PAISALO
EASY LOAN आसान लोन

Date: August 28, 2026

The Manager
Department of Corporate Relationship
BSE Limited
25th Floor P. J. Towers, Dalal Street
Mumbai -400 001
SCRIP CODE : Equity- 532900
NCDs-975107, 975202, 975251, 975329, 975437, 975640, 975865, 976752, 977004, 977097, 977278, 977279, 977358, 977371, 977643, 941165, 941167, 941169, 941171, 941173, 941175 and CPs- 731429, 731434, 731455, 731624, 732088

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

Sub: Business Responsibility and Sustainability Report

Sir/Madam

Pursuant to Regulation 34(2)(f) of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirement) Regulations, 2015, please find the enclosed Business Responsibility and Sustainability Report ("BRSR") for the Financial Year 2025-26, which also forms part of the Annual Report for FY 2025-26.

This is for your information and record.

Thanking you,
Yours faithfully,

For Paisalo Digital Limited
MANENDRA SINGH
Digitally signed by MANENDRA SINGH
Date: 2026.08.28 10:49:24 +05'30'
(Manendra Singh)
Company Secretary

Encl. As above

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**	**27,601.88**
Total energy consumption (A+B+C+D+E+F) (GJ)	**GJ**	**17,860.03**	**27,601.88**
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 million)
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