ANNUAL REPORT 2026

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PAISALO

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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 Purushottanm Agarwal

Managing Director & CEO

Dear Shareholders,

India today stands at a defining point in its economic journey. As our nation advances towards the aspiration of Viksit Bharat 2047, India is becoming more formal, more digital, more entrepreneurial and more financially inclusive. Across villages, towns and cities, millions of Indians are seeking the opportunity to build businesses, create livelihoods, acquire productive assets and improve the lives of their families.

At Paisalo Digital, we have been privileged to participate in this journey for more than three decades. Since our incorporation in 1992, our purpose has remained remarkably consistent: to bridge the credit gap by connecting India's underbanked and underserved populations, including MSMEs, with the formal financial ecosystem.

The methods have changed. Technology has changed. India has changed. But the fundamental need we address remains the same.

There are millions of hardworking and enterprising Indians who possess the ability, intent and ambition to progress but who have historically found access to appropriately structured formal credit difficult. Paisalo exists for them.

And increasingly, technology is enabling us to reach them faster, understand them better and serve them more efficiently.

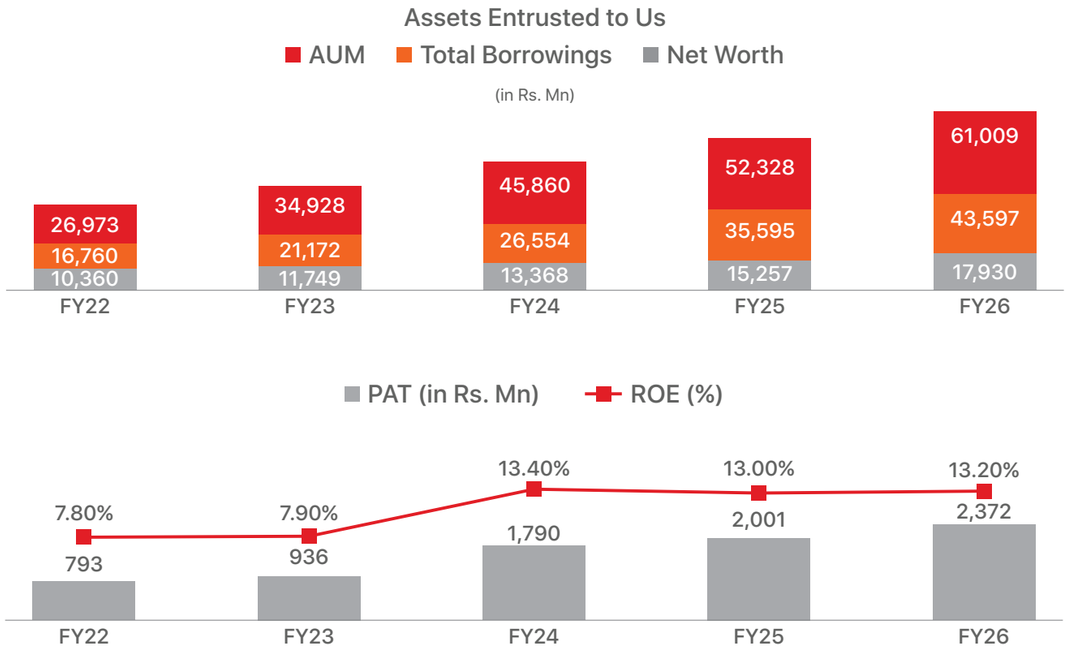
The global environment remains complex. Geopolitical conflicts, trade tensions, volatile commodity and energy prices, shifting supply chains and uncertainty around interest rates can affect economies and financial markets everywhere. India cannot be completely insulated from these forces.
Yet India enters this period with considerable structural strengths: a large domestic economy, expanding digital infrastructure, increasing formalisation, a growing entrepreneurial base and a population with enormous aspirations for economic progress.

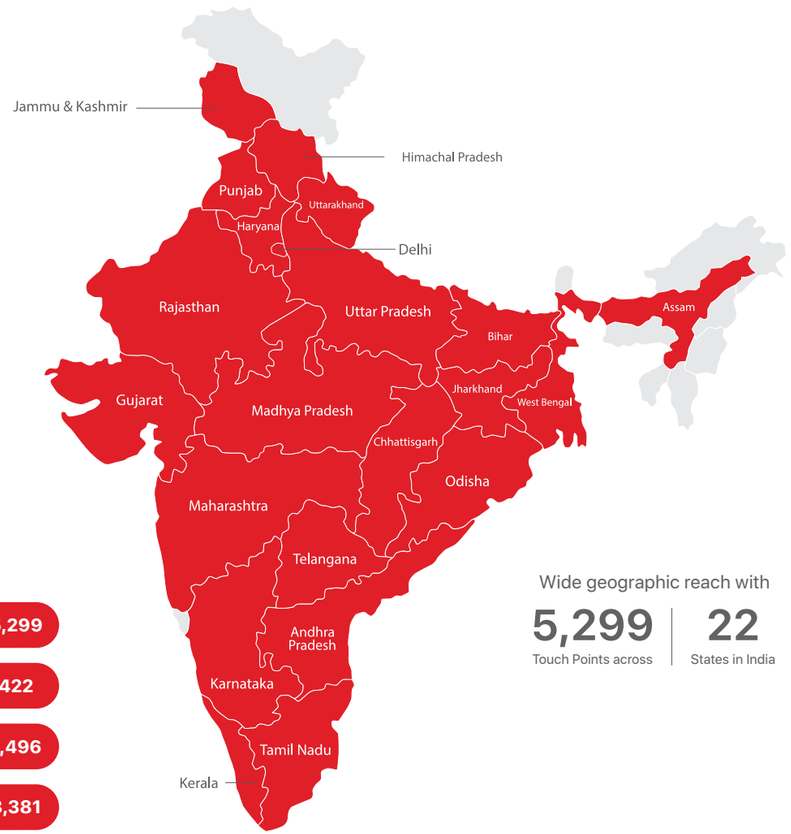
For Paisalo, perhaps the most important transformation is happening beyond India's largest metropolitan centers. Economic activity is deepening across Tier-2, Tier-3, Tier-4 and Tier-5 towns and rural India. Small entrepreneurs are becoming more connected to the formal economy. Digital payments are creating transaction histories. Technology is making customer identification and underwriting more efficient. And India's financial infrastructure is increasingly making it possible to serve customers whom the traditional financial system historically found expensive or difficult to reach.

This creates an enormous opportunity. But opportunity should never become an excuse for imprudence. Financial services is a business where optimism about India must always be accompanied by discipline about risk. At Paisalo, we pursue both.

We will grow, but not at any cost. We will embrace technology, but not lose the human understanding of our customer. We will expand geographically, but with discipline. And we will build an institution designed to endure through economic cycles, not merely perform during favorable ones.

Financial Year 2025-26 was another important year in Paisalo's journey. Our Assets Under Management increased 17% year-on-year to ₹61,009 Mn. During the year, we disbursed approximately ₹42,620 Mn, enabling us to continue expanding credit to income-generating borrowers, entrepreneurs and MSMEs across India. Our total income increased 22% to ₹9,437 Mn, while Net Interest Income increased 29% to ₹5,694 Mn. Pre-Provision Operating Profit increased 23% to ₹3,606 Mn, while Profit Before Tax increased 19% to ₹3,184 Mn. Most importantly, Profit After Tax increased 19% to ₹2,372 Mn. Basic earnings per share for FY26 stood at ₹2.62.





Touch Points	5,299
Branches	422
Business Correspondent	1,496
Distribution Point	3,381

Wide geographic reach with

5,299 Touch Points across | **22** States in India

These results are encouraging. But in lending, growth in income and profit tells only part of the story. The quality of that growth is equally important.

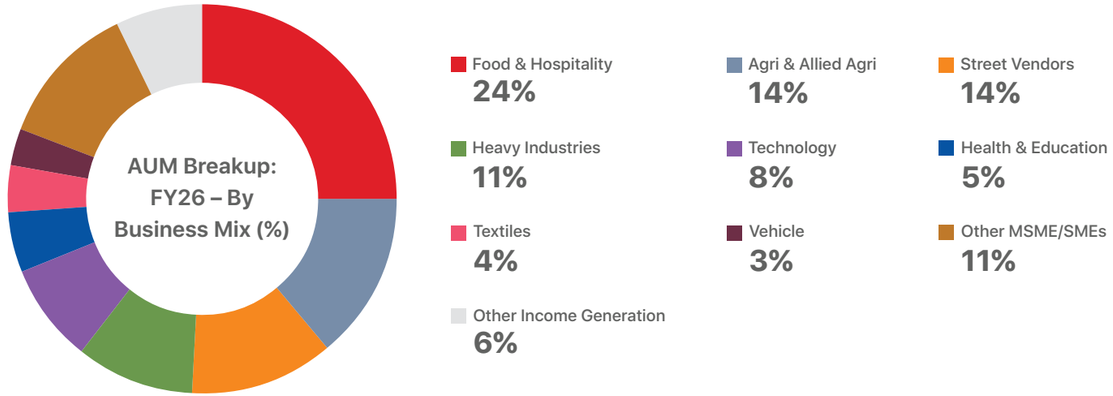
₹61,009 Mn of AUM. 16 million customers. One responsibility. By the end of FY26, Paisalo's customer franchise had expanded to approximately 16 million customers. Our distribution footprint reached 5,299 touchpoints across 22 states and Union Territories, comprising: 422 branches, 3,381 distribution points, and 1,496 business correspondents.

These numbers demonstrate scale, but we should not view them merely as statistics. Behind every customer is a person, a family, an enterprise and an aspiration. Behind every touchpoint is the possibility of bringing formal financial services closer to a community that may previously have had limited access.

Our objective therefore is not simply to become a larger lender. Our ambition is to build one of India's most efficient, trusted and scalable last-mile lending platforms for Bharat.

There remains a very large population of productive Indians who participate actively in the real economy but remain underserved by formal credit. Many are shopkeepers, street vendors, transporters, manufacturers, farmers, service providers and first-generation entrepreneurs. Their individual credit requirements may appear small compared with conventional corporate lending. Collectively, however, they represent one of India's largest economic opportunities.

Our portfolio reflects this opportunity. At the end of FY26, approximately 71% of our AUM was represented by SME/MSME loans, with 29% in small income-generation loans. Our customers operate across food and hospitality, agriculture and allied activities, street vending, manufacturing, technology, healthcare, education, textiles, mobility and numerous other segments of India's productive economy. Our SME/MSME portfolio reached approximately ₹43,316 Mn, while our small income-generation portfolio stood at approximately ₹17,693 Mn at the end of FY26.

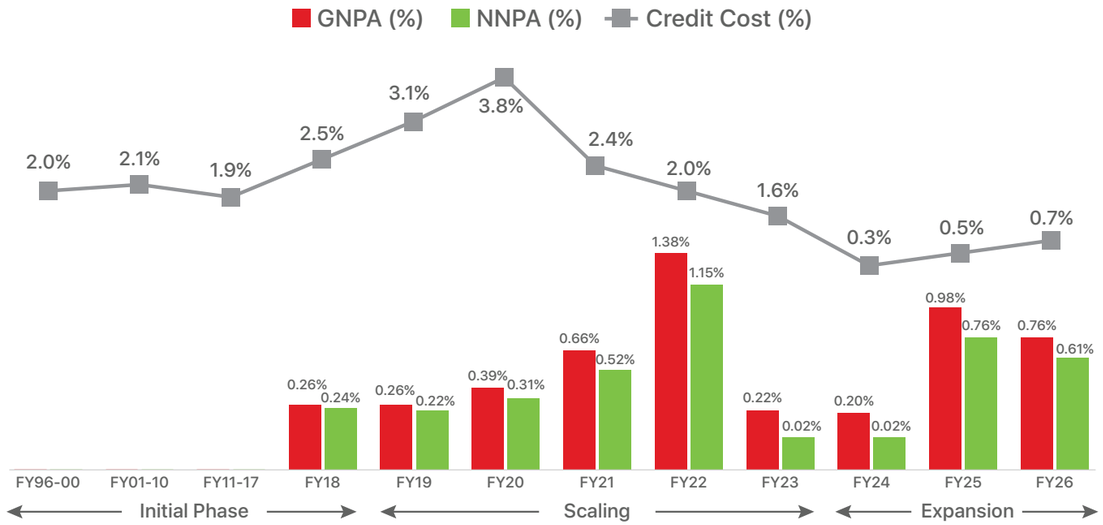


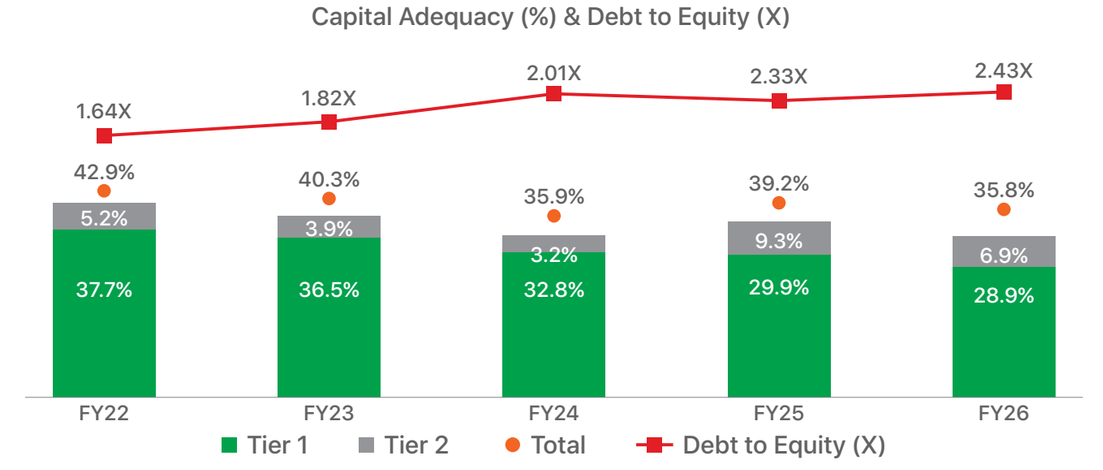
This diversity is deliberate. India itself is diversified. Paisalo should be too.

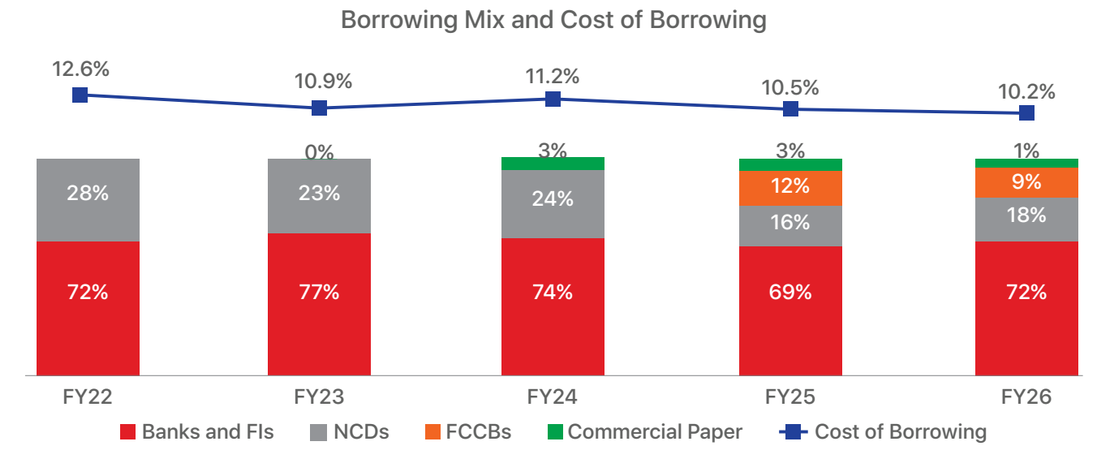
We do not want our future to depend excessively on one geography, one product, one industry or one category of borrower. We intend to deepen our presence in existing markets, expand selectively into new markets and broaden our product suite around the productive needs of India's emerging entrepreneurs.

There is one lesson that every financial institution eventually learns, growth without credit discipline does not create enduring shareholder value. We remain deeply conscious of this.

At the end of FY26, our Gross NPA was 0.76% and Net NPA was 0.61%. Collection efficiency remained strong at 98.5%. Approximately 93% of our portfolio was secured, and the average ticket size was approximately ₹4.84 lakh. Our liquidity coverage stood at 8.3 times.







These numbers reflect the underwriting and collection discipline that must remain central to Paisalo regardless of how large we become. The objective is not simply to originate more loans. The objective is to originate the right loans to the right customers at the right risk-adjusted return.

That discipline will remain fundamental to everything we do.

A lending institution must always respect its balance sheet. At the end of FY26, Paisalo's net worth stood at ₹17,930 Mn, an increase of approximately 16% year-on-year. Our Capital Adequacy Ratio stood at 35.8%, comprising Tier-I capital of 28.9% and Tier-II capital of 6.9%. The debt-to-equity ratio stood at 2.43 times. Our total borrowings were approximately ₹43,597 Mn, while our cost of borrowing moderated to 10.2%, down from roughly 12.6% in FY22.

During the fourth quarter, Paisalo successfully completed its maiden US$15 million External Commercial Borrowing, an important step towards diversifying our liability franchise and accessing longer-tenor international capital. Funding diversification is important because our ability to serve customers ultimately depends upon our ability to access capital reliably and efficiently through economic cycles.

We also strengthened our credit profile by receiving a dual rating of AA/Stable/A1+. As the Company scales, optimising the cost and structure of our liabilities will remain a strategic priority.

For many years, we have described Paisalo's model as High-Tech, High-Touch. We believe both sides remain essential. Technology gives us scale. Human understanding gives us context.

Technology can analyse thousands of data points, but our experience in last-mile lending helps us understand the livelihoods behind those data points.

The next phase of this strategy is what we call P-AI-SALO — transitioning towards an increasingly AI-led financial franchise.

Our aim is to build an intelligent, efficient and scalable lending engine across customer acquisition, underwriting, portfolio management, servicing and collections.

During Q4 FY26, 160,000 applications were processed through AI-enabled onboarding. Approximately 125,000 servicing cases and 225,000 debt-management cases were handled through AI pipelines. Approximately 250,000 quality checks were automated, reducing manual intervention. Our branches conducted approximately 234,000 OCR scans during the quarter, while approximately 50,000 facial-recognition and face-match processes were completed through the application. We also executed approximately 150,000 AI-driven outbound calls during Q4.

Importantly, these investments are beginning to allow scale and employee growth to move independently. Despite expanding our network and growing AUM by 17% during FY26, total headcount declined approximately 3%. That is an early indication of the operating leverage technology can create.

But technology is not our objective. Better economics are the objective. Every technology investment must ultimately produce one or more tangible outcomes: better underwriting, faster customer service, lower operating costs, stronger collections and better risk management.

Technology should make Paisalo larger without making Paisalo bureaucratic. It should make us faster without making us careless. And it should allow us to reach more Indians without losing the personal understanding that has always been central to our business.

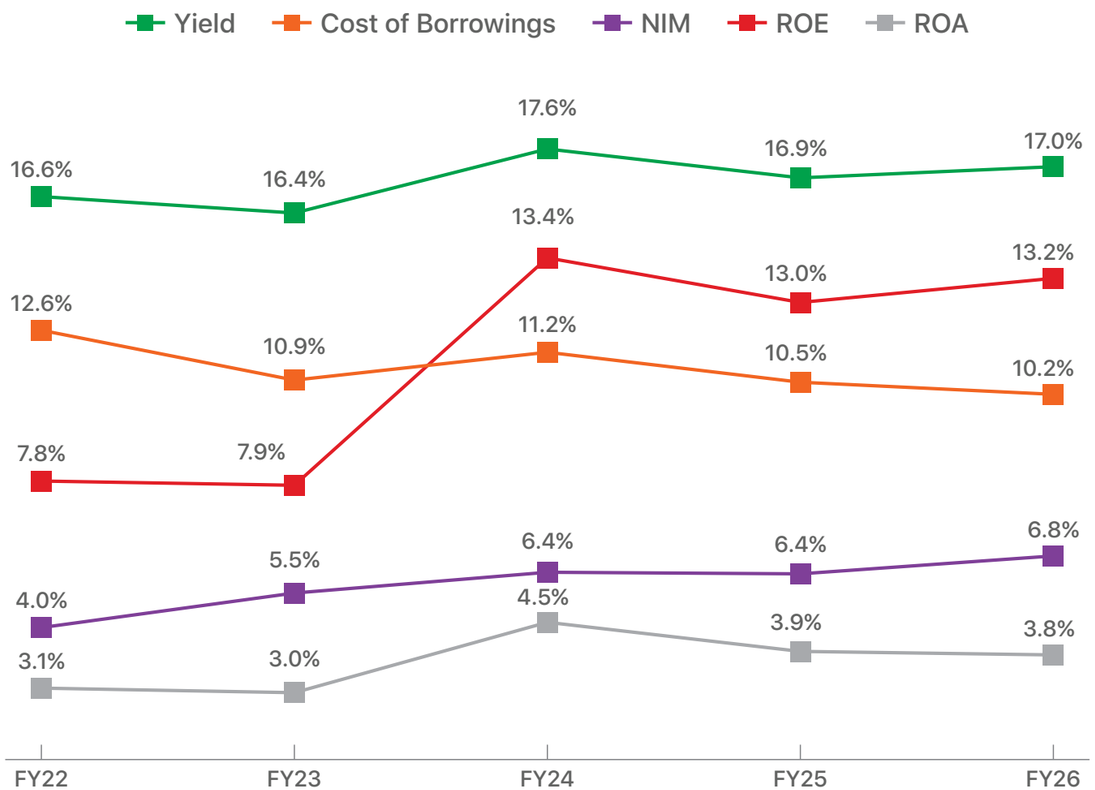
The opportunity before us is much larger than Paisalo today, as India's unmet demand for productive credit remains substantial. The opportunity is particularly significant among customers who possess PAN and participate actively in the economy but have limited or no formal credit history.

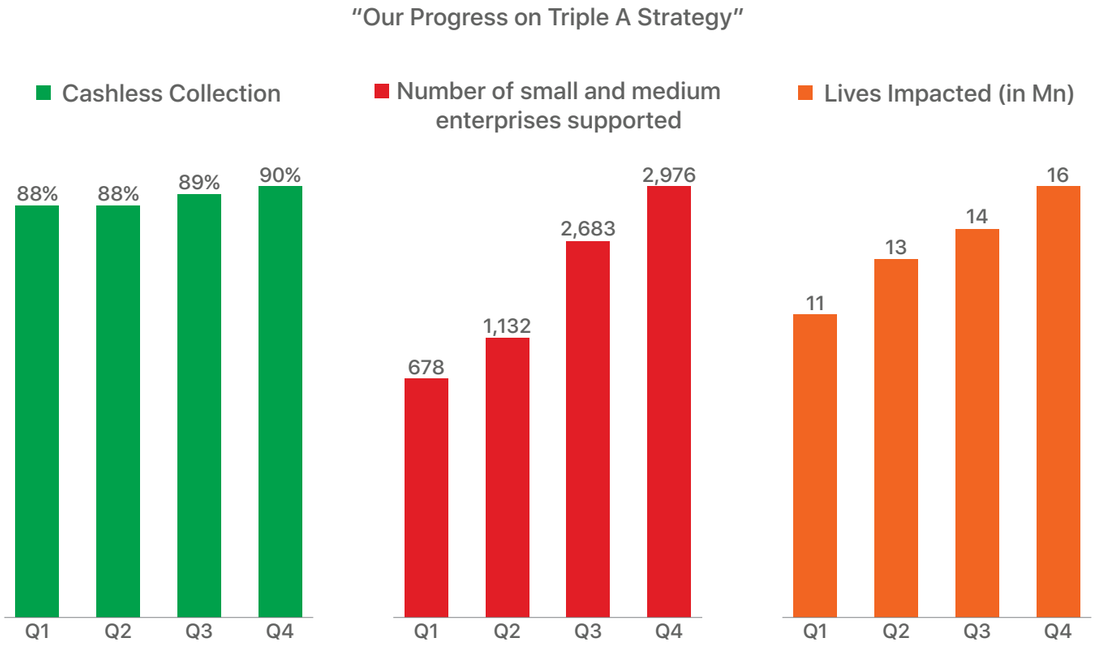
Similarly, India's MSME sector remains one of the country's most important engines of employment, entrepreneurship and economic growth, yet the availability of appropriately structured formal credit remains inadequate for many small enterprises.

This is the gap Paisalo was created to address.

And our ability to address it today is greater than at any previous point in our history. We now have the distribution network. We have banking relationships. We have the balance sheet. We have three decades of underwriting experience. And increasingly, we have the technology.

The challenge now is execution.





Our three-year roadmap, our strategy for the next three years, rests on four priorities.

- First, last-mile scale — transitioning from High-Touch, High-Tech towards an increasingly Fin-AI-driven operating model.
- Second, broadening our product suite, particularly across MSME and small income-generation lending.
- Third, geographic expansion, deepening our presence in existing states while selectively entering new markets.
- Fourth, optimising our cost of capital through structural diversification of our balance sheet and liability franchise.

Executed well, these initiatives provide us with a pathway towards our stated ambition of approximately doubling AUM, income and PAT over the next three years while preserving best-in-class asset quality.

We recognize the significance of that ambition. Doubling a company is easy to put on a presentation. Doing it responsibly is much harder. It requires capital discipline. It requires strong underwriting. It requires technology. It requires people. It requires institutional partnerships. And above all, it requires a culture that never confuses growth with success. For a lender, growth is successful only when the loans ultimately perform.

As companies become larger, complexity tends to increase. Complexity creates processes. Processes can create bureaucracy. And bureaucracy can distance an institution from its customers.

We must continuously resist that.

Paisalo must retain the entrepreneurial hunger and speed that built this Company while simultaneously developing the governance, systems, risk controls and institutional capabilities required of a much larger financial institution. We must remain willing to ask difficult questions of ourselves: Are we serving customers faster? Are we selecting borrowers better? Are we pricing risk appropriately? Are collections becoming more efficient? Are we lowering our cost of capital? Are we generating an appropriate return on shareholders' equity? And are the investments we make today strengthening Paisalo five and ten years from now?

At FY26-end, our Return on Assets stood at 3.8% and Return on Equity at 13.2%. Our portfolio yield stood at approximately 17.0%, while Net Interest Margin was 6.83%.

Our task is to keep improving the productivity of the institution while protecting the quality of the balance sheet. A great financial institution is not built in one year. It is built through thousands of disciplined decisions made consistently across many years and many economic cycles.

That is what we intend Paisalo to become.

Financial inclusion must ultimately create financial independence; we believe responsible finance has an extraordinary multiplier effect.

A ₹25,000 loan to an income-generating borrower may appear insignificant when viewed from the perspective of India's financial markets. But to the individual receiving it, that capital can purchase inventory, equipment or productive assets. That activity generates income. Income supports a family. A successful borrower establishes a financial record. A financial record creates access to larger opportunities. And an entrepreneur who grows may eventually employ other people. Resulting in the Paisalo Framework: Bharat, Ab Rukna Nahi

This is how financial inclusion becomes economic empowerment.

Paisalo's work therefore goes beyond building a loan book. We are helping connect India's entrepreneurial energy with India's formal financial system. That is commercially attractive. It is socially meaningful. And when executed responsibly, it can create enduring value for shareholders.
India's economic future will not be built only in its largest cities. It will be built by millions of entrepreneurs across its towns and villages. It will be built by retailers, traders, street vendors, manufacturers, drivers, farmers, healthcare providers, women entrepreneurs and first-generation business owners. It will be built by people whose aspirations are much larger than the size of their first loan.

At the end of FY26, Paisalo stands with ₹61,009 Mn of AUM, approximately 16 million customers, 5,299 touchpoints across 22 states and Union Territories, ₹17,930 Mn of net worth, 98.5% collection efficiency, sub-1% gross NPAs and a capital adequacy ratio of 35.8%.

These are important achievements. But they are not our destination. They are the foundation for what comes next.

Our responsibility is straightforward: Protect the trust placed in us, Allocate capital intelligently, Manage risk rigorously, Use technology thoughtfully, Remain close to our customers, And continue expanding access to responsible credit across Bharat.

India is moving forward. Our customers are moving forward. And Paisalo must keep moving forward with them.

EMBRACING TIMELESS PRINCIPLES FOR A BRIGHTER FUTURE

Reflecting on the past three decades, since I began as CEO in 1989, it's clear that our success is rooted in the core pillars we've consistently upheld, one lesson stands above all others: businesses may change, technologies may change and economic cycles may change, but the principles on which enduring institutions are built do not.

Since Paisalo was incorporated, we have witnessed extraordinary changes in India — in the scale of our economy, in entrepreneurship, in technology, in financial inclusion and in the aspirations of our people. Through all these changes, some things at Paisalo have remained constant.

Financial discipline has remained fundamental to how we manage the Company. It has helped us navigate economic cycles, protect our balance sheet and continue serving customers even during uncertain periods.

Innovation has remained central to how we grow. What began as a traditional lending business has progressively evolved into a technology-enabled, High-Tech: High-Touch model and is now moving towards an increasingly AI-led financial franchise.

And above all, our commitment to the borrower has remained at the heart of our purpose.

We understand that the loans we provide are rarely just financial transactions. They may allow a street vendor to purchase inventory, a small manufacturer to acquire equipment, a driver to buy an income-generating vehicle, or an entrepreneur to take the next step in building a business. That understanding gives meaning to what we do.

Today, Paisalo has serviced approximately 16 million customers through 5,299 touchpoints across 22 states and Union Territories. But behind these large numbers are individual aspirations — millions of Indians trying to improve their livelihoods and build a more secure future for their families.

Our achievements have also never been about technology, products or capital alone. They have been made possible by our people.

It is our people who meet customers, understand businesses, assess credit, manage collections, build technology, strengthen controls, manage relationships with our banking partners and make thousands of decisions every day that ultimately determine the quality of our institution.

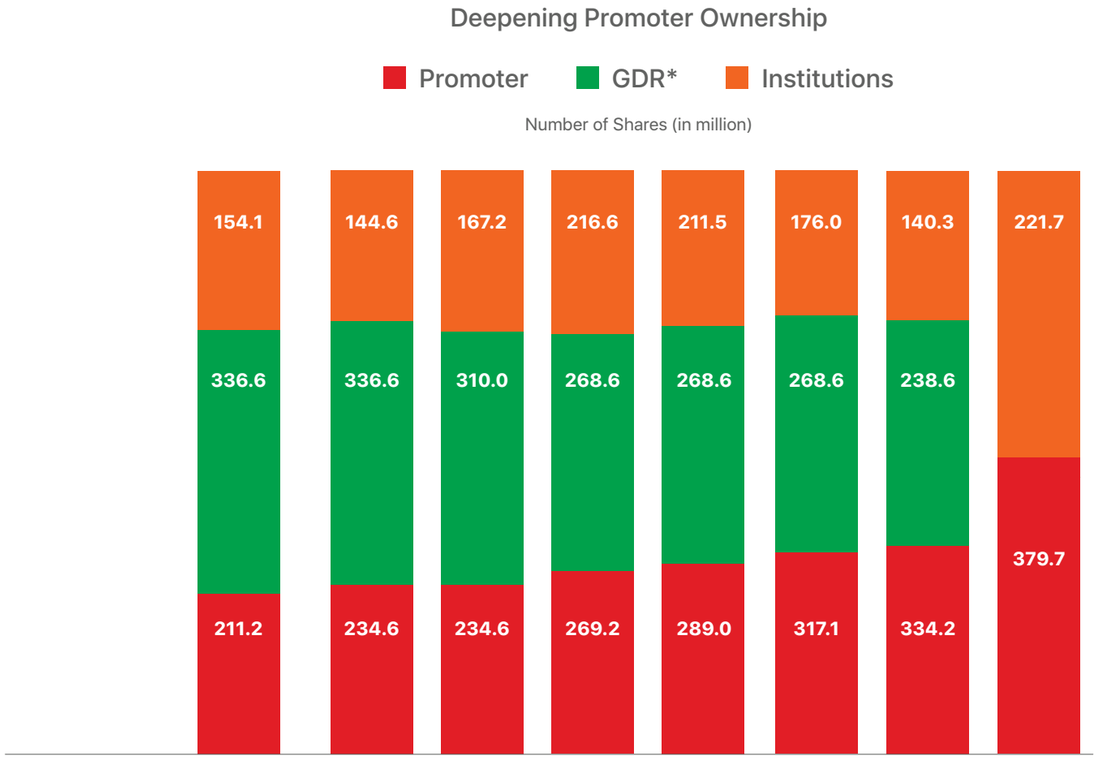
As Paisalo grows, our responsibility is to continue investing in them — developing talent, empowering people to make good decisions, creating opportunities for leadership and building a culture where integrity, accountability and performance reinforce one another.

The future we envision is therefore built on the same foundations that brought us here: financial discipline, innovation, customer centricity and great people.

As we move into the next phase of Paisalo's journey, there are several timeless principles that I have iterated in the past that deserve our continued attention, which are –

<u>First: We must always remember whose capital we are managing</u>

A public company belongs to its shareholders. At the end of FY26, Paisalo had approximately 104,000 shareholders and around 910 million shares outstanding. Our shareholders include promoters, domestic and foreign institutions and, importantly, individual investors.



	FY15-2019	FY20	FY21	FY22	FY23	FY24	FY25	FY26
Institutions & Others	32.5%	32.5%	35.6%	38.8%	37.9%	34.8%	36.5%	58.3%
GDR*	41.5%	39.8%	36.6%	30.6%	29.9%	29.9%	26.5%	0.0%
Promoter	26.0%	27.7%	27.7%	30.7%	32.2%	35.3%	37.0%	41.7%

Note: FY15-FY23 adjusted for Stock Split of 1:10 in June 2022 & Bonus issue of 1:1 in March 2024
*Outstanding GDRs were successfully converted in Q2FY26, strengthening the company's capital structure

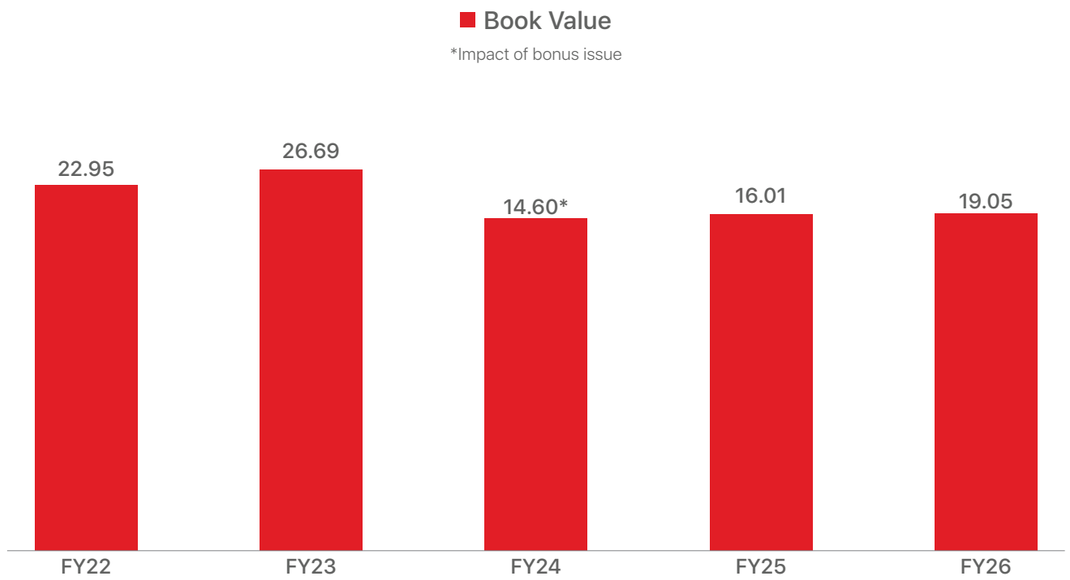
Even when shares are held through mutual funds, insurance companies or other institutions, the capital ultimately represents the savings of individuals — families investing for their children's education, their first home, financial security or retirement. This gives management an enormous responsibility.

When we allocate capital, undertake borrowing, invest in technology, open a new branch, enter a new geography or extend a loan, we are making decisions with capital that shareholders have entrusted to us. We must therefore treat every rupee of shareholders' capital as if it were our own.

That means avoiding both excessive conservatism and unnecessary risk.

Capital that sits idle creates little value. Capital deployed recklessly can destroy value.

Our responsibility lies between the two: to deploy capital intelligently into opportunities where we believe the risk and return justify the investment, while always protecting the long-term strength of Paisalo.



Second: We are building for the long term, not for the next quarter

We pay attention to our share price, but we do not run Paisalo for the share price of any particular day, month or quarter. In the long run we consider our stock price a measure of our progress over time.

Our job is therefore to focus on: the quality of our loan book, the strength of our balance sheet, the productivity of our distribution network, the quality of our technology, the cost of our capital, the capability of our people, and the returns we generate on shareholders' funds.

FY26 provides a good illustration. AUM increased 17% to ₹61,009 Mn, while total income increased 22% to ₹9,437 Mn and Profit After Tax increased 19% to ₹2,372 mn. At the same time, Gross NPA improved to 0.76% and Net NPA to 0.61%. We value this combination much more than growth alone.

We will continue investing in people, technology, underwriting capabilities, products and distribution even when the benefit of those investments may not be fully visible in the next quarter.
The institution we are building should be measured in decades.

Third: Shareholder value and stakeholder value strengthen each other

There is sometimes a tendency to present the interests of shareholders, customers, employees and communities as competing objectives.

We do not see them that way.

A lender cannot create sustainable shareholder value if its customers do not prosper. It cannot serve customers well without motivated and capable employees. It cannot grow sustainably without the confidence of regulators, lenders and banking partners. And no financial institution can flourish over decades unless the communities and economy in which it operates are themselves healthy.
For Paisalo, therefore, serving the underserved is not separate from creating shareholder value. It is the foundation of our business model.

When we provide productive credit to a deserving entrepreneur, help that borrower expand a livelihood and receive our money back with an appropriate return, everybody benefits. The borrower progresses. Paisalo earns an appropriate return. Our lending partners participate in financial inclusion. And shareholders benefit from a stronger franchise. This alignment between purpose and profitability is one of Paisalo's greatest strengths.

Fourth: Principles matter most when they are inconvenient

Over the years, we have repeatedly emphasised some basic principles for building Paisalo:

- Maintain a strong balance sheet.
- Protect asset quality.
- Underwrite with discipline.
- Diversify sources of capital.
- Invest in technology.
- Develop and retain good people.
- Strengthen governance, controls and compliance.
- Respect regulators.
- Remain close to the customer.
- And allocate shareholders' capital thoughtfully.

These principles sound obvious. Their value becomes apparent only when circumstances make them difficult to follow.

It is easy to maintain credit discipline when growth opportunities are limited. It is harder when competitors are growing aggressively. It is easy to maintain liquidity when capital is abundant. It is harder when markets become uncertain. It is easy to invest in technology when profits are strong. It is harder when the benefit lies several years in the future.

The test of a principle is whether we continue following it when there is pressure to abandon it.

At FY26-end, Paisalo had ₹17,930 Mn of net worth, capital adequacy of 35.8%, collection efficiency of 98.5% and liquidity coverage of 8.3 times. These provide us with a strong foundation from which to pursue the next phase of growth. We intend to protect that foundation.

Fifth: We are building one integrated financial franchise

Paisalo should not become a collection of unrelated businesses.

Our activities should reinforce one another. Our branch network gives us proximity to customers.

Our distribution partners extend our reach. Our Business Correspondent relationships connect us with the banking system. Our technology improves acquisition, underwriting and servicing. Our AI capabilities strengthen decision-making and productivity. Our lending experience improves our risk models. Our growing scale should strengthen our liability franchise. And a stronger liability franchise should, over time, allow us to serve more customers competitively.

These pieces are interconnected. Our ability to combine them is what can turn Paisalo from simply a lending company into an increasingly powerful financial platform for Bharat.

This is also the thinking behind our three-year strategic roadmap: increasing last-mile scale, broadening our MSME and income-generation product suite, expanding geographically and optimising our cost of capital. Our stated objective is ambitious — to approximately double AUM, income and PAT over three years while preserving best-in-class asset quality. Achieving that objective will require every part of the organization to work together.

Sixth: We must never forget the ecosystem that made our progress possible

No Indian company builds its success in isolation.

We operate within an ecosystem created over decades by India's democratic institutions, policymakers, regulators, banks, capital markets, entrepreneurs, taxpayers and, ultimately, the people of India. For financial services companies in particular, India's transformation has been remarkable.

The expansion of formal banking, digital payments, Aadhaar-enabled verification, e-KYC, UPI, account aggregation

and other elements of India's financial and digital infrastructure has made it possible to reach customers and conduct transactions at a scale that would have been difficult to imagine when Paisalo began its journey.

We have both benefited from and contributed to this transformation.

With that opportunity comes responsibility. We must comply with both the letter and spirit of regulation. We must pay our fair share of taxes. We must lend responsibly. And we must use the infrastructure and opportunities created by India to expand productive credit deeper into India.

In FY26 alone, Paisalo recorded ₹812 Mn of tax expense, alongside Profit Before Tax of ₹3,184 mn.

Taxes are not merely an expense line in an income statement. They are part of the contribution that successful enterprises make towards the nation whose institutions, infrastructure and economic progress make their success possible. And as Paisalo becomes larger, our responsibility to contribute positively to India's progress must become larger as well. We are proud to be an Indian company.

Seventh and finally, everything comes back to our people.

Strategy matters. Capital matters. Technology matters. But none of them executes itself.

At the heart of Paisalo are the people who serve borrowers in thousands of locations, build and maintain our technology, manage our finances, assess credit, collect repayments, manage risk, maintain controls and make decisions on behalf of the Company every day.

As of FY26, Paisalo had 3,076 employees supporting a franchise of approximately 16 million customers. Their responsibility will only increase as the Company grows.

We therefore want Paisalo to attract and develop people with four qualities that are timeless:

- Courage — to make difficult decisions.
- Judgement — to understand that lending is never simply about what a model says.
- Integrity — to do the right thing even when nobody is watching.
- Excellence — to continually raise the standard of what we do.

Great companies are ultimately collections of great people united by a common purpose and a common culture. Whatever changes artificial intelligence brings, whatever opportunities India's growth creates and whatever challenges future economic cycles may present, an organization with talented people, strong values, sound judgement and disciplined execution will have the ability to adapt.

The principles remain, and the possibilities become larger.

WE MUST KEEP RAISING OUR GAME

The last five years have been a period of significant transformation and growth for Paisalo.

Our Assets Under Management have grown from approximately ₹23,178 Mn in FY21 to ₹61,009 Mn in FY26. Today, our customer franchise stands at approximately 16 million, supported by 5,299 touchpoints across 22 states and Union Territories, including 422 branches, 3,381 distribution points and 1,496 Business Correspondents.

Scale, however, should never become a reason for satisfaction. It should increase our sense of responsibility.

The financial services industry is changing rapidly. Customer expectations are changing. Technology is changing. The availability of data is changing. Artificial intelligence is changing how customers can be acquired, assessed and served. Banks are becoming more digital, NBFCs are becoming more specialized, fintech companies are becoming more sophisticated, and partnerships between banks and technology-led lenders are creating entirely new models of credit delivery.

Our shareholders should recognize, as we do, that competition will become stronger, not weaker. That is healthy. Competition forces us to improve.

It forces us to serve customers better, understand risk more deeply, move faster, reduce costs and continuously question whether yesterday's way of doing business remains good enough for tomorrow.

For Paisalo, our future success will therefore depend upon our ability to retain the discipline of a financial institution while maintaining the speed and entrepreneurial mindset of a much younger company.

The nature of competition is changing

For much of the history of lending, competitive advantage came from physical distribution, capital and relationships. Those remain important. But increasingly, competitive advantage will also come from data, technology, artificial intelligence, operating efficiency and the ability to make better credit decisions faster.

Our traditional competitors include banks, NBFCs and other established lenders. Our emerging competitors include digitally native lenders, fintech platforms, embedded-finance businesses and institutions capable of using alternative data and technology to identify and serve customers who historically remained outside formal credit.

Many of these businesses will succeed. Others will not. Our responsibility is not to predict which competitor will ultimately win. Our responsibility is to make certain that Paisalo keeps improving fast enough to deserve its place in the market.

That means understanding competitors without imitating them blindly. It means adopting technology without abandoning credit judgement. And it means recognizing that in lending, rapid customer acquisition can never substitute for repayment.

Ultimately, the quality of a lender is revealed not when a loan is disbursed, but when the money comes back. This philosophy is reflected in our FY26 asset quality, with Gross NPA at 0.76%, Net NPA at 0.61% and collection efficiency at 98.5%. We intend to protect this discipline as we grow.

We continue to see significant opportunities for growth

The opportunity before Paisalo remains substantial. Our growth does not depend upon entering businesses unrelated to who we are. It exists within the markets we already understand.

Millions of Indian entrepreneurs and income-generating borrowers continue to require appropriately structured formal credit. Many operate businesses that are economically productive but remain inadequately served by the traditional financial system.

Our opportunity is to reach more of them. We intend to deepen our presence in existing geographies while expanding selectively into new markets. We intend to broaden our MSME and Micro enterprise product suite.

We intend to expand purpose-led financing across productive assets — including mobility, agricultural equipment, industrial equipment, medical equipment and other categories capable of helping customers create income.

We intend to deepen relationships with banks and institutional partners so that the combination of their lower cost of capital and our last-mile operating capability can extend formal credit to a much larger population.

And we intend to make it progressively easier for an existing Paisalo customer with a good repayment record to graduate to the next stage of his or her financial journey.

The first loan should not be the end of the relationship. It should be the beginning.

A street vendor today may become a shop owner tomorrow. A first-time vehicle borrower may eventually own several vehicles. A small trader may become a larger distributor. A micro-enterprise may become a MSME. As our customers progress, Paisalo should have the products, technology and capital to progress with them.

Our ongoing success will require us to improve in many ways

We must make better use of data. We must shorten turnaround time. We must improve customer experience. We must continually make our underwriting sharper. We must identify emerging risk earlier. We must develop products faster. We must reduce unnecessary manual processes. We must improve collections without compromising dignity and fairness in customer treatment. And we must use artificial intelligence intelligently across the organization.

The objective is not simply to become more digital. The objective is to become a better lender.

Every new capability should ultimately answer one of a few simple questions:

- Does it allow us to identify the right borrower more accurately?
- Does it allow us to serve that borrower faster?
- Does it reduce the cost of serving the customer?
- Does it improve collection efficiency?
- Does it identify portfolio stress earlier?
- Does it allow our people to spend more time on activities where human judgement genuinely adds value?

If the answer is yes, technology is creating value. If the answer is no, technology is merely creating complexity.

We must gain the benefits of scale without becoming burdened by scale

Scale creates enormous advantages. It improves access to capital. It strengthens partnerships. It allows larger investments in technology. It creates richer data. It spreads fixed costs across a larger customer base. It allows us to negotiate, invest and operate in ways that were not possible when Paisalo was smaller. But size carries dangers too.

Complexity, bureaucracy and complacency are among the greatest risks faced by a growing institution.

Decisions can become slower. Layers of approvals can multiply. People can begin protecting processes rather than serving customers. Success can create the dangerous impression that what worked yesterday will automatically work tomorrow.

We must resist this constantly. Paisalo should be a much larger institution five and ten years from now. But it should not feel like a slower institution. Our objective should be to combine the balance-sheet strength, governance and controls of a mature financial institution with the speed, curiosity and hunger of an entrepreneurial company. We should never allow our organizational structure to become more important than our customer. And we should never become so satisfied with our existing business that we fail to notice a small competitor solving a customer problem better than we are.

Our scale and capabilities should increasingly become competitive advantages

There will also be areas where size matters enormously. Building strong technology infrastructure is expensive. Cybersecurity is expensive. Artificial intelligence requires continuing investment in people, computing capability, systems and data architecture. Risk management and compliance require significant resources. Developing a diversified liability franchise takes time and credibility. Building relationships with major banking institutions cannot be replicated overnight.

Our scale gives us the ability to make these investments.

At FY26-end, Paisalo had ₹17,930 Mn of net worth and a capital adequacy ratio of 35.8%. Our customer franchise had reached approximately 16 million and the Company had 3,076 employees supporting a nationwide last-mile platform.

Our challenge is to turn these capabilities into sustainable advantages rather than simply higher costs. That means extracting more productivity from every rupee we invest.

Investing in - Triple A India we want to serve

One of the closest expressions of Paisalo's purpose is our Triple A Strategy — Accessibility, Affordability and Awareness.

- Accessibility means taking formal credit closer to underserved communities through the combination of technology and a widespread physical distribution network.
- Affordability means designing products and partnerships so that productive borrowers can access credit at appropriate and sustainable costs.
- Awareness means helping customers understand formal finance, responsible borrowing and the opportunities that a financial track record can create.

These ideas are simple. But their economic consequences can be powerful. India does not suffer from a lack of entrepreneurship. Entrepreneurship exists everywhere — in our cities, towns, mandis, markets and villages. What is often missing is access.

A hardworking individual may know how to run a business but have no formal credit history. A street vendor may generate income every day but remain invisible to conventional underwriting. A small manufacturer may have customers and demand but insufficient capital to purchase another machine. A driver may have the willingness to work but lack the financing required to purchase an income-generating vehicle.

Our role is to help bridge that gap.

The Bharat opportunity is fundamentally an opportunity to convert aspiration into economic capacity. That is good for the borrower. It is good for Paisalo. And at scale, it is good for India. Every family wants broadly the same things. The ability to earn with dignity. The ability to care for children and parents. A secure home. Good health. Education. Economic Independence. And the opportunity to make tomorrow better than today.

For a significant part of India's population, access to productive credit can help move a family closer to these aspirations. This is why financial inclusion should not be measured simply by the number of loans disbursed.

The more meaningful question is:

- What did that credit enable?
- Did it create an income-generating asset?
- Did it strengthen a small business?
- Did it allow someone to become self-employed?
- Did it help a customer enter formal finance and build a credit history?
- Did it create the possibility of taking the next economic step?

Those are outcomes that matter. Our purpose is to create millions of responsible and economically productive financial relationships.

Trust will become even more valuable in a world increasingly driven by data and AI

Financial services has always been built on trust. Technology does not reduce the importance of trust. It increases it.

Customers increasingly provide financial institutions with information about their identities, transactions, income patterns and financial behavior. Artificial intelligence will make it possible to analyze this information with extraordinary speed.

That creates opportunities. It also creates responsibilities.

Customers must have confidence that their information will be treated responsibly. Algorithms must improve decision-making rather than introduce unfairness or unexplained outcomes.

Systems must be secure. Fraud must be detected quickly. And human accountability must remain clear.

At Paisalo, we are increasingly using technology to strengthen identity and fraud detection, credit scoring, portfolio monitoring and early-warning capabilities.

But no technology should become an excuse to abandon judgement. Data can tell us a great deal about a borrower. It cannot eliminate uncertainty. Lending will always require judgement, and judgement will always require accountability.

We are building products around the productive needs of Bharat

As Paisalo grows, we want to broaden the number of customer needs we can responsibly address.

Our existing portfolio is centered on SME/MSME loans and Micro enterprise loans, which represented approximately 71% and 29% of FY26 AUM respectively.

But within these categories lies enormous diversity. Our borrowers include retailers, traders, manufacturers, street vendors and income-generating entrepreneurs.

Our growing ecosystem of institutional and dealer relationships creates opportunities in areas including mobility, agriculture, industrial equipment, medical equipment and alternative-energy solutions.

The underlying philosophy should remain consistent: finance the asset or activity that helps the customer generate income.

Purpose-led lending has two advantages - It helps the customer progress. And it allows us to understand more clearly what economic activity will ultimately repay the loan.

That alignment is important.

We will deploy our capital carefully and with patience

A strong capital position creates opportunity. It must not create impatience.

At FY26-end, our capital adequacy ratio stood at 35.8%, providing us with meaningful capacity to support future growth.

Our responsibility is to deploy that capacity where we believe it can earn attractive risk-adjusted returns. This can take several forms.

We can grow our existing loan book. We can enter new geographies. We can invest in technology. We can broaden our product suite. We can strengthen partnerships. We can invest in people and underwriting capabilities. And where appropriate, we can return capital to shareholders in accordance with the Company's capital requirements, Board decisions and applicable regulations. Not every rupee needs to be deployed immediately. The fact that capital is available does not mean an opportunity is attractive.

Patience is part of capital allocation.

We would rather wait for a good opportunity than manufacture growth simply because the balance sheet permits it.

AI, data and technology will be fundamental to Paisalo's next chapter

Artificial intelligence is not a distant concept for Paisalo. It is already being deployed. During Q4 FY26, approximately 160,000 applications were processed through AI-enabled onboarding. Approximately 125,000 servicing cases and 225,000 debt-management cases were handled through AI pipelines. Approximately 250,000 quality checks were automated. Around 150,000 AI-driven outbound calls were executed during the quarter.

AI is also increasingly participating in software development, testing, customer engagement and operational processes.

We believe this is only the beginning.

Our transition from High-Tech: High-Touch to Fin-AI reflects our belief that AI can increasingly strengthen the entire lending lifecycle: customer acquisition, onboarding, underwriting, fraud detection, portfolio monitoring, collections, servicing, risk management, and internal productivity.

The objective is to build what we describe as an intelligent, efficient and scalable lending engine.

We will embrace AI — but with discipline

There are several principles that should guide us.

First, we will not ignore AI.

Technology that materially improves customer service, underwriting or productivity must be understood and adopted.

Second, AI should augment human capability, not remove accountability.

A model can make a recommendation. Management remains responsible for the outcome.

Third, we must protect customer data.

As the value of data increases, so does our responsibility to secure it.

Fourth, we should expect AI to change jobs inside Paisalo.

Some activities will become automated. Other jobs will become more productive. New capabilities will be required. Our responsibility should be to invest in reskilling people so that technology and human capability develop together.

Fifth, we should not assume today's AI technology represents the final answer.

Models will improve. Costs will change. New providers will emerge. Some technologies that appear extraordinary today will become commodities tomorrow. We therefore want our architecture to remain flexible.

Finally, AI cannot repeal the fundamentals of lending.
A poorly underwritten loan does not become a good loan because AI originated it faster. Technology should strengthen underwriting discipline, not weaken it. That distinction will remain crucial.

AI should allow us to grow without increasing complexity at the same rate

We are already seeing early evidence of this possibility.
During FY26, Paisalo expanded its network and grew AUM by 17%, while overall headcount declined by approximately 3%.

This does not mean people are becoming less important. It means we should increasingly be able to direct people towards higher-value work.

A credit officer should spend more time understanding difficult cases and less time processing repetitive information. A branch employee should spend more time with customers and less time entering data multiple times. A risk manager should spend more time identifying emerging patterns and less time assembling reports. A collection team should receive better information about where intervention is most likely to be productive.

Technology should remove friction. People should provide judgement.

That combination is central to our vision of Fin-AI.

Technology will also create new risks

Every major technological change creates both opportunity and unintended consequences.

Artificial intelligence will be no different.

Fraudsters will use AI. Deepfakes will become more sophisticated. Identity manipulation will become easier. Cybersecurity threats will evolve. Automated decision-making can create new types of model risk. And companies may become overly dependent on systems they do not fully understand.

The answer cannot be to avoid technology.

Nor should it be to adopt technology without adequate controls. The correct approach is preparation. We must continually strengthen cybersecurity, model governance, data controls, fraud detection and human oversight. When mistakes occur — and inevitably some will — the organization must learn quickly.

Innovation and control should not be enemies. For a financial institution, they must develop together.

Every geography must be approached on its economic merits

India is not one homogeneous market. Customer behavior differs across states. Industries differ. Income patterns differ. Credit cultures differ. Infrastructure differs. Competitive intensity differs. And the economics of serving customers can differ significantly from one district to another.

Our geographic expansion must therefore remain disciplined. Our goal is not simply to put Paisalo's flag on a map. Our goal is to build profitable, sustainable lending franchises.

When evaluating a market, we look at customer need, economic activity, repayment behavior, distribution capability, competitive intensity, operating costs and the ability to build a meaningful franchise over time.

Some markets will justify rapid expansion. Others are entered gradually. And occasionally, the correct answer is to wait.

Our three-year roadmap accordingly calls for accelerating our presence in existing states while expanding into new markets, rather than expansion for its own sake. Capital should go where we believe Paisalo will create the greatest sustainable value.

Our roadmap is ambitious — execution will determine the outcome

Paisalo's three-year strategic roadmap rests on four interconnected priorities:

- Last-Mile Scale — transitioning from High-Touch: High-Tech towards Fin-AI.
- Broadening the Product Suite — scaling MSME and Micro enterprise lending.
- Geographic Expansion — deepening our presence in existing states and entering new markets.
- Optimizing the Cost of Capital — diversifying our balance-sheet funding and institutional partnerships.

Our stated ambition is for these initiatives to result in approximately 2x AUM, income and PAT over three years while preserving best-in-class asset quality.

This is an ambition. It is not an entitlement. It will have to be earned quarter by quarter and loan by loan. And we will not compromise the quality of our balance sheet simply to reach a numerical target.

If circumstances change, we will adapt. If a market becomes unattractive, we will exercise patience. If technology allows us to move faster, we will use it. If risks rise, we will respond.

The objective is not merely to become twice as large. The objective is to become twice as capable.

No company has a permanent right to success

There is one final lesson worth remembering - No company, regardless of its history, scale or past performance, has a permanent right to succeed.

Customers can leave. Technology can change. Competitors can improve. Capital can become more expensive. And strategies that worked successfully for many years can eventually become obsolete.

Paisalo has built a 34-year legacy. We should be proud of it.
But history should give us confidence, not entitlement. The best way to honor what has been built over the past three decades is to ensure that the organization remains hungry enough to build the next three.

That will require us to move faster. To listen more carefully. To use data better. To invest intelligently. To question ourselves continuously. And above all, to never lose sight of the customer whose aspiration gives our business its purpose.

Our opportunity remains enormous. India is formalizing. Bharat is aspiring.

Technology is making previously uneconomic segments increasingly serviceable. And millions of productive Indians are still waiting for the formal financial system to recognize their potential. Paisalo intends to be there.

High-Tech. High-Touch. Fin-AI. But always with one objective: to bring responsible credit closer to the people who can use it to move forward.

MANAGEMENT LEARNINGS

Every year brings new lessons in management — and, perhaps more importantly, reminds us of lessons we thought we had already learned. Running a financial institution teaches humility.

What worked five years ago may not be sufficient five years from now. Technology changes. Customers change. Competition changes. Regulation evolves. New products emerge. Data becomes more powerful. And organizations themselves become more complex as they grow.

Management therefore cannot be static.

As discussed earlier in this letter, Paisalo is entering an important phase of its evolution. We have grown our customer franchise to approximately 16 million, expanded to 5,299 touchpoints across 22 states and Union Territories, and are transitioning from our High-Tech: High-Touch model towards an increasingly AI-led financial franchise.

That growth brings opportunity.

It also brings an obligation to change how we manage ourselves. We must keep the organization in motion. We must continually remove unnecessary bureaucracy. We must push decision-making closer to where the relevant knowledge resides. We must combine the institutional discipline required of a regulated financial company with the speed and hunger of an entrepreneurial organization.

And we must use the trust built over more than three decades, together with our technology and distribution capabilities, to compete for every attractive opportunity that fits our purpose and risk appetite.

I believe we have many of the pieces in place. But having the pieces is not the same as executing well. Execution remains management's responsibility.

Small, empowered teams create speed

The real competitive battles in our business are rarely fought at the level of broad labels such as "MSME lending" or "financial inclusion." They are fought much deeper. It is the ability to understand the financing needs of a retailer in one district. The economics of financing a three-wheeler in another. The repayment behavior of a particular customer segment. The effectiveness of a sourcing partner. The turnaround time at a branch. The accuracy of a particular underwriting rule. The collection behavior of a specific portfolio. Or the ability to identify a good borrower whom conventional credit assessment might overlook.

This is where competitive advantage is actually created.

For Paisalo, therefore, small teams with clear missions, clear accountability and sufficient authority to act quickly will increasingly matter. If we want to improve digital onboarding, we should not make it 1% of the responsibility of 20 different people. We should have a small team that owns the outcome.

If we want to develop a financing programme for a particular income-generating asset, the people responsible for credit, technology, product, operations and distribution should work together around that specific problem.

If we want to improve collections in a geography, there should be clear ownership of the result rather than responsibility being spread so widely that nobody truly owns it. And if a process is causing unnecessary friction for customers or employees, the people closest to the problem should have a mechanism to get it fixed quickly.

A task owned by everyone can easily become a task owned by no one.

The strongest teams are those that know exactly what they are trying to accomplish, know how success will be measured and have the authority to make the decisions necessary to get there.

Speed does not mean abandoning controls. In financial services, controls are essential. Speed means removing the waiting, duplication and unnecessary layers that do not improve the quality of the decision.

We have to win customer by customer, segment by segment and district by district

There is another important management lesson in this. India is too diverse for every customer, geography and business segment to be managed in exactly the same way.

A street vendor is different from a small manufacturer. A first-time borrower is different from an established MSME. A mobility loan is different from financing medical or industrial equipment. The economics and credit behavior of one district can differ meaningfully from another. So while Paisalo must have common standards, risk principles and technology, execution must remain deeply local.

We need people who understand the customer. We need data that helps them understand the customer better. And increasingly, we need AI that allows our people to identify patterns that would otherwise be difficult to see.

This combination of local knowledge and institutional intelligence becomes one of Paisalo's most important advantages.

Our distribution network gives us physical proximity. Our technology gives us digital reach. Our data gives us learning. And our experience gives us judgement. Bringing these four together is the real meaning of High-Tech: High-Touch evolving into Fin-AI.

Speed, agility and relentless execution matter

Strategies are necessary. Execution creates results. Many companies can identify the same opportunity. Many can prepare impressive presentations describing it. Often the difference between the organization that ultimately succeeds and the one that does not is simply the ability to execute consistently.

That requires urgency. Not recklessness — urgency.

It means making decisions when sufficient information is available rather than waiting for perfect information that will never arrive. It means resolving problems while they are still small. It means moving quickly when a customer need is clear. And it means recognizing that incremental improvements, repeated thousands of times across a large organization, can create extraordinary results.

At Paisalo, some of this is already visible.

During Q4 FY26, approximately 160,000 applications were processed through AI-enabled onboarding, 125,000 servicing cases and 225,000 debt-management cases were handled through AI pipelines, and approximately 250,000 quality checks were automated.

These are not technology statistics for us to admire. They should translate into faster turnaround times, fewer errors, lower unit costs, more productive employees and better customer outcomes.

That is the test. Technology creates value only when execution improves.

Small teams need great common platforms

There is an apparent contradiction in management. We want small teams because small teams can move quickly.

But we do not want hundreds of small teams separately building hundreds of versions of the same technology. That creates duplication, fragmentation and eventually even more bureaucracy.

The solution is to combine small empowered teams with strong common platforms.

Certain capabilities are built once and used everywhere. Our data architecture. Our customer relationship management systems. Our Loan Origination System. Our Business Rule Engine. Our identity and fraud controls. Our credit and risk architecture. Our AI infrastructure. Our servicing and collection systems. Our cybersecurity standards. And the fundamental data definitions by which the Company understands itself.

Paisalo already operates an integrated technology architecture across digital onboarding, loan origination, servicing, collections, early-warning systems and analytics. The platform includes real-time bank-statement analysis through Account Aggregator frameworks and APIs, AI/ML-led bounce prediction and real-time MIS for disbursement, collections and field operations.

This common infrastructure should make every team faster.

A team developing a new product should not have to rebuild customer verification. A branch should not need to invent its own collection system. A credit team should not have to reconstruct data that already exists elsewhere in the Company. And information about a customer should not remain trapped in organizational silos.

Build the platform once. Improve it continuously. Let many teams use it.

That creates both speed and scale. The management challenge is to build powerful common platforms without allowing the teams running those platforms to become bureaucratic gatekeepers. Platforms should enable the business. They should not slow it down.

Common standards, distributed execution

We therefore want Paisalo to operate on a relatively simple principle:

- Centralize what benefits from scale. Decentralize what benefits from judgement and speed.
- Technology architecture should be common.
- Risk standards should be common.
- Governance should be common.
- Data definitions should be common.
- Compliance standards should be common.
- But customer understanding must remain local.
- Execution must remain close to the market.
- And accountability must sit with identifiable people.

Getting this balance right becomes more important as the Company grows. Too much centralization creates bureaucracy. Too much decentralization creates inconsistency. Great organizations learn how to do both simultaneously.

Culture becomes more important as Paisalo becomes larger

There is another element that no technology platform can create for us: culture.

A lasting company requires more than policies, reporting structures and organizational charts. It requires people who broadly understand how the institution thinks and what it considers important.

Do we raise a problem when we see one? Do we admit mistakes quickly? Do we treat the customer's money and shareholders' capital with respect? Do we tell management what it needs to hear or only what it wants to hear? Do we take responsibility when something goes wrong? Do we care more about solving the problem or proving that it belonged to somebody else's department?

These questions reveal culture far more accurately than posters on an office wall.

Paisalo identifies professional management as one of its core pillars, supported by an experienced leadership team and Board focused on disciplined execution and long-term value creation. The Board and executive leadership bring decades of experience across finance, banking, public administration, governance and regulation.

But culture cannot exist only among senior management.

It must reach the branch. The distribution point. The Business Correspondent. The credit team. The collection employee. The technology developer. The operations team.

And every person who interacts with a borrower or makes a decision carrying Paisalo's name. Culture cannot be delegated, building culture requires extraordinary effort because culture is created largely through repetition.

What leaders repeatedly discuss becomes important. What they repeatedly inspect gets attention. What they reward gets repeated. What they tolerate becomes acceptable. And how they behave becomes more powerful than whatever is written in a policy.

That is why business reviews matter. Branch visits matter. Meetings with employees matter. Conversations with borrowers matter. Interactions with banking partners matter. Engagement with regulators matters. And spending time where the actual business takes place matters.

A Company with 422 branches, 3,381 distribution points and 1,496 Business Correspondents cannot be understood entirely from a conference room. Management must remain connected to the field.

We need to hear what borrowers are telling our people. We need to understand why one branch performs better than another. We need to know what slows down loan processing. We need to understand why good customers sometimes leave. We need to listen when our frontline employees tell us that a process designed at Head Office does not work as expected on the ground. And we should continually ask our people one simple question: What are we doing that makes your job unnecessarily difficult?

The answers can be uncomfortable. They can also be extremely valuable. The best management information does not always come from a dashboard.

We believe deeply in data. Paisalo is investing substantially in analytics, automation and AI because better information should lead to better decisions. But management should never become so dependent on dashboards that it stops listening. A dashboard can tell us that turnaround time has increased. A branch employee may tell us why. A model may identify a change in repayment behavior. A collection officer may understand what changed in the local economy. Data may show that a particular product is growing slowly. A borrower may tell us that the documentation process is simply too difficult.

Numbers tell us what is happening. People often tell us why.

We need both. That is another reason High-Tech and High-Touch were never opposites for us. They complement one another. AI should strengthen this combination, not replace it.

Frontline employees often know where bureaucracy lives

One of the most useful habits any management team can develop is listening closely to employees who actually use the systems management creates. They encounter the duplicated form. The unnecessary approval. The field in the software that nobody needs. The process requiring the same data to be entered twice. The policy that made sense five years ago but no longer serves a purpose. The customer complaint that occurs repeatedly but has never travelled far enough through the hierarchy. These small inefficiencies accumulate.

One of them may not matter. Thousands of them do.

For this reason, bureaucracy-busting must become an always-on management process. We should not wait for a major restructuring exercise every few years. Employees should feel empowered to identify processes that do not add value. Managers should be expected to simplify them. Technology should automate them where appropriate. And senior management should intervene when organizational boundaries prevent sensible solutions.

The goal is not fewer controls. The goal is better controls with less unnecessary friction.

Growth without proportional complexity

One of the encouraging signs in FY26 was that Paisalo expanded its network and grew AUM by 17%, while overall headcount declined approximately 3%, reflecting early operating leverage from technology and AI-led efficiencies. We should be careful about how we interpret this. The objective is not simply to employ fewer people. The objective is to ensure that the Company can grow without complexity, manual work and operating costs increasing at the same rate as the business.

That is a very different ambition. We want technology to eliminate repetitive work. We want AI to assist employees in making faster and better decisions. We want common platforms to reduce duplication. And we want people to spend more of their time where human capability creates the greatest value — understanding customers, exercising judgement, solving difficult problems, developing relationships and creating new opportunities.

Productivity is not about asking people to work endlessly harder. It is about building an organization in which their effort produces more.

Paisalo should function as one connected intelligence network

There is a tendency to think of a company as an organizational chart. We prefer to think of Paisalo increasingly as a connected intelligence network. A branch in one state learns something about a customer segment. A credit officer identifies a new risk pattern. A collection team finds a more effective approach. Our technology identifies behavior across thousands of accounts. Our banking partner provides another perspective. Our analytics team sees a pattern that is invisible at the level of an individual loan. And management combines all of this information to improve the way Paisalo operates everywhere.

That is organizational intelligence.

The more effectively those connections work, the more valuable the entire network becomes. Paisalo's developing AI architecture is designed around exactly this principle: creating an increasingly unified real-time data environment supporting customer acquisition, underwriting and portfolio management, with AI models helping improve risk assessment, early-warning signals and collections.
But technology represents only one part of the network.

People are the other.

A company possesses knowledge not simply because its employees know things individually, but because they share what they know. Silos destroy that value. Healthy connections multiply it. Our investment therefore is not only in servers, software and algorithms. It is also in the intelligence, experience and relationships of our people.

We must create a culture where people speak up

An intelligent organization requires people who are willing to tell the truth. If a target is unrealistic, somebody should say so. If credit quality is weakening in a segment, the information should move quickly. If a technology rollout is not working, we need to know. If a process creates poor customer outcomes, it should be challenged. If the organization is becoming too slow, managers must speak up. And when management itself is wrong, we should want people around us who have enough confidence and integrity to say so.

The most dangerous organization is not one that makes mistakes. All organizations make mistakes. The most dangerous organization is one in which people learn to hide them. Our message to our leaders is therefore be straightforward: Do not wait for a problem to become large. Raise it. Own it. Fix it. This must remain the Company's operating rhythm.

Grit remains important

Technology can sometimes make business appear cleaner and more predictable than it really is. Lending is neither. It remains a business requiring enormous attention to detail. A portfolio containing thousands or millions of accounts is ultimately made up of individual credit decisions.

Collection efficiency is created one repayment at a time. Customer trust is created one interaction at a time. A strong balance sheet is created through thousands of decisions about risk and capital.

There is no technology that eliminates the need for discipline. No strategy presentation eliminates the need for execution. And no successful year gives us permission to become complacent.

There will always be difficult periods. There will always be competitors who execute something better than we do. There will always be products that do not perform as expected. There will always be technology that needs fixing. And there will always be decisions that, with hindsight, we wish we had made differently.

What matters is how quickly we learn. That requires grit. It also requires intellectual honesty.

A good culture is difficult to build and remarkably easy to lose

Paisalo has spent more than three decades building its institution. Culture accumulated over decades can nevertheless deteriorate surprisingly quickly if it is taken for granted.

It can weaken when growth becomes more important than judgement. When hierarchy becomes more important than ideas. When people stop challenging one another. When success becomes entitlement. When controls become box-ticking exercises. Or when employees begin saying, "That is not my responsibility."

We have to fight against these tendencies every day. A healthy culture requires grit, courage, curiosity, humility and an open mind. Grit to keep going when circumstances are difficult. Courage to make decisions and speak up. Curiosity to keep learning. Humility to recognize when someone else has a better answer. And an open mind to change practices that may have served us well in the past but no longer fit the future.

Continuous improvement must remain part of Paisalo's DNA

Ultimately, the objective of all these management practices is simple - We want continuous improvement to become so deeply embedded in Paisalo that it no longer feels like an initiative.

Every employee should ask: Can this be faster? Can this be simpler? Can we serve the customer better? Can technology eliminate this manual task? Can we identify this risk earlier? Can we deploy this capital more effectively? Can another part of Paisalo learn from what we have discovered here?

These small questions, repeated throughout an organization of more than 3,076 employees serving approximately 16 million customers, can become enormously powerful. No senior management team can personally identify every opportunity for improvement. Nor should it try. The objective is to build an organization where thousands of people are continually improving the institution from within.

Management's role is to keep the system in motion

As Paisalo moves through its next phase, the role of management becomes increasingly clear. Set the direction. Allocate capital. Choose good people. Create accountability. Build common platforms. Protect the balance sheet. Maintain strong governance. Listen to customers and employees. Remove bureaucracy. Encourage constructive disagreement. Use technology aggressively but responsibly. And keep reminding the organization why it exists.

Our business is ultimately about bringing productive formal credit closer to Indians who can use it to improve their economic lives. Everything else — our technology, branches, capital, AI models, partnerships and processes — exists to help us accomplish that purpose more effectively.

If management ever forgets this, complexity will win. If the organization remembers it, scale can become an extraordinary advantage.

The organization we are trying to build

The Paisalo we want to build should therefore have some characteristics that may appear contradictory.

- Large in scale, but small in the way teams operate.
- Technology-led, but deeply human in understanding customers.
- Fast in execution, but conservative in risk.
- Centralised where platforms and standards create efficiency, but decentralised where local knowledge creates better decisions.
- Ambitious about growth, but patient about capital allocation.
- Proud of our 34-year history, but never entitled because of it.
- Disciplined enough to protect what we have built, and restless enough to continually reinvent it.

If we can achieve this balance, Paisalo will become not only a larger company but a stronger institution. And this is important because our ambition for the next three years is substantial.

We have stated our objective of approximately doubling AUM, income and PAT while preserving best-in-class asset quality. Achieving that will require technology and capital. But it will require something even more fundamental: a culture capable of executing at scale. That culture cannot be bought. It cannot be installed like software. It has to be built, demonstrated and renewed every day.

That responsibility belongs to all of us. And if we keep learning, keep simplifying, keep listening and keep raising our standards, I believe Paisalo can enter its next phase with the speed of an entrepreneurial company and the resilience of an enduring financial institution.

MANAGING THROUGH A TIME OF INCREASING AND COMPLEX RISKS

There is one management principle that becomes more important as a financial institution grows: Never confuse favorable conditions with permanent conditions.

As good — or difficult — as the environment may appear at any particular moment, we must always be prepared for a range of outcomes, including outcomes considerably more difficult than those reflected in our current expectations. We do not prepare for difficult times because we expect them.

We prepare because our responsibility is to ensure that Paisalo remains capable of serving its borrowers, meeting its obligations, protecting its balance sheet and continuing to invest through different economic cycles. This is particularly important in lending.

Economic conditions can change. Interest rates can change. Liquidity can tighten. Commodity prices can rise. A local industry can come under stress. A geography can experience disruption. Borrower cash flows can weaken. Technology can create new risks almost as quickly as it creates new opportunities. And sometimes several individually manageable events can occur simultaneously. No financial model can predict every such combination.
The purpose of risk management is therefore not to predict the future perfectly. It is to build Paisalo so that we do not need to predict it perfectly.

We manage through the cycle

Earlier in this letter, I discussed our ambition to approximately double AUM, income and PAT over the next three years while preserving best-in-class asset quality. The second half of that statement is as important as the first. We do not want Paisalo to be an institution that performs exceptionally during favorable credit conditions but struggles when the cycle turns.

We want to build an institution capable of performing through the cycle.

That means accepting that every financial year will not look the same. There may be periods when credit demand is exceptionally strong. There may be periods when growth should deliberately slow. There will be periods when margins expand and periods when funding costs rise. There may be years when the correct management decision is to prioritize balance-sheet strength over incremental growth. And there may be moments when difficult conditions create attractive opportunities for institutions that retained liquidity and capital when others did not. Our objective is therefore not to maximize one year's return.

It is to create durable risk-adjusted returns over many years.

At FY26-end, Paisalo reported ROA of 3.8% and ROE of 13.2%, alongside a capital adequacy ratio of 35.8%. These are important numbers. But we should never allow strong current numbers to reduce our awareness of future risk.

A good balance sheet should provide confidence. It should not create complacency.

Stress should be considered before it arrives

Risk management works best when difficult questions are asked while conditions are still normal - What happens if our cost of borrowing rises materially? What happens if collection efficiency weakens? What happens if a particular industry experiences stress? What happens if growth slows in an important geography? What happens if liquidity becomes less readily available? What happens if the value or usability of collateral changes? What happens if several of these occur together? What happens if a technology or cybersecurity event disrupts operations?

And most importantly: Would Paisalo still be able to serve customers and protect the balance sheet under those circumstances?

These questions should be debated continuously. Stress testing is useful precisely because the future rarely resembles the base case assumed in a business plan. Historical experience helps. Models help. Data helps enormously. But none of them should create the illusion that uncertainty can be eliminated.

The most dangerous risk is often the one that fits comfortably inside no existing model.

Paisalo enters this period from a position of balance-sheet strength

Preparedness begins with capital and liquidity. At FY26-end, Paisalo had net worth of ₹17,930 Mn, capital adequacy of 35.8%, liquidity coverage of 8.3 times and a debt-to-equity ratio of 2.43 times. Collection efficiency stood at 98.5%. Our portfolio also remained predominantly secured, helping provide an additional layer of protection. Asset quality improved during FY26, with Gross NPA at 0.76% and Net NPA at 0.61%, compared with 0.99% and 0.76%, respectively, at the end of FY25.

We should take satisfaction from this performance. But we should not extrapolate it indefinitely. Low NPAs are not permission to loosen underwriting. High collection efficiency is not proof that collections will always remain high. A strong capital ratio is not excess capacity that must immediately be consumed. These figures represent resilience that has been built. Our responsibility is to use that resilience intelligently.

We must distinguish between volatility and permanent impairment

Financial institutions encounter many kinds of risk. Some are temporary. Others can permanently impair capital. A change in market sentiment may be uncomfortable but reversible. A short-lived rise in funding cost may compress margins but eventually normalize. A temporary disruption in a geography may reduce collections for a period. These situations require management. But poorly underwritten credit can create permanent losses. That distinction matters greatly.

We should therefore worry less about temporary noise and much more about decisions capable of permanently weakening the franchise. This is why underwriting remains so important. It is why diversification matters. It is why concentration limits matter. It is why liquidity matters. It is why capital matters. And it is why rapid growth should never become a substitute for good credit judgement.

India gives us considerable reasons for optimism — but optimism must coexist with preparedness

We remain fundamentally optimistic about India's long-term opportunity. The economy is becoming increasingly formal. Digital financial infrastructure is expanding. Millions of entrepreneurs are entering the formal financial system. Small businesses are becoming more digitally visible. The ability to assess borrowers using transactional, bureau and banking data continues to improve. And the aspiration for economic advancement across Bharat remains enormous.

For Paisalo, these structural changes expand the universe of customers we can potentially serve.

Our Triple A philosophy of Accessibility, Affordability and Awareness is built around bringing formal finance closer to communities and helping borrowers participate more fully in the financial system. But even a structurally strong economy experiences cycles. And India's diversity means those cycles will not affect every borrower equally. One sector may be strong while another weakens. One geography may prosper while another experiences stress. A rise in input prices may benefit one type of customer and hurt another. Changes in interest rates may affect borrowers, lenders and asset values differently.

For Paisalo, this makes granular risk management essential. Our portfolio cannot be understood only at the national level. We must understand it state by state, district by district, product by product and customer segment by customer segment.

Interest rates matter twice to a lender

For a lending company, interest rates affect both sides of the balance sheet. They affect the price at which we obtain capital. And they affect the affordability of credit for our customers. If borrowing costs rise sharply, margins can come under pressure. If those higher costs are passed fully to borrowers, customer affordability can weaken. If they are not passed through, lender economics may deteriorate. The correct response is therefore not simply to predict the direction of interest rates. It is to build a diversified liability franchise and maintain enough margin and capital flexibility to operate across different rate environments.

Paisalo's cost of borrowing was 10.2% at FY26-end, down from 12.6% in FY22, and the Company has been deliberately broadening its funding base. During Q4 FY26, we completed our maiden US$15 million External Commercial Borrowing, while our credit profile stood at AA/Stable/A1+. This diversification is not financial engineering. It is risk management. The wider and more durable our access to capital, the better positioned we should be when individual funding markets become less attractive.

Liquidity must be available before it is needed

Liquidity has an unusual characteristic. When it is abundant, it often appears unnecessary. When it is scarce, everybody wants it simultaneously. That is why a financial institution should not manage liquidity simply around what is required in ordinary conditions. We must maintain the ability to meet obligations and continue operating if financing markets become temporarily difficult. This principle applies particularly to NBFCs.

Liability diversification, maturity management, liquidity buffers and strong banking relationships are not back-office considerations. They are strategic assets. Our growing relationships with banks and financial institutions, our diversified borrowing programme and our co-lending partnerships all contribute to this resilience. The objective is not to create the most aggressive possible balance sheet.

It is to create the most productive balance sheet that remains resilient under stress.

Commodity and energy shocks eventually reach the small borrower

Global events can sometimes appear far removed from the customer Paisalo serves in a small Indian town. They are not always as distant as they appear. Changes in energy and commodity prices can eventually affect transportation costs, agricultural inputs, manufacturing costs, food prices and household disposable income. Those changes can then affect the cash flows of small businesses and income-generating borrowers.

For a globally diversified institution, geopolitical risk may first appear in trading markets. For Paisalo, it may eventually appear in something much more fundamental: the monthly cash flow of a borrower.

This is why macroeconomic risk and grassroots credit risk cannot be treated as completely separate subjects. Our job is to understand how one becomes the other.

Inflation can affect the borrower even before it affects the loan

Inflation deserves particular attention because its effects are not always immediately visible in delinquency numbers. A borrower may continue paying on time while food, fuel, rent or business-input costs gradually consume a larger share of income. The repayment may remain current. But the cushion protecting that repayment becomes smaller. This is why strong current collections cannot be our only measure of borrower health. We need to understand changes in cash flow before they become missed payments.

Our transition towards AI-enabled portfolio management is partly intended to strengthen this capability. Paisalo's technology roadmap includes AI models designed to identify stress signals before EMI dates and in early delinquency, risk-based customer segmentation, automated portfolio alerts and continuous risk re-rating.

That is exactly how technology should be used in risk management: not merely to recognize the problem faster after it occurs, but increasingly to detect deterioration before it becomes obvious.

Credit cycles always return

There is one thing about lending history that should never surprise anyone: eventually, there is another credit cycle. The timing differs. The cause differs. The affected sectors differ. But credit losses do not disappear permanently.

When conditions remain benign for a long period, something dangerous can happen. Borrowers become more optimistic. Lenders become more optimistic. Competition intensifies. Risk premiums compress. Credit standards gradually weaken. Assumptions become more generous. And excellent recent performance begins to be treated as evidence that risk itself has disappeared.

It has not.

The original source rightly observes that not everyone providing credit is necessarily good at it and warns against assuming that a long period without a major credit downturn means another will never occur. For Paisalo, this is an important lesson.

The easiest time to weaken underwriting is when everybody's portfolio looks good.

We should do the opposite. When competitive intensity rises, we should become even more disciplined about understanding why a borrower should receive credit and how that credit will be repaid.

Growth targets must never override credit judgement

Our three-year ambition is meaningful. But no management target should force a bad loan. This principle is clear throughout Paisalo.

A branch should never believe it needs to compromise underwriting to achieve a disbursement target. A product team should never believe that rapid growth can compensate for weak unit economics. A regional manager should never be rewarded for volume without regard to portfolio performance. And senior management should never create incentives that make people afraid to say: "We should not make this loan." That may occasionally reduce short-term growth. It can significantly improve long-term value.

Our three-year roadmap itself appropriately connects the ambition to double AUM, income and PAT with the condition of preserving best-in-class asset quality. The condition is not an afterthought. It is the strategy.

Concentration risk can hide inside apparently diversified portfolios

A portfolio can contain many thousands of borrowers and still possess concentration. Borrowers may depend on the same commodity. The same local employer. The same industry. The same rainfall pattern. The same supply chain. The same vehicle category. Or the same source of consumer demand. We therefore need to understand concentration at multiple levels.

Not simply the number of borrowers. But what actually drives their ability to repay. This is another area where our growing data and analytics capability should make Paisalo materially better over time. As the portfolio becomes larger, our view of risk must become more granular, not less.

Scale should improve visibility.

Geography itself is a form of risk management

Our presence now extends across 22 states and Union Territories, with 5,299 touchpoints. Geographic expansion provides growth. It also provides diversification. But only if we expand intelligently. Entering more geographies does not automatically reduce risk if all those portfolios share the same underlying economic exposures or if execution quality declines as the organization stretches itself. Every new market must therefore meet the same standards discussed elsewhere in this letter: Do we understand the customer? Do we understand the local economy? Do we have the right people? Can our technology support the geography effectively? Do we understand collections? Can the business achieve attractive risk-adjusted economics? Only then does geographic expansion strengthen the franchise.

Technology is becoming part of the risk architecture

In earlier sections, I discussed the tremendous opportunity AI creates for Paisalo. Here, we should discuss the other side.

Technology risk is now financial risk - A system disruption can affect customer service. A data problem can affect underwriting. A model error can affect thousands of decisions. A cyberattack can affect operations and trust. Fraud can scale digitally far faster than it could in a purely physical business. And artificial intelligence itself can be used by both legitimate companies and bad actors.

Therefore, as Paisalo becomes more technology-led, technology resilience must increase at least as quickly as technology adoption.

Our AI strategy already incorporates identity and fraud detection, dynamic credit scoring, early-warning systems and real-time portfolio visibility. These capabilities should make us safer. But they also place a greater responsibility on management to ensure that models are understood, monitored and governed appropriately. We cannot outsource accountability to an algorithm.

Cybersecurity will remain a permanent management priority

Cyber risk deserves separate mention. The original source identifies it as one of the major risks for modern financial institutions and notes that AI is likely to intensify that threat. That observation applies equally to us.

As Paisalo becomes increasingly digital, interconnected and data-driven, protecting systems and customer information becomes fundamental to maintaining trust. Cybersecurity should therefore never be considered only the responsibility of the technology department.

It is an enterprise risk. Employees matter. Processes matter. Authentication matters. Vendor management matters. Data architecture matters. Incident preparedness matters. And the Board and senior management must remain engaged. Just as credit discipline protects financial capital, cybersecurity protects digital capital and customer trust. Both are essential.

AI will make risk management better — and also create new risks

Artificial intelligence has the potential to significantly strengthen lending - It can process information faster. It can detect patterns humans may miss. It can improve fraud detection. It can identify early signs of stress. It can personalize collections. It can reduce operating errors. And it can make risk monitoring dramatically more granular.

Paisalo is already deploying AI throughout acquisition, onboarding, servicing, debt management and quality control. During Q4 FY26, approximately **160,000 applications were processed through AI-enabled onboarding, 125,000 servicing**

cases and 225,000 debt-management cases were handled through AI pipelines, while approximately 250,000 quality checks were automated.

These capabilities should improve risk management. But AI also creates model risk. It creates data risk. It can generate false confidence because an output appears mathematically sophisticated. It can accelerate mistakes if flawed logic is deployed at scale.

Our principle should therefore remain simple: Use AI aggressively to improve decisions, but never allow AI to eliminate accountability for decisions.

Regulation will continue to evolve

Financial services operates on public trust. That means regulation is not an external inconvenience. It is part of the framework that allows the system to function.

As technology evolves, as new lending models develop and as partnerships between banks, NBFCs and technology platforms become more sophisticated, regulatory expectations will also evolve. Paisalo must be prepared not simply to meet today's rules but to build capabilities capable of adapting to tomorrow's requirements.

That means strong governance. Clear audit trails. Appropriate customer protection. Transparent processes. Responsible use of data. Strong controls. And constructive engagement with regulators and institutional partners.

Our objective should not be to ask: "What is the minimum required?" It should be: "What would a well-run financial institution reasonably be expected to do?". Over time, that distinction builds trust.

There are also considerable tailwinds

A discussion about risk should not become an exercise in pessimism. India continues to offer substantial opportunities for institutions capable of serving productive borrowers responsibly. Formalization creates more information. Digital payments create clearer economic trails. Technology reduces servicing costs. AI can reduce the cost of underwriting smaller loans. Bank-NBFC partnerships can improve the economics of last-mile lending. India's large MSME and entrepreneurial economy creates continuing demand for productive capital. And increasing financial awareness brings more borrowers into the formal system.

Paisalo is positioned at the intersection of many of these changes. Our 34-year operating experience gives us knowledge. Our 16 million-customer franchise gives us scale. Our 5,299 touchpoints give us distribution. Our banking partnerships give us capital efficiency. And our investments in AI and technology should increasingly give us operating leverage.

The purpose of risk management is not to stop us from using these advantages. It is to ensure we still possess them after the next difficult period.

Strong conditions should be used to prepare for weaker ones

There is a natural temptation during good periods to maximize growth. We think strong periods should also be used to prepare - Build capital. Diversify liabilities. Improve technology. Strengthen collections. Upgrade talent. Improve underwriting. Test systems. Remove concentrations. Resolve weaknesses that appear insignificant today but could become important during stress.

This is equivalent to maintaining a building before the monsoon arrives. When the weather is good, repairs can appear unnecessary. Once the storm begins, repairs become much harder. Risk management works in much the same way.

Difficult periods can create opportunities

Preparedness has another advantage. When markets become difficult, opportunity does not disappear. It changes hands. Competitors may retreat. Asset prices may become more rational. Customers may place greater value on reliable partners. Strong employees may become available. New partnerships may emerge. And disciplined lenders may be able to serve attractive customers who previously had too many choices.

This is why capital and liquidity are valuable not merely as protection. They create optionality. A company that uses every ounce of capacity during favorable times leaves itself with no ability to act when conditions become attractive. We want Paisalo to retain that ability.

Hope for the best; build for considerably less

There are many variables we cannot control - Geopolitical events. Commodity prices. Interest-rate cycles. Market liquidity. Economic confidence. Technology disruption. Regulatory change. Natural events. Competitive behavior. We should study all of them.

But we should not build a company whose success depends upon predicting all of them correctly. Instead, we can control some important things- the quality of our underwriting, the diversification of our funding, the strength of our capital, the quality of our technology, the integrity of our data, the discipline of our people, the granularity of our portfolio, the speed with which we recognize problems, and the courage with which we respond. These are the things management must focus on.

Risk management is ultimately cultural

Policies matter. Models matter. Committees matter. Limits matter. But the strongest form of risk management is culture; Does the credit officer feel empowered to reject a loan? Does the regional manager report deterioration early? Does the technology team escalate a vulnerability immediately? Does management welcome information that challenges its assumptions? Do we investigate a small anomaly before it becomes a large problem? Are incentives designed around long-term loan performance rather than merely disbursement? Do people understand that protecting Paisalo's balance sheet is everybody's responsibility? These behaviors determine whether a risk framework genuinely works.

Risk management is therefore inseparable from the management principles discussed in the previous section: small empowered teams. Transparent information. Common platforms. People who speak up. Relentless execution. And a culture willing to confront reality.

Resilience is what gives us permission to be ambitious

There should be no contradiction between ambition and conservatism. In fact, one enables the other.

Because Paisalo maintains capital, we can pursue growth. Because we focus on asset quality, we can broaden distribution. Because we diversify funding, we can expand the loan book. Because we invest in technology and risk systems, we can serve increasingly large numbers of customers. And because we prepare for difficult scenarios, we can remain optimistic about the future.

Paisalo has grown AUM from ₹23,178 Mn in FY21 to ₹61,009 Mn in FY26, representing an approximately 21% CAGR over that period. The next stage of our journey can be larger still. But as the institution becomes bigger, the consequences of poor decisions also become bigger. Our risk capabilities must therefore scale ahead of the balance sheet.

Prepared, vigilant and ready to act

We do not know exactly what the next economic cycle will look like. Nobody does. There will inevitably be surprises. Some positive. Some negative. Our responsibility is not to eliminate uncertainty. It is to make sure Paisalo remains prepared, liquid, well-capitalized, technologically resilient and disciplined enough to navigate it.

We will hope for favorable conditions. We will plan for less favorable ones. We will continue investing in the capabilities that make the institution stronger. And if difficult conditions arise, we will aim not merely to survive them but to emerge with a stronger franchise and the ability to pursue opportunities created by them. Because ultimately, resilience is not about avoiding every storm.

It is about building an institution that can continue moving forward through one.

IN CLOSING

I hope you share our pride in what Paisalo has built — not only as a financial institution, but as a platform that is helping bring credit closer to millions of Indians who aspire to build livelihoods, businesses and better futures.

Our journey of more than three decades has never been the work of one individual or one generation of management. We stand today on the foundation created by those who built Paisalo on the ground, strengthened it through different economic cycles and remained committed to serving customers.

I would like to express my deep appreciation to our Board, our leadership team and every member of the Paisalo family for the judgement, perseverance and commitment they have demonstrated through both favorable and difficult periods. The strength of an institution becomes visible not simply when conditions are good, but in how its people respond when conditions become uncertain.

Over the years, our people have helped Paisalo evolve from a traditional lending institution into a nationwide, increasingly technology-led financial platform. Today, **3,076 employees support a customer franchise of approximately 16 million across 5,299 touchpoints in 22 states and Union Territories.** These numbers reflect scale.

But behind them are millions of individual relationships. A borrower who receives a first formal loan. A small entrepreneur investing in an income-generating asset. A trader expanding a business. A family creating a more secure livelihood. And a Paisalo employee, Business Correspondent or partner working at the last mile to make that opportunity possible. That is the real manifestation of Paisalo. It is not one building or one office.

Paisalo exists wherever our people, technology and partners come together to serve a customer. From our branches and distribution points to our Business Correspondent network and increasingly digital operating platform, we are building an institution designed to combine the reach of physical distribution with the intelligence and efficiency of technology.

As discussed throughout this letter, that transformation is accelerating –

- We are moving from **High-Tech: High-Touch towards Fin-AI.**
- We are broadening our MSME and income-generation lending capabilities.
- We are expanding geographically.
- We are strengthening our banking and institutional partnerships.
- We are diversifying our liability franchise.
- And we are investing in technology, data and artificial intelligence to make Paisalo more scalable, productive and responsive.

But as we modernize the Company, we must remember that technology itself is not the purpose. The purpose remains the customer.

Technology should allow us to serve that customer faster. Data should allow us to understand that customer better. AI should help us identify risk earlier. Scale should allow us to provide broader access. And capital should allow us to support more productive economic activity across Bharat.

The institution may change considerably. The purpose should not. Our people remain our greatest strength.

I would especially like to thank our employees and their families. Financial services is demanding work. Our teams travel, meet customers, evaluate businesses, solve problems, collect repayments, build systems, manage risk and make thousands of decisions every day that determine the quality and reputation of Paisalo. The families behind our employees also make sacrifices that are rarely visible in financial statements. We recognize that. And we are grateful.

As artificial intelligence and automation become increasingly important to the way Paisalo operates, our people will not become less important. Their work will change. Their capabilities will need to evolve. But judgement, integrity, empathy, entrepreneurship and accountability will remain fundamentally human qualities.

The best future for Paisalo is therefore not technology instead of people. It is better technology in the hands of better-equipped people.

I would also like to thank our banking partners, lenders, investors, business correspondents, distribution partners, dealers and other institutions that work with us. Paisalo's ability to reach the last mile is strengthened enormously by this ecosystem.

No institution can solve India's credit-access challenge alone. Banks bring tremendous balance-sheet strength and lower-cost capital. Paisalo brings its distribution network, operating capabilities, customer understanding and last-mile execution. Technology allows the two to increasingly work together at scale.

When these capabilities are properly aligned, we believe they can create something larger than either could independently — broader access to formal finance at sustainable economics.

We remain equally grateful for the regulatory and institutional architecture within which we operate. Trust is the foundation of financial services. That trust depends upon strong regulation, transparent markets, effective governance and institutions that protect the integrity of the financial system. As Paisalo becomes larger and more technology-led, our obligations in this regard become greater, not smaller.

We must maintain high standards of governance. Protect customer information. Treat borrowers fairly. Strengthen controls. Remain transparent with our shareholders. And conduct ourselves in a manner worthy of the trust that has been placed in us.

Ultimately, Paisalo exists because customers choose to place their trust in us. Many of the customers we serve are first-generation participants in formal credit. That creates a special responsibility. The experience of that first borrower with Paisalo may influence how he or she views the entire formal financial system.

We should therefore aim to make every interaction simple, transparent, respectful and fair. A customer's financial circumstances may be modest. Their dignity is not. We must never forget that.

And finally, to you, our shareholders — thank you. You have entrusted us with your capital. Our responsibility is to protect it, deploy it thoughtfully and build an institution capable of compounding its value over long periods of time.

As I have emphasized throughout this letter, our ambition is substantial. But ambition alone creates nothing. It must be supported by discipline.

- We want growth — **with asset quality.**
- We want technology — **with accountability.**
- We want speed — **with controls.**
- We want scale — **without bureaucracy.**
- We want profitability — **with purpose.**

And we want shareholder returns that are the consequence of building a strong institution. These balances will define the Paisalo we build.

The opportunity ahead

India today possesses something extraordinarily powerful: aspiration at scale. Across our country, millions of people are working to improve their economic circumstances. They want to create businesses. Acquire productive assets. Generate income. Employ others. Educate their children. And move their families forward.

The availability of responsible formal credit can play a meaningful role in enabling that progress. This is the opportunity Paisalo was created to address. At the end of FY26, we stand with ₹61,009 Mn of AUM, approximately 16 million customers, 5,299 touchpoints across 22 states and Union Territories, improving asset quality and an increasingly technology-led operating platform.

We are proud of what has been achieved. But we remain far more focused on what remains to be done. If the preceding pages of this letter communicate one message, I hope it is this: **Paisalo intends to remain ambitious about opportunity and conservative about risk.**

We will continue learning. Continue simplifying. Continue investing. Continue listening. Continue innovating. And continue strengthening the institution so that it can serve Bharat not only in good times, but through whatever economic cycles may come.

We remain optimistic about India's future. We remain deeply committed to the entrepreneurs and families of Bharat. And we remain determined to build Paisalo into an institution worthy of their trust — and yours.

On behalf of everyone at Paisalo Digital, thank you for your continued confidence and support.

The journey ahead is significant. The opportunity is larger still.

Bharat, Ab Rukna Nahi.

With warm regards,
Sunil Purushottanm Agarwal
Managing Director
Paisalo Digital Limited

PAISALO'S *Promise*

At Paisalo, our promise is to empower India's unbanked population through accessible and inclusive financial solutions. Our company is committed to bridging the gap between financial institutions and the underserved, thereby creating avenues for economic growth and social upliftment. We firmly believe in enabling individuals and communities to become self-reliant and nurturing an action-oriented spirit through our services and communication.

Looking forward, Paisalo envisions itself as the leading non-banking financial company (NBFC) dedicated to serving the unbanked population of India. We aspire to create a future where every individual, regardless of their socio-economic background, has equal access to financial resources and services. To achieve this, we leverage technology, promote financial literacy and embrace a customer-centric approach. Our goal is to become the trusted lender for our customers, empowering them to attain financial independence and enhance their quality of life.

Together, we are actively building a financially inclusive India where every dream finds support and every 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. Seema

"My name is Seema, and I live in Jankipuram. For a long time, I wanted to take a loan to start my own boutique, but I thought the process would be lengthy and involve a lot of paperwork. With Paisalo, the experience was completely different. The documentation was minimal, the process was simple, and my loan was approved quickly. The team's prompt support made everything easy and stress-free. Today, I proudly run my own boutique; my business is growing well, and I look forward to expanding it even further with Paisalo's continued support."

" Minimal paperwork, quick approval, and timely support helped me start my boutique with confidence"

Mrs. Shobha Singh

"My name is Shobha Singh, and I am from Mandiyon. I needed a loan to purchase kitchen products for my business, but I initially thought getting one would be difficult and wasn't sure where to begin. Paisalo's team patiently guided me through every step of the process, answered all my questions, and made me feel confident about my decision. Their support gave me the confidence to move forward. I received the financial assistance I needed without any hassle, and the funds helped me strengthen my business. Today, my income has improved, and I am grateful for the guidance and timely support that helped me build a better future."

"Paisalo didn't just provide me with a loan; they guided me at every step and gave me the confidence to move my business forward."

COMPANY *AT A* Glance

Credit Rating

Dual-AA/Stable/A1+

Gross Non-Performing Assets (GNPA)

0.76%

Net Non-Performing Assets (NNPA)

0.61%

Capital Adequacy Ratio (CAR)

35.8%

Assets Under Management (AUM)

₹61,009 Mn

Profit After Tax (PAT)

₹2,372 Mn

Net Worth

₹17,930 Mn

Disbursement

₹42,620 Mn

Lives Touched

16+ Mn

Touch Points

5,299

Employees

3,076

Debt Equity Ratio

2.43x

5 YEARS FINANCIAL *Highlights*

Particulars	FY2022	FY2023	FY2024	FY2025	FY2026
Operational Information					
AUM (Rs Mn)	26,973	34,928	45,860	52,328	61,009
Disbursement (Rs Mn)	16,343	25,990	35,902	37,199	42,620
Number of Touch Points	133	1,052	2,455	3,565	5,299
Number of Employees	958	1,650	2,409	3,178	3,076
Financial Information					
Total Income (Rs Mn)	3,922	4,732	6,587	7,711	9,437
Interest Expenses (Rs Mn)	1,841	2,087	2,701	3,283	3,743
Net Interest Income (NII) (Rs Mn)	2,081	2,645	3,887	4,428	5,694
Profit Before Tax (PBT) (Rs Mn)	1,071	1,262	2,412	2,684	3,184
Profit After Tax (PAT) (Rs Mn)	793	936	1,790	2,001	2,372
Ratios					
Net Interest Margin (%)	4.0%	5.5%	6.4%	6.4%	6.8%
Return on Assets (%)	3.1%	3.0%	4.5%	3.9%	3.8%
Return on Equity (%)	7.8%	7.9%	13.4%	13.0%	13.2%
GNPA (%)	1.52%	0.25%	0.21%	0.99%	0.76%
NNPA (%)	1.26%	0.02%	0.02%	0.76%	0.61%

ESG *at a Glance*

Decent Work and Economic Environment

16 Mn+
Lives Impacted

89%
Women Customers Derved During the Year

18%
Increase in Female Employees

2,976
Small and Medium Businesses Supported

Rs. 9,437 Mn Revenue	**Rs. 2,372 Mn** PAT	**13.2%** ROE	**3.8%** ROA
5,231 EVs Financed	**100%** Cashless Disbursement	**89%** Cashless Collection	**10,354** No. of Pin Codes Served

22 States	**3,076** Jobs Created	**05** Independent Directors

Industry, Innovation and Infrastructure

Centralized process, real time credit credential and character check.

- Responsible Consumption and Production
- Reduced Inequalities
- Peace, Justice and Strong Institutions
- Paper Consumption Minimal
- Health and Well being
- Climate Action
- Gender Equality
- Cashless Collection 89%
- Sourcing & Servicing Digital Process
- Cashless Disbursement 100%

Introduction
At Paisalo Digital Limited, sustainability is rooted in a simple belief: when access to finance reaches the last mile, it unlocks opportunity, resilience, and progress. Serving underserved communities across India, Paisalo's purpose extends beyond lending to enabling aspirations of micro-entrepreneurs, small business owners, farmers, women borrowers, and households who are often excluded from formal financial systems. Through its inclusive business model, the Company is helping bridge economic gaps while fostering self-reliance and financial empowerment.

Operating across diverse geographies, Paisalo delivers affordable and accessible financial solutions that support income generation, enterprise development, and livelihood enhancement. Its customer-centric approach, strengthened by doorstep outreach, digital integration, and simplified credit processes, ensures that financial services reach those who need them the most. By enabling access to productive capital, Paisalo supports the growth of micro and small enterprises, promotes entrepreneurship, creates employment opportunities, and contributes to stronger local economies. This grassroots impact is further reinforced through its commitment to responsible lending, financial awareness, and long-term community development.

As Paisalo continues to expand its reach, it remains focused on creating measurable and meaningful outcomes for individuals, businesses, and communities at large. Guided by its impact-led philosophy and sustainability framework, the Company strives to ensure that every loan disbursed becomes a catalyst for economic mobility, social inclusion, and shared prosperity.
The following section highlights how Paisalo's products and services translate this vision into tangible outcomes, demonstrating the real-world impact created through its financing solutions and the lives they touch every day.

Creating Positive Impact Through Our Product Portfolio

Small Income Generation Loans
Paisalo's small-ticket livelihood loans are designed to meet the income-generation needs of individuals in rural and semi-urban India, including women entrepreneurs. These loans help borrowers invest in activities such as dairy farming, handicrafts, small-scale trading, and other livelihood ventures. By providing access to formal credit, Paisalo enables underserved customers to start, sustain, or expand income-generating activities, improving financial resilience and promoting economic participation. The impact extends beyond individual borrowers, strengthening household incomes, supporting women's financial inclusion, and contributing to grassroots economic development within communities.

₹408.54 Crore disbursed through small income generation loans during FY2025-26.

Primary Stakeholders
- **Borrowers / Loan Recipients:** Access to formal credit for income-generating activities, enabling enterprise creation, expansion, and livelihood enhancement.
- **Women Entrepreneurs:** Greater access to capital, livelihood opportunities, economic participation, and financial independence.

Secondary Stakeholders
- **Households and Family Members:** Improved income diversification, cash flow management, financial resilience, and enhanced quality of life.
- **Local Communities:** Increased economic activity, entrepreneurship, job creation, financial inclusion, and greater participation of women in economic development.

SDG Contribution

Electric Vehicle (EV) Loans
Paisalo's EV loans help borrowers transition to cleaner and more economical mobility solutions. For many individual borrowers and small transport entrepreneurs, financing an electric vehicle is not just an environmental choice but also a livelihood decision. By enabling access to EVs, Paisalo helps customers reduce fuel costs, improve earnings potential, and participate in the growing green mobility ecosystem. This product also creates wider community benefits through reduced emissions and cleaner transportation options, especially in underserved regions where affordable mobility can improve access to markets, work, and services.

5,823 electric vehicles financed, contributing to an estimated avoidance of 6,987.6 tCO_2e emissions annually.

Primary Stakeholders
- Borrowers / EV Owners: Access to vehicle financing, reduced operating expenses, and improved livelihood opportunities.
- Micro-Entrepreneurs and Driver-Owners: Ability to establish or expand transport-based businesses and income streams through affordable EV ownership.

Secondary Stakeholders
- Households: More stable household incomes resulting from reduced transportation costs and enhanced earning potential.
- Passengers and Service Users: Improved access to affordable and cleaner transportation services.
- Local Communities: Reduced emissions, improved air quality, and broader participation in sustainable mobility ecosystems.

SDG Alignment-

MSME / Working Capital Loans
Paisalo's MSME and working capital loans support business continuity and growth for small and medium enterprises. These products help businesses manage seasonal demand, purchase inventory, pay suppliers, and maintain day-to-day operations. For many MSMEs, access to timely working capital is critical to avoiding business disruption and capturing growth opportunities. The benefits often cascade beyond the enterprise itself, protecting employment, supporting supplier networks, and contributing to local economic development.

2,976 jobs and livelihoods supported through MSME financing.

Stakeholder Impact

Primary Stakeholders
- **MSMEs / Borrowing Enterprises:** Improved liquidity, smoother business operations, inventory management, supplier payments, and business growth opportunities.

Secondary Stakeholders
- **Employees of MSMEs:** Greater income stability and employment continuity resulting from stronger business performance.
- **Suppliers and Vendors:** Improved payment cycles, stronger commercial relationships, and increased business opportunities.
- **Local Communities:** Employment generation and stronger local economic ecosystems driven by thriving enterprises.

SDG Alignment-

Contribution to Livelihoods and Local Economies

6.5 Mn Customers Served by BC channel	92,309 Small Savings Bank Account Opened	INR 4,071 Mn (Amt of Customers Initiated Transactions)	1,32,056 Cross Selling Accounts Opened*
INR 2,252 Mn (Amt of AEPS* Transactions)	INR 1246.7 Mn (Amt of Non-Home Branch Cash Deposits)	INR 75.8 Mn (Amt of Loan Deposits)	INR 256.5 Mn (Amt of Micro ATM Debit card Transactions)
INR 94.5 Mn (Cash Withdrawals)	INR 112.4 Mn (Account-to-Account Fund Transfer)		

*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*Aadhaar Enabled Payment

Paisalo's reach on the ground continues to be strengthened through its co-lending partnerships with leading banks and the support of its Business Correspondent network. Together, they help extend formal financial access across underserved regions and bring services closer to local communities.

Business Correspondents play an important role in this effort. They support customers with loan-related assistance, help address service concerns and promote basic financial awareness. They also guide customers in using digital payment channels and mobile banking applications, making transactions easier and more accessible. This local presence helps Paisalo stay closely connected to the communities it serves and improve access to formal finance at the grassroots.

Beyond improving financial access, Paisalo's Business Correspondent network also supports livelihood creation at the local level. BCs play an important role in the communities they serve, helping customers access financial services while also building sustainable income opportunities for themselves.

Paisalo continues to support this network through training, tools and ongoing operational guidance. In doing so, the Company strengthens its last-mile presence while also contributing to local economic participation and financial inclusion.

Our ESG Snapshot:

- **Environment**

Total Scope 2 Emissions 603.4 tco2e	Initiated Calculation of Scope 3 emissions	Total Paper Waste Avoided 50MT

At Paisalo, we understand that environmental challenges can directly affect the livelihoods and financial resilience of the communities we serve. This understanding shapes how we operate and plan for the future. Alongside tracking key environmental indicators such as energy use, water consumption, and carbon emissions, we continue to strengthen our commitment to responsible and sustainable growth.

- **Driving the Transition to Sustainable Mobility**
  In FY2026, we built on our existing support for electric vehicles by expanding financing options to make cleaner mobility more accessible. .By making cleaner mobility more accessible, we are supporting customers in reducing their environmental impact while contributing to a greener and more sustainable economy.

- **Assessing Environmental Impact**
  Understanding our environmental impact is central to our sustainability journey. Paisalo continues to strengthen its emissions monitoring framework, broadening its assessment beyond direct operational emissions to gain deeper insights into its overall carbon footprint. This enables us to identify improvement opportunities, support future reduction initiatives, and advance our commitment to responsible and sustainable growth.

Particulars	tCO2
Total Scope 1 Emissions	898.24
Total Scope 2 Emissions	603.4
Total Scope 3 Emissions	287.0

Resource Stewardship and Climate Resilience

At Paisalo, we recognize that sustainability is often shaped by everyday choices. Simple shifts, such as moving toward digital processes, have helped reduce paper use and lower waste generation across our operations. We are also taking more thoughtful steps to manage water responsibly, including investments in rainwater harvesting and practices that support more efficient use of this vital resource.

During the year, we deepened this understanding by conducting a climate risk assessment for two of our office assets—our Registered Office in Delhi and Head Office in Agra. This exercise helped us look more closely at location-specific environmental risks, including water-related challenges such as groundwater stress and drought. The insights are guiding us toward practical measures, from improving water efficiency and preventing leaks to exploring ways to strengthen long-term water resilience.

Through these efforts, Paisalo is advancing a more structured and practical approach to waste reduction, water stewardship, and operational resilience.

Particulars	KL
Total water consumed	3051.39
Total water discharged	12205.57

Progress is built around people.

At Paisalo, we believe growth is strongest when our people grow with it. By supporting employee development, strengthening skills and fostering an inclusive workplace, we are creating an environment where individuals can learn, contribute and move forward with confidence.

Total Business Correspondents 1,496	% increase in female employees 18

- **Employees:**
  Paisalo's people remain central to its presence on the ground. Their commitment, local understanding and day-to-day engagement with customers help the Company extend access to finance where it is needed most.

  As on March 31, 2026, Paisalo had a total workforce of 3076 employees. The table below provides a breakdown by age, gender and employee category.

	Age Group			Gender		Total
Employee Hierarchy	<30	30-50	>50	Male	Female	
Senior Management	24	127	20	162	9	171
Middle Management	31	134	7	170	2	172
Junior Management	158	308	12	474	4	478
Non-Management	1450	760	45	2172	83	2255
Total Permanent Employees	1663	1329	84	2978	98	3076

- **Talent Engine: Strengthening Our Talent Base**

We continue to onboard dynamic talent to strengthen our operational reach and innovation capabilities, with a focus on hiring from diverse and local communities. This is complemented by our continued focus on fostering an engaging workplace that supports professional growth and long-term career development.

During FY2026, Paisalo onboarded 1,139 new permanent employees to support business growth and strengthen operational capabilities across its network.

Category	Age Group			Gender		Total
	<30	30-50	>50	Male	Female	
Number of New Recruits	740	390	9	1105	31	1139

- **Supporting Well-being at Work**

Employee well-being remains an important part of how we build our workplace. Along with opportunities for learning and career development, we continue to support employees through inclusive maternity and paternity benefits, while maintaining a safe and prepared work environment across offices through mock fire drills, first-aid support and emergency response systems. These efforts reflect our focus on creating a workplace where people feel supported, safe and able to grow.

Category	Male	Female	Total
Employees that were entitled to parental leave	2978	98	3076
Employees that took parental leave	10	1	11
Employees that returned to work in the reporting period after parental leave ended	100%	100%	100%
Employees that returned to work after parental leave ended that were still employed 12 months after their return to work	-	-	-
Return to work rate of employees that took parental leave	100%	100%	100%
Retention rate of employees that took parental leave	100%	100%	100%

Zero complaints on Working conditions & Health and Safety

94.01% Employees trained on On-skill upgradation.

At Paisalo, employee development is shaped as an ongoing journey rather than a one-time process. It begins with structured onboarding that helps new joiners settle into their roles and understand how the organization works. As employees grow, they are supported through technical learning, leadership development and role-based training. This is complemented by health and retirement benefits, financial protection, leave policies and flexible work arrangements where applicable. Regular feedback and engagement initiatives further help create a workplace that is responsive, supportive and focused on long-term growth.

- **Customers:**

Lives Impacted
16Mn+

Paisalo serves customers whose credit needs are closely tied to livelihood, enterprise and essential household requirements. The Company responds through accessible and relevant financial solutions designed around these everyday realities. Paisalo continues to shape its offerings for underserved borrowers, with a focus on simplicity, reach and timely support.

Paisalo places strong emphasis on service, responsiveness and overall customer experience, recognizing that trust is shaped by how consistently and fairly customers are served. The Company continues to strengthen its support systems and service touchpoints so that queries are handled promptly, concerns are addressed effectively and customers feel heard at every stage. By focusing on these everyday interactions, Paisalo seeks to build stronger customer confidence, lasting relationships and greater trust in formal finance.

- **CSR : Driving Positive Social Outcomes**

INR 43.78 Mn
Spent on Initiatives

1,35,420+
People Benefitted

Supporting Communities on the Ground

SL. No.	CSR Project	No of persons benefitted from CSR projects	% of beneficiaries from vulnerable and marginalized groups
1.	Distribution of Food	125,000	100%
2.	Promoting health care including preventive eye health	1,800	100%
3.	Promoting skill Development, Education and Increasing Employment	1,800	100%
4.	Clothes Distribution to poor people	6,500	100%
5.	Laptop Distribution	320	100%

In FY 2026, Paisalo's CSR efforts remained focused on practical support for vulnerable and marginalized communities. The Company's initiatives during the year covered food distribution, preventive eye healthcare, skill development and education, clothing support, and access to digital learning tools.

These programs reached 125,000 beneficiaries through food distribution, 1,800 through healthcare support, 1,800 through skill development, education and employment-linked initiatives, 6,500 through clothing distribution, and 320 through laptop distribution. With all beneficiaries drawn from vulnerable and marginalized groups, the Company's CSR approach remained focused on reaching communities where support was needed most

Corporate Governance:

Independent Director
5

Board of Directors
10

Women representation in Board **10%**

Strong governance forms the foundation of Paisalo's approach to sustainable and responsible business. The Board of Directors provides strategic direction, oversees risk management, and ensures that environmental, social and governance considerations are appropriately integrated into decision-making processes across the organization. Through regular oversight and management engagement, the Board helps strengthen accountability, transparency and long-term value creation.

During the year, Paisalo continued to enhance its environmental and social governance framework through the strengthening of its Environmental and Social Management System (ESMS). The ESMS provides a structured approach to identifying, assessing, monitoring and managing environmental and social risks and impacts associated with the Company's operations and lending activities. Supported by relevant policies, procedures and governance mechanisms, the framework enables the Company to integrate sustainability considerations into business processes while promoting responsible growth.

To further strengthen its governance approach, Paisalo undertook a materiality assessment to identify the environmental, social and governance topics most relevant to its stakeholders and business operations. The assessment highlighted key areas including financial inclusion, employee development, customer satisfaction and support, data privacy and security, local employment generation, climate change and regulatory compliance. These insights provide an important basis for management focus, risk oversight and enhanced ESG disclosures.

The Company also advanced its governance practices through the continued development of its impact assessment framework and climate-related disclosures, enabling stronger monitoring of sustainability-related risks, opportunities and outcomes. Together, these initiatives have improved the Company's ability to evaluate environmental and social considerations, strengthen risk management processes and support informed decision-making.

As Paisalo, continues to evolve its governance framework, it remains focused on embedding environmental and social considerations into its operations, strengthening oversight mechanisms and enhancing transparency across the organization. These efforts position the Company to better manage emerging risks, respond to stakeholder expectations and create sustainable long-term value for all stakeholders.

Corporate Information

Board of Directors

Mr. Sunil Purushottanm 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. Raman Aggarwal
Independent Director

Mrs. Nisha Jolly
Independent Director

Mr. Vijuy Ronjan
Independent Director

Dr. Dharmendra Singh Gangwar
Independent Director

Mr. Jitendra Kumar Ojha[1]
Independent Director

Company Secretary & Chief Compliance Officer

Mr. Manendra Singh

Statutory Auditors

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

Internal Ombudsman

Mr. Rajesh Kumar Singh

Email : io@paisalo.in

Audit Committee

Mr. Vijuy Ronjan
Chairman

Mr. Harish Singh
Member

Mrs. Nisha Jolly
Member

Mr. Jitendra Kumar Ojha
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

Dr. Dharmendra Singh Gangwar
Member

Mr. Jitendra Kumar Ojha
Member

Corporate Social Responsibility Committee

Mr. Harish Singh
Chairman

Mr. Sunil Purushottanm Agarwal
Member

Mr. Vijuy Ronjan
Member

Risk Management Committee

Mr. Jitendra Kumar Ojha
Chairman

Mr. Santanu Agarwal
Member

Mr. Harish Singh
Member

Mr. Gaurav Chaubey
Member

Mr. BVSKT Bhaskar
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

Registrar and Transfer Agent

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

Registration Number

Corporate Identification Number(CIN): L65921DL1992PLC120483

RBI Registration Number: B–14.02997

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
- Dhanlaxmi Bank
- Canara Bank
- Indian Overseas Bank
- South Indian Bank
- Indian Renewable Energy Development Agency
- Unity Small Finance Bank
- Punjab & Sind Bank
- Jammu & Kashmir Bank
- Karur Vysya Bank
- National Bank for Agriculture and Rural Development

Debenture Trustee

Axis Trustee Services Limited:
The Ruby, 2nd Floor (SW) 29,
Senapati Bapat Marg, Dadar West,
Mumbai–400 028
Tel.: 022 62300451
Email: debenturetrustee@axistrustee.in
Website: www.axistrustee.in

Mitcon Credentia Trusteeship Service Limited
1402/1403, 14th Floor, Dalamal Tower, B-Wing, 211,
Free Press Journal Marg, Nariman Point, Mumbai,
Maharashtra- 400021
Tel: +91 20 25533309
Email: contact@mitconcredentia.in
Website: www.mitconcredentia.in

Listing of Securities

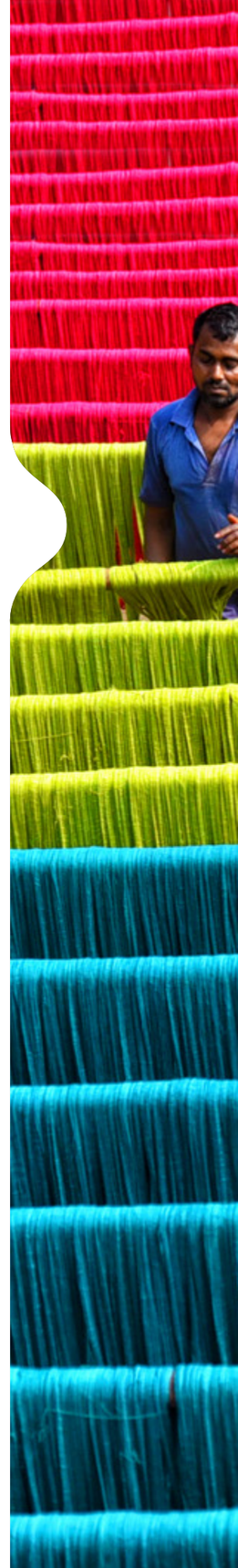
Equity Shares:
National Stock Exchange of India Limited (NSE)
BSE Limited (BSE)

Listed Non- Convertible Debentures:
BSE Limited (BSE)

FCCBs:
Afrinex Exchange, Mauritius
India International Exchange (IFSC) Ltd.

[1] Appointed w.e.f. May 02, 2025

#Committee Composition as on August 05, 2026 and for Committee Composition as on March 31, 2026. Please refer Corporate Governance Section of this Annual Report.



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.

OUR *Presence*

5,299
TOUCH POINTS

22
STATES

16M+
LIVES TOUCHED

Board of Directors

Mr. Sunil Purushottanm Agarwal
(Managing Director & CEO)

Mr. Harish Singh
(Executive Director)

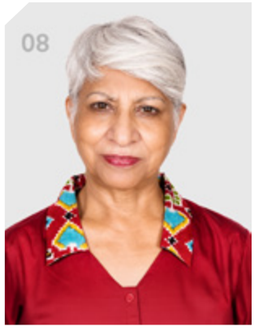
Mr. Santanu Agarwal
(Deputy Managing Director)

Mr. Anoop Krishna
(Executive Director)

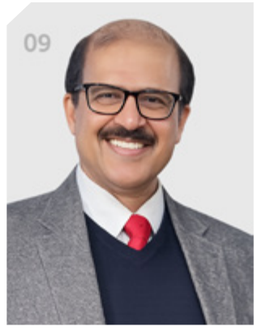
Mr. Vinod Kumar
(Executive Director)

Mr. Raman Aggarwal
(Independent Director)

Mr. Vijuy Ronjan
(Independent Director)



Mrs. Nisha Jolly
(Independent Director)



Mr. Dharmendra Singh Gangwar
(Independent Director)

Mr. Jitendra Kumar Ojha
(Independent Director)

01 **Mr. Sunil Purushottanm Agarwal**
(Managing Director & CEO)
33+ years of experience, incorporated Paisalo and took it from Private Entity to Public Listed and Traded Entity.

02 **Mr. Harish Singh**
(Executive Director)
MBA, Chartered Accountant, 35+ years experience in the field of Finance.

03 **Mr. Santanu Agarwal**
(Deputy Managing Director)
B.Com LLB, played a pivotal role in digital transformation of the company, Co-lending agreements and BC agreement.

04 **Mr. Anoop Krishna**
(Executive Director)
Veteran Banker with over 40+ years of experience with State bank of India at all levels.

05 **Mr. Vinod Kumar**
(Executive Director)
A seasoned banking professional with over 35+ years of experience at State Bank of India, having held diverse roles across various levels.

06 **Mr. Raman Aggarwal**
(Independent Director)
Co-Chairman of Finance Industry Independent Director Development Council (FIDC), member of Advisory Groups to Ministry of Finance & RBI, Core Group setup by Ministry of Corporate Affairs, and Special Task Force at FICCI.

07 **Mr. Vijuy Ronjan**
(Independent Director)
35+ years experience in the field of Banking, retired as CGM Delhi of State bank of India.

08 **Mrs. Nisha Jolly**
(Independent Director)
30+ years of experience in the field of Banking, held position of Chief Manager of Punjab National Bank.

09 **Dr. Dharmendra Singh Gangwar**
(Independent Director)
Indian Administrative Service officer, retired as Secretary to Government of India.

10 **Mr. Jitendra Kumar Ojha**
(Independent Director)
Former Joint Secretary in the Government of India with nearly 26+ years of experience in national security, governance, and geopolitics.

Key Management Team

01 **Mr. Anurag Sinha** *(COO & CISO)*
Overall Experience-40+ years.
Years of Association with Paisalo- 19 years.

02 **Mr. Gaurav Chaubey** *(Chief Business Officer)*
Overall Experience-21+ years.
Years of Association with Paisalo- 15 years.
Ex-ICICI, Kotak.

03 **Mr. Samresh Agarwal** *(Chief Recovery Officer)*
Overall Experience-28+ years.
Years of Association with Paisalo- 26 years.

04 **Mr. Manendra Singh** *(Company Secretary & Chief Compliance Officer)*
Overall Experience-18+ years.
Years of Association with Paisalo- 9 years.

05 **Mr. BVSKT Bhaskar** *(Chief Risk Officer)*
Overall Experience-40+ years.
Years of Association with Paisalo- 4 years.
Ex-SBI.

06 **Mr. Rajeev Seth** *(Strategy Head)*
Overall Experience-28+ years.
Years of Association with Paisalo- 4 years.
Ex-IndusInd, Magma Fincorp.

07 **Ms. Nishtha Sharma** *(SVP Marketing)*
Overall Experience-6+ years.
Years of Association with Paisalo- 2 years.
Ex-J. Walter Thomson, Lowe Lintas.

08 **Mr. Sushant Sharma** *(SVP IT)*
Overall Experience-15+ years.
Years of Association with Paisalo- 3 years.
Ex-Reliance.

09 **Mrs. Snigdha Agarwal** *(Head HR)*
Overall Experience-7.5+ years.
Years of Association with Paisalo- 1 year.
Ex-JIO.

Mr. Anurag Sinha
(Chief Operating Officer & Chief Information Securities Officer)

Mr. Gaurav Chaubey
(Chief Business Officer)

Mr. Samresh Agarwal
(Chief Recovery Officer)

Mr. Manendra Singh
(Company Secretary & Chief Compliance Officer)

Mr. BVSKT Bhaskar
(Chief Risk Officer)

Mr. Rajeev Seth
(Strategy Head)

Ms. Nishtha Sharma
(Senior Vice President Marketing)

Mr. Sushant Sharma
(Senior Vice President Information Technology)

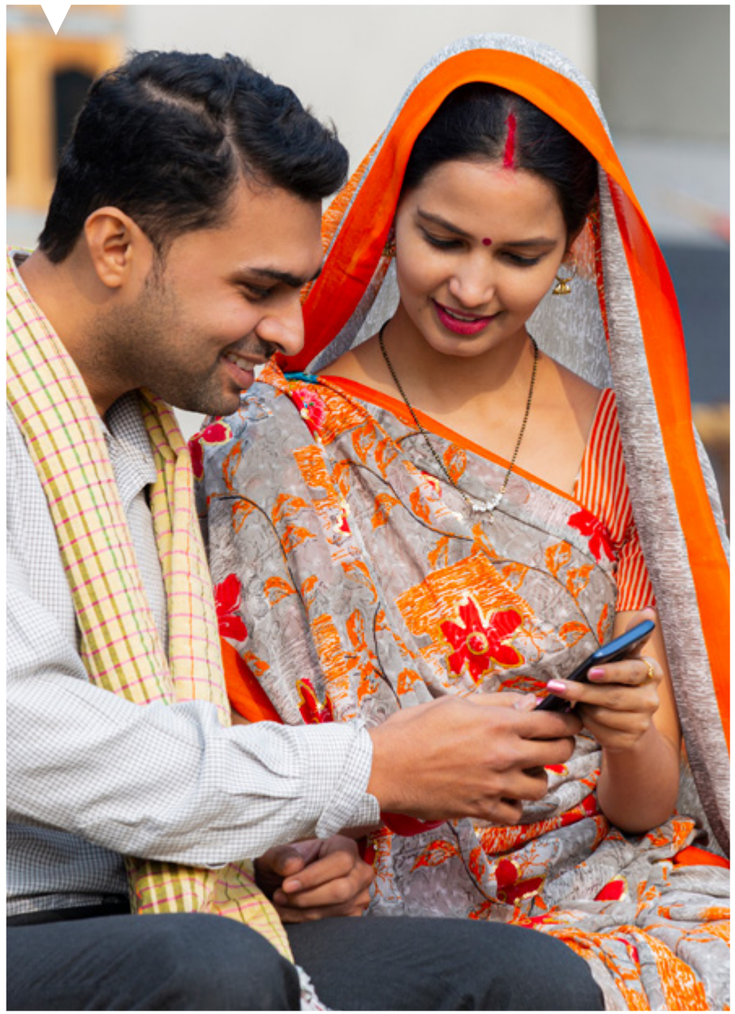
Ms. Snigdha Agarwal
(Head HR)

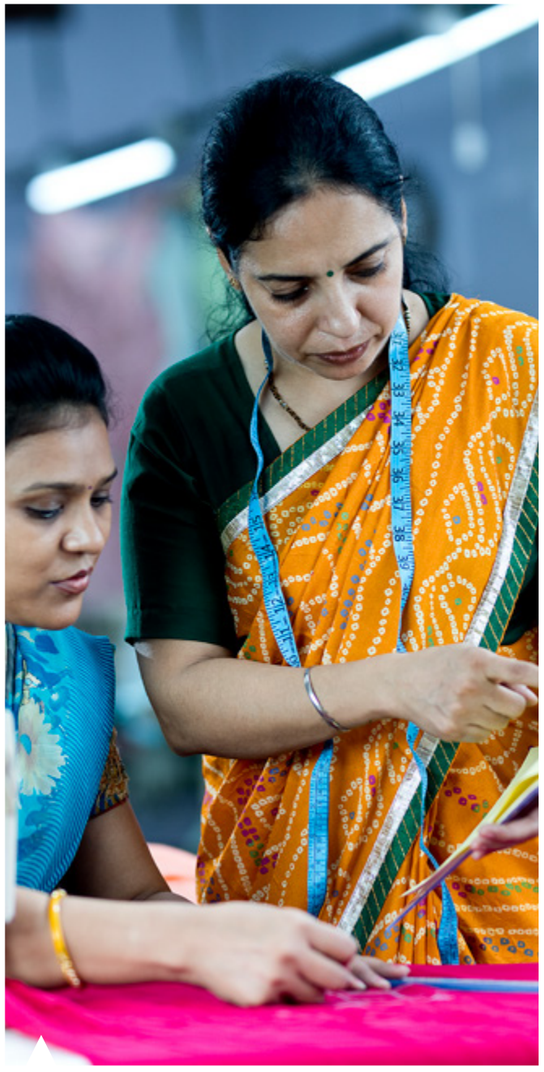
BUSINESS *Segment*

Small Income Generation

UMEED LOAN

Umeed Loan is designed to empower women borrowers in rural and semi-urban communities through the Joint Liability Group (JLG) model. By providing collateral-free credit through a simple, accessible lending process, the product enables women to undertake income-generating activities, strengthen household livelihoods, and build sustainable micro-enterprises. The loan promotes financial inclusion by extending formal credit to underserved segments, fostering entrepreneurship and economic self-reliance at the grassroots level.

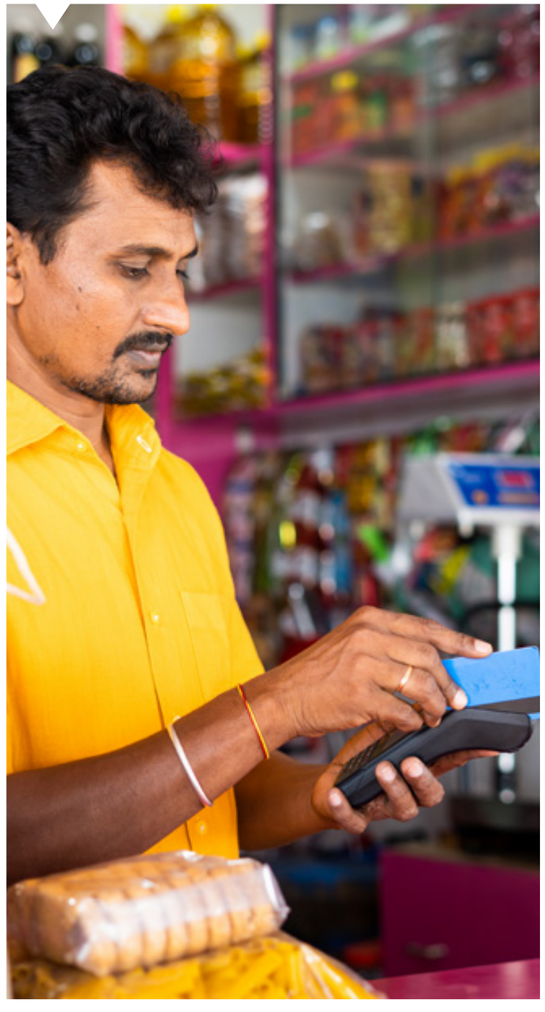




Entrepreneurial Finance

UDAAN LOAN

Udaan Loan is a secured lending solution offered against residential or commercial property, enabling individuals and small entrepreneurs to unlock the value of their assets for productive purposes. The product provides customers with access to higher-value financing for business expansion, working capital requirements, education, healthcare, and other financial needs. Through a streamlined process and flexible repayment options, Udaan Loan supports customers in achieving their growth aspirations while preserving long-term financial stability.

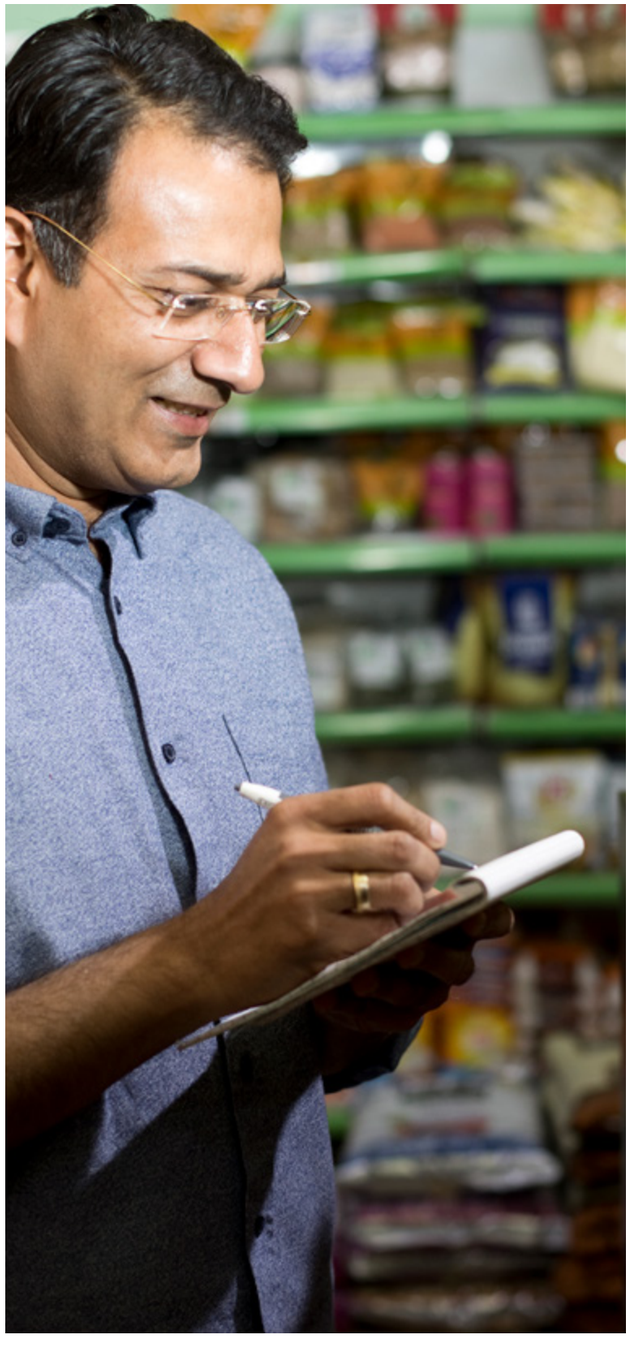


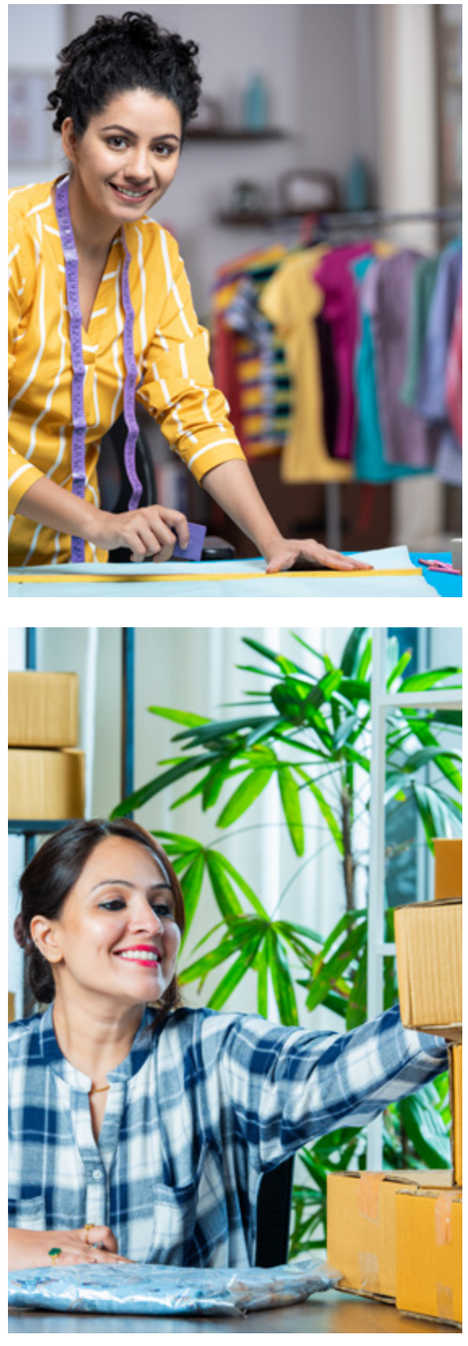
SMALL LOANS

Small Loans are designed to provide quick and accessible financial assistance to underserved borrowers, particularly women organised in Joint Liability Groups. The product enables customers to meet livelihood, business, and household financing requirements through collateral-free funding and flexible repayment options. By expanding access to formal credit, Small Loans promote financial inclusion, entrepreneurship, and income generation within local communities.

MSME BUSINESS LOAN

The MSME Business Loan is designed to address the financing needs of micro, small, and medium enterprises by providing timely access to working capital and growth capital. The product offers flexible funding solutions with simplified documentation and efficient processing, enabling businesses to expand operations, strengthen cash flows, and seize new opportunities. Through this offering, Paisalo supports entrepreneurship, employment generation, and economic development across diverse sectors.





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 1,496 locations across 22 states through our partnership with SBI and Bank of India.

Mobility Finance

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.

TWO-WHEELER LOAN

Paisalo's Two-Wheeler Loan facilitates affordable vehicle ownership by providing financing of up to 100% of the ex-showroom price. The product is designed to enhance mobility and improve access to employment, education, and business opportunities. With a fully digital process, attractive interest rates, and minimal documentation requirements, the loan delivers a convenient and efficient financing experience for both new and existing customers.

THREE-WHEELER LOAN

Paisalo's Three-Wheeler Loan is designed to support self-employed individuals and small business operators seeking to generate sustainable income through commercial transportation. The product offers quick approvals, flexible repayment structures, and simplified documentation requirements, enabling customers to acquire vehicles with ease. By facilitating asset ownership, the loan contributes to livelihood generation, entrepreneurship, and economic mobility across urban and rural markets.

USED CAR LOAN

Paisalo's Used Car Loan provides customers with an accessible and convenient financing solution for purchasing pre-owned vehicles. The product combines flexible repayment options with a streamlined approval process, enabling individuals to achieve vehicle ownership without significant upfront investment. By improving mobility and access to opportunities, the loan supports both personal and professional aspirations.

Agriculture & Rural Prosperity

AGRI-IMPLEMENTS LOAN

The Agri-Implement Loan supports farmers in adopting modern agricultural equipment and mechanisation solutions that improve productivity and operational efficiency. By financing a wide range of implements from approved manufacturers, the product enables farmers to enhance cultivation practices, reduce manual labour dependency, and increase agricultural output. The loan combines customised financing structures with quick approvals and a seamless digital journey, contributing to the advancement of rural livelihoods.

USED TRACTOR LOAN

The Used Tractor Loan is aimed at supporting farmers by making tractor ownership more affordable and accessible. Through customised financing solutions and a hassle-free documentation process, the product enables customers to acquire pre-owned tractors that improve farm productivity and operational efficiency. By facilitating mechanisation at an affordable cost, the loan contributes to increased agricultural output and rural economic development.

Green Finance

SOLAR PROJECT LOAN

The Solar Project Loan reflects Paisalo's commitment to promoting sustainable development and renewable energy adoption. The product provides affordable financing for solar installations, enabling customers to reduce energy costs while contributing to environmental conservation. With quick approvals, transparent processes, and minimal paperwork, the loan supports individuals and businesses in transitioning towards cleaner and more efficient energy solutions.

MEDICAL EQUIPMENT LOAN

The Medical Equipment Loan is designed to help healthcare professionals and institutions acquire modern medical equipment and technology essential for delivering quality healthcare services. By offering flexible financing options and competitive terms, the product enables clinics, diagnostic centres, and healthcare providers to invest in infrastructure upgrades, improve operational capabilities, and expand access to healthcare services within their communities.

INDUSTRIAL EQUIPMENT LOAN

Paisalo's Industrial Equipment Loan supports business growth by facilitating the acquisition of machinery and equipment required for manufacturing, production, and operational expansion. The product enables enterprises to modernise infrastructure, improve efficiency, and enhance productivity through affordable financing solutions. With flexible loan structures and competitive terms, the loan contributes to strengthening the growth trajectory of small and medium enterprises.

Housing & Wealth Solutions

HOUSING LOAN

The Housing Loan is designed to help individuals and families realise their dream of home ownership through affordable and flexible financing solutions. Offering attractive interest rates, convenient repayment structures, and customer-centric service, the product addresses diverse housing requirements while simplifying the home-buying journey. Through this offering, Paisalo contributes to improving living standards and promoting long-term financial security.

LOAN AGAINST SECURITIES

The Loan Against Securities product enables customers to access liquidity by leveraging their investment portfolio without liquidating their holdings. Through a fully digital process and quick approvals, customers can obtain funds against approved equity and debt securities while continuing to benefit from potential investment appreciation. The product provides a convenient financing option for meeting short-term financial requirements while preserving long-term wealth creation objectives.

Management's Discussion & Analysis Report

1. Global Macroeconomic Scenario

1.1 Global GDP Growth Scenario

As per the IMF's World Economic Outlook (WEO) published in April 2026, the global economy is projected to experience a deceleration in growth, with global GDP expanding by 3.4% in CY 2025 and moderating to 3.1% in CY 2026. This slowdown is attributed to heightened geopolitical disruptions, particularly the outbreak of war in the Middle East and associated disruptions to energy production and transit through the Strait of Hormuz, alongside persistent trade-related frictions and elevated uncertainty. While global growth in CY 2025 was supported by technology-led investment, accommodative financial conditions, and reduced tariff pressures, these tailwinds are expected to be partly offset in CY 2026 by higher commodity prices, tighter financial conditions, and weakening external demand.

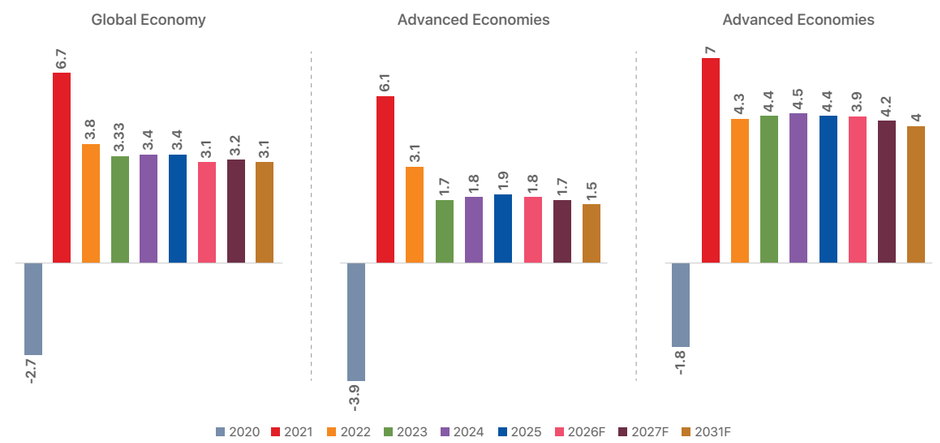
Global headline inflation stood at 4.1% in CY 2025 and is projected to rise to 4.4% in CY 2026, reflecting the inflationary effects of the energy shock, second-round pricing pressures, and renewed risks of inflation expectations becoming less anchored. Rising oil and natural gas prices, coupled with supply-side disruptions, are expected to place upward pressure on energy-intensive goods, transportation, and food costs. At the same time, global trade growth is expected to remain subdued amid trade fragmentation, geopolitical tensions and supply chain realignments, despite continued resilience in technology-related trade flows.

In China, economic prospects remain constrained, with GDP growth at around 5.0% in CY 2025 and projected to remain subdued in CY 2026 at 4.4%, reflecting continued weakness in the property sector, fragile domestic demand and pressures from shifting trade dynamics, although export performance and technology-linked sectors have provided some support. In Europe, growth conditions remain weak, with Germany facing stagnation amid industrial weakness, fiscal constraints, and trade disruptions while broader European growth remains vulnerable to energy-related shocks and geopolitical spillovers.

Meanwhile, India continues to demonstrate resilience, with real GDP growth at 7.6% in CY 2025 and the IMF projecting growth of 6.5% in CY 2026, supported by strong domestic demand, resilient rural consumption, sustained public infrastructure spending and continued investment momentum. Consumer price inflation is expected to remain broadly contained within the Reserve Bank of India's target range, supporting macroeconomic stability and household purchasing power.

Overall, while growth in CY 2025 remained supported by resilience across major economies, the outlook for CY 2026 has weakened amid rising geopolitical risks, energy market disruptions, and persistent global uncertainty. India's relative macroeconomic stability, strong domestic growth drivers, and ongoing investment cycle position it favourably amid global headwinds.

1.2 Historical GDP Growth Trends



F – Forecast, Source – IMF World Economic Outlook April 2026

Note: Advanced Economies and Emerging & Developing Economies are as per the classification of the World Economic Outlook (WEO). This classification is not based on strict criteria, economic or otherwise, and it has evolved over time. It comprises of 40 countries under the Advanced Economies including the G7 (the United States, Japan, Germany, France, Italy, the United Kingdom, and Canada) and selected countries from the Euro Zone (Germany, Italy, France etc.). The group of emerging market and developing economies (156) includes all those that are not classified as Advanced Economies (India, China, Brazil, Malaysia etc.)

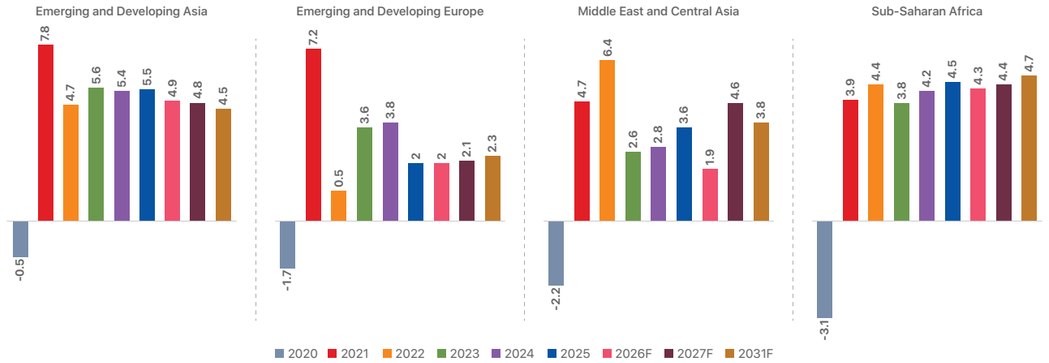
Over the medium term, global growth is expected to moderate slightly to 3.2% in CY 2027 and 3.1% by CY 2031. Advanced economies are forecast to grow at 1.7% in CY 2027 and 1.5% by CY 2031, while emerging and developing economies are projected at 4.2% and 4.0%, respectively, reflecting structural constraints alongside continued resilience in developing markets. Following the sharp economic contraction caused by the COVID-19 pandemic, which led to a 2.7% decline in global GDP in CY 2020, the global economy rebounded strongly in CY 2021, supported by the easing of lockdowns, policy stimulus, and the reopening of economies. Growth subsequently moderated to a more sustainable pace, easing from 3.8% in CY 2022 to 3.3% in CY 2023 before stabilizing at 3.4% in both CY 2024 and CY 2025 despite persistent geopolitical tensions, inflationary pressures, and structural challenges.

Throughout this period, emerging and developing economies consistently outperformed advanced economies, demonstrating greater resilience and stronger growth. Looking ahead, global GDP growth is projected to remain broadly stable at around 3.1–3.2% over the medium term, supported by resilient demand and investment, although risks from geopolitical uncertainty, commodity price volatility, and structural constraints are expected to temper the growth outlook.

1.3 GDP Growth Across Major Regions

Since the pandemic-induced slowdown in 2020, global economic growth has recovered at an uneven pace across regions, with emerging and developing economies continuing to outperform advanced economies. Emerging and Developing Asia led the recovery, supported by strong domestic demand, and is projected to see growth moderate from 5.5% in CY 2025 to 4.5% by CY 2031 due to weaker external demand, trade uncertainty, and slower growth in China, while India remains a key growth driver.

Emerging and Developing Europe has experienced a more gradual recovery and is expected to improve from 2.0% in CY 2025–26 to 2.3% by CY 2031, despite structural manufacturing weakness and geopolitical headwinds.



Latin America and the Caribbean have steadily recovered from their sharp contraction in 2020, although growth is expected to remain modest, easing from 2.4% in CY 2025 to 2.6% by CY 2031, reflecting weak productivity, fiscal constraints, and subdued external demand.

In contrast, the Middle East and Central Asia are projected to witness significant volatility, with growth declining from 3.6% in CY 2025 to 1.9% in CY 2026, before rebounding to 4.6% in CY 2027 and moderating to 3.8% by CY 2031, largely driven by geopolitical tensions, energy market disruptions, and commodity price fluctuations.

Sub-Saharan Africa has also recovered steadily from the pandemic, with growth projected to improve from 4.5% in CY 2025 to 4.7% by CY 2031, supported by strengthening domestic demand and improving supply conditions despite high debt levels, structural constraints, and commodity price volatility. Overall, while all major regions have recovered from the disruptions of 2020, growth trajectories remain uneven. Emerging and developing economies are expected to maintain a relative growth advantage over advanced economies, although structural challenges, geopolitical uncertainties, and external demand conditions will continue to shape long-term economic performance.

1.4 Global Economic Outlook

The global economy in CY 2026 continues to show mixed performance, with growth diverging across regions due to varying economic conditions, inflation trends, and geopolitical developments. Although the global recovery had been supported by technology-led investment, easing financial conditions, and lower trade tensions, the outlook has weakened following the escalation of conflict in the Middle East, disruptions in energy markets, and heightened geopolitical uncertainty. Structural challenges, including tighter financial conditions, geoeconomic fragmentation, and weak productivity growth, are expected to keep global growth below historical averages. Advanced economies are projected to grow by 1.8% in CY 2026, with the United States remaining relatively resilient while Europe continues to face weak industrial activity, subdued demand, and energy-related challenges.

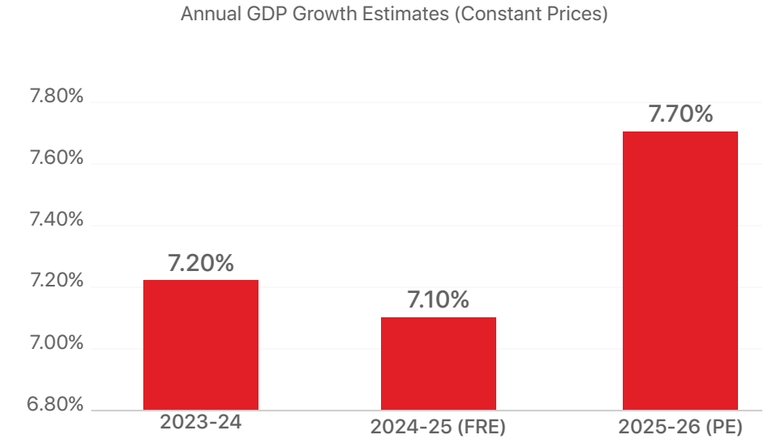
Among emerging economies, China continues to experience slower growth due to persistent weakness in the property sector, subdued domestic demand, and changing trade dynamics, although exports and technology investment provide some support. In contrast, India is expected to remain one of the fastest-growing major economies, with GDP growth of 6.5% in CY 2026, driven by robust domestic demand, infrastructure investment, digitalisation, and structural reforms. Emerging and Developing Asia continues to outperform other regions despite moderating growth, while Latin America and the Caribbean maintain modest growth amid fiscal constraints and weak productivity. Sub-Saharan Africa is expected to strengthen gradually, whereas the Middle East and Central Asia face a more uncertain outlook due to geopolitical conflicts, energy market disruptions, and commodity price volatility.

Global inflation is projected to increase from 4.1% in CY 2025 to 4.4% in CY 2026, reflecting higher energy prices and supply-side disruptions, prompting central banks to adopt a cautious, data-dependent approach to monetary policy. Consequently, the pace of policy easing may be slower than previously anticipated. Looking ahead, global GDP growth is projected at 3.2% in CY 2027 and 3.1% by CY 2031, remaining below long-term historical averages. While advanced economies are expected to remain on a structurally slower growth path, emerging economies—particularly India and broader Asia—will continue to drive global growth. Sustained economic momentum will depend on easing geopolitical tensions, stabilising energy markets, restoring trade flows, advancing structural reforms, and realising productivity gains from technological innovation, including artificial intelligence.

2. India's Macroeconomic Scenario

2.1. Gross Domestic Product (GDP)

According to the latest Provisional Estimates by MOSPI, GOI (05 June 26), Real GDP has been estimated to grow by 7.7% in FY 2025-26. Nominal GDP has witnessed a growth of 8.9%. Real GDP or GDP at Constant Prices is estimated to attain a level of INR 323.12 lakh crore in the FY 2025-26, against the First Revised Estimate (FRE) of GDP for the year 2024-25 of INR 299.89 lakh crore.



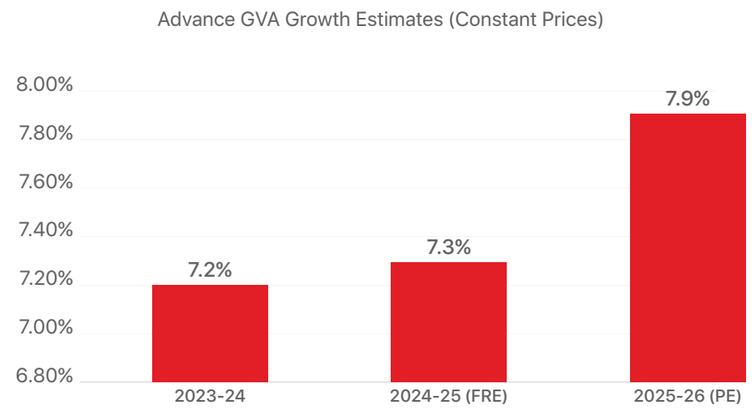
Note: FRE - First Revised Estimates; PE – Provisional Estimate
Source: New Series of Gross Domestic Product (GDP) Estimates with Base Year 2022-23 by MOSPI, PIB Press Release dated 05 June 2026.

According to the International Monetary Fund (IMF) World Economic Outlook Database (April 2026), India is estimated to be the sixth-largest economy in the world in 2026, with a Gross Domestic Product (GDP) of approximately USD 4.15 trillion at current prices. India's ranking reflects the latest national accounts data, including the revised GDP series released by the Government of India, which changed the base year from FY 2011-12 to FY 2022-23. India's position in the global ranking is influenced by the revised GDP estimates and the depreciation of the Indian Rupee against the U.S. Dollar.

The economies ranked ahead of India are the United States (USD 32.38 trillion), China (USD 20.85 trillion), Germany (USD 5.45 trillion), Japan (USD 4.38 trillion), and the United Kingdom (USD 4.26 trillion).

2.2 Gross Value Added (GVA)

According to the Provisional Estimate of GDP for 2025-26 by MOSPI, Govt. of India (GoI), Real GVA is estimated at INR 294.91 lakh crore in the year 2025-26, against INR 273.36 lakh crore in FY 2024-25, registering a growth rate of 7.9% as compared to 7.3% growth rate in 2024-25. Nominal GVA is estimated to attain a level of INR 314.87 lakh crore during FY 2025-26, against INR 288.54 lakh crore in 2024-25, showing a growth rate of 9.1%.



Note: FRE - First Revised Estimates; PE – Provisional Estimate
Source: New Series of Gross Domestic Product (GDP) Estimates with Base Year 2022-23 by MOSPI, PIB Press Release dated 05 June, 2026)

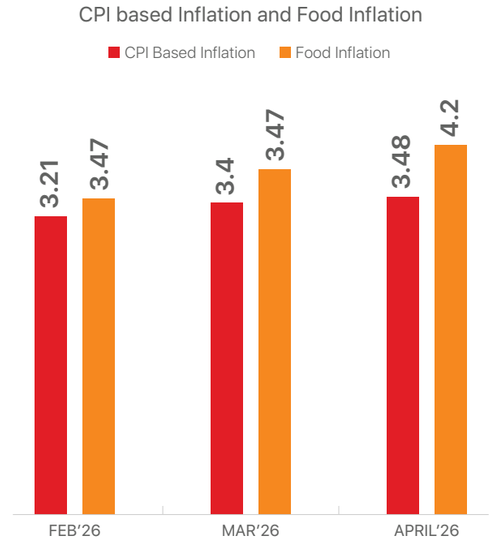
Major Highlights:

- Real GDP has been estimated to grow by 7.7% in FY 2025-26. Nominal GDP has witnessed a growth of 8.9%.
- Real and Nominal GVA has been assessed to grow by 7.9% and 9.1% respectively in FY 2025-26.
- Secondary and Tertiary sector have boosted the performance of the economy by registering growths of 8.8% and 9.3% respectively at Constant prices.
- The Primary sector has observed 3.2% growth rate mainly driven by the performance of Agriculture and Fishery sectors.
- Manufacturing', 'Trade, Repair, Hotels, Transport, Communication & Services related to Broadcasting, Storage' and 'Financial, Real Estate & Professional Services' sectors have attained double-digit growth at both Constant and Current Prices in FY 2025-26.
- On the Expenditure- side, both the Private Final Consumption Expenditure (PFCE) and Gross Fixed Capital Formation (GFCF) have exhibited more than 7.5% growth rate in FY 2025-26.
- In the Q4 of FY 2025-26, Real GDP has been estimated to grow by 7.8% in FY 2025-26. Nominal GDP has observed a growth of 9.1%.
- Real and Nominal GVA has been assessed to grow by 7.9% and 9.9% respectively in Q4 of FY 2025-26.
- Secondary and Tertiary sector have been the major driver for the Real and Nominal GVA growths of 7.9% and 9.9% respectively in Q4 of FY 2025-26.
- GFCF has recorded 10.8% growth rate and PFCE has witnessed 7.1% growth at Constant prices in the Fourth quarter of FY 2025-26.

Source: MOSPI, Press Release, 05 June 2026, Govt. of India (GoI).

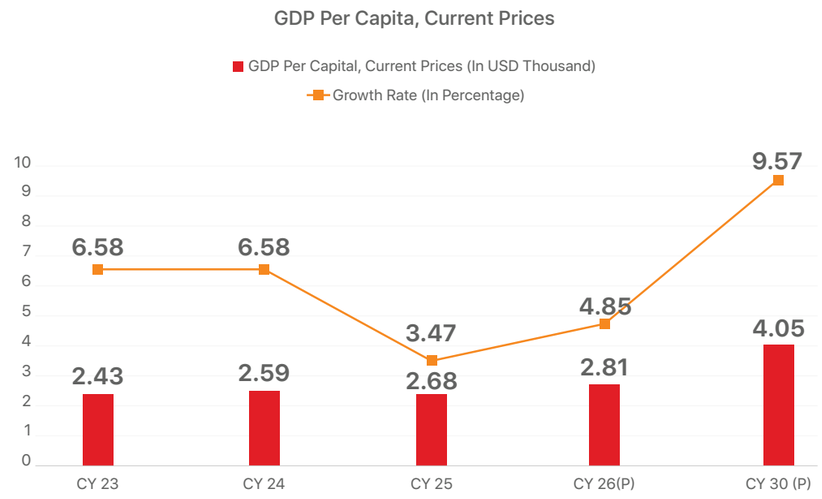
2.3 Consumer Price Index (CPI)

Year-on-year inflation rate based on All India Consumer Price Index (CPI) with base year 2024 for the month of April 2026 over April 2025 is 3.48%(Provisional). Corresponding inflation rates for rural and urban are 3.74% and 3.16%, respectively.



2.4. India Per Capita GDP Forecast

Per capita GDP growth for India is estimated at 9.57 % CAGR between FY 2026-FY 2030. Increased individual incomes are expected to create additional discretionary spending, which may be beneficial for the sector.



Note: E = Estimated, P = Projected
Source: IMF Data Mapper, World Economic Outlook April 2026, India, GDP Per Capita

2.5 Private Final Consumption Expenditure (PFCE)

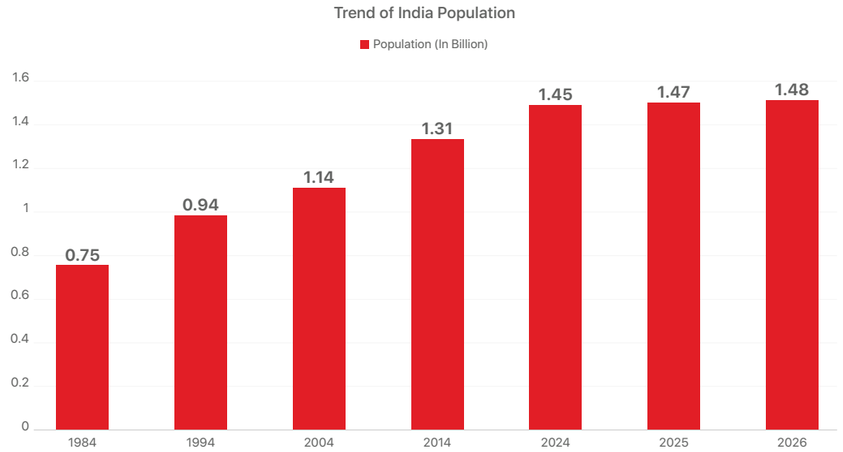
Private Final Consumption Expenditure (PFCE) represents the total spending by resident households on final consumption of goods and services, serving as a key indicator of consumer demand and overall economic well-being. It reflects the extent of household consumption and plays a crucial role in driving GDP growth. PFCE, at constant prices, accounted for 55.7% of GDP in FY2026 (same as FY2025). This marks a gradual moderation from 56.4% in FY2024 and 57.1% in FY2023, indicating a relative shift in the composition of economic growth. The decline is primarily attributable to higher changes in stocks (inventory build-up), which increased the share of investment components in GDP, even as household consumption continues to remain a key driver of the economy.

Source: - MOSPI, Press Note on New Series of GDP Estimates with Base Year 2022-23, Provisional Estimates of Annual Gross Domestic Product For 2025-26 released on June 05th, 2026.

2.6 Overview on Key Demographic Parameters

2.6.1 Population growth

India's economic trajectory and consumption dynamics are closely tied to its demographic shifts. India's population expanded from approximately 0.75 billion in 1984 to 1.47 billion in 2025 and is further reached around 1.48 billion in 2026, consolidating its position as the world's most populous nation. This sustained growth underlines the emergence of a vast labour force and consumer base, which is essential for driving long-term economic growth, supporting rising consumption demand, and strengthening the country's overall economic potential.



Source: World Bank Database. Population Data 2026 - Worldometer, IMF, Infomerics Analytics & Research.

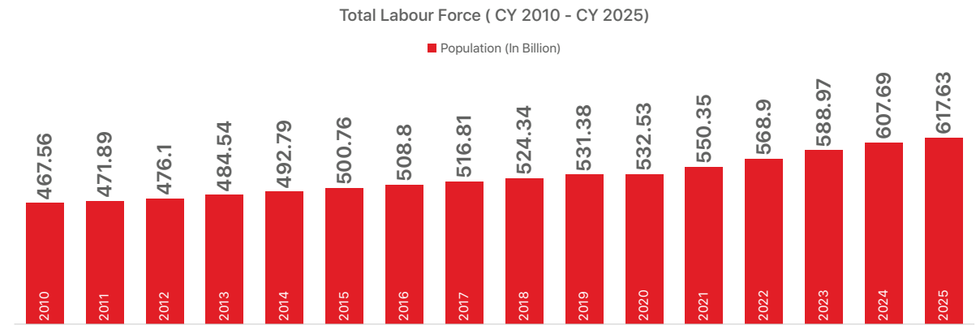
2.6.2 Labour Force in India

India's labour force has experienced steady growth over the past decade. In 2010, the total labour force was approximately 467.56 million. By 2025, this number had increased to 617.63 million.

This upward trend underscores the expanding working-age population, improving labour force participation, and gradual recovery in employment post the pandemic period. The sharp increase observed after 2020 highlights the rebound in economic activity and rising workforce engagement across sectors. However, it also emphasizes the need for sustained job creation to effectively absorb the growing labour pool.

The labour force participation rate (LFPR) has also witnessed variations over time due to changing socio-economic conditions, including urbanization, education levels, and sectoral employment shifts.

These trends highlight the importance of implementing policies that not only generate employment opportunities but also improve job quality, productivity, and inclusivity across key sectors of the economy.

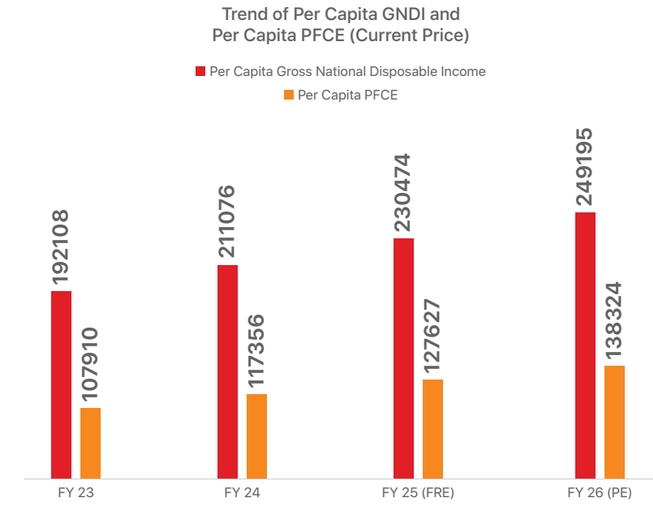


Source: World Bank Database

2.6.3 Disposable Income and Consumer Spending

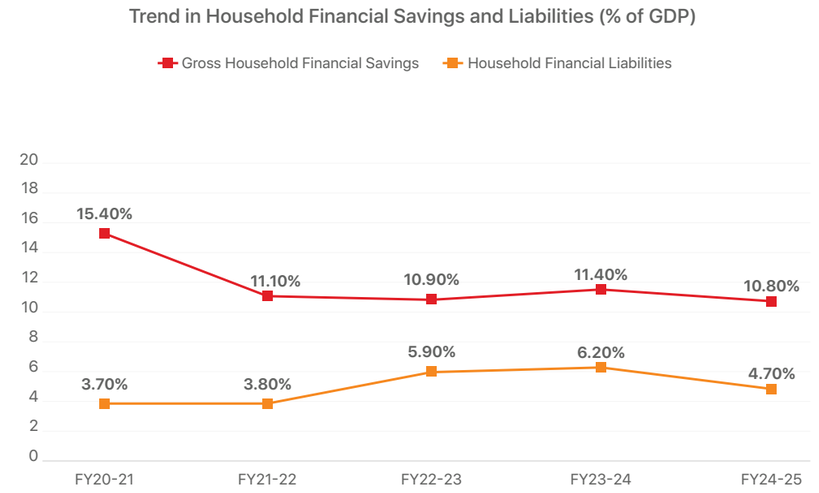
Gross National Disposable Income (GNDI) represents the total income available to a nation's residents for consumption and saving after accounting for income transfers with the rest of the world. Per Capita GNDI has exhibited a steady upward trend over the recent years, increasing from approximately INR1,92,108 in FY23 to INR 2,11,076 in FY24 and further to INR 2,49,195 in FY26 (PE). It reflects the continued growth in income available to households and businesses, supporting consumption and savings activities within the economy.

The rise in disposable income has been accompanied by higher consumer spending, as reflected in the growth of Private Final Consumption Expenditure (PFCE), which measures the total value of goods and services consumed by households. Per Capita PFCE increased from approximately INR 1,07,910 in FY23 to INR 1,38,324 in FY26 (PE). The approximately 8.0% growth in FY26 over FY25 indicates sustained consumer demand and continued expansion in household consumption expenditure, supported by rising incomes and economic activity.



Note: Data mentioned is in INR, FRE – First Revised Estimates, PE – Provisional Estimates.
Source: PIB, New Series of Gross Domestic Product (GDP) release date on 5th June 2026. Estimates with Base Year 2022-23

2.6.4 Trend in Household Financial Savings and Liabilities (% of GDP)



**Preliminary estimates as per RBI Bulletin, August 2025, Occasional Series Table 50(a)*
Source: MoSPI and RBI. The data presented is based on the latest information currently available from the RBI & MOSPI.

Household financial savings in India have moderated significantly over the past five years, declining from 15.40% of GDP in FY2020-21 to 10.80% in FY2024-25 (P), while household financial liabilities have exhibited a rising trend, reflecting increased credit uptake by households. The elevated savings levels in FY2020-21 were largely driven by precautionary savings during the pandemic; however, with normalization of economic activity, savings have stabilised at lower levels. At the same time, the household liabilities-to-GDP ratio increased from 3.7% in FY2020-21, peaking at approximately 6.2% in FY2023-24 before moderating to around 4.7% in FY2024-25 (P).

These trends have significant implications for the banking sector. Moderating household savings may lead to slower deposit growth, higher competition for deposits, and increased pressure on banks' cost of funds and Net Interest Margins (NIMs). Lower savings may also reduce the share of stable CASA deposits, increasing reliance on term deposits and wholesale funding. Meanwhile, rising household liabilities are supporting growth in retail lending segments such as housing and personal loans, driving banks' credit expansion and interest income. However, the gap between rising credit demand and relatively slower deposit growth could result in higher credit-deposit ratios, tighter liquidity conditions, and potential asset quality risks, particularly in unsecured lending segments.

2.6.5 Union Budget FY26-27 Highlights

The Union Budget FY 2026–27, presented by Finance Minister Nirmala Sitharaman, introduces a comprehensive set of measures aimed at stimulating economic growth, enhancing infrastructure, and fostering inclusive development. With a focus on sectors such as agriculture, MSMEs, infrastructure, innovation, and exports, the budget seeks to create a conducive environment for sustained economic expansion.

- **Capital Expenditure and Infrastructure Development**
  In FY2026-27, the Union Budget has increased the public capex towards to INR 12.2 lakh crore from the previous INR 11.21 lakh crore (3.1% of GDP) which was earmarked in FY 2025–26. To strengthen the confidence of private developers regarding risks during infrastructure development and construction phase, the budget proposed to set up an Infrastructure Risk Guarantee Fund to provide prudently calibrated partial credit guarantees to lenders.

- **Support for MSMEs**
  Recognizing the pivotal role of Micro, Small, and Medium Enterprises (MSMEs) in India's economic landscape, the budget introduced a three-pronged approach to support the sector. The budget introduced a dedicated INR 10,000 crore SME Growth Fund as well as proposed to top up the Self-Reliant India Fund set up in 2021, with INR 2,000 crore to continue support to micro enterprises and maintain their access to risk capital. With TReDS, more than INR 7 lakh crore has been made available to MSMEs. To leverage its full potential, the budget further proposed four measures: (i) mandate TReDS as the transaction settlement platform for all purchases from MSMEs by CPSEs, serving as a benchmark for other corporates; (ii) introduce a credit guarantee support mechanism through CGTMSE for invoice discounting on TReDS platform; (iii) link GeM with TReDS for sharing information with financiers about government purchases from MSMEs, encouraging cheaper and quicker financing; (iv) introduce TReDS receivables as asset-backed securities, helping develop a secondary market, enhancing liquidity and settlement of transactions. Moreover, Government will facilitate Professional Institutions such as ICAI, ICSI, ICMAI to design short-term, modular courses and practical tools to develop a cadre of 'Corporate Mitras', especially in Tier-II and Tier-III towns, which will help MSMEs meet compliance requirements at affordable costs.

- **Establishment of dedicated Rare Earth Corridors**
  A Scheme for Rare Earth Permanent Magnets was launched in November 2025. In line with that, the budget proposed supporting the mineral-rich States of Odisha, Kerala, Andhra Pradesh and Tamil Nadu in establishing dedicated Rare Earth Corridors to promote mining, processing, research and manufacturing.

- **Integrated Programme for the Textile Sector**

  The following Schemes have been announced:

  a) The National Fibre Scheme for self-reliance in natural fibres such as silk, wool and jute, man-made fibres, and new-age fibres.

  b) Textile Expansion and Employment Scheme to modernise traditional clusters with capital support for machinery, technology upgradation and common testing and certification centres.

  c) A National Handloom and Handicraft programme to integrate and strengthen existing schemes and ensure targeted support for weavers and artisans.

  d) Tex-Eco Initiative to promote globally competitive and sustainable textiles and apparels.

  e) Samarth 2.0 to modernize and upgrade the textile skilling ecosystem through collaboration with industry and academic institutions.

- **Carbon Capture Utilization and Storage (CCUS)**
  Aligning with the roadmap launched in December 2025, CCUS technologies at scale will achieve higher readiness levels in end-use applications across five industrial sectors, including, power, steel, cement, refineries and chemicals. An outlay of INR 20,000 crore is proposed over the next 5 years.

- **Municipal Bonds**
  To encourage the issuance of higher-value municipal bonds by large cities, the budget proposed an incentive of INR 100 crore for a single bond issuance of more than INR 1000 crore. The current scheme under AMRUT, which incentivises issuances up to INR 200 crore, will also continue to support smaller and medium towns.

- **Ease of Doing Business**
  Individual Persons Resident Outside India (PROI) will be permitted to invest in equity instruments of listed Indian companies through the Portfolio Investment Scheme. It is also proposed to increase the investment limit for an individual PROI under this scheme from 5% to 10%, with an overall investment limit for all individual PROIs to 24%, from the current 10%.

- **Hubs for Medical Value Tourism**
  To promote India as a hub for medical tourism services, the budget proposed to launch a Scheme to support States in establishing five Regional Medical Hubs, in partnership with the private sector. These Hubs will serve as integrated healthcare complexes that combine medical, educational and research facilities. They will have AYUSH Centres, Medical Value Tourism Facilitation Centres and infrastructure for diagnostics, post-care and rehabilitation. These Hubs will provide diverse job opportunities for health professionals including doctors and AHPs.

- **Agriculture Related Schemes**
  To diversify farm outputs, increase productivity, enhance farmers' incomes, and create new employment opportunities, the budget announced support schemes related to high value crops such as coconut, sandalwood, cocoa and cashew in coastal areas. Agar trees in Northeast and nuts such as, almonds, walnuts and pine nuts in hilly regions will also be supported. India is the world's largest producer of coconuts.

  About 30 million people, including nearly 10 million farmers, depend on coconuts for their livelihood. To further enhance competitiveness in coconut production, the Budget proposed a Coconut Promotion Scheme to increase production and enhance productivity through various interventions including replacing old and non-productive trees with new saplings/plants/varieties in major coconut growing States. A dedicated programme is proposed for Indian cashew and cocoa to make India self-reliant in raw cashew and cocoa production and processing, enhance export competitiveness and transform Indian Cashew and Indian Cocoa into premium global brands by 2030.

  Further, the Central Government will partner with State Governments to promote focused cultivation and post-harvest processing to restore the glory of the Indian Sandalwood ecosystem. To rejuvenate old, low-yielding orchards and expand high-density cultivation of walnuts, almonds and pine nuts, the budget announced to support a dedicated programme to enhance farmer incomes and in bringing value addition by engaging youth.

  The Union Budget FY 2026–27 presents a balanced approach to economic growth by addressing immediate consumption needs and laying the foundation for long-term sustainability. Through targeted investments in infrastructure, support for MSMEs, and sector-specific initiatives, the budget aims to foster an inclusive and resilient economy. These measures are expected to create new opportunities for financial institutions, as the growing demand for investment products will provide avenues for expansion and innovation in the financial services sector.

2.7 Concluding Remarks about Macroeconomic Scenario

The major headwinds to global economic growth remain significant, including escalating geopolitical tensions, volatility in global energy and commodity markets, persistent inflationary pressures, tighter financial conditions, geoeconomic fragmentation, rising public debt, climate-related disruptions, and uncertainty surrounding the pace and impact of technological transformation. In particular, the ongoing Middle East conflict and associated risks to energy supply chains have heightened downside risks to the global outlook, while weaker trade momentum and structural productivity challenges continue to weigh on medium-term growth prospects.

Despite these challenges, India's economy remains relatively well-positioned compared to other major emerging markets. According to the IMF's April 2026 WEO, India's GDP growth is projected at 6.5% in CY 2026, maintaining its position as one of the fastest-growing major economies globally and significantly above the global growth

projection of 3.1%. Key positive factors supporting India's growth include resilient domestic demand, sustained public infrastructure spending, a strengthening investment cycle, expanding digital infrastructure, and continued progress in structural reforms. Inflation, as measured by the Consumer Price Index (CPI), remained contained at 3.4% in March 2026 under the revised base year, supporting household purchasing power, although rising global oil prices and supply disruptions may pose upside risks.

India's strategic position as a manufacturing and investment destination continues to strengthen, supported by government initiatives, supply chain diversification trends, a skilled labour force, and a dynamic innovation ecosystem. Public investment is expected to remain a critical growth driver, with the Union Budget FY 2026–27 increasing capital expenditure to INR 12.21 lakh crore from INR 11.21 lakh crore in the previous year, reinforcing the government's investment-led growth strategy. In addition, the proposed Infrastructure Risk Guarantee Fund is aimed at improving private sector participation in infrastructure by mitigating project-related risks, which is expected to crowd in private investment, enhance infrastructure capacity, and support long-term productivity growth.

Private sector investment intentions are also expected to strengthen alongside public capex, while rising disposable incomes, improving rural demand, and continued policy support are likely to reinforce consumption momentum. Strengthening supply chains, expanding infrastructure capacity, and sustaining inflation stability will be critical in supporting resilience against external shocks. These factors are expected to support India's medium-term growth momentum and strengthen its ability to navigate global uncertainties.

Looking ahead, India is expected to remain favourably positioned even as the global economy transitions to a structurally lower growth path, with the IMF projecting global growth at 3.2% in CY 2027 and 3.1% by CY 2031. While risks from geopolitical instability, trade disruptions, and tighter financial conditions persist, India's relative macroeconomic stability, demographic advantage, reform momentum, and ongoing investment cycle place it in a strong position to sustain growth and reinforce its role as a key contributor to global economic expansion over the medium term.

3. Indian NBFI Sector

Non-banking financial institutions ("NBFIs") are an important component of India's financial system and play a significant role in complementing the banking sector by extending credit to diverse sectors and underserved customer segments. The sector includes non-banking financial companies ("NBFCs"), housing finance companies ("HFCs"), all India financial institutions ("AIFIs"), and standalone primary dealers ("SPDs"), regulated primarily by the Reserve Bank of India.

NBFCs have emerged as key drivers of financial inclusion by providing credit to small businesses, microfinance borrowers, rural and semi-urban customers, and other segments with limited access to formal banking channels. HFCs focus on housing finance and related lending activities, while AIFIs provide long-term financing to sectors such as agriculture, MSMEs, infrastructure, trade, and housing. SPDs act as underwriters and market makers in the Government securities market.

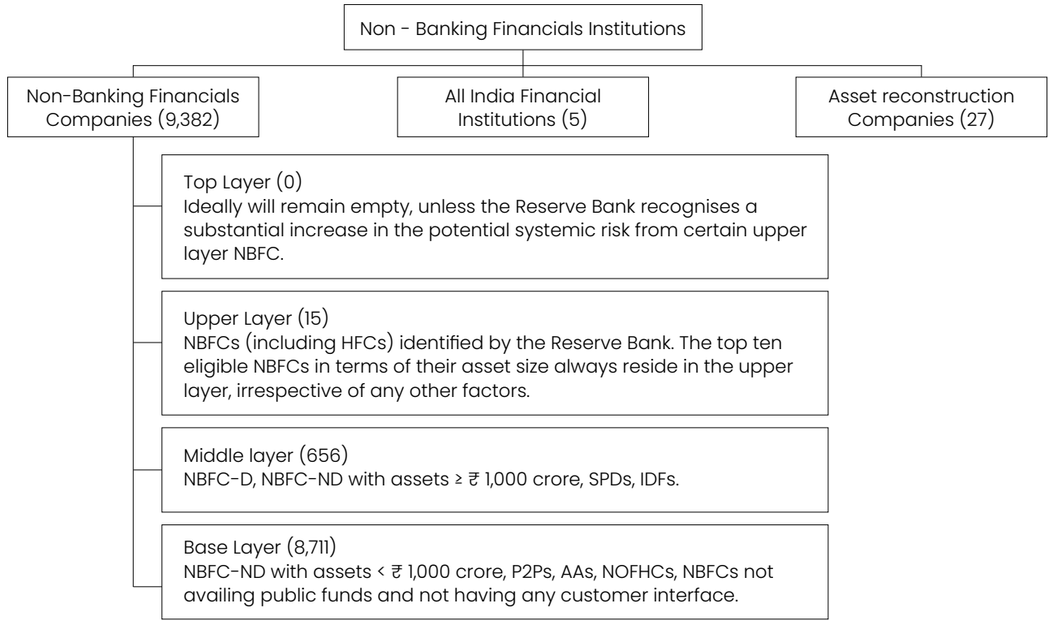
The NBFC sector continued to witness balance sheet expansion, supported by growth in loans and advances, while maintaining healthy capital adequacy and asset quality levels. The regulatory framework for the sector has also continued to strengthen through scale-based regulations, digital lending guidelines, and measures aimed at improving governance, transparency, and customer protection.

3.1. Classification of NBFCs by Activity under the Scale-Based Regulatory Framework

S. No.	Classification	Key Activity	Regulatory Layer
1	NBFC-Investment and Credit Company ("NBFC-ICC")	Lending activities supporting productive/economic activities, consumer finance, personal loans, and acquisition of securities for investment	Any layer, depending on SBR parameters
2	NBFC-Infrastructure Finance Company ("NBFC-IFC")	Infrastructure Loans	Middle or Upper Layer
3	Core Investment Company ("CIC")	Investment in equity shares, preference shares, debt, or loans to group companies	Middle or Upper Layer
4	NBFC-Infrastructure Debt Fund ("NBFC-IDF")	Refinancing operational infrastructure projects and financing infrastructure assets	Middle Layer
5	NBFC-Micro Finance Institution ("NBFC-MFI")	Providing collateral-free small-ticket loans to economically disadvantaged groups	Any layer, depending on SBR parameters
6	NBFC-Factors	Acquisition of receivables and factoring activities	Any layer, depending on SBR parameters
7	NBFC-Non-Operative Financial Holding Company ("NBFC-NOFHC")	Facilitating promoter/promoter group participation in setting up new banks	Base Layer
8	Mortgage Guarantee Company ("MGC")	Undertaking mortgage guarantee business	Any layer, depending on SBR parameters
9	NBFC-Account Aggregator ("NBFC-AA")	Collection and sharing of customer financial information in a consolidated manner	Base Layer
10	NBFC-Peer to Peer Lending Platform ("NBFC-P2P")	Online lending marketplace connecting borrowers and lenders	Base Layer
11	Housing Finance Company ("HFC")	Housing finance for purchase, construction, repair, and renovation of residential units	Middle or Upper Layer
12	Standalone Primary Dealer ("SPD")	Underwriting and participation in government securities market	Middle Layer

Source - RBI, Trends and Progress of Banking report (2024-25)

3.2 Structure of NBFIs under Reserve Bank Regulation



Notes: 1. Figures in parentheses indicate the number of institutions (provisional). 2. NBFCs, viz., NBFC-ICC, NBFC-MFI, NBFC Factor, and NBFC-MGC could lie in any of the layers depending on the parameters specified under SBR. NBFC-CIC, HFC, and IFC could lie either in the upper or middle layer. 3. Government-owned NBFCs are placed either in the base or the middle layer. Sources: RBI and NHB, Trends and Progress of Banking (2024-25).
Sources: RBI and NHB.

3.3 Composition of NBFCs

Layer	Number (%)	Assets (%)
NBFC-UL	0.20	30.2
NBFC-ML	7.00	64.6
NBFC-BL	92.80	5.2
Total	100.00	100

Note: NBFCs refer to all NBFCs regulated by the Reserve Bank, including CICs, HFCs and SPDs. Sources: RBI and NHB, Trends and Progress of Banking (2024-25)

3.4 Ownership Pattern of NBFCs

The non-banking financial companies ("NBFCs") sector in India comprises government-owned and non-government entities engaged in various lending and financing activities. NBFCs are categorised into upper layer ("NBFC-UL") and middle layer ("NBFC-ML") entities based on their size and systemic importance. The distribution of asset size across government companies, public limited companies, and private limited companies reflects the operational scale and composition of the NBFC sector in India.

3.5 Ownership Pattern of NBFCs (At end-March 2025)

Type		NBFC-Sector			NBFC-UL			NBFC-ML		
		Number	Asset Size	Asset share	Number	Asset Size	Asset share	Number	Asset Size	Asset share
1		2	3	4	5	6	7	8	9	10
A	Government Companies	26	22,28,097	36.5	0	0	0.0	26	22,28,097	51.5
B	Non-government Companies (1+2)	405	38,81,029	63.5	10	17,81,991	100.0	395	20,99,038	48.5
	1. Public Limited Companies	56	18,67,476	30.6	7	13,43,366	75.4	49	5,24,110	12.1
	2. Private Limited Companies	349	20,13,553	33.0	3	4,38,625	24.6	346	15,74,929	36.4
C	Total (A+B)	431	61,09,126	100.0	10	17,81,991	100.0	421	43,27,135	100.0

Notes: 1. Data are provisional. 2. Figures may not add up due to rounding-off.
Source: Supervisory Returns, RBI, Trends and Progress of Banking (2024-25).

The NBFC sector comprises government-owned and non-government companies across upper layer ("NBFC-UL") and middle layer ("NBFC-ML") categories. Government companies accounted for asset size of INR 22,28,097 crore, entirely classified under NBFC-ML. Among non-government entities, public limited companies accounted for asset size of INR 18,67,476 crore, with a significant share of INR 13,43,366 crore under NBFC-UL, indicating the presence of large systemically important NBFCs. Private limited companies accounted for asset size of INR 20,13,553 crore, primarily concentrated in the NBFC-ML category at INR 15,74,929 crore.

Overall, the data reflects the significant contribution of non-government NBFCs towards the sector's overall asset base and lending activities.

3.6 Balance Sheet Composition of NBFCs

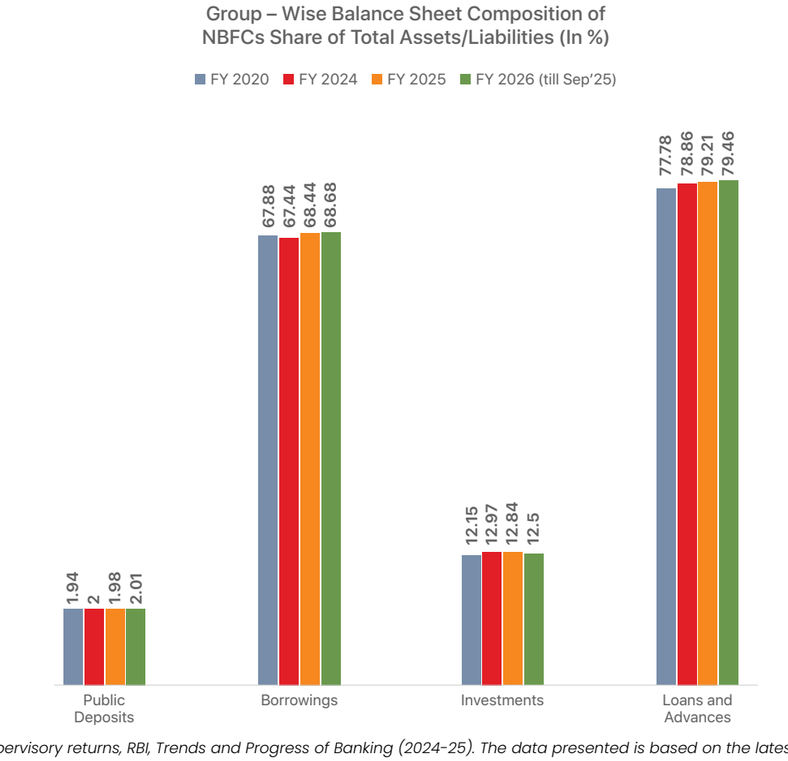
- Balance Sheet Composition of NBFCs

Source: Supervisory returns, RBI, Trends and Progress of Banking (2024-25), The data presented is based on the latest information currently available from the RBI. The subsequent update is expected to be released in December 2026.

The total liabilities/assets of the NBFC sector witnessed strong and consistent growth during the period under review, increasing from INR 43,88,930 crore in 2023 to INR 51,39,470 crore in 2024 and further to INR 61,09,126 crore in 2025. The sector continued its expansion momentum during the first half of FY2026, with total liabilities/assets reaching INR 65,51,157 crore as of September 2025.

The sustained increase in the balance sheet size of NBFCs reflects robust growth in credit demand across retail, MSME, infrastructure, and consumer lending segments. The growth was further supported by increasing digitalisation of lending operations, rising financial inclusion, expansion in retail credit penetration, and improved access to funding sources including bank borrowings, debentures, and market-linked instruments.

Overall, the data highlights the increasing scale and systemic importance of the NBFC sector within India's financial ecosystem, supported by strong lending growth and expanding participation in formal credit delivery.



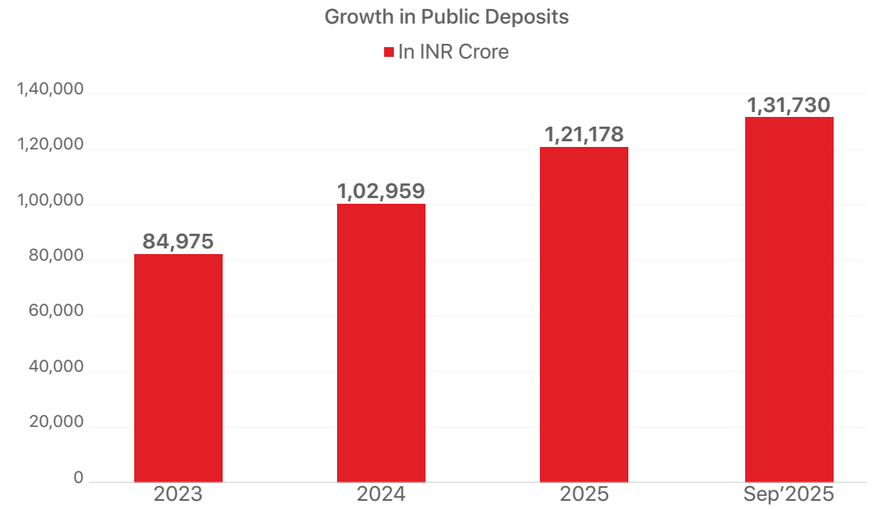
Source: Supervisory returns, RBI, Trends and Progress of Banking (2024-25). The data presented is based on the latest information currently available from the RBI. The subsequent update is expected to be released in December 2026.

The balance sheet composition of the NBFC group reflects a stable borrowing-led funding structure, with borrowings constituting the largest share of liabilities during the period under review. Borrowings accounted for 67.88% in FY2023 and increased marginally to 68.68% in Sep-25, indicating the sector's continued dependence on external funding sources such as bank borrowings, debentures, and other market-linked instruments. In contrast, public deposits remained minimal and largely stable at 1.94% in FY2023 and 2.01% in Sep-25, highlighting the limited reliance of NBFCs on deposit-based funding and their greater dependence on institutional and wholesale funding channels.

On the asset side, loans and advances formed the dominant component, increasing from 77.78% in FY2023 to 79.46% in Sep-25, reflecting sustained growth in lending activities and expansion in credit deployment across retail and commercial segments. Investments accounted for 12.15% in FY2023 and 12.50% in Sep-25, indicating a relatively stable allocation towards investment portfolios and liquidity management.

Overall, the composition highlights a stable and lending-focused NBFC sector, characterised by strong dependence on borrowings for funding and a high concentration of assets in loans and advances. The trend reflects the sector's continued focus on core financing activities, supported by diversified borrowing sources and prudent asset allocation strategies.

3.7 Public Deposits



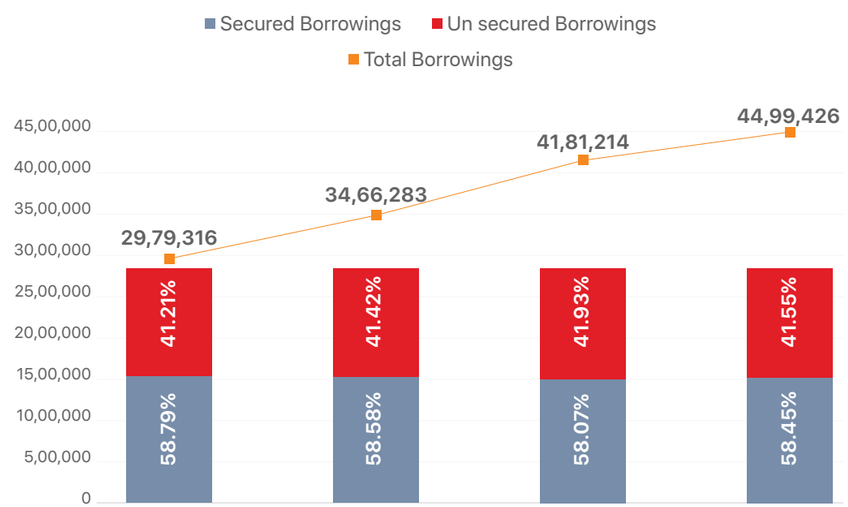
Source: RBI supervisory returns, Trends and Progress of Banking (2024-25). The data presented is based on the latest information currently available from the RBI. The subsequent update is expected to be released in December 2026.

Public deposits mobilised by non-banking financial companies ("NBFCs") witnessed consistent growth during the period under review, reflecting increasing depositor confidence and expansion in funding sources within the sector.

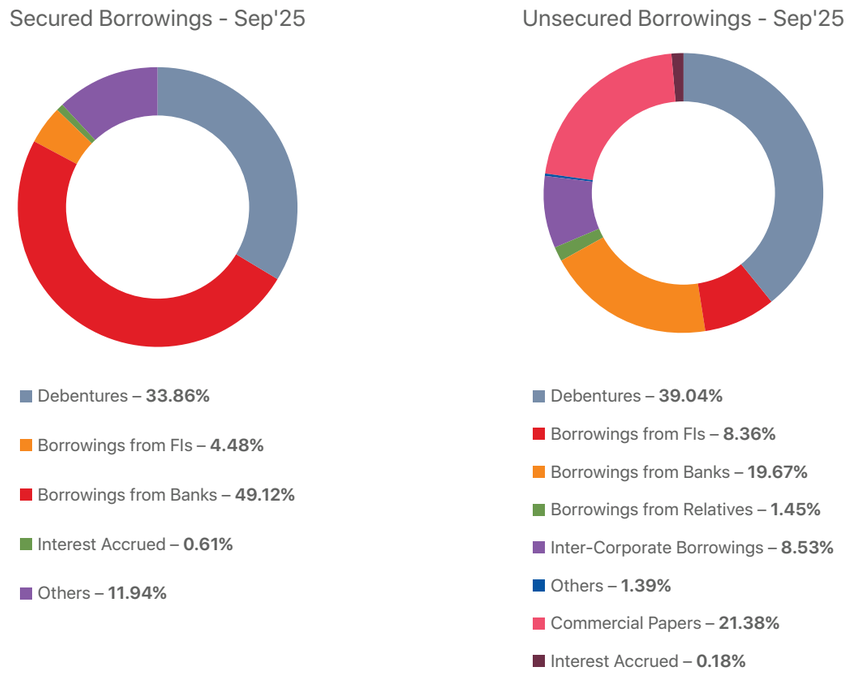
Public deposits increased from INR 84,975 crore in 2023 to INR 1,02,959 crore in 2024 and further to INR 1,21,178 crore in 2025. The upward trend continued during the first half of FY2026, with public deposits reaching INR 1,31,730 crore as of September 2025. The continuous increase in deposits indicates growing participation of depositors and strengthening funding base of NBFCs to support expansion in lending and financing activities.

Overall, the rising trend in public deposits reflects improving financial stability and increasing role of NBFCs in mobilising funds within the financial system.

3.8 Growth in Total Borrowings



Break-up of Secured and Unsecured Borrowings of the NBFC Group



Source: Supervisory returns, RBI, Trends and Progress of Banking (2024-25). The data presented is based on the latest information currently available from the RBI. The subsequent update is expected to be released in December 2026.

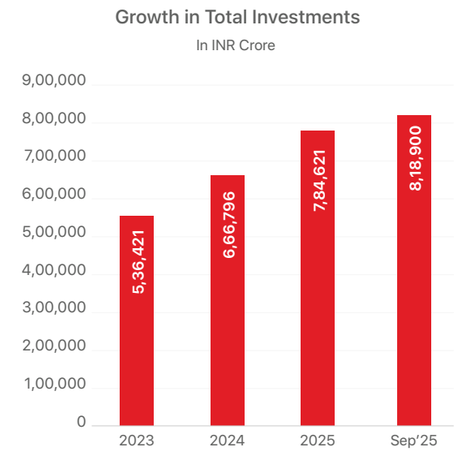
The break-up of secured and unsecured borrowings of the NBFC sector as of September 2025 indicates a diversified funding structure, with a balanced mix of secured and unsecured liabilities supporting a steadily expanding borrowing base. Secured borrowings constituted approximately 58.45% of total borrowings, while unsecured borrowings accounted for 41.55%, reflecting a prudent yet flexible funding strategy. The total borrowings of the sector have demonstrated consistent growth, increasing from approximately INR 29,79,316 crore in 2023 to INR 44,99,426 crore as of September 2025, driven by sustained access to funding sources and supporting continued credit expansion.

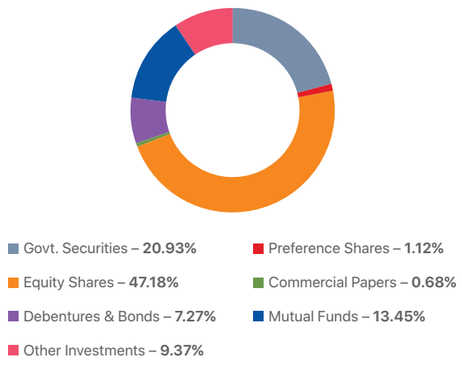
Within secured borrowings, borrowings from banks constituted the largest share at 49.12%, followed by debentures at 33.86%, reflecting the sector's strong dependence on institutional funding and secured debt instruments. Other borrowings accounted for 11.94%, while borrowings from financial institutions (FIs) contributed 4.48% and interest accrued represented a marginal 0.61%.

In the case of unsecured borrowings, debentures formed the largest component at 39.04%, indicating increased usage of market-linked debt instruments for raising funds. This was followed by other borrowings at 21.38% and borrowings from banks at 19.67%. Inter-corporate borrowings and commercial papers contributed 8.53% and 8.36%, respectively, reflecting diversified short-term and corporate funding sources. Borrowings from FIs remained relatively low at 1.45%, while borrowings from relatives and interest accrued accounted for only 0.18% and 1.39%, respectively.

Overall, the borrowing mix highlights the NBFC sector's well-diversified and evolving liability profile, characterized by a stable proportion of secured borrowings complemented by a meaningful share of unsecured funding. This structure provides financial flexibility, optimizes cost of funds, and enhances resilience, enabling NBFCs to efficiently support sustained credit growth across segments.

Growth in Total Investments and Composition





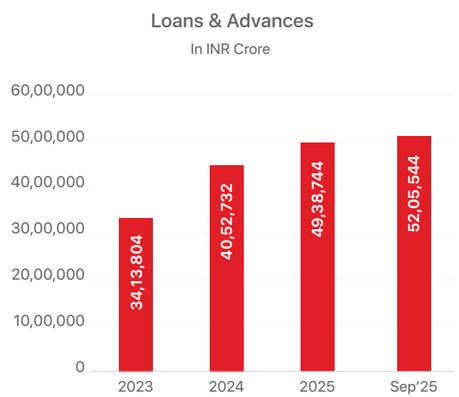
Source: Supervisory returns, RBI, Trends and Progress of Banking (2024-25). The data presented is based on the latest information currently available from the RBI. The subsequent update is expected to be released in December 2026.

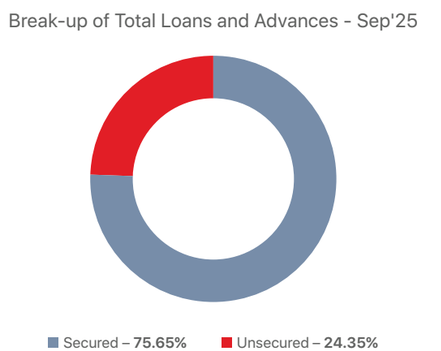
The investment portfolio has witnessed steady growth over the recent periods, increasing from approximately INR 5,33,421 crore in 2023 to INR 8,18,990 crore as of September 2025, reflecting a consistent expansion in investment activities and strengthening balance sheet position. This upward trend indicates increasing deployment of funds into financial assets, supported by improved liquidity and capital availability.

The composition of investments as of September 2025 reflects a diversified allocation across asset classes, with a dominant exposure to equity shares (47.18%), indicating a relatively higher focus on growth-oriented instruments. This is complemented by a significant allocation to government securities (20.93%), which provide stability and reflect a risk-mitigated investment approach. Investments in mutual funds (13.45%) and debentures & bonds (7.27%) further contribute to a balanced mix of liquidity and fixed-income returns.

Relatively smaller allocations to other investments (9.37%), preference shares (1.12%), and commercial papers (0.68%) indicate limited exposure to niche and short-term instruments. Overall, the investment profile demonstrates a balanced strategy combining growth, income, and safety, enabling portfolio diversification while supporting stable returns.

Growth in Loans and Advances



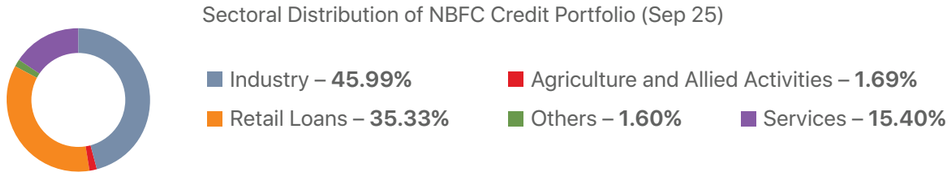


Source: Supervisory Returns, RBI, Trends and Progress of Banking (2024-25). The data presented is based on the latest information currently available from the RBI. The subsequent update is expected to be released in December 2026.

The NBFC sector has demonstrated strong and sustained growth in its loans and advances portfolio, which expanded from INR 34,13,804 crore in 2023 to INR 52,05,544 crore as of September 2025 reflecting robust credit demand and the sector's increasing role in financing economic activity. The asset mix remains largely skewed towards secured lending, constituting approximately 75.65% of total loans and advances, with the remaining 24.35% comprising unsecured loans. This composition indicates a prudent and balanced risk approach, wherein NBFCs prioritize asset-backed lending to ensure stability while maintaining selective exposure to unsecured segments to enhance yield.

Overall, the growth in the loan book, coupled with a conservative portfolio structure, underscores the sector's resilience, disciplined risk management practices, and its critical contribution to financial inclusion and credit intermediation.

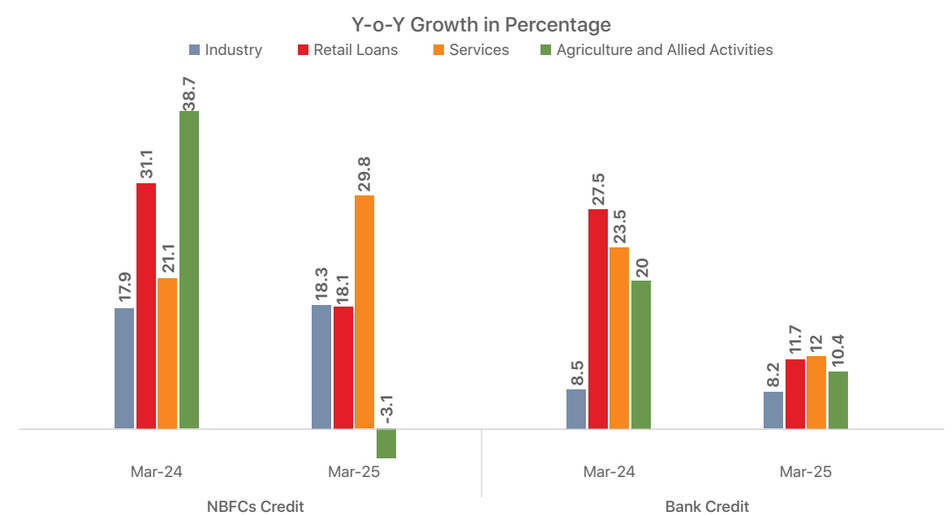
Sectoral Credit Deployment by NBFCs – FY 2026 (Sep -25)
The distribution of credit by non-banking financial companies ("NBFCs") and banks reflects the varying sectoral focus and lending priorities across different segments of the economy during the period under review.



Note: Data are provisional.
Source: Supervisory Returns, RBI, Trends and Progress of Banking (2024-25). The data presented is based on the latest information currently available from the RBI. The subsequent update is expected to be released in December 2026.

The sectoral distribution of NBFC credit as of September 2025 highlights a clear concentration of lending towards the industrial and retail segments, which together account for a significant majority of the portfolio. Industry alone constitutes the largest share at 45.99%, indicating strong NBFC participation in supporting business and infrastructure-related financing needs. This is followed by retail loans at 35.33%, reflecting the sector's growing focus on consumer financing and financial inclusion. The services sector accounts for 15.40%, suggesting moderate exposure, while agriculture and allied activities (1.69%) and other segments (1.60%) represent relatively small portions of the overall portfolio. Overall, the distribution underscores NBFCs' strategic emphasis on higher-demand and scalable segments such as industry and retail, while maintaining limited exposure to traditionally riskier or less scalable sectors.

Sector-wise Growth in Credit Deployment by NBFCs and Banks (%)



Note: Data are provisional.
Source: Supervisory Returns, RBI, Trends and Progress of Banking (2024-25). The data presented is based on the latest information currently available from the RBI. The subsequent update is expected to be released in December 2026.

Credit extended by NBFCs towards the industrial sector increased from 17.9% in March 2024 to 18.3% in March 2025, indicating stable growth in financing activities towards industrial and business-related segments. In comparison, bank credit to the industrial sector moderated from 8.5% in March 2024 to 8.2% in March 2025, reflecting relatively slower growth in industrial lending by banks.

Retail loans constituted a significant portion of NBFC lending; however, growth moderated from 31.1% in March 2024 to 18.1% in March 2025. Similarly, bank credit growth towards retail loans declined from 27.5% to 11.7% during the same period, indicating moderation in retail credit expansion across the financial sector.

Credit growth towards the services sector by NBFCs increased significantly from 21.1% in March 2024 to 29.8% in March 2025, reflecting increased lending towards service-oriented businesses and commercial activities. Bank credit to the services sectors also remained positive, although growth moderated from 23.5% in March 2024 to 12.0% in March 2025.

In the agriculture and allied activities segment, NBFC credit growth declined from 38.7% in March 2024 to (-3.1%) in March 2025, indicating contraction in lending growth towards the sector during the period under review. In comparison, bank credit growth towards agriculture and allied activities moderated from 20.0% to 10.4% during the same period, reflecting slower credit expansion towards the agricultural sector.

Overall, the data indicates that NBFCs continued to maintain strong presence in retail and services lending, while sectoral credit growth trends moderated across certain segments during March 2025. Banks, on the other hand, continued to witness comparatively moderate credit growth across key sectors of the economy.

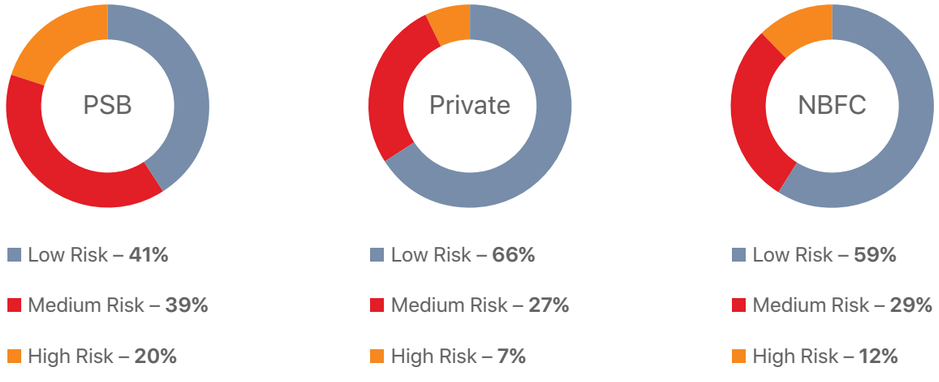
3.9 NBFC's Credit vis-à-vis SCBs Credit & GDP

The credit to GDP ratio of non-banking financial companies ("NBFCs") and scheduled commercial banks ("SCBs") is an important indicator used to assess the extent of credit penetration and the contribution of financial institutions towards economic activity. An increasing credit to GDP ratio generally reflects expansion in lending activities, improved access to formal credit and deepening financial intermediation within the economy.

The NBFCs' credit to GDP ratio increased from 12.3 in 2020 to 13.6 in 2021, moderated to 12.3 in 2022, and subsequently improved to 12.6 in 2023, 13.6 in 2024, and 14.6 in 2025. The overall increase reflects the growing role of NBFCs in extending credit to retail borrowers, MSMEs, and underserved segments of the economy.

Similarly, the SCBs' credit to GDP ratio increased from 51.3 in 2020 to 54.6 in 2021, moderated during 2022 and 2023, and thereafter increased to 55.5 in 2024 and 57.8 in 2025. The rising trend indicates strengthening credit growth by the banking sector and improving financial intermediation within the economy.

3.10 Borrower Risk Profile Distribution Across Lender Categories (Dec 2025)



Note - All Commercial Fund based loans (WC-TL). Exposure up to 100Cr considered; Low Risk: CMR 1-3, Medium Risk: CMR 4-7 and High Risk: CMR 8-10

Source: TransUnion CIBIL commercial & consumer credit database, MSME Pulse DEC 2025 report.

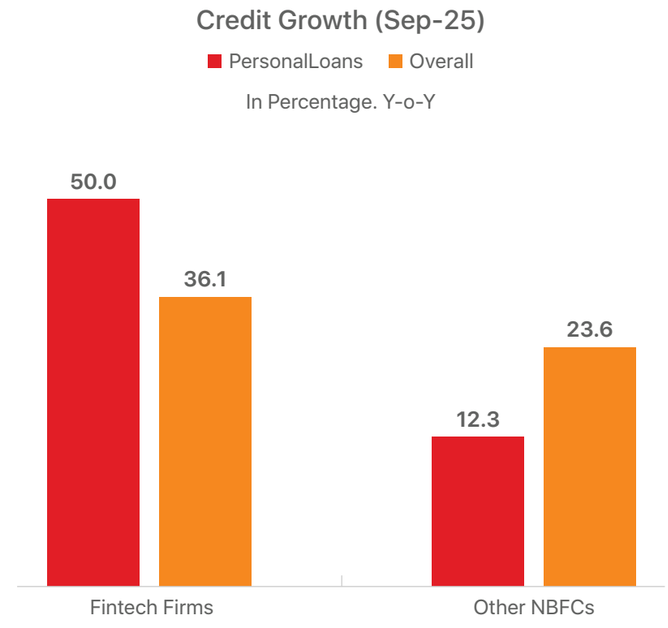
The borrower risk profile for commercial loans across lender categories as of December 2025 reflects distinct lending strategies and risk appetites among public sector banks (PSBs), private banks, and NBFCs. Private banks exhibit the most conservative risk profile, with a dominant 66% share of low-risk borrowers, and relatively limited exposure to medium-risk (27%) and high-risk (7%) categories, indicating a strong focus on high credit-quality borrowers.

In comparison, PSBs maintain a more balanced distribution, with 41% low-risk, 39% medium-risk, and 20% high-risk borrowers, reflecting broader participation across borrower risk segments. NBFCs, while also maintaining a majority of low-risk borrowers at 59%, show relatively higher exposure to medium-risk (29%) and high-risk (12%) segments compared to private banks. This indicates a more flexible and inclusive credit approach, with NBFCs playing a critical role in catering to underserved and emerging borrower segments.

Additionally, the observed increase in the share of low-risk borrowers across categories, particularly within NBFCs, reflects ongoing improvement in portfolio quality and underwriting standards.

Overall, the distribution underscores the complementary role of NBFCs alongside banks in expanding credit access while maintaining a balanced risk profile across the financial system.

3.11 Growing Share of Fintech firms in Total NBFC Unsecured Loan



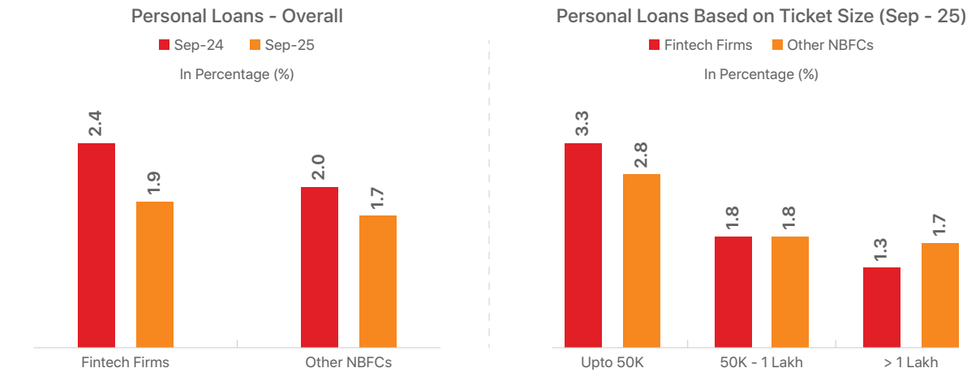
Sources: CRIF High Mark; and RBI staff estimates, Financial Stability Report Dec 2025. The data presented is based on the latest information currently available from the RBI. The subsequent update is expected to be released in December 2026.

Fintech firms continued to witness higher growth in unsecured lending compared to other NBFCs during September 2025, reflecting increasing adoption of digital lending models and technology-driven credit delivery mechanisms.

Year-on-year growth in personal loans for fintech firms stood at 50.0%, significantly higher than 12.3% recorded for other NBFCs. Similarly, overall credit growth for fintech firms was recorded at 36.1% as compared to 23.6% for other NBFCs.

The higher credit growth among fintech firms indicates increasing penetration of digitally originated unsecured loans, particularly within personal lending segments. The trend also reflects the growing role of fintech-led NBFCs in expanding retail credit access, supported by digital onboarding, automated underwriting processes, and faster loan disbursement capabilities.

3.12 Impairment in Unsecured Loans Declining



Sources: CRIF High Mark; and RBI staff estimates

Impairment levels in unsecured personal loans moderated during September 2025 across fintech firms and other NBFCs, indicating improvement in asset quality within the unsecured lending segment.

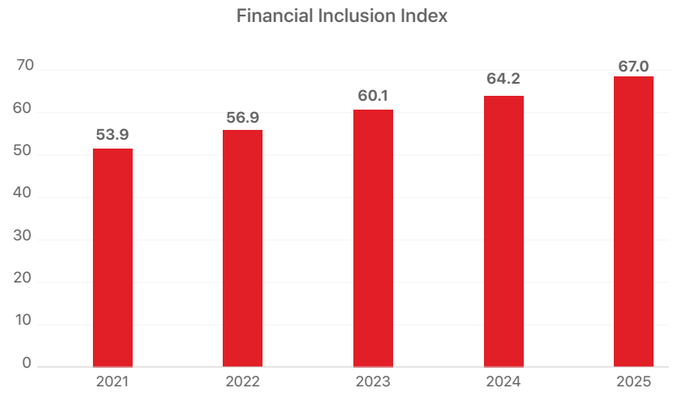
Impairment levels for fintech firms declined from 2.4% in September 2024 to 1.9% in September 2025, while impairment levels for other NBFCs declined from 2.0% to 1.7% during the same period.

Based on ticket size, smaller-ticket loans continued to record relatively higher impairment levels compared to larger-ticket loans. For loans up to ₹50,000, impairment levels stood at 3.3% for fintech firms and 2.8% for other NBFCs, whereas loans above ₹1 lakh recorded lower impairment levels of 1.3% and 1.7%, respectively.

The trend indicates improving credit quality and stabilising repayment behaviour across the unsecured lending ecosystem, while smaller-ticket personal loans continue to exhibit relatively higher credit risk.

3.13 Financial Inclusion

Financial inclusion remains a key priority for fostering inclusive and sustainable economic growth in India. Policy initiatives undertaken by the Reserve Bank of India, along with government-led programs and technology-driven innovations, have significantly improved access to formal financial services. India has adopted a phygital approach, combining digitalisation with expansion of physical banking infrastructure such as branches and ATMs, thereby ensuring wider reach across rural and semi-urban areas. While bank branch penetration in India is relatively higher than in most emerging market and developing economies (EMDEs), ATM penetration on a per capita basis remains comparatively lower.



Note: The index value ranges between zero and 100, where zero indicates complete financial exclusion and 100 indicates full financial inclusion.

Source: RBI - Report on Trend & Progress of Banking in India 2024-25.

The Financial Inclusion Index demonstrates a consistent and impressive upward trajectory from its base value of 53.9 in 2021 to 67.0 in 2025, reflecting a robust 24.3% increase over the period and underscoring the transformative impact of India's comprehensive financial inclusion strategy. This steady progression, with annual improvements across 2022 (56.4), 2023 (60.1), and 2024 (64.2), highlights broad-based gains in all three sub-indices—Access, Usage, and Quality—driven by enhanced availability of banking services, greater adoption of digital payments, insurance, pensions, and strengthened financial literacy initiatives. The rise to 67.0 for the year ended March 2025, affirms the effectiveness of flagship programs such as Pradhan Mantri Jan Dhan Yojana, with over 55.98 crore beneficiaries, alongside record momentum in UPI transactions, Kisan Credit Cards, and saturation campaigns. This sustained momentum not only bridges access gaps for underserved populations but also empowers entrepreneurship, risk management, and economic productivity, reinforcing India's commitment to inclusive, equitable, and sustainable growth for every citizen.

3.14 Payment Systems

India's payment systems have witnessed significant transformation over the years, supported by expansion in payment infrastructure, technological advancements, increasing internet and smartphone penetration, and policy initiatives promoting digital financial services. Payment systems continue to play an important role in supporting economic activity, improving transaction efficiency, and fostering financial inclusion across the country. Regulatory initiatives undertaken by the Reserve Bank of India have focused on developing safe, secure, accessible, and affordable payment mechanisms to strengthen the digital financial ecosystem.

3.15 Digital Payments

Digital payments have witnessed substantial growth in both value and transaction volume, driven by the increasing adoption of digital payment platforms and cashless payment methods. During 2024-25, digital payments accounted for 97.6% of India's total payments in value terms, while paper-based instruments such as cheques represented only 2.4% of total payments. Further, digital payments recorded strong growth in volume terms, supported by increasing usage of digital payment methods for small-value retail transactions. The decline in the average value of retail digital payments during the year indicates wider adoption of digital payment platforms for day-to-day transactions and growing penetration of digital financial services across customer segments.

4. PESTEL Analysis of the Industry

The consumer lending industry in India is influenced by various political, economic, social, technological, legal, and environmental ("PESTLE") factors. Increasing financial inclusion, growth in digital payments infrastructure, rising retail credit demand, and technological advancements in digital lending continue to support industry growth. Further, evolving regulatory frameworks, cybersecurity requirements, and governance standards issued by the Reserve Bank of India continue to shape the operating environment for lenders. The table below summarises the key PESTLE factors and their implications on the consumer lending industry in India.

Factors	Description	Implications for Consumer Lending Industry
Political Factors	Government initiatives such as Pradhan Mantri Jan Dhan Yojana ("PMJDY"), Aadhaar-enabled services, Direct Benefit Transfer ("DBT"), and policy focus on financial inclusion and digital payments continue to strengthen formal financial access. The Reserve Bank of India has also continued to strengthen regulatory frameworks relating to digital lending and customer protection.	Expansion in formal banking access and digital financial infrastructure is expected to increase retail credit penetration, improve borrower onboarding, and support growth in consumer lending across underserved and rural markets.
Economic Factors	Rising retail credit demand, improving banking sector asset quality, increasing urbanisation, and expansion in formal credit channels continue to support growth in lending activity. Scheduled commercial banks ("SCBs") and NBFCs continued to witness credit growth during FY25.	Increasing consumption expenditure and improving access to formal credit are expected to support growth in personal loans, housing finance, vehicle finance, and consumer durable financing segments.
Social Factors	Rising financial awareness, changing consumer lifestyles, increasing digital literacy, and growing middle-income population are supporting higher adoption of formal credit products and digital financial services.	Higher acceptance of retail credit products and digital lending platforms is expected to increase consumer loan penetration and expand the customer base for lenders.

Technological Factors	Expansion of Unified Payments Interface ("UPI"), e-KYC infrastructure, Aadhaar-enabled authentication, digital payment systems, and adoption of artificial intelligence ("AI") and data analytics continue to strengthen digital lending operations. During 2024-25, digital payments accounted for 97.6% of total payments in value terms.	Technological advancements are expected to improve operational efficiency, enable faster loan processing, reduce turnaround time, and enhance accessibility of consumer credit through digital channels.
Legal Factors	The consumer lending industry continues to operate under evolving regulatory frameworks relating to digital lending, cybersecurity, customer protection, fair lending practices, and governance standards issued by the Reserve Bank of India.	Increasing regulatory oversight may strengthen transparency and customer protection; however, compliance requirements may increase operational and technology-related costs for lenders.
Environmental Factors	Increasing focus on environmental, social, and governance ("ESG") practices and adoption of digital and paperless lending processes are influencing operational practices within the financial sector.	Adoption of paperless and digital lending models may improve operational efficiency and support sustainable business practices within the consumer lending ecosystem.

5. Government Initiatives, Policy Support and Regulatory Framework

The Government of India and the Reserve Bank of India ("RBI") have introduced various regulatory and policy measures aimed at strengthening financial stability, improving credit accessibility, enhancing digital lending infrastructure, and promoting responsible lending practices within the NBFC and consumer lending ecosystem.

Regulatory Framework / Initiative	Key Developments	Implications for Consumer Lending Industry
Unified Lending Interface ("ULI")	RBI introduced Unified Lending Interface ("ULI"), a digital public infrastructure platform enabling lenders to access borrower-related data through standardised APIs for seamless digital credit delivery.	Enhances digital credit assessment, improves operational efficiency, and supports faster loan origination and disbursement processes.
Financial Inclusion Initiatives	RBI continued implementation of the National Strategy for Financial Inclusion ("NSFI"), expansion of banking access, financial literacy initiatives, and strengthening of the business correspondent framework.	Expansion of formal financial access is expected to support retail credit penetration and growth in lending activities across underserved segments.
Digital Payments Infrastructure Development	India's digital payment ecosystem continued to expand through increasing adoption of digital payment systems and growth in payment acceptance infrastructure.	Strengthens digital lending ecosystem by enabling seamless loan disbursements, repayments, and digital financial transactions.
Customer Protection and Grievance Redressal Mechanisms	RBI strengthened customer protection frameworks through Complaint Management System ("CMS") 2.0, Internal Ombudsman mechanisms, and enhanced supervisory oversight.	Improves transparency, strengthens borrower confidence, and supports responsible lending practices.
Artificial Intelligence ("AI") and FinTech Enablement	RBI constituted the Framework for Responsible and Ethical Enablement of Artificial Intelligence ("FREE-AI") committee to support responsible adoption of AI within the financial sector.	Encourages technology-driven lending models, automated underwriting, fraud detection, and operational efficiency improvements.
MSME Credit Support and Guarantee Schemes	Government initiatives such as Credit Guarantee Fund Trust for Micro and Small Enterprises ("CGTMSE"), Emergency Credit Line Guarantee Scheme ("ECLGS"), and priority sector lending frameworks continued to support credit flow towards MSMEs.	Supports growth in MSME lending portfolios, improves credit accessibility for small businesses, and reduces credit risk exposure for lenders.
NBFC-MFI Regulatory Framework	RBI issued updated directions for NBFC-Micro Finance Institutions ("NBFC-MFIs") covering capital adequacy, governance standards, provisioning norms and reporting requirements.	Strengthening of prudential norms and governance standards is expected to improve operational resilience and financial stability within the microfinance lending ecosystem.

6. Competitive Landscape

The competitive landscape of India's consumer lending industry is becoming increasingly dynamic and technology-driven, supported by rising retail credit demand, digitalisation of financial services, expansion of financial inclusion initiatives, and increasing participation of NBFCs and fintech entities. Competition within the sector continues to intensify as players strengthen digital capabilities, expand customer reach, improve underwriting models, and diversify lending portfolios across retail, MSME, and underserved borrower segments.

Key Factors Shaping Competition	Competitive Strategies
• Access to Low-cost Funding – Availability and cost of borrowings remain critical factors influencing lending capacity, profitability, and competitiveness of NBFCs. • Digital Lending and Technology Adoption – Increasing adoption of digital onboarding, AI-based underwriting, e-KYC, and data analytics is transforming customer acquisition and credit assessment processes. • Customer Reach and Financial Inclusion – Ability to expand operations across rural, semi-urban, and underserved borrower segments remains an important competitive differentiator. • Asset Quality and Risk Management – Strong underwriting standards, collection efficiency, and portfolio monitoring capabilities continue to influence operational performance and financial stability. • Product Diversification Capability – Diversified exposure across personal loans, MSME finance, vehicle finance, gold loans, and microfinance segments supports portfolio resilience and growth opportunities. . • Fintech Participation and Digital Competition – Increasing participation of fintech firms within unsecured and small-ticket lending segments continues to intensify competition within the sector.	• Diversified Funding Strategy – NBFCs focus on diversifying funding sources through bank borrowings, debentures, securitisation, co-lending arrangements, and capital market instruments to optimise borrowing costs and liquidity management. • Technology-led Lending Strategy – Companies invest in digital lending platforms, automated underwriting systems, analytics-driven credit assessment, and digital collection infrastructure to improve efficiency and customer experience. • Expansion and Distribution Strategy – NBFCs strengthen branch networks, partnerships, business correspondent models, and digital channels to improve customer reach and lending penetration. • Risk-based Underwriting Strategy – Companies focus on strengthening credit appraisal systems, monitoring mechanisms, and collection processes to improve asset quality and control impairment levels. • Portfolio Diversification Strategy – Players diversify lending portfolios across products, geographies, borrower profiles, and ticket sizes to reduce concentration risks and improve portfolio stability. • Fintech Collaboration and Innovation Strategy – Companies increasingly collaborate with fintech firms and digital ecosystem partners to improve scalability, customer acquisition, and technology integration within lending operations.

6.1 Barriers to Entry

Regulatory Approvals and Compliance Requirements: NBFCs are regulated by the Reserve Bank of India and are required to comply with capital adequacy norms, governance standards, provisioning requirements, cybersecurity frameworks, and regulatory reporting obligations. Increasing regulatory oversight may raise compliance and operational costs for new entrants.

Access to Low-cost Funding: Consumer lending businesses are highly dependent on borrowings and external funding sources. New entrants may face challenges in accessing diversified and low-cost funding due to limited operating history, lower credit ratings, and lack of established lender relationships.

Technology and Digital Infrastructure Investments: Digital lending operations require significant investments in technology platforms, data analytics, cybersecurity systems, artificial intelligence ("AI"), customer onboarding infrastructure, and digital payment integration capabilities.

Asset Quality and Credit Risk Management: Effective underwriting models, portfolio monitoring systems, collection infrastructure, and fraud detection capabilities are critical for managing impairment risks within unsecured and retail lending segments. Developing robust risk management systems may require significant operational expertise and historical borrower data.

Customer Acquisition and Distribution Network: Established NBFCs and fintech firms benefit from strong customer relationships, branch networks, partnerships, and digital distribution channels. Building customer trust and achieving scale in borrower acquisition may be challenging for new entrants.

Data and Credit Assessment Capabilities: Access to borrower data, credit bureau integration, analytics capabilities, and alternative credit assessment models play an important role in lending decisions and portfolio performance. Established players benefit from larger borrower databases and historical repayment information.

7. Company Overview

Paisalo Digital Limited is a Non-Deposit-Taking Middle-Layer Listed NBFC. 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.

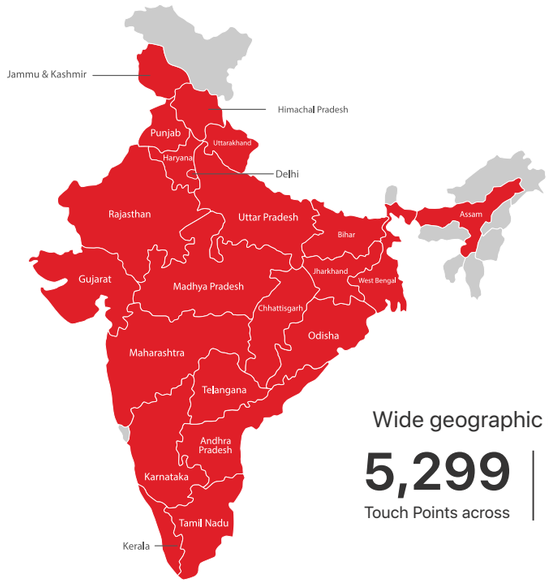
7.1 Expanding Pan-India Footprint Driving Customer Growth

The company has established a strong and rapidly expanding Pan-India high-touch distribution network, with a presence across 22 states supported by 5,299 touchpoints, 422 branches, 1,496 business correspondents, and 3,381 distribution points. This extensive footprint enables deeper market penetration in high-potential regions while driving expansion into new, contiguous markets.

The state-wise portfolio is well diversified, led by Delhi (28.0%), followed by Maharashtra (21.7%), Haryana (14.9%), Uttar Pradesh (14.1%), Rajasthan (13.1%), and other states (8.1%), reflecting a balanced geographic presence. The company's customer franchise has also witnessed impressive growth, increasing from 2 million in FY23 to 4 million in FY24, 9 million in FY25, and is projected to reach 16 million by FY26, underscoring its successful expansion strategy, strong customer acquisition capabilities, and growing brand reach across India.

High-Touch: Pan India Network

Accelerating presence in existing high-potential states while expanding into new, contiguous markets.....

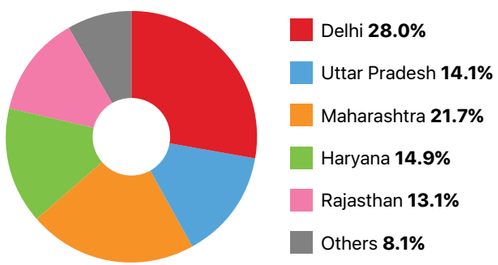


Touch Points	5,299
Branches	422
Business Correspondent	1,496
Distribution Point	3,381

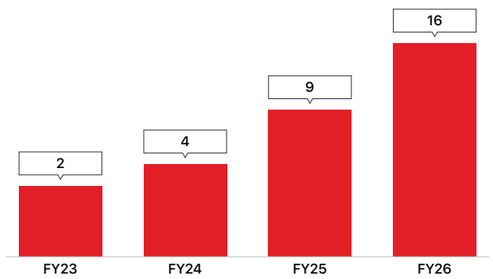
Wide geographic reach with

5,299 Touch Points across | **22** States in India

State wise portfolio breakup (%)



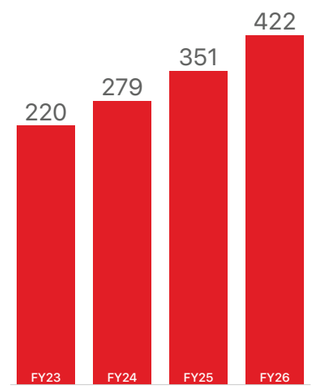
Customer Franchise (Mn)



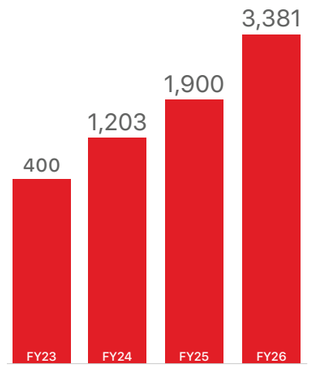
7.2 Scalable, Asset-Light Distribution Platform Driving Sustainable Growth

The Company has built a highly scalable and successful distribution platform by combining a branch-led model with asset-light touchpoint expansion, enabling rapid growth while maintaining operational efficiency. Its physical network has expanded significantly, with branches increasing from 220 in FY23 to 422 in FY26, strengthening on-ground visibility, customer trust, underwriting quality, and servicing capabilities. At the same time, distribution touchpoints have grown from 400 to 3,381, allowing the Company to achieve cost-efficient market penetration through institutional partnerships and service hubs without significant capital investment. Complementing this, the number of Business Correspondents (BCs) has increased from 432 to 1,496, enhancing last-mile connectivity, financial inclusion, and customer onboarding across rural and semi-urban markets through trusted local networks. This balanced expansion strategy combines physical presence with an asset-light operating model, supporting sustainable scale, strong customer acquisition, and long-term profitability while preserving balance sheet flexibility.

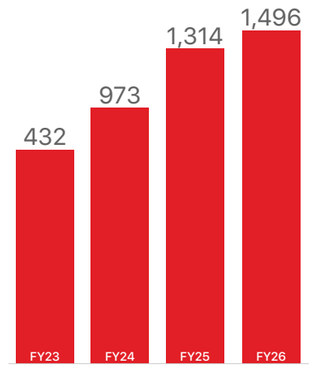
Branches



Distribution Touchpoints



Business Correspondents



Critical on-ground presence for visibility & trust: Branches act as anchor touchpoints that enhance customer confidence, strengthen local brand visibility, and support high-quality underwriting and servicing.

While branches require operating and capital expenditure, they remain essential for market development, supervisory control, and building long-term franchise strength.

Zero-capex distribution expansion: Rapidly scale physical reach without branch investments by leveraging institutional partnerships as origination and service hubs, enabling cost-efficient market penetration.

Sustainable and scalable platform: This model enhances sourcing quality while maintaining strong ROE and preserving balance sheet flexibility for long-term financial health.

Zero-cost grassroots expansion: BCs help establish deep ground-level presence without any capex/opex, leveraging local trust networks.

Strengthens last-mile delivery & credit inclusion: The BC model ensures efficient onboarding, data collection, and servicing in rural and semi-urban pockets, boosting penetration without balance sheet stress.

7.3 Financial Performance Overview:

The financial performance analysis of Paisalo Digital Limited presents an overview of its operational and profitability trends over FY24 to FY26. The assessment highlights key indicators such as revenue from operations, total income, EBITDA, and profitability margins, reflecting the company's operational efficiency and financial stability.

Figures in INR Million (Except for ratios and percentages)

Key Indicators	FY 2026	FY 2025	FY 2024
Total Income	9,436.98	7,711.07	6,587.46
EBITDA	7,057.69	6,013.50	5,141.81
EBITDA Margin	74.79%	77.99%	78.05%
PAT	2,372.06	2,001.21	1,789.73
PAT Margin	25.14%	25.95%	27.17%
Current Ratio	1.39	1.41	1.5

Tangible Net worth	17,928.45	15,348.41	13,205.04
Total Debt	43,791.50	35,747.98	26,652.74
Debt Equity Ratio	2.44	2.33	2.02
ROCE (%)	12.12%	12.85%	13.76%
Return on Net Worth (%)	14.26%	14.02%	14.42%

Formula Used:

- EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortisation): Total Operating Income–Operating Expenses (excluding Depreciation & Amortisation, Interest, and Taxes)
- EBITDA Margin: (EBITDA/Total Operating Income) *100
- PAT Margin: (Profit after Tax/Total Income) *100
- Current Ratio: Current Assets/Current Liabilities
- Tangible Net Worth: Share Capital + Reserve & Surplus – Intangible Assets -Deferred Tax Assets – Misc Expenditure not written off – Revaluation Reserves
- Return on Net Worth (RONW): (Profit After Tax/Average Tangible Net Worth) *100
- Total Capital Employed: Fixed Assets + Intangible Assets +Net Working Capital
- Return on Capital Employed (ROCE): (Earnings before Interest & Taxes/Average Capital Employed) *100

Paisalo Digital Limited recorded consistent growth in its financial performance during FY 2024–FY 2026, driven by the expansion of its lending operations. Total operating income (equivalent to total income) increased from INR 6,587.46 Mn in FY 2024 to INR 7,711.07 Mn in FY 2025 and further to INR 9,436.98 Mn in FY 2026, registering a CAGR of approximately 19.7% over the period. The increase in revenue was primarily attributable to higher interest income, which increased from INR 5,889.79 Mn in FY 2024 to INR 6,602.36 Mn in FY 2025 and further to INR 8,786.71 Mn in FY 2026, reflecting the expansion of the Company's loan portfolio and higher income generated from its financing activities. Although fee and commission income declined from INR 709.89 Mn in FY 2025 to INR 387.18 Mn in FY 2026, the increase in interest income more than compensated for the decline in non-interest income, resulting in sustained growth in total operating income.

Profit after tax increased from INR 1,789.73 Mn in FY 2024 to INR 2,001.21 Mn in FY 2025 and further to INR 2,372.06 Mn in FY 2026. While the PAT margin moderated marginally from 27.17% in FY 2024 to 25.14% in FY 2026, the Company continued to maintain healthy profitability levels during the review period.

The Company's financial position strengthened, with tangible net worth increasing from INR 13,205.04 Mn in FY 2024 to INR 17,928.45 Mn in FY 2026, supported by the retention of earnings. To support the expansion of its lending business, total borrowings increased from INR 26,652.74 Mn in FY 2024 to INR 43,791.50 Mn in FY 2026, resulting in the debt-equity ratio increasing from 2.02 times to 2.44 times. The current ratio remained broadly stable at 1.39 times in FY 2026 compared with 1.50 times in FY 2024, indicating adequate liquidity to meet short-term obligations.

The Company's return indicators remained stable during the review period. Return on Net Worth (RONW) remained 14.26%, reflecting consistent returns generated on shareholders' funds, while Return on Capital Employed (ROCE) moderated from 13.76% in FY 2024 to 12.12% in FY 2026, primarily due to the increase in capital employed accompanying the expansion of the Company's lending operations. Overall, Paisalo Digital Limited demonstrated sustained growth in its core lending business, supported by increasing interest income, consistent profitability, a strengthening net worth and an expanded borrowing base to finance growth in its loan portfolio.

7.4 Company Positioning

Bridging the Credit Gap: Connecting unbanked and underserved populations, including MSMEs, to the formal financial ecosystem.

Accessible & Tailored Loan Offerings: Designed to meet the unique needs of diverse borrower segments.

The Company is positioned as a technology-driven non-banking financial company (“NBFC”) focused on financial inclusion, small-ticket retail lending, and MSME financing across underserved and underbanked customer segments in India. The company primarily operates within the consumer lending ecosystem with emphasis on income generation loans, rural and semi-urban credit penetration, and digitally enabled lending solutions. Paisalo Digital Limited is registered with the Reserve Bank of India as a Non-Banking Financial Company – Investment and Credit Company.

The company operates through a “High Tech: High Touch” business model, integrating digital technology platforms with physical customer outreach and assisted distribution capabilities to improve accessibility of formal credit across financially underserved regions. Paisalo Digital Limited leverages technology-enabled onboarding systems, Aadhaar-based e-KYC processes, analytics-driven underwriting models, and digital servicing infrastructure to facilitate loan origination and collections.

The company primarily caters to self-employed individuals, small business operators, micro-enterprises, first-time borrowers and economically weaker customer segments that may have limited access to formal banking channels. Its product portfolio includes income generation loans, SME and MSME loans, mobility loans, loan against property, and other retail credit products aimed at supporting livelihood generation and entrepreneurial activities.

A key differentiating factor in the company’s positioning is its co-lending business model with banks under the co-lending framework prescribed by the Reserve Bank of India. Under this framework, partner banks participate in loan funding while Paisalo undertakes sourcing, servicing, collections, and customer management functions. According to the company’s website, Paisalo Digital Limited has entered co-lending partnerships with:

- State Bank of India,
- Bank of Baroda,
- Punjab National Bank,
- UCO Bank, and
- Karnataka Bank.

The company’s positioning is further supported by structural developments within India’s financial ecosystem, including increasing adoption of digital payments, expansion of digital lending infrastructure, implementation of Aadhaar-enabled e-KYC systems, and growth in formal financial inclusion initiatives led by the Government of India and the Reserve Bank of India.

Scale	Distribution	Granularity	Asset Quality	Liability	Profitability
AUM Rs. 61,009 Mn	States & UTs 22	Customer Franchise ~16Mn	GNPA 0.76%	Total Borrowings Rs. 43,597 Mn	Yield 17.00%
Disbursement Rs. 42,620 Mn	Branches 422	Secured Portfolio 93%	NNPA 0.61%	Capital Adequacy 35.80%	NIM 6.83%
Employee 3,076	Distribution Points 3,381	Average Ticket Size Rs. 4.84 Lakh	Liquidity Coverage 8.3x	Cost of Borrowing 10.20%	ROA 3.80%
Net Worth Rs. 17,930 Mn	Business Correspondent 1,496	Co-Lending Partners 5	Collection Efficiency 98.50%	Debt Equity Ratio 2.43x	ROE 13.20%

7.5 Proven through Cycles, Scaling with Stability

The company has demonstrated consistent and resilient growth across multiple business cycles, successfully expanding its Assets Under Management (AUM) from INR 153 million in FY96–2000 to INR 61,009 million by FY26. Between FY21 and FY26, the business has achieved an impressive ~21% CAGR, reflecting a strong and sustainable growth trajectory driven by disciplined execution, diversified lending, and strategic expansion initiatives.

The growth journey can be divided into three distinct phases. During the Initial Phase, the company established its market presence through its incorporation in 1992, stock exchange listing in 1996, and successful fundraising via a GDR issue. In the Scaling Phase, the company strengthened its franchise by rebranding as Paisalo Digital Limited, expanding co-lending partnerships with leading financial institutions, and receiving promoter capital infusion to support future growth. The current Expansion Phase is characterized by rapid AUM growth, broader market penetration, and enhanced strategic partnerships.

The company's financial strength is reflected in its improving credit ratings, progressing from A+/Stable to AA-/Stable, and further to AA/Stable/A1+, underscoring its sound asset quality, prudent risk management, and strong governance framework. These upgrades reinforce the company's credibility among lenders, investors, and other stakeholders.

Operationally, the company has significantly expanded its footprint across India. Its presence has grown from 10 states to 22 states, while customer touchpoints have increased from just 100+ to over 5,299, demonstrating its ability to scale distribution efficiently and improve financial inclusion across underserved markets.

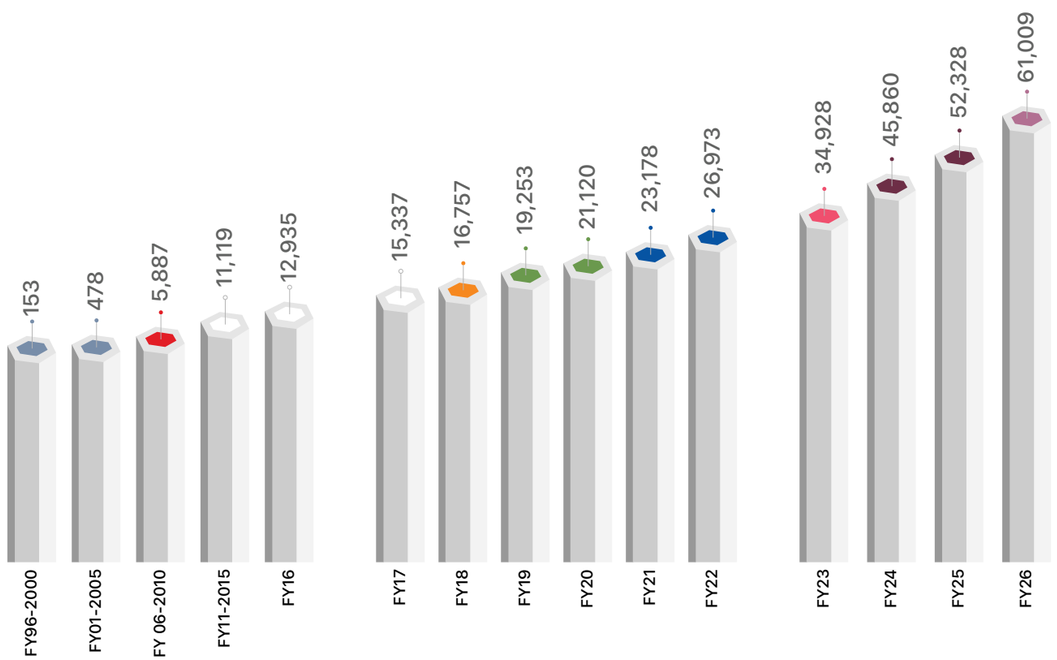
Several strategic milestones have accelerated this growth trajectory. These include co-lending partnerships with SBI, Bank of India, PNB, UCO Bank, and Karnataka Bank; recognition through the HURUN Industry Achievement Award – Digital Lending 2024; the issuance of its first FCCB of USD 50 million; its maiden ECB issuance of USD 15 million; and an international partnership with IndusInd Bank's overseas banking business. These achievements highlight the company's increasing access to capital, strong institutional relationships, and growing reputation in domestic and international financial markets.

Proven through Cycles, Scaling with Stability

CREDIT RATING	STATES	TOUCH POINTS
AA/STABLE/A1+	22	5,299

Assets Under Management (Rs. Mn)

INR 61,009 Mn AUM and scaling with **~21% CAGR** (FY21 - FY26)



*Business Correspondent

- Incorporated in 1992; Listed in 1996
- Listing at BSE, NSE GDR Issue of INR 1,750 Mn
- Rebranded as Paisalo Digital Limited (PDL)
- Co-lending partnership with SBI for Small Income Generation Loans
- Promoters infused INR1,840 Mn through Convertible Warrants
- BC* partnership with SBI & Bank of India; Co-lending partnership with PNB, Bank of Baroda, UCO & Karnataka Bank
- First FCCB Issuance of USD 50 Mn
  HURUN Industry Achievement Award Digital Lending 2024
- Maiden ECB Issuanceof USD 15Mn
  BC Partnership with Indian Overseas Bank

7.6 Scaling Loan Book with Sustained Disbursals

The company has continued to strengthen its loan portfolio through consistent disbursement growth and disciplined portfolio management. Assets Under Management (AUM) increased by 17% year-on-year to INR INR 61,009 million in FY26, reflecting sustained demand across customer segments and the company's ability to scale its lending operations while maintaining portfolio quality.

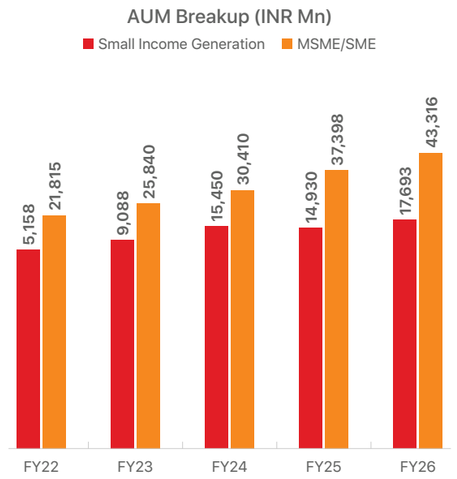
Growth has been driven by balanced expansion across both MSME/SME lending and the Small Income Generation (SIG) segment. MSME/SME AUM has grown steadily from INR 21,815 million in FY22 to INR 43,316 million in FY26, while the SIG portfolio has expanded from INR 5,158 million to INR 17,693 million during the same period. This diversified growth strategy enables the company to capture opportunities across multiple borrower categories while reducing concentration risk.

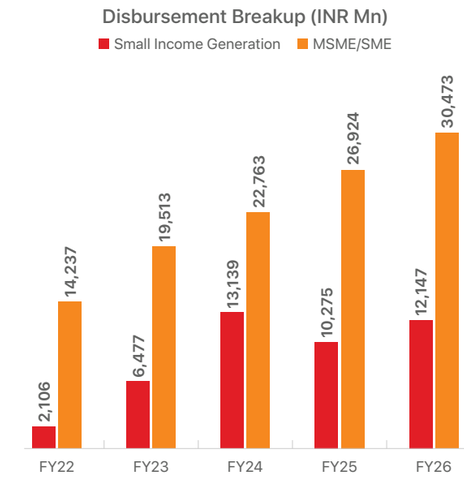
The company's disbursement momentum has remained robust, supporting the expansion of its loan book. Total disbursements have increased consistently from FY22 to FY26, with MSME/SME disbursements rising from INR 14,237 million to INR 30,473 million, complemented by steady growth in SIG disbursements to INR 12,147 million. This demonstrates strong customer acquisition, efficient distribution capabilities, and the company's ability to generate recurring lending opportunities.

The FY26 business mix highlights a well-diversified portfolio across industries. Food & Hospitality represents the largest segment at 24%, followed by Agri & Allied Activities (14%) and Street Vendors (14%). Other meaningful exposures include Heavy Industries (11%), Other MSME/SMEs (11%), Technology (8%), Health & Education (5%), Textiles (4%), Vehicle Financing (3%), and Other Income Generation activities (6%). This diversified sectoral exposure reduces portfolio concentration risk while positioning the company to benefit from growth across multiple segments of the Indian economy.

Scaling Loan Book with Sustained Disbursals

AUM expands by 17% YoY to INR 61,009 mn in FY26, with steady expansion across segments





AUM Breakup: FY26 – By Business Mix (%)

- Other Income Generation **6%**
- Food & Hospitality **24%**
- Agri & Allied Agri **14%**
- Street Vendors **14%**
- Heavy Industries **11%**
- Technology **8%**
- Health & Education **5%**
- Textiles **4%**
- Vehicle **3%**
- Other MSME/SMEs **11%**

7.7 Our Loan Offering (Opportunity and Solution)

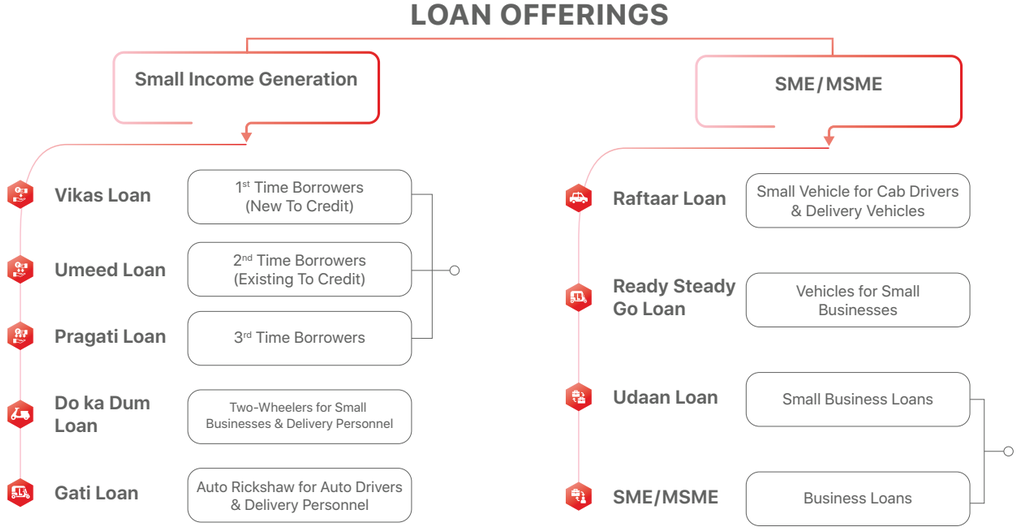
The company has developed a comprehensive portfolio of loan products designed to address the diverse financing needs of individuals, micro-entrepreneurs, and small businesses. Its offerings are broadly categorized into Small Income Generation (SIG) loans and SME/MSME loans, enabling the company to serve customers across different stages of their credit journey while supporting entrepreneurship and financial inclusion.

The Small Income Generation (SIG) portfolio, which contributes 29% of FY26 AUM, focuses on first-time and emerging borrowers with loan tenures of up to 48 months. Products such as Vikas Loan cater to first-time borrowers who are new to formal credit, while Umeed Loan and Pragati Loan support second- and third-time borrowers with established repayment histories. Specialized products like Daka Dum Loan finance two-wheelers for small businesses and delivery personnel, while Gati Loan provides funding for auto-rickshaws used by drivers and delivery operators. These products primarily serve food and tea stall owners, street vendors, tailors, poultry businesses, and other micro-enterprises, helping them build credit histories and expand their livelihoods.

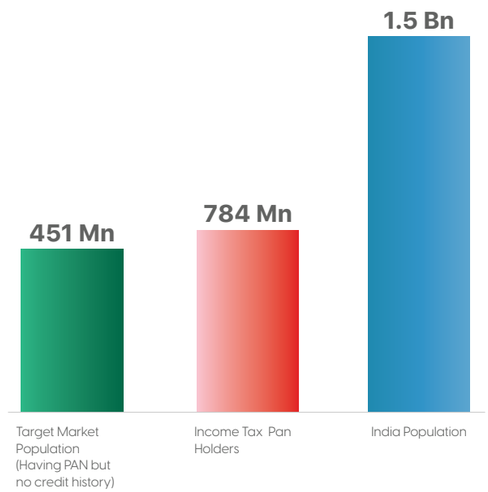
The SME/MSME portfolio represents the company's core business, accounting for 71% of FY26 AUM, with loan tenures extending up to 84 months. This segment offers customized financing solutions for retailers, small traders, manufacturers, and other small businesses. Products such as Raftaar Loan finance commercial vehicles for cab drivers and delivery services, while Ready Steady Go Loan supports vehicle purchases for small businesses. Udaan Loan provides working capital and business expansion financing, complemented by broader SME/MSME business loans that address a wide range of enterprise funding requirements. This diversified product suite enables the company to serve businesses at various stages of growth while fostering long-term customer relationships.

Together, these tailored loan offerings reflect the company's customer-centric approach, addressing specific financing requirements across different borrower segments. By combining income-generation loans with comprehensive SME/MSME financing solutions, the company has built a diversified lending franchise that supports economic development, promotes financial inclusion, and creates opportunities for sustainable portfolio growth.

LOAN OFFERINGS



SMALL INCOME GENERATION LOANS: THE OPPORTUNITY



THE PROBLEM

Low availability of small loans from Financial Institutions.
High operational cost of banks, inhibits lending volumes on small loans.
High borrowing rate of NBFCs, restricts focus on small loans

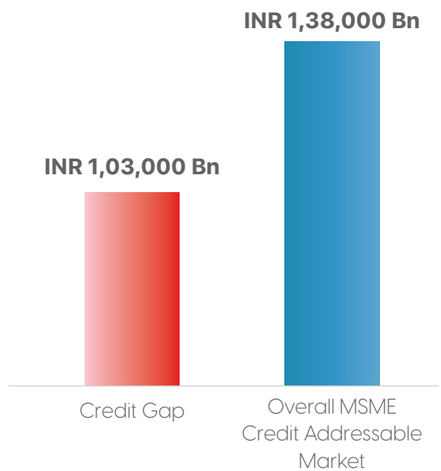
THE SOLUTION

Bank's low cost of funds and Paisalo's low cost of operations results in the lowest borrowing cost to the customer.

INR 25,000
Estimated Ticket Size

INR 11,275 bn
Estimated Annual Market Size

MSME LOANS: THE OPPORTUNITY



THE PROBLEM

India's GDP to reach USD 5 trillion; MSME to grow USD ~2 trillion by FY2028.

MSME sector is the key to India's 'Employment Generation', making it one of the Central themes of Government in the last decade.

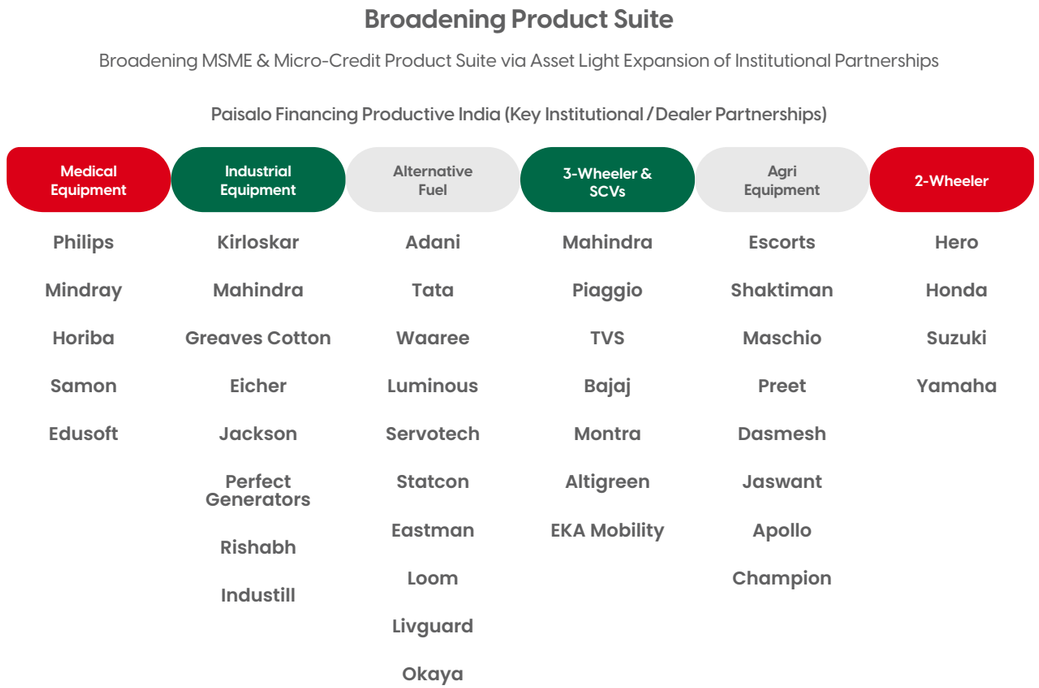
MSME count to grow to ~10 crores employing 35-40 crores.

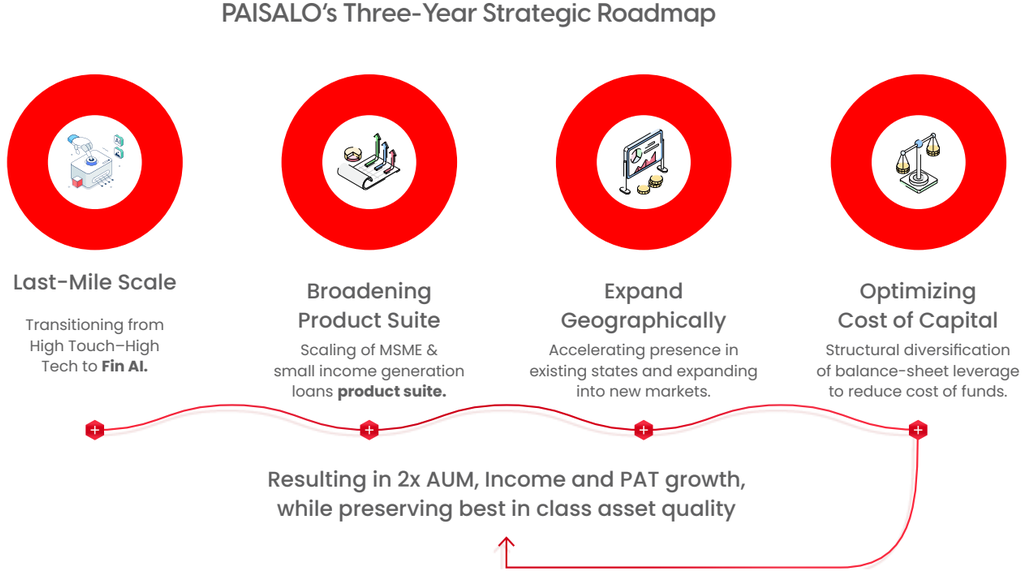
Rapid digitization, and e-commerce promoting the share of MSMEs.

THE SOLUTION

MSME Focused Lender targeting substantial credit gap of ~INR 1.03 lakh Bn.

Capital Light Liability Strategy by co-lending with Leading Banks.





7.8 Share Capital

The Authorized Share Capital of the Company stood at INR 1,80,00,00,000.00 consisting of 1,75,00,00,000 Equity Shares of INR 1/- (Rupee One only) each and 50,00,000 Preference Shares of INR 10/- (Indian 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, 2026, the same stood as under:

1	Issued Share Capital	INR 90,96,46,874 Consisting of 90,96,46,874 Equity Shares of face value of INR 1/– each
2	Subscribed Share Capital	INR 90,96,46,874 Consisting of 90,96,46,874 Equity Shares of face value of INR 1/– each
3	Paid–up Share Capital	INR 90,95,84,374 Consisting of 90,95,21,874 Equity Shares of face value of INR 1/– each fully paid–up and INR 62,500 for 1,25,000 forfeited equity shares of face value of INR 1/– each (amount originally paid–up @ INR 0.5 each)

7.9 Shareholders' Funds

As on March 31, 2026, Company has only one class of outstanding issued share capital i.e. Equity Shares of face value INR 1/– each and on March 31, 2026, total fully paid capital stood at INR 909.52 million and other equity stood at INR 16,819.62 million.

The Book value of per equity share of the Company stood at INR 16.61/– as on March 31, 2026.

7.10 Credit Rating

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

Sr. No.	Instrument/Facility	Amount (INR in Million)	Rating Assigned
1	Fund-Based Facilities from Banks- Long Term	45,000.00	IVR AA/ Stable (IVR Double A; with Stable Outlook)
2	Non-Convertible Debentures	20,590.00	IVR AA/ Stable (IVR Double A; with Stable Outlook)
3	Commercial Paper	5,400.00	IVR A1+ (IVR A One Plus)

7.10.2 M/s Brickworks Ratings India Private Limited, vide its letter dated April 20, 2026, assigned the following rating to the Company's instruments:

Sr. No.	Instrument/Facility	Amount (INR in Million)	Rating Assigned
1	Fund-Based Facilities from Banks- Long Term	45,000.00	BWR AA/ Stable
2	Non-Convertible Debentures	15,000.00	BWR AA/ Stable
3	Commercial Paper	5,400.00	BWR A1+

7.11 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 various committees including the Risk Management Committee, the Audit Committee, the Asset-Liability Management Committee (ALCO) and Fraud Monitoring Committee. 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	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: • Inability to raise incremental borrowings and deposits to fund business requirement or repayment obligations • When long term assets cannot be funded at the expected term resulting in cash flow mismatches • Amidst volatile market conditions impacting sourcing of funds from banks and money markets
Strategy to mitigate such risk	Liquidity Risk measure, monitored and managed by the Company as under It is measured by: • Identification of gaps in the structural and dynamic liquidity statements. • Assessment of incremental borrowings required for meeting the repayment obligation, the Company's business plan and prevailing market conditions. • Liquidity Coverage Ratio (LCR) in accordance with guidelines. It is monitored by: • Assessment of the gap between visibility of funds and the near term liabilities given current liquidity conditions and evolving regulatory framework for NBFCs. • A constant calibration of sources of funds in line with emerging market conditions in banking and money markets. • Periodic reviews of liquidity position, LCR and stress tests assuming varied 'what if' scenarios and comparing probable gaps with the liquidity buffers maintained by the Company. It is managed by: • Constitution of Assets and Liability Management Committee (ALCO) in line with the guidelines issued by the RBI, for looking after the liquidity position of the Company against the Company's financial obligations.
	• Holding optimum levels of liquidity to manage business requirements and maturing debt obligations. • Projected cashflow planning in discussion with business to have adequate flow of funds. • Obtain longer maturity debt to manage the asset–liability mismatch. • Diversified and sustainable funding mix.
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	To mitigate technology risk Company has taken following steps: • In–house dedicated team of experienced IT professionals responsible to robust the IT infrastructure of the Company. • Constantly monitoring systems for uptime and health. • Continuously upgrading in technology and security system. • Creation of disaster recovery system for seamless operations. • Reviewing and monitoring data and systems for security. • IT System Audit from independent IT Auditor to check the IT and Security system. • Real-time backup of data in back–up server(s) located at different place from main server. Effective monitoring & controls • Tested disaster management system.
Technology Risk	
Associate risk	
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.

7.12 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, 2026, Employee headcount stood at 3,076.

7.13 Opportunities

Forming a crucial part of the financial ecosystem of India, NBFCs in India, helps the masses fulfill their needs for financial services. 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. NBFCs can bridge this gap by providing them with fianancial support, requiring minimal documentation. SMEs (short for Small and Medium-Sized Enterprises)

require fast working capital. That is where the role of an NBFC in India comes in, as they can step in with their bespoke plans. They help entrepreneurs take their business to the next level while leveraging a great market opportunity. The NBFC sector is expected to experience robust growth driven by high credit demand across these segments.

8. Future Outlook

The lending industry in India is expected to witness sustained growth over the medium to long term, supported by increasing formalisation of the economy, rising retail credit penetration, expanding digital financial infrastructure, and growing demand for small-ticket and unsecured credit products. The sector is also expected to benefit from favourable demographic trends, increasing urbanisation, rising disposable incomes, and expansion of financial inclusion initiatives across rural and semi-urban markets.

Growth in digital lending platforms, Aadhaar-enabled e-KYC infrastructure, Account Aggregator framework, Unified Payments Interface ("UPI"), and data-driven underwriting models is expected to continue transforming credit delivery and customer onboarding processes within the consumer lending ecosystem. Increasing adoption of digital payment systems and formal financial services is expected to improve borrower data availability, enhance credit assessment capabilities, and support faster loan origination and servicing.

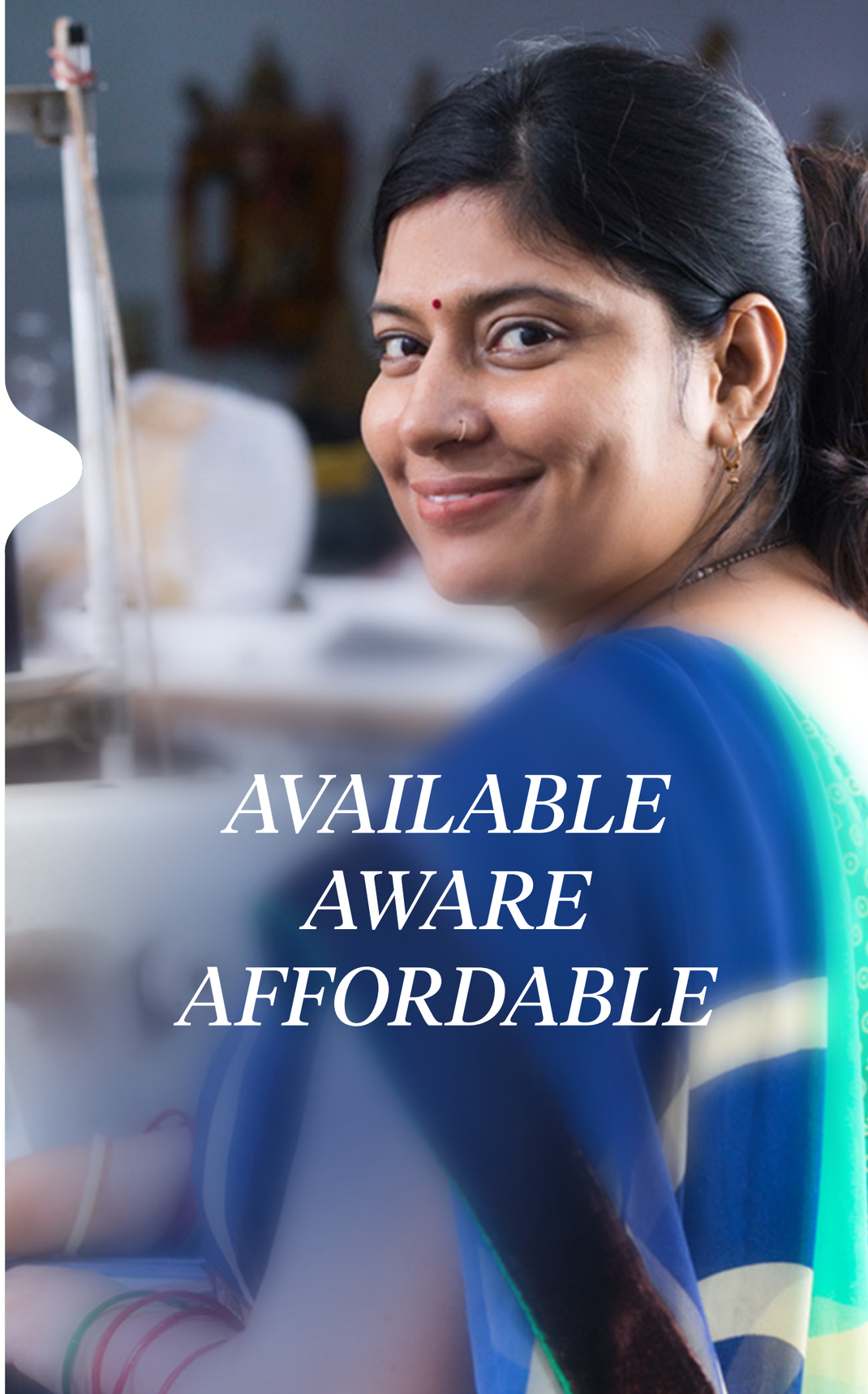
The non-banking financial company ("NBFC") sector is expected to continue playing a significant role in expanding credit access across underserved borrower segments, particularly within rural, semi-urban, self-employed, and MSME customer categories. NBFCs are likely to benefit from increasing co-lending partnerships with banks, improved digital infrastructure, and growing focus on financial inclusion and priority sector lending.

The unsecured lending segment, including personal loans and small-ticket consumer finance products, is expected to continue witnessing strong demand driven by increasing digital adoption, changing consumption patterns, and rising accessibility of formal credit channels. Fintech-led lending models and technology-enabled NBFCs are expected to continue expanding their presence within digitally originated lending segments through automated underwriting systems, analytics-driven credit assessment, and faster disbursement capabilities.

Further, increasing penetration of MSMEs, growth in self-employment and entrepreneurial activities, and rising consumption demand are expected to support long-term expansion of retail and MSME lending activities in India. Government initiatives relating to financial inclusion, digital payments, formalisation of credit delivery, and MSME credit support are also expected to support structural growth opportunities within the consumer lending ecosystem.

However, the industry may continue to face challenges relating to asset quality pressures within unsecured lending segments, regulatory tightening, cybersecurity risks, rising competition from fintech firms, and evolving compliance requirements. Increasing regulatory focus on digital lending practices, customer protection, governance standards, and data privacy may result in higher compliance and operational costs for lending institutions.

Overall, the consumer lending industry in India is expected to remain supported by structural growth drivers including digitalisation of financial services, increasing formal credit penetration, technology-enabled lending infrastructure, expanding financial inclusion initiatives, and growing participation of NBFCs and fintech entities within the retail lending ecosystem.



Board's Report 2026

To
The Members,
PAISALO DIGITAL LIMITED

It is our pleasure to present the 34th Annual Report together with the Audited Standalone and Consolidated Financial Statements for the Financial Year ended March 31, 2026. 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, opportunities 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 2025–26 is summarized below:

(₹in Million)

Particulars	FY 2026	FY 2025	% Change Over FY 2025
Total Revenue	9,174.06	7,348.32	24.85
Less: Total operating expenses & Provisions	1,864.78	1,367.79	36.34
Pre-impairment operating profit	7,309.28	5,980.53	22.22
Less: Impairment on financial instruments	376.48	186.84	101.5
Profit before Interest, Depreciation & Taxes (PBIDT)	6,932.80	5,793.69	19.66
Less: Depreciation	122.42	54.69	123.85
Less: Interest & Finance Charges	3,652.08	3,093.00	18.08
Profit Before Exceptional items and Tax	3,158.30	2,646.00	19.36
Exceptional items	7.84	-5.95	-231.75
Profit Before Tax	3,150.46	2,651.95	18.8
Less: Tax Expense	803.57	675.08	19.03
Profit After Tax (PAT)	2,346.89	1,976.87	18.72
Transfer to Statutory Reserve pursuant to Section 45-IC of the RBI Act, 1934	469.38	395.37	18.72
Transfer to General Reserve	1,700.00	1,400.00	21.43
Earnings per Share (EPS) (₹) Basic	2.59	2.2	17.73
Earnings per Share (EPS) (₹) Diluted	2.59	2.2	17.73
Net Worth	17,327.91	15,257.07	13.57
Assets Under Management (AUM)	59653.98	50,290.87	18.62

Results of Operations and State of Company's Affairs
Revenue from operations for the year ended March 31, 2026 has increased by 24.85% at ₹9174.06 Million over the corresponding previous year. The Net Profit of your Company for the financial year ended March 31, 2026 stood at ₹2,346.89 Million as against the Net Profit of ₹1,976.87 Million for the financial year ended March 31, 2025. Accordingly, the Net Profit for the financial year ended March 31, 2026 reflects a growth of 18.72 % over the corresponding Profit for the financial year ended March 31, 2025.

Transfer to Reserves
Under Section 45IC of the Reserve Bank of India Act, 1934, Non-Banking Financial Companies (NBFC) are required to transfer a sum not less than 20% of its net profits every year to Reserve Fund before declaration of any dividend. Accordingly, the Company has transferred ₹469.38 Million (previous year ₹395.37 Million) to Statutory Reserve. Further, ₹1700 Million has been transferred to General Reserve for FY 26.

Pursuant to provisions of the Companies Act, 2013 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 a sufficient liquidity buffer to fulfil its obligations arising out of debentures.

Subsidiary Company
The Company has only one Wholly Owned Subsidiary viz. Nupur Finvest Private Limited, a registered Non–Deposit Taking Non–Banking Finance Company. Nupur Finvest Private Limited is engaged in finance activities. At the year ended March 31, 2026, the net worth of the Subsidiary Company stood at ₹622.96 Million. During the reporting period, the subsidiary reported income of ₹316.29 Million and Profit Before Tax (PBT) and Profit After Tax (PAT) at ₹33.64 Million and ₹25.17 Million respectively.

During FY 26, 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.

Pursuant to the provisions of Regulation 16 of SEBI (LODR) Regulations, 2015, the 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_Subsidiary1.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, 2026.

Consolidated financial performance of the Company for the financial year ended March 31, 2026 is summarized below:

(₹in Million)

Particulars	FY 2026	FY 2025	% Change Over FY 2025
Revenue from Operations	9,436.98	7,711.07	22.38
Less: Expenditure	6,245.04	5,035.35	24.02
Exceptional Item	7.84	-7.84	-199.99
Profit Before Tax (PBT)	3,184.10	2,683.56	18.65
Tax Expenses	812.04	682.35	19.01
Net Profit After Tax (PAT)	2,372.06	2,001.21	18.53
Total Comprehensive Income for the Period	2,372.06	2,001.21	18.53
Earnings per Share of Re. 1 each (EPS) (INR)	2.62	2.23	17.49
AUM	61,008.97	52,328.47	16.59

Review of Operations
Paisalo provides three key financial services: (i) small income generation loans such as Umeed and Pragati loans extended to livelihood-oriented borrower categories such as food/tea stalls, street vendors, tailors, poultry, etc. ("Small Income Generation Loans"); (ii) entrepreneurial loans to MSMEs and business loans such as Udaan loans extended to retailers, small traders and manufacturers ("MSME/Business Loans"), and (iii) financial services provided under business correspondent agreements entered into by our Company with partner banks, such as, SBI and Bank of India, which include services such as account opening, savings bank deposits, term deposits, remittances, cash deposit and withdrawal, pension products, micro insurance, enrolment in government sponsored social security schemes, small value credit, and recovery.

Your Company also undertakes partnership-based lending ("PBL") or co-lending, which are collaborative arrangements for sourcing, servicing, and recovery of loans, with risk and reward sharing on an 80:20 participation ratio. In this, the Company serves as the originator of loans, thereby retaining a smaller share (usually 20%) of the Company's loan book, leveraging Company's larger partners' balance sheets, who take a larger proportion (around 80%) of the loans on their books, expanding their customer base with less acquisition costs. The ticket size in these co-lending arrangements range between ₹10,000 and ₹5,00,000.

During the year under review, the Company added approx. 7 million customers to its franchise. The total customer franchise stood at approx. 16 million as of March 31, 2026.

The Company's total geographic footprint as of March 31, 2026 comprised 5299 touchpoints, including 422 branches, 3,381 distribution points, and 1,496 Customer Service Points (CSPs) across 22 states.

During the year under review, total disbursements reached ₹42,620.00 million, and the Company posted an 18.72% increase in net profit after tax in FY26 compared to FY25.

Gross NPA and Net NPA stood at 0.76% and 0.61%, respectively, during the period under review.

The Company delivered on its FY 26 objectives relating to customer franchise expansion, geographic reach, operating efficiency (Opex to NTI), GNPA, and NNPA. Credit costs remained elevated but stayed within the Company's long-term guidance of below 2%. Significant credit-related corrective actions were undertaken during FY26, and the Company remains optimistic about their positive impact on profitability in FY27. The Company also witnessed a marginal compression of 2 basis points in Net Interest Margin (NIM).

Key Ratio
The Key Ratio (standalone) for the financial year ended March 31, 2026:

Current Ratio	5.09
Debt– Equity Ratio	2.41
Debt Service Coverage Ratio	0.51
Return on Equity Ratio	13.24%
DE Ratio (TOL/ATNW)	2.46
Net Profit Ratio	25.58%
GNPA	0.76%
NNPA	0.61%

Net Worth and Capital Risk Adequacy Ratio (CRAR)
The Net Worth of the Company (Standalone) increased to ₹17,327.91 Million as on March 31, 2026 from ₹15,257.07 Million as on March 31, 2025.

The Capital Risk Adequacy Ratio (CRAR) stood at 35.85% as on March 31, 2026 as against 39.16% as on March 31, 2025, which is much above the requirement as stipulated by Reserve Bank of India.

Awards and Recognition
For the period under review, the Company was awarded

S. No	Award given by	Name/title of the Award	Period of Perforamnce	Award presented by
1	SBI	PAN India No.1 in DEPOSIT CAMPAIGN-SANCHAY-II	2025-26	Dy. Managing Director, SBI, CC
2	SBI	PMSBY / APY Campaign Winner	2025-26	LHO / Jaipur
3	SBI	Best Performance in SSS	2025-26	Ranchi SBILD
4	SBI	Qualified in SSS Campaign	2025-26	RBO 2 Ranchi
5	SBI	Winner of ACTIVATION OF ALL CSPS's CAMPAIGN	2025-26	RBO Balasore
6	SBI	SOCIAL SECURITY AND ReKYC CAMPAIGN	2025-26	RBO Mandla

Issue of Equity Shares
During FY 26, 74,03,585 equity shares, having a face value of ₹1/- (Rupee 1) each, at a premium of ₹44.74 per share, were allotted on September 17, 2025, upon conversion of 4000 Foreign Currency Convertible Bonds of US $4 Million.

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, 2026, the same stood as under:

1	Issued Share Capital	₹90,96,46,874 Consisting of 90,96,46,874 Equity Shares of face value of ₹1/– each
2	Subscribed Share Capital	₹90,96,46,874 Consisting of 90,96,46,874 Equity Shares of face value of ₹1/– each
3	Paid–up Share Capital	₹90,95,84,374 Consisting of 90,95,21,874 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 ₹3,350 Million by issuing Listed Non–Convertible Debentures on private placement basis. For Secured Debentures, the prescribed asset cover is maintained at all times.

During the year, the Company has also raised funds for short-term purposes 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, 2026 outstanding debt securities/instruments were as under:

(₹in Million)

Sr. No.	Securities/Instruments	Face value of Outstanding Securities/Instruments
1	Non-Convertible Debentures	7,512.50
2	Commercial Papers	291.64
3	Foreign Currency Convertible Bonds (FCCBs)	3,765.58

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, 2026 was ₹30434.03 Million as against ₹22,982.48 Million on March 31, 2025.

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 payments of interest and principal on Non–Convertible Debentures as per the terms of issue(s).

Accordingly, there was no event of default in interest/principal payments during the year.

Dematerialization of Equity Shares
Equity Shares of the Company are compulsorily tradable in demat form. As on March 31, 2026, 99.99% of the Equity Shares of total outstanding fully paid-up equity shares of the Company were in dematerialized from 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 and Reserve Bank of India (Non-Banking Financial Companies-Prudential Norms on Declaration of Dividends) Directions, 2025, 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_Policy1.pdf.

Dividend
The Reserve Bank of India ("RBI"), vide the Reserve Bank of India (Non-Banking Financial Companies – Prudential Norms on Declaration of Dividends) Directions, 2025, has prescribed a framework governing declaration of dividends by NBFCs.

Accordingly, the Board of Directors, after considering various relevant factors and in compliance with the aforesaid Directions, has recommended for approval of the Members at the ensuing Annual General Meeting ("AGM"), a final dividend of ₹0.10 (10%) per Equity Share having a face value of ₹1 each for the financial year under review.

The dividend recommended is in accordance with the principles and criteria set out in the Company's Dividend Distribution Policy. Further, the total dividend proposed for the financial year is within the limits prescribed under the aforesaid RBI Directions.

Pursuant to the provisions of the Income-tax Act, 1961, the dividend, if declared at the ensuing AGM, shall be taxable in the hands of the Members of the Company.

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 ₹1,88,359.55 as on March 31, 2025 in Form IEPF 2 to the Ministry of Corporate Affairs. For the year under review, there was an amount of ₹12634.00 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, ₹12634.00 has been transferred to the Investor Education and Protection Fund (IEPF) of the Central Government on November 6, 2025.

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 Non-Banking Financial Company ("NBFC-ML") under Section 45-IA of the Reserve Bank of India Act, 1934.

The Directors hereby report that, during the year under review, the Company has not accepted any public deposits within the meaning of the provisions of the Reserve Bank of India (Non-Banking Financial Companies- Acceptance of Public Deposits) Directions, 2025 and Section 73 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014. The Company continues to remain a Non-Deposit Taking Non-Banking Financial Company in compliance with the guidelines prescribed by the RBI.

Credit Ratings
A. M/s Infomerics Valuation and Rating Ltd. assigned the following rating to the Company's instruments:

Sr. No.	Instrument/Facility	Amount (INR in Million)	Rating Assigned
1	Fund-Based Facilities from Banks- Long Term	45,000	IVR AA/ Stable (IVR Double A; with Stable Outlook)
2	Non-Convertible Debentures	20,590	IVR AA/ Stable (IVR Double A; with Stable Outlook)
3	Commercial Paper	5,400	IVR A1+ (IVR A One Plus)

B. M/s Brickworks Ratings India Private Limited, vide its letters dated March 20, 2026, and April 20, 2026 assigned the following rating to the Company's instruments:

Sr. No.	Instrument/Facility	Amount (INR in Million)	Rating Assigned
1	Fund-Based Facilities from Banks- Long Term	45,000	BWR AA/ Stable
2	Non-Convertible Debentures	15,000	BWR AA/ Stable
3	Commercial Paper	5,400	BWR A1+

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 and Reserve Bank of India (Non-Banking Financial Companies – Governance) Directions, 2025 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, 2026, 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 Purushottanm 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. Raman Aggarwal	00116103	Independent Director	Non-Executive Director
7	Mrs. Nisha Jolly	08717762	Independent Director	Non-Executive Director
8	Mr. Vijuy Ronjan	09345384	Independent Director	Non-Executive Director
9	Dr. Dharmendra Singh Gangwar	08299862	Independent Director	Non-Executive Director
10	Mr. Jitendra Kumar Ojha	11028354	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 Shareholders in the Extra-Ordinary General Meeting of the Company held on May 2, 2025, have appointed Mr. Vinod Kumar (DIN: 10230437), who was appointed as Additional Director by the Board in its meeting held on February 4, 2025, as Executive Director of the Company.

Further, at the 33rd Annual General Meeting held on September 29, 2025, Shareholders approved the re-appointment of Mr. Anoop Krishna as Whole-Time Director, designated as Executive Director, for a further term commencing from February 23, 2026, till December 31, 2027.

Independent Director

Shareholders in the Extra Ordinary General Meeting held on May 02, 2025 has approved the appointment / re- appointment pursuant to Section 152 of the Companies Act, 2013:

1. Mr. Jitendra Kumar Ojha (DIN: 11028354) has been appointed as a Non-Executive Independent Director on the Board of the Company for a period of three consecutive years commencing from May 02, 2025.

2. Mrs. Nisha Jolly (DIN: 08717762) has been re-appointed as a Non-Executive Independent Director on the Board of the Company for a period of five consecutive years commencing from May 02, 2025.

Retirement by Rotation

During the year under review, Mr. Harish Singh (DIN: 00039501), who retired at the 33rd Annual General Meeting, was re–appointed as a Director of the Company.

In terms of Section 152 of the Companies Act, 2013, Mr. Santanu Agarwal, Deputy Managing Director (DIN: 07069797), is liable to retire by rotation at the 34th 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 August 05, 2026, based on the recommendation of the Nomination and Remuneration Committee, recommended to the Members the re–appointment of Mr. Santanu Agarwal as a Director of the Company, liable to retire by rotation.

Brief particulars of proposed appointee director 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 34th Annual General Meeting.

Retirement as an Independent Director

During the year under review, two consecutive terms of Mr. Gauri Shankar (DIN: 06764026) as an Independent Director has been completed on July 21, 2025 and 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 July 21, 2025.

Recommendation for Reappointment of Executive Director

In terms of provisions of Section 196(2) of the Companies Act, 2013, no company shall appoint or re-appoint any person as its Executive Director or Whole-time Director for a term exceeding five years at a time. The current tenure of Mr. Santanu Agarwal (DIN: 07069797) as Executive Director is due to expire on May 5, 2027.
Accordingly, based on the recommendation of Nomination and Remuneration Committee of the Company, the Board of Directors recommends re-appointment of Mr. Santanu Agarwal as Executive Director, designated as Deputy Managing Director, whose term is completing on May 5, 2027, for a further term of five (5) consecutive years with effect from May 6, 2027, for approval through Ordinary Resolution by Shareholders of the Company.

Brief particulars of Mr. Santanu Agarwal as required under the Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India and Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is provided in the Notice convening the 34th Annual General Meeting of the Company.

KMPs

Save, and except as stated above, there are no other changes in the KMPs during the financial year 2025-26.

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 Obligations and Disclosure Requirements) Regulations, 2015, 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 Companies Act, 2013. All the Directors meet the 'Fit and Proper' criteria as per the Company's policy and as stipulated by the RBI.

Meetings of the Board

During the year under review, a total of Five Meetings of the Board of Directors of the Company were held, i.e., on April 8, 2025; May 9, 2025; July 21, 2025; November 10, 2025 and February 6, 2026.

Details of Board composition and Board Meetings held during the financial year 2025–26 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, para 17 of the RBI (Non-Banking Financial Companies – Governance) Directions, 2025, and Regulation 18 of the 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 are in compliance with the provisions, as set out in Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and read with Section 177 of the Companies Act, 2013 and the RBI (Non-Banking Financial Companies – Governance) Directions, 2025.

As on 31st March, 2026, the Committee comprised of Mr. Vijuy Ronjan, Independent Director, as Chairman, Mrs. Nisha Jolly, Independent Director, as Member, and Mr. Harish Singh, Executive Director, as 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 the 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.

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

Nomination and Remuneration Committee
The Company has a Nomination and Remuneration Committee duly constituted in accordance with the provisions of Section 178 of the Companies Act, 2013, para 18 of the RBI (Non-Banking Financial Companies – Governance) Directions, 2025, and Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

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.

Details of other Committees are provided in the 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 the SEBI Guidance Note on Board Evaluation for Listed Companies issued vide Circular 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 performance of its Committees and that of individual Directors. Structured questionnaire-based feedback was obtained from each Director as part of the performance evaluation process. Based on the feedback received, the Board and the Nomination and Remuneration Committee reviewed the performance of the individual Directors, including the Managing Director, and various Committees constituted by the Board at their respective meetings.

The performance evaluation of the individual Directors, including the Managing Director, was carried out based on various criteria such as professional conduct, discharge of roles and responsibilities, effective participation in Board and Committee meetings, contribution to strategic guidance and decision-making, preparedness on agenda items, and overall contribution to the growth and governance of the Company. Similarly, the evaluation of the Board and its Committees was conducted taking into consideration various parameters including the composition and structure of the Board, effectiveness of Board processes, adequacy and timeliness of information flow, clarity of roles and responsibilities, effectiveness of the functioning of the Board and its Committees, and the quality of engagement between the Board and the management. The evaluation process is aimed at ensuring continuous improvement in the effectiveness of the Board and strengthening governance standards within the Company.

In a separate meeting of the Independent Directors held on February 6, 2026, pursuant to Regulation 25(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Schedule IV to the Companies Act, 2013, the Independent Directors:

i. reviewed the performance of the Non-Independent Directors and the Board as a whole;

ii. reviewed the performance of the Managing Director, taking into account the views of the Executive and Non-Executive Directors; and

iii. assessed the quality, quantity and timeliness of the flow of information between the management of the Company and the Board, necessary for the Board to effectively and reasonably perform its duties.

The Board of Directors expressed satisfaction with the evaluation process and its outcomes.

With a continued focus on sustainable growth and value creation for all stakeholders, your Directors remain committed to devoting their best efforts towards the continued development and progress of the Company.

Policy on Directors' Appointment and Remuneration
To ensure effective and efficient management of the affairs of the Company, the Company has consistently maintained an optimum combination of Executive and Independent Non-Executive Directors on the Board. All appointments to the Board are made in compliance with the applicable provisions of the Companies Act, 2013, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and the direction issued by the Reserve Bank of India ("RBI").

Generally, the Managing Director and Whole-time Directors (Executive Directors) are appointed for a term of five years. Independent Directors are appointed for a term of up to five consecutive years on the Board. Based on the outcome of their performance evaluation, eligibility for reappointment and recommendations of the Nomination and Remuneration Committee, Independent Directors may be considered for reappointment for a second consecutive term subject to the approval of the shareholders.

The selection and appointment of Directors are based on a comprehensive evaluation of various criteria, including personal and professional ethics, integrity, values and character; alignment with the Company's vision, mission and values; standing and reputation in their respective fields, professional skills, expertise, knowledge and financial literacy. The Board also considers such other competencies and capabilities as may be required for effective governance and long-term strategic oversight.

In addition to the aforesaid criteria, the candidature of an Independent Director is evaluated with reference to the independence criteria prescribed under the Companies Act, 2013, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the directions issued by the RBI and other applicable laws, regulations and guidelines. In case of reappointment of Directors, the Board also considers the outcome of the performance evaluation process and the level of engagement and contribution made by such Directors during their tenure.

Appointments at the senior management level are made strictly on the basis of merit and competence. Directors, Key Managerial Personnel ("KMPs") and Senior Management Personnel retire in accordance with the provisions of the Companies Act, 2013 and the policies of the Company.

The Company has in place a Remuneration Policy for Directors, KMPs and other employees, which is reviewed by the Board from time to time. The Policy sets out the guiding principles and framework governing the remuneration of Directors, KMPs and employees of the Company.

The relevant policy(ies) are available on the website of the Company and can be accessed at Investor Relations Section at 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:
The Reserve Bank of India ("RBI"), vide its Notification No. RBI/2021-22/25 Ref. No. DoS.CO.ARG/SEC.01/08.91.001/2021-22 dated April 27, 2021, prescribed the eligibility criteria for appointment of Statutory Central Auditors ("SCAs")/Statutory Auditors ("SAs") of Commercial Banks (excluding RRBs), Urban Cooperative Banks ("UCBs") and Non-Banking Financial Companies ("NBFCs"), including Housing Finance Companies ("HFCs").

In terms of paragraph 8 of the aforesaid guidelines, an NBFC may appoint Statutory Auditors for a continuous period of three years. Accordingly, the Members of the Company at the 32nd Annual General Meeting held on September 23, 2024, approved the appointment of M/s. Saket Jain & Co., Chartered Accountants (Firm Registration No. 014685N), as the Statutory Auditors of the Company to hold office until the conclusion of the 35th Annual General Meeting of the Company.

The Report issued by the Statutory Auditors, M/s. Saket Jain & Co., Chartered Accountants, on the Financial Statements of the Company for the financial year 2025-26, forms part of the Annual Report. The Notes to the Financial Statements referred to in the Auditors' Report are self-explanatory and, therefore, do not call for any further comments under Section 134 of the Companies Act, 2013.

The Auditors' Report for the financial year 2025-26 does not contain any qualification, reservation, adverse remark or disclaimer.

Secretarial Auditor and Secretarial Audit Report of the entity:
Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Regulation 24A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, the Members of the Company at the 33rd Annual General Meeting held on September 29, 2025, approved the appointment of M/s. Satish Jadon & Associates, Practicing Company Secretaries, as the Secretarial Auditors of the Company to conduct Secretarial Audit for a continuous period of 5 (five) years and to issue the Secretarial Audit Report in Form No. MR-3

The Secretarial Audit Report issued by M/s. Satish Jadon & Associates for the financial year ended March 31, 2026 does not contain any qualification, reservation, adverse remark or disclaimer.

The Secretarial Audit Report in Form No. MR-3 forms part of this Board's Report and is annexed herewith as **Annexure A.**

Pursuant Regulation 24A(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has obtained Secretarial Compliance Report for financial year ended March 31, 2026, 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.

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, 2026. 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") in accordance with the applicable provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended. The Policy lays down the framework for identification, review, approval and monitoring of related party transactions and is available on the website of the Company. All related party transactions are placed before the Audit Committee for its review and approval.

During the financial year under review, all related party transactions entered into by the Company were in the ordinary course of business and on an arm's length basis. Accordingly, the disclosure of material related party transactions at arm's length basis as required under Section 134(3)(h) of the Companies Act, 2013, in Form AOC-2 forms part of this Board's Report and is annexed herewith as **Annexure B.**

Disclosure of the related party transactions as required under Regulation 34(3) and 53 (f) of SEBI Listing Regulations and Indian Accounting Standard 24 ("Ind AS 24") are reported in Note No. 37 forming part of the Audited Standalone Financial Statements of the Company for the financial year ended 31st March 2026.

The Policy on Materiality of Related Party Transactions and dealing with related party transactions is available on the website of the Company and may be accessed at Related Party Transactions 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 the 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 ₹1436.54 Million as against ₹152.49 Million in the previous year.

Sr. No.	Particulars	Financial Year ended 31st March, 2026	Financial Year ended 31st March, 2025
1	Loan received in Foreign Exchange	8,201.79	4,233.00
2	Exchange outgo		
	- Repayment of Borrowings (other than debt securities)	962.81	-
	- Finance costs	155.29	-
	- Other expenses	311.44	152.49

Corporate Social Responsibility
Your Company aspires to contribute positively to the community's well-being as a part of the Company's vision and accordingly carries out 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://www.paisalo.in/pdf/corporate_governance/policy/CSR_POLICY1.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 2025–26 the Board of Directors of the Company in their meeting held on May 9, 2025 approved ₹42.30 Million as the budget for CSR activities. During the financial year 2025-26, Company has spent ₹43.78 Million CSR fund in various activities which are disclosed in the Annual Report on CSR activities for financial year 2025-26 under Section 135 annexed with this report as **Annexure C.**

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 2025-26, 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 D** and forms part of this Report and can also be accessed on the Company's website at www. paisalo.in.

Internal Financial Control
The Company remains steadfast in its commitment to maintaining a robust and effective internal financial control framework that supports sustainable growth, operational excellence and sound corporate governance. This continued

focus enables the Company to conduct its business operations in an efficient and orderly manner, safeguard its assets, prevent and detect frauds and errors, ensure the accuracy and completeness of accounting records, and facilitate the timely preparation of reliable financial and management information.

To achieve these objectives, the Company has established a comprehensive internal control framework that is commensurate with the size, scale and complexity of its operations. The framework is designed to ensure strict adherence to internal policies, regulatory requirements and applicable laws, while remaining agile and responsive to the evolving business environment. As the Company continues to expand its operations, these controls play a critical role in strengthening governance standards and enhancing the identification, mitigation and prevention of potential risks, frauds and operational discrepancies. The Board of Directors is of the opinion that the Company's internal financial controls over financial reporting are adequate and operating effectively.

The internal control environment is further reinforced through a well-defined system of internal audits, external audits and continuous management oversight. These processes collectively ensure the reliability of financial reporting, protection of assets and adherence to established procedures and controls. The Company engages experienced and independent professionals to conduct internal audits and evaluate the adequacy, effectiveness and efficiency of the internal control systems across various functions and processes.

The Internal Audit function plays an integral role in supporting the Audit Committee and the Risk Management Committee by undertaking detailed reviews of risk management processes, internal control mechanisms and corrective action plans implemented by management. The findings of internal audits, along with risk assessment reports, are periodically reviewed by the respective Committees to ensure effective oversight and continuous improvement in governance practices. In addition, the effectiveness and robustness of internal financial controls are periodically validated through independent testing by Internal Auditors, while the Statutory Auditors provide assurance on the adequacy of financial reporting controls.

The Company continuously strengthens and refines its Internal Financial Control framework to align with changes in the business landscape, emerging risks and evolving regulatory and accounting standards. During the year under review, no material weaknesses, significant deficiencies or adverse observations were reported in relation to the adequacy or effectiveness of the Company's internal financial control systems.

Risk Management

In compliance with the regulatory framework applicable to Non-Banking Financial Companies ("NBFCs"), the Company has established a comprehensive and robust Risk Management framework designed to ensure the systematic identification, assessment, monitoring and mitigation of risks across all levels of its operations and business activities. The framework enables the Company to proactively manage emerging risks while supporting sustainable growth and long-term value creation.

To strengthen the governance and oversight of risk management practices, the Company has constituted various Committees, including the Risk Management Committee, the Audit Committee, the Asset Liability Management Committee ("ALCO") and Fraud Monitoring Committee. The composition, roles, responsibilities and frequency of meetings of these Committees are detailed in the Report on Corporate Governance, forming an integral part of this Annual Report.

These Committees play a vital role in assisting the Board in identifying, evaluating and effectively managing strategic, operational, financial, regulatory and business risks in a structured and disciplined manner.

The Company has also adopted a comprehensive Risk Management Policy that provides an integrated approach towards risk governance with a focus on maintaining business resilience, operational stability and sustainable growth.

The Risk Management Policy establishes a well-defined framework for identifying key risk events, assessing their potential impact, implementing appropriate mitigation measures and ensuring continuous monitoring and timely reporting of risks. The framework is regularly reviewed and strengthened to align with evolving business dynamics, regulatory expectations and industry best practices.

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

The Company's industrial relations remained 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 provisions of Section 197 (12) of the Companies Act, 2013.

The disclosures relating to remuneration and other particulars 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 form part of this Board's Report and is annexed herewith as **Annexure E.**

In accordance with the provisions of Section 136(1) of the Companies Act, 2013, the Annual Report and the Financial Statements are being circulated to the Members excluding the statement containing particulars of employees as prescribed under Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

The said information is available for inspection by the Members at the Registered Office of the Company during business hours on working days. Any Member interested in obtaining a copy of the same may write to the Company Secretary at and the requisite information shall be furnished upon such request.

The Board of Directors affirms that the remuneration paid to the Directors, Key Managerial Personnel and employees of the Company is in accordance with 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 a safe, secure and inclusive work environment for all its employees and has zero tolerance towards sexual harassment at the workplace. In line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 ("POSH Act") and the Rules made thereunder, the Company has in place a Policy on Prevention of Sexual Harassment at Workplace.

The Company has constituted an Internal Committee ("IC") in compliance with the provisions of the POSH Act to redress complaints relating to sexual harassment and to ensure timely resolution of grievances. The Policy aims to promote a workplace free from harassment, discrimination and intimidation, thereby fostering a culture of dignity, respect and equal opportunity.

The Company regularly undertakes awareness initiatives and sensitisation programmes for employees to promote understanding and compliance with the provisions of the POSH Act.

The details pertaining to complaints received and disposed of during the financial year 2025-26 are as under:

Throughout the financial year 2025–26, the Company received one complaint from employees concerning sexual harassment.

Particulars	No. of Cases
Number of complaints pending at the beginning of the financial year	0
Number of complaints received during the financial year	1
Number of complaints disposed of during the financial year	1
Number of complaints pending at the end of the financial year	0

Compliance with Maternity Benefits Act, 1961.

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

Compliance of Reserve Bank of India Directions

Paisalo Digital Limited is categorised as a Non-Deposit Taking Middle Layer Non-Banking Financial Company ("NBFC-ML"). The Company continues to comply with all the prudential norms and standards prescribed by the Reserve Bank of India ("RBI") relating to governance, asset classification, non-performing assets, capital adequacy, statutory liquidity requirements and other applicable regulatory parameters.

During the financial year 2025-26, the Company has complied with the applicable provisions of the directions, circulars and guidelines issued by the RBI from time to time governing Non-Deposit Taking Middle Layer Non-Banking Financial Companies.

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, 2026, in the prescribed form, is hosted on website of the Company at https://paisalo.in/pdf/annual_report/MGT-7_PAISALO_2025-26.pdf.

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

Vigil Mechanism/Whistle Blower Policy
The Company, in accordance with the provisions of Section 177(9) of the Companies Act, 2013 read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014 and Regulation 22 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, has established a robust Vigil Mechanism through its Whistle Blower Policy.

The mechanism enables Directors and employees of the Company to report genuine concerns relating to unethical behaviour, actual or suspected fraud, misconduct, or violation of the Company's Code of Conduct.

The Whistle Blower Policy provides adequate safeguards against victimisation of persons who use such mechanism and also ensures direct access to the Chairman of the Audit Committee in appropriate or exceptional cases. The framework reflects the Company's commitment to maintaining the highest standards of ethical, moral and legal business conduct and promoting a culture of transparency and accountability across the organization.

The Whistle Blower Policy is available on the website of the Company at Paisalo Digital Limited Website. Further details relating to the Vigil Mechanism/Whistle Blower framework are provided in the Corporate Governance Report forming part of this Annual Report.

During the financial year 2025-26, no complaint or case was reported under the aforesaid Vigil Mechanism.

Listing with Stock Exchanges
Equity shares (ISIN INE420C01059) of the Company are listed on BSE Limited (BSE) and National Stock Exchange of India Limited (NSE).

Rated Non-Convertible Debentures (NCDs) issued on private placement basis and Commercial Papers (CPs) are listed on BSE.

Foreign Currency Convertible Bonds (FCCBs) are listed on Afrinex Exchange, Mauritius and India International Exchange (IFSC) Limited (India INX).

The listing fees payable to both the exchanges for the Financial Year 2026-27 have been paid.

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://www.paisalo.in/pdf/corporate_governance/policy/Code_of_conduct_for_prevention_of_Insider_Trading1.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, 2026, 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 Purushottanm 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 of Directors places on record its sincere appreciation for the continued support, guidance and cooperation extended by various regulatory authorities and Government agencies. The Board also expresses its deep gratitude to the Company's banking partners, business associates and all other stakeholders whose continued trust and collaboration remain vital to the Company's sustained growth and success.

Your Directors highly acknowledge the dedication, commitment and relentless efforts of the employees at all levels, including the management team under the leadership of the Executive Directors. Their professionalism, resilience and unwavering pursuit of excellence, particularly in a dynamic and challenging business environment, continue to be a key driving force behind the Company's progress and achievements. The Board also conveys its heartfelt gratitude to the Members of the Company for their continued confidence, encouragement and support.

The Board further places on record its sincere appreciation for the valuable contribution made by the Non-Executive Independent Directors. Their rich experience, strategic guidance, independent judgment and constructive counsel have played a significant role in strengthening governance standards, enhancing decision-making processes and steering the Company towards the achievement of its strategic objectives.

As the Company moves forward with renewed optimism and confidence, the Board looks ahead to the future with a strong sense of purpose and remains grateful for the continued support and trust of all stakeholders in the Company's journey of sustainable growth and value creation.

Place : New Delhi
Date : 05.08.2026

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

Sd/-	**Sd/-**
Sunil Purushottanm Agarwal	**Harish Singh**
Managing Director & CEO	**Executive Director**
DIN : 00006991	**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 Records 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 : 29.05.2026
Place : Agra

For Satish Jadon & Associates
Company Secretaries
Firm No. S2011UP153700

Sd/-
(SATISH KUMAR JADON)
Proprietor
Membership No. F9512
CoP No. 9810
P.R. No. 7153/2025
UDIN : F009512H000532705

FORM NO. MR-3

Secretarial Audit Report for the Financial Year Ended March 31, 2026
[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Personnel) Rules, 2014]

To,
The Members,
M/s Paisalo Digital Limited
(CIN: L65921DL1992PLC120483)
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, 2026 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, 2026 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, Overseas Direct Investment and External Commercial Borrowings;

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, 1993/2025 and
- **j)** SEBI Master Circular: SEBI/HO/DDHS/DDHS-PoD-1/P/CIR/2024/48 dt. May 21, 2024.

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 as applicable on Non-Deposit Taking Middle Layer Non-Banking Financial Company;

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.

Without qualifying our report, we make the following observation:

Owing to ambiguity in the RBI's FDI policy regarding the filing requirements of Form FC-GPR, particularly the provision applicable to the listed Companies that requires filing only where 10% or more of the equity shares are issued to a foreign investor, the Company was under the bona fide understanding that the conversion of FCCBs into equity shares did not necessitate the filing of Form FC-GPR. However, pursuant to the investor's request and as a matter of abundant caution, the Company subsequently filed the FC-GPRs forms in respect of the equity shares issued on 15th January, 2025 and 17th September, 2025 upon conversion of FCCBs. Consequently, the said filings were made with the RBI beyond the prescribed timelines.

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. As per the minutes of the meetings duly recorded and signed by the Chairman, the decisions of the Board were unanimous and no dissenting views have been recorded.

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. 335.00 Crores on Private Placement basis;

ii. issued Commercial Papers amounting to face value of Rs. 175.00 Crores from time to time;

iii. allotted 74,03,585 Equity shares of Re. 1 each upon conversion of Foreign Currency Convertible Bonds of US $4 Million on 17th September 2025.

iv. raised External Commercial Borrowings of USD 15 million from Overseas branch of State Bank of India.

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

i. vide their Ordinary Resolution passed in the Extraordinary General Meeting dated 2nd May, 2025, appointed Mr. Vinod Kumar, Additional Director as a Director of the Company for the period of 5 years commencing from 4th February, 2025.

ii. vide their Special Resolution passed in the Extraordinary General Meeting dated 2nd May, 2025, approved the terms and conditions for appointment of Mr. Vinod Kumar as an Executive Director of the company for the period of 5 years commencing from 04th February, 2025.

iii. vide their Special Resolution passed in the Extraordinary General Meeting dated 2nd May, 2025, re-appointed Mrs. Nisha Jolly as a Non-Executive Independent Director of the Company to hold office for second term of five consecutive years with effect from 30th May, 2025 to 29th May, 2030;

iv. vide their Special Resolution passed in the Extraordinary General Meeting dated 2nd May, 2025, appointed Mr. Jitendra Kumar Ojha as a Non-Executive Independent Director of the Company to hold office for the term of three consecutive years effective from 02nd May, 2025 to 1st May, 2028;

v. vide their Special Resolution passed in the Extraordinary General Meeting dated 2nd May, 2025, approved the issuance of Equity shares, Foreign Currency Convertible Bonds and/or other eligible securities in one or more tranches to the eligible investors through preferential allotment, private placement, including qualified institutional placement or any other permissible mode for an aggregate amount up to Rs. 27,000 Million.

We further report that at the 33rd Annual General Meeting of the Company, held on 29th September, 2025, Members of the Company passed following Special Resolutions for:

i. Approving the issuance of Non-Convertible Securities/Debentures Through Private Placement.

ii. Approving the fixation of the borrowing power of the Board of Directors u/s 180(1) (C) upto a sum of Rs.9,000 Crores;

iii. Authorizing 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 to secure any Indian Rupees or Foreign Currency loans and/ or the issue of Debt Securities.

Date : 29.05.2026
Place : Agra

For Satish Jadon & Associates
Company Secretaries
Firm No. S2011UP153700

Sd/-
(SATISH KUMAR JADON)
Proprietor
Membership No. F9512
CoP No. 9810
P.R. No. 7153/2025
UDIN : F009512H000532705

ANNEXURE 'B'

FORM NO. AOC -2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014.)

Form for Disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arms length transaction under third proviso thereto

1. Details of contracts or arrangements or transactions not at Arm's length basis:

SL. No.	Particulars	Details
A.	Name (s) of the related party & nature of relationship	There were no contracts or arrangements or transactions entered into during the year ended March 31, 2026, which were not at arm's length basis.
B.	Nature of contracts/arrangements/transaction	
C.	Duration of the contracts/arrangements/transaction	
D.	Salient terms of the contracts or arrangements or transaction including the value, if any	
E.	Justification for entering into such contracts or arrangements or transactions'	
F.	Date of approval by the Board	
G.	Amount paid as advances, if any	
H.	Date on which the special resolution was passed in General meeting as required under first proviso to section 188.	

2. Details of contracts or arrangements or transactions at Arm's length basis:

SL. No.	Particulars	Details
A.	Name (s) of the related party & nature of relationship	Equilibrated Venture Cflow Private Limited is part of Company's promoter group and Mr. Sunil Purushottanm Agarwal, Managing Director & 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.
B.	Nature of contracts/arrangements/transaction	Borrowing from Related Party
C.	Duration of the contracts/arrangements/transaction	The transaction took place during 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.
D.	Salient terms of the contracts or arrangements or transaction including the value, if any	Related Party Transaction to borrow funds not exceeding to ₹270 Crores from Equilibrated Venture Cflow Private Limited at the prevailing market interest rate 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.
E.	Date of approval by the Board	August 30, 2025
F.	Date of approval by the Shareholders	September 29, 2025
G.	Amount paid as advances, if any	Nil

ANNEXURE 'C'

ANNUAL REPORT ON CSR ACTIVITIES FOR FINANCIAL YEAR ENDED MARCH 31, 2026

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://www.paisalo.in/pdf/corporate_governance/policy/CSR_POLICY1.pdf For the financial year ended March 31, 2026, Company spent ₹43.78 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** 1 / Mr. Harish Singh / Chairman (Executive Director) / 1 / 1 2 / Mr. Sunil Purushottanm 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 https://www.paisalo.in/home/investorrelation Web-link of CSR https://www.paisalo.in/pdf/corporate_governance/policy/CSR_POLICY1.pdf. Web-link of CSR activities undertaken by the Company during the year: https://www.paisalo.in/pdf/corporate_governance/policy/CSR_POLICY1.pdf.
4.	**Provide the executive summary along with weblink (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 2025-26 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**	:	₹2,113.18 Million
	(b) Two percent of average net profit of the company as per section 135(5) of the Companies Act, 2013	:	₹42.26 Million
	(c) Surplus arising out of the CSR projects or programmes or activities of the previous financial years	:	Nil

	(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)**	:	₹42.26 Million
6.	(a)	**Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project)**	:	₹43.78 Million
	(b)	**Amount spent on Administrative Overheads**	:	Nil
	(c)	**Total amount spent for the Financial Year (a+b+d)**	:	₹43.78 Million

(d) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year (₹in Million)	Amount Unspent (₹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
43.78	Nil	NA	NA	Nil	NA

(e) Excess amount for set off, if any:

Sr. No.	Particular	Amount (₹in Million)
(i)	Two percent of average net profit of the company as per Section 135(5) of the Companies Act, 2013	42.26
(ii)	Total amount spent for the Financial Year	43.78
(iii)	Excess amount spent for the financial year [(ii)-(i)]	1.52
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	0.00
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	1.52

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 Million)	Balance Amount Unspent CSR Account under Section 135(6) (INR in Million)	Amount spent in the Financial Year (INR in Million)	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 Million)	Deficiency, if any
					Amount (INR in Million)	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 : 05.08.2026

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

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

Sd/-
Harish Singh
Executive Director
DIN : 00039501

Business Responsibility & Sustainability *Report*

2026

ANNEXURE 'D'

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**	05-Mar-92
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, 2025 - March 31, 2026 (i.e FY2025-26)
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**	INR 909.52 Mn (As on March 31, 2026)
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 2025-26)
1	Financial services	Non-Banking Financial Company engaged in providing loans for supporting businesses, small and medium enterprises and the purchase of vehicles.	100%
	Corporate Loans Paisalo offers small business income-generation loans to support micro-enterprises and livelihood-enhancing activities, including the purchase of seeds, fodder, livestock and other productive assets.	**MSME & SME Loans** Paisalo offers tailored MSME, SME and commercial loan solutions aligned with the diverse financing needs and profiles of borrowers.	**Vehicle Loans** Paisalo offers asset-based financing for electric vehicles and used cars, extending affordable credit and quality service to underserved segments across rural and semi-urban markets, while addressing the mobility and livelihood needs of Bharat.

Paisalo offers a diverse portfolio of loan products designed to address the financial needs of rural and semi-urban communities, enabling greater access to credit for underserved segments across Bharat

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	9.39%
2	MSME & SME Commercial Loans	65923	86.31%
3	Vehicles Loans	65923	4.30%

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*	422# (5299 Touch Points)**	422# (5299 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, 2026.
**Total geographic footprint stood at to 5299 touch points (422 Branches + 1496 Business Correspondent CSPs + 3381 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) serving underserved communities across India through accessible financial services. The Company operates exclusively within the domestic market and does not offer its products or services internationally.

c. A brief on types of customers:

Paisalo's lending strategy is focused on addressing the diverse credit requirements of financially underserved customer segments through a differentiated product portfolio that supports livelihood creation, enterprise development, and mobility-led income generation.

Small Income Generation Loans are extended to self-employed individuals, first-time borrowers, and small business owners, primarily in rural and semi-urban geographies. These loans cater to a wide range of income-generating activities, including food and tea stalls, tailoring, street vending, poultry, and other small-scale business operations. With simplified onboarding, minimal documentation, and flexible repayment structures, this segment facilitates the inclusion of underserved borrowers into the formal financial ecosystem while supporting sustainable livelihood development.

MSME and SME Loans are offered to small businesses, retailers, traders, manufacturers, and emerging entrepreneurs requiring financing for business expansion, working capital, and acquisition of business-related assets. Through this segment, Paisalo supports enterprise growth across sectors such as manufacturing, services, trade, agri-linked activities, and other MSME-related businesses. The Company's focus remains on enabling business continuity and growth through accessible, need-based financing solutions for enterprises that may otherwise encounter constraints in accessing formal credit channels.

Mobility Loans address a broad range of vehicle financing requirements, including two-wheelers, auto-rickshaws, small commercial vehicles, pre-owned cars, and electric vehicles. Through this portfolio, the Company seeks to enhance access to mobility solutions by offering financing that is affordable, accessible, and aligned with the varied requirements of its customer base.

Through its focus on individuals, micro-enterprises, and small businesses across key livelihood-oriented segments, Paisalo continues to deepen access to formal finance, strengthen economic participation, and support long-term income generation within underserved communities.

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)	3,076	2,978	96.81%	98	3.19%
2	Other than Permanent (E)	0	0	0	0	0
3	Total employees (D + E)	3,076	2,978	96.81%	98	3.19%
Workers*						
4	Permanent (F)	0				
5	Other than Permanent (G)					
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)	N/A				
2	Other than Permanent (E)					
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	No. and percentage of Females	
	(A)	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
** Includes 5 Directors that are also BoD

22. Turnover rate for permanent employees and workers

Category	FY2025-26			FY2024-25			FY2023-24		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	29.63%	1.58%	31.21%	34.79%	1.63%	36.42%	27.23%	1.22%	28.45%
Permanent Workers*	N/A								

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

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): 9437

(iii) Net Worth (INR in Mn): 17,930

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 2025-26			FY 2024-25		
		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	2	Nil		0	Nil	0
Shareholders	Yes	0	Nil	0	0	Nil	0
Employees	Yes	0	Nil	0	0	Nil	0
Customers	Yes	38	Nil	0	26	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://paisalo.in/home/investorrelation, regarding conduct with stakeholders, including grievance mechanisms

26. Overview of the entity's material responsible business conduct issue

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	Paisalo is progressively embedding climate considerations into its lending and operational framework. Through its portfolio, the Company is enabling green financing opportunities, including EV-linked mobility solutions, while also aligning product design and lending practices with emerging climate risks and evolving customer needs. At the operational level, Paisalo has undertaken climate risk assessments for select locations and is strengthening climate governance within its ESMS. These measures are helping the Company better understand physical climate risks, support business continuity, and build long-term resilience. While the journey is still evolving, these steps are laying the foundation for a more climate-aware approach to lending, risk management, and operations.	—	**Positive :** Paisalo's focus on climate-responsive business practices, including the integration of climate considerations into its ESMS and the financing of electric vehicles, creates opportunities to expand sustainable lending portfolios and meet evolving customer needs. Enhanced understanding of climate-related risks through the Climate Risk Assessment (CRA) further supports informed decision-making, business resilience, and long-term value creation.
	Climate Change	Risk	Climate change can affect borrowers' financial resilience, particularly in rural and semi-urban markets that are more vulnerable to extreme weather events, with potential implications for repayment capacity and asset quality. At the same time, the growing focus on climate-related regulation and disclosure underscores the need for financial institutions to strengthen preparedness and integrate climate considerations into business decision-making.	During the year, Paisalo undertook a Climate Risk Assessment (CRA) for its Delhi and Agra office locations to assess the potential impact of climate-related events on its operations. The assessment provided valuable insights into climate-related vulnerabilities and opportunities, supporting informed decision-making and risk preparedness. In parallel, the Company strengthened its Environmental and Social Management System (ESMS) by integrating climate-related considerations into its lending and risk management processes.	**Negative** - Climate-related events may affect borrowers' repayment capacity, resulting in higher credit risk and increased provisioning requirements, which could have an impact on profitability and portfolio quality.

2	Financial Inclusion	Opportunity	Financial inclusion remains at the core of Paisalo's business model, with a strong focus on addressing the credit needs of underserved individuals, micro-entrepreneurs, and MSMEs. Despite the growing contribution of the MSME sector to economic growth and employment generation, access to formal credit continues to remain a challenge, resulting in a significant financing gap. Through its co-lending partnerships with leading banks and its low-cost operating model, Paisalo is able to extend affordable and accessible credit solutions to customers who are often underserved by traditional financial institutions. This enables the Company to support entrepreneurship, livelihood creation, and business growth while unlocking opportunities in a large and underserved market.	—	**Positive** - Addressing the credit requirements of MSMEs and underserved customer segments presents a significant growth opportunity for Paisalo. The Company's ability to provide affordable credit through its co-lending model supports portfolio expansion, customer acquisition, and deeper market penetration. As demand for small-ticket and MSME financing continues to grow, this opportunity is expected to contribute to sustainable revenue growth and long-term value creation.
3	Innovation & Digitization	Opportunity	Innovation and digitization continue to be key enablers of Paisalo's growth and operating model. The Company leverages technology-driven solutions to enhance customer experience, streamline lending processes, and expand access to financial services across underserved markets. Through integrated digital onboarding, data analytics, automated workflows, and AI-enabled customer engagement, Paisalo is able to improve operational efficiency while delivering seamless and accessible financial solutions at scale. These capabilities strengthen the Company's ability to serve a growing customer base and respond to evolving market needs.	—	**Positive** - Continued investments in technology and digital capabilities support scalable growth, improved operational efficiency, and enhanced customer experience. Digitally enabled onboarding, automated processes, and data-driven decision-making help reduce turnaround times and operating costs, while strengthening customer acquisition, retention, and long-term revenue growth.
4	Local Employment Generation	Opportunity	Paisalo's Business Correspondent (BC) network continues to play a pivotal role in advancing financial inclusion while generating local livelihood opportunities. During FY26, the Company's network of Customer Service Points (CSPs) grew by nearly 14%, increasing from 1,314 to 1,496 CSPs and extending its presence across 22 states. Built on trusted local partnerships, the BC model enables last-mile delivery of banking and credit services in rural and semi-urban markets, improving access for underserved communities. The expansion of the network not only strengthens customer outreach and market penetration but also creates entrepreneurial and employment opportunities within local communities, supporting inclusive economic growth.	—	**Positive** - The expansion of the BC network strengthens Paisalo's reach across underserved markets, supporting customer acquisition, portfolio growth, and cross-selling opportunities. Local partnerships enhance customer trust and engagement, while a wider distribution footprint supports scalable growth and long-term value creation.
5	Data Privacy and Security	Risk	As a financial services provider, Paisalo handles significant volumes of customer and business information, making data privacy and cybersecurity critical to its operations. The increasing adoption of digital channels and technology-enabled processes heightens exposure to cyber threats, data breaches, fraud, and unauthorized access. Any lapse in data protection could impact customer trust, attract regulatory scrutiny, and adversely affect business continuity and reputation.	To manage data privacy and cybersecurity risks, Paisalo follows a robust information security framework aligned with ISO 27001 certification requirements. The framework includes access controls, data protection measures, periodic security reviews, and continuous monitoring to safeguard customer and business information. These efforts are complemented by the Company's Information Security and Data Privacy Policy and regular awareness programS aimed at promoting a culture of cybersecurity and responsible data handling.	**Negative** – Data breaches, cyber incidents, or security lapses may result in financial losses, regulatory penalties, legal costs, reputational impact, and potential loss of customer confidence.

6	Business Ethics	Risk	As a financial services provider serving a diverse customer base, Paisalo recognizes that ethical conduct is fundamental to building and maintaining stakeholder trust. Any deviation from established standards of integrity, transparency, fair lending practices, or responsible customer engagement could adversely affect the Company's reputation and stakeholder confidence, while also exposing it to regulatory and compliance risks.	Paisalo is guided by a formal Code of Conduct and Ethics that sets clear expectations for employee behaviour, decision-making, and stakeholder interactions. The framework is supported by regular awareness and training programs, internal control mechanisms, periodic audits, and a whistleblower mechanism that encourages the reporting of concerns and promotes a culture of accountability, integrity, and transparency across the organization.	Negative - Ethical lapses and Instances of unethical conduct may lead to regulatory action, financial penalties, reputational damage, and loss of stakeholder trust, potentially impacting business performance, continuity, and investor confidence.
7	Regulatory Compliance	Risk	As a regulated financial services provider, Paisalo operates in an environment where regulatory requirements continue to evolve in line with market developments and stakeholder expectations. Adherence to applicable laws, regulations, and regulatory guidelines is fundamental to maintaining operational integrity, safeguarding customer interests, and preserving stakeholder confidence. Any gaps in compliance could impact business operations, reputation, and the trust placed in the Company by its customers, investors, and regulators.	Recognizing the importance of regulatory compliance, Paisalo has embedded a culture of compliance across its operations. The Company is guided by well-defined policies, internal controls, and operating procedures that support adherence to regulatory requirements. Continuous monitoring, periodic compliance reviews, and timely regulatory reporting help ensure ongoing compliance, while regular training and awareness programs enable employees to stay abreast of evolving regulatory expectations.	Negative - Failure to comply with regulatory requirements could result in penalties, legal costs, enhanced regulatory oversight, and reputational impact, which may adversely affect business performance and stakeholder confidence.

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.**	• Whistle blower policy • Anti-bribery policy and Anti-corruption policy (ABAC)* • Code of Conduct for directors & senior management personnel • Terms & conditions for appointment of Independent Directors • Code for Independent Directors • Fair Practices Code • Policy on related party transactions • Code of Conduct for prevention of Insider Trading • Policy for determination of material events and information for disclosures • Policy on Board Diversity* • Dividend Distribution Policy
2	**Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.**	• ESG Policy*
3	**Businesses should promote the wellbeing of all employees.**	• Whistle blower policy • Nomination and Remuneration Policy • Grievance Redressal Policy*
4	**Businesses should respect the interests of and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.**	• Stakeholder Engagement Policy* • Corporate Social Responsibility Policy • Equal Opportunity policy • Policy for preservation of documents • Diversity and Inclusion Policy*
5	**Businesses should respect and promote human rights.**	• Human Rights Policy* • Equal Opportunity Policy for persons with Disability • Freedom of Association and Collective Bargaining Policy* • Nomination and Remuneration Policy
6	**Businesses should respect, protect and make efforts to restore the environment.**	• ESG Policy*
7	**Businesses when engaged in influencing public and regulatory policy, should do so in a responsible manner.**	• Policy for determining material subsidiary • Stakeholder Engagement Policy*
8	**Businesses should support inclusive growth and equitable development.**	• Corporate Social Responsibility Policy
9	**Name of the Stock Exchange(s) where shares are listed.**	1. National Stock Exchange of India Limited (NSE) 2. BSE Limited

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: https://paisalo.in/home/investorrelation								
2. Whether the entity has translated the policy into procedures. (Yes / No)	Yes. The Company has translated the policies and embedded 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 dedicated policies applicable to its value chain partners. However, it encourages its value chain partners to uphold responsible and sustainable business practices in line with their scale and capabilities. To support this approach, the Board-approved Fair Practices Code, Whistle Blower Policy and other governance frameworks promote and guide the participation of value chain partners in responsible business conduct.								
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 the applicable rules and regulations, demonstrating its commitment to governance, data security, and operational integrity.								
5. Specific commitments, goals and targets set by the entity with defined timelines, if any.	Paisalo is in the process of strengthening its ESG approach through the development of a comprehensive roadmap that will define measurable priorities and performance indicators aligned with evolving industry practices and national development goals. While formal targets are currently being established, the Company continues to integrate responsible business practices across its operations. Key ESG focus areas include: • Environmental initiatives such as plantation drives, water conservation efforts and financing for electric vehicles • Expanding access to financial services in rural and underserved regions through branch network expansion • Supporting women's economic participation through income-generating loan products designed for rural entrepreneurs The Company's Impact Measurement and Monitoring (IMM) Framework and Environmental and Social Management System (ESMS) support the tracking of outcome-based indicators, enabling responsible lending practices and strengthening its impact across the communities it serves.								
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 am pleased to present Paisalo's Business Responsibility and Sustainability Report (BRSR) for FY2025-26, reflecting our continued commitment to responsible growth and financial inclusion. At Paisalo, our purpose is simple yet powerful—to make credit accessible to those who need it most and enable sustainable livelihood opportunities across underserved communities.

During the year, we continued to strengthen our ESG journey through several important milestones. We enhanced our Environmental and Social Management System (ESMS) by broadening its scope to include climate and impact considerations, further embedding sustainability into our lending and business practices. We also completed a Climate Risk Assessment (CRA) for select office locations, enabling us to better understand and respond to climate-related risks and opportunities relevant to our business and stakeholders.

Our Impact Framework, built on the Theory of Change methodology, continues to guide the way we define, measure, and monitor the outcomes of our interventions. This approach helps us create meaningful value for customers and communities while strengthening accountability and supporting informed decision-making.

We also made notable progress in strengthening our ESG performance and disclosures. During the year, Paisalo's CRISIL ESG Score improved to 60, reflecting our ongoing efforts to enhance ESG governance and performance. In addition, we initiated the measurement of selected categories of Scope 3 emissions, marking an important step in advancing our climate reporting and understanding our value-chain-related environmental footprint.

Our environmental efforts remain focused on strengthening the assessment and monitoring of emissions, energy consumption, water usage, and waste generation. Through our CSR initiatives, we continued to support food distribution, healthcare, and education, contributing to more inclusive and resilient communities.

As we look ahead, we remain focused on deepening our ESG practices through enhanced climate-related disclosures, stakeholder engagement, impact measurement, and materiality assessment. These efforts will help us build a more resilient institution while creating sustainable long-term value for all our stakeholders.

At Paisalo, responsible business is not a separate agenda—it is integral to how we grow, serve, and create impact. We remain committed to advancing financial inclusion, strengthening communities, and contributing meaningfully to India's development journey.

Sincerely,
Sunil Purushottanm Agarwal
Paisalo Digital Limited - Managing Director and CEO

8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy/policies

Name - Mr. Sunil Purushottanm 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.

Yes. Sustainability-related decisions are governed through the ESG Steering Committee, with reporting to senior management and oversight by the Board's Risk Management and ESG Committee.

10. Details of Review of NGRBCs by the Company:

Subject for Review	Indicate whether review was undertaken by Director / Committee of the Board/Any other Committee									Frequency (Annually/Half yearly/Quarterly/ Any other– please specify)								
	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
Performance against above policies and follow up action	All the Company policies are reviewed for relevance and necessary changes are made 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 programs 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)	• Industry trends, business risks, regulations, and cybersecurity. • Directors and KMPs are sensitized on their roles, rights, responsibilities, and key developments concerning the Company. • Periodic KYC and AML training is conducted for Directors, KMPs • Annual declaration to the Code of Conduct by Directors and Senior Management is affirmed and communicated by the Managing Director through the Annual Report.		100%
Key Managerial Personnel (KMP)			
Employees other than BoD and KMPs	• Employees of the Company undergo various training programs throughout the year. • Training helps the employees update their knowledge and awareness regarding changes and modifications in technology, techniques, regulations and norms. • Existing employees undergo periodical training programs 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. • Periodic training on the Digital Personal Data Protection (DPDP) Act is conducted for employees. • All new employees undergo continuous on-the-job training to help them understand the procedures and operational guidelines specific to Paisalo.		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	The Company was not subject to any penalty, fine, settlement or compounding fee during FY 2025–26. Information on regulatory actions, if any, other than those pertaining to the NGRBC Principles, is provided in the Corporate Governance Report forming part of the Annual Report for FY 2025–26				
Settlement					
Compounding fee					

Non-Monetary				
	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Brief of the Case	Has an appeal been preferred? (Yes/No)
Imprisonment	There have been no cases leading to any Imprisonment or Punishment for Paisalo in FY 2025-26			
Punishment				

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. The Company's Policies, Code of Conduct, Fair Practices Code and other governance frameworks apply to all Directors, officers and employees, setting clear expectations for ethical behaviour, responsible business practices and regulatory compliance. These principles guide the Company's engagement with customers, shareholders, employees and the communities it serves.

The Company encourages a culture of integrity and accountability, supported by a Whistle Blower Policy that provides employees with a confidential channel to raise concerns relating to unethical conduct, financial irregularities or suspected fraud.

To reinforce these standards, the Company regularly communicates its policies and conducts awareness and training programs on ethics, compliance and risk management. Supported by transparent disclosure practices, Paisalo's governance framework reflects its commitment to conducting business with integrity, fairness and transparency.

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 2025-26	FY 2024-25
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 2025-26		FY 2024-25	
	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.**
Not Applicable

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

	FY 2025-26	FY 2024-25
Number of days of accounts payables	24	27

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 2025-26	FY 2024-25
Concentration of Purchases	a. Purchases from trading houses as % of total purchases	Given the nature of the Company's operations as a financial services provider, disclosures relating to the concentration of purchases and sales with trading houses, dealers and related parties are not applicable. Similarly, disclosures pertaining to loans, advances and investments with related parties are not applicable to the Company's business model.	
	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)	Nil*	Nil*
	d. Investments (Investments in related parties/Total Investments made)	Nil	Nil

Note: 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
31	Governance, Employee Well Being, Stakeholder Engagement & Inclusive Growth and Equitable Development	52%

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 mechanisms to identify, disclose and manage potential conflicts of interest through its Code of Conduct applicable to Directors and Senior Management. The Code requires individuals to act in the best interests of the Company and avoid situations that may impair independent judgement or objectivity.

To support effective oversight, the Company obtains annual declarations from Directors and Key Managerial Personnel regarding their interests and affiliations with other entities. Transactions, where applicable, are undertaken in compliance with regulatory requirements and are subject to the necessary approvals prescribed under the applicable framework.

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://paisalo.in/pdf/corporate_governance/Code%20_of_conduct_for_directors_and_senior_management_personnel.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 2025-26	FY 2024-25	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 operates in the financial services sector and does not engage in manufacturing activities or the consumption of significant raw materials. The Company's primary focus is on providing financial solutions tailored to the needs of its customers. Accordingly, the Company does not currently have a policy or framework relating to sustainable sourcing

   b. **If yes, what percentage of inputs were sourced sustainably?**
Paisalo operates in the financial services sector and, therefore, does not consume significant raw materials or produce physical goods. Accordingly, this requirement is not applicable to the Company

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 company, Paisalo's operations do not generate hazardous or other waste streams typically associated with the production of physical goods and, therefore, waste reclamation is not applicable to the Company. At the same time, the Company remains conscious of resource efficiency and encourages responsible consumption practices across its offices, including the reuse of paper wherever feasible.

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.**
The Company's business activities are confined to the provision of financial products and services and do not involve the manufacture or distribution of physical products. Accordingly, Extended Producer Responsibility (EPR) requirements are not applicable.

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.**
Based on the nature of its operations, the Company does not foresee any significant social or environmental concerns.

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 2025-26	FY 2024-25
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.

Paisalo's operations do not generate hazardous or industrial waste typically associated with manufacturing activities and, therefore, waste reclamation is not applicable to the Company. Nevertheless, the Company remains mindful of resource efficiency and encourages responsible consumption practices across its offices, including the reuse of paper and prudent use of resources.

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 (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent Employees											
Male	2978	2594	87.11%	2978	100%	NA	NA	2978	100%	Nil	Nil
Female	98	67	68.37%	98	100%	98	100%	NA	NA	Nil	Nil
Total	3076	2661	86.51%	3076	100%	98	3.19%	2978	96.81%	Nil	Nil
Other than Permanent Employees											
Male	Nil										
Female											
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 (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent Workers*											
Male	N/A										
Female											
Total											
Other than Permanent Workers*											
Male	Nil										
Female											
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 2025-26	FY 2024-25
Cost incurred on well- being measures as a % of total revenue of the Company	**0.35%**	**0.12%**

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 and workshop on Yoga Day.

2. Details of retirement benefits.

Benefits	FY 2025-26			FY 2024-25		
	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*	No. of workers covered as a % of total workers* Deducted and deposited with the authority (Y/N/N.A.)
PF	78.12%	N/A	Yes	75.08%	N/A	Yes
Gratuity	100%	N/A	Yes	100%	N/A	Yes
ESI	86.5%	N/A	Yes	79.55%	N/A	Yes
Others– please specify	N/A	N/A	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

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.

Creating an inclusive and accessible workplace remains a key focus for Paisalo. The Company seeks to provide an enabling work environment for differently abled employees through accessible infrastructure and supportive workplace practices, while promoting inclusion, dignity and equal opportunity for all.

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 committed to providing a fair, inclusive, and respectful workplace where employees are treated with dignity and provided equal opportunities. The Company maintains a zero-tolerance approach towards discrimination, harassment, and bullying, and promotes a work environment built on diversity, inclusion, and mutual respect. The complete policy can be accessed at: 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 promotes a workplace culture built on respect, inclusion and fairness, with zero tolerance for discrimination, harassment or any form of unfair treatment. The Company's Code of Conduct, Whistle Blower Policy/Vigil Mechanism and Policy on Prevention of Sexual Harassment provide employees with confidential channels to raise concerns without fear of retaliation, including through the HR function at Headhr@paisalo.in. The Company also maintains transparent communication on its people practices, covering compensation, performance management, incentive structures, career development, compliance and other employee-related matters, fostering an open and accountable work environment.
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:

Category	FY 2025-26			FY 2024-25		
	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 Workers*						
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	FY 2025-26					FY 2024-25				
	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	2978	2594	87.10%	2802	94.09%	3095	310	10%	2564	83%
Female	98	87	88.77%	90	91.83%	83	35	42%	62	75%
Total	3076	2681	87.15%	2892	94.02%	3178	345	10.85%	2626	83%
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 2025-26			FY 2024-25		
	Total (A)	No. (B)	% (B/A)	Total (C)	No. (D)	% (D/C)
Employees						
Male	2978	2978	100%	3095	3095	100%
Female	98	98	100%	83	83	100%
Total	3076	3076	100%	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 places strong emphasis on providing a safe and healthy work environment by managing workplace risks and maintaining compliance with applicable health and safety requirements. Regular awareness programs on fire safety and emergency preparedness are conducted, supported by workplace facilities such as adequate ventilation, sanitation, emergency exits and first-aid arrangements. The Company also promotes employee well-being through ongoing awareness initiatives that encourage safe and healthy practices in day-to-day life.

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

Paisalo continues to strengthen the integration of its Environmental and Social Management System (ESMS) to support the identification and management of workplace risks. Emergency preparedness is reinforced through fire safety drills, evacuation procedures and regular awareness programs. Supported by cross-functional participation, these efforts contribute to a safe working environment, regulatory compliance and a culture of proactive risk management.

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

Yes. The Company has established mechanisms that enable employees to report workplace hazards and concerns through defined reporting channels. Employees may escalate issues through their reporting hierarchy or directly through the dedicated helpline (+91 11 4351 8888). This framework supports timely resolution of concerns and reinforces a safe and transparent work environment.

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

Yes, the Company provides employees with access to healthcare and financial protection benefits through insurance programs, including group term life, health and personal accident coverage. These benefits extend beyond workplace-related risks and support the overall well-being of employees and their families, reflecting the Company's focus on employee welfare and social security.

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

Safety Incident/Number	Category	FY 2025-26	FY 2024-25
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 operation

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

Paisalo is committed to maintaining a safe and healthy workplace through appropriate health and safety measures across its offices. Key facilities, including fire safety equipment, adequate ventilation and access to safe drinking water, are maintained to support employee well-being and workplace safety.

The Company further strengthens its safety culture through periodic awareness programs, safety training sessions and emergency preparedness drills. These measures, supported by compliance with applicable health and safety requirements, contribute to a safe, secure and conducive work environment for employees.

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

Category	FY 2025-26			FY 2024-25		
	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 places importance on maintaining safe, hygienic and respectful workplaces that support employee well-being and dignity. Regular internal assessments are conducted across office locations to review workplace conditions and strengthen adherence to established health and safety standards.
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. The Company provides life insurance coverage of ₹10 lakhs to all employees under its employee welfare framework. The coverage is designed to extend financial support to employees' families and reflects the Company's focus on employee well-being and social protection.

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

2. **Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners**
Upholding regulatory compliance across the value chain remains an integral part of Paisalo's responsible business approach. The Company expects its value chain partners to fully comply with all applicable statutory requirements, including the timely deduction and deposit of statutory dues. These expectations are formally incorporated into contractual agreements with vendors and suppliers, thereby promoting transparency, accountability, and compliance-led engagement.

   The Company further supports this commitment through a structured monitoring mechanism that includes periodic reviews and audits of value chain partners. This process enables effective verification of compliance with statutory obligations, helps mitigate associated risks, and reinforces Paisalo's commitment to responsible and ethical business conduct across its supply chain ecosystem.

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 2025-26	FY 2024-25	FY 2025-26	FY 2024-25
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, including counseling support for departing employees to assist them in career planning and future readiness. In addition, the Company offers guidance and relevant resources to help employees explore alternative employment opportunities, enabling a smoother transition during retirement or separation from service.

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 significant corrective actions emerged from the assessment of value chain partners.

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.**
At Paisalo, stakeholders are viewed as key participants in the Company's growth journey, encompassing those who are impacted by its operations as well as those who influence its business. These include employees, shareholders, investors, customers, channel partners, regulators, lenders, and the wider community. The Company recognizes that its policies, decisions, products, services, and business activities have a direct bearing on stakeholder interests and expectations. Accordingly, Paisalo maintains regular and meaningful engagement with its stakeholders through its established policies and processes, enabling constructive dialogue, timely resolution of concerns, and appropriate corrective action, wherever required. This approach helps foster relationships built on fairness, transparency, consistency, and mutual trust.

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	Yes	In- person Meetings	Need based	To undertake CSR Initiatives
Investors	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.
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 and insights from stakeholder engagements are regularly presented to the Board through structured discussions and formal forums. This enables the Board to consider stakeholder perspectives on economic, environmental, and social matters while making strategic decisions, thereby strengthening governance and enhancing the responsiveness of the Company's long-term business strategy.

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 actively engages with key stakeholders, including customers, employees, investors, and community representatives, to identify and assess material ESG issues. Insights gathered through these interactions contribute to the continual refinement of the Company's sustainability policies and operational practices. This engagement-driven approach helps ensure that Paisalo's initiatives remain aligned with stakeholder expectations, community priorities, 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 2025-26			FY 2024-25		
	Total (A)	No. of employees/ workers covered (B)	% (B/A)	Total (C)	No. of employees/ workers covered (D)	% (D/C)
Employees						
Permanent	3076	3076	100%	3178	3178	100%
Other than permanent	0	0	0	0	0	0
Total Employees	3076	3076	100%	3178	3178	100%
Workers*						
Permanent	N/A					
Other than permanent						
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**

Category	FY 2025-26					FY 2024-25				
	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	2978	13	0.43%	2965	99.56%	3095	11	0.36%	3084	99.64%
Female	98	0	0.00%	98	100%	83	0	0.00%	83	100.00%
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	3076	13	0.43%	3063	99.57%	3178	11	0.36%	3178	99.66%

Workers*	
Permanent	N/A
Male	
Female	
Other than Permanent	
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:**
Median remuneration / wages

Category	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category (in INR lacs)	Number	Median remuneration/ salary/ wages of respective category (in INR lacs)
Board of Directors (BoD)	5	132.00	0	0.00
Key Managerial Personnel (KMP)	1	22.26	0	0.00
Employees other than BoD and KMP	2972	2.61	98	3.86
Workers*	N/A			

Note: *Paisalo Digital Limited does not employ any permanent or contractual workers considering the nature of business operations
-In Board of Directors, Independent Directors are not included.

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

	FY 2025-26	FY 2024-25
Gross wages paid to females as % of total wages	6%	6%

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 established a Whistle Officer/Committee to address concerns relating to human rights. The Committee ensures the confidential and impartial examination of reported matters, reinforcing the Company's commitment to ethical conduct and the protection of employee rights.

5. **Describe the internal mechanisms in place to redress grievances related to human rights issues.**
Paisalo has put in place a dedicated mechanism for addressing human rights-related concerns through its Employee Grievance Redressal Policy and Vigil Mechanism Policy. These mechanisms provide employees with a safe and confidential channel to raise concerns, including anonymously, without fear of retaliation. The Company is committed to creating a workplace built on dignity, respect, and inclusivity, where every individual feels safe and valued. Guided by a zero-tolerance approach towards child labour, forced labour, human trafficking, slavery, and all forms of abuse or harassment.

Paisalo ensures that all employment and business relationships are entered into voluntarily and with informed consent.

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:**

Category	FY 2025-26			FY 2024-25		
	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	1	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

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

	FY 2025-26	FY 2024-25
Total Complaints reported under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	1	0
Complaints on POSH as a % of female employees / workers	1	0
Complaints on POSH upheld	0	0
Forced Labour/ Involuntary Labour	0	0
Wages	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 provide a secure channel for reporting suspected violations of the Company's Code of Conduct, including concerns relating to discrimination and harassment. All complaints raised in good faith are treated with strict confidentiality and reviewed through an impartial process. The Company has also instituted appropriate safeguards to protect whistleblowers from any form of retaliation, intimidation, or victimization, thereby fostering a culture of trust, accountability, and ethical conduct.

9. **Do human rights requirements form part of your business agreements and contracts? (Yes/No)**
No, human rights requirements have not yet been formally incorporated into business agreements and contracts. However, Paisalo recognizes the importance of respecting and promoting human rights across its operations and business relationships. The Company is currently progressing towards implementing its Human Rights Policy commitments and remains committed to strengthening its approach in this area. As part of this journey, Paisalo is working towards developing a formal Human Rights Policy to further embed human rights considerations across its business practices.

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 changes were made to the existing processes for handling human rights-related grievances and complaints, and no new mechanisms were introduced.

2. **Details of the scope and coverage of any Human rights due diligence conducted.**
Paisalo places emphasis on upholding human rights across its business operations and employee interactions. The Company's Whistleblower Policy provides employees with a confidential channel to raise concerns, while the HR Department monitors and addresses reported matters 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 designed to be accessible to differently abled visitors in line with the provisions of the Rights of Persons with Disabilities Act, 2016. The Company has put in place appropriate infrastructure and support measures to facilitate ease of movement and ensure a safe, convenient, and dignified experience for all visitors.

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 2025-26	FY 2024-25
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	3,059.49	9,649.56
Total fuel consumption (E)	GJ	14,800.54	24,500.29*
Energy consumption through other sources (F)	GJ	0	0
Total energy consumption from non - renewable sources (D+E+F) (GJ)	**GJ**	**17,860.03**	**34149.85**
Total energy consumption (A+B+C+D+E+F) (GJ)	**GJ**	**17,860.03**	**34149.85**
Energy intensity per rupee of turnover (Total energy consumption in GJ/ turnover in rupees in Crores)	GJ/Mn (INR)	1.89	3.76
Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total energy consumed / Revenue from operations adjusted for PPP)^	GJ//$PPP	38.49	77.6
Energy intensity in terms of physical output	-	-	-
Energy intensity (optional) – the relevant metric may be selected by the entity	-	-	-

Note: ^The PPP rate used for FY 2025-26 is 20.34 which draws reference from the International Monetary Fund (IMF) database.

*The data for FY 2024-25 has been restated due to a change in approach and methodology to ensure consistency and comparability across reporting periods. The impact of this restatement is immaterial.

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 2025-26	FY 2024-25
Water withdrawal by source (in kilolitres)			
(i) Surface water	KL	0	0
(ii) Groundwater	KL	0	0
(iii) Third party water	KL	15,256.96	15,762.88
(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**	**15,256.96**	**15,762.88**
Total volume of water consumption (in kilolitres)	**KL**	**3051.39**	**3152.58**
Water intensity per rupee of turnover (Water consumed / turnover)	**KL/Mn (INR)**	**0.32**	**0.43**
Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total water consumption/Revenue from operations adjusted for PPP)^	**KL/$PPP**	**6.58**	**8.86**
Water intensity in terms of physical output	**-**	**-**	**-**
Water intensity (optional)– the relevant metric may be selected by the entity	**-**	**-**	**-**

Note: The PPP rate of 20.34 is utilized for all data within the BRSR Report has been sourced from the International Monetary Fund (IMF)Fiscal Year 2026 data.

*For FY 2025-26, water discharged has been estimated at approximately 80% of the total water withdrawn, in line with CPCB guidelines and established industry water-balance practices. Consequently, water consumption has been estimated at approximately 20% of total water withdrawn. The data for FY 2024-25 has been reinstated to ensure consistency and comparability across reporting periods. The Impact of which is immaterial.

4. Provide the following details related to water discharged:

Parameter	Unit	FY 2025-26	FY 2024-25
Water discharge by destination and level of treatment (in kilolitres)			
(i) To Surface water	KL	-	-
-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	12205.57^	12610.30^
- With treatment – please specify level of treatment	KL	-	-
Total water discharged (in kilolitres)	KL	12205.57	12610.30

Note: ^We have considered that water discharged is ~80% of the total water withdrawn, in line with CPCB guidelines and established industry water balance practices. Accordingly, ~20% of the total water withdrawal is assumed to be consumption. This assumption has been reviewed and validated as part of our internal methodology. The data for FY 2024-25 has been reinstated to ensure consistency and comparability across reporting periods, the Impact of which is immaterial.

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 2025-26	FY 2024-25
NOx	-	Considering the nature of business operations, this is N/A	
SOx	-		
Particulate Matter (PM)	-		
Persistent organic pollutants	-		
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 2025-26	FY 2024-25
Scope 1	Metric tons of CO2 equivalent	898.24	170.27
Scope 2	Metric tons of CO2 equivalent	603.4	626.35
Total	Metric tons of CO2 equivalent	1501.64	796.62
Total Scope 1 and Scope 2 emissions per rupee of turnover	tc02/Mn	0.159	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)^	tc02 / $PPP	3.24	2.24
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 PPP rate used for FY 2025-26 is 20.34 which draws reference from the International Monetary Fund (IMF) database.
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.
While Paisalo does not currently have a dedicated project focused exclusively on the reduction of greenhouse gas (GHG) emissions, the Company continues to integrate environmental sustainability into its operations and business offerings through a range of initiatives.

Resource Efficiency and Waste Reduction: The Company consistently works towards reducing paper consumption across its operations and promotes the reuse and recycling of paper wherever feasible. In addition, efforts are undertaken to encourage responsible use of resources and minimize operational waste.

Energy-Efficient Infrastructure: Paisalo's registered and corporate offices are designed to maximize the use of natural light, thereby reducing dependence on artificial lighting. The Company also deploys energy-efficient and star-rated equipment to optimize energy consumption and support resource conservation.

Environment-Friendly Facilities: The Company has installed air-conditioning systems equipped with R32 refrigerants, which have a lower environmental impact and contribute to reduced carbon emissions.

Sustainable Financing Solutions: Paisalo offers financing solutions for electric vehicles (EVs), supporting

the transition towards cleaner and more sustainable mobility. Through this initiative, the Company seeks to encourage the adoption of environmentally responsible transportation solutions, particularly in rural and semi-urban markets.

Supporting a Low-Carbon Future: Through its operational initiatives and sustainable product portfolio, Paisalo continues to contribute towards environmental stewardship and aligns its efforts with the broader objective of promoting a cleaner and more sustainable future.

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

Parameter	Unit	FY 2025-26	FY 2024-25
Total waste generated (in metric tonnes)			
Plastic waste (A)	MT	0	0
E-waste (B)	MT	0.08	0.07
Bio-medical waste (C)	MT	-	-
Construction and demolition waste (D)	MT	-	-
Battery waste (E)	MT	-	-
Radioactive waste (F)	MT	-	-
Other Hazardous waste. Please specify, if any. (G)	MT	-	-
Other Non-hazardous waste generated (H).	MT	-	-
Total (A+B + C + D + E + F + G + H)	MT	0.08	0.07
Waste intensity per rupee of turnover (Total waste generated / Revenue from operations)	MT/MN	0.00001	0.00001
Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total waste generated / Revenue from operations adjusted for PPP)	MT/$PP	0.000172	0.000197
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 2025-26	FY 2024-25
(i) Recycled	0.08	0.07
(ii) Re-used	-	0
(iii) Other recovery operations	-	0
Total	0.08	0.07
For each category of waste generated, total waste disposed by nature of disposal method (in metric tons)		
Category of waste	**FY 2025-26**	**FY 2024-25**
(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 company, Paisalo's operations do not result in the generation of hazardous or toxic waste. Nevertheless, the Company remains committed to responsible resource management and sustainable workplace practices. Efforts are made to minimize the use of plastic bottles, disposable cutlery, cups, plates, and spoons, while maintaining a complete avoidance of single-use plastics. Food waste generated at office premises is disposed of through the designated municipal authorities. Further, as part of its sustainability efforts, the Company has replaced paper napkins with reusable cotton alternatives, promoting the efficient use of resources and reducing waste generation.

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 office locations situated in or in proximity to ecologically sensitive areas such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, or coastal regulation zones that would necessitate environmental approvals or clearances. The Company continues to comply with all applicable environmental requirements, and during the reporting period, no observations, fines, penalties, or regulatory actions were received from any statutory 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 2025-26	FY 2024-25
Total Scope 3 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tons of CO2 equivalent	287.004	-
Total Scope 3 emissions per rupee of turnover	Metric tons of CO2 equivalent	0.00313	
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, the Company has a robust Business Continuity and Disaster Recovery Plan in place, approved by the Board, to strengthen operational resilience and ensure uninterrupted service delivery during unforeseen disruptions. The DR site also has a complete alternative setup situated at a different geographical location, in line with the laid-down regulatory guidelines. The Company conducts periodic BCP testing and compliance testing. The BCP and DR plan are reviewed and updated as and when needed. This enables the Company to continue serving its stakeholders effectively, particularly underserved communities.

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.**
Paisalo is associated with 3 National/State Trade & Industry Chambers.

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.**
As per the prevailing laws, Paisalo's current CSR expenditures and activities are not subject to mandatory Social Impact Assessment requirements; therefore, 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 is committed to upholding a fair, transparent, and responsive work environment through a structured grievance redressal mechanism. Employees and other stakeholders have access to appropriate channels to raise concerns, which are reviewed and addressed at the relevant level, with escalation mechanisms in place wherever necessary. The Company strives to resolve grievances in a timely manner, generally within one month of receipt, except in cases requiring detailed verification of facts and records. The Board periodically reviews the implementation of the Fair Practices Code and oversees the effectiveness of the grievance redressal mechanism, reflecting the Company's commitment to accountability, fairness, and stakeholder trust.

- 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

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

Name	FY 2025-26	FY 2024-25
Directly sourced from MSMEs/ small producers	Not Assessed	
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 2025-26	FY 2024-25
Rural	61%	63%
Semi-urban	22%	21%
Urban	9%	9%
Metropolitan	8%	7%

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)
1.	Distribution of Food	U.P., Andhra P., Delhi	8,589,642
2.	Promoting health care including preventive eye health	UP, Delhi	2,229,992
3.	Promoting skill Development, Education and Increasing Employment	UP, Delhi, Mumbai	27,955,146.44
4.	Clothes Distribution to poor people	UP, Delhi, Tamil Nadu	290,500
5.	Laptop Distribution	Delhi, UP, Jharkhand	4,717,640
	Total		**43,782,920.44**

The Company has undertaken various CSR activities amounting to INR 43.78 million during FY 2025-26, 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)
Given the nature of its financial services business, Paisalo's procurement requirements are limited, and engagements with suppliers from marginalized or vulnerable groups are not significant at present.

(b) From which marginalized /vulnerable groups do you procure?
Given the nature of its financial services business, Paisalo's procurement requirements are limited, and engagements with suppliers from marginalized or vulnerable groups are not significant at present.

(c) What percentage of total procurement (by value) does it constitute?
Given the nature of its financial services business, Paisalo's procurement requirements are limited, and engagements with suppliers from marginalized or vulnerable groups are not significant at present.

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:
Given the nature of its financial services operations, Paisalo does not derive or share benefits arising from intellectual property assets. Accordingly, this disclosure is not applicable to the Company.

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 Food	125,000	100%
2.	Promoting health care including preventive eye health	1,800	100%
3.	Promoting skill Development, Education and Increasing Employment	1,800	100%
4.	Clothes Distribution to poor people	6,500	100%
5.	Laptop Distribution	320	100%
	Total	**1,35,420**	**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/mails/ 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: - RBI CMS Portal: https://cms.rbi.org.in
- RBI Contact Centre Phone Number: 14448
- RBI Postal Address: Reserve Bank of India Centralised Receipt and Processing Centre, 4th Floor, Sector 17, Chandigarh – 160017

For the customer's feedback Company has 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	Considering the nature of the Company's business as a financial services provider, this requirement is not applicable.
Safe and responsible usage	
Recycling and/or Safe Disposal	

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

Category	FY 2025-26		Remarks	FY 2024-25		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 established an Information Technology Policy that governs cyber security, data privacy and the outsourcing of IT services. Complementing this framework, a dedicated Data Privacy Policy is in place and is publicly accessible through 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/

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.**
In FY2025-26, there were no instances relating to advertising and delivery of services, customer data privacy and cyber security, or recurrence of product recall-related matters that called for corrective action. The Company was also not subject to any penalties or regulatory actions concerning the safety of its products or 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 Company's primary financial products and services are accessible through its website (https://www.paisalo.in/). In addition, information is disseminated through multiple channels, including email communications, advertisements and direct engagement with Relationship Managers, ensuring effective outreach and customer connect.

2. **Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.**
Paisalo offers a range of financial solutions, including MSME Loans, Vehicle Loans and Small Income Generation Loans, aimed at addressing the credit needs of underserved communities across India. The Company complies with all applicable disclosure requirements relating to its products and services. To promote customer awareness and financial safety, the Company regularly leverages its website and other communication channels to share guidance on fraud prevention and safe financial practices.

3. **Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.**
Paisalo promotes customer awareness through regular communication on product features, benefits and associated risks across multiple channels, including emails, SMS alerts and social media platforms. This approach supports informed decision-making while reinforcing transparency and customer 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, the Company ensures transparency in its loan offerings by clearly communicating the applicable terms and conditions through customer documentation. Information relating to the Company's loan products, including ticket sizes, is also available on its website

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)**
Yes, Paisalo places customer interest at the centre of its operations and regularly gathers feedback to assess service quality and customer satisfaction. The insights derived from these interactions support continuous improvements in processes and service delivery, helping the Company enhance the overall customer experience.

ANNEXURE 'E'

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 Purushottanm Agarwal (Managing Director & CEO) -151.33:1
		Mr. Anoop Krishna (Executive Director) - 20.27:1
		Mr. Harish Singh (Executive Director & CFO) - 25.12:1
		Mr. Santanu Agarwal (Deputy Managing Director) - 69.21:1
		Mr. Vinod Kumar (Executive Director) - 19.29:1
		No other Directors are in receipt of remuneration
2	Percentage increase in remuneration of each director, CFO, CEO, Company Secretary or Manager, if any, in financial year	**Director**
		Mr. Sunil Purushottanm Agarwal (Managing Director & CEO)-0.00%
		Mr. Anoop Krishna (Executive Director)- 8.39%
		Mr. Harish Singh (Executive Director & CFO)- 29.13%
		Mr. Santanu Agarwal (Deputy Managing Director) -0.00%
		Mr. Vinod Kumar (Executive Director)- N.A.
		Key Managerial Person
		Mr. Harish Singh (Executive Director & CFO)- 29.13%
		Mr. Manendra Singh (Company Secretary & Chief Compliance Officer)- 19.03%
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	3,076 as on March 31, 2026
5	Average percentile increases already made	During the financial year 2025-26, Employees remuneration increased by 23.44% as against the 8.97% increase in Managerial Remuneration
	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	

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 : 05.08.2026

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

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

Sd/-
Harish Singh
Executive Director
DIN : 00039501

Corporate Governance *Report*

2026

Corporate Governance is a fundamental pillar of sustainable business success, fostering transparency, accountability, ethical conduct, and responsible decision-making across the organization. It not only ensures compliance with applicable laws, regulations, and industry standards but also serves as a guiding framework for organizational behavior, risk management, and stakeholder engagement.

A robust corporate governance framework enables the Company to effectively align its strategic objectives with the interests of its stakeholders, thereby enhancing long-term value creation. It establishes the foundation for prudent management practices, strengthens internal controls, promotes responsible risk-taking, and supports informed decision-making. By embedding principles of integrity, fairness, and transparency into its operations, the Company reinforces stakeholder confidence and enhances its reputation in an increasingly competitive business environment.

Effective governance practices play a critical role in balancing the interests of shareholders, customers, employees, regulators, lenders, and the broader community. They facilitate strategic planning, promote operational excellence, and contribute to the creation of a positive and accountable corporate culture. More importantly, corporate governance extends beyond mere compliance with statutory requirements; it reflects the spirit of the law and embodies the Company's commitment to ethical business conduct and sustainable growth.

In recent years, the evolving regulatory landscape has increased the governance, compliance, and oversight responsibilities of corporates, bringing new operational and regulatory challenges while adding to the complexity and cost of managing business operations. However, adherence to sound governance standards not only safeguards investor interests but also strengthens public trust and supports the long-term resilience and sustainability of the Non-Banking Financial Company (NBFC) sector in which the Company operates.

Recognizing the dynamic nature of the regulatory environment, the Company remains committed to continuously enhancing its governance framework, refining its policies and practices, and adopting evolving best practices to ensure effective oversight, regulatory compliance, and sustainable value creation for all stakeholders.

Our Governing Principles on Corporate Governance

At Paisalo Digital Limited, corporate governance is embedded in our organizational culture and serves as the foundation for sustainable growth, stakeholder trust, and long-term value creation. Proudly serving Bharat since 1992, the Company has earned the trust of its stakeholders through its unwavering commitment to ethical conduct, transparency, and sound corporate governance. Over the years, the Company has consistently strengthened its governance framework to meet evolving business and regulatory expectations while maintaining the highest standards of integrity and accountability.

As a listed Non-Banking Financial Company (NBFC), Paisalo Digital Limited adheres to the governance framework prescribed under the Companies Act, 2013, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the applicable Master Directions and Guidelines issued by the Reserve Bank of India (RBI), and other relevant statutory and regulatory requirements. These frameworks emphasize effective Board oversight, prudent risk management, robust internal controls, transparency in disclosures, and protection of stakeholder interests.

The Company has established a comprehensive governance framework comprising well-defined policies, processes, systems, and Board Committees that facilitate informed decision-making and ensure the optimal allocation of resources. Our governance practices reflect our unwavering commitment to regulatory compliance, responsible business conduct, and the creation of sustainable value for all stakeholders.

We, at Paisalo, recognize that sound corporate governance is intrinsically linked to business excellence, corporate responsibility, financial resilience, and stakeholder confidence. Accordingly, our governance framework is founded on the core principles of integrity, fairness, equity, transparency, accountability, responsibility, and commitment to our values.

The following principles guide the Company's Corporate Governance Framework:

1. **Effective Board Leadership and Oversight–** Maintaining a diverse, competent, and balanced Board with an appropriate mix of skills, experience, independence, and expertise to provide strategic guidance and effective oversight.

2. **Timely and Transparent Information Flow–** Ensuring that the Board and its Committees receive accurate, relevant, and timely information to facilitate informed deliberations and decision-making.

3. **Robust Risk Management and Internal Controls–** Establishing and continuously strengthening a comprehensive risk management framework and internal control systems to safeguard the Company's assets, operations, and reputation.

4. **Strategic Direction and Sustainable Value Creation–** Developing and executing business strategies under the oversight of the Board to achieve sustainable growth, financial inclusion, and long-term stakeholder value.

5. **Integrity of Financial Reporting–** Ensuring independent review, verification, and transparent reporting of financial information to maintain the highest standards of accuracy, reliability, and accountability.

6. **Transparent and Timely Disclosures–** Providing fair, accurate, and timely disclosure of material information to stakeholders in compliance with applicable laws and regulatory requirements.

7. **Board Independence and Governance Excellence–** Promoting transparency in Board processes and preserving the independence and effectiveness of the Board and its Committees.

8. **Fair Treatment of Stakeholders–** Upholding the principles of fairness and equality in dealing with all stakeholders, including customers, employees, shareholders, investors, lenders, regulators, and business partners.

9. **Stakeholder Accountability and Engagement–** Maintaining open communication and accountability to stakeholders while fostering trust and confidence through responsible business practices.

10. **Regulatory Compliance and Ethical Conduct–** Ensuring strict adherence to applicable laws, regulations, and governance standards while fostering a culture of ethics, compliance, and responsible corporate citizenship.

Through these guiding principles, Paisalo Digital Limited remains committed to strengthening its governance framework, enhancing stakeholder confidence, and delivering sustainable growth while advancing its mission of financial inclusion across Bharat.

Company's Philosophy on Corporate Governance
At Paisalo Digital Limited, Corporate Governance is not merely a framework of rules and regulations; it is a reflection of our core values and the foundation upon which we conduct our business. The Company has built its legacy on the principles of integrity, transparency, accountability, fairness, and responsible business conduct.

Our philosophy of Corporate Governance is centred on creating sustainable value for all stakeholders while upholding high standards of ethical behaviour and regulatory compliance. We firmly believe that good governance practices enhance organizational resilience, strengthen stakeholder confidence, and contribute to long-term business success.

As a responsible and professionally managed Company, we are committed to fostering a culture of openness, trust, and accountability across all levels of the organization. Effective communication forms an integral part of our governance framework, enabling transparent engagement with stakeholders, facilitating informed decision-making, and promoting a collaborative and performance-driven work environment.

The Company's governance framework extends beyond statutory compliance and seeks to embody the spirit of good governance. Our business practices, organizational structure, internal controls, and disclosure mechanisms are designed to ensure transparency, fairness, and accountability in our dealings. We continuously strive to adopt and implement governance best practices that support sustainable growth and reinforce stakeholder trust.

The Board of Directors provides strategic direction and oversight, ensuring that the Company's operations are aligned with its vision, values, and long-term objectives. Through prudent governance and effective risk management, the Board seeks to balance the interests of customers, employees, shareholders, investors, regulators, lenders, and the communities we serve.

At Paisalo Digital Limited, we regard our stakeholders as valued partners in our growth journey. We remain committed to protecting their interests, fostering inclusive growth, and creating enduring value, while navigating evolving business environments and economic challenges with responsibility and resilience.

Our unwavering commitment to sound Corporate Governance continues to guide us in fulfilling our mission of advancing financial inclusion and empowering underserved communities across Bharat.

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
- Policy on Prevention of Sexual Harassment at The Workplace (POSH)
- 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 provisions of the Companies Act, 2013, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and the applicable corporate governance guidelines issued by the Reserve Bank of India ("RBI"), Paisalo Digital Limited follows a transparent and merit-based process for the appointment and evaluation of its Directors.

The Board of Directors serves as the apex governing body of the Company and is responsible for providing strategic direction, overseeing management performance, ensuring regulatory compliance, and safeguarding the interests of all stakeholders. The Board's composition is designed to achieve an appropriate balance of skills, experience, independence, diversity, and industry expertise, enabling effective governance and informed decision-making.

The Company recognizes that an effective Board requires a combination of diverse professional competencies, independent perspectives, and deep institutional knowledge. Accordingly, the composition of the Board is periodically reviewed to ensure that it remains aligned with the Company's evolving business requirements, regulatory expectations, and long-term strategic objectives.

The Nomination and Remuneration Committee ("NRC") plays a pivotal role in identifying and recommending individuals for appointment to the Board. While evaluating prospective Directors, the NRC considers a range of factors, including professional expertise, industry experience, leadership capabilities, integrity, independence, strategic acumen, financial literacy, regulatory understanding, and other behavioural competencies necessary for effective Board functioning.

Directors are entrusted with the responsibility of acting in the best interests of the Company and its stakeholders. In fulfilling their fiduciary duties, they provide oversight on key matters including strategy formulation, risk management, financial performance, regulatory compliance, technological transformation, market competitiveness, sustainability initiatives, and Environmental, Social and Governance (ESG) considerations. These responsibilities and governance practices are appropriately reflected in the Company's Board Report.

The Board comprises accomplished professionals with extensive experience across diverse fields including finance, banking, accounting, law, business management, governance, and public policy. Their collective expertise provides valuable guidance in navigating the evolving business and regulatory landscape while supporting the Company's mission of advancing financial inclusion across Bharat.

As on March 31, 2026, the Board comprised ten Directors, including five Independent Directors. The composition of the Board is in compliance with the requirements of the Companies Act, 2013, RBI guidelines, and SEBI Listing Regulations. In the opinion of the Board, the Independent Directors possess the requisite integrity, expertise, and experience and fulfil the conditions of independence prescribed under the applicable provisions of the Companies Act, 2013 and the SEBI Listing Regulations. They remain independent of the management and contribute objective judgment to Board deliberations and decision-making processes.

The NRC follows a rigorous evaluation process while considering candidates for appointment as Independent Directors. Individuals with proven professional credentials, sound judgment, high ethical standards, and the ability to provide independent perspectives are considered for such appointments. The Committee also reviews the existing directorships and committee memberships of prospective candidates to ensure their ability to devote sufficient time and attention to the affairs of the Company.

The Company ensures ongoing compliance with all applicable regulatory requirements relating to Board composition and directorships. The Board confirms that no Independent Director serves as a Non-Independent Director on the Board of another company where any Non-Independent Director of Paisalo Digital Limited serves as an Independent Director. Further, no Independent Director holds directorships in excess of the limits prescribed under Regulation 17A of the SEBI Listing Regulations. Similarly, no Director exceeds the permissible limits relating to committee memberships and chairmanships prescribed under applicable regulatory provisions.

In terms of Clause C(2)(i) of Schedule V read with Regulation 34(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has reviewed the declarations and confirmations received from the Independent Directors and is satisfied that they meet the prescribed criteria of independence and are independent of the management.

To promote transparency and ensure continued regulatory compliance, the Company obtains annual disclosures from all Directors regarding their directorships, committee positions, shareholding interests, and other relevant statutory declarations. These disclosures are reviewed periodically by the Board and the NRC.

In accordance with the provisions of the Companies Act, 2013 and pursuant to resolution(s) passed by the Shareholders, the Managing Director and the Non-Executive Independent Directors are not liable to retire by rotation. The Company remains committed to maintaining a strong, diverse, and independent Board that upholds the highest standards of corporate governance and provides effective stewardship in pursuit of sustainable growth and long-term stakeholder value creation.

Brief Profiles of Directors

Mr. Sunil Purushottanm Agarwal (Managing Director & Chief Executive Officer)
Mr. Sunil Purushottanm Agarwal an entrepreneur and promoter with over three decades of experience in financial services.

He is the Founder, Promoter, Managing Director and Chief Executive Officer of Paisalo Digital Limited. Since establishing the Company at a young age, he has played a pivotal role in transforming it into one of India's leading financial inclusion-focused NBFCs. Under his visionary leadership, the Company has expanded its footprint across the country and built a robust business model focused on last-mile credit delivery. His expertise spans strategic planning, business development, financial management, stakeholder engagement, and organizational leadership.

He provides overall strategic direction to the Company and oversees business growth, capital allocation, financial performance, and long-term value creation for stakeholders.

Mr. Anoop Krishna (Executive Director)
Mr. Anoop Krishna is a Career Banker with over 35 years of experience in the banking sector. He retired from State Bank of India as Chief General Manager after an accomplished career spanning corporate banking, credit management, business development, and institutional relationships. He held several senior leadership positions, including heading SBI's Corporate Accounts Group and Mid Corporate Group. His extensive experience in managing large portfolios and leading diverse teams provides valuable strategic insight to the Company.

He is responsible for providing strategic guidance on funding, banking relationships, institutional partnerships, and capital management initiatives.

Mr. Harish Singh (Executive Director & Chief Financial Officer)
Mr. Harish Singh is a Fellow Member of the Institute of Chartered Accountants of India (ICAI); Master's Degree in Commerce. He brings more than two decades of experience in financial management, taxation, auditing, treasury operations, fund raising, corporate advisory services, and regulatory compliance. He possesses extensive knowledge of financial reporting frameworks, governance requirements, and statutory regulations.

He oversees the Company's finance, treasury, accounting, compliance, fund raising, and financial planning functions while supporting strategic decision-making and operational excellence.

Mr. Santanu Agarwal (Deputy Managing Director)
Mr. Santanu Agarwal holds a Bachelor's degree in Commerce and Law. He joined the Company in 2017 and has been instrumental in driving its digital transformation and technology-led growth strategy. He has successfully led key strategic initiatives, including co-lending partnerships with leading public sector and private sector banks and expansion of the Company's technology-enabled distribution ecosystem. Prior to joining the Company, he gained international exposure through assignments in algorithmic and foreign exchange trading organizations in Singapore and Hong Kong.

He leads strategic business initiatives, technology transformation, digital innovation, risk management, fund raising, and strategic partnerships.

Mr. Vinod Kumar (Executive Director)
Mr. Vinod Kumar did his Bachelor of Science (B.Sc.) from Osmania University, Certified Associate of the Indian Institute of Bankers (CAIIB), and Executive Master of Business Administration (Executive MBA) from S. P. Jain Institute of Management and Research. Mr. Kumar is a seasoned banking professional with over 35 years of experience at State Bank of India, where he retired as Chief General Manager. He has held leadership positions across corporate credit, international banking, risk management, and overseas operations. He served as Chief Executive Officer of SBI Osaka Branch, Japan, and represented SBI on the Boards of various domestic and international institutions.

He contributes to the Company's strategic initiatives by leveraging his expertise in banking operations, credit management, risk oversight, and institutional governance.

Mrs. Nisha Jolly (Independent Director)
Mrs. Nisha Jolly holds B.Sc., B.Ed., M.Sc. (Genetics) degree and she is Certified Associate of Indian Institute of Bankers. Mrs. Nisha Jolly is a retired senior banker with more than 34 years of experience at Punjab National Bank. During her distinguished career, she held various leadership positions across branch banking, credit operations, foreign exchange, customer relationship management, and policy formulation.

She, as an Independent Director, brings valuable insights in banking operations, lending practices, governance, and customer-centric financial services while providing independent oversight to the Board.

Mr. Raman Aggarwal (Independent Director)
Mr. Raman Aggarwal holds a Bachelor's Degree in Civil Engineering; a Master's Degree in Urban Planning; and is a Fellow Member, Institute of Directors. Mr. Aggarwal is a widely recognized leader in the NBFC sector with over three decades of experience in financial services, policy advocacy, and industry development. He serves as Chief Executive Officer of the Finance Industry Development Council (FIDC) and has represented the NBFC industry before various regulatory and policy-making bodies, including the Ministry of Finance, RBI, SIDBI, and industry associations.

As an Independent Director, he provides strategic guidance on regulatory developments, industry best practices, governance standards, and policy matters impacting the NBFC sector.

Mr. Vijuy Ronjan (Independent Director)
Mr. Vijuy Ronjan is senior banking professional with over 36 years of experience. Mr. Ronjan retired as Chief General Manager of State Bank of India after an accomplished career spanning retail banking, corporate credit, international banking, foreign exchange, human resources, and risk management. He played a significant leadership role during the integration of SBI's associate banks and establishment of the Jaipur Circle.

He contributes independent perspectives on banking operations, risk management, organizational transformation, and strategic growth initiatives.

Dr. Dharmendra Singh Gangwar (Independent Director)
Dr. Dharmendra Singh Gangwar is MBBS (Gold Medalist); Senior Indian Administrative Service Officer; Executive Education from Harvard Kennedy School, Duke University and IIM Ahmedabad. He is a distinguished administrator and public policy expert with over 35 years of experience in governance and public administration. He has served in several senior leadership positions in the Government of India and the Government of Bihar, including Secretary (Border Management), Ministry of Home Affairs, and Additional Secretary & Financial Advisor, Ministry of Health & Family Welfare.

At Paisalo Digital Limited, he, as an Independent Director, provides valuable insights on governance, public policy, regulatory affairs, sustainability, stakeholder engagement, and institutional development.

Mr. Jitendra Kumar Ojha (Independent Director)
Mr. Jitendra Kumar Ojha is a postgraduate from Jawaharlal Nehru University; M.Phil. in Diplomacy; Former Joint Secretary, Government of India. Mr. Ojha is an accomplished strategist, governance expert, and former civil servant with over 26 years of experience in public administration, national security, diplomacy, geopolitics, and institutional leadership. He has held several senior positions in the Government of India and is widely respected for his thought leadership in strategy, governance, and policy formulation.

He, as an Independent Director in Paisalo Digital Limited, contributes strategic perspectives on governance, risk assessment, public policy, institutional development, and long-term sustainability matters.

Familiarisation 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.

Key Board Skills, Expertise and Competencies:

As on March 31, 2026, 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:

Board Member	CORE SKILLS/ COMPETENCIES/ EXPERTISE							
	Strategy and planning	**Policy Development**	**Governance, Risk and Compliance**	**Financial Performance**	**Communications**	**Commercial Experience**	**Technology**	**Executive management**
	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.**
Mr. Sunil Purushottanm Agarwal	√	√	√	√	√	√	√	√
Mr. Anoop Krishna	√	√	√	√	√	√	√	√
Mr. Harish Singh	√	√	√	√	√	√	√	√
Mr. Santanu Agarwal	√	√	√	√	√	√	√	√
Mr. Vinod Kumar	√	√	√	√	√	√	√	√
Mr. Raman Aggarwal	√	√	√	√	√	√	√	√
Mrs. Nisha Jolly	√	√	√	√	√	√	√	√
Mr. Vijuy Ronjan	√	√	√	√	√	√	√	√
Dr. Dharmendra Singh Gangwar	√	√	√	√	√	√	√	√
Mr. Jitendra Kumar Ojha	√	√	√	√	√	√	√	√

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, 5 (Five) Board Meetings were held on April 8, 2025; May 9, 2025; July 21, 2025; November 10,2025 and February 6, 2026. 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, 2026:

S. No.	Name of Director	Director Identification Number	Category	No. of Shares/ convertible instruments held in Company as on March 31, 2026	Board meeting held in FY 2025-26 during directors tenure	Attendance at Board meeting	Attendance at Last AGM held on September 29, 2025	No. of Directorship held in other Companies[1]	Committee Positions in other Public Companies2			Name of other listed Entity(ies) where Director held directorship alongwith category
									As a member	As a Chairman	Total	
1.	Mr. Sunil Purushottanm Agarwal	00006991	Managing Director (Promoter)	10,57,02,800	5	5	Yes	11	-	-	-	-
2.	Mr. Anoop Krishna	08068261	Executive Director	-	5	5	Yes	-	-	-	-	-
3.	Mr. Harish Singh	00039501	Executive Director	20,000	5	5	Yes	2	-	1	1	-
4.	Mr. Santanu Agarwal	07069797	Deputy Managing Director (Promoter Group)	3,37,04,000	5	5	Yes	8	-	-	-	-
5.	Mr. Vinod Kumar	10230437	Executive Director	-	5	5	Yes	-	-	-	-	-
6.	Mr. Raman Aggarwal	00116103	Non-Executive Independent Director	-	5	5	Yes	-	-	-	-	-
7.	Mrs. Nisha Jolly	08717762	Non-Executive Independent Director	-	5	5	Yes	1	1	-	1	-
8.	Mr. Vijuy Ronjan	09345384	Non-Executive Independent Director	5,000	5	5	Yes	3	1	-	1	Platinum Industries Limited (Independent Director)
9.	Dr. Dharmendra Singh Gangwar	08299862	Non-Executive Independent Director	2,000	5	4	Yes	4	2	2	4	Duncan Engineering Limited (Independent Director) Transrail Lighting Limited (Independent Director)
10.	Mr. Jitendra Kumar Ojha	09051065	Non-Executive Independent Director	-	4	4	Yes	-	-	-	-	-

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

[2]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 Purushottanm 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 17 of Reserve Bank of India (Non-Banking Financial Company – Governance) Directions, 2025 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:
  - i. 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,
  - ii. Changes, if any, in accounting policies and practices and reasons for the same,
  - iii. Major accounting entries involving estimates based on the exercise of judgment by management,
  - iv. Significant adjustments made in the financial statements arising out of audit findings,
  - v. Compliance with listing and other legal requirements relating to financial statements,
  - vi. Reviewing, approving all or any subsequent modification of transactions with related parties,
  - vii. Disclosure of any related party transactions,
  - viii. Modified opinion(s) in the draft Audit Report,
  - ix. 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;
- 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 May 9, 2025; July 21, 2025, November 10, 2025 and February 06, 2026.

The composition of Audit Committee and attendance of each member are as under:

Sr. No.	Name of Member	Designation	No. of meetings held	No. of meetings attended
1	Mr. Vijuy Ronjan[1]	Chairman	4	4
2	Mr. Harish Singh	Member	4	4
3	Mr. Gauri Shankar[2]	Chairman	2	2
4	Mrs. Nisha Jolly[3]	Member	2	2

[1]Appointed as Chairman of the Committee w.e.f. July 21, 2025
[2]Ceased to be Chairman/Member of the Committee w.e.f. July 21, 2025
[3]Appointed as Member of the Committee w.e.f. July 22, 2025

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 para 18 of Reserve Bank of India (Non-Banking Financial Company – Governance) Directions, 2025.

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 One (1) time during the year under review on July 21, 2025.

The composition of Nomination and Remuneration Committee and attendance of each member are as under:

Sr. No.	Name of Member	Designation	No. of meetings held	No. of meetings attended
1	Mr. Raman Aggarwal	Chairman	1	1
2	Mrs. Nisha Jolly[1]	Member	1	1
3	Dr. Dharmendra Singh Gangwar	Chairman	1	1
4	Mr. Jitendra Kumar Ojha[2]	Member	-	-

[1]Ceased to be Member of the Committee w.e.f. July 21, 2025
[2]Appointed as Member of the Committee w.e.f. July 22, 2025

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, within the limit as prescribed under the 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 matters 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 2025-26, are as under:

(₹in Lakhs)

S. No.	Name of Director	Sitting fees for attending Board and Committee Meeting	Salary and Perquisite	Incentive/ Bonus	Total
1.	Mr. Sunil Purushottanm Agarwal (DIN: 00006991)	-	393.60	-	393.60
2.	Mr. Anoop Krishna (DIN: 08068261)	-	52.72	-	52.72
3.	Mr. Harish Singh (DIN: 00039501)	-	65.34	-	65.34
4.	Mr. Santanu Agarwal (DIN: 07069797)	-	180.00	-	180.00
5.	Mr. Vinod Kumar (DIN: 10230437)	-	50.16	-	50.16
6.	Mr. Raman Aggarwal (DIN: 00116103)	3.75	-	-	3.75
7.	Mrs. Nisha Jolly (DIN: 08717762)	3.25	-	-	3.25
8.	Mr. Vijuy Ronjan (DIN: 09345384)	4.75	-	-	4.75
9.	Mr. Gauri Shankar[1] (DIN: 06764026)	2.50	-	-	2.50
10.	Dr. Dharmendra Singh Gangwar (DIN: 08299862)	3.00	-	-	3.00
11.	Mr. Jitendra Kumar Ojha[2] (DIN: 09051065)	2.50	-	-	2.50

[1]Ceased to be an Independent Director of the Company w.e.f. July 21, 2025
[2]Appointed as an Independent Director of the Company w.e.f. May 02, 2025

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 recognizes the importance of continually assessing its effectiveness in discharging its responsibilities and achieving the objectives and goals set for itself. This recognition has led to the adoption of a robust evaluation framework as a key mechanism for enhancing Board effectiveness and efficiency.

In view of the Company's performance and in compliance with applicable governance requirements, the performance of the Board of Directors, its committees, and individual Directors is reviewed and evaluated periodically by the Nomination and Remuneration Committee and the Board. The evaluation process is conducted through various methods, including discussions with Directors, peer feedback, and structured questionnaires covering key aspects of Board functioning. These aspects include the adequacy of the Board and Committee composition, Board culture, discharge of specific duties and obligations, participation and engagement in Board matters, skills and expertise of individual Directors, independence of judgment, contribution to strategic development, and oversight of risk management.

A separate evaluation exercise was undertaken to assess the performance of individual Directors, including the Chairman of the Board, with a focus on their knowledge and skills, contribution to Board deliberations, and effectiveness of communication and relationships with fellow Board members and the senior management of the Company.

The performance evaluation of the Independent Directors was carried out by the entire Board, excluding the Director being evaluated. The performance evaluation of the Chairman and Non-Independent Directors was carried out by the Independent Directors.

The Directors expressed satisfaction with the evaluation process, and the performance of the Board, its committees, and the individual Directors was found to be satisfactory.

f) Employee Share Purchase Scheme

3,72,517 Equity Shares were allotted by the Company under Employee Share Purchase Scheme in FY 2024-25. 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.

i. Date of shareholders' approval – 23-09-2024

ii. Total number of shares allotted- 3,72,517 Equity Shares of Re.1/- each

iii. The price at which such shares are issued- ₹34.69 (Premium of ₹33.69)

iv. 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.

Details regarding allotment made under ESPS during FY 2025-26: Nil

g) Employee-wise details of the shares issued under "PDL ESPS 2024" during the FY2024-25:

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- ₹1,29,22,614.73

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 Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 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 to approve the transfer of securities to the officers of the Company.

Meeting and Composition

Stakeholder Relationship Committee met Four (4) times during the year under review on May 8, 2025, July 21, 2025, November 10, 2025 and February 6, 2026.

The composition of the Committee and attendance of each member are as under:

Sr. No.	Name of Member	Designation	No. of meetings held	No. of meetings attended
1	Dr. Dharmendra Singh Gangwar	Chairman	4	3
2	Mr. Raman Aggarwal	Member	4	4
3	Mr. Vijuy Ronjan	Member	4	4

Compliance Officer

Company has appointed Mr. Manendra Singh, Company Secretary as Chief Compliance Officer.

Status Of Shareholders Complaints

The status on the total number of complaints of Shareholders/Debenture holder during financial year 2025-26 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/SCORE during the year	1
No. of complaints resolved / replied during the year	2
No. of complaints not solved to the satisfaction of shareholders during the year	Nil
No. of investor complaints pending at the end of the year	Nil

D. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE (CSR COMMITTEE)

Company has constituted a 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:

a) 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;

b) Recommend the amount of expenditure to be incurred on the activities referred to in the above clause (a); and

c) Monitor the Corporate Social Responsibility Policy of the Company from time to time and recommend modification in CSR Policy to the Board.

Meeting and Composition

Corporate Social Responsibility Committee met One (1) time during the year under review on May 9, 2025.

The constitution of Corporate Social Responsibility Committee and attendance of each member are as under:

Sr. No.	Name of Member	Designation	No. of meetings held	No. of meetings attended
1	Mr. Harish Singh	Chairman	1	1
2	Mr. Sunil Purushottanm Agarwal	Member	1	1
3	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 May 8, 2025, July 21, 2025, November 10, 2025 and February 6, 2026.

The composition of the Committee and attendance of each member are as under:

Sr. No.	Name of Member	Designation	No. of meetings held	No. of meetings attended
1.	Mr. Jitendra Kumar Ojha[1]	Chairman	2	2
2.	Mr. Santanu Agarwal	Member	4	4
3.	Mr. Harish Singh	Member	4	4
4.	Mr. Gaurav Chaubey	Member	4	4
5.	Mr. Gauri Shankar[2]	Chairman	2	2

[1]Appointed as Chairman of the Committee w.e.f. July 22, 2025
[2]Ceased to be Chairman/Member of the Committee w.e.f. July 21, 2025

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 May 09, 2025, July 19, 2025, November 08, 2025 and February 05, 2026.

The constitution of Assets Liability Management Committee and attendance of each member are as under:

Sr. No.	Name of Member	Designation	No. of meetings held	No. of meetings attended
1.	Mr. Harish Singh	Chairman	4	4
2.	Mr. Santanu Agarwal	Member	4	4
3.	Mr. Gaurav Chaubey	Member	4	4
4.	Mr. BVSKT Bhaskar	Member	4	4

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 Senior Managerial Personnel of the Company with extensive experience in the field of Information Technology. 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 04, 2025, July 17, 2025, October 16, 2025 and January 16, 2026.

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

Sr. No.	Name of Member	Designation	No. of meetings held	No. of meetings attended
1.	Mrs. Nisha Jolly	Chairman	4	4
2.	Mr. Harish Singh	Member	4	4
3.	Mr. Santanu Agarwal	Member	4	4
4.	Mr. Gaurav Chaubey	Member	4	4
5.	Mr. Sushant Sharma	Member	4	4

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 May 06, 2025, September 17, 2025, November 06, 2025 and February 02, 2026.

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

Sr. No.	Name of Member	Designation	No. of meetings held	No. of meetings attended
1.	Mr. Harish Singh	Chairman	4	4
2.	Mr. Santanu Agarwal	Member	4	4
3.	Mr. Gaurav Chaubey	Member	4	4
4.	Mr. Sushant Sharma	Member	4	4

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 Purushottanm 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 Purushottanm 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. Sunil Purushottanm Agarwal (Managing Director as Chairman), Mr. Harish Singh (Executive Director as Member), Mr. Santanu Agarwal (Deputy Managing Director as Member) and Mr. Raman Aggarwal (Independent Director as Member).

Compliance Officer

Company has appointed Mr. Manendra Singh, Company Secretary as Chief Compliance Officer.

Particulars of Senior Management

Particulars of the Senior Management other than Executive Directors and Key Managerial Personnel as at March 31, 2026:

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	Senior Vice President Marketing
Mr. BVSKT Bhaskar	SVP Business
Mr. Sushant Sharma	Senior Vice President IT
Mr. Rajeev Seth	Strategy Head
Mr. Mithun Kumar Singh Rathore	VP Legal
Mrs. Snigdha Agarwal	Head HR
CA Harpreet Singh Kapoor	Head Internal Auditor

Changes in Senior Management during the year:

NAME	DETAILS OF CHANGE	PARTICULARS
Ms. Nishtha Sharma	Change in Designation	Designation changed from Vice President Marketing to Senior Vice President Marketing of the Company
Mr. Sushant Sharma	Change in Designation	Designation changed from Executive Vice President Information Technology (EVP-IT) to Senior Vice President Information Technology (SVP-IT) of the Company
Mr. Anuj Bhatnagar	Cessation	Ceased to be SMP due to personal reasons
Mr. S G Dubey	Cessation	Ceased to be SMP due to health issues

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.

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 February 06, 2026 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
31st	2022-23	September 21, 2023 at 2:45 P.M. Through Video Conferencing (VC)/ Other Audio Visual Means (OAVM)	1. To fix borrowing power of the Board of Directors u/s 180 (1) (c) of the Companies Act, 2013. 2. To 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. 3. To issue Non-Convertible Securities/Debentures, in one or more series/ tranches pursuant to section 42 of the Companies act, 2013. 4. To approve the alteration in Articles of Association of the Company.
32nd	2023-24	September 23, 2024 at 2:30 P.M. Through Video Conferencing (VC/ Other Audio Visual Means (OAVM)	1. To approve alteration in Articles of Association of the Company. 2. To approve Paisalo Employee Share Purchase Scheme 2024. 3. To approve extending benefits of Paisalo Employee Share Purchase Scheme 2024 to the Eligible Employees of its Wholly Owned Subsidiary Company. 4. To re-appoint Mr. Vijuy Ronjan as a Non-Executive Independent Director of the Company. 5. To re-appoint Mr. Raman Aggarwal as a Non-Executive Independent Director of the Company 6. To approve issue Non-Convertible Debt Securities/ Debentures through private placement.
33rd	2024-25	September 29, 2025 at 12:30 P.M. Through Video Conferencing (VC/ Other Audio Visual Means (OAVM)	1. To approve issuance of Non-Convertible Securities/ Debentures through Private Placement 2. To fix the borrowing power of the Board of Directors u/s 180(1) (C) 3. To authorise 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.

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

B. Extraordinary General Meeting

During the year under review, Extraordinary General Meeting was held on May 02, 2025 through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") and the following special resolutions were passed:

1. To approve the terms and conditions for appointment of Mr. Vinod Kumar (DIN: 10230437), as an Executive Director of the Company.

2. To Re-appoint Mrs. Nisha Jolly (DIN: 08717762) as a Non-Executive Independent Director of the Company.

3. To appoint Mr. Jitendra Kumar Ojha (DIN: 11028354) as a Non-Executive Independent Director of the Company.

4. To raise funds by way of issuance of Equity Shares, Foreign Currency Convertible Bonds and/or other Eligible Securities in one or more tranches to the Eligible Investors through Preferential Allotment, Private Placement, including Qualified Institutional Placement or any other permissible mode for an aggregate amount up to ₹27,000 million.

Means of Communication
Company focuses 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) and Business Standard (Hindi). 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_Transaction.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, 2026.

- **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:
  - Pursuant to SEBI circular no. SEBI/HO/DDHS/DDHS_Div1/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 Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) 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 Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for month ended March, 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_Policy1.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/Policy_on_Preservation_of_Documents1.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_events_and_information_for_disclosures1.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_Subsidiary1.pdf.

- **Whistle Blower Policy and Vigil Mechanism:** Whistle Blower Mechanism has been established for employees to report concerns about unethical behaviour, actual or suspected fraud, or violation of our code of conduct or ethics policy. It provides for adequate safeguards against victimization of employees who avail of the mechanism, and also allows direct access to the Chairman of the Audit Committee in exceptional cases. We further affirm that no employee has been denied access to the Audit Committee. The details of Whistle Blower Mechanism are available on the website of the Company at https://www.paisalo.in/pdf/corporate_governance/policy/Whistle_blower_policy_or_vigil_mechanism28.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 adopted Code 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. The Company maintains Structured Digital Database (SDD) and makes requisite entries in the SDD. The Code is also available on the website of the Company at https://www.paisalo.in/pdf/corporate_governance/policy/Code_of_conduct_for_prevention_of_Insider_Trading1.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_Code28.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 2025-26 where the Board had not accepted any recommendation of the Committee of the Board.

- **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.	03-06-2025	Listed Secured Rated Redeemable Non- Convertible Debentures (NCDs) of INR 1,00,000/- each (ROI 10.00% P.A.)	5,000	Private Placement
2.	08-08-2025	Listed Secured Rated Redeemable Non- Convertible Debentures (NCDs) of INR 1,00,000/- each (ROI 9.75% P.A.)	3,400	Private Placement
3.	10-09-2025	Listed Secured Rated Redeemable Non- Convertible Debentures (NCDs) of INR 1,00,000/- each (ROI 10.00% P.A.)	5,000	Private Placement
4.	17-09-2025	Issue of Equity Shares on conversion of 4000 Foreign Currency Convertible Bonds	74,03,585	Private Placement
5.	06-11-2025	Listed Unsecured Rated Redeemable Non- Convertible Debentures (NCDs) of INR 1,00,000/- each (ROI 8.50% P.A.)	2,500	Private Placement
6.	06-11-2025	Listed Unsecured Rated Redeemable Non- Convertible Debentures (NCDs) of INR 1,00,000/- each (ROI 8.45% P.A.)	5,500	Private Placement
7.	09-12-2025	Listed Secured Rated Redeemable Non- Convertible Debentures (NCDs) of INR 1,00,000/- each (ROI 8.50% P.A.)	4,000	Private Placement
8.	15-12-2025	Listed Secured Rated Redeemable Non- Convertible Debentures (NCDs) of INR 1,00,000/- each (ROI 8.45% P.A.)	3,000	Private Placement
9.	18-03-2026	Listed Secured Rated Redeemable Non- Convertible Debentures (NCDs) of INR 10,000/- each (ROI 9.25% P.A.)	51,000	Private Placement

- **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.	13-06-2025	Listed Rated Commercial Paper	600	12-09-2025
2.	24-06-2025	Listed Rated Commercial Paper	600	23-09-2025
3.	03-07-2025	Listed Rated Commercial Paper	600	04-09-2025
4.	20-08-2025	Listed Rated Commercial Paper	300	18-02-2026
5.	14-10-2025	Listed Rated Commercial Paper	700	25-03-2026
6.	16-10-2025	Listed Rated Commercial Paper	100	24-03-2026
7.	27-02-2026	Listed Rated Commercial Paper	600	29-05-2026

- **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, 2026 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, 2026.

Sr. No.	Particulars	Regulation Number	Compliance status (Yes/No/ NA)
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

34th Annual General Meeting for FY 2025-26

Date and Time	September 21, 2026 at IST 3:00 P.M
Venue	Through Video Conferencing (VC)/Other Audio Visual means (OAVM) - deemed venue shall be Registered Office of the Company
Cut-off Date	For the purpose of e-voting & dividend the cutoff date is September 14, 2026
Record Date	September 14, 2026
E-voting period	Start on September 18, 2026 at IST 9:00 A.M. and ends on September 20, 2026 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 paisa per fully paid-up Equity Share of INR 1/- of the Company will be paid to the shareholders whose names appear in the Register of Members as on September 14, 2026 subject to approval of the shareholders at the 34th Annual General Meeting, within the statutory time limit of 30 days.

Credit Rating
Credit Rating assigned by Rating Agencies for Company's Facilities/Instruments:

Sr. No.	Instrument/Facility	Rating Assigned			
		Infomerics Valuation and Rating Limited	Amount (INR in Million)	Brickwork Ratings India Private Limited	Amount (INR in Million)
1	Fund Based Facilities from Banks-Long Term	IVR AA/Stable Outlook (IVR Double A with Stable Outlook)	45,000.00	BWR AA/ Stable	45,000.00
2	Non-Convertible Debentures		20,590.00		15,000.00
3	Commercial Paper	IVR A1+ (IVR A One Plus)	5,400.00	BWR A1+	5,400.00

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, 2026 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
BSE Limited (BSE) P. J. Towers, 25th Floor, Dalal Street, Mumbai-400001 www.bseindia.com	Equity	INE420C01059	532900
	Non-Convertible Debentures*	INE420C07049	975107
		INE420C07056	975202
		INE420C07064	975251
		INE420C07080	975329
		INE420C07098	975437
		INE420C07106	975592
		INE420C07114	975640
		INE420C07122	975865
		INE420C07130	976752
		INE420C07148	977004
		INE420C07155	977097
		INE420C08039	977278
		INE420C08021	977279
		INE420C07163	977358
		INE420C07171	977371
		INE420C07189	977643
	Listed Commercial Paper*	INE420C14243	731221

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:

A.	Outstanding ADR/GDRs	:	Nil
B.	Outstanding Convertible Warrants	:	Nil
C.	Foreign Currency Convertible Bonds (FCCBs)	:	44,000 FCCBs of USD 1,000 each which can be converted into Equity Shares at the exchange 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 at the option of FCCB holders.

Listing details of FCCBs as on March 31, 2026:

Listing on Foreign Stock Exchange	Afrinex Exchange Listing Centre	India International Exchange (IFSC) Ltd.
Address	Office A11-01, Level 11, Tower A, 1 Exchange Square, Wall Street, Ebene 72201, Mauritius	1st Floor, Unit No. 101, The Signature, Building no. 13B, Road 1C, Zone 1, GIFT SEZ, GIFT City, Gandhinagar, Gujarat – 382355
Website	www.afrinexexchange.com	www.indiainx.com
Security Type	Foreign Currency Convertible Bonds (FCCBs)	
ISIN	XS2952463086	
Outstanding Securities	44,000 Foreign Currency Convertible Bonds	
Maturity Date	Due in 2029	

Outstanding Non-Convertible Debentures as on March 31, 2026:

Sr. No.	Series	Listed / Unlisted	Tenure		Rated/ Unrated	Secured/ Unsecured	Outstanding Principal amount (INR in Million)
			Month	Days			
1.	PDL -12-2020	Unlisted	120	0	Unrated	Unsecured	10.00
2.	PDL-07-2021	Unlisted	60	0	Unrated	Unsecured	250.00
3.	PDL-09-2021	Unlisted	60	0	Unrated	Unsecured	940.00
4.	PDL-02-2022	Unlisted	84	0	Unrated	Unsecured	270.00
5.	PDL-07-2022	Unlisted	120	0	Unrated	Unsecured	140.00
6.	PDL-01-2023	Unlisted	120	0	Unrated	Unsecured	340.00
7.	PDL-04-2023-02	Unlisted	120	0	Unrated	Unsecured	83.00
8.	PDL-09-2023 (UL)	Unlisted	120	0	Unrated	Unsecured	30.00
9.	PDL092023 (L)	Listed	36	0	Rated	Secured	500.00
10.	PDL-12-2023UL	Unlisted	120	0	Unrated	Unsecured	382.00
11.	PDL11-2023(L)	Listed	36	0	Rated	Secured	100.00
12.	PDL122023(L)	Listed	120	0	Rated	Secured	197.00
13.	PDL012024L	Listed	120	0	Rated	Secured	197.10
14.	PDL022024L	Listed	119	24	Rated	Secured	203.40
15.	PDL042024L2	Listed	60	0	Rated	Secured	270.00
16.	PDL072024L	Listed	36	0	Rated	Secured	250.00
17.	PDL062025	Listed	24	0	Rated	Secured	500.00
18.	PDL082025	Listed	36	0	Rated	Secured	340.00
19.	PDL092025	Listed	36	0	Rated	Secured	500.00
20.	PDL112025A	Listed	24	0	Rated	Unsecured	550.00
21.	PDL112025B	Listed	36	0	Rated	Unsecured	250.00
22.	PDL122025	Listed	36	0	Rated	Secured	400.00
23.	PDL1220252Y	Listed	24	0	Rated	Secured	300.00
24.	PDL032026	Listed	51	0	Rated	Secured	510.00

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

Debenture Trustee for Non-Convertible Debentures:

Axis Trustee Services Limited and Mitcon Credentia Trusteeship Service Limited has been appointed as Debenture Trustees for Non-Convertible Debentures issued by the Company. The Contact details of the trustees are as under:

Axis Trustee Services Limited	**Mitcon Credentia Trusteeship Service Limited**
29, Senapati Bapat Marg, Dadar West, Mumbai – 400 028	1402/1403, 14th Floor, Dalamal Tower, B-Wing, 211, Free Press Journal Marg, Nariman Point, Mumbai, Maharashtra 400021
Contact Person : Mr. Anil Grover	Contact Person: Ms. Vaishali Urkude
Email: debenturetrustee@axistrustee.in	Email: contact@mitconcredentia.in
Tel.: 022 62300451	Tel: +91 20 25533309

Outstanding Commercial Papers as on March 31, 2026:

Sr. No.	ISIN	Tenure	Face Value per CP	Number of CPs	Date of Issue	Maturity Date
1	INE420C14243	91 days	5,00,000.00	600	27-02-2026	29-05-2026

Details of Issuing & Paying Agent (IPA) as on March 31, 2026:

Bank of Maharashtra
"Apeejay House" 1st Floor, Dr. V.B. Gandhi Marg, Fort, Mumbai-400001
TELE : 22780323/319/318/335
E-mail: funds@mahabank.co.in

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.

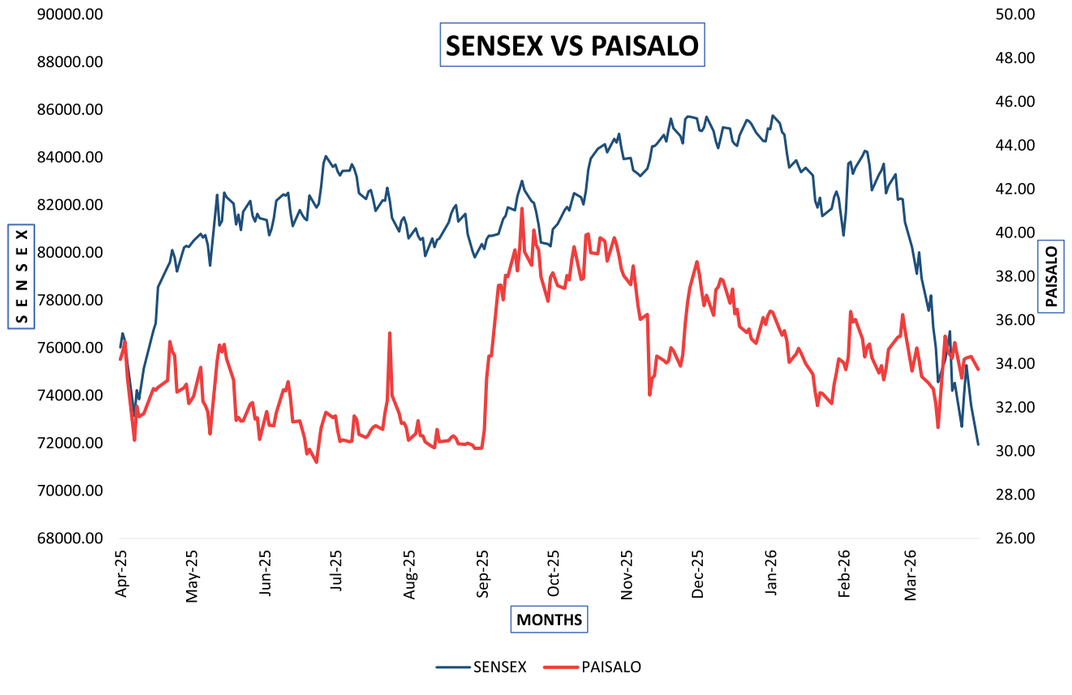
Market Price Data:

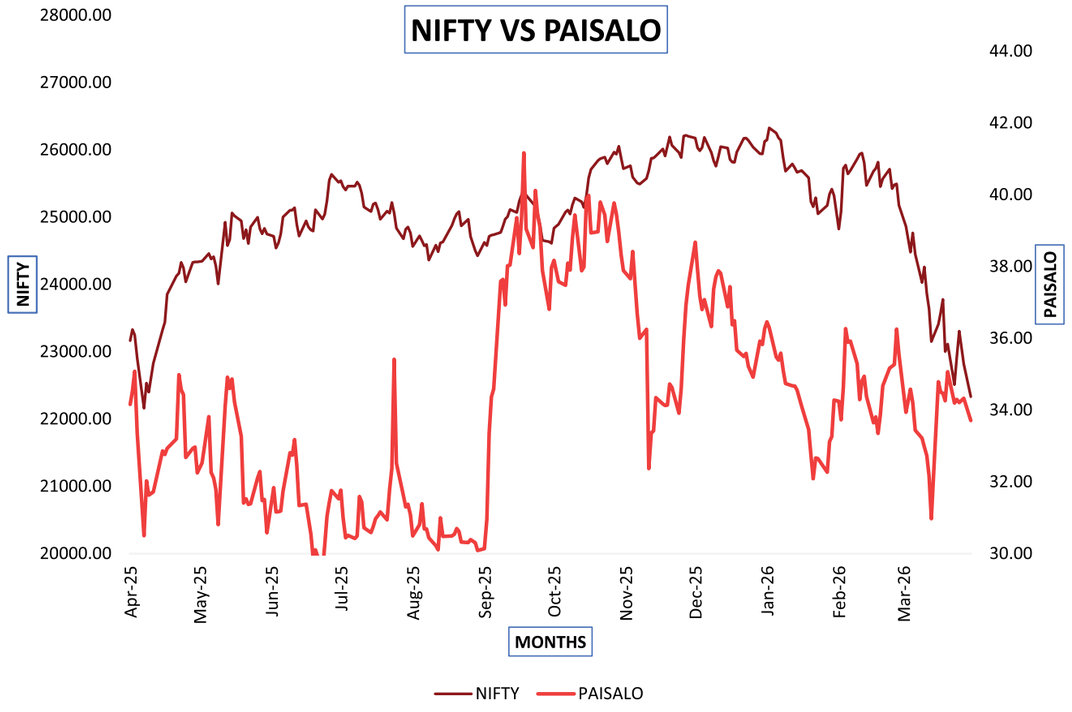
Monthly high and low prices of equity shares of the Company on NSE and BSE during the year under review in comparison to BSE (Sensex) and NSE (Nifty) are given hereunder:

Month	NSE		BSE	
	High (INR)	Low (INR)	High (INR)	Low (INR)
April 2025	35.67	29.45	35.67	29.75
May 2025	35.85	30.12	35.85	30.06
June 2025	33.96	29.38	33.95	29.40
July 2025	35.98	29.95	36.07	29.95
August 2025	31.67	29.86	31.67	29.88
September 2025	41.70	30.09	41.50	30.07
October 2025	40.74	36.89	40.59	36.89
November 2025	38.67	31.11	38.71	31.83
December 2025	39.29	34.18	39.02	34.15
January 2026	36.68	31.50	36.60	31.51
February 2026	36.64	32.51	36.75	32.12
March 2026	37.16	30.00	37.11	30.00

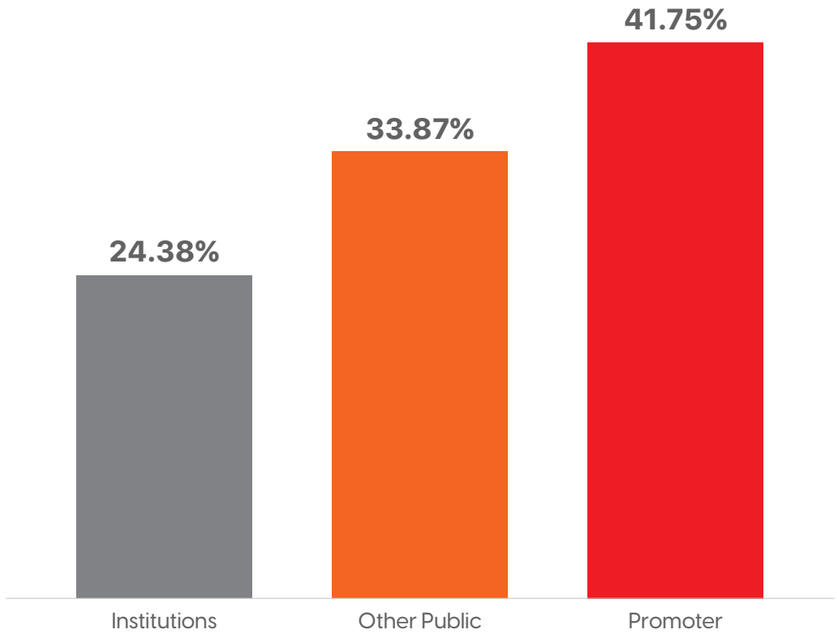
Performance of the Company's Shares vis-a-vis SENSEX

The performance of the Company's average monthly share price data in comparison to broad-based indices like BSE Sensex and Nifty in FY 2025-26 are given below:





Distribution of Shareholding % as on March 31, 2026



Shareholding Pattern as on March 31, 2026

Category of Shareholders	Demat	Physical	Total	% of Total Shares
A. Promoters				
(1) Indian				
a) Individual/ HUF	14,65,72,800	-	14,65,72,800	16.12
b) Central Govt.	-	-	-	-
c) State Govt(s)	-	-	-	-
d) Bodies Corp.	23,31,33,500	-	23,31,33,500	25.63
e) Bank/FI	-	-	-	-
f) Any Other	-	-	-	-
Sub-total (A) (1)	**37,97,06,300**	**-**	**37,97,06,300**	**41.75**
(2) Foreign				
a) NRIs –Individual	-	-	-	-
b) Other- Individuals	-	-	-	-
c) Bodies Crop.	-	-	-	-
d) Banks/FI	-	-	-	-
e) Any Other	-	-	-	-
Sub-total (A) (2)	**-**	**-**	**-**	**-**
Total Shareholding of Promoter (A) = (A) (1)+(A) (2)	**37,97,06,300**	**-**	**37,97,06,300**	**41.75**
B. Public Shareholding				
(1) Institutions				
a) Mutual Funds	1,523	-	1,523	0.00
b) Banks/FI	-	-	-	-
c) Central Govt.	-	-	-	-
d) Sate Govt.(s)	-	-	-	-
e) Venture Capital Funds	-	-	-	-
f) Alternate Investment Funds	55,187	-	55,187	0.01
g) Insurance Companies	6,21,14,267	-	6,21,14,267	6.83
h) NBFC registered with RBI	-	-	-	-
i) FIIs/FPI	15,95,58,066	-	15,95,58,066	17.54
j) Foreign Venture Capital Funds	-	-	-	-
k) Others (specify)	-	-	-	-
Sub-total (B) (1)	**22,17,29,043**	-	**22,17,29,043**	**24.38**
(2) Non- Institutions				
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	12,54,79,714	-	12,54,79,714	13.79
ii) Foreign Company	74,03,585	-	74,03,585	0.81
d) Individual				
i) Individual shareholders holding nominal share capital upto Rs. 2 lac	9,74,54,717	10	9,74,54,727	10.72
ii) Individual shareholders holding nominal share capital in excess of Rs. 2 lac	4,14,00,178	-	4,14,00,178	4.55
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	30,30,662	-	30,30,662	0.33
(iv) Clearing Member	1,43,35,615	-	1,43,35,615	1.58
(v) Resident HUF	60,01,489	-	60,01,489	0.66
(vi) Limited Liability Partnership (LLP)	1,29,23,411	-	1,29,23,411	1.42
Sub-total (B) (2)	**30,80,86,521**	**10**	**30,80,86,531**	**33.87**
Total Public Shareholding (B)=(B)(1)+ (B)(2)	**52,98,15,564**	**10**	**52,98,15,574**	**58.25**
C. Shares held by Custodian	**0**	**-**	**0**	**0.00**
Grand Total (A+B+C)	**90,95,21,864**	**10**	**90,95,21,874**	**100.00**

Details of Promoter/Promoter Group Shareholding as on March 31, 2026

Sr. No.	Name/Address	Holding	% of total shares
1	Sunil Purushottanm Agarwal	10,57,02,800	11.62
2	Ms. Suneeti Agarwal	71,66,000	0.79
3	Mr. Santanu Agarwal	3,37,04,000	3.71
4	Equilibrated Venture Cflow Private Limited	18,67,63,880	20.53
5	Pri Caf Private Limited	2,40,48,400	2.64
6	Pro Fitcch Private Limited	2,23,21,220	2.45
	Total	**37,97,06,300**	**41.75**

Top Ten Shareholders as on March 31, 2026
(Other than Promoter/Directors/Custodian for GDRs)

S. No.	Name of Shareholder	No. of Shares	% of total shares of the Company
1	SBI Life Insurance Co. Ltd	6,21,14,267	6.83
2	Sparrow Asia Diversified Opportunities Fund	3,98,77,760	4.38
3	Maybank Securities Pte Ltd – OD	3,79,00,000	4.17
4	Unico Global Opportunities Fund Limited	2,29,45,130	2.52
5	ISquare Global PE Fund	2,20,20,000	2.42
6	Zeal Professional Services Private Limited	2,10,78,520	2.32
7	Octaspace Realcon Private Limited	1,65,44,000	1.82
8	Eastern Star Infradev Private Limited	89,45,790	0.98
9	Vanguard Total International Stock Index Fund	74,22,404	0.82
10	Eminence Global Fund PCC- Eubilia Capital Partners Fund I	74,03,585	0.81

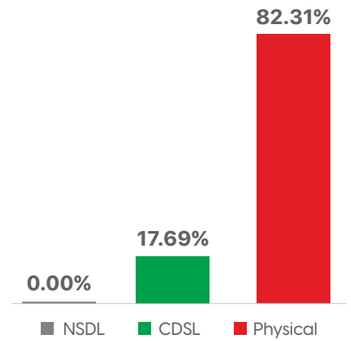
Distribution of Shareholding as on March 31, 2026

Number of Shares	Shareholding			
	Shareholders	%	Shareholding	%
1 - 500	77,689	75.06	1,00,85,374	1.11
501 - 1000	10,801	10.44	86,80,487	0.95
1001 - 2000	6,548	6.33	99,97,148	1.10
2001 - 3000	2,657	2.57	68,63,694	0.75
3001 - 4000	1,166	1.13	41,84,849	0.46
4001 - 5000	1,035	1.00	49,07,574	0.54
5001 - 10000	1,748	1.69	1,30,97,569	1.44
10001 - 99999999999	1,860	1.80	85,17,05,179	93.64
Total	**1,03,504**	**100.00**	**90,95,21,874**	**100.00**

Dematerialization of Shares as on March 31, 2026

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, 2026	% as on March 31, 2026
Physical form	10	0.00
Electronic form with NSDL	74,86,60,003	82.31
Electronic form with CDSL	16,08,61,861	17.69
Total	**90,95,21,874**	**100.00**



Registrar and Share Transfer Agents

M/s Alankit Assignments Limited, New Delhi acts as the Registrar and Share Transfer Agent of the Company for handling the share transfer work both in physical and electronic form and for listed Non-Convertible Debentures of the Company. All correspondence relating to Share Transfer, Transmission, Dematerialization, Rematerialisation etc. can be made at the following address:

Alankit Assignments Limited
Alankit House, 4E/2, Jhandewalan Extension, New Delhi-110055.
Contact Person– Mr. Ram Avtar Pandey, Email: ramap@alankit.com, Tel.: 011 42541955

Address for correspondence		
For any query relating to the shares/ debentures of the Company	For Shares held in Demat Form	To the Investors' Depository Participant(s) or Alankit Assignments Limited
	For Shares held in Physical Form	Mr. Ram Avtar Pandey Alankit Assignments Limited Alankit House, 4E/2, Jhandewalan Extension New Delhi - 110 055 Tel.011-42541955 Email: ramap@alankit.com, Website: info@alankit.com
For Grievance Redressal and any query on Annual Report		Secretarial Department Paisalo Digital Limited CSC, Pocket 52, CR Park, Near Police Station New Delhi -110019 Phone No.: 91- 011-43518888, E-mail ID: cs@paisalo.in

Plant location

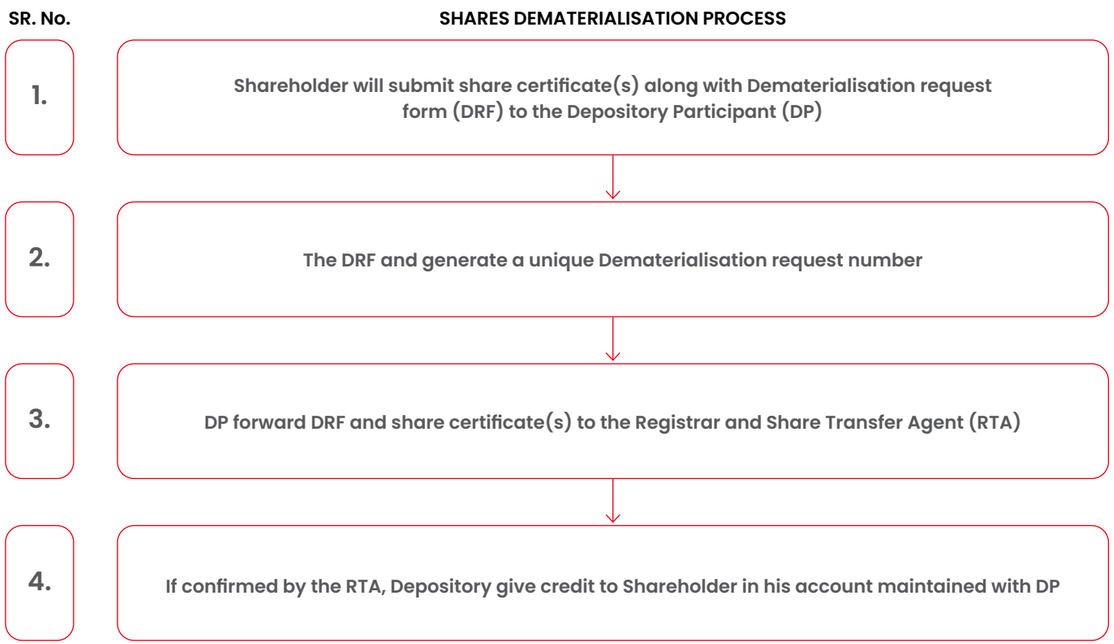
Paisalo Digital Limited does not have any manufacturing plant.

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 2025-26. 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 2018-19, is due for transfer to the Fund in September 2026. 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 Per Share	Date of Declaration	Due Date of transfer to Fund (on or before)
2018-19	Final	Re. 1	10-08-2019	16-09-2026
2019-20	Final	Re. 1	08-09-2020	15-10-2027
2020-21	Final	Re. 1	25-09-2021	01-11-2028
2021-22	Final	Re. 0.10	30-09-2022	06-11-2028
2022-23	Final	Re. 0.10	21-09-2023	28-10-2030
2023-24	Final	Re. 0.10	23-09-2024	30-10-2031
2024-25	Final	Re. 0.10	29-09-2025	05-11-2032

The Company shall transfer to IEPF within the stipulated period a) the unpaid or unclaimed dividend for the financial year 2018-19; 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 29, 2025 (33rd AGM) on the website of IEPF at 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, 2026, 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 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 in Investor section.

As on 31st March 2026, 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, 2026 is given below:

Sr. No.	Particular	No. of Holders	No. of shares
1.	At the beginning of the year	2	20010
2.	Transferred to Suspense Account	-	-
3.	Claims received during the year	-	-
4.	Claims approved during the year	-	-
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 (Listing Obligations and Disclosure Requirements) 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 Percent 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 2025-26. 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, 2026.

- 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, 2026.

Place : New Delhi
Date : 10.05.2026

For Paisalo Digital Limited
Sd/-
(Sunil Purushottanm Agarwal)
Managing Director & CEO
DIN : 00006991

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 31st March 2026, 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 : 08.05.2026
Place : Agra

For Satish Jadon & Associates
Company Secretaries
Firm No. S2011UP153700

Sd/-
(Satish Kumar Jadon)
Proprietor
Membership No. F9512
CoP No. 9810
P.R. No. 7153/2025
UDIN : F009512H000307084

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 31st March, 2026 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 Purushottanm 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. Raman Aggarwal	00116103	15/10/2019	--
7.	Mrs. Nisha Jolly	08717762	30/05/2020	--
8.	Mr. Vijuy Ronjan	09345384	08/10/2021	--
9.	Mr. Dharmendra Singh Gangwar	08299862	25/07/2024	--
10.	Mr. Jitendra Kumar Ojha	11028354	02/05/2025	--

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 : 08.05.2026
Place : Agra

For Satish Jadon & Associates
Company Secretaries
Firm No. S2011UP153700

Sd/-
(Satish Kumar Jadon)
Proprietor
Membership No. F9512
CoP No. 9810
P.R. No. 7153/2025
UDIN : F009512H000307062

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 2025-26 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, 2026;
- There have been no significant changes in accounting policies during the financial year ended March 31, 2026, 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.

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

	Sd/-	**Sd/-**
	(Sunil Purushottanm Agarwal)	**(Harish Singh)**
Place : New Delhi	**Managing Director & CEO**	**Executive Director & CFO**
Date : 10.05.2026	**DIN : 00006991**	**DIN : 00039501**

Financial Statement

2026

AUDITOR'S REPORT

TO
THE MEMBERS OF
M/S PAISALO DIGITAL LIMITED
NEW DELHI

REPORT ON THE STANDALONE FINANCIAL STATEMENTS

OPINION

We have audited the accompanying Standalone Financial Statements of M/S PAISALO DIGITAL LIMITED ("the Company") which comprises the Balance Sheet as at 31st March 2026 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 2026 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
Impairment of financial Instruments (Expected Credit Loss) (refer Note No. 28 of the Standalone Financial Statements) 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: • unbiased, probability weighted outcome under the various scenarios; • time value of money; • impact arising from forward looking macro-economic factors and; • availability of reasonable and supportable information without undue costs. Applying these principles involves significant estimation in various aspects, such as; • grouping of borrowers based on homogeneity by using appropriate statistical techniques; • staging of loans and estimation of behavior life; • estimation of losses for loan products/ corporate guarantee with historical defaults. • Determining macro-economic factors impacting credit quality of financial assets, 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.	• We read and assessed the Company's accounting policies for impairment of financial assets and their compliance with Ind AS 109. • We tested the criteria for staging of loans/ corporate guarantee based on their past-due status to check compliance with the requirement of Ind AS 109. • Tested samples of performing loans (Stage 1) to assess whether any loss indicators were present requiring them to be classified under stage 2 or 3 and vice versa. • Tested the ECL model, including assumptions and underlying computation.

INFORMATION OTHER THAN THE FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility and Sustainability Report, Corporate Governance and Shareholder's Information, but does not include the consolidated financial statements, Standalone Financial Statements and our Auditor's Report thereon.

Our opinion on the Standalone Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.
In connection with our audit of the Standalone Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Standalone Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

MANAGEMENT'S RESPONSIBILITY FOR THE STANDALONE FINANCIAL STATEMENTS

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

In preparing the Standalone Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

AUDITOR'S RESPONSIBILITY FOR THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the Standalone Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Standalone Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Auditor's Report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Companies Act, 2013, we give in the Annexure 'A' a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

As required by Section 143(3) of the Act, we report that:

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 2026 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2026 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 its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

(c) Based on audit procedures which we considered reasonable and appropriate in the circumstances, nothing has come to their notice that has caused them to believe that the representations under sub-clause (i) and (ii) contain any material mis-statement.

v) As stated in Note 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 has 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 : 10th May 2026

For Saket Jain & Co.
Chartered Accountants
Firm Reg. No. 014685N

Sd/-
(CA. ASHISH JAIN)
Partner
Membership No. 400599
UDIN : 26400599UGNZSM1228

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. 2025-26)

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	Date of Cessation in the Company
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	
14	Goods & Service Tax Proceedings u/s 74A(9) (UP)	F.Y. 2023-24	Pending Assessment	

viii. There are no transactions which are not recorded in the books of account which have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.

ix. (a) The Company has not defaulted in the repayment of loans or other borrowings or in the payment of interest thereon to any lender.

(b) The Company has not been declared willful defaulter by any bank or financial institution or other lender

(c) The term loans were applied for the purpose for which the loans were sanctioned

(d) Funds raised on short term basis have not been utilized for long term purposes

(e) The Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.

(f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.

x. (a) According to the information and explanations given to us, the Company had not raised money by way of initial public offer or further public offer during the year.

(b) According to the information and explanations given to us, the company has not made any preferential allotment or private placement of shares or convertible debenture 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 : 10th May 2026

For Saket Jain & Co.
Chartered Accountants
Firm Reg. No. 014685N

Sd/-
(CA. ASHISH JAIN)
Partner
Membership No. 400599
UDIN : 26400599UGNZSM1228

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. 2025-26)

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

We have audited the internal financial controls over financial reporting of M/S PAISALO DIGITAL LIMITED as of 31st March 2026 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 2026 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 : 10th May 2026

For Saket Jain & Co.
Chartered Accountants
Firm Reg. No. 014685N

Sd/-
(CA. ASHISH JAIN)
Partner
Membership No. 400599
UDIN : 26400599UGNZSM1228

BALANCE SHEET AS ON 31ST MARCH 2026

(₹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	14,682.23	10,046.71
	(b) Bank Balances other than (a) above	2	299.95	320.06
	(c) Derivative Financial Instruments	3	-	-
	(d) Receivables			
	(i) Trade Receivables	4	1,766.09	2,112.96
	(ii) Other Receivables		-	-
	(e) Loans	5	5,79,400.67	4,75,074.95
	(f) Investments	6	6,204.91	6,254.37
	(g) Other Financial Assets	7	2,220.06	3,257.91
	(2) Non Financial Assets			
	(a) Current Tax Assets (Net)	8	2,465.71	2,458.94
	(b) Deferred Tax Asset (Net)		-	-
	(c) Investment Property		-	-
	(d) Biological Assets other than Bearer plants		-	-
	(e) Property, Plant and Equipments	9	8,408.80	7,446.13
	(f) Capital Work-in-Progress		-	-
	(g) Intangible Assets under development		-	-
	(h) Goodwill		-	-
	(i) Other Intangible Assets	9	13.20	14.00
	(j) Other Non-Financial Assets	10	3,704.31	1,626.33
	Total Assets		**6,19,165.93**	**5,08,612.36**
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		76.46	39.40
	(ii) Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises		2,444.06	3,387.38
	(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		2,083.32	3,092.38
	(c) Debt Securities	13	1,15,597.20	1,02,609.43
	(d) Borrowings (Other than Debt Securities)	14	311,750.26	237,783.73
	(e) Deposits	15	-	-
	(f) Subordinated Liabilities	16	100.00	800.00
	(g) Other Financial Liabilities	17	1,947.52	1,533.00
	(2) Non-Financial Liabilities			
	(a) Current Tax Liabilities (Net)	18	-	-
	(b) Provisions	19	5,583.10	5,280.60
	(c) Deferred Tax Liabilities (Net)	20	1,319.69	509.80
	(d) Other non-financial Liabilities	21	972.29	1,811.23
	(3) Equity			
	(a) Equity Share Capital	22	9,095.84	9,021.81
	(b) Other Equity	23	1,68,196.19	1,42,743.60
	Total Equity & Liabilities		**6,19,165.93**	**5,08,612.36**

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 : 26400599UGNZSM1228

Place : New Delhi
Date : 10th May 2026

For and on behalf of the Board

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

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

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

PROFIT & LOSS STATEMENT FOR THE PERIOD ENDED 31ST MARCH 2026

(₹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	87,867.09	66,023.60
	(ii) Dividend Income		1.72	1.53
	(iii) Rental Income		-	-
	(iv) Fees and commission Income		3,871.82	7,098.84
	(v) Net gain on fair value changes	25	-	26.68
	(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
	Total Revenue from Operations (I)		**91,740.63**	**73,483.19**
II	**Other Income**	**26**	**-**	**-**
	Total Income (I+II)		**91,740.63**	**73,483.19**
III	**Expenses:**			
	(i) Finance Costs	27	36,520.77	30,930.05
	(ii) Fees and commission expense		-	-
	(iii) Net loss on fair value changes		49.46	-
	(iv) Net loss on derecognition of financial instruments under amortised cost category		-	-
	(v) Impairment on financial instruments	28	3,764.84	1,868.43
	(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	7,435.43	6,074.87
	(xi) Depreciation, amortization and impairment	30	1,224.23	546.86
	(x) Others expenses	31	11,162.92	7,602.99
	Total Expenses (III)		**60,157.65**	**47,023.20**
IV	**Profit before exceptional items and tax (II-III)**		**31,582.98**	**26,459.99**
V	**Exceptional items**		**78.39**	**(59.46)**
VI	**Profit before tax (IV-V)**		**31,504.59**	**26,519.45**
VII	**Tax Expense:**			
	(1) Current Tax		7,225.79	5,376.93
	(2) Deferred Tax		809.89	1,373.82
VIII	Profit for the period from continuing operations (VI-VII)		23,468.91	19,768.70
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)		23,468.91	19,768.70
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)**		**23,468.91**	**19,768.70**
XV	**Earnings per Equity Share (for continuing operations):**			
	Basic (Rs.)	34	2.59	2.20
	Diluted (Rs.)		2.59	2.20
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	2.59	2.20
	Diluted (Rs.)		2.59	2.20

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 : 26400599UGNZSM1228

Place : New Delhi
Date : 10th May 2026

For and on behalf of the Board

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

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

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

STATEMENT OF STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2026

(₹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		68,103.75		57,390.03
	Adjustments for				
I	Depreciation	559.05		426.67	
II	Deferred Expense W/O	665.18		120.19	
III	Impairment on financial instruments	3,764.84		1,868.43	
IV	Expenditure on CSR	437.83		320.89	
V	Dividend Income Received	(1.72)		(1.53)	
VI	Profit/loss on Sale of Shares	49.46		(26.68)	
VII	Share based payment ot employee	-		28.39	
VIII	Profit/loss on Sale of Investments/Assets	0.46		24.69	
	Operating Profit before working capital changes		**73,578.85**		**60,151.09**
	Adjustments for				
I	Change in Other Financial Assets	(1,405.07)		(19.27)	
II	Change in Loans & Receivables	(107,860.37)		(110,076.32)	
III	Change in Payable & non financial liabilities	(2,754.25)		406.53	
IV	Misc. Expenses	(2,743.16)		(1,746.52)	
	Cash generated from Operations		**(41,184.00)**		**(51,284.49)**
I	Interest paid	(36,520.77)		(30,930.05)	
II	Income Tax paid	(7,232.56)		(6,919.98)	
III	Paid Expenses on CSR	(437.83)		(320.89)	
	Cash flow before Extraordinary Items		**(85,375.16)**		**(89,455.40)**
I	Extraordinary items		78.39		(59.46)
	Net Cash from Operating Activities		**(85,453.55)**		**(89,395.94)**
B	**Cash Flows from Investing Activities:**				
I	Purchase of Fixed Assets	(1,521.88)		(1,277.88)	
II	Sale of Fixed Assets	0.50		10.00	
III	Purchase/transfer of Investments	0.00		0.00	
	Net Cash from Investing activities		**(1,521.38)**		**(1,267.88)**
C	**Net Cash from Financing Activities:**				
I	Proceeds from Borrowings	73,966.53		54,970.41	
II	Proceeds from Debt Service Repayment Account	414.52		545.26	
III	Proceeds from Debt Securities	12,987.77		48,766.68	
IV	Proceeds from Subordinated Liability	(700.00)		(8,100.00)	
V	Dividend Paid/(Received)	(907.80)		(896.51)	
VI	Proceeds from Security Receipts	2,442.92		2,566.00	
VII	Money received against Share issued/Converted into Share Capital	3,386.40		1,822.43	
	Net Cash from Financing activities		**91,590.34**		**99,674.27**
	Net Increase/(decrease) in cash & cash equivalents		**4,615.41**		**9,010.45**
	Cash & Cash equivalents at beginning of period		**10,366.77**		**1,356.32**
	Cash & Cash equivalent at end of period		**14,982.18**		**10,366.77**

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 : 26400599UGNZSM1228

Place : New Delhi
Date : 10th May 2026

For and on behalf of the Board

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

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

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

AUDITORS' REPORT

We have verified the attached Cash Flow Statement of M/s Paisalo Digital Limited, derived from audited financial statements and the books and records maintained by the Company for the year ended 31st March 2026 and 31st March 2025 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 : 26400599UGNZSM1228

Place : New Delhi
Date : 10th May 2026

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 Also Referred As	Stage 1 Performing	Stage 2 Under Performing	Stage 3 Non Performing
Credit quality of assets Days Past Due	Not deteriorated significantly since its initial recognition 0 Days to 30 Days	Deteriorated significantly since its initial recognition 31 Days to 90 Days	Objective evidence of impairment More than 90 Days
Credit risk Recognize	Low 12 month ECL	Moderate to high Life time ECL	Very High Life time ECL

ECL	Represents financial asset's life time ECL that are expected to arise from default events that are possible within 12 months	ECL that results from all possible default events over the expected life of an instrument.	

Both 12 months ECL and life time ECL are calculated on individual and collective basis, depending on the nature of the underlying portfolio of financial instrument.

Determining significant increase in credit risk
It is very judgmental to determine the significant increase in credit risk, which enable entity to move from stage 1 to stage 2. i.e. to move from 12 month expected losses to life time expected losses. Entity need to assess significant increase in credit risk as compared to its initial recognition level by considering significant changes in financial position of a borrower, expected or current delay in payment, historical trend of the repeat borrowers etc.

Company also has a policy to perform an assessment, at the end of each reporting period, of whether a financial instrument's credit risk has increased significantly since initial recognition.

Forward looking information
ECL is based on history of financial asset and includes forward-looking statement; however, it is a forecast about future conditions over the entire expected life of a financial instrument. The forward-looking information is based on:
- Internal historical credit loss experience, and the period of time over which its historical data has been captured and the corresponding economic conditions represented in the past.

- Effects that were not present in the past or to remove the effects that are not relevant for the future.

- Macroeconomic factors such as interest rates.

The Calculations of ECL
Company calculates ECL on the basis of probability-weighted average scenarios on the basis of historical data.

The calculation of ECL has following key elements of Company's internal estimates:

Probability of default (PD)
It is an estimate of the likelihood of default over a given time horizon.

Exposure at default
Estimate of an exposure at a future default date –expected changes in exposure after the reporting date.

Loss Given Default
Estimate of the loss arising on default. It is based on the difference between contractual cash flows that are due and expected to receive including from collateral. It is generally referred as a percentage of exposure at default.

Discount rate
Used to discount an expected loss to a present value at the reporting date using the effective interest rate.

ECL system
Stage 1: At stage one 12 months ECL is recognized which is calculated as the portion of total outstanding advances, that are overdue till 30 days, that result from a default event on the financial instrument that are possible within 12 months after the reporting date. Company calculates the 12 months ECL provision based on the expectation of default occurring in 12 months following the reporting date. These expected 12 month default probabilities are applied to an EAD and multiplied by the expected LGD.

Stage 2: When a loan has shown a significant increase in the credit risk, i.e., where the same is overdue till 90 days, PDL records a provision for life time ECL. PDs and LGDs in this case are estimated over life span of the financial instrument.

Stage 3: When a loan is considered credit-impaired, i.e., where the same is overdue for past 90 days, Company recognize the lifetime expected credit losses. In this scenario PD is estimated at 100%. For Company, stage 3 incorporates the loans which are due past 90 days but, in certain cases where the internal assessment of the individual borrowers reflects that the overdue amount can be recovered in the near future then the same is subjected to 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 recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The Company follows the 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 Earnings 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 is the weighted average number of equity shares outstanding during the period.

NOTES FORMING INTEGRAL PART OF THE FINANCIAL STATEMENTS AS AT 31ST MARCH 2026

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
9,022.43	-	9,022.43	74.04	9,096.47
9,022.43	**-**	**9,022.43**	**74.04**	**9,096.47**

- Total share capital includes amount received against forfeited shares.
- Further 4000 Foreign Currency Convertible Bonds (FCCBs) were converted during this reporting period and 74,03,585 Equity shares of Re. 1/- each were allotted.

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
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.

List of Shareholders holding more than 5% Shares of Company:

Sr. No.	Name of the Shareholders	Number of Shares held	Percentage of total shares
1	Sunil Purushottanm Agarwal	10,57,02,800	11.62
2	Equilibrated Venture Cflow Pvt. Ltd.	18,67,63,880	20.53
3	SBI Life Insurance Co. Ltd	6,21,14,267	6.83

List of Shareholders holding more than 5% Shares of Company:

Sr. No.	Name of the Shareholders	Number of Shares held	Percentage of total shares	Percentage change during the year
1	Sunil Purushottanm Agarwal	10,57,02,800	11.62	0.10
2	Suneeti Agarwal	71,66,000	0.79	0.01
3	Santanu Agarwal	3,37,04,000	3.71	0.03
4	Equilibrated Venture Cflow Pvt Ltd	18,67,63,880	20.53	(4.87)
5	Pri Caf Pvt. Ltd.	2,40,48,400	2.64	0.02
6	Pro Fitcch Pvt. Ltd.	2,23,21,220	2.45	0.02

Note: 1 Cash & Cash Equivalents

(₹in Lakhs)

Sr. No.	Particulars	Current Year	Previous Year
1	**Cash Balances**	1,466.51	1,242.72
2	**Bank Balances**		
	Current a/c with Scheduled Banks (Subject to reconciliation)	5,614.81	8,803.89
	Cheques/ Drafts on Hands	-	-
3	**In Fixed Deposits - Unencumbered**		
	With Banks	7,600.91	0.10
	Total	**14,682.23**	**10,046.71**

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**	299.95	320.06
	With Banks		
	Total	**299.95**	**320.06**

- 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
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	597.73	597.56
	- Overdue Installments : Considered Good - Unsecured	487.79	559.64
	- Overdue Installments : Sub Standard Assets	680.57	955.76
2	**Other Receivables**	**-**	**-**
	Total	**1,766.09**	**2,112.96**

Note : 4 (a) Trade Receivable- Additional Disclosures:

Outstanding for following periods from the due date of payment (FY. 20225-26)

(₹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	1,085.52	-	-	-	-	1,085.52
2	Undisputed Trade Receivables- which have significant increase in credit risk	-	-	-	-	-	-
3	Undisputed Trade Receivables- credit impaired	-	680.57	-	-	-	680.57
4	Disputed Trade Receivables-considered good	-	-	-	-	-	-
5	Disputed Trade Receivables- which have significant increase in credit risk	-	-	-	-	-	-
	Grand Total	**1,085.52**	**680.57**	**-**	**-**	**-**	**1,766.09**

- Trade Receivable includes overdue loan cases financed by Paisalo Digital Limited

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	1,157.20	-	-	-	-	1,157.20
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	-	-	-	-	-	-
	Grand Total	**1,157.20**	**955.76**	**-**	**-**	**-**	**2,112.96**

Note: 5 Loans

(₹in Lakhs)

Particulars	Current Year						Previous Year					
	Amortised cost	Through other comprehensive income	Through profit or loss	Designated at fair value through profit or loss	Sub total	Total	Amortised cost	Through other comprehensive income	Through profit or loss	Designated at fair value through profit or loss	Subtotal	Total
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11=8+9+10)	(12 =) (7)+(11)
Loans												
(A) (i) Bills Purchased and Bills Discounted	-	-	-	-	-	-	-	-	-	-	-	-
(ii) Loans repayable on Demand	-	-	-	-	-	-	-	-	-	-	-	-
(iii) Term Loans	5,79,880.36	-	-	-	-	5,79,880.36	4,75,455.70	-	-	-	-	4,75,455.70
(iv) Leasing	-	-	-	-	-	-	-	-	-	-	-	-
(v) Factoring	-	-	-	-	-	-	-	-	-	-	-	-
(vi) Others (to be specified)	-	-	-	-	-	-	-	-	-	-	-	-
Total (A)- Gross	**5,79,880.36**	**-**	**-**	**-**	**-**	**5,79,880.36**	**4,75,455.70**	**-**	**-**	**-**	**-**	**4,75,455.70**
Less: Impairment loss allowance	479.69	-	-	-	-	479.69	380.75	-	-	-	-	380.75
Total (A)- Net	**5,79,400.67**	**-**	**-**	**-**	**-**	**5,79,400.67**	**4,75,074.95**	**-**	**-**	**-**	**-**	**4,75,074.95**
(B) (i) Secured by tangible assets	5,53,003.67	-	-	-	-	5,53,003.67	433,491.14	-	-	-	-	433,491.14
(ii) Secured by intangible assets	-	-	-	-	-	-	-	-	-	-	-	-
(iii) Covered by Bank Government Guarantees	-	-	-	-	-	-	-	-	-	-	-	-
(iv) Unsecured	26,876.69	-	-	-	-	26,876.69	41,964.56	-	-	-	-	41,964.56
Total (B)- Gross	**5,79,880.36**	**-**	**-**	**-**	**-**	**5,79,880.36**	**4,75,455.70**	**-**	**-**	**-**	**-**	**4,75,455.70**
Less: Impairment loss allowance	479.69	-	-	-	-	479.69	380.75	-	-	-	-	380.75
Total (B)- Net	**5,79,400.67**	**-**	**-**	**-**	**-**	**5,79,400.67**	**4,75,074.95**	**-**	**-**	**-**	**-**	**4,75,074.95**
(C) (I) Loans in India	5,79,880.36	-	-	-	-	5,79,880.36	4,75,455.70	-	-	-	-	4,75,455.70
(i) Public Sector	-	-	-	-	-	-	-	-	-	-	-	-
(ii) Others (to be specified)	-	-	-	-	-	-	-	-	-	-	-	-
Total (C)- Gross	**5,79,880.36**	**-**	**-**	**-**	**-**	**5,79,880.36**	**4,75,455.70**	**-**	**-**	**-**	**-**	**4,75,455.70**
Less: Impairment loss allowance	479.69	-	-	-	-	479.69	380.75	-	-	-	-	380.75
Total (C) (I)- Net	**5,79,400.67**	**-**	**-**	**-**	**-**	**5,79,400.67**	**4,75,074.95**	**-**	**-**	**-**	**-**	**4,75,074.95**
(C) (II) Loans outside India	-	-	-	-	-	-	-	-	-	-	-	-
Less: Impairment loss allowance	-	-	-	-	-	-	-	-	-	-	-	-
Total (C) (II)- Net	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total C (I) and C (II)	**5,79,400.67**	**-**	**-**	**-**	**-**	**5,79,400.67**	**4,75,074.95**	**-**	**-**	**-**	**-**	**4,75,074.95**

Note: 6 Investments

(₹in Lakhs)

Investments	Current Year							Previous Year						
	At Fair Value							At Fair Value						
	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	201.00	-	-	-	-	-	201.00	250.54	-	-	-	-	-	250.54
Subsidiaries	4,223.91	-	-	-	-	-	4,223.91	4,223.91	-	-	-	-	-	4,223.91
Associates	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Joint Ventures	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Others (specify)*	1,780.00	-	-	-	-	-	1,780.00	1,779.92	-	-	-	-	-	1,779.92
Total (A)	**6,204.91**	**-**	**-**	**-**	**-**	**-**	**6,204.91**	**6,254.37**	**-**	**-**	**-**	**-**	**-**	**6,254.37**
(i) Investments outside India	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(ii) Investments in India	6,204.91	-	-	-	-	-	6,204.91	6,254.37	-	-	-	-	-	6,254.37
Total (B)	**6,204.91**	**-**	**-**	**-**	**-**	**-**	**6,204.91**	**6,254.37**	**-**	**-**	**-**	**-**	**-**	**6,254.37**
Total (A) to tally with (B)	**6,204.91**	**-**	**-**	**-**	**-**	**-**	**6,204.91**	**6,254.37**	**-**	**-**	**-**	**-**	**-**	**6,254.37**
Less: Allowance for Impairment loss (C)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total - Net D = (A) - (C)	**6,204.91**	**-**	**-**	**-**	**-**	**-**	**6,204.91**	**6,254.37**	**-**	**-**	**-**	**-**	**-**	**6,254.37**

- *Unquoted Shares of M/s Samast Vikas Limited

Note : 7 Others Financial Assets

(₹in Lakhs)

Sr. No.	Particulars	Current Year	Previous Year
1	**Secured, Considered Good**		
	Security Deposit*	45.06	31.84
	Advances to Staff	6.19	7.67
	Advances for Services	1,355.02	293.99
	Prepaid Expenses	28.73	33.98
	GST/Service Tax Cenvat	785.06	447.51
	Security Receipts	-	2,442.92
	Total	**2,220.06**	**3,257.91**

- *Security Deposit amount consists of telephone/mobile security,electrity security, rent security.

Note: 8 Current Tax Assets (Net)

(₹in Lakhs)

Sr. No.	Particulars	Current Year	Previous Year
1	**Advance Recoverable in cash or in kind or for value to be considered good**		
	Income Tax and TDS	9,561.14	7,705.50
	Balance with Revenue Authorities	130.00	130.00
	Provision for Taxation	(7,225.43)	(5,376.56)
	Total	**2,465.71**	**2,458.94**

Note: 9 Property, Plant and Equipment

(₹in Lakhs)

Sr. No.	Particulars	Gross Block			Depreciaton			Net Block	
		Value at the beginning	Addition during the year	Deduction during the year	Value at the beginning	Addition during the year	Deduction during the year	Value at the end	WDV as on 31.03.2026	WDV as on 31.03.2025
I	**Tangible Assets**									
1	Land	-	-	-	-	-	-	-	-	-
2	Building	6,982.57	756.01	-	781.40	122.69	-	904.09	6,834.49	6,201.17
3	Furniture & Fittings	368.16	99.73	-	183.40	25.76	-	209.16	258.73	184.76
4	Computer Peripheral	999.10	386.91	-	502.44	293.46	-	795.90	590.11	496.66
6	Vehicles	649.63	229.26	5.54	228.83	73.34	4.58	297.59	575.76	420.80
7	Equipments, Plant & Machinery	356.29	49.97	-	213.55	43.00	-	256.55	149.71	142.74
	SUB TOTAL (A)	**9,355.75**	**1,521.88**	**5.54**	**1,909.62**	**558.25**	**4.58**	**2,463.29**	**8,408.80**	**7,446.13**
II	**Intangible Assets**									
1	Computer Software	533.51	-	-	519.51	0.80	-	520.31	13.20	14.00
2	Goodwill	-	-	-	-	-	-	-	-	-
	SUB TOTAL (B)	**533.51**	**-**	**-**	**519.51**	**0.80**	**-**	**520.31**	**13.20**	**14.00**
III	**Capital Work-in-progress**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	SUB TOTAL (C)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
IV	**Intangible Assets Under Development**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	SUB TOTAL (D)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	Total [A+B+C+D] (Current Year)	**9,889.26**	**1,521.88**	**5.54**	**2,429.13**	**559.05**	**4.58**	**2,983.60**	**8,422.00**	**7,460.13**
	Total (Previous Year)	**8,656.42**	**1,277.88**	**45.04**	**2,012.83**	**426.66**	**10.36**	**2,429.13**	**7,460.13**	**6,643.59**

Note : 10 Other Non Financial Assets

(₹in Lakhs)

Sr. No.	Particulars	Current Year	Previous Year
1	Deferred Revenue Expenditure	3,704.31	1,626.33
2	Unexpired Expenses of Processing Fees	-	-
	Total	**3,704.31**	**1,626.33**

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

Note: 11 Derivative financial Instruments (Liabilities)

(₹in Lakhs)

Particulars	(Current Year)			Previous Year		
	Notional Amounts	Fair Value Assets	Fair Value Liabilities	Notional Amounts	Fair Value Assets	Fair Value Liabilities
Part I						
(i) Currency Derivatives						
- Spot and Forwards	-	-	-	-	-	-
- Currency Futures	-	-	-	-	-	-
- Currency Swaps	-	-	-	-	-	-
- Options purchased	-	-	-	-	-	-
- Options sold (written)	-	-	-	-	-	-
- Others	-	-	-	-	-	-
Sub Total (i)	**-**	**-**	**-**	**-**	**-**	**-**
(ii) Interest rate Derivatives						
- Forward Rate Agreements and Interest Rate Swaps	-	-	-	-	-	-
- Options purchased	-	-	-	-	-	-
- Options sold (written)	-	-	-	-	-	-
- Futures	-	-	-	-	-	-
- Others	-	-	-	-	-	-
Sub Total (ii)	**-**	**-**	**-**	**-**	**-**	**-**
(iii) Credit Derivatives	**-**	**-**	**-**	**-**	**-**	**-**
(iv) Equity linked Derivatives	**-**	**-**	**-**	**-**	**-**	**-**
(v) Other Derivatives (Please specify)	**-**	**-**	**-**	**-**	**-**	**-**
Total Derivative Financial Instruments (i)+(ii)+(iii)+(iv)+ (V)	**-**	**-**	**-**	**-**	**-**	**-**
Part II						
Included in above (Part I) are derivatives held for hedging and risk management purposes as follows:	-	-	-	-	-	-
(i) Fair value hedging						
- Currency Derivatives	-	-	-	-	-	-
- Interest rate Derivatives	-	-	-	-	-	-
- Credit Derivatives	-	-	-	-	-	-
- Equity linked Derivatives	-	-	-	-	-	-
- Others	-	-	-	-	-	-
Sub Total (i)	**-**	**-**	**-**	**-**	**-**	**-**
(ii) Cash flow hedging						
- Currency Derivatives	-	-	-	-	-	-
- Interest rate Derivatives	-	-	-	-	-	-
- Credit Derivatives	-	-	-	-	-	-
- Equity linked Derivatives	-	-	-	-	-	-
- Others	-	-	-	-	-	-
Sub Total (ii)	**-**	**-**	**-**	**-**	**-**	**-**
(iii) Net investment hedging	**-**	**-**	**-**	**-**	**-**	**-**
(iv) Undesignated Derivatives	**-**	**-**	**-**	**-**	**-**	**-**
Total Derivative Financial Instruments (i)+(ii)+(iii)+(iv)	**-**	**-**	**-**	**-**	**-**	**-**

Note: 12 Payables

(₹in Lakhs)

Sr. No.	Particulars	Current Year	Previous Year
1	**Trade Payables**		
	(i) Total outstanding dues of Micro Enterprises and Small Enterprises		
	(a) Sundry Creditors for Services	76.46	39.40
		76.46	**39.40**
	(ii) Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises		
	(a) SBI Assignment Payable	3.90	0.28
	(b) SIB Assignment Payable	-	0.01
	(c) Interest Payable on NCD/FCCB	1,987.20	1,605.06
	(d) Interest Payable on Bank	244.05	198.29
	(e) Other Sundry Payables	208.91	1,583.74
		2,444.06	**3,387.38**
2	**Other Payables**		
	(i) Total outstanding dues of Micro Enterprises and Small Enterprises	-	-
	(ii) Total outstanding dues of creditors other than Micro enterprises and Small Enterprises		
	(a) Statutory Payables		
	Professional Tax Payable	0.02	0.01
	EPF Contribution Payable	41.89	43.73
	ESI Payable	13.67	13.68
	GST Payable	37.44	99.36
	TDS Payable	325.44	259.42
	LIC GSLI Payable	78.39	0.02
	(b) Expenses Payables	1,586.47	2,676.16
		2,083.32	**3,092.38**
	Total	**4,603.84**	**6,519.16**

Note: 12 (a) Trade Payables Due for Payment 2025-26

(₹in Lakhs)

Sr. No.	Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
1	MSME	76.46	-	-	-	76.46
2	Others	2,444.06	-	-	-	2,444.06
3	Disputed Dues-MSME	-	-	-	-	-
4	Disputed Dues-Others	-	-	-	-	-
	Grand Total	**2,520.52**	**-**	**-**	**-**	**2,520.52**

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	-	-	-	-	-
	Grand Total	**3,426.78**	**-**	**-**	**-**	**3,426.78**

- There are no due pending more than 45 days

Note: 13 Debt Securities

(₹in Lakhs)

Particulars	Current Year				Previous Year			
	At Amortised Cost	At Fair Value Through profit or loss	Designated at fair value through profit or loss	Total	At Amortised Cost	At Fair Value Through profit or loss	Designated at fair value through profit or loss	Total
	(1)	(2)	(3)	(4) = (1)+(2)+(3)	(5)	(6)	(7)	(8) = (5)+(6)+(7)
Liability component of compound Financial Instruments	-	-	-	-	-	-	-	-
Commercial Paper	2,916.38	-	-	2,916.38	9,945.36	-	-	9,945
FCCB	37,655.82	-	-	37,655.82	41,079.07	-	-	41,079
Others (Bonds/ Debentures etc.)*	75,025.00	-	-	75,025.00	51,585.00	-	-	51,585.00
Total (A)	**1,15,597.20**	**-**	**-**	**1,15,597.20**	**1,02,609.43**	**-**	**-**	**1,02,609.43**
Debt Securities in India	77,941.38	-	-	77,941.38	61,530.36	-	-	61,530.36
Debt Securities outside India	37,655.82	-	-	37,655.82	41,079	-	-	41,079
Total (B) to tally with (A)	**1,15,597.20**	**-**	**-**	**1,15,597.20**	**1,02,609.43**	**-**	**-**	**1,02,609.43**

***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-'PDL-02-2021'	Feb-2021	2,300.00	12.00%	Monthly	Feb-2026	2,300.00	No	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	No	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-'PDL-04-2023'	Apr-2023	500.00	10.00%	Monthly	Apr-2033	500.00	No	Yes
Series-'PDL-04-2023'	Apr-2023	830.00	12.00%	Monthly	Apr-2033	830.00	Yes	Yes
Series-'PDL-04-2023'	Apr-2023	2,810.00	12.00%	On Maturity	Apr-2033	2,810.00	No	Yes
Series-'PDL-09-2023'	Sep-2023	300.00	12.00%	Monthly	Sep-2033	300.00	Yes	Yes
Series-'PDL-09-2023'	Sep-2023	5,000.00	9.95%	Quarterly	Sep-2033	5,000.00	Yes	Yes
Series-'PDL-11-2023'	Nov-2023	850.00	9.95%	Monthly	Nov-2033	850.00	No	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	800.00	12.00%	Monthly	Dec-2033	800.00	No	Yes
Series-'PDL-12-2023'	Dec-2023	3,820.00	12.00%	Monthly	Dec-2033	3,820.00	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	600.00	9.95%	Quarterly	Jun-2025	600.00	No	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	No	Yes
Series-'PDL-04-2024'	Apr-2024	600.00	9.95%	Quarterly	Oct-2025	600.00	No	Yes
Series-'PDL-05-2024'	May-2024	2,700.00	9.95%	Quarterly	May-2029	2,700.00	Yes	Yes
Series-'PDL-07-2024'	July-2024	2,500.00	9.95%	Quarterly	July-2027	2,500.00	Yes	Yes
Series-'PDL-06-2025'	Jun-2025	5,000.00	10.00%	Monthly	Jun-2027	5,000.00	Yes	No
Series-'PDL-08-2025'	Aug-2025	3,400.00	9.75%	Quarterly	Aug-2028	3,400.00	Yes	No
Series-'PDL-09-2025'	Sep-2025	5,000.00	10.00%	Monthly	Sep-2028	5,000.00	Yes	No
Series-'PDL-11-2025'	Nov-2025	5,500.00	8.45%	Yearly	Nov-2027	5,500.00	Yes	No
Series-'PDL-11-2025'	Nov-2025	2,500.00	8.50%	Yearly	Nov-2028	2,500.00	Yes	No
Series-'PDL-12-2025'	Dec-2025	4,000.00	8.50%	Quarterly	Dec-2028	4,000.00	Yes	No
Series-'PDL-12-2025'	Dec-2025	3,000.00	8.45%	Yearly	Dec-2027	3,000.00	Yes	No
Series-'PDL-03-2026'	Mar-2026	5,100.00	9.25%	Monthly	Sep-2028	5,100.00	Yes	No

Note: 14 Borrowings (Other than Debt Securities)

(₹in Lakhs)

Particulars	Current Year				Previous Year			
	At Amortised Cost	At fair value through profit or loss	Designated at fair value through profit or loss	Total	At Amortised Cost	At fair value through profit or loss	Designated at fair value through profit or loss	Total
	(1)	(2)	(3)	(4)=(1)+(2)+(3)	(1)	(2)	(3)	(4)=(1)+(2)+(3)
(a) Term loans:								
(i) From banks	2,81,417.50	-	-	2,81,417.50	174,224.07	-	-	174,224.07
(ii) From other parties	17,142.86	-	-	17,142.86	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	5,779.98	-	-	5,779.98	35,600.74	-	-	35,600.74
(ii) from other parties	-	-	-	-	-	-	-	-
(g) Other loans (specify nature)	-	-	-	-	-	-	-	-
(i) from other parties	7,409.92	-	-	7,409.92	7,958.92	-	-	7,958.92
Total (A)	**3,11,750.26**	**-**	**-**	**3,11,750.26**	**2,37,783.73**	**-**	**-**	**2,37,783.73**
Borrowings in India	2,97,534.76	-	-	2,97,534.76	2,37,783.73	-	-	2,37,783.73
Borrowings outside India	14,215.50	-	-	14,215.50	-	-	-	-
Total (B) to tally with (A)	**3,11,750.26**	**-**	**-**	**3,11,750.26**	**2,37,783.73**	**-**	**-**	**2,37,783.73**

Note: 15 Deposits

(₹in Lakhs)

	Current Year				Previous Year			
	At Amortised Cost	At fair value through profit or loss	Designated at fair value through profit or loss	Total	At Amortised Cost	At fair value through profit or loss	Designated at fair value through profit or loss	Total
	(1)	(2)	(3)	(4)=(1)+(2)+(3)	(5)	(6)	(7)	(*8)=(5)+(6)+(7)
Deposits								
(i) Public Deposits	-	-	-	-	-	-	-	-
(ii) Form Banks	-	-	-	-	-	-	-	-
(iii) From Others	-	-	-	-	-	-	-	-
Total	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

Note: 16 Subordinated Liabilities

(₹in Lakhs)

Particulars	Current Year				Previous Year			
	At Amortised Cost	At fair value through profit or loss	Designated at fair value through profit or loss	Total	At Amortised Cost	At fair value through profit or loss	Designated at fair value through profit or loss	Total
	(1)	(2)	(3)	(4) = (1)+(2)+(3)	(5)	(6)	(7)	(8) = (5)+(6)+(7)
Prepetual Debt Instruments to the extent that do not qualify as equity	-	-	-	-	-	-	-	-
Preferene Shares other than those that qualify as Equity	-	-	-	-	-	-	-	-
Others (Non-Convertable Debentures*)	100.00	-	-	100.00	800.00	-	-	800.00
Total (A)	**100.00**	**-**	**-**	**100.00**	**800.00**	**-**	**-**	**800.00**
Subordinated Liabilities in India	100.00	-	-	100.00	800.00	-	-	800.00
Subordinated Liabilities outside India	-	-	-	-	-	-	-	-
Total (B) to tally with (A)	**100.00**	**-**	**-**	**100.00**	**800.00**	**-**	**-**	**800.00**

*** Details of Non-Convertable Debentures**

(₹in Lakhs)

Debenture Series	Issued Date	Issued Amount	Rate of Interest	Interest Periodicity	Maturity Date	Maturity Amount	Current Year	Previous Year
Series-'PDL2020-1'	Jan -2020	600	12.00%	Monthly	Jan-2026	600	No	Yes
Series-'PDL2020-2'	Feb-2020	100	12.00%	Monthly	Feb-2026	100	No	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	1,947.52	1,533.00
	Total	**1,947.52**	**1,533.00**

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	2,333.55	1,921.78
2	Provision for Proposed Dividend on Equity Shares	909.52	902.12
3	Provision for Expected Credit Loss	1,450.04	1,372.48
4	Provision for Sub Standard Assets	889.99	1,084.22
	Total	**5,583.10**	**5,280.60**

Note: 20 Deferred Tax Liabilities (Net)

(₹in Lakhs)

Sr. No.	Particulars	Current Year	Previous Year
1	**Opening Balance**	**509.80**	**(864.02)**
	Tax on Timing difference on Property, Plant and Equipments	632.10	556.33
	Tax on Timing difference on Deferred Revenue Expenditures	932.30	409.31
	Tax on Timing difference on Unearned Processing Fees	(244.71)	(455.84)
2	**Total Deferred Tax Liability**	**1,319.69**	**509.80**
	Provision for Deferred Tax required for the year (2-1)	809.89	1,373.82
	Total	**1,319.69**	**509.80**

Note: 21 Others Non Financial Liabilities

(₹in Lakhs)

Sr. No.	Particulars	Current Year	Previous Year
1	Unearned Income of Processing Fees	972.29	1,811.23
	Total	**972.29**	**1,811.23**

Note: 22 Share Capital

(₹in Lakhs)

Sr. No.	Particulars	Current Year	Previous Year
1	**AUTHORIZED CAPITAL**		
	175,00,00,000 Equity Shares of Re. 1 per share	17,500.00	17,500.00
	50,00,000 Preference Shares of Re. 10 each	500.00	500.00
		18,000.00	**18,000.00**
2	**ISSUED, SUBSCRIBED CAPITAL**		
	92,22,43,289 Equity Shares of Re. 1 per Share fully paid up (Previous year 89,81,68,980 Equity Shares of Re. 1 each)	9,022.43	8,981.69
	Add: - 74,03,585 equity shares of face value Re. 1 each @ premium of Rs. 44.74 issued on conversion of 4000 FCCBs of USD 4 million (Previous Year 37,01,792 equity shares of face value Re. 1 each @ premium of Rs. 44.74 issued on conversion of 2000 FCCBs of USD 2 million)	74.04	37.02
	Add: (Previous Year 3,72,517 equity share of face value Re. 1 each @ premium of Rs. 33.69 alloted under PDL ESPS 2024 scheme)	-	3.73
		9,096.47	**9,022.43**
3	**PAID UP CAPITAL**		
	90,21,18,289 Equity Shares of Re. 1 per Share fully paid up (Previous year 89,80,43,980 Equity Shares of Re. 1 each)	9,021.18	8,980.44
	Add: - 74,03,585 equity shares of face value Re. 1 each @ premium of Rs. 44.74 issued on conversion of 4000 FCCBs of USD 4 million (Previous Year 37,01,792 equity shares of face value Re. 1 each @ premium of Rs. 44.74 issued on conversion of 2000 FCCBs of USD 2 million)	74.03	37.02
	Add: (Previous Year 3,72,517 equity share of face value Re. 1 each @ premium of Rs. 33.69 alloted under PDL ESPS 2024 scheme)	-	3.73
	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
	Total	**9,095.84**	**9,021.81**

Note: 23 Other Equity
Current Reporting Period

(₹in Lakhs)

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	-	-	24,860.04	2,443.60	39,873.20	73,365.22	1,633.82	250.00	317.72	-	-	-	-	-	-	-	**142,743.60**
Add: Any change due to IND AS	-	-	-	-	-	-	(7.40)	-	-	-	-	-	-	-	-	-	**(7.40)**
Restated Balances at the beginning of the reporting period	-	-	24,860.04	2,443.60	39,873.20	73,365.22	1,626.42	250.00	317.72	-	-	-	-	-	-	-	**142,736.20**
Total Comprehensive Income for the year	-	-	-	-	-	-	23,468.91	-	-	-	-	-	-	-	-	-	**23,468.91**
Money received as share warrant	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	**-**
Share warrant converted into Share capital	-	-	-	-	3,312.36	-	-	-	-	-	-	-	-	-	-	-	**3,312.36**
Security Premium on conversion of warrants into equity	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	**-**
Proposed Dividends	-	-	-	-	-	-	(909.52)	-	-	-	-	-	-	-	-	-	**(909.52)**
Depreciation on Revaluation Amount	-	-	-	-	-	-	9.08	-	(9.08)	-	-	-	-	-	-	-	**-**
Income Tax Impact due to IND AS on Processing Fees	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	**-**
Share based payment to employees	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	**-**
Transfer to General Reserve	-	-	-	-	-	17,000.00	(17,000.00)	-	-	-	-	-	-	-	-	-	**-**
Transfer to Statutory Reserve Fund	-	-	4,693.78	-	-	-	(4,693.78)	-	-	-	-	-	-	-	-	-	**-**
Provision on Standard Assets	-	-	-	-	-	-	(411.76)	-	-	-	-	-	-	-	-	-	**(411.76)**
Expenditure on Corporate Social Responsibility	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	**-**
Balance at the end of the reporting period	**-**	**-**	**29,553.82**	**2,443.60**	**43,185.56**	**90,365.22**	**2,089.35**	**250.00**	**308.64**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**168,196.19**

Note: 23 Other Equity
Previous Reporting Period

(₹in Lakhs)

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	-	-	-	-	-	-	-	**122,491.39**
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	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	**-**
Bonus share issued	-	-	-	28.39	-	-	-	-	-	-	-	-	-	-	-	-	**28.39**
Transfer to General Reserve	-	-	-	-	-	14,000	(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 : 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	-	87,618.01	-	-	65,975.84	-
Income from Investments	-	206.81	-	-	18.61	-
Interest on Deposits with Banks	-	40.84	-	-	29.15	-
Other Interest Income	-	1.43	-	-	-	-
Fee & Commission Income		3,871.82			7,098.84	
Dividend Income	-	1.72	-	-	1.53	-
Total	**-**	**91,740.63**	**-**	**-**	**73,123.97**	**-**

Note: 25 Net Gain/(Loss) on fair value changes

(₹in Lakhs)

Particulars	Current Year	Previous Year
(A) Net gain/ (loss) on Financial Instruments at Fair value through profit or loss		
(i) On trading portfolio:		
- Investments	-	-
- Derivatives	-	-
- Others	-	-
(ii) On Financial Instruments designated at fair value through profit or loss	(49.46)	26.68
(B) Others		
(i) Total Net gain/(loss) on fair value changes (c)	**-**	**-**
(ii) Fair Value changes:		
- Realised	-	-
- Unrealised	-	-
Total Net Gain/(Loss) on Fair value changes (D) to tally with (C)	**(49.46)**	**26.68**

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
	Total	**-**	**332.54**

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	-	28,582.71	-	21,350.68
3	Interest on Debt Securities	-	6,298.03	-	5,820.01
4	Interest on Subordinated Liabilities	-	82.42	-	478.14
5	Other Interest expense/ Bank Charges	-	1,557.61	-	3,281.22
	Total	**-**	**36,520.77**	**-**	**30,930.05**

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	-	3,207.59	-	1,420.13
Provision for NPA	-	479.69	-	380.75
Provision for Expected Credit Loss				
Additional Provision for Expected Credit Loss	-	77.56	-	67.55
Investments	-	-	-	-
Others (to be specified)	-	-	-	-
Total	**-**	**3,764.84**	**-**	**1,868.43**

Note: 29 Employees Benefit Expenses

(₹in Lakhs)

Sr. No.	Particulars	Current Year	Previous Year
1	Salaries and Wages to Employees	5,963.18	4,830.96
2	Directors Salaries & Allowances	735.98	676.23
3	Contribution to Provident and other funds	407.30	344.43
4	Share Based Payments to employees	-	28.39
5	Staff welfare expenses	328.97	194.87
	Total	**7,435.43**	**6,074.87**

- 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. 2025-26 Rs. 7,35,78,504 (Last year Rs. 6,76,22,575) 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	559.05	426.67
2	Defered Revenue Exp. w/o*	665.18	120.19
	Total	**1,224.23**	**546.86**

-*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	59.18	58.03
2	Travelling Expenses	2,011.76	1,793.74
3	Repair & Maintenance	29.38	23.83
4	Insurance Expenses	72.40	32.63
5	Electricity & Water Expenses	92.77	99.69
6	Rates & Taxes	6.54	3.41
7	Legal Expenses & Professional Fees	2,834.63	1,682.12
8	Printing & Stationery Expenses	358.58	386.48
9	Postage & Telephone Expenses	432.35	175.07
10	Auditors Remuneration	8.18	8.18
11	Rent	636.51	496.35
12	Rebate & Remission	1,311.75	669.25
13	Advertisement & Business Promotion Expenses	1,142.62	558.18
14	Recovery Expenses	767.54	505.30
15	Office and General Expenses	467.85	453.67
16	Loss/(Profit) on sale of Assets/Investments	0.46	24.69
17	Directors Sitting Fees & Expenses	21.53	21.72
18	Loss on foreign currency transaction and translation	471.06	289.76
19	Corporate Social Responsibility Expenditure	437.83	320.89
	Total	**11,162.92**	**7,602.99**

32. Remuneration to Auditors:

(₹in Lakhs)

Particulars	2025-26	2024-25
For Statutory Audit	5.62	5.62
For Tax Audit	1.88	1.88
Total	**7.50**	**7.50**

33. Earning per Share:

(₹in Lakhs)

Particulars	2025-26	2024-25
Net profit for the year (After Tax)	23,468.91	19,768.70
Equity Shares in numbers (Weighted)	90,60,93,913	89,88,37,281
Basic and diluted Earning per share (Rs.)	2.59	2.20

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:

i) 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 Banks / FIs / NBFCs

(₹in Lakhs)

Name of Bank / Financial Institution	Facility	Amount o/s
Karnataka Bank Ltd	Cash Credit	500.00
Indian Bank	Cash Credit	500.00
Karnataka Bank	Term Loan	125.60
Total		**1,125.60**

ii) The following matters of Income Tax & GST are pending before the respective department

(₹in Lakhs)

Department	Amount
Income Tax Matters	575.47
Goods & Services Tax Matters	268.91
Total	**844.38**

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 has filed a Civil Suit bearing no. CS (COMM) 212/2026 against the Central Bank of India before the Hon'ble Delhi High Court seeking inter alia a direction for the refund/ restitution of a sum of Rs. 5,38,38,890.41/-(Rupees Five Crores Thirty Eight Lakhs Thirty Eight Thousand Eight Hundred Ninety and Forty One Paisa)

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 Purushottanm 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 & Chief Compliance Officer)

Relatives of K M P

Mr. Purushottam Agrawal	(Father of Mr. Sunil Purushottanm Agarwal)
Mrs. Raj Agarwal	(Mother of Mr. Sunil Purushottanm Agarwal)
Mrs. Neetu Agarwal	(Spouse of Mr. Sunil Purushottanm Agarwal)
Ms. Suneeti Agarwal	(Daughter of Mr. Sunil Purushottanm Agarwal)
Mrs. Aastha Sharma	(Spouse of Mr. Santanu Agarwal)
Mrs. Priti Chauhan	(Spouse of Mr. Harish Singh)
Mrs. Sushila Devi Chauhan	(Mother of Mr. Harish Singh)
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.
2. Equilibrated Venture Cflow Pvt. Ltd.
3. Harish Singh HUF
4. Maurya Techno Securities Pvt. Ltd.
5. Pri Caf Pvt. Ltd.
6. Pro Fitcch Pvt. Ltd..
7. R N R Automate Pvt. Ltd
8. Raj Shiksha Foundation
9. Repartee Infrastructures Pvt. Ltd.
10. Radiance Techno Powers Company Pvt. Ltd.
11. Saadhvi Cinfra Projects Pvt. Ltd.
12. Sable Sanctus Foundation
13. SCS Education Foundation
14. Suneeti Dolaa Private Trust
15. Sulabhya Paramita Private Trust

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	(28.20)
Mr. Harish Singh	Remuneration to Director	65.34	(3.17)
Mr. Anoop Krishna	Remuneration to Director	52.72	(3.15)
Mr. Santanu Agarwal	Remuneration to Director	180.00	(21.00)
Mr. Vinod Kumar	Remuneration to Director	50.16	(3.23)
Mr. Manendra Singh	Salary	22.26	(1.45)
Mr. Pranav Chauhan	Interest Payment (on NCD)	24.00	—
Mrs. Priti Chauhan	Interest Payment (on NCD)	26.40	
Nupur Finvest Pvt. Ltd.	Sale of Portfolio	3,897.99	—
Nupur Finvest Pvt. Ltd.	Interest Expenses	478.88	—
Nupur Finvest Pvt. Ltd.	Loan given	31,955.00	—
Nupur Finvest Pvt. Ltd.	Interest received on ICD	533.75	—
Nupur Finvest Pvt. Ltd.	Purchase of Assets	20,923.98	—
Equilibrated Ventures Cflow Pvt. Ltd.	Loan Received	16,997.00	(176.00)
Equilibrated Ventures Cflow Pvt. Ltd.	Interest Expenses	327.31	—
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	172.94	—
Pri Caf Pvt. Ltd.	Dividend Paid	24.05	—
Harish Singh	Dividend Paid	0.02	—
Manendra Singh	Dividend Paid	0.01	—

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 Seven 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	4,153.84	4,000.00	9.15%
2	Bank of Baroda TL	Term Loan	2,250.00	6,000.00	13.73%
3	Punjab National Bank	CC+WCDL	2,973.28	8,000.00	18.30%
4	Union Bank of India	CC	2,408.72	2,500.00	5.72%
5	Union Bank of India	Term Loan	6,000.00	8,745.00	20.01%
6	UCO Bank	CC+WCDL	1,382.67	1,400.00	3.20%
7	UCO Bank TL	Term Loan	1,245.83	2,300.00	5.26%
8	IDBI Bank	CC+WCDL	2,447.55	2,500.00	5.72%
9	IDBI Bank	Term Loan	125.00	416.00	0.95%
10	State Bank of India	CC	(12,395.04)	500.00	1.15%
11	State Bank of India TL	Term Loan	1,895.52	2,346.00	5.37%
12	Indian Bank	CC+WCDL	4,808.96	5,000.00	11.44%
	Total		**17,296.33**	**43,707.00**	**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	599.36	1,500.00
2	State Bank of India	4,802.30	25,000.00#
3	State Bank of India (FCNB)	58,972.26	97,500.00$
4	State Bank of India (ECB)	14,215.50	14,215.50
5	Canara Bank	30,970.00	47,500.00
6	Indian Bank	34,135.28	35,000.00
7	Indian Overseas Bank	32,250.00	45,000.00
8	Bank of Maharashtra	50,214.80	65,000.00
9	Bank of India	7,500.00	10,000.00
10	Dhanlaxmi Bank	1,718.11	2,500.00
11	Unity Small Finance Bank	9,975.00	9,975.00
12	Karur Vysya Bank	4,163.61	5,000.00
13	Punjab & Sind Bank	9,999.82	10,000.00
14	Jammu & Kashmir Bank	9,999.69	10,000.00
	Total	**2,69,515.73**	**3,78,190.50**

- #Term Loan from State Bank of India amounting to Rs. 15000.00 Lakh is undisbursed as on 31st March 2026.
- $During the year, the State Bank of India has converted the Term Loan having outstanding of Rs. 67,856.26 Lakh into FCNR TL (Foreign Currency based TLs).

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.	17,142.86	20,000.00
	Total	**17,142.86**	**20,000.00**

Term loan sanctioned for vehicle

(₹in Lakhs)

Sr. No.	Name of Bank	Outstanding	Sanctioned Amount
1	Bank of Baroda	84.36	139.50
2	Bank of Baroda	13.41	33.68
3	Bank of Baroda	40.88	98.00
4	Bank of Baroda	12.46	26.70
5	Bank of Baroda	20.25	27.50
6	Bank of Baroda	27.63	34.00
7	Bank of Baroda	12.66	13.98
8	Bank of Baroda	19.54	23.82
9	Punjab National Bank	41.07	44.00
10	Punjab National Bank	113.16	120.00
	Total	**385.42**	**561.18**

39. During the year 2025-26, out of USD 48 million FCCBs, FCCBs of USD 4 million has been converted into 74,03,585 equity share at Re. 1 each at a premium of Rs. 44.74 per equity share.

In the previous year 2024-25, the Company has issued 50000 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 have been converted into 37,01,792 equity share at Re. 1 each at a premium of Rs. 44.74 per equity share.

During the year 2025-26, the Company has raised ECBs of USD 15 million equivalent to Rs. 142.16 Crore through State Bank of India. Further, the State Bank of India has converted the four INR based Term Loan into FCNR TLs (Foreign Currency based Term Loans)

40. Detail of Bank FDR's (principal amount) held as on 31.03.2026:

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
	Subtotal	**(D)**	**205.00**

Held as Guarantee

(₹in Lakhs)

1	Bank of India	Guarantee	10.00
2	Karnataka Bank	Guarantee	1.50
	Subtotal	**(E)**	**11.50**

Held as Investment

(₹in Lakhs)

1	Punjab National Bank	Unencumbered	0.10
2	State Bank of India	Unencumbered	5,000.00
3	Canara Bank	Unencumbered	2,600.00
	Subtotal	**(F)**	**7,600.10**
	Grand Total of FDR's	**(A+B+C+D+E+F)**	**7,885.98**

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	5,58,242.38	5,76,758.32	18,515.94	Some Disbursement/payments /Bad Debts were omitted to consider in MIS, pending reconciliation while submitting the Book Debts Statements
2	Sub Standard Asset	-	4,408.44	4,408.44	Not Qualified for DP Purpose

42. Arbitration Awards:

The amount of such Decrees available for execution stands at Rs. 13,516.90 (Previous year Rs. 16,477.78) 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	16,477.78
2	Add: New Arbitration Award procured during the year	-
3	Less: Arbitration Award cases closed during the year	195.85
4	Less: Arbitration Award disposed off / settled during the year	2765.03
	Arbitration Awards available for Execution	13,516.90

43. Capital Risk Adequacy Ratio (CRAR):

(₹in Lakhs)

Particulars		2025-26	2024-25
i)	CRAR %	35.84%	39.16%
ii)	CRAR – Tier I Capital %	28.89%	29.90%
iii)	CRAR – Tier II Capital %	6.95%	9.26%
iv)	Amount of subordinated debt raised as Tier-II Capital	100	800
v)	Liquidity Coverage Ratio	8.34	5.44
vi)	Amount raised by issue of Perpetual Debt Instruments	Nil	Nil

44. Investments:

(₹in Lakhs)

Particulars				2025-26	2024-25
1)	Value of Investments				
	i)	Gross value of Investments			
		a)	In India	14,105.77	6,574.53
		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	14,105.77	6,574.53
		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 2025-26.

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 2025-26 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 2025-26.

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 August 2020 and RBI/2021-22/31/DOR.STR.REC.11 /21.04.048/2021-22 dated 5 May 2021

There were no borrower accounts where resolution plans had been implemented under RBI 's Resolution Framework 2.0 dated 5 May 2021 during the year.

b) Disclosures pursuant to RBI Notification - RBI /DOR/2021-22/86 DOR.STR.REC.51 /21.04.048/2021-22 dated 24 September 2021

(a) Details of transfer through assignment in respect of loans not in default during the financial year ended 31 March, 2026

Amount of loans transferred through assignment	3897.99 Lakh
Retention of beneficial economic interest	15%
Weighted average residual maturity	60 months
Weighted average holding period	9 months
Coverage of tangible security coverage	Secured
Rating-wise distribution of rated loans	Nil

(b) Details of loans (not in default) acquired through assignment during the financial year ended 31 March, 2026

Amount of loans transferred through assignment	Nil
Retention of beneficial economic interest	Nil
Weighted average residual maturity	Nil
Weighted average holding period	Nil
Coverage of tangible security coverage	Nil
Rating-wise distribution of rated loans	Nil

(c) Details of stressed loans transferred during the financial year ended 31 March, 2026

Particulars	To Asset Reconstruction Companies (ARC)		To permitted transferees	
	NPA	SMA	NPA	SMA
Number of accounts	Nil	Nil	Nil	Nil
Aggregate principal outstanding of loans transferred (Rs. in crore)	Nil	Nil	Nil	Nil
Weighted average residual tenor of the loans transferred (in years)	Nil	Nil	Nil	Nil
Net book value of loans transferred (at the time of transfer (Rs. in crore)	Nil	Nil	Nil	Nil
Aggregate consideration (Rs. in crore)	Nil	Nil	Nil	Nil

In addition to above the Company has transferred written off loans amounting to Rs. Nil for a consideration of Rs. Nil.

(d) The Company has not acquired any stressed loan during the financial year ended 31 March, 2026.

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 built on a shared goal: advancing financial inclusion by providing timely, accessible credit to underserved segments, especially 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 equitable risk and return sharing and allows both parties to leverage their 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 can optimize risk assessment, improve cost efficiency, and provide competitive interest rates. While the banks' rates remain aligned with prevailing benchmarks, Paisalo retains the flexibility, within regulatory limits, to set 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. However, under the new co-lending regulatory guidelines, the company is renewing its relationships and has reduced business until it achieves compliance.

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 just a business model; it is 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 driver of growth, contributing meaningfully to both financial performance and social impact.

47. Asset Liability Management Maturity pattern of certain items of Assets and Liabilities as on 31st March, 2026:

(₹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	9,129	14,109	22,611	22,944	64,785	1,37,794	2,35,319	64,527	9,949	**5,81,167**
Investments (Bank FDR)	7,601	—	—	—	—	—	300	—	—	**7,901**
Borrowings	—	4,896	4,403	9,701	17,707	39,781	1,03,956	10,143	2,909	**1,93,496**
Foreign Currency Assets	—	—	2,916	—	16,900	1,000	45,609	40,631	16,051	**1,23,107**
Foreign Currency Liabilities	—	—	—	—	—	—	—	—	—	**—**
	—	1,230	1,293	1,293	4,295	10,256	46,655	45,822	—	**1,10,844**

48. Exposures:

a) Exposures to Real Estate Sector

(₹in Lakhs)

Category		2025-26	2024-25
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	23,062	8,257
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	4,934	7,916
iii)	Investments in Mortgage Backed Securities (MBS) and other securitized exposures	—	—
Indirect Exposure		**—**	**—**

b) Capital Market Exposure

(₹in Lakhs)

S. No.	Particulars[1]	2025-26	2024-25
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	6,204.91	6,254.37
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.	2,814.30	1,500.00
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	**9,019.21**	**7,754.37**

c) Sectoral Exposure

(₹in Lakhs)

Sectors	2025-26			2024-25		
	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	**27,364**	**—**	**—**	**42,524**	**—**	**—**
2. Industry						
i. Micro & Small	94,475	—	—	61,126	—	—
ii. Medium	4,48,029	4,408	0.98	3,59,998	4,700	1.31
Others	—	—	—	—	—	—
Total of Industry (i+ii+...+Others)	**5,42,504**	**4,408**	**1.31**	**4,21,124**	**4,700**	**1.31**
3. Services						
i. Retail Trade	3,262	—	—	2,891	—	—
ii. Commercial Real Estate	4,934	—	—	7,916	—	—
Others	—	—	—	—	—	—
Total of Services (i+ii+...+Others)	**8,196**	**—**	**—**	**10,807**	**—**	**—**
4. Personal Loans						
i. Other Retail Loans	3,103	—	—	2,732	—	—
ii...	—	—	—	—	—	—
Others	—	—	—	—	—	—
Total of Personal Loans (i+ii+...+Others)	**3,103**	**—**	**—**	**2,732**	**—**	**—**
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. 27,364.48 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.

g) Unhedged Foreign Currency Exposure

There is no unhedged foreign currency exposure as on reporting date.

49. Registration obtained from other financial sector regulators:

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

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

50. Bank borrowings and Long Term Debt Securities of the Company have been assigned rating of "IVR AA/STABLE OUTLOOK" by Infomerics Valuation and Rating Pvt. Ltd. and "BWR AA/STABLE OUTLOOK" by Brickwork Rating India Pvt. Ltd. which denotes "Instruments with this rating are considered to have high 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 and BWR A1+by Brickwork Rating India Pvt. Ltd. which denotes "Securities with this rating are considered to have very strong degree of safety regarding timely payment of financial obligation. Such instruments carry lowest credit risk."

51. Provisions and Contingencies:

(₹in Lakhs)

Break up of Provisions and contingencies	2025-26	2024-25
Provisions for depreciation on investment	Nil	Nil
Provision towards NPA	480	381
Provision on Standard Accounts in default @ 5%	910	902
Provision for Expected Credit Loss	78	67
Provision made towards income tax	7,226	5,377
Other provision and contingencies		
(Contingent Liability- Guarantee)	1,126	6,840
(Contingent Liability – Income Tax & GST Matters)	844	780
Provision for Standard Assets	412	424

52. Non-Convertible Redeemable Debentures (NCDs):

During the financial year 2025-26, the Company has issued Redeemable INR Denominated Non-Convertible Debentures (NCDs) as under

(₹in Lakhs)

Particulars	Date of Issue	Interest Rate p.a. (%)	Tenure	No. of Debentures	Face Value per Debenture	Amount
Secured Listed NCDs	03rd June 2025	10.00	24 Months	5000	1	5,000
Secured Listed NCDs	08th Aug 2025	9.75	36 Months	3400	1	3,400
Secured Listed NCDs	10th September 2025	10.00	36 Months	5000	1	5,000
Unsecured Listed NCDs	06th November 2025	8.45	24 Months	5500	1	5,500
Unsecured Listed NCDs	06th November 2025	8.50	36 Months	2500	1	2,500
Secured Listed NCDs	09th December 2025	8.50	36 Months	4000	1	4,000
Secured Listed NCDs	15th December 2025	8.45	24 Months	3000	1	3,000
Secured Listed NCDs	18th March 2026	9.25	30 Months	51000	0.10	5,100

53. Commercial Papers (CP):

During the financial year 2025-26, the Company has issued the following Commercial Papers as under:

(₹in Lakhs)

Nature of CP	Date of Issue	Maturity Date	No. of CP	Face Value per CP	Maturity Value
Listed	13th June 2025	12th September 2025	600	5	3,000
Listed	24th June 2025	23rd September 2025	600	5	3,000
Listed	03rd July 2025	04th September 2025	600	5	3,000
Listed	20th August 2025	18th February 2026	300	5	1,500
Listed	14th October 2025	25th March 2026	700	5	3,500
Listed	16th October 2025	24th March 2026	100	5	500
Listed	27th February 2026	29th May 2026	600	5	3,000

Interest rate on above CPs ranges between 8.50% 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	1,22,984.90
% of advances to twenty largest borrowers to total advances of the NBFC	21.16%

c) Concentration of Exposures

(₹in Lakhs)

Total Exposure to twenty largest borrowers / customers	1,22,984.90
% of exposures to twenty largest borrowers / customers to total exposure of the NBFC on borrowers / customers	21.16%

d) The Company has issued Foreign currency convertible bonds of USD 50 million in the previous year 2024-25, 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 previous year 2024-25 and USD 4 million in the current year 2025-26. The profit/(loss) on exchange rate fluctuation have been duly recognised in Profit & Loss Statements. Further, during the year, the Company has raised borrowing in the form of ECBs through State Bank of India of USD 15 million which are also duly hedged for repayment of interest and maturity value.

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	Rextar Plus Services Private Limited	0.03	153.45
2	Akshay Diwakar	0.02	113.23
3	Abhishek Chowdhury	0.02	105.75
4	Ashok Soni	0.01	81.46
	Total	**0.08**	**453.89**

f) Movement of NPAs

(₹in Lakhs)

Particulars			2025-26	2024-25
(i)	**Net NPAs to Net Advance (%)**		**0.61%**	**0.76%**
(ii)	**Movement of NPAs (Gross)**			
	(a)	Opening balance	4700.29	765.31
	(b)	Additions during the year	382.07	3957.67
	(c)	Reductions during the year	673.92	22.69
	(d)	Closing balance	4408.44	4700.29
(iii)	**Movement of Net NPAs**			
	(a)	Opening balance	3616.07	61.83
	(b)	Additions during the year	5.15	3554.76
	(c)	Reductions during the year	102.77	0.52
	(d)	Closing balance	3518.45	3616.07
(iv)	**Movement of provisions for NPAs (excluding provisions on standard assets)**			
	(a)	Opening balance	1084.22	703.48
	(b)	Provisions made during the year	479.69	403.43
	(c)	Write -back of excess provisions	—	22.69
	(d)	Write off	673.92	—
	(e)	Closing Balance	889.99	1084.22

g) Sector wise NPAs (Write Offs)

(₹in Lakhs)

Sr. No.	Category	% of Write offs to Total Advances	
		2025-26	2024-25
1	Agriculture & Allied activities	0.84	0.74
2	MSME	0.13	0.02
3	Corporate Borrowers	0.07	0.06
4	Services	0.02	0.02
5	Unsecured Personal Loans	—	—
6	Auto Loans	0.02	0.23
7	Other Personal Loans (LAP)	0.01	0.00
	Total	**1.09**	**1.07**

h) During the year 2025-26, no fraud has been found and reported to the Regulators.

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	
Items	CY	PY	CY	PY	CY	PY	CY	PY	CY	PY	CY	PY	CY	PY
Borrowings#	—	—	—	—	—	—	—	860	—	—	—	—	—	860
Deposits#	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Placement of deposits#	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Loan Received	—	—	—	—	—	—	—	—	—	—	16,997	—	16,997	—
Advances#	—	—	31,955	3,610	—	—	—	—	—	—	—	—	31,955	3,610
Investments#	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Purchase of fixed/other assets	—	—	20,924	—	—	—	—	—	—	—	—	—	20,924	—
Sale of fixed/ other assets/ Portfolio	—	—	3,898	—	—	—	—	—	—	—	—	—	3,898	—

Interest paid	—	—	479	653	—	—	—	25	50	50	327	—	856	728
Interest received	—	—	534	36	—	—	—	—	—	—	—	—	534	36
Others*	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Remuneration	—	—	—	—	—	—	764	699	—	—	—	—	764	699
Rent	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Dividend	—	—	—	—	—	—	147	139	7	7	219	181	373	327

- CY – Current Year 2025-26 & PY – Previous Year 2024-25

57. Off Balance Sheet SPVs sponsored:

The Company has not sponsored off Balance Sheet SPVs.

58. Disclosures of Complaints:

Sr. No.	Particulars		2025-26	2024-25
Complaints received by the NBFC from its customers				
1.	Number of complaints pending at beginning of the year		—	—
2.	Number of complaints received during the year		38	26
3.	Number of complaints disposed during the year		38	26
	3.1	Of which, number of complaints rejected by the NBFC	—	—
4.	Number of complaints pending at the end of the year		—	—
Maintainable complaints received by the NBFC from Office of Ombudsman				
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.	**Number of Awards unimplemented within the stipulated time (other than those appealed)**		**—**	**—**

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
Current Year					
Payment made by borrower but still showing overdue in CIBIL	—	20	200	—	—
Delayed payment interest is pending	—	2	100	—	—
Made full payment but not get NOC	—	6	150	—	—
HP related issue on RC	—	—	—	—	—
Statement not given	—	—	—	—	—
Loan not taken by the borrower	—	4	100	—	—
Doing fraud with the customer	—	3	100	—	—
Loan outstanding after death of borrower	—	1	100	—	—
Amount deposited under CSP scheme not refunded by the company	—	1	100	—	—
Compensation not received	—	1	100	—	—
Total	**—**	**38**	**150**	**—**	**—**
Previous Year					
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	—	—
Loan not taken by the borrower	—	—	—	—	—
Doing fraud with the customer	—	—	—	—	—
Loan outstanding after death of borrower	—	—	—	—	—
Amount deposited under CSP scheme not refunded by the company	—	—	—	—	—
Compensation not received	—	—	—	—	—
Total	**—**	**25**	**150**	**—**	**—**

59. Uncertainty relating to the global health pandemic from COVID-19 ("Covid-19"):

a) The global landscape remains fraught with challenges, largely stemming from the COVID-19 pandemic. This unprecedented crisis has precipitated multifaceted repercussions, including sweeping government interventions, a resilient economic rebound after a severe global recession, surging inflation, 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 include facilitating remote work arrangements, particularly for operations and call centres during periods of enforced lockdowns. Equipping employees with the 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 through virtual sessions with branches, employees, and business associates, thereby sustaining proactive customer engagement. 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 analogue tools to facilitate credit requests and optimize loan recovery mechanisms.

c) During the financial year 2025-26, no significant governmental, regulatory, or banking frameworks were introduced specifically targeting COVID-19 relief or aid for Non-Banking Financial Companies (NBFCs) such as Paisalo Digital Ltd. However, NBFCs have increasingly served as conduits for government and major banks, 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 2025-26, Paisalo Digital Ltd. delivered a robust non-fund based income of ₹ 985.35 lakhs. This income segment, comprising fees, commissions, and ancillary service revenue, 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:** 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.

b) **Ancillary Financial Services:** In addition to its core lending operations, Paisalo expanded into ancillary services 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 tied to transaction volumes, enabling the company to scale non-fund income in tandem with customer activity and asset volumes.

c) **Cross-Selling of Financial Products:** Leveraging its extensive customer base and high engagement, Paisalo adopted a cross-selling strategy to offer supplementary financial products, including 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 significantly enhanced the company's non-fund-based income while reinforcing its value proposition for 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 Classi-fication 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	5,67,112	3,261	5,63,851	2,268	993
	Stage 1	5,243	26	5,217	21	5
	Stage 2	4,403	22	4,381	18	4
Subtotal		**5,76,758**	**3,309**	**5,73,449**	**2,307**	**1,002**
Non-Performing Assets (NPA)						
Substandard	Stage 3	—	—	—	—	—
Doubtful - up to 1 year	Stage 3	4,325	1,298	3,027	865	433
1 to 3 years	Stage 3	83	33	50	25	8
More than 3 years	Stage 3	—	—	—	—	—
Subtotal for doubtful		**4,408**	**1,331**	**3,077**	**890**	**441**
Loss Assets	Stage 3	—	—	—	—	—
Subtotal for NPA		**4,408**	**1,331**	**3,077**	**890**	**441**
Loss	Stage 3	3,208	3,208	—	3,208	—
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	3,346	34	3,312	9	25
	Stage 2	—	—	—	—	—
	Stage 3	—	—	—	—	—
Subtotal		**3,346**	**34**	**3,312**	**9**	**25**
Total	Stage 1	5,75,701	3,321	5,72,380	2,298	1,023
	Stage 2	4,403	22	4,381	18	4
	Stage 3	4,408	1,331	3,077	890	441
	Total	**5,84,512**	**4,674**	**5,79,838**	**3,206**	**1,468**
LESS : Provision for ECL previous year balance		—	1,372	—	—	—
Less : Provision for NPA		—	890	—	—	—
Less : Provision for Standard Assets		—	2,334	—	—	—
Expected Credit Loss		—	78	—	—	—

62. Risk Management Framework:

The company operates in a complex risk landscape that could significantly affect its business, operations, and financial performance. These risks include Credit Risk, Liquidity & Funding Risk, Market Risk, and Operational Risk. To address these challenges, management has developed a comprehensive risk management framework to identify, analyse, and mitigate 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 create a stable business planning environment by mitigating 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, thereby enabling more accurate forecasting and strategic decision-making.

ii) Achieving Greater Predictability to Earnings

Another key goal is to improve earnings predictability by quantifying expected earnings in advance. This involves forecasting future earnings based on factors such as market conditions, customer behaviour, and economic trends. By accurately predicting earnings, the company can allocate resources more effectively, plan investments, and manage its financial performance.

A) Credit Risk

Credit risk is the potential financial loss the company may incur if a customer or counterparty fails to fulfil its contractual obligations. This risk primarily arises from trade and other receivables, cash equivalents, and bank balances. To assess credit risk, the company uses metrics such as the installment default rate, overdue position, and debt management efficiency.

Credit risk is closely monitored through analysis of credit exposures, portfolio monitoring, and evaluation of customer and portfolio concentration risk. The risk management unit employs a robust control framework to manage credit risk effectively. This framework aligns credit and debt management policies, leverages external data from credit bureaus, and involves 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 carefully sets credit limits for each customer, taking into account factors such as creditworthiness, financial history, and repayment capacity. These credit limits serve as a safeguard against excessive borrowing and help minimise 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 changes in their financial circumstances that may affect their ability to repay loans or fulfil obligations. This ongoing monitoring includes regular reviews of credit reports, financial statements, and market trends to accurately assess credit risk profiles.

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 action 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 31st March 2026**
Loans	5,79,400.72
Less: Allowances for expected credit loss	1,450.04
	5,77,950.68
Trade & Other Receivables	
Outstanding for less than one year	1,766.04
Less: Allowance for doubtful debts	889.99
	876.05
Total	**5,78,826.73**

(b) Cash & Cash Equivalents & Other Bank Balances

Regarding the management of cash and cash equivalents, the company maintains a robust process to assess the creditworthiness of banks and financial institutions where funds are held. This evaluation is conducted regularly and includes 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. 14,982.18 Lakh as at 31 March 2026.

B) Liquidity & Funding Risk

Liquidity risk poses a substantial threat to the Company's ability to meet its financial obligations, particularly those settled in 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 to meet its operational needs or fulfil repayment obligations. This could arise due to limited access to capital markets or lender reluctance amid uncertain economic conditions.

2. **Cash Flow Mismatches:** Funding risk also arises when long-term assets cannot be financed over their expected term, leading to cash flow mismatches. 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 million, which are duly hedged against repayment of interest and maturity value, out of these FCCBs of USD 6 million has been converted into equity share during the year. The Company has also issued ECBs of USD 15 million, which are duly hedged against repayment of interest and maturity value.

- 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			2025-26	
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	43,054	—
		Unsecured	32,693	—
		(other than falling within the meaning of public deposits*)		
		Foreign Currency Convertible Bonds	38,438	—
	(b)	Deferred Credits	—	—
	(c)	Term Loans		
		Bank of Baroda (Term Loan a/c)	2,250	—
		State Bank of India (Term Loan a/c)	6,698	—
		State Bank of India (FCNR Term Loan a/c)	58,972	—
		State Bank of India (ECB)	14,216	—
		Dhanlaxmi Bank (Term Loan a/c)	1,718	—
		UCO Bank (Term Loan a/c)	1,246	—
		Bank of Maharashtra (Term Loan a/c)	50,215	—
		Canara Bank (Term Loan a/c)	30,970	—
		Indian Bank (Term Loan a/c)	34,135	—
		South Indian Bank (Term Loan a/c)	599	—
		IDBI Bank (Term Loan a/c)	125	—
		Indian Overseas Bank (Term Loan a/c)	32,250	—
		Union Bank of India (Term Loan a/c)	6,000	—
		Bank of India (Term Loan a/c)	7,500	—
		Unity Small Finance Bank (Term Loan a/c)	9,975	—
		IREDA (Term Loan a/c)	17,143	—
		Karur Vasya Bank (Term Loan a/c)	4,164	—
		Punjab & Sindh Bank (Term Loan a/c)	10,000	—
		Jammu & Kashmir Bank (Term Loan a/c)	10,000	—
		Bank of Baroda (Car Term Loan a/c)	231	—
		Punjab National Bank (Car Term Loan a/c)	154	—
	(d)	Inter-corporate loans and borrowing	7,410	—
	(e)	Commercial Paper	2,916	—
	(f)	Other Loans (specify nature)		
		Bank of Baroda (WCDL a/c)	2400	—
		IDBI Bank (WCDL a/c)	1,800	—
		Punjab National Bank (WCDL a/c)	4,789	—
		UCO Bank (WCDL a/c)	840	—
		Indian Bank (WCDL a/c)	3,026	—
		Punjab National Bank (Cash Credit a/c)	(1,816)	—
		Bank of Baroda (Cash Credit a/c)	1,754	—
		Indian Bank (Cash Credit a/c)	1,782	—
		UCO Bank (Cash Credit a/c)	543	—
		IDBI Bank (Cash Credit a/c)	648	—
		State Bank of India (Cash Credit a/c)	(12,395)	—
		Union Bank of India (Cash Credit a/c)	2,409	—
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	5,52,524	1,278
	(b)	Unsecured	26,877	488
4.	**Break -up of Leased Assets and stock on hire and hypothecation loans counting towards AFC activities**			
	(i)	Lease assets including lease rentals under sundry debtors		
		(a) Financial lease	—	—
		(b) Operating lease	—	—
	(ii)	Stock on hire including hire charges under sundry debtors		
		(a) Assets on hire	—	—
		(b) Repossessed Assets	—	—
	(iii)	Other loans counting towards AFC activities		
		(a) Loans where assets been repossessed	—	—
		(b) Loans other than (a) above	—	—
5.	**Break-up of Investments**			
	1	Current Investments		
		Quoted		
		(i) Shares		
			(a) Equity	—	—
			(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		7600	—
			Interest accrued		1	—
	2	Long Term Investments				
		Quoted				
		(i)	Share			
			(a)	Equity	201	—
			(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		286	—
			Interest accrued		14	—

(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		5,53,803	27,364	5,81,167
	Total		**5,53,803**	**27,364**	**5,81,167**

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		1,981	1,981
	Total		**6,205**	**6,205**

** 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	4,408
2	Net Non-Performing Assets		
	(a)	Related Parties	—
	(b)	Other than related parties	3,518
3	Assets acquired in satisfaction of debt		—

(9) Qualitative Disclosure on LCR

As per Reserve Bank of India guidelines, all deposit-taking NBFCs irrespective of their asset size and non-deposittaking NBFCs with an asset size of INR5,000 Crores and above are required to maintain a liquidity coverage ratio (LCR) to ensure availability of adequate high-quality liquid assets (HQLA) to survive any acute liquidity stress scenario i.e, cash outflow increased to 115% and cash inflow decreased to 75%, lasting for 30 days. As per RBI guidelines, LCR has been calculated using the simple average of daily observations over the previous quarter (over a period of 90 days).

Cash outflows under secured and unsecured wholesale funding include contractual payments of the term loan, NCDs, and other debt obligations including interest payments due in next 30 days. Other contractual funding obligations include contractual payments due in next 30 days. To compute inflow from fully performing exposures, the Company considers collection from performing advances including interest due in the next 30 days. Other cash inflows include cash from unencumbered fixed deposits, Certificates of deposits, undrawn lines of credit, and mutual fund investments maturing in the next 30 days.

i) LCR Disclosure

(₹in Lakhs)

Sr. No.	High Quality Liquid Assets		Total Unweighted Value (average)	Total Weighted Value (average)
1	**Total High Quality Liquid Assets (HQLA)**		**14,682**	**14,682**
	Cash Outflows			
2	Deposits (for deposit taking companies)		—	—
3	Unsecured wholesale funding		—	—
4	Secured wholesale funding		6,127	7,046
5	Additional requirements, of which			
	(i)	Outflows related to derivative exposures and other collateral requirements	—	—
	(ii)	Outflows related to loss of funding on debt products	—	—
	(iii)	Credit and liquidity facilities	—	—
6	Other contractual funding obligations		—	—
7	Other contingent funding obligations		—	—
8	TOTAL CASH OUTFLOW		6,127	7,046
9	Cash Inflows		—	—
10	Secured lending		23,189	17,392
10	Inflows from fully performing exposures		—	—
11	Other cash inflows		—	—
12	TOTAL CASH INFLOWS		23,189	17,392
13	Total HQLA		—	14,682
14	TOTAL NET CASH OUTFLOW		—	1,762

15	LIQUIDITY COVERAGE RATIO (%)	—	834%
16	Components of HQLA		
	Cash on hand and balance with banks in current accounts	14,682	14,682

- Unweighted values have been calculated as outstanding balances maturing or callable within 30 days (for inflows and outflows).
- Weighted values have been calculated after the application of respective haircuts (for HQLA) and stress factors on inflow and outflow.
- LCR has been calculated using simple average of daily observations of data points.

ii) Funding Concentration based on significant counterparty (both deposits and borrowings)

(₹in Lakhs)

Sr. No.	Number of Significant Counterparties	Amount in Lakhs	% of Total Deposits	% of Total Liabilities
1	20	3,56,502.89	NA	80.68%

iii) Top 20 Large deposits

There are no deposits accepted by the company as company is non-deposit taking NBFC.

iv) Top 10 borrowings

(₹in Lakhs)

Sr. No.	Amount in Lakhs	% of Total borrowings
1	2,92,021.35	68.32%

v) Funding Concentration based on significant instrument/product

(₹in Lakhs)

Sr. No.	Nature of significant instrument/product	Amount in Lakhs	% of Total Liabilities
1	Working Capital Loans	5,779.98	1.31%
2	Term Loans	2,98,560.36	67.57%
3	Non Convertibles Debentures	75,125.00	17.00%
4	FCCB	37,655.82	8.52%
5	Commercial Papers	2,916.38	0.66%
6	Inter Corporate Loans	7,409.92	1.68%
	Total	4,27,447.46	96.74%

ii) Funding Concentration based on significant counterparty (both deposits and borrowings)

(₹in Lakhs)

Sr. No.	Particualrs	Amount in Lakhs	Total Public Funds in Lakhs	Total Liabilities in Lakhs	Total Assets in Lakhs	% of Total Public Funds	% of Total Liabilities	% of Total Assets
1	Commercial Papers	2,916.38	4,27,447.46	4,41,873.90	6,19,165.93	0.68%	0.66%	0.47%
2	Non-Convetible Debentures (original maturity of less than one year)	-	4,27,447.46	4,41,873.90	6,19,165.93	0.00%	0.00%	0.00%
3	Other short term liabilities (excluding commercial papers)	92,855.33	4,27,447.46	4,41,873.90	6,19,165.93	21.72%	21.01%	15.00%

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 : 26400599UGNZSM1228

Place : New Delhi
Date : 10th May 2026

For and on behalf of the Board

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

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

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

INDEPENDENT AUDITOR'S REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

TO
THE MEMBERS OF
M/S PAISALO DIGITAL LIMITED
NEW DELHI

REPORT ON THE AUDIT OF CONSOLIDATED FINANCIAL STATEMENTS

OPINION
We have audited the accompanying Consolidated Financial Statements of M/S PAISALO DIGITAL LIMITED (hereinafter referred to as "the Holding Company") and its wholly owned subsidiary M/s Nupur Finvest Private Limited (the Holding Company and its subsidiary together referred to as "the Group") which comprise of the Consolidated Balance Sheet as at 31st March 2026, 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 2026 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 2026 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 2026 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 : 10th May 2026

For Saket Jain & Co.
Chartered Accountants
Firm Reg. No. 014685N

SSd/-
(CA. ASHISH JAIN)
Partner
Membership No. 400599
UDIN : 26400599KOJOUE3043

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. 2025-26)

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, 2026 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.

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 2026 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 : 10th May 2026

For Saket Jain & Co.
Chartered Accountants
Firm Reg. No. 014685N

SSd/-
(CA. ASHISH JAIN)
Partner
Membership No. 400599
UDIN : 26400599KOJOUE3043

CONSOLIDATED BALANCE SHEET AS ON 31ST MARCH 2026

(₹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	14,698.48	10,068.77
	(b) Bank Balances other than (a) above	2	302.40	412.16
	(c) Derivative Financial Instruments	3	-	-
	(d) Receivables			
	(i) Trade Receivables	4	1,766.09	2,121.48
	(ii) Other Receivables		-	-
	(e) Loans	5	5,92,950.57	4,95,442.47
	(f) Investments	6	1,981.00	2,030.46
	(g) Other Financial Assets	7	3,377.13	3,460.28
	(2) Non Financial Assets			
	(a) Current Tax Assets (Net)	8	2,769.50	2,824.00
	(b) Deferred Tax Asset (Net)		-	-
	(c) Investment Property		-	-
	(d) Biological Assets other than Bearer plants		-	-
	(e) Property, Plant and Equipments	9	8,409.13	7,446.50
	(f) Capital Work-in-Progress		-	-
	(g) Intangible Assets under development		-	-
	(h) Goodwill		-	-
	(i) Other Intangible Assets	9	13.20	14.00
	(j) Other Non-Financial Assets	10	3,705.82	1,639.59
	Total Assets		**6,29,973.32**	**5,25,459.71**
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		76.46	39.40
	(ii) Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises		2,444.06	3,387.38
	(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		2,171.39	3,230.83
	(c) Debt Securities	13	1,21,167.20	1,08,179.43
	(d) Borrowings (Other than Debt Securities)	14	314,700.24	246,967.32
	(e) Deposits	15	-	-
	(f) Subordinated Liabilities	16	100.00	800.00
	(g) Other Financial Liabilities	17	1,947.52	1,533.00
	(2) Non-Financial Liabilities			
	(a) Current Tax Liabilities (Net)	18	-	-
	(b) Provisions	19	5,766.60	5,483.35
	(c) Deferred Tax Liabilities (Net)	20	1,316.11	506.76
	(d) Other non-financial Liabilities	21	986.09	1,834.18
	(3) Equity			
	(a) Equity Share Capital	22	9,095.84	9,021.81
	(b) Other Equity	23	1,70,201.81	1,44,476.25
	Total Equity & Liabilities		**6,29,973.32**	**5,25,459.71**

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 : 26400599KOJOUE3043

Place : New Delhi
Date : 10th May 2026

For and on behalf of the Board

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

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

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

CONSOLIDATED PROFIT & LOSS STATEMENT FOR THE PERIOD ENDED 31ST MARCH 2026

(₹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	90,471.96	69,636.70
	(ii) Dividend Income		1.72	1.53
	(iii) Rental Income		-	-
	(iv) Fees and commission Income		3,896.08	7,113.21
	(v) Net gain on fair value changes	25	-	26.68
	(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
	Total Revenue from Operations (I)		**94,369.76**	**77,110.66**
II	**Other Income**	**26**	**-**	**-**
	Total Income (I+II)		**94,369.76**	**77,110.66**
III	**Expenses:**			
	(i) Finance Costs	27	37,433.37	32,830.61
	(ii) Fees and commission expense		-	-
	(iii) Net loss on fair value changes		49.46	-
	(iv) Net loss on derecognition of financial instruments under amortised cost category		-	-
	(v) Impairment on financial instruments	28	4,215.39	2,551.19
	(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	7,641.55	6,286.14
	(xi) Depreciation, amortization and impairment	30	1,224.27	547.15
	(x) Others expenses	31	11,886.37	8,138.36
	Total Expenses (III)		**62,450.41**	**50,353.45**
IV	**Profit before exceptional items and tax (II-III)**		**31,919.35**	**26,757.21**
V	**Exceptional items**		**78.39**	**(78.37)**
VI	**Profit before tax (IV-V)**		**31,840.96**	**26,835.58**
VII	**Tax Expense:**			
	(1) Current Tax		7,311.02	5,458.82
	(2) Deferred Tax		809.33	1,364.69
VIII	Profit for the period from continuing operations (VI-VII)		23,720.61	20,012.07
IX	Profit/(loss) from discontinued operations		-	-
X	Tax Expense of discontinued operations		-	-
XI	Profit/(loss) from discontinued operations (After tax) (IX-X)		-	-
XII	Profit for the period (VIII+XI)		23,720.61	20,012.07
XIII	**Other Comprehensive Income:**			
	(A) (i) Items that will not be reclassified to profit or loss (Revaluation of Properties)		-	-
	(ii) Income tax relating to items that will not be reclassified to profit or loss		-	-
	Sub Total (A)		**-**	**-**
	(B) (i) Items that will be reclassified to profit or loss (specify items and amounts)		-	-
	(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
	Sub Total (B)		**-**	**-**
	Other Comprehensive Income (A+B)		**-**	**-**
XIV	**Total Comprehensive Income for the period (Comprising Profit and other Comprehensive Income for the period) (XII+XIII)**		**23,720.61**	**20,012.07**
XV	**Earnings per Equity Share (for continuing operations):**			
	Basic (Rs.)	34	2.62	2.23
	Diluted (Rs.)		2.62	2.23
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	2.62	2.23
	Diluted (Rs.)		2.62	2.23

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 : 26400599KOJOUE3043

Place : New Delhi
Date : 10th May 2026

For and on behalf of the Board

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

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

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

STATEMENT OF CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2026

(₹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		69,352.72		59,587.82
	Adjustments for				
I	Depreciation	559.09		426.96	
II	Deferred Expense W/O	665.18		120.19	
III	Impairment on financial instruments	4,215.39		2,551.19	
IV	Expenditure on CSR	437.83		320.89	
V	Dividend Income Received	(1.72)		(1.53)	
VI	Profit/loss on Sale of Shares	49.46		(26.68)	
VII	Share based payment ot employee	-		28.39	
VIII	Profit/loss on Sale of Investments/Assets	289.69		24.69	
	Operating Profit before working capital changes		**75,567.64**		**63,031.92**
	Adjustments for				
I	Change in Other Financial Assets	(1,609.77)		(34.93)	
II	Change in Loans & Receivables	(101,480.42)		(105,737.39)	
III	Change in Payable & non financial liabilities	(2,813.79)		265.50	
IV	Misc. Expenses	(2,731.41)		(1,719.11)	
	Cash generated from Operations		**(33,067.75)**		**(44,194.01)**
I	Interest paid	(37,433.37)		(32,830.61)	
II	Income Tax paid	(7,258.82)		(6,885.93)	
III	Paid Expenses on CSR	(437.83)		(320.89)	
	Cash flow before Extraordinary Items		**(78,197.77)**		**(84,231.44)**
I	Extraordinary items		78.39		(78.37)
	Net Cash from Operating Activities		**(78,276.16)**		**(84,153.07)**
B	**Cash Flows from Investing Activities:**				
I	Purchase of Fixed Assets	(1,521.88)		(1,277.88)	
II	Sale of Fixed Assets	0.50		10.00	
III	Purchase/transfer of Investments	0.00		-	
IV	Purchase of Security Receipts	-		-	
	Net Cash from Investing activities		**(1,521.38)**		**(1,267.88)**
C	**Net Cash from Financing Activities:**				
I	Proceeds from Borrowings	67,732.92		50,790.40	
II	Proceeds from Debt Service Repayment Account	414.52		545.26	
III	Proceeds from Debt Securities	12,987.77		47,716.68	
IV	Proceeds from Subordinated Liability	(700.00)		(8,100.00)	
V	Dividend Paid/(Received)	(907.80)		(896.51)	
VI	Proceeds from Security Receipts	1,403.69		2,566.00	
VII	Money received against Share issued/Converted into Share Capital	3,386.40		1,822.42	
	Net Cash from Financing activities		**84,317.49**		**94,444.25**
	Net Increase/(decrease) in cash & cash equivalents		**4,519.95**		**9,023.30**
	Cash & Cash equivalents at beginning of period		**10,480.93**		**1,457.63**
	Cash & Cash equivalent at end of period		**15,000.88**		**10,480.93**

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 : 26400599KOJOUE3043

Place : New Delhi
Date : 10th May 2026

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

For Saket Jain & Co.
Chartered Accountants
Firm Reg. No. 014685N

Sd/-
(CA. ASHISH JAIN)
Partner
Membership No. 400599
UDIN : 26400599KOJOUE3043

Place : New Delhi
Date : 10th May 2026

MATERIAL ACCOUNTING POLICY INFORMATION

A. PRINCIPLE OF CONSOLIDATION

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

a) 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.

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

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

B. INVESTMENTS OTHER THAN IN SUBSIDIARIES AND ASSOCIATES

Investments other than in subsidiaries and associates have been accounted as per Accounting Standards "Accounting for Investments".

C. OTHER MATERIAL ACCOUNTING POLICY INFORMATION

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 31ST MARCH 2026

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
9,022.43		9,022.43	74.04	9,096.47
9,022.43		**9,022.43**	**74.04**	**9,096.47**

- Total share capital includes amount received against forfeited shares.
- Further 4000 Foreign Currency Convertible Bonds (FCCBs) were converted during this reporting period and 74,03,585 Equity shares of Re. 1/- each were allotted.

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
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.

List of Shareholders holding more than 5% Shares of Company:

Sr. No.	Name of the Shareholders	Number of Shares held	Percentage of total shares
1	Sunil Purushottanm Agarwal	10,57,02,800	11.62
2	Equilibrated Venture Cflow Pvt. Ltd.	18,67,63,880	20.53
3	SBI Life Insurance Co. Ltd	6,21,14,267	6.83

List of Promoter's and Promoter Group Shareholding:

Sr. No.	Name of the Shareholders	Number of Shares held	Percentage of total shares	Percentage change during the year
1	Sunil Purushottanm Agarwal	10,57,02,800	11.62	0.10
2	Suneeti Agarwal	71,66,000	0.79	0.01
3	Santanu Agarwal	3,37,04,000	3.71	0.03
4	Equilibrated Venture Cflow Pvt Ltd	18,67,63,880	20.53	(4.87)
5	Pri Caf Pvt. Ltd.	2,40,48,400	2.64	0.02
6	Pro Fitcch Pvt. Ltd.	2,23,21,220	2.45	0.02

NOTES FORMING INTEGRAL PART OF THE CONSOLIDATED FINANCIAL STATEMENTS AS AT 31ST MARCH 2026

Note: 1 Cash & Cash Equivalents

(₹in Lakhs)

Sr. No.	Particulars	Current Year	Previous Year
1	**Cash Balances**	1,479.10	1,253.97
2	**Bank Balances**		
	Current a/c with Scheduled Banks (Subject to reconciliation)	5,618.47	8,814.70
	Cheques/ Drafts on Hands	-	-
3	**In Fixed Deposits - Unencumbered**		
	With Banks	7,600.91	0.10
	Total	**14,698.48**	**10,068.77**

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	302.40	412.16
	Total	**302.40**	**412.16**

- 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	597.73	606.08
	- Overdue Installments : Considered Good - Unsecured	487.79	559.64
	- Overdue Installments : Sub Standard Assets	680.57	955.76
2	**Other Receivables**	**-**	**-**
	Total	**1,766.09**	**2,121.48**

Note : 4 (a) Trade Receivable- Additional Disclosures:

Outstanding for following periods from the due date of payment (FY. 2025-26)

(₹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	1,085.52	-	-	-	-	1,085.52
2	Undisputed Trade Receivables- which have significant increase in credit risk	-	-	-	-	-	-
3	Undisputed Trade Receivables- credit impaired	-	680.57	-	-	-	680.57
4	Disputed Trade Receivables-considered good	-	-	-	-	-	-
5	Disputed Trade Receivables- which have significant increase in credit risk	-	-	-	-	-	-
	Grand Total	**1,085.52**	**680.57**	**-**	**-**	**-**	**1,766.09**

- Trade Receivable includes overdue loan cases financed by Paisalo Digital Limited

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	-	-	-	-	-	-
	Grand Total	**1,165.72**	**955.76**	**-**	**-**	**-**	**2,121.48**

Note: 5 Loans

(₹in Lakhs)

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	Amortised cost	Through other comprehensive income	Through profit or loss	Designated at fair value through profit or loss	Subtotal	Total
	(1)	(2)	(3)	(4)	(5)	(7)	(8)	(9)	(10)	(11=8+9+10)	(12 =) (7)+(11)
Loans											
(A) (i) Bills Purchased and Bills Discounted	-	-	-	-	-	-	-	-	-	-	-
(ii) Loans repayable on Demand	-	-	-	-	-	-	-	-	-	-	-
(iii) Term Loans	5,93,430.26	-	-	-	-	4,95,823.22	-	-	-	-	4,95,823.22
(iv) Leasing	-	-	-	-	-	-	-	-	-	-	-
(v) Factoring	-	-	-	-	-	-	-	-	-	-	-
(vi) Others (to be specified)	-	-	-	-	-	-	-	-	-	-	-
Total (A)- Gross	**5,93,430.26**	**-**	**-**	**-**	**-**	**4,95,823.22**	**-**	**-**	**-**	**-**	**4,95,823.22**
Less: Impairment loss allowance	479.69	-	-	-	-	380.75	-	-	-	-	380.75
Total (A)- Net	**5,92,950.57**	**-**	**-**	**-**	**-**	**4,95,442.47**	**-**	**-**	**-**	**-**	**4,95,442.47**
(B) (i) Secured by tangible assets	5,66,549.16	-	-	-	-	4,53,837.65	-	-	-	-	4,53,837.65
(ii) Secured by intangible assets	-	-	-	-	-	-	-	-	-	-	-
(iii) Covered by Bank Government Guarantees	-	-	-	-	-	-	-	-	-	-	-
(iv) Unsecured	26,881.10	-	-	-	-	41,985.56	-	-	-	-	41,985.56
Total (B)- Gross	**5,93,430.26**	**-**	**-**	**-**	**-**	**4,95,823.21**	**-**	**-**	**-**	**-**	**4,95,823.21**
Less: Impairment loss allowance	479.69	-	-	-	-	380.75	-	-	-	-	380.75
Total (B)- Net	**5,92,950.57**	**-**	**-**	**-**	**-**	**4,95,442.47**	**-**	**-**	**-**	**-**	**4,95,442.47**
(C) (I) Loans in India	5,93,430.26	-	-	-	-	4,95,823.22	-	-	-	-	4,95,823.22
(i) Public Sector	5,93,430.26	-	-	-	-	4,95,823.22	-	-	-	-	4,95,823.22
(ii) Others (to be specified)	-	-	-	-	-	-	-	-	-	-	-
Total (C)- Gross	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Less: Impairment loss allowance	479.69	-	-	-	-	380.75	-	-	-	-	380.75
Total (C) (I)- Net	**5,92,950.57**	**-**	**-**	**-**	**-**	**4,95,442.47**	**-**	**-**	**-**	**-**	**4,95,442.47**
(C) (II) Loans outside India	-	-	-	-	-	-	-	-	-	-	-
Less: Impairment loss allowance	-	-	-	-	-	-	-	-	-	-	-
Total (C) (II)- Net	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total C (I) and C (II)	**5,92,950.57**	**-**	**-**	**-**	**-**	**95,442.47**	**-**	**-**	**-**	**-**	**4,95,442.47**

Note: 6 Investments

(₹in Lakhs)

Investments	Current Year									Previous Year								
	At Fair Value									At Fair Value								
	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	201.00	-	-	-	-	-	201.00			250.54	-	-	-	-	-	250.54		
Subsidiaries	-	-	-	-	-	-	-			-	-	-	-	-	-	-		
Associates	-	-	-	-	-	-	-			-	-	-	-	-	-	-		
Joint Ventures	-	-	-	-	-	-	-			-	-	-	-	-	-	-		
Others (specify)*	1,780.00	-	-	-	-	-	1,780.00			1,779.92	-	-	-	-	-	1,779.92		
Total (A)	**1,981.00**	**-**	**-**	**-**	**-**	**-**	**1,981.00**			**2,030.46**	**-**	**-**	**-**	**-**	**-**	**2,030.46**		
(i) Investments outside India	-	-	-	-	-	-	-			-	-	-	-	-	-	-		
(ii) Investments in India	1,981.00	-	-	-	-	-	1,981.00			2,030.46	-	-	-	-	-	2,030.46		
Total (B)	**1,981.00**	**-**	**-**	**-**	**-**	**-**	**1,981.00**			**2,030.46**	**-**	**-**	**-**	**-**	**-**	**2,030.46**		
Total (A) to tally with (B)	**1,981.00**	**-**	**-**	**-**	**-**	**-**	**1,981.00**			**2,030.46**	**-**	**-**	**-**	**-**	**-**	**2,030.46**		
Less: Allowance for Impairment loss (C)	-	-	-	-	-	-	-			-	-	-	-	-	-	-		
Total - Net D = (A) - (C)	**1,981.00**	**-**	**-**	**-**	**-**	**-**	**1,981.00**			**2,030.46**	**-**	**-**	**-**	**-**	**-**	**2,030.46**		

- *Unquoted Shares of M/s Samast Vikas Limited

Note : 7 Others Financial Assets

(₹in Lakhs)

Sr. No.	Particulars	Current Year	Previous Year
1	**Secured, Considered Good**		
	Security Deposit*	45.16	31.94
	Advances to Staff	6.19	8.07
	Advances for Services	1,531.82	298.47
	Prepaid Expenses	28.73	33.98
	GST/Service Tax Cenvat	1,015.23	644.90
	Security Receipts	750.00	2,442.92
	Total	**3,377.13**	**3,460.28**

- * Security Deposit amount consists of telephone/mobile security,electrity security, rent security.

Note: 8 Current Tax Assets (Net)

(₹in Lakhs)

Sr. No.	Particulars	Current Year	Previous Year
1	**Advance Recoverable in cash or in kind or for value to be considered good**		
	Income Tax and TDS	9,950.16	8,152.46
	Balance with Revenue Authorities	130.00	130.00
	Provision for Taxation	(7,310.66)	(5,458.46)
	Total	**2,769.50**	**2,824.00**

Note : 10 Other Non Financial Assets

(₹in Lakhs)

Sr. No.	Particulars	Current Year	Previous Year
1	Deferred Revenue Expenditure	3,704.31	1,626.33
2	Unexpired Expenses of Processing Fees	1.51	13.26
	Total	**3,705.82**	**1,639.59**

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

Note: 11 Derivative financial Instruments (Liabilities)

(₹in Lakhs)

Particulars	(Current Year)			Previous Year		
	Notional Amounts	Fair Value Assets	Fair Value Liabilities	Notional Amounts	Fair Value Assets	Fair Value Liabilities
Part I						
(i) Currency Derivatives						
- Spot and Forwards	-	-	-	-	-	-
- Currency Futures	-	-	-	-	-	-
- Currency Swaps	-	-	-	-	-	-
- Options purchased	-	-	-	-	-	-
- Options sold (written)	-	-	-	-	-	-
- Others	-	-	-	-	-	-
Sub Total (i)	**-**	**-**	**-**	**-**	**-**	**-**
(ii) Interest rate Derivatives						
- Forward Rate Agreements and Interest Rate Swaps	-	-	-	-	-	-
- Options purchased	-	-	-	-	-	-
- Options sold (written)	-	-	-	-	-	-
- Futures	-	-	-	-	-	-
- Others	-	-	-	-	-	-
Sub Total (ii)	**-**	**-**	**-**	**-**	**-**	**-**
(iii) Credit Derivatives	**-**	**-**	**-**	**-**	**-**	**-**
(iv) Equity linked Derivatives	**-**	**-**	**-**	**-**	**-**	**-**
(v) Other Derivatives (Please specify)	**-**	**-**	**-**	**-**	**-**	**-**
Total Derivative Financial Instruments (i)+(ii)+(iii)+(iv)+ (V)	**-**	**-**	**-**	**-**	**-**	**-**
Part II						
Included in above (Part I) are derivatives held for hedging and risk management purposes as follows:	-	-	-	-	-	-
(i) Fair value hedging						
- Currency Derivatives	-	-	-	-	-	-
- Interest rate Derivatives	-	-	-	-	-	-
- Credit Derivatives	-	-	-	-	-	-
- Equity linked Derivatives	-	-	-	-	-	-
- Others	-	-	-	-	-	-
Sub Total (i)	**-**	**-**	**-**	**-**	**-**	**-**
(ii) Cash flow hedging						
- Currency Derivatives	-	-	-	-	-	-
- Interest rate Derivatives	-	-	-	-	-	-
- Credit Derivatives	-	-	-	-	-	-
- Equity linked Derivatives	-	-	-	-	-	-
- Others	-	-	-	-	-	-
Sub Total (ii)	**-**	**-**	**-**	**-**	**-**	**-**
(iii) Net investment hedging	**-**	**-**	**-**	**-**	**-**	**-**
(iv) Undesignated Derivatives	**-**	**-**	**-**	**-**	**-**	**-**
Total Derivative Financial Instruments (i)+(ii)+(iii)+(iv)	**-**	**-**	**-**	**-**	**-**	**-**

Note: 9 Property, Plant and Equipment

(₹in Lakhs)

Sr. No.	Particulars	Gross Block			Depreciaton			Net Block	
		Value at the beginning	Addition during the year	Deduction during the year	Value at the beginning	Addition during the year	Deduction during the year	Value at the end	WDV as on 31.03.2026	WDV as on 31.03.2025
I	**Tangible Assets**									
1	Land	-	-	-	-	-	-	-	-	-
2	Building	6,982.57	756.01	-	781.40	122.69	-	904.09	6,834.49	6,201.17
3	Furniture & Fittings	380.81	99.73	-	196.03	25.76	-	221.79	258.75	184.78
4	Computer Peripheral	1,015.41	386.91	-	518.45	293.47	-	811.92	590.40	496.96
6	Vehicles	649.63	229.26	5.54	228.83	73.34	4.58	297.59	575.76	420.80
7	Equipments, Plant & Machinery	358.61	49.97	-	215.82	43.03	-	258.85	149.73	142.79
	SUB TOTAL (A)	**9,387.03**	**1,521.88**	**5.54**	**1,940.53**	**558.29**	**4.58**	**2,494.24**	**8,409.13**	**7,446.50**
II	**Intangible Assets**									
1	Computer Software	533.51	-	-	519.51	0.80	-	520.31	13.20	14.00
2	Goodwill	-	-	-	-	-	-	-	-	-
	SUB TOTAL (B)	**533.51**	**-**	**-**	**519.51**	**0.80**	**-**	**520.31**	**13.20**	**14.00**
III	**Capital Work-in-progress**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	SUB TOTAL (C)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
IV	**Intangible Assets Under Development**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	SUB TOTAL (D)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	Total [A+B+C+D] (Current Year)	**9,920.53**	**1,521.88**	**5.54**	**2,460.04**	**559.09**	**4.58**	**3,014.55**	**8,422.33**	**7,460.49**
	Total (Previous Year)	**8,687.70**	**1,277.88**	**45.04**	**2,043.45**	**426.95**	**10.36**	**2,460.04**	**7,460.50**	**6,644.25**

Note: 12 Payables

(₹in Lakhs)

Sr. No.	Particulars	Current Year	Previous Year
1	**Trade Payables**		
	(i) Total outstanding dues of Micro Enterprises and Small Enterprises		
	(a) Sundry Creditors for Services	76.46	39.40
		76.46	**39.40**
	(ii) Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises		
	(a) SBI Assignment Payable	3.90	0.28
	(b) SIB Assignment Payable	-	0.01
	(c) Interest Payable on NCD/FCCB	1,987.20	1,605.06
	(d) Interest Payable on Bank	244.05	198.29
	(e) Other Sundry Payables	208.91	1,583.74
		2,444.06	**3,387.38**
2	**Other Payables**		
	(i) Total outstanding dues of Micro Enterprises and Small Enterprises	-	-
	(ii) Total outstanding dues of creditors other than Micro enterprises and Small Enterprises		
	(a) Statutory Payables		
	Professional Tax Payable	0.02	0.01
	EPF Contribution Payable	41.90	43.75
	ESI Payable	13.67	13.68
	GST Payable	37.44	99.42
	TDS Payable	396.24	304.23
	LIC GSLI Payable	78.39	0.02
	(b) Expenses Payables	1,603.73	2,769.72
		2,171.39	**3,230.83**
	Total	**4,691.91**	**6,657.61**

Note : 12 (a) Trade Payables Due for Payment 2025-26

(₹in Lakhs)

Sr. No.	Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
1	MSME	76.46	-	-	-	76.46
2	Others	2,444.06	-	-	-	2,444.06
3	Disputed Dues-MSME	-	-	-	-	-
4	Disputed Dues-Others	-	-	-	-	-
	Grand Total	**2,520.52**	**-**	**-**	**-**	**2,520.52**

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	-	-	-	-	-
	Grand Total	**3,426.78**	**-**	**-**	**-**	**3,426.78**

- There are no due pending more than 45 days

Note: 13 Debt Securities

(₹in Lakhs)

Particulars	Current Year				Previous Year			
	At Amortised Cost	At Fair Value Through profit or loss	Designated at fair value through profit or loss	Total	At Amortised Cost	At Fair Value Through profit or loss	Designated at fair value through profit or loss	Total
	(1)	(2)	(3)	(4) = (1)+(2)+(3)	(5)	(6)	(7)	(8) = (5)+(6)+(7)
Liability component of compound Financial Instruments	-	-	-	-	-	-	-	-
Commercial Paper	2,916.38	-	-	2,916.38	9,945.36	-	-	9,945.36
FCCB	37,655.82	-	-	37,655.82	41,079.07	-	-	41,079.07
Others (Bonds/ Debentures etc.)*	80,595.00	-	-	80,595.00	57,155.00	-	-	57,155.00
Total (A)	**1,21,167.20**	**-**	**-**	**1,21,167.20**	**1,08,179.43**	**-**	**-**	**1,08,179.43**
Debt Securities in India	83,511.38	-	-	83,511.38	57,155.00	-	-	57,155.00
Debt Securities outside India	37,655.82	-	-	37,655.82	41,079.07	-	-	41,079.07
Total (B) to tally with (A)	**1,21,167.20**	**-**	**-**	**1,21,167.20**	**1,08,179.43**	**-**	**-**	**1,08,179.43**

***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-'PDL-02-2021'	Feb-2021	2,300.00	12.00%	Monthly	Feb-2026	2,300.00	No	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	No	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-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-'PDL-04-2023'	Apr-2023	500.00	10.00%	Monthly	Apr-2033	500.00	No	Yes
Series-'PDL-04-2023'	Apr-2023	830.00	12.00%	Monthly	Apr-2033	830.00	Yes	Yes
Series-'PDL-04-2023'	Apr-2023	2,810.00	12.00%	On Maturity	Apr-2033	2,810.00	No	Yes
Series-'PDL-09-2023'	Sep-2023	300.00	12.00%	Monthly	Sep-2033	300.00	Yes	Yes
Series-'PDL-09-2023'	Sep-2023	5,000.00	9.95%	Quarterly	Sep-2033	5,000.00	Yes	Yes
Series-'PDL-11-2023'	Nov-2023	850.00	9.95%	Monthly	Nov-2033	850.00	No	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	800.00	12.00%	Monthly	Dec-2033	800.00	No	Yes
Series-'PDL-12-2023'	Dec-2023	3,820.00	12.00%	Monthly	Dec-2033	3,820.00	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	600.00	9.95%	Quarterly	Jun-2025	600.00	No	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	No	Yes
Series-'PDL-04-2024'	Apr-2024	600.00	9.95%	Quarterly	Oct-2025	600.00	No	Yes
Series-'PDL-05-2024'	May-2024	2,700.00	9.95%	Quarterly	May-2029	2,700.00	Yes	Yes
Series-'PDL-07-2024'	July-2024	2,500.00	9.95%	Quarterly	July-2027	2,500.00	Yes	Yes
Series-'PDL-06-2025'	Jun-2025	5,000.00	10.00%	Monthly	Jun-2027	5,000.00	Yes	No
Series-'PDL-08-2025'	Aug-2025	3,400.00	9.75%	Quarterly	Aug-2028	3,400.00	Yes	No
Series-'PDL-09-2025'	Sep-2025	5,000.00	10.00%	Monthly	Sep-2028	5,000.00	Yes	No
Series-'PDL-11-2025'	Nov-2025	5,500.00	8.45%	Yearly	Nov-2027	5,500.00	Yes	No
Series-'PDL-11-2025'	Nov-2025	2,500.00	8.50%	Yearly	Nov-2028	2,500.00	Yes	No
Series-'PDL-12-2025'	Dec-2025	4,000.00	8.50%	Quarterly	Dec-2028	4,000.00	Yes	No
Series-'PDL-12-2025'	Dec-2025	3,000.00	8.45%	Yearly	Dec-2027	3,000.00	Yes	No
Series-'PDL-03-2026'	Mar-2026	5,100.00	9.25%	Monthly	Sep-2028	5,100.00	Yes	No

Note: 14 Borrowings (Other than Debt Securities)

(₹in Lakhs)

Particulars	Current Year				Previous Year			
	At Amortised Cost	At fair value through profit or loss	Designated at fair value through profit or loss	Total	At Amortised Cost	At fair value through profit or loss	Designated at fair value through profit or loss	Total
	(1)	(2)	(3)	(4)=(1)+(2)+(3)	(1)	(2)	(3)	(4)=(1)+(2)+(3)
(a) Term loans:								
(i) From banks	2,81,543.10	-	-	2,81,543.10	1,78,539.76	-	-	1,78,539.76
(ii) From other parties	17,142.86	-	-	17,142.86	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	6,613.28	-	-	6,613.28	38,121.69	-	-	38,121.69
(ii) from other parties	-	-	-	-	-	-	-	-
(g) Other loans (specify nature)	-	-	-	-	-	-	-	-
(i) from other parties	9,401.00	-	-	9,401.00	10,305.87	-	-	10,305.87
Total (A)	**3,14,700.24**	**-**	**-**	**3,14,700.24**	**2,46,967.32**	**-**	**-**	**2,46,967.32**
Borrowings in India	14,215.50	-	-	14,215.50	2,46,967.32	-	-	2,46,967.32
Borrowings outside India	3,00,484.74	-	-	3,00,484.74	-	-	-	-
Total (B) to tally with (A)	**3,14,700.24**	**-**	**-**	**3,14,700.24**	**2,46,967.32**	**-**	**-**	**2,46,967.32**

Note: 15 Deposits

(₹in Lakhs)

	Current Year				Previous Year			
	At Amortised Cost	At fair value through profit or loss	Designated at fair value through profit or loss	Total	At Amortised Cost	At fair value through profit or loss	Designated at fair value through profit or loss	Total
	(1)	(2)	(3)	(4)=(1)+(2)+(3)	(5)	(6)	(7)	(*8)=(5)+(6)+(7)
Deposits								
(i) Public Deposits	-	-	-	-	-	-	-	-
(ii) Form Banks	-	-	-	-	-	-	-	-
(iii) From Others	-	-	-	-	-	-	-	-
Total	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

Note: 16 Subordinated Liabilities

(₹in Lakhs)

Particulars	Current Year				Previous Year			
	At Amortised Cost	At fair value through profit or loss	Designated at fair value through profit or loss	Total	At Amortised Cost	At fair value through profit or loss	Designated at fair value through profit or loss	Total
	(1)	(2)	(3)	(4) = (1)+(2)+(3)	(5)	(6)	(7)	(8) = (5)+(6)+(7)
Prepetual Debt Instruments to the extent that do not qualify as equity	-	-	-	-	-	-	-	-
Preferene Shares other than those that qualify as Equity	-	-	-	-	-	-	-	-
Others (Non-Convertable Debentures*)	100.00	-	-	100.00	800.00	-	-	800.00
Total (A)	**100.00**	**-**	**-**	**100.00**	**800.00**	**-**	**-**	**800.00**
Subordinated Liabilities in India	100.00	-	-	100.00	800.00	-	-	800.00
Subordinated Liabilities outside India	-	-	-	-	-	-	-	-
Total (B) to tally with (A)	**100.00**	**-**	**-**	**100.00**	**800.00**	**-**	**-**	**800.00**

*** Details of Non-Convertable Debentures**

(₹in Lakhs)

Debenture Series	Issued Date	Issued Amount	Rate of Interest	Interest Periodicity	Maturity Date	Maturity Amount	Current Year	Previous Year
Series-'PDL2020-1'	Jan -2020	600	12.00%	Monthly	Jan-2026	600	No	Yes
Series-'PDL2020-2'	Feb-2020	100	12.00%	Monthly	Feb-2026	100	No	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	1,947.52	1,533.00
	Total	**1,947.52**	**1,533.00**

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	2,391.46	2,003.30
2	Provision for Proposed Dividend on Equity Shares	909.52	902.12
3	Provision for Expected Credit Loss	1,575.63	1,493.71
4	Provision for Sub Standard Assets	889.99	1,084.22
	Total	**5,766.60**	**5,483.35**

Note: 20 Deferred Tax Liabilities (Net)

(₹in Lakhs)

Sr. No.	Particulars	Current Year	Previous Year
1	**Opening Balance**	**506.76**	**(857.89)**
	Tax on Timing difference on Property, Plant and Equipments	631.53	555.66
	Tax on Timing difference on Deferred Revenue Expenditures	932.30	409.31
	Tax on Timing difference on Unearned Processing Fees	0.37	3.25
	Tax on Timing difference on Unearned Processing Fees	(248.09)	(461.46)
2	**Total Deferred Tax Liability**	**1,316.11**	**506.76**
	Provision for Deferred Tax required for the year (2-1)	809.35	1,364.65
	Total	**1,316.11**	**506.76**

Note: 21 Others Non Financial Liabilities

(₹in Lakhs)

Sr. No.	Particulars	Current Year	Previous Year
1	Unearned Income of Processing Fees	986.09	1,834.18
	Total	**986.09**	**1,834.18**

Note: 22 Share Capital

(₹ in Lakhs)

Sr. No.	Particulars	Current Year	Previous Year
1	**AUTHORIZED CAPITAL**		
	1,75,00,00,000 Equity Shares of Re. 1 per share	17,500.00	17,500.00
	50,00,000 Preference Shares of Re. 10 each	500.00	500.00
		18,000.00	**18,000.00**
2	**ISSUED, SUBSCRIBED CAPITAL**		
	92,22,43,289 Equity Shares of Re. 1 per Share fully paid up (Previous year 89,81,68,980 Equity Shares of Re. 1 each)	9,022.43	8,981.69
	Add: - 74,03,585 equity shares of face value Re. 1 each @ premium of Rs. 44.74 issued on conversion of 4000 FCCBs of USD 4 million (Previous Year 37,01,792 equity shares of face value Re. 1 each @ premium of Rs. 44.74 issued on conversion of 2000 FCCBs of USD 2 million)	74.04	37.02
	Add: (Previous Year 3,72,517 equity share of face value Re. 1 each @ premium of Rs. 33.69 alloted under PDL ESPS 2024 scheme)	-	3.72
		9,096.48	**9,022.42**
3	**PAID UP CAPITAL**		
	90,21,18,289 Equity Shares of Re. 1 per Share fully paid up (Previous year 89,80,43,980 Equity Shares of Re. 1 each)	9,021.18	8,980.44
	Add: - 74,03,585 equity shares of face value Re. 1 each @ premium of Rs. 44.74 issued on conversion of 4000 FCCBs of USD 4 million (Previous Year 37,01,792 equity shares of face value Re. 1 each @ premium of Rs. 44.74 issued on conversion of 2000 FCCBs of USD 2 million)	74.03	37.02
	Add: (Previous Year 3,72,517 equity share of face value Re. 1 each @ premium of Rs. 33.69 alloted under PDL ESPS 2024 scheme)	-	3.72
	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
	Total	**9,095.84**	**9,021.81**

Note: 23 Other Equity
Current Reporting Period

(₹ in Lakhs)

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	-	-	25,268.69	2,443.60	39,873.20	74,144.89	2,178.15	250.00	317.72	-	-	-	-	-	-	-	1,44,476.25
Add: Any change due to IND AS	-	-	-	-	-	-	(7.40)	-	-	-	-	-	-	-	-	-	(7.40)
Restated Balances at the beginning of the reporting period	-	-	25,268.69	2,443.60	39,873.20	74,144.89	2,170.75	250.00	317.72	-	-	-	-	-	-	-	1,44,468.85
Total Comprehensive Income for the year	-	-	-	-	-	-	23,720.61	-	-	-	-	-	-	-	-	-	23,720.61
Money received as share warrant	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Premium on coversion and allotment of shares	-	-	-	-	3,312.36	-	-	-	-	-	-	-	-	-	-	-	3,312
Security Premium on conversion of warrants into equity	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Proposed Dividends	-	-	-	-	-	-	(909.52)	-	(9.08)	-	-	-	-	-	-	-	(909.52)
Depreciation on Revaluation Amount	-	-	-	-	-	-	9.08	-	-	-	-	-	-	-	-	-	-
Income Tax Impact due to IND AS on Processing Fees	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Previous Years Tax	-	-	-	-	-	-	(2.35)	-	-	-	-	-	-	-	-	-	(2.35)
Transfer to General Reserve	-	-	-	-	-	17,000.00	(17,000.00)	-	-	-	-	-	-	-	-	-	-
Transfer to Statutory Reserve Fund	-	-	4,744.12	-	-	-	(4,744.12)	-	-	-	-	-	-	-	-	-	-
Provision on Standard Assets	-	-	-	-	-	-	(388.14)	-	-	-	-	-	-	-	-	-	(388.14)
Expenditure on Corporate Social Responsibility	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance at the end of the reporting period	**-**	**-**	**30,012.81**	**2,443.60**	**43,185.56**	**91,144.89**	**2,856.31**	**250.00**	**308.64**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**170,201.81**

Note : 23 Other Equity

Previous Reporting Period

(₹in Lakhs)

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	-	-	21,266.28	2,415.21	38,091.52	60,144.89	1,465.90	250.00	326.80	-	-	-	-	-	-	-	123,960.59
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	-	-	-	-	-	-	-	123,960.59
Total Comprehensive Income for the year	-	-	-	-	-	-	20,012.07	-	-	-	-	-	-	-	-	-	20,012.07
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	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Bonus share issued	-	-	-	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**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**144,476.25**

Note : 24 Interest Income

(₹in Lakhs)

Particulars	Current Year			Previous Year		
	On Financial Assets measured at Fair value through OCI	On Financial Assets measured at Amortised Cost	Interest Income on Financial Assets classified at Fair value through profit 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	-	90,198.02	-	-	69,563.25	-
Income from Investments	-	206.81	-	-	18.61	-
Interest on Deposits with Banks	-	45.67	-	-	35.20	-
Other Interest Income	-	21.46	-	-	19.64	-
Fee & Commission Income	-	3,896.08	-	-	7,113.21	-
Dividend Income	-	1.72	-	-	1.53	-
Total	**-**	**94,369.76**	**-**	**-**	**76,751.44**	**-**

Note: 25 Net Gain/(Loss) on fair value changes

(₹in Lakhs)

Particulars	Current Year	Previous Year
(A) Net gain/ (loss) on Financial Instruments at Fair value through profit or loss		
(i) On trading portfolio:		
- Investments	-	-
- Derivatives	-	-
- Others	-	-
(ii) On Financial Instruments designated at fair value through profit or loss	(49.46)	26.68
(B) Others		
(i) Total Net gain/(loss) on fair value changes (c)	**-**	**-**
(ii) Fair Value changes:		
- Realised	-	-
- Unrealised	-	-
Total Net Gain/(Loss) on Fair value changes (D) to tally with (C)	**(49.46)**	**26.68**

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	-	-
4	(other than considered as finance cost)		
	Total	**-**	**332.54**

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	-	28,966.53	-	22,521.45
3	Interest on Debt Securities	-	6,796.52	-	6,501.34
4	Interest on Subordinated Liabilities	-	82.42	-	478.14
5	Other Interest expense/ Bank Charges	-	1,587.90	-	3,329.68
	Total	**-**	**37,433.37**	**-**	**32,830.61**

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	-	3,653.78	-	2,099.33
Provision for NPA	-	479.69	-	380.75
Provision for Expected Credit Loss				
Additional Provision for Expected Credit Loss	-	81.92	-	71.11
Investments	-	-	-	-
Others (to be specified)	-	-	-	-
Total	**-**	**4,215.39**	**-**	**2,551.19**

Note: 29 Employees Benefit Expenses

(₹in Lakhs)

Sr. No.	Particulars	Current Year	Previous Year
1	Salaries and Wages to Employess	6,169.10	5,042.01
2	Directors Salaries & Allowances	735.98	676.23
3	Contribution to Provident and other funds	407.50	344.65
4	Share Based Payments to employees	-	28.39
5	Staff welfare expenses	328.97	194.86
	Total	**7,641.55**	**6,286.14**

- 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. 2025-26 Rs. 7,35,97,504 (Last year Rs. 6,76,22,575) 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	559.09	426.96
2	Deffered Revenue Exp. w/o*	665.18	120.19
	Total	**1,224.27**	**547.15**

-*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	60.99	59.63
2	Travelling Expenses	2,011.76	1,793.74
3	Repair & Maintenance	29.38	23.83
4	Insurance Expenses	72.40	32.63
5	Electricity & Water Expenses	92.77	99.69
6	Rates & Taxes	6.54	3.41
7	Legal Expenses & Professional Fees	3,220.31	1,950.06
8	Printing & Stationery Expenses	358.58	386.48
9	Postage & Telephone Expenses	432.71	175.13
10	Auditors Remuneration	9.20	9.20
11	Rent	636.51	496.35
12	Rebate & Remission	1,311.75	669.25
13	Advertisement & Business Promotion Expenses	1,185.24	822.93
14	Recovery Expenses	767.54	505.30
15	Office and General Expenses	470.58	453.67
16	Loss/(Profit) on sale of Assets/Investments	289.69	24.69
17	Directors Sitting Fees & Expenses	21.53	21.72
18	Loss on foreign currency transaction and translation	471.06	289.76
19	Corporate Social Responsibility Expenditure	437.83	320.89
	Total	**11,886.37**	**8,138.36**

*Refer Note 31 of Standalone Financial Statements.

32. Remuneration to Auditors:

(₹in Lakhs)

Particulars	2025-26	2024-25
For Statutory Audit	6.23	6.23
For Tax Audit	2.21	2.21
Total	**8.44**	**8.44**

33. Earning per Share:

(₹in Lakhs)

Particulars	2025-26	2024-25
Net profit for the year (After Tax)	23,720.61	20,012.07
Equity Shares in numbers (Weighted)	90,60,93,913	89,88,37,281
Basic and diluted Earning per share	2.62	2.23

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	500.00
Indian Bank	Cash Credit	500.00
Karnataka Bank	Term Loan	125.60
Total		**1,125.60**

- 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	(28.20)
Mr. Harish Singh	Remuneration to Director	65.34	(3.17)
Mr. Anoop Krishna	Remuneration to Director	52.72	(3.15)
Mr. Santanu Agarwal	Remuneration to Director	180.00	(21.00)
Mr. Vinod Kumar	Remuneration to Director	50.16	(3.23)
Mr. Manendra Singh	Salary	22.26	(1.45)
Mr. Pranav Chauhan	Interest Payment (on NCD)	24.00	—
Mrs. Priti Chauhan	Interest Payment (on NCD)	26.40	
Equilibrated Ventures Cflow Pvt. Ltd.	Loan Received	16,997.00	(176.00)
Equilibrated Ventures Cflow Pvt. Ltd.	Interest Expenses	327.31	—
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	172.94	—
Pri Caf Pvt. Ltd.	Dividend Paid	24.05	—
Harish Singh	Dividend Paid	0.02	—
Manendra Singh	Dividend Paid	0.01	—

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	02nd Jun 2021	3,000.00	20 quarterly installments	Fully repaid During the year
State Bank of India	31st Jan 2022	1,500.00	15 quarterly installments	Fully repaid During the year
Indian Bank	01st Aug 2022	1,000.00	36 monthly installments	Fully repaid During the year
State Bank of India	27th Dec 2022	3,500.00	15 quarterly Installments	Fully repaid During the year
Bank of Baroda	23rd Jan 2023	2,500.00	36 monthly installments	February 2026
Karnataka Bank$	27th June 2025	500.00	12 monthly installment	June 2026

- $Term Loan from Karnataka Bank has been created through conversion of Cash Credit Limit.
- 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.#	500.00	28th December, 2015
2	Indian Bank	500.00	01st Aug 2022
	Total	**1,000.00**	

- #During the year, the Karnataka Bank has reduced the Cash Credit Limit by repayment of Rs. 1000.00 Lakh and converted the Cash Credit Limit to Term Loan of Rs. 500.00 Lakhs.

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**	**1,79,297.65**	**100**	**23,720.61**
Holding Co. :				
Paisalo Digital Limited	96.12	1,73,068.10	98.78	23,468.91
		(Note 1)		(Note 2)
Subsidiaries-Wholly Owned :				
Nupur Finvest Pvt. Ltd.	3.88	6,229.55	1.22	251.70

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:

Part "A" : Subsidiaries

(₹in Lakhs)

1	**Name of Subsidiary**	**M/s Nupur Finvest Pvt. Ltd.**
2	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Same i.e. April 1, 2025 to March 31, 2026
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	5,692.59
6	Total Assets	15,034.89
7	Total Liabilities	15,034.89
8	Investments	—
9	Turnover	3,162.88
10	Profit before Taxation	336.37
11	Provision for Taxation	84.67
12	Profit after Taxation	251.70
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 Saket Jain & Co.
Chartered Accountants
Firm Reg. No. 014685N

Sd/-
(CA. ASHISH JAIN)
Partner
Membership No. 400599
UDIN : 26400599KOJOUE3043

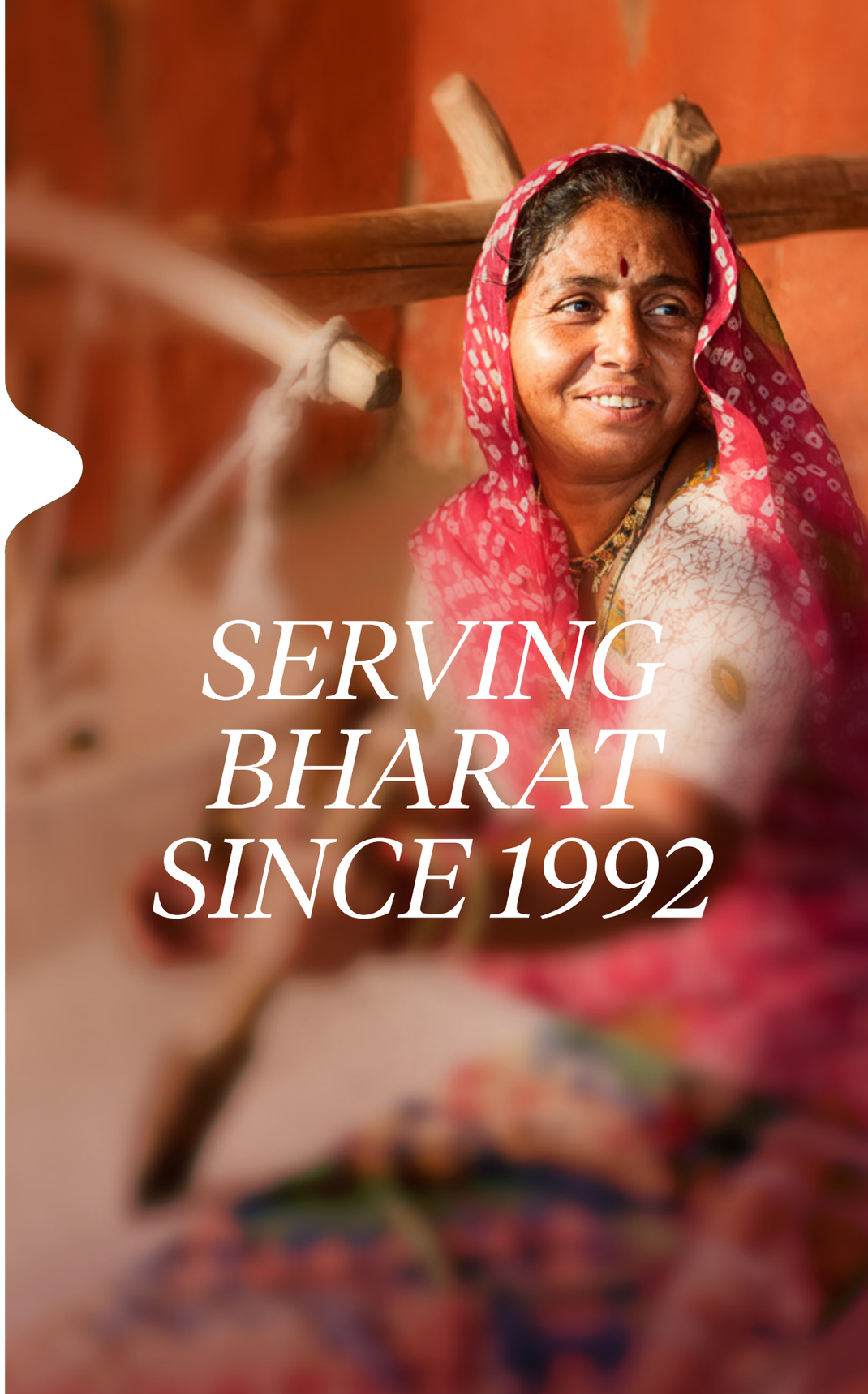
Place : New Delhi
Date : 10th May 2026

For and on behalf of the Board

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

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

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



Notice 34th AGM 2026

NOTICE OF 34TH ANNUAL GENERAL MEETING

Notice is hereby given that the Thirty-Fourth (34th) Annual General Meeting ("AGM" or the "Meeting") of the Members of Paisalo Digital Limited will be held on Monday, September 21, 2026, at 3:00 P.M. (IST) through Video Conferencing ("VC")/ Other Audio-Visual Means ("OAVM") to transact the following business:

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 Standalone Financial Statements and the Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2026, together with the Reports of the Board of Directors and the Auditors thereon, as circulated to the Members, be and are hereby considered and adopted."

Item No. 2 – Re-appointment of Mr. Santanu Agarwal (DIN: 07069797) as a Director, Liable to Retire by Rotation

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 152 and other applicable provisions, if any, of the Companies Act, 2013, and the rules made thereunder, Mr. Santanu Agarwal (DIN: 07069797), who retires by rotation at this Annual General Meeting and, being eligible, offers himself for re-appointment, be and is hereby re-appointed as a Director of the Company, liable to retire by rotation."

Item No. 3 – Declaration of Final Dividend for the Financial Year Ended March 31, 2026

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. ₹0.10 (Ten Paisa only) per equity share of ₹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, 2026 and that the same be paid out of the profits of the Company for the said financial year to those Members whose names appear in the Register of Members or in the records of the Depositories, as the case may be, on the Record Date determined for the purpose."

SPECIAL BUSINESS

Item No. 4 - Re-appointment of Mr. Santanu Agarwal (DIN: 07069797) as Whole-time Executive Director, Designated as Deputy Managing 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 and Reserve Bank of India (Non-Banking Financial Companies- Governance) Directions, 2025, 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. Santanu Agarwal (DIN: 07069797) as Whole Time Executive Director designated as Deputy Managing Director for a period of five years commencing from May 6, 2027 till May 5, 2032 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 Mr. Santanu Agarwal.

RESOLVED FURTHER THAT the Board of Directors of the Company and/or any Committee thereof be and is hereby authorized to do all such acts, deeds, matters and things, and to execute all such documents, instruments and writings as may be considered necessary, expedient or desirable for the purpose of giving effect to this Resolution and to settle any questions, difficulties or doubts that may arise in this regard."

Item No. 5 – Approval for Enhancement of Borrowing Powers of the Board of Directors under Section 180(1)(c) of the Companies Act, 2013

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

"RESOLVED THAT pursuant to the provisions of Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 ("Act") read with the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), and in accordance with the Articles of Association of the Company, the consent of the Members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the "Board", which term shall be deemed to include any Committee(s) of the Board duly constituted or to be constituted for exercising the powers conferred by this Resolution) to borrow or raise, from time to time, any sum or sums of money (including by way of fund-based and non-fund-based facilities and/or issuance of debt securities or any other permissible instruments), as may be required for the purposes of the business of the Company, notwithstanding that the monies so borrowed, together with the monies already borrowed by the Company (excluding temporary loans obtained from the Company's bankers in the ordinary course of business), may at any time exceed the aggregate of the paid-up share capital, free reserves and securities premium of the Company, provided that the total amount of such borrowings outstanding at any point of time shall not exceed ₹9,000 Crores (Rupees Nine Thousand Crores only).

RESOLVED FURTHER THAT the Board be and is hereby authorised to determine and finalise the terms and conditions of all such borrowings, including the rate of interest, tenure, repayment, security, and all other related matters, as it may, in its absolute discretion, deem fit and expedient.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds, matters and things, and to execute all such deeds, documents, agreements, instruments and writings, as may be necessary, expedient or desirable for giving effect to this Resolution, including settling any questions, difficulties or doubts that may arise in relation thereto, without requiring any further approval or consent of the Members of the Company."

Item No. 6 – Authorization to the Board of Directors under Section 180(1)(a) of the Companies Act, 2013 to Create Charges on the 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 the provisions of Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013 ("Act") read with the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), and in accordance with the Articles of Association of the Company, the consent of the Members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the "Board", which term shall be deemed to include any Committee(s) of the Board duly constituted or to be constituted for exercising the powers conferred by this Resolution) to create, renew, modify, supplement or extend mortgages, charges, hypothecations, pledges and/or floating charges, in addition to the existing mortgages, charges and hypothecations created by the Company, on all or any of the movable and/or immovable properties and assets of the Company, both present and future, and/or the whole or substantially the whole of any undertaking(s) of the Company, in such form and manner and with such ranking and on such terms and conditions as the Board may deem fit, for securing any fund-based or non-fund-based facilities, loans or borrowings in Indian Rupees or foreign currency, debt securities (whether convertible or non-convertible), rupee or foreign currency convertible bonds, debentures, advances and/or other financial assistance or obligations (collectively referred to as the "Loans"), together with interest thereon, additional interest, liquidated damages, commitment charges, premia on prepayment, costs, charges, expenses and all other monies payable by the Company in respect thereof, provided that the aggregate amount secured by such mortgages, charges and hypothecations shall not, at any time, exceed ₹9,000 Crores (Rupees Nine Thousand Crores only).

RESOLVED FURTHER THAT the Board be and is hereby authorized to finalize the terms and conditions of the security documents and to do all such acts, deeds, matters and things, and to execute all such deeds, documents, agreements, instruments and writings as may be necessary, expedient or desirable for the purpose of giving effect to this Resolution, including settling any questions, difficulties or doubts that may arise in relation thereto, without requiring any further approval or consent of the Members of the Company."

Item No. 7 – Approval for Issuance of Non-Convertible Securities/Debentures on a Private Placement Basis

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 ("Act") read with the rules made thereunder (including any statutory modification(s), clarification(s), exemption(s) or re-enactment thereof for the time being in force), the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Reserve Bank of India (Non-Banking Financial Companies – Registration, Exemption and Framework for Scale Based Regulation) Directions, 2025, as amended from time to time, and all other applicable laws, rules, regulations, circulars, notifications and guidelines issued by the concerned statutory and regulatory authorities, the Memorandum and Articles of Association of the Company, and subject to such approvals, permissions, consents and sanctions as may be necessary, the consent of the Members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the "Board", which term shall be deemed to include any Committee(s) of the Board duly constituted or to be constituted for exercising the powers conferred by this Resolution) to create, offer, invite subscriptions for, issue and allot, from time to time, in one or more tranches, secured or unsecured, redeemable Non-Convertible Securities ("NCSs"), including but not limited to non-convertible debentures, bonds and other debt securities, whether subordinated or senior, perpetual or non-perpetual, cumulative or non-cumulative, on a private placement basis on such terms and conditions as the Board may determine, to such person(s) including, but not limited to, companies, body corporates, statutory corporations, commercial banks, financial institutions, insurance companies, mutual funds, pension funds, provident funds, family offices, alternative investment funds, trusts, individuals and such other investors as may be permitted under applicable law, during the period of one year from the date of passing of this Special Resolution or such other period as may be permissible under the applicable laws, within the overall borrowing limits of the Company as approved by the Members from time to time pursuant to Section 180(1)(c) of the Act.

RESOLVED FURTHER THAT the Board be and is hereby authorized to determine and finalize all the terms and conditions of the issue(s), including, without limitation, the size of each issue, issue price, timing, tenor, coupon/interest rate, redemption, security, listing, utilization of proceeds, appointment of debenture trustee(s), credit rating agency(ies), registrar and transfer agent(s), legal counsel, arranger(s), advisor(s) and other intermediaries, and to execute all deeds, documents, agreements, disclosures and writings, and to do all such acts, deeds, matters and things as may be necessary, expedient or desirable for giving effect to this Resolution, including settling any questions, difficulties or doubts that may arise in connection with the issuance of the aforesaid Non-Convertible Securities."

Registered Office : CSC, Pocket 52, CR Park Near Police Station, New Delhi-110019
CIN : L65921DL1992PLC120483
Website : www.paisalo.in
Email : cs@paisalo.in
Tel : +91 11 43518888
Date : August 05, 2026

By Order of the Board of Directors
For Paisalo Digital Limited
Sd/-
(Manendra Singh)
Company Secretary
Membership No.: F7868

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 and 4 are annexed as Annexure-1 to this notice.

3. The Ministry of Corporate Affairs ("MCA") has issued General Circular No. 03/2025 dated September 22, 2025, read with Circular Nos. 14/2020 dated April 8, 2020, 17/2020 dated April 13, 2020 and 20/2020 dated May 5, 2020 (hereinafter collectively referred to as the "MCA Circulars"), and any amendments or updates thereto, read with SEBI Circular No. SEBI/HO/CFD/CFD-PoD-2/P/CIR/2024/133 dated October 3, 2024, companies are permitted to convene their Annual General Meetings ("AGMs") through Video Conferencing ("VC") or Other Audio Visual Means ("OAVM") in accordance with the framework prescribed under the MCA Circulars, subject to compliance with the conditions specified therein. MCA General Circular No. 03/2025 clarifies that the facility to conduct AGMs through VC/OAVM shall continue until further orders, without extending the statutory timelines prescribed under the Companies Act, 2013 for holding AGMs. Accordingly, in compliance with the provisions of the Companies Act, 2013, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the MCA Circulars and the SEBI Circulars, the Thirty Fourth (34th) Annual General Meeting ("AGM") of the Members of the Company is being convened through VC/OAVM on Monday, September 21, 2026, at 3:00 P.M. (IST). Accordingly, the Members can attend and participate in the AGM only through the VC/OAVM facility.

4. The Company is convening the 34th AGM through VC/OAVM, and no physical presence of Members, Directors, Auditors and other eligible persons shall be required for the 34th AGM.

5. In accordance with the Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India ("ICSI"), read with the guidance/clarification dated April 15, 2020 issued by the 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 AGM through VC/OAVM is provided in this Notice.

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 15, 2026 to September 21, 2026 both days inclusive.

9. The Company has fixed September 14, 2026 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 the 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 the provisions of Sections 101 and 136 of the Companies Act, 2013 read with the rules made thereunder, Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the MCA Circulars, including General Circular No. 03/2025 dated September 22, 2025, and the applicable SEBI Circulars, the Notice of the 34th Annual General Meeting ("AGM") along with the Annual Report of the Company for the financial year ended March 31, 2026, including the Audited Financial Statements, the Board's Report, the Auditors' Report and other documents required to be attached thereto, is being sent only through electronic mode to those Members whose e-mail addresses are registered with the Company/Registrar and Share Transfer Agent ("RTA")/Depository Participants ("DPs"). Further, a communication containing the web link for accessing the Notice of the AGM and the Annual Report is being sent to those Members whose e-mail addresses are not registered with the Company/Depositories, in accordance with the applicable MCA Circulars. Members desirous of obtaining a physical copy of the Annual Report for the financial year 2025-26 may send a request to the Company at cs@paisalo.in, and the same shall be provided, subject to applicable statutory requirements. Members may note that the Notice of the AGM and the Annual Report for the financial year 2025-26 are also available on:

a) the Company's website at www.paisalo.in;

b) the websites of the Stock Exchanges, namely BSE Limited at www.bseindia.com and National Stock Exchange of India Limited at www.nseindia.com and

c) the 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 (Listing Obligations and Disclosure Requirements) Regulations, 2015, (as amended) and MCA Circulars, the Company is providing facility of remote e-voting and e-voting during the AGM (collectively referred as "electronic voting") to its members to cast their votes in respect of the resolutions listed in this Notice. For this purpose, the Company has entered into an agreement with NSDL, as the authorised e-voting agency, to facilitate VC and electronic voting. 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 14, 2026.

15. Any person who acquires shares of the Company and becomes a Member of the Company after dispatch of the Notice and holding shares as of the cut-off date i.e. Monday, September 14, 2026, 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 18, 2026 at 9:00 A.M. and ends on September 20, 2026 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 a 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 the e-voting process. Shareholders are advised to update their mobile number and e-mail ID with their DPs to access the 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 https://eservices.nsdl.com/SecureWeb/evoting/evotinglogin.jsp. 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. https://eservices.nsdl.com 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 https://eservices.nsdl.com. Select "Register Online for IDeAS Portal" or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp
	4. 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 (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
Individual Shareholders holding securities in demat mode with CDSL	1. Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi / Easiest are requested to visit CDSL website www.cdslindia.com and click on login icon & New System Myeasi Tab and then use your existing my easi username & password.
	2. After successful login the Easi / Easiest user will be able to see
	3. 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.
	4. If the user is not registered for Easi/Easiest, option to register is available at CDSL website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option.
	5. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN from a e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers. NSDL Mobile App is available on App Store Google Play
Individual Shareholders (holding securities in demat mode) login through their depository participants	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. 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 & voting during the meeting.

Important note: Members who are unable to retrieve User ID/Password are advised to use Forget User ID and Forget Password option available at respective website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at 022-4886 7000 and 022-2499 7000
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33

B) Login method for e-voting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

How to Log-in to NSDL e-Voting website?

i. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile.

ii. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.

iii. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

iv. Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at https:// eservices.nsdl.com/ with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

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***

vi. Password details for shareholders other than Individual shareholders are given below:

a) If you are already registered for e-voting, then you can use your existing password to login and cast your vote.

b) If you are using NSDL e-voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.

c) How to retrieve your 'initial password'?

i) If your e-mail ID is registered in your demat account or with the Company, your 'initial password' is communicated to you on your e-mail ID. Trace the e-mail sent to you from NSDL from your mailbox. Open the e-mail and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

ii) If your e-mail ID is not registered, please follow steps mentioned below in process for those shareholders whose e-mail IDs are not registered.

vii. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:

a) Click on "Forgot User Details/Password?" (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.

b) "Physical User Reset Password?" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com

c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.com mentioning your demat account number/folio number, PAN, name and registered address.

d) Members can also use the OTP based login for casting the votes on the e-voting system of NSDL.

viii. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.

ix. Now, you will have to click on "Login" button.

x. After you click on the "Login" button, home page of e-voting will open.

Step 2: Cast your vote electronically on NSDL e-voting system.

How to cast your vote electronically on NSDL e-voting system?

i. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.

ii. Select "EVEN" of Company Paisalo Digital Limited, which is 141359 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 a user ID and password for e-voting by providing the 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 the 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 the 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 the 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 a laptop connecting via a mobile hotspot may experience Audio/Video loss due to fluctuations 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@ pasialo.in on or before September 14, 2026 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 AGM:

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 21, 2026.

IEPF related information:

40. The Company has transferred the unpaid or unclaimed dividends declared up to financial years 2017- 18, 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.

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 2018-19 and thereafter, are as under:

Financial Year	Dividend Per Share	Date of Declaration	Due Date of transfer to Fund (on or before)
2018-19	Re. 1	10-08-2019	16-09-2026
2019-20	Re. 1	08-09-2020	15-10-2027
2020-21	Re. 1	25-09-2021	01-11-2028
2021-22	Re. 0.10	30-09-2022	06-11-2028
2022-23	Re. 0.10	21-09-2023	28-10-2030
2023-24	Re. 0.10	23-09-2024	30-10-2031
2024-25	Re. 0.10	29-09-2025	05-11-2032

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 FY 2018-19 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 14, 2026 and

b) to all those shareholders holding shares in physical form, on the closing hours on Monday, September 14, 2026.

46. As per the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company shall use any electronic mode of payment approved by the Reserve Bank of India for making payment to the Members. Accordingly, dividend, if declared, will be paid through electronic mode, where the Bank Account details of the Members required for this purpose are available. In case where the dividend cannot be paid through electronic mode, the same will be paid by account payee/not negotiable instruments/warrants with Bank Account details, if available, printed thereon.

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 14, 2026 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 14, 2026. 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 provisions of the Income-tax Act, 2025, ("the IT Act 2025") and the rules made thereunder, the Company is required to deduct tax at source ("TDS") at the prescribed rates while making payment of dividend to its shareholders.

52. Members may note that the IT Act, 2025, mandates that dividend paid or distributed by a company shall be taxable in the hands of members. The Company shall therefore be required to deduct tax at source (TDS) at the time of making the payment of final dividend. To enable us to determine the appropriate TDS rate as applicable, members are requested to submit relevant documents, as specified in the below paragraphs, in accordance with the provisions of the IT Act 2025.

The withholding tax provisions applicable to the dividend payable by the Company are summarized below:

A. Resident Shareholders

For resident shareholders, taxes shall be deducted at source under Section 393 of the IT, 2025 Act as follows:

Members having valid PAN	10%* or as notified by the Government of India
Members not having PAN / valid PAN	20% or as notified by the Government of India

*As per Section 262 of the IT Act 2025, every person who has been allotted a PAN and who is eligible to obtain Aadhaar, shall be required to link the PAN with Aadhaar. In case of failure to comply with this, the PAN allotted shall be deemed invalid / inoperative and, such person shall be liable to all consequences under the IT Act 2025 and tax shall be deducted at the higher rates as provided in Section 397 of the IT Act 2025, i.e., 20% of tax deduction at source.

However, no tax shall be deducted on the dividend payable to resident individual shareholders if the total dividend to be received by them during tax year 2026-27 does not exceed ₹10,000 and also in cases where members provide Form 121, subject to conditions specified in the IT Act 2025. Resident shareholders may also submit any other document as prescribed under the IT Act 2025 to claim a lower / nil withholding of tax. PAN is mandatory for members providing Form 121 or any other document as mentioned above.

B. Non-Resident Shareholders

For non-resident shareholders, taxes are required to be withheld in accordance with the provisions of Section 393 and other applicable sections of the IT Act 2025, at the rates in force. The withholding tax shall be at the rate of 20% (plus applicable surcharge and cess) or as notified by the GOI on the amount of dividend payable. However, as per Section 159 of the IT Act 2025, non-resident shareholders have the option to be governed by the provisions of the Double Tax Avoidance Agreement ("tax treaty" or "DTAA"), read with Multilateral Instrument (MLI), if any, between India and the country of tax residence of the shareholders, if they are more beneficial to them. For this purpose, i.e. to avail the benefits under the DTAA read with MLI, non-resident shareholders will have to provide the following:

- Copy of the PAN card allotted by the Indian Income Tax authorities duly attested by the shareholders/ authorized signatory. In case of non-availability of PAN, information under sub-rule 2 of rule 217 of the Income-tax Rules, 2026.
- Copy of the Tax Residency Certificate for the tax year 2026-27 obtained from the revenue or tax authorities of the country of tax residence, duly attested by shareholders / authorized signatory
- Form 41 (for claiming tax treaty benefit), which can be obtained electronically through the e-filing portal of the income tax website at https://www.incometax.gov.in/iec/foportal
- Self-declaration by the shareholders of having no permanent establishment in India in accordance with the applicable tax treaty and IT Act 2025
- Self-declaration of beneficial ownership of equity shares by the non-resident shareholder
- Self-declaration of fulfilling all conditions of applicable tax treaty for being eligible to claim benefit of the tax treaty read with MLI
- Any other documents as prescribed under the IT Act 2025, if applicable, or certificate for lower withholding of taxes, duly attested by the shareholders.

In case of Foreign Institutional Investors (FII)/Foreign Portfolio Investors (FPI), tax will be deducted under Section 393 of the IT Act 2025 at the rate of 20% (plus applicable surcharge and cess) or the rate provided in relevant DTAA, read with MLI, whichever is more beneficial, subject to the submission of the above documents, if applicable.

Shareholders can check their tax credit in Form 168 (erstwhile Form 26AS) from the e-filing account at https://www.incometax.gov.in/iec/foportal.

Submission of Tax Documents

Shareholders who wish to claim exemption from TDS, avail a lower/nil withholding tax rate, or claim the benefit of a DTAA are requested to submit the requisite declarations and supporting documents to the Company/RTA within the timeline specified by the Company to enable determination of the appropriate rate of tax deduction.

The documents submitted by the shareholders will be verified by the Company, and tax will be deducted in accordance with the provisions of the Income-tax Act, 2025, as applicable. Documents received after the prescribed timeline may not be considered while determining the applicable rate of TDS.

The above information is only general guidance to shareholders and does not purport to be a complete analysis of all tax consequences. Shareholders are advised to consult their respective tax advisors for determining the tax implications applicable to them.

No communication on the tax determination/ deduction shall be entertained after September 11, 2026. 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, 2025.

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.

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 advice 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 (Listing Obligations and Disclosure Requirements) (Fifth Amendment) Regulations, 2015 effective from November 19, 2025, payment of Dividend shall be processed in electronic mode only. Payment of Dividend through Dividend warrants or cheques has been discontinued

56. Members may follow the process detailed below for updating bank account details for the receipt of dividend.

a) Members holding shares in physical mode are:

For availing the following investor services, send a written request in the prescribed forms to the RTA of the Company to the company/RTA by writing to cs@paisalo.in or ramap@alankit.com.

- Form for availing investor services to register PAN, email address, bank details and other KYC details or changes thereof for securities held in physical mode: Form ISR-1
- Update of signature of securities holder: Form ISR-2
- For nomination as provided in Rule 19(1) of the Companies (Share Capital and Debentures) Rules, 2014: Form SH-13
- Declaration to opt out: Form ISR-3
- Cancellation of nomination by the holder(s) (along with ISR-3) / Change of nominee: Form SH-14
- Form for requesting issue of duplicate certificate and other service requests for shares / debentures / bonds, etc., held in physical mode: Form ISR-4

The said forms can be downloaded from the website of the company i.e https://www.paisalo.in/home/investorrelation.

b) In respect of shares held in electronic/demat form, the Members may please contact their respective Depository Participants.

57. Non-Resident Indian members are requested to inform RTA / respective DPs, immediately of:

a) Change in their residential status on return to India for permanent settlement.

b) Particulars of their bank account maintained in India with complete name, branch, account type, account number and address of the bank with pin code number, if not furnished earlier.

58. 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. 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

EXPLANATORY STATEMENT

Pursuant to provisions of Section 102 of the Companies Act, 2013

Item no. 4 - In terms of provisions of Section 196 of the Companies Act, 2013 and resolution passed on June 10, 2022 the term of appointment of Mr. Santanu Agarwal as Deputy Managing Director of the Company is upto May 5, 2027. Accordingly, subject to the approval of the Shareholders, the Board of Directors of the Company in their meeting held on August 5, 2026 has approved his re-appointment as Deputy Managing Director of the Company for a further period of five consecutive years commencing from May 6, 2027.

Mr. Santanu Agarwal holds a Bachelor's degree in Commerce and Law. He has been instrumental in driving its digital transformation and technology-led growth strategy. He has successfully led key strategic initiatives, including co-lending partnerships with leading public sector and private sector banks and expansion of the Company's technology-enabled distribution ecosystem. Prior to joining the Company, he gained international exposure through assignments in algorithmic and foreign exchange trading organizations in Singapore and Hong Kong.

He leads strategic business initiatives, technology transformation, digital innovation, risk management, fund raising, and strategic partnerships. Looking into his contribution in digital transformation and growth of the Company and on the recommendation of the Nomination & Remuneration Committee, the Board of Directors at their meeting held on August 5, 2026 was of the opinion that the association of Mr. Santanu Agarwal should be continued to be available to the Company and re-appointed him for a further period of five years commencing from May 5, 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. Santanu Agarwal's re-appointment. The main terms and conditions relating to his re-appointment as Deputy Managing Director are as follows:

(1) Period:

For a period of five years commencing from May 6 2027 up to May 5, 2032.

(2) Nature of Duties:

Deputy Managing 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. Fixed Component:

- Monthly Remuneration of ₹15,00,000/-

- In the event of absence or inadequacy of profits in any financial year during the tenure of his appointment, Mr. Santanu Agarwal as Deputy Managing Director shall be entitled to receive the remuneration approved herein as minimum remuneration, subject to the limits prescribed under Schedule V to the Companies Act, 2013 and such approvals, if any, as may be required under the Companies Act, 2013 and other applicable laws.

B. Variable Component:

- Performance-linked remuneration as may be decided by Board/Nomination and Remuneration Committee upto 1.80% of the Net Profit, as per the Annual Audited Financial Statements of the Company, computed in accordance with Section 198 of the Companies Act, 2013 and subject to the overall limits prescribed under Section 197 of the Companies Act, 2013, applicable provisions of SEBI LODR Regulations and the RBI Directions.

- The Performance-Linked Remuneration shall be payable on a deferred basis in accordance with Company's Nomination and Remuneration Policy. The deferral period and the terms governing such deferred payment shall be determined by the Board of Directors or the

Nomination and Remuneration Committee of the Company, in accordance with the Company's Nomination and Remuneration Policy, the applicable Reserve Bank of India (RBI) Directions/Guidelines, and other applicable laws.

- In accordance with RBI guidelines and Company's Nomination and Remuneration Policy, the remuneration payable to Mr. Santanu Agarwal as Deputy Managing Director shall be subject to Malus and Clawback clauses, applicable in such circumstances, as may be determined by Nomination and Remuneration Committee, from time to time.

C. The Company shall reimburse the actual entertainment, travelling and other business expenses incurred by the Deputy Managing Director in connection with the business of the Company

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

(4) 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. Santanu Agarwal and other relevant information as required under provisions of the SEBI (Listing Obligations and Disclosure Requirements) 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 (Listing Obligations and Disclosure Requirements) Regulations, the approval of the Members is sought for the re-appointment and terms of remuneration of Mr. Santanu Agarwal as Deputy Managing Director of the Company as set out above.

The additional information for appointment of Mr. Santanu Agarwal as a Deputy Managing Director as required under Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and applicable Secretarial Standards are provided in the "Annexure" to the Notice.

The Board recommends the Ordinary Resolution set forth in Item No. 4 of the accompanying Notice for the approval of the Members of the Company.

The above explanatory statement (together with Annexure thereto) shall be construed to be memorandum setting out the terms of the appointment as specified under Section 190 of the Company by any Member of the Company during the e-voting period on all days except Saturday and Sunday.

None of the Directors and Key Managerial Personnel of the Company and their relatives except Mr. Santanu Agarwal, Mr. Sunil Agarwal and their relatives are concerned or interested, financially or otherwise, in the said resolution.

Item No. 5 - 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. 5 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. 6 - 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. 6 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. 7 - In order to augment resources for business operation of the Company, it may invite subscription for secured/ unsecured Debt Securities including 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 Debt Securities in the current year to meet lending requirements.

The Debt Securities 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. 7, 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. 7 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. 7 of the Notice, except to the extent of their share/debenture holding in the Company, if any.

ANNEXURE TO THE NOTICE OF 34TH ANNUAL GENERAL MEETING

The additional information for Directors seeking appointment / re-appointment, as required under regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and applicable Secretarial Standards:

Name	Mr. Santanu Agarwal	
DIN	07069797	
Age	29 years	
Qualifications	B.Com., LL.B. (H)	
Terms and Conditions of appointment	Re-Appointment as Deputy Managing Director for five years on such terms as mentioned in the resolution as set out in item no. 4 of the this notice and explanatory statement thereto.	
Experience (including expertise in specific functional area)/Brief Resume	Mr. Santanu Agarwal is B.Com., LL.B. graduate from Amity University, Noida. Mr. Santanu started his business journey as Chief Innovation Officer of Paisalo Digital Limited in September 2017 and is currently Deputy Managing Director of Paisalo Digital Limited. Prior to joining Paisalo Digital Limited, Mr. Santanu worked in various algorithmic trading and forex trading organizations in Singapore and Hong Kong. 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 Paisalo to a digital NBFC in operations. He has successfully lead team Paisalo in negotiation, finalization, implementation and execution of Co-Lending agreements with public sector Banks. He was instrumental in getting the Business Correspondent Agreement with various Public Sector Banks.	
Date of first appointment on the Board	May 6, 2022	
Shareholding in the Company	4,32,96,000 equity shares of Re. 1 each	
Relationship with other Directors/ Key Managerial Personnel	Relative (Son) of Managing Director and CEO Mr. Sunil Purushottanm Agarwal	
Remuneration last drawn	₹1,80,00,000 Per Annum	
Number of meetings of the Board attended during the financial year (2025-26)	5 (Five)	
Directorships in listed companies and other directorship	Listed:	Paisalo Digital Limited
	Unlisted:	• Pro Fitcch Private Limited • Pri Caf Private Limited • Aanjneya Motor Private Limited • R N R Automate Private Limited • Equilibrated Venture Cflow Private Limited • Radiance Techno Powers Company Private Limited • Maurya Techno Securities Private Limited • Sable Sanctus Foundation
Membership/Chairmanship of Committees of other Company's Boards	Nil	
Resignation during past 3 years from listed companies	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. Santanu Agarwal is not debarred from holding the office of director by virtue of any SEBI order or any other such authority	

PAISALO
EASY LOAN आसान लोन

PAISALO DIGITAL LIMITED

Registered Office:
Soubhhagya Shree, CSC, Pocket 52, CR Park, Near Police Station,
New Delhi- 110019, Phone: +91 11435-18888 I Email: delhi@paisalo.in

Head Office:
Paisalo House, 74, Gandhi Nagar, NH-2, Uttar Pradesh, Agra- 282003
Phone: +91 56240-28888 I Email: agra@paisalo.in

CIN: L65921DL1992PLC120483 | NSE: PAISALO | BSE: PAISALO

AB RUKNA NAHI