

Date: October 29, 2024

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

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

**Scrip Code: Equity- 532900**

**NCDS-975107, 975202, 975251, 975284, 975329, 975437,  
975592,975640,975865 and CPs- 727895, 727935, 727942**

**SCRIP SYMBOL: PAISALO**

**Subject : Sustainability Report**

Dear Sir/Madam,

Please find attached herewith the Sustainability Report of the Company.

The above is being made available on the Company's website i.e. [www.paisalo.in](http://www.paisalo.in)

This is for your information and record please.

Thanking You,

Yours faithfully,

**For Paisalo Digital Limited**



**(MANENDRA SINGH)**  
**Company Secretary**

**Encl.: as above**

**PAISALO DIGITAL LIMITED**

**Registered Office:** CSC, Pocket 52, Near Police Station, CR Park, New Delhi - 110 019. Phone : + 91 11 4351 8888. Email: delhi@paisalo.in

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CIN: L65921DL1992PLC120483

**[www.paisalo.in](http://www.paisalo.in)**

अर्थ: समाजस्य न्यासः



# Sustainability Report FY2024

**Paisalo Digital Ltd.**

March 2024

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# 1. Letter from the MD's Desk

*Dear Stakeholders,*

*It is with great pride and responsibility that I present Paisalo's first-ever Sustainability Report. I believe that our success as a financial institution is inherently linked to the well-being of our environment, society and governance structures. This report represents our dedication to integrating Environmental, Social and Governance (ESG) practices into every facet of our operations.*

*As we continue to grow and evolve, we recognize the profound impact we have on the communities we serve, the environment we interact with and the broader economy. This report is a testament to our dedication to transparency, accountability and our pledge to contribute positively to society.*

*Paisalo has always been driven by the mission to empower individuals, particularly those in underserved communities, by providing access to finance that improves livelihoods. During FY 2023-24, Paisalo disbursed more than 200,000 loans. Since the time of its inception, Paisalo has positively impacted lives of more than 4.29 million people. This report outlines our progress in key areas like green financing, social inclusion and economic development. From supporting electric vehicle adoption to financing small businesses that create local employment, we take pride in the tangible differences we are making in people's lives.*

*As we move forward, we will continue to engage with our stakeholders, innovate in our practices and hold ourselves accountable to the highest standards of sustainability. We will adapt our strategies to meet the evolving needs of our stakeholders while ensuring that we remain true to our core values of integrity, inclusivity and long-term vision. We are excited about the journey ahead and the opportunities it presents to create lasting, positive change.*

*We look forward to continuing this journey together, driving sustainability and making a meaningful impact in the years to come.*

*Warm regards,  
Sunil Agarwal*

*Managing Director*





## 2. Letter from the Deputy MD's Desk

Dear Stakeholders,

*As we navigate an increasingly complex and dynamic global landscape, the importance of sustainability and creating meaningful impact through our products and services has never been more critical. At Paisalo, we have always believed that our role extends beyond just providing financial solutions—our business inherently maximizing scale of impact through interventions. The core purpose of Paisalo is to drive financial inclusion by providing accessible and affordable credit to underserved individuals and businesses.*

*Paisalo empowers communities, supports livelihoods and creates sustainable economic opportunities for all. Through our innovative loan products, such as Small Income Generation Loans, MSME and SME Loans and Mobility Loans, we are empowering individuals and businesses to grow sustainably. By focusing on financial inclusion, we are not only contributing to the economic prosperity of our customers but also promoting long-term social upliftment.*

*Sustainability is at the heart of everything we do. Our 3P framework—centered on Purpose, Partnerships and Prosperity—guides our efforts to embed sustainability across our operations, products and initiatives. Whether it's through our green financing options, such as electric vehicle loans, or our partnerships with banks and Customer Service Points (CSPs) that extend our reach to remote areas, we are committed to making a positive social, economic and environmental impact.*

*In the current scenario, where challenges such as climate change, economic disparities and social inequalities are ever-present, the responsibility of creating impact through our business practices is paramount. We recognize that our actions today will shape the world of tomorrow. That is why we continue to innovate and adapt, ensuring that our offerings not only meet the immediate needs of our customers but also contribute to a more sustainable and equitable future.*

*I want to take this opportunity to thank you—our stakeholders, partners and customers—for your continued support and trust in Paisalo. Together, we are building a legacy of positive change, driving sustainability and creating lasting impact.*

*We look forward to continuing this journey with you and making a meaningful difference in the lives of those we serve.*

Warm regards,  
Santanu Agarwal

Deputy Managing Director



**Embracing Sustainability at Paisalo**



## 3. About the Report

### 3.1. About The Report

#### 3.1.1. Purpose and Scope

- The purpose of Paisalo's first Sustainability Report is to provide a transparent and comprehensive overview of our commitment to integrating sustainable practices into our business operations. This report serves as a reflection of our efforts to create long-term value for our stakeholders by contributing to environmental, social and governance (ESG) and Impact.
- The scope of this report covers the key sustainability initiatives and activities undertaken by Paisalo during the past year. It includes an overview of our environmental impact, our contributions to social equity through financial inclusion and empowerment and the governance frameworks we have implemented to ensure ethical and responsible business conduct. This report sets the foundation for our ongoing journey towards sustainability, outlining our achievements, challenges and future goals as we strive to make a positive impact on society and the environment.

#### 3.1.2. Reporting Period

- The reporting period for Paisalo's Sustainability Report covers the financial year from April 1, 2023, to March 31, 2024. During this period, Paisalo has made proactive efforts in integrating sustainability into its business operations, focusing on environmental stewardship, social responsibility and corporate governance. This reporting period is consistent with our financial reporting schedule.

#### 3.1.3. Reporting Boundary

- The reporting boundary of Paisalo's Sustainability Report encompasses all operational activities and key stakeholders involved in its sustainability initiatives. The boundary also covers data from key partners and customers whose activities are integral to Paisalo's sustainability operations and goals. All details included in this report are solely of Paisalo and excludes its subsidiaries.

#### 3.1.4. Reporting Framework

- Paisalo's Sustainability Report has been developed with reference to the Global Reporting Initiative (GRI) Standards and UN SDGs. This framework ensures reporting in line with GRI standards, highlighting key aspects of the company's sustainability practices.

### 3.1.5. Responsibility Statement

- Paisalo is committed to upholding the highest standards of transparency and accountability in our sustainability practices. We have adhered to relevant guidelines and standards to ensure that the information presented is reliable and comprehensive. We pledge to continually improve our sustainability practices and report transparently on our progress to our stakeholders.

### 3.1.6. Get in Touch

- For any queries, feedback, or additional information related to this report, please reach out to us on: [evp2@paisalo.in](mailto:evp2@paisalo.in)





## 4. About Paisalo Digital Ltd.

Established in 1992, Paisalo Digital Limited is a non-banking financial company (NBFC) in India, focused on bridging the financing gap by providing accessible and affordable credit solutions to underserved and unbanked segments of the population. With a strong commitment to financial inclusion, Paisalo has developed a range of loan products, including microfinance loans, SME loans and loans for electric vehicles (EVs), contributing to the green financing ecosystem.

Paisalo's business model is centered on empowering individuals and small businesses by offering customized loan products that cater to their specific needs. The company leverages technology and a vast network of business correspondents to reach rural and semi-urban areas, where traditional banking services are often limited. This approach not only supports local employment but also stimulates entrepreneurship by providing the necessary financial support for growth and expansion.

### Mission

Empower the unbanked and underserved population of India by providing accessible and inclusive financial solutions.

### Purpose

Strive to bridge the gap between financial institutions and the underserved, creating opportunities for economic growth and social upliftment.

### AUM

INR 45,860 Mn

### Loans disbursed

INR 35,902 Mn

Net NPA  
**0.02%**

Total Lives  
Touched  
**4,291,157**

The company got listed on the Delhi, Ahmedabad and Kanpur stock exchange

The company got listed on the National Stock Exchange (NSE)

Received the status of a Systemically Important Non-Deposit Taking Non-Banking Financial Company (NBFC-ND-SI) from the Reserve Bank of India (RBI)

Entered into a co-lending partnership with State Bank of India (SBI)

Further expanded its partnerships with banks and financial institutions for co-lending arrangements

1992

1996

2007

2009

2013

2015

2018

2019

2020

2022

2023

Founded as S.E. Investments Ltd. with a focus on financing SMEs

The company got listed on the Bombay Stock Exchange (BSE)

Launched its Microfinance operations, focusing on providing loans to underserved segments




Rebranded from S.E. Investments Ltd. to Paisalo Digital Ltd., signifying the focus on leveraging technology for financial inclusion

Launched its flagship digital lending platform, "PAISALO App", aimed at providing instant, paperless loans to customers

Expanded its product portfolio to focus on green financing and EV loans

## 4.1. Our Offerings:

Paisalo Digital Ltd. offers a range of loan products designed to cater to different segments of the market, particularly focusing on financial inclusion and supporting economic growth. Below are the important details about their three main loan offerings:

Focus Areas	Target Audience	Features	Loan Size	Impact	
<b>Small Income Generation Loans</b>	Designed for individuals in rural and semi-urban areas, especially those who are self-employed or engaged in small-scale businesses such as farming, retail, handicrafts and other micro-enterprises., including women entrepreneurs.	<ul style="list-style-type: none"> <li>Minimal documentation and a simple application process.</li> <li>Flexible repayment options suited to the cash flow of small businesses.</li> <li>Quick disbursement to support immediate business needs.</li> </ul>	Small-sized loans ranging from a few thousand to a few lakhs, depending on the borrower's income and business needs.	Promotes financial independence and livelihood generation in underserved regions, empowering small business owners to sustain and grow their operations.	
<b>MSME and SME Loans</b>	Designed for Micro, Small and Medium Enterprises (MSMEs) and Small and Medium Enterprises (SMEs) across various sectors, including manufacturing, services and trading.	<ul style="list-style-type: none"> <li>Competitive interest rates</li> <li>Flexible repayment tenures aligned with the business.</li> <li>Support for both working capital and long-term capital expenditures for business expansion, equipment purchases and other business-related expenditures.</li> </ul>	Varies based on the size and needs of the business, typically ranging from a few lakhs to several crores.	Facilitates the growth and scaling of MSMEs and SMEs, contributing to job creation and economic development, particularly in regions with limited access to traditional banking services.	
<b>Mobility Loans</b>	Finance the purchase of vehicles, including electric vehicles (EVs), to support the mobility needs of businesses and individuals.	<ul style="list-style-type: none"> <li>Special focus on financing electric vehicles</li> <li>Fast processing and approval with minimal paperwork.</li> <li>Competitive interest rates and customized repayment plans.</li> </ul>	Covers a significant portion of the vehicle cost, with amounts varying based on the type and value of the vehicle.	Supports the growth of businesses by enabling the acquisition of necessary transportation assets. Promotes green financing through the support of EV purchases, aligning with sustainability goals.	

## 4.2. Co-lending Partners



## 4.3. Affiliations with trade and industry chambers



## 4.4. Awards and Recognition

For the period under review, Paisalo was awarded by:

- Financial Inclusion Department of State Bank of India, Head Office Lucknow, for “Best Achiever” in PMSBY, PMJDY, APY and
- Financial Inclusion Department of State Bank of India, LHO Kolkata for “Best Performance” ACC enrolled with eKYC (%) & “1st Runner Up” Total A/c Enrolment (%).





## 5. Leading with Impact

At Paisalo, purpose drives everything. Our central mission is to create a financially inclusive ecosystem where access to capital empowers individuals and businesses to achieve their full potential. As a key enabler of sustainable growth, Environmental, Social and Governance (ESG) principles are embedded in every facet of their operations. The company's commitment to ESG ensures that good governance practices are adhered to, environmental and social risks are effectively managed, and their carbon footprint is minimized. This sustainable approach is not just a requirement, but a responsibility Paisalo takes seriously in its journey toward creating a lasting positive impact on society.

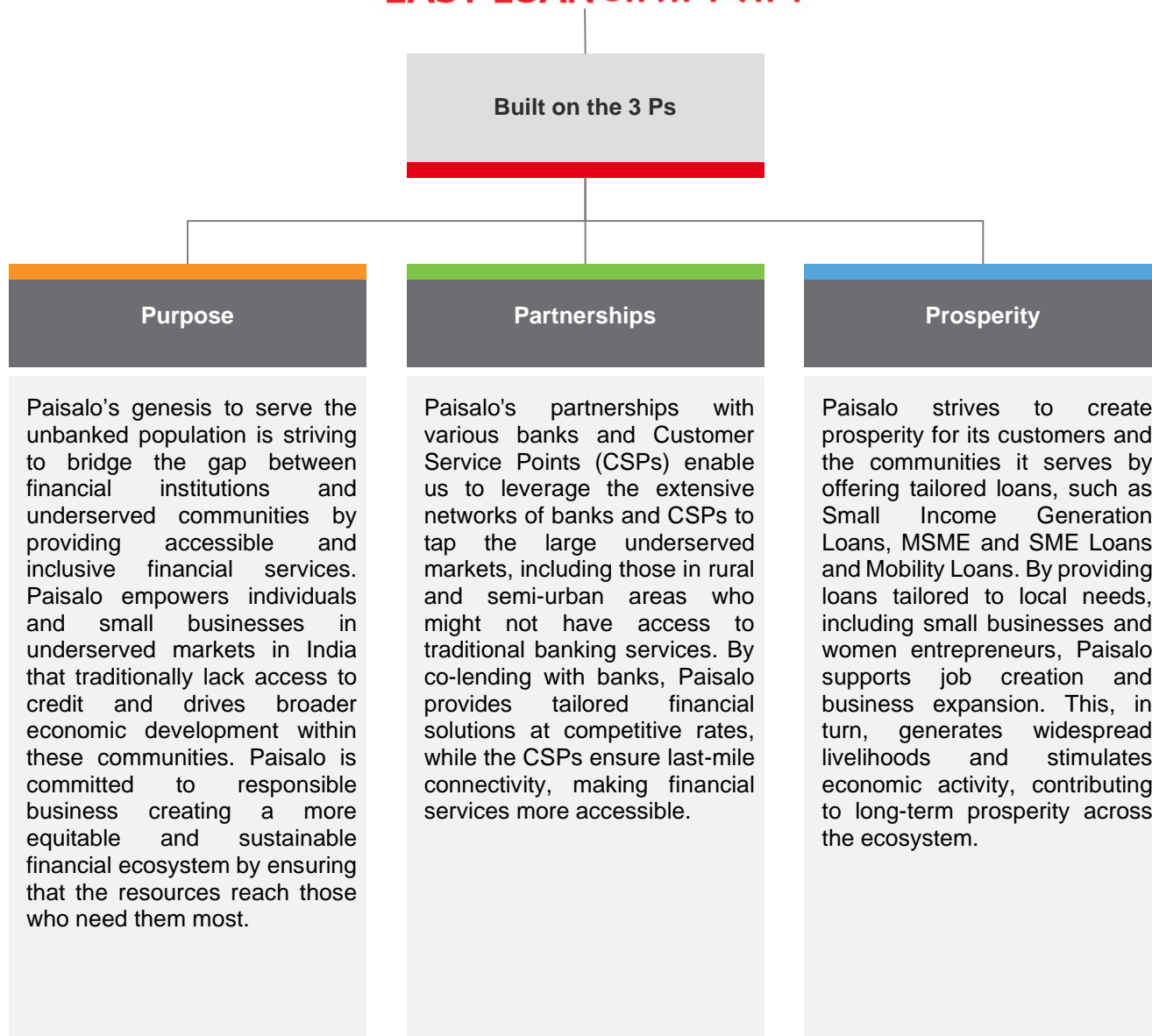
Paisalo's governance framework is built on transparency, accountability and long-term value creation. Through a robust ESG policy, the company ensures that risks—both environmental and social—are identified and addressed proactively. In terms of environmental stewardship, Paisalo is committed to operating with a minimal carbon footprint, striving for eco-friendly initiatives and promoting practices that preserve the environment. Socially, the company focuses on uplifting communities, enhancing financial literacy and enabling equitable access to resources. This approach ensures that economic growth is inclusive, leaving no one behind.

Impact is central to Paisalo's business philosophy. Our products and services are designed with the intention to drive meaningful change and foster inclusive economic growth. Paisalo's business model aligns closely with the United Nations Sustainable Development Goals (UN SDGs), ensuring that each product contributes to improving livelihoods, reducing inequality and promoting social equity. The company's approach to financial services is not just about profitability but about creating long-term, positive outcomes for all stakeholders involved.

Paisalo's dual strategy for sustainability is a unique blend of two pillars: ESG prioritization and impact intentionality. This strategic approach ensures that not only are good governance and environmental considerations given the utmost priority, but every product and service offered is intentionally designed to maximize societal benefits. By addressing both ESG factors and impact goals, Paisalo lays the foundation for the 3P framework emphasizing Purpose, Partnerships and Prosperity.

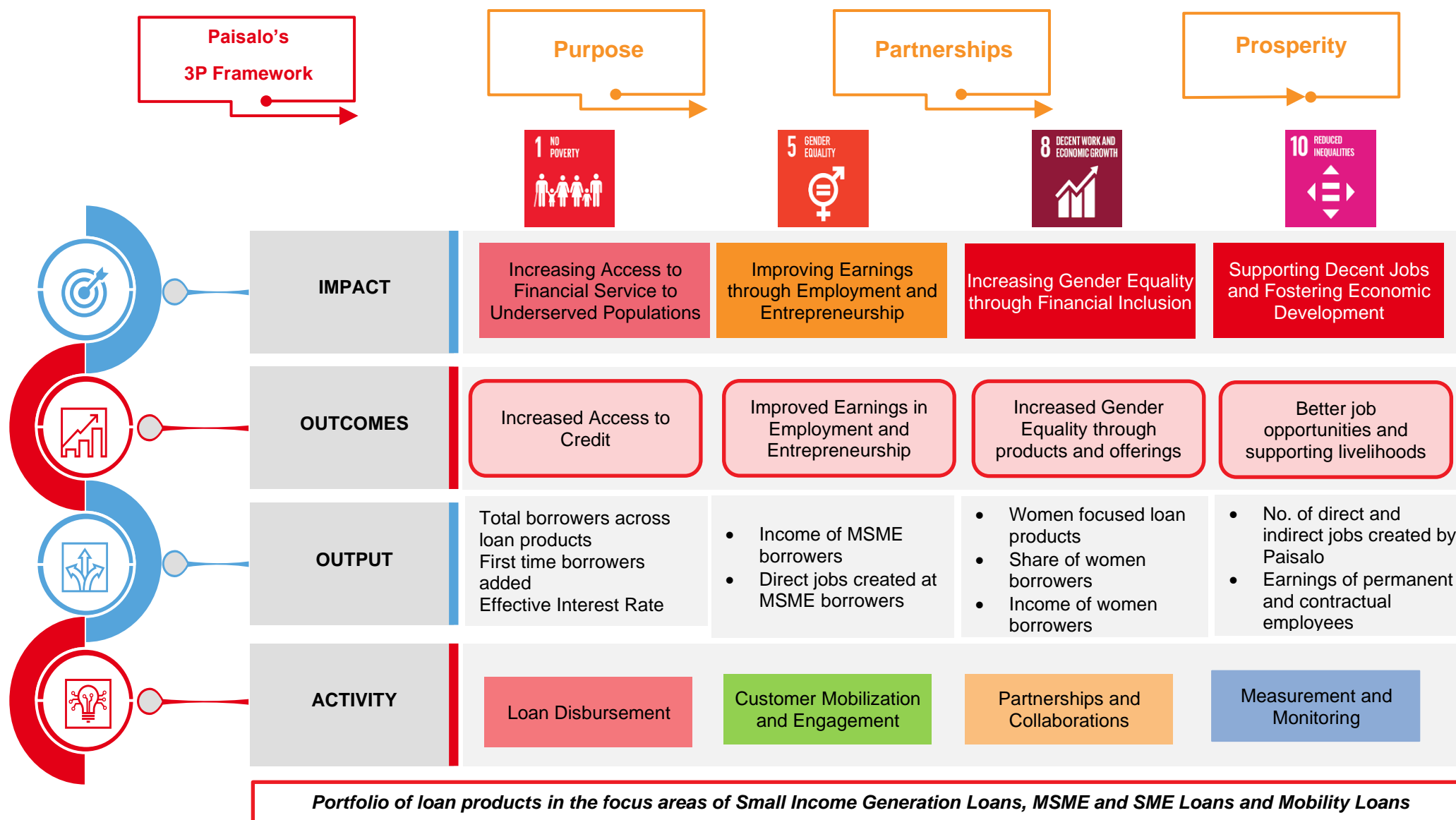
# PAISALO

## EASY LOAN आसान लोन





## 5.1. Theory of Change









## 6. Financing for a Sustainable and Resilient Tomorrow

At Paisalo, we recognize that sustainable and responsible growth is integral to our business strategy. We are acutely aware that accelerated business expansion must not come at the expense of environmental degradation, social inequality, or compromised governance. Our commitment extends beyond the financial outcomes to encompass how we conduct our business and the impact we have on the world around us.

As we look to the future, integrating Environmental, Social and Governance (ESG) factors is central to our vision of responsible growth. Our ESG framework reflects our dedication to balancing our responsibilities to the environment, shareholders and the communities we serve.

<div></div> KEY HIGHLIGHTS (FY 2023-24)				
<div><b>Purpose</b></div> <div></div>	<div>100%</div> <div>Cashless Disbursement</div>		<div>92%</div> <div>Cashless Collection</div>	
	<div>Digital Process</div> <div>Sourcing &amp; Servicing</div>			
<div><b>Prosperity</b></div> <div></div>	<div>21</div> <div>State</div>	<div>205,068</div> <div>No. of loans disbursed</div>	<div>2455*</div> <div>Touch Points</div>	<div>6,550 Pin codes</div> <div>In Digital Presence</div>
	<div>2,409</div> <div>Jobs Created</div>	<div>818,362</div> <div>New Customers Added</div>	<div>606,294</div> <div>Women Customers</div>	<div>66,000</div> <div>MSMEs supported</div>
<div><b>Partnerships</b></div> <div></div>	<div>5</div> <div>Co-lending Partnerships</div>		<div>973</div> <div>Active Customer Service Points (CSPs)</div>	

\*Branches – 279, CSPs – 973, Distribution Points - 1,203



## Economic Performance at a Glance

Paisalo has experienced remarkable economic growth, with a 40% increase in revenue compared to the previous year and an impressive 90% surge in profit after tax. This robust performance underscores the company's strategic focus on expanding its reach and product offerings, catering to the diverse financial needs of underserved segments across India. The growth in revenue highlights the effectiveness of Paisalo's lending solutions and its dedication to advancing financial inclusion. Meanwhile, the significant rise in profit after tax reflects the company's operational efficiency and prudent management practices, resulting in substantial value creation for its shareholders.

Revenue

INR **6,587** Mn

Net worth

INR **13,211** Mn

PAT

INR **1,790** Mn

ROE

**13.4%**

ROA








**4.53%**

This economic growth is not only a success for Paisalo but also a meaningful contribution to the broader Indian economy. By extending credit to small businesses and entrepreneurs, Paisalo is playing a pivotal role in nurturing local entrepreneurship and stimulating economic activity in underserved areas. The increased profitability allows the company to reinvest in technology, expand its branch network and create more employment opportunities, directly benefiting its customers, employees and stakeholders. As more individuals and businesses gain access to affordable credit, they can pursue growth opportunities, thus enhancing their livelihoods and contributing to sustainable economic development. Through its impact-driven approach, Paisalo is strengthening the country's financial system by helping millions of Indians achieve their dreams.

## 7. Material Topics





Paisalo's material topics have been aligned with the interests and concerns of the company's diverse stakeholders, including customers, employees, investors, regulators and community partners. The selection process involved a thorough assessment of the environmental, social and governance (ESG) aspects that are most relevant to Paisalo's business operations.




This includes evaluating the impact of our financial products on economic empowerment, particularly for underserved communities, the ethical considerations in our lending practices and our role in promoting inclusive growth. By prioritizing these material topics, Paisalo ensures that its sustainability efforts are meaningful, transparent and aligned with the long-term value creation for both the business and its stakeholders.

<b>Financial Inclusion</b>		Paisalo strives to enhance financial inclusion by offering accessible lending solutions that support underserved communities, promoting equitable economic opportunities for all.
<b>Employee Upskilling</b>		Our commitment to employee upskilling focuses on providing ongoing training and development opportunities, empowering our workforce to adapt and thrive in a rapidly evolving industry.
<b>Customer Support And Satisfaction</b>		We are dedicated to providing exceptional customer support and ensuring high levels of satisfaction through responsive service and continuous improvements tailored to meet our clients' needs.
<b>Data Security and Privacy</b>		We prioritize the protection of customer data through robust security measures and stringent privacy protocols, safeguarding sensitive information against breaches and unauthorized access.
<b>Local Employment Generation</b>		Our operations contribute to local economic development by creating job opportunities, thereby supporting community growth and enhancing regional prosperity.
<b>Climate Change</b>		We are actively addressing climate change through sustainable practices and investments, aiming to reduce our carbon footprint and support environmental resilience for future generations.
<b>Regulatory Compliance</b>		Paisalo ensures that it adheres to regulatory compliance by implementing comprehensive programs such as policies, procedures and required controls. It conducts periodical internal audits to ensure compliance and identify areas of improvement.



## 8. UN SDG Contribution

Positive contributions	SDG Mapping
By providing financial services to underserved populations, companies like Paisalo can contribute to reducing poverty. Paisalo's small ticket size loans basically aim to provide financial assistance to the weaker sections of society to make them self-independent and to earn them a livelihood. Paisalo has touched 4.29 million lives and has acquired around 0.82 million new customers through their services. They have approx. 2400 employees across India.	<b>No Poverty</b> 
<p>Paisalo has 606,294 women entrepreneurs and have encouraged over 7,00,000+ women entrepreneurs through unsecured loans with a median ticket size of about INR 27,000. Women customers account for approximately 58% of the total customer base and they account for roughly 91% of the lending customer base.</p> <p>Paisalo has provided employment to 77 women leading to an improvement in financial security for women.</p>	<b>Gender Equality</b> 
<p>As of March 31, 2024, the company has reached around 4.29 million people across 21 states in India. Throughout the year, it has around 1.02 million active customers.</p> <p>By the end of FY 2024, Paisalo employed a total of 2,409 individuals, including 2,332 men and 77 women.</p>	<b>Decent work and Economic Growth</b> 
By addressing the unique needs of the underserved populations while leveraging technology to enhance accessibility and efficiency, Paisalo is driving innovation in the finance industry. It offers digital platforms for loan applications, payments and account management and reduces the barrier to entry, thus speeding up the financial process for customers. Its commitment to simplifying financial processes through technology and customer-centric services makes it easier for people from all walks of life to access financial support.	<b>Industry, Innovation &amp; Infrastructure</b> 

Positive contributions	SDG Mapping
Paisalo has provided loans to <b>over 66,000 small and medium-sized businesses</b> in sectors such as education, retail, pharma, electrical, chemical etc.	
Paisalo's total geographic footprint stood at to 2455 touch points (279 Branches + 973 Business Correspondent CSPs +1203 Distribution Points) across 21 states. By extending its financial services to rural and remote areas, Paisalo ensures that individuals and communities who traditionally lack access to formal banking services can participate in the financial system. This expansion plays a crucial role in bridging the gap between urban and rural populations, providing equal opportunities.	<b>Reduced Inequalities</b> 
<p>Paisalo is actively contributing to green financing by offering electric vehicle (EV) loans, which support the transition to low-carbon economy. By making EV financing more accessible, Paisalo is contributing Government of India's objective in making mode of transportation completely green by 2030. Paisalo meet the needs of a wide range of customers, including individuals and small businesses, making it easier for them to switch to electric vehicles.</p> <p>By financing EVs for small business owners and gig workers (such as delivery drivers and small transport operators), Paisalo enables them to access cost-effective and efficient means of transportation. This, in turn, enhances their income potential, overall financial stability and help them improve their livelihoods through green financing solutions.</p>	<b>Climate Action</b> 
<p>Paisalo has co-lending partnerships with Bank of Baroda, Karnataka Bank, Punjab National Bank (PNB), State Bank of India (SBI) and UCO Bank, along with a business correspondent partnership with SBI. These partnerships are crucial for amplifying access to credit to majority of Indians and bridging the finance gap in industries that are traditionally capital scarce.</p> <p>Additionally, Paisalo has a wholly owned subsidiary company named Nupur Finvest Private Limited.</p>	<b>Partnership for the goals</b> 





## 9. Corporate Governance at Paisalo

Corporate Governance at Paisalo Digital Limited is of prime importance as it ensures transparency, accountability and ethical conduct across all levels of the organization. By adhering to robust governance practices, Paisalo not only safeguards the interests of its stakeholders, including shareholders, employees, customers and regulators, but also enhances its reputation and long-term sustainability. Effective corporate governance at Paisalo fosters trust, facilitates efficient decision-making and ensures compliance with legal and regulatory requirements, thereby contributing to the company's overall success and growth.

### 9.1. Board of Directors

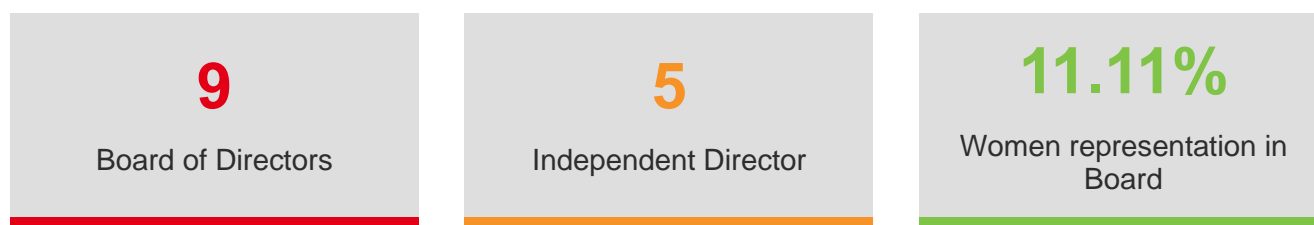
The Board of Directors serves as the governing body of the organization, providing strategic direction to ensure its long-term success and sustainability. Comprising of 9 experienced professionals and industry experts, our Board is responsible for setting the vision and mission, approving major policies and strategic initiatives and monitoring the overall performance.

Each member of the board brings a wealth of knowledge and diverse perspectives, contributing to informed decision-making and robust governance. The Board also ensures compliance with regulatory requirements, assesses risks and supports senior management in achieving organizational goals.

Name	Type
Mr. Sunil Agarwal	Managing Director
Mr. Harish Singh	Executive Director
Mr. Anoop Krishna	Executive Director
Mr. Santanu Agarwal	Deputy Managing Director
Mr. Gauri Shankar	Independent Director

Name	Type
Mr. Vijay Ronjan	Independent Director
Mr. Raman Aggarwal	Independent Director
Ms. Nisha Jolly	Independent Director
Mr. Naresh Kumar Jain	Independent Director

At Paisalo, the selection and nomination of the Board of Directors are governed by its Nomination and Remuneration Committee, which adheres to the company's Nomination and Remuneration Policy. The committee is responsible for identifying individuals who are qualified to become directors based on criteria such as expertise, experience, integrity and diversity. The policy outlines the process for selecting board members, ensuring they align with the company's strategic goals and regulatory requirements. The committee also reviews and recommends the appointment, reappointment and removal of directors, ensuring a balanced and effective board composition.



### Nomination and Remuneration Committee (NRC)

**Composition:** The NRC typically comprises three or more directors, with a majority being independent directors. This ensures that the decisions made are impartial and in the best interest of the company and its stakeholders.

#### Functions and Responsibilities:

- The NRC is responsible for identifying individuals qualified to become board members. This involves considering the company's business needs, the specific requirements of the board at the time and the overall diversity of the board in terms of skills, experience, gender and background.
- The NRC assesses the performance of individual directors, the board and its committees. This evaluation informs decisions about re-nominating existing directors or identifying new candidates.
- After identifying and evaluating potential candidates, the NRC makes recommendations to the board. These recommendations are based on the candidate's qualifications, experience and alignment with the company's values and strategic goals.

**Process of Selection:** The NRC follows a structured process to ensure the selection of directors is transparent and objective. This process includes:

1. Shortlisting Candidates: Based on predefined criteria, the NRC shortlists candidates who have the expertise, experience and skills that the board requires.
2. Background Checks: Due diligence is conducted on the shortlisted candidates to verify their credentials and ensure there are no conflicts of interest or legal issues.

3. Interviews: The shortlisted candidates are then interviewed by the NRC to assess their suitability for the role.

The NRC makes a final recommendation to the board, which then considers and approves the appointment of the director.

### **Nomination and Remuneration Policy**

The primary objective of the Nomination and Remuneration Policy is to ensure that the board is composed of individuals who can contribute to the company's long-term success. The policy outlines the criteria for selecting directors, as well as the structure and levels of remuneration.

Qualification and Experience: Candidates should have the necessary academic qualifications, industry experience and technical knowledge relevant to the company's business.

Diversity: The policy emphasizes the importance of diversity in the board, including diversity in terms of gender, ethnicity, age and experience.

Integrity and Independence: Directors should have high standards of integrity and be capable of making independent judgments that benefit the company and its stakeholders.

Remuneration: The policy ensures that the remuneration of directors, both executive and non-executive, is fair, reasonable and aligned with industry standards. Remuneration is designed to attract, retain and motivate individuals with the skills necessary to govern the company effectively.

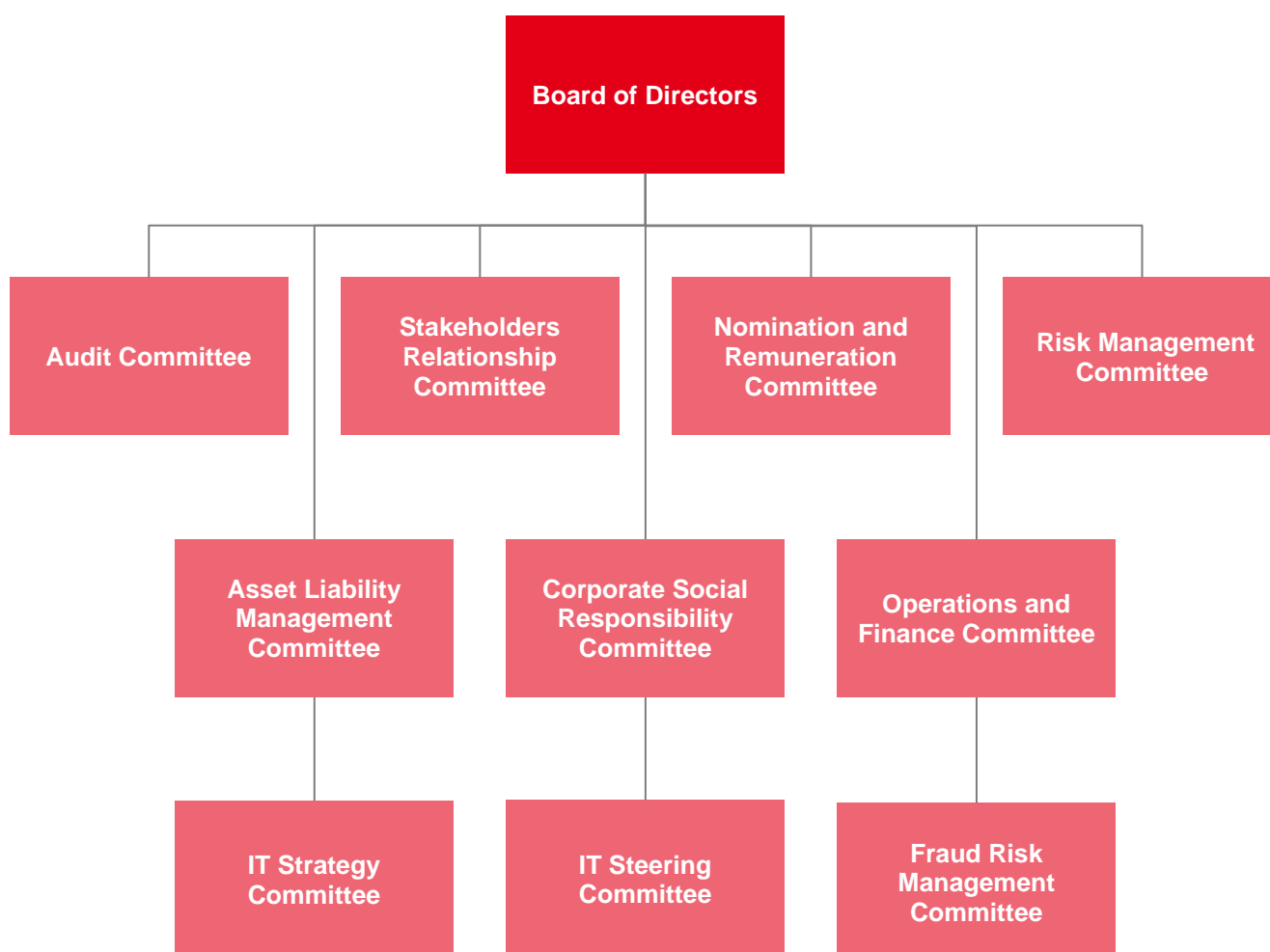
Paisalo's Nomination and Remuneration Policy has been formulated in accordance with Section 178 of the Companies Act, 2013 and can be accessed by clicking the link below.

[https://paisalo.in/pdf/corporate\\_governance/Nomination\\_and\\_remuneration\\_policy.pdf](https://paisalo.in/pdf/corporate_governance/Nomination_and_remuneration_policy.pdf)

## 9.2. Our Committees

The Board of Directors has established a total of 10 specialized committees to enhance oversight and ensure effective governance within the organization. Each committee plays a crucial role in supporting the Board's objectives and ensuring our success through diligent and strategic guidance.

The Committee Members are selected/appointed based on their expertise, experience and relevance to the committee's objectives. Each committee reports its findings and recommendations to the Board, maintaining transparency and accountability. Our structured approach helps to ensure that the committees are effective in their roles and contribute positively to the company's goals and needs.



Nomination and selection

## 9.3. Staying True to our Values and Ethics

### 9.3.1. ESG Strategy

Paisalo's ESG Strategy is focused on creating sustainable value by integrating responsible practices across its operations. By incorporating and embedding ESG into its core operations, Paisalo aims to drive long-term positive impact for its stakeholders and the communities it serves.

The ESG team, led by the ESG Head under the guidance of the Deputy MD, is dedicated to playing a key role in developing strategies by engaging with stakeholders, conducting regular assessments and reporting on progress. The team keeps itself updated with evolving regulations and standards related to environmental protection, social responsibility and governance. They work collaboratively to implement and monitor ESG initiatives across the

organization. Additionally, Paisalo has incorporated an Environment and Social Management System (ESMS), which serves as a larger framework for the implementation of its ESG strategy.

### 9.3.2. Code of Conduct

The Code of Conduct at Paisalo serves as a guiding framework for ethical behavior and professional integrity within the organization. It outlines the standards and expectations for all employees, ensuring that their actions reflect the company's core values of honesty, respect, transparency and accountability. The Code covers a wide range of areas, including compliance with laws and regulations, fair treatment of customers and colleagues, confidentiality of sensitive information and the prohibition of any form of discrimination, harassment, or corruption.

### 9.3.3. Business Ethics

Paisalo is deeply committed to upholding the highest standards of business ethics in all its operations. The company promotes a culture of ethical behavior among its employees, partners and stakeholders by enforcing strict compliance with legal regulations and policies. Paisalo prioritizes fair treatment, honesty and respect in all business dealings, maintaining a zero-tolerance stance on corruption, fraud and unethical practices.

### 9.3.4. Human Rights

Human rights are a fundamental cornerstone of Paisalo's operations. The company places immense importance on respecting and promoting human rights in all aspects of its business. This commitment is reflected in Paisalo's dedication to provide fair and inclusive financial services that empower individuals and communities, particularly those who are underserved or vulnerable. Paisalo ensures that its operations adhere to principles that safeguard human dignity, equality and freedom. By prioritizing human rights, Paisalo not only fosters a positive and ethical working environment, but also contributed to the broader goal of social justice and well-being of the larger community.

### 9.3.5. Business Continuity and Disaster Management

To ensure the uninterrupted delivery of its financial services, Paisalo stows a high priority on business continuity and disaster management. The company has implemented a comprehensive Business Continuity Plan that outlines the strategies to follow in the event of natural disasters, technological failures, or another crisis. The disaster management framework at Paisalo focuses on proactive measures and has established clear communication channels to ensure that all stakeholders are informed and supported during any disruptions.

### 9.3.6. Data Privacy

Data privacy is a top priority at Paisalo, reflecting the company's commitment to protecting the personal and financial information of its customers, employees and partners. Paisalo has implemented stringent data privacy measures including the use of advanced encryption technologies, secure data storage solutions and regular audits to ensure compliance with data protection laws and regulations.

### 9.3.7. Anti-bribery and Anti-Corruption

Paisalo is firmly committed to highest standards of integrity and ethical conduct, with a zero-tolerance policy towards bribery and corruption. The company has established clear guidelines and procedures for reporting and investigating any suspected incidents of bribery or corruption, with protections in place for whistleblowers to ensure they can report concerns without fear of retaliation.

## 9.4. Our Policies







## 10. Social

### 10.1. Our Employees

#### 10.1.1. Our People: Driving Success Together

Our employees serve as the essential force and act as the catalysts for success to create impact through their skills, knowledge and dedication. We recognize that a motivated and well-supported workforce is key to achieving its business objectives and maintaining a competitive edge in the market.

At the end of March 2024, our total workforce strengthened to 2,409, comprising of permanent full-time employees (FTE). The below table provides a detailed insight/breakdown of our full-time employees by age, gender and employee category.

**46%**

Increase in Employment

**2,409**

Total Employees

**20%**

% increase in female employees

	Age Group			Gender		
Employee Hierarchy	<30	30-50	>50	Male	Female	Total
Senior Management	1	3	3	6	1	7
Middle Management	2	8	0	8	2	10
Junior Management	33	95	25	145	8	153
Non-Management	1,325	893	21	2,173	66	2,239
Total Permanent Employees	1,361	999	49	2,332	77	2,409

## Nurturing Talent

To support our expanding operations and fuel the growth strategy, Paisalo has been actively enhancing its workforce. With a larger team, Paisalo aims to improve customer service, streamline operations and ensure that we meet the needs of our broadening customer reach. During the year, our employee strength grew by 46% with addition of more than 700 permanent employees.

	Age Group			Gender		
Category	<30	30-50	>50	Male	Female	Total
Number of New Recruits	1,068	472	4	1,478	66	1,544

New employees undergo comprehensive onboarding and training programs to ensure they are well-equipped to perform their roles effectively. This includes familiarizing them with Paisalo's policies, systems and most importantly, our customer service standards. We also invest in ongoing training and development programs including technical training, leadership development and workshop on industry trends to enhance the skills of our employees and help them advance in their careers.

## Employee Turnover

	<30yrs		30-50		>50		Total Gender Wise		
Category	Male	Female	Male	Female	<30	30-50	Male	Female	Grand Total
Number of Employee Turnover	23.5%	1.02%	3.73%	0.2%	-	-	27.23%	1.22%	28.45%

## Local Employment Generation: Driving Local Prosperity

As a part of its broader Corporate Social Responsibility (CSR) and business strategy, Paisalo has been playing a significant role in local employment generation. We focus on creating opportunities that not only drive our own growth but also contribute to the economic development of the communities in which we operate.

As Paisalo expands its footprint/touchpoints across various cities and states, especially in rural and semi-urban areas, we create numerous job opportunities for local residents. We hire Correspondents at various Customer Service Points (CSPs) from the local community ensuring that they are familiar with the local culture, language and need of the population to be served. By recruiting locally, we expand employment opportunities to individuals, where formal job opportunities are traditionally limited and helps in reducing migration to urban areas, thus supporting the local economy.

In multiple cases, the correspondents also operate the CSPs allowing them to develop entrepreneurial skills, generate additional income and possibly create more jobs with their communities. Through these efforts, Paisalo is contributing to the socio-economic upliftment of the communities it serves by generating local employment opportunities.

<b>973</b> No. of Active CSPs	<b>541</b> Increase in CSPs	<b>20%</b> % increase in female employees
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## Employee Welfare and Well-being: Nurturing Talent and Fueling Growth

At Paisalo, we focus on the well-being of our employees while driving our business growth and enhancing our service capabilities. We provide clear career growth pathways and opportunities for advancement within the organization. Paisalo recognizes the values of a diverse workforce and is committed to providing equal opportunities in employment and creating an inclusive workplace and work culture in which all employees and workers are treated with respect & dignity.

# Zero

complaints on Working conditions & Health and Safety

# 81.4%

Employees trained on On-skill upgradation.

# INR 6.7 Mn

spent on well- being measures on Employees.

Category	Male	Female	Total
Employees that were entitled to parental leave	2332	77	2409
Employees that took parental leave	1	3	4
Employees that returned to work in the reporting period after parental leave ended	1	3	4
Employees that returned to work after parental leave ended that were still employed 12 months after their return to work	1	3	4
Return to work rate of employees that took parental leave	100%	100%	100%
Retention rate of employees that took parental leave	100%	100%	100%
Employees that were entitled to parental leave	2332	77	2409
Employees that took parental leave	1	3	4
Employees that returned to work in the reporting period after parental leave ended	1	3	4

Paisalo also provides a robust benefits plan comprising of health insurance, retirement plans and other financial security measures to support the overall well-being of its employees. We offer flexible working arrangements and paid leave policies to help employees manage their professional and personal responsibilities. We also engage with our employees through regular feedback mechanisms, surveys and engagement activities to ensure that their needs and concerns are addressed. This helps us to foster a positive work environment encouraging employees to build long-term careers with us.

# 100%

Return to Work and Retention Rate

# 100%

Employees entitled to parental leave

# 100%

Employees covered under gratuity and life insurance

Paisalo has also established mechanisms for addressing employee grievances to ensure a fair and transparent work environment. We offer counseling and support services to help employees cope with any workplace challenges and provide guidance on navigating the grievance process. Paisalo has a committee to address

grievances related to Human Rights issues which is well defined in the grievance redressal policy for its employees. This along with the other mechanisms as mentioned in the vigil policy ensure grievances and concerns are confidential and can be made anonymously without fear of any retaliation.

Paisalo organizes various training programs for its employees to support their growth and development. These trainings cover a range of topics, from enhancing professional skills to understanding the company's products and services in detail. By doing this, Paisalo ensures that its team members are well-equipped to handle their roles effectively and can offer better assistance to customers. The trainings are designed to not only boost employees' confidence and career progression but also to deepen their knowledge about the financial solutions Paisalo provides. This way, employees are more knowledgeable and can guide customers more effectively, helping them choose the right products and services according to their needs.

Training hours	Senior Management		Middle Management		Junior Management		Non-Management		Total Gender Wise	
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
Total no. of training hours provided	96	48	192	96	6,432	192	176,928	2304	<b>183,648</b>	<b>2640</b>
Total no. of employees' gender wise	2	1	4	2	67	4	1843	45	<b>1,910</b>	<b>52</b>
Average hours of training provided per gender wise	48	0	48	0	96	48	96	48	<b>95</b>	<b>48</b>
Total no. of training hours provided management level wise	96	48	192	96	6432	192	176,928	2304	<b>183648</b>	<b>2640</b>

At Paisalo, the company is committed to helping employees achieve their best by providing regular performance and career development reviews. These reviews are conducted at all levels of management, ensuring that everyone has the opportunity to receive feedback and guidance. The process is designed to be fair and transparent, allowing employees to understand their strengths and areas for improvement. By offering constructive feedback and setting clear goals, Paisalo helps its team members unlock their true potential and supports their personal and professional growth. This approach not only keeps employees motivated but also enables them to advance in their careers, contributing to a positive and productive work environment.

Performance and career development reviews	Senior Management		Middle Management		Junior Management		Non-Management		Total Gender Wise	
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
% of total employees who received a regular performance and career development review gender wise	100	100	100	100	100	100	100	100	<b>100</b>	<b>100</b>

% of total employees who received a regular performance and career development review as per Management level	100	100	100	100	100	100	100	100	100	100
% of total employees who received a regular performance and career development from the total workforce	100	100	100	100	100	100	100	100	100	100

Promotion criteria at Paisalo likely include a combination of the following key factors:

- 1. Performance:** Consistently meeting or exceeding performance targets and expectations, as evaluated during regular performance reviews. This includes the quality of work, efficiency and achieving set goals.
- 2. Skills and Competencies:** Demonstrating the necessary skills, knowledge and competencies required for the next role. This includes technical expertise, leadership abilities and problem-solving skills.
- 3. Experience:** Having the relevant experience and tenure in the current role, which provides a strong foundation for taking on more responsibilities.
- 4. Behavior and Attitude:** Showing a positive attitude, strong work ethic and alignment with the company's values and culture. Being a team player and contributing to a positive work environment is also crucial.
- 5. Initiative and Leadership:** Taking initiative beyond assigned duties, displaying leadership potential and being proactive in driving projects and contributing to the organization's success.
- 6. Professional Development:** Actively engaging in continuous learning and professional development, such as completing relevant training programs or certifications.
- 7. Business Needs:** Promotions may also depend on the company's business needs, such as available positions and strategic priorities, ensuring that the right talent is placed in roles that support the company's growth.

These criteria help ensure that promotions are fair, merit-based and aligned with both individual growth and organizational goals.

## Voices from the Ground

*"When I first joined Paisalo, I was filled with excitement and anticipation, eager to contribute to an organization that stood out for its commitment to empowering individuals and businesses. Over the years, my journey here has been nothing short of remarkable.*

*Paisalo has not only provided me with the tools and opportunities to grow professionally but also supported me in honing my skills and expanding my horizons.*

*The company's continuous progress and innovative offerings have made me proud to be part of a team that genuinely cares about making a difference in the lives of others. What sets Paisalo apart is its unwavering commitment to its employees and clients alike. The supportive work environment, coupled with a clear vision for the future, has instilled in me a sense of belonging and purpose. I am deeply content with the direction in which Paisalo is headed and the opportunities it continues to create for both its workforce and the communities we serve. Looking back, I can confidently say that joining Paisalo was one of the best decisions of my career. I am excited to continue this journey and contribute to the company's mission of fostering growth and prosperity for all."*



**Tarun**  
**Accounts Executive**

*"As a recent addition to the Paisalo family, I am truly inspired by the incredible impact our company is making in empowering women entrepreneurs across the nation. From the very first day, I could sense that Paisalo is not just another financial institution; it is a catalyst for change, driving social impact through its thoughtfully designed products aimed at uplifting women in business.*

*Seeing the tangible difference our loans make in the lives of women who are striving to build and expand their businesses is nothing short of inspiring. Every loan we extend, every bit of support we provide, is a step toward enabling these women to break barriers, shatter glass ceilings and carve out their own paths to success. It is incredible to witness how a single product can transform a dream into a thriving reality, fostering self-reliance and confidence among women entrepreneurs.*

*This commitment to support female entrepreneurship resonates deeply with me, as it aligns with my own values and aspirations. Knowing that I am part of an organization that prioritizes gender equality and actively contributes to the economic empowerment of women fills me with a profound sense of purpose. It motivates me to go above and beyond in my role, not just as an employee, but as an advocate for the incredible work Paisalo is doing."*



**Sonika Prajapati**  
**Dotnet Developer, IT Department**



*"As a CSP for Paisalo Digital Ltd., I have found a new sense of purpose and independence. Living in a small village near Vijayawada, where my husband runs a small grocery store, I never imagined I could contribute financially to my family in such a meaningful way. When I learned about the CSP opportunity, I was intrigued and decided to take a step forward. Joining Paisalo has been life-changing. Now, I can earn additional income while staying close to my home and family. It is incredibly fulfilling to be able to send my children to better schools with the money I earn."*

*"The flexibility of being a CSP allows me to serve customers even after banking hours, making my service invaluable to the community. People in my village often come to my desk in the evenings for their transactions, which has not only helped them but has also given me a strong sense of accomplishment. From being a housewife to becoming an earning member of the family, this journey has empowered me in ways I never thought possible."*



**Mrs. Leela**  
**CSP**  
**Hanuman Junction, Krishna Distt.**  
**andhra Pradesh**

*"Working as a CSP representative with Paisalo Digital Ltd. has been a life-changing experience for me. Due to family circumstances, I could not pursue higher education and I found myself at a crossroads, searching for a stable source of income and a better livelihood. I was unsure about my future until Paisalo reached out to me and introduced me to the CSP stream of employment. The opportunity sounded promising and I decided to take it up. Since starting my CSP outlet, I have found a consistent and steady source of income that has improved my quality of life."*

*"This profession has not only brought financial stability to my household but has also given me the satisfaction of serving the underprivileged sections of society. Every day, I am able to help people in my community access essential financial services, which they otherwise would have struggled to obtain. Paisalo has truly transformed my life, providing me with a dignified livelihood and the chance to make a meaningful impact in the lives of others. I am grateful for this opportunity and proud to be associated with a company that is committed to empowering people like me."*

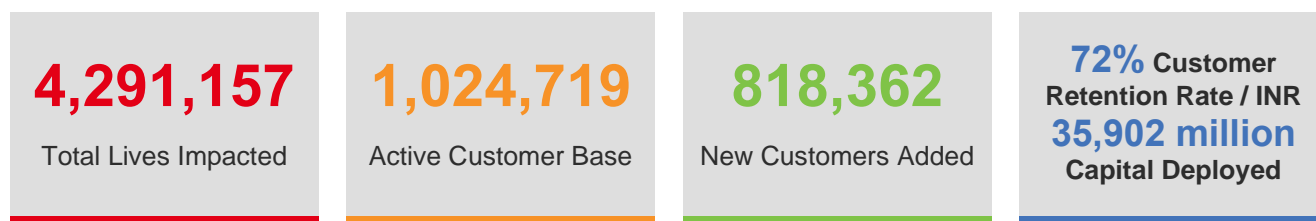


**Shane Mondal**  
**CSP**  
**Delhi**

## 10.2. Our Customers

### 10.2.1. Reaching the Unbanked and Underserved with a High-Tech, High-Touch Approach

At Paisalo, we are committed to empowering lives one loan at a time through our unique High Tech: High Touch approach. We aim to make a meaningful impact by delivering accessible and tailored financial solutions to those who need them the most. With a dedication to serving the underserved and the unbanked, our approach leverages cutting-edge technology and a personalized touch to transform the financial landscape for millions of individuals and businesses across India. Here is a quick glance at the impact we have created on ground, as of March 31, 2024:



Our operational model is centered around providing small-ticket size loans that cater to the income generation needs of individuals in rural and semi-urban areas. These loans, ranging from **₹10,000 to ₹2,00,000**, are pivotal in supporting activities such as dairy farming, handicrafts, small-scale trading and other livelihood-generating ventures. Through our extensive network of **279 branches across 21 states**, we ensure that these services are accessible even in the most remote regions. Among these, **4.29 million** are the people, the lives of whom have been benefitted from our various financial products and services.

#### Financial Inclusion: A Core Focus

Paisalo's strategic partnerships with major banks such as State Bank of India, Punjab National Bank, Bank of Baroda and UCO Bank have enhanced our ability to offer co-lending schemes. These collaborations not only reduce effective interest rates but also align our offerings with the RBI's priority sector lending rates, making financial assistance more affordable for our target demographic.

Our in-house proprietary digital platform, which harnesses the power of artificial intelligence (AI) and machine learning (ML), enables us to efficiently serve this underserved population. With a strong presence through over **2,455 touchpoints across 21 states**, we are steadily expanding our geographical reach to serve more individuals and businesses.

#### Supporting Micro, Small and Medium Enterprises (MSMEs)

A cornerstone of our impact is our support for Micro, Small and Medium Enterprises (MSMEs). Over the past year, by offering working capital loans ranging from ₹25 lakhs to ₹5 crores we have extended our support to **66,000 MSME businesses**, helping them scale and contribute to economic growth.

Our tailored financial products, including **working capital loans** and **priority sector lending**, are designed to address the unique challenges faced by these businesses while creating indirect job opportunities. This contribution is instrumental in bridging the gap between financial institutions and MSMEs, facilitating access to crucial funding and promoting economic resilience.

#### Empowering Women Entrepreneurs

At Paisalo, we believe that women are essential to making positive changes in their communities. We are proud to support **606,294 women customers**, all of whom are living below the poverty line. These women are working hard for financial independence and are actively involved in allied agricultural activities, especially in buffalo rearing. By offering them focused support, we help boost their entrepreneurial spirit and empower them to become leaders in their fields. Our commitment to empowering women is a key part of our mission, as we know that lifting them up leads to positive changes for everyone. Our initiatives are tailored to empower women

entrepreneurs by providing them with the financial tools and resources necessary to succeed. We recognize the unique challenges that women face in the business world and are committed to addressing these through targeted financial products and support services.

#### **Increased Access to Credit:**

We have facilitated access to essential funding for women-led businesses, enabling them to scale their operations and achieve their business goals.

#### **Customized Financial Solutions:**

Our loan offerings are specifically designed to cater to the needs of women entrepreneurs, including smaller ticket sizes and flexible repayment options.

#### **Supportive Ecosystem:**

We have created an ecosystem that provides mentorship and guidance to women entrepreneurs, helping them navigate the complexities of running a business

The success stories of women entrepreneurs who have thrived with the support of Paisalo are a testament to the effectiveness of our initiatives. These stories not only highlight individual achievements but also underscore the transformative impact of empowering women through targeted financial and non-financial support. Our goal is to create a more inclusive and equitable business environment where women can flourish and contribute to sustainable economic development. Through these efforts, we aim to enhance the economic independence of women, drive community development and inspire future generations of female business leaders.

### **Customer Support and Satisfaction**

Customer satisfaction is integral to Paisalo's operational ethos. We recognize that the longevity and success of Non-Banking Financial Companies (NBFCs) hinge on their ability to deliver exceptional customer service. Therefore, we have implemented robust mechanisms to ensure that our customers' needs and concerns are addressed promptly and effectively to enhance the overall customer experience. To ensure that we consistently meet and exceed our customers' expectations, we have implemented several measures:

#### **Regular Feedback Collection:**

We actively seek feedback from our customers about our financial products and services to understand their needs and concerns better.

#### **Prompt Issue Resolution:**

Our dedicated support team is trained to address and resolve customer issues swiftly and effectively.

#### **Staff Training:**

We provide comprehensive training to our staff to enhance their service quality and ensure they are equipped to meet the diverse needs of our customers.

### **Tailored Products and Services**

Our product offerings are meticulously designed to meet the diverse needs of our customer base. From MSME loans to vehicle loans and small income generation loans, each product is crafted to address specific financial requirements. We adhere to all disclosure requirements and proactively communicate with our customers through various channels, including our website and newsletters, to educate them about safeguarding against financial fraud.

### **Ensuring Customer Safety and Satisfaction**

Paisalo's commitment to customer safety is evident in our proactive approach to communication and education. By providing clear guidance on protecting against financial fraud, we aim to empower our customers with the

knowledge needed to make informed decisions. Furthermore, our emphasis on customer satisfaction is reflected in our ongoing efforts to tailor our products and services to meet the evolving needs of our clientele.

### Business Correspondents: Catalysts for the last-mile Impact

Paisalo's Business Correspondent (BC) channel is a pivotal element in the company's strategy to extend financial services to the unbanked and underserved populations across India. By partnering with local business correspondents, Paisalo has been able to significantly enhance its reach, particularly in the rural and semi-urban areas where access to formal banking services is limited.

**2,245,052**

Customers Served by BC  
channel

**67,855**

Small Savings Bank Account  
Opened

**84,036**

Cross Selling Accounts  
Opened\*

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

These correspondents act as the face of Paisalo in local communities, by identifying potential borrowers, assisting with the documentation process and providing ongoing support throughout the loan lifecycle. The personalized services such as loan disbursements, collections and account management not only simplify the process for the borrowers but also helps them in educating about responsible borrowing and financial effectiveness. BCs offer ongoing customer support, addressing any issues or concerns that customers may have regarding their loans or other financial services. The correspondents also promote the use of digital payment methods among customers, by helping to set up and use mobile banking applications, enabling them to conduct transactions securely and conveniently.

**INR 12,648.3 Mn**

of Customers Initiated  
Transactions

**INR 6,285.8 Mn**

of AEPS\* Transactions

**INR 3,572.8 Mn**

of Non-Home Branch Cash  
Deposits

**INR 587.5 Mn**

of Micro ATM Debt card  
Transactions

**INR 163.4 Mn**

of Loan Deposits

**INR 1,126.4 Mn**

of Cash Withdrawals

**INR 303.5 Mn**

Account-to-Account  
Fund Transfer

*\*Aadhaar Enabled Payment System*

Through their tireless efforts, Paisalo's Business Correspondents are driving financial inclusion by breaking down barriers, building trust and transforming the lives of individuals and communities. They are acting as catalysts of change and helping to create an inclusive financial system where everyone can make informed decisions, leading to better financial outcomes and improved livelihoods.



**Name - Sunita**

**Profession - Animal Husbandry**

**Village - Baroli Ahir**

**District – Agra**

Sunita, a determined and resilient individual, faced challenges as a small business owner in buffalo rearing. Refusing to accept defeat, she sought to improve her circumstances. Through Paisalo Digital Limited, she secured a loan and rebuilt her business, becoming an inspiration in her community. Sunita's story showcases the power of determination and the potential for transformation. Her journey reminds us that even in the darkest times, there is hope for a brighter future. With the right support and commitment, individuals can overcome adversity and achieve remarkable success.



**Name - Komal**

**Profession - Animal Husbandry**

**Village - Baroli Ahir**

**District – Agra**

Komal, a tenacious and determined individual has established a flourishing buffalo-rearing enterprise. Despite the challenges she encountered in providing for her family, Komal's unwavering spirit propelled her to build her business from the ground up. With the invaluable assistance of Paisalo Digital Limited, she secured a loan and embraced personal responsibility, surmounting obstacles and edging closer to a more promising life. Today, Komal's buffalo-rearing venture thrives, serving as a testament to her unwavering determination and relentless pursuit of excellence. We take immense pride in being part of Komal's extraordinary journey and remain steadfast in our commitment to supporting small business owners.





A portrait of a woman, Mrs. Semma, smiling. She is wearing a white and blue patterned headscarf and a pink and white patterned sari. She has a red bindi on her forehead and a nose ring. The background is a blurred green foliage.

# *Mrs. Semma*

Semma, a fifth-grade dropout, dreamed of a better life for her family. Her daily wage labourer husband struggled to provide even basic necessities. Determined to improve their circumstances, Semma and her husband took a loan from Paisalo and started a tailoring unit in their small living room. The initial days were challenging, but Semma's determination and resilience shone through. With hard work and perseverance, their business began to grow.

The couple provided their children with a quality education and even built a new home. Their once-dim prospects had brightened, thanks to their hard work and a little bit of courage. Semma's story became an inspiration to many in her community. She proved that even the most challenging circumstances can be overcome with determination and a positive attitude.

## Corporate Social Responsibility (CSR)

**INR 18 Mn**

Spent on Initiatives

**500+**

People Benefitted

Paisalo's CSR initiatives are driven by a keen sense of responsibility and a desire to make a tangible difference. It encompasses a wide range of critical areas, including food distribution, clothing, medical treatment, technology upgrades and free education. Our goal is to provide meaningful assistance and resources to those in need, ensuring that our efforts contribute to the overall well-being of the communities we touch.

Despite our extensive CSR efforts, it is important to note that none of these projects were specifically targeted at the designated aspirational districts identified by government bodies. Our focus has been broader, aimed at reaching a diverse range of underrepresented groups across various regions.

As we continue to explore new avenues for impact, we remain dedicated to addressing the needs of marginalized communities and contributing to their development.

SL. No.	CSR Projects	No. of persons benefited from CSR Projects	% Of beneficiaries from vulnerable and marginalized groups
1	Distribution of Food and clothes (Madhya Pradesh, Uttar Pradesh)	251	100
2	Aid for medical treatment (Uttar Pradesh)	40	100
3	Distribution of Educational Device (Delhi, Uttar Pradesh)	25	100
4	Aid for treatment of animals (Uttar Pradesh)	NA	NA
5	Aid to Solar drying system to mitigate the post-harvest losses of agricultural produce (Maharashtra)	20	100
6	Aid for treatment of physically disabled ("Specially Abled") people (Rajasthan)	15	100
7	Financial Support for Eye Surgeries of Homeless senior citizens (Delhi)	20	100
8	Financial support to upgrade the technology and parts required manufacturing of prosthesis (Uttar Pradesh)	10	NA
9	Contribution towards Eye Surgeries and Spectacles Distribution to Citizens of deprived communities (Delhi)	25	100
10	Free education of kids in poorest slums (Delhi, Uttar Pradesh & Rajasthan)	90	100
11	Sponsorship for underprivileged student's (Maharashtra)	30	100
12	Aid for development of the Olympic Sports Shooting (Maharashtra)	NA	NA





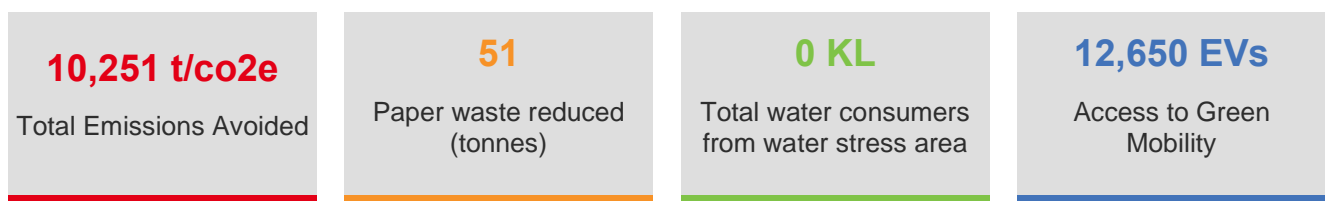
# 11. Environment Stewardship

## 11.1. Promoting Clean Mobility and Enabling Green Transition

India, as the world's fourth largest car manufacturer, stands at a critical juncture in its journey towards a sustainable future. The rapid adoption of Electric Vehicles (EVs) represents a significant opportunity not only for reducing emissions but also for fostering economic growth and expanding export potential. By 2030, India's EV fleet is projected to avoid approximately 5 million tonnes (Mt) of CO<sub>2</sub> emissions. This impact could expand dramatically by 2050, with potential reductions ranging from 110 to 380 Mt CO<sub>2</sub>, contingent on the growth of the EV fleet and the pace of decarbonization in the power sector. \*

Furthermore, air pollution remains one of India's most pressing environmental challenges, with 35 of the world's 50 most polluted cities located within its borders. Road transport is a major contributor to this issue, accounting for 12% of the nation's energy-related CO<sub>2</sub> emissions and 20-30% of urban air pollution. As India strives to meet the growing demand for private mobility and goods transport, road transport emissions could potentially double by 2050 if current trends continue. By promoting EV adoption, Paisalo plays a crucial role in mitigating these challenges, improving air quality and enhancing public health. \*

At Paisalo, we are deeply committed to environmental stewardship and the responsible management of resources. Our initiatives in reducing emissions, managing water and minimizing waste are integral to our mission of fostering a more sustainable future. Here is a glimpse of the green footprint we have created till date:



Note: \* As per Executive Summary Transitioning India's Road Transport Sector (International Energy Agency)

Paisalo is at the forefront of India's green transition, actively contributing to the reduction of carbon emissions through its innovative financing solutions for Electric Vehicles (EVs). The company's dedication to supporting the adoption of EVs plays a crucial role in addressing the country's significant emission challenges.

By financing EVs, Paisalo is facilitating a reduction in the overall carbon footprint, with these vehicles offering approximately 30% lower emissions\* compared to traditional Internal Combustion Engine vehicles. As India

increasingly incorporates renewable energy into its power grid, the environmental benefits of EVs are set to grow even further, highlighting Paisalo's pivotal role in this green transition.

Energy			Emissions		
Particulars	Unit	Consumption	Particulars	Unit	Consumption
Total electricity consumption	GJ	7914.69	Scope 1	tCO2	752.16
Total fuel consumption	GJ	50586.37	Scope 2	tCO2	0
<b>From non-Renewable sources</b>	GJ	58501.06	<b>Total Emissions</b>	tCO2	752.16

The widespread adoption of EVs not only offers immediate emission reductions but also supports India's long-term environmental goals. As renewable energy sources become more prevalent in India's energy mix, the environmental benefits of EVs will further increase. This transition will help mitigate climate change, reduce health care costs associated with pollution and enhance overall quality of life for the population.

## 11.2. Greening our Operations

### Water Stewardship

Paisalo is committed to sustainable water management practices, which are essential in addressing water scarcity challenges. At our Registered Office, we have implemented advanced water-saving measures, including water harvesting systems and smart water dispensers and meters. These initiatives are designed to minimize water wastage and promote responsible consumption.

Water withdrawal and consumption		
Water withdrawal from all areas		
Particulars	Unit	Consumption
Ground water	KL	1150.36
Third-party water	KL	545.33
Water stress areas	KL	0
<b>Total water withdrawal</b>	KL	1695.69
<b>Total water consumption</b>	KL	1633.30

### Reducing Environmental Footprint and Promoting Sustainability

Paisalo is contributing to environmental conservation by adopting and promoting cashless processes across its operations. The shift to digital process streamlines financial transactions, making them faster, more secure and more efficient, while also supporting the broader goal of environmental sustainability. This approach not only aligns with Paisalo's commitment to green practices but also encourages customers to adopt digital financing solutions.

By reducing paper usage, Paisalo supports forest conservation and biodiversity preservation and lowers the company's overall environmental footprint. This transition encourages other organizations to adopt similar practices, contributing to a collective effort towards a greener, more sustainable future.

Waste Generated		
Particulars	Unit	Consumption
Plastic waste	Metric tonnes	0
E-waste	Metric tonnes	0.06
<b>Total waste generated</b>	Metric tonnes	0.06

By embracing digitalization, promoting green financing and reducing reliance on paper and physical resources, Paisalo is actively contributing to environmental conservation. Through these initiatives, Paisalo is paving the way for a greener, more sustainable future, while reinforcing its role as a forward-thinking and responsible financial institution.



# Global Reporting Initiative

## 12. GRI Index

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	2-3 Reporting period, frequency and contact point		
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	2-7 Employees	Our People: Driving Success Together	25
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GRI Standard	Disclosure	Reference in the Report	Page no.
	305-4 GHG emissions intensity		
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<b>GRI 306: Waste 2020</b>	306-3 Waste generated	Reducing Environmental Footprint and Promoting Sustainability	40
<b>GRI 401: Employment 2016</b>	401-1 New employee hires and employee turnover	Our People: Driving Success Together	25
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	401-3 Parental Leave		
<b>GRI 404: Training and Education</b>	404-1 Average hours of training per year per employee		
	404-3 Percentage of employees receiving regular performance and career development reviews		
<b>GRI 405: Diversity and Equal Opportunity</b>	405-1 Diversity of governance bodies and employees		

# PAISALO

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