

Date: May 14, 2025

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-727935, 728964, 729040, 729147**

**SCRIP SYMBOL: PAISALO**

**Ref : Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the SEBI (LODR) Regulations) r/w Clause 15 of Part A Para A of Schedule III to the SEBI Listing Regulations**

**Subject : Transcript of Conference Call held in respect of the Financial Results for the quarter and financial year ended March 31, 2025**

Dear Sir/Madam,

In furtherance of our letter dated May 14, 2025, the transcript of Q4 FY2025 investors conference call has been uploaded on the website of the Company at '[Paisalo Digital Q4 Conference Call Transcript](#)'

Also, enclosed is the transcript (pdf) as attachment for ease of reference.

We request you to kindly take the same on record.

Thanking you,  
Yours faithfully,

**For Paisalo Digital Limited**



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

**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

**Head Office:** Paisalo House, 74, Gandhi Nagar, NH-2, Agra - 282 003, India. Phone : +91 562 402 8888. Email: agra@paisalo.in

CIN: L65921DL1992PLC120483

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

अर्थ: समाजस्य न्यासः

# PAISALO

## PAISALO DIGITAL LIMITED

PAISALO DIGITAL Q4 FY2024-25 CONFERENCE CALL TRANSCRIPT

MAY 14, 2025

### MANAGEMENT:

Mr. Santanu Agarwal, Deputy Managing Director

Mr. Gaurav Chaubey, Chief Risk Officer

Good afternoon, everyone. My name is Gaurav Chaubey and I'm the CRO for Paisalo Digital Limited. On the declaration of the results for the quarter and financial year ended March 31, 2025, it gives me immense pleasure to welcome the analysts, investors and our colleagues to this virtual meeting.

We have with us today, our DMD Mr Santanu Agarwal and Myself.

In this call, all participants will be in a listen-only mode. The earnings presentation is uploaded on our website, [www.paisalo.in](http://www.paisalo.in), and on the stock exchanges. However, if you have any questions, please email [ir@paisalo.in](mailto:ir@paisalo.in).

Before I hand over the call, I would like to read out the Safe Harbor statement. This presentation contains forward-looking statements which may be identified by their use of words like plans, expects, estimates or other words of similar meaning. All statements that address expectations or predictions about the future, including, but not limited to, statements about strategy for growth, product development, market position are forward statements based on rationale and data. Actual results may vary materially given market circumstances. I will now hand over the call to our DMD Mr Santanu Agarwal to discuss the business in detail.

Mr. Santanu Agarwal:

Thank you, Gaurav ji, and good afternoon, everyone. A very warm welcome to Paisalo Digital Limited's Q4 FY25 and Full Year FY25 earnings presentation. We are pleased to share with all of you the achievements and incredible progress made over the last financial year.

But first Our hearts go out to those whose lives are profoundly affected by the recent ongoing tension on the Border. Paisalo, is a company that historically has worked across almost all Indian states, and we will do our part to ensure that the Indian economy is safe and secure. Two things are absolutely foundational to the long-term success of Paisalo: one is that we run a great company and two, which is maybe more important, is the long-term health of India, domestically, and the future of the free and democratic India are strong.

In this evolving landscape, India's role on the world stage has never been more vital. Our country under the leadership of the honorable prime minister has risen to the occasion, demonstrating unity and a commitment to working to protect our shared values, including the Indian enterprises. India continues to inspire confidence among global investors, shining as a symbol of opportunity and optimism.

Paisalo, with its extensive operations across multiple states, is proud to play a part in this success story.

Our mission at Paisalo is to simplify small ticket size income generation loans by establishing ourselves as a trusted, high tech: high touch financial companion for the people of India, catering to their diverse financial needs. This integration of High Tech: High Touch, customer-centric approach, and data analytics empowers us to deliver tailored scalable solutions while minimizing risks and maintaining the highest standards of governance and regulatory adherence.

Now I will just take you through the earnings presentation which is uploaded on our website [www.paisalo.in](http://www.paisalo.in) and on the stock exchanges.

FY 2025 was another strong year for Paisalo, with our company generating record revenue, as well as setting numerous records in each of our lines of business. We earned revenue of INR 7,711 million and net income of INR 2,001 million, with AUM crossing the benchmark of INR 50,000 million or Half Billion Dollar mark and coming in at INR 52,328 million, reflecting strong underlying performance across our businesses. We also continue to reinforce our balance sheet. We grew market share in several of our

businesses and continued to make significant investments in products, people and technology while exercising strict risk disciplines.

Throughout the year, we demonstrated the power of our investment philosophy and guiding principles, as well as the value of being there for clients – as we always are – in both good times and bad times. The result was continued broad healthy growth across the firm.

The charts on pages 21 show of our investor presentation and illustrate how we have grown our franchises.

This unwavering commitment resulted in broad-based growth across the firm, with our Customer Franchise reaching 9.4 million+. In 2024-25, we extended credit totaling INR 37,199 million to clients across the country, playing a crucial role in driving economic progress. We crossed a staggering number of INR 40,000 million in GMV of customer Initiated transactions within 24 months of launching our Business Correspondence Division, with INR 30,054 million in GMV for FY 2025 alone. This means that on a daily basis in FY2025, we moved over INR 82 million across all of India, as well as safeguarded data and financial assets of over 50 lakhs customers.

Paisalo's success is built on the foundation of our key principles and strategies, which have guided us through decades of growth and enabled effective capital management, including dividends. I am incredibly proud of our company's resilience and the achievements of our employees nationwide. Despite the macro environment challenges of recent years, we have never wavered in our dedication to serving our clients and communities. Our work makes a difference and we are united by a shared purpose: to empower individuals, homeowners and small businesses across the country.

As we look into the future years, each of our businesses is on track to become the best in the country. We are increasing our market share, achieving strong financial results and maintaining an unwavering focus on serving our clients, communities and shareholders with distinction. The strengths embedded in Paisalo— the expertise and cohesion of our people, our long-standing client relationships, our innovative technology and products, our growing presence in 22 states and our successful lending model — are unmatched. These strengths empower us to consistently support our clients and communities, invest in our future and seize the opportunities that lie ahead.

The following charts illustrate the gains and improvements we have made over the years on Page #2, and Mr. Gaurav will take you through some highlights from Page#4,#5 and #19 to #26.

Brief report card of our FY25 management assessment. The Company delivered its FY25 assessment on customer franchise, geographic expansion, Opex to NTI, GNPA and NNPA. Credit cost was elevated, but within the long-term outlook of less than 2%. The Company took significant credit actions through FY 2025 and is optimistic about its impact on P&L in FY 2026. The Company also saw slight NIM compression of 2 bps.

Now I would like to hand it over to Gaurav Chaubey, our CRO, who will take you through the highlights for the year.

Mr. Gaurav Chaubey:

Thank you, Santanu. Good afternoon everyone. A warm welcome to you all for the review of our performance for the fourth quarter and full year ended March 31, 2025.

Highest ever AUM as at Q4 FY 2025 was up 14.10% at INR 52,328 mn as against Q4 FY 2024 at INR 45,860 mn.

The company successfully issued its First Foreign Currency Convertible Bonds (FCCBs) amounting to USD \$50million approximately (INR 4,230 million) in FY 2025. USD 2 million has been converted into share capital.

In Q4, the company added a highest ever 1.52 mn customers to its franchise. In FY 2025, the company has added highest ever record 5.16 mn customers to its customer franchise. Total Customer franchise stood at 9.45 mn as of Q4 FY 2025 as compared to 4.29 mn as of Q4 FY 2024. Our adjacency to an expanding customer base (as stated in page #21 of the presentation) is providing us valuable insights which, combined with our data analytics and EWS Framework (as stated in page #17 of the presentation, which I will speak about later), is making us better able to - identify what customers want, when they want it, and how they want it from a customer centric point of view and help us enhance credit, character and credential analysis from EWS point of view.

Total geographic footprint as at FY 2025 stood at to 3,565 touchpoints across 22 states as compared to 2,455 touchpoints in last fiscal. In Q4, the company added 27 new touch points. As at FY 2025 the touchpoints split is 351 Branches, 1900 Distribution Points and 1314 CSPs.

The company continues to protect its margin profile, Interest Income for Q4 FY 2025 was up 17% at INR 7,711 mn as against INR 6,587 mn in Q4 FY 2024. The company has posted 11.26% increase in PBT and 11.82% increase in PAT on YoY basis.

GNPA and NNPA stood at 0.99% and 0.76% as at Q4 FY 2025 compared to 1.10% and 0.84% on a sequential basis and 0.21% and 0.02% as at Q4 FY 2024. The company is continuing to augment its debt management infrastructure as a mitigation measure. The company is proactively pruning as required. Paisalo has written off bad debts totaling to INR 508 mn and has recovered old written off bad debts worth INR 366 mn as at Q4 FY 2025.

Cost of funds came in at 10.54 %, a decrease of 68 basis points on a YOY basis. NIM came in at 6.40%, a decrease of 2 basis points on a YOY basis, primarily due to some yield change on the portfolio to bring it in line with our expansion plans.

OPEX to net total income improved to 21.99% versus 30.1% last fiscal year. We continue to optimize operating expenses I would say. As we have mentioned in past quarters presentation that it's one of the levers that we have to continue to pull through both by optimization on the one hand and continue to invest in technology and AI to improve productivity, so we may see some variance in terms of increase or decrease in Opex to NTI on a short to medium term basis. But as Santanu stated in the beginning, Business transformation has entered Phase 3 and will take about 4 quarter to mature and AI transformation is progressing well (more on this later).

Employee headcount stood at 3178 people, we added net 769 people in our company.

In In Q4 FY 2025, the company delivered annualized RoE of 12.96%, the company delivered annualized RoA of 3.89 %.

In terms of liquidity coverage ratio, it stood at 637% as against regulatory requirement of 85%, with positive Asset Liability Management across buckets.

The Tangible Networth is INR 15,257 mn versus Bank Borrowings (secured) INR 22,982 mn, i.e., 1.51 times; against the leveraged threshold of 7 times. Credit Rating of the company is IVR AA/Stable Outlook (IVR Double A with Stable Outlook) and IVR A1+ (IVR A One Plus) for Commercial Paper. Capital Adequacy Ratio remained strong at 39.16% at Q4 FY 2025.

In conclusion, A good quarter on volume, AUM, Opex and credit cost. PAT was up by 11%. Delivered AUM growth of 14% and added highest ever 1.52 mn customers to its franchise. Total Customer franchise stood at 9.45 mn. Business transformation has entered Phase 3 and AI transformation is progressing well. Business Transformation is expected to reach maturity in next 4 quarters. FY25 was a mixed year, but overall, a good year on volumes, customer acquisition and operating efficiencies.

Now I would like to hand it over to Santanu Agarwal, to expand on some additional points:

Mr. Santanu Agarwal:

We began our AI journey at Paisalo last Fiscal, we've significantly bolstered our capabilities since then. We have a dedicated team and we're continuously trying to attract top talent from across the country. This focus also aligns with India's growing prominence as a global hub for AI innovation.

Already, AI and ML are delivering tangible value across our operations. We've rolled out predictive AI in crucial areas like EWS, BRE Assessment, Branch Operations, fraud detection and risk management, and have started seeing some immediate benefits. We're also actively exploring and working with generative AI (GenAI) and have started deploying it in software development, customer service, operations and overall productivity.

We envision a future where GenAI redefines our business processes, driving efficiency and innovation across the board. Our investment in AI is not merely a cost; it's an investment that fuels growth. As AI becomes more integral to our operations, we anticipate it will enhance virtually every role within Paisalo. While AI may alter some job categories, it will also create new opportunities, reflecting India's dynamic job market.

As we've done before, we are committed to retraining and redeploying our workforce, ensuring that our employees continue to thrive in this evolving landscape. India's vast and diverse data landscape, combined with AI, offers us unique insights that can revolutionize how we manage risk and serve our customers. To fully leverage this potential, we're committed to maintaining high quality, accessible data, supported by the necessary high-performance computing power.

Recognizing the strategic importance of AI, we last fiscal established the Business Intelligence Unit (BIU) and the team has actively been cleaning, testing and executing, and we shall reach our expected level of maturity within the next 4 quarters. This decision underscores our belief in AI's critical role in Paisalo's future and India's potential as a leader in this space. By embedding data and analytics into our decision-making processes, we are setting the stage for continuous learning, improvement and innovation.

Of course, we remain vigilant about the risks associated with AI. Gaurav is ensuring that our risk and control framework try to ensure that we stay ahead of AI-related challenges, particularly as India's regulatory environment evolves. We have also incorporated AI into some of our security measures to counteract potential threats, ensuring that our systems remain resilient.

Paisalo takes immense pride in our daily efforts to connect with individual clients and micro, small and mid-sized businesses across nearly every district in India. This ongoing dialogue is more than just business—it's about building trust and establishing strong roots within the communities we serve. We firmly believe that as an NBFC, earning the trust of our communities is paramount. At Paisalo, we are committed to uplifting the areas where we operate, understanding that our success is intertwined with the prosperity of these communities. We believe that when communities thrive, so do we and this philosophy not only enhances our business but also contributes to the broader economic well-being

and long-term shareholder value. Our approach is clear: whether driven by the goodness of our hearts or by sound business strategy, we focus on delivering measurable outcomes. Over the years, many of our initiatives, such as advancing unbanked rural centers, have been born from this commitment. Our last fiscal investment in our Business Correspondent Channel underscores that investing in communities is not just a moral obligation but also a smart business strategy. As we aim to become one of the largest NBFCs in the regions we operate, we recognize the importance of collaboration with local communities to gain market share and drive mutual growth.

Some of our key initiatives include:

- Business Strategy Group (BSG): We have established BSG across the company, connecting over 3,000 employees to encourage constant product development and innovation. This group fosters networking and has led to initiatives such as Access to Small Ticket Size Working Capital Demand Loans, Scaling of EV division, and the NextGen Leader Coaching program for early-career professionals; amongst numerous other on-going projects.

Distribution Point Development: To empower entrepreneurs and small businesses, we have expanded our distribution point network to 1,900 locations, increasing our reach by more than 50%. These points, linked to branches focused on underserved communities, offer coaching, debt access and business growth support. We expect to mentor over 10,000 business owners in the upcoming fiscal year, helping them improve operations, grow revenue and connect with the local business community.

- Work Skills Development: Recognizing the untapped talent in local communities, we have designed and deployed a training program to help bridge the skills gap for high-demand jobs. This program has already made a significant impact in communities like Jalgaon, Siwan and Etawah, connecting us with skilled workers and fostering local economic growth.

- Community Branches: We need to consider the unique needs of communities across the country more thoughtfully. Impact is most effective when it is local. A local bank branch, especially in a low-income neighbourhood, can be successful only when it fits the community's needs. That is why over the last several years we have shifted our approach to how we offer access to financial education, as well as our various lending products and services, to help borrowers by making Paisalo truly Available—Aware—Affordable; especially in Unbanked Rural Centers. We are delivering this approach through our High Tech—High Touch Model, unique spaces in the heart of semi-urban and rural communities. We have total 3565 High Tech-High Touch touchpoints across 22 states in FY25.

Expanding Our Footprint in Rural India With 351 branches and 1314 Customer Service Points (CSPs) across 22 states, Paisalo is proud to be a significant presence in rural communities. Having serviced nearly 9.45 million consumers in these areas, they in FY2025 have accessed over INR 52.32 billion in loans, conducted INR 30.05 billion in customer-initiated transactions, INR 15.58 billion in AEPS Transactions, 1,12,697 Savings Bank Account opened, 1,36,236 social security scheme extended and benefiting from our additional financial service offerings (reference page #8). As we expanded into 12 new states post FY2022 and during FY2025. By increasing our touchpoints, we are confident in our ability to become a leading lender and BAAS provider in these communities, fueling local economies and advancing inclusive economic growth.

Gaurav, you wanted to discuss the EWS point earlier, can you take it up right now before we start concluding.

Mr. Gaurav Chaubey:

Yes.

At Paisalo Digital Ltd, we recognize that effective risk management is not just a defensive measure—it's a strategic necessity. To that end, we've developed a robust, multi-dimensional Early Warning Signals, or EWS, framework.

This system is designed to detect potential risks early, allowing us to take timely, proactive action. By combining diverse data sources with advanced processing techniques, the framework not only helps us stay ahead of emerging challenges, but also significantly enhances our decision-making and strengthens our long-term sustainability.

Let me break it down for you.

At the core of the EWS framework are several key input sources that provide a comprehensive view of risk.

- First, we track Geopolitical Events. Political developments—whether domestic or international—can have a profound effect on operations. We monitor these closely to anticipate any impact on business continuity or credit exposure.
- Second, we integrate Geospatial Data, drawing from credit bureaus and other geographic information systems to assess risks linked to specific regions. This is particularly useful in understanding localized vulnerabilities.
- Third, we monitor Changes in Macroeconomic Indicators. These include interest rates, inflation, and GDP growth. Timely insights into these metrics allow us to adjust our credit and operational strategies accordingly.
- Fourth, we analyze Macroeconomic Reports and Data Indicators. These reports offer broader economic perspectives that can directly influence our understanding of market dynamics and credit performance.
- Fifth, we assess Regulatory and Policy-Driven Restrictions. Shifts in government policy or regulation are tracked to understand how they could affect our lending operations and compliance standards.
- Sixth, we keep a close eye on Industry or Geography-Specific Events. Whether it's a natural disaster affecting a region or a disruption in a particular sector, our framework is designed to pick up on these events in real time.
- Seventh, we evaluate Credit Reports based on weighted average performance metrics derived from our internal scoring models. This provides a more nuanced view of a borrower's financial health and repayment behavior.
- Finally, we conduct rigorous Portfolio Monitoring. Accounts are tracked in 30-day delinquency buckets to identify early signs of stress, allowing us to intervene before the situation worsens.

Beyond these inputs, the EWS framework employs sophisticated data processing and analytical methods to translate raw data into actionable insights.

- We use Rule-Based Differential Credit Assessment to apply data-driven rules that differentiate credit risks across products, services, branches, and committees.
- We've implemented Automated Triggers Based on Geopolitical Analysis, which generate alerts when specific geopolitical or geographic risk thresholds are breached. This allows us to tailor our credit offerings more precisely.
- Through Postal Code-Level Credit Monitoring, we can detect emerging risks tied to hyper-local events like natural calamities or regional disruptions, enabling swift responses.
- We also use Geography-Based Macro Character Assessments to evaluate borrowers based on the macroeconomic characteristics of their location—providing a predictive lens into regional vulnerabilities.



- And finally, we've built a robust system for Enhanced Credit, Character, and Credential Analysis. This evaluates not just a borrower's financial data, but also behavioral and personal attributes, offering a comprehensive risk profile.

The result? A framework that delivers measurable, strategic benefits across the organization.

- Proactive Risk Management: We can identify signs of stress early and act before they escalate, safeguarding our portfolio.
- Improved Asset Quality: Early interventions reduce defaults and help us maintain a healthier loan book.
- Enhanced Decision-Making: With richer data and deeper insights, our teams make more informed and confident choices.
- Cost-Efficient Problem Resolution: Addressing issues early means fewer resources are spent on recovery later.
- Regulatory Compliance: Continuous monitoring ensures we remain aligned with evolving regulatory standards.
- Customer Relationship Management: Better risk prediction helps us build trust with customers by offering timely support and guidance.
- Strategic Planning Insights: Data generated by the EWS framework feeds directly into our strategic planning process, helping us align with broader economic and market trends.
- Fraud Risk Mitigation: Our AI-driven alert systems and exception reports identify unusual activities, helping prevent fraudulent transactions before they occur.

In essence, Paisalo's Early Warning Signals framework doesn't just manage risk—it transforms it into a strategic advantage. It empowers us to operate smarter, safer, and more sustainably in an increasingly complex environment.

Back to you Santanu.

Mr. Santanu Agarwal:

Thanks Gaurav.

The growing brand recognition and ecosystem of Paisalo, a modern high tech-high touch stack, data analytics capabilities, cost levers, and a focus on governance is giving everyone, that is, us, our investors (like large institutions, mutual funds, etc), our individual investors and our borrowers - the right to win.

Mr. Gaurav Chaubey:

As we move forward, we remain committed to innovation, resilience and the well-being of our employees, customers and shareholders. Together, we will ensure that Paisalo continues to thrive and grow in India's rapidly evolving landscape.

Thank you everyone, for joining this call. As we conclude our earnings call, we invite you to explore the detailed earnings presentation available on our website and the stock exchanges.

Thank you.