

B) **Liquidity & Funding Risk**

Liquidity risk poses a substantial threat to the Company's ability to fulfill its financial obligations, particularly those settled through cash or other financial assets. This risk encompasses several dimensions, including funding risk, which manifests in various scenarios:

- 1. Inability to Raise Incremental Funds:** The company faces the risk of being unable to secure additional borrowings or deposits to meet its operational needs or fulfill repayment obligations. This could arise due to limitations in accessing capital markets or reluctance from lenders amidst uncertain economic conditions.
- 2. Cash Flow Mismatches:** Funding risk also emerges when long-term assets cannot be financed over their expected term, leading to discrepancies in cash flows. Such mismatches may arise from unexpected changes in market conditions or disruptions in the funding environment.
- 3. Market Volatility Impacting Funding:** Volatility in financial markets can further exacerbate funding risk by hindering the company's ability to source funds from banks and money markets. Fluctuations in interest rates, credit spreads, or investor sentiment may impede access to funding avenues, heightening liquidity concerns.

**Measuring liquidity risk involves several key metrics and assessments:**

- 1. Identification of Structural and Dynamic Liquidity Gaps:** The company analyzes structural and dynamic liquidity statements to identify gaps between available funds and near-term liabilities. This entails assessing the maturity profile of assets and liabilities to gauge liquidity adequacy.
- 2. Assessment of Incremental Borrowing Needs:** Evaluating the incremental borrowings required to fulfill repayment obligations and support the company's business plan amidst prevailing market conditions is crucial. This assessment considers factors such as interest rate environment, credit availability, and funding costs.
- 3. Monitoring Liquidity Coverage Ratio (LCR):** The company tracks its liquidity coverage ratio in adherence to regulatory guidelines, ensuring sufficient high-quality liquid assets are held to cover short-term liquidity needs under stress scenarios.



**Managing liquidity risk involves proactive measures implemented by the treasury team:**

1. **Gap Analysis and Scenario Testing:** The company continuously assesses the gap between fund visibility and near-term liabilities, considering evolving liquidity conditions and regulatory requirements for non-banking financial companies (NBFCs). Stress tests and scenario analyses are conducted to evaluate potential liquidity shortfalls and compare them against available buffers.
2. **Adaptive Funding Strategies:** A dynamic approach to funding involves aligning funding sources with emerging market conditions in banking and money markets. The company adjusts its funding mix and borrowing strategies to optimize liquidity and mitigate funding risks.
3. **Maintaining Liquidity Buffers:** Building and maintaining liquidity buffers is essential to mitigate liquidity risk. These buffers serve as a cushion during periods of funding stress and provide resilience against unexpected liquidity shocks.
4. **Strategic Asset-Liability Management:** The company employs positive asset-liability management practices to match asset and liability durations, reducing the risk of cash flow mismatches. This entails aligning asset maturities with liability obligations to minimize funding gaps.
5. **Diversification and Relationship Management:** Diversifying funding sources and cultivating strong relationships with banks and financial institutions enhance the company's ability to access funding under diverse market conditions. Maintaining a robust pipeline of sanctions and approvals ensures access to funding avenues when needed.

In essence, the management of liquidity risk is a dynamic and multifaceted endeavor, requiring a proactive and strategic approach from the treasury team. Through the judicious application of liquidity buffers, long-term funding strategies, asset-liability management, pipeline management, and prudent loan assignments, the treasury team fortifies the Company's liquidity position, safeguards against funding uncertainties, and fosters financial resilience in an ever-evolving financial landscape.

**C) Market Risk**

Market risk, a critical facet of financial risk management, underscores the potential for future earnings, fair values, or cash flows to incur losses due to adverse fluctuations in market rates and prices, or the values of market risk-sensitive instruments. This encompasses Currency Risk, Interest Rate Risk, and Price Risk, each demanding meticulous assessment and proactive management strategies.

1. **Measurement Techniques:** Market risk is quantified through a suite of sophisticated metrics and methodologies, including Value at Risk (VaR), basis point value (PV01), and modified duration analysis. These tools facilitate a comprehensive evaluation of portfolio dynamics and the potential impact on income streams, particularly in terms of net interest income. The Company's exposure to market risk is analyzed across various dimensions, encompassing equity investments, interest rate fluctuations within investment portfolios, and the implications of floating rate assets and liabilities with varying maturity profiles.
2. **Monitoring Protocols:** Rigorous monitoring protocols are employed to track fluctuations in equity prices and interest rate sensitivities under diverse stress test scenarios. Through simulated simulations of probable interest rate movements, both fixed and floating assets and liabilities are scrutinized to gauge resilience under adverse market conditions. This proactive monitoring framework enables the identification of vulnerabilities and informs timely risk mitigation strategies.
3. **Management Strategies:** The management of market risk is entrusted to the Company's treasury team, operating under the guidance of the Board. This dedicated team implements a multi-faceted approach tailored to address specific risk exposures:
  - **Currency Risk:** Given the Company's exclusive operations within India, exposure to foreign currency risk is mitigated. The Company has issued Foreign currency convertible bonds of USD 50 millions, which are duly hedged against repayment of interest and maturity value, out of these FCCBs of USD 2 million has been converted into equity share during the year.

- **Interest Rate Risk:** The Company actively manages interest rate risk by closely monitoring market interest rate movements and their potential impact on interest-bearing liabilities and assets. This proactive stance enables the Company to adapt swiftly to changing interest rate environments and optimize its interest rate exposure.
- **Price Risk:** Equity price risk arising from investments is managed through prudent portfolio diversification strategies. The Company strategically diversifies its investment portfolio within predefined limits to mitigate concentration risk and optimize risk-adjusted returns.

4. **Governance Framework:** The management of market risk is conducted under the oversight of the Board of Directors. The treasury team, comprising seasoned professionals with expertise in financial risk management, implements risk mitigation strategies in alignment with the Board's directives and risk appetite. This ensures that market risk management practices are consistent with the Company's strategic objectives and regulatory compliance obligations.

In essence, the management of market risk requires a judicious blend of quantitative analysis, robust monitoring mechanisms, and proactive risk mitigation strategies. By leveraging sophisticated measurement techniques, rigorous monitoring protocols, and strategic management frameworks, the Company navigates the complexities of market risk dynamics while safeguarding its financial stability and optimizing long-term performance.

**D) Operational Risk**

Operational risk, a multifaceted challenge inherent in the company's operational landscape, arises from a spectrum of sources, encompassing internal processes, human resources, technological systems, and external factors. To effectively manage operational risks, the Company has instituted a comprehensive framework of internal controls and procedures, meticulously designed to govern critical activities across various functional domains, including loan acquisition, customer service, IT operations, and finance functions.

1. **Internal Control Systems:** At the heart of operational risk management lies a robust system of internal controls, meticulously crafted to mitigate the risk of inadequate or failed internal processes, people, or systems. These controls span a myriad of functions, facilitating proactive identification and remediation of potential vulnerabilities. Through continuous monitoring and assessment, the Company endeavors to strengthen its internal control environment, ensuring operational resilience and efficiency.
2. **Internal Audit Oversight:** Internal Audit plays a pivotal role in operational risk management, conducting comprehensive reviews of all operational functions at least annually. This diligent scrutiny serves to unearth process gaps and deficiencies in a timely manner, enabling corrective actions to be implemented promptly. By providing independent assurance and insights, Internal Audit reinforces the Company's commitment to sound governance practices and operational excellence.
3. **Compliance and Control Units:** Within the IT and Operations functions, dedicated compliance and control units operate in tandem to uphold the integrity and security of internal processes. Through continuous monitoring and evaluation, these units assess adherence to regulatory requirements and internal policies, proactively identifying and addressing operational risks. By fostering a culture of compliance and risk awareness, these units contribute to the Company's resilience in the face of evolving operational challenges.
4. **Disaster Recovery and Business Continuity Planning:** Recognizing the imperative of business continuity in the face of unforeseen events, the Company has established robust Disaster Recovery (DR) and Business Continuity Plans (BCP). These plans are meticulously crafted to ensure the seamless continuation of operations and services to customers in the event of natural disasters, technological outages, or other disruptive incidents. Regular testing and analysis of these plans enable the Company to identify and rectify any gaps in the framework, bolstering its readiness to navigate unforeseen disruptions effectively.

In essence, operational risk management is woven into the fabric of the Company's governance

framework, underpinned by a relentless commitment to process excellence, regulatory compliance, and business continuity. Through the concerted efforts of internal control systems, audit oversight, compliance units, and robust disaster recovery planning, the Company strives to fortify its operational resilience and safeguard its business operations against a spectrum of potential risks and contingencies.

63. 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 560 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		2024-25	
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	19,761	-
	Unsecured	33,393	-
	(other than falling within the meaning of public deposits*)		
	Foreign Currency Convertible Bonds	41,914	-
	(b) Deferred Credits	-	-
	(c) Term Loans		
	Bank of Baroda (Term Loan a/c)	5,250	-
	State Bank of India (Term Loan a/c)	57,011	-
	Dhanlaxmi Bank (Term Loan a/c)	2,344	-
	UCO Bank (Term Loan a/c)	833	-
	Bank of Maharashtra (Term Loan a/c)	24,134	-
	Canara Bank (Term Loan a/c)	18,108	-
	Indian Bank (Term Loan a/c)	635	-
	South Indian Bank (Term Loan a/c)	899	-
	IDBI Bank (Term Loan a/c)	292	-
	Indian Overseas Bank (Term Loan a/c)	41,250	-
	Union Bank of India (Term Loan a/c)	8,028	-
	Bank of India (Term Loan a/c)	9,500	-
	CSB Bank (Term Loan a/c)	4,583	-
	Unity Small Finance Bank (Term Loan a/c)	1,200	-
	IREDA (Term Loan a/c)	20,000	-
	Bank of Baroda (Car Term Loan a/c)	258	-
	(d) Inter-corporate loans and borrowing	7,959	-
	(e) Commercial Paper	10,042	-
	(f) Other Loans (specify nature)		
	Bank of Baroda (WCDL a/c)	2,400	-
	IDBI Bank (WCDL a/c)	1,800	-
	Punjab National Bank (WCDL a/c)	7,200	-
	UCO Bank (WCDL a/c)	2,220	-
	Indian Bank (WCDL a/c)	3,000	-
	Punjab National Bank (Cash Credit a/c)	4,468	-
	Bank of Baroda (Cash Credit a/c)	1,412	-
	Indian Bank (Cash Credit a/c)	1,948	-
	UCO Bank (Cash Credit a/c)	1,423	-
	IDBI Bank (Cash Credit a/c)	679	-
	State Bank of India (Cash Credit a/c)	201	-
	Union Bank of India (Cash Credit a/c)	6,449	-

		Karnataka Bank (Cash Credit a/c)	2,401	-
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	4,33,111	1,553
	(b)	Unsecured	41,964	560
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)	Reposessed Assets	-	-
	(iii)	Other loans counting towards AFC activities		
	(a)	Loans where assets been reposessed	-	-
	(b)	Loans other than (a) above	-	-
5.	Break-up of Investments			
	1	Current Investments		
		Quoted		
	(i)	Shares		
	(a)	Equity	-	-
	(b)	Preference	-	-
	(ii)	Debentures and Bond	-	-
	(iii)	Units of mutual funds	-	-
	(iv)	Government Securities	-	-
	(v)	Others (please specify)	-	-
		Unquoted		
	(i)	Shares		
	(a)	Equity (Group Companies) (Net)	-	-
	(b)	Preference	-	-
	(ii)	Debentures and Bonds	-	-
	(iii)	Units of mutual funds	-	-
	(iv)	Government Securities	-	-
	(v)	Others (please specify)		
		Fixed Deposit with NBFC	-	-
		Fixed deposit with Banks	-	-
		Interest accrued	-	-
	2	Long Term Investments		

		Quoted		
	(i)	Share		
	(a)	Equity	250	-
	(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	1,780	-
	(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	311	-
		Interest accrued	9	-

(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	4,34,664	42,524	4,77,188
	<b>Total</b>	<b>4,34,664</b>	<b>42,524</b>	<b>4,77,188</b>

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)
		Secured	
1	Related parties**		
	(a) Subsidiaries	4,224	4,224
	(b) Companies in the same group	-	-
	(c) Other related parties	-	-
2	Other than related parties	2,030	2,030
	<b>Total</b>	<b>6,254</b>	<b>6,254</b>

\*\* 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	4,700
2	Net Non-Performing Assets		
	(a)	Related Parties	-
	(b)	Other than related parties	3,616
3	Assets acquired in satisfaction of debt		-

Notes:

1.

Provisioning norms shall be applicable as prescribed in the Non-Banking Financial Company-Systemically Important Non-Deposit Taking Company and Deposit Taking Company (Reserve Bank) Direction, 2016.
2.

All Accounting Standards and Guidance Notes issued by ICAI are applicable including for valuation of investments and other assets as also assets acquired in satisfaction of debt. However, market value in respect of quoted investments and break up/fair value/NAV in respect of unquoted investments shall be disclosed irrespective of whether they are classified as long term or current in column (5) above.

Signed in terms of our Report of even date

For Saket Jain & Co.  
Chartered Accountants  
Firm Reg. No. 014685N

Sd/-  
(CA. ASHISH JAIN)  
Partner  
Membership No. 400599  
UDIN : 25400599BMIGVH1618

Place : New Delhi  
Date : 9<sup>th</sup> May 2025

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 31<sup>st</sup> March 2025, 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 material accounting policy information 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 2025 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 2025 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 2025 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 it's 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 it's 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)

Based on our examination carried out in accordance with the Implementation Guidance on Reporting on Audit Trail under Rule 11(g) of the Companies (Audit and Auditors) Rules,2014 (Revised 2024 Edition) issued by the Institute of Chartered Accountants of India, which included test checks and we report that the company have used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit, we did not come across any instance of audit trail feature being tampered with.

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 : 9<sup>th</sup> May 2025

For Saket Jain & Co.  
Chartered Accountants  
Firm Reg. No. 014685N

Sd/-  
(CA. ASHISH JAIN)  
Partner  
Membership No. 400599  
UDIN : 25400599BMIGVI5045

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. 2024–25)

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, 2025 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 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.

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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 2025 based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Place : New Delhi  
Date : May 09, 2025

For Saket Jain & Co.  
Chartered Accountants  
Firm Reg. No. 014685N

Sd/-  
(CA. ASHISH JAIN)  
Partner  
Membership No. 400599  
UDIN : 25400599BMIGVI5045

CONSOLIDATED BALANCE SHEET AS ON 31<sup>ST</sup> MARCH 2025

(₹ 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	10,068.77	1,091.90
	(b) Bank Balances other than (a) above	2	412.16	365.73
	(c) Derivative Financial Instruments	3	-	-
	(d) Receivables			
	(i) Trade Receivables	4	2,121.48	1,224.86
	(ii) Other Receivables		-	-
	(e) Loans	5	4,95,442.47	3,92,701.03
	(f) Investments	6	2,030.46	2,003.85
	(g) Other Financial Assets	7	3,460.28	5,991.36
	(2) Non Financial Assets			
	(a) Current Tax Assets (Net)	8	2,824.00	1,396.90
	(b) Deferred Tax Asset (Net)			857.89
	(c) Investment Property		-	-
	(d) Biological Assets other than Bearer plants		-	-
	(e) Property, Plant and Equipments	9	7,446.50	6,610.87
	(f) Capital Work-in-Progress		-	-
	(g) Intangible Assets under development		-	-
	(h) Goodwill		-	-
	(i) Other Intangible Assets	9	14.00	33.38
	(j) Other Non-Financial Assets	10	1,639.59	40.68
	Total Assets		5,25,459.71	4,12,318.45
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		39.40	265.55
	(ii) Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises		3,387.38	1,276.85
	(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		3,230.83	1,381.36
	(c) Debt Securities	13	1,08,179.43	60,462.76
	(d) Borrowings (Other than Debt Securities)	14	2,46,967.32	1,96,176.93
	(e) Deposits	15	-	-
	(f) Subordinated Liabilities	16	800.00	8,900.00
	(g) Other Financial Liabilities	17	1,533.00	987.75
	(2) Non-Financial Liabilities			
	(a) Current Tax Liabilities (Net)	18	-	-
	(b) Provisions	19	5,483.35	4,623.07
	(c) Deferred Tax Liabilities (Net)	20	506.76	-
	(d) Other non-financial Liabilities	21	1,834.18	5,302.52
	(3) Equity			
	(a) Equity Share Capital	22	9,021.81	8,981.06
	(b) Other Equity	23	1,44,476.25	1,23,960.60
	Total Equity & Liabilities		5,25,459.71	4,12,318.45

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 Saket Jain & Co.  
Chartered Accountants  
Firm Reg. No. 014685N

Sd/-  
(CA. ASHISH JAIN)  
Partner  
Membership No. 400599  
UDIN : 25400599BMIGVI5045

Place : New Delhi  
Date : May 09, 2025

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 31 <sup>ST</sup> MARCH 2025				
(₹ 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	69,636.70	58,897.86
	(ii) Dividend Income		1.53	1.24
	(iii) Rental Income		-	-
	(iv) Fees and commission Income		7,113.21	6,241.56
	(v) Net gain on fair value changes	25	26.68	95.57
	(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		332.54	638.38
	Total Revenue from Operations (I)		77,110.66	65,874.61
II	Other Income	26	-	-
	Total Income (I+II)		77,110.66	65,874.61
III	Expenses:			
	(i) Finance Costs	27	32,830.61	27,007.29
	(ii) Fees and commission expense		-	-
	(iii) Net loss on fair value changes		-	-
	(iv) Net loss on derecognition of financial instruments under amortised cost category		-	-
	(v) Impairment on financial instruments	28	2,551.19	1,177.86
	(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	6,286.14	4,902.77
	(xi) Depreciation, amortization and impairment	30	547.15	339.99
	(x) Others expenses	31	8,138.36	8,375.86
	Total Expenses (III)		50,353.45	41,803.77
IV	Profit before exceptional items and tax	(II-III)	26,757.21	24,070.84
V	Exceptional items		(78.37)	(47.60)
VI	Profit before tax	(IV-V)	26,835.58	24,118.44
VII	Tax Expense:			
	(1) Current Tax		5,458.82	7,028.46
	(2) Deferred Tax		1,364.69	(807.32)

VIII	Profit for the period from continuing operations	(VI-VII)	20,012.07	17,897.30
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)	20,012.07	17,897.30
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)	20,012.07	17,897.30
XV	Earnings per Equity Share (for continuing operations):			
	Basic (Rs.)	34	2.23	3.87
	Diluted (Rs.)		2.23	3.87
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	2.23	3.87
	Diluted (Rs.)		2.23	3.87

Notes to the Accounts & Significant Accounting Policies annexed	For and on behalf of the Board
Notes referred to above form an integral part of these Financial Statements	
Signed in terms of our Report of even date	
	Sd/- (SUNIL AGARWAL) Managing Director DIN : 00006991
For Saket Jain & Co. Chartered Accountants Firm Reg. No. 014685N	
Sd/- (CA. ASHISH JAIN) Partner Membership No. 400599 UDIN : 25400599BMIGVI5045	Sd/- (HARISH SINGH) Executive Director & CFO DIN : 00039501
Place : New Delhi Date : May 09, 2025	Sd/- (MANENDRA SINGH) Company Secretary Membership No. : F7868

STATEMENT OF CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 <sup>ST</sup> MARCH 2025				
(₹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	59,587.82	51,078.13	
	Adjustments for			
I	Depreciation	426.96	339.99	
II	Deferred Expense W/O	120.19	-	
III	Impairment on financial instruments	2,551.19	1,177.85	
IV	Expenditure on CSR	320.89	211.70	
V	Dividend Income Received	(1.53)	(1.24)	
VI	Profit/loss on Sale of Shares	(26.68)	(95.57)	
VII	Share based payment to employees	28.39	-	
VIII	Profit/loss on Sale of Investments/Assets	24.69	(6.36)	
	Operating Profit before working capital changes	63,031.92	52,704.50	
	Adjustments for			
I	Change in Other Financial Assets	(34.93)	(336.49)	
II	Change in Loans & Receivables	(105,737.39)	(79,967.91)	
III	Change in Payable & non financial liabilities	265.50	4,998.97	
IV	Misc. Expenses	(1,719.11)	44.00	
	Cash generated from Operations	(44,194.01)	(22,556.93)	
I	Interest paid	(32,830.61)	(27,007.29)	
II	Income Tax paid	(6,885.93)	(7,246.75)	
III	Paid Expenses on CSR	(320.89)	(211.70)	
	Cash flow before Extraordinary Items	(84,231.44)	(57,022.67)	
I	Extraordinary items	(78.37)	(47.60)	
	Net Cash from Operating Activities	(84,153.07)	(56,975.07)	
B	Cash Flows from Investing Activities:			
I	Purchase of Fixed Assets	(1,277.88)	(374.01)	
II	Sale of Fixed Assets	10.00	12.31	
III	Purchase/transfer of Investments	0.00	621.92	
IV	Purchase of Security Receipts	-	-	
	Net Cash from Investing activities	(1,267.88)	260.22	
C	Net Cash from Financing Activities:			
I	Proceeds from Borrowings	50,790.40	33,355.99	
II	Proceeds from Debt Service Repayment Account	545.26	544.61	
III	Proceeds from Debt Securities	47,716.68	20,464.88	
IV	Proceeds from Subordinated Liability	(8,100.00)	-	
V	Dividend Paid/(Received)	(896.51)	(447.78)	
VI	Proceeds from Security Receipts	2,566.00	1,343.73	

VII	Money received against Share issued	1,822.42	-	
	Net Cash from Financing activities		94,444.25	55,261.43
	Net Increase/(decrease) in cash & cash equivalents		9,023.30	(1,453.42)
	Cash & Cash equivalents at beginning of period		1,457.63	2,911.05
	Cash & Cash equivalent at end of period		10,480.93	1,457.63

Signed in terms of our Report of even date

For and on behalf of the Board

For Saket Jain & Co.  
Chartered Accountants  
Firm Reg. No. 014685N

Sd/-  
(CA. ASHISH JAIN)  
Partner  
Membership No. 400599  
UDIN : 25400599BMIGVI5045

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

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

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

Place : New Delhi  
Date : May 09, 2025

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 31<sup>st</sup> March 2025 and 31<sup>st</sup> March 2024 and found the same in agreement here with.

For Saket Jain & Co.  
Chartered Accountants  
Firm Reg. No. 014685N

Sd/-  
(CA. ASHISH JAIN)  
Partner  
Membership No. 400599  
UDIN : 25400599BMIGVI5045

Place : New Delhi  
Date : May 09, 2025

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MATERIAL ACCOUNTING POLICY INFORMATION	
A.	<b>Principle of Consolidation</b>
	The Consolidated Financial Statements relate to <b>M/S PAISALO DIGITAL LIMITED</b> (the Company) and its subsidiary M/s Nupur Finvest Private Limited. The Consolidated Financial Statements have been prepared on the following basis:
	<div><div>a)</div><div>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.</div></div> <div><div>b)</div><div>Investment in Associate Companies has been accounted under the equity method as per “Accounting for Investments in Associates in Consolidated Financial Statements”.</div></div> <div><div>c)</div><div>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.</div></div>
B.	<b>Investments other than in Subsidiaries and Associates</b>
	Investments other than in subsidiaries and associates have been accounted as per Accounting Standards “Accounting for Investments”.
C.	<b>Other Material Accounting Policy Information</b>
	These are set out under “material accounting policy information” as given in the Company’s separate financial statements.

NOTES FORMING INTEGRAL PART OF THE FINANCIAL STATEMENTS AS AT 31 <sup>ST</sup> MARCH 2025				
<b>Statement of Changes in Equity:</b>				
<b>1. Current Reporting Period</b>				
(₹ in Lakhs)				
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
8,981.69	-	8,981.69	40.74	9,022.43
<b>8,981.69</b>	<b>-</b>	<b>8,981.69</b>	<b>40.74</b>	<b>9,022.43</b>
- Total share capital includes amount received against forfeited shares.				
- The Company has issued 50,000 Foreign Currency Convertible Bonds (FCCBs) of face value of USD 1000 with coupon 7.5% under Issue of Foreign Currency Convertible Bonds and Ordinary Shares (Through Depository Receipt Mechanism) Scheme, 1993.				
- Further 2000 Foreign Currency Convertible Bonds (FCCBs) were converted during this reporting period and 37,01,792 Equity shares of Re. 1/- each were allotted.				
- The Company has allotted 3,72,517 Equity Shares of Re. 1/- each under Paisalo Employee Share Purchase Scheme 2024 to the employees of the Company and it's Wholly Owned Subsidiary as per Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021.				
<b>2. Previous Reporting Period</b>				
(₹ in Lakhs)				
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
4,491.47	-	4,491.47	4,490.22	8,981.69
<b>4,491.47</b>	<b>-</b>	<b>4,491.47</b>	<b>4,490.22</b>	<b>8,981.69</b>
- Total share capital includes amount received against forfeited shares.				
- On March 21, 2024, the Company has allotted 44,90,21,990 equity shares of Re. 1/- pursuant to Bonus Issue to the existing shareholder.				

**List of Shareholders holding more than 5% shares of Company:**

Sr. No.	Name of the Shareholders	No of Shares	% of shareholding
1	Equilibrated Venture Cflow Pvt. Ltd.	14,12,89,994	15.66
2	Sunil Agarwal	10,57,02,800	11.72
3	SBI Life Insurance Co. Ltd.	6,21,14,267	6.89

**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	10,57,02,800	11.72	0.05
2	Suneeti Agarwal	71,66,000	0.79	0.01
3	Santanu Agarwal	3,37,04,000	3.74	0.01
4	Equilibrated Venture Cflow Pvt. Ltd.	14,12,89,994	15.66	(1.84)
5	Pri Caf Pvt. Ltd.	2,40,48,400	2.67	0.01
6	Pro Fitcch Pvt. Ltd.	2,23,21,220	2.47	0.01



Note: 1 Cash & Cash Equivalents

(₹ in Lakhs)			
Sr. No.	Particulars	Current Year	Previous Year
1	Cash Balances	1,253.97	715.07
2	Bank Balances		
	Current a/c with Scheduled Banks (Subject to reconciliation)	8,814.70	376.73
	Cheques/ Drafts on Hands	-	-
3	In Fixed Deposits - Unencumbered		
	With Banks	0.10	0.10
	Total	10,068.77	1,091.90

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	412.16	365.73
	Total	412.16	365.73

- Fore details, Refer Note No. 40 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	606.08	302.20
	- Overdue Installments : Considered Good - Unsecured	559.64	218.82
	- Overdue Installments : Sub Standard Assets	955.76	703.84
2	Other Receivables	-	-
	Total	2,121.48	1,224.86

Note: 4 (a) Trade Receivable- Additional Disclosures:

Outstanding for following periods from the due date of payment (FY. 2024-25)

(₹ 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	1,165.72	-	-	-	-	1,165.72
2	Undisputed Trade Receivables- which have significant increase in credit risk	-	-	-	-	-	-
3	Undisputed Trade Receivables- credit impaired	-	955.76	-	-	-	955.76
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	1,165.72	955.76	-	-	-	2,121.48

- Trade Receivable includes overdue loan cases financed by Paisalo Digital Limited

Outstanding for following periods from the due date of payment (FY. 2023-24)

(₹ 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	521.02	-	-	-	-	521.02
2	Undisputed Trade Receivables- which have significant increase in credit risk	-	-	-	-	-	-
3	Undisputed Trade Receivables- credit impaired	-	703.84	-	-	-	703.84
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	521.02	703.84	-	-	-	1,224.86

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
Loans	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)=(8)+(9)+(10)	(12)=(7)+(11)
(A) (i) Bills Purchased and Bills Discounted	-	-	-	-	-	-	-	-	-	-	-	-
(ii) Loans repayable on Demand	-	-	-	-	-	-	-	-	-	-	-	-
(iii) Term Loans	4,95,823.22	-	-	-	-	4,95,823.22	3,92,763.68	-	-	-	-	3,92,763.68
(iv) Leasing	-	-	-	-	-	-	-	-	-	-	-	-
(v) Factoring	-	-	-	-	-	-	-	-	-	-	-	-
(vi) Others (to be specified)	-	-	-	-	-	-	-	-	-	-	-	-
Total (A) - Gross	4,95,823.22	-	-	-	-	4,95,823.22	3,92,763.68	-	-	-	-	3,92,763.68
Less: Impairment loss allowance	380.75	-	-	-	-	380.75	62.65	-	-	-	-	62.65
Total (A) - Net	4,95,442.47	-	-	-	-	4,95,442.47	3,92,701.03	-	-	-	-	3,92,701.03
(B) (i) Secured by tangible assets	4,53,837.66	-	-	-	-	4,53,837.66	355,951.10	-	-	-	-	3,55,951.10
(ii) Secure d by intangible assets	-	-	-	-	-	-	-	-	-	-	-	-
(iii) Covered by Bank Government Guarantees	-	-	-	-	-	-	-	-	-	-	-	-
(iv) Unsecured	41,985.56	-	-	-	-	41,985.56	36,812.58	-	-	-	-	36,812.58
Total (B) - Gross	4,95,823.22	-	-	-	-	4,95,823.21	3,92,763.68	-	-	-	-	3,92,763.68
Less: Impairment loss allowance	380.75	-	-	-	-	380.75	62.65	-	-	-	-	62.65
Total (B) - Net	4,95,442.47	-	-	-	-	4,95,442.47	3,92,701.03	-	-	-	-	3,92,701.03
(C) (I) Loans in India	4,95,823.22	-	-	-	-	4,95,823.22	3,92,763.68	-	-	-	-	3,92,763.68
(i) Public Sector	-	-	-	-	-	-	-	-	-	-	-	-
(ii) Others (to be specified)	-	-	-	-	-	-	-	-	-	-	-	-
Total (C) - Gross	4,95,823.22	-	-	-	-	4,95,823.22	3,92,763.68	-	-	-	-	3,92,763.68
Less: Impairment loss allowance	380.75	-	-	-	-	380.75	62.65	-	-	-	-	62.65
Total (C) (I) - Net	4,95,442.47	-	-	-	-	4,95,442.47	3,92,701.03	-	-	-	-	3,92,701.03
(C) (II) Loans outside India	-	-	-	-	-	-	-	-	-	-	-	-
Less: Impairment loss allowance	-	-	-	-	-	-	-	-	-	-	-	-
Total (C) (II) - Net	-	-	-	-	-	-	-	-	-	-	-	-
Total C (I) and C (II)	4,95,442.47	-	-	-	-	4,95,442.47	3,92,701.03	-	-	-	-	3,92,701.03

Note: 6 Investments	(₹ in Lakhs)													
	Current Year							Previous Year						
	At Fair Value							At Fair Value						
Investments	Amortised cost	Through Other Comprehensive Income	Through Profit or Loss	Designated at fair value through profit or loss	Sub - Total	Others*	Total	Amortised cost	Through Other Comprehensive Income	Through Profit or Loss	Designated at fair value through profit or loss	Sub-Total	Others*	Total
	(1)	(2)	(3)	(4)	(5)=(2)+(3)+(4)	(6)	(7)=(1)+(5)+(6)	(8)	(9)	(10)	(11)	(12)=(9)+(10)+(11)	(13)	(14)=(8)+(12)+(13)
Mutual funds	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Government securities	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other approved securities	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Debt securities	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Equity instruments	250.47	-	-	-	-	-	250.47	223.86	-	-	-	-	-	223.86
Subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Associates	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Joint Ventures	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Others (specify)*	1,779.99	-	-	-	-	-	1,779.99	1,779.99	-	-	-	-	-	1,779.99
<b>Total (A)</b>	<b>2,030.46</b>	-	-	-	-	-	<b>2,030.46</b>	<b>2,003.85</b>	-	-	-	-	-	<b>2,003.85</b>
(i) Investments outside India	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(ii) Investments in India	2,030.46	-	-	-	-	-	2,030.46	2,003.85	-	-	-	-	-	2,003.85
<b>Total (B)</b>	<b>2,030.46</b>	-	-	-	-	-	<b>2,030.46</b>	<b>2,003.85</b>	-	-	-	-	-	<b>2,003.85</b>
<b>Total (A) to tally with (B)</b>	<b>2,030.46</b>	-	-	-	-	-	<b>2,030.46</b>	<b>2,003.85</b>	-	-	-	-	-	<b>2,003.85</b>
Less: Allowance for Impairment loss (C)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total - Net D = (A) - (C)</b>	<b>2,030.46</b>	-	-	-	-	-	<b>2,030.46</b>	<b>2,003.85</b>	-	-	-	-	-	<b>2,003.85</b>

- \*Unquoted Shares of M/s Samast Vikas Limited

Note: 7 Others Financial Assets		(₹ in Lakhs)	
Sr. No.	Particulars	Current Year	Previous Year
1	<b>Secured, Considered Good</b>		
	Security Deposit*	31.94	35.84
	Advances to Staff	8.07	5.56
	Income Receivables	-	5.31
	Advances for Services	298.47	651.80
	Prepaid Expenses	33.98	13.87
	GST/Service Tax Cenvat	644.90	270.06
	Security Receipts	2,442.92	5,008.92
2	Arbitration Awards/ Decree Recievable	-	-
	<b>Total</b>	<b>3,460.28</b>	<b>5,991.36</b>

- \* 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	<b>Advance Recoverable in cash or in kind or for value to be considered good</b>		
	Income Tax and TDS	8,152.46	8,294.99
	Balance with Revenue Authorities	130.00	130.00
	Provision for Taxation	(5,458.46)	(7,028.09)
	<b>Total</b>	<b>2,824.00</b>	<b>1,396.90</b>

Note: 9 Property, Plant and Equipment

Sr. No. Particulars		Gross Block			Depreciaton			Net Block	
		Value at the beginning	Addition during the year	Deduction during the year	Value at the end	Value at the beginning	Addition during the year	Deduction during the year	Value at the end
I	Tangible Assets								
1	Land	-	-	-	-	-	-	-	-
2	Building	6,313.46	669.11	-	6,982.57	666.75	114.65	-	781.40
3	Furniture & Fittings	307.56	73.25	-	380.81	174.25	21.78	-	196.03
4	Computer Peripheral	618.50	396.91	-	1,015.41	343.28	175.17	-	518.45
6	Vehicles	638.23	56.44	45.04	649.63	175.45	63.74	10.36	228.83
7	Equipments, Plant & Machinery	276.44	82.17	-	358.61	183.59	32.23	-	215.82
	SUB TOTAL (A)	8,154.19	1,277.88	45.04	9,387.03	1,543.32	407.57	10.36	1,940.53
II	Intangible Assets								
1	Computer Software	533.51	-	-	533.51	500.13	19.38	-	519.51
2	Goodwill	-	-	-	-	-	-	-	-
	SUB TOTAL (B)	533.51	-	-	533.51	500.13	19.38	-	519.51
III	Capital Work-in-progress	-	-	-	-	-	-	-	-
	SUB TOTAL (C)	-	-	-	-	-	-	-	-
IV	Intangible Assets Under Development	-	-	-	-	-	-	-	-
	SUB TOTAL (D)	-	-	-	-	-	-	-	-
	Total [A+B+C+D] (Current Year)	8,687.70	1,277.88	45.04	9,920.54	2,043.45	426.95	10.36	2,460.04
	Total (Previous Year)	8,348.74	374.00	35.04	8,687.70	1,720.94	340.00	17.49	2,043.45

Note : 10 Other Non Financial Assets

		(₹in Lakhs)	
Sr. No.	Particulars	Current Year	Previous Year
1	Deferred Revenue Expenditure	1,626.33	-
2	Unexpired Expenses of Processing Fees	13.26	40.68
	Total	1,639.59	40.68

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

Note: 11 Derivative financial Instruments (Liabilities)

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	<b>Trade Payables</b>		
(i)	Total outstanding dues of Micro Enterprises and Small Enterprises		
(a)	Sundry Creditors for Services	39.40	265.55
		39.40	265.55
(ii)	Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises		
(a)	SBI Assignment Payable	0.28	39.67
(b)	SIB Assignment Payable	0.01	2.06
(c)	Interest Payable on NCD/FCCB	1,605.06	357.45
(d)	Interest Payable on Bank	198.29	256.91
(e)	Other Sundry Payables	1,583.74	620.76
		3,387.38	1,276.85
2	<b>Other Payables</b>		
(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	43.75	30.98
	ESI Payable	13.68	9.79
	GST Payable	99.42	122.06
	TDS Payable	304.23	298.21
	LIC GSLI Payable	0.02	0.02
(b)	Expenses Payables	2,769.72	920.29
		3,230.83	1,381.36
	<b>Total</b>	<b>6,657.61</b>	<b>2,923.76</b>

Note : 12 (a) Trade Payables Due for Payment 2024-25

(₹ in Lakhs)						
Sr. No.	Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
1	MSME	39.40	-	-	-	39.40
2	Others	3,387.38	-	-	-	3,387.38
3	Disputed Dues-MSME	-	-	-	-	-
4	Disputed Dues-Others	-	-	-	-	-
	<b>Grand Total</b>	<b>3,426.78</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,426.78</b>

Trade Payables Due for Payment 2023-24

(₹ in Lakhs)						
Sr. No.	Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
1	MSME	265.55	-	-	-	265.55
2	Others	1,276.85	-	-	-	1,276.85
3	Disputed Dues-MSME	-	-	-	-	-
4	Disputed Dues-Others	-	-	-	-	-
	<b>Grand Total</b>	<b>1,542.40</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,542.40</b>

-There are no dues pending for more than 45 days

Note: 13 Debt Securities

Particulars	(₹ in Lakhs)				Previous Year			
	Current Year				Previous Year			
	At Amortised Cost	Designated at fair value through profit or loss	Total	At Amortised Cost	Designated at fair value through profit or loss	Total	At Amortised Cost	Designated at fair value through profit or loss
	(1)	(2)	(3)	(4)=(1)+(2)+(3)	(5)	(6)	(7)	(8)=(5)+(6)+(7)
Liability component of compound Financial Instruments	-	-	-	-	-	-	-	-
Commercial Paper	9,945.36	-	9,945.36	6,957.76	-	-	-	6,957.76
FCCB	41,079.07	-	41,079.07	-	-	-	-	-
Others (Bonds/ Debentures etc.) *	57,155.00	-	57,155.00	53,505.00	-	-	-	53,505.00
<b>Total (A)</b>	<b>1,08,179.43</b>	<b>-</b>	<b>1,08,179.43</b>	<b>60,462.76</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>60,462.76</b>
Debt Securities in India	67,100.36	-	67,100.36	53,505.00	-	-	-	53,505.00
Debt Securities outside India	41,079.07	-	41,079.07	-	-	-	-	-
<b>Total (B) to tally with (A)</b>	<b>1,08,179.43</b>	<b>-</b>	<b>1,08,179.43</b>	<b>60,462.76</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>60,462.76</b>

\*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-'PDL2020-3'	Feb-2020	900.00	12.00%	Monthly	Feb-2025	900.00	No	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	Yes
Series-'PDL-01-2023'	Jan-2023	3,400.00	12.00%	Monthly	Jan-2033	3,400.00	Yes	Yes
Series-'NFPL-10-2021'	Oct-2021	3,870.00	12.00%	Monthly	Oct-2028	3,870.00	Yes	Yes
Series-'NFPL-10-2021'	Oct-2021	430.00	12.00%	Monthly	Oct-2028	430.00	No	Yes
Series-'NFPL-03-2022'	Mar-2022	240.00	12.00%	Monthly	Mar-2027	240.00	No	Yes
Series-'NFPL-05-2022'	May-2022	550.00	12.00%	Monthly	May-2027	550.00	Yes	Yes
Series-'NFPL-06-2022'	Jun-2022	700.00	12.00%	Monthly	Jun-2032	700.00	Yes	Yes
Series-'NFPL-07-2022'	Jul-2022	450.00	12.00%	Monthly	Jul-2032	450.00	Yes	Yes
Series-'NFPL-07-2022'	Jul-2022	1,050.00	12.00%	Monthly	Jul-2032	1,050.00	No	Yes
Series-'PDL-04-2023'	Apr-2023	500.00	10.00%	Monthly	Apr-2033	500.00	Yes	Yes
Series-'PDL-04-2023'	Apr-2023	1,330.00	12.00%	Monthly	Apr-2033	1,330.00	Yes	Yes
Series-'PDL-04-2023'	Apr-2023	2,310.00	12.00%	On Maturity	Apr-2033	2,310.00	Yes	Yes
Series-'PDL-09-2023'	Sep-2023	500.00	12.00%	Monthly	Sep-2033	500.00	Yes	Yes
Series-'PDL-11-2023'	Nov-2023	850.00	9.95%	Monthly	Nov-2033	850.00	Yes	Yes
Series-'PDL-11-2023'	Nov-2023	1,000.00	9.95%	Quarterly	Nov-2026	1,000.00	Yes	Yes
Series-'PDL-12-2023'	Dec-2023	4,620.00	12.00%	Monthly	Dec-2033	4,620.00	Yes	Yes
Series-'PDL-12-2023'	Dec-2023	1,970.00	9.95%	Quarterly	Dec-2033	1,970.00	Yes	Yes
Series-'PDL-12-2023'	Dec-2023	1,200.00	9.95%	Quarterly	Mar-2025	1,200.00	No	Yes
Series-'PDL-12-2023'	Dec-2023	600.00	9.95%	Quarterly	Jun-2025	600.00	Yes	Yes
Series-'PDL-01-2024'	Jan-2024	1,971.00	9.95%	Quarterly	Jan-2034	1,971.00	Yes	Yes
Series-'PDL-02-2024'	Feb-2024	2,034.00	9.95%	Quarterly	Feb-2034	2,034.00	Yes	Yes
Series-'PDL-04-2024'	Apr-2024	1,200.00	9.95%	Quarterly	July-2025	1,200.00	Yes	No
Series-'PDL-04-2024'	Apr-2024	600.00	9.95%	Quarterly	Oct-2025	600.00	Yes	No
Series-'PDL-05-2024'	May-2024	2,700.00	9.95%	Quarterly	May-2029	2,700.00	Yes	No
Series-'PDL-07-2024'	July-2024	2,500.00	9.95%	Quarterly	July-2027	2,500.00	Yes	No

Note: 14 Borrowings (Other than Debt Securities)

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	1,78,539.76	-	-	1,78,539.76	1,21,622.56	-	-	1,21,622.56
(ii) From other parties	20,000.00	-	-	20,000.00	353.10	-	-	353.10
(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	-	-	-	-	-	-	-	-
(ii) from other parties	-	-	-	-	-	-	-	-
(g) Other loans (specify nature)	-	-	-	-	-	-	-	-
(i) from banks	38,121.69	-	-	38,121.69	62,755.32	-	-	62,755.32
(ii) from other parties	10,305.87	-	-	10,305.87	11,445.95	-	-	11,445.95
Total (A)	2,46,967.32	-	-	2,46,967.32	1,96,176.93	-	-	1,96,176.93
Borrowings in India	2,46,967.32	-	-	2,46,967.32	1,96,176.93	-	-	1,96,176.93
Borrowings outside India	-	-	-	-	-	-	-	-
Total (B) to tally with (A)	2,46,967.32	-	-	2,46,967.32	1,96,176.93	-	-	1,96,176.93

Note: 15 Deposits					(₹ in Lakhs)			
	Current Year			Total	Previous Year			Total
	At Amortised Cost	At fair value through profit or loss	Designated at fair value through profit or loss		At Amortised Cost	At fair value through profit or loss	Designated at fair value through profit or loss	
	(1)	(2)	(3)	(4)=(1)+(2)+(3)	(5)	(6)	(7)	(*8)=(5)+(6)+(7)
Deposits								
(i) Public Deposits	-	-	-	-	-	-	-	-
(ii) Form Banks	-	-	-	-	-	-	-	-
(iii) From Others	-	-	-	-	-	-	-	-
<b>Total</b>	-	-	-	-	-	-	-	-

Note: 16 Subordinated Liabilities

Particulars	(₹ in Lakhs)				Previous Year			
	Current Year		Designated at fair value through profit or loss		At Amortised Cost		At fair value through profit or loss	
	At Amortised Cost	At fair value through profit or loss	At fair value through profit or loss	Total	At Amortised Cost	At fair value through profit or loss	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*)	800.00	-	-	800.00	8,900.00	-	-	8,900.00
Total (A)	800.00	-	-	800.00	8,900.00	-	-	8,900.00
Subordinated Liabilities in India	800.00	-	-	800.00	8,900.00	-	-	8,900.00
Subordinated Liabilities outside India	-	-	-	-	-	-	-	-
Total (B) to tally with (A)	800.00	-	-	800.00	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	Current Year	Previous Year
Series-'PDL 1808'	Aug-2018	8,100	14.00%	Monthly	Aug-2024	8,100	No	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	1,533.00	987.75
	Total	1,533.00	987.75

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	2,003.30	1,598.94
2	Provision for Proposed Dividend on Equity Shares	902.12	898.04
3	Provision for Expected Credit Loss	1,493.71	1,422.60
4	Provision for Sub Standard Assets	1,084.22	703.48
	Total	5,483.35	4,623.06

Note: 20 Deferred Tax Liabilities (Net)

(₹ in Lakhs)			
Sr. No.	Particulars	Current Year	Previous Year
1	Opening Balance	(857.89)	(50.60)
	Tax on Timing difference on Property, Plant and Equipments	555.66	490.81
	Tax on Timing difference on Deferred Revenue Expenditures	409.31	-
	Tax on Timing difference on Unexpired Processing Fees	3.25	9.96
	Tax on Timing difference on Unearned Processing Fees	(461.46)	(1,358.66)
2	Total Deferred Tax Liability	506.76	(857.89)
	Provision for Deferred Tax required for the year (2-1)	1,364.65	(807.28)
	Total	506.76	(857.89)

Note: 21 Others Non Financial Liabilities

(₹ in Lakhs)			
Sr. No.	Particulars	Current Year	Previous Year
1	Unearned Income of Processing Fees	1,834.18	5,302.52
	Total	1,834.18	5,302.52

Note: 22 Share Capital

(₹ in Lakhs)			
Sr. No.	Particulars	Current Year	Previous Year
1	<b>AUTHORIZED CAPITAL</b>		
	1,75,00,00,000 Equity Shares of Re.1 per share	17,500.00	12,000.00
	(Previous year 1,20,00,00,000 equity shares of Re.1 each)		
	50,00,000 Preference Shares of Re.10 each	500.00	500.00
		<b>18,000.00</b>	<b>12,500.00</b>
2	<b>ISSUED, SUBSCRIBED CAPITAL</b>		
	89,81,68,980 Equity Shares of Re.1 per Share fully paid up (Previous year 44,91,46,990 Equity Shares of Re.1 each)	8,981.69	4,491.47
	Add:- 37,01,792 Share of Face value Re.1 each @ premium of Rs. 44.74 on conversion of 2000 FCCBs of USD 2 million	37.02	-
	Add:- 3,72,517 Share of Face value Re.1 each@ premium of Rs. 33.69 allotted under PDL ESPS 2024	3.72	-
	(Previous year 44,90,21,990 Shares of Face value Re. 1 per Share fully paid up issued as Bonus Shares in the ratio of 1:1)	-	4,490.22
		<b>9,022.43</b>	<b>8,981.69</b>
3	<b>PAID UP CAPITAL</b>		
	89,80,43,980 Equity Shares of Re.1 per Share fully paid up (Previous year 44,90,21,990 Equity Shares of Re.1 each)	8,980.44	4,490.22
	Add:- 37,01,792 Share of Face value Re.1 each @ premium of Rs.44.74 on conversion of 2000 FCCBs of USD 2 million	37.02	-
	Add:- 3,72,517 Share of Face value Re.1 each@ premium of Rs.33.69 allotted under PDL ESPS 2024	3.72	-
	(Previous year 44,90,21,990 Share of Face value Re.1 each issued as Bonus Shares in the ratio of 1:1)	-	4,490.22
	Add:- Share Forfeited a/c (Amount originally Paid up @ Rs.0.50 each on 1,25,000 Equity Shares of Re.1 each)	0.63	0.63
	<b>Total</b>	<b>9,021.81</b>	<b>8,981.06</b>

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 Reserve	General Reserve	Retained Earnings	Redemption Reserve	Capital 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	-	-	-	21,266.28	2,415.21	38,091.52	60,144.89	1,465.90	250.00	326.80	-	-	-	-	-	-	-	-	1,23,960.60
Add: Any change due to IND AS	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Restated Balances at the beginning of the reporting period	-	-	-	21,266.28	2,415.21	38,091.52	60,144.89	1,465.90	250.00	326.80	-	-	-	-	-	-	-	-	1,23,960.59
Total Comprehensive Income for the year	-	-	-	-	-	-	-	20,012.07	-	-	-	-	-	-	-	-	-	-	20,012.07
Money received as share warrant	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Premium on conversion and allotment of shares	-	-	-	-	-	1,781.68	-	-	-	-	-	-	-	-	-	-	-	-	1,781.68
Security Premium on conversion of warrants into equity	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Proposed Dividends	-	-	-	-	-	-	-	(902.12)	-	-	-	-	-	-	-	-	-	-	(902.12)
Depreciation on Revaluation Amount	-	-	-	-	-	-	-	9.08	-	(9.08)	-	-	-	-	-	-	-	-	-
Income Tax Impact due to IND AS on Processing Fees	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share based payment to employees	-	-	-	-	28.39	-	-	-	-	-	-	-	-	-	-	-	-	-	28.39
Transfer to General Reserve	-	-	-	-	-	-	14,000.00	(14,000.00)	-	-	-	-	-	-	-	-	-	-	-
Transfer to Statutory Reserve Fund	-	-	-	4,002.41	-	-	-	(4,002.41)	-	-	-	-	-	-	-	-	-	-	-
Provision on Standard Assets	-	-	-	-	-	-	-	(404.37)	-	-	-	-	-	-	-	-	-	-	(404.37)
Expenditure on Corporate Social Responsibility	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance at the end of the reporting period	-	-	-	25,268.69	2,443.60	39,873.20	74,144.89	2,178.15	250.00	317.72	-	-	-	-	-	-	-	-	1,44,476.25





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	-	22,521.45	-	17,899.05
3	Interest on Debt Securities	-	6,501.34	-	4,614.51
4	Interest on Subordinated Liabilities	-	478.14	-	1,233.37
5	Other Interest expense/ Bank Charges	-	3,329.68	-	3,260.36
	<b>Total</b>	<b>-</b>	<b>32,830.61</b>	<b>-</b>	<b>27,007.29</b>

Note: 28 Impairment on Financial Instruments

		(₹in Lakhs)			
Particulars		Current Year		Previous Year	
		On Financial instruments measured at Fair value through OCI	On Financial instruments measured at Amortised Cost	On Financial instruments measured at Fair value through OCI	On Financial instruments measured at Amortised Cost
Bad Debts Written Off on Loans		-	2,099.33	-	1,059.59
Provision for NPA		-	380.75	-	62.65
<b>Provision for Expected Credit Loss</b>					
Additional Provision for Expected Credit Loss		-	71.11	-	55.62
Investments		-	-	-	-
Others (to be specified)		-	-	-	-
<b>Total</b>		<b>-</b>	<b>2,551.19</b>	<b>-</b>	<b>1,177.86</b>

Note: 29 Employees Benefit Expenses

		(₹in Lakhs)	
Sr. No.	Particulars	Current Year	Previous Year
1	Salaries and Wages to Employess	5,042.01	3,863.61
2	Directors Salaries & Allowances	676.23	649.25
3	Contribution to Provident and other funds	344.65	251.90
4	Share Based Payments to employees	28.39	-
5	Staff welfare expenses	194.86	138.01
	<b>Total</b>	<b>6,286.14</b>	<b>4,902.77</b>

- No remuneration has been paid to Directors except remuneration to Managing Director and Executive Directors. The remuneration paid to Managing Director and Executive Directors during the F.Y. 2024-25 Rs. 6,76,22,575 (Last year Rs. 6,49,24,800) 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	426.96	339.99
2	Deffered Revenue Exp. w/o*	120.19	-
	<b>Total</b>	<b>547.15</b>	<b>339.99</b>

- \*Deferred Expenses written off over a period of five Years.

Note: 31 Other Expenses

		(₹in Lakhs)	
Sr. No.	Particulars	Current Year	Previous Year
1	Car & Scooter Expenses	59.63	36.15
2	Travelling Expenses	1,793.74	1,305.18
3	Repair & Maintenance	23.83	183.99
4	Insurance Expenses	32.63	18.97
5	Electricity & Water Expenses	99.69	85.72
6	Rates & Taxes	3.41	4.35
7	Legal Expenses & Professional Fees	1,950.06	1,309.91
8	Printing & Stationery Expenses	386.48	309.01
9	Postage & Telephone Expenses	175.13	190.56
10	Auditors Remuneration	9.20	7.36
11	Rent	496.35	350.80
12	Rebate & Remission	669.25	287.16
13	Advertisement & Business Promotion Expenses	822.93	2,346.35
14	Recovery Expenses	505.30	1,361.10
15	Office and General Expenses	453.67	360.61
16	Loss/(Profit) on sale of Assets/Investments	24.69	(6.36)
17	Directors Sitting Fees & Expenses	21.72	13.30
18	loss on foreign currency transaction and translation	289.76	-
19	Corporate Social Responsibility Expenditure*	320.89	211.70
	<b>Total</b>	<b>8,138.36</b>	<b>8,375.86</b>

-\*Refer Note 31 of Standalone Financial Statements.

32. Remuneration to Auditors:

		(₹ in Lakhs)
Particulars	2024-25	2023-24
For Statutory Audit	6.23	4.98
For Tax Audit	2.21	1.77
<b>Total</b>	<b>8.44</b>	<b>6.75</b>

33. Earning per Share:

	(₹in Lakhs)	
Particulars	2024-25	2023-24
Net profit for the year (After Tax)	20,012.07	17,897.30
Equity Shares in numbers (Weighted)	89,88,37,281	46,25,54,160
Basic and diluted Earning per share	2.23	3.87

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

35. The Paisalo Digital Limited 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	2,024.44
Indian Bank	Cash Credit	500.00
State Bank of India	Term Loan	3,417.43
Bank of Baroda	Term Loan	763.89
Indian Bank	Term Loan	134.37
Total		6,840.13

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	393.60	-
Mr. Harish Singh	Remuneration to Director	50.60	(3.26)
Mr. Anoop Krishna	Remuneration to Director	48.64	(2.93)
Mr. Santanu Agarwal	Remuneration to Director	180.00	(19.50)
Mr. Vinod Kumar	Remuneration to Director	7.91	(2.73)
Mr. Manendra Singh	Salary	18.70	(1.19)
Mr. Santanu Agarwal	Loan Received	860.00	-
Mr. Santanu Agarwal	Interest Expenses	11.91	-
Mr. Pranav Chauhan	Interest Payment (on NCD)	24.00	-
Mrs. Priti Chauhan	Interest Payment (on NCD)	26.40	
Mr. Sunil Agarwal	Dividend Paid	105.70	-
Mr. Santanu Agarwal	Dividend Paid	33.70	-
Ms. Suneeti Agarwal	Dividend Paid	7.17	-
Pro Fitch Pvt. Ltd.	Dividend Paid	22.32	-
Equilibrated Ventures Cflow Pvt. Ltd.	Dividend Paid	135.11	-
Pri Caf Pvt. Ltd.	Dividend Paid	24.05	-

Issue of Equity Shares pursuant to ESPS

Name	Category	No. of Shares	Face Value Per Share
Mr. Harish Singh	Executive Director	20,000	1.00
Mr. Manendra Singh	Company Secretary	5,400	1.00

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 Nupur Finvest Private Limited has taken following Term Loans which are fully secured by first charge on hypothecation of Book debts, personal guarantees of Directors and Corporate guarantee of its Holding Company Paisalo Digital Limited, the details of which are given hereunder.

(₹ in Lakhs)				
Name of Financial Institutions/Banks	Date of Sanction	Sanctioned Amount	Terms of Repayment	Maturity Date
State Bank of India	02 <sup>nd</sup> Jun 2021	3,000.00	20 quarterly installments	Jun 2026
State Bank of India	31 <sup>st</sup> Jan 2022	1,500.00	15 quarterly installments	Mar 2026
Tata Capital Financial Services Ltd	25 <sup>th</sup> Mar 2022	1,500.00	30 monthly installments	Oct 2024
Indian Bank	01 <sup>st</sup> Aug 2022	1,000.00	36 monthly installments	Aug 2025
State Bank of India	27 <sup>th</sup> Dec 2022	3,500.00	15 quarterly Installments	Sep 2026
Bank of Baroda	23 <sup>rd</sup> Jan 2023	2,500.00	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.

38. Working Capital Borrowings:

The Nupur Finvest Private Limited 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
1	Karnataka Bank Ltd.	2,000.00	28 <sup>th</sup> December, 2015
2	Indian Bank	500.00	01 <sup>st</sup> August, 2022
	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	1,53,498.06	100	20,012.07
Holding Co.:				
Paisalo Digital Limited	96.12	1,47,541.49	98.78	19,768.70
		(Note 1)		(Note 2)
Subsidiaries-Wholly Owned:				
Nupur Finvest Pvt. Ltd.	3.88	5,956.57	1.22	243.37

Paisalo Digital Limited is not having any foreign subsidiary company / joint Venture.

**Note 1.** Net of Investment in Subsidiary Company.

**Note 2.** Net of Income from Subsidiary Company.

FORM NO. AOC-I

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

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

(₹ in Lakhs)		
Part "A" : Subsidiaries		
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, 2024 to March 31, 2025
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	5,419.61
6	Total Assets	21,074.31
7	Total Liabilities	21,074.31
8	Investments	-
9	Turnover	3,663.13
10	Profit before Taxation	316.13
11	Provision for Taxation	72.76
12	Profit after Taxation	243.37
13	Proposed Dividend (excluding dividend distribution tax)	-
14	% of shareholding	100%

Name of subsidiaries which are yet to commence operation : NA

Names of subsidiaries which have been liquidated or sold during the year : NA

Part "B" : Associates and Joint Venture : NIL

Signed in terms of our Report of even date

For and on behalf of the Board

For Saket Jain & Co.  
Chartered Accountants  
Firm Reg. No. 014685N

Sd/-  
(CA. ASHISH JAIN)  
Partner  
Membership No. 400599  
UDIN : 25400599BMIGVI5045

Place : New Delhi  
Date : May 09, 2025

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 33<sup>rd</sup> AGM



# Notice of 33<sup>rd</sup> AGM



## NOTICE OF 33<sup>RD</sup> ANNUAL GENERAL MEETING

Notice is hereby given that the Thirty Third (33<sup>rd</sup>) Annual General Meeting of the Members of Paisalo Digital Limited (AGM/ Meeting) will be held on Monday, September 29, 2025 at 12.30 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, 2025 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. HARISH SINGH (DIN: 00039501) 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. Harish Singh (DIN: 00039501), 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, 2025**

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 Paise 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, 2025 and the same be paid out of the profits of the Company for the financial year ended March 31, 2025.”

### SPECIAL BUSINESS

**Item No. 4 – APPOINTMENT OF M/S. SATISH JADON & ASSOCIATES, PRACTICING COMPANY SECRETARIES AS SECRETARIAL AUDITORS OF THE COMPANY FOR A TERM OF 5 (FIVE) YEARS AND TO FIX THEIR REMUNERATION**

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

**“RESOLVED THAT** pursuant to the provisions of Regulation 24A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI LODR Regulations”) including circulars issued thereunder and in accordance with the provisions of Section 204 of the Companies Act, 2013 (“the Act”) read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and other applicable provisions, if any, of the Act (including any statutory modification(s) or amendment(s) or re-enactment(s) thereof for the time being in force) and pursuant to the recommendations of the Audit Committee and the Board of Directors M/s Satish Jadon & Associates., Practicing Company Secretaries, Peer Review No. 1028/2020, who being eligible for appointment as Secretarial Auditors, be and are hereby appointed as Secretarial Auditors of the Company for a continuous period of 5 (five) years effective from the conclusion of 33<sup>rd</sup> Annual General Meeting till the conclusion of 38<sup>th</sup> Annual General Meeting to be held in the year 2030 on such terms and conditions, including remuneration, reimbursement of expenses (if any) as may be fixed and determined by the Board of Directors, as per recommendation of the Audit Committee and in consultation with the said Auditors.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and are hereby authorized to finalize their terms of engagement according to the scope of their services as Secretarial Auditors and other permissible assignments, if any, in line with the relevant, prevailing statutory/regulatory provisions

including their terms of appointment as per the provisions of applicable law for the time being in force.

**RESOLVED FURTHER THAT** the Board of Directors of the Company, including any Committee thereof, be and are hereby authorized to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary or desirable or expedient to give effect to this resolution.”

**Item No. 5 – RE-APPOINTMENT OF MR. ANOOP KRISHNA AS WHOLE-TIME DIRECTOR DESIGNATED AS EXECUTIVE DIRECTOR.**

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** pursuant to the provisions of Section 196, 197, 203 and any other applicable provisions of the Companies Act, 2013 (‘the Act’) and the rules framed thereunder [including any statutory modification(s) or re-enactment thereof for the time being in force], read with Schedule V of the Act and relevant provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, and the Articles of Association of the Company, the consent of the Members of the Company be and is hereby accorded for the re-appointment of Mr. Anoop Krishna (DIN: 08068261) as Whole Time Director designated as Executive Director for a period commencing from February 23, 2026 till December 31, 2027 on the remuneration and other terms and conditions, as recommended by the Nomination and Remuneration Committee and approved by the Board of Directors (‘Board’) and as set out in the Statement annexed to this Notice, including the remuneration to be paid in the event of loss or inadequacy of profits in any financial year during his said tenure within the overall limits of section 197 of the Act with liberty to the Board (which includes a duly constituted Committee of the Board) to alter and vary the terms and conditions of the said re-appointment as it may deem fit and in such manner as may be agreed between the Board and Executive Director.

**RESOLVED FURTHER THAT** the Board of Directors of the Company or any committee thereof be and is hereby authorized to do all such acts, deeds and things as in its absolute discretion it may think necessary, expedient or desirable; to settle any question or doubt that may arise in relation thereto in order to give effect to the foregoing resolution.”

**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 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 Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 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 sanctions of the concerned statutory and regulatory authorities if any, 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, debentures, bonds, and/or other debt securities, etc. on private placement basis, aggregating upto ₹9,000 Crores (Indian Rupees Nine Thousand 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 – APPROVAL FOR FIXATION OF THE BORROWING POWER OF THE BOARD OF DIRECTORS U/S 180(1) (C)**

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(1)(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 ₹9,000 Crores (Rupees Nine Thousand 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. 8 – AUTHORIZATION TO THE BOARD OF DIRECTORS U/S 180 (1) (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(1)(a) and all other applicable provisions, if any, of the Companies Act, 2013, read with the relevant rules thereunder [including any statutory modification(s) or re-enactment(s) thereof for the time being in force], consent of 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, charges, hypothecations and floating charges, including existing mortgages, charges and hypothecations 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 Debt Securities 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 ₹9,000 Crores (Rupees Nine Thousand 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. 9 – APPROVAL OF MATERIAL RELATED PARTY TRANSACTION WITH EQUILIBRATED VENTURE CFLOW PRIVATE LIMITED**

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** pursuant to the applicable provisions of the Companies Act, 2013 (“the Act”) read with applicable rules issued thereunder [including any statutory modification(s) or re-enactment thereof, for the time being in force], Regulation 23 and other applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, (“SEBI LODR Regulations”) the Company’s “Policy on Related Party Transactions” and all other laws and regulations, as may be applicable, as amended, supplemented or re-enacted from time to time and pursuant to the consent of the Audit Committee and the consent of the Board of Directors, subject to the overall limits approved by the members pursuant to Section 180(1)(c) of the Act, the approval of the members of the Company be and is hereby accorded to the Company for borrowing/availing of additional loans/ advances, in one or more tranches, for an aggregate amount not exceeding to ₹270,00,00,000 (Rupees Two Hundred Seventy Crores only), from M/s Equilibrated Venture Cflow Private Limited (Promoter group entity and Related Party), notwithstanding that such borrowings availed or to be availed individually or taken together with previous borrowings availed by the Company from any one or more promoter companies during any financial year, exceeds ten percent or such other limit as may be specified under the SEBI LODR Regulations or any amendment thereof, of the annual consolidated turnover of the Company as per the last audited financial statements of the Company preceding the respective financial year in which such borrowings is availed by the Company, on arm’s length basis, and on such terms and conditions as may be considered appropriate by the Board of Directors (including any authorised Committee thereof).

**RESOLVED FURTHER THAT** the Board of Directors of the Company (which includes any Committee of the Board) be and are hereby authorized to do all necessary acts, deeds, things and execute all such documents, undertaking as may be necessary in this regard from time to time to give effect to the above resolution.”

Registered Office	: CSC, Pocket 52, CR Park Near Police Station New Delhi-110019	By Order of the Board of Directors For Paisalo Digital Limited
CIN	: L65921DL1992PLC120483	Sd/-
Website	: www.paisalo.in	(Manendra Singh)
Email	: cs@paisalo.in	Company Secretary
Tel	: +91 11 43518888	Membership No.: F7868
Date	: September 01, 2025	

**NOTES:**

1. An explanatory statement as required under Section 102 of the Companies Act, 2013 (“the Act”) in respect of the special businesses specified above is annexed hereto.
2. Information pursuant to provisions of Regulation 36(3) and 36(5) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI LODR Regulations”) for Item(s) No. 2, 4 and 5 are annexed as Annexure-1 to this notice.
3. The Ministry of Corporate Affairs had issued General Circulars bearing Nos. 14/2020 dated April 08, 2020, 17/2020 dated April 13, 2020, 20/2020 dated May 05, 2020, 28/2020 dated August 17, 2020, 02/2021 dated January 13, 2021, 19/2021 dated December 08, 2021, 21/2021 dated December 14, 2021, 02/2022 dated May 05, 2022, 10/2022 dated December 28, 2022, 09/2023 dated September 25, 2023 and latest Circular being, General Circular No. 09/2024 dated September 19, 2024 (hereinafter collectively referred to as “MCA Circulars”) and any updates thereto issued by the Ministry of Corporate Affairs (“MCA”) read with Circular number SEBI/HO/CFD/CMD1/ CIR/P/2020/79 dated May 12, 2020, Circular number SEBI/HO/CFD/ CMD2/CIR/P/2021/11 dated January 15, 2021, SEBI/ HO/CFD/PoD-2/P/CIR/2023/4 dated January 05, 2023, SEBI/HO/CFD-PoD-2/P/ CIR/2023/167 dated October 07, 2023 and Circular number SEBI/HO/CFD/CFD-PoD-2/P/CIR/2024/133 dated October 3, 2024 issued by the Securities and Exchange Board of India (“SEBI”) (hereinafter collectively referred to as “SEBI Circulars”), companies are permitted to conduct the Annual General Meeting which are due in the year 2025 through Video Conferencing/Other Audio Visual Means (“VC”/“OAVM”) on or before September 30, 2025, in accordance with the requirements in accordance to MCA Circulars without the physical presence of Members at a common venue. Hence, in accordance with the MCA Circulars, provisions of the Act and SEBI LODR Regulations, the Annual General Meeting (“AGM”) of the Members of the Company is scheduled to be held through VC / OAVM facility on Monday **September 29, 2025 at 12.30 P.M.** (IST). Hence, the Members can attend and participate in the AGM through VC/OAVM only. In accordance with the Secretarial Standard -2 on General Meeting issued by the Institute of Company Secretaries of India (ICSI) read with guidance/ clarification dated April 15, 2020 issued by ICSI, the proceedings of the AGM shall be deemed to be conducted at the Registered Office of the Company which shall be the deemed venue of the AGM. The detailed procedure for participating in the meeting through VC/OAVM is appended herewith.
4. Company is convening 33<sup>rd</sup> AGM through VC/OAVM and no physical presence of Members, Directors, Auditors and other eligible persons shall be required for the 33<sup>rd</sup> AGM.
5. The deemed venue for 33<sup>rd</sup> AGM shall be the Registered Office of the Company at CSC, Pocket-52, CR Park, Near Police Station, New Delhi-110019.
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 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 September 23, 2025 to September 29, 2025 both days inclusive.
9. The Company has fixed September 22, 2025 as the ‘Cut-off Date’ for determining eligibility of Members who will be eligible to attend and vote at the Meeting. Members of the Company whose names appear on the Register of Members/list of Beneficial Owners, as received from the Depositories i.e. National Securities Depository Limited (“NSDL”)/Central Depository Services (India) Limited (“CDSL”) as on Cut-Off Date shall be entitled to vote on the resolutions set forth in this Notice.

**DISPATCH OF NOTICE OF AGM AND ANNUAL REPORT THROUGH ELECTRONIC MODE:**

10. 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”) 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 33rd AGM along with the Annual Report for financial year ended March 31, 2025 is being sent only through electronic mode to those members whose email addresses are registered with the Company/ Depositories. Further, a letter providing a weblink for accessing the Notice of the AGM and Annual Report will be sent to those Members who have not registered their email address. In case any Member is desirous of obtaining physical copy of the Annual Report for the FY 2024-25, he may send a request to the Company at cs@paisalo.in. Members may note that the Notice and Annual Report 2024-25 will also be available on:

- a. The Company’s website at www.paisalo.in;
- b. Websites 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 respectively; and
- c. Website of National Securities Depository Limited (NSDL) at www.evoting.nsdl.com

11. In this notice, the term member(s) or shareholder(s) are used interchangeably.
12. 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:

13. 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, (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.
14. 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 Monday, September 22, 2025.
15. 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. Monday, September 22, 2025, 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).
16. 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.
17. 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.
18. The remote e-voting period begins on September 26, 2025 at 9:00 A.M. and ends on September 28, 2025 at 5:00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter.
19. 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	1. For OTP based login you can click on <a href="https://eservices.nsdl.com/SecureWeb/evoting/evotinglogin.jsp">https://eservices.nsdl.com/SecureWeb/evoting/evotinglogin.jsp</a> . You will have to enter your 8-digit DP ID, 8-digit Client Id, PAN No., Verification code and generate OTP. Enter the OTP received on registered email id/mobile number and click on login. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
	2. Existing IDeAS user can visit the e-Services website of NSDL Viz. <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a Personal Computer or on a mobile. On the e-Services home page click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
	3. If you are not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> . Select “Register Online for IDeAS Portal” or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a>
	4. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
	5. Shareholders/Members can also download NSDL Mobile App “NSDL Speede” facility by scanning the QR code mentioned below for seamless voting experience.

NSDL Mobile App is available on







<b>Individual Shareholders holding securities in demat mode with CDSL</b>	<ol style="list-style-type: none"> <li>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 <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login icon &amp; New System Myeasi Tab and then use your existing my easi username &amp; password.</li> <li>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 remote e-Voting period. 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.</li> <li>If the user is not registered for Easi/Easiest, option to register is available at CDSL website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login &amp; New System Myeasi Tab and then click on registration option.</li> <li>Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN from a e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be 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.</li> </ol>
<b>Individual Shareholders (holding securities in demat mode) login through their depository participants</b>	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Upon logging in, you will be able to see e-Voting option.</p> <p>Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p>

**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
<b>Individual Shareholders holding securities in demat mode with NSDL</b>	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at 022 - 4886 7000 and 022 - 2499 7000
<b>Individual Shareholders holding securities in demat mode with CDSL</b>	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 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?**

- 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.
- Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section.
- A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

- Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

- v.** Your User ID details are given below:

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID  For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID  For example if your Beneficiary ID is 12***** then your user ID is 12*****
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the Company  For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

- Password details for shareholders other than Individual shareholders are given below:

  - If you are already registered for e-voting, then you can use your existing password to login and cast your vote.
  - 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.
  - How to retrieve your ‘initial password’?
    - 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’.
    - 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.

- If you are unable to retrieve or have not received the “Initial password” or have forgotten your password:
  - Click on “Forgot User Details/Password?” (If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - “Physical User Reset Password?” (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com)
  - If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.com](mailto:evoting@nsdl.com) mentioning your demat account number/folio number, PAN, name and registered address.
  - 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 whose voting cycle and General Meeting is in active status.
- ii. Select “EVEN” of Company Paisalo Digital Limited, which is 135627 for which you wish to cast your vote during the remote e-voting period and casting your vote during the General Meeting.
- iii. Now you are ready for e-voting as the voting page opens.
- iv. Cast your vote by selecting appropriate options i.e. assent or dissent, verify 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.

**20. Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e-mail ids for e-voting for the resolutions set out in this notice:**

- i. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), Aadhaar (self attested scanned copy of Aadhaar Card) by email to cs@paisalo.in.
- ii. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), 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 or Individual shareholders holding securities in demat mode.
- iii. Alternatively shareholder/members may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing above mentioned documents.
- iv. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

**21. General Guidelines for shareholders**

- i. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to scrutinizer.paisalo@gmail.com with a copy marked to evoting@nsdl.com. Institutional shareholders

(i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on “Upload Board Resolution / Authority Letter” displayed under “e-Voting” tab in their login.

- ii. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “Forgot User Details/Password?” or “Physical User Reset Password?” option available on www.evoting.nsdl.com to reset the password.
- iii. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800 102 0990; 1800 22 4430 or send a request to Ms. Pallavi Mhatre, Senior Manager, National Securities Depository Ltd., 3rd Floor, Naman Chamber, Plot C-32, G-Block, Bandra Kurla Complex, Bandra East, Mumbai, Maharashtra - 400051 at the designated email address: evoting@nsdl.com or at telephone no. 022- 48867000.

**PROCEDURE FOR JOINING THE AGM THROUGH VC / OAVM:**

- 22. 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.
- 23. 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.
- 24. Members are encouraged to join the Meeting through Laptops for better experience.
- 25. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
- 26. 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.
- 27. 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.
- 28. 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 22, 2025 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:**

- 29.** The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
- 30.** 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.
- 31.** 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.
- 32.** 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:**

- 33.** 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.
- 34.** 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.
- 35.** 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:**

- 36.** 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.
- 37.** 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 favour or against, if any, to the Company, who shall countersign the same.
- 38.** 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.
- 39.** The Resolutions shall be deemed to be passed at the Annual General Meeting of the Company scheduled to be held on Monday, September 29, 2025

**IEPF RELATED INFORMATION:**

- 40.** The Company has transferred the unpaid or unclaimed dividends declared up to financial years 2016- 17, to the Investor Education and Protection Fund ("IEPF") established by the Central Government. Details of dividends so far transferred to the IEPF Authority are available on the website of IEPF Authority and the same can be accessed through the link: [www.iepf.gov.in](http://www.iepf.gov.in).
- 41.** Members may note that unclaimed dividends transferred to IEPF Authority can be claimed back from the IEPF Authority.
- 42.** Due dates for transfer to IEPF, of the unclaimed/unpaid dividends for the financial year 2017-18 and thereafter, are as under:

Financial Year	Dividend Declared Per Share	Date of Declaration	Due date for transfer in IEPF
2017-18	₹1.00	29-09-2018	05-11-2025
2018-19	₹1.00	10-08-2019	16-09-2026
2019-20	₹1.00	08-09-2020	14-10-2027
2020-21	₹1.00	25-09-2021	01-11-2028
2021-22	₹0.10	30-09-2022	06-11-2029
2022-23	₹0.10	21-09-2023	27-10-2030
2023-24	₹0.10	23-09-2024	30-10-2031

- 43.** 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.
- 44.** Members who have not claimed dividends from FY2018 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:**

- 45.** 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 Monday, September 22, 2025 and
- b)** to all those shareholders holding shares in physical form, on the closing hours on Monday, September 22, 2025.
- 46.** As per the SEBI LODR Regulations, 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.
- 47.** For enabling the payment of dividend through electronic mode, Members holding shares in physical form are requested to furnish, on or before Monday, September 22, 2025 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 Monday, September 22, 2025. 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.
- 48.** 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.
- 49.** 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.

50. Members who still hold share certificates in physical form are advised to dematerialise their shareholding to avail of numerous benefits of dematerialisation, which include easy liquidity, ease of trading and transfer, savings in stamp duty and elimination of any possibility of loss of documents and bad deliveries.
51. 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.
52. 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 2025-26. 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 Aadhaar; or
- Section 206AB of IT Act - Non-filing of return of income tax of previous year 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 24, 2025. 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:**

53. Securities and Exchange Board of India (SEBI) has mandated that securities of listed companies can be transferred only in dematerialised form w.e.f. April 1, 2019. Accordingly, the Company / RTA has stopped accepting any fresh lodgement of transfer of shares in physical form. Members holding shares in physical form are advised to avail of the facility of dematerialisation.
54. 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
55. Pursuant to SEBI circulars, the Company has sent communication to the members holding shares in physical form requesting them to furnish the required details.
56. 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](mailto:cs@paisalo.in) or to RTA at [ramap@alankit.com](mailto: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
57. 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.



58. 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.
59. As per the provisions of Section 72 of the Act and SEBI Circular No. SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2021/655 dated November 03, 2021, the facility for making nomination is available for the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. If a Member desires to opt out or cancel the earlier nomination and record a fresh nomination, he/she may submit the same in Form ISR-3 or SH-14 as the case may be. The said forms can be downloaded from the Company's website [https://paisalo.in/pdf/2\\_Relevant-forms/FORM-ISR-3.pdf](https://paisalo.in/pdf/2_Relevant-forms/FORM-ISR-3.pdf). Members are requested to submit the said details to their DP in case the shares are held by them in dematerialized form and to RTA in case the shares are held in physical form. Further, relevant FAQs published by SEBI on its website can be viewed at the following link: [https://www.sebi.gov.in/sebi\\_data/faqfiles/jan-2024/1704433843359.pdf](https://www.sebi.gov.in/sebi_data/faqfiles/jan-2024/1704433843359.pdf)

**EXPLANATORY STATEMENT**

**Pursuant to provisions of Section 102 of the Companies Act, 2013**

- Item no. 4** – Pursuant to the provisions of Section 204 of the Act and Regulation 24A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI LODR Regulations'), every listed company is required to undertake secretarial audit and shall annex with its Board Report a secretarial audit report given by a peer reviewed Company Secretary in practice in the prescribed format.

Pursuant to the amended Regulation 24A of the SEBI LODR Regulations notified by SEBI on December 12, 2024 ('SEBI Implementation Circular') effective from April 1, 2025, a listed company on the recommendation of the Board of Directors shall appoint or re-appoint, with the approval of its Members in its Annual General Meeting:

- (i) an individual as Secretarial Auditor for not more than one term of five consecutive years; or
- (ii) a Secretarial Audit firm as Secretarial Auditor for not more than two terms of five consecutive years.

Further, SEBI vide its circular no. SEBI/HO/CFD/CFDPoD-2/CIR/P/2024/185 dated December 31, 2024 read with Regulation 24A of the SEBI LODR Regulations have inter-alia, prescribed the terms and conditions including eligibility, qualifications and disqualifications with respect to appointment/re-appointment of Secretarial Auditor by the listed company.

After evaluating and considering various factors and in fulfilment of the eligibility criteria and qualification prescribed under the SEBI LODR Regulations and SEBI Implementation Circular, the Audit Committee and the Board of Directors of the Company at their respective meetings held on July 21, 2025 approved and recommended to the Members of the Company, the passing of necessary resolution at the ensuing 33<sup>rd</sup> AGM of the Company for the appointment of M/s. Satish Jadon & Associates, Practicing Company Secretaries, Peer Review No. 1028/2020 as Secretarial Auditor of the Company from the conclusion of 33<sup>rd</sup> Annual General Meeting till the conclusion of 38<sup>th</sup> Annual General Meeting of the Company to conduct Secretarial Audit of the Company for a term of 5 (five) consecutive financial years from 2025-26 till 2029-30.

Details pursuant to Regulation 36(5) of SEBI LODR Regulations is provided in the Annexure to the Notice.

Board recommends the resolution as mentioned at item no. 4 above for approval of the Members by way of an Ordinary Resolution.

None of the Directors or Key Managerial Personnel and/or their relatives are in any way interested or concerned financially or otherwise, in the resolution set out in the Notice.

- Item no. 5** – In terms of provisions of Section 196 of the Companies Act, 2013 and resolution passed on May 5, 2023 the term of appointment of Mr. Anoop Krishna as Executive Director of the Company was upto February 22, 2026. Accordingly, subject to the approval of the Shareholders, the Board of Directors of the Company in their meeting held on July 21, 2025 has re-appointed him as Executive Director of the Company for a period effecting from February 23, 2026 up to December 31, 2027. 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. Looking into his knowledge of various aspects relating to the Company's affairs and experience and on the recommendation of the Nomination & Remuneration Committee, the Board of Directors at their meeting held on July 21, 2025 was of the opinion that the services of Mr. Anoop Krishna should be continued to be available to the Company and re-appointed him for a further period commencing from February 23, 2026 up to December 31, 2027. Further, on the recommendations of the Nomination and Remuneration Committee, subject to approval of the Shareholders, the Board, approved the terms and conditions of Mr. Anoop Krishna's re-appointment. The main terms and conditions relating to his re-appointment as Executive Director are as follows:
- (1) Period: For a period commencing from February 23, 2026 up to December 31, 2027.
  - (2) Nature of Duties: Executive Director shall devote his whole time and attention to the business of the Company and perform such duties as may be entrusted to him by the Board of the Company and/or CEO & Managing Director of the Company, from time to time and separately communicated to him and exercise such powers as may be assigned to him, subject to the superintendence, control and directions of the Board of the Company and/or CEO & Managing Director of the Company in connection with and in the best interests of the business of the Company and the business of subsidiary, including performing duties as assigned to him from time to time by serving on the Boards of such subsidiary or any other executive body or any committee of such a company.
  - (3) Remuneration:
    - a. Monthly Remuneration of Rs. 3,85,000/- per month.
    - b. Conveyance and other allowance Rs. 65,000/-per month.
  - (4) Increment: He shall be entitled for such increments from time to time as decided by the Nomination and Remuneration Committee and the Board of Directors of the Company within the maximum permissible limit specified in Schedule V of the Act.
  - (5) Minimum Remuneration: In the event of inadequacy or absence of profits during the currency of his tenure, the Executive Director shall be entitled to the remuneration herein provided and where applicable the same shall be subject to the provisions contained in the Schedule V of the Companies Act, 2013.
  - (6) Sitting fee: He shall not be entitled to any sitting fees for attending the meeting of the Board of Directors or Committee thereof.
  - (7) Retire by Rotation: During the tenure of his term of office he shall be liable to retire by rotation. The profile and specific areas of expertise of Mr. Anoop Krishna and other relevant information as required under provisions of the SEBI LODR Regulations and Secretarial Standards are provided

as annexure to this Notice. In compliance with the provisions of Section 196, 197 and other applicable provisions of the Act, read with Schedule V to the Act, and Regulation 17(1C) of the SEBI LODR Regulations, the approval of the Members is sought for the re-appointment and terms of remuneration of Mr. Anoop Krishna as Executive Director of the Company as set out above.

Details pursuant to Regulation 36(5) of SEBI LODR Regulations is provided in the Annexure to the Notice.

The Board recommends the Ordinary Resolution set forth in Item No. 5 of the accompanying Notice for the approval of the Members of the Company.

None of the Directors and Key Managerial Personnel of the Company and their relatives except Mr. Anoop Krishna is concerned or interested, financially or otherwise, in the said resolution.

**Item No. 6** - In order to augment resources for business operation of the Company, it may invite subscription for secured/unsecured Non-Convertible Debentures (NCDs), in one or more series /tranches on Private Placement basis. 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 NCDs in the current year to meet lending requirements.

The NCDs proposed to be issued, may be issued either at par or at premium or at a discount to face value and the issue price (including premium, if any) shall be decided by the Board on the basis of interest rate/effective yield determined, based on market conditions prevailing at the time of the issue.

The provisions of Section 42 of the Companies Act, 2013 read with Rule 14 (2) of Companies (Prospectus and Allotment of Securities) Rules, 2014 and any other applicable provisions of the Companies Act, 2013, a Company shall not make private placement of its securities unless the proposed offer of securities or invitation to subscribe securities has been previously approved by the members of the Company by a Special Resolution for each of the Offers or Invitations.

However, pursuant to second proviso of said rule 14 (2) 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** - As a Non-Banking Financial Company (NBFC), the Company requires substantial funding to ensure smooth and uninterrupted business operations. To secure funds at the most competitive rates from

various sources-including but not limited to term loans, working capital facilities, debt securities, and inter-corporate deposits-it is proposed to authorize the Board of Directors to borrow beyond the Company's paid-up share capital, free reserves, and securities premium.

In accordance with Section 180(1)(c) of the Companies Act, 2013, the Board of Directors cannot borrow amounts exceeding the aggregate of the paid-up capital, free reserves, and securities premium of the Company without prior approval from the shareholders through a Special Resolution. Temporary loans obtained from the Company's bankers in the ordinary course of business are exempt from this restriction.

Therefore, shareholder approval is sought via Special Resolution to authorize the Board to borrow funds exceeding the aforementioned aggregate, up to a maximum limit of ₹9,000 Crores (Rupees Nine Thousand Crores).

The Board recommends the Special Resolution outlined in Item No. 7 of the Notice for approval by the members.

None of the Directors, Key Managerial Personnel, or their relatives have any interest in the proposed resolution, except to the extent of their shareholding in the Company, if any.

**Item No. 8** - In accordance with Section 180(1)(a) of the Companies Act, 2013, the Board of Directors may exercise its powers to create, renew, or modify charges-including mortgages, hypothecations, and floating charges-on the Company's movable and immovable properties to secure borrowings. However, such actions require prior approval from the shareholders through a Special Resolution.

To facilitate the Company's borrowing requirements, the Board seeks the consent of the members by way of Special Resolution under the aforementioned provision, authorizing it to create or renew such charges on the Company's assets as necessary.

The Board of Directors recommends the Special Resolution set forth in Item No. 8 of the Notice for the approval of the members.

None of the Directors, Key Managerial Personnel, or their relatives have any interest in the proposed resolution, except to the extent of their shareholding in the Company, if any.

**Item No. 9** - Pursuant to the applicable provision of the Companies Act, 2013 ("Act") read with the applicable rules issued under the Act, Regulation 23 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with amendment thereof ("SEBI LODR Regulations") and the Company's Policy on Related Party Transactions ("the Policy"), all material related party transactions of the Company require prior approval of the members of the Company through Ordinary Resolution.

In accordance with Regulation 23 of the SEBI LODR Regulations, "Material Related Party Transaction" means any transaction with a related party if the transaction/transactions to be entered into individually or taken together with previous transactions during a financial year, exceed ten percent of the annual consolidated turnover as per the last audited financial statements of the Company.

Considering the access to timely financial resources to meet its short-term and long-term working capital and operational requirements, the approval of the members is being sought for the proposal of the aforesaid borrowing limit of ₹270,00,00,000/- (Rupees Two Hundred And Seventy Crores only) notwithstanding that such borrowings availed or to be availed individually or taken together with previous borrowings availed by the Company from any one or more promoter companies during any

financial year may exceed ten percent or such other limit as may be specified under the SEBI Listing Regulations or any amendment thereof, of the annual consolidated turnover of the Company as per the last audited financial statements of the Company preceding the respective financial year in which such borrowings is availed by the Company, by way of resolution as stated in Item No. 9 of this Notice.

The total borrowing from any one or more promoter companies shall be subject to the borrowing limit as approved by the Shareholders under Section 180(1)(c) of the Act.

**Justification as to why the proposed transaction is in the interest of the listed entity, basis for determination of price and other material terms and conditions of RPT:**

The Company does borrow from banks and/ or financial institutions, in compliance with provisions of applicable laws, in its normal course of business, however such borrowings have certain standard restrictive covenants due to which immediate release of funds by the banks/ financial institutions sometimes takes longer than expected. Accordingly, to ensure continuity of working capital for operations of the Company, it is proposed to keep the option of availing borrowings from the promoter group of the Company, in the normal course of its business and on an arm’s length basis, subject to the willingness of the promoter group.

The Audit Committee has reviewed the certificates provided by the Managing Director & CEO and Whole Time Director & CFO of the Company as required under the RPT Industry Standards.

The Board of Directors, on recommendation of the Audit Committee, on August 30, 2025 has approved the above proposal, subject to the approval of the members of the Company. The Board recommends and proposes this resolution to the members of the Company for their approval in the best interest of the Company.

As per Regulation 23 of the SEBI LODR Regulations related parties of the Company are not permitted to vote to approve the resolution set out in Item No. 9 of this Notice whether the related party is a related party to the proposed transaction or not.

In accordance with Section 102(1) and the proviso to Section 102(2) of the Act, the nature of concern or interest financial or otherwise and the shareholding interest of every Promoter/Director/ Key Managerial Personnel of the Company in the other company namely Equilibrated Venture Cflow Private Limited, to the extent that such shareholding is in excess of 2% paid up capital of that company is required to be disclosed.

Mr. Sunil Agarwal, Managing Director, and Mr. Santanu Agarwal, Deputy Managing Director of the Company are also Directors in Equilibrated Venture Cflow Private Limited, and they along with other person/ entities belong to promoter group of the Company holds 100% shares in said related party.

Apart as mentioned above, none of Directors/ Key Managerial Personnel of the Company hold 2% or more of the paid-up share capital of Equilibrated Venture Cflow Private Limited.

The Board recommends the ordinary resolution set out at Item No. 9 of the Notice for your approval.

Since the transaction as per Item No. 9 of this Notice is proposed to be entered into with aforementioned promoter group entity itself, Mr. Sunil Agarwal, Mr. Santanu Agarwal, their relatives and Company in the promoter groups are deemed to be interested in this resolution.

Other than above, none of the Directors and/or Key Managerial Personnel of the Company and/or any of their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No. 9 of this Notice.

**“Minimum information for approval of Related Party Transactions to be provided to the Audit Committee” pursuant to SEBI Master Circular dated November 11, 2024 and as per RPT Industry Standards are as follows:**

**A (1). Basic details of the related party**

S. No.	Particulars of the information	Information	Audit Committee’s Comment
1.	Name of the related party	Equilibrated Venture Cflow Private Limited	No Comment
2.	Country of incorporation of the related party	India	No Comment
3.	Nature of business of the related party	Financial Consultancy Services	No Comment

**A (2). Relationship and ownership of the related party**

S. No.	Particulars of the information	Information	Audit Committee’s Comment
1.	Relationship between the listed entity/subsidiary (in case of transaction involving the subsidiary) and the related party – including nature of its concern (financial or otherwise) and the following:  <ul style="list-style-type: none"><li>Shareholding of the listed entity/ subsidiary (in case of transaction involving the subsidiary), whether direct or indirect, in the related party.</li><li>Where the related party is a partnership firm or a sole proprietorship concern or a body corporate without share capital, then capital contribution, if any, made by the listed entity/ subsidiary (in case of transaction involving the subsidiary).</li><li>Shareholding of the related party, whether direct or indirect, in the listed entity/ subsidiary (in case of transaction involving the subsidiary).</li></ul>	<p>Equilibrated Venture Cflow Private Limited is part of Company’s promoter group and Mr. Sunil Agarwal, Managing Director &amp; CEO of the Company, and Mr. Santanu Agarwal, Deputy Managing Director of the Company are Directors and hold controlling shareholding in Equilibrated Venture Cflow Private Limited.</p> <p>The company and its subsidiary do not hold any shares in the Equilibrated Venture Cflow Private Limited.</p> <p>Equilibrated Venture Cflow Private Limited is a Company limited by shares.</p> <p>Equilibrated Venture Cflow Private Limited is promoter group entity. Promoter and Promoter Group hold 37.06% shares in the Company</p>	No Comment
<p><b>Explanation:</b> Indirect shareholding shall mean shareholding held through any person, over which the listed entity/Subsidiary/ related party has control<sup>2</sup>. While calculating indirect shareholding, shareholding held by relatives <sup>3</sup>shall also be considered.</p>			

A (3). Details of previous transactions with the related party

S. No.	Particulars of the information	Information			Audit Committee's Comment
1.	Total amount of all the transactions undertaken by the listed entity or subsidiary with the related party during the last financial year.  <b>Explanation:</b> Details need to be disclosed separately for listed entity and its subsidiary.	Sr. No.	Nature of Transaction	FY24-25 (INR)	No Comment
		1	None	0.00	
		Other than dividends paid by the Company to Equilibrated Venture Cflow Private Limited no transaction was undertaken during the FY24-25.			
2.	Total amount of all the transactions undertaken by the listed entity or subsidiary with the related party in the current financial year up to the quarter immediately preceding the quarter in which the approval is sought.	Nil			No Comment
3.	Any default, if any, made by a related party concerning any obligation undertaken by it under a transaction or arrangement entered into with the listed entity or its subsidiary during the last financial year.	Not applicable as no obligation undertaken by it under a transaction or arrangement entered into with the listed entity or its subsidiary during the last financial year.			No Comment

A (4). Amount of the proposed transaction(s)

S. No.	Particulars of the information	Information	Audit Committee's Comment
1.	Amount of the proposed transactions being placed for approval in the meeting of the Audit Committee/ shareholders.	Borrowing from Equilibrated Venture Cflow Private Limited, not exceeding ₹270 Crores	The transactions should be in the ordinary course of business of the Company and at arm's length basis.
2.	Whether the proposed transactions taken together with the transactions undertaken with the related party during the current financial year would render the proposed transaction a material RPT?	Yes or No?  The transaction(s) may cross the materiality threshold limit during the financial year and may become material.	No Comment
3.	Value of the proposed transactions as a percentage of the listed entity's annual consolidated turnover for the immediately preceding financial year.	35.01 %	No Comment
4.	Value of the proposed transactions as a percentage of subsidiary's annual standalone turnover for the immediately preceding financial year (in case of a transaction involving the subsidiary and where the listed entity is not a party to the transaction)	Not Applicable	No Comment

5.	Value of the proposed transactions as a percentage of the related party's annual consolidated turnover (if consolidated turnover is not available, calculation to be made on standalone turnover of related party) for the immediately preceding financial year, if available.	1499.72%	No Comment	
6.	Financial performance of the related party for the immediately preceding financial year:  Explanations: The above information is to be given on standalone basis. If standalone is not available, provide on consolidated basis.	Particulars	FY24-25 (INR)	No Comment
		Turnover	18,00,34,135	
		Net worth	52,35,96,645	
		Net profits	(2,82,45,706)	

A (5). Basic details of the proposed transaction

S. No.	Particulars of the information	Information	Audit Committee's Comment
1.	Specific type of the proposed transaction (e.g. sale of goods/ services, purchase of goods/ services, giving loan, borrowing etc.)	Borrowing	The transactions should be in the ordinary course of business of the Company.
2.	Details of each type of the proposed transaction.	It is proposed to borrow an amount not exceeding ₹270 Crores from Equilibrated Venture Cflow Private Limited in one or more tranches at an interest rate prevailing in the market at the time of the transaction; however, such rate shall not be more than 14 % p.a.	The Terms & Conditions of the RPT should be fair, transparent, reasonable, and in the best interest of the Company and its stakeholders.
3.	Tenure of the proposed transaction (tenure in number of years or months to be specified).	Subject to the validity of the Shareholder's Approval in the AGM to be held in the year 2026-27, the transaction shall be undertaken in FY 2025-26 and FY 2026-27.  Further, the amount borrowed shall be repayable within a period of 10 years from the date of the borrowing.	Periodic (quarterly) submission of reviews of Related Party Transactions to monitor and manage risk associated with Related Party Transactions.
4.	Whether omnibus approval is being sought?	Yes or No	No Comment



5.	<p>Value of the proposed transaction during a financial year.</p> <p>If the proposed transaction will be executed over more than one financial year, provide estimated break-up financial year-wise.</p>	<p>It is proposed to borrow an amount not exceeding ₹270 Crores from Equilibrated Venture Cflow Private Limited at an interest rate prevailing in the market at the time of the transaction; however, such rate shall not be more than 14% p.a in one or more tranches in the upcoming years as per the fund requirements of the Company.</p>	<p>The Terms &amp; Conditions of the RPT should be fair, transparent, reasonable, and in the best interest of the Company and its stakeholders.</p>
6.	<p>Justification as to why the RPTs proposed to be entered into are in the interest of the listed entity</p>	<p>The Company does borrow from banks and/or financial institutions, in compliance with provisions of applicable laws, in its normal course of business; however, such borrowings have certain standard restrictive covenants due to which immediate release of funds by the banks/ financial institutions sometimes takes longer than expected. Accordingly, to ensure continuity of working capital for operations of the Company, it is proposed to keep the option of availing borrowings from the promoter group of the Company, in the normal course of its business and on an arm's length basis, subject to the willingness of the promoter group.</p>	<p>No Comment</p>
7.	<p>Details of the promoter(s)/ director(s)/key managerial personnel of the listed entity who have interest in the transaction, whether directly or indirectly.</p> <p>Explanation: Indirect interest shall mean interest held through any person over which an individual has control.</p>		<p>No Comment</p>

a. Name of the director/KMP	1.	Mr. Sunil Agarwal, Managing Director & Promoter	
	2.	Mr. Santanu Agarwal, Deputy Managing Director and belongs to the Promoter Group	
	3.	Ms. Suneeti Agarwal, belongs to the Promoter Group	
	4.	Pri Caf Private Limited belongs to the Promoter Group	
	5.	Pro Fitch Private Limited belongs to the Promoter Group	
	6.	Equilibrated Venture Cflow Private Limited belongs to the Promoter Group	
	b. Shareholding of the director/KMP, whether direct or indirect, in the related party	100 %	No Comment
8.	A copy of the valuation or other external party report, if any, shall be placed before the Audit Committee.	Not Applicable	No Comment
9.	Other information relevant for decision-making.	-	-

**A (5). Basic details of the proposed transaction**

S. No.	Particulars of the information	Information	Audit Committee's Comment
1.	Material covenants of the proposed transaction.	It is proposed to borrow funds not exceeding to ₹270 Crores from Equilibrated Venture Cflow Private Limited at interest rate of prevailing in the of market at the time of the transaction; however, such rate shall not be more than 14% p.a for a tenure not exceeding to 10 years.	The pricing & other T&C of the RPT to be fair, transparent, reasonable, and in the best interest of the Company and it's stakeholders.
2.	Interest rate (in terms of numerical value or base rate and applicable spread) .	The interest rate shall be subject to market rate of interest prevailing at the time of the transaction; however, such rate shall not be more than 14% p.a	

3.	Cost of borrowing  Note: This shall include all costs associated with the borrowing	The cost of borrowing shall be equal to the interest rate to be charged on the borrowing.	
4.	Maturity/due date	The amount borrowed shall be repayable within a period of 10 years from the date of the borrowing.	
5.	Repayment schedule & terms	The amount borrowed shall be repayable within a period of 10 years from the date of the borrowing.	
6.	Whether secured or unsecured	The borrowing shall be secured and/or unsecured	
7.	If secured, the nature of security & security coverage ratio	In case of secured borrowing, the borrowing shall be secured through hypothecation of receivables on pari-passu basis with 100% coverage ratio.	
8.	The purpose for which the funds will be utilized by the listed entity/subsidiary	The fund shall be utilized for principal business activities of the Company i.e. onward lending.	The report of fund utilization should be placed before the Audit Committee on quarterly basis

**C (4). Disclosure only in case of transactions relating to borrowings by the listed entity or its subsidiary**

S. No.	Particulars of the information	Information	Audit Committee's Comment
1.	Debt to Equity Ratio of the listed entity or its subsidiary based on last audited financial statements  Note: This shall not be applicable to listed banks/ NBFCs/insurance companies/ housing finance companies.	Being the Company is an NBFC, hence not applicable.	No Comment
	a. Before transaction	-	
	b. After transaction	-	-
2.	Debt Service Coverage Ratio of the listed entity or its subsidiary based on last audited financial statements  Note: This shall not be applicable to listed banks/ NBFC/insurance companies/ housing finance companies.	Being the Company is an NBFC, hence not applicable	No Comment
	a. Before transaction		
	b. After transaction		

**ANNEXURE TO THE NOTICE of 33<sup>rd</sup> ANNUAL GENERAL MEETING**

**A.** Details of Director seeking appointment/reappointment pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and applicable secretarial standards:

Name	Mr. Harish Singh	Mr. Anoop Krishna
DIN	00039501	08068261
Age	Aged about 58 years	67 years
Qualifications	Fellow member of Institute of Chartered Accountants of India and Master of Commerce	Bachelor of Arts
Terms and Conditions of appointment	Executive Director, liable to retire by rotation.	Executive Director, liable to retire by rotation.  Reappointment from February 23, 2026 till December 31, 2027
Experience (including expertise in specific functional area)/Brief Resume	Mr. Harish Singh is a Fellow Member of Institute of Chartered Accountants of India and holds Master degree in Commerce. 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. 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	August 01, 2008	February 23, 2018
Shareholding in the Company	20,000 Equity Shares of Re. 1 each	NIL
Relationship with other Directors/Key Managerial Personnel	No Relationship with other Directors/ Key Managerial Personnel	No Relationship with other Directors/ Key Managerial Personnel
Remuneration last drawn	Rs. 50.60 Lakh p.a.	Rs.48.64 Lakhs p.a
Number of meetings of the Board attended during the financial year (2024-25)	Seven	Seven
Directorships in listed companies and other directorship	Mr. Harish Singh holds Directorship in the following Unlisted Companies: 1. Saadhvi Cinfra Projects Private Limited 2. Nupur Finvest Private Limited	None
Membership/Chairmanship of Committees of other Boards	None	None
Resignation during past 3 years from listed companies	None	None
Information as required pursuant to BSE Circular with ref. no. LIST/COMP/14/2018-19 National Stock Exchange of India Ltd. with ref. no. NSE/CML/2018/24 dated 20th June,2018.	Mr. Harish Singh is not debarred from holding the office of director by virtue of any SEBI order or any other such authority	Mr. Anoop Krishna is not debarred from holding the office of director by virtue of any SEBI order or any other such authority

Further, None of the Director is disqualified from being appointed as a Director in terms of section 164 of the Companies Act, 2013 (the ‘Act’).

**B.** Details of Auditors seeking appointment/re-appointment as Secretarial Auditors at the Annual General Meeting in accordance with Regulation 36(5) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, is given herein below:

Name of the Proposed Secretarial Auditor	M/s Satish Jadon & Associates										
Proposed fees payable to the Secretarial Auditor(s)	The remuneration to act as Secretarial Auditor shall be as may be mutually agreed upon between the Board of Directors and the Auditors.										
Terms of Appointment	To conduct the Secretarial Audit for 5 (Five) consecutive years commencing from April 1, 2025 to March 31, 2030.										
Material change in the fee payable to such auditor from that paid to the outgoing auditor along with the rationale for such change	The proposed fee shall not materially vary from the fees paid earlier to the Secretarial Auditor.										
Basis of recommendation for appointment including the details in relation to and credentials of the Secretarial Auditor proposed to be appointed	<p><b><u>Basis of Recommendation:</u></b></p> <p>The Board of Directors of the Company, based on the recommendations of the Audit Committee, at its meeting held on July 21, 2025, had approved appointment of M/s. Satish Jadon &amp; Associates Practicing Company Secretaries, Peer Review No. 1028/2020, as Secretarial Auditors of the Company for the period of 5 (Five) years, subject to approval of Members at ensuing Annual General Meeting.</p> <p><b><u>Brief Profile of M/s Satish Jadon &amp; Associates:</u></b></p> <p>Mr. Satish Kumar Jadon, Proprietor of Satish Jadon &amp; Associates (Company Secretaries), has a good experience of 15+ years in corporate compliance matters. He holds a bachelor's degree in Commerce and is a Fellow Member of the Institute of Company Secretaries of India. He is experienced, dynamic, and competent to work independently. He has a willingness to learn new skills and is achievement-oriented. He also has good experience in arbitration and NCLT-related matters.</p> <p>Brief details of M/s Satish Jadon &amp; Associates:</p> <table><tr><td>Name of Firm</td><td>M/s Satish Jadon &amp; Associates (Company Secretaries)</td></tr><tr><td>Proprietor</td><td>Mr. Satish Kumar Jadon</td></tr><tr><td>Membership No.</td><td>FCS-9512</td></tr><tr><td>CoP No.</td><td>9810</td></tr><tr><td>Peer Review Unique Identification Number</td><td>1028/2020</td></tr></table>	Name of Firm	M/s Satish Jadon & Associates (Company Secretaries)	Proprietor	Mr. Satish Kumar Jadon	Membership No.	FCS-9512	CoP No.	9810	Peer Review Unique Identification Number	1028/2020
Name of Firm	M/s Satish Jadon & Associates (Company Secretaries)										
Proprietor	Mr. Satish Kumar Jadon										
Membership No.	FCS-9512										
CoP No.	9810										
Peer Review Unique Identification Number	1028/2020										

# PAISALO

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