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Prospectus
Dated March 26, 2025

UGRO CAPITAL LIMITED

UGRO Capital Limited ("**Company**" or the "**Issuer**") was incorporated as 'Chokhani Securities Private Limited' under the Companies Act, 1956 on February 10, 1993 with Registrar of Companies, Maharashtra at Bombay. Our Company was subsequently converted into a public limited company pursuant to the fresh Certificate of Incorporation issued by the Registrar of Companies, Maharashtra at Bombay on July 26, 1994. The name of our Company was subsequently changed from "Chokhani Securities Limited" to "UGRO Capital Limited" and a fresh Certificate of Incorporation was issued by Registrar of Companies, Maharashtra at Mumbai ("**RoC**") on September 26, 2018. Our Company is also registered with RBI as non-deposit taking Non-Banking Finance Company classified as NBFC-Middle Layer with registration no. 13.00325 dated October 26, 2018 and further our Company has obtained certificate of registration dated January 09, 2024 bearing no. N-13.02475, to commence/carry on the factoring business without accepting public deposits. For further details about our Company, see "*General Information*" and "*History and Certain Corporate Matters*" on pages 50 and 147.

Registered and Corporate Office: Equinox Business Park, Tower 3, Fourth Floor, Off BKC, LBS Road, Kurla, Mumbai - 400070, Maharashtra, India; **Tel.**: +91 22 4182 1600;
CIN: L67120MH1993PLC070739; **PAN**: AAACC2069E **Website**: www.ugrocapital.com; **Email**: cs@ugrocapital.com;
Company Secretary & Compliance Officer: Satish Chelladurai Kumar, **Tel.**: +91 22 4182 1600; **Email**: cs@ugrocapital.com;
Chief Financial Officer: Kishore Kumar Lodha; **Tel.**: +91 22 4182 1600; **Email**: kishore.lodha@ugrocapital.com

PUBLIC ISSUE BY OUR COMPANY OF UPTO 20,00,000 SECURED, RATED, LISTED, REDEEMABLE, NON-CONVERTIBLE DEBENTURES OF FACE VALUE OF ₹ 1,000 EACH ("NCDS") FOR AN AMOUNT UP TO ₹ 10,000 LAKH ("BASE ISSUE SIZE") WITH AN OPTION TO RETAIN OVERSUBSCRIPTION UP TO ₹ 10,000 LAKH ("GREEN SHOE OPTION"), FOR AN AGGREGATE AMOUNT OF UP TO ₹ 20,000 LAKH ("ISSUE SIZE" OR "ISSUE LIMIT") (HEREINAFTER REFERRED TO AS THE "ISSUE") THROUGH THIS PROSPECTUS. THE NCDS WILL BE ISSUED ON TERMS AND CONDITIONS AS SET OUT IN THE DRAFT PROSPECTUS WHICH SHOULD BE READ TOGETHER WITH THIS PROSPECTUS (COLLECTIVELY, THE "OFFER DOCUMENTS"). THIS ISSUE IS BEING MADE PURSUANT TO THE PROVISIONS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE AND LISTING OF NON-CONVERTIBLE SECURITIES) REGULATIONS, 2021, AS AMENDED (THE "SEBI NCS REGULATIONS"), THE COMPANIES ACT, 2013 AND THE RULES MADE THEREUNDER, EACH AS AMENDED (THE "COMPANIES ACT, 2013") AND THE SEBI MASTER CIRCULAR. THIS ISSUE IS NOT UNDERWRITTEN.

OUR PROMOTER

Our Promoter is Poshika Advisory Services LLP; **Tel**.: +91 124 4091777; **Email**: snath@poshika.com. For further details, see "*Our Promoter*" on page 175.

GENERAL RISKS

Investment in non-convertible securities is risky and investors should not invest any funds in such securities unless they can afford to take the risk attached to such investments. Investors are advised to take an informed decision and to read the risk factors carefully before investing in this offering. For taking an investment decision, investors must rely on their examination of the issue including the risks involved in it. Specific attention of investors is invited to statement of risk factors contained under "*Risk Factors*" and "*Material Developments*" on page 19 and 214 respectively of this Prospectus. These risks are not, and are not intended to be, a complete list of all risks and considerations relevant to the NCDs or investor's decision to purchase such securities. This Prospectus has not been and will not be approved by any regulatory authority in India, including the Securities and Exchange Board of India ("**SEBI**"), the Reserve Bank of India ("**RBI**"), RoC or any Stock Exchanges in India nor do they guarantee the accuracy or adequacy of this document.

CREDIT RATING

The NCDs proposed to be issued under the Issue have been rated "IND A+/STABLE for an amount of ₹ 20,000 Lakh by India Ratings & Research Private Limited vide their rating letter dated February 25, 2025, and press release dated December 30,2024. The rating provided by India Ratings & Research Private Limited is valid as on the date of this Prospectus and shall remain valid on date of the Issue and Allotment of NCDs and the listing of the NCDs on Stock Exchanges. Securities with this rating are considered to have adequate degree of safety regarding timely servicing of financial obligations. Such securities carry low credit risk. The ratings provided by India Ratings & Research Private Limited may be suspended, withdrawn or revised at any time on the basis of factors such as new information by the assigning rating agency and should be evaluated independently of any other rating. These ratings are not a recommendation to buy, sell or hold securities and Investors should take their own decisions. In case of any change in credit ratings till the listing of NCDs, our Company will inform the investors through public notices/ advertisements in all those newspapers in which pre issue advertisement will be given. For the rationale, rating letters and press release for these ratings, see "*Annexure A*" of this Prospectus, on page 408. There are no unaccepted ratings and any other ratings other than as specified in this Prospectus.

LISTING

The NCDs offered through this Prospectus are proposed to be listed on BSE Limited ("**BSE**") and National Stock Exchange of India Limited ("**NSE**"). NSE shall be the Designated Stock Exchange. Our Company has received an 'In-Principle' approval from BSE vide their letter bearing reference number DCS/BM/PI-BOND/40/24-25, dated March 25, 2025 and NSE vide their letter bearing reference number NSE/LIST/D/2025/0091, dated March 25, 2025

PUBLIC COMMENTS

The Draft Prospectus dated March 20, 2025 was filed with BSE and NSE, pursuant to Regulation 27(2) of the SEBI NCS Regulations and was kept open for public comments for a period of One Day (i.e., until 5 p.m.) from the date of filing of the Draft Prospectus with the Stock Exchanges. No comments were received on the Draft Prospectus until 5 p.m. March 21, 2025.

COUPON RATE, COUPON PAYMENT FREQUENCY, REDEMPTION DATE, REDEMPTION AMOUNT & ELIGIBLE INVESTORS

For details relating to Coupon Rate, Coupon Payment Frequency, Redemption Date, Redemption Amount, please refer to "*Terms of the Issue*" on page 242. For details relating to Eligible Investors, please refer to "*Issue Structure*" on page 218.

LEAD MANAGER TO THE ISSUE	REGISTRAR TO THE ISSUE
Tipsons Consultancy Services Private Limited 1st Floor, Sheraton House, Opposite Ketav Petrol Pump, Polytechnic Road, Ambawadi, Ahmedabad – 380 015, Gujarat, India **Tel.:** +91 79 66828064 / 66828127 **Email:** Tipsons.projectpragati@tipsons.com **Investor Grievance Email**: igr@tipsons.com **Contact person:** Ms. Divyani Koshta **Website:** www.tipsons.com **SEBI registration number:** INM000011849	**MUFG Intime India Private Limited** **(Formerly known as Link Intime India Private Limited)** C 101, 247 Park, L B S Marg Vikhroli West, Mumbai - 400 083 **Tel.**: +91 810 811 4949 **Fax**: +91 22 49186160 **Email**: ugrocapital.ncd2025@in.mpms.mufg.com **Investor Grievance Email:** ugrocapital.ncd2025@in.mpms.mufg.com **Contact person:** Ms. Shanti Gopalkrishnan **Website:** www.in.mpms.mufg.com **SEBI registration number:** INR000004058

Credit Rating Agency	Debenture Trustee**	Statutory Auditor
India Ratings and Research Private Limited Wockhardt Towers, 4th Floor, West Wing, Bandra Kurla Complex, Bandra (E) Mumbai – 400 051, Maharashtra, India **Tel:** +91 22 40001700 **Fax:** +91 22 40001701 **Email:** infogrp@indiaratings.co.in	**MITCON Credentia Trusteeship Services Limited** **Registered Address**: Kubera Chambers, 1st Floor, Shivajinagar, Pune 411005, Maharashtra, India	**M/s Sharp & Tannan Associates** Chartered Accountants 87, Nariman Bhavan, 227 Nariman Point, Mumbai 400021 **Tel.**: +91 22 6153 7500, 2202 2224/8857; **Email**:mumbai.office@sharpandtannan.com, **Contact Person**: Mr. Tirtharaj Khot

Website: www.indiaratings.co.in **Contact Person:** Mr. Karan Gupta **SEBI Registration No.:** IN/CRA/002/1999	**Corporate Address**: 1402/03, B-Wing, Dalamal Tower, 14th Floor, Free Press Journal Marg, 211, Nariman Point, Mumbai- 400021, India **Tel.**: +91 22828200 **Fax:** +91 22024553 **Email**: contact@mitconcredentia.in **Investor Grievance Email**: investorgrievances@mitconcredentia.in **Contact person**: Ms Vaishali Urkude **Website:** www.mitconcredentia.com **SEBI registration number:** IND000000596	

ISSUE PROGRAMME *			
Issue Opens on	Thursday, **April 03, 2025**	**Issue Closes on**	Monday, **April 21, 2025**

** This Issue shall remain open for subscription on Working Days from 10:00 a.m. to 5:00 p.m. (Indian Standard Time) during the period indicated in this Prospectus, except that the Issue may close on such earlier date or extended date (subject to a minimum period of two Working Days and a maximum period of ten Working Days from the date of opening of the Issue) as may be decided by the Board of Directors of the Company or the Investment and Borrowing Committee, subject to compliance with Regulation 33A of the SEBI NCS Regulations. In the event of an early closure or extension of the Issue, our Company shall ensure that notice of the same is provided to the prospective investors through an advertisement in all the newspapers in which pre-issue advertisement for opening of this Issue has been given on or before such earlier or initial date of Issue closure. Application Forms for this Issue will be accepted only from 10:00 a.m. to 5:00 p.m. (Indian Standard Time). On the Issue Closing Date, the Application Forms will be accepted only between 10:00 a.m. and 3:00 p.m. (Indian Standard Time) and uploaded until 5:00 p.m. (Indian Standard Time) or such extended time as may be permitted by the Stock Exchanges. Further, pending mandate requests for bids placed on the last day of bidding will be validated by 5:00 p.m. (Indian Standard Time) on one Working Day post the Issue Closing Date. For further details please refer to "Issue Related Information" on page 218.*

*** MITCON Credentia Trusteeship Services Limited under Regulation 8 of SEBI NCS Regulations has vide its letter dated March 20, 2025 given its consent for its appointment as Debenture Trustee to the Issue and for its name to be included in this Prospectus, and in all the subsequent periodical communications sent to the holders of the NCDs issued pursuant to the Issue.*

A copy of this Prospectus has been filed with the Registrar of Companies, Maharashtra at Mumbai in terms of sub-section (4) of Section 26 of Companies Act, 2013, along with the endorsed/certified copies of all requisite documents. For further details, please refer to "Material Contracts and Documents for Inspection" on page 404 and "Issue Related Information" on page 218.

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SECTION I: GENERAL

DEFINITIONS AND ABBREVIATIONS

This Prospectus uses certain definitions and abbreviations which, unless the context otherwise indicates or implies, shall have the meaning ascribed to such definitions and abbreviations set forth. References to any legislation, act, regulation, rules, guidelines, clarifications or policies shall be to such legislation, act, regulation, rules, guidelines, clarifications or policies as amended, supplemented or re-enacted from time to time until the date of this Prospectus, and any reference to a statutory provision shall include any subordinate legislation notified from time to time pursuant to such provision.

The words and expressions used in this Prospectus but not defined herein shall have, to the extent applicable, the same meaning ascribed to such words and expressions under the SEBI NCS Regulations, the Companies Act, 2013, the SCRA, the Depositories Act, the RBI Act and the rules and regulations notified thereunder.

Notwithstanding the foregoing, the terms defined as part of "General Information", "Risk Factors", "Industry Overview", "Key Regulations and Policies", "Statement of Possible Tax Benefits", "Provisions of Articles of Association", "Financial Information" and "Other Regulatory and Statutory Disclosures" on pages 50, 19, 108, 365, 95, 383, 179 and 326, respectively shall have the meaning ascribed to them as part of the aforementioned sections. Terms not defined as part of the sections "Our Business", "Risk Factors", "Industry Overview" and "Key Regulations and Policies", on pages 129, 19, 108 and 365, respectively, shall have the meaning ascribed to them hereunder.

General Terms

Term	Description
"Issuer" / "UGRO" / "Company"	Unless the context otherwise indicates or implies, refers to UGRO Capital Limited, a public limited company incorporated in India under the Companies Act, 1956 and validly existing under the Companies Act 2013, having its registered and corporate office at Equinox Business Park, Tower 3, Fourth Floor, Off BKC, LBS Road, Kurla, Mumbai - 400070, Maharashtra, India
We / us / our	Unless the context otherwise indicates or implies, refers to the Company

Company related terms:

Term	Description
Articles / Articles of Association / AoA	Articles of association of our Company
Asset Liability Committee	Asset Liability Committee as constituted by the Board of Directors of our Company in accordance with applicable laws
Audit Committee	Audit committee as constituted by the Board of Directors of our Company in accordance with applicable laws
Audited Financial Statements	Collectively, the audited financial statements of our Company as of and for the years ended March 31, 2024, March 31, 2023 and March 31, 2022 which have been prepared in accordance with the Ind AS, as specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and other relevant provisions of the Companies Act, 2013 to the extent applicable, each comprising of the audited balance sheet, audited statement of profit and loss (including other comprehensive income), audited statement of changes in equity and the audited statement of cash flow for the years then ended, and notes to the respective financial statements
Board / Board of Directors	Board of directors of our Company and includes any committee constituted thereof
CEO	Chief Executive Officer
CFO	Chief Financial Officer

Term	Description
Corporate Social Responsibility Committee	Corporate social responsibility committee of Board of Directors of our Company constituted in accordance with applicable laws
Company Secretary and Compliance Officer	The Company Secretary and Compliance Officer of our Company, namely, Satish Chelladurai Kumar
Compliance Committee	The Compliance Committee of Board of Directors of our Company constituted in accordance with applicable laws
Director(s)	Director(s) of our Company
CSL Employee Stock Option Scheme 2017	The Employee Stock Option Scheme of our Company approved by board of directors on December 31, 2017 and by the shareholders through postal ballot on May 07, 2018 (Results of which were declared on May 09, 2018) and ratified by the shareholders in Extra-ordinary General Meeting held on September 18, 2018 and amended by the shareholders through postal ballot on May 5, 2022 (Results of which were declared on May 6, 2022) and December 1, 2024 (Results of which declared on December 3, 2024)
UGRO Capital Employee Stock Option Scheme 2022	The Employee Stock Option Scheme of our Company approved by board of directors on July 22, 2022, and by the shareholders through postal ballot on September 04, 2022
Equity Shares	Equity shares of our Company
Group Companies	As on the date of this Prospectus, we do not have any identifiable group companies
Independent Directors(s)	Independent director(s) of our Company, as disclosed under "Our Management", on page 151
Investment and Borrowing Committee / IB Committee	The Investment and Borrowing Committee of Board of Directors of our Company, constituted in accordance with applicable laws
IT Strategy Committee	The IT Strategy Committee of Board of Directors of our Company, constituted in accordance with applicable laws
Key Managerial Personnel(s) / KMP(s)	The Key Managerial Personnel(s) of our Company as disclosed under "Our Management", on page 151 and appointed in accordance with Section 203 of the Companies Act, 2013 and defined under regulation 2(1) (sa) of SEBI NCS Regulations and Section 2(51) of the Companies Act, 2013
"Memorandum" / "Memorandum of Association" / "MoA"	Memorandum of Association of our Company
Nomination and Remuneration Committee/ NRC	Nomination and Remuneration Committee of Board of Directors of our Company, constituted in accordance with applicable laws
Non-Executive Director(s)	Non-executive director(s) of our Company, as disclosed under "Our Management", on page 151
Previous Statutory Auditors	Please see "Change in Statutory Auditors for preceding three financial years and current financial year as on date of this Prospectus" on page 55
Promoter	The promoter of our Company namely, Poshika Advisory Services LLP
Promoter Group	Includes such persons and entities constituting the promoter group of our Company pursuant to Regulation 2 (1) (pp) of the SEBI ICDR Regulations, 2018, as amended
Registered and Corporate Office	Equinox Business Park, Tower 3, Fourth Floor, Off BKC, LBS Road, Kurla, Mumbai - 400070, Maharashtra, India
Registrar of Companies / RoC	Registrar of Companies, Maharashtra at Mumbai
Risk Management Committee	The Risk Management Committee of Board of Directors of our Company, constituted in accordance with applicable laws
Securities Allotment and Transfer Committee	The Securities Allotment and Transfer Committee of Board of Directors of our Company, constituted in accordance with applicable laws
"Senior Management Personnel" or "SMP"	Senior Management of our Company in accordance with Regulation 2(1)(ii)(a) of the SEBI NCS Regulations
Shareholders	Equity Shareholders of our Company from time to time
Statutory Auditor/ Auditor	The current statutory auditors of our Company, M/s Sharp & Tannan Associates, Chartered Accountants

Term	Description
Stakeholders' Relationship Committee	The Stakeholders' Relationship Committee of Board of Directors of our Company, constituted in accordance with applicable laws
Unaudited Financial Results	Our unaudited financial results for the six months ended September 30, 2024 and for the quarter and nine months ended December 31, 2024, along with the limited review report, prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, Interim Financial Reporting ('Ind AS 34'), prescribed under section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India and is in compliance with the presentation and disclosure requirements of Regulation 33 and Regulation 52 of the SEBI LODR Regulations

Issue related terms:

Term	Description
Abridged Prospectus	The memorandum containing the salient features of this Prospectus
Acknowledgement Slip	The slip or document issued by the Designated Intermediary to an Applicant as proof of registration of the Application Form
Allot/ Allotment / Allotted	Unless the context otherwise requires, the issue and allotment of the NCDs pursuant to this Issue to the Allottees
Allotment Advice	The communication sent to the Allottees conveying details of NCDs allotted to the Allottees in accordance with the Basis of Allotment
Allottee(s)	The successful Applicant to whom the NCDs are Allotted, either in full or in part in terms of this Issue
Applicant / Investor / ASBA Applicant	The person who applies for issuance and Allotment of NCDs through ASBA process or through UPI Mechanism pursuant to the terms of the Draft Prospectus, this Prospectus, the Abridged Prospectus and Application Form
Application/ASBA Application/Application Supported by Blocked Amount/ASBA	An application (whether physical or electronic) to subscribe to the NCDs offered pursuant to the Issue by submission of a valid Application Form and authorized an SCSB to block the Application Amount in the ASBA Account or to block the Application Amount using the UPI Mechanism, where the Bid Amount or an Application Amount of up to UPI Application Limit will be blocked upon acceptance of UPI Mandate Request by retail investors which will be considered as the application for Allotment in terms of this Prospectus
Application Amount	The aggregate value of the NCDs applied for, as indicated in the Application Form for the Issue
Application Form/ ASBA Form	The form in terms of which the Applicant shall make an offer to subscribe to the NCDs through the ASBA process or through the UPI Mechanism and which will be considered as the Application for Allotment of NCDs in terms of this Prospectus
ASBA Account	A bank account maintained by an ASBA Bidder with an SCSB, as specified in the ASBA Form submitted by ASBA Applicants for blocking the Bid Amount mentioned in the ASBA Form, and will include a bank account of a retail individual investor linked with UPI, for retail individual investors submitting application value up to UPI Application Limit
ASBA Applicant	Any Applicant who applies for NCDs through the ASBA process
Banker to the Issue	Collectively Public Issue Account Bank, Refund Bank and Sponsor Bank.
Base Issue Size/ Base Issue	₹ 10,000 lakh
Basis of Allotment	The basis on which NCDs will be allotted to applicants as described in "Issue Procedure- Basis of Allotment" on page 263
Bidding Centres	Centres at which the Designated Intermediaries shall accept the Application Forms, i.e., Designated Branches of SCSB, Specified Locations for Consortium, Broker Centres for Registered Brokers, Designated RTA Locations for RTAs and Designated CDP Locations for CDPs
Broker Centres	Broker centres notified by the Stock Exchange where Applicants can submit the ASBA Forms (including ASBA Forms under UPI in case of UPI Investors) to a Registered Broker. The details of such Broker Centres, along with the names and

Term	Description
	contact details of the Registered Brokers are available on the website of the Stock Exchanges at www.bseindia.com and www.nseindia.com
BSE	BSE Limited
Category I Investor - Institutional Investors	• Public financial institutions, scheduled commercial banks, and Indian multilateral and bilateral development financial institutions which are authorized to invest in the NCDs; • Provident funds and pension funds each with a minimum corpus of ₹ 2,500 lakh superannuation funds and gratuity funds, which are authorized to invest in the NCDs; • Alternative Investment Funds, subject to investment conditions applicable to them under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012; • Resident Venture Capital Funds registered with SEBI; • Insurance companies registered with the IRDAI; • State industrial development corporations; • Insurance funds set up and managed by the army, navy, or air force of the Union of India; • Insurance funds set up and managed by the Department of Posts, the Union of India; • Systemically Important Non-Banking Financial Company registered with the RBI; • National Investment Fund set up by resolution no. F.No. 2/3/2005-DDII dated November 23, 2005 of the Government of India published in the Gazette of India; and • Mutual funds registered with SEBI.
Category II Investor - Non- Institutional Investors	• Companies within the meaning of Section 2(20) of the Companies Act, 2013; • Statutory bodies/ corporations and societies registered under the applicable laws in India and authorized to invest in the NCDs; • Co-operative banks and regional rural banks; • Trusts including public/private charitable/religious trusts which are authorized to invest in the NCDs; • Scientific and/or industrial research organisations, which are authorized to invest in the NCDs; • Partnership firms in the name of the partners; • Limited liability partnerships formed and registered under the provisions of the Limited Liability Partnership Act, 2008 (No. 6 of 2009); • Association of Persons; and • Any other incorporated and/ or unincorporated body of persons
Category III Investor- High Net-Worth Individual Investors	Resident Indian individuals or Hindu Undivided Families through the Karta applying for an amount aggregating to above ₹ 10 lakh across all options of NCDs in this Issue
Category IV Investor- Retail Individual Investors	Resident Indian individuals or Hindu Undivided Families through the Karta applying for an amount aggregating up to and including ₹10 lakh across all options of NCDs in this Issue and shall include retail individual investors, who have submitted bid for an amount not more than UPI Application Limit in any of the bidding options in the Issue (including Hindu Undivided Families applying through their Karta and does not include NRIs) through UPI Mechanism
Client ID	Client identification number maintained with one of the Depositories in relation to the demat account
Collecting Depository Participants / CDPs	A depository participant, as defined under the Depositories Act, 1996 and registered with the SEBI Act and who is eligible to procure Applications at the Designated CDP Locations in terms of the SEBI Master Circular
Collecting Registrar and Share Transfer Agents or CRTAs	Registrar and share transfer agents registered with SEBI and eligible to procure Applications, at the Designated RTA Locations
Consortium Agreement	Consortium Agreement dated March 26, 2025 entered into amongst the Company, Lead Manager and Consortium Member to the Issue
Consortium Member	Tipsons Stock Brokers Private Limited

Term	Description
Consortium/Members of the Consortium/Members of Syndicate (each individually, a Member of the Consortium)	The Lead Manager and Consortium Member
Coupon/ Interest Rate	The aggregate rate of interest payable in connection with the NCDs as specified in "Issue Structure" on page 218
Credit Rating Agency	India Ratings & Research Private Limited
Debenture Holder(s) / NCD Holder(s)	The holders of the Secured NCDs pursuant to the Issue whose name appears in the database of the relevant Depository and/or the register of NCD Holders (if any) maintained by our Company if required under applicable law
Debenture Trustee Agreement	Agreement dated March 20, 2025 entered into between our Company and the Debenture Trustee wherein the appointment of the Debenture Trustee to the Issue, is agreed between our Company and the Debenture Trustee.
Debenture Trust Deed	The trust deed to be entered between the Debenture Trustee and our Company which shall be executed in relation to the NCDs within the time limit prescribed by applicable statutory and/or regulatory requirements, including creation of appropriate security, in favour of the Debenture Trustee for the NCD Holders on the assets adequate to ensure at least 110% security cover of the outstanding principal amounts of NCDs and all interest due and payable thereon in respect of the NCDs maintained at all times as security until the Final Settlement Date, issued pursuant to the Issue. The contents of the Debenture Trust Deed shall be as prescribed by SEBI or any other applicable statutory/regulatory body from time to time
Debenture Trustee / Trustee	Trustee for the NCD holders in this case being MITCON Credentia Trusteeship Services Limited
Deemed Date of Allotment	The date on which the Investment and Borrowing Committee authorised by the Board approves the Allotment of the NCDs for the Issue or such date as may be determined by the Board of Directors/ or the Investment and Borrowing Committee authorised by the Board thereof and notified to the Designated Stock Exchange. The actual Allotment of NCDs may take place on a date other than the Deemed Date of Allotment. All benefits relating to the NCDs including interest on NCDs shall be available to the Debenture Holders from the Deemed Date of Allotment
Demographic Details	The demographic details of an Applicant such as his address, email, bank account details, MICR Code, UPI ID (as applicable), category, PAN etc
Depositories Act	The Depositories Act 1996
Depository(ies)	National Securities Depository Limited and /or Central Depository Services (India) Limited
Designated Branches	Such branches of the SCSBs which shall collect the Application Forms used by the ASBA Applicants and a list of which is available at http://www.sebi.gov.in/sebi_data/attachdocs/1365051213899.html or https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes or at such other weblink as may be prescribed by SEBI from time to time
Designated CDP Locations	Such locations of the CDPs where Applicants can submit the ASBA Forms, a list of which, along with names and contact details of the Collecting Depository Participants eligible to accept ASBA Forms are available on the websites of the Stock Exchanges at www.bseindia.com and www.nseindia.com
Designated Date	The date on which the Registrar to the Issue issues instruction to SCSBs for transfer of funds blocked from the ASBA Account to the Public Issue Account(s) or to the Refund Account, as appropriate, after finalisation of Basis of Allotment, in terms of this Prospectus and the Public Issue Account and Sponsor Bank Agreement
Designated Intermediaries	The Members of the Consortium, Sub-Consortium/agents, Trading Members, agents, SCSBs, Registered Brokers, CDPs and RTAs, who are authorized to collect Application Forms from the Applicants, in relation to the Issue. In relation to ASBA applicants authorising an SCSB to block the amount in the ASBA Account, Designated Intermediaries shall mean SCSBs. In relation to ASBA applicants submitted by Retail Individual Investors where the amount was blocked upon acceptance of UPI Mandate Request using the UPI Mechanism, Designated Intermediaries shall mean the CDPs, RTAs, Lead Manager,

Term	Description
	Members of the Consortium, Trading Members and Stock Exchanges where applications have been submitted through the app/web interface as provided in the SEBI Master Circular
Designated RTA Locations	Such centres of the RTAs where Applicants can submit the Application Forms. The details of such Designated RTA Locations, along with the names and contact details of the RTAs eligible to accept ASBA Forms and Application Forms submitted using the UPI Mechanism as a payment option (for a maximum amount of UPI Application Limit) are available on the website of the Stock Exchange at www.bseindia.com and www.nseindia.com
Designated Stock Exchange	The designated stock exchange for the Issue, being National Stock Exchange of India Limited
Direct Online Application Mechanism	An online interface enabling direct applications through UPI by an app based/web interface, by investors to a public issue of debt securities with an online payment facility
DP / Depository Participant	A depository participant as defined under the Depositories Act
Draft Prospectus	The Draft Prospectus dated March 20, 2025, filed by our Company with the Stock Exchanges for receiving public comments and with SEBI in accordance with the provisions of the Companies Act, 2013 and the SEBI NCS Regulations
Final Settlement Date	The date on which all secured obligations (including all present and future obligations (whether actual or contingent and whether owed jointly or severally or in any capacity whatsoever) of the Company to the NCD Holders or the debenture trustee under the Transaction Documents in respect of the debentures, including without limitation, the making of payment of any coupon, interest, redemption of principal amounts, the default interest, additional interest, liquidated damages, indemnity payments and all costs, charges, expenses and other amounts payable by the company in respect of the debentures) have been irrevocably and unconditionally paid and discharged in full to the satisfaction of the NCD Holders
Interest/Coupon Payment Date	Please see the section titled "Issue Related Information" on page 218
Issue	Public Issue by our Company of up to 20,00,000 secured, rated, listed, redeemable, non-convertible debentures of face value of ₹ 1,000/- Each ("**NCDs**") for an amount up to ₹ 10,000 Lakh ("**Base Issue Size**") with an option to retain oversubscription up to ₹ 10,000 Lakh ("**Green Shoe Option**"), for an aggregate amount of up to ₹ 20,000 Lakh ("**Issue Size**" or "**Issue Limit**")
Issue Agreement	Agreement dated March 20, 2025 entered into by our Company and the Lead Manager
Issue Closing Date	Monday, April 21, 2025
Issue Document	The Draft Prospectus, this Prospectus, the Abridged Prospectus, the Application Form and supplemental information, if any, read with any notices, corrigenda and addenda thereto
Issue Opening Date	Thursday, April 03, 2025
Issue Period	The period between the Issue Opening Date and the Issue Closing Date inclusive of both days, during which prospective Applicants can submit their Application Forms
Lead Manager	Tipsons Consultancy Services Private Limited
Listing Agreement	The uniform listing agreement entered into between our Company and the Stock Exchanges in connection with the listing of debt securities of our Company
Market Lot	1 (one) NCD
NCDs / Debentures	Non-convertible debentures of face value of ₹ 1,000 each for an amount up to ₹ 10,000 lakh ("Base Issue Size") with an option to retain oversubscription up to ₹ 10,000 lakh ("Green Shoe Option"), cumulatively aggregating up to 20,00,000 NCDs for an aggregate amount of up to ₹ 20,000 lakh to be issued through this Issue
NSE	National Stock Exchange of India Limited
OCB or Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% (sixty percent) by NRIs including overseas trusts, in which not less than 60% (sixty percent) of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date had taken benefits under the general permission granted to OCBs under the FEMA. OCBs are not permitted to invest in the Issue

Term	Description
Prospectus	The Prospectus dated March 26, 2025 filed with the RoC and submitted with SEBI, NSE and BSE in accordance with the provisions of the Companies Act, 2013 and the SEBI NCS Regulations
Public Issue Account	Account(s) to be opened with the Banker(s) to the Issue to receive monies from the ASBA Accounts maintained with the SCSBs (including under the UPI mechanism) on the Designated Date
Public Issue Account and Sponsor Bank Agreement	Agreement dated March 26, 2025 entered into amongst our Company, the Registrar to the Issue, the Public Issue Account Bank, the Refund Bank and Sponsor Bank, and the Lead Manager for the appointment of the Public Issue Account Bank, Refund Bank and Sponsor Bank in accordance with the UPI Mechanism Circular and for collection of the Application Amounts from ASBA Accounts under the UPI mechanism from the Applicants on the terms and conditions thereof and where applicable, refund of the amounts collected from the applicants
Public Issue Account Bank	HDFC Bank Limited
Record Date	The record date for payment of interest in connection with the NCDs or repayment of principal in connection therewith shall be 15 (fifteen) days prior to the date on which interest is due and payable, and/or the date of redemption or such other date as may be determined by the Board of Directors or the Management Committee or such other Committee (as may be authorised by the Board in this regard from time to time) in accordance with the applicable law. Provided that trading in the NCDs shall remain suspended between the aforementioned Record Date in connection with redemption of NCDs and the date of redemption or as prescribed by the Stock Exchanges, as the case may be. In case the Record Date falls on a day when the Stock Exchanges is having a trading holiday, the immediate subsequent trading day or a date notified by our Company to the Stock Exchanges, will be deemed as the Record Date
Recovery Expense Fund	An amount deposited by our Company with the Designated Stock Exchange, equal to 0.01% of the issue size, subject to a maximum of deposit of ₹25,00,000 at the time of making the application for listing of NCDs, in the manner as specified by SEBI in the DT Master Circular and Regulation 11 of SEBI NCS Regulations
Redemption Amount	The principal amount of the NCDs along with interest accrued on them, if any, as on the Redemption Date as specified in "Issue Related Information" on page 218
Redemption Date	The date on which our Company is liable to redeem the NCDs in full as specified in "Issue Structure" on page 218
Refund Account	Account opened with the Refund Bank from which refunds, if any, of the whole or any part of the Application Amount shall be made
Refund Bank	The Banker(s) to the Issue with whom the Refund Account will be opened and as specified in the Prospectus
Register of Debenture Holders	A register of debenture holders maintained by our Company in accordance with the provisions of the Companies Act, 2013
Registrar Agreement	Agreement dated March 20, 2025 entered into between our Company and the Registrar to the Issue, in relation to the responsibilities and obligations of the Registrar to the Issue pertaining to this Issue
Registered Brokers or Brokers	Stock brokers registered with SEBI under the Securities and Exchange Board of India (Stock Brokers) Regulations, 1992 as amended from time to time, and the stock exchange having nationwide terminals, other than the Consortium and eligible to procure Applications from Applicants
Registrar to the Issue/ RTA/ Share Transfer Agent	MUFG Intime India Private Limited (Formerly known as Link Intime India Private Limited)
SCSBs / Self Certified Syndicate Banks	The banks registered with SEBI, offering services in relation to ASBA and UPI, a list of which is available on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes for ASBA and https://sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40 for UPI, updated from time to time and at such other websites as may be prescribed by SEBI from time to time
SEBI LODR IV Amendment	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Fourth Amendment) Regulations, 2021

Term	Description
Security	As specifically disclosed in "Issue Structure" on page 218 of this Prospectus and detailed in the Debenture Trust Deed
Series / Option	As specified in "Issue Structure" on page 218
Specified Cities/ Specified Locations	Bidding Centers where the member of the Consortium shall accept ASBA Forms from Applicants a list of which is available on the website of the SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes and updated from time to time, and at such other websites as may be prescribed by SEBI from time to time
Sponsor Bank(s)	HDFC Bank Limited, a Banker to the Issue, registered with SEBI, which is appointed by the Issuer to act as a conduit between the Stock Exchanges and NPCI in order to push the mandate collect requests and/or payment instructions of the retail individual investors into the UPI for retail individual investors applying through the app/web interface of the Stock Exchange(s) with a facility to block funds through UPI Mechanism for application value up to ₹5,00,000 and carry out any other responsibilities in terms of the SEBI Master Circular and as specified in this Prospectus
Stock Exchanges	BSE and NSE
Syndicate SCSB Branches	In relation to ASBA Applications submitted to a member of the Syndicate, such branches of the SCSBs at the Syndicate ASBA Centres named by the SCSBs to receive deposits of the Application Forms from the members of the Syndicate, and a list of which is available on http://www.sebi.gov.in or at such other website as may be prescribed by SEBI from time to time
Tenor	Tenor shall mean the tenor of the NCDs as specified in "Issue Structure" on Page 218
Total Equity	Total Equity shall mean total equity mentioned herein as per the Audited Financial Statements.
Trading Members	Intermediaries registered with a broker or a sub-broker under the Securities and Exchange Board of India (Stock Brokers) Regulations, 1992 and/or with the Stock Exchanges under the applicable byelaws, rules, regulations, guidelines, circulars issued by Stock Exchanges from time to time and duly registered with the Stock Exchanges for collection and electronic upload of Application Forms on the electronic application platform provided by Stock Exchanges
Transaction Registration Slip or TRS	The acknowledgement slips or document issued by any of the Designated Intermediary to an Applicant upon demand as proof of registration of the Application Form
Transaction Documents/ Issue Documents/ Offer Documents	Shall mean Prospectus, Prospectus read with any notices, corrigenda, addenda thereto, Abridged Prospectus, the Issue Agreement, Registrar Agreement, Consortium Agreement, Debenture Trustee Agreement, Public Issue Account and Sponsor Bank Agreement, Tripartite Agreements, Application Form, the Debenture Trust Deed and Security Documents to be executed between our Company and the Debenture Trustee. For further details see, "Material Contracts and Documents for Inspection" on page 404
Tripartite Agreements	Tripartite Agreement dated March 20, 2019 entered into between our Company, Registrar to the Issue and NSDL and Tripartite Agreement dated March 20, 2019 entered into between our Company, Registrar to the Issue and CDSL for offering demat option to the NCD Holders
UPI ID	Identification created on the UPI for single-window mobile payment system developed by the National Payments Corporation of India
UPI Application Limit	Maximum limit to utilize the UPI mechanism to block the funds for application value up to ₹5 lakh for issues of debt securities pursuant to SEBI Master Circular or any other investment limit, as applicable and prescribed by SEBI from time to time
UPI Mandate Request / Mandate Request	A request initiated by the Sponsor Bank on the retail individual investor to authorize blocking of funds in the relevant ASBA Account through the UPI mobile app/web interface (using UPI Mechanism) equivalent to the bid amount (not exceeding UPI Application Limit) and subsequent debit of funds in case of allotment
UPI Mechanism / UPI	Unified Payments Interface mechanism in accordance with SEBI Master Circular as amended from time to time, to block funds for application value up to UPI Application Limit submitted through intermediaries

Term	Description
Wilful Defaulter	Includes wilful defaulters as defined under Regulation 2(1)(lll) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 which includes a Person or a company categorized as a wilful defaulter by any bank or financial institution (as defined under the Companies Act, 2013) or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the RBI and includes a company whose director or promoter is categorized as a wilful defaulter
Working Day	Working day means all days on which commercial banks in Mumbai, are open for business. In respect of announcement or bid/issue period, working day shall mean all days, excluding Saturdays, Sundays and public holidays, on which commercial banks in Mumbai are open for business. Further, in respect of the time period between the bid/ issue closing date and the listing of the NCDs on the Stock Exchanges, working day shall mean all trading days of the Stock Exchanges for non-convertible securities, excluding Saturdays, Sundays and bank holidays, as specified by SEBI

Technical/Industry Related Terms/Abbreviations:

Term	Description
AAN	Account Aggregation Network
AI	Artificial Intelligence
AIF	An alternative investment fund as defined in and registered with SEBI under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012 as amended from time to time
ALM	Asset liability management
Anchors	Entities which aides and facilitate our Company financing to vendors/ dealers
AUM	Assets under management
Average ticket size	Average amount of the loans given in a certain category
BRE	Business Rule Engine
CAGR	Compounded Annual Growth Rate and is calculated by dividing the value at the end of the period in question by corresponding value at the beginning of that period, and raising the result to the power of one divided by the period length, and subtracting one from the subsequent result
CareEdge Research	CARE Analytics & Advisory Private Limited.
CareEdge Research Report	CareEdge Research as the agency issuing the industry report titled "*Research Report on NBFC Industry*" dated March, 2025 for part of Industry Overview chapter
CGTMSE	Credit Guarantee Fund Trust for Micro and Small Enterprises
CIN	Corporate Identification Number
CRAR	Capital to risk (weighted) assets ratio, or capital risk adequacy ratio
CRR	Cash reserve ratio
CSR	Corporate social responsibility
DIN	Director Identification Number
DRR	Debenture Redemption Reserve
ECB	External Commercial Borrowings
ECGC	Export Credit Guarantee Corporation
EM	Emerging Markets
EPS	Earnings per share
EGM	Extraordinary General Meeting
ESG	Environmental, Social and Governance
FMCG	Fast Moving Consumer Goods
ICAI	Institute of Chartered Accountants of India
IFRS	International Financial Reporting Standards of the International Accounting Standards Board
Income Tax Act	Income Tax Act, 1961, as amended
Income Tax Rules	Income Tax Rules, 1962, as amended
KYC	Know Your Customer
LAP	Loan Against Property

Term	Description
LMS	Loan Management Solution
ML	Machine Learning
MSME	Micro, small and medium enterprises
NBFC	Non-banking financial company registered with the RBI
NBFC-ND-SI	Systemically important non-deposit taking non-banking financial company
NCDs	Non-convertible Debentures
Net NPA	Closing balance of the gross carrying amount – stage 3 – Loans less impairment loss allowance – stage 3 loans
Net Worth	Equivalent to Total Equity, and is the sum of Equity share capital, convertible preference share capital and other equity as contained in our Audited Financial Statements.
NPA	Non-performing asset/ Stage 3 loans
OCEN	Open Credit Enablement Network
OCR	Optical Character Recognition
OEMs	Original Equipment Manufacturer
QIP	Qualified Institutional Placement
SARFAESI Act	Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002, as amended
SME	Small and medium-sized enterprises
TAT	Turnaround time
Tier I Capital	Tier I capital means owned fund as reduced by investment in shares of other non-banking financial companies and in shares, debentures, bonds, outstanding loans and advances including hire purchase and lease finance made to and deposits with subsidiaries and companies in the same group exceeding, in aggregate, ten per cent of the owned fund; and perpetual debt instruments issued by a non-deposit taking nonbanking financial company in each year to the extent it does not exceed 15% of the aggregate Tier I Capital of such company as on March 31 of the previous accounting year
Tier II Capital	Tier II capital includes the following: (a) preference shares other than those which are compulsorily convertible into equity; (b) revaluation reserves at discounted rate of fifty five percent; (c) General Provisions (including that for Standard Assets) and loss reserves to the extent these are not attributable to actual diminution in value or identifiable potential loss in any specific asset and are available to meet unexpected losses, to the extent of one and one fourth percent of risk weighted assets; (d) hybrid debt capital instruments; (e) subordinated debt; perpetual debt instruments issued by a non-deposit taking non-banking financial company which is in excess of what qualifies for Tier I Capital to the extent the aggregate does not exceed Tier I Capital

Conventional and general terms:

Term	Description
₹/ Rs. / INR/ Rupees	The lawful currency of the Republic of India
AGM	Annual general meeting
AS	Accounting standard
AY	Assessment year
BSE	BSE Limited
CDSL	Central Depository Services (India) Limited
CGST Act, 2017	The Central Goods and Services Tax Act, 2017, as amended
Civil Procedure Code	The Code of Civil Procedure, 1908, as amended
Companies Act	The Companies Act, 1956, or the Companies Act, 2013, as applicable
Companies Act, 2013	Companies Act, 2013, and rules made thereunder
Consolidated FDI Policy	The Consolidated FDI policy, issued by the DPIIT and any Modifications thereto or substitutions thereof, issued from time to time
Consumer Protection Act	Consumer Protection Act, 1986
COVID-19	Pandemic caused due to the worldwide spread of the novel coronavirus disease
CRISIL	CRISIL Ratings Limited
DT Master Circular	Master circular no. SEBI/HO/DDHS-PoD3/P/CIR/2024/46 issued by SEBI on May 16, 2024, as amended from time to time
ESOP	Employee Stock Option Plan
FDI	Foreign Direct Investment
FDI Policy	The Government policy, rules and the regulations (including the applicable provisions of the FEMA Non-Debt Rules) issued by the Government of India prevailing on that date in relation to foreign investments in our Company's sector of business as amended from time to time
FEMA	Foreign Exchange Management Act, 1999
Fiscal / Financial Year / FY	Financial year ending March 31
FIR	First Information Report
GOI	Government of India
HNI	High Net worth Individual
HUF	Hindu undivided family
IFRS	International financial reporting standards
IFSC	Indian financial system code
Ind AS	Indian Accounting Standards
Indian GAAP	Generally accepted accounting principles in India
IRDAI	Insurance Regulatory and Development Authority of India
ISIN	International securities identification number
IST	Indian standard time
IT Act	Income Tax Act, 1961
MCA	Ministry of Corporate Affairs, Government of India
MICR	Magnetic ink character recognition
NACH	National automated clearing house
NBFC-ND-SI Directions	Reserve Bank of India (Non-Banking Financial Company- Scale Based Regulation) Directions, 2023, updated as on March 21, 2024
NEFT	National electronic funds transfer
NSDL	National Securities Depository Limited
PAN	Permanent account number
RBI	Reserve Bank of India
RBI Act	Reserve Bank of India Act, 1934
RBI Scale Based Regulation	Reserve Bank of India (Non-Banking Financial Company- Scale Based Regulation) Directions, 2023, updated as on February 27, 2025
RTA Master Circular	Master circular no. SEBI/HO/MIRSD/POD-1/P/CIR/2024/37 issued by SEBI on May 07, 2024, as amended from time to time
RTAs	Registrar and share transfer agents
RTGS	Real time gross settlement
SCRA	Securities Contracts (Regulation) Act, 1956

SCRR	Securities Contracts (Regulation) Rules, 1957
SEBI	Securities and Exchange Board of India established under Section 3 of the Securities and Exchange Board of India Act, 1992
SEBI Act	Securities and Exchange Board of India Act, 1992
SEBI AIF Regulations	Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012
SEBI Debenture Trustee Regulations	Securities and Exchange Board of India (Debenture Trustee) Regulations, 1993
SEBI ESOP Regulations	Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, as amended
SEBI FPI Regulations	The Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019, as amended
SEBI ICDR Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018
SEBI Insider Trading Regulations	The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended
SEBI LODR Regulations / SEBI Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended
SEBI NCS Regulations/ Debt Regulations	Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021, as amended
SEBI Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended
SEBI Master Circular	Master circular no. SEBI/HO/DDHS/PoD1/P/CIR/2024/54 issued by SEBI on May 22, 2024, as amended from time to time
TDS	Tax deducted at source
USD/US$	United States Dollars
U.S. GAAP	Generally accepted accounting principles in the United States of America.
U.S. Securities Act	U.S. Securities Act of 1933, as amended.

FORWARD LOOKING STATEMENTS

Certain statements contained in this Prospectus that are not statements of historical fact constitute "forward looking statements". Investors can generally identify forward-looking statements by terminology such as *"aim", "anticipate", "believe", "continue", "could", "estimate", "expect", "intend", "may", "objective", "plan", "potential", "project", "pursue", "shall", "seek", "should", "will", "would"*, or other words or phrases of similar import. Similarly, statements that describe our strategies, objectives, plans or goals are also forward-looking statements.

All statements regarding our expected financial conditions, results of operations, business plans and prospects are forward-looking statements. These forward-looking statements include statements as to our business strategy, revenue and profitability, new business and other matters discussed in this Prospectus that are not historical facts. All forward-looking statements are subject to risks, uncertainties and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement.

Important factors that could cause the actual results, performances and achievements of our Company to be materially different from any of the forward-looking statements include, among others:

1. High levels of customer defaults or delays in repayment of loans could adversely affect our business, financial condition and results of operations.

2. We may not be able to recover, on a timely basis or at all, the full value of collateral or amounts which are sufficient to cover the outstanding amounts due under defaulted loans or the value of collateral may decrease, which could adversely affect our results of operations, cash flows and financial condition**.**

3. Our AUM comprises of unsecured loans. Our inability to recover the amounts due from customers in connection with such loans in a timely manner could adversely affect our operations and profitability.

4. Our financial performance is particularly vulnerable to interest rate volatility. If we are unable to manage interest rate risk in the future it could have an adverse effect on our net interest margin, thereby adversely affecting business and financial condition of our Company.

5. Our business operations involve transactions with borrowers with limited access to credit whose risk profile is relatively high risk. Any default from our customers could adversely affect our business, results of operations and financial condition**.**

6. Our business requires substantial capital, and any disruption in funding sources would have a material adverse effect on our liquidity and financial condition.

7. We have limited operating history and evolving business make it difficult to evaluate our business and future operating results on the basis of our past performance, and our future results may not meet or exceed our past performance.

8. Our inability to meet our obligations, including financial and other covenants under our financing arrangements could adversely affect our business, results of operations and financial condition.

9. We are subject to supervision and regulation by the RBI as a systemically important non - deposit accepting NBFC, and changes in RBI's regulations governing us could adversely affect our business.

10. We may be subject to regulations in respect of provisioning for non-performing assets. If such provisions are not sufficient to provide adequate cover for loan losses that may occur, this could have an adverse effect on our financial condition, liquidity and results of operations.

For further discussion of factors that could cause our actual results to differ, see section titled "*Risk Factors*" on page 19.

All forward-looking statements are subject to risks, uncertainties and assumptions about our Company that could cause actual results and valuations to differ materially from those contemplated by the relevant statement. Additional factors that could cause actual results, performance or achievements of our Company to differ materially include, but are not limited to, those discussed under the sections "*Risk Factors*", "*Industry Overview*" and "*Our Business*" and on pages 19, 108 and 129.

The forward-looking statements contained in this Prospectus are based on the beliefs of management, as well as the assumptions made by and information currently available to management. Although our Company believes that the expectations reflected in such forward-looking statements are reasonable at this time, it cannot assure investors that such expectations will prove to be correct or will hold good at all times. Given these uncertainties, investors are cautioned not to place undue reliance on such forward-looking statements. If any of these risks and uncertainties materialise, or if any of our Company's underlying assumptions prove to be incorrect, our Company's actual results of operations or financial condition could differ materially from that described herein as anticipated, believed, estimated or expected. All subsequent forward-looking statements attributable to our Company are expressly qualified in their entirety by reference to these cautionary statements.

By their nature, certain market risk disclosures are only estimate(s) and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated. Neither our Company, its Directors, its KMPs and officers, nor any of their respective affiliates or associates or the Lead Manager have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition.

In accordance with SEBI NCS Regulations, our Company and Lead Manager will ensure that investors in India are informed of material developments until the time of the grant of listing and trading permission by the Stock Exchanges.

CERTAIN CONVENTIONS, USE OF FINANCIAL, INDUSTRY AND MARKET DATA AND CURRENCY OF PRESENTATION

Certain Conventions

In this Prospectus, unless otherwise specified or the context otherwise indicates or implies, references to "you", "offeree", "purchaser", "subscriber", "recipient", "investors" and "potential investor" are to the prospective investors in this Issue, all references to "we" or "us" or "our" are to UGRO Capital Limited. Unless stated otherwise, all references to page numbers in this Prospectus are to the page numbers of this Prospectus.

All references in this Prospectus to "India" are to the Republic of India and its territories and possessions and all references to the "Government", the "Central Government" or the "State Government" are to the Government of India, central or state, as applicable. Unless otherwise specified, any time mentioned in this Prospectus is in Indian Standard Time ("**IST**"). Unless indicated otherwise, all references to a 'year' in this Prospectus are to a calendar year.

Unless stated otherwise, all references to page numbers in this Prospectus are to the page numbers of this Prospectus.

Presentation of Financial Information

Our Company's financial year commences on April 1 of the immediately preceding calendar year and ends on March 31 of that particular calendar year, so all references to a particular financial year or fiscal are to the 12 months period commencing on April 1 of the immediately preceding calendar year and ending on March 31 of that particular calendar year. Unless the context requires otherwise, all references to a year in this Prospectus are to a calendar year and references to a Financial Year / Fiscal / FY / Fiscal Year are to the year ended on March 31 of that calendar year.

In accordance with the Road Map for Ind AS implementation, issued by MCA, our Company is required to prepare its financial statements in accordance with Ind AS for periods beginning on or after April 1, 2018.

Our Company publishes its financial statements in Rupees in lakh. Our Company's financial statements as at and for the year ended March 31, 2024, March 31, 2023 and March 31, 2022 have been prepared in accordance with Ind AS. The Audited Financial Statements for the Financial Year ended March 31, 2024 have been audited by our Statutory Auditors and the Audited Financial Statements for the Financial Year ended March 31, 2023 and March 31, 2022 have been audited by our Previous Statutory Auditors.

The Audited Financial Statements and the respective reports on the Audited Financial Statements, as issued by our Company's Statutory Auditors and Previous Statutory Auditors, for Fiscal 2024, Fiscal 2023 and Fiscal 2022 are included in this Prospectus in "*Annexure C – Financial Statements*" beginning at page 410.

The Unaudited Financial Results of our Company for the six months period ended September 30, 2024 and for the quarter and nine months ended December 31, 2024 have been prepared in accordance with recognition and measurement principles laid down in the aforesaid Ind AS 34 "Interim Financial Reporting" prescribed under Section 133 of the Companies Act, 2013, as amended, read with relevant rules issued there-under and have been reviewed by the Audit Committee and approved by the Board of Directors in its meeting held on October 22, 2024 and January 24, 2025 respectively for the six month period ended September 30, 2024 and for the quarter and nine months ended December 31, 2024 and subjected to limited review by Statutory Auditor, pursuant to Regulation 33 and Regulation 52 of the SEBI LODR Regulations. Our Company's Unaudited Financial Results for the six months period ended September 30, 2024 and for the quarter and nine months ended December 31, 2024 are included in this Prospectus and are referred to hereinafter as "Unaudited Financial Results". For further details see chapter titled "*Annexure C – Financial Statements*" on page 410.

The limited review reports on the Unaudited Financial Results have been issued by Statutory Auditor. Further, the Unaudited Financial Results for six months period ended September 30, 2024 and for the quarter and nine months ended December 31, 2024 are not indicative of and comparable with the full year results.

Unless stated otherwise, macroeconomic and industry data used throughout this Prospectus has been obtained from the Research Report on NBFC Industry, prepared by CARE Analytics and Advisory Private Limited for us. Such publications generally state that the information contained therein has been obtained from sources believed to be reliable but that their accuracy and completeness are not guaranteed, and their reliability cannot be assured. Although the Company believes that industry data used in this Prospectus is reliable, it has not been independently verified. Further, the extent to which the market and industry data presented in this Prospectus is meaningful depends on the readers' familiarity with and understanding of methodologies used in compiling such data.

The Company shall obtain prior approval from the Debenture Trustee before utilizing the window advertisement option, in compliance with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, modified, or restated from time to time.

Currency and Unit of Presentation

In this Prospectus, references to "₹", "Indian Rupees", "INR", "Rs." and "Rupees" are to the legal currency of India, references to "US$", "USD", and "U.S. Dollars" are to the legal currency of the United States of America.

Except as stated expressly, for the purposes of this Prospectus, data will be given in ₹ in lakh. References, if any, to 'million/million/mn' refer to one million, which is equivalent to 'ten lakh' or 'ten lacs', the word 'lakh/lacs/lac' means 'one hundred thousand' and 'crore' means 'ten million' and 'billion/bn./billions' means 'one hundred crore'.

Certain figures contained in this Prospectus, including financial information, have been subject to rounding adjustments. Unless set out otherwise, all figures in decimals, including percentage figures, have been rounded off to two decimal points. In certain instances, (i) the sum or percentage change of such numbers may not conform exactly to the total figure given; and (ii) the sum of the numbers in a column or row in certain tables may not conform exactly to the total figure given for that column or row. Further, any figures sourced from third party industry sources may be rounded off to other than two decimal points to conform to their respective sources.

Certain non-GAAP financial measures and certain other statistical information relating to our operations and financial performance have been included in this Prospectus. We compute and disclose such non-GAAP financial measures and such other statistical information relating to our operations and financial performance as we consider such information to be useful measures of our business and financial performance. These non-GAAP financial measures and other statistical and other information relating to our operations and financial performance are supplemental measure of our performance and liquidity that is not required by, or presented in accordance with, Ind AS or Indian GAAP.

Further, these Non-GAAP Measures are not a measurement of our financial performance or liquidity under Ind AS, Indian GAAP, IFRS or US GAAP and should not be considered in isolation or construed as an alternative to cash flows, profit/ (loss) for the years/ period or any other measure of financial performance or as an indicator of our operating performance, liquidity, profitability or cash flows generated by operating, investing or financing activities derived in accordance with Ind AS, Indian GAAP, IFRS or US GAAP.

In addition, such Non-GAAP measures are not standardised terms, hence a direct comparison of these Non-GAAP Measures between companies may not be possible. Other companies may calculate these Non-GAAP Measures differently from us, limiting its usefulness as a comparative measure. These non-GAAP financial measures may not be computed on the basis of any standard methodology that is applicable across the industry and therefore may not be comparable to financial measures and statistical information of similar nomenclature that may be computed and presented by other companies and are not measures of operating performance or liquidity defined by Ind AS and may not be comparable to similarly titled measures presented by other companies.

Industry and Market Data

Unless stated otherwise, industry and market data used throughout this Prospectus has been obtained from various industry publications and sources, including the CareEdge Research Report available in public domain and knowledge of market in which we compete, which have been paid for and commissioned by our Company for an agreed fee. CARE Analytics & Advisory Private Limited have been commissioned by our Company for the purposes of confirming our understanding of the industry in which the Company operates, in connection with the Issue. Industry publications generally state that the information contained in such publications has been obtained from publicly available documents from various sources believed to be reliable but accuracy, completeness and underlying assumptions of such third-party sources are not guaranteed. Although the industry and market data used in this Prospectus is reliable, the data used in these sources may have been re-classified by us for the purposes of presentation however, no material data in connection with the Issue has been omitted. Data from these sources may also not be comparable.

Disclaimer of CareEdge Research

This Prospectus contains data and statistics from the CareEdge Research Report, which is subject to the following disclaimer:

"*This report is prepared by CARE Analytics and Advisory Private Limited (CareEdge Research). CareEdge Research has taken utmost care to ensure accuracy and objectivity while developing this report based on information available in CareEdge Research's proprietary database, and other sources considered by CareEdge Research as accurate and reliable including the information in public domain. The views and opinions expressed herein do not constitute the opinion of CareEdge Research to buy or invest in this industry, sector or companies operating in this sector or industry and is also not a recommendation to enter into any transaction in this industry or sector in any manner whatsoever.*

This report has to be seen in its entirety; the selective review of portions of the report may lead to inaccurate assessments. All forecasts in this report are based on assumptions considered to be reasonable by CareEdge Research; however, the actual outcome may be materially affected by changes in the industry and economic circumstances, which could be different from the projections.

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General Risk

Investment in non-convertible securities is risky, and investors should not invest any funds in such securities unless they can afford to take the risk attached to such investments. Investors are advised to take an informed decision and to read the risk factors carefully before investing in this offering. For taking an investment decision, investors must rely on their examination of the issue including the risks involved in it.

Specific attention of investors is invited to statement of risk factors contained under section "*Risk Factors"* on page 19. These risks are not, and are not intended to be, a complete list of all risks and considerations relevant to the NCDs or Investor's decision to purchase such securities.

Basis recent amendments apart from general risks, issuer-specific risks also to be included. Risks related to the issuer's business, financials, and operations.

Exchange Rates

The exchange rates for INR (₹) vis-à-vis of USD, as of December 31, 2024, March 31, 2024, March 31, 2023 and March 31, 2022, are provided below:

Currency	December 31, 2024	March 31, 2024	March 31, 2023	March 31, 2022
1 USD	85.62	83.37	82.22	75.81

Source: https://www.fbil.org.in/#/home *and* https://www.rbi.org.in/scripts/ReferenceRateArchive.aspx

The above exchange rates are for the purpose of information only and may not represent the rates used by the Company for purpose of preparation or presentation of its financial statements. The rates presented are not a guarantee that any person could have on the relevant date converted any amounts at such rates or at all.

SECTION II: RISK FACTORS

This Prospectus contains certain forward-looking statements that involve risks and uncertainties. Our results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the considerations described below and elsewhere in this Prospectus. For further information, see section titled "Forward-Looking Statements" on page 13.

An investment in NCDs involves a certain degree of risk. You should carefully consider all the information contained in this Prospectus, including the risks and uncertainties described below, and the information provided in "Our Business" on page 129 and "Financial Information" on page 179, before making an investment decision. The risk factors set forth below do not purport to be complete or comprehensive in terms of all the risk factors that may arise in connection with our business or any decision to purchase, own or dispose of the NCDs. The following risk factors are determined on the basis of their materiality. In determining the materiality of risk factors, we have considered risks which may not be material individually but may be material when considered collectively, which may have a qualitative impact though not quantitative, which may not be material at present but may have a material impact in the future. Additional risks, which are currently unknown or now deemed immaterial, if materialise, may have a material adverse effect on our business, financial condition and results of operations in the future. The market prices of the NCDs could decline due to such risks and you may lose all or part of your investment including interest thereon.

Unless specified or quantified in the relevant risk factors below, we are not in a position to quantify the financial or other implication of any of the risks described in this section. This Prospectus also contains forward-looking statements that involve risks and uncertainties. Our results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including events described below and elsewhere in this Prospectus. Unless stated otherwise, i) the financial data in this section for the Financial Year ending March 31, 2024, 2023 and 2022 has been derived from the Audited Financial statements for Fiscal, 2024, 2023 and 2022, respectively, and ii) the financial data for six months period ended September 30, 2024 and for the quarter and nine months ended December 31, 2024 has been derived from Unaudited Financial Results prepared in accordance with Ind AS.

INTERNAL RISKS

1. ***High levels of customer defaults or delays in repayment of loans could adversely affect our business, financial condition and results of operations.***

   Our business involves lending money to SME and MSMEs sectors which entails comparatively high risk and accordingly we are subject to customer default risks including default or delay in repayment of principal and/or interest on our loans. Our customers may default on their obligations to us as a result of various factors, including certain external factors, which may not be within our control such as developments in the Indian economy and the real estate market, movements in global markets, changes in interest rates, changes in regulations, government policies. In addition, our customers may not have formal financial statements supported by tax returns and other documents that would enable us to assess their creditworthiness, and we may not receive updated information regarding any change in the financial condition of our customers, or may receive inaccurate or incomplete information, as a result of any fraudulent misrepresentation by our customers. Additionally, some customers may intentionally default on their repayment obligations. If borrowers fail to repay loans in a timely manner or at all, our financial condition and results of operations will be adversely impacted.

   In addition, our customer portfolio consists of MSMEs, who may or may not have easy access to financing from commercial banks or other organized lenders and often have limited credit history. Such borrowers generally are less financially resilient than larger corporate borrowers, and, as a result, they can be more adversely affected by declining economic conditions. In addition, we may not receive updated information regarding any change in the financial condition of our customers or may receive inaccurate or incomplete information as a result of unavailability of data or information regarding the KYC records or credit history or any fraudulent misrepresentation on the part of our customers. To the extent we are unable to successfully

manage the risks associated with lending to such consumers, it may become difficult for us to recover outstanding loan amounts from such consumers.

Customer defaults could also adversely affect our levels of NPAs and provisioning of the same, which could in turn adversely affect our operations, cash flows and profitability. Our Gross NPAs as of December 31, 2024, March 31, 2024, March 31, 2023 and March 31, 2022 stands at ₹14,984.72 lakh, ₹17,147.91 lakh, ₹9,569.05 lakh and ₹5,641.15 lakh, respectively representing 2.11%, 3.09%, 2.46% and 2.28%, respectively of the book loans and advances and our Net NPAs stands at ₹8,126.95 lakh, ₹8,921.66 lakh,₹4,988.98 lakh and ₹4,152.32 lakh, respectively representing 1.16%, 1.64 %, 1.31% and 1.70% of the book loans and advances.

We have previously faced certain instances of customers defaulting or failing to repay dues in connection with loans or finance provided by us. We have, in certain instances, initiated legal proceedings to recover amounts due from such customers. For further information in relation to litigation, see "*Outstanding Litigations and Defaults*" beginning on page 306.

Although we believe that our risk management controls are sufficient, we cannot be certain that they will continue to be sufficient. Failure to continuously monitor the loan contracts, could adversely affect our credit portfolio which could have a material and adverse effect on our results of operations and financial condition.

2. ***We may not be able to recover, on a timely basis or at all, the full value of collateral or amounts which are sufficient to cover the outstanding amounts due under defaulted loans or the value of collateral may decrease, which could adversely affect our results of operations, cash flows and financial condition.***

Out of our Company's AUM of ₹11,06,656.73 lakh as at December 31, 2024, 57.60% of the aggregate value of our AUM i.e., ₹6,37,436.21 lakh is secured by collaterals, 2.79% of the aggregate value of our AUM i.e., ₹30,869.86 lakh is secured by receivables, 6.02% of the aggregate value of our AUM i.e., ₹66,665.61 lakh is secured by FLDG and ₹3,71,685.05 lakh representing 33.59% of the aggregate value of our AUM is unsecured loan of which ₹1,37,477.55 lakh of business loan ie., 12.42% of our AUM is covered through CGTMSE scheme. The value of collaterals is dependent on various factors inter-alia including (i) prevailing market conditions, (ii) the general economic and political conditions in India, (iii) growth of other sectors in which we operate, (iv) any change in statutory and / or regulatory requirements, and (v) the credit profile of our customers.

Delays in recovery, bankruptcy and foreclosure proceedings, and delays in obtaining regulatory approvals including arbitral awards for the enforcement of such collaterals may affect the valuation of the collateral. As a result, we may not be able to recover the full value of the collateral for the loans provided by our customers within the expected timeframe or at all.

The value of the security provided to us by our customers, may be subject to reduction in value on account of other extraneous reasons. Though, the customers may provide alternative security to cover shortfall, the realizable value of the security for the loans provided by us, when liquidated, may be lower than principal amount outstanding along with interest and other costs recoverable from such customers. Although we believe that we generally maintain a sufficient margin in the collateral value, if we have to enforce such charges and if at the time of such enforcement, due to adverse market conditions, the market value of the charged securities have fallen to a level where we are unable to recover the monies lent by us, along with interest accrued thereon and associated costs, the results of our operations would be adversely affected. In case of any shortfall in margins in connection with the securities charged as collaterals, we typically call upon the relevant customer to provide further collateral to make up for the deficit in such margins.

Furthermore, enforcing our legal rights by litigating against defaulting customers may be time consuming slow and potentially expensive process in India. Accordingly, it may be difficult for us to recover amounts owed by defaulting customers in a timely manner or at all.

3. ***Our AUM comprises of unsecured loans. Our inability to recover the amounts due from customers in connection with such loans in a timely manner could adversely affect our operations and profitability.***

As of December 31, 2024, our AUM of unsecured loans was ₹3,71,685.05 lakh constituting 33.59% of total AUM of our Company. Since such loans are unsecured, in case of customer defaults in connection with such loans, our ability to realise the amounts due to us for such loans would be restricted to initiating legal proceedings for recovery, as we will not have the benefit of enforcing any security interest related to such loans. There can be no guarantee as to the time that would be taken for the final disposal of such legal proceedings and/or our ability to obtain favourable decisions in connection therewith.

As on December 31, 2024, our Gross NPAs for unsecured loans stands at ₹13,275.57 lakh representing 3.57% of the AUM of unsecured loans and our Net NPAs for unsecured loans stands at ₹8,674.32 lakh representing 2.37% of the AUM of unsecured loans. Because of the unsecured nature, it is essential that such loans are appropriately priced, taking into account a possible high rate of interest and all other relevant factors. In making a decision whether to extend credit to prospective customers, and the terms on which we are willing to provide credit, including the price, we rely heavily on our credit scoring models, and our credit experience gained through monitoring the performance of customers over time. Our credit scoring models are based on previous historical experience. If our credit scoring models are not redeveloped as required or if they do not perform up to target standards, we may experience increasing defaults or higher customer acquisition costs.

Further, our lending products generally do not have any definite end-use restrictions and our customers may utilise such loans for various purposes, which are often incapable of being monitored on a regular basis or at all. Further, since these loans are unsecured, our ability to realize the amounts due to us would be restricted to standard collection processes and/or initiating legal proceedings for recovery, in the event of default by such customers. We cannot assure you that we would be able to recover such amounts in a timely manner, or at all. Any failure on our part to recover the amounts due to us could have an adverse effect on our results of operations and financial condition. Further, upon the occurrence of an event of default, our ability to realise the amounts due would be restricted to initiating legal proceedings for recovery. There can be no guarantee as to the length of time it could take to conclude such legal proceedings or for the legal proceedings to result in a favourable decision for us. Moreover, since these loans are uncollateralised, there can be no assurance that we will be able to fully recover the outstanding due, or at all, even in the event of a favourable decision for us. This could adversely affect our operations and profitability.

4. ***Our financial performance is particularly vulnerable to interest rate volatility. If we are unable to manage interest rate risk in the future it could have an adverse effect on our net interest margin, thereby adversely affecting business and financial condition of our Company.***

We are engaged in the lending business, primarily dealing in SME and MSME sector. Our results of operations are substantially dependent upon the level of our total income (which includes interest income from financing activities and net gain on derecognition of financial instrument). Interest income from our financing activities is the largest component of our total income and constituted 62.48 % and 64.21%, of our total income for the Fiscal 2024 and for the nine months ended December 31, 2024, respectively. Net gain on derecognition of financial instrument constituted 28.42% and 25.61% for FY 23 and 9M FY 24. As March 31, 2024, March 31, 2023 and March 31, 2022, our on-book loans and advances were ₹5,54,970.39 lakh, ₹3,89,436.20 lakh and ₹2,49,112.74 lakh respectively. We borrow and lend funds on both fixed and floating rates.

Volatility in interest rates can materially and adversely affect our financial performance. In a rising interest rate environment, if the yield on our interest-earning assets does not increase simultaneously with or to the same extent as our cost of funds, or, in a declining interest rate environment, if our cost of funds does not

decline simultaneously or to the same extent as the yield on our interest-earning assets, our net interest income and net interest margin would be adversely impacted.

Accordingly, our operations are susceptible to fluctuations in interest rates. Interest rates are highly sensitive to many factors beyond our control, including the monetary policies of the RBI, domestic and international economic and political conditions, deregulation of the financial sector in India, and other macro and micro economic factors, which have historically resulted in changes in interest rates in India.

For instance, between January 2022 and December 2024, the RBI has revised the repo rate from 4.00% to 6.50%, which has led to increase in interest rates by lenders. Fluctuations in interest rates may also adversely affect our operations. Also, in a rising interest rate environment there might be decline in the demand of loans from our customers. Further, to the extent our borrowings are linked to market interest rates, we may have to pay interest at a higher rate than companies that borrow only at fixed interest rates. Our failure to pass on increased interest rates on our borrowings to our customers, including pursuant to the measures taken by us for protection against interest rate volatility or our inability to effectively and efficiently manage interest rate variations, may result in decline of our net interest income, which would decrease our return on assets and could adversely affect our business, prospects, financial condition, results of operations and cash flows.

We do not hedge our exposure to interest rate changes except for external commercial borrowings. We cannot assure you that we can adequately manage our interest rate risk in the future. Further, changes in interest rates could affect the interest rates charged on interest earning assets and the interest rates paid on interest bearing liabilities in different ways except for external commercial borrowings wherein the Company has fully hedged its interest rate exposure through cross-currency interest rate swaps. Thus, our results of operations could be affected by changes in interest rates and the timing of any re-pricing of our liabilities compared with the re-pricing of our assets.

5. ***Our business operations involve transactions with borrowers with limited access to credit whose risk profile is relatively high risk. Any default from our customers could adversely affect our business, results of operations and financial condition.***

A certain portion of our target customers, primarily in EM segment typically have limited access to credit with limited credit history whose profile carries relatively higher risk and customer default risks including delay in repayment of principal or interest on our loans. Although we have our own customised due diligence and credit analysis procedures, however, to the extent that there is limited financial information available for such customer groups and customers who do not have formal financial statements supported by tax returns, bank or credit card statements, statements of previous loan exposures or other related documents, there can be relatively higher delinquency rate for such customer profile. Our profitability depends on our ability to evaluate the right income levels of our customers, assess the credit risks and to price our loans accordingly.

Our customers may default on their obligations as a result of various factors including bankruptcy, insolvency, lack of liquidity and/or failure of the business or commercial venture in relation to which such borrowings were sanctioned. Failure to maintain sufficient credit assessment policies, particularly for small and medium enterprise borrowers, could adversely affect our credit portfolio which could have a material and adverse effect on our results of operations and financial condition.

6. ***Our business requires substantial capital, and any disruption in funding sources would have a material adverse effect on our liquidity and financial condition.***

As an NBFC, our liquidity and on-going profitability are, in large part, dependent upon our timely access to, and the costs associated with, raising capital. Our funding requirements historically have been met from several sources including term loans, external commercial borrowings and working capital facilities, proceeds from non-convertible debentures, commercial papers, market linked debentures.

As at December 31, 2024 and Financial Years ended 2024, 2023 and 2022, the capital adequacy ratio (Tier I and Tier II) of our Company was 21.52%, 20.75 %, 20.23% and 34.37%, respectively. Further, our total borrowing as at December 31, 2024 and as at the Financial Years ended 2024, 2023 and 2022 was ₹ 6,15,062.20 lakh, ₹ 4,65,324.52 lakh, ₹ 3,14,893.45 lakh and ₹ 1,80,183.86 lakh respectively.

As a part of lending as a service business strategy, the Company also down sell and co-lend its loan portfolio for raising of additional funds for meeting its business requirements. We may require additional capital for our business operations from time to time. The actual amount and timing of our future capital requirements may differ from estimates as a result of, among other things, changes in business plans due to prevailing economic conditions, unanticipated expenses and regulatory changes, including any changes to RBI's monetary policies which are applicable to us or unforeseen delays in our operations. To the extent our capital requirements exceed our available resources, we will be required to seek additional debt or equity capital. Additional debt financing could increase our interest costs and require us to comply with additional restrictive covenants in our financing agreements.

Further, our business depends and will continue to depend on our ability to access diversified funding sources. Our ability to raise funds on acceptable terms, at competitive rates and timely manner continues to depend on various factors including our credit ratings, the regulatory environment and policy initiatives in India, macro and micro economic conditions, lack of liquidity in the market, investors' and/or lenders' perception of demand for debt and equity securities of NBFCs, and our current and future results of operations and financial condition. Our long-term debt is presently rated "Ind A+ / Stable", "CRISIL A/ Stable", "Acuite A/ Stable" from India Ratings and Research Private Limited, CRISIL Ratings Limited and Acuité Ratings & Research Limited respectively. Further, our short-term credit rating is presently rated "IND A 1 +", "CRISIL A1" from India Ratings and Research Private Limited and CRISIL Ratings Limited respectively.

While our borrowing costs have been competitive in the past, if we are unable to access funds at an effective cost that is comparable to or lower than our competitors, we may not be able to offer competitive interest rates for our loans. This may adversely impact our business, prospects, cash flow, results of operations and financial condition. Our ability to co-lend depends on our portfolio performance of the co-lending book, banks internal policies and parameters, their future strategy and regulatory changes.

Changes in economic and financial conditions or continuing lack of liquidity in the market could make it difficult for us to access funds at competitive rates. Such conditions may lead to a disruption in our primary funding sources at competitive costs and would have a material adverse effect on our liquidity and financial condition.

7. ***We have limited operating history and evolving business make it difficult to evaluate our business and future operating results on the basis of our past performance, and our future results may not meet or exceed our past performance.***

The present management has acquired our Company in the Financial Year 2019 from the erstwhile management and forayed into MSME lending. As a result of our limited operating history under the new management, there is limited historical operating / financial information available to help prospective investors to evaluate our past performance as an entity and such data may not be indicative of future performance. Given we have limited operating history in the loan finance business, we may face significant challenges in developing and institutionalizing our procedures and policies for that business. The loan finance business would require extensive monitoring, strict compliance with KYC requirements and prudent risk management. Our growth plans will place significant demands on our operational, credit, financial and other internal risk controls, making our management of asset quality increasingly important.

Our business in each sector and overall is growing and the results and amounts set forth in our Audited Financial Statements may not provide a reliable indication of our future performance. Accordingly, you should evaluate our business and prospects in light of the risks, uncertainties and difficulties frequently encountered by both high growth companies and financial institutions that are in the early stages of development. Our failure to mitigate these risks and uncertainties successfully could materially adversely affect our business and operating results.

8. ***Our inability to meet our obligations, including financial and other covenants under our financing arrangements could adversely affect our business, results of operations and financial condition.***

As at December 31, 2024, the aggregate value of our total outstanding borrowings stands at ₹ 6,15,062.20 lakh. Our ability to meet our obligations under our financing arrangements and repay our outstanding borrowings will also depend on the cash generated by our business, which depends on the timely repayment by our customers. For details in relation to our outstanding indebtedness and certain indicative terms of our borrowing facilities, see "*Disclosures on Existing Financial Indebtedness*" on page 179.

Our financing agreements include several restrictive conditions and covenants restricting certain corporate actions and we are required to take the prior approval of the lenders for taking various actions, including:

(a) change in promoter directors or in the core management team without prior approval of the lender;

(b) undertake any merger / acquisition / amalgamation without prior approval of the lender;

(c) undertake any scheme of expansion / modernization / diversification / renovation (except normal capex) or sell any fixed assets during any accounting year without prior approval of the lender;

(d) effect any change to or alter our capital structure without prior approval of the lender; and

(e) approach capital market for mobilizing additional resources either in the form of debt or equity without prior approval of the lender.

Our failure to meet our obligations under our financing agreements, including inter alia creation of security as per terms agreed, default in payment of interest, default in redemption or repayment, default in payment of penal interest wherever applicable could have an adverse effect on our business, results of operations and financial condition. For details in relation to our outstanding indebtedness and certain indicative terms of our borrowing facilities, see "*Disclosures on Existing Financial Indebtedness*" on page 179.

Our future borrowings may also contain similar or more stringent restrictive provisions. In the event that we fail to meet our financial obligations or covenants provided under the financing agreements, the relevant lenders could declare us to be in default under the terms of our agreements and we may be immediately required to repay our borrowings, either in whole or in part, together with any related costs. We cannot assure you that, in such an event, we will have sufficient resources to repay the borrowings. Further, we are required to obtain no-objection certificates from certain existing lenders and debenture holders of the Company for the proposed Issue and listing of the NCDs. In case, any of the lender or debenture holder decides to withdraw their consent before the listing of the NCDs, the Company may be considered to have defaulted under the terms of our agreements. The negative covenants as mentioned in this risk factor and in the section "*Disclosures on Existing Financial Indebtedness*" on page 179, and other clause/covenants of a similar nature under the financing arrangements entered into by us with our lenders are in the ordinary course of business and will continue post listing of the NCDs, as is customary for such borrowing arrangements for listed and unlisted companies. Any inability to meet our obligations under such financing arrangements could adversely affect our business, results of operations and financial condition.

9. ***We are subject to supervision and regulation by the RBI as a systemically important non - deposit accepting NBFC, and changes in RBI's regulations governing us could adversely affect our business.***

We are a non - deposit accepting systemically important NBFC classified as NBFC- Middle Layer under the Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 with asset size of more than ₹ 1,000 crores and therefore we are subject to the RBI's guidelines on financial regulation of NBFCs, including capital adequacy, exposure, regulatory restrictions, limits and other prudential norms. The RBI also regulates the credit flow by banks to NBFC-ND-SIs and provides guidelines to commercial banks with respect to their investment and credit exposure norms for lending to the NBFC-ND-SIs. The RBI's regulation of NBFC-ND-SIs may change or become more rigorous in the future which may require our Company to restructure its activities, incur additional costs or could otherwise adversely affect its business, financial performance and cash flows. In order to provide enhanced control, existing rules and regulations have been modified, new rules and regulations have been enacted and reforms have been implemented. There can be no assurance that the RBI and/or the Government will not implement further regulations or policies, including legal interpretations of existing regulations, relating to or affecting interest rates, taxation, inflation or exchange controls, or otherwise take action, that may have an adverse impact on NBFC-ND-SIs.

The laws and regulations governing the banking and financial services industry in India have become increasingly complex and cover a wide variety of issues, such as interest rates, liquidity, investments, ethical issues, money laundering and privacy. These laws and regulations can be amended, supplemented or changed at any time such that we may be required to redesign our activities and incur additional expenses to comply with such laws and regulations, which could adversely affect our business and our financial performance.

Compliance with many of the regulations applicable to our operations in India, including any restrictions on lending and other activities currently being carried out by us, involves a number of risks, particularly in markets where applicable regulations may be subject to varying interpretations. If the interpretation of the regulators and authorities varies from our interpretation, we may be subject to penalties and our business could be adversely affected. We are also subject to changes in laws, regulations and accounting principles and practices. There can be no assurance that the laws governing the financial services sector will not change in the future or that such changes or the interpretation or enforcement of existing and future laws and rules by governmental and regulatory authorities will not adversely affect our business and future financial performance.

10. ***We may be subject to regulations in respect of provisioning for non-performing assets. If such provisions are not sufficient to provide adequate cover for loan losses that may occur, this could have an adverse effect on our financial condition, liquidity and results of operations.***

RBI guidelines prescribe the provisioning required in respect of our outstanding loan portfolio. The provisioning requirements may also require the exercise of subjective judgments of management. The RBI vide the RBI Scale Based Regulation provides for the regulatory framework governing NBFCs pertaining to provision for standard assets.

There are multiple factors that affect the level of NPAs in our Company. Various factors that are beyond our control, such as macro-economic factors (including a rise in unemployment, a sharp and sustained rise in interest rates, developments in the Indian economy, movements in global commodity markets and exchange rates), regulatory hurdles and global competition as well as customer specific factors such as wilful default and mismanagement of a customer's operations, may result in increasing NPA levels and may have an adverse impact on the quality of our loan portfolio. If we are unable to effectively control our NPA levels in the future, we will be required to increase our provisions, which may adversely affect our profitability and financial condition. The RBI regulates certain aspects of the recovery of non-performing loans, such as the use of recovery agents. Any limitation on our ability to recover, control and reduce non-performing loans under the applicable regulatory regime or otherwise could affect our collections and ability to foreclose on existing NPAs. The level of our provisions may not be adequate to cover further increases in the amount of our non-performing assets or a decrease in the value of the underlying collateral. If we are unable to control the level of our NPAs in the future, quality of our loan portfolio could deteriorate,

our credit ratings could be downgraded and our cost of funds could increase, any of which could have a material adverse effect on our financial condition and results of operations.

11. ***Our Company, Directors and Promoter are subject to certain legal proceedings and any adverse decision in such proceedings may affect our business, financial condition and results of operations.***

We, our Directors and Promoter are subject to certain legal proceedings including civil suits, consumer litigations, tax litigations etc. We incur substantial cost in defending these proceedings before a court of law. Moreover, we are unable to assure you that we or our Promoter and Directors shall be successful in any or all of these actions. In the event, we or our Promoter and Directors suffer any adverse order, our reputation may suffer and may impact our business and results of operations. We cannot assure that an adverse order by any statutory or governmental authority would not have a negative impact on our profit and financial condition.

A summary of the outstanding proceedings involving our Company, Directors and Promoter in accordance with requirements under the SEBI NCS Regulations, as disclosed in this Prospectus, to the extent quantifiable, have been set out below:

Name	Criminal Proceedings	Tax Proceedings	Statutory or Regulatory Proceedings	Disciplinary actions by the SEBI or Stock Exchanges	Material Civil Litigations	Aggregate amount involved (₹ in lakh)*
Company						
By the Company	4,557[(1)]	Nil	Nil	Nil	10899 [(2)]	198643.38
Against the Company	6	Nil	Nil	Nil	Nil	Nil
Directors						
By the Directors	Nil	Nil	Nil	Nil	Nil	Nil
Against the Directors	Nil	Nil	Nil	Nil	Nil	Nil
Promoters						
By the Promoters	Nil	Nil	Nil	Nil	Nil	Nil
Against the Promoters	Nil	Nil	Nil	Nil	Nil	Nil

**Amount to the extent quantifiable*

(1) This includes 4,534 complaints under Section 138 of Negotiable Instruments Act, 1881, as amended involving an aggregate amount of ₹ 535,83,82,993/- (to the extent quantifiable).

(2) This comprises of (i) 10460 arbitration proceedings at different stages before arbitrator, involving an aggregate amount of ₹ 10983164087/-.: (ii) 430 notices under Section 13(2) of the Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002, involving an aggregate amount of ₹ 3,15,32,54,700/-; (iii) 04 (Four) insolvency proceedings against 04(Four) corporate debtors under Section-7 of Insolvency and Bankruptcy Code, 2016 and 05 (Five) insolvency proceedings against the personal guarantor under Section 95 of the Insolvency and Bankruptcy Code, 2016.

For further details of the legal proceedings that we are subject to, please refer to "*Outstanding Litigations and Defaults*" on page 306.

12. ***We are subject to regulations in relation to minimum capital adequacy requirements and reserve fund. Our inability to maintain our capital adequacy ratio could adversely affect our business.***

The Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 currently require NBFCs to comply with a capital to risk (weighted) assets ratio ("**CRAR**") consisting of Tier I and Tier II capital. Under these requirements, Tier I and Tier II capital should not be less than 15% of the sum of the NBFC's aggregate risk-weighted assets on-balance sheet and of risk adjusted value of off-balance sheet items, as applicable. Additionally, our Tier I capital, at any point in time, shall not be less than 10%. For details, see "*Key Regulations and Policies*" on page 365. We are categorized as a 'Middle layer' NBFC under the SBR Framework.

As of December 2024, our CRAR was 21.52 %. As we continue to grow our loan portfolio and asset base, we will be required to raise additional Tier I and Tier II capital in order to remain in compliance with the applicable CRARs. Further, the RBI may increase its minimum CRAR threshold, which may require us to raise additional capital.

Additionally, pursuant to Section 45-IC of the Reserve Bank of India Act, 1934, every NBFC is required to create a reserve fund and transfer thereto a sum not less than 20% of its net profit every year, as disclosed in the profit and loss account before any dividend is declared. Our special reserve under Section 45-IC of the Reserve Bank of India Act, 1934, had a balance of, ₹ 5,583.91 lakh, ₹ 3,197.01 lakh and ₹ 2,401.48 lakh, as of Financial Year 2024, Financial Year 2023, and Financial Year 2022, respectively.

We cannot assure you that we will be able to raise adequate capital in the future on terms favourable to us, or at all, which may adversely affect the growth of our business. Further, the RBI may also in the future require compliance with other prudential norms and standards, which may require us to alter our business and accounting practices or take other actions that could adversely affect our business and operating results.

13. ***We are subject to supervision by regulatory authorities and non-compliance with observations made by regulatory authorities during their periodic inspections could expose us to penalties and restrictions***.

As a NBFC-ND-SI (NBFC-ML), we are subject to periodic inspection by the RBI under Section 45N of the Reserve Bank of India Act, 1934 (the "**RBI Act**"), pursuant to which the RBI may inspect our books of accounts and other records for the purpose of verifying the correctness or completeness of any statement, information or particulars furnished to the RBI. Any irregularities found during such investigations by RBI could expose us to warnings, penalties and restrictions.

In its past inspection reports, the issues RBI has commented upon have been mainly operational in nature and include observations such as absence of system of internal rating of borrowers, not conducting stress tests to assess liquidity, deficiencies in loan management system, gaps in adherence to asset liability management policy. Further, RBI has observations on loan management system, outsourcing agreement, absence of software for throwing alerts for transaction inconsistent with KYC risk categorisation and non-filing of suspicious transaction report, failure to undertake failure-cause analysis and staff accountability.

In relation to the observations set out above, our Company has responded to such observations, and the actions and corrective measures to address the above observations, have been taken by our Company in timely manner.

During the course of finalization of inspection, regulatory authorities may share their findings and recommendations with us and give us an opportunity to provide justification and clarifications. Further, such regulatory authorities may also seek certain clarifications and share their findings in the ordinary course of business. We cannot assure you that these authorities will not find any deficiencies in future inspections or otherwise / the authorities will not make similar or other observations in the future. In the event we are unable to resolve such deficiencies to the satisfaction of the relevant authority, we may be restricted in our ability to conduct our business as we currently do. While we seek to comply with all

regulatory provisions applicable to us, in the event we are unable to comply with the observations made by the regulatory authorities, we could be subject to penalties and restrictions which may have an adverse effect on our business, results of operations, financial condition and reputation.

14. ***Our Company's inability to obtain, renew or maintain the statutory and regulatory permits and approvals which are required to operate its existing or future businesses may have a material adverse effect on its business, financial condition, cash flows and results of operations.***

NBFCs in India are subject to regulations and supervision by the RBI. In addition to the numerous conditions required for the registration as an NBFC with the RBI, we are also required to comply with certain other regulatory requirements imposed by the RBI from time to time. In future, there could be circumstances where our Company may be required to renew applicable permits and approvals, including its registration as a systemically important non-deposit taking NBFC and obtain new permits and approvals for its current and any proposed operations or in the event of a change in applicable law and regulations. There can be no assurance that RBI or other relevant authorities will issue any such permits or approvals in the time-frame anticipated by our Company, or at all. In addition, we require several registrations to operate our branches in the ordinary course of business. These registrations include those required to be obtained or maintained under applicable legislations governing shops and establishments, professional tax, labour-related registrations, GST registrations and trade licenses of the particular state in which we operate. Some of these approvals may have expired in the ordinary course, and our Company has either applied, or is in the process of applying for renewals of them. For an overview of the applicable regulations and the nature of key approvals and licenses to be obtained, see "*Key Regulations and Policies*" on page 365.

Failure by our Company to renew, maintain or obtain the required permits or approvals may result in an interruption of its operations and may have a material adverse effect on its business, financial condition, cash flows and results of operation.

In addition, if we establish additional branches, such branches need to be registered under the relevant shops and establishments laws of the states in which they are located. The shops and establishment laws regulate various employment conditions, including working hours, holidays and leave and overtime compensation. If we fail to obtain or retain any of these approvals or licenses, or renewals thereof, in a timely manner, or at all, our business may be adversely affected. If we fail to comply, or a regulator claims we have not complied, with any of these conditions, our certificate of registration may be suspended or cancelled and we shall not be able to carry on such activities.

15. ***The Equity Shares and Non-Convertible Debentures of our Company are listed on BSE and NSE and our Company is subject to certain obligations and reporting requirements under SEBI LODR Regulations, SEBI Insider Trading Regulations and Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021. Any non-compliances/delay in complying with such obligations and reporting requirements may render us/our Promoter liable to prosecution and/or penalties.***

Our Company is subject to the obligations and reporting requirements under SEBI LODR Regulations, SEBI Insider Trading Regulations and Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 and other Regulations. Though our Company endeavours to comply with all such obligations/reporting requirements, there have been certain instances of non-compliance and delays in complying with such obligations/reporting requirements. Any such delays or non-compliance would render our Company/our Promoters to prosecution and/or penalties. Any non-compliance with the applicable laws, rules and regulations in the future may subject us to regulatory action, including penalties, suspension of trading of Equity Shares or even compulsory delisting of our Equity Shares, which may not only materially and adversely affect our business, prospects and reputation but also the shareholders. Our inability to comply with or any delay in compliance with such rules and regulations may have an adverse effect on our business, results of operations, financial condition and cash flows. In the past, stock exchanges have had levied certain penalties, see "*Outstanding Litigations and Defaults*" on

page 306, for details of such listed non-convertible securities, see "*Disclosures on Existing Financial Indebtedness*" on page 179.

16. ***We face increasing competition in our business which may result in declining margins if we are unable to compete effectively.***

We face competition in all our lines of business. Our primary competitors are other NBFCs, public sector banks, private sector banks, co-operative banks, small finance banks and foreign banks and the unorganized financiers who principally operate in the markets where we operate. Banks have access to low-cost funds which enables them to enjoy higher margins and / or offer finance at lower rates. NBFCs do not have access to large quantities of low-cost deposits, a factor which can render them less competitive. In addition, interest rate deregulation and other liberalization measures affecting the small and medium enterprises, together with increased demand for capital by individuals as well as small and medium enterprises, have resulted in an increase in competition.

In addition, our target customers also borrow from money lenders and non-institutional lenders which may lend at higher rates of interest.

All of these factors have resulted in us facing increased competition from other lenders in each of our lines of businesses, including commercial banks and other NBFCs. Our ability to compete effectively will depend, to some extent, on our ability to raise low-cost funding in the future. Furthermore, as a result of increased competition in the finance sector, finance products are becoming increasingly standardized and variable interest rate and payment terms and lower processing fees are becoming increasingly common in the finance sector in India. There can be no assurance that we will be able to react effectively to these or other market developments or compete effectively with new and existing players in the increasingly competitive finance industry. Increasing competition may have an adverse effect on our net interest margin, and, if we are unable to compete successfully, our market share may decline. If we are unable to compete effectively with other participants in the finance sector, our business, future financial performance may be adversely affected.

17. ***We are exposed to operational risks, including employee negligence, petty theft, burglary and embezzlement and fraud by employees, customers or third parties, which could harm our results of operations and financial position.***

We are exposed to many types of operational risks. Operational risks can result from a variety of factors, including failure to obtain proper internal authorisations, improperly documented transactions, failure of operational and information security procedures, computer systems, software or equipment, fraud, inadequate training and employee errors. We attempt to mitigate operational risk by maintaining a comprehensive system of internal controls, establishing systems and procedures to monitor transactions, maintaining key back-up procedures, undertaking regular contingency planning and providing employees with continuous training. We employ security systems, including firewalls and password encryption, designed to minimise the risk of security breaches. Although we intend to continue to implement security technology and establish operational procedures to prevent fraud, break-ins, damage and failures, there can be no assurance that these security measures will be adequate. Any failure to mitigate such risks may adversely affect our business and results of operations.

We may infrequently engage in cash collections to recover our dues. Such cash transactions may expose us to the risk of theft, burglary and misappropriation or unauthorized transactions by our employees and fraud by employees, customers or third parties. Even if such instances of misconduct may not result in any legal liabilities on our part, they could cause serious reputational or financial harm to us. Our insurance policies, security systems and measures undertaken to detect and prevent these risks may not be sufficient to prevent or deter such activities in all cases, which may adversely affect our operations and profitability. For details related to our insurance policies, see "*Our Business - Insurance*" on page 129.

Further, we may be subject to regulatory or other proceedings in connection with any unauthorized transaction, fraud or misappropriation by our representatives and employees, which could adversely affect our goodwill. We have experienced instances of fraud by our borrowers, in Fiscals 2022, 2023 and 2024. There can be no assurance that such instances will not occur in future. Any failure to mitigate such risks may adversely affect our business and results of operations. For details related to material frauds against the Company, see "*Outstanding Litigations and Defaults*" on page 306.

Furthermore, some of the collateral provided for the loans may not be adequately insured and this may expose us to a loss of value of the collateral. As a result, we may not be able to recover the full value of the collateral. Any loss of value of the collateral may have a material adverse effect on our profitability and business operations.

18. ***If we are unable to manage our growth effectively, as a result our business and reputation could be adversely affected.***

We commenced our lending business to MSMEs in the financial year 2019. As December 31, 2024, we were operating from 23 prime branches and 201 EM branches with an AUM of ₹ 11,06,656.73 lakh and catering more than 1,35,000 lakh customers. Our AUM has grown from ₹2,96,890.60 lakh as at March 31, 2022 to ₹9,04,705.74 lakh as at March 31, 2024. Further, there can be no assurance that we will be able to sustain our growth strategy successfully or that we will be able to expand further or diversify our product portfolio. If we grow our AUM too rapidly or fail to make proper assessments of credit risks associated with new borrowers, a higher percentage of our AUM may become non-performing, which would have a negative impact on the quality of our assets and our financial condition.

Expanding our products or entering into new jurisdictions with new or existing products can be costly and require significant management time and attention. Additionally, as our operations grow in size, scope and complexity and our product offerings increase, we will need to enhance and upgrade our systems and infrastructure to offer an increasing number of enhanced solutions, features and functionality. The expansion of our systems and infrastructure will require us to commit substantial financial, operational and technical resources in advance of an increase in the volume of business, with no assurance that the volume of business will increase. We will need to recruit new employees, who will have to be trained and integrated into our operations. We will also have to train existing employees to adhere properly to internal controls and risk management procedures. Failure to train our employees properly may result in an increase in employee attrition rates, require additional hiring, erode the quality of customer service, divert management resources, increase our exposure to high-risk credit and impose significant costs on us.

19. ***We may experience difficulties in expanding our business into new regions and markets in India and introducing our complete range of products in each of our branches.***

Factors such as competition, culture, regulatory regimes, business practices & customs and customer requirements in these new markets may differ from those in our current markets and our experience in our current markets may not be applicable to these new markets. In addition, as we enter new markets and geographical regions, we are likely to compete with other banks and financial institutions that already have a presence in those geographies and markets and are therefore more familiar with local regulations, business practices and customs and have stronger relationships with customers. Our business may be exposed to various additional challenges including obtaining necessary governmental approvals, identifying and collaborating with local business and partners with whom we may have no previous working relationship; successfully gauging market conditions in local markets with which we have no previous familiarity; attracting potential customers in a market in which we do not have significant experience or visibility; being susceptible to local taxation in additional geographical areas of India and adapting our marketing strategy and operations to different regions of India in which different languages are spoken. Expansion in new markets could also lead to a change in existing risk exposures, and the data and models we use to manage such exposures may not be as sophisticated or effective as those we use in existing markets or with existing products. Our inability to expand our current operations may adversely affect our business

prospects, financial conditions and results of operations.

20. ***Our business is based on the trust and confidence of our customers; any damage to that trust and confidence may materially and adversely affect our business, future financial performance and results of operations.***

We are dedicated to earning and maintaining the trust and confidence of our customers and we believe that the good reputation created thereby and inherent in the "U GRO" brand name is essential to our business. The reputation of our Company and/or the "U GRO" brand could be adversely affected by any threatened and/or legal proceedings and/or any negative publicity or news articles in connection with our Company or the "U GRO" brand. As such, any damage to our reputation, or that of the "U GRO" brand name, could substantially impair our ability to maintain or grow our business. If we fail to maintain brand recognition with our target customers due to any issues with our product offerings, a deterioration in service quality, or otherwise, or if any premium in value attributed to our business or to the brands under which our services are provided declines, market perception and customer acceptance of our brands may also decline. Any negative news affecting us might also affect our reputation and brand value.

21. ***Our Company has delayed in payment of statutory dues in the past under the statutory provisions of the IT Act, the Employees Provident Funds and Miscellaneous Provisions Act, 1952, Employee State Insurance Act, 1948 ("ESI Act") and for deposit of professional tax. Such non-compliance and delayed compliance may attract penalties against our Company which could impact the financial position of us to that extent****.*

There were instances of delayed compliance with certain statutory provisions under the IT Act. For further information please refer to the chapter "*Outstanding litigation and defaults*" on page 306.

While our Company have already regularized the aforesaid delays, however, there can be no assurance that the regulator may not initiate proceedings against us or that we will be able to sufficiently defend against any action initiated by regulators in relation to regulatory compliances for all instances and periods. Any adverse order passed or penalty imposed by regulators on us may adversely affect our business and results of operations.

22. ***System failures or inadequacy and security breaches in computer systems or our inability to adapt to rapid technological changes may adversely affect our business.***

Our business is increasingly dependent on our ability to process, on a daily basis, a large number of transactions. Our loan management system, financial, accounting or other data processing systems may fail to operate adequately or become disabled as a result of events that are wholly or partially beyond our control including a disruption of electrical or communications services. Our ability to operate and remain competitive will depend in part on our ability to maintain and upgrade our information technology systems on a timely and cost-effective basis. The information available to and received by our management through our existing MIS systems may not be timely and sufficient to manage risks or to plan for and respond to changes in market conditions and other developments in our operations.

We may experience difficulties in upgrading, developing and expanding our systems quickly enough to accommodate our growing customer base and range of products. Further, we may not have the resources or technical sophistication to anticipate or prevent rapidly evolving types of cyberattacks. Any failure to effectively maintain or improve or upgrade our management information systems in a timely manner could materially and adversely affect our competitiveness, financial position and results of operations.

Our operations also rely on the secure processing, storage and transmission of confidential and other information in our computer systems and networks. While we believe that we have adequate data protection and security measures required to ensure safety of such processes however, these processes and the data we maintain are susceptible to the prevalent risks as far as technology is concerned.

Our computer systems, software and networks may be vulnerable to unauthorized access, computer viruses or other malicious code and other events that could compromise data integrity and security. Any such security breaches or compromises of technology systems could result in institution of legal proceedings against us and potential imposition of penalties, which may have an adverse effect on our business and reputation. We face the threat of fraud and cyberattacks, such as hacking, phishing, trojans and other threats, attempting to exploit our network to disrupt services to customers and/or theft of sensitive internal company data or customer information. This may cause damage to our reputation and adversely impact our business and financial results. In addition, our ability to conduct business may be adversely impacted by a disruption in the infrastructure that supports our businesses and the localities in which we are located.

23. ***Our credit ratings may not reflect accurately. Any downgrade in our credit ratings could increase borrowing costs and adversely affect our access to capital and lending markets and could also affect our interest margins, business, results of operations and financial condition.***

The cost and availability of debt capital depends in part on our short-term and long-term credit ratings. Credit ratings reflect the opinions of ratings agencies on our financial strength, operating performance, strategic position and ability to meet our obligations. Certain factors that influence our credit ratings may be outside of our control. Our long-term debt is presently rated "Ind A + / Stable", "CRISIL A/ Stable", "Acuite A/ Stable" from India Ratings and Research Private Limited, CRISIL Ratings Limited and Acuité Ratings & Research Limited respectively. Further, our short-term credit rating is presently rated "IND A1 +", "CRISIL A1" from India Ratings and Research Private Limited and CRISIL Ratings Limited respectively. Securities with this rating are considered to have an adequate degree of safety regarding timely servicing of financial obligations. Such securities carry low credit risk.

The NCDs proposed to be issued under the Issue have been rated "IND A +/ Stable") for an amount of ₹ 2,000 million by India Ratings and Research Private Limited vide their rating letter dated February 25, 2025 with rating rationale dated December 30, 2024. For rating letter, rationale and press release including the risk and key drivers mentioned therein, please refer to "*Annexure A*" of this Prospectus.

Ratings reflect agency's opinion of our financial strength, operating performance, strategic position and ability to meet our obligations. As a diversified set of businesses, many of whom are dependent upon our ability to access capital, our liquidity and ongoing profitability are primarily dependent upon our timely access to, and the costs associated with raising capital. Our business is significantly dependent on funding from the debt capital markets and commercial borrowings. The demand for such funds is competitive and our ability to obtain funds at competitive rates will depend on various factors, including our ability to maintain positive credit ratings. Any downgrade in our credit ratings could increase borrowing costs and adversely affect our access to capital and debt markets, which could in turn adversely affect our interest margins, our business and results of operations and cash flows. In addition, any downgrade in our credit ratings could increase the probability that our lenders impose additional terms and conditions to any financing or refinancing arrangements we enter into in the future. Further, any downgrade in our credit ratings may also trigger an event of default or acceleration of certain of our existing/ future borrowings which may cause disruptions in the business operations.

The rating provided by India Ratings and Research Private Limited may be suspended, withdrawn or revised at any time by the assigning rating agency and should be evaluated independently of any other rating. These ratings are not a recommendation to buy, sell or hold securities and investors should take their own decision. For details in relation to rating letters and rationale for the above rating, please see "*Annexure A*" on page 408.

24. ***Our measures to prevent money laundering may not be completely effective and we may be subject to scrutiny and penalties by the RBI for failure to implement effective measures. Moreover, various state government laws regulating money lending transactions could adversely affect our business, prospects, results of operations and financial condition.***

Our Company is required to comply with applicable anti-money-laundering and other regulations in India. Our measures to prevent money laundering as required by the RBI and other KYC compliance applicable in India, including the Reserve Bank of India (Know Your Customer) Master Directions, 2016 dated February 25, 2016, as amended ("**KYC Directions**") and the adoption of anti-money laundering policies and compliance procedures in all our branches may not be completely effective. There can be no assurance that attempts to launder money using us as a vehicle will not be made. Additionally, certain states in India have enacted laws to regulate money lending transactions, which may for instance establish a maximum rate of interest that can be charged. In the event, we are required to comply with the provisions of these state money lending laws and KYC Compliances, there may be severe civil and criminal penalties for non-compliance with the relevant money lending statutes. In the event that the government of any state in India requires us to comply with the provisions of their respective state money lending laws, KYC Compliances, or imposes any penalty against us for prior non-compliance, our business and results of operations could be adversely affected.

25. ***We depend on the accuracy and completeness of information about customers and counterparties for certain key elements of our credit assessment and risk management process. Any misrepresentation, errors in or incompleteness of such information could adversely affect our business and financial performance***.

In deciding whether to extend credit or enter into other transactions with customers, for certain key elements of the credit assessment process, we rely on information furnished to us by or on behalf of customers (including in relation to their financial transactions and past credit history). We may also rely on certain representations from our customers as to the accuracy and completeness of that information. For ascertaining the creditworthiness and encumbrances on collateral we may depend on the respective registrars and sub-registrars of assurances, credit information companies or credit bureaus, and on independent valuers in relation to the value of the collateral, and our reliance on any misleading information given, may affect our judgement of credit worthiness of potential borrowers, and the value of and title to the collateral, which may affect our business, prospects, results of operations and financial condition. We may receive inaccurate or incomplete information as a result of negligence or fraudulent misrepresentation. Our risk management measures may not be adequate to prevent or deter such activities in all cases, which may adversely affect our business prospects, financial condition and results of operations.

26. ***Our ability to assess, monitor and manage risks inherent in our business may be different from the standards of some of our counterparts in India and in some developed countries.***

We are exposed to a variety of risks, including liquidity risk, interest rate risk, credit risk, co-lending risk, talent risk, operational risk and legal risk. The effectiveness of our risk management is limited by the quality and timeliness of available data. We have devoted resources to develop our risk management policies and procedures and aim to continue to do so in the future. For details of our strategy on risk management policies, see "*Our Business - Continue to maintain prudent risk management policies for our assets under management*" on page 129. Our strategies and risk management techniques may not be fully effective in mitigating our risks in all market environments or against all types of risk, including risks that are unidentified or unanticipated. Some methods of managing risks are based upon observed historical market behaviour. As a result, these methods may not predict future risk exposures, which could be greater than the historical measures indicated. Other risk management methods depend upon an evaluation of information regarding markets, customers or other matters. This information may not in all cases be accurate, complete, current, or properly evaluated. The management of operational, legal or regulatory risk requires, among other things, policies and procedures to properly record and verify a number of transactions and events.

Our future success will depend, in part, on our ability to respond to new technological advances and evolving the NBFC standards and practices on a cost-effective and timely basis. The development and implementation of such technology entails significant technical and business risks. There can be no assurance that we will successfully implement new technologies or adapt our transaction processing

systems to customer requirements or evolving market standards.

27. ***Our success depends in large part upon our management team and key personnel and our ability to attract, train and retain such persons. If we are unable to attract and retain talented professionals or the loss of key management personnel may have an adverse impact on our business and future financial performance.***

Our ability to sustain our rate of growth depends significantly upon our ability to manage key issues such as selecting and retaining key operations personnel, developing managerial experience to address emerging challenges and ensuring a high standard of client service. In order to be successful, we must attract, train, motivate and retain highly skilled employees, especially branch managers and product executives. However, there is significant competition in India for such personnel, which has increased in recent years as a significant number of banks and NBFCs have recently commenced operations. We compete with other similar financial institutions to attract and retain this talent pool. Our success in attracting and retaining such resources depends upon factors such as remuneration paid, range of our product offerings, pre and post-sale support provided, our reputation, our perceived stability, our financial strength, and the strength of the relationships we maintain with our intermediaries, agents and other professionals. If we fail to attract or retain such management team or key personnel, it could have a material adverse effect on our business, and future financial performance.

If we cannot hire additional qualified personnel or retain them, our ability to expand our business will be impaired and our revenue could decline. We will need to recruit new employees, who will have to be trained and integrated into our operations. We will also have to train existing employees to adhere properly to internal controls and risk management procedures. In addition, we will have to train existing employees to adhere to internal controls and risk management procedures. Failure to train and motivate our employees properly may result in an increase in employee attrition rates, divert management resources and subject us to incurring additional human resource related expenditure. Hiring and retaining qualified and skilled managers are critical to our future, as our business model depends on our credit-appraisal and asset valuation mechanism, which are personnel-driven operations. Moreover, competition for experienced employees in the finance sector can be intense. Our inability to attract and retain talented professionals, or the resignation or loss of key operations personnel, may have an adverse impact on our business and future financial performance.

28. ***We have had negative net cash flows from our operating, investing and financing activities in the recent financial years. Any negative cash flows in the future may adversely affect our results of operations and financial condition.***

We have had negative net cash flows from our operating, investing and financing activities during our last three financial years, the details of which are summarised below:

Particulars	**Six Months Period Ended September 30, 2024**	**FY 2024**	**FY 2023**	**FY 2022**
Net cash used in operating activities	(95,223.93)	(1,53,494.53)	(1,22,042.82)	(1,13,181.67)
Net cash generated from/ (used in) investing activities	(3,196.76)	(23,045.03)	(8,454.20)	4,137.95
Net cash generated from financing activities	1,11,469.60	1,81,359.94	1,27,936.85	1,03,253.11

Any negative cash flows in the future may adversely affect our results of operations and financial condition. For further details, see "*Annexure C - Financial Statements*" on page 410.

29. *This Prospectus includes certain unaudited financial results, which has been subjected to limited review, in relation to our Company. Reliance on such information should, accordingly, be limited.*

This Prospectus includes unaudited financial results for the six months period ended September 30, 2024 and for the quarter and nine months ended December 31, 2024 prepared in accordance with Regulation 52 of SEBI LODR Regulations in respect of which the Current Statutory Auditors have issued their limited review report dated October 22, 2024 for the six months period ended September 30, 2024 and dated January 24, 2025 for the quarter and nine months ended December 31, 2024. As Unaudited Financial Results prepared by our Company in accordance with Regulation 33 and 52 of the SEBI LODR Regulations have been subject only to a limited review and as described in Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information" Performed by the Independent Auditor of the Entity" issued by the ICAI, and not to an audit, any reliance by prospective investors on such Unaudited Financial Results should, accordingly, be limited. Any financial results published in the future may not be consistent with past performance. Further, this Prospectus includes certain unaudited financial information such as information relating to financial indebtedness as on December 31, 2024 which has not been subjected to limited review by our Statutory Auditor. Accordingly, prospective investors should rely on their independent examination of our financial position and results of operations and should not place undue reliance on or base their investment decision solely on the financial information included in this Prospectus.

30. *This Prospectus contains information from third parties including reports prepared by independent third-party research agencies, which we have commissioned and paid for purposes of confirming our understanding of the industry.*

The industry and market information contained in this Prospectus includes information that is derived from the report entitled *"Research Report on NBFCs" – March'2025 by CareEdge Research,* which has been exclusively commissioned and paid for by our Company only for the purposes of confirming our understanding of the industry in connection with the Issue.

The report uses certain methodologies for market sizing and forecasting, and may include numbers relating to us that differ from those we record internally. While we believe such information to be true, we cannot assure you that such information is complete or reliable. Given the scope and extent of the reports, disclosures herein are limited to certain excerpts and the reports have not been reproduced in their entirety in this Prospectus. There are no parts, data or information (which may be relevant for the Issue) that have been left out or changed in any manner. Accordingly, investors should read the industry-related disclosure in this Prospectus in this context. Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates, projections, forecasts and assumptions. Due to possibly flawed or ineffective collection methods or discrepancies between published information and market practice and other problems, the statistics herein may be inaccurate or may not be comparable to statistics produced for other economies and should not be unduly relied upon. Statements from third parties that involve estimates are subject to change, and actual amounts may differ from those included in this Prospectus. While these industry sources and publications may take care and caution while preparing their reports, they do not guarantee the accuracy, adequacy or completeness of the data. Accordingly, investors should not place undue reliance on, or base their investment decision solely on this information.

31. *The technology-driven underwriting, risk management and collection processes on which our Company relies may not be able to effectively identify, monitor or mitigate the risks in our lending operations.*

Our technology-driven underwriting, risk management and collection processes enable our lending

operations. If any of these decision-making systems contain programming or other errors, the criteria or parameters used for the analysis of customers credit profiles are inaccurate, the risk management models can become flawed or ineffective or the customer insights developed or received for credit assessment may become incorrect or stale, the credit assessment process related to our loans could be negatively affected, resulting in incorrect approvals, incorrect denials of loans, mispriced loans or biased rejection rates for potential customers. If any of the foregoing were to occur, the performance of our credit assessment will be compromised. As a result, our business, brand, reputation, results of operations and financial condition may be adversely affected.

32. ***Our insurance coverage may not be sufficient or may not adequately protect us against any or all hazards, which may adversely affect our business, results of operations, financial condition and cash flows.***

We maintain insurance coverage for our operations in normal course. Our insurance policies, however, may not provide adequate coverage in certain circumstances and are subject to certain deductibles, exclusions and limits on coverage. We cannot, assure you that the terms of our insurance policies will be adequate to cover any damage or loss suffered by us or that such coverage will continue to be available on reasonable terms or will be available in sufficient amounts to cover one or more large claims, or that the insurer will not disclaim coverage as to any future claim.

We cannot assure you that any claim under the insurance policies maintained by us will be honoured fully, in part or on time, or that we have obtained sufficient insurance to cover all our losses. In addition, our insurance coverage expires from time to time. We apply for the renewal of our insurance coverage in the normal course of our business, but we cannot assure you that such renewals will be granted in a timely manner, or at acceptable cost, or at all.

There are many events, other than the ones covered in the insurance policies specified in "*Our Business – Insurance*" on page 129, that could significantly impact our operations, or expose us to third-party liabilities, for which we may not be adequately insured. To the extent that we suffer loss or damage, or successful assertion of one or more large claims against us for events for which we are not insured, or for which we did not obtain or maintain insurance, or which is not covered by insurance, exceeds our insurance coverage or where our insurance claims are rejected, the loss would have to be borne by us and our business, results of operations, financial condition and cash flows could be adversely affected. For details in relation to our insurance coverage, see "*Our Business – Insurance*" on page 129.

33. ***We have included certain Non-GAAP measures related to our operations and financial performance in this Prospectus. Such Non-GAAP measures may vary from any standard methodology that is applicable across the financial services industry and may not be comparable with the financial or operational information of similar nomenclature computed and represented by other companies.***

This Prospectus includes certain non-GAAP measures, including, inter alia, Gross NPA%, Net NPA%, Net Worth, Return on Total Assets, Return on Equity, AUM, Gross Loan Book, Total Debts to total assets, etc, for further details, please see "*Our Business - Key Operational and Financial Parameters*" on page 129 which are a supplemental measure of our performance and liquidity that is not required by, or presented in accordance with, Ind AS, Indian GAAP, IFRS or US GAAP.

We consider these non-GAAP measures useful in evaluating our business and financial performances. However, these non-GAAP measures are not alternatives to any measure of performance or liquidity or as an indicator of our operating performance or liquidity. They should not be considered in isolation or construed as an alternative to cash flows, profit/ (loss) for the year or any other measure of financial performance or as an indicator of our operating performance, liquidity, profitability or cash flows generated by operating, investing or financing activities derived in accordance with Ind AS, Indian GAAP, IFRS or US GAAP. There are no standard methodologies in the industry for computing such measures, and those non-GAAP measures we included in this Prospectus may not be comparable to similarly titled measures

presented by other companies. Other companies may calculate similarly titled measures differently, limiting their usefulness as comparative measures to our data. We encourage investors and others to review our financial information in its entirety and not rely on a single financial measure

34. ***All of our offices and branches are located in leased premises and non-renewal of lease agreements or their renewal on terms unfavourable to us could adversely affect our operations.***

As of December 31, 2024 all of our offices including our Registered and Corporate Office and branches are located in leased premises. As on December 31, 2024, we have 224 branches out of which lease / rent agreement for 4 branches have expired are under renewal. If any of the owners of these premises do not renew the agreements under which we occupy the premises, or if they seek to renew such agreements on terms and conditions unfavourable to us, or if they terminate the agreement, we may suffer a disruption in our operations or increased costs, or both, which may adversely affect our business and results of operations.

All or any of the leases may not be renewed on similar terms or at all, or we may be evicted from all or a number of these premises and be required to pay damages to the landlord. This may adversely impact our business and financial condition.

35. ***We have in the past entered into related party transactions and may continue to do so in the future, which may potentially involve conflicts of interest with the equity shareholders.***

We have entered into certain transactions with related parties. While we believe that all such transactions have been conducted on an arm's length basis and contain commercially reasonable terms, we cannot assure you that we could not have achieved more favourable terms had such transactions been entered into with unrelated parties. It is likely that we may enter into related party transactions in the future. Although all related party transactions that we may enter into will be subject to board or shareholder approval, as necessary under the Companies Act, 2013, as amended and the SEBI LODR Regulations, we cannot assure you that such transactions, individually or in the aggregate, will not have an adverse effect on our business, prospects, results of operations and financial condition, including because of potential conflicts of interest or otherwise. In addition, our business and growth prospects may decline if we cannot benefit from our relationships with them in the future or that we could not have achieved more favourable terms if such transactions had not been entered into with related parties. For details of the related party transaction for each of the Financial Years ended March 31, 2024, 2023 and 2022, as per the requirements under the applicable accounting standards, see Note 44 of Audited Financial Statements for Fiscal 2024, Note 43 of Audited Financial Statements for Fiscal 2023, and Note 40 of Audited Financial Statements of Fiscal 2022, under "*Financial Statements*" beginning on page F-74, F-170 and F-263.

36. ***We do not have access to records and data pertaining to certain historical legal and secretarial information.***

Our Company is unable to locate some of the old regulatory filings made with the RoC and/or secretarial records which pertains to its earlier years of operations. Despite having conducted search of our records and a search in the records of the RoC for the untraceable documents, which was conducted by a practicing company secretary engaged by us, we have not been able to trace the aforementioned documents. Accordingly, we have relied on other documents, including corresponding board and/or shareholder resolutions, where available, statutory registers of members, allotment and share transfer, and audited financial statements for such matters. In case of our Company, we have also been unable to trace the form filings made in relation to the change of our registered office. Though our Company has made efforts to retrieve such records however, there is no certainty that these forms or records will be available in the future. Since copies of these regulatory filings are unavailable with us, we cannot assure you that these regulatory filings were duly filed on a timely basis, or at all. Although no regulatory action/litigation is pending against us in relation to the missing documents, we cannot assure you that we will not be subject to penalties imposed by regulatory authorities in this respect. We have relied on the independent search

report by practising company secretary engaged by us and we cannot assure you of the accuracy and completeness of the report.

37. ***The new bankruptcy code in India may affect our rights to recover loans from borrowers. The Insolvency and Bankruptcy Code, 2016 ("Bankruptcy Code") was notified on August 5, 2016.***

The Bankruptcy Code offers a uniform and comprehensive insolvency legislation encompassing all companies, partnerships and individuals (other than financial firms). It allows creditors to assess the viability of a debtor as a business decision, and agree upon a plan for its revival or a speedy liquidation. The Bankruptcy Code creates a new institutional framework, consisting of a regulator, insolvency professionals, information utilities and adjudicatory mechanisms, which will facilitate a formal and time-bound insolvency resolution and liquidation process.

In case insolvency proceedings are initiated against a debtor to our Company, we may not have complete control over the recovery of amounts due to us. Under the Bankruptcy Code, upon invocation of an insolvency resolution process, a committee of creditors is constituted by the interim resolution professional, wherein each financial creditor is given a voting share proportionate to the debts owed to it. Bankruptcy Code provides a 180-day timeline which may be extended by 90 days when dealing with insolvency resolution applications. Subsequently, the insolvency resolution plan prepared by the insolvency professionals has to be approved by 66% of voting share of financial creditors, which requires sanction by the adjudicating authority and, if rejected, the adjudicating authority will pass an order for liquidation. Any resolution plan approved by committee of creditors is binding upon all creditors, even if they vote against it. In case a liquidation process is opted for, the Bankruptcy Code provides for a fixed order of priority in which proceeds from the sale of the debtor's assets are to be distributed. Before sale proceeds are distributed to a secured creditor, they are to be distributed for the costs of the insolvency resolution and liquidation processes, debts owed to workmen and other employees, and debts owed to unsecured credits. Further, under this process, dues owed to the Central and State Governments rank at par with those owed to secured creditors. Moreover, other secured creditors may decide to opt out of the process, in which case they are permitted to realise their security interests in priority.

Accordingly, if the provisions of the Bankruptcy Code are invoked against any of the borrowers of our Company, it may affect our Company's ability to recover our loans from the borrowers and enforcement of our Company's rights will be subject to the Bankruptcy Code.

Further, the GoI vide notification dated March 24, 2020 ("**Notification**") has amended section 4 of the Bankruptcy Code due the lingering impact of the COVID-19 pandemic. Pursuant to the said Notification, GoI has increased the minimum amount of default under the insolvency matters from ₹ 1,00,000 to ₹ 1,00,00,000. Therefore, the ability of our Company to initiate insolvency proceedings against the defaulters where the amount of default in an insolvency matter is less the ₹ 1,00,00,000 may impact the recovery of outstanding loans and profitability of our Company.

38. ***Our results of operations could be adversely affected as a result of any disputes with our employees.***

We employ 2131 full-time employees as of December 31, 2024, and lay significant emphasis on our employees' overall welfare. However, there can be no assurance that there will not be any future disruptions in our operations due to any disputes with our employees, or that such disputes will not adversely affect our business and results of operations. We depend on our branch-level employees for sourcing, disbursements and collections and customer liaison, and significant attrition at any of our branches could adversely impact our operations. Further, in the event of a labour dispute, protracted negotiations and strike action may impair our ability to carry on our day-to-day operations, which could materially and adversely affect our business, future financial performance and results of operations.

Further, we are subject to several labour laws and regulations that change periodically, and we cannot assure you that we will continue to be able to comply with such laws and regulations in the future. Any

non-compliance by us in the future may adversely affect our business, financial condition and results of operations.

39. ***Changing laws, rules and regulations and legal uncertainties, including adverse application of tax laws, may adversely affect our business, prospects and results of operations.***

The regulatory and policy environment in which we operate is evolving and subject to change. Such changes may adversely affect our business, results of operations and prospects, to the extent that we are unable to suitably respond to and comply with any such changes in applicable law and policy. For example, the Government of India implemented a comprehensive national Goods and Services Tax ("**GST**") regime with effect from July 1, 2017, that combined multiple taxes and levies by the Central and State Governments into a unified tax structure.

Our business and financial performance could be adversely affected by any unexpected or onerous requirements or regulations resulting from the introduction of GST or any changes in laws or interpretation of existing laws, or the promulgation of new laws, rules and regulations relating to GST, as it is implemented. The Government has enacted the GAAR which have come into effect from April 1, 2017.

The Government of India has announced the union budget for Fiscal 2024, pursuant to which the Finance Bill 2024 has proposed various amendments. The Finance Bill 2024 has received assent from the President of India on March 31, 2023 and has been enacted as the Finance Act 2024 ("**Finance Act**"). There is no certainty on the impact that the Finance Act may have on our business and operations or on the industry in which we operate. We cannot predict whether any amendments made pursuant to the Finance Act would have a material adverse effect on our business, financial condition and results of operations.

Unfavourable changes in or interpretations of existing, or the promulgation of new, laws, rules and regulations including foreign investment and stamp duty laws governing our business and operations could result in us being deemed to be in contravention of such laws and may require us to apply for additional approvals. For instance, the Supreme Court of India has, in a decision clarified the components of basic wages, which need to be considered by companies while making provident fund payments. Our Company has not made relevant provisions for the same, as on date. Any such decisions in future or any further changes in interpretation of laws may have an impact on our results of operations. Further, the recent introduction of the Digital Personal Data Protection Act, 2023 ("**DPDP Act**") may lead us to incur increased costs and other burdens relating to compliance with such new requirements, which may also require significant management time and other resources, and any failure to comply may adversely affect our business, results of operations and prospects.

Uncertainty in the applicability, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy, including by reason of an absence, or a limited body, of administrative or judicial precedent may be time consuming as well as costly for us to resolve and may impact the viability of our current businesses or restrict our ability to grow our businesses in the future.

40. ***Our inability to protect our intellectual property rights may prevent us from successfully marketing our products and we may infringe the intellectual property rights of others which could result in litigation.***

Our name and trademarks are significant to our business and operations. The use of our brand name or logo by third parties could adversely affect our reputation, which could in turn adversely affect our financial performance. Our current logo " ", is registered under Class 35 and 36 under the Trade Marks Act, 1999 in the name of our Company. Further, our logo , is registered under Class 35, 36 and 42 under Trade Marks Act, 1999 in the name of our Company. Also, we have filed application for

registration of "NON-STOP BUSINESS KARNE KI AZADI" under class 35 and 36 under Trade Marks Act, 1999.

We have also developed various technology platforms to enhance our quality of our services and operations, such as (i) GRO Plus module; (ii) GRO Chain; (iii) GRO Xstream platform for co-lending and; (iv) GRO X application to deliver embedded financing option to MSMEs. For further details please see, "*Our Business - UGRO Capital Founding Philosophy (DataTech Approach)*" on page 129. For this, our logo , is registered under class 9 and 36 and we have filed application for registration of under Class 35 and 42 under the Trade Marks Act, 1999.

We have also secured patent credit scoring model, GRO Score 3.0 officially titled ''*Method and System for Modelling Credit ScoreCard*''. This patent recognizes the uniqueness and effectiveness of the model in addressing the challenges faced by MSMEs and highlights our commitment to advancing credit evaluation standards in the industry.

Failure to protect our intellectual property could harm our brand and our reputation, and adversely affect our ability to compete effectively. Further, enforcing or defending our intellectual property rights, including our trademarks could result in the expenditure of significant financial and managerial resources.

41. *Our business processes a large amount of data, including personal data, and the improper collection, hosting, use or disclosure of data could harm our reputation and have an adverse effect on our business, financial condition, results of operations and cash flows.*

Our business processes a large quantity of personal data (with our users' consent) and analyses this data to generate user and user group profiles. Our privacy policies concerning the collection, use and disclosure of personal data (and users' rights thereto) are consented to by our customers and made accessible for their reference at any point in time. We face risks inherent in handling and protecting a large volume of data, especially user data. In particular, we face several challenges relating to data security and privacy, including but not limited to:

(a) protecting the data in and hosted on our system, including against attacks on our system by outside parties, data leakage, fraudulent behaviour or improper use by our employees;

(b) addressing concerns, challenges, negative publicity and litigation related to data security and privacy, collection, use and actual or perceived data sharing (including sharing among our own businesses, with business partners, vendors or regulators), and other factors that may arise from our existing businesses or new businesses and new technology; and

(c) complying with applicable laws and regulations relating to the collection, use, storage, transfer, disclosure and security of personal data, including requests from data subjects.

The improper collection, use or disclosure of our user data could result in a loss of customers, business, partner financial institutions and other potential participants, loss of confidence or trust, litigation, regulatory investigations, penalties or actions against us, significant damage to our reputation, and have an adverse effect on our business, financial condition, results of operations and cash flows. Moreover, we share a limited amount of user data with third-party service providers in accordance with applicable laws and regulations and subject to stringent data security and privacy requirements. We also rely on certain third-party service providers in relation to the sourcing of data for potential customers. We do PAN verification with the National Securities Depository Limited ("**NSDL**"), and Aadhaar XML download from

the Unique Identification Authority of India, wherever deemed necessary ("**UIDAI**"). During the course of providing such services, customer data may be accessed. If such third-party service providers engage in activities that are negligent, fraudulent, illegal or otherwise harm the trustworthiness and security of our systems, including by improper disclosure or use of user data, or if our business partners otherwise fail to meet their data security and privacy obligations, we may be subject to user complaints and suffer reputational harm, even if the actions or activities are not related to, attributable to or caused by us, or within our control. While no regulatory or legal action has been taken against us in relation to such instances in the past, we cannot assure you that we will not be subject to any regulatory or legal action for such instances in the future.

42. ***Negative publicity could damage our reputation and adversely impact our business and financial results. Reputational risk, or the risk to our business, earnings and capital from negative publicity, is inherent in our business.***

The reputation of the non-banking financial industry in general has been closely monitored as a result of the global financial crisis and other matters affecting the financial services industry. Negative public opinion about the non-banking finance industry generally or us specifically could materially adversely affect our ability to attract and retain customers and may expose us to litigation and regulatory action. While we have developed our brand and reputation over our history, any negative incidents or adverse publicity could rapidly erode customer trust and confidence in us, particularly if such incidents receive widespread adverse mainstream and social media publicity, or attract regulatory investigations. Negative publicity can result from our own or our third-party service providers' actual or alleged conduct in any number of activities, including lending practices, mortgage servicing and foreclosure practices, technological practices, corporate governance, regulatory compliance, mergers and acquisitions, and related disclosure, sharing or inadequate protection of customer information, and actions taken by government regulators and community organisations in response to that conduct. Although we take steps to minimise reputational risk in dealing with customers and other constituencies, we, as a large financial services organisation with a high industry profile, are inherently exposed to this risk. Any damage to our brand or our reputation may result in withdrawal of business by our existing customers, loss of new business from potential customers.

43. ***Fluctuations in the market value of our investments could adversely affect our results of operations and financial condition.***

Fluctuations in the market values of our investments as part of treasury management could cause us to write down the value of our assets, affect our liquidity and reduce our ability to enforce our security, which could adversely affect our result of operations and financial condition. We may not accurately identify changes in the value of our investments caused by changes in market prices, and our assessments, assumptions or estimates may prove inaccurate or not predictive of actual results.

44. ***We may raise further borrowings and charge our assets.***

Subject to our restricted covenants, we are not barred from raising future borrowings and may charge our assets from time to time for any of such future borrowings. We also borrow the funds through issuance of non-convertible debentures from time to time and in the event if we default in repayment of the borrowings of the Company which will also trigger cross default of the Debentures, the borrowings of the Company which are secured with its assets will have a higher probability of being repaid/redeemed than the Debentures.

Risks relating to the Issue and NCDs

45. ***The fund requirement and deployment mentioned in the Objects of the Issue have not been appraised by any bank or financial institution***.

We intend to use the net proceeds of the Issue, after meeting the expenditures of and related to the Issue,

for the purpose of onward lending, repayment of interest and principal of existing borrowings and for general corporate purposes. For further details, see "*Objects of the Issue*" at page 91. The fund requirement and deployment are based on internal management estimates and has not been appraised by any bank or financial institution. The management will have significant flexibility in applying the proceeds received by us from the Issue. Further, as per the provisions of the SEBI NCS Regulations, we are not required to appoint a monitoring agency and therefore no monitoring agency has been appointed for the Issue.

46. ***There is no assurance that the NCDs issued pursuant to this Issue will be listed on BSE Limited and National Stock Exchange of India Limited in a timely manner, or at all.***

In accordance with Indian law and practice, permission for listing and trading of the NCD issued pursuant to this Issue will not be granted until after the NCDs have been issued and allotted. Approval for listing and trading will require all relevant documents authorising the issue of NCDs to be submitted. There could be a failure or delay in listing the NCDs in BSE and NSE**.**

47. ***Payments to be made on the NCDs are subordinated to certain taxes and other liabilities preferred by law.***

In the event of bankruptcy, liquidation or winding up, there may not be sufficient assets of our Company remaining, to pay amounts due on the NCDs. The NCDs will be subordinated to certain liabilities preferred by law such as the claims of the Government on account of taxes, and certain liabilities incurred in the ordinary course of our business. In particular, in the event of bankruptcy, liquidation or winding-up, our Company's assets will be available to pay obligations on the NCDs only after all of those liabilities that rank senior to the NCDs have been paid as per Section 327 of the Companies Act, 2013 or Section 53 of the Insolvency and Bankruptcy Code, 2016, as the case maybe. In the event of bankruptcy, liquidation or winding-up, there may not be sufficient assets remaining to pay amounts, due on the NCDs.

48. ***Repayment is subject to the credit risk of the Company.***

Potential investors should be aware that receipt of the principal amount, (i.e. the redemption amount), interest thereon and any other amounts that may be due in respect of the NCDs is subject to the credit risk of the Company whereby the Investors may or may not recover all or part of the funds in case of default by the Company. Potential investors assume the risk that the Company will not be able to satisfy their obligations under the NCDs. In the event that bankruptcy proceedings or composition, scheme of arrangement or similar proceedings to avert bankruptcy are instituted by or against the Issuer, the payment of sums due on the NCDs may not be made or may be substantially reduced or delayed.

On December 14, 2021, the RBI issued a circular titled "Prompt Corrective Action (PCA) Framework for Non-Banking Financial Companies (NBFCs)" ("**PCA Framework Circular**") to enable supervisory intervention and implement remedial measures of NBFCs, including NBFC-NDs, on the basis of tracking certain indicators such as CRAR, Tier I Capital Ratio and Net NPA Ratio.

49. ***Trading of the NCDs may be limited by temporary exchange closures, broker defaults, settlement delays, strikes by brokerage firm employees and disputes.***

The Indian stock exchanges have experienced temporary exchange closures, broker defaults, settlement delays and strikes by brokerage firm employees. In addition, the governing bodies of the Indian stock exchanges have from time to time imposed restrictions on trading in certain securities, limitations on price movements and margin requirements. Furthermore, from time to time, disputes have occurred between listed companies and stock exchanges and other regulatory bodies, which in some cases may have had a negative effect on market sentiment.

50. ***Changes in interest rate may affect the price of our NCD.***

Any increase in rate of interest, which frequently accompany inflation and/or a growing economy, are likely

to have a negative effect on the price of our NCDs. All securities where a fixed rate of interest is offered, such as our NCDs, are subject to price risk. The price of such securities will vary inversely with changes in prevailing interest rates, i.e., when interest rates rise, prices of fixed income securities fall and when interest rates drop, the prices increase. The extent of fall or rise in the prices is a function of the existing coupon, days to maturity and the increase or decrease in the level of prevailing interest rates. Increased rates of interest, which frequently accompany inflation and/or a growing economy, are likely to have a negative effect on the price of our NCDs.

51. ***Security on our NCDs may rank pari passu with our Company's secured indebtedness in the future.***

Substantially all of our Company's current assets represented by the receivables are being used to secure our Company's debt. As of December 31, 2024, our Company's secured borrowings was ₹ 5,83,759.34 lakh. While the security on our NCDs is exclusive as of the date of this Prospectus, the terms of the NCDs do not prevent our Company from incurring additional debt subject to maintenance of minimum-security cover.

52. ***There may be no active market for the NCDs on the retail debt market/capital market segment of the Stock Exchanges. As a result, the liquidity and market prices of the NCDs may fail to develop and may accordingly be adversely affected***.

There can be no assurance that an active market for the NCDs will develop. If an active market for the NCDs fails to develop or be sustained, the liquidity and market prices of the NCDs may be adversely affected. The market price of the NCDs would depend on various factors inter alia including (i) the interest rate on similar securities available in the market and the general interest rate scenario in the country, (ii) the market for listed debt securities, (iii) general economic conditions, and, (iv) our financial performance, growth prospects and results of operations. The aforementioned factors may adversely affect the liquidity and market price of the NCDs, which may trade at a discount to the price at which you purchase the NCDs and/or be relatively illiquid.

53. ***The rights over the security provided will not be granted directly to holders of the NCDs.***

The rights over the security securing the obligations of our Company under the NCDs and the Trust Deed will not be granted directly to the NCD holders, but will be granted only in favour of the Debenture Trustee. As a consequence, NCD holders will not have direct security and will not be entitled to take enforcement action in respect of the security for the NCDs, except through the Debenture Trustee.

54. ***The objects of the issue are not for any specified projects.***

The proceeds of this Issue will be used by the Issuer in accordance with applicable laws and not for any specified projects. For further details, see "*Objects of the Issue*" on page 91.

55. ***The Debentures may not be a suitable investment for all purchasers.***

Investment in Debentures involves a significant degree of risk and is intended for sale only to those investors capable of understanding the risks involved in such instruments. Potential investors should ensure that they understand the nature of the Debentures and the extent of their exposure to risk, that they have sufficient knowledge, experience and access to professional advisers to make their own legal, tax, accounting and financial evaluation of the merits and risks of investment in the Debentures and that they consider the suitability of the Debentures as an investment in the light of their own circumstances and financial condition.

56. ***The Issuer being a NBFC is not required to maintain a Debenture Redemption Reserve ("DRR").***

We are a registered NBFC in terms of the NBFC-ND-SI Directions. Pursuant to the amendment to the Companies (Share Capital and Debentures) Rules, 2014 read with Rule 16 of the SEBI NCS Regulations,

any non-banking finance company registered with Reserve Bank of India under section 450IA of the RBI Act, 1934 that intends to issue debentures to the public are no longer required to create a DRR for the purpose of redemption of the NCDs. Hence, investors shall not have the benefit of reserve funds to cover the re-payment of the principal and interest on the NCDs.

57. ***Receipt of Coupon or Principal amount is subject to the Credit risk of the Issuer.***

Investors should be aware that the receipt of any coupon payment and principal amount at maturity is subject to the credit risk of the Issuer. Any stated credit rating of the Issuer reflects the independent opinion of the referenced rating agency as to the creditworthiness of the rated entity but is not a guarantee of credit quality of the Issuer. Any downgrading of the credit ratings of the Issuer by the rating agency may lower the value of the Debentures.

Potential investors should be aware that receipt of the principal amount, (i.e., the Redemption Amount) and any other amounts that may be due in respect of the NCDs is subject to the credit risk of the Issuer. Potential investors assume the risk that the Issuer will not be able to satisfy their obligations under the Debentures. In the event that bankruptcy proceedings or composition, scheme of arrangement or similar proceedings to avert bankruptcy are instituted by or against the Issuer, the payment of sums due on the Debentures may not be made or may be substantially reduced or delayed.

The payment of the principal and coupon on the NCDs is subject to the credit risk of the Issuer whereby the investors may or may not recover all or part of the principal or coupon amount of the funds invested in case of default by the Issuer. NCD Holders assume the risk that the Issuer will not be able to satisfy their obligations under the NCDs and may or may not recover all or part of the principal and/or coupon amount in case of default by the Issuer.

58. ***NCD Holders may be subject to taxes arising on the sale of the NCDs.***

Sale of NCDs by any holder may give rise to tax liability, under Indian taxation laws. Investors and or subscribers are advised to consult their own tax consultant with respect to the specific tax implications arising out of sale of the NCDs. Further, tax deductible at source is applicable on interest. For details, see section titled "*Statement of Possible Tax Benefits*" on page 95. Investors and or subscribers are advised to consult their own tax consultant with respect to the specific tax implications arising out of sale of the NCDs.

59. ***There may be a delay in making refund/ unblocking of funds to Applicants.***

We cannot assure you that the monies refundable to you, on account of (i) withdrawal of your applications, (ii) our failure to receive minimum subscription in connection with the Base Issue Size, (iii) withdrawal of the Issue, or (iv) failure to obtain the final approval from the BSE and NSE for listing of the NCDs, will be refunded to you in a timely manner. We, however, shall refund / unblock such monies, with the interest due and payable thereon (in case of any delays) as prescribed under applicable statutory and/or regulatory provisions.

60. ***The NCD Holders may not be able to recover, on a timely basis or at all, the full value of the outstanding amounts and/or the interest accrued thereon in connection with the NCDs.***

Failure or delay to recover the expected value from a sale or disposition of the assets charged as security in connection with the NCDs could expose the holders to a potential loss. Our ability to pay interest accrued on the NCDs and/or the principal amount outstanding from time to time in connection therewith would be subject to various factors inter-alia including our financial condition, profitability and the general economic conditions in India and in the global financial markets. We cannot assure you that we would be able to repay the principal amount outstanding from time to time on the NCDs and/or the interest accrued thereon in a timely manner or at all. Although our Company will create appropriate security in favour of the Debenture Trustee for the NCD Holders on the assets adequate to ensure 110.00% asset cover for the NCDs, which shall be free from any encumbrance, the realisable value of the assets charged as security,

when liquidated, may be lower than the outstanding principal and/or interest accrued thereon in connection with the NCDs. A failure or delay to recover the expected value from a sale or disposition of the assets charged as security in connection with the NCDs could expose you to a potential loss

While the NCDs will be secured against a charge to the tune of 110% of the principal and/or interest accrued thereon in favour of Debenture Trustee, and it is the duty of the Debenture Trustee to monitor that the security is maintained, however, the possibility of recovery of 100% of the amount shall depend on the market scenario prevalent at the time of enforcement of the security.

61. ***The Security may be insufficient to redeem the NCDs.***

The NCDs to be issued pursuant to the Issue will be secured by creating a pari-passu charge over the Receivables of our Company, created in favour of the Debenture Trustee, to the extent of 110% of the amount outstanding towards principal and interest payable on NCDs. In the event that our Company is unable to meet its payment and other obligations towards investors under the terms of the NCDs, the Debenture Trustee may enforce the Security in respect of the NCDs as per the terms of security documents, and other related documents. The Debenture Holder(s)' recovery in relation to the NCDs will be subject to (i) the market value of the security, (ii) finding willing buyers for the security at a price sufficient to repay the amount payable to Debenture Holder(s)' under the NCDs. The value realized from the enforcement of the transaction security may be insufficient to redeem the NCDs.

There may be fluctuations in the market values of the assets over which security has been provided by our Company, which could affect our Company's liquidity and reduce our Company's ability to enforce the security in terms of Security Documents, and consequently affect our Company's result of operations and financial condition. Our Company may not accurately identify changes in the value of assets over which security has been provided caused by changes in market prices, and our Company's assessments, assumptions or estimates may prove inaccurate.

EXTERNAL RISKS

Risks relating to India

62. ***Significant differences exist between Ind-AS and other accounting principles, such as U.S. GAAP and IFRS, which may be material to the financial statements prepared and presented in accordance with Ind-AS contained in this Prospectus.***

Our summary statements of assets and liabilities as at September 30, 2024 and summary statements of profit and loss (including other comprehensive income), cash flows and changes in equity for the Fiscals 2024 have been prepared in accordance with the Indian Accounting Standards notified under Section 133 of the Companies Act, 2013, read with the Ind AS Rules and in accordance with the SEBI NCS Regulations, the SEBI Circular and the Prospectus Guidance Note.

We have not attempted to quantify the impact of US GAAP, IFRS or any other system of accounting principles on the financial data included in this Prospectus, nor do we provide a reconciliation of our financial statements to those of US GAAP, IFRS or any other accounting principles.

US GAAP and IFRS differ in significant respects from Ind AS and Indian GAAP. Accordingly, the degree to which the Financial Information included in this Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Ind AS, Indian GAAP and the SEBI NCS Regulations. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Prospectus should accordingly be limited.

63. ***Our business is affected by prevailing economic, political and other prevailing conditions in India and the markets we currently serve.***

Our Company is incorporated in India, and all of our assets and employees are located in India. As a result, we are dependent on prevailing economic conditions in India and our results of operations are affected by factors influencing the Indian economy. Factors that may adversely affect the Indian economy, and hence our results of operations, may include:

(a) any increase in Indian interest rates or inflation;

(b) any exchange rate fluctuations;

(c) any scarcity of credit or other financing in India, resulting in an adverse impact on economic conditions in India and scarcity of financing of our developments and expansions;

(d) volatility in, and actual or perceived trends in trading activity on, India's principal stock exchanges;

(e) changes in India's tax, trade, fiscal or monetary policies, like application of GST;

(f) political instability, terrorism or military conflict in India or in countries in the region or globally, including in India's various neighboring countries;

(g) occurrence of natural or man-made disasters;

(h) infectious disease outbreaks or other serious public health concerns;

(i) prevailing regional or global economic conditions, including in India's principal export markets;

(j) changing regulatory landscape in relation to NBFCs and factoring business; and

(k) other significant regulatory or economic developments in or affecting India or its financial services sectors.

Any slowdown or perceived slowdown in the Indian economy, or in specific sectors of the Indian economy, could adversely impact our business, results of operations and financial condition. Our performance and the growth of our business depend on the performance of the Indian economy and the economies of the regional markets we currently serve. These economies could be adversely affected by various factors, such as political and regulatory changes including adverse changes in liberalization policies, social disturbances, religious or communal tensions, terrorist attacks and other acts of violence or war, natural calamities, interest rates, commodity and energy prices and various other factors. Any slowdown in these economies could adversely affect the ability of our customers to afford our services, which in turn would adversely impact our business and financial performance.

64. ***Financial difficulties and other problems in certain financial institutions in India could cause our business to suffer and adversely affect our results of operations.***

We are exposed to the risks of the Indian financial system, which in turn may be affected by financial difficulties and other problems faced by certain Indian financial institutions. Certain Indian financial institutions have experienced difficulties during recent years. Some co-operative banks (which tend to operate in rural sector) have also faced serious financial and liquidity crises. There has been a trend towards consolidation with weaker banks, NBFCs and HFCs being merged with stronger entities. The problems faced by individual Indian financial institutions and any instability in or difficulties faced by the Indian financial system generally could create adverse market perception about Indian financial institutions, banks and NBFCs. This in turn could adversely affect our business, our future financial performance, our shareholders' funds and the market price of our NCDs.

65. ***Financial instability in other countries may cause increased volatility in Indian financial markets.***

The Indian market and economy are influenced by economic and market conditions in other countries, including conditions in the U.S., Europe and particularly in emerging market countries located in Asia. Although economic conditions are different in each country, investors' reactions to developments in one

country can have adverse effects on the securities of companies in other countries, including India. A loss of investor confidence in the financial systems of other emerging markets may cause increased volatility in Indian financial markets and, indirectly, in the Indian economy in general. Any worldwide financial instability could also have a negative impact on the Indian economy. Financial disruptions may occur again and could harm our business and our future financial performance.

Further, economic developments globally can have a significant impact on India. Concerns related to a trade war between large economies may lead to increased risk aversion and volatility in global capital markets and consequently have an impact on the Indian economy.

The global credit and equity markets have experienced substantial dislocations, liquidity disruptions and market corrections in recent years. Liquidity and credit concerns and volatility in the global credit and financial markets have increased significantly with the bankruptcy or acquisition of, and government assistance extended to, several major U.S. and European financial institutions. These and other related events have had a significant impact on the global credit and financial markets as a whole, including reduced liquidity, greater volatility, widening of credit spreads and a lack of price transparency in global credit and financial markets. In response to such developments, legislators and financial regulators in the U.S. and other jurisdictions, including India, have implemented a number of policy measures designed to add stability to the financial markets. However, the overall impact of these and other legislative and regulatory efforts on the global financial markets is uncertain, and they may not have the intended stabilizing effects. In the event that the current difficult conditions in the global credit markets continue or if there is any significant financial disruption, such conditions could have an adverse effect on our business, future financial performance and trading price of the NCDs.

In addition, China is one of India's major trading partners and there are rising concerns of a possible slowdown in the Chinese economy as well as a strained relationship with India, which could have an adverse impact on the trade relations between the two countries. These developments, or the perception that any related developments could occur, have and may continue to have a material adverse effect on global economic conditions and financial markets, and may significantly reduce global market liquidity, restrict the ability of key market participants to operate in certain financial markets or restrict our access to capital. This could have a material adverse effect on our business, financial condition and results of operation and reduce the trading price of the NCDs.

66. ***Natural disasters, fires, epidemics, pandemics, acts of war, civil unrest and other events could materially and adversely affect our business.***

Natural disasters (such as typhoons, flooding and earthquakes), epidemics, pandemics such as COVID-19, acts of war, terrorist attacks and other events, many of which are beyond our control, may lead to economic instability, including in India or globally, which may in turn materially and adversely affect our business, financial condition, cash flows and results of operations.

Our operations may be adversely affected by fires, natural disasters and/or severe weather, which can result in the disruption of information systems and telecommunication services for sustained periods. They also may make it difficult or impossible for employees to reach our business locations. Damage or destruction that interrupts our provision of services could adversely affect our reputation, our relationships with our customers, our senior management team's ability to administer and supervise our business or it may cause us to incur substantial additional expenditure to repair or replace damaged equipment or rebuild parts of our branch network. Any terrorist attacks or civil unrest as well as other adverse social, economic and political events in India could have a negative effect on us. Such incidents could also create a greater perception that investment in Indian companies involves a higher degree of risk and could have an adverse effect on our business and the price of the Equity Shares.

A number of countries in Asia, including India, as well as countries in other parts of the world, are susceptible to contagious diseases and, for example, have had confirmed cases of diseases such as the

highly pathogenic H7N9, H5N1 and H1N1 strains of influenza in birds and swine and more recently, the COVID-19 virus. Certain countries in Southeast Asia have reported cases of bird-to-human transmission of avian and swine influenza, resulting in numerous human deaths. Any future outbreaks of COVID-19 virus, avian or swine influenza or a similar contagious disease could adversely affect the Indian economy and economic activity in the region and in turn have a material adverse effect on our business and the trading price of the Equity Shares. Any of the above factors may adversely affect our business, results of operation and financial condition.

67. ***We face risks related to public health epidemics in India and abroad.***

Our business could be materially and adversely affected by the outbreak of public health epidemics, or the fear of such an outbreak, in India or elsewhere. In January 2020, an outbreak of a strain of coronavirus, COVID-19, which has spread globally, with cases recorded in China, Australia, Italy, Iran, Japan, South Korea, UAE, Thailand, the United States and India, among other countries. On January 30, 2020, the World Health Organization declared the COVID-19 outbreak a health emergency of international concern. Governments around the world has imposed a number of measures designed to contain the outbreak, including business closures, travel restrictions, quarantines and cancellations of gatherings and events. This in turn has impacted the operation of businesses, reduced regional travels and trade and lowered industrial production and consumption demand. If the outbreak of any of these epidemics or other severe epidemics occurs again it could have an adverse effect on economic activity worldwide, including India, and could materially and adversely affect our business, financial condition and results of operations. Similarly, any other future public health epidemics in India could materially and adversely affect our business, financial condition, results of operations and prospects.

68. ***Instability of economic policies and the political situation in India could adversely affect the fortunes of the industry.***

There is no assurance that the liberalisation policies of the government will continue in the future. Protests against privatisation could slow down the pace of liberalisation and deregulation. The Government of India plays an important role by regulating the policies and regulations that govern the private sector. The current economic policies of the government may change at a later date. The pace of economic liberalisation could change and specific laws and policies affecting the industry and other policies affecting investments in our Company's business could change as well. A significant change in India's economic liberalisation and deregulation policies could disrupt business and economic conditions in India and thereby affect our Company's business. Unstable domestic as well as international political environment could impact the economic performance in the short term as well as the long term. The Government of India has pursued the economic liberalisation policies including relaxing restrictions on the private sector over the past several years. The present Government has also announced polices and taken initiatives that support continued economic liberalisation. The Government has traditionally exercised and continues to exercise a significant influence over many aspects of the Indian economy. Our Company's business may be affected not only by changes in interest rates, changes in Government policy, taxation, social and civil unrest but also by other political, economic or other developments in or affecting India.

69. ***Any volatility in exchange rates may lead to a decline in India's foreign exchange reserves and may affect liquidity and interest rates in the Indian economy, which could adversely impact us.***

Foreign inflows into India have remained extremely volatile responding to concerns about the domestic macroeconomic landscape and changes in the global risk environment. The current account deficit has been attributed largely to the surge in gold and oil imports, however lately it has shrunk considerably as well due to shrinkage in trade deficit. Further, increased volatility in foreign flows may also affect monetary policy decision making.

70. ***Any downgrading of India's debt rating by an international rating agency could have a negative impact on our business.***

India’s sovereign debt rating could be downgraded due to several factors, including changes in tax or fiscal policy or a decline in India’s foreign exchange reserves, all which are outside our control. Any adverse revisions to India’s credit ratings for domestic and international debt by international rating agencies may adversely impact our ability to raise additional external financing, and the interest rates and other commercial terms at which such additional financing is available. This could have an adverse effect on our business and future financial performance and our ability to obtain financing for capital expenditures.

SECTION III: INTRODUCTION

GENERAL INFORMATION

Our Company was incorporated as 'Chokhani Securities Private Limited' under the Companies Act, 1956 on February 10, 1993 with Registrar of Companies, Maharashtra at Bombay. Our Company was subsequently converted into a public limited company pursuant to the fresh Certificate of Incorporation issued by the Registrar of Companies, Maharashtra at Bombay on July 26, 1994. The name of our Company was subsequently changed from 'Chokhani Securities Limited' to 'UGRO Capital Limited' and a fresh Certificate of Incorporation was issued by Registrar of Companies, Maharashtra at Mumbai on September 26, 2018. Our Company is also registered with RBI as non-deposit taking Non-Banking Finance Company classified as NBFC- Middle Layer with registration no. 13.00325 dated October 26, 2018 and further our Company has obtained certificate of registration dated January 09, 2024 bearing no. N-13.02475, to commence/carry on the factoring business without accepting public deposits. For further details about our Company, see "*General Information*" and "*History and Certain Corporate Matters*" on pages 50 and 147.

NBFC Registration

Our Company is a systemically important non-deposit taking Non-Banking Financial Company ("**NBFC**") as defined under Section 45-IA of the Reserve Bank of India Act, 1934 and registered with effect from March 11, 1998 and revised pursuant to change of name bearing Registration No. 13.00325 dated October 26, 2018. Our Company is currently engaged in the business of lending and primarily deals in financing SME and MSME sector with focus on Healthcare, Education, Chemicals, Food Processing/FMCG, Hospitality, Electrical Equipment & Components, Auto Components and Light Engineering segments and EM Enterprises segments. Further, our Company has also entered into factoring business pursuant to obtaining certificate of registration dated January 09, 2024 bearing no. N-13.02475.

Registered and Corporate Office

Equinox Business Park,
Tower 3, Fourth Floor, Off BKC,
LBS Road, Kurla, Mumbai - 400070,
Maharashtra, India
Tel No: +91 22 4182 1600
Email: cs@ugrocapital.com
Website: www.ugrocapital.com
For further details regarding changes to our Registered Office, see section titled "*History and Certain Corporate Matters*" on page 147.

Registrar of Companies

Registrar of Companies, Mumbai
100, Everest, Marine Drive
Mumbai - 400 002, Maharashtra, India
Tel. No.: +91 22 2281 2627 / 2202 0295 / 2284 6954
Fax No.: +91 22 2281 1977
E-mail: roc.mumbai@mca.gov.in

Registration Details

Company registration number with RoC	070739
Corporate Identification Number	L67120MH1993PLC070739
NBFC Registration Certificate Number under Section 45 IA of the RBI Act	13.00325
Liability of the members of the Company	Limited by Shares
Legal Entity Identifier Number (LEI)	3358007O1S315QAAY388
PAN	AAACC2069E

GST	27AAACC2069E1ZZ

Chief Financial Officer and Company Secretary

Chief Financial Officer

Kishore Kumar Lodha
Equinox Business Park,
Tower 3, Fourth Floor, Off BKC,
LBS Road, Kurla, Mumbai - 400070,
Maharashtra, India
Tel No: +91 22 41821600
Email: kishore.lodha@ugrocapital.com

Company Secretary and Compliance Officer

Satish Chelladurai Kumar
Equinox Business Park,
Tower 3, Fourth Floor, Off BKC,
LBS Road, Kurla, Mumbai - 400070,
Maharashtra, India
Tel No: +91 22 4182 1600
Email: cs@ugrocapital.com

Lead Manager to the Issue

Tipsons Consultancy Services Private Limited
1st Floor, Sheraton House, Opposite Ketav Petrol Pump,
Polytechnic Road, Ambawadi,
Ahmedabad – 380015 Gujarat
Tel.: +91 79 66828064 / 66828127
Email: tipsons.projectpragati@tipsons.com
Investor Grievance Email: igr@tipsons.com
Website: www.tipsons.com
Contact Person: Nagesh Chauhan
Compliance Officer: Divyani Koshta
SEBI Registration No.: INM000011849
CIN: U74140GJ2010PTC062799

Debenture Trustee to the Issue

MITCON Credentia Trusteeship Services Limited
Registered Address: Kubera Chambers, 1st Floor, Shivajinagar,
Pune 411005, Maharashtra, India
Corporate Address: 1402/03, B-Wing, Dalamal Tower,
14th Floor, Free Press Journal Marg,
211, Nariman Point, Mumbai- 400021, India

Tel.: +91 22- 22828200
Fax: +91 22- 22024553
Email: contact@mitconcredentia.in
Investor Grievance Email: investorgrievances@mitconcredentia.in
Website: www.mitconcredentia.com
Contact Person: Vaishali Urkude
Compliance Officer: Yogesh Limbachiya
SEBI Registration No: IND000000596
CIN: U93000PN2018PLC180330

MITCON Credentia Trusteeship Services Limited, pursuant to Regulation 8 of SEBI NCS Regulations, by its letter dated March 20, 2025 has given its consent for its appointment as Debenture Trustee to the Issue and for its name to be included in this Prospectus, the Prospectus and in all the subsequent periodical communications sent to the holders of the NCDs issued pursuant to this Issue. Please see "*Annexure B*" on page 409 of this Prospectus for the consent letter of the Debenture Trustee.

Except as included in this Prospectus, all the rights and remedies of the NCD Holders under this Issue shall vest in and shall be exercised by the appointed Debenture Trustee for this Issue without having it referred to the NCD Holders. All investors under this Issue are deemed to have irrevocably given their authority and consent to the Debenture Trustee so appointed by our Company for this Issue to act as their trustee and for doing such acts, deeds, matters, and things in respect of or relating to the Debenture Holders as the Debenture Trustee may in his absolute direction deem necessary or require to be done in the interest of Debenture Holders and signing such documents to carry out their duty in such capacity. Any payment by our Company to the NCD Holders / Debenture Trustee, as the case may be, shall, from the time of making such payment, completely and irrevocably discharge our Company *pro tanto* from any liability to the NCD Holders. For details on the terms of the Debenture Trust Deed, please see, "*Issue Procedure*" on page 263 of this Prospectus.

Legal Counsel to the Issue

SNG and Partners
One Bazar Lane, Bengali Market
New Delhi - 110 001, India
Tel.: +91 11 4358 2000

Credit Rating Agency

India Ratings and Research Private Limited
Wockhardt Tower, Level 4, West Wing, Bandra Kurla Complex, Bandra (E),
Mumbai-400051
Tel: +91 22 4000 1700
Fax: +91 22 4000 1701
Email: infogrp@indiaratings.co.in
Website: www.indiaratings.co.in
Contact Person: Karan Gupta
Compliance Officer: Arunima Basi
SEBI Registration No.: IN/CRA/002/1999
CIN: U67100MH1995FTC140049

Credit Rating and Rationale

The NCDs proposed to be issued under the Issue have been rated "IND A +/ Stable" for an amount of ₹ 20,000 lakhs by India Ratings and Research Private Limited vide their rating letter dated February 25, 2025 and press release dated December 30, 2024. The rating provided by India Ratings and Research Private Limited is valid as on the date of this Prospectus and shall remain valid on date of the Issue and Allotment of NCDs and the listing of the NCDs on Stock Exchanges. Securities with this rating are considered to have adequate degree of safety regarding timely servicing of financial obligations. Such securities carry low credit risk. The ratings provided by India Ratings and Research Private Limited may be suspended, withdrawn or revised at any time on the basis of factors such as new information by the assigning rating agency and should be evaluated independently of any other rating. These ratings are not a recommendation to buy, sell or hold securities and Investors should take their own decisions. In case of any change in credit ratings till the listing of NCDs, our Company will inform the investors through public notices/ advertisements in all those newspapers in which pre issue advertisement has been given. For the rationale, rating letters and press release for these ratings, see "*Annexure A*" of this Prospectus, on page 408. There are no unaccepted ratings and any other ratings other than as specified in this Prospectus.

Disclaimer Clause of India Ratings and Research Private Limited

"*Users of India Ratings and Research Private Limited ("**India Ratings**") ratings should understand that neither an enhanced factual investigation nor any third-party verification can ensure that all of the information India Ratings relies on in connection with a rating will be accurate and complete. Ultimately, the issuer and its advisers are responsible for the accuracy of the information they provide to India Ratings and to the market in offering documents and other reports. In issuing its ratings India Ratings must rely on the work of experts, including independent auditors with respect to financial statements and attorneys with respect to legal and tax matters. Further, ratings are inherently forward-looking and embody assumptions and predictions about future events that by their nature cannot be verified as facts. As a result, despite any verification of current facts, ratings can be affected by future events or conditions that were not anticipated at the time a rating was issued or affirmed.*

Ratings are not a recommendation or suggestion, directly or indirectly, to you or any other person, to buy, sell, make or hold any investment, loan or security or to undertake any investment strategy with respect to any investment, loan or security or any issuer. Ratings do not comment on the adequacy of market price, the suitability of any investment, loan or security for a particular investor (including without limitation, any accounting and/or regulatory treatment), or the tax-exempt nature or taxability of payments made in respect of any investment, loan or security. The Rating Agency shall neither construed to be nor acting under the capacity or nature of an 'expert' as defined under Section 2(38) of the Companies Act, 2013. India Ratings is not your advisor, nor is India Ratings providing to you or any other party any financial advice, or any legal, auditing, accounting, appraisal, valuation or actuarial services. A rating should not be viewed as a replacement for such advice or services. Investors may find India Ratings to be important information, and India Ratings notes that you are responsible for communicating the contents of this letter, and any changes with respect to the rating, to investors."

Registrar to the Issue

MUFG Intime India Private Limited
(Formerly known as Link Intime India Private Limited)
C-101, 247 Park, L B S Marg,
Vikhroli West,
Mumbai 400 083
Tel.: +91 810 811 4949
Fax: +91-22-4918 6160
Email: ugrocapital.ncd2025@in.mpms.mufg.com
Investor Grievance Email: ugrocapital.ncd2025@in.mpms.mufg.com
Website: www.in.mpms.mufg.com

Contact Person: Ms. Shanti Gopalkrishnan
Compliance Officer: Mr. B. N. Ramakrishnan
SEBI Registration No.: INR000004058
CIN: U67190MH1999PTC118368

MUFG Intime India Private Limited (Formerly known as Link Intime India Private Limited) has vide its letter dated March 20, 2025, given its consent for its appointment as the Registrar to the Issue and for its name to be included in this Prospectus, the Prospectus and in all the subsequent periodical communications sent to the holders of the Debentures issued pursuant to this Issue. Investors may contact the Registrar to the Issue or the Company Secretary and Compliance Officer in case of any pre-Issue or post Issue related issues such as non-receipt of Allotment Advice, demat credit, refund orders, transfers etc.

Applicants or prospective investors may contact the Company Secretary and Compliance Officer or the Registrar to the Issue in case of any pre-issue or post-issue related problems, such as non-receipt of Allotment Advice, credit of allotted NCDs in beneficiary accounts, refund amounts, interest on the Application Amounts, non-receipt of debenture certificates (where NCDs have been re-materialised) etc., as the case may be.

All grievances relating to the Issue may be addressed to the Registrar to the Issue, giving full details such as name, Application Form number, address of the Applicant, Permanent Account Number, number of NCDs applied for, Options of NCDs applied for, amount paid on application, Depository Participant ("**DP**") name and client identification number and the collection centre of the Members of the consortium where the Application was submitted and ASBA Account number (for Bidders other than Retail Individual Investors bidding through the UPI Mechanism) in which the amount equivalent to the Bid Amount was blocked or UPI ID in case of Retail Individual Investors bidding through the UPI mechanism. Further, the Bidder shall enclose the Acknowledgement Slip or provide the acknowledgement number received from the Designated Intermediaries in addition to the documents/information mentioned hereinabove.

All grievances relating to the ASBA process may be addressed to the Registrar to the Issue with a copy to either (a) the relevant Designated Branch of the SCSB where the Application Form was submitted by the ASBA Applicant, or (b) the Member of the Consortium and the relevant Designated Branch of the SCSB concerned in the event of an Application submitted by an ASBA Applicant at any of the Syndicate ASBA Centres, giving full details such as name, address of Applicant, Application Form number, Option applied for, number of NCDs applied for, amount blocked on Application.

All grievances related to the UPI process may be addressed to the relevant Stock Exchange, which shall be responsible for addressing investor grievances arising from applications submitted online through the App based/ web interface platform of stock exchange or through their Trading Members. The intermediaries shall be responsible for addressing any investor grievances arising from the applications uploaded by them in respect of quantity, price or any other data entry or other errors made by them.

All grievances arising out of Applications for the NCDs made through the Online Stock Exchange Mechanism or through Trading Members of the Stock Exchanges may be addressed directly to the relevant Stock Exchange, with a copy to the Registrar to the Issue.

Statutory Auditor

Name of the Auditor	Address	Date of Appointment
M/s Sharp & Tannan Associates **Tel.**: +91 22 6153 7500 **Email**: mumbai.office@sharpandtannan.com **Contact Person**: Tirtharaj Khot **Firm Registration No.**: 109983W **Peer Review Certificate No.**: 014153	87, Nariman Bhavan, 227 Nariman Point, Mumbai 400021	August 08, 2023

Sharp & Tannan Associates, Chartered Accountants, has been the Statutory Auditors of our Company since August 08, 2023.

Change in Statutory Auditors for preceding three financial years and current financial year as on date of this Prospectus:

Name of the Auditor	Address	Date of Appointment	Date of cessation if applicable	Date of resignation if applicable
Sharp & Tannan Associates	87, Nariman Bhavan, 227 Nariman Point, Mumbai (Bombay) 400021	08.08.2023	N/A	N/A
MSKA & Associates	Floor 3, Enterprise Centre, Nehru Road Near Domestic Airport, Vile Parle (E) Mumbai - 400099	12.08.2020	08.08.2023	-

Consortium Member(s) to the Issue

Tipsons Stock Brokers Private Limited
Sheraton House, 5th Floor, Opposite Ketav Petrol Pump
Polytechnic Road, Ambawadi, Ahmedabad, 380015
Tel.: +91 7801929715
Fax: +91 79 66828001
Email: project.shikhar2@tipsons.com
Investor Grievance Email: compliance@tipsons.com
Website: www.tipsons.com
Contact Person: Manan Panchal
SEBI Registration No.: INZ000217531
CIN: U65910GJ1995PTC028486

Banker to the Issue

Public Issue Account Bank, Refund Bank and Sponsor Bank

HDFC Bank Limited
Lodha, I Think Techno Campus O-3 Level, Next to Kanjurmarg, Railway Station, Kanjurmarg (East) Mumbai- 400042
Tel: 022 30752929 / 2928 / 2914
Fax: 022 25799801
Email: siddharth.jadhav@hdfcbank.com , sachin.gawade@hdfcbank.com , eric.bacha@hdfcbank.com , tushar.gavankar@hdfcbank.com , pravin.teli2@hdfcbank.com
Website: www.hdfcbank.com
Contact Person: Mr. Eric Bacha , Mr. Siddharth Jadhav , Mr. Sachin Gawade, Mr. Pravin Teli, Mr. Tushar Gavankar
SEBI Registration No: INBI00000063

CIN: L65920MH1994PLC080618

Underwriting

The Issue is not underwritten.

Arrangers to the Issue

There are no arrangers to the Issue.

Guarantor to the Issue

There are no guarantors to the Issue.

Recovery Expense Fund

The recovery expense fund has been created by our Company in the manner as specified by SEBI in circular bearing reference number SEBI/HO/DDHS-PoD3/P/CIR/2024/46 titled "Master Circular for Debenture Trustees" dated May 16, 2024, as amended from time to time, SEBI Master Circular and Regulation 11 of SEBI NCS Regulations with the Designated Stock Exchange and informed the Debenture Trustee regarding the creation of such fund. The recovery expense fund may be utilised by Debenture Trustee, in the event of default by our Company under the terms of the Debenture Trust Deed, for taking appropriate legal action to enforce the security.

Designated Intermediaries

Self-Certified Syndicate Banks

The list of banks that have been notified by SEBI to act as the SCSBs for the ASBA process and UPI Mechanism process is provided on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34 and https://sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40 respectively as updated from time to time. For a list of branches of the SCSBs named by the respective SCSBs to receive the ASBA Forms and UPI Mechanism through app/web interface from the Designated Intermediaries, refer to the above-mentioned link.

In relation to Bids submitted under the ASBA process to a member of the Syndicate, the list of branches of the SCSBs at the Specified Locations named by the respective SCSBs to receive deposits of the ASBA Forms from the Members of the Syndicate is available on the website of SEBI http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes and updated from time to time. For more information on such branches collecting Bid cum Application Forms from the Syndicate at Specified Locations, see the website of SEBI at http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes.

Syndicate SCSB Branches

In relation to ASBA Applications submitted to the Members of the Consortium or the Trading Members of the Stock Exchange only in the Specified Cities (Mumbai, Chennai, Kolkata, Delhi, Ahmedabad Rajkot, Jaipur, Bengaluru, Hyderabad, Pune, Vadodara and Surat), the list of branches of the SCSBs at the Specified Cities named by the respective SCSBs to receive deposits of ASBA Applications from such Members of the Syndicate or the Trading Members of the Stock Exchange is provided on (https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=45) or at such other website as may be prescribed by SEBI from time to time. For more information on such branches collecting ASBA Applications from Members of the Syndicate or the Trading Members of the Stock Exchange only in the Specified Cities, see http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes, as updated from time to time or any such other website as may be prescribed by SEBI from time to time.

Broker Centres / Designated RTAs Locations /Designated CDPs Locations

In accordance with SEBI circular no. CIR/CFD/14/2012 dated October 4, 2012 and SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 01, 2018, read by any amendments issued by SEBI from time to time, Applicants can submit the Application Forms with the Registered Brokers at the Broker Centres, CDPs at the Designated CDP Locations or the RTAs at the Designated RTA Locations, respective lists of which, including details such as address and telephone number, are available at the website of the Stock Exchanges at www.bseindia.com and www.nseindia.com. The list of branches of the SCSBs at the Broker Centres, named by the respective SCSBs to receive deposits of the Application Forms from the Registered Brokers will be available on the website of the SEBI (www.sebi.gov.in) and updated from time to time.

CRTAs / CDPs

The list of the CRTAs and CDPs, eligible to accept Applications in the Issue, including details such as postal address, telephone number and email address, are provided on the website of BSE for CRTAs and CDPs, as updated from time to time.

Impersonation

As a matter of abundant precaution, attention of the investors is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013, relating to punishment for fictitious applications. Section 38(1) of the Companies Act, 2013 provides that:

"Any person who –

(a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or
(b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or
(c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name,

shall be liable for action under Section 447."

Explanation — For the purposes of this section —

(i) "fraud" in relation to affairs of a company or any body-corporate, includes any act, omission, concealment of any fact or abuse of position committed by any person or any other person with the connivance in any manner, with intent to deceive, to gain undue advantage from, or to injure the interests of, the company or its shareholders or its creditors or any other person, whether or not there is any wrongful gain or wrongful loss;
(ii) "wrongful gain" means the gain by unlawful means of property to which the person gaining is not legally entitled;
(iii) "wrongful loss" means the loss by unlawful means of property to which the person losing is legally entitled."

The liability prescribed under Section 447 of the Companies Act 2013 for fraud involving an amount of at least ₹ 10 lakh or 1.00% of the turnover of our Company, whichever is lower, includes imprisonment for a term which shall not be less than six months extending up to 10 years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three times of such amount. In case the fraud involves (i) an amount which is less than ₹10 lakh or 1.00% of the turnover of our Company, whichever is lower; and (ii) does not involve public interest, then such fraud is punishable with an imprisonment for a term extending up to five years or a fine of an amount extending up to ₹50 lakh or with both.

Minimum subscription

In terms of the SEBI NCS Regulations for an issuer undertaking a public issue of debt securities the minimum subscription for public issue of debt securities shall be 75% of the Base Issue Size. If our Company does not receive the minimum subscription of 75% of the Base Issue Size being ₹ 7,500 lakh, prior to the Issue Closing Date, the entire Application Amount shall be unblocked in the relevant ASBA Accounts of the Applicants within eight Working Days from the Issue Closing Date or such time as maybe specified by SEBI. In the event there is a delay by our Company in unblocking the Application Amount within the prescribed time limit, our Company shall be liable to repay the money, with interest at the rate of 15 % per annum for the delayed period.

Under Section 39(3) of the Companies Act, 2013 read with Rule 11(2) of the Companies (Prospectus and Allotment of Securities) Rules, 2014 if the stated minimum subscription amount is not received within the specified period, the application money received is to be credited only to the bank account from which the subscription was remitted. To the extent possible, where the required information for making such refunds is available with our Company and/or Registrar, refunds will be made to the account prescribed. However, where our Company and/or Registrar does not have the necessary information for making such refunds, our Company and/or Registrar will follow the guidelines prescribed by SEBI in this regard included in the SEBI Master Circular.

Utilisation of Issue proceeds

For details on utilisation of Issue proceeds, please see "*Objects of the Issue*" and "*Terms of the Issue*" on page 91 and 242 respectively.

Issue Schedule

Issue opens on	Thursday, April 03, 2025
Issue closes on*	Monday, April 21, 2025
Pay in date	Application Date. The entire Application Amount is payable on Application.
Deemed date of allotment	The date on which the Investment and Borrowing Committee authorised by the Board approves the Allotment of the NCDs for the Issue or such date as may be determined by the Board of Directors/ or the Investment and Borrowing Committee authorised by the Board thereof and notified to the Designated Stock Exchange. The actual Allotment of NCDs may take place on a date other than the Deemed Date of Allotment. All benefits relating to the NCDs including interest on NCDs shall be available to the Debenture Holders from the Deemed Date of Allotment.

Note: This Issue shall remain open for subscription on Working Days from 10:00 a.m. to 5:00 p.m. (Indian Standard Time) during the period indicated in the prospectus, except that the Issue may close on such earlier date or extended date (subject to a minimum period of two Working Days and a maximum period of ten Working Days from the date of opening of the Issue) as may be decided by the Investment and Borrowing Committee, subject to compliance with Regulation 33A of the SEBI NCS Regulations. In the event of an early closure or extension of the Issue, our Company shall ensure that notice of the same is provided to the prospective investors through an advertisement in all the newspapers in which pre-issue advertisement for opening of this Issue has been given on or before such earlier or initial date of Issue closure. Application Forms for this Issue will be accepted only from 10:00 a.m. to 5:00 p.m.(Indian Standard Time). On the Issue Closing Date, the Application Forms will be accepted only between 10:00 a.m. and 3:00 p.m. (Indian Standard Time) and uploaded until 5:00 p.m. (Indian Standard Time) or such extended time as may be permitted by the Stock Exchanges. Further, pending mandate requests for*

bids placed on the last day of bidding will be validated by 5:00 p.m. (Indian Standard Time) on one Working Day post the Issue Closing Date. For further details please see section titled "Issue Related Information" on page 218.

Application Forms for the Issue will be accepted only between 10.00 a.m. and 5.00 p.m. (Indian Standard Time) or such extended time as may be permitted by the Stock Exchanges, during the Issue Period as mentioned above on all days between Monday and Friday (both inclusive barring public holiday), (i) by the Consortium or the Trading Members of the Stock Exchanges, as the case maybe, at the centres mentioned in Application Form through the ASBA mode, (ii) directly by the Designated Branches of the SCSBs or (iii) by the centres of the Consortium, sub-brokers or the Trading Members of the Stock Exchanges, as the case maybe, only at the selected cities. Additionally, an Investor may also submit the Application Form through the app or web interface of the Stock Exchanges. It is clarified that the Applications not uploaded in the Stock Exchanges platform would be rejected.

Due to limitation of time available for uploading the Applications on the Issue Closing Date, Applicants are advised to submit their Application Forms one day prior to the Issue Closing Date and, no later than 3.00 p.m. (Indian Standard Time) on the Issue Closing Date. Applicants are cautioned that in the event a large number of Applications are received on the Issue Closing Date, there may be some Applications which are not uploaded due to lack of sufficient time to upload. Such Applications that cannot be uploaded will not be considered for allocation under the Issue. Application Forms will only be accepted on Working Days during the Issue Period. Neither our Company, nor the Lead Manager or Trading Members of the Stock Exchanges are liable for any failure in uploading the Applications due to failure in any software/ hardware systems or otherwise. Please note that, within each category of investors the Basis of Allotment under the Issue will be on the basis of date of upload of each application into the electronic book of the Stock Exchanges in accordance with the SEBI Master Circular, except on the day of oversubscription, if any, where the Allotment will be proportionate. For further details please see section titled "Issue Related Information" on page 218.

Responsibilities of the Lead Manager:

The following table sets forth responsibility of various activities for the Lead Manager:

S. No.	Activities
1.	Due diligence of Company's operations/ management/ business plans/ legal etc. • Drafting of the offering document. • Coordination with Stock Exchanges for in-principle approval.
2.	Structuring of various issuance options with relative components and formalities etc.
3.	Co-ordination with auditors for auditor deliverables and co-ordination with lawyers for legal opinion.
4.	Drafting and approval of statutory advertisement.
5.	Appointment of other intermediaries i.e., Registrar, Debenture Trustee, Consortium/Syndicate Members, printer, advertising agency and Public Issue Bank, Refund Bank and Sponsor Bank.
6.	Coordination with the printer for designing and finalization of Issue Documents, Application Form including memorandum containing salient features of the Issue Documents.
7.	Drafting and approval of all publicity material (excluding statutory advertisement as mentioned in 4 above) including print and online advertisement, outdoor advertisement including brochures, banners, hoardings etc.
8.	Preparation of road show presentation, FAQs.
9.	Marketing strategy which will cover, inter alia: • Deciding on the quantum of the Issue material and follow-up on distribution of publicity and Issue material including Application Forms, Issue Documents, posters, banners, etc. • Finalize collection centers; • Coordinate with Registrar for collection of Application Forms by ASBA banks; • Finalization of list and allocation of institutional investors for one on one meetings.
10.	Domestic institutions/banks/mutual funds marketing strategy: • Finalize the list and division of investors for one on one meetings, institutional allocation
11.	Non-institutional marketing strategy which will cover, inter alia: • Finalize media, marketing and public relation strategy and publicity budget;

S. No.	Activities
	• Finalize centers for holding conferences for brokers, etc.
12.	Coordination with the Stock Exchanges for use of the bidding software
13.	Coordination for security creation by way of execution of Debenture Trust Deed
14.	Post-issue activities including: • Co-ordination with Bankers to the Issue for management of Public Issue Account(s), Refund Account and any other account and • Allotment resolution
15.	• Drafting and finalization of post issue stationery items like, allotment and refund advice, etc.; • Coordination for generation of ISINs; • Corporate action for dematerialized credit /delivery of securities; • Coordinating approval for listing and trading of securities; and Redressal of investor grievances in relation to post issue activities.

CAPITAL STRUCTURE

Details of share capital

The following table lays down details of our authorised, issued, subscribed and paid-up share capital and securities premium account as on December 31, 2024:

(In ₹, except for share data)

Particulars	Amount in (₹)
AUTHORISED SHARE CAPITAL	
19,45,00,000 Equity Shares of face value of ₹ 10 each	194,50,00,000
2,05,00,000 preference shares of face value of ₹ 10 each	20,50,00,000
TOTAL	**2,15,00,00,000**
ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL	
9,31,83,594* Equity Shares of face value of ₹ 10 each	93,18,35,940
Nil preference shares of face value of ₹ 10 each	Nil
TOTAL	**93,18,35,940***
Securities Premium Account	10,76,88,15,645

Note: There will be no change in the capital structure and securities premium account due to the issue and allotment of the NCDs.

**Pursuant to:*

a) allotment of 37,878 Equity Shares of face value of ₹ 10 each post conversion of compulsory convertible debentures vide resolution dated September 11, 2024; and

b) allotment of 1,89,393 Equity Shares of face value of ₹ 10 each post conversion of warrants vide resolution dated December 9, 2024, the issued, subscribed and paid-up share capital, pending corporate action, as at December 31, 2024, stands at ₹ 93,18,35,940.

1. **Changes in capital structure of our company as at December 31, 2024 and for the preceding three financial years:**

S. No.	Date of Change (Annual General Meeting/ Extraordinary General Meeting)	Particulars
1.	May 11, 2023 (Postal Ballot)	Increase the authorized Share Capital of the Company, from the existing ₹ 102,00,00,000 divided into 8,15,00,000 Equity Shares of ₹ 10 each and 2,05,00,000 preference shares of ₹ 10 each to ₹ 125,00,00,000 divided into 10,45,00,000 Equity Shares of ₹ 10 each and 2,05,00,000 preference shares of ₹ 10 each.
2.	March 22, 2024	Increase the authorized Share Capital of the Company, from the existing ₹ 125,00,00,000 divided into 10,45,00,000 Equity Shares of ₹ 10 each and 2,05,00,000

S. No.	Date of Change (Annual General Meeting/ Extraordinary General Meeting)	Particulars
		preference shares of ₹ 10 each to ₹ 175,00,00,000 divided into 15,45,00,000 Equity Shares of ₹ 10 each and 2,05,00,000 preference shares of ₹ 10 each.
3.	December 01, 2024 (Postal Ballot)	Increase the authorized Share Capital of the Company, from the existing ₹ 175,00,00,000 divided into 15,45,00,000 Equity Shares of ₹ 10 each and 2,05,00,000 preference shares of ₹ 10 each to ₹ 215,00,00,000 divided into 19,45,00,000 Equity Shares of ₹ 10 each and 2,05,00,000 preference shares of ₹ 10 each.

**Apart from the particulars mentioned herein, there has been no change in the authorised share capital of our Company for the last three financial years and as at December 31, 2024.*

2. Equity Share capital history of our Company for the preceding three financial years and current financial year as on March 21, 2025:

The history of the paid-up Equity Share capital of our Company for the preceding three financial years and current financial year is set forth below:

Equity Shares having a face value of ₹ 10 each

Date of Allotment	Number of Equity Shares	Face Value (₹)	Issue Price (₹)	Consideration (Cash, Other than Cash, etc.) (₹)	Nature of Allotment	Cumulative		
						Number of Equity Shares	Equity Share Capital (in ₹)	Equity Shares Premium (in ₹)
Opening Balance as on April 1, 2021						**7,05,28,550**	**70,52,85,500**	**7,76,73,44,826**
January 06, 2022	30,769	10	130	Cash	Allotment pursuant to ESOP 2017 (1)	7,05,59,319	70,55,93,190	7,77,10,37,106
April 13, 2023	66,11,325	10	152	Cash	Allotment pursuant to Qualified Institutional Placement	7,71,70,644	77,17,06,440	8,70,98,45,256
May 17, 2023	1,52,38,095	10	157.50	Cash	Allotment pursuant to Preferential Allotment	9,24,08,739	92,40,87,390	10,95,74,64,306
May 26, 2023	24,615	10	130	Cash	Allotment pursuant to ESOP 2017 (2)	9,24,33,354	92,43,33,540	10,96,04,18,106

Date of Allotment	Number of Equity Shares	Face Value (₹)	Issue Price (₹)	Consideration (Cash, Other than Cash, etc.) (₹)	Nature of Allotment	Cumulative		
						Number of Equity Shares	Equity Share Capital (in ₹)	Equity Shares Premium (in ₹)
August 03, 2023	60,000	10	130	Cash	Allotment pursuant to ESOP 2017 [3]	9,24,93,354	92,49,33,540	10,96,76,18,106
September 22, 2023	5,128	10	130	Cash	Allotment pursuant to ESOP 2017 [4]	9,24,98,482	92,49,84,820	10,96,82,33,466
November 23, 2023	6,700	10	173.85	Cash	Allotment pursuant to ESOP 2017[5]	9,25,48,532	92,54,85,320	10,97,45,58,051
	3,350	10	137.40	Cash				
	20,000	10	130	Cash				
	20,000	10	130	Cash				
December 22, 2023	51,307	10	130	Cash	Allotment pursuant to ESOP 2017[6]	9,25,99,839	92,59,98,390	10,98,07,14,891
January 24, 2024	1,50,207	10	130	Cash	Allotment pursuant to ESOP 2017[7]	9,27,50,046	92,75,00,460	10,99,87,39,731
February 22, 2024	15,000	10	130	Cash	Allotment pursuant to ESOP 2017[8]	9,27,65,046	92,76,50,460	11,00,05,39,731
March 22, 2024	64,775	10	130	Cash	Allotment pursuant to ESOP 2017[9]	9,28,29,821	92,82,98,210	11,00,83,12,731
May 03, 2024	65,635	10	130	Cash	Allotment pursuant to ESOP 2017[10]	9,28,95,456	92,89,54,560	11,01,61,88,931
July 04, 2024	13,400	10	221.45	Cash	Allotment pursuant to ESOP 2017[11]	9,29,08,856	92,90,88,560	11,01,90,22,361
July 29, 2024	19,262	10	130	Cash	Allotment pursuant to ESOP 2017[12]	9,29,28,118	92,92,81,180	11,02,13,33,801
August 24, 2024	28,205	10	130	Cash	Allotment pursuant to ESOP 2017[13]	9,29,56,323	92,95,63,230	11,02,47,18,401
September 11, 2024	37,878	10	264	Cash	Allotment pursuant to conversion of compulsory	9,29,94,201	92,99,42,010	11,03,43,39,413

Date of Allotment	Number of Equity Shares	Face Value (₹)	Issue Price (₹)	Consideration (Cash, Other than Cash, etc.) (₹)	Nature of Allotment	Cumulative		
						Number of Equity Shares	Equity Share Capital (in ₹)	Equity Shares Premium (in ₹)
					convertible debentures[(14)]			
December 9, 2024	1,89,393	10	264	Cash	Allotment pursuant to conversion of Warrants[(15)]	9,31,83,594	93,18,35,940	11,08,24,45,235
Closing Balance as on March 21, 2025[#]						9,31,83,594	93,18,35,940	11,08,24,45,235

ESOP 2017 means 'CSL Employee Stock Option Scheme 2017'

(1) Allotment of 30,769 equity shares under the 'CSL Employee Stock Option Scheme 2017' of the Company.

(2) Allotment of 24,615 equity shares under the 'CSL Employee Stock Option Scheme 2017' of the Company.

(3) Allotment of 60,000 equity shares under the 'CSL Employee Stock Option Scheme 2017' of the Company.

(4) Allotment of 5,128 equity shares under the 'CSL Employee Stock Option Scheme 2017' of the Company.

(5) Allotment of 50,050 equity shares under the 'CSL Employee Stock Option Scheme 2017' of the Company.

(6) Allotment of 51,307 equity shares under the 'CSL Employee Stock Option Scheme 2017' of the Company.

(7) Allotment of 1,50,207 equity shares under the 'CSL Employee Stock Option Scheme 2017' of the Company.

(8) Allotment of 15,000 equity shares under the 'CSL Employee Stock Option Scheme 2017' of the Company.

(9) Allotment of 64,775 equity shares under the 'CSL Employee Stock Option Scheme 2017' of the Company.

(10) Allotment of 65,635 equity shares under the 'CSL Employee Stock Option Scheme 2017' of the Company.

(11) Allotment of 13,400 equity shares under the 'CSL Employee Stock Option Scheme 2017' of the Company.

(12) Allotment of 19,262 equity shares under the 'CSL Employee Stock Option Scheme 2017' of the Company.

(13) Allotment of 28,205 equity shares under the 'CSL Employee Stock Option Scheme 2017' of the Company.

(14) Allotment of 37,878 equity shares pursuant to conversion of compulsory convertible debentures into equity shares of the Company in ratio of 1:1.

(15) Allotment of 1,89,393 equity shares pursuant to conversion of warrants into equity shares of the Company in ratio of 1:1.

The closing balance as on March 21, 2025, is not adjusted with share issue expense and other adjustments.

3. **Shareholding pattern of our Company as on the last quarter end:**

The table below presents the shareholding pattern of our Company as on December 31, 2024:

Category	Category of shareholder	Nos. of shareholders	No. of fully paid up equity shares held	No. of Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total nos. shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957)	Number of Voting Rights held in each class of securities				No. of Shares Underlying Outstanding convertible securities (including Warrants)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)	Number of Locked in shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialised form
								No of Voting Rights			Total as a % of (A+B+C)			No. (a)	As a % of total Shares held (b)	No. (a)	As a % of total Shares held (b)	
								Class eg: X	Class eg: y	Total								
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII) = (IV)+(V)+ (VI)	(VIII) As a % of (A+B+C2)	(IX)				(X)	(XI)= (VII)+(X) As a % of (A+B+C2)	(XII)		(XIII)		(XIV)
(A)	Promoter & Promoter Group	2	2074009	0	0	2074009	2.23	2074009	0	2074009	2.23	227272	1.63	46300	2.23	0	0	2074009
(B)	Public	39179	89871333	0	0	89871333	96.45	89871333	0	89871333	96.45	47448688	97.49	189393	0.21	NA	NA	89791255
(C)	Non Promoter - Non Public	1	1238252	0	0	1238252	1.33	1238252	0	1238252	1.33	0	0.88	0	0.0000	NA	NA	1238252

Category	Category of shareholder	Nos. of shareholders	No. of fully paid up equity shares held	No. of Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total nos. shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957)	Number of Voting Rights held in each class of securities				No. of Shares Underlying Outstanding convertible securities (including Warrants)	Shareholding , as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)	Number of Locked in shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialised form
								No of Voting Rights			Total as a % of (A+B+C)			No. (a)	As a % of total Shares held (b)	No. (a)	As a % of total Shares held (b)	
								Class eg: X	Class eg: y	Total								
(C1)	Shares Underlying DRs	0	0	0	0	0	0.00	0	0	0	0.0000	0	0.00	0	0.00	NA	NA	0
(C2)	Shares Held By Employee Trust	1	1238252	0	0	1238252	1.33	1238252	0	1238252	1.33	0	0.88	0	0.00	NA	NA	1238252
	Total	39182	93183594	0	0	93183594	100.00	93183594	0	93183594	100.00	47675960	100.00	235693	0.25	0	0	93103516

4. **Statement showing shareholding pattern of the Promoter and Promoter Group:**

	Category & Name of the shareholders	Entity Type	PAN	Nos. of shareholders	No. of fully paid up equity shares held	Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total nos. shares held	Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2)	Number of Voting Rights held in each class of securities				No. of Shares Underlying Outstanding convertible securities (including Warrants)	Shareholding , as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)	Number of Locked in shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialised form
										No of Voting Rights			Total as a % of Total Voting Rights			No. (a)	As a % of total Shares held (b)	No. (a)	As a % of total Shares held (b)	
										Class eg: X	Class eg: y	Total								
	(I)		(II)	(III)	(IV)	(V)	(VI)	(VII) = (IV)+ (V)+ (VI)	(VIII) As a % of (A+B+C2)	(IX)				(X)	(XI)= (VII)+(X) As a % of (A+B+C2)	(XII)		(XIII)		(XIV)
1	Indian																			
(a)	Individuals / Hindu Undivided Family			0	0	0	0	0	0	0	0	0	0	0	0	0	0.00	0	0.00	0

	Category & Name of the shareholders	Entity Type	PAN	Nos. of shareholders	No. of fully paid up equity shares held	Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total nos. shares held	Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2)	Number of Voting Rights held in each class of securities				No. of Shares Underlying Outstanding convertible securities (including Warrants)	Shareholding , as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)	Number of Locked in shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialised form
										No of Voting Rights			Total as a % of Total Voting Rights			No. (a)	As a % of total Shares held (b)	No. (a)	As a % of total Shares held (b)	
										Class eg: X	Class eg: y	Total								
(b)	Central Government / State Government(s)			0	0	0	0	0	0	0	0	0	0	0	0	0	0.00	0	0.00	0
(c)	Financial Institutions / Banks			0	0	0	0	0	0	0	0	0	0	0	0	0	0.00	0	0.00	0
(d)	Any Other (Specify)			2	2074009	0	0	2074009	2.23	2074009	0	2074009	2.23	227272	1.63	46300	2.23	0	0.00	2074009
	Persons Acting In Concert			1	46300	0	0	46300	0.05	46300	0	46300	0.05	227272	0.19	46300	100.00	0	0.00	46300

	Category & Name of the shareholders	Entity Type	PAN	Nos. of shareholders	No. of fully paid up equity shares held	Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total nos. shares held	Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2)	Number of Voting Rights held in each class of securities				No. of Shares Underlying Outstanding convertible securities (including Warrants)	Shareholding , as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)	Number of Locked in shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialised form
										No of Voting Rights			Total as a % of Total Voting Rights			No. (a)	As a % of total Shares held (b)	No. (a)	As a % of total Shares held (b)	
										Class eg: X	Class eg: y	Total								
	Shachindra Nath	Promoter Group	XXXXX3798X	1	46300	0	0	46300	0.05	46300	0	46300	0.05	227272	0.19	46300	100.00	0	0.00	46300
	Bodies Corporate			**1**	**2027709**	**0**	**0**	**2027709**	**2.18**	**2027709**	**0**	**2027709**	**2.18**	**0**	**1.44**	**0**	**0.00**	**0**	**0.00**	**2027709**
	Poshika Advisory Services Llp	Promoter Group	XXXXX0398X	1	2027709	0	0	2027709	2.18	2027709	0	2027709	2.18	0	1.44	0	0.00	0	0.00	2027709
	Sub Total (A)(1)			**2**	**2074009**	**0**	**0**	**2074009**	**2.23**	**2074009**	**0**	**2074009**	**2.23**	**227272**	**1.63**	**46300**	**2.23**	**0**	**0.00**	**2074009**
2	**Foreign**																			

	Category & Name of the shareholders	Entity Type	PAN	Nos. of shareholders	No. of fully paid up equity shares held	Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total nos. shares held	Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2)	Number of Voting Rights held in each class of securities				No. of Shares Underlying Outstanding convertible securities (including Warrants)	Shareholding , as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)	Number of Locked in shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialised form
										No of Voting Rights			Total as a % of Total Voting Rights			No. (a)	As a % of total Shares held (b)	No. (a)	As a % of total Shares held (b)	
										Class eg: X	Class eg: y	Total								
(a)	Individuals (Non-Resident Individuals / Foreign Individuals)			0	0	0	0	0	0.00	0	0	0	0	0	0	0	0.00	0	0.00	0
(b)	Government			0	0	0	0	0	0.00	0	0	0	0	0	0	0	0.00	0	0.00	0
(c)	Institutions			0	0	0	0	0	0.00	0	0	0	0	0	0	0	0.00	0	0.00	0
(d)	Foreign Portfolio Investor			0	0	0	0	0	0.00	0	0	0	0	0	0	0	0.00	0	0.00	0
(e)	Any Other (Specify)			0	0	0	0	0	0.00	0	0	0	0	0	0	0	0.00	0	0.00	0

	Category & Name of the shareholders	Entity Type	PAN	Nos. of shareholders	No. of fully paid up equity shares held	Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total nos. shares held	Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2)	Number of Voting Rights held in each class of securities				No. of Shares Underlying Outstanding convertible securities (including Warrants)	Shareholding , as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)	Number of Locked in shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialised form
										No of Voting Rights			Total as a % of Total Voting Rights			No. (a)	As a % of total Shares held (b)	No. (a)	As a % of total Shares held (b)	
										Class eg: X	Class eg: y	Total								
	Sub Total (A)(2)			**0**	**0**	**0**	**0**	**0**	**0.00**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0.00**	**0**	**0.00**	**0**
	Total Shareholding Of Promoter And Promoter Group (A)= (A)(1)+(A)(2)			**2**	**2074009**	**0**	**0**	**2074009**	**2.23**	**2074009**	**0**	**2074009**	**2.23**	**227272**	**1.63**	**46300**	**2.23**	**0**	**0**	**2074009**

5. **Statement showing shareholding pattern of public Shareholders:**

	Category & Name of the shareholders	PAN	Nos. of shareholders	No. of fully paid up equity shares held	Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total nos. shares held	Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2)	Number of Voting Rights held in each class of securities				No. of Shares Underlying Outstanding convertible securities (including Warrants)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)	Number of Locked in shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialised form	Sub-categorization of shares		
									No of Voting Rights			Total as a % of Total Voting Rights			No. (a)	As a % of total Shares held (b)	No. (a)	As a % of total Shares held (b)		Shareholding(No. of shares) under		
									Class eg: X	Class eg: y	Total									Sub-category (i)	Sub-category(iii)	Sub-category(iii)
	(I)	(II)	(III)	(IV)	(V)	(VI)	(VII) = (IV)+(V)+ (VI)	(VIII) As a % of (A+B+C2)	(IX)				(X)	(XI)= (VII)+(X) As a % (A+B+C2)	(XII)		(XIII)		(XIV)	(XV)		
1	Institutions (Domestic)																					
(a)	Mutual Fund		0	0	0	0	0	0	0	0	0	0	0	0	0	0	NA	NA	0			
(b)	Venture Capital Funds		0	0	0	0	0	0	0	0	0	0	0	0	0	0	NA	NA	0			

	Category & Name of the shareholders	PAN	Nos. of shareholders	No. of fully paid up equity shares held	Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total nos. shares held	Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2)	Number of Voting Rights held in each class of securities				No. of Shares Underlying Outstanding convertible securities (including Warrants)	Shareholding , as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)	Number of Locked in shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialised form	Sub-categorization of shares		
									No of Voting Rights			Total as a % of Total Voting Rights			No. (a)	As a % of total Shares held (b)	No. (a)	As a % of total Shares held (b)		Shareholding(No. of shares) under		
									Class eg: X	Class eg: y	Total									Sub-category (i)	Sub-category(ii)	Sub-category(iii)
(c)	**Alternate Investment Funds**		2	509229	0	0	509229	0.55	509229	0	509229	0.55	0	0.36	0	0	NA	NA	509229	0	0	0
(d)	**Banks**		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0	NA	NA	0			
(e)	**Insurance Companies**		2	1723599	0	0	1723599	1.85	1723599	0	1723599	1.85	0	1.22	0	0	NA	NA	1723599	0	0	0
	Go Digit General Insurance Limited	XXXXX4128X	1	1429997	0	0	1429997	1.53	1429997	0	1429997	1.53	0	1.02	0	0	NA	NA	1429997			
(f)	**Provident Funds/ Pension Funds**		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0	NA	NA	0			
(G)	**Asset Reconstruction Companies**		**0**	**0**	**0**	**0**	**0**	**0.00**	**0**	**0**	**0**	**0.00**	**0**	**0.00**	**0**	**0**	**NA**	**NA**	**0**			

	Category & Name of the shareholders	PAN	Nos. of shareholders	No. of fully paid up equity shares held	Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total nos. shares held	Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2)	Number of Voting Rights held in each class of securities				No. of Shares Underlying Outstanding convertible securities (including Warrants)	Shareholding , as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)	Number of Locked in shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialised form	Sub-categorization of shares		
									No of Voting Rights			Total as a % of Total Voting Rights			No. (a)	As a % of total Shares held (b)	No. (a)	As a % of total Shares held (b)		Shareholding(No. of shares) under		
									Class eg: X	Class eg: y	Total									Sub-category (i)	Sub-category(ii)	Sub-category(iii)
(h)	Sovereign Wealth Funds		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0	NA	NA	0			
(i)	NBFCs registered with RBI		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0	NA	NA	0			
(j)	Other Financial Institutions		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0	NA	NA	0			
(k)	Any Other (Specify)		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0	NA	NA	0			
	Sub Total (B)(1)		4	2232828	0	0	2232828	2.40	2232828	0	2232828	2.40	0	1.59	0	0	0	0	2232828	0	0	0
2	Institutions (Foreign)																					

	Category & Name of the shareholders	PAN	Nos. of shareholders	No. of fully paid up equity shares held	Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total nos. shares held	Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2)	Number of Voting Rights held in each class of securities				No. of Shares Underlying Outstanding convertible securities (including Warrants)	Shareholding , as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)	Number of Locked in shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialised form	Sub-categorization of shares		
									No of Voting Rights			Total as a % of Total Voting Rights			No. (a)	As a % of total Shares held (b)	No. (a)	As a % of total Shares held (b)		Shareholding(No. of shares) under		
									Class eg: X	Class eg: y	Total									Sub-category (i)	Sub-category(ii)	Sub-category(iii)
(a)	**Foreign Direct Investment**		**1**	**15238095**	**0**	**0**	**15238095**	**16.35**	**15238095**	**0**	**15238095**	**16.35**	**0**	**10.82**	**0**	**0**	**NA**	**NA**	**15238095**	**15238095**	**0**	**0**
	Danish Sustainable Development Goals Investment Fund K S	XXXXX8521X	1	15238095	0	0	15238095	**16.35**	15238095	0	15238095	**16.35**	0	**10.82**	0	0	NA	NA	15238095	15238095		
(b)	**Foreign Venture Capital Investors**		**0**	**0**	**0**	**0**	**0**	**0.00**	**0**	**0**	**0**	**0.00**	**0**	**0.00**	**0**	**0**	**NA**	**NA**	**0**			
(c)	**Sovereign Wealth Funds**		**0**	**0**	**0**	**0**	**0**	**0.00**	**0**	**0**	**0**	**0.00**	**0**	**0.00**	**0**	**0**	**NA**	**NA**	**0**			
(d)	**Foreign Portfolio Investors Category I**		**30**	**7323755**	**0**	**0**	**7323755**	**7.86**	**7323755**	**0**	**7323755**	**7.86**	**75756**	**5.25**	**0**	**0**	**NA**	**NA**	**7323755**	**0**	**0**	**0**

	Category & Name of the shareholders	PAN	Nos. of shareholders	No. of fully paid up equity shares held	Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total nos. shares held	Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2)	Number of Voting Rights held in each class of securities				No. of Shares Underlying Outstanding convertible securities (including Warrants)	Shareholding , as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)	Number of Locked in shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialised form	Sub-categorization of shares		
									No of Voting Rights			Total as a % of Total Voting Rights			No. (a)	As a % of total Shares held (b)	No. (a)	As a % of total Shares held (b)		Shareholding(No. of shares) under		
									Class eg: X	Class eg: y	Total									Sub-category (i)	Sub-category(ii)	Sub-category(iii)
	Samena Special Situations Mauritius Iii	XXXXX5641X	1	5020904	0	0	5020904	**5.39**	5020904	0	5020904	**5.39**	0	**3.56**	0	0	NA	NA	5020904			
	Societe Generale - Odi	XXXXX7484X	1	1049322	0	0	1049322	**1.13**	1049322	0	1049322	**1.13**	0	**0.74**	0	0	NA	NA	1049322			
(e)	**Foreign Portfolio Investors Category II**		**2**	**457329**	**0**	**0**	**457329**	**0.49**	**457329**	**0**	**457329**	**0.49**	**0**	**0.32**	**0**	**0**	**NA**	**NA**	**45732 9**	**0**	**0**	**0**
(f)	**Overseas Depositories (holding DRs) (balancing figure)**		**0**	**0**	**0**	**0**	**0**	**0.00**	**0**	**0**	**0**	**0.00**	**0**	**0.00**	**0**	**0**	**NA**	**NA**	**0**			
(g)	**Any Other (Specify)**		**0**	**0**	**0**	**0**	**0**	**0.00**	**0**	**0**	**0**	**0.00**	**0**	**0.00**	**0**	**0**	**NA**	**NA**	**0**			

	Category & Name of the shareholders	PAN	Nos. of shareholders	No. of fully paid up equity shares held	Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total nos. shares held	Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2)	Number of Voting Rights held in each class of securities				No. of Shares Underlying Outstanding convertible securities (including Warrants)	Shareholding , as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)	Number of Locked in shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialised form	Sub-categorization of shares		
									No of Voting Rights			Total as a % of Total Voting Rights			No. (a)	As a % of total Shares held (b)	No. (a)	As a % of total Shares held (b)		Shareholding(No. of shares) under		
									Class eg: X	Class eg: y	Total									Sub-category (i)	Sub-category(ii)	Sub-category(iii)
	Sub Total (B)(2)		33	23019179	0	0	23019179	24.70	23019179	0	23019179	24.70	75756	16.40	0	0	0	0	23019179	15238095	0	0
3	Central Government/ State Government(s)																					
(a)	Central Government / President of India		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0	NA	NA	0			
(b)	State Government / Governor		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0	NA	NA	0			

	Category & Name of the shareholders	PAN	Nos. of shareholders	No. of fully paid up equity shares held	Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total nos. shares held	Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2)	Number of Voting Rights held in each class of securities				No. of Shares Underlying Outstanding convertible securities (including Warrants)	Shareholding , as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)	Number of Locked in shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialised form	Sub-categorization of shares		
									No of Voting Rights			Total as a % of Total Voting Rights			No. (a)	As a % of total Shares held (b)	No. (a)	As a % of total Shares held (b)		Shareholding(No. of shares) under		
									Class eg: X	Class eg: y	Total									Sub-category (i)	Sub-category(ii)	Sub-category(iii)
(C)	Shareholding by Companies or Bodies Corporate where Central / State Government is a promoter		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0	NA	NA	0			
	Sub Total (B)(3)		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0	NA	NA	0	0		
4	Non-Institutions			0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0	NA	NA	0			
(a)	Associate companies / Subsidiaries		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0	NA	NA	0	0		

	Category & Name of the shareholders	PAN	Nos. of shareholders	No. of fully paid up equity shares held	Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total nos. shares held	Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2)	Number of Voting Rights held in each class of securities				No. of Shares Underlying Outstanding convertible securities (including Warrants)	Shareholding , as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)	Number of Locked in shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialised form	Sub-categorization of shares		
									No of Voting Rights			Total as a % of Total Voting Rights			No. (a)	As a % of total Shares held (b)	No. (a)	As a % of total Shares held (b)		Shareholding(No. of shares) under		
									Class eg: X	Class eg: y	Total									Sub-category (i)	Sub-category(ii)	Sub-category(iii)
(b)	Directors and their relatives (excluding Independent Directors and nominee Directors)		1	148076	0	0	148076	0.16	148076	0	148076	0.16	0	0.11	0	0	NA	NA	148076	0	0	0
(C)	Key Managerial Personnel		2	30001	0	0	30001	0.03	30001	0	30001	0.03	15151	0.03	0	0	NA	NA	30001	0	0	0
(D)	Relatives of promoters (other than 'immediate relatives' of promoters disclosed under 'Promoter and Promoter Group' category)		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0	NA	NA	0	0		

	Category & Name of the shareholders	PAN	Nos. of shareholders	No. of fully paid up equity shares held	Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total nos. shares held	Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2)	Number of Voting Rights held in each class of securities				No. of Shares Underlying Outstanding convertible securities (including Warrants)	Shareholding , as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)	Number of Locked in shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialised form	Sub-categorization of shares		
									No of Voting Rights			Total as a % of Total Voting Rights			No. (a)	As a % of total Shares held (b)	No. (a)	As a % of total Shares held (b)		Shareholding(No. of shares) under		
									Class eg: X	Class eg: y	Total									Sub-category (i)	Sub-category(ii)	Sub-category(iii)
(E)	Trusts where any person belonging to 'Promoter and Promoter Group' category is 'trustee', 'beneficiary', or 'author of the trust''		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0	NA	NA	0	0		
(f)	Investor Education and Protection Fund (IEPF)		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0	NA	NA	0	0		
(g)	i. Resident Individual holding nominal share capital up to Rs. 2 lakhs.		37229	11022374	0	0	11022374	11.83	11022374	0	11022374	11.83	1691225	9.03	0	0	NA	NA	10980974	0	0	0

	Category & Name of the shareholders	PAN	Nos. of shareholders	No. of fully paid up equity shares held	Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total nos. shares held	Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2)	Number of Voting Rights held in each class of securities				No. of Shares Underlying Outstanding convertible securities (including Warrants)	Shareholding , as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)	Number of Locked in shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialised form	Sub-categorization of shares		
									No of Voting Rights			Total as a % of Total Voting Rights			No. (a)	As a % of total Shares held (b)	No. (a)	As a % of total Shares held (b)		Shareholding(No. of shares) under		
									Class eg: X	Class eg: y	Total									Sub-category (i)	Sub-category(ii)	Sub-category(iii)
(h)	**ii. Resident individual holding nominal share capital in excess of Rs. 2 lakhs.**		**112**	**11018299**	**0**	**0**	**11018299**	**11.82**	**11018299**	**0**	**11018299**	**11.82**	**8606009**	**13.93**	**0**	**0**	**NA**	**NA**	**10980421**	**0**	**0**	**0**
	Suresh Kumar Agarwal	XXXXX0822X		1135597	0	0	1135597	**1.22**	1135597	0	1135597	**1.22**	0	**0.81**	0	0	NA	NA	1135597			
(i)	**Non Resident Indians (NRIs)**		**948**	**2945238**	**0**	**0**	**2945238**	**3.16**	**2945238**	**0**	**2945238**	**3.16**	**723474**	**2.60**	**0**	**0**	**NA**	**NA**	**2945238**	**0**	**0**	**0**
	Rishikesh Parthasarathi	XXXXX6477X	1	1177500	0	0	1177500	**1.26**	1177500	0	1177500	**1.26**	**0**	**0.84**	0	0	NA	NA	1177500			

	Category & Name of the shareholders	PAN	Nos. of shareholders	No. of fully paid up equity shares held	Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total nos. shares held	Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2)	Number of Voting Rights held in each class of securities				No. of Shares Underlying Outstanding convertible securities (including Warrants)	Shareholding , as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)	Number of Locked in shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialised form	Sub-categorization of shares		
									No of Voting Rights			Total as a % of Total Voting Rights			No. (a)	As a % of total Shares held (b)	No. (a)	As a % of total Shares held (b)		Shareholding(No. of shares) under		
									Class eg: X	Class eg: y	Total									Sub-category (i)	Sub-category(ii)	Sub-category(iii)
(j)	**Foreign Nationals**		**0**	**0**	**0**	**0**	**0**	**0.00**	**0**	**0**	**0**	**0.00**	**0**	**0.00**	**0**	**0**	**NA**	**NA**	**0**	**0**		
(k)	**Foreign Companies**		**3**	**32191787**	**0**	**0**	**32191787**	**34.55**	**32191787**	**0**	**32191787**	**34.55**	**26893937**	**41.95**	**0**	**0**	**NA**	**NA**	**32191787**	**32191787**	**0**	**0**
	Clearsky Investment Holdings Pte Limited	XXXXX3694X	1	15116279	0	0	15116279	**16.22**	15116279	0	15116279	**16.22**	0	**10.73**	0	0	NA	NA	15116279	15116279	0	0
	Newquest Asia Investments Iii Limited	XXXXX5269X	1	15116279	0	0	15116279	**16.22**	15116279	0	15116279	**16.22**	0	**10.73**	0	0	NA	NA	15116279	15116279	0	0

	Category & Name of the shareholders	PAN	Nos. of shareholders	No. of fully paid up equity shares held	Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total nos. shares held	Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2)	Number of Voting Rights held in each class of securities				No. of Shares Underlying Outstanding convertible securities (including Warrants)	Shareholding , as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)	Number of Locked in shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialised form	Sub-categorization of shares		
									No of Voting Rights			Total as a % of Total Voting Rights			No. (a)	As a % of total Shares held (b)	No. (a)	As a % of total Shares held (b)		Shareholding(No. of shares) under		
									Class eg: X	Class eg: y	Total									Sub-category (i)	Sub-category(ii)	Sub-category(iii)
	Samena Fidem Holdings	XXXXX5075X	1	1959229	0	0	1959229	**2.10**	1959229	0	1959229	**2.10**	9469696	**8.11**	0	0	NA	NA	1959229	1959229	0	0
(l)	**Bodies Corporate**		**232**	**6212716**	**0**	**0**	**6212716**	**6.67**	**6212716**	**0**	**6212716**	**6.67**	**8609808**	**10.52**	**189393**	**3.05**	**NA**	**NA**	**6211916**	**0**	**0**	**0**
	Gkk Capital Markets Private Limited	XXXXX9906X	1	1000000	0	0	1000000	**1.07**	1000000	0	1000000	**1.07**	0	**0.71**	0	0	NA	NA	1000000	0	0	0
(m)	**Any Other (Specify)**		**615**	**1050835**	**0**	**0**	**1050835**	**1.13**	**1050835**	**0**	**1050835**	**1.13**	**833328**	**1.34**	**0**	**0**	**NA**	**NA**	**1050835**	**0**	**0**	**0**
	Body Corp-Ltd Liability Partnership		**22**	**275911**	**0**	**0**	**275911**	**0.30**	**275911**	**0**	**275911**	**0.30**	**833328**	**0.79**	**0**	**0**	**NA**	**NA**	**275911**	**0**	**0**	**0**

	Category & Name of the shareholders	PAN	Nos. of shareholders	No. of fully paid up equity shares held	Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total nos. shares held	Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2)	Number of Voting Rights held in each class of securities				No. of Shares Underlying Outstanding convertible securities (including Warrants)	Shareholding , as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)	Number of Locked in shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialised form	Sub-categorization of shares		
									No of Voting Rights			Total as a % of Total Voting Rights			No. (a)	As a % of total Shares held (b)	No. (a)	As a % of total Shares held (b)		Shareholding(No. of shares) under		
									Class eg: X	Class eg: y	Total									Sub-category (i)	Sub-category(ii)	Sub-category(iii)
	Hindu Undivided Family		590	773439	0	0	773439	0.83	773439	0	773439	0.83	0	0.55	0	0	NA	NA	773439	0	0	0
	Clearing Member		3	1485	0	0	1485	0.00	1485	0	1485	0.00	0	0.00	0	0	NA	NA	1485	0	0	0
	Sub Total (B)(4)		39142	64619326	0	0	64619326	69.35	64619326	0	64619326	69.35	47372932	79.51	189393	0.29	NA	NA	64539248	32191787	0	0
	Total Public Shareholding (B)= (B)(1)+(B)(2)+(B)(3)+b(4)		39179	89871333	0	0	89871333	96.45	89871333	0	89871333	96.45	47448688	97.49	189393	0.21	NA	NA	89791255	47429882	0	0

6. **Statement showing shareholding pattern of non-Promoter – non-public Shareholders:**

	Category & Name of the shareholders	PAN	Nos. of shareholders	No. of fully paid up equity shares held	Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total nos. shares held	Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2)	Number of Voting Rights held in each class of securities				No. of Shares Underlying Outstanding convertible securities (including Warrants)	Shareholding , as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)	Number of Locked in shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialised form
									No of Voting Rights			Total as a % of (A+B+C)			No. (a)	As a % of total Shares held(b)	No. (a)	As a % of total Shares held(b)	
									Class eg: X	Class eg: y	Total								
	(I)	(II)	(III)	(IV)	(V)	(VI)	(VII) = (IV)+(V)+ (VI)	(VIII) As a % of (A+B+C2)	(IX)				(X)	(XI)= (VII)+(X) As a % of (A+B+C2)	(XII)		(XIII)		(XIV)
1	Custodian/ DR Holder		0	0	0	0	0	0	0	0	0	0	0	0	0	0	NA	NA	0
2	Employee Benefit Trust / Employee Welfare Trust under SEBI (Share based Employee Benefits and		1	1238252	0	0	1238252	1.33	1238252	0	1238252	1.33	0	0.88	0	0	NA	NA	1238252

	Category & Name of the shareholders	PAN	Nos. of shareholders	No. of fully paid up equity shares held	Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total nos. shares held	Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2)	Number of Voting Rights held in each class of securities				No. of Shares Underlying Outstanding convertible securities (including Warrants)	Shareholding , as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)	Number of Locked in shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialised form
									No of Voting Rights			Total as a % of (A+B+C)			No. (a)	As a % of total Shares held(b)	No. (a)	As a % of total Shares held(b)	
									Class eg: X	Class eg: y	Total								
	Sweat Equity) Regulations, 2021																		
	Saurabh Sharma	XXXXX2484X	1	1238252	0	0	1238252	1.33	1238252	0	1238252	1.33	0	0.88	0	0	NA	NA	1238252
	Total Non-Promoter-Non Public Shareholding (C)= (C)(1)+(C)(2)		**1**	**1238252**	**0**	**0**	**1238252**	**1.33**	**1238252**	**0**	**1238252**	**1.33**	**0**	**0.88**	**0**	**0**	NA	NA	**1238252**

7. **List of top ten holders of Equity Shares as on December 31, 2024:**

S. No.	Name of the Shareholder	Total number of Equity Shares	Number of Equity Shares held in dematerialized form	Number of Equity Shares underlying outstanding convertible securities	Total shareholding as a % of total number of Equity Shares*
1	Danish Sustainable Development Goals Investment Fund K S	15238095	15238095	0	10.82
2	Clearsky Investment Holdings Pte Limited	15116279	15116279	0	10.73
3	Newquest Asia Investments III Limited	15116279	15116279	0	10.73
4	Samena Special Situations Mauritius III	5020904	5020904	0	3.56
5	Poshika Advisory Services LLP	2027709	2027709	0	1.44
6	Samena Fidem Holdings	1959229	1959229	9469696	8.11
7	Go Digit General Insurance Limited	1429997	1429997	0	1.02
8	Saurabh Sharma	1238252	1238252	0	0.88
9	Rishikesh Parthasarathi	1177500	1177500	0	0.84
10	Suresh Kumar Agarwal	1135597	1135597	0	0.81
TOTAL		**59459841**	**59459841**	**9469696**	**48.94**

** Assuming full conversion of convertible securities*

Note: As on December 31, 2024, the Company has 9,31,83,594 fully paid-up Equity Shares and 4,76,75,960 Equity Shares underlying outstanding convertible securities.

8. **List of top ten holders of non-convertible securities as on December 31, 2024 (on cumulative basis):**

Sr. No.	Name of holders	Category of holder	Face value of holding (in ₹ lakh)	% of Total Non Convertible Securities outstanding
1	Asian Development Bank	Foreign Portfolio Investor	24,990.00	16.11%
2	Nederlandse Financierings-Maatschappij Voor Ontwikkelingslanden N.V. (Fmo)	Foreign Portfolio Investor	24,960.00	16.09%
3	Uti International Wealth Creator 4	Foreign Portfolio Investor	10,700.00	6.90%
4	Vivriti Alpha Debt Fund	Institution	6,900.00	4.45%
5	Hinduja Leyland Finance Limited	Corporate	6,750.00	4.35%
6	Northern Arc Capital Limited	Corporate	6,058.28	3.90%
7	Gmo-Z.Com Payment Gateway India Credit Fund	Foreign Portfolio Investor	5,366.65	3.46%
8	Raymond Limited	Corporate	2,372.96	1.53%
9	Sundaram Finance Ltd	Corporate	2,111.61	1.36%
10	Mas Financial Services Ltd	Corporate	1,940.00	1.25%

9. **Shareholding of the Promoter and Promoter Group in our Company as on December 31, 2024:**

S. No.	Name of the Promoter / Promoter Group	Total number of Equity Shares	Number of Equity Shares held in dematerialized form	Number of Equity Shares underlying outstanding convertible securities	Total shareholding as a % of total number of Equity Shares*
1.	Shachindra Nath	46,300	46,300	2,27,272	0.19%
2.	Poshika Advisory Services LLP	20,27,709	20,27,709	-	1.44%
	TOTAL	20,74,009	20,74,009	2,27,272	1.63%

** Assuming full conversion of convertible securities*

Note: As on December 31, 2024, the Company has 9,31,83,594 full paid-up Equity Shares and 4,76,75,960 Equity Shares underlying outstanding convertible securities.

10. **Details of the Directors' shareholding in our Company, as on December 31, 2024:**

Except as disclosed below**,** none of the Directors hold any Equity Shares, qualification shares or any outstanding options in our Company as on December 31, 2024:

S. No.	Name of the Director	Total number of Equity Shares	Number of Equity Shares held in dematerialized form	Number of Equity Shares underlying outstanding convertible securities	Total shareholding as a % of total number of Equity Shares on fully diluted basis*
1.	Shachindra Nath	46,300	46,300	2,27,272	0.19%
	TOTAL	46,300	46,300	2,27,272	0.19%

** Assuming full conversion of convertible securities*

Note: As on December 31, 2024, the Company has 9,31,83,594 full paid-up Equity Shares and 4,76,75,960 Equity Shares underlying outstanding convertible securities.

11. **Statement of the aggregate number of securities of our Company and our Subsidiaries purchased or sold by Promoter Group, our Directors and the directors of our Promoters and/or their relatives within six months immediately preceding the date of filing of this Prospectus.**

Except as disclosed below, none of our Promoter Group, Directors and the Directors of our Promoters and/or their relatives have purchased or sold any securities of our Company, within six months immediately preceding the date of filing this Prospectus:

(a) The Company has allotted Shachindra Nath, member of Promoter Group and Vice Chairman & Managing Director, 2,27,272 warrants on June 06, 2024 through preferential issue.

(b) The Company has allotted 9,469 and 18,939 warrants to Hemant Bhargava, Independent Director and Tabassum Abdulla Inamdar, Independent Director respectively on June 06, 2024 through preferential issue.

12. **(a) Statement of capitalization (Debt to Equity Ratio) of our Company –**

(in ₹ lakh)

Particulars	Pre-Issue as at December 31, 2024	Post-issue (as adjusted for the issue)*
Debt		
Debt Securities (including interest accrued)*	1,83,855.24	2,03,855.24
Borrowings (other than debt securities)	4,27,842.05	4,27,842.05
Subordinated debt	3,364.91	3,364.91
Total Debt (i)	**6,15,062.20**	**6,35,062.20**
Equity		
Equity Share Capital	9,194.54	9,194.54
Other Equity	1,90,566.04	1,90,566.04
Total Equity (ii)	**1,99,760.58**	**1,99,760.58**
Debt/Equity (iii= (i) / (ii))	3.08	3.18

** The debt-equity ratio post Issue in indicative on account of the assumed inflow of ₹ 20,000 Lakh from the proposed Issue. The actual debt-equity ratio post the Issue would depend on the actual position of debt and equity on the Deemed Date of Allotment.*

13. **Details of shareholding of our Promoters in our Company's Subsidiaries.**

As on the date of this Prospectus, our Company has no subsidiary.

14. **Debt securities issued at a premium or a discount.**

Except as set out in "*Disclosures on Existing Financial Indebtedness*" on page 179 of this Prospectus, our Company does not have any existing debt securities issued at a premium or discount.

15. **Details of any acquisition or amalgamation with any entity in the preceding one year.**

Our Company has not made any acquisition or amalgamation with any entity in the preceding one year prior to the date of this Prospectus.

16. **Details of any reorganization or reconstruction in the preceding one year.**

Our Company has not made any reorganisation or reconstruction in the preceding one year prior to the date of this Prospectus.

17. **Details of shareholding of Directors in subsidiaries, associates and joint ventures as of the date of this Prospectus.**

As on the date of this Prospectus, our Company has no subsidiary, associates and joint ventures.

18. **Details of change in the promoter holding in our Company during the preceding financial year beyond the threshold prescribed by the RBI from time to time.**

There has been no change in the promoter holding in our Company during the preceding financial year beyond 26%.

19. None of the Equity Shares held by the Promoter and Promoter Group in our Company are pledged or encumbered otherwise by our Promoters and Promoter Group.

20. **Employee Stock Option Plans.**

As on December 31, 2024, our Company has two Employee Stock Option Plans which are:

'CSL Employee Stock Option Scheme 2017': The said scheme was approved by board of directors on December 31, 2017 and by the shareholders through postal ballot on May 07, 2018 (Results of which were declared on May 09, 2018) and ratified by the shareholders in Extra-ordinary General Meeting held on September 18, 2018 and amended by the shareholders through postal ballots on May 5, 2022 (Results of which declared on May 6, 2022), and December 1, 2024 (Results of which declared on December 3, 2024). The number of options outstanding under 'CSL Employee Stock Option Scheme 2017' as on December 31, 2024, is 17,47,296

'Ugro Capital Employee Stock Option Scheme – 2022': The said scheme was approved by board of directors on July 22, 2022, and by the shareholders through postal ballot on September 04, 2022. The number of options outstanding under the 'Ugro Capital Employee Stock Option Scheme – 2022' as on December 31, 2024, is 8,71,375.

OBJECTS OF THE ISSUE

Issue proceeds

Our Company has filed this Prospectus for a public issue of 20,00,000 secured, rated, listed, redeemable non-convertible debentures of face value of ₹ 1,000 each ("**NCDs**") for an amount up to ₹ 10,000 lakh ("**Base Issue Size**") with an option to retain oversubscription up to ₹ 10,000 lakh ("**Green Shoe Option**"), for an aggregate amount of up to ₹ 20,000 lakh ("**Issue Size**" or "**Issue Limit**").

The Issue is being made pursuant to the provisions of the SEBI NCS Regulations and the Companies Act and the rules made there under. Our Company proposes to utilize the proceeds raised through the Issue, after deducting the Issue related expenses to the extent payable by our Company ("**Net Proceeds**") towards funding the objects listed under this section.

The details of the proceeds of the Issue are summarized below:

Particulars	Estimated amount (in ₹ lakh)
Gross proceeds of the Issue	20,000
Less: Issue related expenses*	608.36
Net Proceeds	19,391.64

**The above Issue related expenses are indicative and are subject to change depending on the actual level of subscription to the Issue, the number of Allottees, market conditions and other relevant factors.*

Requirement of funds and Utilisation of Net Proceeds

The following table details the objects of the Issue (collectively, referred to herein as the "**Objects**") and the amount proposed to be financed from the Net Proceeds:

Sr. No.	Objects of the Issue	Percentage of Amount proposed to be financed from Net Proceeds
1.	For the purpose of onward lending and financing business of the Company in the ordinary course of business (including for repayment / refinance of existing debts of the Company)*	At least 75%
2.	General corporate purposes**	Not exceeding 25%
Total		100%

** Our Company shall not utilise the proceeds of this Issue towards payment of prepayment penalty, if any.*

*** The Net Proceeds will be first utilised towards the Objects mentioned above. The balance is proposed to be utilised for general corporate purposes, subject to such utilisation not exceeding 25% of the amount raised in the Issue, in compliance with the SEBI NCS Regulations.*

The main objects clause of the Memorandum of Association of our Company permits our Company to undertake its existing activities as well as the activities for which the funds are being raised through this Issue.

Issue related expenses

The expenses of this Issue include, among others, fees for the Lead Manager and selling commission to the Lead Manager/Consortium Member, printing and distribution expenses, legal fees, advertisement expenses, fees

payable to RTA, Debenture Trustee, SCSBs' commission / fees, listing fees, commission and fees payable to the intermediaries as provided for in the SEBI Master Circular, and any other expense directly related to Issue. The Issue expenses and listing fees will be paid by our Company.

The estimated breakdown of the total expenses for this Issue is as follows*:

Particulars#	Gross Amount (₹ in Lakhs)	As percentage of Issue Proceeds (in %)	As percentage of total expenses of the Issue (in %)
Lead managers fees	15.00	0.08%	2.47%
Underwriting commission	-	-	0.00%
Brokerage, selling commission and upload fees	314.00	1.57%	51.61%
Fee Payable to the registrars to the issue	3.50	0.02%	0.58%
Fees payable to the legal advisors	25.00	0.13%	4.11%
Advertising and marketing expenses	178.80	0.89%	29.39%
Fees payable to the regulators including stock exchanges	21.96	0.11%	3.61%
Recovery Expense Fund (NSE)	-	0.00%	0.00%
Expenses incurred on printing and distribution of issue stationery	10.00	0.05%	1.64%
Any other fees, commission or payments under whatever nomenclature and Miscellaneous expenses**	40.10	0.20%	6.59%
Grand Total	**608.36**	**3.04%**	**100.00%**

Estimated Issue expenses are excluding of GST and any other applicable taxes.

**Assuming the Issue is fully subscribed. The estimated expenses are indicative and are subject to change depending on the actual level of subscription to the Issue and the number of Allottees, market conditions and other relevant factors*

***fees payable to rating agency, debenture trustee, auditors and other.*

Fees and commission payable to such intermediaries are payable after receipt of valid invoice within such timelines as mutually agreed from each of such intermediaries.

Note: The above expenses are subject to applicable taxes as per the agreed terms of engagement with respective agency

Our Company shall pay processing fees to the SCSBs for ASBA forms procured by Lead Manager/Consortium Member, Trading Members, RTAs and CDPs and submitted to the SCSBs for blocking the application amount of the applicant, at the rate of ₹ 10/- per Application Form procured, as finalized by our Company. However, it is clarified that in case of ASBA Application Forms procured directly by the SCSBs, the relevant SCSBs shall not be entitled to any ASBA Processing Fee. Further, the Sponsor Bank shall be paid ₹ Nil per valid Application collected by them.

Purpose for which there is a requirement of funds

As stated in this section.

Funding plan

Our Company confirms that for the purpose of this Issue, funding plan will not be applicable.

Summary of the project appraisal report

Our Company confirms that for the purpose of this Issue, summary of the project appraisal report will not be applicable.

Schedule of implementation of the project

Our Company confirms that for the purpose of this Issue, schedule of implementation of project will not be applicable.

Interim use of proceeds

Our Board of Directors, in accordance with the policies formulated by it from time to time, will have flexibility in deploying the proceeds received from the Issue. Pending utilisation of the proceeds out of the Issue for the purposes described above, our Company intends to temporarily invest funds in high quality interest bearing liquid instruments including money market mutual funds, deposits with banks or temporarily deploy the funds in investment grade interest bearing securities as may be approved by the Board or a committee thereof. Such investment would be in accordance with the investment policies approved by the Board from time to time.

Monitoring of Utilisation of funds

There is no requirement for appointment of a monitoring agency in terms of the SEBI NCS Regulations. The Board and Audit Committee shall monitor the utilisation of the proceeds of the Issue. For the relevant Financial Years commencing from Financial Year 2025, our Company will disclose in our financial statements, the utilisation of the net proceeds of the Issue under a separate head along with details, if any, in relation to all such proceeds of the Issue that have not been utilised thereby also indicating investments, if any, of such unutilised proceeds of the Issue. Our Company shall utilise the proceeds of the Issue only upon receipt of minimum subscription, i.e. 75% of base issue size relating to the Issue, the execution of the documents for creation of security and receipt of final listing and trading approval from the Stock Exchanges. Our Company, within forty-five days from the end of every quarter or such other period as per applicable law, submit to the stock exchanges, a statement indicating the utilization of issue proceeds of non-convertible securities, which shall be continued to be given till such time the issue proceeds have been fully utilised or the purpose for which these proceeds were raised has been achieved.

Other Confirmation

The Issue proceeds shall not be utilised towards full or part consideration for the purchase or any other acquisition, inter alia by way of a lease, of any immovable property.

No part of the proceeds from this Issue will be paid by us as consideration to our Promoter, our Directors, Key Managerial Personnel, or companies promoted by our Promoter except in the usual course of business.

No part of the proceeds from this Issue will be utilized for buying, trading or otherwise dealing in equity shares of any other listed company.

Further our Company undertakes that Issue proceeds from NCDs allotted to banks shall not be used for any purpose, which may be in contravention of the RBI guidelines on bank financing to NBFCs including those relating to classification as capital market exposure or any other sectors that are prohibited under the RBI regulations.

Our Company confirms that it will not use the proceeds from the Issue or any part of the proceeds, directly or indirectly, for the purchase of any business or in the purchase of an interest in any business and by reason of that purchase or anything done in consequence thereof, or in connection therewith our Company shall become entitled to an interest in either the capital or profit or losses or both in such business exceeding 50% thereof, the purchase or acquisition of any immovable property (direct or indirect)for which advances have been paid to third parties or acquisition of securities of any other body corporate.

There is no contribution being made or intended to be made by the Directors as part of the Issue or separately in furtherance of the Objects of the Issue.

None of the Directors, Promoters, Key Managerial Personnel or Senior Management have any financial or other material interest in the Issue.

All monies received out of the Issue shall be credited/ transferred to a separate bank account maintained with a Scheduled Bank as referred to in section 40(3) of the Companies Act 2013.

Our Company confirms that it will not use the proceeds of the Issue in the purchase of any interest in any business by reason of which, or anything to be done in consequence thereof, or in connection therewith, the Company shall become entitled to an interest in either the capital or profits and losses or both, in such business exceeding 50% thereof.

In accordance with the SEBI NCS Regulations, our Company will not utilize the proceeds of the Issue for providing loans to or acquisition of shares of any person or company who is a part of the Promoter Group or Group Companies.

The fund requirement as above is based on our current business plan and is subject to change in light of variations in external circumstances or costs, or in our financial condition, business or strategy. Our management, in response to the competitive and dynamic nature of the industry, will have the discretion to revise its business plan from time to time and consequently our funding requirements and deployment of funds may also change.

We shall utilize the Issue proceeds only upon execution of Debenture Trust Deed, receipt of the listing and trading approval from the Stock Exchange(s) as stated in this Prospectus in the section titled "*Issue Related Information*" on page 218.

General Corporate Purposes

Our Company intends to deploy up to 25% of the amount raised and allotted in the Issue for general corporate purposes, including but not restricted to routine capital expenditure, renovations, strategic initiatives, meeting any expenditure in relation to our Company as well as meeting exigencies which our Company may face in the ordinary course of business, or any other purposes as may be approved by our Board of Directors or duly authorized committee thereof.

Variation in terms of contract or objects

Our Company shall not, in terms of Section 27 of the Companies Act, 2013, at any time, vary the terms of the objects for which this Prospectus is issued, except as may be prescribed under the applicable laws and under Section 27 of the Companies Act, 2013. Further, in accordance with the SEBI Listing Regulations, in case of any material deviation in the use of proceeds as compared to the objects of the issue, the same shall be indicated in the format as specified by SEBI from time to time.

Benefit or interest accruing to Promoters or Directors out of the objects of the Issue

There is no benefit or interest accruing to the Promoter or Directors from the Objects of the Issue.

STATEMENT OF POSSIBLE TAX BENEFITS

Date: March 20, 2025

To,

The Board of Directors
UGRO Capital Limited
Equinox Business Park,
Tower 3, Fourth Floor,
Off BKC, LBS Road,
Kurla, Mumbai,
Maharashtra – 400070

Tipsons Consultancy Services Private Limited
1st Floor, Sheraton House, Opp. Ketav Petrol Pump,
Polytechnic Road, Ambawadi, Polytechnic (Ahmedabad),
Ahmedabad, Gujarat – 380 015, India
(Tipsons Consultancy Services Private Limited is hereinafter referred to as the "**Lead Manager**")

Dear Sirs,

Re: Proposed public issue by UGRO Capital Limited ("Company" / "Issuer") of rated, secured, listed, redeemable, non-convertible debentures of face value of ₹ 1000 each ("NCDs") for an amount up to ₹ 10,000 Lakh ("Base Issue Size") with an option to retain over subscription up to ₹ 10,000 Lakh ("Green Shoe Option"), aggregating to ₹ 20,000 Lakh ("Issue").

1. We, Maheswari and Co, Chartered Accountants, (Firm Registration Number: 105834W), have been requested by the Company to provide this report, issued in accordance with the terms of our engagement letter dated February 26, 2025 in context of the Issue in accordance with the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021, as amended (the "SEBI NCS Regulations") and applicable provisions of the Companies Act, by the Company.

2. The accompanying 'Statement of Possible Tax Benefits available to Debenture Holders', attached herewith (the "Statement"), prepared by the Company, initialed by us for identification purpose, proposed to be included in the Prospectus and Prospectus (the "Offer Documents") of the Company, states the possible tax benefits available to the Debenture Holders, as per the provisions of the direct tax laws, i.e., the Income-Tax Act, 1961, read with Income Tax Rules, 1962 including amendments made by Finance Act (No. 2) Bill, 2024, other relevant circulars and notifications, as applicable for the financial year 2024-25, relevant to the assessment year 2025-26, presently in force in India as on the signing date as well as any tax benefit ("Direct Tax Laws"). These possible tax benefits are dependent on the debenture holders fulfilling the conditions prescribed under the relevant provisions of the Income-tax Act, 1961. Hence, the ability of the debenture holders to derive these possible tax benefits is dependent upon their fulfilling such conditions, which is based on business imperatives the Company may face in the future and accordingly the debenture holders may or may not choose to fulfill.

Management's Responsibility:

3. The preparation of this Statement is the responsibility of the management of the Company. The management's responsibility includes designing, implementing and maintaining internal control relevant

to the preparation and presentation of the Statement, and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.

4. The management is also responsible for ensuring compliance with the requirements of SEBI NCS Regulations, and other applicable rules and regulations, for the purpose of furnishing this Statement and for providing all relevant information to the Lead Manager and Stock Exchanges.

Auditor's Responsibility:

5. Pursuant to the SEBI NCS Regulations, it is our responsibility to report whether the Statement prepared by the Company, presents, in all material respects, the current position of possible tax benefits available to the debenture holders of the Company, under the Direct Tax Laws as at the date of our certificate.

6. Capitalized terms used herein, unless otherwise specifically defined, shall have the same meaning as ascribed to them in the Offer Documents.

7. We have conducted our examination in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) (Guidance Note) issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Inherent Limitations

8. We draw attention to the fact that the Statement includes certain inherent limitations that can influence the reliability of the information. Several of the benefits mentioned in the Statement are dependent on the debenture holders of the Company fulfilling the conditions prescribed under the relevant provisions of the Direct Tax Laws. Hence, the ability of the debenture holders of the Company to derive the tax benefits is dependent upon fulfilling such conditions, which may or may not be fulfilled. The benefits discussed in the Statement are not exhaustive.

9. The Statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the Issue.

10. Further, we give no assurance that the tax authorities/courts will concur with our views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes.

Opinion

11. In our opinion, the Statement prepared by the Company presents, in all material respects, the possible tax benefits available as of the date of this certificate, to the debenture holders of the Company, under the Direct Tax Laws.

12. Considering the matters referred to in paragraph 3 above, we are unable to express any opinion or provide any assurance as to whether: (i) The debenture holders of the Company will continue to obtain the benefits as per the Statement in future; or (ii) The conditions prescribed for availing the benefits as per the Statement have been/ would be met with.

Restriction on Use

13. This certificate has been issued solely at the request of the Company's management for use in connection with the Issue and may accordingly be relied upon by the Lead Manager, intermediaries and legal counsel

appointed for the Issue. This certificate may be furnished as required to the Securities and Exchange Board of India, Stock Exchanges and Registrar of Companies, Maharashtra at Mumbai or any other regulatory authorities as required and shared with and relied on as necessary by the advisors and intermediaries duly appointed in this regard. We further consent to the aforementioned details being included for the records to be maintained by the Lead Manager in connection with the Issue and in accordance with applicable laws. Further, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

14. We confirm that we will immediately inform the Issuer and Lead Manager to the Issue of any change, additions or deletions in respect of the matters covered in this certificate, informed to us by the management of the Company or if we become aware of the same till the date when the NCDs commence trading on the National Stock Exchange of India Limited and BSE Limited ("Stock Exchanges"). In the absence of any such communication from us, until commencement of trading of the NCDs on Stock Exchanges, you may assume that there is no change, which has come to our notice, in respect to the matters covered in this certificate.

15. Any capitalized term that has not been defined shall have the meaning attributed to it in the Offer Documents.

For Maheshwari & Co.
Chartered Accountants
Firm Registration No: 105834W
Peer Review Certificate number: 1014967

Mr. Anurag Kothari
Partner
Membership No: 114644

Date: March 20, 2025
Place: Mumbai
UDIN: 25114644BNFYZF4880

ANNEXURE I

STATEMENT OF POSSIBLE TAX BENEFITS AVAILABLE TO THE DEBENTURE HOLDER(S)

This Annexure is based on the provisions of the Income-tax Act, 1961 ('IT Act') in force as on the current date, after considering the amendments made by the Finance (No.2) Bill, 2024 ('FB (No.2) 2024').

The information provided below sets out the possible tax benefits available to the Debenture Holders of secured, rated, listed, redeemable non-convertible debentures ("**NCDs**") of UGRO Capital Limited in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the subscription, ownership and disposing of the NCDs under the current tax laws presently in force in India. Several of these benefits are dependent on the Debenture Holders fulfilling the conditions prescribed under the relevant tax laws. Hence, the ability of the Debenture Holders to derive the tax benefits is dependent upon fulfilling such conditions, which, based on business imperatives a subscriber faces, may or may not choose to fulfill.

The following overview is not exhaustive or comprehensive and is not intended to be a substitute for professional advice. Subscribers are advised to consult their own tax consultant with respect to the tax implications of an investment in the NCDs, particularly in view of the fact that certain recently enacted legislation may not have a direct legal precedent or may have a different interpretation on the benefits, which an investor can avail. Neither are we suggesting nor advising the investor to invest money based on this Statement.

Taxability under the Income Tax Act

I. **Common provisions applicable to both Resident and Non-Resident debenture holders:**

Determination of head of income for the purpose of assessability:

The returns received by the investors from the Non-Convertible Debentures ("**NCD**") in the form of 'interest' and gains on transfer of the NCD, may be characterized under the following broad heads of income for the purposes of taxation under the IT Act:

(a) Profits and gains of business or profession ("**PGBP**");
(b) Capital gains ("**CG**"); and
(c) Income from other sources ("**IFOS**").

For determining the appropriate head of income (as mentioned above) vis-à-vis the income or loss earned on/ from the NCD, it will be pertinent to analyse whether the NCD are held as 'Investments' i.e. 'Capital asset' or as 'Stock-in-trade'.

If the NCD are held as 'Stock-in-trade', interest income as well as gain or loss on its transfer will be assessed to tax under the head PGBP, whereas, if the NCD are held as 'Investments', then the interest income will be assessed to tax under the head IFOS and any gain/ loss on its transfer will be assessed to tax under the head CG.

However, as per section 2(14) of the IT Act, 'capital asset' includes, *inter alia*, securities held by a Foreign Institutional Investor ("**FII**") now known as Foreign Portfolio Investor ("**FPI**") which has invested in such securities in accordance with the regulations made under Securities and Exchange Board of India Act, 1992. Accordingly, such securities, held by an FII, will be characterised as 'capital asset' and classification as 'Stock-in-trade' shall not apply.

The investors may obtain specific advice from their tax advisors regarding the above classification and tax treatment.

II. **TO THE RESIDENT DEBENTURE HOLDER**

1. Interest on NCD received by Debenture Holders would be subject to income tax at the normal rates of tax in accordance with and subject to the provisions of the IT Act in both cases i.e. income shown under the head PGBP or IFOS. Interest will be assessed to Income tax on receipt basis or mercantile basis (accrual basis) depending on the method of accounting regularly employed by the NCD holder under Section 145 of the IT Act.

2. Income Tax is deductible at source at the rate of 10% on interest on debentures held by resident Indians as per the provisions of Section 193 of the IT Act (in case where interest is paid to Individual or HUF, no TDS will be deducted where interest paid is less than 5,000 and interest is paid by way of account payee cheque).
Further, Tax will be deducted at source at reduced rate, or no tax will be deducted at source in the following cases

   (a) When the Assessing Officer issues a certificate on an application by a Debenture Holder on satisfaction that the total income of the Debenture holder justifies no/lower deduction of tax at source as per the provisions of Section 197(1) of the IT Act; and that a valid certificate is filed with the Company before the prescribed date of closure of books for payment of debenture interest;

   (b) When the resident Debenture Holder with Permanent Account Number ("**PAN**") (not being a company or a firm) submits a declaration as per the provisions of section 197 A(lA) of the IT Act in the prescribed Form 15G verified in the prescribed manner to the effect that the tax on his estimated total income of the financial year in which such income is to be included in computing his total income will be NIL. However, as per section 197A(lB) of the IT Act, Form 15G cannot be submitted nor considered for exemption from tax deduction at source if income in the nature referred to in sections 194, 194EE, 192A, 193, 194A, 194D, 194DA, 1941 or 194K as the case may be or the aggregate of the amounts of such incomes credited or paid or likely to be credited or paid during the financial year in which such income is to be included exceeds the maximum amount which is not chargeable to income tax;

   (c) Senior citizens, who are 60 or more years of age at any time during the financial year, enjoy the special privilege to submit a self-declaration in the prescribed Form 15H for non-deduction of tax at source in accordance with the provisions of section 197 A(l C) of the Act even if the aggregate income credited or paid or likely to be credited or paid exceeds the maximum amount not chargeable to tax, provided that the tax due on the estimated total income of the year concerned will be NIL; and

   (d) In all other situations, tax would be deducted at source as per prevailing provisions of the IT Act. Please find below the class of resident investors and respective documents that would be required for granting TDS exemption:

SL No.	Class of Investors	Relevant Section which grants TDS exemption	Documents to be taken on record from Investors
1.	Resident Individual or resident HUF	Claiming non-deduction or lower deduction of tax at source under section 193 of the IT Act, 1961	Form No.15G with PAN/ Form No.15H with PAN / Certificate issued u/s 197(1) has to be filed with the Company. However, in case of NCD Holders claiming non-deduction or lower deduction of tax at source, as the case may be, the NCD Holder should furnish either a declaration (in duplicate) in the prescribed

			form i.e. (i) Form 15H which can be given by individuals who are of the age of 60 years or more, (ii) Form 15G which can be given by all applicants (other than individuals of the age of 60 years or more, companies, and firms), or (iii) a certificate, from the Assessing Officer which can be obtained by all applicants (including companies and firms) by making an application in the prescribed form i.e. Form No.13.
2.	Life insurance Corporation of India	Clause vi of Proviso to Section 193	Copy of Registration certificate
3.	a. General Insurance Corporation of India, b. companies formed under section 16(1) of General Insurance Business Act, 1972 and c. any company in which GIC has full beneficial interest (100% shareholding)	Clause vii of Proviso to Section 193	a. Copy of Registration certificate b. Copy of shareholding pattern
4.	Any Insurer (like SBI Life Insurance, Max Life Insurance etc.)	Clause viii of Proviso to Section 193	Copy of Registration certificate issued by the Insurance Regulatory and Development Authority
5.	Mutual Funds	Section 196(iv) read with Section 10(23D)	Copy of Registration certificate issued by SEBI / RBI and notification issued by Central Government
6.	Government, RBI and corporation established under Central/ State Act whose income is exempt from tax	Section 196(i),(ii) and (iii)	In case of Corporation, Declaration that their income is exempt from tax with applicable provisions
7.	Recognized Provident Funds, Recognized Gratuity Funds, Approved Superannuation Funds, Employees' State Insurance Fund etc.	Section 10(25) and 10(25A) and CBDT Circular - 18/201 7	Copy of Registration and Recognition certificate issued by relevant statutory authorities and income-tax authorities and Declaration from the funds that their income is exempt u/s 10(25) and 10(25A)
8.	New Pension System Trust	Section 197 A(lE)	Relevant Registration certificate issued to NPS Trust under section Indian Trusts Act, 1882
9.	Other entities like Local authority, Regimental Funds, IRDAI etc.	Section 10(20) etc. read with CBDT Circular - 18/2017	Declaration that they fall within the relevant income-tax section and eligible for income-tax exemption on their income
10.	Alternative Investment Funds (Category I and II)	Section 197 A(lF)	Copy of Registration certificate issued by SEBI

3. **In respect of Capital Gains**

Long Term Capital Gains

Under Section 2(29AA) read with section 2(42A) of the IT Act, listed Debentures held as Capital Asset as defined under section 2(14) of the IT Act is treated as long term capital asset if it is held for more than 12 months. Debentures held as capital asset for a period of 12 Months or less will be treated as short term capital asset. Long Term Capital Gain for listed debentures will be chargeable to tax under Section 112 of the IT Act at the rate of 12.50% (plus applicable surcharge and education cess). No indexation benefit is available for debentures.

In case of an individual or HUF, being a resident, where the total income as reduced by such long-term capital gains is below the maximum amount which is not chargeable to income-tax, then, such long-term capital gains shall be reduced by the amount by which the total income as so reduced falls short of the maximum amount which is not chargeable to income-tax and the tax on the balance of such long-term capital gains shall be computed at the rate mentioned above.

Short Term Capital Gain

Listed Debentures held as capital asset under Section 2(14) of the IT Act for a period of not more than 12 months would be treated as Short term capital asset under Section 2(42A) of the IT Act. Short Term Capital Gains on transfer of NCD will be taxed at the normal rates of tax in accordance with the provisions of the IT Act. The provisions relating to maximum amount not chargeable to tax would apply to Short term capital gains.

Capital Loss on transfer of Debentures.

As per Section 74 of the IT Act, short-term capital loss on transfer of debentures suffered during the year is allowed to be set-off against short-term as well as long-term capital gains of the said year. Balance loss, if any could be carried forward for eight years for claiming set-off against subsequent years' short term as well as long-term capital gains.

Long-term capital loss on debentures suffered during the year is allowed to be set-off only against long-term capital gains. Balance loss, if any, could be carried forward for eight years for claiming set-off against subsequent year's long-term capital gains.

4. **Exemption available for Individuals and HUF for Long Term Capital gains u/s 54F, 54EE of the IT Act.**

Under section 54F of the IT Act and subject to the conditions and to the extent provided therein, LTCG arising in the hands of the NCD holder, being an Individual or Hindu Undivided Family, on transfer of the NCDs would be exempt from tax, if the net consideration from such transfer is utilized, for purchase within a period of 1 year before or 2 years after the date on which the transfer took place, or for construction within a period of 3 years after the date of such transfer, of one residential house in India ("**New Asset**").

However, the said exemption shall not be available, if the debenture holder:
Owns more than one residential house, other than the New Asset, on the date of transfer of the NCDs; or

(a) Purchases any residential house, other than the New Asset, within a period of 1 year after the date of transfer of the NCDs; or

(b) Constructs any residential house, other than the New Asset, within a period of 3 years

(c) after the date of transfer of the NCDs; or

(d) The income from such residential house, other than the one residential house owned on

(e) the date of transfer of the NCDs is chargeable under the head 'Income from house property'.

Where the cost of New Asset exceeds Rs. 10 crores, the amount exceeding Rs. 10 crores shall not be taken into account for the purpose of section 54F (1). That is to say, the maximum deduction permissible under section 54F is restricted to Rs. 10 crores.

Further, if the New Asset is transferred within a period of three years from the date of its purchase or construction, the amount of capital gains for which the exemption was availed earlier would be taxed as LTCG in the year in which such residential house is transferred.

Under section 54EE of the IT Act, long term capital gains arising to the Debenture Holder(s) on transfer of debentures in the company shall not be chargeable to tax to the extent such capital gains are invested in long term specified asset within six months after the date of transfer. If only part of the capital gain is so invested, the exemption shall be proportionately reduced. However, if the said notified bonds are transferred or converted into money within a period of three years from their date of acquisition, the amount of capital gains exempted earlier would become chargeable to tax as long-term capital gains in the year in which the bonds are transferred or converted into money. However, the exemption is subject to a limit of investment of INR 50 lacs during any financial year in the notified bonds. Where the benefit of Section 54EE of the IT Act has been availed of on investments in the notified bonds, a deduction from the income with reference to such cost shall not be allowed under section 80C of the Act.

If the long term specified asset in which the investment has been made is transferred within a period of three years from the date of its acquisition, the amount of capital gains tax claimed earlier would became chargeable to tax as capital gains in the year in which such long term specified asset is transferred. Specified Asset means a unit or units, issued before the 1st day of April, 2019, of such fund as may be notified by the Central Government in this behalf.

5. **In respect of Business Income**

In case the Debentures are held as stock in trade by the debenture holder, the income/loss from transfer of debentures would be taxed as Income from Business. Such income is to be computed in accordance with the Income Computation and Disclosure Standard VIII, which is notified by the Ministry of Finance, Government of India under Section 145(2) of the IT Act. Where debentures are held as stock in trade and unpaid interest has accrued before acquisition of Debentures and is included in the price paid for the Debentures, subsequent receipt of interest is to be allocated between pre-acquisition and post-acquisition periods, the pre-acquisition portion of the interest is reduced from the actual cost and is to be treated as interest. In the case of Debentures held by Scheduled Bank and Public Financial Institutions, income is to be recognized in accordance with the guidelines issued by the Reserve Bank of India in this regard.

6. **Debentures received as gift without consideration or inadequate consideration.**

As per section 56(2)(x) of the IT Act, except in cases which are specifically exempted under this clause (such as gift received from relative as defined under the section), where the debentures are

received without consideration where the aggregate market value of all gifts received exceeds Rs. 50,000/- the aggregate market value of the debentures shall be taxable as income in the hands of the recipient. Similarly, if debentures are received for inadequate consideration, the shortfall in the consideration will be treated as income of the recipient subject to the provisions contained in section 56(2)(x) of the IT Act. There is no gift tax for the donor of the Debentures.

7. Further, no deduction under Chapter VI-A would be allowed in computing LTCG subject to tax under section 112 of the IT Act. Also, the capital gains will be computed by deducting expenditure incurred in connection with such transfer and cost of acquisition of the NCDs from the sale consideration accrued to the respective NCD holder.

III. **TO THE NON-RESIDENT DEBENTURE HOLDER**

A Non-Resident Indian has an option to be governed by Chapter XII -A of the IT Act, subject to the provisions contained therein which are given in brief as under:

1. As per Section 115E of the IT Act, interest income from debentures acquired or purchased with or subscribed to in convertible foreign exchange will be taxable at 20% (plus applicable surcharge and cess), whereas long term capital gains on transfer of such Debentures will be taxable at 12.50% (plus applicable surcharge and cess) of such capital gains without indexation of cost of acquisition. Short-term capital gains will be taxable at the normal rates of tax in accordance with and subject to the provisions contained therein.

2. As per Section 115G of the IT Act, it shall not be necessary for a non-resident Indian to file a return of income under Section 139(1) of the IT Act, if his total income consists only of investment income as defined under Section 115C and/or long term capital gains earned on transfer of such investment acquired out of convertible foreign exchange, and the tax has been deducted at source from such income under the provisions of Chapter XVII- B of the IT Act in accordance with and subject to the provisions contained therein.

3. As per Section 115D (1) of the IT Act no deduction in respect of any expenditure or allowance shall be allowed under any provisions of the IT Act in the computation of investment income of a non-resident Indian under Chapter XII- A of the IT Act.

4. In accordance with and subject to the provisions of Section 115-I of the IT Act, a Non-Resident Indian may opt not to be governed by the provisions of Chapter XII A of the IT Act. In such a case, long term capital gains on transfer of listed debentures would be subject to tax at the rate of 20%.

5. Interest income and Short term capital gains on the transfer of listed debentures, where debentures are held for a period of not more than 12 months preceding the date of transfer, would be taxed at the normal rates of tax in accordance with and subject to the provisions of the IT Act.

6. Where debentures are held as stock in trade, the income on transfer of debentures would be taxed as business income or loss in accordance with and subject to the provisions of the IT Act.

7. Under Section 195 of the IT Act, the applicable rate of tax deduction at source is 20% on investment income and 10% on any long-term capital gains as per Section 115E, and 30% for Short Term Capital Gains if the payee debenture Holder is a Non-Resident Indian.

8. The income tax deducted shall be increased by applicable surcharge and health and education cess.

As per Section 74 of the IT Act, short-term capital loss on transfer of debentures suffered during the year is allowed to be set-off against short-term as well as long-term capital gains of the said year. Balance loss, if any could be carried forward for eight years for claiming set-off against subsequent years' short-term as well as long-term capital gains. Long-term capital loss on debentures suffered during the year is allowed to be set-off only against long-term capital gains. Balance loss, if any, could be carried forward for eight years for claiming set-off against subsequent year's long-term capital gains.

As per Section 90(2) of the IT Act read with the Circular No. 728 dated October 30, 1995 issued by the Central Board of Direct Taxes, in the case of a remittance to a country with which a Double Tax Avoidance Agreement (DT AA) is in force, the tax should be deducted at the rate provided in the Finance Act of the relevant year or at the rate provided in the DT AA, whichever is more beneficial to the assessee. However, submission of tax residency certificate (TRC), is a mandatory condition for availing benefits under any DTAA. If the tax residency certificate does not contain the prescribed particulars as per CBDT Notification 57/2013 dated August 1, 2013, a self-declaration in Form 10F would need to be provided by the assessee along with TRC.

9. Alternatively, to avail lower deduction or non-deduction of tax at source, as the case may be, the Debenture Holder should furnish a certificate under Section 195(2) and 195(3) of the IT Act, from the Assessing Officer before the prescribed date of closure of books for payment of debenture interest.

10. In case the Debentures are held as stock in trade by the debenture holder, the income/loss from transfer of debentures would be taxed as Income from Business. Such income is to be computed in accordance with the Income Computation and Disclosure Standard VIII which is notified by the Ministry of Finance, Government of India under Section 145(2) of the IT Act. Where debentures are held as stock in trade and unpaid interest has accrued before acquisition of Debentures and is included in the price paid for the Debentures, subsequent receipt of interest is to be allocated between pre-acquisition and post-acquisition periods, the pre-acquisition portion of the interest is reduced from the actual cost and is to be treated as interest. In the case of Debentures held by Scheduled Bank, income is to be recognized in accordance with the guidelines issued by the Reserve Bank of India in this regard.

11. As per section 56(2)(x) of the IT Act, except in cases which are specifically exempted under this clause (such as gift received from relative as defined under the section), where the debentures are received without consideration where the aggregate market value of all gifts received exceeds Rs. 50,000/- the aggregate market value of the debentures shall be taxable as income in the hands of the recipient. Similarly, if debentures are received for inadequate consideration, the shortfall in the consideration will be treated as income of the recipient subject to the provisions contained in section 56(2)(x) of the IT Act. There is no gift tax for the Donor of the Debentures.

12. As per the provisions of Section 54F of the IT Act, any long-term capital gains on transfer of a long term capital asset arising to a Debenture Holder who is an individual or Hindu Undivided Family, is exempt from tax if the entire net sales consideration is utilized, within a period of one year before, or two years after the date of transfer, in purchase of a new residential house in India, or for construction of residential house in India within three years from the date of transfer subject to conditions. If part of such net sales consideration is invested within the prescribed period in a residential house, then such gains would be chargeable to tax on a proportionate basis. This exemption is available, subject to the conditions stated therein.

IV. TO THE FOREIGN INSTITUTIONAL INVESTORS/ FOREIGN PORTFOLIO INVESTORS (FIIs/ FPIs)

1. As per Section 2(14)(b) of the IT Act, any securities held by FIIs which has invested in such securities in accordance with the regulations made under the Securities and Exchange Board of India Act, 1992, shall be treated as capital assets. Accordingly, any gains arising from transfer of such securities shall be chargeable to tax in the hands of FIIs as capital gains.

2. In accordance with and subject to the provisions of Section 115AD of the IT Act, long term capital gains on transfer of debentures by FIIs are taxable at 10% (plus applicable surcharge and cess) and short-term capital gains are taxable at 30% (plus applicable surcharge and cess). The benefit of cost indexation will not be available. Further, benefit of provisions of the first proviso of Section 48 of the IT Act will not apply.

3. Interest on NCD may be eligible for concessional tax rate of 5% (plus applicable surcharge and health and education cess) for interest referred under Section 194LD.

4. the rate of 20% under section 115AD of the IT Act. Tax shall be deducted u/s. 196D of the IT Further, in case where section 194LD is not applicable, the interest income earned by FIIs/FPIs should be chargeable to tax at Act on such income at 20%. Where DTAA is applicable to the payee, the rate of tax deduction shall be lower of rate as per DT AA or 20%, subject to the conditions prescribed therein.

5. Section 194LD in the IT Act provides for lower rate of withholding tax at the rate of 5% on payment by way of interest paid by an Indian Company to FIIs and Qualified Foreign Investor in respect of rupee denominated bond of an Indian Company between June 1, 2013 and July 1, 2023 provided such rate does not exceed the rate as may be notified by the Government. Given that there has not been any extension beyond July, 2023, interest paid on or after 1 July 2023 shall be subject to tax at the rate of 20% (excluding applicable surcharge and cess) subject to availability of DTAA benefits.

6. The income tax deducted shall be increased by applicable surcharge and health and education cess.

7. In accordance with and subject to the provisions of Section 196D(2) of the IT Act, no deduction of tax at source is applicable in respect of capital gains arising on the transfer of debentures by FIIs referred to in section 115AD.

8. The CBDT has issued a Notification No. 9 dated 22 January 2014 which provides that Foreign Portfolio Investors (FPI) registered under SEBI (Foreign Portfolio Investors) Regulations, 2014 shall be treated as FII for the purpose of Section 115AD of the IT Act.

V. MUTUAL FUNDS

All mutual funds registered under Securities and Exchange Board of India or set up by public sector banks or public financial institutions or authorized by the Reserve Bank of India are exempt from tax on all their income, including income from investment in Debentures under the provisions of Section 10 (23D) of the IT Act in accordance with the provisions contained therein. Further, as per the provisions of section 196 of the IT Act, no deduction of tax shall be made by any person from any sums payable to mutual funds specified under Section 10(23D) of the IT Act, where such sum is payable to it by way of interest or dividend in respect of any securities or shares owned by it or in which it has full beneficial interest, or any other income accruing or arising to it.

VI. TO SPECIFIED FUNDS ("SPECIFIED FUND" AS DEFINED UNDER SECTION 10(4D) OF THE IT ACT)

The income of Specified Funds is taxable for the year beginning April 1, 2020, to the extent attributable to units held by non-resident (not being a permanent establishment of a non-resident in India), and in accordance with and subject to the provisions of Section 115AD of the IT Act, as under:

(a) The interest income earned are chargeable to tax at the rate of 10%;

(b) Long term capital gains on transfer of debentures to the specified extent are taxable at 10% (benefit of provisions of the first proviso of section 48 of the IT Act will not apply); and

(c) Short-term capital gains are taxable at 30%.

Further, where any income in respect of NCD is payable to Specified Funds, tax shall be deducted at the rate of 10% on the income other than exempt under section 10(4D) with effect from November 1, 2020 as per Section 196D of the IT Act.

The income tax deducted shall be increased by applicable surcharge and health and education cess.

VII. REQUIREMENTS TO FURNISH PAN/FILING OF RETURNS UNDER THE IT ACT

1. **SEC. 139A (5A):**

Section 139A (5A) requires every person from whom income tax has been deducted at source under chapter XVIIB of the IT Act to furnish his PAN to the person responsible for deduction of tax at source.

2. **SEC.139AA:**

Section 139AA of the Income Tax Act provides that every individual who has been allotted a permanent account number (PAN) as on the 1st day of July, 2017, and who is eligible to obtain an Aadhaar number, shall intimate his Aadhaar number in the prescribed form and manner. In case of failure to link Aadhaar with PAN, the permanent account number allotted to the person shall be made inoperative after the prescribed date.

3. **SEC. 206AA**:

(a) Section 206AA of the IT Act requires every person entitled to receive any sum, on which tax is deductible under Chapter XVIIB ('deductee') to furnish his PAN to the deductor, failing which tax shall be deducted at the higher of the following rates:

(i) at the rate specified in the relevant provision of the IT Act; or

(ii) at the rate or rates in force; or

(iii) at the rate of twenty per cent.

(b) A declaration under Section 197 A (1) or 197 A (IA) or 197A (IC) shall not be valid unless the person furnishes his PAN in such declaration and the deductor is required to deduct tax as per Para (a) above in such a case.

(c) Where a wrong PAN is provided, it will be regarded as non-furnishing of PAN and Para (a) above will apply.

(d) As per Rule 37BC, the higher rate under section 206AA shall not apply to a non-resident, not being a company, or to a foreign company, in respect of payment of interest, if the non-resident deductee furnishes the prescribed details inter alia TRC and Tax Identification Number ("**TIN**").

4. **SEC. 206AB**

Further, the Finance Act, 2021 inserted new section for punitive withholding tax rate for non-filers of return of income with effect from I July 2021 as per which payments made to the specified persons will be subject to TDS at higher of twice the applicable rate or 5% in respect of all TDS/TCS provisions except for specific exclusions.

NOTES FORMING PART OF STATEMENT OF TAX BENEFITS

1. The above Statement sets out the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of debenture/bonds.

2. The above statement covers only certain relevant benefits under the IT Act and does not cover benefits under any other law.

3. The above statement of possible tax benefits is as per the current direct tax laws relevant for the Assessment Year 2025-2026 (Financial year 2024-25) and taking into account the amendments made by the Finance Act, 2024.

4. This statement is intended only to provide general information to the Debenture Holders and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of tax consequences, each debenture Holder is advised to consult his/her/its own tax advisor with respect to specific consequences of his/her/its holding in the debentures of the Company.

5. Several of the above tax benefits are dependent on the debenture holders fulfilling the conditions prescribed under the relevant tax laws and subject to Chapter X and Chapter XA of the IT Act. Further, the issuer company may decide on practices to be followed with respect to TDS exemptions, thresholds for accepting documents for lower / nil deduction of tax at source or with respect to such other matters, based on Income Tax law and practice.

6. The stated benefits will be available only to the sole/ first named holder in case the debenture is held by joint holders.

7. In respect of non-residents, the tax rates and consequent taxation mentioned above will be further subject to any benefits available under the relevant tax treaty, if any, between India and the country in which the non-resident has fiscal domicile.

8. In respect of non-residents, taxes paid in India could be claimed as a credit in accordance with the provisions of the relevant tax treaty and applicable domestic tax law.

9. No assurance is given that the revenue authorities/ courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes. We shall not be liable to any claims, liabilities or expenses relating to this assignment except to the extent of fees relating to this assignment, as finally judicially determined to have resulted primarily from bad faith or intentional misconduct. We will not be liable to any other person in respect of this statement.

SECTION IV: ABOUT THE ISSUER AND INDUSTRY OVERVIEW

INDUSTRY OVERVIEW

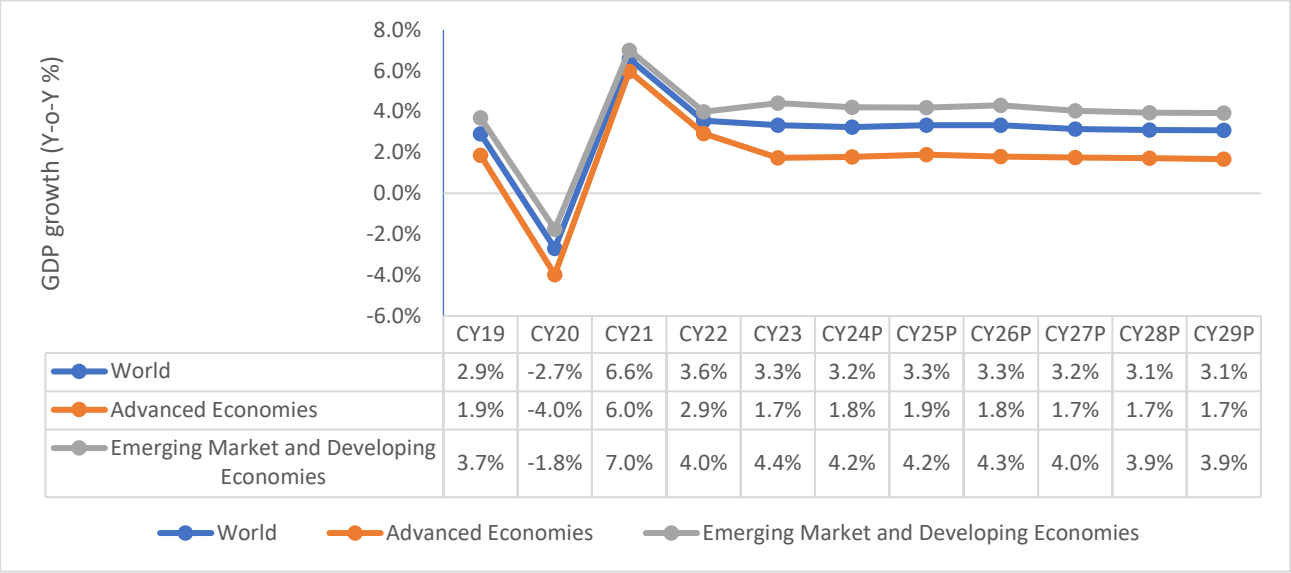
*The information contained in this section is derived and extracted from the industry report titled "Research Report on NBFCs" dated March'2025 (the "**CareEdge Report**") which has been commissioned and paid for by us for agreed fees exclusively in connection with the Issue and exclusively prepared and issued by CARE Analytics and Advisory Private Limited ("**CareEdge Research**") in an "as is where is basis" and the industry and third party related information in this section has not be verified by us, Lead Manager or any of our respective affiliates or advisors. The information may not be consistent with other information compiled by third parties within or outside India. Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but that their accuracy, completeness and underlying assumptions are not guaranteed, and their reliability cannot be assured. Industry publications are also prepared on information as of specific dates and may no longer be current or reflect current trends. Accordingly, investment decisions should not be based on such information. Neither we nor any of our Directors and Lead Manager are related parties of CareEdge Research. There are no parts, data or information (which may be relevant for the Issue) that have been left out or changed in any manner. Figures used in this section are presented as in the original sources and have not been adjusted, restated or rounded-off for presentation in this Prospectus. The recipient should not construe any of the contents in this report as advice relating to business, financial, legal, taxation or investment matters and are advised to consult their own business financial, legal, taxation, and other advisors concerning the transaction. The information in this section must be read in conjunction with sections titled "Risk Factors" and "Our Business" on pages 19 and 129.*

ECONOMIC OUTLOOK

Global Economy

Global growth, which reached 3.3% in CY23, is projected to stabilize at 3.2% for CY24 and 3.3% for CY25. The outlook for global real GDP growth indicates potential improvement as cyclical imbalances ease, bringing economic activity in major economies closer to their potential output. While global disinflation progresses, risks remain, particularly from financial market volatility and geopolitical tensions that could disrupt trade and increase commodity prices. Nonetheless, stronger public investment in advanced economies aimed at infrastructure and the green transition may stimulate private sector investment and bolster global demand. Additionally, accelerating structural reforms in both advanced and emerging markets could enhance productivity and support medium-term growth.

Global Growth Outlook Projections (Real GDP, Y-o-Y change in %)



	CY19	CY20	CY21	CY22	CY23	CY24P	CY25P	CY26P	CY27P	CY28P	CY29P
World	2.9%	-2.7%	6.6%	3.6%	3.3%	3.2%	3.3%	3.3%	3.2%	3.1%	3.1%
Advanced Economies	1.9%	-4.0%	6.0%	2.9%	1.7%	1.8%	1.9%	1.8%	1.7%	1.7%	1.7%
Emerging Market and Developing Economies	3.7%	-1.8%	7.0%	4.0%	4.4%	4.2%	4.2%	4.3%	4.0%	3.9%	3.9%

Notes: P-Projection; Source: IMF – World Economic Outlook, January 2025

GDP growth trend comparison - India v/s Other Economies (Real GDP, Y-o-Y change in %)

	Real GDP (Y-o-Y change in %)									
	CY20	CY21	CY22	CY23	CY24P	CY25P	CY26P	CY27P	CY28P	CY29P
India	-5.8	9.7	7.0	8.2	7.0	6.5	6.5	6.5	6.5	6.5
China	2.2	8.4	3.0	5.3	4.8	4.6	4.5	3.6	3.4	3.3
Indonesia	-2.1	3.7	5.3	5.0	5.0	5.1	5.1	5.1	5.1	5.1
Saudi Arabia	-3.6	5.1	7.5	-0.8	1.5	3.3	4.1	3.6	3.5	3.5
Brazil	-3.3	4.8	3.0	2.9	3.0	2.2	2.2	2.4	2.5	2.5
Euro Area	-6.1	6.2	3.3	0.4	0.8	1.0	1.4	1.4	1.3	1.2
United States	-2.2	6.1	2.5	2.9	2.8	2.7	2.1	2.1	2.1	2.1

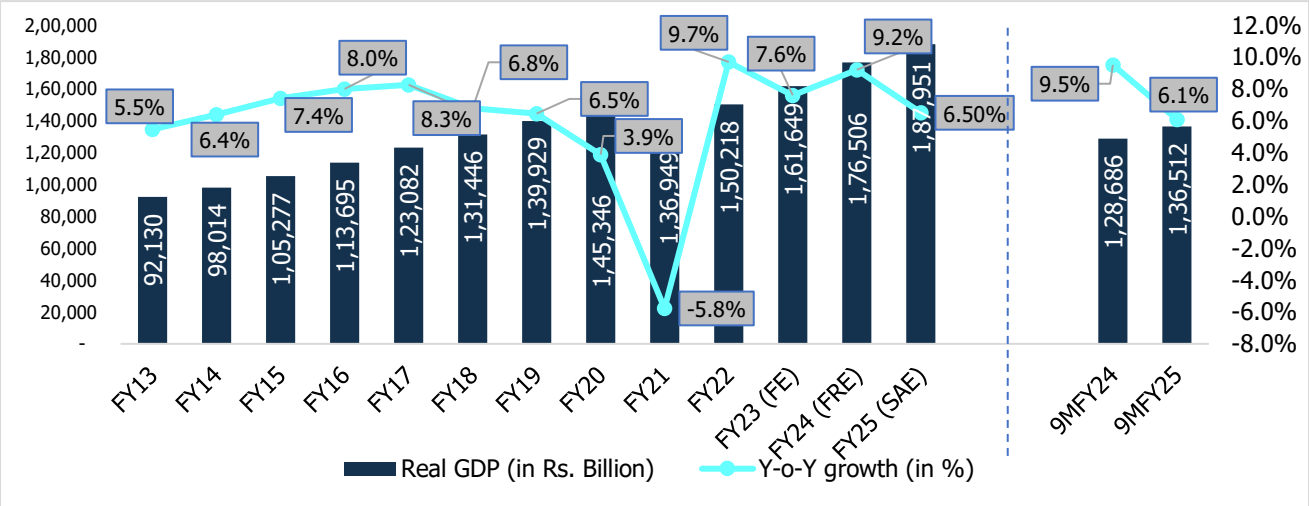
P- Projections; Source: IMF- World Economic Outlook Database (October 2024, January 2025)

Note: CY20-CY26 data is taken from January 2025 IMF WEO report, while CY27-CY29 data is taken from October 2024 database, as this update is yet to come. India's fiscal year (FY) aligns with the IMF's calendar year (CY). For instance, FY24 corresponds to CY23.

Indian Economic Outlook

GDP Growth and Outlook

Trend in Real Indian GDP growth rate



Note: SAE – Second Advance Estimates, FE – Final Estimate, FAE- First Advance Estimates; Source: MOSPI

India's real GDP grew by 9.2% in FY24 (Rs. 176,506 billion) which is the highest in the previous 12 years and is estimated to grow 6.5% in FY25 (Rs. 187,951 billion), driven by double digit growth particularly in the Manufacturing sector, Construction sector and Financial, Real Estate & Professional Services. In 9MFY25, GDP grew 6.1% Y-o-Y, with private consumption increasing by 7.6% and government spending increasing by 3.8% Y-o-Y.

GDP Growth Outlook

1. **FY26 GDP Outlook:** Real GDP growth is projected at 6.7%, balanced risks, driven by rural demand, improving employment, and robust business activity, despite global uncertainties.

2. **FY25 GDP Performance:** Real GDP growth for the current year is estimated at 6.4%, with a gradual recovery expected in the coming year driven by strong **agricultural** activity, improving manufacturing, and resilient services, despite a slight dip in PMI services.

Persistent geopolitical tensions, volatility in international financial markets and geo-economic fragmentation do pose risk to this outlook. Based on these considerations, the RBI, in its February 2025 monetary policy, has projected real GDP growth at 6.7% y-o-y for FY26.

RBI's GDP Growth Outlook (Y-o-Y %)

FY26P (complete year)	Q1FY26P	Q2FY26P	Q3FY26P	Q4FY26P
6.7%	6.7%	7.0%	6.5%	6.5%

Note: P-Projected; Source: Reserve Bank of India

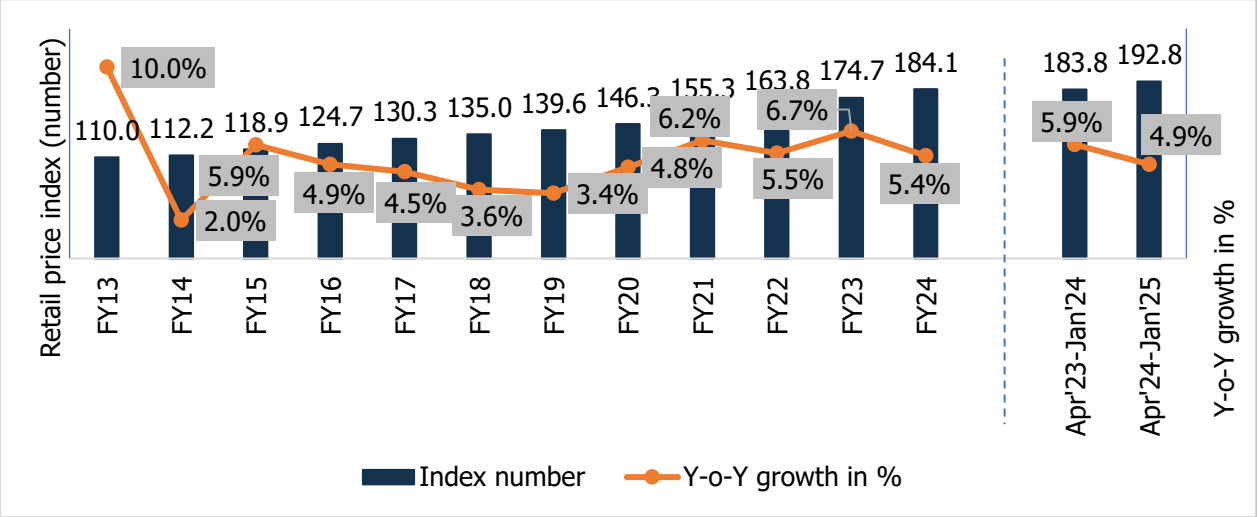
Consumer Price Index

India's consumer price index (CPI), which tracks retail price inflation, stood at an average of 5.5% in FY22 which was within RBI's targeted tolerance band of 6%. However, consumer inflation started to upswing from October 2021 onwards and reached a tolerance level of 6% in January 2022. Following this, CPI reached 6.9% in March 2022.

CPI remained elevated at an average of 6.7% in FY23, above the RBI's tolerance level. However, there was some respite toward the end of the fiscal wherein the retail inflation stood at 5.7% in March 2023, tracing back to the RBI's tolerance band. Apart from a favourable base effect, the relief in retail inflation came from a moderation in food inflation.

The CPI (general) and food inflation in January 2025 was the lowest in Y-o-Y inflation after August 2024. CPI moderation was driven by decline in inflation in Vegetables, Eggs, Pulses, Education, Clothing, Health, and Cereals etc.

Retail Price Inflation in terms of index and Y-o-Y Growth in % (Base: 2011-12=100)

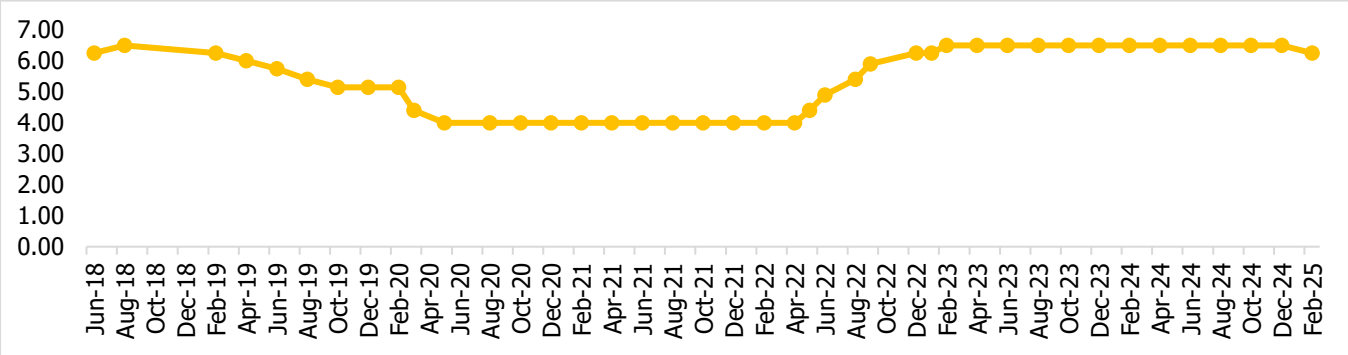


Source: MOSPI

The CPI is primarily factored in by RBI while preparing their bi-monthly monetary policy. At the bi-monthly meeting held in February 2025, RBI projected inflation at 4.2% for FY25 with inflation during Q1FY26 at 4.2%, Q2FY25 at 4.5%, Q1FY26 at 4.6%, and Q3FY26 at 3.8% and Q4FY26 4.2%.

Considering the current inflation situation, RBI has cut the repo rate to 6.25% in the February 2025 meeting of the Monetary Policy Committee.

RBI historical Repo Rate



Source: RBI

Further, the central bank continued its stance to be neutral. While headline inflation saw a sharp pick up due to increase in food inflation in October, it has moderated in December and January. The growth outlook is expected to be resilient but with close monitoring with the Indian rupee coming under depreciation in the current months. Core inflation is expected to rise but remain moderate. Domestic growth remains strong, driven by private consumption and investment, allowing the MPC to focus on bringing inflation down to the 4% target. As a result, the MPC decided to adopt a 'neutral' stance, monitoring inflation while supporting growth.

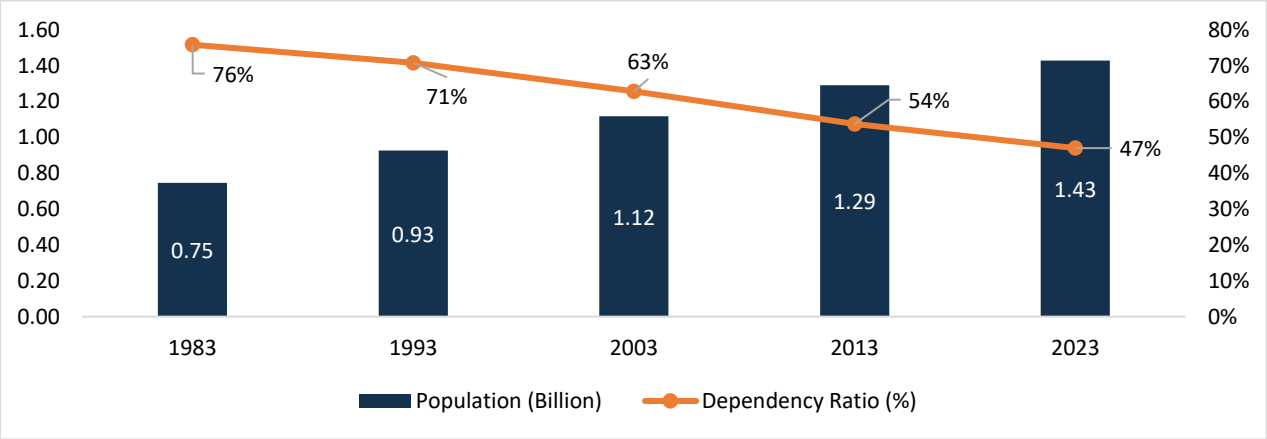
Overview on Key Demographic Parameters

1. Population growth and Urbanization

The trajectory of economic growth of India and private consumption is driven by socio-economic factors such as demographics and urbanization. According to the world bank, India's population in 2022 surpassed 1.42 billion slightly higher than China's population 1.41 billion and became the most populous country in the world.

Age Dependency Ratio is the ratio of dependents to the working age population, i.e., 15 to 64 years, wherein dependents are population younger than 15 and older than 64. This ratio has been on a declining trend. It was as high as 76% in 1983, which has reduced to 47% in 2023. Declining dependency means the country has an improving share of working-age population generating income, which is a good sign for the economy.

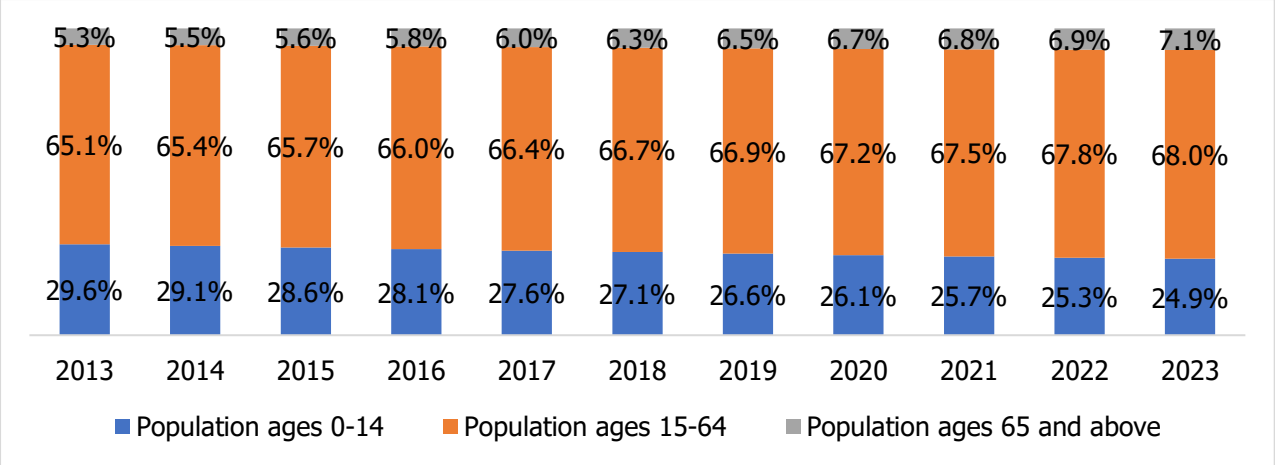
Trend of India Population vis-à-vis dependency ratio



Source: World Bank Database

With an average age of 29, India has one of the youngest populations globally. With vast resources of young citizens entering the workforce every year, it is expected to create a 'demographic dividend.' India is home to a fifth of the world's youth demographic and this population advantage will play a critical role in economic growth.

Age-Wise Break Up of Indian population

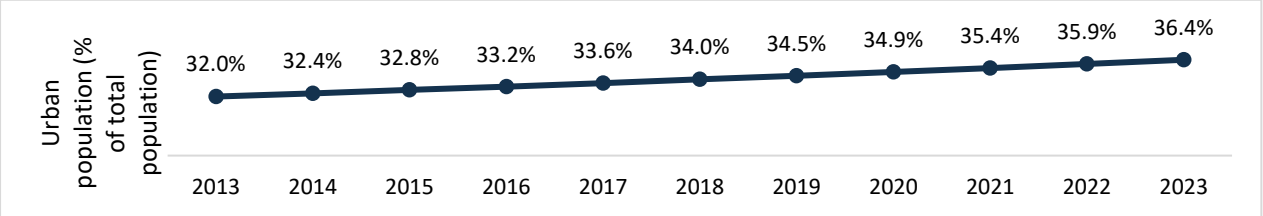


Source: World Bank Database

2. Urbanization

The urban population is significantly growing in India. The urban population in India is estimated to have increased from 403 million (31.6% of total population) in 2012 to 508 million (35.9% of total population) in the year 2022. People living in Tier-2 and Tier-3 cities have greater purchasing power.

Urbanization Trend in India

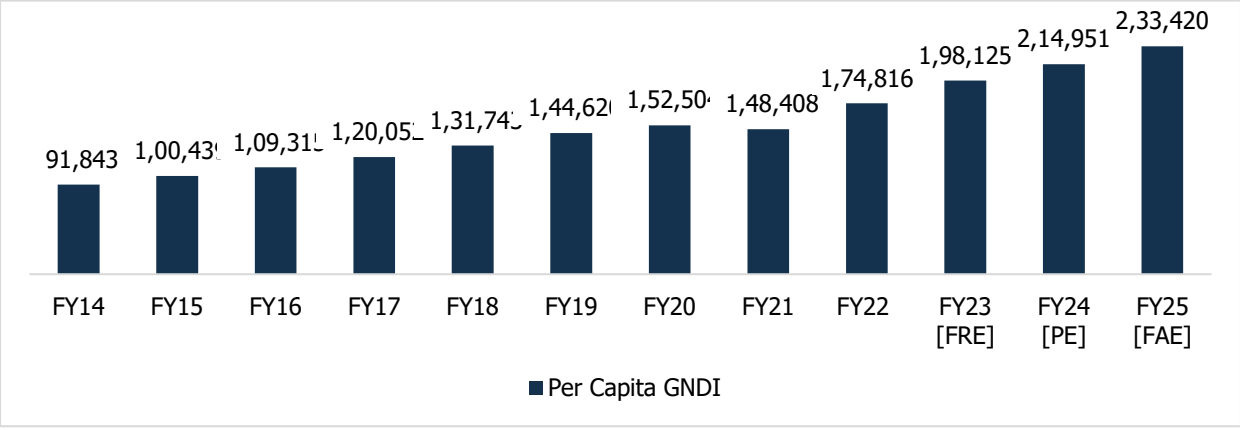


Source: World Bank Database

3. Increasing Per Capita Disposable Income

Gross National Disposable Income (GNDI) is a measure of the income available to the nation for final consumption and gross savings. Between the period FY14 to FY25, per capita GNDI at current prices registered a CAGR of 8.85%. More disposable income drives more consumption, thereby driving economic growth.

Trend of Per Capita Gross National Disposable Income (Current Price)

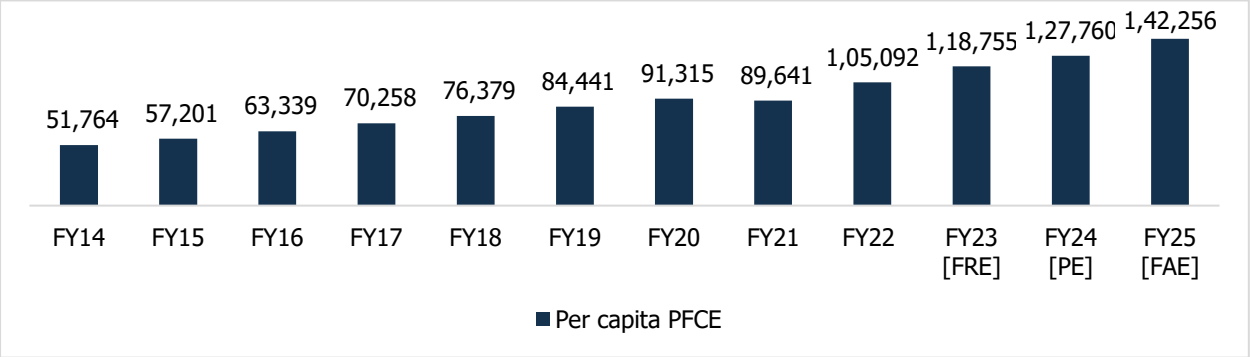


Note: FRE- First Revised Estimate, PE – Provisional Estimate, FAE- First Advance Estimate Source: MOSPI

4. Increase in Consumer Spending

With increase in disposable income, there has been a gradual change in consumer spending behaviour as well. Private Final Consumption Expenditure (PFCE) which is measure of consumer spending has also showcased significant growth from FY14 to FY25 at a CAGR of 9.63%.

Trend of Per Capita Private Final Consumption Expenditure (Current Price)



Note: FRE- First Revised Estimate, PE – Provisional Estimate, FAE- First Advance Estimate Source: MOSPI

Concluding Remarks

Global economic growth faces headwinds from geopolitical tensions, volatile commodity prices, high interest rates, inflation, financial market volatility, climate change, and rising public debt. However, India's economy remains relatively strong, with an IMF forecast of 7% GDP growth in CY24, compared to the global projection of 3.2%. Key drivers include strong domestic demand, government capital expenditure, moderating inflation, and improving business confidence.

Public investment is expected to exhibit healthy growth as the government has allocated a strong capital expenditure of about Rs. 11.21 lakh crores for FY26. The private sector’s intent to invest is also showing improvement as per the data announced on new project investments and resilience shown by the import of capital goods. Additionally, improvement in rural demand owing to healthy sowing, improving reservoir levels, and progress in south-west monsoon along with government’s thrust on capex and other policy support will aid the investment cycle in gaining further traction.

Overview of Non-Banking Financial Institutions
Non-Banking Financial Institutions Overview

Non-banking financial institutions (NBFIs) comprise a heterogeneous group of financial intermediaries. Those under the regulatory purview of the Reserve Bank consist of the following:

1. All-India financial institutions (AIFIs) that include the National Bank for Agriculture and Rural Development (NABARD), the Export Import (EXIM) Bank of India, the Small Industries Development Bank of India (SIDBI) and the National Housing Bank (NHB) are apex financial institutions that play an important role in meeting the long-term funding requirements of agriculture and the rural sector, foreign trade, small industries, housing finance companies (HFCs), NBFCs, Micro Finance Institutions (MFIs) and other specialised segments and institutions.

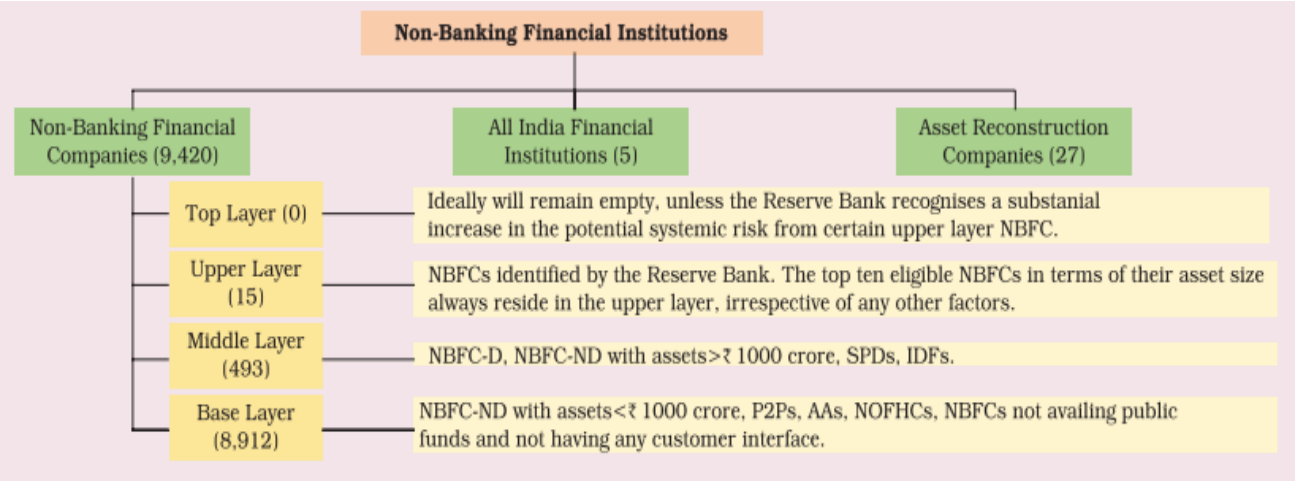
2. Non-banking financial institutions (NBFIs) are government/public/private limited companies that specialise in delivering credit to a wide variety of specific segments, ranging from infrastructure to consumer durables and vehicle financing. Housing finance companies (HFCs) extend housing finance to individuals, co-operative societies, and corporate bodies and lease commercial and residential premises to support housing activity in the country.

3. Primary dealers (PDs) came into existence in 1995 and function as market makers in the government securities (G-secs) market, besides ensuring subscription to primary issuances.

Non-Banking Financial Institutions (NBFIs) play a key role in the Indian financial system by complementing and competing with banks, and by bringing efficiency and diversity into financial intermediation. NBFCs have evolved in terms of operations, heterogeneity, asset quality and profitability, as well as regulatory architecture.

Structure of NBFIs

Structure of NBFIs under the Reserve Bank of India's Regulations as of Mar'24



Source: RBI and NHB
Note: 1. Figures in brackets indicate the number of institutions (provisional).
2. NBFCs, viz., NBFC-ICC, NBFC-MFI, NBFC Factors, and NBFC-MGC could lie in any of the layers depending on the parameters of SBR. NBFC-CICs, HFCs, and IFCs could lie either in the upper or middle layer.
3. Government-owned NBFCs are placed in the base or middle layer.

Classification of NBFCs

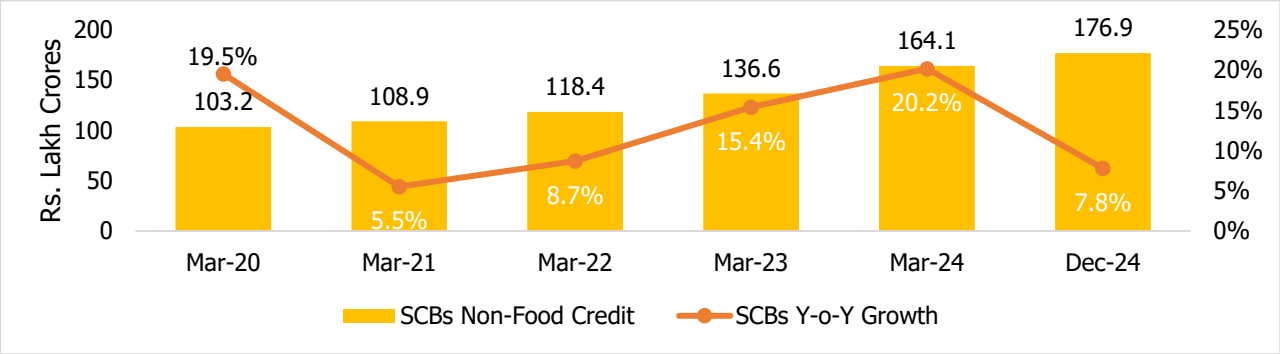
Types of NBFCs

Type of NBFC	Activity	Layer
Investment and Credit Company (NBFC-ICC)	Lending which supports productive/economic activities, offer consumption/personal finance and acquisition of securities for investment.	Any layer, depending on the parameters of the SBR.
NBFC-Infrastructure Finance Company (NBFC-IFC)	Infrastructure loans.	Middle or upper layer, as the case may be.
Core Investment Company (CIC)	Investment in equity shares, preference shares, debt, or loans to group companies.	Middle or upper layer, as the case may be.
NBFC-Infrastructure Debt Fund (NBFC-IDF)	Refinance post commencement operations date (COD) infrastructure projects which have completed at least one year of commercial operations and finance toll operate transfer (TOT) projects as the direct lender.	Middle layer
NBFC-Micro Finance Institution (NBFC-MFI)	Providing collateral free small ticket loans to economically disadvantaged groups.	Any layer, depending on the parameters of SBR.
NBFC-Factors	Acquisition of receivables of an assignor or extending loans against the security interest of the receivables at a discount.	Any layer, depending on the parameters of SBR
NBFC-Non-Operative Financia Holding Company (NBFC-NOFHC)	Facilitation of promoters/ promoter groups in setting up new banks.	Base layer
Mortgage Guarantee Company (MGC)	Undertaking of mortgage guarantee business.	Any layer, depending on the parameters of SBR.
NBFC-Account Aggregator (NBFC-AA)	Collecting and providing information about a customer's financial assets in a consolidated, organised, and retrievable manner to the customer or others as specified by the customer.	Base layer
NBFC–Peer to Peer Lending Platform (NBFC-P2P)	Providing an online platform to bring lenders and borrowers together to help mobilise funds.	Base layer
Housing Finance Company (HFC)	Financing for purchase/ construction/ reconstruction/ renovation/ repairs of residential dwelling units	Middle or upper layer, as the case may be.
Standalone Primary Dealer (SPD)	Underwrites issuances of government-dated securities and participate in primary auctions.	Middle layer

Source: RBI, CareEdge Research

Trends in Banks and NBFCs Credit in India

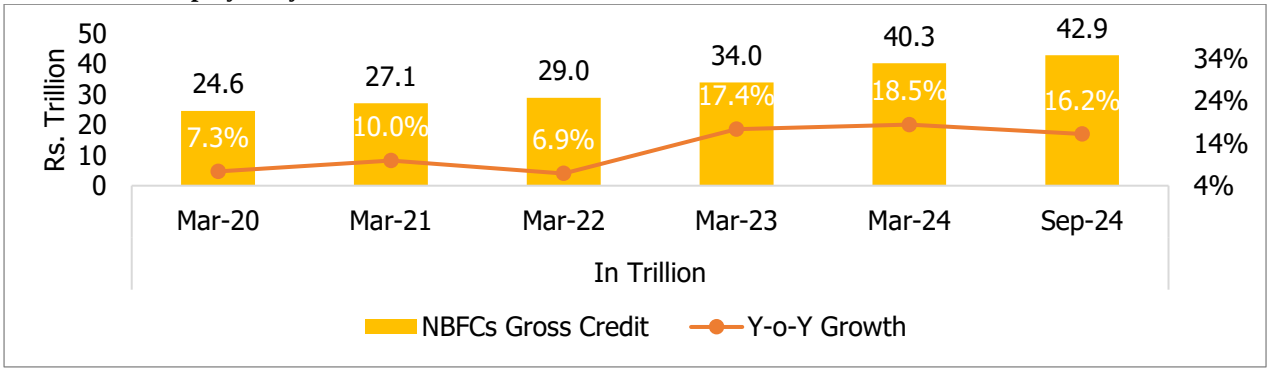
Credit Deployed by SCBs



Source: RBI, CareEdge Research
Note: Data are provisional

Scheduled commercial banks (SCBs) witnessed a moderate growth around 7.8% in Dec'24 over Mar'24. This growth can be attributed to a higher base effect, alongside measures implemented by the Reserve Bank of India (RBI), such as increased risk weights on non-banking financial companies (NBFCs) and consumer credit, and market concerns regarding elevated credit-to-deposit ratio (which is nearly 80% as of Dec'24, including HDFC's merger impact).

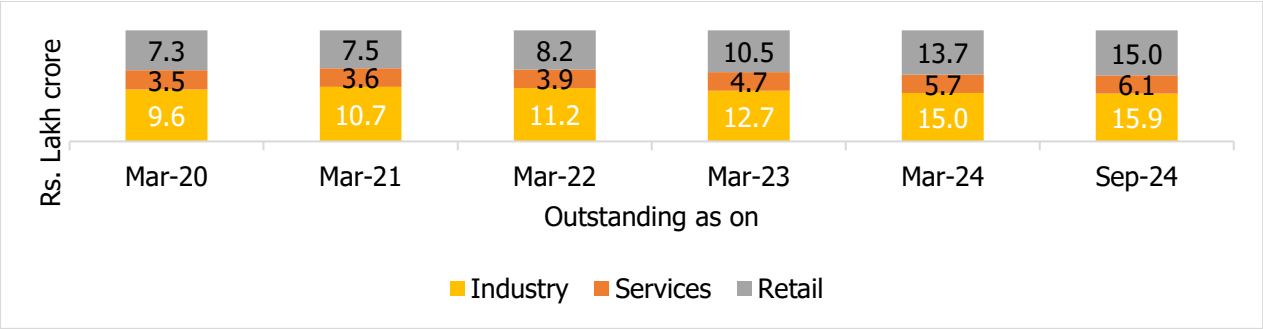
Gross Credit Deployed by NBFCs



Source: RBI, CareEdge Research
Note: Data are provisional, Growth for Sep'24 is over Sep'23

As of Sept-24, the credit growth rate witnessed significant uptick of 16.2% y-o-y reaching Rs. 42.9 trillion. The continued growth trajectory of NBFCs credit is indicating its importance in India's Financial System. This growth is mainly driven by increase in demand for retail credit and demand for working capital loans amid fluctuations in commodity prices.

Sectoral Distribution of NBFC Credit



Source: RBI, CareEdge Research

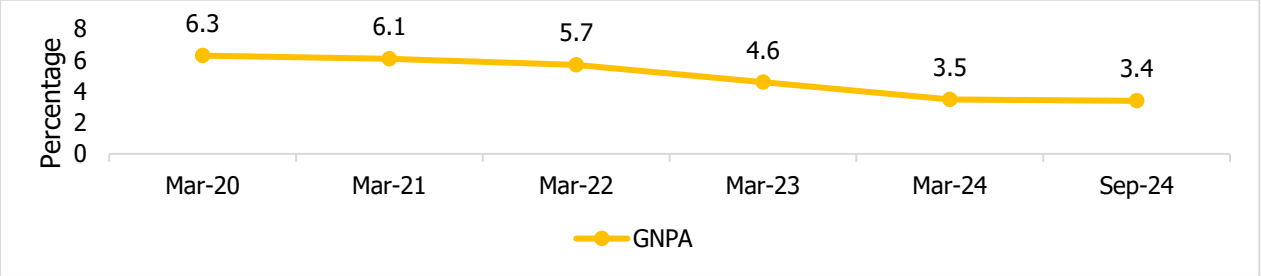
The industry sector has remained the largest recipient of credit extended by NBFCs followed by retail loans, services, other non-food credit, and agriculture & allied activities. NBFCs have increased the amount of credit deployed to industry on account of improved demand for credit mainly for working capital loans amid fluctuations in commodity prices. As of Sep-24, industry credit contributed Rs. 15.9 trillion, which is around 37% of NBFCs' gross credit deployed, as per the RBI.

While NBFCs' credit to the industry is growing, their credit to services has increased marginally mainly due to increase in credit to the commercial real estate sector, transport operators, trade, and other services. As of Sep-24, as per data published by RBI, credit deployed to the service sector has hovered around Rs. 6.1 trillion that is around 14.2% of NBFCs gross credit deployed.

Retail loans comprise housing loans, vehicle loans, loans against gold, consumer durables loans and other such personal loans. In the last two years, NBFCs have been putting more emphasis on retail lending to grow their business. Retail lending has seen tremendous growth in the last two years as there has been muted credit demand from the services and industry sectors. Up to Sep-24, the credit deployed to retail loans by NBFCs has increased to over 35% of NBFCs total gross credit deployed of Rs. 42.9 trillion.

Asset Quality

Gross Non-Performing Assets (GNPA) Ratio



Source: RBI, CareEdge Research

Note: Data is provisional

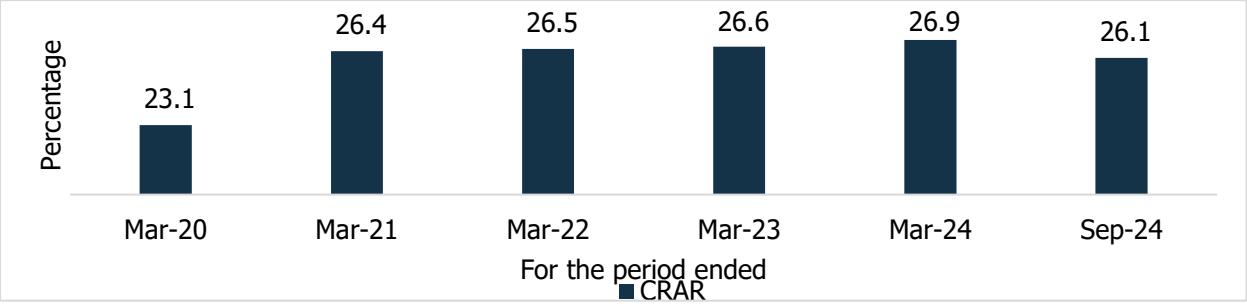
The asset quality of NBFCs has seen continued improvement in the post-Covid era, supported by strong balance sheets, an increase in provisions and improved collection efficiency. Additionally, restructuring of their loan book and non-performing assets (NPA) write-offs have also aided the improvement in the asset quality of NBFCs. As of Sept-24, the GNPA ratio of NBFCs improved to 3.4% from the earlier 6.3% in Mar-20.

Going forward asset quality is expected to remain in check owing to increased provisions, decline in fresh slippages.

Capital Adequacy

Over the years, NBFCs' CRARs have improved on account of increase in the level of Tier-I capital, retained earnings and moderation in NPA. NBFCs are well capitalized, with their capital to risk-weighted asset ratio (CRAR) well above the stipulated level of 15%. As per the RBI data, CRAR was 26.1% as of Sep-24.

Capital Position of NBFCs



Source: RBI

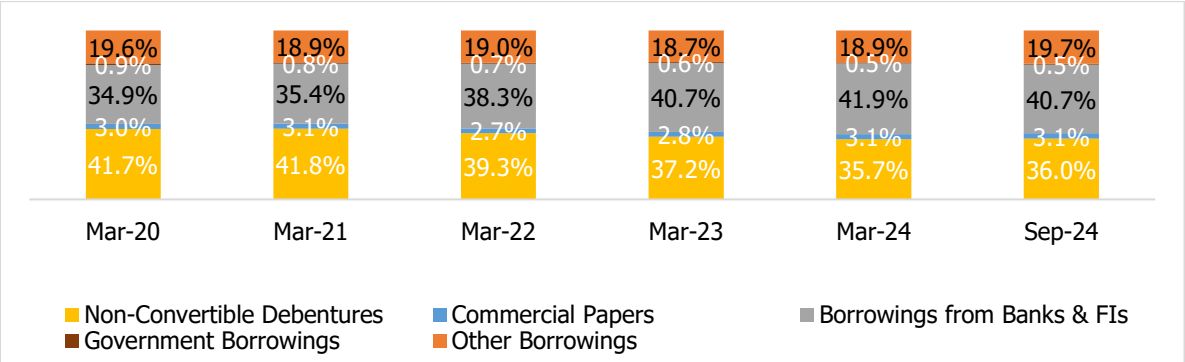
Capital to Risk- Weighted Assets Ratio (CRAR) is Tier 1+Tier 2 Capital by Risk-weighted Assets

Note: Data are provisional

Resource Profile of NBFCs

As of September 2024, more than 75% of the total borrowings of NBFCs came from markets and banks. Although market borrowings have historically been the primary source of funds for NBFCs, their proportion has decreased over the years due to various challenges, including rating downgrades and liquidity issues that have restricted their ability to borrow from the market. As of Sep'24, borrowings from banks and financial institutions represented 40.7% of total borrowings, a decline from 41.9% in FY24.

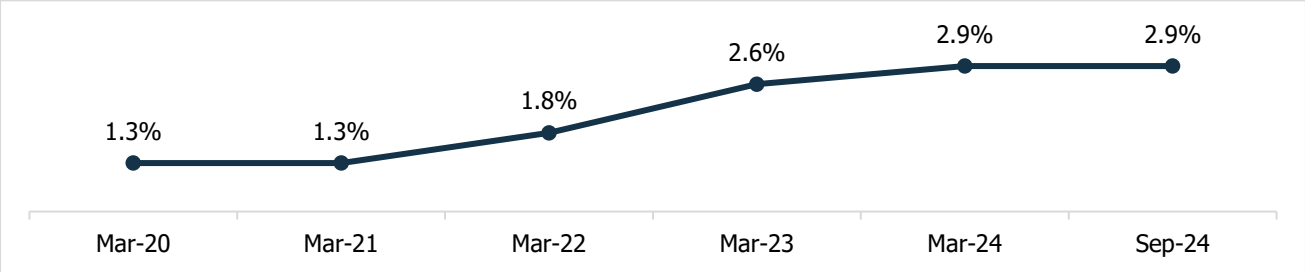
Share in NBFCs total borrowings



Source: RBI, CareEdge Research
Note: Other Borrowings include inter-corporate borrowings, subordinate debt, and miscellaneous borrowings.

Profitability of NBFCs

Return on Assets of NBFCs



Source: RBI, CareEdge Research
Note: Data are provisional, Sep'24 figures are annualised

Key growth drivers

Technological adoption and Co-lending arrangements:

NBFCs deploy technological solutions to develop innovative products and lower operational costs. NBFCs are increasingly leveraging technology to enhance their reach while increasing efficiency. NBFCs also collaborate with various alternative financiers and commercial banks by using the co-lending model, which enables them to diversify their income avenues and reach their targeted customer base through different channels. This co-lending model enables lenders to pool resources and distribute their risk while providing borrowers with access to diverse funding sources. Co-lending model is beneficial to banks and NBFCs as it enables them to accumulate large funds while distributing the risk associate with the funds.

Government's focus on MSME sector development

Government's focus on MSME sector: The Government recognizes role of MSME sector as one the key growth engines in India's journey of development and therefore introduced a series of measures in Union budget 2025-26 to strengthen the MSME sector. The Union budget 2025-26 estimates budgetary outlay of Ministry of MSME at Rs 23,168.15 Crores.

Some of the measures taken by Government to aid the sector are mentioned below:

- To help MSMEs scale operations and access better resources, the investment and turnover limits for classification have been increased by 2.5 times and 2 times, respectively. This is expected to improve efficiency, technological adoption, and employment generation.
- The credit guarantee cover for micro and small enterprises has been increased from Rs 5 crore to Rs 10 crore, enabling additional credit of Rs 1.5 lakh crore over five years.
- Startups will see their guarantee cover double from Rs 10 crore to Rs 20 crore, with a reduced fee of 1% for loans in 27 priority sectors.
- Exporter MSMEs will benefit from term loans up to Rs 20 crore with enhanced guaranteed cover.
- A new Fund of Funds with Rs 10,000 crore will be established to expand support for startups.
- A National Manufacturing Mission will provide policy support and roadmaps f or small, medium, and large industries under the Make in India initiative.

Government's focus on infrastructure development

With the growing population, the long-term need for robust infrastructure is necessary for economic development. This generates the need for massive investments in the development and modernization of infrastructure facilities, which will not only cater to the growing demand but will also ensure competitiveness in the global market.

Some of the key government infrastructure schemes include:

- The government has announced plans for the National Monetization Pipeline (NMP) and Development Finance Institution (DFI) to improve the financing of infrastructure projects
- The government has helped the growth of urbanization through several schemes and projects, including the **Smart Cities Mission,** the **Atal Mission for Rejuvenation and Urban Transformation (AMRUT),** and the **Pradhan Mantri Awas Yojana (Urban)**

Government’s increasing efforts towards renewable power sector

The Government has been actively pursuing the growth of renewable power sector and has implemented several initiatives. These initiatives mainly focus on promoting renewable energy, strengthening distribution networks and contribute towards growth and sustainability of the power sector. In order to achieve the aim of these initiatives, power sector companies will require huge funds to set-up new renewable energy plants, upgrade the existing power plants, transmission and distribution networks and NBFCs have a significant opportunity to meet the funding requirements of power sector.

Strengthening real estate developments

Real Estate has the potential for catapulting India to the third largest construction market globally. The sector is expected to contribute 15% to the Indian economy by 2030. The recent policy reforms such as the Real Estate Act, GST and REITs are steps to reduce approval delays and are only going to strengthen the real estate and construction sector. NBFCs can play a key role in growth of real estate and construction sector by providing them adequate funds required.

Regulatory framework for NBFCs

PCA Framework

The RBI released a prompt corrective action (PCA) framework for NBFCs detailing strict action them in case their capital adequacy ratio falls or NPA levels cross a pre-defined threshold. The new framework, which earlier existed only for banks, has come into effect from 1 October 2022 based on the financial position of NBFCs on or after 31 March 2022.

Government NBFCs had provided time up to March 31, 2022, to adhere to the capital adequacy norms provided for NBFCs (Ref. Annex I of Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016). Accordingly, a separate circular would be issued in due course about applicability of PCA Framework to Government NBFCs.

The PCA Framework will be reviewed after three years of being in operation.

Once an NBFC is placed under PCA, taking the NBFC out of PCA Framework and/or withdrawal of restrictions imposed under the PCA Framework will be considered basis following parameters:

a) If no breaches in risk thresholds in any of the parameters are observed as per four continuous quarterly financial statements, one of which should be Annual Audited Financial Statement (subject to assessment by RBI); and
b) Based on Supervisory comfort of the RBI, which includes sustenance of the profitability of NBFCs.

In addition to this, the framework requires capital-related actions, including limitations on asset growth, lowering exposure to high-risk industries, capital planning review at the board level, and filing plans for raising incremental capital. It also has credit-related measures, including lowering exposure to select industries, individuals, or sectors, developing a time-bound plan to reduce NPA, augmenting provisioning, and instituting mechanisms for loan review.

The RBI will also market risk and profitability related aspects such as extent of asset liability mismatch, restrictions, or reduction of borrowings from the debt market, restrictions on investment activities, limits on operating expenses and capital expenditure. HR and operations related aspects will also come under the purview of RBI under the PCA framework.

Prudential Framework for Resolution of Stressed Assets:

Under this framework the lenders are required to recognize incipient stress in borrower accounts, immediately on default, by classifying them as special mention accounts (SMA).

Classification of SMA categories

Loans other than revolving facilities		**Loans in the nature of revolving facilities like cash credit/overdraft**	
SMA Sub-categories	Basis for classification – Principal or interest payment or any other amount wholly or partly overdue	SMA Sub-categories	Basis for classification – Outstanding balance remains continuously in excess of the sanctioned limit or drawing power, whichever is lower
SMA-0	Up to 30 days		
SMA-1	More than 30 days and up to 60 days	SMA-1	More than 30 days and up to 60 days
SMA-2	More than 60 days and up to 90 days	SMA-2	More than 60 days and up to 90 days

Classification of NPA categories

Type of loan	**Identification (Account is treated as NPA)**
Term Loan	Interest and/ or instalment remains overdue for a period of more than 90 days.
Cash Credit & Overdraft accounts	Account remains out of order for a period of more than 90 days An account is treated as out of order if, • The outstanding balance remains continuously in excess of sanctioned/drawing power limit or • Though the outstanding balance is less than the sanctioned limit/drawing power. • There are no credits continuously for more than 90 days in the account i.e. the account is non-operative. • The credits during the aforesaid period in accounts are not sufficient to cover the interest debited during the same period.
Bill Purchased/ Discounted	Bill remains overdue for a Discounted period of more than 90 days.
Agricultural Advances	• In case of Short duration crops, the instalment of principle or interest thereon remains overdue for two crop seasons • In case of long duration crops, the instalment of principle or interest thereon remains overdue for one crop season.
Liquidity facility	Remains outstanding for more than 90 days in respect of securitization transaction.

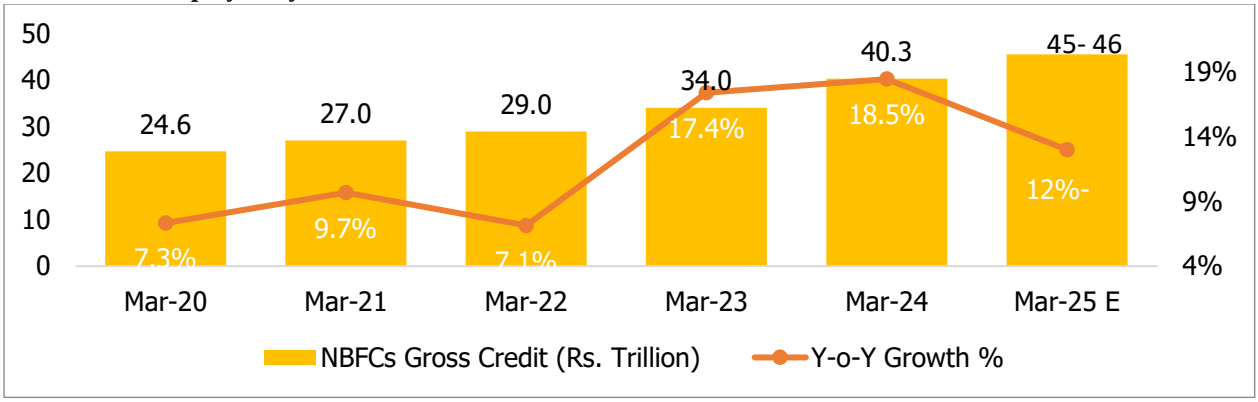
Type of loan	Identification (Account is treated as NPA)
Derivative Transactions	Overdue receivables representing positive mark to market value of a derivative contract remaining unpaid for a period of 90 days from specified due date.

An account is classified as NPA only if interest due and charged during any quarter is not serviced fully within 90 days from the end of the quarter.

Growth Outlook

CareEdge Research estimates NBFCs to grow in the range of 12%-14% y-o-y in FY25. NBFCs are likely to witness moderation in growth amid low growth in retail segment, especially unsecured retail loans primarily and slow middle-class spending.

Gross Credit Deployed by NBFCs



Source: RBI, CareEdge Research
Note: Data are provisional, E - Estimated

MSME Finance

Introduction

The micro, small and medium enterprises ("**MSME**") sector is a vibrant and dynamic sector with crucial linkages to employment. The MSME sector is considered the growth engine of the Indian economy, with significant contribution to the GDP, exports, and employment generation. The sector contributes significantly to the economic and social development of the country by fostering entrepreneurship and generating large employment opportunities at comparatively lower capital cost. MSMEs are complementary to large industries as ancillary units and the sector therefore contributes significantly to the inclusive industrial development of the country.

MSMEs are widening their domain across sectors of the economy, producing a diverse range of products and services to meet demands of domestic as well as global markets.

In accordance with the provision of Micro, Small & Medium Enterprises Development ("**MSMED**") Act, 2006 MSMEs are classified as follows:

Enterprise Category	Investment in Plant & Machinery or Equipment	Annual Turnover
Micro Enterprises	Does not exceed 1 crore	Does not exceed Rs. 5 crores
Small Enterprises	More than Rs. 1 crore but does not exceed Rs. 10 crores	More than Rs. 5 crores but does not exceed Rs. 50 crores
Medium Enterprises	More than Rs. 10 crores but does not exceed Rs. 50 crores	More than Rs. 50 crores but does not exceed Rs. 250 crores

In the Union Budget 2025-26, government has revised the classification, to help MSMEs scale operations and access better resources, the investment and turnover limits for classification have been increased by **2.5 times and 2 times**, respectively.

Rs. In Crore	Investment		Turnover	
	Current	Revised	Current	Revised
Micro Enterprise	1	2.5	5	10
Small Enterprise	10	25	10	100
Medium Enterprise	50	125	250	500

Number of MSMEs registered in Udyam portal in India

Category	Number of MSMEs	%
Micro	5,94,84,037	98.66
Small	7,40,266	1.23
Medium	69,529	0.11
Total	6,02,93,832	100.0

Source: Udyam portal (includes Udyam assist platform (UAP) registrations), Data as of 25th February 2025

Share of Rural and **Urban MSME**

(Rs. Lakhs)

Sector	Micro	Small	Medium	Total	Share (%)
Rural	324.1	0.8	0.0	324.9	51
Urban	306.4	2.5	0.0	309.0	49
Total	630.5	3.3	0.1	633.9	100

Source: MSME Annual Report 2023-24, CareEdge Research

As per Udyam portal, the total employment provided by MSME has reached 25.73 crore as on 27th February 2025.

State-wise Distribution of estimated MSMEs

State/UT	Share (in %)			
	FY21	FY22	FY23	FY24
Uttar Pradesh	7.64%	8.04%	17.14%	14.19%
West Bengal	2.23%	3.31%	3.26%	13.98%
Tamil Nadu	10.96%	10.51%	8.53%	7.81%
Maharashtra	22.74%	18.93%	14.20%	7.54%
Karnataka	5.35%	6.12%	4.93%	6.05%
Bihar	3.17%	4.30%	3.77%	5.44%
Andhra Pradesh	2.29%	2.86%	2.86%	5.34%
Gujarat	8.68%	7.74%	6.11%	5.23%
Rajasthan	8.28%	7.64%	6.06%	4.23%
Madhya Pradesh	3.92%	4.78%	9.84%	4.21%
Telangana	3.44%	3.14%	2.71%	-

Source: PIB, CareEdge Research

Major schemes

The Ministry of MSME runs numerous schemes targeted at providing credit and financial assistances, skill development training, infrastructure development, technological and quality upgradation, and other services for MSMEs across the country.

Credit and Financial

1. Prime Minister's Employment Generation Programme

• The scheme, implemented by the KVIC, aims to generate employment opportunities in rural and urban areas by setting up new self-employment ventures/projects/micro enterprises. The programme also aims to provide continuous and sustainable employment to prospective artisans and unemployed youth and increase the wage-earning capacity of artisans and contribute to the growth of rural and urban employment. • The eligibility criteria to avail this scheme are the individual should be 18 years and above. • Since inception in 2008-09 till 31.03.2024, a total of about 9.58 lakh micro enterprises have been assisted with a Margin Money subsidy of Rs. 24,964 Crore and provided employment to about 78.24 Lakh persons.
2. Credit Guarantee Trust Fund for Micro and Small Enterprises (CGTMSE)
• The Government of India (GoI) launched the scheme to provide collateral-free credit to the micro and small enterprises. The scheme's objective is to strengthen the delivery system for credit and facilitate flow of credit to micro and small enterprises. • The guarantee cover available under the scheme varies from 75% to 85% of the sanctioned amount of the credit facility depending upon the quantum of loan and type of beneficiary. • The extent of guarantee cover is 85% for micro enterprises for credit up to Rs. 5 lakhs and 75% guarantee cover for those who availed credit facility above 5 lakhs. • The extent of guaranteed cover is 80% for all credits/loans in the North East Region (NER) for credit facilities up to Rs. 50 lakhs and 75% for credit facility of above 50 lakhs and up to 500 lakhs. • The guarantee covers to Micro and Small Enterprises operated and/or owned by women is to the extent of 85%.
3. Non-government provident funds (PFs) investing in alternative investment funds (AIFs) will add to MSME fundraising options
• In March 2021, the Finance Ministry allowed private retirement funds to invest up to 5% in Category I & II AIFs regulated by SEBI; this will help widen the fundraising options for MSMEs and expand the domestic pool of capital • Category 1 AIFs consists of infrastructure, venture capital, angel, and social venture funds. Category II AIFs covers funds where at least 51% of the size can be invested in either infrastructure, SMEs, venture capital or social welfare entities.

Skill Development and Training

1.	A Scheme for Promotion of Innovation, Rural Industries & Entrepreneurship (ASPIRE)
2.	Entrepreneurship and Skill Development Programmes (ESDP)

Infrastructure

1.	Scheme of Fund for Regeneration of Traditional Industries (SFURTI)
2.	Micro & Small Enterprises Cluster Development Programme (MSE-CDP)

Technology Upgrade and Competitiveness

1.	Financial Support to MSMEs in ZED Certification
2.	Support for Entrepreneurial and Managerial Development of SMEs through Incubators

Credit growth in MSME lending

India witnessed a sharp jump in MSME lending in FY21 and this increase has been supported by Atmanirbhar Bharat scheme of Emergency Credit Line Guarantee Scheme (ECLGS) which provided 100% credit guarantee to lenders. The scheme that was announced by the Government in May 2020 helped the firms to get access to more credit.

SCBs and NBFCs credit exposure to MSMEs (Figures in Rs. crores)

Outstanding as on	NBFCs			SCBs		
	Micro and Small Enterprise	Medium Enterprise	Total	Micro and Small Enterprise	Medium Enterprise	Total
Mar-20	36,441	14,077	50,518	3,92,265	1,05,095	4,97,360
Mar-21	44,235	14,910	59,145	4,33,192	1,38,599	5,71,791
Mar-22	46,967	17,186	64,153	5,32,179	2,13,996	7,46,175
Mar-23	71,638	20,068	91,706	5,98,390	2,56,023	8,54,413
Mar-24	1,00,627	20,961	1,21,588	7,26,315	3,03,998	10,30,313
Sep-24	1,21,589	21,504	1,43,093	7,50,825	3,34,412	10,85,237
Dec-24	NA	NA	NA	7,71,039	3,48,108	11,19,147

Source: RBI, CareEdge Research

Note: The credit exposure for MSMEs is NBFCs and SCBs credit exposure to `Micro & Small' and `Medium' enterprises under 'Industrial Sector' only.

NBFCs mainly deploy credit to MSMEs belonging to the services and agricultural sectors. Bank credit deployed to MSMEs witnessed an improvement in FY21 and strengthened further in the FY22 on account of a resurgence in demand from MSMEs as well as support from the Central Government by way of credit guarantee. The ECLGS scheme launched in May 2020 after the pandemic hit the country in March 2020 revived credit offtake by MSMEs.

The credit extended towards MSME has increased significantly as during the pandemic, the Government encouraged banks to extend credit to MSMEs and aid them to buffer the effects of the pandemic. And as micro and small enterprises were more vulnerable, the credit towards them during the pandemic increased significantly during the FY21. Although the credit towards medium enterprises increased over the previous financial year, the growth was moderate compared to growth in credit extended to micro and small enterprises. This has continued to result in the growth of credit to MSMEs significantly in FY22. Moreover, the extension of ECLGS up to March 2023, with the guarantee cover raised by Rs 50,000 crores to a total of 5 lakh crores has also contributed in the credit growth of MSME's. As of Mar'24, the total bank credit outstanding to MSMEs crossed Rs. 10 lakh crores and the same has crossed Rs. 11 lakh crores as of Dec'24.

Credit Gap in MSME sector

There is large unmet credit demand of the MSME sector in India that NBFCs can service and grow their business

As per an IFC report published in November 2018, the total addressable credit gap in the MSME sector stood at Rs. 25.82 Lakh crore (at the end of 2017). The estimation of the credit gap was done based on the number of MSMEs, their distribution, working capital & capex requirements and formal credit to the MSME sector. The key findings were as below:

	Credit Gap estimate for the period ending 2017	**Rs. Lakh Crore**
A	Total MSME Demand for Debt	69.3
B	Excluded demand (estimated for new companies, sick companies that cannot be addressed immediately)	32.6
C = A - B	Total MSME Addressable Demand for Debt	36.7
D	Total Supply for Formal Credit	10.9
E = C - D	**Credit Gap = Demand – Supply**	**25.8**

The credit gap was further bifurcated into micro, small and medium based on the distribution and scale estimate for each type of entity as follows:

Figures in Rs. Lakh Crore

	Micro	Small	Medium	Total
Formal Credit Demand	11.8	21.7	3.3	36.7
Formal Credit Supply	3.9	4.8	2.2	10.9
Gap	**7.9**	**16.9**	**1.1**	**25.8**

The MSME Credit Gap at the end of 2017 was itself quite substantial. Over the last 7-year period since 2017, the size of the economy has grown significantly and the number and scale of MSMEs has also increased.

CARE Advisory has applied a similar methodology to that of the IFC report and has considered to following factors to estimate the current credit gap in the MSME sector:

- Growth in GDP and its estimated impact on the scale of MSMEs
- Increase in the number of MSMEs
- Change in the distribution of MSMEs
- Increase in formal credit support provided to the MSMEs

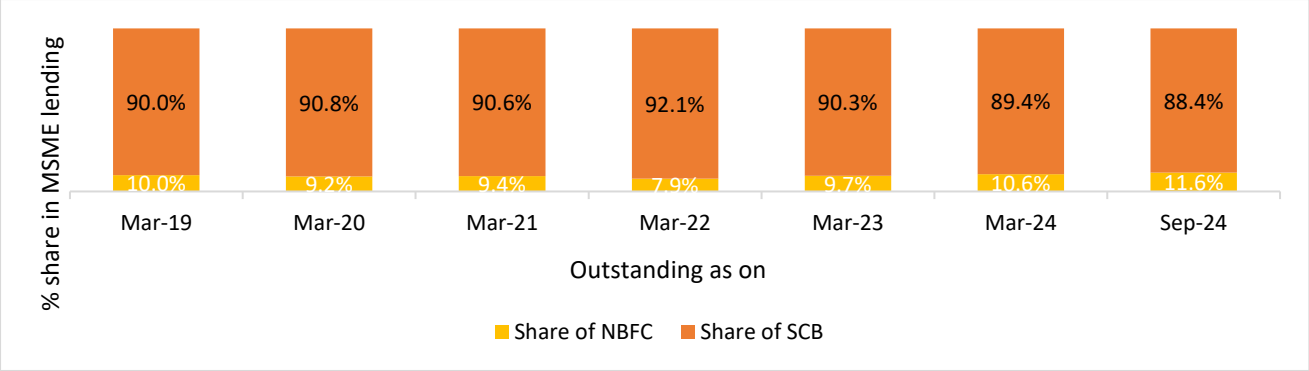
(Figures in Rs. Lakh Crores)

Mar'24 (Estimates)	Credit Demand	Credit Supply	Credit Gap
Micro	19.8	7.2	12.6
Small	31.5	11.7	19.8
Medium	10.3	9.2	1.2
Total MSME	**61.6**	**28.0**	**33.6**
Mar'27 (Projections)	**Credit Demand**	**Credit Supply**	**Credit Gap**
Micro	25.0	10.4	14.7
Small	42.2	16.9	25.3
Medium	13.9	13.2	0.6
Total MSME	**81.1**	**40.4**	**40.6**

Share of Banks & Non-Banks in MSME lending

The MSME sector is underpenetrated by NBFCs and there is a huge unmet credit demand in the sector, primarily due to lack of documentation and credit history required to access to financing from formal banking channels. There is also a significant gap between the original credit requirement and the actual credit exposure of formal channels to MSMEs, which provides a huge opportunity in MSME lending.

Share of banks & NBFCs in MSME lending



Source: RBI, CareEdge Research

Note: The credit exposure for MSMEs is NBFCs and SCBs credit exposure to `Micro & Small' and `Medium' enterprises under 'Industrial Sector' only.

Government Policies and Initiatives

The Government of India has designed various policies for the growth of MSMEs in the country.

- Revamp of the credit guarantee scheme for MSMEs w.e.f April 2023 through fund infusion of Rs 9,000 crore in the corpus. This will facilitate additional collateral-free guaranteed credit of Rs 2 lakh crore and reduces the cost of the credit by 1%.
- Announcement on introducing an Entity DigiLocker for MSMEs to store and share documents securely in an online mode.
- Launched on July 1, 2020, the Udyam Registration Portal serves as a pivotal platform for facilitating the registration of enterprises across India. The portal encourages enterprises previously registered under the Udyog Aadhaar Memorandum and Entrepreneurship Memorandum-II to migrate to this new system. It offers a free, paperless, and self-declaration-based registration process, eliminating the need for document uploads, thus simplifying the formalization of businesses.
- Under Vivad se Vishwasl, 95% of the forfeited amount relating to bid or performance security is to be returned by the government in case of failure by MSMEs to execute contracts during the Covid period.
- PM VIshwakarma KAushal Samman (PM VIKAS) for traditional artisans to integrate them with the MSME value chain and assist them in improving the quality, scale and reach of their products. PM Vishwakarma is fully funded by the Government of India with an initial outlay of Rs. 13,000 crores for 2023-24 to 2027-28.
- The Ministry of MSME, Government of India, notified the Public Procurement Policy for Micro and Small Enterprises (MSEs) in 2012. This policy mandates that 25% of annual procurement by Central Ministries, Departments, and Central Public Sector Enterprises (CPSEs) must be sourced from MSEs. Within this 25%, 4% is reserved for MSEs owned by Scheduled Castes/Scheduled Tribes (SC/ST), and 3% is reserved for MSEs owned by women entrepreneurs. Additionally, 358 items are exclusively reserved for procurement from MSEs.
- Emergency Credit Line Guarantee Scheme (ECLGS) provided for collateral free loans to existing eligible borrowers with 100% guarantee in respect of the eligible amount as per the Scheme guidelines. As per the State Bank of India's research report dated 23.01.2023 on ECLGS, almost 14.6 lakh MSME accounts, of which about 93.8% of the accounts were in MSE categories, were saved.
- Collateral free loan up to a limit of Rs. 500 lakhs (w.e.f. 01.04.2023) to Micro and Small Enterprises with guaranteed coverage up to 85 % for various categories of loan through Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE) under Credit Guarantee Scheme. Since inception till 30.06.2024, a total of 91,76,248 guarantees amounting to Rs 6,78,326.81 crore have been issued.
- The Ministry of MSME implemented a Special Credit Linked Capital Subsidy Scheme (SCLCSS) under National SC-ST Hub (NSSH) to promote setting up of new enterprises by aspiring entrepreneurs and capacity building of existing MSEs for enhanced participation of SC/ST entrepreneurs in public procurement. All SC-ST owned MSEs of manufacturing as well as service sectors are eligible for 25% subsidy under SCLCSS component of NSSH for procurement of Plant & Machinery and equipment through institutional credit.

Recent Developments in the sector

- The Union Budget 2025-26 introduces a series of measures aimed at strengthening the MSME sector by enhancing credit access, supporting first-time entrepreneurs, and promoting labour-intensive industries.

- To help MSMEs scale operations and access better resources, the investment and turnover limits for classification have been increased by **2.5 times and 2 times**, respectively. This is expected to improve efficiency, technological adoption, and employment generation.

Rs. In Crore	Investment		Turnover	
	Current	Revised	Current	Revised
Micro Enterprise	1	2.5	5	10
Small Enterprise	10	25	10	100
Medium Enterprise	50	125	250	500

- **Enhanced Credit Availability: -**
  - The credit guarantee cover for micro and small enterprises has been increased from Rs. 5 crores to Rs. 10 crores, enabling additional credit of Rs. 1.5 lakh crore over five years.
  - Startups will see their guarantee cover double from Rs. 10 crores to Rs. 20 crores, with a reduced fee of 1% for loans in 27 priority sectors.
  - Exporter MSMEs will benefit from term loans up to Rs. 20 crores with enhanced guaranteed cover.

- **Credit Cards for Micro Enterprises**
  - A new customised Credit Card scheme will provide Rs. 5 lakh in credit to micro enterprises registered on the Udyam portal, with 10 lakh cards set to be issued in the first year.

- **Support for Startups and First-Time Entrepreneurs**
  - A new Fund of Funds with Rs. 10,000 crores will be established to expand support for startups.
  - A scheme for 5 lakh first-time women, Scheduled Caste, and Scheduled Tribe entrepreneurs will provide term loans up to Rs. 2 crores over five years, incorporating lessons from the Stand-Up India scheme.

- **Focus on Labour-Intensive Sectors**
  - A Focus Product Scheme for the footwear and leather sector will support design, component manufacturing, and non-leather footwear production, expected to create 22 lakh jobs, and generate a turnover of Rs. 4 lakh crores.
  - A new scheme for the toy sector will promote cluster development and skill-building, positioning India as a global toy manufacturing hub.
  - A National Institute of Food Technology, Entrepreneurship and Management will be established in Bihar to boost food processing industries in the eastern region.

In conclusion, the Union Budget 2025-26 presents a strategic plan to strengthen the MSME sector in India, with a focus on improving credit access, supporting entrepreneurship, and implementing sector-specific initiatives. Key changes in classification criteria, along with enhanced credit guarantees and tailored financial products such as credit cards for micro-enterprises, are expected to drive growth and innovation. The emphasis on industries like footwear, leather, and toys aims to create jobs and enhance India's competitiveness in global markets. Additionally, ongoing programs like Udyam Registration, PM Vishwakarma, PMEGP, SFURTI, and the Public Procurement Policy highlight the government's commitment to empowering MSMEs. Together with the creation of new institutions and missions focused on manufacturing and clean technology, these measures reflect a comprehensive approach to reinforcing the role of MSMEs in fostering economic growth, employment, and inclusive development in India.

SWOT Analysis

Strength	Weakness

• Adapt quickly to market changes due to smaller size and simpler operations. • Contribute around 30% to GDP and employ over 257 million people, vital to India's growth. • Operate in sectors like manufacturing, agriculture, services, and retail, spanning India's economy.	• Shortage of skilled labour affects quality and efficiency. • Many MSMEs lack modern technology and infrastructure, limiting productivity and competitiveness. • Limited bargaining power with customers and suppliers as compared to large corporates.
Opportunity	**Threat**
• Digital tools, e-commerce, and automation can improve efficiency, lower costs, and expand markets. • With government support, MSMEs can access global markets, especially in textiles, handicrafts, and agro-products.	• MSMEs rely on larger firms for raw materials, making them vulnerable to supply chain disruptions. • Larger companies threaten MSMEs with superior scale, technology, and resources.

Outlook

The MSME sector is the driving force of the Indian economy and has major potential to spread industrialization across the economy. The sector faces number of challenges such as limited access to finance, inadequate availability of skilled labour, and insufficient infrastructure. Along with this, rising interest rates by RBI to control inflation has become a hindrance to the growth in sector. This has led to increase in borrowing cost for MSMEs and further made the situation difficult for accessing credit. This high rise in borrowing cost is expected to impact the cash flows and profitability of MSMEs. Although, this sector has many challenges, the growth potential remains high.

MSMEs employ many people making the sector a key contributor to the economic development of the country. The sheer number of work force engaged also results in this sector receiving good Government support and benefits. Apart from Government initiatives, the improved use of digital solutions adopted during the pandemic (such as easy payments and marketing through digital platforms) increased demand for finished products have strengthen the MSMEs and resulted in recovery of their business.

The MSME sector is expected to help India achieve its goal of becoming a USD 5 trillion economy. In addition to this, MSMEs are expected to contribute more than 40% of India’s nominal gross domestic product (GDP) by financial year 2025 for which it will require immense support from the Government, institutions, and banks.

OUR BUSINESS

Unless otherwise indicated or unless the context otherwise requires or in respect of certain operational data, the financial information for the Fiscal 2024, 2023 and 2022 included herein is derived from our Audited Financial Statements as included in this Prospectus and for the six months ended September 30, 2024 and for the quarter and nine months period ended December 31, 2024 has been derived from the Unaudited Financial Results. You should read the following discussion in conjunction with our Audited Financial Statements and Unaudited Financial Results, as applicable. We publish our financial statements in Indian Rupees. Our Financial Year commences on April 1 and ends on March 31 of the subsequent year, and references to a particular Financial Year are for the 12 months ended March 31 of that year.

Some of the information contained in the following discussion, including information with respect to our strengths and strategies, contain forward-looking statements that involve risks and uncertainties. You should read "Forward-Looking Statements" on page 13 for a discussion of the risks and uncertainties related to such statements and also "Risk Factors" on page 19 for a discussion of certain factors that may affect our business, financial condition or results of operations. Our actual results may differ materially from those expressed in or implied by these forward-looking statements.

In this section, unless the context otherwise requires, references to "we", "us", "our", "the Company" or "our Company" refer to UGRO Capital Limited.

This Prospectus contains certain Non-GAAP Financial Measures related to our operations and financial performance that may vary from any standard methodology that is applicable across the industry. You should consult your own advisors and evaluate such information in the context of the Unaudited Financial Results and the Audited Financial Statements. For details pertaining to the same, please refer to the risk factor titled "Risk Factor - We have included certain Non-GAAP measures related to our operations and financial performance in this Prospectus. Such Non-GAAP measures may vary from any standard methodology that is applicable across the financial services industry and may not be comparable with the financial or operational information of similar nomenclature computed and represented by other companies" on page 19.

The industry-related information contained in this section is derived from the Care Edge Research Report, which has been exclusively commissioned and paid for by our Company only for the purposes of confirming our understanding of the industry in connection with the Issue. We officially engaged Care Analytics & Advisory Private Limited, in connection with the Care Edge Research Report pursuant to an engagement letter dated February 25, 2025. For further details and risks in relation to the Care Edge Research Report, see "Risk Factor- This Prospectus contains information from third parties including reports prepared by independent third-party research agencies, which we have commissioned and paid for purposes of confirming our understanding of the industry" on page 19.

Overview

We are, middle layer NBFC under Scale Based Regulation framework registered with the RBI bearing registration no. 13.00325 dated October 26, 2018 under section 45 IA of the RBI Act and the equity shares of our Company are listed on NSE and BSE. We are data-tech empowering small business lending institution primarily engaged in the business of lending to MSME sector. Our Company's sector focus approach on light engineering, food processing, auto components, hospitality, healthcare, chemicals, education, electrical equipment & components and emerging market segments & nature of the underlying MSMEs helps create impact at multiple levels.

The MSME sector is underpenetrated by NBFCs and there is a huge unmet credit demand in the sector, primarily due to lack of documentation and credit history required to access to financing from formal banking channels. There is also a significant gap between the original credit requirement and the actual credit exposure of formal channels to MSMEs, which provides a huge opportunity in MSME lending. *(Source: CareEdge Report)*

We provide comprehensive MSME lending solutions through our technology platforms, offering a range of following loan products, directly and through partnerships and alliances:

1. Secured Business Loan;

2. Business Loan;

3. Emerging Market Loan;

4. Machinery Loan;

5. Supplier Chain Finance;

Our Company was originally incorporated on February 10, 1993 under the provisions of the Companies Act, 1956 by the name 'Chokhani Securities Private Limited' and was granted a certificate of incorporation bearing registration number 070739 by the RBI. In December 2017, Poshika Advisory Services LLP and Shachindra Nath made a public announcement to acquire control of the management of our Company from the erstwhile promoters in accordance with Regulation 3(1) and 4 of the SEBI Takeover Regulations subject to prior RBI Approval as per RBI Circular no. RBI/2015-16/122-DNBR(PD) CC. No. 065/03.10.001/2015-16 dated July 09, 2015. Post change in management and control of our Company, we focused on the business of lending. Our Company has received Certificate of Registration dated January 9, 2024 bearing no. N-13.02475 from RBI to commence/carry on the business of factoring without accepting public deposits.

As per Care Edge Research Report, NBFCs have steadily expanded their MSME portfolio, addressing the credit needs of the sector and contributing to overall financial inclusion and economic growth. As of September 2024, industry credit contributed ₹15.9 lakh crore, which is around 37% of NBFCs' gross credit deployed, according to the RBI. As of March 2024, the MSME credit gap was estimated at ₹33.6 lakh crore which is projected to further increase to ₹40.6 lakh crore by March 2027. Furthermore, our Company has a dedicated program for both secured and unsecured loans aimed at MSMEs and has partnered with DSAs, Green anchors, large OEMs, other NBFCs and FinTechs to provide an end-to-end lending solution. We lend to customers in the prime segment as well as in emerging market segment. While we have maintained a keen focus on the initial prime/near-prime target segment, we have also worked towards addressing a broader demographic as part of our efforts to close India's MSME credit gap.

We serve a diverse range of customers by addressing credit needs of MSME business with our extensive loan offerings. Currently as on December 31, 2024, our network of 224 branches is segregated into two verticals: Prime branches, located in metro and tier 1 cities with customer turnovers ranging from ₹1 crore to ₹15 crores, and EM branches, based in tier 2 to tier 6 cities with customer turnovers of less than ₹1 crore. This structure ensures a PAN India presence for our Company.

The summary of key financial indicators of our Company are as under:

(₹ in lakh)

Particulars	**For nine months period ended December 31, 2024**	**FY 2024**	**FY 2023**	**FY 2022**
Total AUM	11,06,656.73	9,04,705.74	6,08,070.69	2,96,890.60
Total Disbursement	6,91,081.70	10,21,712.74	7,19,967.14	3,13,800.00
Total Income	1,02,940.73	1,08,168.12	68,376.28	31,341.59
Total Expenditure	88,349.99	90,291.87	59,993.44	29,323.81
Profit after tax	10,338.23	11,934.48	3,977.64	1,455.06
Net worth [(2)]	1,99,760.58	1,43,836.17	98,404.31	96,656.32
Debt to Equity ratio [(3)]	3.08	3.23	3.20	1.86
CRAR (%)	21.52%	20.75%	20.23%	34.37%
Gross Stage 3 Assets (%)	2.11%	3.09%	2.46%	2.28%
Net Stage 3 Assets (%)	1.16%	1.64%	1.31%	1.70%
Return on Assets (%)[(4)]	1.88%[(1)]	2.25%	1.11%	0.63%

Particulars	For nine months period ended December 31, 2024	FY 2024	FY 2023	FY 2022
Return on Net worth (%)[5]	8.02%[1]	9.85%	4.08%	1.52%

Note: (1) Annualised
(2) Net worth = Equity Share Capital + Other Equity
(3) Debt = Debt securities + Borrowings (other than debt securities) + Subordinated liabilities and Equity = Equity share capital + Other equity
(4) Return on Assets = Profit after tax/ Average Total Assets
(5) Return on Net Worth = Profit after tax/Average Net worth.

Our AUM has exponentially grown at a CAGR of ~75% from ₹ 2,96,890.60 lakh as at March 31, 2022 to ₹9,04,705.74 lakh as at March 31, 2024. As of December 31, 2024, our AUM stands at ₹ 11,06,656.73 lakh. Across our offered products, as on December 31, 2024, our average ticket size stood at ₹11.37 lakh and our portfolio yield stood at 16.65%.

Our Total Income has grown from ₹ 31,341.59 lakh for the year ended March 31, 2022 and ₹ 68,376.28 lakh for the year ended March 31, 2023 to ₹ 1,08,168.12 lakh for the year ended March 31, 2024. For the nine months period ended December 31, 2024, our total income is at ₹ 1,02,940.73 lakh.

We have been assigned "CRISIL A/ Stable" rating to the bank loans facilities and non-convertible debentures from CRISIL Ratings Limited. The rating reflects the Company's comfortable capitalisation metrics and its diversified and customised product offerings across the MSME segment. These strengths are partially offset by uncertain earnings due to high operating expenses, and limited track-record of operations.

Further, we have obtained a long-term rating of "IND A+/ Stable" from India Ratings and Research Private Limited. This rating signifies adequate degree of safety regarding timely servicing of financial obligations and carry low credit risk. Further, we have obtained short term rating of "CRISIL A1" from CRISIL Ratings and "IND A1+" from India Ratings and Research Private Limited for commercial paper and bank loan. This rating signifies very strong degree of safety regarding timely servicing of financial obligations and carry lowest credit risk. We believe that our ratings result in reducing cost of funds for the Company.

Our total borrowings as at December 31, 2024, March 31, 2024, March 31, 2023 and March 31, 2022 amounted to ₹6,15,062.20 lakh, ₹ 4,65,324.53 lakh, ₹ 3,14,893.45 lakh and ₹ 1,80,183.86 lakh respectively. We rely on long-term and medium-term borrowings from banks; amongst others, including issuances of non-convertible debentures. We have a diversified lender base comprising public sector undertakings, private banks, mutual funds and others.

UGRO Capital Founding Philosophy (DataTech Approach)

Back in 2018, post the change in management and control of our Company, the new management was of the opinion that MSME lending market would gravitate towards being an on-tap consumer lending market and this would be heavily facilitated by the rapid scale of digitalization prevalent in the Indian economy. The management planned that the digital wave would standardise the data through India stack framework including the OCEN and AAN applications which would support new age digital lending business models for MSMEs and in turn reduce customer turn around time.

Our Company has adopted a datatech approach attempting to leverage the shift towards digital ecosystem to make MSME lending more efficient and to design an underwriting framework by complementing the existing lending infrastructure which is (a) scalable and (b) templated. This problem statement internally was coined as *"To solve the Unsolved"* and translated in our mission statement.

Our Company's focus on data analytics and strong technology architecture allows for customized sourcing platforms for each sourcing channel. We have developed various technology platforms to enhance our quality of our services and operations, such as (i) GRO Plus module which has improved intermediated sourcing, (ii) GRO Chain, a supply chain financing platform with automated end to end approval and flow of invoices, (iii) GRO Xstream platform for co-lending, an upstream and downstream integration with fintechs and liability providers and (iv) GRO X application to deliver embedded financing option to MSMEs.

Our Company's credit scoring underwriting model GRO Score 3.0 ("**GRO Score**") has helped in growth of our business and as on December 31, 2024 the Company is in collaboration with 16 co-lending partners, 55+ lenders, 60+ fintech, 10+ Green anchors, 70+ OEMs and 730+ GRO partners to provide data-backed customized finance solutions to over 1,00,000 MSMEs across India.

Our Differentiated Underwriting Approach

We comparatively analysed cash flow-based banking analysis and repayment behaviour of the customer to the sector in which it operates to draw sharper insight about our target segment. This approach enabled us to apply the same basic lending principles with much more data rigor thereby adding to the robustness of decision making. Our Company devised a way in which the homogeneity of cash flows could be measured and observed that the same also translated to homogeneity of repayment behaviour and this become the denominator on which statistical rules could be applied. This framework was labelled as GRO Score.

During Financial Year 2024, the credit scoring model was upgraded to GRO Score 3.0. The credit scoring model GRO Score 3.0 a statistical framework using AI / ML driven statistical model to risk rank customers is revolutionizing the MSME credit by providing on-tap financing like consumer financing in India.

GRO Score reduces dependency on any specific bureau data and provides higher approval rates for similar or lesser risk cases. Being an AI / ML based model, as the pool of loans grow and our Company gathers more data about customers, we will be able to seamlessly integrate the same into our systems to improve our credit decisions.

The scorecards were developed through the big data analysis of small business borrower profiles and are re-calibrated at designated intervals to maintain their accuracy. It takes into consideration 25,000+ parameters from banking and bureau records to categorize a particular customer across 5 bands of "A" to "E" with "A" being the least risky and "E" being the riskiest.

The results of our scoring model have tested positive for both sets of customers i.e. the ones to whom we have lent money and ones to whom we have not. It has also withstood two waves of Covid-19 pandemic, thereby establishing its robustness. As at December 31, 2024, March 31, 2024, March 31, 2023 and March 31, 2022 our Gross NPA amounted to ₹14,984.72 lakh ₹17,147.91 lakh, ₹9,569.05 lakh and ₹5,641.15 lakh respectively constituting 2.11%, 3.09 %, 2.46 % and 2.28 % of our loan book.

We have adopted the data tripod underwriting methodology. We have developed our credit scoring model, GRO Score which used the data of GST, banking and bureau and our underwriters use our sector and sub sector based templated underwriting scorecard. Today when a customer approaches us, we only seek information relating to GST number, GST statement, and his bank statement along with the KYC documents and post that the system takes over and extracts various kinds of parameters, viz. such as the borrowing mix, the frequency and magnitude of defaults, history of high-cost debt, obligation as a percentage of turnover, etc. which have all been customized to our kind of target segment and this has been back tested and is administered on a real time basis.

Our Company's underwriting is specialized while maintaining standardization of the credit process across its branches. All processes in the underwriting process until in-principle decisioning are fully automated. In addition to the scorecards and the policy statements, the underwriting process also follows the traditional 'touch and feel' based checking processes including legal verification, fraud control unit check, field investigation and valuation, which is done by a combination of internal teams and outsourced agencies to ensure the sanctity of the loan portfolio is maintained.

Use of Technology

Our Company's lending related aspects and process is supported by technology which spans across all stages of the customer's journey including origination, distribution, credit, analytics, operations and collections. We have (a) 25+ API integrations (b) bank, CIBIL and GST statement analyzers (c) automated policy approvals (d) machine learning OCR technology (e) in house Business Rule Engine (BRE) (f) customized sourcing modules and (g) data pool for 360-degree customer view all of which facilitate us to deliver a loan in-principle approval in 60 minutes to the customer.

We have developed proprietary technology platform for each distribution channel which are customized to support various business needs, such as:

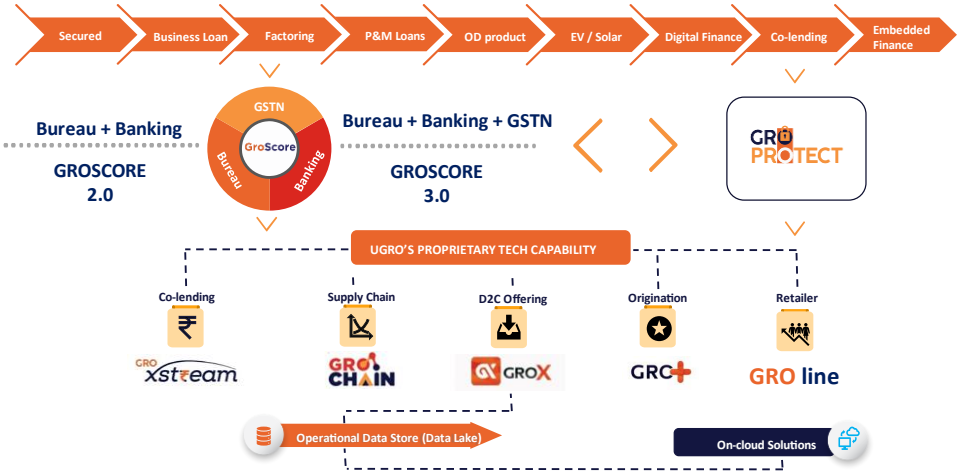
GRO Plus: Supports our branch-based business and is designed to support customers onboarded in metro cities through intermediaries. It has completely integrated every element of underwriting digitally (using all conventional parameters).

GRO Chain: Specifically designed for catering to supply chain business and supports real time disbursement. Suppliers can upload invoice on this module which can be in turn approved by the anchor on the module itself, real time disbursement can be made available against the invoices approved by anchors.

GRO X: Platform built to allow non-intermediated loan applications from eligible MSMEs. Our GRO X app allows MSMEs to directly apply for loans through their mobile phones.

GRO Xstream: It is currently being used for onward co-lending with Banks and NBFCs. It is intended to evolve into a marketplace powered by our BRE, connecting asset originators with liability partners. It currently allows seamless API integration with our co-lenders, allowing the company to reduce turnaround time and bring in efficiencies in the entire process.

We have a system architecture to fully support our SME lending. Please see the following:



Our Business Model

We have a system architecture to fully support our goal of MSME lending. Our Company operates across 4 broad distribution channels to originate loans which are as follows:

(a) Branch Channel: We provide quick in-principle approval for MSMEs to get much faster access to credit. We have a network of 224 branches as on December 31, 2024. Sourcing in prime branches is through intermediaries whereas sourcing in EM branches is carried out through feet on street model. Through these branches our Company caters to the entire spectrum of MSME borrowers.

(b) Eco-system Channel: Ecosystem channel leverages our industry-specific Anchor and OEM partners, each of which adds a pool of potential borrowers within their respective ecosystems. This is further subdivided into supply chain finance and machinery finance. In supply chain financing – we provide working capital financing to abovementioned potential borrowers and also other supply chain dealers through sales & purchase invoice discounting. In machinery finance, we offer secured loans to machine buyers with a charge on machines.

(c) Partnership & Alliances Channel: We are partnered with 60+ fintech / Smaller NBFCs under a co-lending model wherein the loan is originated by partner NBFC and we take a part of the loan exposure on our books.

(d) Direct Digital Channel: Our digital lending platform, the digital platform applies the full suite of our Company's technological innovations in order to expand our credit access for Indian MSMEs- maximizing our impact on financial inclusion. We have launched GRO X application which provide us with the ability to offer digital credit.

Our portfolio is well diversified across geographies with exposure to no single state exceeding 21% of our AUM as on December 31, 2024.

Product Profile

As on December 31, 2024, a brief overview of our product profile is as under:

Products	Secured Business Loans	Business Loans	EM Loan	Supply Chain Financing	Machinery Financing	Partnership & Alliances	Embedded Finance
AUM (Rs. In lakh)	3,04,221.35	3,35,261.85	1,36,158.28	30,869.86	1,50,036.37	1,19,928.20	30,180.81
AUM (% of total AUM)	27.49%	30.30%	12.30%	2.79%	13.56%	10.84%	2.73%
Yield (%)	14.35%	18.92%	20.38%	15.10%	14.53%	15.15%	16.00%
Average Ticket Size (in lakh)	75.28	18.38	10.42	18.05	34.50	4.10	1.18
Average Tenor (No. of years)	11.67	3.29	8.00	0.20	4.13	3.63	1.11
Collateral	Prime Property	-	Standard Property	Receivables	Machinery	Receivables and FLDG from partner	-
Cashflow Underwriting	GST, Banking & Liquid income assessment	GST, Banking & Liquid income assessment	Liquid income assessment	GST and Banking	GST and Banking	Banking & Liquid income assessment	Banking & Liquid income assessment
Targeted customer turnover	₹1 Cr – ₹15 Cr	₹1 Cr – ₹15 Cr	<₹1 Cr	< 50 lakh	₹1 Cr – ₹10 Cr	< ₹50 lakh	< ₹50 lakh

Note: 1. Prime Property: These properties are located in metros and tier-one cities. These are technically perfect in nature. Owners of these properties may have multiple collaterals to offer that are also legally perfect in nature.
2. Standard Property: These properties are in tier 2 cities and beyond. Single collateral is available.
3. Machinery: These are located in metros and tier-one/tier-two cities. These are machinery that can used across various industries and are not industry-specific. These are standard types of machinery like injection moulding, lathe machinery, etc

The following table sets forth the mix of AUM as on December 31, 2024 and as on March 31, 2024, 2023 and 2022:

(₹ in lakh)

Products	AUM (₹ in lakh), as on December 31, 2024	AUM (₹ in lakh), as on March 31,		
		2024	2023	2022
Secured Business Loan	3,04,221.35	2,38,524.31	1,72,704.94	1,02,251.15
Business Loan	3,35,261.85	2,93,592.89	1,89,878.60	76,518.68
EM Loan	1,36,158.28	81,310.10	47,173.67	10,644.54
Supply Chain Finance	30,869.86	63,243.19	56,694.39	28,737.81
Machinery Loans	1,50,036.37	1,16,804.17	70,114.13	25,246.57
Partnership and Alliances	1,19,928.20	1,11,231.08	71,504.97	53,491.86
Embedded Finance	30,180.81	-	-	-
Total	**11,06,656.73**	**9,04,705.74**	**6,08,070.69**	**2,96,890.60**

Our Strengths

Technologically advanced operating model and Credit Approach

Technology is at the core of our operations and we have adopted a well-defined IT strategy since our inception. We have adopted a sectoral lending approach to identify homogeneity among the heterogeneous MSME segment. We juxtaposed cash flow-based banking analysis and repayment behavior of MSMEs to the sector in which they operate to develop our proprietary AI / ML based scoring model GRO Score. GRO score is built on the tripod of data i.e., banking, bureau and GST to analyze 25,000+ data points and deliver < 60 mins credit decisioning.

Diversified borrowing profile and Effective asset-liability management

Over the years, we have developed a diversified funding profile, maintained long-term relationships with our lenders and established a track record of timely servicing our debt obligations. As an NBFC-ND-SI, we have access to diverse sources of liquidity, such as term loans from banks, financial institutions and non-banking financial companies, and proceeds from the issuance of NCDs to meet our funding requirements. This enables us to optimize our cost of borrowings, funding and liquidity requirements, capital management and asset liability management. As on December 31, 2024, our borrowings from Banks, Capital market instruments, Development Finance Institutions, NBFC and FIs constituted 48%, 19%, 17%, 10% and 5%,, respectively.

Further, our source of funding as on December 31, 2024 is as under:

Source of funds		Amount (₹ in lakh)	%
Loan from Banks / Financial Institutions	:	3,19,867.36	52.01%
Bank Overdraft/ Cash Credit	:	13,559.30	2.20%
Non-Convertible Debentures	:	1,54,790.34	25.17%
Commercial Papers	:	19,511.53	3.17%
Liabilities arising out of securitization transactions	:	6,903.43	1.12%
External Commercial borrowings	:	94,415.40	15.35%
Liability component of Compound Financial instruments	:	2,649.93	0.43%
Subordinated liabilities	:	3,364.91	0.55%

Total	:	**6,15,062.20**	**100.00%**
	:		
Net worth	:	1,99,760.58	
Debt Equity Ratio	:	3.08x	

Formidable Distribution Strength with focus on customised solution

Our Company offers multiple products namely secured LAP, EM enterprises loans, machinery loans, unsecured business loans and supply chain financing to address various credit needs of MSMEs. It operates through four broad distribution channels to service entire MSME segment right from prime customers to EM customers. Its distribution channels are (a) Branch Led Channel (b) Ecosystem Channel (c) Partnerships and Alliances Channel (d) Direct Digital Channel. As of December 31, 2024 we have 224branches across total of 14 states and union territories in India. We have leveraged our branch network along with our technology driven approach and partnerships to strategically design product offerings basis the customer segment, market and ease of accessibility. We believe that our wide network of branches combined with our customised lending products and a technology driven approach enables an increased ease of access to credit for our customers

Robust Technology Framework

UGRO has developed proprietary technology sourcing platforms which are customized for each distribution channel at the heart of which lies its BRE which is product agnostic and distribution channel agnostic and is purely based on behavior of end customers. All customer data is stored in data lake which can be used for any kind of machine learning model.

Data First Approach

Our Company has imbibed data backed approach not only in our underwriting but across all facets of our business. We identified various other business aspects where data analytics could be leveraged to build in efficiencies and today it is widely used across our organization.

Major business decisions today are based on data analytics. For instance, in order to select locations for opening EM branches we carried out state wise, pin code wise analysis on the size of business and portfolio performance and picked the top results of our analysis.

Data analytics has helped us address an age-old bank reconciliation problem faced by NBFCs and today we can automatically assign money paid by our customers through RTGS / digital system against respective loan accounts in LMS system.

We have developed analytics-led, early warning systems by capitalizing data across macro (industry level consumption, regulatory/policy changes, social/demographic changes) and micro/customer indicators (Credit score movement, defaults in loans with other lenders, customer enquiries/new loans taken) to drive collection efforts.

Strong Corporate Governance Standards

Creating an institution that is built to last requires strong corporate governance standards. Our Board comprises majorly of Independent Directors. Being a listed entity, we are also required to follow a higher degree of regulatory compliance and transparency. We have suo moto separated the functions of Vice Chairman and Managing Director and appointed Non-Executive Director as Chairman with effect from July 5, 2018, in line with the same.

Experienced Leadership Team

Our Company has hired experienced professionals that have a proven track record of delivering results and possess the right acumen necessary in the build out phase of any organization. Business operations are independently managed by the professionally managed team.

Large Institutional Capital

Our Company raised institutional equity capital aggregating around ₹92,000 lakh from a diverse group of institutional investors in financial year 2019 and around ₹34,000 lakh in financial year 2024. Our Company has also successfully raised capital via combination of CCDs and Warrants amounting to ₹ 1,26,464.53 lakh during period ended December 31, 2024. Having a large institutional capital is also perceived positively by lenders and our Company has been able to solidify its position in terms of the liability book.

As on December 31, 2024, 56.29% of the paid up share capital of our Company is held by 4 of our largest shareholders which are institutions / private equity funds ie IFU, ADV Partners, New Quest, Samena Capital.

The growth of our capital base in the last three Fiscals and the nine months period ended December 31, 2024 is depicted below:

(₹ in lakh)

Particulars	As on December 31, 2024	March 31, 2024	March 31, 2023	March 31, 2022
Net worth*	1,99,760.58	1,43,836.17	98,404.31	96,656.32
CRAR (%)	21.52%	20.75%	20.23%	34.37%

**Net worth = Equity Share Capital + Other Equity*

Reach across a varied MSME base and customer sourcing models

Our lending business is sourced digitally as well as through partners, direct selling agents and sales team. We also conduct site verification visits and interviews with the applicant. We have centralized credit hubs, where our underwriting processes are carried out by our credit team. We have also entered into arrangements with certain verification agencies supervised by our internal management to conduct site visits to verify identity and other information of applicants in certain cases. On the sanction of a loan amount, repayment terms are set out up on completion of all documentation requirements by the applicant. With our presence across India, we have established a diverse customer base situated across India across 224 branches sspread in 14 states and union territories in India.

Our Growth Strategies

Focus on growing Co-lending/ Co-origination

Our Company is successfully harnessing and operationalizing co-lending partnerships with multiples Banks and NBFCs. Currently, we have operationalized 16 co-lending partnerships across large public sector banks and NBFCs. As of December 31, 2024, our AUM through co-lending partnerships stand at ₹ 4,90,242.40 lakh, representing approximately 44.30% of our total AUM. This reflects a significant increase from ₹2,44,225.06 lakh as of March 31, 2023

Leveraging technology and digital platforms such as operationalizing GRO Xstream Platform to grow our off-book portfolio and improve efficiency

We also intend to further develop and strengthen our technology platform to support our growth and improve the quality of our services. Our Company aims to operationalize GRO Xstream platform to ultimately connect providers of capital with originators of loans and facilitate multiple liability partnerships in the form of co-lending, co-origination, direct assignment and others. GRO Xstream would be powered by GRO Score and would support multi rule engine basis requirements of various lenders.

Further we will continue to update our systems and use latest technology to streamline our credit approval, administration and monitoring processes to meet customer requirements on a real-time basis. We believe that improvements in technology will also reduce our operational and processing time, thereby improving our efficiency and allowing us to provide better service to our customers.

Customised, innovative and customer friendly lending

As part of our strategy to focus on our lending business, we intend to customize and introduce new loan products and evaluate other financing opportunities. Our Company also intends to improve our lending processes and distribution channels. We focus on providing a seamless customer experience and differentiated solutions to meet the specific needs of particular customer,

Our Company believes that our customer service initiatives coupled with the use of technology will allow us to maintain our presence in the lending market and secure both new and repeat business in our lending operations.

Continue to diversify our loan book mix and product suite with an exclusive focus on MSME funding

We continue to diversify our loan book by increasing the share of MSME loans with a balance amongst the nine niche sectors identified by us. We believe there is a significant untapped potential in the MSME industry, offering long-term growth opportunities. We target to serve consumers and small businesses which we believe are systemically underserved and require differentiated products. We are also looking to build strategic partnerships with other digital lending platforms / large players for our MSME business.

Continue to maintain prudent risk management policies for our assets under management

We believe that the success of our business is dependent on our ability to consistently implement and streamline our risk management policies. As we focus on building a large loan portfolio, we will continue to maintain strict risk management standards to manage credit risks and promote a robust recovery process.

Leverage our financial strength and improved ratings to increase our competitiveness, diversify our funding mix and reduce our funding costs

Leveraged funding, with timely repayment of the loans, will help us to improve our credit rating which in turn will also help in reduction of the cost of capital of our Company. We intend to continue to make our efforts on reducing the cost of borrowing and boost liquidity that include issuance of non-convertible debentures with a focus on generating higher ROEs.

Our Company has adopted a conservative approach to ALM management and focused on conserving liquidity. Our efforts are reflected in the ALM profile with higher positive gaps. We continue to focus on having multiple and diversified sources of funding in order to support our business functions to grow value investment opportunities.

Commencement of factoring business to further our mission to cater to the credit needs of the MSMEs in India

Pursuant to our Company receiving the Certificate of Registration dated January 09, 2024 bearing no. N-13.02475 from RBI to commence/carry on the business of factoring without accepting public deposits. This registration to carry on the factoring business will enable our company to walk further towards its mission, to cater to the credit needs of the MSMEs in India, by exploring various business opportunities including seeking empanelment as financier with the trade receivables discounting system platforms for facilitating the financing/discounting of trade receivables for MSMEs. Such empanelment shall help our Company to leverage our reach and expertise into the MSME sector with an institutionalized and secured approach.

Key operational and financial parameters

Our key operational and financial As at September 30, 2024, financial years ended March 31, 2024, March 31, 2023 and March 31, 2022 is as under:

(₹ in lakh)

BALANCE SHEET	**As at September 30, 2024**	**As at March 31, 2024**	**As at March 31, 2023**	**As at March 31, 2022**
Assets				

Property, Plant and Equipment	1,139.76	449.60	379.30	430.43
Financial Assets	7,05,048.90	5,96,648.88	4,10,359.04	2,71,639.43
Non-financial Assets excluding property, plant and equipment	44,705.93	30,899.47	19,820.34	13,352.70
Total Assets	**7,50,894.59**	**6,27,997.95**	**4,30,558.68**	**2,85,422.56**
Liabilities				
Financial Liabilities				
- Derivative financial instruments	-	65.00	9.27	-
- Trade Payables	298.72	1,360.07	1,411.55	682.05
- Debt Securities	1,66,372.82	1,39,483.13	1,14,434.45	70,376.77
- Borrowings (other than Debt Securities)	3,64,649.54	3,22,322.27	2,00,459.00	1,09,807.09
- Subordinated liabilities	3,357.94	3,519.13	-	-
- Other financial liabilities	6,868.87	7,654.85	7,734.85	4,722.81
- Non-Financial Liabilities				
- Current tax liabilities (net)	3,322.34	2,895.67	1,567.77	126.07
- Provisions	8,303.75	5,987.17	5,776.71	2,687.22
- Deferred tax liabilities (net)	1,200.38	-	-	-
- Other non-financial liabilities	738.73	874.49	760.77	364.23
Equity (Equity Share Capital and Other Equity)	1,95,781.50	1,43,836.17	98,404.31	96,656.32
Total Liabilities and Equity	**7,50,894.59**	**6,27,997.95**	**4,30,558.68**	**2,85,422.56**

(₹ in lakh)

PROFIT AND LOSS	As at September 30, 2024	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Revenue from operations	62,160.10	1,04,796.18	65,645.37	30,727.46
Other Income	2,284.18	3,371.94	2,730.91	614.13
Total Income	**64,444.28**	**1,08,168.12**	**68,376.28**	**31,341.59**
Total Expense	55,150.08	90,291.87	59,993.44	29,323.81
Profit before tax for the year	9,294.20	17,876.25	8,382.84	2,017.78
Profit after tax for the year	6,587.73	11,934.48	3,977.64	1,455.06
Other Comprehensive income	205.95	(549.53)	15.10	24.58
Total Comprehensive Income	6,793.68	11,384.95	3,992.74	1,479.64
Earnings per equity share (Basic) (₹)	7.19	13.39	5.69	2.06
Earnings per equity share (Diluted)(₹)	6.85	13.20	5.66	2.05
Cash Flow				
Net cash from / used in(-) operating activities	(95,223.93)	(1,53,494.53)	(1,22,042.82)	(1,13,181.67)
Net cash from / used in (-) investing activities	(3,196.76)	(23,045.03)	(8,454.20)	4,137.95
Net cash from / used in (-) financing activities	1,11,469.60	1,81,359.94	1,27,936.85	1,03,253.11
Net increase/decrease (-) in cash and cash equivalents	13,048.91	4,820.38	(2,560.17)	(5,790.61)
Cash and cash equivalents as per Cash Flow Statement as at end of period / Year	21,884.06	8,835.15	4,014.77	6,574.94
Additional Information				
Net worth (Note 3.1)	1,95,781.50	1,43,836.17	98,404.31	96,656.32
Cash and cash equivalents	21,884.06	8,835.15	4,014.77	6,574.94
Loans	6,35,978.36	5,43,221.03	3,80,636.21	2,45,048.34

Total Debts to Total Assets (Note 3.2)	0.71	0.74	0.73	0.63
Interest Income	43,992.92	70,794.38	48,291.34	27,215.28
Interest Expense	27,924.86	44,292.40	29,327.40	13,738.92
Impairment on Financial Instruments	7,750.97	11,627.96	5,679.99	2,941.54
% Stage 3 Loans on Loans (Principal Amount)	2.67%	3.09%	2.46%	2.28%
% Net Stage 3 Loans on Loans (Principal Amount)	1.46%	1.64%	1.31%	1.70%
Tier I Capital Adequacy Ratio (%)	23.24%	19.50%	19.63%	33.61%
Tier II Capital Adequacy Ratio (%)	1.21%	1.25%	0.60%	0.76%

Further, our key operational and financial parameters based on our Unaudited Financial Results, *for the* nine months ended December 31, 2024 are as under:

(₹ in lakh, unless specified otherwise)

Particulars	**For the Nine Months Ended December 31, 2024**
PROFIT AND LOSS	
Revenue from operations	99,272.32
Other Income	3,668.41
Total Income	**1,02,940.73**
Total Expense	88,349.99
Profit before tax for the year	14,590.74
Profit after tax for the year	10,338.23
Other Comprehensive income	-29.72
Total Comprehensive income	10,308.51
Earning per equity share (Basic) (₹)	11.27
Earning per equity share (Diluted) (₹)	10.64
Additional Information	
Net Worth	1,99,760.58
Total Debts to Total Assets	0.74
Interest Income	69,437.78
Interest Expense	44,655.65

Impairment on Financial Instruments	11,878.91
% Stage 3 Loans on Loans (Principal Amount)	2.11%
% Net Stage 3 Loans on Loans (Principal Amount)	1.16%
Tier I Capital Adequacy Ratio (%)	20.52%
Tier II Capital Adequacy Ratio (%)	1.00%

Debt Equity Ratio of the Company

Debt Equity Ratio before Issue of the Debt Securities (Refer Note 1,3.4)	3.08
Debt Equity Ratio after Issue of the Debt Securities (Refer Note 2,3.4)	3.18

Note 1: The debt equity ratio pre-issue is calculated based on the Financial Information for the period ended December 31, 2024.

Note 2: The debt equity ratio post issue is indicative and is on account of inflow of ₹ 20,000 lakh from the proposed public issue with borrowings and total equity as on December 31, 2024

Note 3:

1. Net worth is the aggregate of paid-up share capital and other equity as appearing in the Financial Statement
2. Total Debts to Total assets = Short term borrowings + Long term borrowings including current maturity of long-term borrowings / Total Assets.
3. Bad debts to Account receivable ratio = Bad Debts written off / Gross Loans
4. Debt / Equity Ratio = Total Debt Borrowings (other than debt securities) + Debt securities + Subordinated liabilities / Net worth.

Asset Quality and Portfolio Provisioning

Particulars	December 31, 2024	March 2024	March 2023	March 2022
Gross NPA(%)	2.11%	3.09%	2.46%	2.28%
Net NPA (%)	1.16%	1.64%	1.31%	1.70%
Provision Coverage ratio (PCR)	47.23%	48.37%	48.64%	26.92%

Risk Management

Our Company has adopted robust and comprehensive risk management capabilities boosted by sectoral expertise, prowess on data analytics and superior technology infrastructure and powers our journey of accelerated growth with best-in-class governance and asset quality. Will the growing needs of the business, our Company has strengthened the requisite areas across lines of defence, by enhancing the team structures and headcount across analytics, credit, fraud control and collections strategy. Data analytics lies at the heart of credit assessment and has enabled a migration from traditional income document-based assessment to a cashflow-based underwriting using the tripod of credit bureau, banking and GST information. During the year, our Company has implemented its proprietary scoring model – the Gro Score 3.0 which produces a borrower level rating based on credit bureau and bank statement information. We have also implemented a predictive modelling driven Early Warning Signals framework to generate trigger alerts for portfolio stage collections activity.

Along with continued growth, our Company is well placed to comply with RBI's scale-based regulation for NBFCs and has put in place a supervisory risk evaluation and capital adequacy framework with comprehensive coverage of enterprise level risk elements as mentioned below, after taking into account their relative significance and impact in the context of our business model.

1. Credit risk – risk of borrower or counterparty failing to meet its obligations in accordance with agreed terms leading to higher credit cost and provisions across multiple stress scenarios;

2. Market risk – supervision of the risk of financial loss resulting from movements in market prices;

3. Operational risk - risk of loss resulting from inadequate or failed internal processes, people and systems or from external events;

4. Liquidity risk - the risk of incurring losses resulting from the inability to meet payment obligations in a timely manner when they become due or from being unable to do so at a sustainable cost;

5. Credit concentration risk – risk of any single exposure or group of exposures with the potential to produce losses large enough (relative to capital, total assets, or overall risk level) to threaten the organization's health or ability to maintain its core operations;

6. Interest rate risk in banking book - the current or prospective risk to capital and earnings arising from adverse movements in interest rates that affect the banking book positions;

7. Securitization risk – risks associated with pools of financial instruments held for brief periods for the purpose of facilitating activities such as trading or securitization;

8. Strategic risk – risk borne out of the internal and external events that may make it difficult, or even impossible, for an organization to achieve their objectives and strategic goals;

9. Reputation risk – damage that can occur to a business when it fails to meet the expectations of its stakeholders and is thus negatively perceived;

10. Model risk - risk that occurs when a financial model is used to measure quantitative information such as a firm's market risks or value transactions, and the model fails or performs inadequately and leads to adverse outcomes for the firm;

11. Technology risk - Technology risk arises from the use of computer systems in the day-to-day conduct of the bank's operations, reconciliation of books of accounts, and storage and retrieval of information and reports;

12. Legal risk - Legal risk is the risk of financial or reputational loss that can result from lapses in the way law and regulation apply to the business, its relationships, processes, products and services.

Liability Strategy

Our Company follows a 3-pronged approach to liability. These include balance sheet-based borrowings from banks, financial institutions and capital markets, co-origination/co-lending partnerships with banks and financial institutions and loan securitisation to raise funding against our asset pool.

As on December 31, 2024, we have a lender base of more than 50 lenders. We have tapped in funds from the development finance institutions for raising long term capital. We have processes and policies to manage our ALM to enable us to better manage our assets and liability. A summary of our asset and liability maturity (ALM) profile as of December 31, 2024 is set out below:

(*₹ in lakh*)

Particulars	0 day to 7 days	8 days to 14 days	15 days to 30/31 days (One month)	Over one month and upto 2 months	Over two months and upto 3 months	Over 3 months and upto 6 months	Over 6 months and upto 1 year	Over 1 year and upto 3 years	Over 3 years and upto 5 years	Over 5 years	Total
Cash Inflows	49,667.68	52,377.04	37,563.74	28,035.36	24,752.42	1,10,872.32	1,13,586.20	2,13,718.54	1,43,449.43	1,34,268.25	9,08,290.98
Cash Outflows	17,909.24	8,567.72	21,883.22	25,583.38	23,129.13	65,060.23	1,17,076.61	2,91,335.41	94,388.54	2,08,828.88	8,73,762.36
Mismatch	31,758.44	43,809.32	15,680.52	2,451.98	1,623.29	45,812.09	-3,490.41	-77,616.87	49,060.89	-74,560.63	34,528.62
Cumulative mismatch	31,758.44	75,567.76	91,248.28	93,700.26	95,323.55	1,41,135.64	1,37,645.23	60,028.36	1,09,089.25	34,528.62	34,528.62

Corporate Social Responsibility (CSR)

Guided by our Corporate Social Responsibility (CSR) policy, we will continue to create value for the underprivileged in the country through well-structured programs and interventions. The 4 pillars UGRO is committed to are in the areas of education, health nutrition and WASH, women empowerment, and environmental sustainability. During the Financial Years ended March 31, 2024, March 31, 2023 and March 31, 2022 we have spent ₹35.44 lakh, ₹52.50 lakh and ₹39.12 lakh towards CSR activities. In our previous CSR initiative, we contributed towards renovation, construction and restoration of Prem Mahavidhyalaya Inter College in Vrindavan, Uttar Pradesh to support the underprivileged section of our society.

Our ESG Approach

Our Company has been on the forefront of ESG with a strong resolute towards sustainability. We carried out an industry first vendor impact assessment report by partnering with Sattva, an impact consulting firm in the development sector. The results of this study reaffirmed our strong resolve to promote sustainability and create an impact through our business operations. Our business has impacted thousands of MSMEs which makes us a significant contributor towards fulfilling the above Sustainable Development Goals (SDGs).

In addition, our sector focused approach makes it possible to put in place an appropriate monitoring framework for end use of funds and enables us to track and quantify various parameters of social impact. We are focused on lending to high impact sectors namely healthcare, education, food processing, electrical equipment & components, light engineering, hospitality, chemicals, auto components and EMs. This sectoral approach of lending directly aligns with multiple SDGs.

Employees

We place emphasis and focus on recruitment and retention of our employees as personnel is the most valuable asset for a service industry such as ours. As of December 31, 2024 we employed 2,131 employees. We have also implemented an employee stock option plan, in addition to the normal rewards and recognition programmes, and learning and development programmes for our employees. For more details on Employee Stock Option Plan, please refer to Chapter "*Capital Structure*" on page 61 of this Prospectus.

Credit ratings

The following table sets forth details on the credit ratings of our Company as of the dates indicated:

Rating Agency	Instrument	Credit Ratings			
		As on date	December 31, 2024	March 31, 2024	March 31, 2023
Crisil Ratings Limited	Long term debt	Crisil A/ Stable	Crisil A/ Stable	Crisil A/ Stable	Crisil A-/Positive
Crisil Ratings Limited	Short term debt	Crisil A1	Crisil A1	Crisil A1	Crisil A1
India Ratings and Research Private Limited	Long term debt	IND A+/Stable	IND A+/Stable	IND A/Stable	IND A/Stable
India Ratings and Research Private Limited	Short term debt	IND A1 +	IND A1 +	IND A1	NA
Acuité Ratings & Research Limited	Long term debt	Acuite A/Stable	Acuite A/Stable	Acuite A/Stable	Acuite A/Stable
Acuité Ratings & Research Limited	Short term debt	-	-	-	Acuite A1

Competition

The financial services industry is highly competitive and we expect competition to intensify in the future. We face competition in the lending business from domestic and international banks as well as other NBFCs, fintech lending platforms and private unorganized lenders. Banks are increasingly expanding into retail loans in the rural and semi-urban areas of India. We are exposed to the risk that these banks continue to expand their operations into the markets in which we operate, which would result in greater competition and lower spreads on our loans. In particular, many of our competitors may have operational advantages in terms of access to cost-effective sources of funding and in implementing new technologies and rationalising related operational costs.

Insurance

We maintain a director's and officers' liability policy covering our directors and officers against claims arising out of legal and regulatory proceedings and monetary demands for damages. We also maintain a group personal accident and business travel accident policy for our employees. These insurance policies are generally valid for a year and are renewed annually.

Intellectual Property

Poshika Financial Ecosystem Private Limited had, vide an assignment deed dated May 13, 2019, transferred the ownership of the logo "U GRO" / "CAPITAL" to our Company. Subsequently, vide an order dated September 22, 2020, the ownership of the said logo vest with our Company under Class 35 and 36 under the Trade Marks Act, 1999.

Our current logo "U GRO CAPITAL", is registered under Class 35 and 36 under the Trade Marks Act, 1999 in the name of our Company. Further, our logo 2GRO, is registered under Class 35, 36 and 42 under Trade Marks Act, 1999 in the name of our Company. Furthermore, our logo GROX, is registered under class 9 and 36 and we have filed application for registration of GROX under Class 35 and 42 under the Trade Marks Act, 1999, as well.

Also, we have filed application for registration of "NON-STOP BUSINESS KARNE KI AZADI" under class 35 and 36 under Trade Marks Act, 1999.

We have also secured patent for our credit scoring model, GRO Score 3.0, officially titled "Method and System for Modelling Credit Scorecard". This patent recognizes the uniqueness and effectiveness of the model in addressing the challenges faced by MSMEs and highlights our commitment to advancing credit evaluation standards in the industry.

Properties

Our registered office is located at Equinox Business Park, Tower 3, Fourth Floor, Off BKC, LBS Road, Kurla, Mumbai - 400070, Maharashtra, India. In addition, as of December 31, 2024, our branch network comprises 224 branches. Our registered office and all our branches are located at premises leased or licensed to us.

HISTORY AND CERTAIN CORPORATE MATTERS

Brief background of our Company

Our Company was incorporated as 'Chokhani Securities Private Limited' under the Companies Act, 1956 on February 10, 1993 with Registrar of Companies, Maharashtra at Bombay. Our Company was subsequently converted into a public limited company pursuant to the fresh Certificate of Incorporation issued by the Registrar of Companies, Maharashtra at Bombay on July 26, 1994. The name of our Company was subsequently changed from 'Chokhani Securities Limited' to 'UGRO Capital Limited' and a fresh Certificate of Incorporation was issued by RoC on September 26, 2018. Our Company is also registered with RBI as non-deposit taking Non-Banking Finance Company classified as NBFC- Middle Layer with registration no. 13.00325 dated October 26, 2018 and further our Company has obtained certificate of registration dated January 09, 2024 bearing no. N-13.02475, to commence/carry on the factoring business without accepting public deposits.

The Corporate Identification Number of our Company is L67120MH1993PLC070739.

Our Company is a non-deposit taking systemically important Non-Banking Financial Company ("**NBFC**") as defined under Section 45-IA of the Reserve Bank of India Act, 1934 and registered with effect from March 11, 1998 and fresh registration was obtained pursuant to change of name bearing Registration No. 13.00325 from October 26, 2018. Our Company is currently engaged in the business of lending and primarily deals in financing SME and MSME sector with focus on Healthcare, Education, Chemicals, Food Processing/FMCG, Hospitality, Electrical Equipment & Components, Auto Components and Light Engineering segments and EM segments. Further, our Company has also entered into factoring business without accepting public deposits pursuant to obtaining certificate of registration dated January 09, 2024 bearing no. N-13.02475.

Change in Management and Control of our Company

On December 31, 2017, Poshika Advisory Services LLP & Shachindra Nath (collectively referred to as the "**Acquirers**") made a public announcement to acquire control of the management of our Company from the erstwhile Promoters (namely Anand Ramakant Chokhani, Neelam R Chokhani, Ramakant R Chokhani HUF and Ramakant R Chokhani) to the Acquirers in accordance with Regulation 3(1) and 4 of the SEBI Takeover Regulations subject to prior RBI Approval as per RBI Circular no. RBI/2015-16/122-DNBR(PD) CC. No. 065/03.10.001/2015-16 dated July 09, 2015. Consequently, Mr. Ramakant R Chokhani, Anand R Chokhani, Neelam R Chokhani and Ramakant R Chokhani HUF, the erstwhile Promoters of our Company, were reclassified from the Promoter category to Public category during the FY 2018-19 and Poshika Advisory Services LLP was classified as Promoter of our Company pursuant to the open offer.

Registered Office and changes to Registered Office

Our Registered Office is located at Equinox Business Park, Tower 3, Fourth Floor, Off BKC, LBS Road, Kurla, Mumbai - 400070, Maharashtra, India. Except as set forth, there has not been any change to the Registered Office since incorporation.

Effective Date of Change	Address Changed	
	From	To
June 12, 2007*	9-16-D Fort Mansion British Hotel Lane Off B S MG Fort, Mumbai – 400023	5A-Maker Bhavan No.2, Sir Vithaldas Thakersey Marg, New Marine Lines, Churchgate, Mumbai – 400020
August 13, 2018	5A-Maker Bhavan No.2, Sir Vithaldas Thakersey Marg, New Marine Lines, Churchgate, Mumbai – 400020	Equinox Business Park, Tower 3, Fourth Floor, Off BKC, LBS Road, Kurla Mumbai - 400070, Maharashtra, India

** Records w.r.t. information related to change in registered office prior to this date is not available. Also, see "Risk Factors - We do not have access to records and data pertaining to certain historical legal and secretarial information" on page 19."*

Corporate Office

Equinox Business Park, Tower 3, Fourth Floor, Off BKC, LBS Road, Kurla, Mumbai – 400070, Maharashtra, India.

Main objects of our Company

The main object of our Company as contained in our Memorandum of Association is as follows:

1. *"To invest the capital and other moneys of the Company in the purchase or upon the security of shares, stocks, debenture, debenture stock, bonds, mortgages, obligations and securities of any kind, carrying on business in shares, stocks, debentures, debenture stocks, bonds, mortgages, obligations and other securities, commissioners, Trust, Municipal or local Authority and to carry on the business of underwriters film financing, hire purchase financing, and to carry on business of financing industrial enterprises, trade and business financing.*

2. *To carry on the business of providing Fund/Non-fund-based activities, Venture Capital, Stock Broking, Factoring, Arbitrage, Badla Finance, Portfolio Management services, Mutual Fund, Debt Market Operations, Forex Management services, Merchant Banking Activities, Insurance, Reinsurance, Future and Options, Derivatives, Depository Participants, etc.*

3. *To manufacture, assemble, purchase, sell, export, import, alter, repair, transfer, lease, hire, licence, use, dispose of, operate, fabricate, construct, distribute, design, charter, acquire, market, recondition, work upon or advice otherwise deal in, whether as manufacturers, dealers, developers, distributors, agents of other manufacturers or otherwise all kinds of products and services pertaining to computer software and hardware industry, software, system development, application software for microprocessor based information system, web portals, web enabling, web super markets, kiosks for "e" commerce, web migration, web based training / education, Learning systems, Knowledge management, retail broking, e-tail broking, Internet broking, net dynamics, client server development, platform development, Information Technology, Software development, e-commerce conversion of data, internet, web site, e-commerce, e-business, e-tailing, e-trade, advertisements, sponsorships, gamesites, application system, computer peripherals and accessories, information technology, Mapping, Educational publications, computer aided design / computer aided manufacturing, workstations, scanners, scanner plotters, servers, digitzers, software procedures, and undertake turnkey projects, for developing computer software or hardware system, telephony, migration and reengineering, data warehousing, enterprise resource planning, product, development, and management and to provide all other allied services in India and abroad.*

4. *To lend and advance money and assets of all kinds or give credit on any terms or mode and with or without security to any individual, firm, body corporate or any other entity (including without prejudice to the generality of the foregoing any holding company, subsidiary or fellow subsidiary of, or any other company whether or not associated in any way with, the company), to enter into guarantees, contracts of indemnity and surety ship of all kinds, to receive money on deposits or loan upon any terms, and to secure or guarantee in any manner and upon any terms the payment of any sum of money or the performance of any obligation by any person, firm or company (including without prejudice to the generality of the foregoing any holding company, subsidiary or fellow subsidiary of, or any other company associated in any way with, the Company)."*

Key events, milestones and achievements

The table below sets forth the key events, milestones and achievements in the history of our Company:

Financial Year	Particulars
1992-93	Incorporation of our Company.
1994 - 95	Our Company made an initial public issue of Equity Shares.

2017 - 18	(a) Change in Management Control of our Company was announced; and (b) Demerger of the Lending Business of Asia Pragati Capfin Private Limited into our Company, w.e.f. the Appointed Date being April 01, 2018.
2018 - 19	Raised capital from Institutional / PE Investors and HNI.
2021-22	Raised ₹ 5,000 lakh through Public Issue of Non-Convertible Debentures
2022-23	Raised ₹ 17,221.55 lakh through Public Issue of Non-Convertible Debentures
2023-24	Issued 66,11,325 Equity Shares of face value ₹ 10 per equity share aggregating to ₹ 10,049.21 lakh by way of qualified institutional placement Issued 1,52,38,095 Equity Shares of face value ₹ 10 per equity share aggregating to ₹ 24,000 lakh by way of preferential allotment Received Certificate of Registration dated January 09, 2024 bearing no. N-13.02475 from the RBI to commence/ carry on the business of factoring without accepting public deposits. Raised ₹ 20,000 lakh through Public Issue of Non-Convertible Debentures
2024-25	Issued 97,70,757 compulsory convertible debentures of face value ₹ 10 per CCD aggregating to ₹ 25,795 lakh and 3,81,32,474 convertible warrants of face value ₹ 10 per share warrant aggregating to ₹ 1,00,670 lakh by way of preferential issuance. Raised ₹ 20,000 lakh through Public Issue of Non-Convertible Debentures Secured patent credit scoring model, GRO Score 3.0 officially titled ''*Method and System for Modelling Credit ScoreCard*''. This patent recognizes the uniqueness and effectiveness of the model in addressing the challenges faced by MSMEs and highlights our commitment to advancing credit evaluation standards in the industry.

Material Agreements

Other than the below-mentioned agreements, our Company has not entered into any other material agreements and material contracts which are not in the ordinary course of business, in the last two years:

Investment Agreement dated April 11, 2023 executed between Danish Sustainable Development Goals Investment Fund K/S ("Investor"), our Company, Poshika Advisory Services LLP, Sachindra Nath and Poshika Financial Ecosystem Private Limited ("Investment Agreement")

Pursuant to the terms of Investment Agreement, the Investor is entitled to certain rights including pre-emptive right in case of any issuance of securities by the Issuer by way of preferential allotment provided that its shareholding does not fall below 5% of the share capital of the Issuer. The Investor is also entitled to appoint and nominate one non-executive director on the board of the Company provided that its shareholding in the Company does not fall below 10% of the share capital of the Issuer. The Investor further has a right to nominate one representative to attend all meetings of the board in a non-voting capacity provided that the its shareholding of the Investor does not fall below 5% of the shareholding of the Issue on fully diluted basis. Additionally, Poshika Advisory Services LLP is not allowed to transfer any shares or securities of the Issuer for a period of two years from the execution of the Investment Agreement.

Holding Company

As on the date of this Prospectus, our Company does not have any holding company.

Our subsidiaries, joint ventures and associate companies

As on the date of this Prospectus, our Company does not have any subsidiaries, joint ventures or associate companies.

Acquisition or Amalgamation in the preceding one year

Our Company has not made any acquisition or amalgamation in the preceding one year prior, preceding the date of this Prospectus.

Reorganization or Reconstruction undertaken by our Company in the preceding one year

There have been no reorganization or reconstruction undertaken by our Company in the preceding one year, preceding the date of this Prospectus.

Related Party Transactions based on Audited Financial Statements

For details in relation to the related party transaction entered by our Company during the last three financial years and current financial year, as per the requirements specified under the Companies Act, refer to "*Related Party Transactions"* on page 215.

OUR MANAGEMENT

Board of Directors

The general supervision, direction and management of our Company, its operations, affairs and business are vested in the Board, which exercises its power subject to the Memorandum and Articles of Association of our Company and the requirements of the applicable laws.

The Articles of Association of our Company provide that the number of directors shall not be more than fifteen (15).

The composition of the Board is in conformity with Section 149 of the Companies Act, 2013 and is governed by the Articles of Association of our Company, the relevant directions issued by the RBI, and the SEBI LODR Regulations.

As on the date of this Prospectus, we have ten (10) Directors on our Board of Directors. We have 6 (six) independent directors including one of them being Non- Executive Chairman, and 3 (three) Nominee directors and 1 (one) Managing Director. There is 1 (one) woman director on the Board.

The following table sets forth details regarding the Board as on the date of this Prospectus.

Details relating to Directors

Name, Designation and DIN	Age	Address	Date of Appointment / Re-appointment	Details of other Directorships
Satyananda Mishra ***Designation*:** Non-Executive Chairman (Independent Director) **DIN:** 01807198	76	D-138, Second Floor, Defence Colony, New Delhi - 110 024	July 05, 2023[(1)]	**Indian Companies:** • Invesco Trustee Private Limited; • Paradeep Phosphates Ltd; and • India International Depository IFSC Limited; • National Foundation for India; **Foreign Companies:** NIL
Shachindra Nath ***Designation*:** Vice Chairman & Managing Director **DIN:** 00510618	53	GV-65, the Palm Springs, Golf Course Road, Sector 54, Sikanderpur Ghosi, Gurgaon 122 002	June 22, 2023[(2)]	**Indian Companies:** 1. Livfin India Private Ltd; 2. Poshika Financial Ecosystem Private Limited; 3. Poshika Advisory Services LLP; 4. Finance Industry Development Council 5. PSL Association of India; and

Name, Designation and DIN	Age	Address	Date of Appointment / Re-appointment	Details of other Directorships
				6. The Associated Chambers of Commerce and Industry of India **Foreign Companies:** NIL
Karuppasamy Singam ***Designation*:** Independent Director **DIN:** 03632212	71	A-1301, Monarch Ashar Residency, Thane – 400 610, Maharashtra, India	July 05, 2023[(3)]	**Indian Companies:** NIL **Foreign Companies:** NIL
Sekar Karnam ***Designation*:** Independent Director **DIN:** 07400094	64	House no. 72, Hi Rise KVR Paradise Bachupally Mallampet, Medchalmalkajgiri, Telangana - 500 090	February 08, 2022	**Indian Companies:** 1. INCRED Financial Services Limited; 2. INCRED Holdings Limited; 3. Lauras Labs Limited 4. Lauras Bio Private Limited **Foreign Companies:** NIL
Hemant Bhargava ***Designation*:** Independent Director **DIN:** 01922717	65	C -1709, Satyen Nivaasa, Mangalam Radiance, Near Fern Hotel, Jaipur- 302 018	February 08, 2022	**Indian Companies:** 1. SMC Global Securities Limited; 2. ITC Limited. 3. Wealth Company Asset Management Holdings Pvt. Ltd. **Foreign Companies:** • Providence Life Limited PCC, Mauritius
Rajeev Krishnamuralilal Agarwal ***Designation*:** Independent Director **DIN:** 07984221	66	30, Punam, Hyderabad Estate, Nepeansea Road, PDP Park, Malabar Hill, Mumbai – 400 006	July 05, 2023[(4)]	**Indian Companies:** • ACC Limited; • Star Health and Allied Insurance Company Limited; • Trust Asset Management Private Limited; • MK Ventures Capital Limited;

Name, Designation and DIN	Age	Address	Date of Appointment / Re-appointment	Details of other Directorships
				• One 97 Communications Limited; and • Paytm Money Limited. **Foreign Companies:** NIL
Chetan Kulbhushan Gupta ***Designation*:** Non-Executive (Nominee) Director **DIN:** 07704601	44	Flat - Gt.3-2404, Emirates Hill, Po Box 126 229, Dubai	November 02, 2018[(5)]	**Indian Companies:** • Imperativ Hospitality Private Limited; • SC Fulfil Services India Private Limited **Foreign Companies:** • Samena Capital • Samena Capital Investments Limited • Samena Capital Mauritius Management • Aay Kay Global • Samena Keys Limited • Samena Ceylon Holdings Limited • Samena Fidem Holdings • Samena Special Situations Mauritius III) • Samena Special Situations Mauritius • Samena Keys General Partner Limited • Samena Breeze General Partner Limited • Samena General Partner II Limited • Samena General Partner III Limited • Samena Rail General Partner Limited • Samena SPV4

Name, Designation and DIN	Age	Address	Date of Appointment / Re-appointment	Details of other Directorships
				• Samena Phoenix Holdings Co • Samena Connect Holding Co • RAK Logistics Holdings Pte Ltd • RAK Logistics Holdings • Universal Shipping (China HK) Ltd • A-Link Freight Inc • RAK Logistics LLC (UAE) • SoftLogic Holdings PLC • Samena Ceylon Holdings • Samena Beats Holdings • Samena Healthcare Holdings • Samena Mandalay Holdings • Samena School Holdings • Memories (2022) PTE. LIMITED • Samena Grow General Partner Limited • Samena Green Ltd
Tabassum Abdulla Inamdar ***Designation*:** Independent Director **DIN:** 07637013	58	703, Tower B, Imperial Heights, Motilal Nagar – 1, BEST Nagar, Opp. Fire Station, Goregaon West, Mumbai – 400 104	August 01, 2023[(6)]	**Indian Companies:** • INDIFI Capital Private Limited; • Franklin Templeton Asset Management (India) Private Limited; • INDIFI Technologies Private Limited. **Foreign Companies:** NIL

Name, Designation and DIN	Age	Address	Date of Appointment / Re-appointment	Details of other Directorships
Rohit Goyal ***Designation*:** Non-Executive Nominee Director **DIN:** 05285518	41	House N. 739, Sector -6, Huda, Sector-6 Police Station, Panipat, Haryana – 132 103	April 25, 2024 [(7)]	**Indian Companies:** • DCDC Health Services Private Limited; and • Melting Pot Crafts Private Limited
Suresh Eshwara Prabhala **Designation:** Non-Executive Nominee Director **DIN: 02130163**	50	0A, Boat Club Road, R A Puram, Chennai, Tamil Nadu, India-600028	October 01, 2024[(8)]	**Indian Companies:** • Tarsons Products Limited • Micro Plastics Private Limited • Wondrlab India Private Limited **Foreign Companies:** • Q Collection Pte Ltd ADV Opportunities Fund I GP Limited • ADV Partners Capital Management Ltd • ADV Partners Holdings Ltd • ADV Opportunities Fund II GP Limited • ADV Partners Limited • ADV SLP II Limited

(1) Satyananda Mishra was originally appointed as a director on July 05, 2018.

(2) Shachindra Nath was originally appointed as a director on June 22, 2018.

(3) Karuppasamy Singam was originally appointed as a director on July 05, 2018.

(4) Rajeev Krishnamuralilal Agarwal was originally appointed as a director on July 05, 2018.

(5) Chetan Kulbhushan Gupta is a nominee director from Samena Fidem Holdings

(6) Tabassum Abdulla Inamdar is a Non-Executive & Independent Director of the Company on August 01, 2023

(7) Rohit Goyal is a nominee director from Danish Sustainable Development Goals Investment Fund K/S (IFU).

(8) Suresh Eshwara Prabhala is a Director from Clearsky Investment Holding Pte. Ltd.

Profile of Directors

1. **Satyananda Mishra,** aged 76 years, is the Non-Executive Chairman (Independent Director) of our Company. He holds a degree of M.A. in English literature from Utkal University. He has completed a course in leaders in development, Managing Political and Economic Change from Harvard University, John F. Kennedy, School of Government. He is the former Chief Information Commissioner of India. In 2013, UGC nominated him as a UGC nominee on the Board of Governors of Reva University. He has also served as a nominee director in M/s 63 Moons Technologies Limited and has served the Board of National Foundation for India as a trustee. His last posting in the Central Government was in the department of Personnel Training as the Secretary to the Government of India. He served as the Director of Small Industries Development Bank of India until 2016.

2. **Shachindra Nath,** aged 53 years, is the Vice Chairman & Managing Director of our Company. He holds a degree in bachelor of law from Banaras Hindu University and is a university rank holder. He also holds a degree of bachelor of commerce (honours) from Banaras Hindu University.

3. **Karuppasamy Singam,** aged 71 years, is the Independent Director of our Company. He is a M. A. in Economics, a Certified Associate of Indian Institute of Bankers (CAIIB); Honorary Fellow of Indian Institute of Banking & Finance and holds a Post Graduate Diploma in Bank Management (PGDBM) from National Institute of Bank Management (NIBM), Pune. He has served as the executive Director of Reserve Bank of India and as the RBI Nominee Director at Indian Bank.

4. **Sekar Karnam,** aged 64 years, is the Independent Director of our Company. He holds a degree B.Sc (Ag), CAIIB, Diploma in Management. He also holds dual Financial Services Diploma in Treasury & International Banking and Credit, from the Institute of Bankers in South Africa.

5. **Hemant Bhargava,** aged 65 years, is the Independent Director of our Company. He holds a degree in Masters of Arts (Economics). He was appointed as Managing Director of Life Insurance Corporation of India on January 11, 2019.

6. **Rajeev Krishnamuralilal Agarwal,** aged 66 years, is the Independent Director of our Company. He is an alumnus of the Indian Institute of Technology, Roorkee with a Bachelors in Technology.

7. **Chetan Kulbhushan Gupta,** aged 44 years, is the Nominee Director of our Company. He is the Senior Executive Officer (SEO) of Samena Capital Investments Limited in Dubai. He is also a designated member of the Board of Directors at RAK Logistics Holdings PTE (Singapore), Imperative Hospitality Private Limited (India), Softlogic Retail Holdings Limited (Sri Lanka) and various investment entities within the Samena Special Situation Funds. He holds a Masters in Management (Finance) from the University of Mumbai.

8. **Tabassum Abdulla Inamdar,** aged 58 years is the Independent Director of our Company. She is a Chartered Accountant. She has also held key positions in various organizations, notably, as the Managing Director and Co-head of the India Research team at Goldman Sachs (India) Securities Private Ltd, and other influential roles at UBS Securities and Kotak Securities etc. Her expertise includes serving on multiple boards as an Independent Director, including those of Equitas Small Finance Bank and Zipsure, along with current appointments at Franklin Templeton AMC India, Indifi Technologies Pvt. Ltd., and its 100% subsidiary, Indifi Capital Pvt. Ltd.

9. **Rohit Goyal**, aged 41 years, is the Nominee Director of the Company. He is currently working as a Vice President within the global financial services team at IFU, a Danish DFI, working to invest in financial services institutions across emerging markets. He has a cumulative experience of 20 years, of which 15 years has been within the financial services sector. He has a B-Tech in mechanical engineering from IIT Delhi and is also a CFA charter holder.

10. **Suresh Eshwara Prabhala** aged 50 years is the Non-Executive (Nominee) Director of our Company. He co-founded ADV in 2013 and serves as its Managing Partner responsible for SouthAsia investments. He has over 25 years of experience with almost 20 of them in private investing, primarily in India. Prior to co-founding ADV, he was Managing Director and Head of India for Mount Kellett Capital and was a member of Global Investment Committee. Previously, Mr. Prabhala was an Executive Director and Head of India for J.P. Morgan's Principal Investments Group, where he was also part of the Asia Management Committee. He began his career as a credit analyst at CRISIL (S&P's India affiliate) and had stints at Arthur Andersen and Allegro Capital. Mr. Prabhala holds an MBA from the Indian Institute of Management in Calcutta and a Bachelors in Mechanical Engineering from Delhi University.

Relationship between our Directors

None of our Directors are related to each other.

Renumeration and terms of employment of our Directors

Vice-Chairman and Managing Director

The details of remuneration and terms of appointment of Shachindra Nath, was approved by the member of the Company through postal ballot on May 11, 2023 details of which are as under:

Terms of Employment: He is appointed for a term of 3 (three) years with effect from 22nd June, 2023, and any re-appointment shall be subject to the approval of the Board and shareholders of the Company in accordance with the Act with a basic salary of ₹ 1,40,00,000/- per annum (i.e., ₹ 11,66,667 per month) and other allowances including house rent allowance and special allowance. Apart from the above, he will also be entitled to retiral benefits like provident fund and gratuity, insurance benefits for self and family and such other payments in the nature of perquisites as per the Company's policy in force from time to time or as may otherwise be decided by the Board.

The following table set forth the remuneration including the sitting fees and commission paid, as applicable by our Company to the Vice Chairman and Managing Director of our Company for the period ending on December 31, 2024, Fiscal 2024, Fiscal 2023 and Fiscal 2022:

(₹ in lakh)

S. No.	Name of the Director	For the period ending on December 31, 2024	Fiscal 2024	Fiscal 2023	Fiscal 2022
1.	Shachindra Nath	532.57*	585.63*	466.44*	295.60

**Remuneration includes performance bonus.*

Remuneration of our non-executive Directors

The non-executive Directors, other than Independent Directors, are not entitled to receive sitting fees.

The Independent Directors are paid remuneration in the form of sitting fees within the limits prescribed under the Companies Act and as decided by the Board of Directors.

The following table sets forth the remuneration including the sitting fees and commission paid by our Company to our Independent Directors, for the period ending on December 31, 2024, Fiscal 2024, Fiscal 2023 and Fiscal 2022:

(₹ in lakh)

S. No.	Name of the Director	For the period ending on December 31, 2024	Fiscal 2024	Fiscal 2023	Fiscal 2022
1.	Satyananda Mishra	18.00	29.00	30.00	25.00
2.	Karuppasamy Singam	20.00	29.00	26.00	21.00
3.	Sekar Karnam [(1)]	16.00	21.00	29.00	N.A.
4.	Hemant Bhargava [(1)]	13.00	21.00	17.00	N.A.
5.	Rajeev Krishnamuralilal Agarwal	17.00	32.00	23.00	17.00

S. No.	Name of the Director	For the period ending on December 31, 2024	Fiscal 2024	Fiscal 2023	Fiscal 2022
6.	Tabassum Abdulla Inamdar [(2)]	12.00	10.00	N.A.	N.A.
7.	Abhijeet Sen [(4)]	N.A.	6.00	39.00	40.00
8.	Smita Aggarwal [(1) (5)]	N.A.	5.00	25.00	N.A.
9.	Ranjana Agarwal [(3)]	N.A.	N.A.	N.A.	22.00
10.	Navin Puri [(3)]	N.A.	N.A.	N.A.	24.00
11.	Navin Kumar Maini [(3)]	N.A.	N.A.	N.A.	22.00

(1) Karnam Sekar and Hemant Bhargava were appointed as Independent Directors w.e.f. February 08, 2022 Smita Aggrawal was appointed as Independent Director w.e.f. March 31, 2022.
(2) Tabassum Abdulla Inamdar was appointed as an Independent Director of the company on August 01, 2023.
(3) Navin Puri, Navin Kumar Maini and Ranjana Agarwal ceased to be Independent Director w.e.f. February 08, 2022.
(4) Abhijeet Sen ceased to be Independent Director w.e.f. July 04, 2023.
(5) Smita Aggarwal ceased to be Independent Director w.e.f. July 04, 2023.

Other confirmations

As on the date of this Prospectus, Our Company does not have any subsidiary or associate company.

There is no contribution being made or intended to be made by the Directors as part of the Issue or separately in furtherance of the Objects of the Issue.

No Director of our Company is a director or is otherwise associated in any manner with, any company that appears in the list of the vanishing companies as maintained by the Ministry of Corporate Affairs, wilful defaulter list as categorized by the RBI or Export Credit Guarantee Corporation of India Limited or any other regulatory or governmental authority.

We also confirm that none of our Directors is restrained or prohibited or debarred from accessing the securities market or dealing in securities by SEBI. Further, none of our Directors is a promoter or director of another company which is debarred from accessing the securities market or dealing in securities by SEBI. No Director in our Company is, or was, a director of any listed company, which has been or was compulsorily delisted from any recognised stock exchange within a period of ten years preceding the date of this Prospectus, in accordance with Chapter V of the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021.

None of our Directors have committed any violation of securities laws in the past and no proceedings in such regard by SEBI or, RBI are pending against any of our Directors.

None of our Directors are in default of payment of interest or repayment of principal amount in respect of debt securities issued to the public, for a period of more than six-months.

We also confirm that none of our Directors is restrained or prohibited or debarred from accessing the securities market or dealing in securities by SEBI. Further, none of our Directors is a promoter or director of another company which is debarred from accessing the securities market or dealing in securities by SEBI.

No Director of our Company is a fugitive economic offender, as defined in the SEBI NCS Regulations.

We confirm that the Permanent Account Number of the Directors of the Company has been submitted to the Stock Exchanges at the time of filing the Prospectus.

Except for Shachindra Nath, who is the Ultimate Beneficial Owner of our Promoter, no other Director has any interest in the promotion of our Company. For details of the Promoter of the Company, please refer to "*Our Promoter*" on page 175.

Borrowing powers of our Board of Directors

Pursuant to a resolution passed by our Board dated May 02, 2024 , and Shareholders at the AGM held on August 08, 2024, in accordance with provisions of 180(1)(c) of the Companies Act, 2013 and other applicable provisions and rules made thereunder, our Board has been authorised to borrow any sum or sums of monies, which together with the monies already borrowed (apart from temporary loans obtained or to be obtained in the ordinary course of business), in excess of our Company's aggregate paid-up capital and free reserves, provided that the total amount which may be so borrowed and outstanding shall not exceed a sum of ₹ 10,00,000 Lakh (Indian Rupees Ten Lakh Lakh only).

The aggregate value of the NCDs offered under this Prospectus, together with the existing borrowings of the Company, is within the approved borrowing limits as abovementioned**.**

Interest of our Directors

Our Managing Director may be deemed to be interested to the extent of remuneration paid by our Company as well as to the extent of reimbursement of expenses payable to him. Our Independent Directors may be deemed to be interested to the extent of sitting fees, if any, payable to them for attending meetings of the Board or a committee thereof as well as to the extent of other reimbursement of expenses and/or to the extent of their shareholding including dividend, if any and profit linked incentives payable to them.

Except as stated in the chapter *"Related Party Transactions"* under the section *"Financial Information"* on page 179 and to the extent of compensation and commission if any, and their shareholding in the Company, the Directors do not have any other interest in the business of the Company.

Except as provided in the chapter *"Related Party Transactions"* under the section *"Financial Information"* on page 179, we have not entered into any contract, agreements, arrangements during the preceding two years from the date of this Prospectus in which our Directors are interested directly or indirectly and no payments have been made to them or are proposed to be made to them in respect of these contracts, agreements or arrangements.

There are no outstanding transactions other than in the ordinary course of business undertaken by our Company, in which the Directors are interested. As on the date of this Prospectus, none of our Directors have availed any loan from our Company. Further, our Company has not availed any loans from the Directors which are currently outstanding.

No contribution has been made by the directors as part of the Issue or separately in furtherance of the Objects of the Issue.

Except for Shachindra Nath, Vice Chaiman and Managing Director, Karnam Sekar, Independent Director and Tabassum Abdulla Inamdar, Independent Director of our Company, none of our Directors have an interest in any venture that is involved in any activities similar to those conducted by our Company.

Except as stated in this section, *"Interest of our Directors"* none of our Directors are interested in their capacity as a member of any firm or company and no sums have been paid or are proposed to be paid to any Director or to such firm of company in which he is interested, by any person, in cash or shares or otherwise, either to induce them or to help them qualify as a director or for services rendered by him or by such firm or company, in connection with the promotion or formation of our Company.

Our Directors have no interest in any immovable property acquired in the preceding two years of filing this Prospectus or proposed to be acquired by our Company nor do they have any interest in any transaction regarding the acquisition of land, construction of buildings and supply of machinery, etc. with respect to our Company. No benefit/interest will accrue to our Promoters/Directors out of the proceeds of the Issue.

Except for Shachindra Nath, Vice Chairman and Managing Director of our Company, no other Director has any interest in the promotion of our Company.

Shareholding of our Directors

Except as disclosed in the Chapter "*Capital Structure*" on page 61 none of the Directors hold Equity Shares of our Company as on the date of this Prospectus.

Further, Our Company does not have any subsidiary or associate company as defined under Companies Act, 2013, as of the date of this Prospectus.

Debentures/Subordinated Debt holding of our Directors

As on the date of this Prospectus, none of our Directors hold debentures or subordinated debt issued by our Company.

Changes in Directors of our Company during the preceding three financial years and as on date of this Prospectus

The changes in Board of Directors of our Company in the preceding three financial years and as on date of this Prospectus are as follows:

Name, Designation and DIN	Date of Appointment / reappointment	Date of Cessation, if applicable	Date of Resignation, if applicable	Remarks
Nisheeth Saran ***Designation*:** Alternate Director to Kanak Kamal Kapur **DIN:** 03037307	May 20, 2020	-	November 02, 2021	Resignation
Kanak Kamal Kapur ***Designation*:** Non-Executive Director **DIN:** 03299278	August 07, 2019	-	November 02, 2021	Resignation
Navin Puri ***Designation*:** Independent Director **DIN:** 08493643	August 07, 2019	-	February 08, 2022	Resignation
Ranjana Agarwal ***Designation*:** Independent Director **DIN:** 03340032	July 05, 2018	-	February 08, 2022	Resignation
Navin Kumar Maini ***Designation*:** Independent Director **DIN:** 00419921	July 05, 2018	-	February 08, 2022	Resignation
Sekar Karnam ***Designation*:** Independent Director **DIN:** 07400094	February 08, 2022	-	-	Appointment
Hemant Bhargava ***Designation*:** Independent Director	February 08, 2022	-	-	Appointment

Name, Designation and DIN	Date of Appointment / reappointment	Date of Cessation, if applicable	Date of Resignation, if applicable	Remarks
DIN: 01922717				
Smita Aggrawal ***Designation*:** Independent Director **DIN:** 01478327	March 31, 2022	-		Appointment
Abhijit Sen ***Designation*:** Independent Director **DIN:** 00002593	July 05, 2018	July 04, 2023	-	Completion of Term as an Independent Director
Deepa Agar Hingorani ***Designation*:** Nominee Director **DIN:** 00206310	May 18, 2023	-	-	Appointment
Smita Aggrawal ***Designation*:** Independent Director **DIN:** 01478327	March 31, 2022	-	July 04, 2023	Resignation
Tabassum Abdulla Inamdar ***Designation*:** Independent Director **DIN:** 07637013	August 01, 2023	-	-	Appointment
Deepa Agar Hingorani ***Designation*:** Nominee Director **DIN:** 00206310	May 18, 2023	-	April 25, 2024	Resignation
Rohit Goyal ***Designation: Non-Executive (Nominee) Director*** **DIN:** 05285518	April 25, 2024	-	-	Appointment
Manoj Kumar Sehrawat ***Designation: Non-Executive (Nominee) Director*** DIN: 02224299	July 05, 2018	-	September 30, 2024	Resignation
Suresh Eshwara Prabhala ***Designation: Non-Executive (Nominee) Director*** DIN: 02130163	October 01, 2024	-	-	Appointment

Note: This does not include changes such as regularisations or change in designations.

Appointment of any relatives of Directors to an Office or place of profit of Company, subsidiaries or associates companies during the preceding three financial years and as on date of this Prospectus

None of our Directors' relatives have been appointed to an office or place of profit of our Company.

Key Managerial Personnel of our Company

In addition to Shachindra Nath, Vice Chairman & Managing Director, our Company's Key Management Personnel are as follows:

(a) **Kishore Kumar Lodha** (*Chief Financial Officer*)

Kishore Kumar Lodha, is the Chief Financial Officer of our Company and a Chartered Accountant by qualification.

(b) **Satish Chelladurai Kumar** (*Company Secretary*)

Satish Chelladurai Kumar, is the Company Secretary and Compliance Officer of our Company.

Satish Chelladurai Kumar is a member of the Institute of Company Secretaries of India.

He is a seasoned financial services professional with over 10 years of experience in the financial services sector, specializing in NBFC compliance, corporate secretarial affairs. Prior to this, he was associated with Western Capital Advisors Private Limited as Company Secretary. His professional journey includes tenures at InCred and StarAgri Finance.

Senior Managerial Personnel of our Company

The Senior Managerial Personnel are permanent employees of our Company. Apart from the Chief Financial Officer and Company Secretary and Compliance Officer, the details of our Senior Managerial Personnel, as on the date of this Prospectus, are set out below:

Name of SMPs	Designation
Amit Mande	Chief Revenue Officer
Anuj Pandey	Chief Risk Officer
Sunil Lotke	Chief Legal & Compliance Officer
Sharad Agarwal	Chief Operations and Technology Officer
Rajni Khurana	Chief People Officer
Irem Sayeed	Chief Credit Officer
Kavita Shedge	Head- Internal Audit

Relationship with other Key Managerial Personnel and Senior Management Personnel

None of our Key Managerial Personnel and/or Senior Management Personnel are related to each other.

Interests of Key Managerial Personnel and Senior Management Personnels

Except to the extent of their remuneration or extent of their shareholding including convertible warrants along with vested, granted ESOS options or/and benefits to which they are entitled to as per their terms of appointment and reimbursement of expenses incurred by them during the ordinary course of business, the Key Managerial Personnel and Senior Management Personnel of the Company do not have any interest in the Company.

Our Directors, Promoter, Key Managerial Personnel or Senior Management have no financial or other material interest in the Issue.

Payment or Benefit to Officers of our Company

No benefit/interest will accrue to our Senior Management Personnel out of the objects of the Issue.

Shareholding of our Company's Key Managerial Personnel and Senior Management Personnel

Except as disclosed below, none of the Key Managerial Personnel and Senior Managerial Personnel hold any Equity Shares in our Company as on the date of this Prospectus:

S. No.	Name of Key Managerial Personnel and Senior Management Personnel and their Designation	No. of Equity Shares of face value ₹10 each	No. of Equity Shares underlying outstanding convertible securities	% of total Equity Shares of our Company*
1.	Shachindra Nath **Designation**: Vice Chairman and Managing Director	46,300	2,27,272	0.19%
2.	Kishore Kumar Lodha **Designation:** Chief Financial Officer	30,000	15,151	0.03%
3.	Sunil Lotke **Designation:** Chief Legal and Compliance Officer	30,005	-	0.02%
4.	Amit Mande **Designation:** Chief Revenue Officer	-	15,151	0.01%
5.	Anuj Pandey **Designation:** Chief Risk Officer	1,06,186	15,151	0.09%
6.	Rajni Khurana **Designation:** Chief People Officer	-	15,151	0.01%
7.	Sharad Agarwal **Designation:** Chief Operations and Technology Officer	1,500	30,303	0.02%
8.	Satish Chelladurai Kumar **Designation:** Company Secretary	1	-	0.00%
9.	Irem Sayeed Designation: Chief Credit Officer	12306	-	0.01%
10.	Kavita Shedge Designation: Head-Internal Audit	-	-	-

** Assuming full conversion of convertible securities*

Note: As on December 31, 2024, the Company has 9,31,83,594 full paid-up Equity Shares and 4,76,75,960 Equity Shares underlying outstanding convertible securities.

Related Party Transactions

For details in relation to the related party transactions entered by our Company during the preceding three financial years and current financial year with regard to loans made or guarantees given or securities provided, as per the requirements specified under the Companies Act, refer to the Financial Year 2024, 2023 and 2022 under *"Financial Information"* beginning on page 179 and for December 31, 2024, please see, chapter *"Related Party Transactions"* on page 215.

Corporate Governance

Our Company has in place processes and systems whereby it complies with the requirements to the corporate governance provided in SEBI Listing Regulations and the applicable RBI Guidelines. The corporate governance framework is based on an effective independent Board, separation of the supervisory role of the Board from the executive management team and constitution of the committees of the Board, as required under applicable law. The Board of our Company is constituted in compliance with the Companies Act, 2013 and the SEBI Listing Regulations. The Board functions either as a full Board or through various committees constituted to oversee specific operational areas.

Details of various committees of the Board of Directors

Our Company has constituted the following committees:

1. *Audit Committee*

The members of Audit Committee are:

Name of the Member	Designation in the Committee	Nature of Directorship
Mr. Hemant Bhargava	Chairman	Independent Director
Mr. Rajeev Krishnamuralilal Agarwal	Member	Independent Director
Mr. Karuppasamy Singam	Member	Independent Director
Mr. Rohit Goyal	Member	Non-Executive (Nominee) Director

The Audit Committee was constituted by the Board of Directors at their meeting held on March 10, 2003 and was last reconstituted on January 24, 2025. The scope and function of the Audit Committee is in accordance with Section 177 of the Companies Act, 2013 and the SEBI Listing Regulations.

The terms of reference of the Audit Committee are as follows:

Role of the Audit Committee

i. to ensure that an information system audit of the internal systems and processes of the Company is conducted at least once in 2 (two) years to assess the operational risks faced by the Company;
ii. oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
iii. recommendation for appointment, remuneration and terms of appointment of auditors of
iv. approval of payment to Statutory Auditor and Internal Auditor for any other services rendered by the Statutory Auditor and Internal Auditor, respectively;
v. reviewing, with the Management Team, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
    a) matters required to be included in the director's responsibility statement to be included in the Board's report;
    b) changes, if any, in accounting policies and practices and reasons for the same;
    c) major accounting entries involving estimates based on the exercise of judgment by the Management Team;
    d) significant adjustments made in the financial statements arising out of audit findings;

e) compliance with listing and other legal requirements relating to financial statements;
f) disclosure of any Related Party transactions; and
g) modified opinion(s) in the draft audit report.

vi. reviewing, with the Management Team, the quarterly financial statements before submission to the Board for approval;

vii. reviewing, with the Management Team, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/ prospectus/ notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;

viii. reviewing and monitoring the auditor's independence and performance, and effectiveness of the audit process;

ix. approval or any subsequent modification of transactions of the Company with Related Parties;

x. scrutiny of inter-corporate loans and investments;

xi. valuation of undertakings or assets of the Company, wherever it is necessary;

xii. evaluation of internal financial controls and risk management systems;

xiii. reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;

xiv. reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;

xv. discussion with internal auditors of any significant findings and following up there on;

xvi. reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;

xvii. discussion with the Statutory Auditor before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;

xviii. to look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;

xix. to review the functioning of the whistle blower mechanism;

xx. approval of appointment of CFO after assessing the qualifications, experience and background, etc. of the candidate;

xxi. to review the IT security/ data integrity/ data security policies and processes of the Company;

xxii. carrying out any other function as is mentioned in the terms of reference of the Audit Committee; and

xxiii. the Audit Committee shall mandatorily review the following information:
a) management discussion and analysis of financial condition and results of operations;
b) statement of significant Related Party transactions (as defined by the Audit Committee), submitted by the Management Team;
c) management letters/ letters of internal control weaknesses issued by the Statutory Auditor;
d) internal audit reports relating to internal control weaknesses;
e) the appointment, removal and terms of remuneration of the internal auditor shall be subject to review by the Audit Committee;
f) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s); and
g) annual statement of funds utilized for purposes other than those stated in the offer document/ prospectus/ notice.

xxiv. The Company shall establish a vigil mechanism for Directors and Employees to report genuine concerns. If any of the members of the Audit Committee have a conflict of interest in a given case, they shall recuse themselves and the other members on the Audit Committee shall deal with the matter in hand;

xxv. The vigil mechanism shall provide for adequate safeguards against victimization of persons who

use such mechanism and make provision for direct access to the chairman of the Audit Committee in appropriate or exceptional cases. The details of establishment of such mechanism shall be disclosed by the Company on its website, if any, and in the Board's report.

2. *Nomination and Remuneration Committee*

The members of the Nomination and Remuneration Committee are:

Name of the Member	Designation in the Committee	Nature of Directorship
Mr. Rajeev Krishnamuralilal Agarwal	Chairman	Independent Director
Mr. Satyananda Mishra	Member	Non-Executive Chairman & Independent Director
Mr. Hemant Bhargava	Member	Independent Director
Mr. Karuppasamy Singam	Member	Independent Director
Mr. Karnam Sekar	Member	Independent Director

The Nomination and Remuneration Committee was constituted by the Board of Directors at their meeting held on August 12, 2014 and was last reconstituted on October 22, 2024. The scope and function of the Nomination and Remuneration Committee is in accordance with Section 178 of the Companies Act, 2013 and the SEBI Listing Regulations.

The terms of reference of the Nomination and Remuneration Committee are as follows:

The role of the Nomination and Remuneration Committee shall include the following:

i. formulation and evaluation of the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy relating to, the remuneration of the Directors, Key Managerial Personnel, Senior Employees and other Employees;
ii. formulation of criteria for evaluation of the performance of Independent Directors and the Board;
iii. devising a policy on diversity of the Board;
iv. identifying persons who are qualified to become Directors and who may be appointed to the Management Team in accordance with the criteria laid down by the Nomination and Remuneration Committee, and recommending to the Board their appointment and removal;
v. whether to extend or continue the term of appointment of the Independent Directors, on the basis of the report of performance evaluation of Independent Directors; and
vi. formulating any employee stock option plan or sweat equity plan.

3. *Stakeholders' Relationship Committee*

The members of the Stakeholders' Relationship Committee are:

Name of the Member	Designation in the Committee	Nature of Directorship
Mr. Rajeev Krishnamuralilal Agarwal	Chairman	Independent Director
Mr. Karuppasamy Singam	Member	Independent Director
Mr. Satyananda Mishra	Member	Non-Executive Chairman & Independent Director

The Stakeholders' Relationship Committee was constituted by the Board of Directors at their meeting held on August 12, 2014 and was last reconstituted on June 18, 2021. The scope and function of the Stakeholders' Relationship Committee is in accordance with Section 178 of the Companies Act, 2013 and the SEBI Listing Regulations.

The terms of reference of the Stakeholders' Relationship Committee are as follows:

The Stakeholders Relationship Committee shall consider and resolve the grievances of the security holders of the Company, including complaints related to the transfer of Shares, non-receipt of annual report and non-receipt of declared dividends.

4. *Corporate Social Responsibility Committee*

The members of the Corporate Social Responsibility Committee are:

Name of the Member	Designation in the Committee	Nature of Directorship
Mr. Satyananda Mishra	Chairman	Non-Executive Chairman & Independent Director
Mr. Rajeev Krishnamuralilal Agarwal	Member	Independent Director
Mr. Shachindra Nath	Member	Vice Chairman & Managing Director

The Corporate Social Responsibility Committee was first constituted by a meeting of the Board of Directors held on August 12, 2014 and was reconstituted on March 31, 2022.

The terms of reference of the Corporate Social Responsibility Committee are as follows:

i. Formulating the Corporate Social Responsibility Policy in areas or subject, specified in Schedule VII of the Companies Act, which indicates the activities, projects, timelines and expenditure thereon;
ii. Recommending the Corporate Social Responsibility Policy to the Board;
iii. Recommending the expenditure to be incurred on the activities to be undertaken;
iv. Monitoring the implementation of the Policy;
v. Ensuring that the company in every financial year spends a minimum of two per cent of the average net profits of the company made during the three immediately preceding financial years. (Average net profit will be calculated in accordance with the Section 198 of the Companies Act, 2013 (including amendments as per the Companies (amendment) Act, 2017);
vi. If the company fails to spend such amount as specified in the above point, the Board shall, in its report made under clause (o) of sub-section (3) of section 134 of the Companies Act, 2013 (including amendments as per the Companies (amendment) Act,2017), specify the reasons for not spending the amount;
vii. The committee should ensure that the preference is given to the local areas around which it is operating.
viii. Perform other acts, deeds and things as may be directed by the Board and required to comply with the applicable laws;
ix. Ensure that the Corporate Social Responsibility policy approved by the board has been placed on the company's website, if any. The contents of the policy shall also be disclosed in the annual reports.
x. Ensure that the activities as included in the Corporate Social Responsibility Policy are undertaken by the Company;
xi. Reviewing the Corporate Social Responsibility Policy annually and the relevant framework, processes and practices of the Company and make appropriate recommendations to the Board;
xii. Disclose in the Company's annual report, the composition of the CSR Committee, the CSR policy and projects, the average net profits over the three last years, prescribed CSR spending, details of the CSR spending during the fiscal year, and a statement from CSR Committee that the implementation and monitoring of the CSR policy is in compliance with CSR objectives and policy;
xiii. Reviewing the periodic social responsibility reports as well as the annual report issued by the management on corporate social responsibility issues;
xiv. Encourage, assist, support and counsel management in developing short- and long-term policies and standards to ensure that the principles set out in the Company's Corporate Social Responsibility policies are being adhered to and achieved;
xv. The committee shall also review the results of Corporate Social Responsibility audits conducted and management's actions towards it; and

xvi. Monitor the progress of Corporate Social Responsibility Programs under implementation and update the Board on the same.

5. *Risk Management Committee*

The members of the Risk Management Committee are:

Name of the Member	Designation in the Committee	Nature of Directorship
Mr. Karnam Sekar	Chairman	Independent Director
Mr. Satyananda Mishra	Member	Non-Executive Chairman & Independent Director
Ms. Tabassum Inamdar	Member	Independent Director
Mr. Shachindra Nath	Member	Vice Chairman & Managing Director
Mr. Chetan Kulbhushan Gupta	Member	Nominee Director

The Risk Management Committee was constituted by the Board of Directors at their meeting held on August 12, 2014 and was last reconstituted on January 24, 2025.

The terms of reference of the Risk Management Committee are as follows:

i. The Board shall define the role and responsibility of the Risk Management Committee, which shall include, but not be limited to, reviewing/amending internal policies of the Company and monitoring compliance with such internal policies, and may delegate monitoring and reviewing of the risk management plan to the committee and such other functions as it may deem fit;
ii. The Risk Management Committee shall annually review and approve the risk management framework of the Company. The risk management committee shall periodically review the risk management processes and practices of the Company and ensure that the Company is taking the appropriate measures to achieve prudent balance between risk and reward in both ongoing and new business activities;
iii. The Committee through its directions, will also strive to mitigate various risks which may arise due to non-compliance of laws and regulations. The Committee shall identify and prioritize these risks in conjunction with the Compliance Committee through implementation of the risk management system;
iv. The Committee shall advise the Board on its risk appetite, tolerance and strategy for the company and its business units. It shall also review and discuss with the management, the Company's risk appetite and strategy relating to key risks;
v. The Committee shall be responsible for evaluating and approving all types of recommended risk tolerances including portfolio credit tolerances, and operational risk parameters that includes business continuity; taking into consideration the overall risk appetite;
vi. The Committee shall periodically review leading and lagging metrics on risk management to satisfy itself that the company's goals on risk management are being met;
vii. The Risk Management Committee shall conduct evaluation of risk and materiality of outsourcing. The committee shall also review the outsourcing policy and provide inputs on the same;
viii. The Committee shall recommend the risk and concentration levels for approval by the Board, in alignment with the Board's risk appetite;
ix. The Committee shall be responsible for carrying out a regular review of portfolio composition, quality, delinquencies and non-performing assets (NPAs);
x. Review the enterprise risk management processes;
xi. Review reports on selected risk topics as the committee deems appropriate from time to time, including a periodic analysis of sectoral performance.
xii. The Committee shall ensure that timely corrective actions are carried out whenever limits are breached;

xiii. The Committee shall report the risk management performance and all risk management matters and measures to the Board, and to the Audit Committee for any improvements needed to ensure the effectiveness of the policy implementation;

xiv. The Committee shall be responsible for approval of Credit delegation of authority;

xv. The risk management committee shall also review the risks arising from IT security/ data integrity/ data security of the Company;

xvi. The committee shall review reports on selected risk topics as the committee deems appropriate from time to time;

xvii. The committee shall report its actions and any recommendations to the board and shall conduct and present to the board an annual performance self-evaluation of the committee;

xviii. The committee shall have the authority to delegate any of its responsibilities to subcommittees as the committee may deem appropriate;

xix. The committee shall have authority to obtain advice and assistance from independent professional advisors. The committee shall have sole authority to approve related fees and retention terms; and

xx. The committee shall review the fraud risk framework on an annual basis.

6. *Asset Liability Committee*

The members of the Asset Liability Committee are:

Name of the Member	Designation in the Committee	Nature of Directorship
Mr. Shachindra Nath	Chairman	Vice Chairman & Managing Director
Mr. Satyananda Mishra	Member	Non-Executive Chairman & Independent Director
Mr. Karnam Sekar	Member	Independent Director
Mr. Hemant Bhargava	Member	Independent Director
Mr. Chetan Gupta	Member	Non-Executive (Nominee) Director
Ms. Tabassum Inamdar	Member	Nominee Director

The Asset Liability Committee was constituted by the Board of Directors at their meeting held on August 13, 2018 and was last reconstituted on October 22, 2024.

The terms of reference of the Asset Liability Committee are as follows:

i. The Asset – Liability Committee shall be a decision-making unit responsible for balance sheet planning from a risk-return perspective including the strategic management of interest rate and liquidity risks. The Board shall have to decide on the role of the Asset – Liability Committee, its responsibilities as also the decisions to be taken by it. The business and risk management strategy of the Company shall ensure that the Company operates within the limits/ parameters prescribed by SEBI and the Reserve Bank of India.

ii. Successful implementation of the risk management process shall require strong commitment on the part of the senior management in the Company, to integrate basic operations and strategic decision making with risk management. The Board shall have overall responsibility for management of risks and shall decide the risk management policy of the Company and set limits for liquidity, interest rate and equity price risks.

iii. The Asset – Liability Committee shall be responsible for ensuring adherence to the limits set by the Board as well as for deciding the business strategy of the Company (on the assets and liabilities sides) in line with the Company's budget and decided risk management objectives.

iv. Within 3 (three) months from the approval of the Articles, the Asset – Liability Committee shall formulate a policy for disbursal of loans including clear and identified guidelines and thresholds for granting of loans, disbursal of such loans (single asset, group exposure, guidelines for

acceptance and rejection of proposals), and/or granting of commission to direct sales agents of the Company.

v. The business issues that the Asset – Liability Committee shall consider, *inter alia,* shall include product pricing for both deposits and advances, desired maturity profile and mix of the incremental assets and liabilities, prevailing interest rates offered by other peer NBFCs for similar services/ products, etc.

vi. Any loan disbursed by the Company (i) exceeding 1% (one percent) of the net worth of the Company (or such enhanced threshold as may be approved by the Board in its annual review, with at least two-thirds of the Directors present voting in favour of such enhancement); or (ii) to a Related Party of the Company or any of the Key Managerial Personnel, shall require the unanimous approval of the Asset – Liability Committee and be subject to the approval of the Board.

vii. In addition to monitoring the risk levels of the Company, the Asset – Liability Committee shall review the results of and progress in implementation of the decisions made in the previous meetings of the committee.

viii. The Asset – Liability Committee shall also articulate the current interest rate view of the Company and base its decisions for future business strategy on this view.

ix. In respect of the funding policy, for instance, its responsibility shall be to decide on source and mix of liabilities or sale of assets. Towards this end, it will have to develop a view on future direction of interest rate movements and decide on funding mixes between fixed v/s floating rate funds, wholesale v/s retail deposits, money market v/s capital market funding, domestic v/s foreign currency funding, etc.

7. *Investment and Borrowing Committee*

The members of the Investment and Borrowing Committee are:

Name of the Member	Designation in the Committee	Nature of Directorship
Mr. Shachindra Nath	Chairman	Vice Chairman & Managing Director
Mr. Rajeev Krishnamuralilal Agarwal	Member	Independent Director

The Investment and Borrowing Committee was constituted by the Board of Directors at their meeting held on November 11, 2019 and was last reconstituted on June 16, 2023.

The terms of reference of the Investment and Borrowing Committee are as follows:

i. To approve borrowing of monies (otherwise than by issue of debentures) by way of availing financial facilities from financial institution(s) / bank(s) or other entities in form of term loan(s), guarantee(s), line of credit or in any other forms ("**Facilities**"), within the overall limits approved by the Board / shareholders, including borrowings in foreign currency as regulatorily permissible in connection with our Company's business requirement and taking necessary actions connected therewith;

ii. To appoint security trustee(s) and/or create charge/mortgage in favour of the lenders of the company

iii. To consider opening of bank accounts with various banks, apply and avail corporate internet banking, fax indemnity facility, email indemnity, online account statement viewing facility with respect to account maintained with various banks and to revise signatories for operating various bank accounts of the company as and when necessary;

iv. To review and approve an Assignment/ Securitization transaction or a transaction relating to the transfer of Financial Assets or Cash Flows;

v. To review and approve arrangements and tie-ups with the banks for various banking facilities and/ or cash management services;

vi. To consider and approve availing of bank guarantees from various banks;

vii. To consider availing of corporate credit cards including credit card facility in the name of employees / officials of the company and the terms of such facilities;

viii. To approve investment of surplus funds of the Company, within the limits approved by the Board, in Mutual Funds, Fixed Deposits, Government Securities, securities of any Company/Body Corporate etc. and redemption thereof;

ix. To review and recommend the Investment Policy to the Board;

x. To review and approve the Demand and Call Loan Policy and other related policies relating to Finance and Treasury (except the policies on Asset Liability Management and Rate of Interest) of the Company;

xi. To decide on matters relating to the finalization of the terms and conditions of non-convertible debentures (NCDs) to be issued on private placement basis and allotted from time to time within the aggregate limit as approved by the Board of Directors, decide the opening and closing Date for receiving application and date of allotment /deemed date of allotment, apply with stock exchanges for listing of the NCDs;

xii. To appoint the debenture trustee, legal advisors, depositories, custodians, registrar and transfer agent and other intermediaries, in accordance with the provisions of the applicable Debt Regulations and the related formalities

xiii. To approve, authorize officials to sign and execute Offer Document (s), Offer Letter (s), Information Memorandum(s) as per the prescribed format, if any, including any declaration, confirmation, affirmation, indemnity and undertaking in respect of the NCDs to the potential investors, listing application(s), various agreements including but not limited to Deed of Hypothecation, Debenture Trust Deed, Debenture Trustee Agreement, Listing Agreement, undertakings, deeds, declarations, affidavits, certificates, documents, etc. and all other documents and to do all such acts, deeds and things, and to comply with all formalities as may be required in connection with and incidental to the offering of NCDs on private placement basis including the post issue formalities and with power to settle any question, difficulties or doubts that may arise in regard to the issue or allotment of such NCDs as may be deemed fit.

xiv. To delegate authorities from time to time to the executives/ authorized representatives to implement the decisions of the Committee from time to time.

xv. Any such other role/functions as may be specifically referred to the Committee by the Board of Directors

8. *IT Strategy Committee*

The members of the IT Strategy Committee are:

Name of the Member	Designation in the Committee	Nature of Directorship / Designation
Mr. Karuppasamy Singam	Chairman	Independent Director
Ms. Tabassum Inamdar	Member	Independent Director
Mr. Shachindra Nath	Member	Vice Chairman & Managing Director
Mr. Karnam Sekar	Member	Independent Director
Mr. Rohit Goyal	Member	Non-Executive (Nominee) Director

The IT Strategy Committee was constituted by the Board of Directors at their meeting held on November 02, 2018 and was last reconstituted on May 02, 2024.

The terms of reference of the IT Strategy Committee are as follows:

i. To approve IT strategy and policy documents and ensuring that the management has put an effective strategic planning process in place;

ii. To ascertain that management has implemented processes and practices that ensures the IT delivers

value to the business;

iii. To ensure that IT investments represent a balance of risks and benefits and that budgets are acceptable;

iv. To monitor the method that management uses to determine the IT resources needed to achieve strategic goals and provide high-level direction for sourcing and use of IT resources;

v. To ensure proper balance of IT investments for sustaining NBFC's growth and becoming aware about exposure towards IT risks and controls.

9. *Compliance Committee*

The members of Compliance Committee are:

Name of the Member	Designation in the Committee	Nature of Directorship
Mr. Karuppasamy Singam	Chairman	Independent Director
Mr. Satyananda Mishra	Member	Non-Executive Chairman & Independent Director
Mr. Rajeev Krishnamuralilal Agarwal	Member	Independent Director

The Compliance Committee was constituted by the Board of Directors at their meeting held on August 13, 2018 and was last reconstituted on June 29, 2021.

The terms of reference of the Compliance Committee are as follows:

To review periodically compliance report of all laws applicable to the company and prepared by company as well as steps taken by the Company to rectify instances of non – compliances.

10. *Securities Allotment and Transfer Committee*

The members of Securities Allotment and Transfer Committee are:

Name of the Member	Designation in the Committee	Nature of Directorship
Mr. Rajeev Krishnamuralilal Agarwal	Chairman	Independent Director
Mr. Karuppasamy Singam	Member	Independent Director
Mr. Shachindra Nath	Member	Vice Chairman & Managing Director

The Securities Allotment and Transfer Committee was constituted by the Board of Directors at their meeting held on July 05, 2018 and was last reconstituted on January 25, 2023.

The terms of reference of the Securities Allotment and Transfer Committee are as follows:

i. To issue and allot securities.

ii. To issue duplicate/split/consolidated share certificates.

iii. To approve Transfer and transmission of securities.

iv. To settle any question, difficulty or doubts of the shareholders that may arise in regard to the issue and allotment of shares.

11. *Customer Service Committee*

The members of Customer Service Committee are:

Name of the Member	Designation in the Committee	Nature of Directorship
Mr. Karuppasamy Singam	Chairman	Independent Director

Mr. Shachindra Nath	Member	Vice Chairman & Managing Director

The Customer Service Committee was constituted by the Board of Directors at their meeting held on March 24, 2024.

The terms of reference of the Customer Service Committee are as follows:

i. Appoint Internal Ombudsman (IO)/ Deputy Internal Ombudsman in accordance with the IO Guidelines and determine the structure of emoluments, facilities and benefits accorded to the Internal Ombudsman / Deputy Internal Ombudsman.
ii. Formulate and approve Standard Operating Procedure (SOP) to streamline the process of escalation of Complaints to IO and define process flow in order to provide appropriate resolution of complaints escalated to IO.
iii. Review the periodic reports (including the analysis of complaints) furnished by IO on his / her activities to the Committee and cases in which the decision of the IO has been rejected by the Company.
iv. Monitoring and reviewing the performance and internal service standards of the Company and providing continuous guidance to improve the service levels for customers.
v. Monitoring and reviewing the customer complaints received by the Company or through RBI.
vi. Ensuring the activities of the internal customer service department are in compliance with the fair practice and service standards, applicable laws, and standard operating procedures relating to customer service/grievances.
vii. Monitor and oversee the proceedings of internal Grievance Redressal Committee ("GRC") of the Company comprising of management team and approve its reconstitution, define, amend its scope and terms of reference, and delegate further powers to the internal GRC.
viii. Any other activity as may be required under the relevant provisions of the Master Direction - Reserve Bank of India (Internal Ombudsman for Regulated Entities) Directions, 2023, as amended from time to time.
ix. The Committee shall also carry out such other duties as may be delegated to it by the Board from time to time.

12. *Wilful Defaulter- Review Committee*

The members of Wilful Defaulter- Review Committee are:

Name of the Member	Designation in the Committee	Nature of Directorship
Mr. Shachindra Nath	Chairman	Vice Chairman & Managing Director
Ms. Tabassum Inamdar	Member	Independent Director
Mr. Karnam Sekar	Member	Independent Director

The Wilful Defaulter- Review Committee was constituted by the Board of Directors at their meeting held October 22, 2024

The terms of reference of the Wilful Defaulter- Review Committee are as follows:

i. To consider and deliberate on the proposals received from the Identification Committee formed under the policy on treatment of wilful defaulters of the Company along with written representations.
ii. To conduct personal hearings of the borrower/ guarantor/ promoter/ director/ persons who are in charge and responsible for the management of the affairs of the Company.
iii. To assess the facts or material on record including written representation, if any, and to pass a reasoned order regarding the matters referred to it by the Identification Committee and to ensure that the same is communicated to the wilful defaulter.
iv. To re-evaluate earlier decisions and revoke the status of wilful defaulter, if required.

v. To ensure that the process for classifying an individual or company as a wilful defaulter is carried out fairly and that due process is followed.

vi. To maintain transparency in the process of identifying wilful defaulters.

vii. To maintain a balance among the interests of both borrowers and Company, ensuring that the process is just and equitable

viii. Any other activity as may be required under the relevant provisions of the Master Direction on Treatment of Wilful Defaulters and Large Defaulters, as amended from time to time.

ix. To carry out such other duties as may be delegated to it by the Board from time to time.

OUR PROMOTER

Poshika Advisory Services LLP is the Promoter of our Company. The details of our Promoter are provided below:

Poshika Advisory Services LLP

Our Promoter is Poshika Advisory Services LLP. Our Promoter was incorporated on November 02, 2017 as a Limited Liability Partnership under Limited Liability Partnership Act, 2008 with Limited Liability Partnership Identification Number ("**LLPIN**") – AAL-0334 with Registrar of Companies, Delhi. The Registered Office of our Promoter is situated at 301- A, 3rd Floor, Banni Address One Golf Course Road, Sector-56 Gurgaon, Haryana – 122 011. The Company is engaging in advisory services. Our Company confirms that the Permanent Account Number and Bank Account Number of the Promoter have been submitted to the Stock Exchanges at the time of filing the Prospectus.

Objects of Poshika Advisory Services LLP

The LLP is carrying on the business of:

1. to act as financial management consultants, advisor, investor;
2. provide advice, services, consultancy in various fields;
3. provide general administrative services in relation to promotion, formation, management and sponsorships of various entities;
4. to carry on the business and activities of assistance, collection, preparation, advice and/or maintenance of records, data and other information of the various entities in India or elsewhere, and to support the business in the way deemed fit; and
5. to buy, invest in, acquire, old, trade or dispose of any right, stake or controlling interest in the shares, stocks, debentures, debenture stock, bonds, obligation or securities of companies or partnership firms or body corporates or any other entities whether in India or elsewhere either singly or jointly with any other person(s), body corporate or partnership firm or any other entity, either by way of by original subscription, exchange or otherwise and to subscribe for same either conditionally or otherwise, to guarantee the subscription thereof issued or guaranteed by any government, state, public body, or authority, firm, body corporate or any other entity of persons in India or elsewhere.

List of Designated Partners/Partners of Poshika Advisory Services LLP:

Sr. No.	Name of Designated Partners/Partners	DPIN	Designation	% of Contribution
1	Shachindra Nath	00510618	Designated Partner	2.99%
2	Shruti Nath	07507061	Designated Partner	10.29%
3	Poshika Financial Ecosystem Private Limited	NA	Partner	86.72%

The Promoter has no other ventures.

Promoter Group

Other than our Promoters, following entities/individuals form part of our Promoter Group:

1. Shachindra Nath

Other Confirmations

Our Promoter has confirmed that it has not been identified as wilful defaulter by RBI, any governmental authority, any financial institution or bank and are not Promoter of any such Company which has been identified as a wilful defaulter by the RBI or any other governmental authority or which has been in default of payment of interest or

repayment of principal amount in respect of debt securities issued by it to the public, if any, for a period of more than six months. Further, no members of our Promoter Group have been identified as Wilful Defaulters.

Further, no violation of securities laws has been committed by our Promoter in the past and no regulatory action before SEBI or RBI is currently pending against our Promoter.

Our Promoter and Promoter Group have not been restrained or debarred or prohibited from accessing the capital markets or restrained from buying, selling, or dealing in securities under any order or directions passed for any reasons by the SEBI or any other authority or refused listing of any of the securities issued by any such entity by any stock exchange in India or abroad and are not promoters, directors or person in control of any other company which is prohibited from accessing or operating in capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority.

Our Promoter has not been declared as a fugitive economic offender.

No benefit or interest will accrue to our Promoter out of the objects of the Issue.

Interest of our Promoter in our Company

Except as disclosed in "*Financial Information*" on page 179 of this Prospectus and other than as our shareholder, to the extent of promoter or the companies in which they are promoter holding equity shares and also to the extent of any dividend payable to them on the aforesaid shareholding, our Promoter does not have any other interest in our Company's business.

Our Promoter neither has any interest in any immovable property acquired in the preceding two years of filing this Prospectus with the Stock Exchanges or to be acquired by our Company nor do they have any interest in any transaction regarding the acquisition of land, construction of buildings and supply of machinery, etc. with respect to our Company.

Our Promoter does not intend to subscribe to this Issue.

Our Promoter has no financial or other material interest in the Issue and no benefit / interest will accrue to our Promoter or members of Promoter Group out of the objects of the Issue.

Other than as disclosed under the section "*Related Party Transactions*", on page 215, our Company has not made any payments of any benefits to the Promoter during the last three fiscals preceding the date of this Prospectus.

There are no loans due by the Promoter of our Company. However, Shachindra Nath, member of our Promoter Group, has given personal guarantee with respect to the following loans availed by our Company:

Term Loans (outstanding as on December 31, 2024):

Sr. No.	Lender Name	Date of Disbursement	Sanctioned Amount (₹ in lakh)	Principal Amount Outstanding (₹ in lakh)	Maturity Date	Repayment Schedule
1	Canara Bank	15-Jul-20	1,000.00	100.00	15-Jun-25	Quarterly
2	Canara Bank	25-Aug-21	2,500.00	1,125.00	25-Feb-27	Quarterly
3	Canara Bank	30-Mar-22	2,500.00	1,249.00	30-Mar-27	Monthly
4	IDBI Bank	31-Dec-21	2,500.00	1,111.11	01-Dec-26	Monthly

Sr. No.	Lender Name	Date of Disbursement	Sanctioned Amount (₹ in lakh)	Principal Amount Outstanding (₹ in lakh)	Maturity Date	Repayment Schedule
5	IDBI Bank	29-Aug-23	2,500.00	1,875.00	01-Sep-28	Quarterly
6	Indian Bank	30-Sep-22	2,500.00	628.00	15-Sep-25	Quarterly
7	Maharashtra Gramin Bank	04-Sep-23	2,500.00	2,121.17	31-Aug-28	Monthly
8	Nabsamruddhi Finance Ltd	08-Aug-22	1,500.00	570.37	28-Feb-26	Monthly
9	Punjab and Sind bank	20-Jan-22	5,000.00	500.00	20-Jan-25	Quarterly
10	SIDBI	30-May-23	10,000.00	5,500.00	10-May-26	Quarterly
11	SIDBI	09-Dec-22	10,000.00	3,700.00	10-Nov-25	Quarterly
12	State Bank of India	29-Jan-21	5,000.00	334.00	25-Apr-25	Monthly
13	State Bank of India	25-May-22	3,000.00	500.00	25-May-25	Quarterly
14	State Bank of India	30-Jul-22	7,000.00	1,170.00	25-May-25	Quarterly
15	State Bank of India	30-Jun-22	4,062.00	470.59	30-Apr-25	Quarterly
16	State Bank of India	27-Feb-23	20,000.00	13,000.00	23-Feb-28	Quarterly
17	State Bank of India	31-Oct-23	12,500.00	9,560.00	25-Oct-28	Monthly
18	State Bank of India	31-Oct-23	12,500.00	9,560.00	25-Oct-28	Monthly
19	Indian Bank	30-Mar-24	5,000.00	4,062.50	15-Mar-28	Quarterly
20	Indian Overseas Bank	01-Aug-24	20,000.00	20,000.00	30-Nov-29	Quarterly
21	State Bank of India	30-Sep-24	12,500.00	11,875.00	25-Sep-29	Quarterly
22	State Bank of India	21-Oct-24	12,500.00	12,500.00	21-Oct-29	Quarterly

Change in Management and Control of our Company

On December 31, 2017, Poshika Advisory Services LLP & Shachindra Nath (collectively referred to as the "**Acquirers**") made a public announcement to acquire control of the management of our Company from the erstwhile Promoters (namely Anand Ramakant Chokhani, Neelam R Chokhani, Ramakant R Chokhani HUF and Ramakant R Chokhani) to the Acquirers in accordance with Regulation 3(1) and 4 of the SEBI Takeover Regulations subject to prior RBI Approval as per RBI Circular no. RBI/2015-16/122-DNBR(PD) CC. No. 065/03.10.001/2015-16 dated July 09, 2015.

Except as disclosed under the chapter "*Capital Structure*" on page 61, our Promoter or Promoter Group has not been allotted any Equity Shares of our Company during the last three Fiscal Years.

Further Ramakant R Chokhani, Anand R Chokhani, Neelam R Chokhani and Ramakant R Chokhani HUF the erstwhile Promoters of our Company were re-classified from the Promoter category to Public category during the FY 2018-19.

Poshika Advisory Services LLP was classified as Promoter of our Company during the FY 2018-19. Further, Shachindra Nath, member of our Promoter Group, holds 46,300 equity shares in our Company.

Promoter holding in the Company as on December 31, 2024:

Sr. No.	Name of the Shareholder	Total No. of Equity Shares held	% of shareholding to the total equity share capital	No. of Shares Pledged	% of Shares Pledged
1.	Poshika Advisory Services LLP	20,27,709	2.18%	Nil	Nil

**All Equity Shares held by the Promoter are in dematerialised form.*
For aggregate equity shareholding of the promoter refer to "Capital Structure" on page 61.

Further, our Promoter has not purchased or sold any securities in our Company, in six months immediately preceding the date of this Prospectus.

Payment of benefit to the Promoter in last three years

Except as stated in this section and chapters "*Our Management*" and "*Related Party Transactions*" on pages 151 and 215 respectively, no amounts or benefits have been paid or given or intended to be paid or given to our Promoters within the three Financial Years preceding the date of this Prospectus. As on the date of this Prospectus, there is no bonus or profit-sharing plan for our Promoter.

Except as mentioned under the chapter "*Capital Structure*" on page 61 of this Prospectus, our Promoter and Promoter Group of our Company have not purchased or sold any securities in our Company, in six months immediately preceding the date of the Prospectus.

SECTION V: FINANCIAL INFORMATION

DISCLOSURES ON EXISTING FINANCIAL INDEBTEDNESS

The outstanding borrowings of our Company, as on December 31, 2024 (as per IND-AS) are as follows:

Sr. No.	Nature of Borrowings	Amount (in ₹ lakh)	% of Borrowing
1)	Secured Borrowings	5,83,759.34	94.91%
2)	Unsecured Borrowings	31,302.86	5.09%
Total		6,15,062.20	100.00%

Set forth below, is a summary of the borrowings by our Company outstanding as on December 31, 2024, together with a brief description of certain significant terms of such financing arrangements.

DETAILS OF BORROWINGS OF THE COMPANY, AS ON DECEMBER 31, 2024:

1. Details of outstanding secured loan facilities as on December 31, 2024:

   Our Company's total principal outstanding for secured borrowings as on December 31, 2024 amount to ₹3,09,397.68 Lakhs and the total amount outstanding for secured borrowings as on December 31, 2024 (as per Ind AS) is ₹ 3,04,176.43 Lakh. The details of the secured borrowings are set out below:

Sr. No.	Name of the Lender	Date of Sanction	Type of Facility	Amount Sanctioned (in lakh)	Principal Amount outstanding (in lakh)	Repayment Date/ Schedule	Security	Credit Rating, if applicable	Asset Classification
1	Jana Small Finance Bank	20-Dec-24	Term Loan	9,000.00	9,000.00	03-Feb-28	Secured	Ind A+/Stable	Standard
2	Nabkisan Finance Limited	19-Dec-24	Term Loan	4,500.00	4,500.00	01-Jan-28	Secured	Ind A+/Stable	Standard
3	Nabsamruddhi Finance Ltd	29-Nov-24	Term Loan	2,400.00	2,343.36	30-Nov-27	Secured	Ind A+/Stable	Standard
4	Export Import Bank of India (Exim Bank)	14-Nov-24	Term Loan	5,000.00	5,000.00	18-Dec-28	Secured	Ind A+/Stable	Standard
5	Poonawalla Fincorp	29-Oct-24	Term Loan	10,000.00	9,801.95	05-May-28	Secured	NA	Standard
6	Bank of Maharashtra	21-Sep-24	Term Loan	10,000.00	9,500.00	30-Sep-29	Secured	Ind A+/Stable	Standard
7	Kisetsu Saison	19-Sep-24	Term Loan	9,000.00	8,100.00	15-Mar-27	Secured	NA	Standard
8	Capital Small finance Bank	16-Sep-24	Term Loan	2,500.00	2,256.45	01-Mar-27	Secured	Ind A+/Stable	Standard

Sr. No.	Name of the Lender	Date of Sanction	Type of Facility	Amount Sanctioned (in lakh)	Principal Amount outstanding (in lakh)	Repayment Date/ Schedule	Security	Credit Rating, if applicable	Asset Classification
9	State Bank of India	06-Sep-24	Term Loan	12,500.00	12,500.00	21-Oct-29	Secured	Ind A+/Stable	Standard
10	State Bank of India	06-Sep-24	Term Loan	12,500.00	11,875.00	25-Sep-29	Secured	Ind A+/Stable	Standard
11	Bajaj Finance Ltd	26-Aug-24	Term Loan	2,500.00	2,250.00	28-Feb-27	Secured	NA	Standard
12	Woori Bank	08-Aug-24	Term Loan	3,500.00	2,916.67	16-Aug-26	Secured	Ind A+/Stable	Standard
13	UCO BANK	02-Aug-24	Term Loan	10,000.00	9,500.00	31-Aug-29	Secured	Ind A+/Stable	Standard
14	Indian Overseas Bank	30-Jul-24	Term Loan	20,000.00	20,000.00	30-Nov-29	Secured	Ind A+/Stable	Standard
15	Kotak Mahindra Investment Limited	23-Jul-24	Term Loan	5,000.00	3,611.11	25-Jan-26	Secured	NA	Standard
16	Karur Vysya Bank	26-Jun-24	Term Loan	2,500.00	2,343.75	05-Jul-28	Secured	Ind A+/Stable	Standard
17	Canara Bank	18-Jun-24	Term Loan	7,500.00	6,750.00	26-Jun-29	Secured	Ind A+/Stable	Standard
18	Poonawalla Fincorp	16-May-24	Term Loan	5,000.00	4,271.66	05-Jun-27	Secured	NA	Standard
19	JM Financial Credits Solutions Limited	12-Apr-24	Term Loan	3,000.00	2,198.78	23-Apr-26	Secured	NA	Standard
20	Indian Bank	28-Mar-24	Term Loan	5,000.00	4,062.50	15-Mar-28	Secured	Ind A+/Stable	Standard
21	Karnataka Bank	27-Mar-24	Term Loan	4,500.00	4,050.00	28-Feb-27	Secured	Ind A+/Stable	Standard
22	IDFC First Bank	27-Mar-24	Term Loan	10,000.00	8,125.00	30-Mar-28	Secured	Ind A+/Stable	Standard
23	Central Bank of India	27-Mar-24	Term Loan	5,000.00	4,250.00	30-Mar-29	Secured	Ind A+/Stable	Standard

Sr. No.	Name of the Lender	Date of Sanction	Type of Facility	Amount Sanctioned (in lakh)	Principal Amount outstanding (in lakh)	Repayment Date/ Schedule	Security	Credit Rating, if applicable	Asset Classification
24	Nabkisan Finance Limited	14-Mar-24	Term Loan	2,000.00	1,666.67	01-Apr-27	Secured	NA	Standard
25	Woori Bank	17-Feb-24	Term Loan	2,500.00	1,413.04	31-Jan-26	Secured	Ind A+/Stable	Standard
26	JM Financial Products Limited	08-Feb-24	Term Loan	10,000.00	2,772.07	21-Mar-26	Secured	NA	Standard
27	Nabsamruddhi Finance Ltd	30-Jan-24	Term Loan	3,350.00	2,435.51	31-Jan-27	Secured	Ind A+/Stable	Standard
28	Suryoday Small Finance Bank	23-Jan-24	Term Loan	3,500.00	2,740.55	05-Jun-27	Secured	Ind A+/Stable	Standard
29	Manapurram Finance Ltd	22-Dec-23	Term Loan	3,500.00	2,214.42	30-Jun-26	Secured	NA	Standard
30	ESAF Small Finance Bank	20-Dec-23	Term Loan	4,000.00	3,031.20	31-Dec-26	Secured	Ind A+/Stable	Standard
31	Bajaj Finance Ltd	23-Nov-23	Term Loan	2,000.00	1,000.00	30-Nov-25	Secured	NA	Standard
32	RBL Bank Limited	30-Oct-23	Term Loan	4,000.00	2,000.00	02-Nov-25	Secured	Ind A+/Stable	Standard
33	State Bank of India	23-Oct-23	Term Loan	12,500.00	9,560.00	25-Oct-28	Secured	Ind A+/Stable	Standard
34	State Bank of India	23-Oct-23	Term Loan	12,500.00	9,560.00	25-Oct-28	Secured	Ind A+/Stable	Standard
35	Indian Bank	27-Sep-23	Term Loan	6,000.00	4,125.00	30-Sep-27	Secured	Ind A+/Stable	Standard
36	Poonawalla Fincorp	26-Sep-23	Term Loan	5,000.00	3,239.37	05-Oct-26	Secured	NA	Standard
37	UCO BANK	20-Sep-23	Term Loan	10,000.00	5,833.33	30-Sep-26	Secured	Crisil A/Stable	Standard
38	Maharashtra Gramin Bank	14-Aug-23	Term Loan	2,500.00	2,121.17	31-Aug-28	Secured	Crisil A/Stable	Standard
39	Union Bank Of India	08-Aug-23	Term Loan	5,000.00	3,945.36	31-Aug-28	Secured	Ind A+/Stable	Standard

Sr. No.	Name of the Lender	Date of Sanction	Type of Facility	Amount Sanctioned (in lakh)	Principal Amount outstanding (in lakh)	Repayment Date/ Schedule	Security	Credit Rating, if applicable	Asset Classification
40	Canara Bank	21-Jul-23	Term Loan	5,000.00	3,750.00	31-Jul-28	Secured	Ind A+/Stable	Standard
41	Canara Bank	21-Jul-23	Term Loan	5,000.00	3,750.00	28-Aug-28	Secured	Ind A+/Stable	Standard
42	IDBI Bank	20-Jul-23	Term Loan	2,500.00	1,875.00	01-Sep-28	Secured	Ind A+/Stable	Standard
43	Piramal Enterprises Limited	28-Jun-23	Term Loan	4,000.00	1,733.33	02-Jan-26	Secured	NA	Standard
44	Woori Bank	28-Jun-23	Term Loan	2,500.00	652.17	30-Jun-25	Secured	Ind A+/Stable	Standard
45	SIDBI	18-May-23	Term Loan	10,000.00	5,500.00	10-May-26	Secured	Ind A+/Stable	Standard
46	IREDA	02-May-23	Term Loan	24,900.00	19,368.00	30-Jun-28	Secured	Ind A+/Stable	Standard
47	Bank of Maharashtra	27-Apr-23	Term Loan	5,000.00	3,500.00	12-Jun-28	Secured	Ind A+/Stable	Standard
48	HDFC Bank	27-Apr-23	Term Loan	2,500.00	625.00	06-May-25	Secured	Ind A+/Stable	Standard
49	HDFC Bank	27-Apr-23	Term Loan	2,500.00	833.33	06-May-25	Secured	Ind A+/Stable	Standard
50	TATA Capital	27-Apr-23	Term Loan	1,500.00	708.33	05-May-26	Secured	NA	Standard
51	Karur Vysya Bank	21-Mar-23	Term Loan	2,500.00	1,562.02	05-Apr-27	Secured	Ind A+/Stable	Standard
52	State Bank of India	07-Feb-23	Term Loan	20,000.00	13,000.00	25-Feb-28	Secured	Ind A+/Stable	Standard
53	IDFC First Bank	17-Jan-23	Term Loan	4,000.00	1,888.89	18-May-26	Secured	Crisil A/Stable	Standard
54	IDFC First Bank	17-Jan-23	Term Loan	6,000.00	2,166.67	31-Jan-26	Secured	Crisil A/Stable	Standard
55	Canara Bank	16-Jan-23	Term Loan	7,500.00	5,415.00	23-Jan-28	Secured	Crisil A/Stable	Standard

Sr. No.	Name of the Lender	Date of Sanction	Type of Facility	Amount Sanctioned (in lakh)	Principal Amount outstanding (in lakh)	Repayment Date/ Schedule	Security	Credit Rating, if applicable	Asset Classification
56	Shriram Housing Finance	30-Dec-22	Term Loan	2,000.00	541.73	05-Aug-25	Secured	NA	Standard
57	Bandhan Bank Ltd	28-Dec-22	Term Loan	5,000.00	2,083.33	29-Dec-25	Secured	Crisil A/Stable	Standard
58	Jana Small Finance Bank	26-Dec-22	Term Loan	3,500.00	437.50	03-Jan-25	Secured	Crisil A/Stable	Standard
59	SIDBI	24-Nov-22	Term Loan	10,000.00	3,700.00	10-Nov-25	Secured	Crisil A/Stable	Standard
60	UCO BANK	21-Nov-22	Term Loan	5,000.00	2,777.78	31-May-27	Secured	Crisil A/Stable	Standard
61	Ujjivan Small Finance Bank	21-Oct-22	Term Loan	1,500.00	416.67	31-Oct-25	Secured	Crisil A/Stable	Standard
62	Ujjivan Small Finance Bank	21-Oct-22	Term Loan	1,000.00	384.62	31-Oct-25	Secured	Crisil A/Stable	Standard
63	Central Bank of India	21-Sep-22	Term Loan	5,600.00	3,640.00	30-Mar-28	Secured	Crisil A/Stable	Standard
64	Central Bank of India	21-Sep-22	Term Loan	1,900.00	1,330.00	30-Apr-28	Secured	Crisil A/Stable	Standard
65	Indian Bank	20-Sep-22	Term Loan	2,500.00	628.00	15-Sep-25	Secured	Crisil A/Stable	Standard
66	Union Bank of India	19-Sep-22	Term Loan	2,500.00	1,447.37	30-Sep-27	Secured	Crisil A/Stable	Standard
67	CapriGlobal	18-Aug-22	Term Loan	2,500.00	150.00	15-Mar-25	Secured	NA	Standard
68	Nabsamruddhi Finance Ltd	04-Aug-22	Term Loan	1,500.00	570.37	28-Feb-26	Secured	NA	Standard
69	Suryoday Small Finance Bank	27-Jul-22	Term Loan	2,500.00	635.61	05-Aug-25	Secured	Crisil A/Stable	Standard
70	Piramal Enterprises Limited	30-Jun-22	Term Loan	3,000.00	111.11	07-Jan-25	Secured	NA	Standard
71	Hinduja Leyland Finance Ltd	16-Jun-22	Term Loan	1,700.00	322.15	22-Jun-25	Secured	NA	Standard

Sr. No.	Name of the Lender	Date of Sanction	Type of Facility	Amount Sanctioned (in lakh)	Principal Amount outstanding (in lakh)	Repayment Date/ Schedule	Security	Credit Rating, if applicable	Asset Classification
72	SBM Bank India Ltd	30-May-22	Term Loan	2,000.00	277.78	31-May-25	Secured	Crisil A/Stable	Standard
73	STCI Finance Limited	18-May-22	Term Loan	3,000.00	1,450.00	03-Jun-27	Secured	NA	Standard
74	Jana Small Finance Bank	28-Apr-22	Term Loan	5,000.00	499.79	03-Jan-25	Secured	Crisil A/Stable	Standard
75	DCB bank	21-Apr-22	Term Loan	2,500.00	416.67	30-Apr-25	Secured	Crisil A/Stable	Standard
76	Bank of Maharashtra	11-Apr-22	Term Loan	3,000.00	1,800.00	12-Nov-27	Secured	Crisil A/Stable	Standard
77	State Bank of India	06-Apr-22	Term Loan	3,000.00	500.00	25-May-25	Secured	Crisil A/Stable	Standard
78	State Bank of India	06-Apr-22	Term Loan	7,000.00	1,170.00	25-May-25	Secured	Crisil A/Stable	Standard
79	State Bank of India	06-Apr-22	Term Loan	4,062.00	470.59	25-Apr-25	Secured	Crisil A/Stable	Standard
80	Canara Bank	28-Mar-22	Term Loan	2,500.00	1,249.00	30-Mar-27	Secured	Crisil A/Stable	Standard
81	Capital Small finance Bank	10-Mar-22	Term Loan	2,500.00	221.64	01-Mar-25	Secured	Crisil A/Stable	Standard
82	ESAF Small Finance Bank	09-Mar-22	Term Loan	2,000.00	166.30	10-Mar-25	Secured	Crisil A/Stable	Standard
83	Bandhan Bank Ltd	22-Feb-22	Term Loan	2,500.00	227.27	24-Feb-25	Secured	Crisil A/Stable	Standard
84	IDFC First Bank	22-Feb-22	Term Loan	7,500.00	2,187.50	25-Feb-26	Secured	Crisil A/Stable	Standard
85	Kotak Mahindra Bank Ltd	22-Feb-22	Term Loan	5,000.00	277.78	28-Feb-25	Secured	Crisil A/Stable	Standard
86	Punjab and Sind bank	06-Jan-22	Term Loan	5,000.00	500.00	20-Jan-25	Secured	Crisil A/Stable	Standard
87	Utkarsh SFB	29-Dec-21	Term Loan	3,000.00	230.77	25-Mar-25	Secured	Crisil A/Stable	Standard

Sr. No.	Name of the Lender	Date of Sanction	Type of Facility	Amount Sanctioned (in lakh)	Principal Amount outstanding (in lakh)	Repayment Date/ Schedule	Security	Credit Rating, if applicable	Asset Classification
88	Aditya Birla Finance Ltd	27-Dec-21	Term Loan	2,500.00	1,235.17	01-Mar-27	Secured	NA	Standard
89	IDBI Bank	27-Dec-21	Term Loan	2,500.00	1,111.11	01-Dec-26	Secured	Crisil A/Stable	Standard
90	Nabkisan Finance Limited	23-Nov-21	Term Loan	2,000.00	333.33	01-May-25	Secured	NA	Standard
91	Dhanlaxmi Bank Limited	28-Oct-21	Term Loan	1,000.00	285.71	30-Oct-25	Secured	Crisil A/Stable	Standard
92	Nabsamruddhi Finance Ltd	02-Sep-21	Term Loan	1,500.00	145.85	31-Mar-25	Secured	NA	Standard
93	Nabsamruddhi Finance Ltd	02-Sep-21	Term Loan	500.00	48.52	31-Mar-25	Secured	NA	Standard
94	South Indian Bank	17-Aug-21	Term Loan	2,000.00	666.00	30-Aug-26	Secured	Crisil A/Stable	Standard
95	Canara Bank	03-Aug-21	Term Loan	2,500.00	1,125.00	25-Feb-27	Secured	Crisil A/Stable	Standard
96	State Bank of India	28-Dec-20	Term Loan	5,000.00	334.00	25-Apr-25	Secured	Crisil A/Stable	Standard
97	Canara Bank	03-Feb-20	Term Loan	1,000.00	100.00	15-Jun-25	Secured	Crisil A/Stable	Standard

2. Details of cash credit, working capital demand loans, overdraft and other facilities:

Our Company's total principal amount outstanding for cash credit (CC), working capital demand loans (WCDL) and overdraft facilities (OD) as on December 31, 2024 is ₹ 26,612.31 Lakhs and the total amount outstanding for cash credit, working capital demand loans and overdraft facilities as on December 31, 2024 (as per Ind AS) is ₹ 26,564.55 lakh. The details of the working capital demand loans and cash credit facilities are set out below:

Sr. No.	Name of the Lender	Date of Sanction	Type of Facility	Amount Sanctioned (in lakh)	Principal Amount outstanding (in lakh)	Repayment Date/ Schedule	Security	Credit Rating, if applicable	Asset Classification
1	IndusInd Bank	20-Jun-24	WCDL	5,000.00	5,000.00	13-Apr-25	Secured	Ind A+/Stable	Standard

Sr. No.	Name of the Lender	Date of Sanction	Type of Facility	Amount Sanctioned (in lakh)	Principal Amount outstanding (in lakh)	Repayment Date/ Schedule	Security	Credit Rating, if applicable	Asset Classification
2	State Bank of India	31-Oct-23	ODFD	5,000.00	4,365.54	-	Secured / FD	NA	Standard
3	RBL Bank Limited	30-Oct-23	WCDL	3,000.00	3,000.00	30-Jun-25	Secured	Ind A+/Stable	Standard
4	RBL Bank Limited	30-Oct-23	WCDL	1,000.00	1,000.00	25-Apr-25	Secured	Ind A+/Stable	Standard
5	Kotak Mahindra Bank Ltd	25-Sep-23	WCDL	1,500.00	-	-	Secured	Crisil A/Stable	Standard
6	IDFC First Bank	26-Jun-23	OD	200.00	-	-	Secured	Crisil A/Stable	Standard
7	IDFC First Bank	17-Jan-23	ODFD	10,000.00	8,988.77	-	Secured / FD	NA	Standard
8	Central Bank of India	21-Sep-22	WCDL	1,500.00	1,500.00	27-Oct-25	Secured	Crisil A/Stable	Standard
9	Central Bank of India	21-Sep-22	CC	1,000.00	-	-	Secured	Crisil A/Stable	Standard
10	Barclays Bank Plc	08-Aug-22	STL/WCDL	1,953.00	1,953.00	19-Jun-25	Secured / FD	NA	Standard
11	RBL Bank Limited	24-Jun-22	ODFD	2,500.00	-	-	Secured / FD	NA	Standard
12	State Bank of India	06-Apr-22	CC	500.00	-	-	Secured	Crisil A/Stable	Standard
13	Bandhan Bank Ltd	22-Feb-22	OD	100.00	-	-	Secured	Crisil A/Stable	Standard
14	Indian Bank	31-Dec-21	OD	400.00	199.75	-	Secured	Crisil A/Stable	Standard
15	Indian Bank	31-Dec-21	WCDL	600.00	600.00	07-Jan-25	Secured	Crisil A/Stable	Standard
16	YES Bank	25-Mar-21	ODFD	1,000.00	-	-	Secured / FD	NA	Standard
17	Barclays Bank Plc	26-Feb-21	ODFD	8,047.00	5.25	-	Secured / FD	NA	Standard
18	ICICI Bank	11-Jan-21	ODFD	900.00	-	-	Secured / FD	NA	Standard

3. Details of outstanding unsecured loan facilities as on December 31, 2024:

Our Company's total principal amount outstanding for unsecured borrowings as on December 31, 2024 amount to ₹ 29,105.00 Lakhs and the total amount outstanding for unsecured borrowings as on December 31, 2024 (as per Ind AS) amount to ₹ 28,652.92 lakh. The details of the unsecured borrowings are set out below:

Sr. No.	Name of the Lender	Date of Sanction	Type of Facility	Amount Sanctioned (in lakh)	Principal Amount outstanding (in lakh)	Repayment Date/ Schedule	Credit Rating, if applicable
1	Finova Capital Private Limited	20-Dec-24	CP	3,000.00	3,000.00	18-Jun-25	Ind A1+/Stable
2	Krupa Growth investment Pvt ltd.	17-Dec-24	CP	1,500.00	1,500.00	18-Mar-25	Ind A1+/Stable
3	V M Salgaocar & Brother Pvt ltd	26-Nov-24	CP	1,000.00	1,000.00	25-Feb-25	Ind A1+/Stable
4	Krupa Growth investment Pvt ltd. V M Salgaocar and Brother Pvt Ltd. Samunnati Financial Intermidiation and Services Pvt Ltd.	07-Nov-24	CP	3,000.00	3,000.00	06-Feb-25	Ind A1+/Stable
5	VIMA Kamgar Cooperative Bank Ltd. Pusad Urban Cooperative Bank Ltd. Pune Urban Coop Bank Ltd.	05-Nov-24	CP	1,100.00	1,100.00	26-Feb-25	Ind A1+/Stable
6	Vasai Vikas Sahakari Bank Ltd.	25-Sep-24	CP	1,000.00	1,000.00	23-Jan-25	Ind A1+/Stable
7	Protium Finance Ltd.	19-Sep-24	CP	2,000.00	2,000.00	17-Jan-25	Ind A1+/Stable
8	Unity SFB	30-Jul-24	CP	2,500.00	2,500.00	10-Jan-25	Ind A1+/Stable
9	Unity SFB	30-Jul-24	CP	2,500.00	2,500.00	20-Jan-25	Ind A1+/Stable
10	Latur District Central & Shri Bharat Urban Cooperative Bank Ltd	19-Jul-24	CP	1,200.00	1,200.00	15-Jan-25	Ind A1+/Stable
11	Greater Bombay Co-op Bank	09-May-24	CP	1,000.00	1,000.00	28-Mar-25	Ind A1+/Stable
12	Tipsons Financial Services Pvt Ltd	15-Mar-24	NCD	3,500.00	3,500.00	15-Sep-29	Ind A1+/Stable
13	Northern Arc	24-Jan-24	NCD	5,000.00	3,125.00	18-Apr-26	Ind A1+/Stable

Sr. No.	Name of the Lender	Date of Sanction	Type of Facility	Amount Sanctioned (in lakh)	Principal Amount outstanding (in lakh)	Repayment Date/ Schedule	Credit Rating, if applicable
14	Northern Arc	28-Sep-23	Term Loan	5,000.00	2,500.00	06-Oct-25	N.A.
15	Vivriti Capital Pvt Limited	22-Sep-22	Term Loan	1,800.00	180.00	27-Mar-25	N.A.

4. Details of outstanding non-convertible securities as on December 31, 2024:

The total principal amount of outstanding for non-convertible securities issued by our Company as on December 31, 2024 is ₹ 1,55,168.09 Lakhs the details of which are set forth below:

Sr. No.	Series of NCS	ISIN	Tenor/ Period of Maturity (in years)	Coupon	Amount outstanding (in lakh)	Date of Allotment	Redemption Date/ Schedule	Credit Rating	Secured /unsecured	Security
1	NCD 44-I	INE583D07505	18.0	10.15%	9,652.39	24-Oct-24	24-Apr-26	IND A+/Stable	Secured	110%
2	NCD 44-II	INE583D07521	24.0	10.25%	6,908.19	24-Oct-24	24-Oct-26	IND A+/Stable	Secured	110%
3	NCD 44-III	INE583D07513	30.0	10.40%	3,439.42	24-Oct-24	24-Apr-27	IND A+/Stable	Secured	110%
4	NCD 43	INE583D07497	30.0	10.00%	6,750.00	11-Jul-24	11-Jan-27	IND A+/Stable	Secured	110%
5	NCD 42	INE583D07489	18.0	9.30%	5,000.00	03-Jul-24	05-Jan-26	IND A+/Stable	Secured	110%
6	NCD 41	INE583D07471	3.0	10.25%	2,916.67	25-Jun-24	25-Jun-27	IND A+/Stable	Secured	110%
7	NCD 40	INE583D08057	5.5	12.50%	3,500.00	15-Mar-24	15-Sep-29	IND A+/Stable	Unsecured	NA
8	NCD 39-I	INE583D07414	1.5	10.25%	2,711.93	27-Feb-24	27-Aug-25	IND A+/Stable	Secured	110%

Sr. No.	Series of NCS	ISIN	Tenor/ Period of Maturity (in years)	Coupon	Amount outstanding (in lakh)	Date of Allotment	Redemption Date/ Schedule	Credit Rating	Secured /unsecured	Security
9	NCD 39-II	INE583D07430	1.5	10.75%	6,645.71	27-Feb-24	27-Aug-25	IND A+/Stable	Secured	110%
10	NCD 39-III	INE583D07448	2.0	10.35%	1,615.69	27-Feb-24	27-Feb-26	IND A+/Stable	Secured	110%
11	NCD 39-V	INE583D07455	2.3	11.00%	4,641.98	27-Feb-24	27-May-26	IND A+/Stable	Secured	110%
12	NCD 39-IV	INE583D07463	2.3	10.50%	3,415.27	27-Feb-24	27-May-26	IND A+/Stable	Secured	110%
13	NCD 38	INE583D07422	4.0	10.27%	24,990.00	30-Jan-24	30-Jan-28	NA	Secured	110%
14	NCD 37	INE583D08040	2.2	10.25%	3,125.00	24-Jan-24	18-Apr-26	IND A+/Stable	Unsecured	NA
15	NCD 36	INE583D07406	4.0	10.38%	24,960.00	12-Dec-23	12-Dec-27	IND A+/Stable	Secured	110%
16	NCD 35	INE583D07398	1.5	8.90%	3,000.00	08-Nov-23	10-May-25	IND A+/Stable	Secured	110%
17	NCD 34	INE583D07380	3.0	10.50%	1,866.67	27-Sep-23	26-Sep-26	NA	Secured	110%
18	NCD 33	INE583D07372	1.5	8.90%	5,000.00	18-Sep-23	18-Mar-25	IND A+/Stable	Secured	110%
19	NCD 31	INE583D07356	3.0	10.50%	5,000.00	08-Mar-23	08-Mar-26	CRISIL A/Stable	Secured	110%

Sr. No.	Series of NCS	ISIN	Tenor/ Period of Maturity (in years)	Coupon	Amount outstanding (in lakh)	Date of Allotment	Redemption Date/ Schedule	Credit Rating	Secured /unsecured	Security
20	NCD 29	INE583D07331	3.3	10.00%	2,500.00	19-Dec-22	15-Apr-26	CRISIL PPMLD A-	Secured	110%
21	NCD 27C	INE583D07315	3.0	10.50%	4,928.11	28-Sep-22	28-Sep-25	CRISIL A/Stable & ACUITE A/Stable	Secured	120%
22	NCD 22C	INE583D07265	3.0	10.40%	4,401.06	05-May-22	05-May-25	ACUITE A/Stable	Secured	120%
23	NCD 21	INE583D07232	3.2	11.70%	5,000.00	29-Mar-22	29-May-25	ACUITE A/Stable	Secured	110%
24	NCD 19	INE583D07224	3.0	10.25%	2,500.00	19-Jan-22	19-Jan-25	ACUITE A/Stable	Secured	115%
25	NCD 18	INE583D07216	6.0	11.30%	3,500.00	12-Jan-22	12-Jan-28	ACUITE A/Stable	Secured	110%
26	NCD 17	INE583D07208	6.0	11.30%	2,600.00	29-Dec-21	29-Dec-27	ACUITE A/Stable	Secured	110%
27	NCD 16	INE583D07190	6.0	11.30%	4,600.00	17-Dec-21	17-Dec-27	ACUITE A/Stable	Secured	110%

Penalty clause to all Non-Convertible Debentures:

(a) On the occurrence of a Payment Default or any other Event of Default, the Company agrees to pay additional interest at 1% (one percent) per annum above the applicable Interest Rate on the Outstanding Principal Amounts from the date of the occurrence of a Payment Default or any other Event of Default until such Payment Default or Event of Default is cured, or the Secured Obligations are repaid, on each Interest Payment Date occurring during the aforementioned period.

(b) When the company defaults in payment of the principal amount of the Debentures on the due dates. When the company makes a default in the payment of any interest on the Debentures on the relevant due dates which ought to have been paid in accordance with the terms of the issue.

(c) In case of late repayments for which the borrower is responsible, the interest rate is increased by 200 bps for the period until eventual payment, and the borrower needs to cover any costs incurred by the lender through the late payment (e.g. non settling of hedges).

(d) All monies due in respect of the Debentures shall, in case the same be not paid on the respective Due Dates, carry further interest at the rate of 2% (Two Percent) per annum, computed from the relevant Due Date up to the date on which such monies are paid or realised by the Debenture Holder(s) ("Default Interest"). It is clarified that any Default Interest which becomes payable in terms hereof shall be payable over and above the Coupon payable at the applicable Coupon Rate.

(e) All monies due in respect of the Debentures shall, in case the same be not paid on the respective Due Dates, carry further interest at the rate of 2% (Two Percent) per annum, computed from the relevant Due Date up to the date on which such monies are paid or realised by the Debenture Holder(s) ("Default Interest"). It is clarified that any Default Interest which becomes payable in terms hereof shall be payable over and above the Coupon payable at the applicable Coupon Rate.

(f) The Issuer agrees to pay additional interest at 2% (two percent) per annum over the Interest Rate in respect of the Debentures on the Outstanding Principal Amounts from the date of the occurrence of any Event of Default until such Event of Default is cured or the Secured Obligations are repaid on each Interest Payment Date occurring during the aforementioned period.

(g) In case of default, there will be an additional interest of 5% p.a over and above the coupon rate for the defaulting period.

(h) On the occurrence of a Payment Default, the Company agrees to pay additional interest at 3% (three percent) per annum (compounded monthly) above the Interest Rate on the Outstanding Principal Amounts from the date of the occurrence of a Payment Default until such Payment Default is cured, or the Secured Obligations are repaid. Such amounts shall be determined separately with reference to the abovementioned incremental rate and paid in addition to the Interest Amounts together with the Redemption Payment on the relevant Due Date.

(i) When the company defaults in payment of the principal amount of the Debentures on the due dates.

(j) When the company makes a default in the payment of any interest on the Debentures on the relevant due dates which ought to have been paid in accordance with the terms of the issue.

(k) When the company defaults in payment of the principal amount of the Debentures on the due dates.

(l) When the company makes a default in the payment of any interest on the Debentures on the relevant due dates which ought to have been paid in accordance with the terms of the issue.

(m) When the company defaults in payment of the principal amount of the Debentures on the due dates.

(n) When the company makes a default in the payment of any interest on the Debentures on the relevant due dates which ought to have been paid in accordance with the terms of the issue.

(o) The company does not pay on any Due Date any amount payable pursuant to this Deed and the Debentures at the place and in the currency in which it is expressed to be payable, unless its failure to pay is caused by technical error and payment is made within 3 (three) days of such Due Date.

(p) The Issuer does not pay on any Due Date any amount payable pursuant to the DTD and the Debentures at the place and in the currency in which it is expressed to be payable, unless its failure to pay is caused by technical error and payment is made within 3 (three) days of such Due Date.

(q) The company does not pay on any Due Date any amount payable pursuant to this Deed and the Debentures at the place and in the currency in which it is expressed to be payable, unless its failure to pay is caused by technical error and payment is made within 3 (three) days of such Due Date.

(r) Interest Rate plus 2.00% (two percent) per annum. Debenture Trustee/ Debenture Holders reserves the right to levy a penalty of a sum equivalent to 1% (One percent) of the amount outstanding under the Transaction

Documents on the Company in the event of breach of any of the Financial Covenants. In such an event, the Borrower shall pay the penalty for breach of Financial Covenants to the Debenture Trustee within 30 calendar days from the date of such breach.

(s) In case of default in payment of Interest and/or principal redemption on the due dates, additional interest of at 2% p.a. over the Interest Rate will be payable by the Company for the defaulting period.

(t) In case of default in payment of Interest and/or principal redemption on the due dates, additional interest of at 3% p.a. over the Interest Rate will be payable by the Company for the defaulting period.

(u) In case of default in payment of Interest and/or principal redemption on the due dates, additional interest of at 2% p.a. over the Interest Rate will be payable by the Company for the defaulting period.

(v) The company does not pay on any Due Date any amount payable pursuant to this Deed and the Debentures at the place and in the currency in which it is expressed to be payable, unless its failure to pay is caused by technical error and payment is made within 3 (three) days of such Due Date.

(w) The Issuer agrees to pay additional interest at 2% (two percent) per annum over the Annualised Interest Rate in respect of the Debentures on the Outstanding Principal Amounts from the date of the occurrence of a Payment Default until such Payment Default is cured or the Secured Obligations are repaid. Such amounts shall be determined separately with reference to the abovementioned incremental rate and paid in addition to the Interest Amounts on the relevant Due Date.

(x) The Issuer does not pay on any Due Date any amount payable pursuant to the DTD and the Debentures at the place and in the currency in which it is expressed to be payable.

(y) The Issuer does not pay on any Due Date any amount payable pursuant to the DTD and the Debentures at the place and in the currency in which it is expressed to be payable, unless its failure to pay is caused by technical error and payment is made within 3 (three) days of such Due Date.

(z) On the occurrence of an Event of Default (including a Payment Default), the Company agrees to pay additional interest at 2% (two percent) per annum above the Interest Rate on the Outstanding Principal Amounts, commencing from the date of occurrence of the Event of Default until such Event of Default is cured or the relevant Secured Obligations are repaid.

(aa) On the occurrence of an Event of Default (including a Payment Default), the Company agrees to pay additional interest at 2% (two percent) per annum above the Interest Rate on the Outstanding Principal Amounts, commencing from the date of occurrence of the Event of Default until such Event of Default is cured or the relevant Secured Obligations are repaid.

(bb) Without prejudice to the rights of the Debenture Trustee and/or the Debenture Holders upon the occurrence of any Event of Default, the Company shall be liable to pay default interest which shall be calculated at the of 2% (two percent) per annum on the Outstanding Amounts over and above the Interest Rate and such Default Interest shall be payable from the date of occurrence of the relevant Event of Default till the date such Event of Default, if remediable, is remedied; or till the entire Outstanding Amounts have been paid by the Company.

(cc) On the occurrence of an Event of Default (including a Payment Default), the Company agrees to pay additional interest at 2% (two percent) per annum above the Coupon Rate / Redemption Premium on the Outstanding Principal Amounts, commencing from the date of occurrence of the Event of Default until such Event of Default is cured or the relevant Secured Obligations are repaid.

5. Details of Compulsorily Convertible Debentures as on December 31, 2024:

Sr. No.	ISIN	Tenor/ Period of Maturity (in years)	Coupon	Amount outstanding (in lakh)	Date of Allotment	Redemption Date/ Schedule	Credit Rating	Secured /unsecured	Security
Tranche-I	INE583D08065	1.5	12.00 % XIRR	2,500.16	06-June-24	December'2025	Unrated	Unsecured	Unsecured
Tranche-II	INE583D08073	1.5	12.00 % XIRR	149.77	18-June-24	December'2025	Unrated	Unsecured	Unsecured

Note: - The company has raised the funds through the allotment of the Compulsorily Convertible Debentures (CCDs) and Share Warrants (SW), both having face value Rs 10 each at an issue price of Rs 264 each aggregating to Rs. 1,26,464.53 lakh in June, 2024. The allotment was made in 2 tranches on June 06, 2024 and June 18, 2024. Each of the CCD and SW are convertible into 1 equity share within a period of 18 months from the date of allotment of CCD and SW.

The financial liability component of the CCD being the compound financial instrument has been shown separately as above as debt in line with the IND AS provisions.

6. Details of commercial paper issuances as on December 31, 2024:

The principal amount outstanding for commercial papers issuances as on December 31, 2024 is ₹ 19,800.00 Lakhs and the total amount outstanding as on December 31, 2024 (as per Ind AS) is ₹ 19,511.53 lakhs, the details of which are set forth below:

Sr. No.	Series of NCS	ISIN of Commercial Paper	Tenor in Months	Coupon	Amount outstanding (in ₹ lakh)	Date of Allotment	Redemption Date/ Schedule	Credit Rating	Secured /unsecured	Security	Credit rating agency	Issuing and paying agent
1	CP 53	INE583D14543	6	9.50 %	3,000.00	20-Dec-24	18-Jun-25	Ind A1+	Unsecured	N.A.	India Ratings and Research Pvt Ltd	YES Bank Limited
2	CP 52	INE583D14535	3	9.80 %	1,500.00	17-Dec-24	18-Mar-25	Ind A1+	Unsecured	N.A.	India Ratings and Research Pvt Ltd	YES Bank Limited
3	CP 51	INE583D14527	3	9.80 %	1,000.00	26-Nov-24	25-Feb-25	Ind A1+	Unsecured	N.A.	India Ratings and Research Pvt Ltd	YES Bank Limited

Sr. No.	Series of NCS	ISIN of Commercial Paper	Tenor in Months	Coupon	Amount outstanding (in ₹ lakh)	Date of Allotment	Redemption Date/ Schedule	Credit Rating	Secured /unsecured	Security	Credit rating agency	Issuing and paying agent
4	CP 50	INE583D14519	3	9.80%	3,000.00	07-Nov-24	06-Feb-25	Ind A1+	Unsecured	N.A.	India Ratings and Research Pvt Ltd	YES Bank Limited
5	CP 49	INE583D14501	4	9.05%	1,100.00	05-Nov-24	26-Feb-25	Ind A1+	Unsecured	N.A.	India Ratings and Research Pvt Ltd	YES Bank Limited
6	CP 48	INE583D14493	4	9.20%	1,000.00	25-Sep-24	23-Jan-25	Ind A1+	Unsecured	N.A.	India Ratings and Research Pvt Ltd	YES Bank Limited
7	CP 47	INE583D14485	4	9.50%	2,000.00	19-Sep-24	17-Jan-25	Ind A1+	Unsecured	N.A.	India Ratings and Research Pvt Ltd	YES Bank Limited
8	CP 41	INE583D14428	5	9.20%	2,500.00	30-Jul-24	10-Jan-25	Ind A1+	Unsecured	N.A.	India Ratings and Research Pvt Ltd	YES Bank Limited
9	CP 42	INE583D14436	6	9.20%	2,500.00	30-Jul-24	20-Jan-25	Ind A1+	Unsecured	N.A.	India Ratings and Research Pvt Ltd	YES Bank Limited
10	CP 40	INE583D14410	6	9.20%	1,200.00	19-Jul-24	15-Jan-25	Ind A1+	Unsecured	N.A.	India Ratings and Research Pvt Ltd	YES Bank Limited
11	CP 36	INE583D14378	11	10.00%	1,000.00	09-May-24	28-Mar-25	Ind A1+	Unsecured	N.A.	India Ratings and Research Pvt Ltd	YES Bank Limited

7. List of top 10 holders of non-convertible securities in terms of value (in cumulative basis) as on December 31, 2024:

Sr. No.	Name of holders	Category of holder	Face value of holding (in ₹ lakh)	% of Total Non Convertible Securities outstanding
1	Asian Development Bank	Foreign Portfolio Investor	24,990.00	16.11%
2	Nederlandse Financierings-Maatschappij Voor Ontwikkelingslanden N.V. (Fmo)	Foreign Portfolio Investor	24,960.00	16.09%
3	Uti International Wealth Creator 4	Foreign Portfolio Investor	10,700.00	6.90%
4	Vivriti Alpha Debt Fund	Institution	6,900.00	4.45%
5	Hinduja Leyland Finance Limited	Corporate	6,750.00	4.35%
6	Northern Arc Capital Limited	Corporate	6,058.28	3.90%
7	Gmo-Z.Com Payment Gateway India Credit Fund	Foreign Portfolio Investor	5,366.65	3.46%
8	Raymond Limited	Corporate	2,372.96	1.53%
9	Sundaram Finance Ltd	Corporate	2,111.61	1.36%
10	Mas Financial Services Ltd	Corporate	1,940.00	1.25%

8. List of top ten holders of commercial papers in the company in terms of value (on a cumulative basis), as on December 31, 2024:

Sr. No.	Name of holders	Category of holder	Face value of holding (in ₹ lakh)	Holding as a % of total commercial paper outstanding of the Issuer
1	Unity Small Finance Bank Limited	Small Finance Bank	5,000.00	25.25%
2	Finova Capital Private Limited	Corporate	3,000.00	15.15%
3	Krupa Growth Investments Private Limited	Corporate	2,500.00	12.63%
4	V M Salgaocar And Brother Private Limited	Corporate	2,000.00	10.10%
5	Protium Finance Limited	Corporate	2,000.00	10.10%
6	Vasai Vikas Sahakari Bank Ltd	Cooperative Bank	1,000.00	5.05%

Sr. No.	Name of holders	Category of holder	Face value of holding (in ₹ lakh)	Holding as a % of total commercial paper outstanding of the Issuer
7	The Greater Bombay Co-Operative Bank Limited	Cooperative Bank	1,000.00	5.05%
8	Samunnati Financial Intermediation And Services Private Limited	Corporate	1,000.00	5.05%
9	Latur District Central Co Op Bank Ltd	Cooperative Bank	1,000.00	5.05%
10	Vima Kamgar Cooperative Bank Ltd	Cooperative Bank	500.00	2.53%

9. Details of the bank fund based facilities/ rest of the borrowing (if any, including hybrid debt like foreign currency convertible bonds (FCCB), optionally convertible debentures/ preference shares) from financial institutions or financial creditors as on December 31, 2024:

   Nil

10. Details of external commercial borrowings of the Company:

    Our Company's total principal amount outstanding for external commercial borrowings as on December 31, 2024 is ₹ 93,328.83 Lakhs and the total amount outstanding for external commercial borrowings as on December 31, 2024 (as per Ind AS) is ₹ 94,415.40 Lakhs. The details of the external commercial borrowings are set out below:

Sr. No.	Name of the Lender	Date of Sanction	Amount Sanctioned (in ₹ lakh)	Principal Amount Outstanding (in ₹ lakh)	Maturity Date	Repayment Terms	Security	Credit Rating, if applicable	Asset Classification
1	Union Bank Of India	05-Dec-24	29,939.00	29,939.00	31-Dec-29	Principal frequency: Yearly Interest frequency: Quarterly	110%	NA	Standard
2	Canara Bank	10-Oct-24	25,309.50	25,309.50	07-Nov-29	Principal frequency: Yearly	111%	NA	Standard

Sr. No.	Name of the Lender	Date of Sanction	Amount Sanctioned (in ₹ lakh)	Principal Amount Outstanding (in ₹ lakh)	Maturity Date	Repayment Terms	Security	Credit Rating, if applicable	Asset Classification
						Interest frequency: Quarterly			
3	GAF IV LP (Waterequity)	15-Jun-23	8,205.00	8,205.00	25-Jun-27	Principal frequency: Bullet Interest frequency: Quarterly	100%	NA	Standard
4	Microvest Short Duration Fund LP	15-Jun-23	5,742.80	5,742.80	29-Jun-26	Principal frequency: Bullet Interest frequency: Half Yearly	110%	NA	Standard
5	Calvert	16-Feb-23	8,270.00	8,270.00	16-Feb-28	Principal frequency: Half yearly Interest frequency: Half Yearly	105%	NA	Standard
6	ResponsAbility AG	31-Oct-22	8,272.00	8,272.00	21-Sep-26	Principal frequency: Bullet Interest frequency: Half Yearly	110%	NA	Standard
7	Enabling Qapital	28-Sep-22	4,095.00	4,095.00	28-Sep-27	Principal	110%	NA	Standard

Sr. No.	Name of the Lender	Date of Sanction	Amount Sanctioned (in ₹ lakh)	Principal Amount Outstanding (in ₹ lakh)	Maturity Date	Repayment Terms	Security	Credit Rating, if applicable	Asset Classification
						frequency: Half yearly Interest frequency: Half Yearly			
8	ResponsAbility AG	11-Nov-21	3,495.53	3,495.53	21-Sep-26	Principal frequency: Bullet Interest frequency: Half Yearly	110%	NA	Standard

11. Details of the charges created as of December 31, 2024:

Our Company's total principal amount outstanding for charges created as on December 31, 2024 is ₹ 5,34,442.90 Lakhs and the total amount outstanding for charges created as on December 31, 2024 (as per Ind AS) is ₹ 5,34,272.51 Lakhs. The details of the charges created are as follows:

Sr. No	SRN	Charge Id	Charge Holder Name	Date of Creation	Date of Modification	Date of Satisfaction	Amount
1	AB2459648	101033915	SBICAP TRUSTEE COMPANY LIMITED	30-12-2024	-	-	29,939
2	AB2274277	101023884	JANA SMALL FINANCE BANK LIMITED	24-12-2024	-	-	9,000
3	AB2260645	101022740	NABKISAN FINANCE LIMITED	19-12-2024	-	-	4,500
4	AB2125403	101014384	EXIM (INDIA) LIMITED	09-12-2024	-	-	5,000
5	AB2054050	101015432	NABSAMRUDDHI FINANCE LIMITED	29-11-2024	-	-	2,400
6	AB1934904	101004162	CANARA BANK	08-11-2024	-	-	25,200

Sr. No	SRN	Charge Id	Charge Holder Name	Date of Creation	Date of Modification	Date of Satisfaction	Amount
7	AB1763389	101003419	POONAWALLA FINCORP LIMITED	29-10-2024	-	-	10,000
8	AB1656258	101018335	MITCON CREDENTIA TRUSTEESHIP SERVICES LIMITED	21-10-2024	-	-	20,000
9	AB1458610	100991501	SBICAP TRUSTEE COMPANY LIMITED	27-09-2024	-	-	12,500
10	AB1455919	100991491	SBICAP TRUSTEE COMPANY LIMITED	27-09-2024	-	-	12,500
11	AB1845626	101001038	BANK OF MAHARASHTRA	26-09-2024	-	-	10,000
12	AB1475204	100986732	KISETSU SAISON FINANCE (INDIA) PRIVATE LIMITED	25-09-2024	-	-	9,000
13	AB1460293	100985323	CAPITAL SMALL FINANCE BANK LIMITED	18-09-2024	-	-	2,500
14	AB0551160	100975428	BAJAJ FINANCE LIMITED	30-08-2024	-	-	2,500
15	AA9904620	100962906	KOTAK MAHINDRA INVESTMENTS LIMITED	21-08-2024	-	-	5,000
16	AA9897466	100965728	WOORI BANK	14-08-2024	-	-	3,500
17	AA9860651	100963605	UCO BANK	14-08-2024	-	-	10,000
18	AA9876153	100964849	INDIAN OVERSEAS BANK	01-08-2024	-	-	10,000
19	AA9877360	100964577	INDIAN OVERSEAS BANK	01-08-2024	-	-	10,000
20	AA9334134	100974563	VARDHMAN TRUSTEESHIP PRIVATE LIMITED	10-07-2024	-	-	7,500
21	AA9245705	100974564	VARDHMAN TRUSTEESHIP PRIVATE LIMITED	02-07-2024	-	-	5,000
22	AA9332447	100949137	THE KARUR VYSYA BANK LIMITED	28-06-2024	-	-	2,500
23	AA9013885	100939262	INDUSIND BANK LTD.	28-06-2024	-	-	5,000

Sr. No	SRN	Charge Id	Charge Holder Name	Date of Creation	Date of Modification	Date of Satisfaction	Amount
24	AA936 5423	10094 9344	CANARA BANK	26-06-2024	-	-	7,500
25	AA917 3165	10101 5034	VARDHMAN TRUSTEESHIP PRIVATE LIMITED	24-06-2024	-	-	3,500
26	AA848 4784	10093 2377	POONAWALLA FINCORP LIMITED	20-05-2024	-	-	5,000
27	AA789 6056	10091 5634	JM FINANCIAL CREDIT SOLUTIONS LIMITED	22-04-2024	-	-	3,000
28	AA721 2700	10088 9683	INDIAN BANK	30-03-2024	-	-	5,000
29	AA750 9670	10090 7221	IDFC FIRST BANK LIMITED	28-03-2024	-	-	10,000
30	AA751 0990	10089 9778	KARNATAKA BANK LTD.	28-03-2024	-	-	4,500
31	AA719 9149	10088 9100	CENTRAL BANK OF INDIA	28-03-2024	-	-	5,000
32	AA711 6113	10088 2068	NABKISAN FINANCE LIMITED	18-03-2024	-	-	2,000
33	AA708 1203	10088 1341	WOORI BANK	28-02-2024	-	-	2,500
34	AA718 7469	10088 8002	JM FINANCIAL PRODUCTS LIMITED	27-02-2024	-	-	10,000
35	AA701 8343	10101 0888	MITCON CREDENTIA TRUSTEESHIP SERVICES LIMITED	26-02-2024	-	-	20,000
36	AA696 0839	10087 1168	NABSAMRUDDHI FINANCE LIMITED	01-02-2024	-	-	3,350
37	AA685 4143	10086 6054	SURYODAY SMALL FINANCE BANK LIMITED	25-01-2024	-	-	3,500
38	AA943 2573	10092 2218	CATALYST TRUSTEESHIP LIMITED	05-01-2024	23/07/2024	-	24,990
39	AA662 3974	10084 6012	MANAPPURAM FINANCE LIMITED	29-12-2023	-	-	3,500
40	AA653 3544	10084 3858	ESAF SMALL FINANCE BANK LIMITED	29-12-2023	-	-	4,000

Sr. No	SRN	Charge Id	Charge Holder Name	Date of Creation	Date of Modification	Date of Satisfaction	Amount
41	AA642 4682	10101 5028	CATALYST TRUSTEESHIP LIMITED	08-12-2023	-	-	24,960
42	AA641 0067	10083 1015	BAJAJ FINANCE LIMITED	29-11-2023	-	-	2,000
43	AA617 1817	10092 2216	VARDHMAN TRUSTEESHIP PRIVATE LIMITED	09-11-2023	-	-	3,000
44	AA618 5883	10081 5489	SBICAP TRUSTEE COMPANY LIMITED	30-10-2023	-	-	12,500
45	AA615 5680	10081 4518	SBICAP TRUSTEE COMPANY LIMITED	30-10-2023	-	-	12,500
46	AA585 5179	10079 3471	INDIAN BANK	29-09-2023	-	-	6,000
47	AA591 1934	10079 8781	POONAWALLA FINCORP LIMITED	28-09-2023	-	-	5,000
48	AA577 5222	10101 6013	VARDHMAN TRUSTEESHIP PRIVATE LIMITED	26-09-2023	-	-	2,800
49	AA542 0704	10078 2640	UCO BANK	25-09-2023	-	-	10,000
50	AA577 1319	10101 2871	CATALYST TRUSTEESHIP LIMITED	12-09-2023	-	-	5,000
51	AA516 0335	10078 3351	MAHARASHTRA GRAMIN BANK	30-08-2023	-	-	2,500
52	AA438 0059	10077 3646	UNION BANK OF INDIA	17-08-2023	-	-	5,000
53	AA439 3540	10077 0907	IDBI BANK LIMITED	07-08-2023	-	-	2,500
54	AA406 3188	10076 2895	CANARA BANK	27-07-2023	-	-	10,000
55	AA368 9582	10075 0104	WOORI BANK	18-07-2023	-	-	2,500
56	AA382 2418	10075 1079	IDFC FIRST BANK LIMITED	30-06-2023	-	-	500
57	AA353 7172	10074 6995	PIRAMAL TRUSTEESHIP SERVICES PRIVATE LIMITED	30-06-2023	-	-	4,000

Sr. No	SRN	Charge Id	Charge Holder Name	Date of Creation	Date of Modification	Date of Satisfaction	Amount
58	AA333 2663	10074 7096	CATALYST TRUSTEESHIP LIMITED	27-06-2023	-	-	5,743
59	AA367 7327	10074 8186	IDFC FIRST BANK LIMITED	26-06-2023	-	-	10,000
60	AA344 9903	10074 3846	GLOBAL ACCESS FUND IV LP	26-06-2023	-	-	8,205
61	AA329 1047	10073 7805	INDIAN RENEWABLE ENERGY DEVELOPMENT AGENCY LIMITED	23-06-2023	-	-	24,900
62	AA357 7650	10074 7140	IDFC FIRST BANK LIMITED	22-06-2023	-	-	25
63	AA330 7475	10073 7374	BANK OF MAHARASHTRA	07-06-2023	-	-	5,000
64	AA290 7337	10073 5007	VARDHMAN TRUSTEESHIP PRIVATE LIMITED	05-06-2023	-	-	2,500
65	AA255 4890	10072 1261	SIDBI	20-05-2023	-	-	10,000
66	AA249 6542	10072 1331	HDFC BANK LIMITED	28-04-2023	-	-	5,000
67	AA222 4566	10071 3688	TATA CAPITAL FINANCIAL SERVICES LIMITED	28-04-2023	-	-	1,500
68	AA182 9019	10070 4086	THE KARUR VYSYA BANK LIMITED	29-03-2023	-	-	2,500
69	AA162 1306	10072 9939	BEACON TRUSTEESHIP LIMITED	07-03-2023	-	-	5,000
70	AA161 9145	10072 9936	IDBI TRUSTEESHIP SERVICES LIMITED	23-02-2023	-	-	2,000
71	AA159 5332	10068 5887	SBICAP TRUSTEE COMPANY LIMITED	23-02-2023	-	-	20,000
72	AA165 1633	10068 8034	CATALYST TRUSTEESHIP LIMITED	10-02-2023	-	-	8,270
73	AA169 0509	10069 2382	IDFC FIRST BANK LIMITED	30-01-2023	-	-	10,000
74	AA128 3069	10068 4349	CANARA BANK	21-01-2023	-	-	7,500

Sr. No	SRN	Charge Id	Charge Holder Name	Date of Creation	Date of Modification	Date of Satisfaction	Amount
75	AA1201317	100659950	SHRIRAM HOUSING FINANCE LIMITED	31-12-2022	-	-	2,000
76	AA1208461	100666535	JANA SMALL FINANCE BANK LIMITED	29-12-2022	-	-	3,500
77	AA1209696	100662068	BANDHAN BANK LIMITED	29-12-2022	-	-	5,000
78	AA1194851	100713665	CATALYST TRUSTEESHIP LIMITED	19-12-2022	-	-	2,500
79	AA1141886	100646939	SIDBI	05-12-2022	-	-	10,000
80	AA1117789	100642667	UCO BANK	24-11-2022	-	-	5,000
81	AA1120228	100642479	UJJIVAN SMALL FINANCE BANK LIMITED	14-11-2022	-	-	2,500
82	AA1278854	100628377	CATALYST TRUSTEESHIP LIMITED	21-10-2022	28/02/2023	-	1,654
83	AA1280028	100628376	CATALYST TRUSTEESHIP LIMITED	21-10-2022	28/02/2023	-	3,929
84	AA1279296	100628374	CATALYST TRUSTEESHIP LIMITED	21-10-2022	31/12/2022	-	1,241
85	AA1279531	100628373	CATALYST TRUSTEESHIP LIMITED	21-10-2022	31/12/2022	-	1,448
86	AA7718091	100622073	HDFC BANK LIMITED	10-10-2022	-	20/04/2024	1,000
87	AA1021982	100620308	KISETSU SAISON FINANCE (INDIA) PRIVATE LIMITED	30-09-2022	-	-	2,000
88	AA0876863	100614884	INDIAN BANK	29-09-2022	-	-	2,500
89	AA0749909	100610578	CENTRAL BANK OF INDIA	29-09-2022	-	-	10,000
90	AA0614106	100685070	IDBI TRUSTEESHIP SERVICES LIMITED	23-09-2022	-	-	10,000
91	AA0812862	100615218	CATALYST TRUSTEESHIP LIMITED	23-09-2022	-	-	4,095

Sr. No	SRN	Charge Id	Charge Holder Name	Date of Creation	Date of Modification	Date of Satisfaction	Amount
92	AA077 8072	10061 2332	UNION BANK OF INDIA	21-09-2022	-	-	2,500
93	AA082 0529	10070 0327	CATALYST TRUSTEESHIP LIMITED	29-08-2022	-	-	5,000
94	AA045 7624	10060 8576	CAPRI GLOBAL CAPITAL LIMITED	26-08-2022	-	-	2,500
95	AA714 3355	10070 9478	MITCON CREDENTIA TRUSTEESHIP SERVICES LIMITED	23-08-2022	-	14/03/2024	5,000
96	AA001 6893	10060 3629	NABSAMRUDDHI FINANCE LIMITED	05-08-2022	-	-	1,500
97	F17818 964	10059 6963	SBICAP TRUSTEE COMPANY LIMITED	30-07-2022	-	-	7,000
98	F21903 976	10060 3140	SURYODAY SMALL FINANCE BANK LIMITED	29-07-2022	-	-	2,500
99	AA688 9859	10084 2672	MITCON CREDENTIA TRUSTEESHIP SERVICES LIMITED	15-07-2022	-	09/02/2024	2,500
100	F17250 960	10059 5425	PIRAMAL TRUSTEESHIP SERVICES PRIVATE LIMITED	01-07-2022	-	-	3,000
101	F11912 391	10058 5948	SBICAP TRUSTEE COMPANY LIMITED	29-06-2022	-	-	4,000
102	AB268 3659	10059 0898	RBL BANK LIMITED	27-06-2022	27/01/2025	-	11,500
103	AA666 6623	10059 3887	JM FINANCIAL PRODUCTS LIMITED	24-06-2022	-	05/01/2024	4,000
104	F15404 775	10059 0968	HINDUJA LEYLAND FINANCE LIMITED	22-06-2022	-	-	1,700
105	F04459 533	10057 7480	SBM BANK (INDIA) LIMITED	31-05-2022	-	-	2,000
106	F08117 707	10058 2947	STCI FINANCE LIMITED	27-05-2022	-	-	3,000
107	F04892 915	10057 8211	KOTAK MAHINDRA BANK LIMITED	26-05-2022	-	-	5,000
108	AA714 3253	10057 9538	MITCON CREDENTIA TRUSTEESHIP SERVICES LIMITED	23-05-2022	-	14/03/2024	3,000

Sr. No	SRN	Charge Id	Charge Holder Name	Date of Creation	Date of Modification	Date of Satisfaction	Amount
109	F02310373	100573170	SBICAP TRUSTEE COMPANY LIMITED	13-05-2022	-	-	500
110	F02311264	100573165	SBICAP TRUSTEE COMPANY LIMITED	13-05-2022	-	-	10,000
111	F04920674	100578237	BANK OF MAHARSHTRA	12-05-2022	-	-	3,000
112	F02143121	100572714	DCB BANK LIMITED	06-05-2022	-	-	2,500
113	AA5947435	100576173	KOTAK MAHINDRA BANK LIMITED	05-05-2022	30/09/2023	-	4,000
114	T99680191	100571099	MITCON CREDENTIA TRUSTEESHIP SERVICES LIMITED	05-05-2022	-	-	7,222
115	F00314815	100568752	JANA SMALL FINANCE BANK LIMITED	29-04-2022	-	-	5,000
116	T96836994	100561486	CANARA BANK	30-03-2022	-	-	2,500
117	T94320496	100566801	CATALYST TRUSTEESHIP LIMITED	26-03-2022	-	-	5,000
118	T95655858	100558108	CAPITAL SMALL FINANCE BANK LIMITED	19-03-2022	-	-	2,500
119	T94063815	100554238	ESAF SMALL FINANCE BANK LIMITED	11-03-2022	-	-	2,000
120	T87956835	100544907	IDFC FIRST BANK LIMITED	24-02-2022	-	-	7,500
121	T89326110	100546721	BANDHAN BANK LIMITED	23-02-2022	-	-	2,600
122	AA7508665	100533971	INDIAN OVERSEAS BANK	25-01-2022	-	27/03/2024	5,000
123	T73950099	100529183	BEACON TRUSTEESHIP LIMITED	18-01-2022	-	-	2,500
124	T75477851	100528726	PUNJAB & SIND BANK	14-01-2022	-	-	5,000
125	AA1705349	100528838	CATALYST TRUSTEESHIP LIMITED	10-01-2022	28/02/2023	-	3,500

Sr. No	SRN	Charge Id	Charge Holder Name	Date of Creation	Date of Modification	Date of Satisfaction	Amount
126	T72936081	100523097	INDIAN BANK	31-12-2021	-	-	2,500
127	T72588221	100522264	IDBI BANK LIMITED	31-12-2021	-	-	2,500
128	T69872422	100516605	UTKARSH SMALL FINANCE BANK LIMITED	30-12-2021	-	-	3,000
129	T73410227	100524271	ADITYA BIRLA FINANCE LIMITED	29-12-2021	-	-	2,500
130	AA1705657	100520861	CATALYST TRUSTEESHIP LIMITED	27-12-2021	28/02/2023	-	2,600
131	AA3529971	100524688	THE FEDERAL BANK LTD	24-12-2021	-	12/07/2023	2,500
132	T72477235	100521963	MAS FINANCIAL SERVICES LIMITED	24-12-2021	-	-	1,000
133	T72475247	100521960	MAS FINANCIAL SERVICES LIMITED	24-12-2021	-	-	1,000
134	T72476237	100521949	MAS FINANCIAL SERVICES LIMITED	24-12-2021	-	-	1,000
135	T72476922	100521946	MAS FINANCIAL SERVICES LIMITED	24-12-2021	-	-	1,000
136	T72476823	100521943	MAS FINANCIAL SERVICES LIMITED	24-12-2021	-	-	1,000
137	T72337892	100521695	TATA CAPITAL FINANCIAL SERVICES LIMITED	24-12-2021	-	-	1,500
138	AA1277978	100518063	CATALYST TRUSTEESHIP LIMITED	15-12-2021	28/02/2023	-	4,600
139	T69789253	100516404	THE FEDERAL BANK LTD	03-12-2021	-	-	2,350
140	AA1278360	100518344	CATALYST TRUSTEESHIP LIMITED	02-12-2021	31/12/2022	-	3,109
141	F21877527	100505674	CLIX CAPITAL SERVICES PRIVATE LIMITED	30-11-2021	-	27/07/2022	5,000
142	AA7141279	100542449	MITCON CREDENTIA TRUSTEESHIP SERVICES LIMITED	30-11-2021	-	14/03/2024	1,500

Sr. No	SRN	Charge Id	Charge Holder Name	Date of Creation	Date of Modification	Date of Satisfaction	Amount
143	AB2147451	100506248	UJJIVAN SMALL FINANCE BANK LIMITED	26-11-2021	-	03/12/2024	2,000
144	T60487170	100502414	NABKISAN FINANCE LIMITED	26-11-2021	-	-	2,000
145	T59021600	100503462	IDBI TRUSTEESHIP SERVICES LIMITED	16-11-2021	-	-	5,000
146	F17318544	100499740	NORTHERN ARC CAPITAL LIMITED	02-11-2021	-	15/07/2022	5,000
147	T73632572	100499745	MAS FINANCIAL SERVICES LIMITED	30-10-2021	-	11/01/2022	1,000
148	T73626830	100499744	MAS FINANCIAL SERVICES LIMITED	30-10-2021	-	11/01/2022	1,000
149	T73626368	100499743	MAS FINANCIAL SERVICES LIMITED	30-10-2021	-	11/01/2022	1,000
150	T73626921	100499742	MAS FINANCIAL SERVICES LIMITED	30-10-2021	-	11/01/2022	1,000
151	T73625949	100499741	MAS FINANCIAL SERVICES LIMITED	30-10-2021	-	11/01/2022	1,000
152	T60356037	100502190	DHANLAXMI BANK LIMITED	29-10-2021	-	-	1,000
153	AA2297457	100500632	UC INCLUSIVE CREDIT PRIVATE LIMITED	29-10-2021	-	06/04/2023	500
154	T53914933	100486775	KARNATAKA BANK LTD.	28-09-2021	-	-	2,000
155	AA0460234	100493809	BEACON TRUSTEESHIP LIMITED	25-09-2021	-	02/08/2022	1,000
156	AA7506218	100484309	KISETSU SAISON FINANCE (INDIA) PRIVATE LIMITED	23-09-2021	-	11/04/2024	2,500
157	AA0639353	100481440	SIDBI	21-09-2021	-	13/09/2022	9,000
158	T49176415	100481955	NABSAMRUDDHI FINANCE LIMITED	17-09-2021	-	-	1,500
159	T51728137	100483228	NABSAMRUDDHI FINANCE LIMITED	16-09-2021	-	-	500

Sr. No	SRN	Charge Id	Charge Holder Name	Date of Creation	Date of Modification	Date of Satisfaction	Amount
160	AA3780912	100486586	AU SMALL FINANCE BANK LIMITED	13-09-2021	-	26/07/2023	2,700
161	T48881973	100481966	HINDUJA LEYLAND FINANCE LIMITED	02-09-2021	-	-	2,200
162	AA6040378	100477309	CATALYST TRUSTEESHIP LIMITED	30-08-2021	-	30/10/2023	2,000
163	T41500612	100475187	THE SOUTH INDIAN BANK LIMITED	27-08-2021	-	-	2,000
164	T46010070	100480997	CANARA BANK	17-08-2021	-	-	2,500
165	AA3532569	100475582	CATALYST TRUSTEESHIP LIMITED	06-08-2021	-	04/07/2023	5,000
166	AA5986178	100464812	CATALYST TRUSTEESHIP LIMITED	20-07-2021	-	18/10/2023	2,000
167	AA9662414	100461331	MAS FINANCIAL SERVICES LIMITED	30-06-2021	-	24/07/2024	500
168	AA9662212	100461326	MAS FINANCIAL SERVICES LIMITED	30-06-2021	-	24/07/2024	500
169	AA9662860	100461322	MAS FINANCIAL SERVICES LIMITED	30-06-2021	-	24/07/2024	500
170	AA9662629	100461318	MAS FINANCIAL SERVICES LIMITED	30-06-2021	-	24/07/2024	500
171	AA7506073	100457052	KISETSU SAISON FINANCE (INDIA) PRIVATE LIMITED	24-06-2021	-	11/04/2024	2,500
172	AA3918397	100455730	THE FEDERAL BANK LTD	08-06-2021	-	28/07/2023	2,600
173	T29859014	100455657	RBL BANK LIMITED	07-06-2021	-	-	2,500
174	AA1166521	100449450	CATALYST TRUSTEESHIP LIMITED	25-05-2021	-	15/12/2022	2,000
175	AA1128358	100442384	CATALYST TRUSTEESHIP LIMITED	30-04-2021	-	29/11/2022	2,970
176	AA7718161	100445883	VIVRITI CAPITAL PRIVATE LIMITED	30-04-2021	-	22/04/2024	500

Sr. No	SRN	Charge Id	Charge Holder Name	Date of Creation	Date of Modification	Date of Satisfaction	Amount
177	AA7767473	100445885	VIVRITI CAPITAL PRIVATE LIMITED	30-04-2021	-	22/04/2024	500
178	AA7718366	100445886	VIVRITI CAPITAL PRIVATE LIMITED	30-04-2021	-	22/04/2024	500
179	AA7767558	100445887	VIVRITI CAPITAL PRIVATE LIMITED	30-04-2021	-	22/04/2024	500
180	AA7767648	100445890	VIVRITI CAPITAL PRIVATE LIMITED	30-04-2021	-	22/04/2024	500
181	AA6956406	100436846	MAS FINANCIAL SERVICES LIMITED	30-03-2021	-	15/02/2024	1,000
182	AA6958096	100436848	MAS FINANCIAL SERVICES LIMITED	30-03-2021	-	15/02/2024	1,000
183	AA6958217	100436850	MAS FINANCIAL SERVICES LIMITED	30-03-2021	-	15/02/2024	1,000
184	AA6958465	100436853	MAS FINANCIAL SERVICES LIMITED	30-03-2021	-	15/02/2024	1,000
185	AA6958539	100436857	MAS FINANCIAL SERVICES LIMITED	30-03-2021	-	15/02/2024	1,000
186	AA6410283	100434779	SUNDARAM FINANCE LIMITED	26-03-2021	-	14/12/2023	2,500
187	T14682124	100441401	CATALYST TRUSTEESHIP LIMITED	26-03-2021	-	-	2,500
188	AA5945318	100436106	CAPRI GLOBAL CAPITAL LIMITED	22-03-2021	-	19/10/2023	1,000
189	AB0000657	100428697	ESAF SMALL FINANCE BANK LIMITED	12-03-2021	-	13/08/2024	2,500
190	T21153259	100447046	BARCLAYS BANK PLC	10-03-2021	-	-	10,000
191	T01182591	100413385	STATE BANK OF INDIA	29-01-2021	-	-	5,000
192	AA7282932	100417719	NORTHERN ARC CAPITAL LIMITED	29-01-2021	-	26/03/2024	5,000
193	R91509521	100407451	ICICI BANK LIMITED	12-01-2021	-	-	1,000

Sr. No	SRN	Charge Id	Charge Holder Name	Date of Creation	Date of Modification	Date of Satisfaction	Amount
194	AA705 2377	10040 4391	INDIAN BANK	31-12-2020	-	20/02/2024	2,500
195	AA771 8021	10040 5587	AU SMALL FINANCE BANK LIMITED	28-12-2020	-	24/04/2024	2,000
196	AA127 5943	10041 1385	BEACON TRUSTEESHIP LIMITED	28-12-2020	-	14/03/2023	1,000
197	AA046 2254	10041 1392	BEACON TRUSTEESHIP LIMITED	28-12-2020	-	07/09/2022	5,000
198	AA705 1962	10039 6075	MAANAVEEYA DEVELOPMENT & FINANCE PRIVATE LIMITED	21-12-2020	-	20/02/2024	4,000
199	T18595 249	10038 1784	SIDBI	28-10-2020	-	06/05/2021	3,500
200	F02144 418	10037 9076	BEACON TRUSTEESHIP LIMITED	20-10-2020	-	18/05/2022	2,000
201	AA118 9819	10037 9038	MAS FINANCIAL SERVICES LIMITED	29-09-2020	-	17/12/2022	500
202	AA118 9860	10037 9677	MAS FINANCIAL SERVICES LIMITED	29-09-2020	-	17/12/2022	500
203	AA118 9882	10037 9678	MAS FINANCIAL SERVICES LIMITED	29-09-2020	-	17/12/2022	500
204	AA375 4357	10037 4159	IDFC FIRST BANK LIMITED	08-09-2020	28/06/2023	-	5,000
205	T94134 806	10037 3541	BEACON TRUSTEESHIP LIMITED	03-09-2020	-	04/04/2022	3,500
206	R51791 002	10036 1576	INDUSIND BANK LTD.	25-08-2020	-	-	3,000
207	R48141 493	10035 4400	SBM BANK (INDIA) LIMITED	27-07-2020	-	-	5,000
208	T82634 049	10034 5799	BEACON TRUSTEESHIP LIMITED	23-06-2020	-	22/02/2022	5,000
209	AA406 2193	10034 4557	BEACON TRUSTEESHIP LIMITED	05-06-2020	-	03/08/2023	5,000
210	AA214 4435	10033 7862	HINDUJA LEYLAND FINANCE LIMITED	26-05-2020	-	19/04/2023	3,500

Sr. No	SRN	Charge Id	Charge Holder Name	Date of Creation	Date of Modification	Date of Satisfaction	Amount
211	R36672434	100332971	CANARA BANK	12-03-2020	-	-	1,000
212	R34490763	100326354	SBM BANK (INDIA) LIMITED	17-02-2020	-	-	1,000
213	AA2067622	100319241	ESAF SMALL FINANCE BANK LIMITED	15-01-2020	-	05/04/2023	1,000
214	T32008575	100317011	MAS FINANCIAL SERVICES LIMITED	31-12-2019	-	16/07/2021	500
215	T32009300	100317012	MAS FINANCIAL SERVICES LIMITED	31-12-2019	-	16/07/2021	500
216	T32010100	100317014	MAS FINANCIAL SERVICES LIMITED	31-12-2019	-	16/07/2021	500
217	T32010910	100317015	MAS FINANCIAL SERVICES LIMITED	31-12-2019	-	16/07/2021	500
218	T32011629	100317016	MAS FINANCIAL SERVICES LIMITED	31-12-2019	-	16/07/2021	500
219	T32011132	100317018	MAS FINANCIAL SERVICES LIMITED	31-12-2019	-	16/07/2021	500
220	T18583518	100295205	MAS FINANCIAL SERVICES LIMITED	30-09-2019	-	07/05/2021	1,000
221	T19544428	100295207	MAS FINANCIAL SERVICES LIMITED	30-09-2019	-	08/05/2021	1,000
222	R37092699	100299750	BEACON TRUSTEESHIP LIMITED	28-09-2019	-	16/04/2020	5,000
223	T19538909	100295203	MAS FINANCIAL SERVICES LIMITED	27-09-2019	-	08/05/2021	1,000
224	T19542455	100295200	MAS FINANCIAL SERVICES LIMITED	27-09-2019	-	08/05/2021	1,000
225	T19542851	100295842	MAS FINANCIAL SERVICES LIMITED	27-09-2019	-	08/05/2021	1,000
226	AA1069179	100288546	HINDUJA LEYLAND FINANCE LIMITED	28-08-2019	-	18/10/2022	1,500
227	T54029467	100254122	AU SMALL FINANCE BANK LIMITED	22-03-2019	-	07/10/2021	1,000

Sr. No	SRN	Charge Id	Charge Holder Name	Date of Creation	Date of Modification	Date of Satisfaction	Amount
228	AA1166421	100254457	AU SMALL FINANCE BANK LIMITED	22-03-2019	-	13/12/2022	1,500

Restrictive Covenants under our financing arrangements:

- any change in promoter directors or in the core management team nor any merger/acquisition/amalgamation shall be done without express permission of the bank in writing;
- declare dividends only out of the profits relating to that year and after making all due and necessary provisions, and provided further that there have been no defaults in repayments under the Facility. In all other cases the Company shall seek the prior written consent of the bank before declaring dividends;
- any scheme of expansion/modernization/diversification/renovation (except normal capex) or sell any fixed assets during any accounting year, except under such scheme, which has already been approved by the bank;
- any adverse change in the company's capital structure;
- repay monies brought in by the Promoters/Directors Principal shareholders and their friends and relatives by way of deposits / loans / advances. Further, the rate of interest, if any, payable on such deposits / loans / advances should be lower than the rate of interest charged by the bank on its own term loan and payment of such interest will be subject to regular repayment of instalments to term loans granted/ deferred payment guarantees executed by the bank or other repayment obligations, if any, due from the Company to the bank;
- approach capital market for mobilizing additional resources either in the form of debt or equity;
- undertake any guarantee or letter of comfort in the nature of guarantee on behalf of any other company (including group companies);
- entering into any contractual obligation of a long-term nature (i.e., 2 years or more) or which, in the reasonable assessment of the bank, is an unrelated activity and is detrimental to lender's interest;
- change of practice with regard to remuneration of directors by means of ordinary remuneration or commission, scale of sitting fees etc., except where mandated by any legal or regulatory provisions;
- promoter's share in the borrowing entity should not be pledged to any bank/NBFC/Institution without the consent of the bank.

This is an indicative list and there may be such other additional terms under the various borrowing arrangements entered into by our Company.

12. Events of default under our financing arrangements:

The facility documents executed by the Company stipulates certain events as "*Events of Default*", pursuant to which the Company may be required to immediately repay the entire loan facility availed by it and be subject to additional penalties by the relevant lenders. Such events include, but are not limited to:

- Failure to pay on the due date any amount payable pursuant to a facility document, (including but not limiting to principal and interest amount payable with respect to any loan), at the place at and in the currency in which it is expressed to be payable;

- Failure to comply with any provision of the facility documents, to which it is a party;
- Occurring of a cross default event as mentioned in facility documents;
- Change in control of our Promoter shareholding;
- Any litigation, arbitration, investigative or administrative proceeding or enquiry is current, pending or threatened to restrain the Company's entry into, the exercise of the Company's rights under, or compliance by the Company with any of its obligations under, the facility documents;
- An application or petition has been admitted by any relevant Governmental Agency under the Insolvency and Bankruptcy Code, 2016 (as may be amended, modified or supplemented from time to time) in relation to the Company.

13. The amount of corporate guarantee or letter of comfort issued by the Company along with details of the counterparty (viz. name and nature of the counterparty, subsidiary, Joint Venture entity, group company etc) on behalf of whom it has been issued, contingent liability including debt service reserve account guarantees/ any put option etc.:

    Nil

14. Details of inter corporate loans:

    Nil

15. As on the date of this Prospectus, there has been no rescheduling, default and/or delay in payment of principal or interest on any existing term loan, debt security issued by the Issuer, commercial paper (including technical delays) and other financial indebtedness including corporate guarantee or letter of comfort issued by the Company, in the past three financial years and the current financial year:

16. Details of default and non-payment of statutory dues for the preceding three financial years and current financial year.

    Except as disclosed in "*Outstanding Litigations and Defaults*" on page 306, there has been no instances of non-payment or defaults in the payment of statutory dues by our Company in the preceding three financial years and current financial year.:

17. Details of any outstanding borrowings taken/ debt securities issued for consideration other than cash; whether (i) in whole or part; (ii) at a premium or discount, or (iii) in pursuance of an option or not;

    Nil

MATERIAL DEVELOPMENTS

Except as disclosed in this Prospectus, there have been no material developments since March 31, 2024 till the date of filing of this Prospectus and there has been no material event/ development or change having implications on the financials/credit quality (e.g. any material regulatory proceedings against the Company/ Promoter, litigations resulting in material liabilities, corporate restructuring event etc.) at the time of the Issue which may affect the Issue or the investor's decision to invest / continue to invest in the debt securities.

1. **Issue of compulsory convertible debentures and shares warrants:**

   Our Company issued and allotted 97,70,757 compulsory convertible debentures of face value ₹ 10 per CCD aggregating to ₹ 25,795 lakh and 3,81,32,474 convertible warrants of face value ₹ 10 per share warrant aggregating to ₹ 1,00,670 lakh by way of preferential issuance.

2. **Approval of acquisition:**

   Our Board of Directors and shareholders vide their resolutions dated May 02, 2024 and June 01, 2024 approved the acquisition of 100% shareholding of Datasigns Technologies Private Limited ("**Datasigns**") and approved further issue of equity shares of the Company in consideration for acquisition of Datasigns, in the following manner:

   (a) Tranche 1: Up to ₹ 2,800 Lakh for acquisition of majority of shareholding in Datasigns, being 76% of the total capital of Datasigns; and

   (b) Tranche 2: Up to 1,700 Lakh for acquisition of balance shareholding in Datasigns, being balance 24% of the total capital of Datasigns.

   The Board of Directors and shareholders authorised to issued and allot on preferential basis, up to 6,78,788 equity shares of the Company having face value of ₹ 10 at an issue price of ₹ 264 per equity share of the Company including premium of ₹ 254 per equity share aggregating up to ₹ 1,792 Lakh.

RELATED PARTY TRANSACTIONS

For details of the related party transactions for the Fiscals 2024 in accordance with the requirements under Ind AS 24 "Related Party Disclosures" notified under Section 133 of the Companies Act read with the Companies (Indian Accounting Standards) Rules 2015, as amended from time to time, see "*Audited Financial Statements for Fiscal 2024*" on page F-74, note no. 44.

For details of the related party transactions for the Fiscals 2023 in accordance with the requirements under Ind AS 24 "Related Party Disclosures" notified under Section 133 of the Companies Act read with the Companies (Indian Accounting Standards) Rules 2015, as amended from time to time, see "*Audited Financial Statements for Fiscal 2023*" on page F-170, note no. 43.

For details of the related party transactions for the Fiscals 2022 in accordance with the requirements under Ind AS 24 "Related Party Disclosures" notified under Section 133 of the Companies Act read with the Companies (Indian Accounting Standards) Rules 2015, as amended from time to time, see "*Audited Standalone Financial Statements for Fiscal 2022"* on page F-263, note no. 40.

Related party transaction entered during the Fiscal 2024, 2023 and 2022 and from April 1, 2024 till March 21, 2025 with regard to loans made or guarantees given or securities provided: No loans, guarantees or securities have been provided by the Company to the related parties in the Fiscal 2024, 2023, 2022 and from April 1, 2024 till March 21, 2025.

Following are the details of related party transactions in the Fiscal 2024, 2023, 2022, and from April 01, 2024 to March 21, 2025:

1) For the Financial Year ending on March 31, 2024 and 2023

(Rs. In lakh)

Nature of Transactions	For the financial year ending on March 31,	
	2024	2023
Particulars		
Transaction during the year		
Income		
Recovery of Transaction Fees		
Livfin India Private Limited	63.77	94.28
Expenses		
Sourcing Fees		
Livfin India Private Limited	29.11	33.44
Indifi Technologies Private Limited	373.00	-
Reimbursement of Expenses		
Aniket Karandikar	-	0.02
Amit Gupta	-	0.03
Shachindra Nath	-	0.08
Kishore Kumar Lodha	0.28	1.34
Namrata Sajnani[$]	0.08	-
Satish Chelladurai Kumar[$]	0.02	-
Director Sitting Fees		
Hemant Bhargava	21.00	17.00
Sekar Karnam	21.00	29.00
Rajeev Krishnamuralilal Agarwal	32.00	23.00
Karuppasamy Singam	29.00	26.00
Satyananda Mishra	29.00	30.00

Nature of Transactions	For the financial year ending on March 31,	
	2024	2023
Smita Aggarwal	5.00	25.00
Tabassum Abdulla Inamdar	10.00	-
Abhijit Sen	6.00	39.00
Short -Term Employee Benefits*		
Shachindra Nath	585.63	466.44
Amit Gupta	-	52.81
Kishore Kumar Lodha	252.17	190.39
Namrata Sajnani[$]	27.44	25.92
Aniket Karandikar[#]	-	9.04
Satish Chelladurai Kumar [$]	14.37	-
Share Based Payment		
Kishore Kumar Lodha	33.24	-

2) For the Financial Year ending on March 31, 2022

(Rs. In lakh)

Nature of Transactions	For the financial year ending on March 31, 2022
Particulars	
Transaction during the year	
Expense	
Arranger Fees Paid	
Livfin India Private Limited	20.57
Arranger Fees Received	
Livfin India Private Limited	33.81
Reimbursement of Expenses	
Aniket Karandikar	0.17
Amit Gupta	0.99
Shachindra Nath	9.43
Remuneration Paid*	
Shachindra Nath	295.60
Abhijit Ghosh	11.38
Sandeep Kumar Zanwar**	44.48
Amit Gupta**	53.68
Aniket Karandikar#	30.49

3) From April 01, 2024 till September 30, 2024

(Rs. In lakh)

Nature of Transaction	From April 01, 2024 till September 30, 2024
Particulars	
Transaction during the year	
Expenses	
Sourcing Fees	
Livfin India Private Limited	0.07
Indifi Technologies Private Limited	418.41

Nature of Transaction	From April 01, 2024 till September 30, 2024
Director Sitting Fees	
Hemant Bhargava	9.00
Sekar Karnam	10.00
Rajeev Krishnamuralilal Agarwal	14.09
Karuppasamy Singam	13.00
Satyananda Mishra	13.00
Tabassum Abdulla Inamdar	7.00
Short- Term Employee Benefits*	
Shachindra Nath	446.75
Kishore Kumar Lodha	192.16
Satish Chelladurai Kumar	26.46
Share Based Payment	
Kishore Kumar Lodha	5.17

4) From October 01, 2024 till March 21, 2025

(Rs. In lakh)

Nature of Transaction	From October 01, 2024 till March 21, 2025
Particulars	
Transaction during the year	
Expenses	
Sourcing Fees	
Indifi Technologies Private Limited	677.84
Director Sitting Fees	
Hemant Bhargava	12.00
Sekar Karnam	13.00
Rajeev Krishnamuralilal Agarwal	10.91
Karuppasamy Singam	12.00
Satyananda Mishra	12.00
Tabassum Abdulla Inamdar	7.00
Short- Term Employee Benefits	
Shachindra Nath	143.03
Kishore Kumar Lodha	97.10
Satish Chelladurai Kumar	16.95

**The above figures do not include provision towards gratuity.*

***Sandeepkumar Zanwar and Amit Gupta former Chief Financial Officer, resigned w.e.f. November 02, 2022 and September 1, 2023 respectively.*

#Aniket Karandikar, former Company Secretary and Compliance Officer, resigned w.e.f. June 13, 2022.

$Namrata Sajnani, former Company secretary and Compliance officer resigned w.e.f. 31st October 2023 and Satish Chelladurai Kumar appointed as Company secretary and Compliance officer w.e.f. 1st November 2023.

SECTION VI: ISSUE RELATED INFORMATION

ISSUE STRUCTURE

The following are the key terms of the NCDs. This section should be read in conjunction with, and is qualified in its entirety by more detailed information in *"Terms of the Issue"* on page 242.

The NCDs being offered as part of the Issue are subject to the provisions of the SEBI NCS Regulations, the Listing Agreement, SEBI LODR Regulations, and the Companies Act, 2013, the RBI Act, the terms of this Prospectus, the Prospectus, the Application Form, the terms and conditions of the Debenture Trustee Agreement and the Debenture Trust Deed, and other applicable statutory and/or regulatory requirements including those issued from time to time by SEBI, RBI, the GoI, and other statutory/regulatory authorities relating to the offer, issue and listing of NCDs and any other documents that may be executed in connection with the NCDs.

The key common terms and conditions of the Term Sheet are as follows:

Security Name	Secured, Rated, Listed, Redeemable, Non-Convertible Debentures
Issuer Company	UGRO Capital Limited
Lead Manager	Tipsons Consultancy Services Private Limited
Debenture Trustee	MITCON Credentia Trusteeship Services Limited
Registrar to the Issue	MUFG Intime India Private Limited (formerly known as Link Intime India Private Limited)
Type of instrument/ Name of the security/ Seniority	Rated, senior, secured, listed, transferable, redeemable, non-convertible debentures
Nature of the instrument (Secured or Unsecured)	Secured
Seniority (Senior or Subordinated)	Senior
Mode of Issue	Public Issue
Mode of Allotment	In dematerialised form
Mode of Trading	NCDs will be traded in dematerialised form
Eligible investors	Eligible Investors The following categories of persons are eligible to apply: **Category I Institutional Investors** 1. Public financial institutions, scheduled commercial banks, Indian multilateral and bilateral development financial institution which are authorised to invest in the NCDs; 2. Provident funds, pension funds with a minimum corpus of ₹250 million, superannuation funds and gratuity funds, which are authorised to invest in the NCDs; 3. Alternative Investment Funds, subject to investment conditions applicable to them under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012; 4. Mutual Funds registered with SEBI; 5. Resident Venture Capital Fund registered with SEBI Insurance Companies registered with IRDAI; 6. Resident Venture Capital Funds registered with SEBI; 7. Insurance Companies registered with IRDAI; 8. State industrial development corporations; 9. Insurance funds set up and managed by the army, navy, or air force of the Union of India; 10. Insurance funds set up and managed by the Department of Posts, the Union of India; 11. Systemically Important Non-Banking Financial Company, a nonbanking financial company registered with the Reserve Bank of India and having a net-worth of more than ₹5,000 million as per the last audited financial statements; 12. National Investment Fund set up by resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of the Government of India published in the Gazette of India.

	Category II Non-Institutional Investors 1. Companies within the meaning of Section 2(20) of the Companies Act, 2013 2. Statutory Bodies/ Corporations and Societies registered under the applicable laws in India; 3. Co-operative banks and regional rural banks; 4. Public/private charitable/ religious trusts which as authorised to invest in the NCDs; 5. Scientific and/or industrial research organisations which as authorised to invest in the NCDs; 6. Partnership firms in the name of the partners; 7. Limited liability partnerships formed and registered under the provisions of the Limited Liability Partnership Act, 2008 (No. 6 of 2009); 8. Association of Persons; 9. Any other incorporated or un-incorporated body of Persons. **Category III High Networth Individual, ("HNIs"), Investors** 10. Resident Indian individuals or Hindu Undivided Families through the Karta applying for an amount aggregating to above ₹1 million across all series of NCDs in Issue. **Category IV Retail Individual Investors** 11. Resident Indian individuals or Hindu Undivided Families through the Karta applying for an amount aggregating up to and including ₹1 million across all series of NCDs in Issue and shall include Retail Individual Investors, who have submitted bid for an amount not more than ₹500,000 in any of the bidding options in the Issue (including HUFs applying through their Karta and does not include NRIs) though UPI Mechanism. Please note that it is clarified that Persons Resident outside India shall not be entitled to participate in the Issue and any applications from such persons are liable to be rejected.
Listing (name of stock Exchange(s) where it will be listed and timeline for listing)	NSE & BSE; (NSE shall be Designated Stock Exchange for this issue) NCDs will be listed within 6 (six) working days from the Issue Closure Date as per the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulation, 2021, as amended.
Rating of the Instrument	"IND A+/Stable" by India Ratings & Research Private Limited
Issue Size	₹ 10,000 lakhs with an option to retain over-subscription up to ₹ 10,000 lakhs, aggregating to a total of ₹ 20,000 lakhs.
Minimum subscription	In terms of the SEBI NCS Regulations, for an issuer undertaking a public issue of debt securities the minimum subscription for public issue of debt securities shall be 75% of the Base Issue Size. If Company does not receive the minimum subscription of 75% of the Base Issue Size, prior to the Issue Closing Date, the entire subscription amount shall be unblocked in the Applicants ASBA Account within 8 (Eight) Working Days from the Issue Closing Date or such time period as may be specified by SEBI. The refunded subscription amount shall be credited only to the account from which the relevant subscription amount was remitted. In the event, there is a delay by the Company in unblocking the aforesaid ASBA Account within the prescribed time limit, Company will pay interest at the rate of 15% (Fifteen percent) per annum for the period of delay.
Option to retain Oversubscription Amount	In accordance with Regulation 42 of the SEBI NCS Regulations and the corporate authorisations of the Company, the Company has the option to retain over-subscription up to ₹ 10,000 lakhs, such that the aggregate issue of the NCDs does not exceed ₹ 20,000 lakhs.

<table>
<tr><td>Objects of the Issue / Purpose for which there is requirement of funds</td><td>Please refer the Section named "Objects of the Issue" (including for the allocation of funds towards each sub-purpose) of the Prospectus.</td></tr>
<tr><td>Details of utilisation of the proceeds</td><td>Please refer the Section named "Objects of the Issue" (including for the allocation of funds towards each sub-purpose) of the Prospectus.</td></tr>
<tr><td>Coupon / Interest Rate</td><td>The coupon / interest rate applicable on the NCDs is as follows:<table><tr><th>Series I</th><th>Series II</th><th>Series III</th><th>Series IV</th><th>Series V</th></tr><tr><td>10.00% (Ten decimal Zero percent) per annum payable monthly (10.47% (Ten Decimal Four Seven percent) XIRR)</td><td>10.39% (Ten decimal Three Nine percent) per annum payable Annually (10.47% (Ten decimal Four Seven percent) XIRR)</td><td>10.15% (Ten decimal One Five percent) per annum payable Monthly (10.64% (Ten decimal Six Four percent) XIRR)</td><td>10.25% (Ten decimal Two Five percent) per annum payable Monthly (10.75% (Ten decimal Seven Five percent) XIRR</td><td>10.50% (Ten decimal Five Zero percent) per annum payable Monthly (11.01% (Eleven decimal Zero One percent) XIRR</td></tr></table></td></tr>
<tr><td>Step Up/Step Down Coupon Rate</td><td>N.A.</td></tr>
<tr><td>Coupon/Interest Payment Frequency</td><td><table><tr><th>Series I</th><th>Series II</th><th>Series III</th><th>Series IV</th><th>Series V</th></tr><tr><td>Monthly</td><td>Annually</td><td>Monthly</td><td>Monthly</td><td>Monthly</td></tr></table></td></tr>
<tr><td>Coupon / Interest payment dates</td><td>The indicative interest payment dates shall be set out under Annexure I of the Prospectus.</td></tr>
<tr><td>(Cumulative / non cumulative, in case of dividend)</td><td>NA</td></tr>
<tr><td>Coupon Type (Fixed, floating or other structure)</td><td>Fixed</td></tr>
<tr><td>Coupon Reset Process (including rates, spread, effective date, interest rate cap and floor etc).</td><td>NA</td></tr>
<tr><td>Day Count Basis (Actual/Actual)</td><td>Interest and all other charges shall accrue based on an actual/actual basis.</td></tr>
<tr><td>Interest on application money</td><td>1. Interest at 12% per annum, subject to deduction of tax at source in accordance with Applicable Law, will be paid by the Issuer on the Application Money to the Applicants from the date of receipt of such Application Money up to 1 (one) day prior to the Deemed Date of Allotment for all valid applications, within 2 (two) Business Days from the Deemed Date of Allotment. Where pay-in date of the Application Money and the Deemed Date of Allotment are the same, no interest on Application Money will be payable.
2. Where the entire subscription amount has been refunded, the interest on Application Money will be paid along with the refunded amount to the bank account of the Applicant as described in the Application Form by electronic mode of transfer such as (but not limited to) RTGS/NEFT/direct credit.
3. Where an Applicant is allotted a lesser number of Debentures than applied for, the excess amount paid on application will be refunded to the Applicant in the bank account of the Applicant as described in the Application Form towards interest on the refunded money by</td></tr>
</table>

<table>
<tr><td></td><td>electronic mode of transfer like RTGS/NEFT/direct credit. Details of allotment will be sent to every successful Applicant.</td></tr>
<tr><td>Default interest rate</td><td>1. The Company hereby agrees to pay default interest at 2% (two percent) per annum over the applicable Interest Rate on the Outstanding Principal Amounts in case of the occurrence of any Payment Default, from the date of the occurrence of such Payment Default until the Payment Default is cured or the Secured Obligations are repaid (whichever is earlier).
2. Notwithstanding any other provision of the Debenture Trust Deed and the other Transaction Documents, it is hereby clarified that where an Event of Default (other than a Payment Default) occurs, the Company shall pay interest on the Debentures at 2% (two percent) per annum on the Outstanding Principal Amounts, from the date of the occurrence of such Event of Default until such Event of Default is cured or the Secured Obligations are repaid.</td></tr>
<tr><td>Tenor</td><td><table><tr><th>Series I</th><th>Series II</th><th>Series III</th><th>Series IV</th><th>Series V</th></tr><tr><td>18 (Eighteen) months from deemed date of allotment</td><td>18 (Eighteen) months from deemed date of allotment</td><td>24 (Twenty Four) months from deemed date of allotment</td><td>30 (Thirty) months from deemed date of allotment</td><td>42 (Forty Two) months from deemed date of allotment</td></tr></table></td></tr>
<tr><td>Redemption Date</td><td><table><tr><th>Series I</th><th>Series II</th><th>Series III</th><th>Series IV</th><th>Series V</th></tr><tr><td>The date occurring on expiry of 18 (Eighteen) months from the deemed date of allotment</td><td>The date occurring on expiry of 18 (Eighteen) months from the deemed date of allotment</td><td>The date occurring on expiry of 24 (Twenty Four) months from deemed date of allotment</td><td>The date occurring on expiry of 30 (Thirty) months from deemed date of allotment</td><td>The date occurring on expiry of 42 (Forty Two) months from deemed date of allotment</td></tr></table></td></tr>
<tr><td>Redemption Amount</td><td>₹ 1,000 (Indian Rupees One Thousand only) per Debenture</td></tr>
<tr><td>Redemption premium/ discount</td><td>NIL</td></tr>
<tr><td>Issue Price (in ₹/NCD)</td><td>₹ 1,000 (Indian Rupees One Thousand only) per NCD</td></tr>
<tr><td>Discount at which security is issued and the effective yield as a result of such discount.</td><td>NIL</td></tr>
<tr><td>Put date</td><td>Not applicable</td></tr>
<tr><td>Put price</td><td>Not applicable</td></tr>
<tr><td>Call date</td><td>Not applicable</td></tr>
<tr><td>Call price</td><td>Not applicable</td></tr>
<tr><td>Put notification time (Timelines by which the investor need to intimate Issuer before exercising the put)</td><td>Not applicable</td></tr>
<tr><td>Call notification time (Timelines by which the Issuer need to intimate investor before exercising the call)</td><td>Not applicable</td></tr>
<tr><td>Face value (in ₹ / NCD)</td><td>₹ 1,000 (Indian Rupees One Thousand only) per NCD</td></tr>
<tr><td>Minimum Application size and in multiples of NCD thereafter</td><td>10 (ten) NCDs (aggregating to ₹ 10,000 (Indian Rupees Ten Thousand)) and 1 (one) NCD thereafter</td></tr>
</table>

Issue Timing	The Issue shall remain open for subscription on Working Days from 10:00 a.m. to 5:00 p.m. (Indian Standard Time) during the period indicated in this Prospectus, except that the Issue may close on such earlier date or extended date (subject to a minimum period of two Working Days and a maximum period of ten Working Days from the date of opening of the Issue) as may be decided by the Board of Directors of the Company or the Investment and Borrowing Committee, subject to compliance with Regulation 33A of the SEBI NCS Regulations. In the event of an early closure or extension of the Issue, our Company shall ensure that notice of the same is provided to the prospective investors through an advertisement in all the newspapers in which pre-issue advertisement for opening of this Issue has been given on or before such earlier or initial date of Issue closure. On the Issue Closing Date, the Application Forms will be accepted only between 10:00 a.m. and 3:00 p.m. (Indian Standard Time) and uploaded until 5:00 p.m. or such extended time as may be permitted by the Stock Exchanges. Further, pending mandate requests for bids placed on the last day of bidding will be validated by 5:00 p.m. on one Working Day post the Issue Closing Date.
Issue opening date	Please refer the Section named "Issue Schedule" of the Prospectus.
Issue closing date**	Please refer the Section named "Issue Schedule" of the Prospectus.
Date of earliest closing of the issue, if any.	Please refer the Section named "Issue Schedule" of the Prospectus.
Pay-in date	Please refer the Section named "Issue Schedule" of the Prospectus.
Deemed date of Allotment	Please refer the Section named "Issue Schedule" of the Prospectus.
Settlement mode of the Instrument	All interest, principal repayments, penal interest and other amounts, if any, payable by the Issuer to the Debenture Holders shall be paid to the Debenture Holders by electronic mode of transfer like RTGS/NEFT/direct credit to such bank account within India as the Debenture Holders' inform the Issuer in writing and which details are available with the Registrar.
Depositories	National Securities Depository Limited & Central Depository Services Limited
Disclosure of Interest/Dividend / redemption dates	As specified in Prospectus
Record date	The record date for payment of interest in connection with the NCDs or redemption of the NCDs, which shall be 15 (Fifteen) days prior to the date on which interest is due and payable, and/or the date of redemption or such other date as may be determined by the Board of Directors /Investment and Borrowing Committee of the Issuer Company from time to time in accordance with the applicable law. Provided that trading in the NCDs shall remain suspended between the aforementioned Record Date in connection with redemption of NCDs and the date of redemption or as prescribed by the Stock Exchanges, as the case may be. In case the Record Date falls on a day when the Stock Exchanges are having a trading holiday, the immediate subsequent trading day will be deemed or a date notified by the Company to the Stock Exchanges, will be deemed as the Record Date.
All covenants of the issue (including side letters, accelerated payment clause, etc.)	**Financial Covenants** (a) Capital Adequacy Ratio should not fall below 15% or such limits prescribed by RBI throughout tenure of NCDs (b) Debt-to-Networth should not exceed 6 times (c) Gross NPA should not exceed 5% on Asset Under Management (AUM). (d) Net NPA should not exceed 3% on AUM (e) ALM to be managed as per RBI regulations **Rating Covenants** • The Company shall ensure that the credit rating of the NCDs should not fall below 4 (four) notches from A+(Stable) i.e. current credit rating provided by the Credit Rating Agency **Other Covenants:**

	(a) submit to the Debenture Trustee its duly audited annual accounts, within sixty days from the close of its financial year, and un-audited or audited quarterly and year to date standalone financial results on a quarterly basis in the format as specified by SEBI within forty- five days from the end of the quarter, other than last quarter, on the same day as they are submitted to the Stock Exchanges; (b) obtain a review of the credit rating on an annual basis, by a credit rating agency registered with SEBI, or in such manner as provided under Applicable Law; (c) furnish an annual report to the Debenture Trustee containing the following particulars: (i) Updated list of the names and addresses of the Debenture Holder(s); (ii) Details of the Payments to be made, but unpaid and reasons thereof; (iii) The number and nature of grievances received from the Debenture Holder(s) and resolved by the Company and those grievances not yet solved to the satisfaction of the Debenture Holder(s) and reasons for the same; (iv) A statement that those assets of the Company which are available by way of security in terms of the Transaction Documents, as amended from time to time, is sufficient to discharge the claims of the Debenture Holders as and when they become due; and (v) Such other information as may be required by the Debenture Trustee under or pursuant to Applicable Law. (d) immediately, take all necessary steps to resolve grievances received from the Debenture Holders. At the request of the Majority Debenture Holders, the Debenture Trustee shall, by notice to the Company call upon the Company to take appropriate steps to redress such grievance and shall, if necessary, at the request of the Majority Debenture Holders, call a meeting of the Debenture Holders; (e) exercise due diligence and periodical monitoring as mentioned in the applicable provisions of the SEBI Circular dated November 12, 2020, as amended from time to time and ensure compliance by the Company, with the provisions of the Act, SEBI LODR and SEBI (Debenture Trustees) Regulations, 1993; (f) promptly furnish to the Debenture Trustee the details of all the grievances received, including details pertaining to the following: (i) Names of the complainants / Debenture Holder; (ii) Nature of grievances / complaints; (iii) Time taken for redressal of complaint / grievances; and (iv) The steps taken by the Issuer to redress the same; (g) furnish the following information to the Debenture Trustee:(i) on a half-yearly basis, a certificate from the Managing Director/Chief Financial Officer/Company Secretary of the Company, certifying the amount of security; and (ii) on a yearly basis, a certificate from the statutory auditor of the Company giving the amount of security; (h) if so required under Applicable Law and/or any direction or request by any authority, carry out subsequent valuation of the Hypothecated Assets, at the request of the Debenture Trustee, at the Company's cost; (i) promptly inform the Debenture Trustee of any change in its name, any change in the major composition of its Board of Directors or change in the nature and conduct of its main objects prior to such change being effected, or any amalgamation, merger or reconstruction scheme proposed by the company; (j) furnish the following: (i) on a quarterly basis: A. Such other information details / reports required by the Debenture Trustee, as per SEBI rules and regulations.

B. Relevant documents/ information, as applicable, to enable the Debenture Trustee(s) to conduct continuous and periodic due diligence and monitoring of Security created, the Company shall submit the following reports/ certification within the timelines mentioned below:

Reports/ Certificates	**Timelines for submission requirements by Company to Debenture Trustee**	**Timeline for submission of reports/ certifications by Debenture Trustee to Stock Exchange**
Asset cover certificate	Quarterly basis within 45 (forty-five) days from end of each quarter or within such timelines as prescribed under Applicable Law	Quarterly basis within 60 (sixty) days from end of each quarter or within such timelines as prescribed under Applicable Law

In addition to the above Clause, the Company shall on or before the 20th of every month, provide a Management certified Stock Statement.

(i) On Half-Yearly Basis:

A. In case where listed debt securities are secured by way of receivables/ book debts, it shall obtain a certificate from the statutory auditor on a half yearly basis giving the value of receivables/book debts including compliance with the covenants of the Offer Document

B. A certificate regarding maintenance of 100% asset cover or asset cover as per the terms of relevant Transaction Documents and/or this Deed, including compliance with all the covenants, by the statutory auditor, along with the financial results, in the manner and format as specified by SEBI.

(ii) on a yearly basis:

A. Certificate from the Issuer's statutory auditor, certifying the use of the proceeds raised through the issue of the Debentures towards the purposes mentioned in the Transaction Documents;

B. Certificate from the Issuer's statutory auditor, certifying the value of the Receivables and Security Cover;

(iii) promptly

A. intimations regarding:

(i) failure to create charge on the assets;

(ii) at the same time as it has intimated to the stock exchange, all material events and/or information as disclosed under regulation 51 of the SEBI LODR Regulations in so far as it relates to the interest, principal, issue and terms of Debentures, rating, creation of charge on the assets, notices, resolutions and meetings of Debenture Holders.

(k) maintain, at all times, a minimum of one-time asset cover throughout the life of the Debentures in respect of the outstanding Debentures and interest accrued thereon;

(l) not declare any dividend to the shareholders in any year until the Company has paid or made satisfactory provision for the payment of the instalments of principal and interest due on the Debentures.

(m) not be entitled to any immunity or privilege (sovereign or otherwise) from any set- off, judgment, execution, attachment or other legal process;

	(n) comply with all the provisions and disclosure requirements as mentioned in the SEBI (Debenture Trustees) Regulations, 1993, the SEBI NCS Regulations, the Act, the Issuance of Non-convertible Debentures (Reserve Bank) Directions, 2010 (1f applicable), as amended from time to time and/or any other notification circular, press release issued by the SEBI / RBI, from time to time and comply with all applicable directions/guidelines in relation to the issue of Debentures; (o) send to the Stock Exchanges for dissemination, while submitting quarterly / annual financial results, under Regulation 52(4) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, inter-alia the following information (to the extent applicable to the Company) along with the financial results: (i) debt-equity ratio; (ii) net worth; (iii) net profit after tax; (iv) earnings per share; (v) current ratio; (vi) long term debt to working capital; (vii) bad debts to account receivable ratio; (viii) current liability ratio; (ix) total debts to total assets; (x) debtors' turnover; inventory turnover; (xi) operation margin percentage (xii) net profit margin percentage; and (xiii) sector specific equivalent ratios, as applicable. (p) Any further information which may be required to be submitted to the Stock Exchange pursuant to LODR Regulations and applicable laws, as amended from time to time. Any other covenants as may be mentioned in the Debenture Trust Deed
Description regarding Security (where applicable) including type of security (movable/immovable/tangible etc.), type of charge (pledge/ hypothecation/ mortgage etc.), date of creation of security/ likely date of creation of security, minimum security cover, revaluation, replacement of security, interest to the debenture holder over and above the coupon rate as specified in the Trust Deed and disclosed in the Offer Document.	I. **SECURITY** (a) The Debentures shall be secured by way of: (i) a first ranking exclusive and continuing charge to be created pursuant to an unattested deed of hypothecation, dated on or about the Effective Date, executed or to be executed and delivered by the Issuer in a form acceptable to the Debenture Trustee ("**Deed of Hypothecation**") over the receivables arising out of identified book debts/loan receivables of the Issuer and all rights under the relevant loan documents in respect of the aforementioned identified book debts/loan receivables, and as set out in the Deed of Hypothecation ("**Hypothecated Assets**") to the extent of security cover of 110%; and (ii) such other security interest/contractual comfort as may be agreed between the Issuer and the majority Debenture Holders ((i) and (ii) above are collectively referred to as the "**Transaction Security**"). (b) Security Cover (i) "**Security Cover**" means from the Effective Date until the Final Settlement Date, on any date of determination, the ratio of the principal amounts outstanding in respect of the Hypothecated, and (ii) the Outstanding Amounts, multiplied by 100, and followed by the "%" symbol, being 110% (one hundred and ten percent).

	(ii) The value of the Hypothecated Assets for the purposes of this paragraph (b) (for both initial and subsequent valuations) shall be the amounts reflected as the value thereof in the books of accounts of the Issuer. (c) The Issuer shall create the charge by way of hypothecation over the Hypothecated Assets on or prior to the Deemed Date of Allotment, and perfect such security by filing Form CHG-9 with the ROC and ensuring and procuring that the Debenture Trustee files the prescribed Form I with CERSAI reporting the charge created to the CERSAI, in respect thereof, each within 30 (thirty) calendar days from the date of execution of the Deed of Hypothecation. II. **OTHER COVENANTS** The Issuer hereby further agrees, declares and covenants as follows: (a) all the Hypothecated Assets that will be charged to the Debenture Trustee under the Deed of Hypothecation shall always be kept distinguishable and held as the exclusive property of the Issuer specifically appropriated to the Transaction Security and be dealt with only under the directions of the Debenture Trustee; (b) to create the security over the Hypothecated Assets as contemplated in the Transaction Documents within the timelines prescribed by the Debenture Holders by executing the duly stamped Deed of Hypothecation; (c) the Issuer shall maintain the prescribed Security Cover; and (d) add fresh receivables to the Hypothecated Assets so as to ensure that the Security Cover is maintained or to replace such Hypothecated Assets that do not satisfy the eligibility criteria prescribed in the Transaction Documents. III. **SPECIFIC DISCLOSURES** (a) **Type of security**: Receivables/book debts, rights in underlying contracts, accounts (i.e., movable assets). (b) **Type of charge**: Hypothecation. (c) **Date of creation of security/ likely date of creation of security**: On or prior to the Deemed Date of Allotment. (d) **Minimum security cover**: Please refer paragraph I(b) above. (e) **Revaluation**: N. A. (f) **Replacement of security**: The Issuer shall, within the timelines prescribed under the Deed of Hypothecation, add fresh receivables to the Hypothecated Assets so as to ensure that the Security Cover is maintained or to replace such Hypothecated Assets that do not satisfy the eligibility criteria prescribed in the Transaction Documents. To be set out in further detail in the Deed of Hypothecation. **Interest over and above the coupon rate**: In the event of any delay in the execution of any Transaction Documents (including the Debenture Trust Deed), the Issuer will pay to the Debenture Holders additional interest at the rate of 2% (two percent) per annum charged on the Outstanding Principal

	Amounts till the relevant Transaction Documents are duly executed to the satisfaction of the Debenture Trustee.
Transaction Documents	means: (a) the Debenture Trust Deed; (b) the Debenture Trustee Agreement; (c) the Deed of Hypothecation; (d) the letters issued by the, and each memorandum of understanding/agreement entered into with, the Rating Agency, the Debenture Trustee and/or the Registrar; (e) tripartite agreement between the Company, the Registrar and the relevant Depository; and (f) any other document that may be designated as a Transaction Document by the Debenture Trustee, and "Transaction Document" means any of the above documents.
Conditions precedent to disbursement	The Issuer shall fulfil the following conditions precedent prior to the Deemed Date of Allotment: (a) a copy of resolution of the Issuer's board of directors/committee of the Issuer authorised by the Issuer's board of directors authorising, inter alia, the execution, delivery and performance of the Transaction Documents; (b) copies of the resolution of the shareholders of the Issuer under Sections 180(1)(c) and 180(1)(a) of the Act, certified as correct, complete and in full force and effect by an appropriate officer of the Issuer; (c) a copy of the Issuer's Constitutional Documents certified as correct, complete and in full force and effect by the appropriate officer; (d) execution, delivery and stamping of the Transaction Documents in a form and manner satisfactory to the Debenture Trustee; (e) a copy of the rating letter and/or the rating rationale issued by the Rating Agency in relation to the Debentures; (f) a copy of the consent from the Debenture Trustee to act as the debenture trustee for the Issue; (g) a copy of the in-principle approval provided by the Stock Exchange(s) in respect of the listing of the Debentures; (h) a copy of the tripartite agreement(s) executed between the Issuer, the Registrar and the relevant Depository; (i) the audited financial statements of the Issuer for the Financial Year ended March 31, 2022, and to the extent required by the Debenture Holders and available with the Issuer, the most recently prepared unaudited financial statements of the Issuer; and such other information, documents, certificates, opinions and instruments as the Debenture Trustee may reasonably request.
Conditions subsequent to disbursement	The Issuer shall fulfil the following conditions subsequent, to the satisfaction of the Debenture Trustee: (a) the Issuer shall ensure that the Debentures are allotted to the respective Debenture Holders and are credited into the demat accounts of the

	relevant Debenture Holders within the timelines prescribed under the SEBI Operational Circular (b) the Issuer shall in respect of the Deed of Hypothecation, file a copy of Form CHG-9 with ROC and shall ensure and procure that the Debenture Trustee files the prescribed Form I with CERSAI, each within 30 (thirty) days from the date of execution of the Deed of Hypothecation; (c) the Issuer shall make the application for listing of the Debentures and obtain listing of the Debentures within the time period prescribed under the SEBI Operational Circular; (d) the Issuer shall, within the timelines agreed with the Debenture Trustee, provide a legal opinion in a form and manner satisfactory to the Debenture Holders; and (e) comply with such other condition and provide such other information and documents as the Debenture Holders may reasonably request or as may be required under Applicable Law.
Events of default (including manner of voting/conditions of joining Inter Creditor Agreement)	Each of the events or circumstances set out below is an Event of Default. The Events of Default and the consequences thereof shall be more particularly set out in the Debenture Trust Deed and the other Transaction Documents. (a) ***Payment Default*** The Company does not make payment of any of the amounts due and payable by it in accordance with the Transaction Documents. (b) ***Security Cover*** The Security Cover is not maintained in accordance with the terms of the Transaction Documents. (c) ***Cross Default*** (i) The Company: (A) defaults in any payment of any Financial Indebtedness beyond the period of grace, if any, provided in the instrument or agreement under which such Financial Indebtedness was created; or (B) defaults, unless waived or remedied, in the observance or performance of any agreement or condition relating to any Financial Indebtedness or contained in any instrument or agreement evidencing, securing or relating thereto or any other event shall occur or condition exist, the effect of which default or other event or condition is to cause or to permit the holder or holders of such Financial Indebtedness to cause (with the giving of notice or the passage of time or both would permit or cause) any such Financial Indebtedness to become due prior to its stated maturity, and such Financial Indebtedness of the Company is declared to be due and payable, or required to be prepaid by the holder or holders of such Financial Indebtedness. (ii) Any Financial Indebtedness of the Company is declared to be due and payable, or required to be prepaid other than by a regularly scheduled required prepayment (whether or not such right shall have been waived), prior to the stated maturity thereof. (d) ***Inability to Pay Debts*** The Company is unable or admits in writing its inability to pay its debts as they fall due, or suspends making payments on any of its debts or, by reason of actual or anticipated financial difficulties, commences negotiations with one or more of its creditors with a view to rescheduling any of its Financial Indebtedness. (e) ***Misrepresentation*** Any representation or warranty made by the Company in any Transaction Document or in any certificate, financial statement or other

	document delivered to the Debenture Trustee/Debenture Holders by the Company shall prove to have been incorrect, false or misleading in any material respect when made or deemed made. (f) ***Unlawfulness*** It is or becomes unlawful or illegal for the Company to perform any of its obligations under the Transaction Documents and/or any obligation or obligations of the Company under any Transaction Document are not or cease to be valid, binding or enforceable. (g) ***Repudiation*** The Company repudiates any of the Transaction Documents, or evidences an intention to repudiate any of the Transaction Documents. (h) ***Transaction Documents*** This Deed or any other Transaction Document (in whole or in part) (i) is terminated or ceases to be effective or ceases to be in full force at any time prior to the Final Settlement Date; or (ii) no longer constitutes valid, binding and enforceable obligations of the Company. (i) ***Delisting*** The Debentures are, delisted or cease to be listed on any of the Stock Exchanges for any reason whatsoever (whether or not attributable to any action of the Company) at any time prior to the Final Settlement Date. (j) ***Data integrity*** Failure by the Company to meet standards with respect to data integrity as may be required by the Debenture Trustee. (k) ***Legal Proceedings*** If one or more legal or governmental proceedings are initiated against the Company or any claims are made against the Company, which in the opinion of the Debenture Trustee (acting on the instructions of the Majority Debenture Holders), may impair the Company's ability to perform its obligations undertaken in terms of the Transaction Documents or which has a Material Adverse Effect. (l) ***Expropriation/Distress*** Any expropriation, attachment, garnishee, sequestration, distress or execution affects any assets of the Company (including the Hypothecated Assets) and which has a Material Adverse Effect on the ability of the Company to comply with its payment obligations under the Transaction Documents. (m) ***Revocation of Licenses and Authorisations*** Any authorisations, licenses (including operating licenses), consents and approvals required by the Company under Applicable Law to enable it to perform its obligations under the Transaction Documents, to ensure the legality, validity, enforceability or admissibility of the Transaction Documents, and to enable it to carry on its business are revoked or suspended or cancelled in any manner. (n) ***Insolvency*** (i) Any resolution is passed resolving or to consider resolving that the Company be wound up voluntarily, or any order for winding up of the Company is made by any competent court or tribunal, other than for the purposes of any amalgamation or reconstruction of the Company entered into with the prior approval of the Debenture Trustee in accordance with the provisions of this Deed. (ii) The Company commits any act or undertakes any action which may result in the insolvency/liquidation of the Company. (iii) The Company being determined as insolvent under the Insolvency and Bankruptcy Code, 2016 (read with the Insolvency and Bankruptcy (Insolvency and Liquidation Proceedings of Financial Service Providers and Application to Adjudicating Authority) Rules, 2019, and any other rules and regulations framed thereunder

	from time to time). (o) ***Liquidation or Dissolution of the Company / Appointment of Receiver or Liquidator*** Any corporate action, legal proceedings or other procedure or step is taken in relation to: (i) the suspension of payments, a moratorium of any Financial Indebtedness, winding-up, dissolution, administration or re-organisation (by way of voluntary arrangement, scheme of arrangement or otherwise) of the Company; (ii) a composition, compromise, assignment or arrangement with any creditor of the Company or its creditors generally; (iii) the appointment of a liquidator, receiver, provisional liquidator, administrative receiver, administrator, compulsory manager, resolution professional, trustee, supervisor or other similar officer in respect of the Company or any of its assets or any part of the undertaking of the Company; (iv) a petition for reorganization, arrangement, adjustment, winding up or composition of debts of the Company is filed by the Company (voluntary or otherwise) or any other person, or such a petition has been admitted, and such proceedings are not dismissed within 15 (fifteen) days of filing; (v) the Company, in respect of any reference or enquiry or proceedings commenced, before the National Company Law Tribunal or under any mechanism or prescription of the RBI in respect of resolution/restructuring of stressed assets (including without limitation, under the Stressed Assets Framework); (vi) the commencement of an insolvency resolution process under the (Indian) Insolvency and Bankruptcy Code, 2016 read together with the Insolvency and Bankruptcy (Insolvency and Liquidation Proceedings of Financial Service Providers and Application to Adjudicating Authority) Rules, 2019, and any other rules and regulations made thereunder from time to time, or under any other Applicable Law, in respect of the Company; (vii) enforcement of any security over any Assets of the Company or any analogous procedure or step is taken in any jurisdiction; or (viii) any other event occurs or proceeding instituted under any applicable Law that would have an effect analogous to any of the events listed in sub-Clauses (i) to (vii) above. (p) ***Business*** (i) The Company without obtaining the prior consent of the Majority Debenture Holders ceases or threatens to cease to carry on its business or gives notice of its intention to do so. (ii) The passing of any order of a competent court or tribunal ordering, restraining or otherwise preventing the Company from conducting all or any material part of its business. (iii) The Company's organizational status or any licenses or franchise is revoked or suspended by any Governmental Authority, and the Company has exhausted all remedies and appeals relating thereof. (q) ***Creditors' Process*** All or a material part of the undertaking, assets, rights or revenues of the Company are condemned, seized, nationalised, expropriated or compulsorily acquired, or shall have assumed custody or control of all or substantial part of the business or operations of the Company (including operations, properties and other assets), or shall have taken any action for the dissolution of the Company, or any action that would prevent the Company, their members, or their officers from carrying on their business or operations or a substantial part thereof, by or under the authority of any Governmental Authority. (r) ***Judgment Defaults***

	One or more judgments or decrees entered against the Company involving a liability (not paid or not covered by a reputable and solvent insurance company), individually or in the aggregate, exceeding 10% (ten percent) of the Total Assets of the Company provided such judgments or decrees are either final and non-appealable or have not been vacated, discharged or stayed pending appeal for any period of 30 (thirty) calendar days. (s) ***Authorisations*** The withdrawal, failure of renewal, or failure by the Company to obtain any Authorisation or any other statutory or regulatory approval in any relevant jurisdiction for the issuance of the Debentures or the providing of the Transaction Security. (t) ***Security in Jeopardy*** In the opinion of the Debenture Trustee any of the Hypothecated Asset(s) are in jeopardy. (u) ***Security*** (i) The Transaction Security is not created and/or perfected in accordance with the Transaction Documents. (ii) Any of the Transaction Documents fails to provide the security interests, rights, title, remedies, powers or privileges intended to be created thereby (including the priority intended to be created thereby), or such security interests fail to have the priority contemplated under the Transaction Documents, or the security interests become unlawful, invalid or unenforceable. (iii) The Company creates or attempts to create any mortgage, charge, pledge, lien or other security interest securing any obligation of any person or any other agreement or arrangement having similar effect, over the Hypothecated Assets, without the prior consent of the Debenture Trustee. (v) ***Breach of Other Covenants*** Any breach of any covenant or undertaking of the Company in the Transaction Documents (other than sub-Clauses (a) to (v) above) if such breach is, to the extent capable of remedy (as determined by the Debenture Trustee (acting on the instructions of the Debenture Holders)), not remedied within 30 (thirty) days of occurrence, or such other time period as may be prescribed by the Debenture Trustee (acting on the instructions of the Debenture Holders) in its sole discretion.
Creation of recovery expense fund	The Issuer hereby undertakes and confirms that it shall, within the time period prescribed under the SEBI Recovery Expense Fund Circular, establish and maintain the Recovery Expense Fund in such manner/mode as is prescribed under the SEBI Recovery Expense Fund Circular
Conditions for breach of covenants (as specified in Debenture Trust Deed)	Please refer to section named "Default Interest Rate" above. The Events of Default and the consequences thereof shall be more particularly set out in the Debenture Trust Deed and the other Transaction Documents.
Provisions related to Cross Default Clause	The following is an Event of Default. The Company: (a) defaults in any payment of any Financial Indebtedness beyond the period of grace, if any, provided in the instrument or agreement under which such Financial Indebtedness was created; or (b) defaults, unless waived or remdied, in the observance or performance of any agreement or condition relating to any Financial Indebtedness or contained in any instrument or agreement evidencing, securing or relating thereto or any other event shall occur or condition exist, the effect of which default or other event or condition is to cause or to permit the holder or holders of such Financial Indebtedness to cause (with the giving of notice or the passage of time or both would permit or cause) any such Financial Indebtedness to become due prior to its stated maturity, and such Financial Indebtedness of the Company is declared to be due and payable, or required to be prepaid by the holder or holders of such Financial Indebtedness.

	(c) Any Financial Indebtedness of the Company is declared to be due and payable, or required to be prepaid other than by a regularly scheduled required prepayment (whether or not such right shall have been waived), prior to the stated maturity thereof.
Roles and responsibilities of the Debenture Trustee	The Debenture Trustee shall comply with all its roles and responsibilities as prescribed under Applicable Law and the Transaction Documents, including: (a) the Debenture Trustee may, in relation to the Debenture Trust Deed and the other Transaction Documents, act on the opinion or advice of or any information obtained from any solicitor, counsel, advocate, valuer, surveyor, broker, auctioneer, qualified accountant or other expert whether obtained by the Issuer or by the Debenture Trustee or otherwise; (b) subject to the approval of the Debenture Holders by way of a Majority Resolution passed at a meeting of the Debenture Holders held for determining the liability of the Debenture Trustee, the Debenture Trustee shall, as regards all trusts, powers, authorities and discretions, have the discretion as to the exercise thereof and to the mode and time of exercise thereof. In the absence of any fraud, gross negligence, wilful misconduct or breach of trust the Debenture Trustee shall not be responsible for any loss, costs, charges, expenses or inconvenience that may result from the aforementioned exercise or non-exercise thereof. The Debenture Trustee shall not be bound to act at the re-quest or direction of the Debenture Holders under any provisions of the Transaction Documents unless sufficient amounts shall have been provided or provision to the satisfaction of the Debenture Trustee has been made for providing such amounts and the Debenture Trustee is indemnified to its satisfaction against all further costs, charges, expenses and liability which may be incurred in complying with such request or direction; (c) with a view to facilitating any dealing under any provisions of the Debenture Trust Deed or the other Transaction Documents, subject to the Debenture Trustee obtaining the consent of the Majority Debenture Holders, the Debenture Trustee shall have (i) the power to consent (where such consent is required) to a specified transaction or class of transactions (with or without specifying additional conditions); and (ii) to determine all questions and doubts arising in relation to the interpretation or construction any of the provisions of the Debenture Trust Deed; (d) the Debenture Trustee shall not be responsible for the amounts paid by the Applicants for the Debentures; (e) the Debenture Trustee shall not be responsible for acting upon any resolution purporting to have been passed at any meeting of the Debenture Holders in respect whereof minutes have been made and signed even though it may subsequently be found that there was some defect in the constitution of the meeting or the passing of the resolution or that for any reason the resolution was not valid or binding upon the Debenture Holders; (f) the Debenture Trustee and each receiver, attorney, manager, agent or other person appointed by it shall, subject to the provisions of the Act, be entitled to be indemnified by the Issuer in respect of all liabilities and expenses incurred by them in the execution or purported execution of the powers and trusts thereof; (g) subject to the approval of the Debenture Holder(s) by way of a Majority Resolution passed at a meeting of Debenture Holder(s) held for determining the liability of the Debenture Trustee and in the absence of fraud, gross negligence, wilful misconduct or breach of trust, the Debenture Trustee shall not be liable for any of its actions or deeds in relation to the Transaction Documents; (h) subject to the approval of the Debenture Holder(s) by way of Majority Resolution passed at a meeting of Debenture Holders held for determining the liability of the Debenture Trustee and in the absence of

	fraud, gross negligence, wilful misconduct or breach of trust, the Debenture Trustee, shall not be liable for any default, omission or delay in per-forming or exercising any of the powers or trusts herein expressed or contained herein or in enforcing the covenants contained herein or in giving notice to any person of the execution hereof or in taking any other steps which may be necessary, expedient or desirable or for any loss or injury which may be occasioned by reason thereof unless the Debenture Trustee shall have been previously requested by notice in writing to perform, exercise or do any of such steps as aforesaid given in writing by the Majority Debenture Holder(s) or by a Majority Resolution duly passed at a meeting of the Debenture Holders. The Debenture Trustee shall not be bound to act at the request or di-rection of the Debenture Holders under any provisions of the Transaction Documents unless sufficient amounts shall have been provided or provision to the satisfaction of the Debenture Trustee has been made for providing such amounts and the Debenture Trustee is indemnified to its satisfaction against all further costs, charges, expenses and liability which may be incurred in complying with such request or direction; (i) notwithstanding anything contained to the contrary in the Debenture Trust Deed, the Debenture Trustee shall before taking any action on behalf of the Debenture Holders or providing any consent on behalf of the Debenture Holders, obtain the written consent of the Majority Debenture Holders; and (j) the Debenture Trustee shall, until the Final Settlement Date, adhere to and comply with its obligations and responsibilities under the SEBI Defaults (Procedure) Circular and the SEBI Recovery Expense Fund Circular. PROVIDED THAT nothing contained in this section shall exempt the Debenture Trustee or any receiver, attorney, manager, agent or other person appointed by the Debenture Trustee from or indemnify them against any liability for breach of trust nor any liability which by virtue of any rule or Applicable Law would otherwise attach to them in respect of any negligence, default or breach of trust which they may be guilty of in relation to their duties hereunder.
Risk factors pertaining to the issue	Please refer the Section named "Risk Factors" of the Prospectus
Governing law and jurisdiction	The Transaction Documents shall be governed by and will be construed in accordance with the laws of India and any disputes arising there from shall be subject to the jurisdiction of appropriate courts and tribunals at New Delhi, India, and as more particularly provided for in the respective Transaction Documents.
Business / Working Day Convention	If the Interest Payment Date falls on a day other than a Working Day, the interest payment shall be made by our Company on the immediately succeeding Working Day and calculation of such interest payment shall be as per original schedule as if such Interest Payment Date were a Working Day. Further, the future Interest Payment Dates shall remain intact and shall not be changed because of postponement of such interest payment on account of it failing on a non-Working Day. If Redemption Date (also being the last Interest Payment Date) falls on a day that is not a Working Day, the Redemption Amount shall be paid by our Company on the immediately preceding Working Day along with interest accrued on the NCDs until but excluding the date of such payment. The interest /redemption payments shall be made only on the days when the money market is functioning in Mumbai. As prescribed in the SEBI NCS Regulations.
Delay in allotment of securities and refund of application money	If the NCDs are not allotted to the Applicants and/or the Application Money is not unblocked within the time period prescribed by the SEBI, the Company shall pay interest at the rate of 15% (fifteen percent) per annum to the Applicants.

Delay in execution of Transaction Documents	In the event of any delay in the execution of any Transaction Documents (including the Debenture Trust Deed), the Company will pay to the Debenture Holders additional interest at the rate of 2% (two percent) per annum charged on the Outstanding Principal Amounts till the relevant Transaction Documents are duly executed to the satisfaction of the Debenture Trustee.
Default in Payment	The Company hereby agrees to pay default interest at 2% (two percent) per annum over the applicable Interest Rate on the Outstanding Principal Amounts in case of the occurrence of any Payment Default, from the date of the occurrence of such Payment Default until the Payment Default is cured or the Secured Obligations are repaid (whichever is earlier).
Delay in Listing	In the event of failure to list the NCDs within such days from the date of closure of issue as may be specified by the Board (schedule listing date), all application moneys received or blocked in the public issue shall be refunded or unblocked forthwith within two working days from the scheduled listing date to the applicants through the permissible modes of making refunds and unblocking of funds. For delay in refund/unblocking of funds beyond the timeline as specified above, the Company shall be liable to pay interest at the rate of fifteen percent per annum to the investors from the scheduled listing date till the date of actual payment.
Description of the Hypothecated Assets	Each loan constituting the Identified Assets shall meet each of the eligibility criteria listed below. • Loans must be unencumbered (other than under the Transaction Documents) and not sold or assigned by the Company • Loans must have been originated while complying with all the extant 'know your customer' norms specified by the RBI. • Loans have not been terminated or prepaid. •All the loans must be Standard Assets. • Charge on Hypothecated Assets should be registered in CERSAI and MCA by the Company.

*** The Issue shall remain open for subscription on Working Days from 10 a.m. to 5 p.m. (Indian Standard Time) during the period indicated above, except that the Issue may close on such earlier date or extended date as may be decided by the Board of Directors of our Company or Investment and Borrowing Committee thereof subject to receipt of necessary approvals. In the event of an early closure or extension of the Issue, our Company shall ensure that notice of the same is provided to the prospective investors through an advertisement in in all the newspapers in which pre-issue advertisement and advertisement for opening or closure of the Issue have been given on or before such earlier or extended date of Issue closure. On the Issue Closing Date, the Application Forms will be accepted only between 10 a.m. and 3 p.m. (Indian Standard Time) and uploaded until 5 p.m. or such extended time as may be permitted by the Stock Exchange. For further details, please see "General Information" on page 50 of this Prospectus.*

While the NCDs are secured to the tune of 100% of the principal and interest amount or as per the terms of offer document, in favour of Debenture Trustee, it is the duty of the Debenture Trustee to monitor that the security is maintained and the recovery of 100% of the amount shall depend on the market scenario prevalent at the time of enforcement of the security.

Please see "Terms of the Issue" on page 242 for details of category wise eligibility and allotment in the Issue.

While the NCDs are secured to the tune of 110 % of the principal and interest thereon in favour of Debenture Trustee, it is the duty of the Debenture Trustee to monitor the security cover is maintained, however, the recovery of 110 % of the amount shall depend on the market scenario prevalent at the time of enforcement of the security.

Debt Securities shall be considered as secured only if the charged asset is registered with Sub-registrar and Registrar of Companies or CERSAI or Depository etc., as applicable, or is independently verifiable by the Debenture Trustee.

Participation by any of the above-mentioned investor classes in this Issue will be subject to applicable statutory and/or regulatory requirements. Applicants are advised to ensure that Applications made by them do not exceed the investment limits or maximum number of NCDs that can be held by them under applicable statutory and/or regulatory provisions.

Applicants are advised to ensure that they have obtained the necessary statutory and/or regulatory permissions/consents/approvals in connection with applying for, subscribing to, or seeking allotment of NCDs pursuant to this Issue.

For further details, see "*Issue Procedure*" on page 263.

Specified Terms of the NCDs

Series	**I**	**II**	**III**	**IV**	**V***
Frequency of Interest Payment	**Monthly**	**Annually**	**Monthly**	**Monthly**	**Monthly**
Minimum Application	₹ 10,000 (10 NCDs) across all Series				
Face Value/ Issue Price of NCDs (₹/ NCD)	₹1000 (1 NCD)				
In Multiples of thereafter (₹)	₹ 1000 (1 NCD)				
Tenor	18 Months	18 Months	24 Months	30 Months	42 Months
Coupon (% per annum) for NCD Holders in Category I, II, III & IV	10.00%	10.39%	10.15%	10.25%	10.50%
Effective Yield (per annum) for NCD Holders in Category I, II, III & IV	10.47%	10.47%	10.64%	10.75%	11.01%
Mode of Interest Payment	Through various modes available				
Amount (₹ / NCD) on Maturity for NCD Holders in Category I, II, III & IV	₹1000 (1 NCD)				
Maturity / Redemption Date (Months from the Deemed Date of Allotment)	Date occurring on expiry of 18 (Eighteen) months from the Deemed Date of Allotment	Date occurring on expiry of 18 (Eighteen) months from the Deemed Date of Allotment	Date occurring on expiry of 24 (Twenty Four) months from the Deemed Date of Allotment	Date occurring on expiry of 30 (Thirty) months from the Deemed Date of Allotment	Date occurring on expiry of 42 (Forty Two) months from the Deemed Date of Allotment
Put and Call Option	NA	NA	NA	NA	NA

** Our Company shall allocate and allot Series V NCDs wherein the Applicants have not indicated the choice of the relevant NCD Series.*

Terms of Payment

The entire amount of face value per NCDs will be blocked in the relevant ASBA Account maintained with the SCSB or under UPI mechanism (only for Retail Individual Investors), as the case may be, in the bank account of the Applicants that is specified in the ASBA Form at the time of submission of the Application Form. In the event of Allotment of a lesser number of NCDs than applied for, our Company shall unblock the additional amount blocked upon application in the ASBA Account, in accordance with the terms specifies in "*Terms of the Issue*" on page 242 of this Prospectus.

Participation by any of the Investor classes as mentioned in this Prospectus in the Issue will be subject to applicable statutory and/or regulatory requirements. Applicants are advised to ensure that they have obtained the necessary statutory and/or regulatory permissions/consents/approvals in connection with applying for, subscribing to, or seeking Allotment of NCDs pursuant to the Issue.

The NCDs have not been and will not be registered, listed or otherwise qualified in any jurisdiction outside India and may not be offered or sold, and Applications may not be made by persons in any such jurisdiction, except in

compliance with the applicable laws of such jurisdiction. In particular, the NCDs have not been and will not be registered under the U.S. Securities Act, 1933, as amended (the "**Securities Act**") or the securities laws of any state of the United States and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act) except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. The Issuer has not registered and does not intend to register under the U.S. Investment Company Act, 1940 in reliance on section 3(c)(7) thereof. This Prospectus may not be forwarded or distributed to any other person and may not be reproduced in any manner whatsoever, and in particular, may not be forwarded to any U.S. Person or to any U.S. address.

Applications may be made in single or joint names (not exceeding three). Applications should be made by Karta in case the Applicant is an HUF. If the Application is submitted in joint names, the Application Form should contain only the name of the first Applicant whose name should also appear as the first holder of the depository account (in case of Applicants applying for Allotment of the NCDs in dematerialised form) held in joint names. If the depository account is held in joint names, the Application Form should contain the name and PAN of the person whose name appears first in the depository account and signature of only this person would be required in the Application Form. This Applicant would be deemed to have signed on behalf of joint holders and would be required to give confirmation to this effect in the Application Form. Please ensure that such Applications contain the PAN of the HUF and not of the Karta.

In the case of joint Applications, all payments will be made out in favour of the first Applicant. All communications will be addressed to the first named Applicant whose name appears in the Application Form and at the address mentioned therein.

For further details, please see "*Issue Procedure*" on page 263 of this Prospectus.

Day Count Convention

Details pertaining to the cash flows of the Company in accordance with the SEBI Operational Circular SEBI/HO/DDHS/DDHS_Div1/P/CIR/2022/0000000103 dated, December 01, 2022.

Please note that in case the NCDs are transferred and/or transmitted in accordance with the provisions of this Prospectus read with the provisions of the Articles of Association of our Company, the transferee of such NCDs or the transferee of deceased holder of NCDs, as the case may be, shall be entitled to any interest which may have accrued on the NCDs subject to such Transferee holding the NCDs on the Record Date

Effect of holidays on payments

If the date of payment of interest does not fall on a Working Day, then the interest payment will be made on succeeding Working Day, however the calculation for payment of interest will be only till the originally stipulated Interest Payment Date. The dates of the future interest payments would be as per the originally stipulated schedule. Payment of interest will be subject to the deduction of tax as per Income Tax Act or any statutory modification or re-enactment thereof for the time being in force. In case the Redemption Date (also being the last Interest Payment Date) does not fall on a Working Day, the payment will be made on the immediately preceding Working Day, along with coupon/interest accrued on the NCDs until but excluding the date of such payment.

Applicants are advised to ensure that they have obtained the necessary statutory and/or regulatory Permissions / consents/approvals in connection with applying for, subscribing to, or seeking Allotment of NCDs pursuant to the Issue.

For further details, please see the chapter titled "*Issue Procedure*" on page 263.

Key covenants to the Issue

1. *Financial Covenants*

(a) Capital Adequacy Ratio should not fall below 15% or such limits prescribed by RBI throughout tenure of NCDs;

(b) Debt-to-Networth should not exceed 6 times;

(c) Gross NPA should not exceed 5% on Asset Under Management (AUM);

(d) Net NPA should not exceed 3% on AUM; and

(e) ALM to be managed as per RBI regulations.

2. *Rating Covenants*

(a) The Company shall ensure that the credit rating of the NCDs should not fall below 4 (four) notches from A+(Stable) i.e. current credit rating provided by the Credit Rating Agency .

3. *Reporting Covenants*

(a) The Company shall at the end of every calendar quarter within 60 (sixty) days of the respective quarter, submit to the Debenture Trustee a report confirming /certificate confirming the following:

(i) Updated list of names and addresses of all the NCD Holders and the number of NCDs held by the NCD Holders;

(ii) Details of interest due but unpaid, if any, and reasons for the same;

(iii) Details of payment of interest made on the NCDs in the immediately preceding calendar quarter;

(iv) The number of grievances pending at the beginning of the quarter, the number and nature of grievances received from the NCD Holders during the quarter, resolved/disposed of by the Company in the quarter and those remaining unresolved by the Company and the reasons for the same; and

(v) Statement that the assets forming part of the Security is sufficient to discharge the claims of the NCD Holders as and when they become due and as mentioned in the security cover certificate.

(b) The Company shall promptly submit to the Debenture Trustee who in turn will but not later than 1 (one) business day, as applicable, shall intimate the same to NCD holders any information, as required by the Debenture Trustee including but not limited to the following:

(i) certificate signed by an authorised officer of the Company confirming credit of dematerialized NCDs into the depository accounts of the NCD Holders within the timelines prescribed under the Applicable Laws;

(ii) certificate from the statutory auditors at the end of each accounting year and for confirming such complete utilization of such Issue proceeds, and until such complete utilisation, a certificate from an independent chartered accountant confirming status of utilisation of funds on a quarterly basis;

(iii) security cover certificate regarding maintenance of minimum-Security Cover along with certification regarding compliance with all the covenants along with the half-yearly financial results;

(iv) upon there being any change in the credit rating assigned to the NCDs, promptly but not later than 2 business days thereafter; and

(v) failure to create security interest on the hypothecated asset.

(c) The Company shall submit to the Debenture Trustee (within the timelines as specified under the Debenture Trust Deed) including but not limited to the following:

(i) A statement indicating material deviations, if any in utilisation of the proceeds of the Debentures;

(ii) Any events of default;

(iii) any major or significant change in composition of its Board, which may amount to change in control as defined in the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

(iv) any amalgamation, demerger, merger or corporate restructuring or reconstruction scheme proposed by the Company;

(v) any authorisation required under any law or regulation to enable it to perform its obligations under the Transaction Documents;

(vi) half yearly financial results within 60 days from the end of each half year;

(vii) promptly, and in any event within 2(two) Business Days of the occurrence of any change in the

(viii) Constitutional Documents of the Company, which prejudicially affects the rights of the Debenture Trustee under the Transaction Documents;

(ix) details of all the material orders, directions, notices, of any court/tribunal affecting the security;

(x) promptly, and in any event within 2 (two) Business Days of receiving any notice of any application for winding up/insolvency having been made;

(xi) a certificate certifying maintenance of security cover;

(xii) provide relevant documents/ information, as applicable, to enable the Debenture Trustee to conduct continuous and periodic due diligence and monitoring of the security interest over the hypothecated assets;

(xiii) the number of grievances pending at the beginning of the quarter, the number and nature of grievances received from the NCD Holders during the quarter, resolved/disposed of by the Company in the quarter and those remaining unresolved by the Company and the reasons for the same.

(d) The Company shall ensure that all the reporting covenants as per the provisions of SEBI LODR Regulations are complied with including but not limited to the following:

(i) promptly submit to the Debenture Trustee any information, as required by the Debenture Trustee in order to discharge its obligations under the DTD;

(ii) inform the Stock Exchange and the Debenture Trustee all information having bearing on the performance/operation of the Company, any price sensitive information or any action that may affect the payment of interest or Redemption of the NCDs in terms of Regulation 51(2) of the SEBI (LODR) Regulations.

(iii) give prior intimation to the Stock Exchange with a copy to the Debenture Trustee at least 11 (eleven) Business Days before the date on and from which the interest on NCDs, and the Redemption Amount of NCDs becomes payable or within such timelines as prescribed under Applicable Law.

(iv) provide an undertaking to the Stock Exchange on annual basis that all documents and intimations required to be submitted to Debenture Trustees in terms of this Deed and SEBI NCS Regulations have been complied with and furnish a copy of such undertaking to the Debenture Trustee for records.

(v) inform the Debenture Trustee the status of payment (whether in part or full) of NCDs within 1 (one) Business Day of the payment/redemption.

(e) The Company shall promptly inform the Debenture Trustee the following details (if any) including but not limited to corporate debt restructuring; fraud/defaults by promoter or key managerial personnel or by Company or arrest of key managerial personnel or promoter; and/or reference to National Company Law Tribunal or insolvency petitions (if any) filed by any creditor of the Company.

(f) The Company shall submit to the stock exchange for dissemination, along with the quarterly/half yearly/ annual financial results, all information required under Regulation 52(4) of the SEBI (LODR) Regulations and submit the financial statements to the Debenture Trustee on the same day.

(g) The Company shall ensure compliance with all the other reporting covenants as more particularly set out in the Debenture Trust Deed and provisions under the Applicable Law, including but not limited to the SEBI Debenture Trustees Regulations, the SEBI Debenture Trustee Circular and the Companies (Share Capital and NCDs) Rules, 2014.

4. ***Affirmative Covenants***

The Company shall comply with the following covenants in relation to the Issue including but not limited to the following:

(a) Use of Proceeds as per the purpose of this Issue;

(b) Promptly inform the Debenture Trustee of any loss or damage by uncovered risks;

(c) Pay all reasonable costs and expenses;

(d) Payment of Rents;

(e) Preservation of corporate status;

(f) Payment of stamp duty as required under applicable laws;

(g) Prompt and expeditious redressal of grievances;

(h) Comply with investor education and protection fund requirements;

(i) Comply with any corporate governance requirements and fair practices code applicable to the Company;

(j) Comply with all Applicable Law (including but not limited to the Companies Act, the SEBI Listed NCDs Circulars, the SEBI Monitoring Circulars, the environmental, social and taxation related laws, all directions issued by the RBI to non-banking financial companies), the SEBI Debenture Trustees Regulations;

(k) Maintenance of adequate Security;

(l) Ensure execution of all transaction documents without any delay;

(m) Maintain internal control for the purpose of preventing fraud on amounts lent by the Company; and preventing money being used for money laundering or illegal purposes;

(n) Permit visits and inspection of books of records, documents and accounts to the Debenture Trustee;

(o) Keep proper books of account as required by applicable laws;

(p) Keep at its registered office, a register of the NCD Holders or ensure that the Depository maintains a register and index of beneficial owners of the dematerialised NCDs in their records;

(q) Ensure compliance with the provisions of the Foreign Account Tax Compliance Act ("**FATCA**"); and

(r) Comply with all listing and monitoring requirements.

5. ***Negative Covenants***

The Company shall not take any action in relation to the items set out under the heading of negative covenants of the debenture trust deed without the prior written consent of the Debenture Trustee as prescribed under the Debenture Trust Deed, including the following:

(a) ***Change of Business / Constitutional Documents***
Change the general nature of its business from that which is permitted as a non-deposit accepting non-banking financial company registered with the RBI or make any changes, amendments, or modifications to its Constitutional Documents which would impact the consummation of the transactions contemplated under the Transaction Documents or otherwise adversely impact the rights/interest of the NCD Holders or in any manner alter the terms of the NCDs.

(b) ***Dividend***
Declare or pay any dividend to its shareholders (including holders of preference shares) if an Event of Default has occurred and is continuing.

(c) ***Disposal of Assets***
Except in the ordinary course of its business including direct assignment, securitisation or co-lending, or any other ways allowed by RBI, the Company shall not Sell, transfer, or otherwise dispose of in any manner whatsoever any material Assets including the hypothecated assets,

whether in a single transaction or in a series of transactions (whether related or not) or any other transactions which cumulatively have the same effect, unless required Security Cover is maintained.

(d) ***Insolvency***

The Company shall not, without the prior consent of the Debenture Trustee, voluntarily wind up or liquidate or dissolve its affairs or make any filing for initiation of corporate insolvency resolution process or liquidation under the Insolvency and Bankruptcy Code, 2016 or under any other Applicable Laws.

(e) ***NCD Terms***

The Company shall not make any modification to the structure of the NCDs in terms of coupon, conversion, redemption, or otherwise without the prior approval of the Stock Exchange and such prior approval of the Stock Exchange would be obtained only after: (a) approval of the Board and the Debenture Trustee; and (b) complying with the provisions of Act, SEBI NCS Regulations, SEBI LODR Regulations and circulars issued thereunder, including approval of the requisite majority of NCD Holders. Further, any proposal of restructuring received by Debenture Trustee shall be communicated to NCD Holders immediately.

(f) ***Investments***

The Company shall not, without the prior consent of the Debenture Trustee, make any investment by way of deposits, loans, bonds, share capital, or in any other form if an Event of Default has occurred and is continuing.

(g) ***Encumbrance***

The Company shall not, without the prior consent of the Debenture Trustee, create or permit to subsist any encumbrance on any hypothecated assets (including, without limitations, on the identified book debts) subject to maintenance of required security cover and other conditions in relation to the security has enumerated in the Debenture Trust Deed.

TERMS OF THE ISSUE

Authority for the Issue

At the meeting of the Board of Directors of our Company held on May 02, 2024, approved the borrowing limit under 180(1)(c) of the Companies Act 2013, upto a total amount of ₹ 10,00,000 Lakh. The Investment and Borrowing Committee in their meeting held on March 20, 2025, approved the issuance of NCDs of the face value ₹ 1,000 each, for an amount aggregating up to ₹ 10,000 Lakh ("**Base Issue Size**") with an option to retain oversubscription up to ₹ 10,000 Lakh ("**Green Shoe Option**"), cumulatively aggregating up to 20,00,000 NCDs for an aggregate amount up to ₹ 20,000 Lakh ("**Issue Size**" or "**Issue Limit**"). Further, the present issue is within the borrowing limits under Section 180(1)(c) of the Companies Act, 2013 provided that the total amount which may be so borrowed and outstanding shall not exceed a sum of ₹ 10,00,000 Lakh.

The Investment and Borrowing Committee of the Board of Directors have, vide their resolution dated March 26, 2025 approved this Prospectus.

Principal terms and conditions of this Issue

The NCDs being offered as part of this Issue are subject to the provisions of the SEBI NCS Regulations and the SEBI Master Circular, the relevant provisions of the Companies Act, 2013, our Memorandum and Articles of Association, the terms of this Prospectus, the Prospectus, the Abridged Prospectus, the Application Forms, the terms and conditions of the Debenture Trustee Agreement, other applicable statutory and/or regulatory requirements including those issued from time to time by SEBI, the Government of India, the RBI, the Stock Exchanges, and/or any other statutory or regulatory authorities relating to the offer, issue and listing of securities and any other documents that may be executed in connection with the NCDs.

Ranking of NCDs

The NCDs would constitute secured and senior obligations of our Company and subject to any obligations under applicable statutory and/or regulatory requirements, shall also with regard to amount invested, thereof shall be secured by way of a first and exclusive charge by way of hypothecation of identified assets of the Company. The NCDs proposed to be issued under this Issue and all earlier issues of debentures, bond issuances and loans outstanding in the books of our Company having corresponding assets as security, shall rank *pari passu* without preference of one over the other except that priority for payment shall be as per applicable date of redemption / repayment. We have received necessary consents from the relevant lenders, debenture trustees and security trustees for creating an exclusive charge in favour of the Debenture Trustee in relation to the NCDs. In terms of the DT Master Circular, our Company is required to obtain permissions or consents from or provide intimations to the prior creditors for proceeding with this Issue, if *pari passu* security is sought to be created. However, exclusive charge by way of hypothecation of identified book assets of the Company is being provided as security for this Issue and these assets have no prior charge by any creditor of our Company.

Security

The principal amount of the NCDs to be issued in terms of this Prospectus together with all interest due and payable on the NCDs, subject to any obligations under applicable statutory and/or regulatory requirements shall be secured by way of a first and exclusive charge by way of hypothecation of identified assets of the Company, created in favour of the Debenture Trustee, as specifically set out in and fully described in the Debenture Trust Deed, such that the security cover to the extent of at least 110% of the outstanding principal amounts of NCDs and all interest due and payable thereon in respect of the NCDs maintained at all times as security until the Final Settlement Date, issued pursuant to the Issue. The security shall be created prior to the listing of the NCDs with the Stock Exchanges.

Further, NCDs shall be considered as secured only if the charged asset is registered with sub-registrar and RoC or Central Registry of Securitisation Asset Reconstruction and Security Interest ("**CERSAI**") or Depository etc., as applicable, or is independently verifiable by the Debenture Trustee.

In terms of the DT Master Circular, our Company has entered into the Debenture Trustee Agreement with the Debenture Trustee and proposes to complete the execution of the Debenture Trust Deed, which will govern the powers, authorities and obligations of the Debenture Trustee, before making the application for listing of the NCDs for the benefit of the NCD Holders, the terms of which shall govern the appointment of the Debenture Trustee and the issue of the NCDs.

Under the terms of the Debenture Trust Deed, our Company will covenant with the Debenture Trustee that it will pay the NCD Holders, the principal amount on the NCDs on the relevant redemption date and also that it will pay the interest due on NCDs on the rate specified in this Prospectus and in the Debenture Trust Deed.

The Debenture Trust Deed will also provide that our Company may withdraw any portion of the security and replace with another asset of the same or higher value ensuring the minimum security cover is maintained till the Final Settlement Date of the NCDs.

Without prejudice to the aforesaid, in the event our Company fails to execute the Debenture Trust Deed within the period specified in Regulation 18(1) of the SEBI NCS Regulations or such other time frame as may be stipulated from time-to-time, our Company shall also pay interest of at least 2% (two per cent) per annum to the NCD holders, over and above the interest rate on the NCDs specified in this Prospectus, till the execution of the Debenture Trust Deed and in accordance with applicable laws.

Debenture Redemption Reserve

In accordance with the Companies Act, 2013, and the Companies (Share Capital and Debentures) Rules 2014, read with Rule 16 of the SEBI NCS Regulations, any non-banking finance company registered with Reserve Bank of India under section 45- IA of the RBI Act, 1934 that intends to issue debentures to the public are no longer required to create a DRR for the purpose of redemption of debentures.

Pursuant to the amendment to the Companies (Share Capital and Debentures) Rules, 2014, notified on August 16, 2019, and as on the date of filing this Prospectus, our Company is not required to create DRR for the purpose of redemption of the NCDs. Accordingly, no debenture redemption reserve shall be created by our Company for the purpose of redemption of the NCDs or in connection with the Issue. The Company shall, as per the Companies (Share Capital and Debentures) Rules 2014 and other laws applicable from time to time, invest or deposit, as the case may be, the applicable amounts, within the specified timelines, in respect of debentures maturing during the year ending on the 3lst day of March of the next year, in any one or more methods of investments or deposits stipulated under the applicable law. Provided that the amount remaining invested or deposited, as the case may be, shall not at any time fall below the specified percentage, which is presently stipulated at 15% (fifteen percent) of the amount of the debentures maturing during the year ending on March 31 of the next year, in any of the following instruments or such other instruments as may be permitted under the applicable laws.

(a) in deposits with any scheduled bank, free from any charge or lien;

(b) in unencumbered securities of the Central Government or any State Government;

(c) in unencumbered securities mentioned in sub-clause (a) to (d) and (ee) of section 20 of the Indian Trusts Act, 1882; and

(d) in unencumbered bonds issued by any other company which is notified under sub-clause (f) of section 20 of the Indian Trusts Act, 1882.

Provided further that the amount invested or deposited as above shall not be used for any purpose other than for redemption of debentures maturing during the year referred above.

Face Value

The face value of each of the NCD shall be ₹ 1,000.

NCD Holder not a shareholder

The NCD Holders will not be entitled to any of the rights and privileges available to the equity and/or preference shareholders of our Company, except to the extent as may be prescribed under the Companies Act, 2013, and the rules prescribed thereunder the SEBI LODR Regulations and any other applicable law.

Rights of the NCD Holders

Some of the significant rights available to the NCD Holders are as follows:

1. The NCDs shall not, except as provided in the Companies Act, 2013, our Memorandum and Articles of Association and/or the Debenture Trust Deed confer upon the NCD Holders thereof any rights or privileges available to our members/shareholders including, without limitation the right to receive notices, or to attend and/or vote, at any general meeting of our Company's members/shareholders. However, if any resolution affecting the rights attached to the NCDs is to be placed before the members /shareholders of our Company, the said resolution will first be placed before the concerned registered NCD Holders for their consideration. In terms of Section 136 of the Companies Act, 2013, the NCD Holders shall be entitled to inspect a copy of the financial statements including consolidated financial statements, if any, auditor's report and every other document required by law to be annexed or attached to the financial statements, and copy of the Debenture Trust Deed at the Registered Office of our Company during business hours on a specific request made to the Company.

2. Subject to applicable statutory/ regulatory requirements and terms of Debenture Trust Deed, including requirements of the RBI, the rights, privileges and conditions attached to the NCDs may be varied, modified and/or abrogated with the consent in writing of the holders of at least three-fourths of the outstanding amount of the NCDs or with the sanction of a special resolution passed at a meeting of the concerned NCD Holders, provided that nothing in such consent or resolution shall be operative against us, where such consent or resolution modifies or varies the terms and conditions governing the NCDs, if the same are not acceptable to us.

3. Subject to applicable statutory/ regulatory requirements and terms of Debenture Trust Deed, in case of NCDs held in (i) dematerialised form, the person for the time being appearing in the register of beneficial owners of the Depositories; and (ii) physical form on account of re-materialization, the registered NCD Holders or in case of joint-holders, the one whose name stands first in the register of debenture holders shall be entitled to vote in respect of such NCDs, either in person or by proxy, at any meeting of the concerned NCD Holders and every such NCD Holder shall be entitled to one vote on a show of hands and on a poll, his/her voting rights on every resolution placed before such meeting of the NCD Holders shall be in proportion to the outstanding nominal value of NCDs held by him/her.

4. The NCDs are subject to the provisions of the SEBI NCS Regulations and the SEBI Master Circular, provisions of the Companies Act, 2013, our Memorandum and Articles of Association, the terms of this Prospectus, the Prospectus, the terms and conditions of the Debenture Trust Deed, requirements of the RBI, other applicable statutory and/or regulatory requirements relating to this issue and listing, of securities and any other documents that may be executed in connection with the NCDs.

5. Subject to RTA Master circular, for NCDs in physical form on account of re-materialization, a register of debenture holders will be maintained in accordance with Section 88 and Section 94 of the Companies Act, 2013 and all interest and principal sums becoming due and payable in respect of the NCDs will be paid to the registered holder thereof for the time being or in the case of joint-holders, to the person whose name stands first in the register of debenture holders as on the Record Date. For NCDs in dematerialized form, all interest and principal sums becoming due and payable in respect of the NCDs will be paid to the person for the time being appearing in the register of beneficial owners of the Depositories. In terms of Section 88(3) of the Companies Act, 2013, the register of beneficial owners maintained by a Depository for any

NCDs in dematerialized form under Section 11 of the Depositories Act shall be deemed to be a register of debenture holders for this purpose. The same shall be maintained at the Registered Office of our Company under Section 94 of the Companies Act, 2013 unless the same has been moved to another location after obtaining the consent of the NCD Holders.

6. Subject to compliance with RBI, NCDs can be rolled over only with the consent of the NCD Holders of at least 75% of the outstanding amount of the NCDs after providing at least 15 days prior notice for such roll over and in accordance with the SEBI NCS Regulations. Our Company shall redeem the debt securities of all the debt securities holders, who have not given their positive consent to the roll-over.

The aforementioned rights of the NCD Holders are merely indicative. The final rights of the NCD Holders will be as per the terms of this Prospectus and the Debenture Trust Deed.

Trustees for the NCD holders

We have appointed Mitcon Credentia Trusteeship Services Limited to act as the Debenture Trustee for the NCD Holder(s) in terms of Regulation 8 of the SEBI NCS Regulations and Section 71(5) of the Companies Act, 2013 and the rules prescribed thereunder. Our Company and the Debenture Trustee and we will execute a Debenture Trust Deed, inter alia, specifying the powers, authorities and obligations of the Debenture Trustee and us with respect to NCDs. The NCD Holder(s) shall, without further act or deed, be deemed to have irrevocably given their consent to the Debenture Trustee or any of its agents or authorised officials to do all such acts, deeds, matters and things in respect of or relating to the NCDs as the Debenture Trustee may in its absolute discretion deem necessary or require to be done in the interest of the NCD Holder(s). Any payment made by us to the Debenture Trustee on behalf of the NCD Holders shall discharge us *pro tanto* to the NCD Holder(s).

The Debenture Trustee will protect the interest of the NCD Holders in the event of default by us in regard to timely payment of interest and repayment of principal and they will take necessary action at our cost.

We and the Debenture Trustee will execute a Debenture Trust Deed, inter alia, specifying the powers, authorities and obligations of the Debenture Trustee and us. The NCD Holder(s) shall, without further act or deed, be deemed to have irrevocably given their consent to the Debenture Trustee or any of its agents or authorised officials to do all such acts, deeds, matters and things in respect of or relating to the NCDs as the Debenture Trustee may in its absolute discretion deem necessary or require to be done in the interest of the NCD Holder(s). Any payment made by us to the Debenture Trustee on behalf of the NCD Holder(s) shall discharge us pro tanto to the NCD Holder(s).

Events of Default (including manner of voting/conditions of joining Inter Creditor Agreement)

Subject to the terms of the Debenture Trust Deed, the Debenture Trustee, at its discretion may, and in accordance with the SEBI Regulations including the SEBI Master Circular for Debenture Trustees specifying that the NCDs and/or any particular options of NCDs, in whole but not in part are and have become due and repayable on such date as may be specified in such notice inter alia if any of the events listed below occurs, or if so requested in writing by the holders of at least three-fourths of the outstanding amount of the NCDs or with the sanction of a special resolution, passed at a meeting of the NCD Holders, (subject to being indemnified and/or secured by the NCD Holders to its satisfaction), give notice to our Company specifying that the NCDs and/or any particular series of NCDs, in whole but not in part are and have become due and repayable on such date as may be specified in such notice, *inter alia*, if any of the events listed below occurs. The description below is indicative and a complete list of events of default and its consequences will be specified in the Debenture Trust Deed:

Indicative list of Events of Default:

(i) Default in redemption of the debentures together with redemption premium, if any, interest accrued thereon as and when the same shall have become due and payable or payment of any other amounts in terms of the Debenture Trust Deed;

(ii) Default is committed in payment of the principal amount of the NCDs on the due date(s);

(iii) Default is committed in payment of any interest on the NCDs on the due date(s);

(iv) Default is committed in payment of any other amounts outstanding on the NCDs;

(v) Default is committed if any information given by the Company in the Prospectus, the Prospectus, the Transaction Documents and/or other information furnished and/or the representations and warranties given/deemed to have been given by the Company to the Debenture Holder(s)/ Beneficial Owner(s) for financial assistance by way of subscription to the Debenture is or proves to be misleading or incorrect in any material respect or is found to be incorrect;

(vi) Defaults in performance or compliance with one or more of its material obligations, covenant, condition or provisions in relation to the NCDs and/or the Transaction Documents, which default is incapable of remedy or, if in the reasonable opinion of the Debenture Trustee is capable of remedy;

(vii) If the Company creates any additional charge on the Secured Assets or any part thereof without the prior approval of the Debenture Trustee;

(viii) If in the opinion of the Debenture Trustee, the Security is in jeopardy;

(ix) An order is made or an effective resolution passed for the winding-up or dissolution, judicial management or administration of the Company, or the Company ceases or threatens to cease to carry on all or substantially all of its business or operations, except for the purpose of and followed by a reconstruction, amalgamation, reorganisation, merger or consolidation on terms approved by a Special Resolution of the NCD Holders;

(x) The Company commences a voluntary proceeding under any applicable bankruptcy, insolvency, winding up or other similar law now or hereafter in effect, or consent to the entry of an order for relief in an involuntary proceeding under any such law, or consent to the appointment or taking possession by a receiver, liquidator, assignee (or similar official) for any or a substantial part of its property or take any action towards its reorganisation, liquidation or dissolution;

(xi) Any step is taken by Governmental Authority or agency or any other competent authority, with a view to the seizure, compulsory acquisition, expropriation or nationalisation of all or (in the opinion of the Debenture Trustee) a material part of the assets of the Company;

(xii) The Company without the consent of Debenture Trustee ceases to carry on its business or gives notice of its intention to do so;

(xiii) If it is certified by an accountant or a firm of accountants appointed by the Debenture Trustee that the liabilities of the Company exceed its assets;

(xiv) Default is committed if any extraordinary circumstances have occurred which makes it impossible for the Company to fulfil its obligations under the Debenture Trust Deed and/or the Debentures; If the Company is unable to pay its debts;

(xv) If it becomes unlawful for the company to perform any of its obligations under any transaction document;

(xvi) Any event occurs which under the laws of any relevant jurisdiction has an analogous effect to any of the events referred to in any of the foregoing paragraphs; and

(xvii) Any other event described as an Event of Default in the Draft Prospectus, this Prospectus and the Transaction Documents.

Except for any default relating to points i, ii, iii and iv under the "Indicative list of Events of Default" given above, where no such consent/ resolution of NCD holders will be required for calling of event of default, any event of default shall be called by the Debenture Trustee, upon request in writing of or by way of resolution passed by holders of 75% (seventy five percent) of the outstanding nominal value of all NCDs at any point of time, as set out in the Debenture Trust Deed, except for any default relating to points i, ii and iii under the "Indicative list of Events of Default" given above, where no such consent/ resolution of NCD holders will be required for calling of event of default.

Subject to the approval of the debenture holders and the conditions as may be specified by the SEBI from time to time, the Debenture Trustee, on behalf of the debenture holders, may enter into inter-creditor agreements provided under the framework specified by the Reserve Bank of India.

In accordance with the DT Master Circular issued by SEBI in case of 'Default' by Issuers of listed debt securities, post the occurrence of a "default", the consent of the NCD Holders for entering into an inter-creditor agreement (the "**ICA**") /enforcement of security shall be sought by the debenture trustee after providing a notice to the investors in the manner stipulated under applicable law. Further, the meeting of the NCD Holders shall be held within the period stipulated under applicable law. In case(s) where majority of investors express their consent to enter into the ICA, the debenture trustee shall enter into the ICA on behalf of the investors upon compliance with the conditions as stipulated in the abovementioned circular. In case consents are not received for signing the ICA, the debenture trustee shall take further action, if any, as per the decision taken in the meeting of the investors. The consent of the majority of investors shall mean the approval of not less than 75% of the investors by value of the outstanding debt and 60% of the investors by number at the ISIN level.

Explanation 2 to Regulation 49 of the SEBI Listing Regulations, defines 'default' as non-payment of interest or principal amount in full on the pre-agreed date which shall be recognized at the first instance of delay in the servicing of any interest/dividend or principal on debt.

It is hereby confirmed, in case of an occurrence of a "default", the Debenture Trustee shall abide and comply with the procedures mentioned in the DT Master Circular.

Minimum Subscription

In terms of the SEBI NCS Regulations for an issuer undertaking a public issue of debt securities the minimum subscription for public issue of debt securities shall be 75% of the Base Issue Size. If our Company does not receive the minimum subscription of 75% of the Base Issue Size being ₹ 7,500 lakh, prior to the Issue Closing Date, the entire Application Amount shall be unblocked in the relevant ASBA Accounts of the Applicants within eight Working Days from the Issue Closing Date or such time as maybe specified by SEBI. In the event there is a delay by our Company in unblocking the Application Amount within the prescribed time limit, our Company shall be liable to repay the money, with interest at the rate of 15 % per annum for the delayed period.

Under Section 39(3) of the Companies Act, 2013 read with Rule 11(2) of the Companies (Prospectus and Allotment of Securities) Rules, 2014 if the stated minimum subscription amount is not received within the specified period, the application money received is to be credited only to the bank account from which the subscription was remitted. To the extent possible, where the required information for making such refunds is available with our Company and/or Registrar, refunds will be made to the account prescribed. However, where our Company and/or Registrar does not have the necessary information for making such refunds, our Company and/or Registrar will follow the guidelines prescribed by SEBI in this regard included in the SEBI Master Circular.

Market Lot and Trading Lot

The NCDs shall be allotted in dematerialized form. As per the SEBI NCS Regulations, the trading of the NCDs is in dematerialised form and the tradable lot is one NCD.

Please note that the NCDs shall cease to trade from the Record Date (for payment of the principal amount and the applicable interest for such NCDs) prior to redemption of the NCDs.

Allotment in this Issue will be in electronic form multiples of one NCD. For further details of Allotment, see the "*Issue Procedure*" on page 263.

Nomination facility to NCD Holders

In accordance with Section 72 of the Companies Act, 2013 (read with Rule 19 of the Companies (Share Capital and Debentures) Rules, 2014, the sole NCD Holder or first NCD Holder, along with other joint NCD Holders (being individual(s) may nominate in form no. SH-13 any one person (being an individual) who, in the event of death of the sole holder or all the joint-holders, as the case may be, shall become entitled to the NCDs. Where the nomination is made in respect of the NCDs held by more than one person jointly, all joint holders shall together nominate in form no SH. 13 any person as nominee. A person, being a nominee, becoming entitled to the NCDs by reason of the death of the original NCD Holder(s), will in accordance with Rule 19 and Section 56 of Companies Act 2013 be entitled to the same rights to which he would be entitled if he were the registered holder of the NCD subject to compliance with applicable law. Where the nominee is a minor, the NCD Holder(s) may make a nomination to appoint, in the prescribed manner and in Form no. SH 14, any person to become entitled to the NCDs, in the event of his death, during the minority. A nomination shall stand rescinded upon sale/transfer/alienation of the NCDs by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. When the NCDs are held by two or more persons, the nominee shall become entitled to receive the amount only on the demise of all such NCD Holders. Fresh nominations can be made only in the prescribed form available on request at our Registered/ Corporate Office, at such other addresses as may be notified by us, or at the office of the Registrar to the Issue or the transfer agent.

NCD Holders are advised to provide the specimen signature of the nominee to enable us to expedite the transmission of the NCDs to the nominee in the event of demise of the NCD Holders. The signature can be provided in the Application Form or subsequently at the time of making fresh nominations. This facility of providing the specimen signature of the nominee is purely optional.

In accordance with the Section 72 read with Rule 19 of the Companies (Share Capital and Debentures) Rules, 2014, any person who becomes a nominee by virtue of the above said Section, shall upon the production of such evidence as may be required by our Board, elect either:

(a) To register himself or herself as the holder of the NCDs; or

(b) To make such transfer of the NCDs, as the deceased holder could have done.

A person, being a nominee, becoming entitled to NCDs by reason of the death of the holder shall be entitled to the same interests and other advantages to which he would have been entitled to if he were the registered holder of the NCDs except that he shall not, before being registered as a holder in respect of such NCDs, be entitled in respect of these NCDs to exercise any right conferred. Further, our Board of Directors may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the NCDs, and if the notice is not complied with, within a period of 90 days, our Board of Directors may thereafter withhold payment of all interests or other monies payable in respect of the NCDs, until the requirements of the notice have been complied with.

NCD Holders who are holding NCDs in dematerialised form need not make a separate nomination with our Company. Nominations registered with the respective Depository Participant of the NCD Holder will prevail. If the NCD Holders require to changing their nominations, they are requested to inform their respective Depository Participant. A nomination may be cancelled or varied by nominating any other person in place of the present nominee, by the Secured NCD Holder who has made the nomination, by giving a notice of such cancellation or variation in the prescribed manner as per applicable laws. The cancellation or variation shall take effect from the date on which the notice of such variation or cancellation is received.

Since the allotment of Secured NCDs will be made only in dematerialized mode, there is no need to make a separate nomination with our Company. Nominations registered with the respective Depository Participant

of the Applicant would prevail. If the investors require changing their nomination, they are requested to inform their respective Depository Participant.

Applicants who have opted for re-materialisation of NCDs and are holding the NCDs in the physical form should provide required details in connection with their nominee to our Company.

Transfer/Transmission of NCD(s)

The NCDs shall be transferred or transmitted freely in accordance with the applicable provisions of the Companies Act, 2013. The NCDs shall be transferred subject to and in accordance with the rules/procedures as prescribed by the Depositories and the relevant DPs of the transferor or transferee and any other applicable laws and rules notified in respect thereof. The transferee(s) should ensure that the transfer formalities are completed prior to the Record Date.

In the absence of the same, interest will be paid/redemption will be made to the person, whose name appears in the register of debenture holders maintained by the Depositories. In such cases, claims, if any, by the transferees would need to be settled with the transferor(s) and not with the Issuer or Registrar. The seller should give delivery instructions containing details of the buyer's DP account to his depository participant.

For further details, see *"Terms of the Issue - Interest"* on page 242, for the implications on the interest applicable to NCDs held by individual NCD Holders on the Record Date and NCDs held by non-individual NCD Holders on the Record Date.

NCDs held in physical form, pursuant to any re-materialisation, as above, cannot be transferred. Any trading of the NCDs issued pursuant to this Issue shall be compulsorily in dematerialized form only. The procedure for transmission of securities has been further simplified vide the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Fourth Amendment) Regulations, 2022 Gazette Notification no. SEBI/LAD-NRO/GN/2022/80 dated April 25, 2022.

Title

In case of:

(a) NCDs held in the dematerialised form, the person for the time being appearing in the register of beneficial owners maintained by the Depositories; and

(b) the NCDs held in physical form pursuant to re-materialization, the person for the time being appearing in the register of NCD Holders shall be treated for all purposes by our Company, the Debenture Trustee, the Depositories and all other persons dealing with such person, as the holder thereof and its absolute owner for all purposes whether or not it is overdue and regardless of any notice of ownership, trust or any interest in it or any writing on, theft or loss of the consolidated NCD certificates issued in respect of the NCDs and no person will be liable for so treating the NCD holder.

No transfer of title of an NCD will be valid unless and until entered on the register of NCD holders or the register of beneficial owners maintained by the Depositories prior to the Record Date. In the absence of transfer being registered, interest and/or maturity amount, as the case may be, will be paid to the person, whose name appears first in the register of the NCD Holders maintained by the Depositories and/or our Company and/or the Registrar, as the case may be. In such cases, claims, if any, by the purchasers of the NCDs will need to be settled with the seller of the NCDs and not with our Company or the Registrar. The provisions relating to transfer and transmission and other related matters in respect of our Company's shares contained in the Articles of Association of our Company and the relevant provisions of the Companies Act, 2013, shall apply, mutatis mutandis (to the extent applicable) to the NCD(s) as well.

Succession

Where NCDs are held in joint names and one of the joint NCD Holder dies, the survivor(s) will be recognized as the NCD Holder(s). It will be sufficient for our Company to delete the name of the deceased NCD Holder after obtaining satisfactory evidence of his death. Provided, a third person may call on our Company to register his name as successor of the deceased NCD Holder after obtaining evidence such as probate of a will for the purpose of proving his title to the NCDs. In the event of demise of the sole or first holder of the NCDs, our Company will recognise the executors or administrator of the deceased NCD Holders, or the holder of the succession certificate or other legal representative as having title to the NCDs only if such executor or administrator obtains and produces probate or letter of administration or is the holder of the succession certificate or other legal representation, as the case may be, from an appropriate court in India. Our Board of Directors or any other person authorised by our Board of Directors in their absolute discretion may, in any case, dispense with production of probate or letter of administration or succession certificate or other legal representation. In case of death of NCD Holders who are holding NCDs in dematerialised form, third person is not required to approach our Company to register his name as successor of the deceased NCD Holder. The successor of the deceased NCD Holder shall approach the respective Depository Participant for this purpose and submit necessary documents as required by the Depository Participant.

Where a non-resident Indian becomes entitled to the NCDs by way of succession, the following steps have to be complied with:

1. Documentary evidence to be submitted to the legacy cell of the RBI to the effect that the NCDs were acquired by the non-resident Indian as part of the legacy left by the deceased NCD Holder.

2. Proof that the non-resident Indian is an Indian national or is of Indian origin.

3. Such holding by a non-resident Indian will be on a non-repatriation basis.

Joint-holders

Where two or more persons are holders of any NCD(s), they shall be deemed to hold the same as joint holders with benefits of survivorship subject to other provisions contained in the Articles of Association.

Procedure for re-materialisation of NCDs

Subject to the RTA Master Circular, NCD Holders who wish to hold the NCDs in physical form may do so by submitting a request to their DP at any time after Allotment in accordance with the applicable procedure stipulated by the DP, in accordance with the Depositories Act and/or rules as notified by the Depositories from time to time. Holders of NCDs who propose to re-materialise their NCDs, would have to mandatorily submit details of their bank mandate along with a copy of any document evidencing that the bank account is in the name of the holder of such NCDs and their Permanent Account Number to the Company and the DP. No proposal for re-materialisation of NCDs would be considered if the aforementioned documents and details are not submitted along with the request for such re-materialisation.

Register of NCD Holders

No transfer of title of a NCD will be valid unless and until entered on the Register of NCD Holders (for re materialized NCDs) or the register and index of NCD Holders maintained by the Depository prior to the Record Date. In the absence of transfer being registered, interest and/or Redemption Amount, as the case may be, will be paid to the person, whose name appears first in the Register of NCD Holders maintained by the Depositories and/or our Company and/or the Registrar, as the case may be as on the Record Date. In such cases, claims, if any, by the purchasers of the NCDs will need to be settled with the seller of the NCDs and not with our Company or the Registrar. The provisions relating to transfer and transmission and other related matters in respect of our Company's shares contained in the Articles of Association of our Company, SEBI LODR Regulations and the Companies Act shall apply, mutatis mutandis (to the extent applicable) to the NCDs as well.

Restriction on transfer of NCDs

There are no restrictions on transfers and transmission of NCDs allotted pursuant to this Issue. Pursuant to the SEBI LODR IV Amendment and RTA Master Circular, NCDs held in physical form, pursuant to any re-materialisation, as above, cannot be transferred. Any trading of the NCDs issued pursuant to this Issue shall be compulsorily in dematerialised form only.

Period of subscription

ISSUE SCHEDULE*	
Issue opens on	Thursday, April 03, 2025
Issue closes on	Monday, April 21, 2025
Pay in date	Application Date. The entire Application Amount is payable on Application.
Deemed Date of Allotment	The date on which the Investment and Borrowing Committee authorised by the Board approves the Allotment of the NCDs for the Issue or such date as may be determined by the Board of Directors/ or the Investment and Borrowing Committee authorised by the Board thereof and notified to the Designated Stock Exchange. The actual Allotment of NCDs may take place on a date other than the Deemed Date of Allotment. All benefits relating to the NCDs including interest on NCDs shall be available to the Debenture Holders from the Deemed Date of Allotment.

** This Issue shall remain open for subscription on Working Days from 10:00 a.m. to 5:00 p.m. (Indian Standard Time) during the period indicated in this Prospectus, except that the Issue may close on such earlier date or extended date (subject to a minimum period of two Working Days and a maximum period of ten Working Days from the date of opening of the Issue) as may be decided by the Investment and Borrowing Committee, subject to compliance with Regulation 33A of the SEBI NCS Regulations. In the event of an early closure or extension of the Issue, our Company shall ensure that notice of the same is provided to the prospective investors through an advertisement in all the newspapers in which pre-issue advertisement for opening of this Issue has been given on or before such earlier or initial date of Issue closure. Application Forms for this Issue will be accepted only from 10:00 a.m. to 5:00 p.m. (Indian Standard Time). On the Issue Closing Date, the Application Forms will be accepted only between 10:00 a.m. and 3:00 p.m. (Indian Standard Time) and uploaded until 5:00 p.m. (Indian Standard Time) or such extended time as may be permitted by the Stock Exchanges. Further, pending mandate requests for bids placed on the last day of bidding will be validated by 5:00 p.m. (Indian Standard Time) on one Working Day post the Issue Closing Date. For further details please refer to "Issue Procedure" on page 263.*

Applications Forms for the Issue will be accepted only from 10:00 a.m. to 5:00 p.m. (Indian Standard Time) ("Bidding Period"), during the Issue Period as mentioned above on all days between Monday and Friday (both inclusive barring public holiday) (a) by the Designated Intermediaries at the Bidding Centres, or (b) by the SCSBs directly at the Designated Branches of the SCSBs. Additionally, an Investor may also submit the Application Form through the app or web interface of the Stock Exchanges. On the Issue Closing Date, Application Forms will be accepted only between 10:00 a.m. to 3:00 p.m. (Indian Standard Time) and uploaded until 5:00 p.m. (Indian Standard Time) or such extended time as may be permitted by the Stock Exchanges. It is clarified that the Applications not uploaded on the Stock Exchange(s) Platform would be rejected. Further, pending mandate requests for bids placed on the last day of bidding will be validated by 5:00 p.m. (Indian Standard Time) on one Working Day post the Issue Closing Date.

Due to limitation of time available for uploading the Applications on the Issue Closing Date, Applicants are advised to submit their Application Forms one day prior to the Issue Closing Date and, no later than 3.00 p.m.

(Indian Standard Time) on the Issue Closing Date. Applicants are cautioned that in the event a large number of Applications are received on the Issue Closing Date, there may be some Applications which are not uploaded due to lack of sufficient time to upload. Such Applications that cannot be uploaded will not be considered for allocation under the Issue. Application Forms will only be accepted on Working Days during the Issue Period. Neither our Company, nor the Lead Manager or Trading Members of the Stock Exchange are liable for any failure in uploading the Applications due to failure in any software/ hardware systems or otherwise. Please note that the Basis of Allotment under the Issue will be on the basis of date of upload of each application into the electronic book of the Stock Exchange in accordance with the SEBI Master Circular. However, from the date of oversubscription and thereafter, the allotments will be made to the applicants on proportionate basis.

Taxation

Income Tax is deductible at source at the rate of 10% on interest on debentures held by resident Indians as per the provisions of Section 193 of the IT Act (in case where interest is paid to Individual or HUF, no TDS will be deducted where interest paid is less than ₹ 5,000 and interest is paid by way of account payee cheque).

Further, Tax will be deducted at source at reduced rate, or no tax will be deducted at source in the following cases:

(a) When the Assessing Officer issues a certificate on an application by a Debenture Holder on satisfaction that the total income of the Debenture holder justifies no/lower deduction of tax at source as per the provisions of Section 197(1) of the IT Act; and that a valid certificate is filed with the Company/ Registrar, at least 7 days before the relevant record date for payment of debenture interest;

(b) When the resident Debenture Holder with Permanent Account Number ('PAN') (not being a company or a firm) submits a declaration as per the provisions of section 197A(1A) of the IT Act in the prescribed Form 15G verified in the prescribed manner to the effect that the tax on his estimated total income of the financial year in which such income is to be included in computing his total income will be Nil. However, under section 197A(1B) of the IT Act, Form 15G cannot be submitted nor considered for exemption from tax deduction at source if the dividend income referred to in section 194, interest on securities, interest, withdrawal from NSS and income from units of mutual fund or of 236 Unit Trust of India as the case may be or the aggregate of the amounts of such incomes credited or paid or likely to be credited or paid during the financial year in which such income is to be included exceeds the maximum amount which is not chargeable to income tax;

(c) Senior citizens, who are 60 or more years of age at any time during the financial year, enjoy the special privilege to submit a self-declaration in the prescribed Form 15H for non-deduction of tax at source in accordance with the provisions of section 197A(1C) of the Act even if the aggregate income credited or paid or likely to be credited or paid exceeds the maximum amount not chargeable to tax, provided that the tax due on the estimated total income of the year concerned will be Nil.

In all other situations, tax would be deducted at source as per prevailing provisions of the IT Act. However in case of NCD Holders claiming non-deduction or lower deduction of tax at source, as the case may be, the NCD Holder should furnish either (a) a declaration (in duplicate) in the prescribed form i.e. (i) Form 15H which can be given by individuals who are of the age of 60 years or more (ii) Form 15G which can be given by all applicants (other than companies, and firms), or (b) a certificate, from the Assessing Officer which can be obtained by all applicants (including companies and firms) by making an application in the prescribed form i.e. Form No.13. Further, eligible NCD Holders other than resident individuals or resident HUF investors, the following documents should be submitted with the Company/ Registrar, at least 7 days before the relevant record date for payment of debenture interest (i) copy of registration certificate issued by the regulatory authority under which the investor is registered, (ii) self-declaration for non-deduction of tax at source, and (iii) such other document a may be required under the Income Tax Act, for claiming non-deduction / lower deduction of tax at source and/or specified by the Company/ Registrar, from time to time.

The aforesaid documents, as may be applicable, should be submitted at least 7 days before the relevant Record Date for payment of interest on the NCDs quoting the name of the sole/ first NCD Holder, NCD folio number and the distinctive number(s) of the NCD held, to ensure non-deduction/lower deduction of tax at source from interest on the NCD. The aforesaid documents for claiming non-deduction or lower deduction of tax at source, as the case may be, shall be submitted to the Registrar as per below details or any other details as may be updated on the website of the Issuer at www.ugrocapital.com or the Registrar at www.in.mpms.mufg.com , from time to time.

Please also see, *"Statement of Possible Tax Benefits"* on page 95.

Subject to the terms and conditions in connection with computation of applicable interest on the Record Date as stated in the chapter titled "Issue Procedure" on page 263, please note that in case the NCDs are transferred and/or transmitted in accordance with the provisions of this read with the provisions of the Articles of Association of our Company, the transferee of such NCDs or the deceased holder of NCDs, as the case may be, shall be entitled to any interest which may have accrued on the NCDs.

Payment of Interest

Amount of interest payable shall be rounded off to the nearest Rupee. In the event, the interest / payout of total coupon /Redemption Amount is a fraction and not an integer, such amount will be rounded off to the nearest integer. By way of illustration if the Redemption Amount is ₹ 1,837.50 then the amount shall be rounded off to ₹ 1,838. If the date of payment of interest does not fall on a Working Day, then the interest payment will be made on succeeding Working Day, however the calculation for payment of interest will be only till the originally stipulated Interest Payment Date. The dates of the future interest payments would be as per the originally stipulated schedule. Payment of interest will be subject to the deduction of tax as per Income Tax Act or any statutory modification or re-enactment thereof for the time being in force. In case the Redemption Date (also being the last Interest Payment Date) does not fall on a Working Day, the payment will be made on the immediately preceding Working Day, along with coupon/interest on the NCDs until but excluding the date of such payment. The interest/redemption payments shall be made only on Working Days.

Interest/Premium and Payment of Interest/ Premium

Interest/ Coupon on NCDs

For details of Interest / Coupon on NCDs, please see the Section titled "*Issue Structure*" on page 218.

Basis of payment of Interest

The Tenor, Coupon Rate / Yield and Redemption Amount applicable for each Series of NCDs shall be determined at the time of Allotment of NCDs pursuant to this Prospectus. NCDs once allotted under any particular Series of NCDs shall continue to bear the applicable Tenor, Coupon/Yield and Redemption Amount as at the time of original Allotment irrespective of the category of NCD Holder on any Record Date, and such tenor, coupon/ yield and Redemption Amount as at the time of original allotment will not be impacted by trading of any series of NCDs between the categories of persons or entities in the secondary market.

Mode of payment of Interest to NCD Holders

Payment of interest will be made (i) in case of NCDs in dematerialised form, the persons who, for the time being appear in the register of beneficial owners of the NCDs as per the Depositories, as on the Record Date and (ii) in case of NCDs in physical form on account of re-materialization, to the persons whose names appear in the register of debenture holders maintained by us (or to first holder in case of joint-holders) as on the Record Date.

We may enter into an arrangement with one or more banks in one or more cities for direct credit of interest to the account of the NCD Holders. In such cases, interest, on the interest payment date, would be directly credited to the account of those investors who have given their bank mandate.

We may offer the facility of NACH, NEFT, RTGS, Direct Credit and any other method permitted by RBI and SEBI from time to time to effect payments to NCD Holders. The terms of this facility (including towns where this facility would be available) would be as prescribed by RBI. For further details, see the *"Terms of the Issue - Manner of Payment of Interest / Refund / Redemption"* on page 242 of this Prospectus.

Maturity and Redemption

The relevant interest will be paid in the manner set out in the section titled "*Issue Structure*" on page 218. The last interest payment will be made at the time of redemption of the NCDs.

Series	Maturity Period / Redemption (as applicable)
Series I	18 months
Series II	18 months
Series III	24 months
Series IV	30 months
Series V	42 months

The bank details will be obtained from the Depositories for payment of interest / refund / redemption as the case may be. Applicants who have applied for or are holding the NCDs in electronic form, are advised to immediately update their bank account details as appearing on the records of the depository participant. Please note that failure to do so could result in delays in credit of interest / refund / redemption amounts to the Applicant at the Applicant's sole risk, and neither the Lead Manager, our Company nor the Registrar to the Issue shall have any responsibility and undertake any liability for the same.

Put / Call Option

Not Applicable

Deemed Date of Allotment

The date on which the Investment and Borrowing Committee authorised by the Board approves the Allotment of the NCDs for the Issue or such date as may be determined by the Board of Directors/ or the Investment and Borrowing Committee authorised by the Board thereof and notified to the Designated Stock Exchange. The actual Allotment of NCDs may take place on a date other than the Deemed Date of Allotment. All benefits relating to the NCDs including interest on NCDs shall be available to the Debenture Holders from the Deemed Date of Allotment.

Application in the Issue

NCDs being issued through this Prospectus can be applied for, through a valid Application Form filled in by the applicant along with attachments, as applicable. Further, Applications in this Issue shall be made through the ASBA facility only (including Applications made by UPI Investors under UPI Mechanism).

In terms of Regulation 7 of SEBI NCS Regulations, our Company will make public issue of the NCDs in the dematerialised form only.

However, in the terms of Section 8(1) of the Depositories Act, but subject to SEBI LODR IV Amendment and RTA Master Circular, our Company at the request of the Investors who wish to hold the NCDs in physical form will re-materialise the NCDs. However, trading of the NCDs shall be compulsorily in dematerialised form only.

Application Size

Each application should be for a minimum of 10 (ten) NCDs and in multiples of one (1) NCD thereafter. The minimum application size for each application for NCDs would be ₹ 10,000 (across all Options of NCDs either taken individually or collectively) and in multiples of ₹ 1,000 thereafter. Applicants can apply for any or all types of NCDs offered hereunder (any / all Option) provided the Applicant has applied for minimum application size using the same Application Form. **Applicants are advised to ensure that applications made by them do not exceed the investment limits or maximum number of NCDs that can be held by them under applicable statutory and or regulatory provisions.**

Terms of Payment

The entire issue price of ₹ 1,000 per NCD, is blocked in the ASBA Account on application itself. In case of allotment of lesser number of NCDs than the number of NCDs applied for, our Company shall unblock the excess amount paid on application to the applicant in accordance with the terms of this Prospectus.

Record Date

The record date for payment of interest in connection with the NCDs or repayment of principal in connection therewith shall be 15 (fifteen) days prior to the relevant interest payment date or relevant Redemption Date for NCDs issued under this Prospectus. In case of redemption of NCDs, the trading in the NCDs shall remain suspended between the Record Date and the date of redemption.

In case the Record Date falls on a day when the Stock Exchanges is having a trading holiday, the immediate subsequent trading day or a date notified by our Company to the Stock Exchanges, will be deemed as the Record Date.

Manner of Payment of Interest / Refund / Redemption

The manner of payment of interest / refund / redemption in connection with the NCDs is set out below:

The bank details will be obtained from the Depositories for payment of Interest / refund / redemption as the case may be. Applicants who are holding the NCDs in electronic form, are advised to immediately update their bank account details as appearing on the records of the depository participant. Neither the Lead Manager, nor our Company, nor the Registrar to the Issue shall have any responsibility and undertake any liability arising from such details not being up to date.

In case of NCDs held in physical form, on account of re-materialisation, the bank details will be obtained from the documents submitted to the Company along with the re-materialisation request. For further details, please see "*Terms of the Issue – Procedure for re-materialisation of NCDs*" on page 242.

The Registrar to the Issue will issue requisite instructions to the relevant SCSBs to un-block amounts in the ASBA Accounts of the Applicants representing the amounts to unblocked for the Applicants.

The mode of interest / refund / redemption payments shall be undertaken in the following order of preference:

1. **Direct Credit**
   Investors having their bank account with the Refund Bank, shall be eligible to receive refunds, if any, through direct credit. The refund amount, if any, would be credited directly to their bank account with the Refund Bank.

2. **NACH**
   National Automated Clearing House which is a consolidated system of ECS. Payment would be done through NACH for Applicants having an account at one of the centres specified by the RBI, where such facility has been made available. This would be subject to availability of complete bank account details including Magnetic Ink Character Recognition ("**MICR**") code wherever applicable from the depository.

Payments through NACH are mandatory for Applicants having a bank account at any of the centres where NACH facility has been made available by the RBI (subject to availability of all information for crediting the refund through NACH including the MICR code as appearing on a cheque leaf, from the depositories), except where applicant is otherwise disclosed as eligible to get payments through NEFT or Direct Credit or RTGS.

3. RTGS

Applicants having a bank account with a participating bank and whose interest payment/ refund/ Redemption Amounts exceed ₹ 200,000, or such amount as may be fixed by RBI from time to time, have the option to receive payments through RTGS. Such eligible Applicants who indicate their preference to receive interest payment/ refund/ redemption through RTGS are required to provide the IFSC code in the Application Form or intimate our Company and the Registrar to the Issue at least seven days prior to the Record Date. Charges, if any, levied by the Applicant's bank receiving the credit would be borne by the Applicant. In the event the same is not provided, interest payment/ refund/ redemption shall be made through NACH subject to availability of complete bank account details for the same as stated above.

4. NEFT

Payment of interest/ refunds/ redemption shall be undertaken through NEFT wherever the Applicants' banks have been assigned the Indian Financial System Code ("**IFSC**"), which can be linked to a MICR, if any, available to that particular bank branch. The IFSC Code will be obtained from the website of RBI as on a date immediately prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the Applicants have registered their nine digit MICR number and their bank account number while opening and operating the demat account, the same will be duly mapped with the IFSC Code of that particular bank branch and the payment of interest/ refund/ redemption will be made to the applicants through this method.

5. Registered Post/Speed Post

For all other applicants, including those who have not updated their bank particulars with the MICR code, the interest payment / refund / redemption orders shall be dispatched through speed post/ registered post.

Please note that applicants are eligible to receive payments through the modes detailed in (1), (2) (3), and (4) herein above provided they provide necessary information for the above modes and where such payment facilities are allowed / available.

Please note that our Company shall not be responsible to the holder of NCDs, for any delay in receiving credit of interest / refund / redemption so long as our Company has initiated the process of such request in time.

The Registrar to the Issue shall instruct the relevant SCSB or in case of Bids by Retail Individual Investors applying through the UPI Mechanism to the Sponsor Bank, to revoke the mandate and to unblock the funds in the relevant ASBA Account to the extent of the Application Amount specified in the Application Forms for withdrawn, rejected or unsuccessful or partially successful Applications within six Working Days of the Issue Closing Date.

Printing of bank particulars on interest / redemption warrants

As a matter of precaution against possible fraudulent encashment of refund orders and interest/ redemption warrants due to loss or misplacement, the particulars of the Applicant's bank account are mandatorily required to be given for printing on the orders/ warrants. In relation to NCDs applied and held in dematerialized form, these particulars would be taken directly from the Depositories. In case of NCDs held in physical form on account of rematerialisation, the NCD Holders are advised to submit their bank account details with our Company/ Registrar to the Issue at least seven days prior to the Record Date failing which the orders/ warrants will be dispatched to the postal address of the NCD Holders as available in the records of our Company either through speed post, registered post. Bank account particulars will be printed on the orders/ warrants which can then be deposited only in the account specified.

Loan against NCDs

Pursuant to RBI Circular dated June 27, 2013, our Company, being an NBFC, is not permitted to extend any loans against the security of its NCDs.

Right to recall or redeem prior to maturity

Not Applicable.

Buy Back of NCDs

Our Company may, at its sole discretion, from time to time, consider, subject to applicable statutory and/or regulatory requirements, buy-back the NCDs, upon such terms and conditions as may be decided by our Company.

Our Company may from time to time invite the NCD Holders to offer the NCDs held by them through one or more buy-back schemes and/or letters of offer upon such terms and conditions as our Company may from time to time determine, subject to applicable statutory and/or regulatory requirements. Such NCDs which are bought back may be extinguished, re-issued and/or resold in the open market with a view of strengthening the liquidity of the NCDs in the market, subject to applicable statutory and/or regulatory requirements.

Form of allotment and Denomination of NCDs

In case of Secured NCDs held in physical form on account of re-materialisation, a single certificate will be issued to the Secured NCD Holder for the aggregate amount of the Secured NCDs held ("**Consolidated Certificate**"). The Applicant can also request for the issue of Secured NCD certificates in denomination of one NCD ("**Market Lot**"). In case of NCDs held under different Options, as specified in this Prospectus, by a Secured NCD Holder, separate Consolidated Certificates will be issued to the NCD Holder for the aggregate amount of the Secured NCDs held under each Option. It is however distinctly to be understood that the Secured NCDs pursuant to this issue shall be traded only in demat form.

In respect of Consolidated Certificates, we will, only upon receipt of a request from the Secured NCD Holder, split such Consolidated Certificates into smaller denominations subject to the minimum of Market Lot. No fees would be charged for splitting of Secured NCD certificates in Market Lots, but stamp duty payable, if any, would be borne by the Secured NCD Holder. The request for splitting should be accompanied by the original NCD certificate which would then be treated as cancelled by us. As per the SEBI NCS Regulations, the trading of the NCDs on the Stock Exchange shall be in dematerialized form only in multiples of 1 (one) NCD ("**Market Lot**"). Allotment in this Issue to all Allottees, will be in electronic form i.e., in dematerialised form and in multiples of one NCD. For details of allotment see *"Issue Procedure"* on page 263 of this Prospectus.

Procedure for Redemption by NCD holders

The procedure for redemption is set out below:

NCDs held in physical form on account of re-materialisation of NCDs

No action would ordinarily be required on the part of the NCD Holder at the time of redemption and the redemption proceeds would be paid to those NCD Holders whose names stand in the register of debenture holders maintained by us on the Record Date fixed for the purpose of Redemption. However, our Company may require that the NCD certificate(s), duly discharged by the sole holder/all the joint-holders (signed on the reverse of the NCD certificates) be surrendered for redemption on maturity and should be sent by the NCD Holders by Registered Post with acknowledgment due or by hand delivery to our office or to such persons at such addresses as may be notified by us from time to time. NCD Holders may be requested to surrender the NCD certificates in the manner as stated above, not more than three months and not less than one month prior to the Redemption Date so as to facilitate timely payment. We may at our discretion redeem the Secured NCDs without the requirement of surrendering of the NCD certificates by the holder(s) thereof. In case we decide to do so, the holders of NCDs need not submit the NCD certificates to us and the redemption proceeds would be paid to those NCD holders

whose names stand in the register of debenture holders maintained by us on the Record Date fixed for the purpose of redemption of NCDs. In such case, the Secured NCD certificates would be deemed to have been cancelled. Also see the para "Payment on Redemption" given below.

NCDs held in electronic form

No action is required on the part of Secured NCD holder(s) at the time of redemption of NCDs.

Payment on Redemption

The manner of payment of redemption is set out below:

NCDs held in physical form on account of re-materialisation

The payment on redemption of the NCDs will be made by way of cheque/pay order/ electronic modes. However, if our Company so requires, the aforementioned payment would only be made on the surrender of NCD certificates, duly discharged by the sole holder/ all the joint-holders (signed on the reverse of the NCD certificates). Dispatch of cheques/ pay orders, etc. in respect of such payment will be made on the Redemption Date or (if so, requested by our Company in this regard) within a period of 30 days from the date of receipt of the duly discharged NCD certificate.

In case we decide to do so, the redemption proceeds in the manner stated above would be paid on the Redemption Date to those NCD Holders whose names stand in the register of debenture holders maintained by us on the Record Date fixed for the purpose of Redemption. Hence the transferees, if any, should ensure lodgement of the transfer documents with us at least seven days prior to the Record Date. In case the transfer documents are not lodged with us at least 7 days prior to the Record Date and we dispatch the redemption proceeds to the transferor, claims in respect of the redemption proceeds should be settled amongst the parties inter se and no claim or action shall lie against us or the Registrar to the Issue.

Our liability to NCD Holder(s) towards their rights including for payment or otherwise shall stand extinguished from the redemption in all events and when we dispatch the Redemption Amounts to the NCD Holder(s).

Further, we will not be liable to pay any interest, income or compensation of any kind from the date of redemption of the NCDs.

NCDs held in electronic form

On the Redemption Date, redemption proceeds would be paid by cheque/ pay order/ electronic mode to those NCD Holders whose names appear on the list of beneficial owners given by the Depositories to us. These names would be as per the Depositories' records on the Record Date fixed for the purpose of redemption. These NCDs will be simultaneously extinguished to the extent of the amount redeemed through appropriate debit corporate action upon redemption of the corresponding value of the NCDs. It may be noted that in the entire process mentioned above, no action is required on the part of NCD Holders.

Our liability to NCD Holders towards his/their rights including for payment/ redemption in all events shall end when we dispatch the Redemption Amounts to the NCD Holders.

Further, we will not be liable to pay any interest, income or compensation of any kind from the date of redemption of the NCDs.

Right to reissue NCD(s)

Subject to the provisions of the Companies Act, 2013, as applicable, on the date of this Prospectus, where we have fully redeemed or repurchased any NCDs, we shall have and shall be deemed always to have had the right to keep such NCDs in effect without extinguishment thereof, for the purpose of resale or re-issue and in exercising such right, we shall have and be deemed always to have had the power to resell or reissue such NCDs either by reselling

or re-issuing the same NCDs or by issuing other NCDs in their place. The aforementioned right includes the right to reissue original NCDs.

Transfer/ Transmission of NCDs

For NCDs held in physical form on account of re-materialisation

The NCDs shall be transferred or transmitted freely in accordance with the applicable provisions of Companies Act, 2013 applicable as on the date of this Prospectus and all other applicable laws. The provisions relating to transfer and transmission and other related matters in respect of our shares contained in the Articles and the relevant provisions of the Companies Act, 2013 applicable as on the date of this Prospectus, and all applicable laws including FEMA and the rules and regulations thereunder, shall apply, mutatis mutandis (to the extent applicable to debentures) to the NCDs as well. In respect of the NCDs held in physical form on account of re-materialisation, a common form of transfer shall be used for the same. The NCDs held in dematerialised form shall be transferred subject to and in accordance with the rules/ procedures as prescribed by NSDL/CDSL and the relevant Depository Participants of the transferor and the transferee and any other applicable laws and rules notified in respect thereof. The transferees should ensure that the transfer formalities are completed prior to the Record Date. In the absence of the same, interest will be paid/ redemption will be made to the person, whose name appears in the register of debenture holders or the records as maintained by the Depositories. In such cases, claims, if any, by the transferees would need to be settled with the transferors and not with the Issuer or Registrar.

For NCDs held in electronic form

The normal procedure followed for transfer of securities held in dematerialised form shall be followed for transfer of the NCDs held in electronic form. The seller should give delivery instructions containing details of the buyer's Depository Participant account to his depository participant.

In case the transferee does not have a Depository Participant account, the transferor can re-materialise the NCDs and thereby convert his dematerialised holding into physical holding. Thereafter these NCDs can be transferred in the manner as stated above for transfer of NCDs held in physical form.

Any trading of the NCDs issued pursuant to this Issue shall be compulsorily in dematerialised form only.

Common form of transfer

Our Company undertakes that there shall be a common form of transfer for the NCDs and the provisions of the Companies Act, 2013 and all applicable laws including the FEMA and the rules and regulations thereunder shall be duly complied with in respect of all transfer of debentures and registration thereof.

Sharing of information

We may, at our option, use on our own, as well as exchange, share or part with any financial or other information about the NCD Holders available with us, with our subsidiaries, if any and affiliates and other banks, financial institutions, credit bureaus, agencies, statutory bodies, as may be required and neither we or our affiliates nor their agents shall be liable for use of the aforesaid information.

Notices

All notices to the NCD Holder(s) required to be given by us or the Debenture Trustee shall be published in one English language newspaper having wide circulation and one regional language daily newspaper at the place where the registered office of the Company is situated and/or will be sent by post/ courier or through email or other electronic media to the Registered Holders of the NCD(s) from time to time.

Issue of duplicate NCD certificate(s)

If NCD certificate(s), issued pursuant to re-materialisation, is/ are mutilated or defaced or the cages for recording transfers of NCDs are fully utilised, the same may be replaced by us against the surrender of such certificate(s). Provided, where the NCD certificate(s) are mutilated or defaced, the same will be replaced as aforesaid only if the certificate numbers and the distinctive numbers are legible.

If any NCD certificate is destroyed, stolen or lost then upon production of proof thereof to our satisfaction and upon furnishing such indemnity/ security and/or documents as we may deem adequate, duplicate NCD certificates shall be issued. Upon issuance of a duplicate NCD certificate, the original NCD certificate shall stand cancelled.

Lien

As per the RBI circular dated June 27, 2013, the Company is not permitted to extend loans against the security of its debentures issued by way of private placement or public issues. The Company shall have the right of set-off and lien, present as well as future on the moneys due and payable to the NCD holders or deposits held in the account of the NCD holders, whether in single name or joint name, to the extent of all outstanding dues by the NCD holders to the Company, subject to applicable law.

Lien on pledge of NCDs

Our Company may, at its discretion, note a lien or pledge of NCDs if such pledge of NCD is accepted by any third party bank/institution or any other person for any loan provided to the NCD Holder against pledge of such NCDs as part of the funding, subject to applicable law.

Future Borrowings

We shall be entitled to make further issue of secured or unsecured debentures and/or raise term loans or raise further funds from time to time from any persons, banks, financial institutions or bodies corporate or any other agency by creating a charge on any assets, (a) subject to such consents and approvals and other conditions, as may be required under applicable law or existing financing agreements, including any intimation, if applicable under the Transaction Documents; (b) provided the stipulated security cover for the Issue is maintained and compliance with other terms of the Transaction Documents.

Illustration for guidance in respect of the day count convention and effect of holidays on payments

The illustration for guidance in respect of the day count convention and effect of holidays on payments, as required by SEBI Master Circular is disclosed in this Prospectus at Annexure D.

Payment of Interest

If Allotment is not made within the prescribed time period under applicable law, the entire subscription amount will be unblocked within the time prescribed under applicable law, failing which interest may be due to be paid to the Applicants, for the delayed period, as prescribed in applicable law. Our Company shall not be liable to pay any interest on monies liable to be refunded in case of (a) invalid applications or applications liable to be rejected, (b) applications which are withdrawn by the Applicant; and/or (c) monies paid in excess of the amount of NCDs applied for in the Application Form. For further details, see "*Issue Procedure - Rejection of Applications*" on page 263 of this Prospectus.

Listing

The NCDs proposed to be offered in pursuance of this Prospectus will be listed on BSE Limited and National Stock Exchange of India Limited. Our Company has received an 'in-principle' approval from BSE and NSE by way of their letter bearing reference number DCS/BM/PI-BOND/40/24-25 dated March 25, 2025 and NSE/LIST/D/2025/0091 dated March 25, 2025, respectively. The application for listing of the NCDs will be made

to the Stock Exchanges at an appropriate stage. For the purposes of the Issue, National Stock Exchange of India Limited shall be the Designated Stock Exchange.

If permissions to deal in and for an official quotation of our NCDs are not granted by the Stock Exchanges, our Company will forthwith repay, without interest, all moneys received from the Applicants in pursuance of this Prospectus. Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at the Stock Exchanges are taken within five Working Days from the Issue Closing Date. For the avoidance of doubt, it is hereby clarified that in the event of non-subscription to any one or more of the series, such series(s) of NCDs shall not be listed.

Guarantee/Letter of comfort

The Issue is not backed by a guarantee or letter of comfort or any other document and/or letter with similar intent.

Arrangers to the Issue

There are no arrangers to the Issue.

Monitoring and Reporting of Utilisation of Issue Proceeds

There is no requirement for appointment of a monitoring agency in terms of the SEBI NCS Regulations. Our Board shall monitor the utilisation of the proceeds of the Issue. For the relevant quarters, our Company will disclose in our quarterly financial statements, the utilisation of the net proceeds of the Issue under a separate head along with details, if any, in relation to all such proceeds of the Issue that have not been utilised thereby also indicating investments, if any, of such unutilised proceeds of the Issue.

Pre-Issue Advertisement

Subject to Regulation 30(1) of SEBI NCS Regulations, our Company will issue a statutory advertisement on or before the Issue Opening Date. This advertisement will contain the information as prescribed in Schedule V of SEBI NCS Regulations in compliance with Section 30 of Companies Act, 2013. Material updates, if any, between the date of filing of this Prospectus with RoC and the date of release of the statutory advertisement will be included in the statutory advertisement information as prescribed under SEBI NCS Regulations.

Pre-Closure

Our Company, in consultation with the Lead Manager reserve the right to close the Issue at any time prior to the Issue Closing Date, subject to receipt of minimum subscription specified in this Prospectus. Our Company shall allot NCDs with respect to the Applications received until the time of such pre-closure in accordance with the Basis of Allotment as described herein and subject to applicable statutory and/or regulatory requirements. In the event of such early closure of the Issue, our Company shall ensure that public notice of such early closure is published on or before such early date of closure or the Issue Closing Date, as applicable, through advertisement(s) in all those newspapers in which pre-issue advertisement and advertisement for opening or closure of the issue have been given.

Recovery Expense Fund

The recovery expense fund has been created by our Company in the manner as specified by SEBI in circular bearing reference number SEBI/HO/DDHS-PoD3/P/CIR/2024/46 titled "Master Circular for Debenture Trustees" dated May 16, 2024, as amended from time to time and Regulation 11 of SEBI NCS Regulations with the Designated Stock Exchange and informed the Debenture Trustee regarding the creation of such fund. The recovery expense fund may be utilised by Debenture Trustee, in the event of default by our Company under the terms of the Debenture Trust Deed, for taking appropriate legal action to enforce the security.

Settlement Guarantee Fund

Our Company shall create a settlement guarantee fund, if applicable, in the manner specified in the SEBI Master Circular. This fund will be created to ensure upfront collection of charges from eligible issuers at the time of allotment of debt securities.

ISSUE PROCEDURE

*This section applies to all Applicants. Specific attention of all Applicants is invited to the SEBI Master Circular, which provides, inter-alia, that for all public issues of debt securities all Applicants shall mandatorily use the ASBA facility for participating in the Issue. ASBA Applicants and Applicants applying through the Direct Online Application Mechanism (as defined hereinafter) should note that the ASBA process and the Direct Online Application Mechanism involve application procedures that are different from the procedure applicable to all other Applicants. Please note that all Applicants are required to pay the full Application Amount or ensure that the ASBA Account has sufficient credit balance such that the entire Application Amount can be blocked by the SCSB while making an Application. Further in terms of the SEBI Master Circular retail individual investor shall use the Unified Payment Interface ("**UPI**") to participate in the public issue for an amount up to ₹ 500,000 through the app/web interface of the Stock Exchange or through intermediaries (Consortium members, Registered Stock Brokers, Registrar and Transfer agent and Depository Participants)*

Applicants should note that they may submit their Applications to the Designated Intermediaries at the Designated CDP Locations or the RTAs at the Designated RTA Locations or designated branches of SCSBs as mentioned on the Application Form. Applicants are advised to make their independent investigations and ensure that their Applications do not exceed the investment limits or maximum number of NCDs that can be held by them under applicable law or as specified in this Prospectus.

Please note that this section has been prepared based on the SEBI Master Circular and the notifications issued by BSE, in relation to the UPI Mechanism, dated December 28, 2020.

Specific attention is drawn to the SEBI Master Circular which provides for allotment in public issues of debt securities to be made on the basis of the date of upload of each application into the electronic book of the Stock Exchange, as opposed to the date and time of upload of each such application.

Our Company and the Lead Manager do not accept any responsibility for the completeness and accuracy of the information stated in this section and are not liable for any amendment, modification or change in the applicable law which may occur after the date of this Prospectus. Investors are advised to make their independent investigations and ensure that their Bids are submitted in accordance with applicable laws.

Further, the Company and the Lead Manager are not liable for any adverse occurrences consequent to the UPI Mechanism for application in the Issue.

PLEASE NOTE THAT ALL DESIGNATED INTERMEDIARIES WHO WISH TO COLLECT AND UPLOAD APPLICATION IN THE ISSUE ON THE ELECTRONIC APPLICATION PLATFORM PROVIDED BY THE STOCK EXCHANGES WILL NEED TO APPROACH THE STOCK EXCHANGES AND FOLLOW THE REQUISITE PROCEDURES AS MAY BE PRESCRIBED BY THE STOCK EXCHANGES. THE FOLLOWING SECTION MAY CONSEQUENTLY UNDERGO CHANGE BETWEEN THE DATES OF THIS PROSPECTUS, THE ISSUE OPENING DATE AND THE ISSUE CLOSING DATE.

THE LEAD MANAGER, THE CONSORTIUM MEMBERS AND OUR COMPANY SHALL NOT BE RESPONSIBLE OR LIABLE FOR ANY ERRORS OR OMISSIONS ON THE PART OF TRADING MEMBERS/DESIGNATED INTERMEDIARIES IN CONNECTION WITH THE RESPONSIBILITY OF TRADING MEMBERS/DESIGNATED INTERMEDIARIES IN RELATION TO COLLECTION AND UPLOAD OF APPLICATION FORMS IN RESPECT OF THE ISSUE ON THE ELECTRONIC APPLICATION PLATFORM PROVIDED BY STOCK EXCHANGES. FURTHER, THE RELEVANT STOCK EXCHANGES WILL BE RESPONSIBLE FOR ADDRESSING INVESTOR GRIEVANCES ARISING FROM APPLICATIONS THROUGH TRADING MEMBERS/DESIGNATED INTERMEDIARIES REGISTERED WITH SUCH STOCK EXCHANGES.

Please note that for the purposes of this section, the term "Working Day" shall mean all days excluding Sundays or a holiday of commercial banks in Mumbai, except with reference to Issue Period, where Working Days shall

mean all days, excluding Saturdays, Sundays and holiday of commercial banks in Mumbai. Furthermore, for the purpose of post issue period, i.e. period beginning from Issue Closing Date to listing of the NCDs, Working Days shall mean all trading days of Stock Exchanges excluding Sundays and bank holidays in Mumbai.

Availability of the Draft Prospectus, this Prospectus, Abridged Prospectus and Application Forms

The copies of the Draft Prospectus, this Prospectus, Abridged Prospectus together with Application Forms may be obtained from our Registered Office, Lead Manager to the Issue, Consortium Members for marketing of the Issue, the Registrar to the Issue and the Designated Branches of the SCSBs. Additionally, this Prospectus and the Application Forms will be available for download on the website of BSE at www.bseindia.com and of NSE at www.nseindia.com. A unique application number ("**UAN**") will be generated for every Application Form downloaded from the website of the Stock Exchanges i.e. BSE at www.bseindia.com and at NSE at www.nseindia.com. Hyperlinks to the websites of the Stock Exchanges for this facility will be provided on the websites of the Lead Manager and the SCSBs.

In addition, Application Forms would also be made available to all the recognised stock exchange. Further, Application Forms will also be provided to Trading Members at their request.

Our Company may provide Application Forms for being filled and downloaded at such websites as we may deem fit. The Issuer may also provide Application Forms for being downloaded and filled at such websites as it may deem fit. In addition, online demat account portals may also provide the facility of submitting the Application Forms online to their account holders'.

Retail Individual Investors making an Application upto ₹ 5 lakh, using the UPI Mechanism, must provide the UPI ID in the relevant space provided in the Application Form. Application Forms that do not contain the UPI ID are liable to be rejected. UPI Investors applying using the UPI Mechanism may also apply through the SCSBs and mobile applications using the UPI handles as provided on the website of SEBI.

Who can apply?

The following categories of persons are eligible to apply in the Issue.

1. **Category I – Institutional Investors**

   (a) Resident Public financial institutions, scheduled commercial banks, Indian multilateral and bilateral development financial institutions which are authorised to invest in the NCDs;

   (b) Provident funds and pension funds each with a minimum corpus of ₹ 250 million, superannuation funds and gratuity funds, which are authorised to invest in the NCDs;

   (c) Alternative Investment Funds, subject to investment conditions applicable to them under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012;

   (d) Resident Venture Capital Funds registered with SEBI;

   (e) Insurance companies registered with the IRDAI;

   (f) State industrial development corporations;

   (g) Insurance funds set up and managed by the army, navy, or air force of the Union of India;

   (h) Insurance funds set up and managed by the Department of Posts, the Union of India;

   (i) Systemically Important Non-Banking Financial Company registered with the RBI;

(j) National Investment Fund set up by resolution no. F.No. 2/3/2005-DDII dated November 23, 2005 of the Government of India published in the Gazette of India; and

(k) Mutual funds registered with SEBI.

2. **Category II – Non-Institutional Investors**

(a) Companies within the meaning of Section 2(20) of the Companies Act, 2013; statutory bodies/ corporations and societies registered under the applicable laws in India and authorised to invest in the NCDs;

(b) Co-operative banks and regional rural banks;

(c) Trusts including public/private charitable/religious trusts which are authorised to invest in the NCDs;

(d) Educational institutions and associations of persons and/or bodies established pursuant to or registered under any central or state statutory enactment: which are authorised to invest in the NCDs;

(e) Scientific and/or industrial research organisations, which are authorised to invest in the NCDs;

(f) Partnership firms in the name of the partners;

(g) Limited liability partnerships formed and registered under the provisions of the Limited Liability Partnership Act, 2008 (No. 6 of 2009);

(h) Association of Persons; and

(i) Any other incorporated and/ or unincorporated body of persons.

3. **Category III – High Net Worth Individual Investors**

(a) High Net-worth Individual Investors - Resident Indian individuals or Hindu Undivided Families through the Karta applying for an amount aggregating to above ₹ 10,00,000 across all options of NCDs in the Issue.

4. **Category IV - Retail Individual Investors**

(a) Retail Individual Investors - Resident Indian individuals or Hindu Undivided Families through the Karta applying for an amount aggregating up to and including ₹10,00,000 across all options of NCDs in the Issue and shall include Retail Individual Investors, who have submitted bid for an amount not more than ₹500,000 in any of the bidding options in the Issue (including HUFs applying through their Karta and does not include NRIs) though UPI Mechanism.

Note: Participation of any of the aforementioned categories of persons or entities is subject to the applicable statutory and/or regulatory requirements in connection with the subscription to Indian securities by such categories of persons or entities.

Applicants are advised to ensure that applications made by them do not exceed the investment limits or maximum number of Bonds that can be held by them under applicable statutory and or regulatory provisions.

Applicants are advised to ensure that they have obtained the necessary statutory and/or regulatory permissions/consents/approvals in connection with applying for, subscribing to, or seeking allotment of NCDs pursuant to the Issue.

The Lead Manager, Members of Consortium and their respective associates and affiliates are permitted to subscribe in the Issue.

The information below is given for the benefit of Applicants. Our Company and the Lead Manager are not liable for any amendment or modification or changes in applicable laws or regulations, which may occur after the date of this Prospectus.

How to apply?

Availability of the Draft Prospectus, this Prospectus, Abridged Prospectus and Application Forms

Physical copies of the Abridged Prospectus containing the salient features of the Prospectus, together with Application Forms may be obtained from our Registered Office and Corporate Office, offices of the Lead Manager, offices of the Consortium Member, the Registrar to the Issue, Designated RTA Locations for RTAs, Designated CDP Locations for CDPs and the Designated Branches of the SCSBs

Additionally, electronic copies of this Prospectus, the Prospectus and the Application Forms will be available.

(a) for download on the website of BSE and NSE at www.bseindia.com and www.nseindia.com, respectively, and the website of the Lead Manager.

(b) at the designated branches of the SCSBs and the Members of the Consortium at the Specified Locations.

Electronic copies of the Draft Prospectus, this Prospectus along with the downloadable version of the Application Form will be available on the websites of the Lead Manager, the Stock Exchanges, SEBI and SCSBs Electronic Application Forms will also be available on the website of the Stock Exchanges and on the websites of the SCSBs that permit the submission of Applications electronically. A hyperlink to the website of the Stock Exchange for this facility will be provided on the website of the Lead Manager and the SCSBs. Further, Application Forms will also be provided to Designated Intermediaries at their request. A Unique Application number ("**UAN**") will be generated for every Application Form downloaded from the websites of Stock Exchanges. Further, Application Forms will also be provided to Designated Intermediaries at their request.

Our Company may also provide Application Forms for being downloaded and filled at such websites as it may deem fit. In addition, brokers having online demat account portals may also provide a facility of submitting the Application Forms virtually online to their account holders. Trading Members of the Stock Exchanges can download Application Forms from the websites of the Stock Exchanges. Further, Application Forms will be provided to Trading Members of the Stock Exchanges at their request.

Please note that there is a single Application Form for, persons resident in India.

Method of Application

In terms of the SEBI Master Circular an eligible investor desirous of applying in this Issue can make Applications through the ASBA mechanism only.

All Applicants shall mandatorily apply in the Issue through the ASBA process only. Applicants intending to subscribe in the Issue shall submit a duly filled Application form to any of the Designated Intermediaries. Designated Intermediaries (other than SCSBs) shall submit/deliver the Application Form (except the Application Form from a retail individual investor bidding using the UPI mechanism) to the respective SCSB, where such investor has a bank account and shall not submit it to any non-SCSB bank or any Escrow Bank.

Applicants are requested to note that in terms of the SEBI Master Circular, SEBI has mandated issuers to provide, through a recognized Stock Exchange which offers such a facility, an online interface enabling direct application by investors to a public issue of debt securities with an online payment facility ("**Direct Online Application Mechanism**"). In this regard, SEBI has, through the SEBI Master Circular, directed recognized Stock Exchange in India to put in necessary systems and infrastructure for the implementation of the SEBI Master Circular and the Direct Online Application Mechanism infrastructure for the implementation of the SEBI Master Circular and the Direct Online Application Mechanism. The Direct Online Application facility will be available for this Issue as per mechanism provided in the SEBI Master Circular

Designated Intermediaries (other than SCSBs) shall submit/deliver the Application Form (except the Application Form from a Retail Individual Investor bidding using the UPI mechanism) to the respective SCSB, where such investor has a bank account and shall not submit it to any non-SCSB bank or any Escrow Bank.

Applicants should submit the Application Form only at the Bidding Centers, i.e., to the respective Syndicate Members at the Specified Locations, the SCSBs at the Designated Branches, the Registered Broker at the Broker Centers, the RTAs at the Designated RTA Locations or CDPs at the Designated CDP Locations. Kindly note that Application Forms submitted by Applicants at the Specified Locations will not be accepted if the SCSB with which the ASBA Account, as specified in the Application Form is maintained has not named at least one branch at that location for the Designated Intermediaries for deposit of the Application Forms. A list of such branches is available at http://www.sebi.gov.in.

The relevant Designated Intermediaries, upon receipt of physical Application Forms from Applicants, shall upload the details of these Application Forms to the online platform of the Stock Exchange and submit these Application Forms with the SCSB (except Application Form from RIBs using the UPI Mechanism) with whom the relevant ASBA Accounts are maintained.

For RIBs using UPI Mechanism, the Stock Exchange shall share the bid details (including UPI ID) with the Sponsor Bank on a continuous basis to enable the Sponsor Bank to initiate UPI Mandate Request to RIBs for blocking of funds.

Designated Intermediaries (other than SCSBs) shall not accept any Application Form from a Retail Individual Investor who is not applying using the UPI Mechanism. For Retail Individual Investors using UPI Mechanism, the Stock Exchange shall share the bid details (including UPI ID) with the Sponsor Bank on a continuous basis to enable the Sponsor Bank to initiate UPI Mandate Request to Retail Individual Investors for blocking of funds. An Applicant shall submit the Application Form, in physical form, the Application Form shall be stamped at the relevant Designated Branch of the SCSB. Application Forms in physical mode, which shall be stamped, can also be submitted to be the Designated Intermediaries at the Specified Locations. The SCSB shall block an amount in the ASBA Account equal to the Application Amount specified in the Application Form. Further, the Application may also be submitted through the app or web interface developed by Stock Exchanges wherein the Application is automatically uploaded onto the Stock Exchange bidding platform and the amount is blocked using the UPI mechanism, as applicable.

For Applicants who submit the Application Form, in physical mode, the Application Form shall be stamped at the relevant Designated Branch of the SCSB. Application Forms in physical mode, which shall be stamped, can also be submitted to be the Designated Intermediaries at the Specified Locations. The SCSB shall block an amount in the ASBA Account equal to the Application Amount specified in the Application Form.

Our Company, the Directors, affiliates, associates and their respective directors and officers, Lead Manager and the Registrar to the Issue shall not take any responsibility for acts, mistakes, errors, omissions and commissions etc. in relation to ASBA Applications accepted by the Designated Intermediaries, Applications uploaded by SCSBs, Applications accepted but not uploaded by SCSBs or Applications accepted and uploaded without blocking funds in the ASBA Accounts. It shall be presumed that for Applications uploaded by SCSBs, the Application Amount has been blocked in the relevant ASBA Account. Further, all grievances against Designated Intermediaries in relation to the Issue should be made by Applicants directly to the relevant Stock Exchange.

In terms of the SEBI Master Circular, an eligible investor desirous of applying in this Issue can make Applications through the following modes:

1. *Self-Certified Syndicate Bank (SCSB) or intermediaries (viz. Syndicate members, Registered Stock Brokers, Registrar and Transfer agent and Depository Participants)*

    a. *An investor may submit the bid-cum-application form, with ASBA as the sole mechanism for making payment, physically at the branch of a SCSB, i.e., investor's bank. For such applications, the existing process of uploading of bid on the Stock Exchange bidding platform and blocking of funds in investors account by the SCSB would continue.*

    b. *An investor may submit the completed bid-cum-application form to intermediaries mentioned above along with details of his/her bank account for blocking of funds. The intermediary shall upload the bid on the Stock Exchange bidding platform and forward the application form to a branch of a SCSB for blocking of funds.*

    c. *An investor may submit the bid-cum-application form with a SCSB, or the intermediaries mentioned above and use his / her bank account linked UPI ID for the purpose of blocking of funds, if the application value is ₹5 lakh or less. The intermediary shall upload the bid on the Stock Exchange bidding platform. The application amount would be blocked through the UPI mechanism in this case.*

2. *Through Stock Exchange*

    a. *An investor may submit the bid-cum-application form through the App or web interface developed by Stock Exchange (or any other permitted methods) wherein the bid is automatically uploaded onto the Stock Exchange bidding platform and the amount is blocked using the UPI Mechanism.*

    b. *The Stock Exchanges have extended their web-based platforms i.e., 'BSE Direct' and 'NSEgoBID' to facilitate investors to apply in public issues of debt securities through the web-based platform and mobile app with a facility to block funds through Unified Payments Interface (UPI) mechanism for application value up to ₹5 lakh. To place bid through the 'BSE Direct' and / or 'NSEgoBID' platforms/ mobile apps, the eligible investor is required to register himself/ herself with BSE Direct and / or 'NSEgoBID', as may be applicable*

    c. *An investor may use the following links to access the web-based interface developed by the Stock Exchanges to bid using the UPI Mechanism: BSE: https://www.bsedirect.com; and NSE: https://eipo.nseindia.com/eipodc/rest/login.*

    d. *The BSE Direct and NSE goBID mobile application can be downloaded from play store in android phones. Kindly search for 'BSEdirect' or 'NSE goBID' on Google Playstore for downloading mobile applications*

    e. *To further clarify the submission of bids through the app or web interface, the BSE has issued operational guidelines and circulars dated December 28, 2020 available at https://www.bseindia.com/markets/MarketInfo/DispNewNoticesCirculars.aspx?page=20201228-60, https://www.bseindia.com/markets/MarketInfo/DispNewNoticesCirculars.aspx?page=20201228-61 and the circular dated May 5, 2022 available at https://www.bseindia.com/markets/MarketInfo/DispNewNoticesCirculars.aspx?page=20220519-34. Similar circulars by NSE are available at https://www1.nseindia.com/content/circulars/IPO46907.zip and https://www1.nseindia.com/content/circulars/IPO46867.zip. Further, NSE has allowed its 'GoBid'*

mobile application which is currently available for placing bids for non-competitive bidding shall also be available for applications of public issues of debt securities.

Application Size

Each Application should be for a minimum of 10 NCDs and multiples of one NCD thereof.

Applicants can apply for any or all types of NCDs offered hereunder (any/all series) provided the Applicant has applied for minimum application size using the same Application Form.

Applicants are advised to ensure that applications made by them do not exceed the investment limits or maximum number of NCDs that can be held by them under applicable statutory and or regulatory provisions.

APPLICATIONS BY VARIOUS APPLICANT CATEGORIES

Applications by Mutual Funds Pursuant to the SEBI Master Circular for Mutual Funds bearing reference number SEBI/HO/IMD/IMD-PoD-1/P/CIR/2024/90 dated June 27, 2024, mutual funds are required to ensure that the total exposure of debt schemes of mutual funds in a particular sector shall not exceed 20% of the net assets value of the scheme. Further, the additional exposure limit provided for financial services sector not exceeding 10% of net assets value of scheme shall be allowed only by way of increase in exposure to HFCs. However, the overall exposure in HFCs shall not exceed the sector exposure limit of 20% of the net assets of the scheme. Further, the group level limits for debt schemes and the ceiling be fixed at 10% of net assets value extendable to 15% of net assets value after prior approval of the board of trustees. A separate Application can be made in respect of each scheme of an Indian mutual fund registered with SEBI and such Applications shall not be treated as multiple Applications. Applications made by the AMCs or custodians of a Mutual Fund shall clearly indicate the name of the concerned scheme for which the Application is being made. An Application Form by a mutual fund registered with SEBI for Allotment of the NCDs must be also accompanied by certified true copies of (i) its SEBI registration certificates (ii) the trust deed in respect of such mutual fund (ii) a resolution authorising investment and containing operating instructions and (iii) specimen signatures of authorized signatories. Failing this, the Issuer reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason thereof.

Application by Scheduled Commercial Banks, Co-operative Banks and Regional Rural Banks

Scheduled Commercial Banks, Co-operative Banks and Regional Rural Banks can apply in the Issue based upon their own investment limits and approvals. Applications by them for Allotment of the NCDs must be accompanied by certified true copies of (i) memorandum and articles of association/charter of constitution; (ii) power of attorney; (iii) a board resolution authorising investment; and (iv) a letter of authorisation. Failing this, our Company reserves the right to accept or reject any Application for Allotment of the NCDs in whole or in part, in either case, without assigning any reason therefor.

Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason therefor.

Pursuant to SEBI Circular no. CIR/CFD/DIL/1/2013 dated January 02, 2013, SCSBs making applications on their own account using ASBA facility, should have a separate account in their own name with any other SEBI registered SCSB. Further, such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account for ASBA applications.

Application by Insurance Companies

Insurance companies registered with the IRDAI can apply in the Issue based on their own investment limits and approvals in accordance with the regulations, guidelines and circulars issued by the IRDAI. The Application Form must be accompanied by certified true copies of their (i) memorandum and articles of association/charter of constitution; (ii) power of attorney; (iii) resolution authorising investments/containing operating instructions; and (iv) specimen signatures of authorised signatories.

Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason therefor.

Applications by Indian Alternative Investments Funds

Applications made by 'alternative investment funds' eligible to invest in accordance with the Securities and Exchange Board of India (Alternative Investment Fund) Regulations, 2012, as amended (the "**SEBI AIF Regulations**") for Allotment of the NCDs must be accompanied by certified true copies of (i) SEBI registration certificate; (ii) a resolution authorising investment and containing operating instructions; and (iii) specimen signatures of authorised persons. The Alternative Investment Funds shall at all times comply with the requirements applicable to it under the SEBI AIF Regulations and the relevant notifications issued by SEBI.

Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason therefor.

Applications by Associations of persons and/or bodies established pursuant to or registered under any central or state statutory enactment

In case of Applications made by Applications by Associations of persons and/or bodies established pursuant to or registered under any central or state statutory enactment, must submit a (i) certified copy of the certificate of registration or proof of constitution, as applicable, (ii) Power of Attorney, if any, in favour of one or more persons thereof, (iii) such other documents evidencing registration thereof under applicable statutory/regulatory requirements. Further, any trusts applying for NCDs pursuant to the Issue must ensure that (a) they are authorized under applicable statutory/regulatory requirements and their constitution instrument to hold and invest in debentures, (b) they have obtained all necessary approvals, consents or other authorisations, which may be required under applicable statutory and/or regulatory requirements to invest in debentures, and (c) Applications made by them do not exceed the investment limits or maximum number of NCDs that can be held by them under applicable statutory and/ or regulatory provisions.

Failing this, our Company reserves the right to accept or reject any Applications in whole or in part, in either case, without assigning any reason, therefore.

Applications by Trusts

In case of Applications made by trusts, settled under the Indian Trusts Act, 1882, as amended, or any other statutory and/or regulatory provision governing the settlement of trusts in India, must submit a (i) certified copy of the registered instrument for creation of such trust, (ii) power of attorney, if any, in favour of one or more trustees thereof, (iii) such other documents evidencing registration thereof under applicable statutory/regulatory requirements. Further, any trusts applying for NCDs pursuant to the Issue must ensure that (a) they are authorized under applicable statutory/regulatory requirements and their constitution instrument to hold and invest in debentures, (b) they have obtained all necessary approvals, consents or other authorisations, which may be required under applicable statutory and/or regulatory requirements to invest in debentures, and (c) Applications made by them do not exceed the investment limits or maximum number of NCDs that can be held by them under applicable statutory and or regulatory provisions.

Failing this, our Company reserves the right to accept or reject any Applications in whole or in part, in either case, without assigning any reason therefor.

Applications by Public Financial Institutions or statutory corporations, which are authorized to invest in the NCDs

The Application must be accompanied by certified true copies of: (i) any Act/ Rules under which they are incorporated; (ii) board resolution authorising investments; and (iii) specimen signature of authorized person.

Failing this, our Company reserves the right to accept or reject any Applications in whole or in part, in either case, without assigning any reason therefor.

Applications made by companies, bodies corporate and societies registered under the applicable laws in India

The Application must be accompanied by certified true copies of: (i) any act/ rules under which they are incorporated; (ii) Board Resolution authorising investments; and (iii) Specimen signature of authorized person.

Failing this, our Company reserves the right to accept or reject any Applications in whole or in part, in either case, without assigning any reason therefor.

Applications by Indian scientific and/ or industrial research organizations, which are authorized to invest in the NCDs

Applications by scientific and/ or industrial research organisations which are authorised to invest in the NCDs must be accompanied by certified true copies of: (i) any act/rules under which such Applicant is incorporated; (ii) a resolution of the board of directors of such Applicant authorising investments; and (iii) specimen signature of authorized persons of such Applicant.

Failing this, our Company reserves the right to accept or reject any Applications for Allotment of the NCDs in whole or in part, in either case, without assigning any reason therefor.

Applications by Partnership firms formed under applicable Indian laws in the name of the partners and Limited Liability Partnerships formed and registered under the provisions of the Limited Liability Partnership Act, 2008

Applications made by partnership firms and limited liability partnerships formed and registered under the Limited Liability Partnership Act, 2008 must be accompanied by certified true copies of: (i) the partnership deed for such Applicants; (ii) any documents evidencing registration of such Applicant thereof under applicable statutory/regulatory requirements; (iii) a resolution authorizing the investment and containing operating instructions; and (iv) specimen signature of authorized persons of such Applicant.

Failing this, our Company reserves the right to accept or reject any Applications for Allotment of the NCDs in whole or in part, in either case, without assigning any reason therefor.

Applications under a power of attorney by limited companies, corporate bodies and registered societies

In case of Applications made pursuant to a power of attorney by Applicants from Category I and Category II, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws must be lodged along with the Application Form.

Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason therefor.

In case of Applications made pursuant to a power of attorney by Applicants from Category III and Category IV, a certified copy of the power of attorney must be lodged along with the Application Form.

In case of physical ASBA Applications made pursuant to a power of attorney, a certified copy of the power of attorney must be lodged along with the Application Form.

Failing this our Company, in consultation with the Lead Manager, reserves the right to reject such Applications. Our Company, in its absolute discretion, reserves the right to relax the above condition of attaching the power of attorney along with the Application Forms subject to such terms and conditions that our Company and the Lead Manager may deem fit.

Brokers having online demat account portals may also provide a facility of submitting the Application Forms online to their account holders. Under this facility, a broker receives an online instruction through its portal from the Applicant for making an Application on his or her behalf. Based on such instruction, and a power of attorney granted by the Applicant to authorizes the broker, the broker makes an Application on behalf of the Applicant.

Applications by provident funds, pension funds, superannuation funds and gratuity funds which are authorized to invest in the NCDs

Applications by provident funds, pension funds, superannuation funds and gratuity funds which are authorizes to invest in the NCDs, for Allotment of the NCDs must be accompanied by certified true copies of: (i) any act/rules under which they are incorporated; (ii) a power of attorney, if any, in favour of one or more trustees thereof, (iii) a board resolution authorizes investments; (iv) such other documents evidencing registration thereof under applicable statutory/regulatory requirements; (v) specimen signature of authorized person; (vi) a certified copy of the registered instrument for creation of such fund/trust; and (vii) any tax exemption certificate issued by Income Tax authorities.

Failing this, our Company reserves the right to accept or reject any Applications for Allotment of the NCDs in whole or in part, in either case, without assigning any reason thereof.

Applications by National Investment Funds

Application made by a national investment fund for Allotment of the NCDs must be accompanied by certified true copies of: (i) a resolution authorising investment and containing operating instructions; and (ii) specimen signatures of authorized persons**.**

Failing this, our Company reserves the right to accept or reject any Applications for Allotment of the NCDs in whole or in part, in either case, without assigning any reason thereof.

Applications by Systematically Important Non-banking financial companies

Applications made by systematically important non-banking financial companies registered with the RBI and under other applicable laws in India must be accompanied by certified true copies of: (i) memorandum and articles of association/charter of constitution; (ii) power of attorney; (iii) board Resolution authorizes investments; and (iv) specimen signature of authorized person.

Failing this, our Company reserves the right to accept or reject any Applications in whole or in part, in either case, without assigning any reason therefor.

The Syndicate Members and their respective associates and affiliates are permitted to subscribe in the Issue.

Applications cannot be made by:

(a) Minors without a guardian name* (A guardian may apply on behalf of a minor. However, the name of the guardian will also need to be mentioned on the Application Form);

(b) Foreign nationals, NRI inter-alia including any NRIs who are (i) based in the USA, and/or, (ii) domiciled in the USA, and/or, (iii) residents/citizens of the USA, and/or, (iv) subject to any taxation laws of the USA;

(c) Person’s resident outside India and other foreign entities;

(d) Foreign Institutional Investors;

(e) Foreign Portfolio Investors;

(f) Non-Resident Indians;

(g) Qualified Foreign Investors;

(h) Overseas Corporate Bodies**;

(i) Foreign Venture Capital Funds; and

(j) Person's ineligible to contract under applicable statutory/ regulatory requirements.

* *Applicant shall ensure that guardian is competent to contract under Indian Contract Act, 1872*

The Registrar to the Issue shall verify the above on the basis of the records provided by the Depositories based on the DP ID and Client ID provided by the Applicants in the Application Form and uploaded onto the electronic system of the Stock Exchange by the Designated Intermediaries.

Based on the information provided by the Depositories, our Company shall have the right to accept Applications belonging to an account for the benefit of a minor (under guardianship). In case of such Applications, the Registrar to the Issue shall verify the above on the basis of the records provided by the Depositories based on the DP ID and Client ID provided by the Applicants in the Application Form and uploaded onto the electronic system of the Stock Exchange.

** *The concept of Overseas Corporate Bodies (meaning any company, partnership firm, society and other corporate body or overseas trust irrevocably owned/held directly or indirectly to the extent of at least 60% by NRIs), which was in existence until 2003, was withdrawn by the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies) Regulations, 2003. Accordingly, OCBs are not permitted to invest in the Issue.*

Payment instructions

Payment mechanism for Applicants

An Applicant shall specify details of the ASBA Account Number in the Application Form and the relevant SCSB shall block an amount equivalent to the Application Amount in the ASBA Account specified in the Application Form.

An Applicant may submit the completed Application Form to designated intermediaries along with details of his/her bank account for blocking of funds. The intermediary shall upload the bid on the Designated Stock Exchange bidding platform and forward the application form to a branch of a SCSB for blocking of funds.

An Applicant (belonging to Category IV) may also submit the Application Form with a SCSB, or the intermediaries mentioned above and use his / her bank account linked UPI ID for the purpose of blocking of funds, if the application value is ₹5 lakh or less. The intermediary shall upload the bid on the Stock Exchange bidding platform. The application amount would be blocked through the UPI Mechanism once the mandate request has been successfully accepted by the Applicant in this case.

An Applicant may submit the Application Form through the App or web interface developed by Stock Exchange wherein the bid is automatically uploaded onto the Stock Exchange bidding platform and the amount is blocked using the UPI Mechanism once the mandate request has been successfully accepted by the Applicant.

Upon receipt of an intimation from the Registrar to the Issue, the SCSBs shall, on the Designated Date, transfer such blocked amount from the ASBA Account to the Public Issue Account in terms of the Public Issue Account and Sponsor Bank Agreement. The balance amount remaining after the authorizes of the Basis of Allotment shall be unblocked by the SCSBs on the basis of the instructions issued in this regard by the Registrar to the Issue to the respective SCSB within 6 (six) Working Days of the Issue Closing Date. The Application Amount shall remain blocked in the ASBA Account until transfer of the Application Amount to the Public Issue Account, or until withdrawal/ failure of the Issue or until rejection of the Application, as the case may be.

For ASBA Applications submitted to the Lead Manager or Consortium Member or Trading Members of the Stock Exchange at the Specified Cities, the ASBA Application will be uploaded onto the electronic system of the Stock Exchange and deposited with the relevant branch of the SCSB at the Specified City named by such SCSB to accept such ASBA Applications from the Lead Manager or Trading Members of the Stock Exchange, as the case may be (A list of such branches is available at http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries). The relevant branch of the SCSB shall perform verification procedures and block an amount in the ASBA Account equal to the Application Amount specified in the ASBA Application.

For ASBA Applications submitted directly to the SCSBs, the relevant SCSB shall block an amount in the ASBA Account equal to the Application Amount specified in the ASBA Application, before entering the ASBA Application into the electronic system of the Stock Exchange. SCSBs may provide the electronic mode of application either through an internet enabled application and banking facility or such other secured, electronically enabled mechanism for application and blocking of funds in the ASBA Account.

Applicants should ensure that they have funds equal to the Application Amount in the ASBA Account before submitting the ASBA Application to the Lead Manager or Consortium Member or Trading Members of the Stock Exchange, as the case may be, at the Specified Cities or to the Designated Branches of the SCSBs. An ASBA Application where the corresponding ASBA Account does not have sufficient funds equal to the Application Amount at the time of blocking the ASBA Account is liable to be rejected.

The Application Amount shall remain blocked in the ASBA Account until approval of the Basis of Allotment and consequent transfer of the amount against the Allotted NCDs to the Public Issue Account(s), or until withdrawal/ failure of the Issue or until withdrawal/ rejection of the Application Form, as the case may be. Once the Basis of Allotment is approved, the Registrar to the Issue shall send an appropriate request to the controlling branch of the SCSB for unblocking the relevant ASBA Accounts and for transferring the amount pertaining to NCDs allotted to the successful Applicants to the Public Issue Account(s). The balance amount remaining after the authorizes of the Basis of Allotment shall be unblocked by the SCSBs on the basis of the instructions issued in this regard by the Registrar to the respective SCSB within 5 (five) Working Days of the Issue Closing Date. The Application Amount shall remain blocked in the ASBA Account until transfer of the Application Amount to the Public Issue Account, or until withdrawal/ failure of the Issue or until rejection of the ASBA Application, as the case may be. In case of withdrawal/ failure of the Issue, the blocked amount shall be unblocked on receipt of such information from the Registrar to the Issue.

Payment mechanism for Direct Online Applicants

In the event the Direct Online Application facility is implemented by the Stock Exchanges, relevant "know your customer" details of such Applicants will be validated online from the Depositories, on the basis of the DP ID and Client ID provided by them in the Application Form. On successful submission of a Direct Online Application, the Applicant will receive a system generated unique application number ("**UAN**") and an SMS or an email confirmation on credit of the requisite Application Amount paid through the online payment facility with the Direct Online Application. On Allotment, the Registrar to the Issue shall credit NCDs to the beneficiary account of the Applicant and in case of refund, the refund amount shall be credited directly to the Applicant's bank account. Applicants applying through the Direct Online Application facility must preserve their UAN and quote their UAN in: (a) any cancellation/withdrawal of their Application; (b) in queries in connection with Allotment of NCDs and/or refund(s); and/or (c) in all investor grievances/complaints in connection with the Issue.

Additional information for Applicants

1. Application Forms submitted by Applicants whose beneficiary accounts are inactive shall be rejected.

2. No separate receipts will be issued for the money blocked on the submission of Application Form. However, the collection center of the Designated Intermediaries will acknowledge the receipt of the Application Forms by stamping and returning to the Applicant the acknowledgement slip. This acknowledgement slip will serve as the duplicate of the Application Form for the records of the Applicant.

3. Applications should be submitted on the Application Form only. In the event that physical Application Form do not bear the stamp of the Designated Intermediaries, or the relevant Designated Branch, as the case may be, they are liable to be rejected.

4. Application Forms submitted by Applicants shall be for allotment of NCDs only in dematerialized form.

Additional Instructions for Retail Individual Investors using the UPI mechanism:

1. Before submission of the application form with the Designated Intermediary, a Retail Individual Investor shall download the mobile app for UPI and create a UPI ID (xyz@bankname) of not more than 45 characters with its bank and link it to his/ her bank account where the funds equivalent to the application amount is available.

2. The Retail Individual Investor shall fill in the bid details in the application form along with his/ her bank account linked UPI ID and submit the application with any of the intermediaries or through the stock exchange App/ Web interface.

3. The Designated Intermediary, upon receipt of form, shall upload the bid details along with the UPI ID on the Stock Exchange(s) bidding platform using appropriate protocols.

4. Once the bid has been entered in the bidding platform, the Stock Exchange(s) shall undertake validation of the PAN and Demat account combination details of investor with the depository.

5. The Depository shall validate the aforesaid PAN and Demat account details on a near real time basis and send response to Stock Exchange(s) which would be shared by the Stock Exchange(s) with the Designated Intermediaries through its platform, for corrections, if any.

6. Once the bid details are uploaded on the Stock Exchange(s) platform, the Stock Exchange(s) shall send an SMS to the investor regarding submission of his / her application, at the end of day, during the bidding period. For the last day of bidding, the SMS may be sent the next Working Day.

7. Post undertaking validation with the Depository, the Stock Exchange(s) shall, on a continuous basis, electronically share the bid details along with investors UPI ID, with the Sponsor Bank appointed by our Company.

8. The Sponsor Bank shall initiate a mandate request on the investor i.e., request the investor to authorize blocking of funds equivalent to application amount and subsequent debit of funds in case of allotment.

9. The request raised by the Sponsor Bank, would be electronically received by the investor as a SMS / intimation on his / her mobile no. / mobile app, associated with the UPI ID linked bank account.

10. The investor shall be able to view the amount to be blocked as per his / her bid in such intimation. The investor shall be able to view an attachment wherein the bid details submitted by such investor will be visible. After reviewing the details properly, the investor shall be required to proceed to authorize the mandate. Such mandate raised by the Sponsor Bank would be a one-time mandate for each application in the Issue.

11. The investor is required to accept the UPI mandate latest by 5 pm on the third working day from the day of bidding on the stock exchange platform except for the last day of the Issue period or any other modified closure date of the Issue period in which case, he / she is required to accept the UPI mandate latest by 5 pm the next Working Day.

12. The investor shall not be allowed to add or modify the bid(s) of the application except for modification of either DP ID/Client ID, or PAN ID but not both. However, the investor can withdraw the bid(s) and reapply.

13. For mismatch bids, on successful validation of PAN and DP ID/ Client ID combination during T+1 (T being the Issue Closing Date) modification session, such bids will be sent to Sponsor Bank for further processing by the Exchange on T+1 (T being the Issue Closing Date) day till 1 pm.

14. The facility of Re-initiation/ Resending the UPI mandate shall be available only till 5 pm on the day of bidding.

15. Upon successful validation of block request by the investor, as above, the said information would be electronically received by the investors' bank, where the funds, equivalent to application amount, would get blocked in investors account. Intimation regarding confirmation of such block of funds in investors account would also be received by the investor.

16. The information containing status of block request (e.g., accepted / decline / pending) would also be shared with the Sponsor Bank, which in turn would be shared with the Stock Exchange(s). The block request status would also be displayed on the Stock Exchange(s) platform for information of the intermediary.

17. The information received from Sponsor Bank, would be shared by Stock Exchange(s) with the Registrar to the Issue in the form of a file for the purpose of reconciliation.

18. Post closure of the Issue, the Stock Exchange(s) shall share the bid details with the Registrar to the Issue. Further, the Stock Exchange(s) shall also provide the Registrar to the Issue, the final file received from the Sponsor Bank, containing status of blocked funds or otherwise, along with the bank account details with respect to applications made using UPI ID.

19. The allotment of debt securities shall be done as per SEBI Master Circular.

20. The RTA, based on information of bidding and blocking received from the Stock Exchange, shall undertake reconciliation of the bid data and block confirmation corresponding to the bids by all investor category applications (with and without the use of UPI) and prepare the basis of allotment.

21. Upon approval of the basis of allotment, the RTA shall share the 'debit' file with Sponsor bank (through Stock Exchange) and SCSBs, as applicable, for credit of funds in the public issue account and unblocking of excess funds in the investor's account. The Sponsor Bank, based on the mandate approved by the investor at the time of blocking of funds, shall raise the debit / collect request from the investor's bank account, whereupon funds will be transferred from investor's account to the public issue account and remaining funds, if any, will be unblocked without any manual intervention by investor or their bank.

22. Upon confirmation of receipt of funds in the public issue account, the securities would be credited to the investor's account. The investor will be notified for full/partial allotment. For partial allotment, the remaining funds would be unblocked. For no allotment, mandate would be revoked and application amount would be unblocked for the investor.

23. Thereafter, Stock Exchange will issue the listing and trading approval.

24. Further, in accordance with the Operational Instructions and Guidelines for Making Application for Public Issue of Debt Securities through BSE Direct issued by BSE on December 28, 2020 and May 19, 2022, the investor shall also be responsible for the following:

    (i) Investor shall check the Issue details before placing desired bids;

    (ii) Investor shall check and understand the UPI mandate acceptance and block of funds process before placing the bid;

    (iii) The receipt of the SMS for mandate acceptance is dependent upon the system response/integration of UPI on Debt Public Issue System;

(iv) Investor shall accept the UPI Mandate Requests within the stipulated timeline;

(v) Investor shall note that the transaction will be treated as completed only after the acceptance of mandates by the investor by way of authorising the transaction by entering their UPI pin and successfully blocking funds through the ASBA process by the investor's bank;

(vi) Investor shall check the status of their bid with respect to the mandate acceptance and blocking of funds for the completion of the transaction; and

(vii) In case the investor does not accept the mandate within stipulated timelines, in such case their bid will not be considered for allocation.

Applicants are advised not to submit Application Forms to Public Issue Account Banks and the same will be rejected in such cases and the Applicants will not be entitled to any compensation whatsoever.

Filing of the Prospectus with RoC

A copy of this Prospectus has been filed with the RoC in accordance with Section 26 of the Companies Act, 2013.

Pre-Issue Advertisement

Subject to Section 30 of the Companies Act, 2013, our Company will issue a statutory advertisement on or before the Issue Opening Date. This advertisement will be issued in compliance with the Regulation 30(1) of SEBI NCS Regulations and shall contain the information as prescribed in the SEBI NCS Regulations and Section 30 of the Companies Act, 2013.

Material updates, if any, between the date of filing of this Prospectus with the RoC and the date of release of the statutory advertisement will be included in the statutory advertisement information as prescribed under SEBI NCS Regulations.

Instructions for completing the Application Form

1. Applications must be made in prescribed Application Form only.

2. All Applicants should check if they are eligible to apply as per the terms of the Draft Prospectus, this Prospectus and applicable laws.

3. ASBA Applicants should ensure that their Application Form is submitted either at a Designated Branch of a SCSB where the ASBA Account is maintained or with the Members of the Syndicate or Trading Members of the Stock Exchange(s) at the Specified Cities, and not directly to the escrow collecting banks (assuming that such bank is not a SCSB) or to the Company or the Registrar to the Issue.

4. In case of ASBA Applications through Syndicate ASBA, before submitting the physical Application Form to the Members of the Syndicate or Trading Members of the stock exchange(s), ensure that the SCSB where the ASBA Account, as specified in the ASBA Form, is maintained has named at-least one branch in that Specified City for the Members of the Syndicate or Trading Members of the stock exchange(s), as the case may be, to deposit ASBA Forms (A list of such branches is available at http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/ Recognised Intermediaries).

5. ASBA Applicants should ensure that the Application Form is signed by the ASBA Account holder in case the ASBA Applicant is not the account holder. ASBA Applicants should ensure that they receive an acknowledgement from the Designated Branch or the concerned Members of the Syndicate or Trading Members of the Stock Exchange(s), as the case may be, for the submission of the Application Form.

6. Application Forms must be completed in BLOCK LETTERS in English, in accordance with the instructions contained in this Prospectus and the Application Form. Incomplete Application Forms are

liable to be rejected. Applicants should note that the Designated Intermediaries will not be liable for errors in data entry due to incomplete or illegible Application Forms,

7. Applications should be in single or joint names and not exceeding three names, and in the same order as their Depository Participant details (in case of Applicants applying for Allotment of the Bonds in authorized form) and Applications should be made by Karta in case the Applicant is an HUF. Please ensure that such Applications contain the PAN of the HUF and not of the Karta. If the Application is submitted in joint names, the Application Form should contain only the name of the first Applicant whose name should also appear as the first holder of the depository account held in joint names.

8. Applicants applying for Allotment in dematerialized form must provide details of valid and active DP ID, Client ID and PAN clearly and without error. On the basis of such Applicant's active DP ID, Client ID and PAN provided in the Application Form, and as entered into the electronic Application system of Stock Exchanges by SCSBs, the Members of the Syndicate at the Syndicate ASBA Application Locations and the Trading Members, as the case may be, the Registrar will obtain from the Depository the Demographic Details. Invalid accounts, suspended accounts or where such account is classified as invalid or suspended may not be considered for Allotment of the NCDs.

9. Applications must be for a minimum of 10 (Ten) NCDs and in multiples of 1 NCD thereafter. For the purpose of fulfilling the requirement of minimum application size of 10 (Ten) NCDs, an Applicant may choose to apply for 10 (Ten) NCDs or more in a single Application Form. Applications for all series of NCDs may be made in a single Application Form only.

10. If the depository account is held in joint names, the Application Form should contain the name and PAN of the person whose name appears first in the depository account and signature of only this person would be required in the Application Form. This Applicant would be deemed to have signed on behalf of joint holders and would be required to give confirmation to this effect in the Application Form.

11. Applications should be made by Karta in case of HUFs. Applicants are required to ensure that the PAN details of the HUF are mentioned and not those of the Karta. In case of an HUF applying through its Karta, the Applicant is required to specify the name of an Applicant in the Application Form as 'XYZ Hindu Undivided Family applying through PQR', where PQR is the name of the Karta.

12. Thumb impressions and signatures other than in English/Hindi/Gujarati/Marathi or any other languages specified in the 8th Schedule of the Constitution needs to be attested by a Magistrate or Notary Public or a Special Executive Magistrate under his/her seal.

13. No separate receipts will be issued for the money payable on the submission of the Application Form. However, the Members of Consortium, Trading Members of the Stock Exchanges or the Designated Branches of the SCSBs, as the case may be, will acknowledge the receipt of the Application Forms by stamping and returning to the Applicants the Transaction Registration Slip ("TRS"). This TRS will serve as the duplicate of the Application Form for the records of the Applicant. Applicants must ensure that the requisite documents are attached to the Application Form prior to submission and receipt of acknowledgement from the Lead Manager, Trading Member of the Stock Exchanges or the Designated Branch of the SCSBs, as the case may be.

14. The Designated Intermediaries or the Designated Branches of the SCSBs, as the case may be, will acknowledge the receipt of the Application Forms by stamping and returning to the Applicants the acknowledgement slip. This acknowledgement slip will serve as the duplicate of the Application Form for the records of the Applicant. Applicants must ensure that the requisite documents are attached to the Application Form prior to submission and receipt of acknowledgement from the relevant Designated Intermediaries or the Designated Branch of the SCSBs, as the case may be.

15. Every Applicant should hold a valid PAN and mention the same in the Application Form and submit the same. Applicant without PAN is liable to be rejected, irrespective of the amount.

16. All Applicants are required to tick the relevant column of "Category of Investor" and "Series of NCDs" in the Application Form.

17. Applicants should correctly mention the ASBA Account number and UPI ID in case applying through UPI mechanism, and ensure that funds equal to the Application Amount are available in the ASBA Account before submitting the Application Form and also ensure that the signature in the Application Form matches with the signature in Applicant's bank records, otherwise the Application is liable to be rejected.

18. Applicants must provide details of valid and active DP ID, UPI ID, Client ID and PAN clearly and without error. On the basis of such Applicant's active DP ID, UPI ID, Client ID and PAN provided in the Application Form, and as entered into the electronic Application system of Stock Exchanges by SCSBs, the Designated Intermediaries, the Registrar will obtain from the Depository the Demographic Details. Invalid accounts, suspended accounts or where such account is classified as invalid or suspended may not be considered for Allotment of the NCDs. If the ASBA Account holder is different from the Applicant, the Application Form should be signed by the ASBA Account holder, in accordance with the instructions provided in the Application Form. Not more than five Applications can be made from one single ASBA Account.

19. For Applicants, the Applications in physical mode should be submitted to the SCSBs or a member of the Syndicate or to the Trading Members of the Stock Exchanges on the prescribed Application Form. SCSBs may provide the electronic mode for making Application either through an internet enabled banking facility or such other secured, electronically enabled mechanism for Application and blocking funds in the ASBA Account.

20. Application Forms should bear the stamp of the Member of the Syndicate, Trading Member of the Stock Exchanges, Designated Intermediaries and/or Designated Branch of the SCSB. Application Forms which do not bear the stamp will be rejected.

21. Applicant should correctly mention the ASBA Account number and UPI ID in case applying through UPI Mechanism and ensure that funds equal to the Application Amount are available in the ASBA Account before submitting the Application Form and ensure that the signature in the Application Form matches with the signature in the Applicant's bank records.

The series, mode of allotment, PAN, demat account number, etc. should be captured by the relevant Designated Intermediaries in the data entries as such data entries will be considered for allotment.

Applicants should note that neither the Members of the Consortium nor the other Designated Intermediaries, as the case may be, will be liable for error in data entry due to incomplete or illegible Application Forms. Our Company would allot the NCDs, as specified in the Prospectus for the Issue to all valid Applications, wherein the Applicants have not indicated their choice of the relevant series of NCDs.

Applicants' PAN, Depository Account and Bank Account Details

ALL APPLICANTS APPLYING FOR ALLOTMENT OF THE NCDS SHOULD MENTION THEIR DP ID, CLIENT ID, PAN AND UPI ID (IN CASE APPLYING THROUGH UPI MECHANISM) IN THE APPLICATION FORM. APPLICANTS MUST ENSURE THAT THE DP ID, CLIENT ID PAN AND UPI ID GIVEN IN THE APPLICATION FORM IS EXACTLY THE SAME AS THE DP ID, CLIENT ID, PAN AND UPI ID AVAILABLE IN THE DEPOSITORY DATABASE. IF THE BENEFICIARY ACCOUNT IS HELD IN JOINT NAMES, THE APPLICATION FORM SHOULD CONTAIN THE NAME AND PAN OF BOTH THE HOLDERS OF THE BENEFICIARY ACCOUNT AND SIGNATURES OF BOTH HOLDERS WOULD BE REQUIRED IN THE APPLICATION FORM.

Applicants applying for Allotment in dematerialised form must mention their DP ID, Client ID, PAN and UPI ID (in case applying through UPI Mechanism) in the Application Form and ensure that the name provided in the Application Form is exactly the same as the name in which the Beneficiary Account is held.

In case the Application Form for Allotment in dematerialised form is submitted in the first Applicant's name, it should be ensured that the Beneficiary Account is held in the same joint names and in the same sequence in which they appear in the Application Form. In case the DP ID, Client ID and PAN mentioned in the Application Form for Allotment in dematerialised form and entered into the electronic system of the Stock Exchanges do not match with the DP ID, Client ID and PAN available in the Depository database or in case PAN is not available in the Depository database, the Application Form for Allotment in dematerialised form is liable to be rejected. Further, Application Forms submitted by Applicants applying for Allotment in dematerialised form, whose beneficiary accounts are inactive, will be rejected.

On the basis of the DP ID, Client ID, PAN and UPI ID provided by them in the Application Form, the Registrar to the Issue will obtain from the Depository the Demographic Details of the Applicants including PAN and MICR code. These Demographic Details would be used for giving Allotment Advice and unblocking intimations, if any, to the Applicants. Hence, Applicants are advised to immediately update their Demographic Details (including bank account details) as appearing on the records of the Depository Participant and ensure that they are true and correct. Please note that failure to do so could result in delays in authorizes unblocking of funds, if any, to Applicants, delivery of Allotment Advice or unblocking of ASBA Accounts at the Applicants' sole risk, and neither the Members of the Consortium nor the Designated Intermediaries, nor the Registrar, nor the Banker(s) to the Issue, nor the SCSBs, nor our Company shall have any responsibility and undertake any liability for the same.

Applicants should note that in case the DP ID, Client ID and PAN mentioned in the Application Form, as the case may be and entered into the electronic Application system of the Stock Exchange by the Members of the Consortium or the Designated Intermediaries, as the case may be, do not match with the DP ID, Client ID and PAN available in the Depository database or in case PAN is not available in the Depository database, the Application Form is liable to be rejected and our Company, the Members of the Consortium and the other Designated Intermediaries shall not be liable for losses, if any.

These Demographic Details would be used for all correspondence with the Applicants including mailing of the Allotment Advice and for unblocking intimations (if any) as applicable. The Demographic Details given by Applicants in the Application Form would not be used for any other purpose by the Registrar to the Issue except in relation to this Issue.

By signing the Application Form, Applicants applying for the NCDs would be deemed to have authorizes the Depositories to provide, upon request, to the Registrar, the required Demographic Details as available on its records.

Allotment Advice would be mailed by post or e-mail at the address of the Applicants in accordance with the Demographic Details received from the Depositories. Applicants may note that delivery of Allotment Advice may get delayed if the same once sent to the address obtained from the Depositories are returned undelivered. Further, please note that any such delay shall be at such Applicants' sole risk and neither our Company, Banker(s) to the Issue, Registrar to the Issue nor the Lead Manager shall be liable to compensate the Applicant for any losses caused to the Applicants due to any such delay or liable to pay any interest for such delay. In case of unblocking through electronic modes as detailed in this Prospectus, unblocking may be delayed if bank particulars obtained from the Depository Participant are incorrect.

In case of Applications made under powers of attorney, our Company in its absolute discretion, reserves the right to permit the holder of a power of attorney to request the Registrar to the Issue that for the purpose of printing particulars on and mailing of the Allotment Advice through post, the Demographic Details obtained from the Depository of the Applicant shall be used.

With effect from August 16, 2010, the beneficiary accounts of Applicants for whom PAN details have not been verified shall be suspended for credit and no credit of NCDs pursuant to this Issue will be made into the accounts of the Applicants. Application Forms submitted by Applicants whose beneficiary accounts are inactive shall be

rejected. Furthermore, in case no corresponding record is available with the Depositories, which matches the four parameters, namely, DP ID, Client ID, PAN and UPI ID then such Applications are liable to be rejected.

Applicants should note that the NCDs will be allotted to all successful Applicants only in dematerialized form. The Application Forms which do not have the details of the Applicant's depository account, including DP ID, Client ID and PAN and UPI ID (for Retail Individual Investor Applicants bidding using the UPI mechanism), shall be treated as incomplete and will be rejected.

APPLICATIONS FOR ALLOTMENT OF NCDs IN THE DEMATERIALISED FORM

Submission of Application

This section is for the information of the Applicants proposing to subscribe to the Issue. The Lead Manager and our Company are not liable for any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of this Prospectus. Applicants are advised to make their independent investigations and to ensure that the Application Form is correctly filled up.

Our Company, our directors, affiliates, associates and their respective directors and officers, Lead Manager and the Registrar to the Issue shall not take any responsibility for acts, mistakes, errors, omissions and commissions etc. in relation to Applications accepted by and/or uploaded by and/or accepted but not uploaded by Consortium Member, Trading Members, Registered Brokers, CDPs, CRTAs and SCSBs who are authorised to collect Application Forms from the Applicants in the Issue, or Applications accepted and uploaded without blocking funds in the ASBA Accounts by SCSBs. It shall be presumed that for Applications uploaded by SCSBs, the Application Amount payable on Application has been blocked in the relevant ASBA Account. The list of branches of the SCSBs at the Specified Locations named by the respective SCSBs to receive Application Forms from the Members of the Syndicate is available on the website of SEBI Our Company, our directors, affiliates, associates and their respective directors and officers, Lead Manager and the Registrar to the Issue shall not take any responsibility for acts, mistakes, errors, omissions and commissions etc. in relation to Applications accepted by and/or uploaded by and/or accepted but not uploaded by Consortium Member, Trading Members, Registered Brokers, CDPs, CRTAs and SCSBs who are authorised to collect Application Forms from the Applicants in the Issue, or Applications accepted and uploaded without blocking funds in the ASBA Accounts by SCSBs. It shall be presumed that for Applications uploaded by SCSBs, the Application Amount payable on Application has been blocked in the relevant ASBA Account. The list of branches of the SCSBs at the Specified Locations named by the respective SCSBs to receive Application Forms from the Members of the Syndicate is available on the website of SEBI.

Applicants can apply for NCDs only using the ASBA facility pursuant to SEBI Master Circular. ASBA Applications can be submitted through either of the following modes:

(a) Physically or electronically to the Designated Branches of the SCSB(s) with whom an Applicant's ASBA Account is maintained. In case of ASBA Application in physical mode, the Applicant shall submit the Application Form at the relevant Designated Branch of the SCSB(s). The Designated Branch shall verify if sufficient funds equal to the Application Amount are available in the ASBA Account and shall also verify that the signature on the Application Form matches with the Investor's bank records, as mentioned in the ASBA Application, prior to uploading such ASBA Application into the electronic system of the Stock Exchange. If sufficient funds are not available in the ASBA Account, the respective Designated Branch shall reject such ASBA Application and shall not upload such ASBA Application in the electronic system of the Stock Exchange. If sufficient funds are available in the ASBA Account, the Designated Branch shall block an amount equivalent to the Application Amount and upload details of the ASBA Application in the electronic system of the Stock Exchange. The Designated Branch of the SCSBs shall stamp the Application Form and issue an acknowledgement as proof of having accepted the Application. In case of Application in the electronic mode, the Applicant shall submit the ASBA Application either through the internet banking facility available with the SCSB, or such other electronically enabled

mechanism for application and blocking funds in the ASBA Account held with SCSB, and accordingly register such ASBA Applications.

(b) Physically through the Consortium Members, Lead Manager, or Trading Members of the Stock Exchange only at the Specified Cities i.e., Syndicate ASBA. Kindly note that ASBA Applications submitted to the Consortium Members, Lead Manager or Trading Members of the Stock Exchange at the Specified Cities will not be accepted if the SCSB where the ASBA Account is maintained, as specified in the ASBA Application, is maintained has not named at least one branch at that Specified City for the Consortium Members, Lead Manager or Trading Members of the Stock Exchange, as the case may be, to deposit ASBA Applications (A list of such branches is available at http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised- Intermediaries).

(c) A UPI Investor making an Application in the Issue under the UPI Mechanism, where the Application Amount is up to ₹5 lakh, can submit his Application Form physically to a SCSB or a Designated Intermediary. The Designated Intermediary shall upload the application details along with the UPI ID on the Stock Exchange's bidding platform using appropriate protocols. Kindly note that in this case, the Application Amount will be blocked through the UPI Mechanism.

A UPI Investor may also submit the Application Form for the Issue through BSE Direct, wherein the Application will be automatically uploaded onto the Stock Exchange's bidding platform and an amount equivalent to the Application Amount shall be blocked using the UPI Mechanism.

Upon receipt of the Application Form by the Consortium Members, Lead Manager or Trading Members of the Stock Exchange, as the case may be, an acknowledgement shall be issued by giving the counter foil of the Application Form to the Applicant as proof of having accepted the Application. Thereafter, the details of the Application shall be uploaded in the electronic system of the Stock Exchange and the Application Form shall be forwarded to the relevant branch of the SCSB, in the relevant Specified City, named by such SCSB to accept such ASBA Applications from the Consortium Members, Lead Manager or Trading Members of the Stock Exchange, as the case may be (A list of such branches is available at http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised- Intermediaries). Upon receipt of the ASBA Application, the relevant branch of the SCSB shall perform verification procedures including verification of the Applicant's signature with his bank records and check if sufficient funds equal to the Application Amount are available in the ASBA Account, as mentioned in the ASBA Form. If sufficient funds are not available in the ASBA Account, the relevant ASBA Application is liable to be rejected. If sufficient funds are available in the ASBA Account, the relevant branch of the SCSB shall block an amount equivalent to the Application Amount mentioned in the ASBA Application. The Application Amount shall remain blocked in the ASBA Account until approval of the Basis of Allotment and consequent transfer of the amount against the Allotted NCDs to the Public Issue Account(s), or until withdrawal/ failure of the Issue or until withdrawal/ rejection of the Application Form, as the case may be.

Applicants must note that:

(a) Physical Application Forms will be available with the Designated Branches of the SCSBs and with the Lead Manager and Trading Members of the Stock Exchange at the Specified Cities; and electronic Application Forms will be available on the websites of the SCSBs and the Stock Exchange at least one day prior to the Issue Opening Date. Application Forms will also be provided to the Trading Members of the Stock Exchange at their request. The Application Forms would be serially numbered. Further, the SCSBs will ensure that this Prospectus is made available on their websites.

(b) The Designated Branches of the SCSBs shall accept ASBA Applications directly from Applicants only during the Issue Period. The SCSB shall not accept any ASBA Applications directly from Applicants after the closing time of acceptance of Applications on the Issue Closing Date. However, in case of Syndicate ASBA, the relevant branches of the SCSBs at Specified Cities can accept ASBA Applications from the Lead Manager or Trading Members of the Stock Exchange, as the case may be, after the closing time of

acceptance of Applications on the Issue Closing Date. For further information on the Issue programme, please see section titled "*Issue Related Information*" on page 218.

(c) In case of Applications through Syndicate ASBA, the physical Application Form shall bear the stamp of the Lead Manager or Consortium Member or Trading Members of the Stock Exchange, as the case maybe, if not, the same shall be rejected. Application Forms directly submitted to SCSBs should bear the stamp of SCSBs, if not, the same are liable to be rejected.

Please note that Applicants can make an Application for Allotment of NCDs in the dematerialized form only.

INSTRUCTIONS FOR FILLING-UP THE APPLICATION FORM

General instructions

A. General instructions for completing the Application Form

(i) Applications must be made in prescribed Application Form only;

(ii) Application Forms must be completed in block letters in English, as per the instructions contained in the Draft Prospectus, this Prospectus, the Abridged Prospectus and the Application Form.

(iii) If the Application is submitted in joint names, the Application Form should contain only the name of the first Applicant whose name should also appear as the first holder of the depository account held in joint names.

(iv) Applicants must apply for Allotment in dematerialised on form and must provide details of valid and active DP ID, Client ID and PAN clearly and without error. On the basis of such Applicant's active DP ID, Client ID and PAN provided in the Application Form, and as entered into the electronic Application system of Stock Exchange by SCSBs, the Members of the Syndicate at the Syndicate ASBA Application Locations and the Trading Members, as the case may be, the Registrar will obtain from the Depository the Demographic Details. Invalid accounts, suspended accounts or where such account is classified as invalid or suspended may not be considered for Allotment of the NCDs.

(v) The minimum number of Applications and minimum application size shall be specified in this Prospectus. Applicants may apply for one or more series of NCDs Applied for in a single Application Form.

(vi) Applications should be in single or joint names and not exceeding three names, and in the same order as their Depository Participant details (in case of Applicants applying for Allotment of the Bonds in dematerialised form). If the depository account is held in joint names, the Application Form should contain the name and PAN of the person whose name appears first in the depository account and signature of only this person would be required in the Application Form. This Applicant would be deemed to have signed on behalf of joint holders and would be required to give confirmation to this effect in the Application Form.

(vii) Applications should be made by Karta in case of HUFs. Applicants are required to ensure that the PAN details of the HUF are mentioned and not those of the Karta;

(viii) Thumb impressions and signatures other than in English/Hindi/Gujarati/Marathi or any other languages specified in the 8th Schedule of the Constitution need to be attested by a Magistrate or Notary Public or a Special Executive Magistrate under his/her seal;

(ix) No separate receipts will be issued for the money payable on the submission of the Application Form. However, the Lead Manager, Consortium Member, Trading Members of the Stock Exchange

or the Designated Branches of the SCSBs, as the case may be, will acknowledge the receipt of the Application Forms by stamping and returning to the Applicants the acknowledgement slip. This acknowledgement slip will serve as the duplicate of the Application Form for the records of the Applicant. Applicants must ensure that the requisite documents are attached to the Application Form prior to submission and receipt of acknowledgement from the relevant Lead Manager, Consortium Member, Trading Member of the Stock Exchange or the Designated Branch of the SCSBs, as the case may be.

(x) Every Applicant should hold valid Permanent Account Number (PAN) and mention the same in the Application Form.

(xi) All Applicants are required to tick the relevant column of "Category of Investor" in the Application Form.

(xii) ASBA will be the default "Mode of Application" as per the SEBI Master Circular.

(xiii) Applicants should correctly mention the ASBA Account number and ensure that funds equal to the Application Amount are available in the ASBA Account before submitting the Application Form to the Designated Branch and also ensure that the signature in the Application Form matches with the signature in Applicant's bank records, otherwise the Application is liable to be rejected.

(xiv) The Designated Intermediaries or the Designated Branches of the SCSBs, as the case may be, will acknowledge the receipt of the Application Forms by stamping and returning to the Applicants the acknowledgement slip. This acknowledgement slip will serve as the duplicate of the Application Form for the records of the Applicant. Applicants must ensure that the requisite documents are attached to the Application Form prior to submission and receipt of acknowledgement from the relevant Designated Intermediaries or the Designated Branch of the SCSBs, as the case may be.

The series, mode of allotment, PAN, demat account no. etc. should be captured by the relevant Lead Manager, Consortium Member, Trading Member of the Stock Exchange in the data entries as such data entries will be considered for allotment.

Applicants should note that neither the Lead Manager, Consortium Member, Trading Member of the Stock Exchange, Public Issue Account Banks nor Designated Branches, as the case may be, will be liable for error in data entry due to incomplete or illegible Application Forms.

Our Company would allot the series of NCDs, as specified in the Prospectus to all valid Applications, wherein the Applicants have not indicated their choice of the relevant series of NCDs.

B. Applicant's Beneficiary Account and Bank Account Details

Applicants applying for Allotment in dematerialized form must mention their DP ID, Client ID, PAN and UPI ID (in case applying through UPI Mechanism) in the Application Form and ensure that the name provided in the Application Form is exactly the same as the name in which the Beneficiary Account is held. In case the Application Form for Allotment in dematerialized form is submitted in the first Applicant's name, it should be ensured that the Beneficiary Account is held in the same joint names and in the same sequence in which they appear in the Application Form. In case the DP ID, Client ID and PAN mentioned in the Application Form for Allotment in dematerialized form and entered into the electronic system of the Stock Exchange do not match with the DP ID, Client ID and PAN available in the Depository database or in case PAN is not available in the Depository database, the Application Form for Allotment in dematerialized form is liable to be rejected. Further, Application Forms submitted by Applicants applying for Allotment in dematerialized form, whose beneficiary accounts are inactive, will be rejected.

On the basis of the DP ID and Client ID provided by the Applicant in the Application Form for Allotment in dematerialized form and entered into the electronic system of the Stock Exchange, the Registrar to the Issue will obtain from the Depositories the Demographic Details of the Applicant including PAN, address, bank account details for printing on unblocking intimations/unblocking through electronic mode, Magnetic Ink Character Recognition ("**MICR**") Code and occupation. These Demographic Details would be used for giving Allotment Advice and refunds (including through physical refund warrants, direct credit, NACH, NEFT and RTGS), if any, to the Applicants. Hence, Applicants are advised to immediately update their Demographic Details as appearing on the records of the DP and ensure that they are true and correct, and carefully fill in their Beneficiary Account details in the Application Form. Failure to do so could result in delays in dispatch/credit of refunds to Applicants and delivery of Allotment Advice at the Applicants' sole risk, and neither our Company, the Lead Manager, Trading Members of the Stock Exchange, Public Issue Account Bank(s), SCSBs, Registrar to the Issue nor the Stock Exchange will bear any responsibility or liability for the same.

The Demographic Details would be used for correspondence with the Applicants including mailing of the Allotment Advice and printing of bank particulars on the unblocking intimations, or for refunds through electronic transfer of funds, as applicable. Allotment Advice and physical unblocking intimations (as applicable) would be mailed at the address of the Applicant as per the Demographic Details received from the Depositories. Applicants may note that delivery of unblocking intimations/ Allotment Advice may get delayed if the same once sent to the address obtained from the Depositories are returned undelivered. In such an event, the address and other details given by the Applicant in the Application Form would be used only to ensure dispatch of unblocking intimations. Please note that any such delay shall be at such Applicants sole risk and neither our Company, the Lead Manager, Trading Members of the Stock Exchange, Public Issue Account Banks, SCSBs, Registrar to the Issue nor the Stock Exchange shall be liable to compensate the Applicant for any losses caused to the Applicant due to any such delay or liable to pay any interest for such delay. In case of refunds through electronic modes as detailed in this Prospectus, refunds may be delayed if bank particulars obtained from the Depository Participant are incorrect.

In case of Applications made under power of attorney, our Company in its absolute discretion, reserves the right to permit the holder of Power of Attorney to request the Registrar that for the purpose of printing particulars on the unblocking intimation and mailing of unblocking intimations/ Allotment Advice, the demographic details obtained from the Depository of the Applicant shall be used. By signing the Application Form, the Applicant would have deemed to have authorized the Depositories to provide, upon request, to the Registrar to the Issue, the required Demographic Details as available on its records. The Demographic Details given by Applicant in the Application Form would not be used for any other purpose by the Registrar to the Issue except in relation to the Issue.

With effect from August 16, 2010, the beneficiary accounts of Applicants for whom PAN details have not been verified shall be suspended for credit and no credit of NCDs pursuant to the Issue will be made into the accounts of such Applicants. Application Forms submitted by Applicants whose beneficiary accounts are inactive shall be rejected. Furthermore, in case no corresponding record is available with the Depositories, which matches the three parameters, namely, DP ID, Client ID and PAN, then such Application are liable to be rejected.

C. Permanent Account Number ("PAN")

The Applicant should mention his or her PAN allotted under the IT Act. For minor Applicants, applying through the guardian, it is mandatory to mention the PAN of the minor Applicant. However, Applications on behalf of the Central or State Government officials and the officials appointed by the courts in terms of a SEBI circular dated September 16, 2016, read by any amendments issued by SEBI from time to time, and Applicants residing in the state of Sikkim who in terms of a SEBI circular dated July 20, 2006, may be exempt from specifying their PAN for transacting in the securities market. In accordance with Circular No. MRD/DOP/Cir05/2007 dated April 27, 2007, issued by SEBI, the PAN would be the sole identification

number for the participants transacting in the securities market, irrespective of the amount of transaction. Any Application Form, without the PAN is liable to be rejected, irrespective of the amount of transaction. It is to be specifically noted that the Applicants should not submit the GIR number instead of the PAN as the Application is liable to be rejected on this ground.

D. However, the exemption for the Central or State Government and the officials appointed by the courts and for investors residing in the State of Sikkim is subject to the Depository Participants' verifying the veracity of such claims by collecting sufficient documentary evidence in support of their claims. At the time of ascertaining the validity of these Applications, the Registrar to the Issue will check under the Depository records for the appropriate description under the PAN field i.e., either Sikkim category or exempt category.

E. Joint Applications

If the depository account is held in joint names, the Application Form should contain the name and PAN of the person whose name appears first in the depository account and signature of only this person would be required in the Application Form. This Applicant would be deemed to have signed on behalf of joint holders and would be required to give confirmation to this effect in the Application Form

F. Additional/ Multiple Applications

An Applicant is allowed to make one or more Applications for the NCDs, subject to a minimum application size of ₹10,000 and in multiples of ₹1,000 thereafter as specified in the Prospectus. Any Application for an amount below the aforesaid minimum application size will be deemed as an invalid application and shall be rejected. However, multiple Applications by the same individual Applicant aggregating to a value exceeding ₹1,000,000 shall be deem such individual Applicant to be a HNI Applicant and all such Applications shall be grouped in the HNI Portion, for the purpose of determining the basis of allotment to such Applicant. However, any Application made by any person in his individual capacity and an Application made by such person in his capacity as a karta of a hindu undivided family and/or as Applicant (second or third Applicant), shall not be deemed to be a multiple Application. For the purposes of allotment of NCDs under the Issue, Applications shall be grouped based on the PAN, i.e., Applications under the same PAN shall be grouped together and treated as one Application. Two or more Applications will be deemed to be multiple Applications if the sole or first Applicant is one and the same. For the sake of clarity, two or more applications shall be deemed to be a multiple Application for the aforesaid purpose if the PAN of the sole or the first Applicant is one and the same.

Electronic registration of Applications

(a) The Designated Intermediaries will register the Applications using the on-line facilities of Stock Exchange. The Lead Manager, Consortium Member, our Company, and the Registrar to the Issue are not responsible for any acts, mistakes or errors or omission and commissions in relation to (i) the Applications accepted by the Designated Intermediaries, (ii) the Applications uploaded by the Designated Intermediaries, (iii) the Applications accepted but not uploaded by the Designated Intermediaries, (iv) Applications accepted and uploaded by the SCSBs without blocking funds in the ASBA Accounts or (iv) Applications accepted and uploaded by the Designated Intermediaries for which the Application Amounts are not blocked by the SCSBs.

(b) The Stock Exchange will offer an electronic facility for registering Applications for the Issue. This facility will be available on the terminals of Syndicate Members and the other Designated Intermediaries during the Issue Period. On the Issue Closing Date, the Syndicate Members and the other Designated Intermediaries shall upload the Applications till such time as may be permitted by the Stock Exchange. This information will be available with the Syndicate Members and the other Designated Intermediaries on a regular basis. Applicants are cautioned that a high inflow of high volumes on the last day of the Issue

Period may lead to some Applications received on the last day not being uploaded and such Applications will not be considered for allocation.

(c) Based on the aggregate demand for Applications registered on the electronic facilities of the Stock Exchange, a graphical representation of consolidated demand for the NCDs, as available on the websites of the Stock Exchange, would be made available at the Application centers as provided in the Application Form during the Issue Period.

(d) At the time of registering each Application, the Designated Intermediaries, shall enter the details of the Applicant, such as the Application Form number, PAN, Applicant category, DP ID, Client ID, number and Option(s) of NCDs applied, Application Amounts and any other details that may be prescribed by the online uploading platform of the Stock Exchange.

(e) With respect to Applications submitted directly to the SCSBs at the time of registering each Application, other than Direct Online Applications, the Designated Branches of the SCSBs shall enter the requisite details of the Applicants in the on-line system including:

(i) Application Form number

(ii) PAN (of the first Applicant, in case of more than one Applicant)

(iii) Investor category and sub-category

(iv) DP ID

(v) Client ID

(vi) UPI ID (if applicable)

(vii) Number of NCDs applied for

(viii) Price per NCD

(ix) Bank code for the SCSB where the ASBA Account is maintained

(x) Bank account number

(xi) Application amount

(xii) With respect to Applications submitted to the Designated Intermediaries at the time of registering each Application, the requisite details of the Applicants shall be entered in the on-line system including:

(xiii) Application Form number

(xiv) PAN (of the first Applicant, in case of more than one Applicant)

(xv) Investor category and sub-category

(xvi) DP ID

(xvii) Client ID

(xviii) UPI ID (if applicable)

(xix) Number of NCDs applied for

(xx) Price per NCD

(xxi) Bank code for the SCSB where the ASBA Account is maintained

(xxii) Location

(xxiii) Application amount

(f) A system generated Acknowledgement Slip will be given to the Applicant as a proof of the registration of his Application. It is the Applicant's responsibility to obtain the Acknowledgement Slip from the Syndicate Members or the other Designated Intermediaries, as the case may be. The registration of the Applications by the Designated Intermediaries does not guarantee that the NCDs shall be allocated/ Allotted by our Company. Such Acknowledgement Slip will be non-negotiable and by itself will not create any obligation of any kind.

(g) The permission given by the Stock Exchange to use their network and software of the online system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company, and/or the Lead Manager are cleared or approved by the Stock Exchange; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the compliance with the statutory and other requirements nor does it take any responsibility for the financial or other soundness of our Company, the management or any scheme or project of our Company; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Prospectus; nor does it warrant that the NCDs will be listed or will continue to be listed on the Stock Exchanges.

(h) In case of apparent data entry error by the Designated Intermediaries, in entering the Application Form numbers in their respective schedules, other things remaining unchanged, the Application Form may be considered as valid, or such exceptions may be recorded in minutes of the meeting submitted to the Designated Stock Exchange.

(i) Only Applications that are uploaded on the online system of the Stock Exchange shall be considered for Allotment.

The Designated Intermediaries shall capture all data relevant for the purposes of finalizing the Basis of Allotment while uploading Application data in the electronic systems of the Stock Exchange. In order that the data so captured is accurate, Designated Intermediaries will be given up to one Working Day after the Issue Closing Date to modify/ verify certain selected fields uploaded in the online system during the Issue Period after which the data will be sent to the Registrar to the Issue for reconciliation with the data available with the NSDL and CDSL.

Process for investor application submitted with UPI as mode of payment

(a) Before submission of the application with the intermediary, the investor would be required to have / create a UPI ID, with a maximum length of 45 characters including the handle (Example: InvestorID@bankname).

(b) An investor shall fill in the bid details in the application form along with his/ her bank account linked UPI ID and submit the application with any of the intermediaries or through the stock exchange App/ Web interface, or any other methods as may be permitted.

(c) The intermediary, upon receipt of form, shall upload the bid details along with the UPI ID on the stock exchange bidding platform using appropriate protocols.

(d) Once the bid has been entered in the bidding platform, the Stock Exchange shall undertake validation of the PAN and Demat account combination details of investor with the depository.

(e) The Depository shall validate the aforesaid PAN and Demat account details on a near real time basis and send response to stock exchange which would be shared by stock exchange with intermediary through its platform, for corrections, if any.

(f) Once the bid details are uploaded on the Stock Exchange platform, the Stock Exchange shall send an SMS to the investor regarding submission of his / her application, at the end of day, during the bidding period. For the last day of bidding, the SMS may be sent the next working day.

(g) Post undertaking validation with the Depository, the Stock Exchange shall, on a continuous basis, electronically share the bid details along with investors UPI ID, with the Sponsor Bank appointed by the issuer.

(h) The Sponsor Bank shall initiate a mandate request on the investor.

(i) The request raised by the Sponsor Bank, would be electronically received by the investor as a SMS / intimation on his / her mobile no. / mobile app, associated with the UPI ID linked bank account.

(j) The investor shall be able to view the amount to be blocked as per his / her bid in such intimation. The investor shall be able to view an attachment wherein the public issue bid details submitted by investor will be visible. After reviewing the details properly, the investor shall be required to proceed to authorize the mandate. Such mandate raised by sponsor bank would be a one-time mandate for each application in the public issue.

(k) An investor is required to accept the UPI mandate latest by 5 pm on the third working day from the day of bidding on the stock exchange platform except for the last day of the issue period or any other modified closure date of the issue period in which case, he / she is required to accept the UPI mandate latest by 5 pm the next working day.

(l) An investor shall not be allowed to add or modify the bid(s) of the application except for modification of either DP ID/Client ID, or PAN ID but not both. However, the investor can withdraw the bid(s) and reapply.

(m) For mismatch bids, on successful validation of PAN and DP ID/ Client ID combination during T+1 modification session, such bids will be sent to Sponsor Bank for further processing by the Exchange on T+1 day till 1 PM

(n) The facility of re-initiation/ resending the UPI mandate shall be available only till 5 pm on the day of bidding.

(o) Upon successful validation of block request by the investor, as above, the said information would be electronically received by the investors' bank, where the funds, equivalent to application amount, would get blocked in investors account. Intimation regarding confirmation of such block of funds in investors account would also be received by the investor.

(p) The information containing status of block request (e.g., accepted / decline / pending) would also be shared with the Sponsor Bank, which in turn would be shared with the Stock Exchange. The block request status would also be displayed on the Stock Exchange platform for information of the intermediary.

(q) The information received from Sponsor Bank, would be shared by stock exchange with RTA in the form of a file for the purpose of reconciliation.

(r) Post closure of the offer, the Stock Exchange shall share the bid details with RTA. Further, the Stock Exchange shall also provide the RTA, the final file received from the Sponsor Bank, containing status of blocked funds or otherwise, along with the bank account details with respect to applications made using UPI ID.

(s) The allotment of debt securities shall be done as per SEBI NCS Regulations and SEBI Master Circular.

(t) The RTA, based on information of bidding and blocking received from the Stock Exchange, shall undertake reconciliation of the bid data and block confirmation corresponding to the bids by all investor category applications (with and without the use of UPI) and prepare the basis of allotment.

(u) Upon approval of the basis of allotment, the RTA shall share the 'debit' file with Sponsor bank (through Stock Exchange) and SCSBs, as applicable, for credit of funds in the public issue account and unblocking of excess funds in the investor's account. The Sponsor Bank, based on the mandate approved by the investor at the time of blocking of funds, shall raise the debit / collect request from the investor's bank account, whereupon funds will be transferred from investor's account to the public issue account and remaining funds, if any, will be unblocked without any manual intervention by investor or their bank.

(v) Upon confirmation of receipt of funds in the public issue account, the securities would be credited to the investor's account. The investor will be notified for full/partial allotment. For partial allotment, the remaining funds would be unblocked. For no allotment, mandate would be revoked, and application amount would be unblocked for the investor.

(w) Thereafter, Stock Exchange will issue the listing and trading approval.

(x) Further, in accordance with the Operational Instructions and Guidelines for Making Application for Public Issue of Debt Securities through BSE Direct issued by BSE on December 28, 2020, the investor shall also be responsible for the following:

(i) Investor shall check the Issue details before placing desired bids;

(ii) Investor shall check and understand the UPI mandate acceptance and block of funds process before placing the bid;

(iii) The receipt of the SMS for mandate acceptance is dependent upon the system response/ integration of UPI on Debt Public Issue System;

(iv) Investor shall accept the UPI Mandate Requests within the stipulated timeline;

(v) Investor shall note that the transaction will be treated as completed only after the acceptance of mandates by the investor by way of authorizes the transaction by entering their UPI pin and successfully blocking funds through the ASBA process by the investor's bank;

(vi) Investor shall check the status of their bid with respect to the mandate acceptance and blocking of funds for the completion of the transaction; and

(vii) In case the investor does not accept the mandate within stipulated timelines, in such case their bid will not be considered for allocation.

(y) Further, in accordance with circular issued by National Stock Exchange of India Limited for Introduction of Unified Payment Interface (UPI) for debt IPO through NSE goBID on January 5, 2021 the investor shall also be responsible for the following:

(i) After successful registration & log-in, the investors shall view and check the active Debt IPOs available from IPO dashboard.

(ii) Investors shall check the issue/series details. Existing registered users of NSE goBID shall also be able to access once they accept the updated terms and condition.

(iii) After successfully bidding on the platform, investors shall check the NSE goBID app/psp/sms for receipt of mandate & take necessary action.

(iv) UPI mandate can be accepted latest by 5 pm on the third working day from the day of bidding on the stock exchange platform except for the last day of the issue period or any other modified closure date of the issue period in which case, he / she is required to accept the UPI mandate latest by 5 pm the next working day.

(v) For UPI bid the facility of re-initiation/ resending the UPI mandate shall be available only till 5 pm on the day of bidding.

(vi) Investors can use the re-initiation/ resending facility only once in case of any issue in receipt/acceptance of mandate.

The series, mode of allotment, PAN, demat account number, etc. should be captured by the relevant Designated Intermediaries in the data entries as such data entries will be considered for allotment. Applicants should note that neither the Members of the Consortium nor the other Designated Intermediaries, as the case may be, will be liable for error in data entry due to incomplete or illegible Application Forms. Our Company would allot the NCDs, as specified in this Prospectus for the Issue to all valid Applications, wherein the Applicants have not indicated their choice of the relevant series of NCDs. The Investors are advised to read the operational guidelines mentioned for Making Application for Public Issue of Debt Securities through BSE Direct issued by BSE on December 28, 2020 and the circular issued by National Stock Exchange of India Limited for Introduction of Unified Payment Interface (UPI) for Debt IPO through NSE goBID on January 5, 2021 before investing through the through the app/ web interface of Stock Exchange(s) Kindly note, the Stock Exchange(s) shall be responsible for addressing investor grievances arising from Applications submitted online through the App based/ web interface platform of Stock Exchanges or through their Trading Members Further, the collecting bank shall be responsible for addressing any investor grievances arising from non-confirmation of funds to the Registrar despite successful realization/blocking of funds, or any delay or operational lapse by the collecting bank in sending the Application forms to the Registrar to the Issue.

General Instructions

Do's

1. Check if you are eligible to apply as per the terms of this Prospectus and applicable laws;

2. Read all the instructions carefully and complete the Application Form in the prescribed form;

3. Ensure that you have obtained all necessary approvals from the relevant statutory and/or regulatory authorities to apply for, subscribe to and/or seek Allotment of NCDs pursuant to the Issue.

4. Ensure that the DP ID and Client ID are correct and beneficiary account is activated for Allotment of NCDs in dematerialized form. The requirement for providing Depository Participant details shall be mandatory for all Applicants.

5. Ensure that you have mentioned the correct ASBA Account number in the Application Form;

6. Ensure that you have funds equal to the Application Amount in the ASBA Account before submitting the Application Form to the respective Designated Branch of the SCSB, or to the Intermediaries, as the case may be.

7. Ensure that you have been given an acknowledgement as proof of having accepted the Application Form;

8. In case of any revision of Application in connection with any of the fields which are not allowed to be modified on the electronic application platform of the Stock Exchange as per the procedures and requirements prescribed by each relevant Stock Exchange, ensure that you have first withdrawn your original Application and submit a fresh Application. For instance, as per the notice No: 20120831-22 dated August 31, 2012, issued by the BSE, fields namely, quantity, series, application no., sub-category codes

will not be allowed for modification during the Issue. In such a case the date of the fresh Application will be considered for date priority for allotment purposes.

9. Ensure that signatures other than in the languages specified in the Eighth Schedule to the Constitution of India are attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal.

10. Ensure that you mention your PAN in the Application Form. In case of joint Applicants, the PAN of all the Applicants should be provided, and for HUFs, PAN of the HUF should be provided. Any Application Form without the PAN is liable to be rejected. Applicants should not submit the GIR Number instead of the PAN as the Application is liable to be rejected on this ground;

11. In case of an HUF applying through its Karta, the Applicant is required to specify the name of an Applicant in the Application Form as 'XYZ hindu undivided family applying through PQR', where PQR is the name of the Karta. However, the PAN of the HUF should be mentioned in the Application Form and not that of the Karta;

12. Ensure that the Applications are submitted to the Lead Manager, Consortium Member, Trading Members of the Stock Exchange or Designated Branches of the SCSBs, as the case may be, before the closure of application hours on the Issue Closing Date. For further information on the Issue programme, please see the section titled "*Issue Related Information*" on page 218.

13. Ensure that the Demographic Details including PAN are updated, true and correct in all respects;

14. Permanent Account Number: Except for Application (i) on behalf of the Central or State Government and officials appointed by the courts, and (ii) (subject to SEBI circular dated April 3, 2008) from the residents of the state of Sikkim, each of the Applicants should provide their PAN. Application Forms in which the PAN is not provided will be rejected. The exemption for the Central or State Government and officials appointed by the courts and for investors residing in the State of Sikkim is subject to (a) the demographic details received from the respective depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in "active status"; and (b) in the case of residents of Sikkim, the address as per the demographic details evidencing the same;

15. Ensure that if the depository account is held in joint names, the Application Form should contain the name and PAN of the person whose name appears first in the depository account and signature of only this person would be required in the Application Form. This Applicant would be deemed to have signed on behalf of joint holders and would be required to give confirmation to this effect in the Application Form;

16. All Applicants are requested to tick the relevant column "Category of Investor" in the Application Form;

17. Tick the series of NCDs in the Application Form that you wish to apply for.

18. Check if you are eligible to Apply under ASBA;

19. Retail individual investors using the UPI Mechanism to ensure that they submit bids up to the application value of ₹500,000;

20. Investor using the UPI Mechanism should ensure that the correct UPI ID (with maximum length of 45 characters including the handle) is mentioned in the Bid cum Application Form;

21. Investors bidding using the UPI Mechanism should ensure that they use only their own bank account linked UPI ID to make an application in the issue and submit the application with any of the intermediaries or through the Stock Exchange App/ Web interface;

22. Ensure that you give the correct details of your ASBA Account including bank account number/ bank name and branch;

23. Ensure that your Application Form is submitted either at a Designated Branch of a SCSB where the ASBA Account is maintained or with the Lead Manager or Consortium Member or Trading Members of the Stock Exchange at the Specified Cities, and not directly to the Public Issue Account Banks (assuming that such bank is not a SCSB) or to our Company or the Registrar to the Issue;

24. In case of ASBA Applications through Syndicate ASBA, before submitting the physical Application Form to the Trading Members of the Stock Exchange, ensure that the SCSB where the ASBA Account, as specified in the ASBA Form, is maintained has named at-least one branch in that Specified City for the Lead Manager or Consortium Member or Trading Members of the Stock Exchange, as the case may be, to deposit ASBA Forms (A list of such branches is available at http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries);

25. In terms of the SEBI circular CIR/CFD/DIL/1/2013 dated January 2, 2013, in case of an SCSB making an ASBA Application, such ASBA Application should be made through an ASBA Account authorized solely for the purpose of applying in public issues and maintained in the name of such SCSB Applicant with a different SCSB, wherein clear demarcated funds are available.

26. Ensure that the Application Form is signed by the ASBA Account holder in case the Applicant is not the account holder;

27. Ensure that you have funds equal to the Application Amount in the ASBA Account before submitting the Application Form and that your signature in the Application Form matches with your available bank records;

28. Ensure that you have correctly ticked, provided or checked the authorizes box in the Application Form, or have otherwise provided an authorizes to the SCSB or Sponsor Bank, as applicable, via the electronic mode, for blocking funds in the ASBA Account equivalent to the Application Amount mentioned in the Application Form as the case may be, at the time of submission of the Bid. In case of Retail Individual Investor submitting their Bids and participating in the Issue through the UPI Mechanism, ensure that you authorize the UPI Mandate Request raised by the Sponsor Bank for blocking of funds equivalent to Bid Amount and subsequent debit of funds in case of Allotment;

29. Ensure that you receive an acknowledgement from the Designated Branch or the concerned Lead Manager or Consortium Member or Trading Member of the Stock Exchange, as the case may be, for the submission of the Application Form.

30. Retail Individual Investors submitting Application Form using the UPI Mechanism, should ensure that the: (a) bank where the bank account linked to their UPI ID is maintained; and (b) the Mobile App and UPI handle being used for making the Bid, are listed on the website of SEBI at www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40.

In terms of SEBI Circular no. CIR/CFD/DIL/1/2013 dated January 2, 2013, SCSBs making applications on their own account using ASBA facility, should have a separate account in their own name with any other SEBI registered SCSB. Further, such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account.

SEBI Master Circular stipulates the time between closure of the Issue and listing at 6 (six) Working Days. In order to enable compliance with the above timelines, investors are advised to use ASBA facility only to make payment

Don'ts:

(a) Do not apply for lower than the minimum application size;

(b) Do not pay the Application Amount in cash, by money order or by postal order or by stock invest;

(c) Do not send Application Forms by post; instead submit the same to the Consortium Members, sub- brokers, Trading Members of the Stock Exchange or Designated Branches of the SCSBs, as the case may be;

(d) Do not fill up the Application Form such that the NCDs applied for exceeds the Issue size and/or investment limit or maximum number of NCDs that can be held under the applicable laws or regulations or maxim um amount permissible under the applicable regulations;

(e) Do not submit the GIR number instead of the PAN as the Application is liable to be rejected on this ground;

(f) Do not submit incorrect details of the DP ID, Client ID and PAN or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar to the Issue;

(g) Do not submit the Application Forms without ensuring that funds equivalent to the entire Application Amount are available for blocking in the relevant ASBA Account;

(h) Do not submit Applications on plain paper or on incomplete or illegible Application Forms;

(i) Do not apply if you are not competent to contract under the Indian Contract Act, 1872;

(j) Do not submit an Application in case you are not eligible to acquire NCDs under applicable law or your relevant constitutional documents or otherwise;

(k) Do not submit an Application that does not comply with the securities law of your respective jurisdiction;

(l) Do not apply if you are a person ineligible to apply for NCDs under the Issue including Applications by Persons Resident Outside India, NRI (inter-alia including NRIs who are (i) based in the USA, and/or, (ii) domiciled in the USA, and/or, (iii) residents/citizens of the USA, and/or, (iv) subject to any taxation laws of the USA); and

(m) Do not make an application of the NCD on multiple copies taken of a single form.

(n) Payment of Application Amount in any mode other than through blocking of Application Amount in the ASBA Accounts shall not be accepted under the ASBA process;

(o) Do not submit the Application Form to the Lead Manager or Trading Members of the Stock Exchange, as the case may be, at a location other than the Specified Cities.

(p) Do not send your physical Application Form by post. Instead submit the same to a Designated Branch or the Lead Manager or Trading Members of the Stock Exchange, as the case may be, at the Specified Cities; and

(q) Do not submit more than five Application Forms per ASBA Account.

(r) If you are a Retail Individual Investor who is submitting the ASBA Application with any of the Designated Intermediaries and using your UPI ID for the purpose of blocking of funds, do not use any third-party bank account or third-party linked bank account UPI ID;

(s) Bidding through the UPI Mechanism using the incorrect UPI handle or using a bank account of an SCSB and/or mobile applications which are not mentioned in the list provided in the SEBI;

(t) Do not submit a bid using UPI ID, if you are not a Retail Individual Investor and if the Application is for an amount more than ₹500,000.

Kindly note that Applications submitted to the Designated Intermediaries will not be accepted if the SCSB where the ASBA Account, as specified in the Application Form, is maintained has not named at least one branch at that

location for the Designated Intermediaries to deposit such Application Forms. (A list of such branches is available at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes).

Depository Arrangements

Our Company has made depository arrangements with NSDL and CDSL for issue and holding of the NCDs in authorized form. In this context:

(a) Tripartite Agreement dated March 20, 2019, and between us, the Registrar to the Issue and CDSL for offering depository option to the Applicants.

(b) Tripartite Agreement dated March 20, 2019, and between us, the Registrar to the Issue and NSDL for offering depository option to the Applicants.

(c) An Applicant must have at least one beneficiary account with any of the Depository Participants (DPs) of NSDL or CDSL prior to making the Application.

(d) NCDs Allotted to an Applicant in the electronic form will be credited directly to the Applicant's respective beneficiary account(s) with the DP.

(e) Non-transferable Allotment Advice/ unblocking intimations will be directly sent to the Applicant by the Registrar to the Issue.

(f) It may be noted that NCDs in electronic form can be traded only on Stock Exchange having electronic connectivity with NSDL or CDSL. The Stock Exchange have connectivity with NSDL and CDSL.

(g) Interest or other benefits with respect to the NCDs held in dematerialized form would be paid to those NCD holders whose names appear on the list of beneficial owners given by the Depositories to us as on Record Date. In case of those NCDs for which the beneficial owner is not identified by the Depository as on the Record Date/ book closure date, we would keep in abeyance the payment of interest or other benefits, till such time that the beneficial owner is identified by the Depository and conveyed to us, whereupon the interest or benefits will be paid to the beneficiaries, as identified, within a period of 30 days

(h) The trading of the NCDs on the floor of the Stock Exchange shall be in dematerialized form in multiples of One NCD only

Allottees will have the option to dematerialize the NCDs Allotted under the Issue as per the provisions of the Companies Act, 2013 and the depositories Act.

For further information relating to Applications for Allotment of the NCDs in dematerialized form, please see the section titled "*Issue Procedure*" on page 263.

Communications

All future communications in connection with Applications made in the Issue should be addressed to the Registrar to the Issue quoting all relevant details as regards the Applicant and its Application.

Applicants can contact our Company Secretary and Compliance Officer or the Registrar to the Issue in case of any pre – Issue related problems and/or Post-Issue related problems such as non-receipt of Allotment Advice non-credit of NCDs in depository's beneficiary account/ etc. Please note that Applicants who have applied for the NCDs through Designated Intermediaries should contact the Stock Exchange in case of any Post-Issue related problems, such as non-receipt of Allotment Advice / non-credit of NCDs in depository's beneficiary account/ etc.

Grievances relating to Direct Online Applications may be addressed to the Registrar to the Issue, with a copy to the relevant Stock Exchange.

Interest in case of Delay

Our Company undertakes to pay interest, in connection with any delay in allotment, demat credit and unblocking, beyond the time limit as may be prescribed under applicable statutory and/or regulatory requirements, at such rates as stipulated under such applicable statutory and/or regulatory requirements.

Undertaking by the Issuer

*Statement by the Board***:**

(a) All monies received pursuant to the Issue of NCDs to public shall be transferred to a separate bank account as referred to in sub-section (3) of section 40 of the Companies Act, 2013.

(b) Details of all monies utilized out of Issue referred to in sub-item (a) shall be disclosed under an appropriate separate head in our Balance Sheet indicating the purpose for which such monies had been utilized.

(c) Details of all unutilized monies out of issue of NCDs, if any, referred to in sub-item (a) shall be disclosed under an appropriate separate head in our Balance Sheet indicating the form in which such unutilized monies have been invested.

(d) Details of all utilized and unutilized monies out of the monies collected in the previous issue made by way of public offer shall be disclosed and continued to be disclosed in the balance sheet till the time any part of the proceeds of such previous issue remains unutilized indicating the purpose for which such monies have been utilized, and the securities or other forms of financial assets in which such unutilized monies have been invested.

(e) Undertaking by our Company for execution of Debenture Trust Deed;

(f) We shall utilize the Issue proceeds only upon creation of security as stated in this Prospectus in the section titled "*Terms of the Issue*" on page 242 and after (a) permissions or consents, as required, for creation of charge have been obtained from the creditors; (b) receipt of the minimum subscription of 75% of the Base Issue amount; (c) completion of Allotment and refund process in compliance with Section 40 of the Companies Act, 2013; (d) creation of security and confirmation of the same in terms of NCDs and receipt of listing and trading approval from the Stock Exchanges.

(g) The Issue proceeds shall not be utilized towards full or part consideration for the purchase or any other acquisition, *inter alia* by way of a lease, of any immovable property, dealing of equity of listed companies or lending/investment in group companies.

(h) The allotment letter shall be issued, or application money shall be unblocked within 15 days from the closure of the Issue or such lesser time as may be specified by SEBI, or else the application money shall be refunded to the applicants forthwith, failing which interest shall be due to be paid to the applicants at the rate of 15% per annum for the delayed period.

Other Undertakings by our Company

Our Company undertakes that:

(a) Complaints received in respect of the Issue will be attended to by our Company expeditiously and satisfactorily.

(b) Necessary cooperation to the relevant credit rating agency(ies) will be extended in providing true and adequate information until the obligations in respect of the NCDs are outstanding.

(c) Our Company will take necessary steps for the purpose of getting the NCDs listed within the specified time, i.e., within 6 (six) Working Days of the Issue Closing Date.

(d) Funds required for dispatch of Allotment Advice will be made available by our Company to the Registrar to the Issue.

(e) Our Company will forward details of utilization of the proceeds of the Issue, duly certified by the Current Statutory Auditor, to the Debenture Trustee as per the specified timelines.

(f) Our Company will provide a compliance certificate to the Debenture Trustee on an annual basis in respect of compliance with the terms and conditions of the Issue as contained in the Prospectus.

(g) We shall make necessary disclosures/reporting under any other legal or regulatory requirement as may be required by our Company from time to time.

(h) We undertake that the assets on which charge is created, are free from any encumbrances and in cases where the assets are already charged to secure a debt, the permission or consent to create a second or pari-passu charge on the Assets of the issuer has been obtained from the earlier creditor.

(i) Our Company will disclose the complete name and address of the Debenture Trustee in its annual report and on its website.

(j) We have created a recovery expense fund in the manner as specified by SEBI from time to time and will inform the Debenture Trustee about the same.

Rejection of Applications

As set out below or if all required information is not provided or the Application Form is incomplete in any respect, the Board of Directors and/or any committee of our Company reserves it's full, unqualified and absolute right to accept or reject any Application in whole or in part and in either case without assigning any reason thereof.

Application may be rejected on one or more technical grounds, including but not restricted to:

(a) Application by persons not competent to contract under the Indian Contract Act, 1872, as amended, (other than minors having valid Depository Account as per Demographic Details provided by Depositories);

(b) Applications accompanied by cash, draft, cheques, money order or any other mode of payment other than amounts blocked in the Bidders' ASBA Account maintained with an SCSB;

(c) Applications not being signed by the sole/joint Applicant(s);

(d) Investor Category in the Application Form not being ticked;

(e) Application Amount blocked being higher or lower than the value of NCDs Applied for. However, our Company may allot NCDs up to the number of NCDs Applied for, if the value of such NCDs Applied for exceeds the minimum application size;

(f) Applications where a registered address in India is not provided for the Applicant;

(g) In case of partnership firms (except LLPs), NCDs applied for in the name of the partnership and not the names of the individual partners(s);

(h) Minor Applicants (applying through the guardian) without mentioning the PAN of the minor Applicant;

(i) PAN not mentioned in the Application Form, except for Applications by or on behalf of the Central or State Government and the officials appointed by the courts and by investors residing in the State of Sikkim, provided such claims have been verified by the Depository Participants. In case of minor Applicants applying thro ugh guardian when PAN of the Applicant is not mentioned;

(j) DP ID and Client ID not mentioned in the Application Form;

(k) GIR number furnished instead of PAN;

(l) Applications by OCBs;

(m) Applications for an amount below the minimum application size;

(n) Submission of more than five ASBA Forms per ASBA Account;

(o) Applications by persons who are not eligible to acquire NCDs of our Company in terms of applicable laws, rules, regulations, guidelines and approvals;

(p) In case of Applications under power of attorney or by limited companies, corporate, trust etc., submitted without relevant documents;

(q) Applications accompanied by Stock invest/ cheque/ money order/ postal order/ cash;

(r) Signature of sole Applicant missing, or, in case of joint Applicants, the Application Forms not being signed by the first Applicant (as per the order appearing in the records of the Depository);

(s) Applications by persons debarred from accessing capital markets, by SEBI or any other regulatory authority.

(t) Date of Birth for first/sole Applicant for persons applying for Allotment not mentioned in the Application Form.

(u) Application Forms not being signed by the ASBA Account holder if the account holder is different from the Applicant.

(v) If the signature of the ASBA Account holder on the Application Form does not match with the signature available on the SCSB Bank's records where the ASBA Account mentioned in the Application Form is maintained;

(w) Application Forms submitted to the Designated Intermediaries or to the Designated Branches of the SCSBs does not bear the stamp of the SCSB and/or the Designated Intermediaries, as the case may be;

(x) ASBA Applications not having details of the ASBA Account to be blocked;

(y) In case no corresponding record is available with the Depositories that matches three parameters namely, DP ID, Client ID and PAN or if PAN is not available in the Depository database;

(z) Inadequate funds in the ASBA Account to enable the SCSB to block the Application Amount specified in the ASBA Application Form at the time of blocking such Application Amount in the ASBA Account or no confirmation is received from the SCSB for blocking of funds;

(aa) If an authorization to the SCSB or Sponsor Bank for blocking funds in the ASBA Account or acceptance of UPI Mandate Request raised has not been provided;

(bb) The UPI Mandate Request is not approved by the Retail Individual Investor;

(cc) SCSB making an ASBA application (a) through an ASBA account maintained with its own self or (b) through an ASBA Account maintained through a different SCSB not in its own name or (c) through an ASBA Account maintained through a different SCSB in its own name, where clear demarcated funds are not present or (d) through an ASBA Account maintained through a different SCSB in its own name which ASBA Account is authorized solely for the purpose of applying in public issues;

(dd) Applications for amounts greater than the maximum permissible amount prescribed by the regulations and applicable law;

(ee) Authorization to the SCSB for blocking funds in the ASBA Account not provided;

(ff) Applications by persons prohibited from buying, selling or dealing in shares, directly or indirectly, by SEBI or any other regulatory authority;

(gg) Applications by any person outside India;

(hh) Applications by other persons who are not eligible to apply for NCDs under the Issue under applicable Indian or foreign statutory/regulatory requirements;

(ii) Applications not uploaded on the online platform of the Stock Exchange;

(jj) Applications uploaded after the expiry of the allocated time on the Issue Closing Date, unless extended by the Stock Exchange, as applicable;

(kk) Application Forms not delivered by the Applicant within the time prescribed as per the Application Form and the Prospectus;

(ll) Applications by Applicants whose demat accounts have 'been suspended for credit' pursuant to the circular issued by SEBI on July 29, 2010, bearing number CIR/MRD/DP/22/2010;

(mm) Where PAN details in the Application Form and as entered into the electronic system of the Stock Exchange, are not as per the records of the Depositories;

(nn) Applications providing an inoperative demat account number;

(oo) Where Demat account details in the Application Form and as entered into the electronic system of the Stock Exchange, are not as per the records of the Depositories;

(pp) ASBA Applications submitted to the Designated Intermediaries, at locations other than the Specified Cities or at a Designated Branch of a SCSB where the ASBA Account is not maintained, and Applications submitted directly to the Banker to the Issue (assuming that such bank is not a SCSB), to our Company or the Registrar to the Issue;

(qq) Category not ticked;

(rr) Forms not uploaded on the electronic software of the Stock Exchange and/or in case of cancellation of one or more orders (series) within an Application, leading to total order quantity falling under the minimum quantity required for a single Application.

Kindly note that ASBA Applications submitted to the Lead Manager, or Trading Members of the Stock Exchange, Members of the Syndicate, Designated Intermediaries at the Specified Cities will not be accepted if the SCSB where the ASBA Account, as specified in the ASBA Form, is maintained has not named at least one branch at that Specified City for the Lead Manager, or Trading Members of the Stock Exchange, Members of the Syndicate, Designated Intermediaries, as the case may be, to deposit ASBA Applications (A list of such branches is available at http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries).

For information on certain procedures to be carried out by the Registrar to the Issue for finalization of the basis of allotment, please see below "Issue Procedure-Information for Applicants".

Information for Applicants

Unblocking of Funds

In case of ASBA Applications submitted to the SCSBs, in terms of the SEBI RTA Master Circular, the Registrar to the Issue will reconcile the compiled data received from the Stock Exchange and all SCSBs and match the same with the Depository database for correctness of DP ID, Client ID and PAN.

The Registrar to the Issue will undertake technical rejections based on the electronic details and the Depository database. In case of any discrepancy between the electronic data and the Depository records, our Company, in consultation with the Designated Stock Exchange, the Lead Manager and the Registrar to the Issue, reserves the right to proceed as per the Depository records for such ASBA Applications or treat such ASBA Applications as rejected.

In case of Applicants submitted to the Lead Manager, Consortium Member and Trading Members of the Stock Exchange at the Specified Cities, the basis of allotment will be based on the Registrar's validation of the electronic details with the Depository records, and the complete reconciliation of the final certificates received from the SCSBs with the electronic details in terms of the SEBI circular CIR/CFD/DIL/1/2011 dated April 29, 2011. The Registrar to the Issue will undertake technical rejections based on the electronic details and the Depository database. In case of any discrepancy between the electronic data and the Depository records, our Company, in consultation with the Designated Stock Exchange, the Lead Manager and the Registrar to the Issue, reserves the right to proceed as per the Depository records or treat such ASBA Application as rejected.

Based on the information provided by the Depositories, our Company shall have the right to accept Applications belonging to an account for the benefit of a minor (under guardianship).

In case of Applications for a higher number of NCDs than specified for that category of Applicant, only the maximum amount permissible for such category of Applicant will be considered for Allotment.

Mode of making refunds

The Registrar to the Issue shall instruct the relevant SCSB to unblock the funds in the relevant ASBA Account to the extent of the Application Amount specified in the Application Forms for withdrawn, rejected or unsuccessful or partially successful Applications within 5 (five) Working Days of the Issue Closing Date.

Our Company and the Registrar to the Issue shall credit the allotted NCDs to the respective beneficiary accounts/ dispatch the Letters of Allotment or letters of regret by registered post/speed post at the Applicant's sole risk, within six Working Days from the Issue Closing Date. We may enter into an arrangement with one or more banks in one or more cities for refund to the account of the applicants through Direct Credit/RTGS/NEFT/NACH.

Further, (a) Allotment of NCDs in this Issue shall be made within the time period stipulated by SEBI; (b) Credit to dematerialised accounts will be given within one Working Day from the Date of Allotment; (c) Interest at a rate of 15% per annum will be paid if the Allotment has not been made and/or the refund effected within five Working days from the Issue Closing Date, for the delay beyond five Working days; and (d) Our Company will provide adequate funds to the Registrar to the Issue for this purpose.

Retention of oversubscription

Our Company shall have an option to retain over-subscription up to the Issue limit.

Basis of Allotment

The Registrar will aggregate the Applications, based on the applications received through an electronic book from the Stock Exchanges and determine the valid Applications for the purpose of drawing the Basis of Allotment.

Grouping of Applications and Allocation Ratio

For the purposes of the basis of allotment:

(a) Applications received from Category I Investors-Institutional Investors: Applications received from Applicants belonging to Category I shall be grouped together, ("**Institutional Portion**");

(b) Applications received from Category II Investors-Non-Institutional Investors: Applications received from Applicants belonging to Category II, shall be grouped together, ("**Non-Institutional Portion**");

(c) Applications received from Category III Investors-High Net-worth Individual Investors: Applications received from Applicants belonging to Category III shall be grouped together, ("**High Net-worth Individual Category Portion**");

(d) Applications received from Category IV Applicants-Retail Individual Investors: Applications received from Applicants belonging to Category IV shall be grouped together, ("**Retail Individual Category Portion**").

For removal of doubt, the terms "**Institutional Portion**", "**Non-Institutional Portion**", "**High Net Worth Individual Investors Portion**" and "**Retail Individual Investors Portion**" are individually referred to as "**Portion**" and collectively referred to as "**Portions**".

For the purposes of determining the number of NCDs available for allocation to each of the abovementioned Portions, our Company shall have the discretion of determining the number of NCDs to be allotted over and above the Base Issue, in case our Company opts to retain any portion of oversubscription in this Issue up to an amount specified under this Prospectus. The aggregate value of NCDs decided to be allotted over and above the Base Issue, (in case our Company opts to retain any portion of oversubscription in this Issue), and/or the aggregate value of NCDs up to the Base Issue Size shall be collectively termed as Issue Size for the purpose of Allocation under this Issue.

Allocation Ratio

Particulars	Institutional Portion	Non-Institutional Portion	High-Net Worth Individual Category Portion	Retail Individual Category Portion
% of the Issue size	25%	25%	25%	25%
Base Issue Size in amount (₹ in lakh)	2,500	2,500	2,500	2,500
Total Issue Size in amount (₹ in lakh)	5,000	5,000	5,000	5,000

(a) **Allotments in the first instance:**

(i) Applicants belonging to the Institutional Portion, in the first instance, will be allocated NCDs up to 25% of the Issue Size on first come first serve basis which would be determined on the date of upload of their Applications in to the electronic platform of the Stock Exchanges;

(ii) Applicants belonging to the Non-Institutional Portion, in the first instance, will be allocated NCDs up to 25% of the Issue Size on first come first serve basis which would be determined on the date of upload of their Applications in to the electronic platform of the Stock Exchanges;

(iii) Applicants belonging to the High Net Worth Individual Investors Portion, in the first instance, will be allocated NCDs up to 25% of Issue Size on first come first serve basis which would be determined on the date of upload of their Applications in to the electronic platform of the Stock Exchanges;

(iv) Applicants belonging to the Retail Individual Investors Portion, in the first instance, will be allocated NCDs up to 25% of Issue Size on first come first serve basis which would be determined on the date of upload of their Applications in to the electronic platform of the Stock Exchanges.

Allotments, in consultation with the Designated Stock Exchange, shall be made on date priority basis i.e. a first-come first-serve basis, based on the date of upload of each Application in to the Electronic Book with Stock Exchanges, in each Portion subject to the Allocation Ratio indicated herein above.

As per the SEBI Master Circular, the allotment in this Issue is required to be made on the basis of date of upload of each application into the electronic book of the Stock Exchanges. However, from the date of oversubscription and thereafter, the allotments will be made to the applicants on proportionate basis.

(b) **Under Subscription**

(i) If there is any under subscription in any Category, priority in Allotments will be given to the Retail Individual Investors Portion, High Net Worth Individual Investors Portion, and balance, if any, shall be first made to applicants of the Non Institutional Portion, followed by the Institutional Portion on a first come first serve basis, on proportionate basis. If there is under subscription in the Issue Size due to under subscription in each Portion, all valid Applications received till the end of last day of the Issue Closure day shall be grouped together in each Portion and full and firm Allotments will be made to all valid Applications in each Portion.

(ii) For each Category, all Applications uploaded on the same day onto the electronic platform of the Stock Exchanges would be treated at par with each other. Allotment would be on proportionate basis, where NCDs uploaded into the platform of the Stock Exchanges exceeds NCDs to be Allotted for each portion respectively from the date of oversubscription and thereafter.

(iii) Minimum Allotments of 1 NCDs and in multiples of 1 NCD thereafter would be made in case of each valid Application to all Applicants.

(c) **Allotments in case of oversubscription**

In case of an oversubscription, allotments to the maximum extent, as possible, will be made on a first-come first-serve basis and thereafter on proportionate basis, i.e. full allotment of the NCDs to the Applicants on a first come first basis up to the date falling 1 (one) day prior to the date of oversubscription and proportionate allotment of NCDs to the applicants from the date of oversubscription (based on the date of upload of each Application on the electronic platform of the Stock Exchanges, in each Portion). The date of oversubscription will be determined as per the bucket size based on the Allocation Ratio stated in this Prospectus not taking into account any spill overs due to undersubscription in other categories.

For the purpose of clarity, in case of oversubscription please see the below indicative scenarios:

(i) In case of an oversubscription in all Portions resulting in an oversubscription in the Issue Size, Allotments to the maximum permissible limit, as possible, will be made on a first-come first serve basis and thereafter on proportionate basis, i.e. full allotment of the NCDs to the Applicants on a first come first serve basis up to the date falling 1 (one) day prior to the date of oversubscription to respective Portion and proportionate allotment of NCDs to the Applicants from the date of oversubscription in respective Portion (based on the date of upload of each Application on the electronic platform of the Stock Exchanges in each Portion).

(ii) In case there is oversubscription in Issue Size, however there is under subscription in one or more Portion(s), Allotments will be made in the following order:

A. All valid Applications in the undersubscribed Portion(s) uploaded on the electronic platform of the Stock Exchanges till the end of the last day of the Issue Period, shall receive full and firm allotment.

B. In case of Portion(s) that are oversubscribed, allotment shall be made to valid Applications received on a first come first serve basis, based on the date of upload of each Application in to the electronic platform of the Stock Exchanges. Priority for allocation of the remaining undersubscribed Portion(s) shall be given to day wise Applications received in the Retail Individual Investors Portion followed by High Net Worth Individual Investors Portion, next Non-Institutional Portion and lastly Institutional Portion each according to the day of upload of Applications to the Electronic Book with Stock Exchange during the Issue period.

C. For the sake of clarity, once full and firm allotment has been made to all the valid Applications in the undersubscribed portion, the remaining balance in the undersubscribed Portion will be Allocated to the oversubscribed Portion(s) and proportionate allotments shall be made to all valid Applications in the oversubscribed Portion(s) uploaded on the date of oversubscription and thereafter on the remaining days of the Issue Period.

(d) **Proportionate Allotments**

For each Portion, from the date of oversubscription and thereafter:

(i) Allotments to the Applicants shall be made in proportion to their respective Application size, rounded off to the nearest integer.

(ii) If the process of rounding off to the nearest integer results in the actual allocation of NCDs being higher than the Issue size, not all Applicants will be allotted the number of NCDs arrived at after such rounding off. Rather, each Applicant whose Allotment size, prior to rounding off, had the highest decimal point would be given preference.

(iii) In the event, there are more than one Applicant whose entitlement remain equal after the manner of distribution referred to above, our Company will ensure that the basis of allotment is finalised by draw of lots in a fair and equitable manner.

Applicant applying for more than one Series of NCDs

If an Applicant has applied for more than one Series of NCDs and in case such Applicant is entitled to allocation of only a part of the aggregate number of NCDs applied for, the Series-wise allocation of NCDs to such Applicants shall be in proportion to the number of NCDs with respect to each Series, applied for by such Applicant, subject to rounding off to the nearest integer, as appropriate in consultation with the Lead Manager and the Designated Stock Exchange. Further, in the aforesaid scenario, wherein the Applicant has applied for all the 5 (five) Series and in case such Applicant cannot be allotted all the 5 (five) Series, then the Applicant would be allotted NCDs, at the discretion of the Company, the Registrar and the Lead Manager wherein the NCDs with the least tenor i.e. Allotment of NCDs with tenor of 18 (eighteen) months followed by Allotment of NCDs with tenor of 24 (twenty four) months, 30 (thirty) months and 42 (forty two) months.

All decisions pertaining to the Basis of Allotment pursuant to the Issue shall be taken by our Company in consultation with the Lead Manager, and the Designated Stock Exchange and in compliance with the aforementioned provisions of this Prospectus. Any other queries / issues in connection with the Applications will be appropriately dealt with and decided upon by our Company in consultation with the Lead Manager.

The Company shall allocate and allot Series V to all valid applications, wherein the Applicants have not indicated their choice of the relevant NCD Series. The Company has the discretion to close the Issue early irrespective of whether any of the Portion(s) are fully subscribed or not. The Company shall allot NCDs with respect to the Applications received till the time of such pre-closure in accordance with the Basis of Allotment as described hereinabove and subject to applicable statutory and/or regulatory requirements.

Payment of Refunds

The Registrar shall instruct the relevant SCSB to unblock the funds in the relevant ASBA Account for withdrawn, rejected or unsuccessful or partially successful ASBA Applications within the applicable regulatory timelines.

Issuance of Allotment Advice

Our Company shall ensure dispatch of Allotment Advice as per the Demographic Details received from the Depositories. Instructions for credit of NCDs to the beneficiary account with Depository Participants shall be made within 5 Working Days of the Issue Closing Date.

Our Company shall use best efforts to ensure that all steps for completion of the necessary formalities and approvals for the commencement of trading at the Stock Exchange where the NCDs are proposed to be listed are taken within 5 Working Days from the Issue Closing Date.

Allotment Advices shall be issued, or Application Amount shall be unblocked within 15 (fifteen) days from the Issue Closing Date or such lesser time as may be specified by SEBI or else the application amount shall be unblocked in the ASBA Accounts of the applicants forthwith, failing which interest shall be due to be paid to the applicants at the rate of fifteen per cent. per annum for the delayed period.

Our Company will provide adequate funds required for dispatch of Allotment Advice, as applicable, to the Registrar to the Issue.

Investor Withdrawals and Pre-closure

Investor Withdrawal: Applicants can withdraw their ASBA Applications till the Issue Closing Date by submitting a request for the same to the Consortium Members, Trading Member of the Stock Exchange or the Designated Branch, as the case may be, through whom the ASBA Application had been placed. In case of ASBA Applications submitted to the Lead Manager, Consortium Member, or Trading Members of the Stock Exchange at the Specified Cities, upon receipt of the request for withdrawal from the Applicant, the relevant Lead Manager, or Trading Member of the Stock Exchange, as the case may be, shall do the requisite, including deletion of details of the withdrawn ASBA Application Form from the electronic system of the Stock Exchange. In case of ASBA Applications submitted directly to the Designated Branch of the SCSB, upon receipt of the request for withdraw from the Applicant, the relevant Designated Branch shall do the requisite, including deletion of details of the withdrawn ASBA Application Form from the electronic system of the Stock Exchange and unblocking of the funds in the ASBA Account directly.

In case an Applicant wishes to withdraw the Application after the Issue Closing Date, the same can be done by submitting a withdrawal request to the Registrar to the Issue prior to the finalization of the Basis of Allotment.

Pre-closure

Our Company, in consultation with the Lead Manager reserves the right to close the Issue at any time prior to the Issue Closing Date, subject to receipt of minimum subscription or as may be specified in this Prospectus. Our Company shall Allot NCDs with respect to the Applications received until the time of such pre-closure in accordance with the Basis of Allotment as described hereinabove and subject to applicable statutory and/or regulatory requirements. In the event of such early closure of the Issue, our Company shall ensure that public notice of such early closure is published on or before such early date of closure is published on or before such early date of closure or the Issue Closing Date, as applicable, through advertisement(s) in all those newspapers in which pre-issue advertisement have been given.

If our Company does not receive the minimum subscription of 75% of Base Issue Size i.e. ₹ 7,500 lakh, prior to the Issue Closing Date the entire Application Amount shall be unblocked in the relevant ASBA Account(s) of the Applicants within 8 (eight) working days from the Issue Closing Date, failing which our Company will become liable to refund the Application Amount along with interest at the rate 15 (fifteen) percent per annum for the delayed period.

Revision of Applications

As per the notice no: 20120831-22 dated August 31, 2012, issued by BSE, cancellation of one or more orders (series) within an Application is permitted during the Issue Period as long as the total order quantity does not fall under the minimum quantity required for a single Application. However, please note that in case of cancellation

of one or more orders (series) within an Application, leading to total order quantity falling under the minimum quantity required for a single Application will be liable for rejection by the Registrar.

Applicants may revise/ modify their Application details during the Issue Period, as allowed/permitted by the Stock Exchange(s), by submitting a written request to the Designated Intermediary, as the case may be. However, for the purpose of Allotment, the date of original upload of the Application will be considered in case of such revision/modification. In case of any revision of Application in connection with any of the fields which are not allowed to be modified on the electronic Application platform of the Stock Exchange as per the procedures and requirements prescribed by each relevant Stock Exchange, Applicants should ensure that they first withdraw their original Application and submit a fresh Application. In such a case the date of the new Application will be considered for date priority for Allotment purposes.

Revision of Applications is not permitted after the expiry of the time for acceptance of Application Forms on Issue Closing Date. However, in order that the data so captured is accurate, the Designated Intermediaries will be given up to one Working Day after the Issue Closing Date (till 1:00 PM) to modify/ verify certain selected fields uploaded in the online system during the Issue Period, after which the data will be sent to the Registrar to the Issue for reconciliation with the data available with the NSDL and CDSL.

SECTION VII: LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATIONS AND DEFAULTS

Our Company, Directors and Promoter are subjected to various legal proceedings from time to time, mostly arising in the ordinary course of its business. The legal proceedings are initiated by us and also by customers and other parties. These legal proceedings are primarily in the nature of (a) civil suits; (b) criminal complaints; (c) consumer complaints; and (d) business operations related litigations.

For the purposes of above, our Investment and Borrowing Committee has considered and adopted a policy of materiality for identification of material litigations, for the purpose of the present issue of NCDs. In terms of materiality policy, any outstanding litigation:

(a) involving our Company, in which the aggregate monetary claim by or against our Company exceeds the lower of the following has been considered material:

(i) two percent of the turnover for Fiscal 2024. The turnover of our Company for Fiscal 2024 is ₹ 1,08168.12 lakh and two percent of the same is ₹ 2,163.36 lakh;

(ii) two percent of the net worth for Fiscal 2024. The net worth of our Company for Fiscal 2024 is ₹ 1,43,836.17 lakh and two percent of the same is ₹ 2,876.72 lakh;

(iii) five percent of the average of absolute value of profit after tax, as per the last three audited consolidated financial statements of our Company. The average of absolute value of profit after tax, as per the last three audited consolidated financial statements is ₹ 5,789.06 lakh and five percent of the same is ₹ 289.45 lakh.

*Accordingly, all litigation involving monetary amount of claim exceeding ₹ 289.45 lakh ("**Material Threshold**") has been considered as material;*

(b) involving our Directors, irrespective of the amount involved in such litigation, has been considered as material; and

(c) involving our Promoter, in which the aggregate monetary amount of claim by or against our Promoter exceeds the amount of Material Threshold has been considered as material.

It is clarified that for the purposes of the above, pre-litigation notices received by our Company, Directors, our Promoter shall, unless otherwise decided by our Board of Directors / IB Committee, not be considered as litigation until such time that our Company, Directors or Promoter, as the case maybe, is impleaded as a defendant in litigation proceedings before any judicial forum.

Save as disclosed below, there are no:

(a) litigation or legal action pending or taken by any Ministry or Department of the Government or a statutory body or regulatory body against the Promoters of our Company during the preceding three years immediately preceding the year of the issue of this Prospectus and any direction issued by such Ministry or Department or statutory body or regulatory body upon conclusion of such litigation or legal action;

(b) inquiry, inspections or investigations initiated or conducted under the securities laws or Companies Act or any previous companies law in the preceding three years immediately preceding the year of issue of offer document in the case of company; and if there were any prosecutions filed (whether pending or not); fines imposed or compounding of offences done in the preceding three years immediately preceding the year of this Prospectus for our Company;

(c) pending litigation involving the Company, Promoter, Directors, group companies or any other person, whose outcome could have material adverse effect on the financial position of the Company, which may affect the issue or the investor's decision to invest/continue to invest in the debt securities;

(d) acts of material frauds committed against our Company in the preceding three financial years and current financial year and the action taken by our Company;

(e) default and non-payment of statutory dues by our Company for preceding three financial years and current financial year; and

(f) pending proceedings initiated against our Company for economic offences and default.

Further from time to time, we have been and shall continue to be involved in legal proceedings filed by/or against us, arising in the ordinary course of our business. We believe that the number of proceedings in which we are/were involved is not unusual for a company of our size doing business in India.

Unless stated to the contrary, the information provided below is as of the date of this Prospectus.

All terms defined in a particular litigation disclosure below are for that particular litigation only.

Litigation involving our Company

Litigation against our Company

A. Criminal Proceedings

1. *A Complaint Case bearing No. 118/2023 dated 20.1.2023 under Section 340 (1) of the Code of Criminal Procedure, 1973 ("**Complaint**") has been filed against Soumyo Natta, Authorised officer of our Company ("**Accused**") by Mehi Traders ("**Complainant**") before the learned Chief Judicial Magistrate Barasat for alleged offences involving perjury. The matter relates to a dispute regarding default in repayment of the financial facility amounting to a sum of ₹ 30,00,000 (Rupees Thirty Lakh Only) and outstanding amount of ₹. 34,31,030/- (Rupees Thirty-Four Lakh Thirty One Thousand and Thirty Only) as on March 14, 2022 in terms of the loan agreements dated July 31, 2021 and October 12, 2020 executed between the Complainant and our Company. Aggrieved by the action of the Accused person taken u/s 14 of SARFAESI Act and considering other factors, the Complainant has filed the present Complaint to conduct investigation against the Accused person u/s 340 of Cr.P.C alleging offence punishable under the Indian Penal Code, 1860. The matter is presently pending.*

2. *A Transfer Petition (Crl) bearing no. 711 of 2024 with IA 182241/2024 dated July 22, 2024 under Section 406 of the Code of Criminal Procedure, 1973 ("**Petition**") has been filed against our Company by Paul Raj ("**Petitioner**") before Supreme Court for transfer of cheque bounce case CS/81915/2024 pending before a 19th Metropolitan Magistrate, Calcutta, West Bengal, under the jurisdiction of High Court of West Bengal to the Metropolitan Magistrate Nagercoil, Tamil Nadu, under the jurisdiction of High Court of Tamil Nadu. The matter relates to a dispute regarding cheque bounce of cheque amounting to a sum of ₹ 16,03,464/- (Rupees Sixteen Lakh Three Thousand Four Hundred and Sixty Four Only) in terms of the loan agreement dated September 25, 2023 executed between the Petitioner and the Company. Aggrieved by the action of our Company taken u/s 138 of NI Act and considering other factors, the Petitioner filed the present Petition seeking transfer of the case. The matter is presently pending.*

3. *A Criminal Revision ("**CRR**") bearing No. CRR 129/2023 dated October 31, 2023 under Section 399 of the Code of Criminal Procedure, 1973 ("**Cr.P.C**") has been filed against State of Haryana and our Company ("**Respondents**") by Rajesh Jangra ("**Revisioner**") before the learned District and Sessions Court, Sonepat challenging a First Information Report dated May 15, 2023 ("**FIR**"). The matter relates to a dispute regarding default in repayment of the financial facility amounting to a sum of ₹ 11,11,865/- (Rupees Eleven Lakh Eleven Thousand Eight Hundred and Sixty Five Only) as on September 15, 2024 in terms of the loan agreement dated February 18, 2023 executed between the Revisioner, and our Company. Aggrieved by the action of our Company and considering other factors, the Complainant has filed the present Complaint to conduct investigation against the Respondents u/s 399 of Cr. P. C. challenging the FIR. The matter is presently pending.*

4. *A First Information Report dated January 23, 2024 having Case crime no. 41 of 2024 under Section 420, 467, 468, 471 and 120B of the Indian Penal Code, Police Station Hapurnagar, District Hapur was filed against Robin Singh, an employee of the Company ("**Accused**") by Praful Kumar ("**Complainant**") and is pending. The matter relates to a dispute regarding default in repayment of the financial facility amounting to a sum of Rs. 20,22,654/- (Rupees Twenty Lakh Twenty Two Thousand Six Hundred Fifty Four Only Only) as on September 15, 2024, in terms of the loan agreement dated July 26, 2022 executed between the Complainant, and our Company . Aggrieved by the action of our Company and considering other factors, the Complainant filed the present FIR against the Accused. The Accused has filed a criminal misc. writ petition no. 2801 of 2024 before Hon'ble High Court of Allahabad. The matter is presently pending.*

5. ***R R Craft-***

   (i) *A Complaint Case bearing No. DM Case No. (358/2024) under Section 340 (1) of the Code of Criminal Procedure, 1973 ("Complaint") has been filed against Ugro Capital Ltd. by R R Craft ("Complainant") before the DM, Jaipur for alleged offences involving perjury. Aggrieved by the action of the Accused Person taken u/s 14 of SARFAESI Act and considering other factors, the Complainant has filed the present Complaint to conduct investigation against the employees of Ugro Capital Ltd. u/s 340 alleging offence punishable under the Indian Penal Code, 1860. The matter is presently pending.*

   (ii) *The FIR bearing no. 309 dated 18.10.2024 u/s 308(2), 316(5), 318(4), 338, 336(3), 340 (2), 229(1), and 61(2)(a) of BNS,2023 which was filed by Hanuman Singh Rathod, one of the borrowers at Ashok Nagar police station, Jaipur against Ugro officials challenging SARFAESI actions, is still pending. We filed an Application seeking quashing of the FIR before the Jaipur Bench of Rajasthan High Court. The same is pending.*

6. ***Ivory***

   (i) *Mr. Arora Daya Singh and Mrs. Arora Inderjit Kaur Daya Singh, the licensees, filed a Writ Petition (Criminal) bearing no. 25671 of 2024 before the Bombay High Court seeking registration of an FIR against the owners of the property under mortgage and officials of Ugro Capital Ltd. and Poonawalla Fincorp alleging fabricating Court's order to dispossess the Writ Petitioners. The same is pending.*

   (ii) *G.R.(S) no.952 of 2024 pending before the Ld. Chief Judicial Magistrate, Calcutta arising out of Hare Street Police Station Case no.241 of 2024 dated 30.9.2024 u/s 420,467,468, 471, 472, 473, 204, 379 and 120B of the IPC was filed against officials of Ugro Capital Ltd. alleging fabricating Court's order. Ugro Capital Ltd. duly filed an Application bearing no. CRR 4823/2024 before Calcutta High Court challenging the said FIR. The same is pending before the Calcutta High Court.*

   (iii) *Mr. Arora Daya Singh lodged an FIR bearing no.6 dated 2.1.2025 at Wadala Truck Terminal Police Station under Sec.120-B and other sections of BNSS against Ugro employees.*

B. Civil Proceedings

NIL

C. Material Tax Proceedings

NIL

D. Regulatory and Statutory proceedings

NIL

E. Economic Offences

Nil

Litigation by our Company

A. Criminal Proceedings

1. *A first information report bearing number 11191036210425 dated May 7, 2021 ("**FIR**") has been filed by our Company ("**Complainant**") against Akash Domadiya, Ekta Domadiya, Bhanuben Domadiya, Sunil Patel, Hiral Patel, Jagat Shah, Nikhil Gajjar, Dipen Prajapati, Suchitra Patel, Narendra Patel, Harsh Patel, Mayur Bodhar, Vinod Patel, Ritaben Patel and Milan Sutariya ("**Accused Persons**") with Navrangpura Police Station, Navrangpura, Ahmedabad, Gujarat for the alleged offences punishable under Sections 406, 420, 465, 467, 468, 471 and 120B of the Indian Penal Code, 1860. The matter relates to a dispute regarding default in repayment of the credit facility amounting to a sum of ₹ 4,99,77,412 (Rupees Four Crore Ninety Nine Lakh Seventy Seven Thousand Four Hundred and Twelve Only) in terms of the loan agreement dated March 25, 2019 executed between the Complainant and the Accused Persons. Under this arrangement, the Complainant remitted a total amount of ₹ 4,85,00,000 (Rupees Four Crore Eighty Five Lakh Only) in favour of the Accused Persons. The Complainant has alleged that fake, forged and fabricated invoices were submitted by the Accused Persons to the Complainant and the documents submitted by the Accused Persons for availing this credit facility were inflated, overestimated and falsified for the purpose of obtaining wrongful gain from the Complainant. Aggrieved by the said action of the Accused Persons, the Complainant has filed the present FIR to conduct investigation against the Accused Persons under the relevant sections of the Indian Penal Code, 1860. The matter is presently pending.*

2. *A complaint No. 2064/2021 dated December 16, 2021 under Section 156(3) of the Code of Criminal Procedure, 1973 ("**Complaint**") has been filed by our Company ("**Complainant**") against Pearl Alloys Private Limited, Rajesh Behl, Rajat Behl, Aashima Behl and other unknown persons ("**Accused Persons**") before the Hon'ble Court of Chief Metropolitan Magistrate, Patiala House Court, New Delhi for alleged offences involving cheating, criminal breach of trust, misappropriation, embezzlement and siphoning of funds, fraud and forgery. The matter relates to a relates to a dispute regarding default in repayment of the credit facility amounting to a sum of ₹ 3,00,00,000 (Rupees Three Crore Only) and outstanding amount of ₹ 6,76,34,915 (Rupees Six Crore Seventy Six Lakh Thirty Four Thousand Nine Hundred and Fifteen Only) as on September 15, 2024 in terms of the loan agreement dated August 7, 2020 executed between the Complainant and the Accused Persons. Aggrieved by the said action of the Accused Persons and considering other factors, the Complainant has filed the present Complaint to conduct investigation against the Accused Persons under various offences punishable under various sections of the Indian Penal Code, 1860. The matter is presently pending.*

3. *A complaint No. 2065/2021, dated December 16, 2021 under Section 156(3) of the Code of Criminal Procedure, 1973 ("**Complaint**") has been filed by our Company ("**Complainant**") against Vallabh Metals Industries and Vikas Jain ("**Accused Persons**") before the Hon'ble Court of Chief Metropolitan Magistrate, Patiala House Court, New Delhi for alleged offences involving cheating, criminal breach of trust, misappropriation, embezzlement and siphoning of funds, fraud and forgery. The matter relates to a dispute regarding default in repayment of the credit facility amounting to a sum of ₹ 1,66,29,707 (Rupees One Crore Sixty Six Lakh Twenty Nine Thousand Seven Hundred and Seven Only) and outstanding amount of ₹ 2,87,56,537 (Rupees Two Crore Eighty Seven Lakh Fifty Six Thousand Five Hundred and Thirty Seven Only) as on September 15, 2024 in terms of the loan agreement dated May 2, 2019 executed between the Complainant and the Accused Persons. Aggrieved by the said action of the Accused Persons and considering other factors, the Complainant has filed the present Complaint to conduct investigation against the Accused Persons under various offences punishable under various sections of the Indian Penal Code, 1860. The matter is presently pending.*

4. *A complaint No. 5/2022, dated January 3, 2022 under Section 156(3) of the Code of Criminal Procedure, 1973 ("**Complaint**") has been filed by our Company ("**Complainant**") against Dhruv Cables and Conductors, Siddharth Jain and Ramesh Chand ("**Accused Persons**") before the*

Hon'ble Court of Chief Metropolitan Magistrate Patiala House Court, New Delhi for alleged offences involving cheating, criminal breach of trust, misappropriation, embezzlement and siphoning of funds, fraud and forgery. The matter relates to a dispute regarding default in repayment of the credit facility amounting to a sum of ₹ 4,00,00,000 (Rupees Four Crore Only) and outstanding amount of ₹ 6,09,98,120 (Rupees Six Crore Nine Lakh Ninety Eight Thousand One Hundred and Twenty Only) as on September 15, 2024 in terms of the loan agreement dated March 30, 2019 and March 20, 2021 executed between the Complainant and the Accused Persons. Aggrieved by the said action of the Accused Persons and considering other factors, the Complainant has filed the present Complaint to conduct investigation against the Accused Persons under various offences punishable under various sections of the Indian Penal Code, 1860. The matter is presently pending.

5. *A complaint No. CS/42164/22, dated May 12, 2022 under Section 200 of the Code of Criminal Procedure, 1973 ("**Complaint**") has been filed by our Company ("**Complainant**") against Ankita Trading Company, Banti Kumar shaw and Genty Shaw ("**Accused Persons**") before the Learned Chief Metropolitan Magistrate Court, Calcutta for alleged offences involving cheating, criminal breach of trust, misappropriation, embezzlement and siphoning of funds, fraud and forgery. The matter relates to a dispute regarding default in repayment of the credit facility amounting to a sum of ₹ 5,08,000 (Rupees Five Lakh Eight Thousand Only) and outstanding amount of ₹ 5,86,242 (Rupees Five Lakh Eighty Six Thousand Two Hundred and Forty Two Only) as on September 15, 2024 in terms of the loan agreement dated August 28, 2020 executed between the Complainant and the Accused Persons. Aggrieved by the said action of the Accused Persons and considering other factors, the Complainant has filed the present Complaint to conduct investigation against the Accused Persons under various offences punishable under various sections of the Indian Penal Code, 1860. The matter is presently pending.*

6. *A complaint No. CS/42162/22, dated May 12, 2022 under Section 200 of the Code of Criminal Procedure, 1973 ("**Complaint**") has been filed by our Company ("**Complainant**") against Bittu Namkeen Co., Abhay Jain and Ruchita Jain ("**Accused Persons**") before the Learned Chief Metropolitan Magistrate Court, Calcutta for alleged offences involving cheating, criminal breach of trust, misappropriation, embezzlement and siphoning of funds, fraud and forgery. The matter relates to a dispute regarding default in repayment of the credit facility amounting to a sum of ₹ 2,18,748 (Rupees Two Lakh Eighteen Thousand Seven Hundred and Forty Eight Only) and outstanding amount of ₹ 1,39,815 (Rupees One Lakh Thirty Nine Thousand Eight Hundred and Fifteen Only) as on September 15, 2024 in terms of the loan agreement dated August 28, 2020 executed between the Complainant and the Accused Persons. Aggrieved by the said action of the Accused Persons and considering other factors, the Complainant has filed the present Complaint to conduct investigation against the Accused Persons under various offences punishable under various sections of the Indian Penal Code, 1860. The matter is presently pending.*

7. *A complaint No. CS/42072/22, dated May 11, 2022 under Section 200 of the Code of Criminal Procedure, 1973 ("**Complaint**") has been filed by our Company ("**Complainant**") against SSH Delicacies Private Limited, Shantanu Sikdar and Samrat Mondal ("**Accused Persons**") before the Learned Chief Metropolitan Magistrate Court, Calcutta for alleged offences involving cheating, criminal breach of trust, misappropriation, embezzlement and siphoning of funds, fraud and forgery. The matter relates to a dispute regarding default in repayment of the credit facility amounting to a sum of ₹ 26,64,636 (Rupees Twenty Six Lakh Sixty Four Thousand Six Hundred and Thirty Six Only)and outstanding amount of ₹ 66,55,491 (Rupees Sixty Six Lakh Fifty Five Thousand Four Hundred and Ninety One Only) as on September 15, 2024 in terms of the loan agreement dated December 28, 2020 executed between the Complainant and the Accused Persons. Aggrieved by the said action of the Accused Persons and considering other factors, the Complainant has filed the present Complaint to conduct investigation against the Accused Persons under various offences punishable under various sections of the Indian Penal Code, 1860. The matter is presently pending.*

8. *A complaint No. 11651/2022, dated July 07, 2022 under Section 156(3) of the Code of Criminal Procedure, 1973 ("**Complaint**") has been filed by our Company ("**Complainant**") against SRI Byraveshwara Rice Traders, Erappa Shiva and Bharathi M. ("**Accused Persons**") before the IVth Additional Chief Metropolitan Magistrate, Bangaluru for alleged offences involving cheating, criminal breach of trust, misappropriation, embezzlement and siphoning of funds, fraud and forgery. The matter relates to a dispute regarding default in repayment of the credit facility*

amounting to a sum of ₹ 15,35,400 (Rupees Fifteen Lakh Thirty Five Thousand Four Hundred Only) and outstanding amount of ₹ 30,77,068 (Rupees Thirty Lakh Seventy Seven Thousand and Sixty Eight Only) as on September 15, 2024 in terms of the loan agreement dated July 21, 2021 executed between the Complainant and the Accused Persons. Aggrieved by the said action of the Accused Persons and considering other factors, the Complainant has filed the present Complaint to conduct investigation against the Accused Persons under various offences punishable under various sections of the Indian Penal Code, 1860. The matter is presently pending.

9. *A complaint No. CS/42165/22, dated May 12, 2022 under Section 200 of the Code of Criminal Procedure, 1973 ("**Complaint**") has been filed by our Company ("**Complainant**") against S and S Enterprise, Surajit Das and Sourav Das ("**Accused Persons**") before the Learned Chief Metropolitan Magistrate Court, Calcutta for alleged offences involving cheating, criminal breach of trust, misappropriation, embezzlement and siphoning of funds, fraud and forgery. The matter relates to a dispute regarding default in repayment of the credit facility amounting to a sum of ₹ 9,73,730 (Rupees Nine Lakh Seventy Three Thousand Seven Hundred and Thirty Only) and outstanding amount of ₹ 29,91,054 (Rupees Twenty Nine Lakh Ninety One Thousand and Fifty Four Only) as on September 15, 2024 in terms of the loan agreement dated February 03, 2021 executed between the Complainant and the Accused Persons. Aggrieved by the said action of the Accused Persons and considering other factors, the Complainant has filed the present Complaint to conduct investigation against the Accused Persons under various offences punishable under various sections of the Indian Penal Code, 1860. The matter is presently pending.*

10. *A complaint No. CS/42163/22, dated May 12, 2022 under Section 200 of the Code of Criminal Procedure, 1973 ("**Complaint**") has been filed by our Company ("**Complainant**") against Kunwar Agro Traders, Prabhat Kunwar and Sushila Debi ("**Accused Persons**") before the Learned Chief Metropolitan Magistrate Court, Calcutta for alleged offences involving cheating, criminal breach of trust, misappropriation, embezzlement and siphoning of funds, fraud and forgery. The matter relates to a dispute regarding default in repayment of the credit facility amounting to a sum of ₹ 15,26,950 (Rupees Fifteen Lakh Twenty Six Thousand Nine Hundred and Fifty Only) and outstanding amount of ₹ 42,58,040 (Rupees Forty Two Lakh Fifty Eight Thousand and Forty Only) as on September 15, 2024 in terms of the loan agreement dated July 26, 2021 executed between the Complainant and the Accused Persons. Aggrieved by the said action of the Accused Persons and considering other factors, the Complainant has filed the present Complaint to conduct investigation against the Accused Persons under various offences punishable under various sections of the Indian Penal Code, 1860. The matter is presently pending.*

11. *A complaint No. CS/42065/22, dated May 11, 2022 under Section 200 of the Code of Criminal Procedure, 1973 ("**Complaint**") has been filed by our Company ("**Complainant**") against OM Casual Dinning Restaurant, Dipankar Sarkar and Jhuma Banik ("**Accused Persons**") before the Learned Chief Metropolitan Magistrate Court, Calcutta for alleged offences involving cheating, criminal breach of trust, misappropriation, embezzlement and siphoning of funds, fraud and forgery. The matter relates to a dispute regarding default in repayment of the credit facility amounting to a sum of ₹26,85,833 (Rupees Twenty Six Lakh Eighty Five Thousand Eight Hundred and Thirty Three Only) and outstanding amount of ₹ 81,01,990 (Rupees Eight One Lakh One Thousand Nine Hundred and Ninety Only) as on September 15, 2024 in terms of the loan agreement dated December 28, 2020 executed between the Complainant and the Accused Persons. Aggrieved by the said action of the Accused Persons and considering other factors, the Complainant has filed the present Complaint to conduct investigation against the Accused Persons under various offences punishable under various sections of the Indian Penal Code, 1860. The matter is presently pending.*

12. *A complaint No. CS/42068/22, dated May 11, 2022 under Section 200 of the Code of Criminal Procedure, 1973 ("**Complaint**") has been filed by our Company ("**Complainant**") against Raja Stores, Raj Kumar Gupta and Shalini Gupta ("**Accused Persons**") before the Learned Chief Metropolitan Magistrate Court, Calcutta for alleged offences involving cheating, criminal breach of trust, misappropriation, embezzlement and siphoning of funds, fraud and forgery. The matter relates to a dispute regarding default in repayment of the credit facility amounting to a sum of ₹ 13,75,655 (Rupees Thirteen Lakh Seventy Five Thousand Six Hundred and Fifty Five Only) and outstanding amount of ₹ 43,00,026 (Rupees Forty Three Lakh and Twenty Six Only) as on September 15, 2024 in terms of the loan agreement dated September 09, 2021 executed between the Complainant and the Accused Persons. Aggrieved by the said action of the Accused Persons*

and considering other factors, the Complainant has filed the present Complaint to conduct investigation against the Accused Persons under various offences punishable under various sections of the Indian Penal Code, 1860. The matter is presently pending.

13. *A complaint No. C/42335/2022, dated May 13, 2022 under Section 200 of the Code of Criminal Procedure, 1973 ("**Complaint**") has been filed by our Company ("**Complainant**") against Pramod Kumar Agarwal, proprietor of Pecon Engineering Enterprise ("**Accused Persons**") before the Learned Chief Metropolitan Magistrate Court, Calcutta for alleged offences involving cheating, criminal breach of trust, misappropriation, embezzlement and siphoning of funds, fraud and forgery. The matter relates to a dispute regarding default in repayment of the credit facility amounting to a sum of ₹ 5,00,000 (Rupees Five Lakh Only) and outstanding amount of ₹ 2,42,791 as on September 15, 2024, in terms of the loan agreement dated August 30, 2021 executed between the Complainant and the Accused Persons. Aggrieved by the said action of the Accused Persons and considering other factors, the Complainant has filed the present Complaint to conduct investigation against the Accused Persons under various offences punishable under various sections of the Indian Penal Code, 1860. The matter is presently pending.*

14. *A complaint bearing No. CS/84025/22 dated 13 September 2022 under Section 200 of the Code of Criminal Procedure, 1973 ("**Complaint**") has been filed by our Company ("**Complainant**") against Ankita Trading Company, Banti Kumar Shaw and Genty Shaw ("**Accused Persons**") before the Learned Chief Metropolitan Magistrate Calcutta for alleged offences involving cheating, criminal breach of trust, misappropriation, embezzlement and siphoning of funds, fraud and forgery. The matter relates to a dispute regarding default in repayment of the credit facility amounting to a sum of ₹ 28,25,952 (Rupees Twenty Eight Lakh Twenty Five Thousand Nine Hundred and Fifty Two Only) and outstanding amount of ₹ 81,29,597 (Rupees Eighty One Lakh Twenty Nine Thousand Five Hundred and Ninety Seven Only) as on September 15, 2024 in terms of the loan agreement dated July 31, 2021 executed between the Complainant and the Accused Persons. Aggrieved by the said action of the Accused Persons and considering other factors, the Complainant has filed the present Complaint to conduct investigation against the Accused Persons under various offences punishable under various sections of the Indian Penal Code, 1860. The matter is presently pending.*

15. *A complaint bearing No. CS/85144/22 dated September 15, 2022 under Section 200 of the Code of Criminal Procedure, 1973 ("**Complaint**") has been filed by our Company ("**Complainant**") against Aryan Private Limited, Abhijit Ghosh and Protyusha Ghosh ("**Accused Persons**") before Learned Chief Metropolitan Magistrate, Calcutta for alleged offences involving cheating, criminal breach of trust, misappropriation, embezzlement and siphoning of funds, fraud and forgery. The matter relates to a dispute regarding default in repayment of the credit facility amounting to a sum of ₹ 22,44,968 (Rupees Twenty Two Lakh Forty Four Thousand Nine Hundred and Sixty Eight Only) and outstanding amount of ₹ 65,52,834 (Rupees Sixty Five Lakh Fifty Two Thousand Eight Hundred and Thirty Four Only) as on September 15, 2024 in terms of the loan agreement dated June 23, 2021 executed between the Complainant and the Accused Persons. Aggrieved by the said action of the Accused Persons and considering other factors, the Complainant has filed the present Complaint to conduct investigation against the Accused Persons under various offences punishable under various sections of the Indian Penal Code, 1860. The matter is presently pending.*

16. *A complaint bearing No. CS/84540/22 dated September 14, 2022 under Section 200 of the Code of Criminal Procedure, 1973 ("**Complaint**") has been filed by our Company ("**Complainant**") against Canvas Entertainment, Devansh Chakroborty, Sayantani Sen and Tamojit Sen ("**Accused Persons**") before the Learned Chief Metropolitan Magistrate, Calcutta for alleged offences involving cheating, criminal breach of trust, misappropriation, embezzlement and siphoning of funds, fraud and forgery. The matter relates to a dispute regarding default in repayment of the credit facility amounting to a sum of ₹ 5,08,000 (Rupees Five Lakh Eight Thousand Only) and ₹ 5,08,000 (Rupees Five Lakh Eight Thousand Only) and ₹ 26,83,443 (Rupees Twenty Six Lakh Eighty Three Thousand Four Hundred and Forty Three Only) and outstanding amount of ₹ 63,53,791 (Rupees Sixty Three Lakh Fifty Three Thousand Seven Hundred and Ninety One Only) as on September 15, 2024 in terms of the loan agreement dated October 14, 2020 and July 19, 2021 and June 22, 2021 executed between the Complainant and the Accused Persons. Aggrieved by the said action of the Accused Persons and considering other factors, the Complainant has filed the present*

Complaint to conduct investigation against the Accused Persons under various offences punishable under various sections of the Indian Penal Code, 1860. The matter is presently pending.

17. *A complaint bearing No. CS/84535/22 dated September 14, 2022 under Section 200 of the Code of Criminal Procedure, 1973 ("**Complaint**") has been filed by our Company ("**Complainant**") against J.J.Electrical Corporation Private Limited, Prabhat Kumar Saraff and Kalpana Guha ("**Accused Persons**") before the Chief Metropolitan Magistrate Calcutta for alleged offences involving cheating, criminal breach of trust, misappropriation, embezzlement and siphoning of funds, fraud and forgery. The matter relates to a dispute regarding default in repayment of the credit facility amounting to a sum of ₹ 3,98,004 (Rupees Three Lakh Ninety Eight Thousand and Four Only) and ₹ 19,00,047 (Rupees Nineteen Lakh and Forty Seven Only) and outstanding amount of ₹ 54,98,672 (Rupees Fifty Four Lakh Ninety Eight Thousand Six Hundred and Seventy Two Only) as on September 15, 2024 in terms of the loan agreement dated September 25, 2020 and July 31, 2021 executed between the Complainant and the Accused Persons. Aggrieved by the said action of the Accused Persons and considering other factors, the Complainant has filed the present Complaint to conduct investigation against the Accused Persons under various offences punishable under various sections of the Indian Penal Code, 1860. The matter is presently pending.*

18. *A complaint bearing No. CS/85158/22 dated September 15, 2022 under Section 200 of the Code of Criminal Procedure, 1973 ("**Complaint**") has been filed by our Company ("**Complainant**") against Paul Agency Private Limited, Ripan Paul and Pinki Rani Dey ("**Accused Persons**") before the Learned Chief Metropolitan Magistrate Calcutta for alleged offences involving cheating, criminal breach of trust, misappropriation, embezzlement and siphoning of funds, fraud and forgery. The matter relates to a dispute regarding default in repayment of the credit facility amounting to a sum of ₹ 14,43,072 (Rupees Fourteen Lakh Forty Three Thousand and Seventy Two Only) and outstanding amount of ₹ 45,00,762 (Rupees Forty Five Lakh Seven Hundred and Sixty Two Only) as on September 15, 2024 in terms of the loan agreement dated December 27, 2020 executed between the Complainant and the Accused Persons. Aggrieved by the said action of the Accused Persons and considering other factors, the Complainant has filed the present Complaint to conduct investigation against the Accused Persons under various offences punishable under various sections of the Indian Penal Code, 1860. The matter is presently pending.*

19. *A complaint bearing No. CS/139058/23 dated October 18, 2023 under Section 200 of the Code of Criminal Procedure, 1973 ("**Complaint**") has been filed by our Company ("**Complainant**") against Tuktuki Ice Cream and Stationary, Shibananda Mondal and Shibani Mondal ("**Accused Persons**") before the Learned Chief Metropolitan Magistrate Calcutta for alleged offences involving cheating, criminal breach of trust, misappropriation, embezzlement and siphoning of funds, fraud and forgery. The matter relates to a dispute regarding default in repayment of the credit facility amounting to a sum of ₹ 10,20,000/- (Rupees Ten Lakh Twenty Thousand Only) and outstanding amount of ₹ 18,04,305 (Rupees Eighteen Lakh Four Thousand Three Hundred and Five Only) as on September 15, 2024 in terms of the loan agreement dated August 2, 2022 executed between the Complainant and the Accused Persons. Aggrieved by the said action of the Accused Persons and considering other factors, the Complainant has filed the present Complaint to conduct investigation against the Accused Persons under various offences punishable under various sections of the Indian Penal Code, 1860. The matter is presently pending.*

20. *A complaint bearing No. CS/139063/23 dated October 19, 2023 under Section 200 of the Code of Criminal Procedure, 1973 ("**Complaint**") has been filed by our Company ("**Complainant**") against S N Enterprise, MD Enamur Rahaman Mollick and Ruksana Mollick ("**Accused Persons**") before the Learned Chief Metropolitan Magistrate Calcutta for alleged offences involving cheating, criminal breach of trust, misappropriation, embezzlement and siphoning of funds, fraud and forgery. The matter relates to a dispute regarding default in repayment of the credit facility amounting to a sum of ₹ 10,00,000/- (Rupees Ten Lakh Only) and outstanding amount of ₹ 13,64,300/- (Rupees Thirteen Lak Sixty Four Thousand Three Hundred Only) as on September 15, 2024 in terms of the loan agreement dated January 31, 2023 executed between the Complainant and the Accused Persons. Aggrieved by the said action of the Accused Persons and considering other factors, the Complainant has filed the present Complaint to conduct investigation against the Accused Persons under various offences punishable under various sections of the Indian Penal Code, 1860. The matter is presently pending.*

21. *A complaint bearing No. CS/139052/23 dated October 18, 2023 under Section 200 of the Code of Criminal Procedure, 1973 ("**Complaint**") has been filed by our Company ("**Complainant**") against Sirajul Hackles, Sirajul Haque Laskar and Anjuyara Laskar ("**Accused Persons**") before the Learned Chief Metropolitan Magistrate Calcutta for alleged offences involving cheating, criminal breach of trust, misappropriation, embezzlement and siphoning of funds, fraud and forgery. The matter relates to a dispute regarding default in repayment of the credit facility amounting to a sum of ₹ 5,12,500/- (Rupees Five Lakh Twelve Thousand Five Hundred Only) and outstanding amount of ₹ 9,54,271 (Rupees Nine Lakh Fifty Four Thousand Two Hundred and Seventy One Only) as on September 15, 2024 in terms of the loan agreement dated October 30, 2022 executed between the Complainant and the Accused Persons. Aggrieved by the said action of the Accused Persons and considering other factors, the Complainant has filed the present Complaint to conduct investigation against the Accused Persons under various offences punishable under various sections of the Indian Penal Code, 1860. The matter is presently pending.*

22. *A complaint bearing No. CS/139046/23 dated October 18, 2023 under Section 200 of the Code of Criminal Procedure, 1973 ("**Complaint**") has been filed by our Company ("**Complainant**") against Maa Kali Still Furniture, Biswajit Paul and Rikta Paul Maity ("**Accused Persons**") before the Learned Chief Metropolitan Magistrate Calcutta for alleged offences involving cheating, criminal breach of trust, misappropriation, embezzlement and siphoning of funds, fraud and forgery. The matter relates to a dispute regarding default in repayment of the credit facility amounting to a sum of ₹ 10,25,000/- (Rupees Ten Lakh Twenty Five Thousand Only) and outstanding amount of ₹ 15,97,089 (Rupees Fifteen Lakh Ninety Seven Thousand and Eighty Nine Only) as on September 15, 2024 in terms of the loan agreement dated October 30, 2022 executed between the Complainant and the Accused Persons. Aggrieved by the said action of the Accused Persons and considering other factors, the Complainant has filed the present Complaint to conduct investigation against the Accused Persons under various offences punishable under various sections of the Indian Penal Code, 1860. The matter is presently pending.*

23. *A First Information Report bearing no. 0346 of 2023 dated November 03, 2023 under Section 420, 406, 467, 468, 120 B of the Indian Penal Code 1860 ("**F.I.R**") has been filed by our Company ("**Complainant**") against Jumbo Finvest India Limited, Ajay Kumar Singh, Siddharth Ajay Singh, Rekha Singh, Sidharth Mathur, Brashbhan Singh Badhoria and Rajesh Kumar Soni ("**Accused Persons**") before the Ashok Nagar Police Station Jaipur for alleged offences involving cheating, criminal breach of trust, misappropriation, embezzlement and siphoning of funds, fraud and forgery. The matter relates to a relates to a dispute regarding default in reimbursement of the amount collected by the accused persons against the assigned assets / loan account by them to the Complaint in terms of the assignment agreement June 25, 2019 & September 25, 2019 executed between the Complainant and the Accused Persons. The matter is presently pending.*

B. Proceedings under Section 138 of Negotiable Instruments Act, 1881

In addition to the above, our Company has filed 4534 complaints under Section 138 of Negotiable Instruments Act, 1881 in relation to dishonour of cheques issued in its favour which are currently, pending at different stages of adjudication before Court of Chief Metropolitan Magistrate at Calcutta. The aggregate amount involved in these matters, to the extent identifiable and determinable on basis of details available, is approximately ₹ 5,35,83,82,993 (Rupees Five Hundred and Thirty Five Crores Eighty Three Lakh Eighty Two Thousand Nine Hundred and Ninety Three Only), excluding interest. The status before the Hon'ble Court is still pending and, therefore, we have considered such cases as pending.

C. Civil Proceedings

- **Notices issued by the Company under Section 13(2) of the Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002**

Our Company has served 430 notices under Section 13(2) of the Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 in respect of classifying the outstanding debt as non-performing asset. Currently, the aggregate amount involved these matters is ₹ 3,15,32,54,700 (Rupees Three Hundred and Fifteen Crore Thirty Two Lakh Fifty Four Thousand Seven Hundred Only). Our Company has claimed the outstanding amount as stated along with the additional interest, considering such cases as pending.

- **Arbitration Proceedings initiated by our Company**

  In addition to the above, our Company has initiated arbitration proceedings for the recovery of certain amounts arising in due course of business. Currently, 10460 (Ten Thousand Four Hundred Sixty) such arbitration proceedings are pending at different stages before the Arbitrator. The aggregate amount involved in these matters is approx. ₹ 10,98,31,64,087/- (One Thousand Ninety Eight Crore Thirty One Lakh Sixty Four Thousand Eighty Seven Only). We have considered such cases as pending, as in some cases, either the matters are pending before the Arbitrator or our Company is yet to file the execution petition in respect of the Award passed by the Arbitrator.

- **Insolvency Proceedings initiated by our Company**

  Further, our Company has also initiated 04 (Four) insolvency proceedings against 04(Four) corporate debtors under Section-7 of Insolvency and Bankruptcy Code, 2016 and 05 (Five) insolvency proceedings against the personal guarantor under Section 95 of the Insolvency and Bankruptcy Code, 2016 before National Company Law Tribunal.

D. Material Tax proceedings

Nil

E. Regulatory and Statutory proceedings

Nil

Litigation involving our Promoter

Litigation against our Promoter

A. Criminal proceedings

Nil

B. Material Civil proceedings

Nil

C. Material Tax proceedings

Nil

D. Statutory and Regulatory proceedings

Nil

Litigation by our Promoter

A. Criminal proceedings

Nil

B. Material Civil proceedings

Nil

C. Material Tax proceedings

Nil

D. Statutory and Regulatory proceedings

Nil

Litigation involving our Directors

Litigation against our Directors

Except as disclosed below, there are no other proceedings against our Directors

A. Criminal proceedings

Nil

B. Material Civil proceedings

Nil

C. Material Tax proceedings

Nil

D. Statutory and Regulatory proceedings

Nil

Litigation by our Directors

A. Criminal proceedings

Nil

B. Material Civil proceedings

Nil

C. Material Tax proceedings

Nil

D. Statutory and Regulatory proceedings

NIL

Details of litigation or legal action pending or taken by any ministry or government department or statutory authority against our Promoter during the last three years immediately preceding the year of the issue of this Prospectus and any direction issued by any such ministry or department or statutory authority upon conclusion of such litigation or legal action, as on date of this Prospectus

Nil

Details of inquiries, inspections or investigations initiated or conducted under the Companies Act or any previous companies' law in the last three years immediately preceding the year of issue of this Prospectus against our Company (whether pending or not); fines imposed or compounding of offences done by our Company in the last three years immediately preceding the year of this Prospectus

1. The BSE vide its email dated September 27, 2022 had imposed a fine of ₹ 10,000 (Rupees Ten Thousand Only) plus GST for non-compliance of regulation 60 of SEBI LODR Regulations. Our

Company has paid the requisite fine. The Company has filed for waiver with BSE. The Company has received waiver of fine from NSE in this respect.

2. The BSE and NSE had imposed a fine of ₹ 11,800 (Rupees Eleven Thousand and Eight Hundred Only) each for non-compliance with regulation 29(2)/29(3) of SEBI LODR Regulations. Our Company has paid the requisite fine.

3. The BSE had imposed a fine of ₹ 81,420 (Rupees Eighty One Thousand Four Hundred and Twenty Only) against our Company for delay in submission of information related to payment obligation with respect to certain commercial papers. Our Company has paid the requisite fine.

4. The BSE vide its email dated May 22, 2024 and NSE vide its letter dated May 22, 2024 had imposed a fine of ₹ 99,120 (Rupees Ninety Nine Thousand One Hundred and Twenty Only) each for non-compliance of regulation 17(1A) of SEBI LODR Regulations. Our Company has paid the requisite fine.

5. The BSE vide its email dated April 30, 2024 and NSE vide its letter dated April 30, 2024 had imposed a fine of ₹ 23,600 (Rupees Twenty Three Thousand Six Hundred Only) each against our Company for non-compliance of regulation 60 of SEBI LODR Regulations. Our Company has paid the requisite fine.

Details of default, if any, including therein the amount involved, duration of default and present status, in repayment of statutory dues; debentures and interests thereon; deposits and interest thereon; and loan from any bank or financial institution and interest thereon

Sr. No.	Particulars	Financial Year	Duration of Delay (in Days)	Present Status	Amount Paid (In Rs.)
1	Goods and Service Tax	2021-22	277	Regularised	3,46,306.50
2	Goods and Service Tax	2021-22	259	Regularised	1,41,842.00
3	Goods and Service Tax	2021-22	488	Regularised	470.86
4	Goods and Service Tax	2021-22	457	Regularised	472.51
5	Goods and Service Tax	2021-22	457	Regularised	2,759.83
6	Goods and Service Tax	2021-22	457	Regularised	2,657.62
7	Goods and Service Tax	2021-22	457	Regularised	2,657.62
8	Goods and Service Tax	2021-22	429	Regularised	474.30
9	Goods And Service Tax	2021-22	429	Regularised	7,234.55
10	Goods and Service Tax	2021-22	429	Regularised	7,124.57
11	Goods and Service Tax	2021-22	398	Regularised	481.26
12	Goods and Service Tax	2021-22	398	Regularised	9,470.43
13	Provident Fund	2021-22	2	Regularised	5,168.00
14	ESIC	2021-22	4	Regularised	304.00
15	Tax Deducted at Source	2021-22	153	Regularised	1,30,799.00
16	Tax Deducted at Source	2021-22	167	Regularised	2,14,945.00
17	Goods and Service Tax	2022-23	30	Regularised	23,898.90

Sr. No.	Particulars	Financial Year	Duration of Delay (in Days)	Present Status	Amount Paid (In Rs.)
18	Goods and Service Tax	2022-23	122	Regularised	2,02,500.00
19	Goods and Service Tax	2022-23	395	Regularised	482.51
20	Goods and Service Tax	2022-23	364	Regularised	487.11
21	Goods and Service Tax	2022-23	364	Regularised	16,635.75
22	Goods and Service Tax	2022-23	364	Regularised	965.66
23	Goods and Service Tax	2022-23	364	Regularised	58,434.81
24	Goods and Service Tax	2022-23	334	Regularised	490.63
25	Goods and Service Tax	2022-23	334	Regularised	17,592.27
26	Goods and Service Tax	2022-23	303	Regularised	501.94
27	Goods and Service Tax	2022-23	303	Regularised	17,974.63
28	Goods and Service Tax	2022-23	272	Regularised	358.29
29	Goods and Service Tax	2022-23	272	Regularised	502.09
30	Goods and Service Tax	2022-23	272	Regularised	17,778.36
31	Goods and Service Tax	2022-23	272	Regularised	15,513.08
32	Goods and Service Tax	2022-23	272	Regularised	502.11
33	Goods and Service Tax	2022-23	242	Regularised	16,121.76
34	Goods and Service Tax	2022-23	211	Regularised	518.92
35	Goods and Service Tax	2022-23	211	Regularised	22,544.82
36	Goods and Service Tax	2022-23	181	Regularised	514.79
37	Goods and Service Tax	2022-23	181	Regularised	23,209.87
38	Goods and Service Tax	2022-23	150	Regularised	518.81
39	Goods and Service Tax	2022-23	119	Regularised	515.63
40	Goods and Service Tax	2022-23	119	Regularised	21,493.16
41	Goods and Service Tax	2022-23	91	Regularised	520.66
42	Goods and Service Tax	2022-23	60	Regularised	517.61
43	Goods and Service Tax	2022-23	60	Regularised	24,233.55
44	Goods and Service Tax	2022-23	265	Regularised	6,18,074.40
45	Labour Welfare fund	2022-23	6	Regularised	1,164.00
46	Tax Deducted at Source	2022-23	207	Regularised	44,275.70
47	Tax Deducted at Source	2022-23	265	Regularised	3,16,717.00
48	Tax Deducted at Source	2022-23	197	Regularised	23,42,968.81

Sr. No.	Particulars	Financial Year	Duration of Delay (in Days)	Present Status	Amount Paid (In Rs.)
49	Tax Deducted at Source	2022-23	166	Regularised	11,32,685.24
50	Tax Deducted at Source	2022-23	13	Regularised	23,55,842.32
51	Professional Tax	2022-23	266	Regularised	200.00
52	Professional Tax	2022-23	207	Regularised	200.00
53	Professional Tax	2022-23	185	Regularised	400.00
54	Professional Tax	2022-23	163	Regularised	1,000.00
55	Professional Tax	2022-23	143	Regularised	1,000.00
56	Professional Tax	2022-23	122	Regularised	1,400.00
57	Professional Tax	2022-23	102	Regularised	1,600.00
58	Professional Tax	2022-23	81	Regularised	1,600.00
59	Professional Tax	2022-23	58	Regularised	1,800.00
60	Professional Tax	2022-23	37	Regularised	1,800.00
61	Professional Tax	2022-23	197	Regularised	150.00
62	Professional Tax	2022-23	174	Regularised	350.00
63	Professional Tax	2022-23	152	Regularised	200.00
64	Professional Tax	2022-23	131	Regularised	400.00
65	Professional Tax	2022-23	111	Regularised	600.00
66	Professional Tax	2022-23	90	Regularised	600.00
67	Professional Tax	2022-23	69	Regularised	600.00
68	Professional Tax	2022-23	218	Regularised	1,200.00
69	Professional Tax	2022-23	197	Regularised	1,400.00
70	Professional Tax	2022-23	176	Regularised	1,000.00
71	Professional Tax	2022-23	156	Regularised	800.00
72	Professional Tax	2022-23	133	Regularised	800.00
73	Professional Tax	2022-23	113	Regularised	600.00
74	Professional Tax	2022-23	92	Regularised	200.00
75	Professional Tax	2022-23	72	Regularised	2,200.00
76	Professional Tax	2022-23	51	Regularised	2,200.00
77	Professional Tax	2022-23	31	Regularised	2,400.00
78	Professional Tax	2022-23	1	Regularised	2,600.00
79	Professional Tax	2022-23	1	Regularised	7,808.00

Sr. No.	Particulars	Financial Year	Duration of Delay (in Days)	Present Status	Amount Paid (In Rs.)
80	Tax Deducted at Source	2023-24	31	Regularised	1,024.00
81	Tax Deducted at Source	2023-24	73	Regularised	2,137.00
82	Tax Deducted at Source	2023-24	23	Regularised	6,27,381.00
83	Tax Deducted at Source	2023-24	110	Regularised	223.00
84	Tax Deducted at Source	2023-24	80	Regularised	5,000.00
85	Tax Deducted at Source	2023-24	92	Regularised	45,088.00
86	Tax Deducted at Source	2023-24	54	Regularised	81,429.00
87	ESIC	2023-24	100	Regularised	628.00
88	ESIC	2023-24	69	Regularised	753.00
89	LWF	2023-24	3	Regularised	63.00
90	Professional Tax	2023-24	34	Regularised	200.00
91	Goods and Service Tax	2023-24	275	Regularised	63,090.00
92	Tax Deducted at Source	2023-24	1	Regularised	3,14,75,000.00
93	Tax Deducted at Source	2023-24	23	Regularised	1,92,222.00
94	Tax Deducted at Source	2023-24	245	Regularised	4,45,203.00
95	Goods and Service Tax	2023-24	275	Regularised	7,36,094.00
96	Professional Tax	2024-25	88	Regularised	200.00
97	Professional Tax	2024-25	87	Regularised	200.00
98	Professional Tax	2024-25	87	Regularised	200.00
99	Professional Tax	2024-25	56	Regularised	200.00
100	Professional Tax	2024-25	56	Regularised	400.00
101	Professional Tax	2024-25	56	Regularised	600.00
102	Professional Tax	2024-25	43	Regularised	2,670.00
103	Professional Tax	2024-25	29	Regularised	2,079.00
104	Professional Tax	2024-25	29	Regularised	1,225.00
105	Professional Tax	2024-25	28	Regularised	2,488.00
106	Professional Tax	2024-25	28	Regularised	1,250.00
107	Professional Tax	2024-25	24	Regularised	1,415.00
108	Professional Tax	2024-25	23	Regularised	1,250.00
109	Professional Tax	2024-25	4	Regularised	8,430.00
110	Professional Tax	2024-25	4	Regularised	1,245.00

Sr. No.	Particulars	Financial Year	Duration of Delay (in Days)	Present Status	Amount Paid (In Rs.)
111	Professional Tax	2024-25	1	Regularised	1,250.00
112	Professional Tax	2024-25	28	Regularised	21,679.00
113	Professional Tax	2024-25	1	Regularised	5,000.00

Summary of reservations, qualifications, adverse remarks or emphasis of matter of auditors in the preceding three Fiscals immediately preceding the year of circulation of this offer letter and of their impact on the financial statements and financial position of our Company and the corrective steps taken and proposed to be taken by our Company for each of the said reservations or qualifications, adverse remarks or emphasis of matter:

Period ended	Basis of Financial Statements	Summary of Qualifications or reservations or emphasis of matter or adverse remarks by auditors in the audit report / CARO	Impact on the financial statements and financial position of the Company	Corrective steps taken and proposed to be taken by the Company
December 31, 2024	Unmodified Conclusion on Unaudited Financial Results	Not applicable	Not applicable	Not applicable
March 31, 2024	Unmodified Opinion on Audited Financial Statements	Not applicable	Not applicable	Not applicable
March 31, 2023	Unmodified Opinion on Audited Financial Statements	Not applicable	Not applicable	Not applicable
March 31, 2022	Unmodified Opinion on Audited Financial Statements	Not applicable	Not applicable	Not applicable

Details of acts of material frauds committed against the Company in the preceding three financial years and current financial year, if any, and if so, the action taken by the Company in response:

There have been no material frauds committed against our Company in the last three years preceding the date of this Prospectus except below fraud instances reported to RBI pursuant to RBI Master Directions:

(₹ in lakh)

Sl. No	Financial Year	Gross Amount	Committed by	Modus Operandi	Recovery	Provisions	Action Taken by the Company
1	2021 - 2022	400.14	Ingenius E-Commerc	Ingenius E-Commerce Pvt Ltd Directors- Akash Domadiya & Harsh Patel approached our Company as an applicant	81.60	60.45	There is a detailed underwriting

Sl. No	Financial Year	Gross Amount	Committed by	Modus Operandi	Recovery	Provisions	Action Taken by the Company
			e Private Limited	& submitted an application seeking a credit facility for a supply chain business arrangement along with its vendors. The disbursement amount in supplier accounts were re-transferred to various accounts (including Anchor's) amongst the personal bank accounts of the anchor, suppliers, family relatives & re-routed to different channels by these accused persons, conspiring an embezzlement by deceitful means. There are also evidences of diversion of amount remitted towards credit amongst the suppliers themselves with criminal motive.			of every anchor. Banking, Audited Financials / GST returns are collected and analysed. Collected documentation is FCU verified to check authenticity. Credit discussion with every anchor is mandatory. In addition to all this, there is a dedupe with BIFR list, AML check, NCLT check and a litigation check
2	2022 - 2023	Nil	NA	NA	NIL	NIL	NA
3	2023 - 2024	98.43	1. Shaklin Mustaq Ahmed 2. Atabur Rahman PAN: DHJPR7386P 3. Habibur Rahman PAN: DLXPA3173D 4. Ahiya Ahmed PAN: CDJPA5403M 5. Anjrul Haque PAN: BALPH1128N	We further investigated the case and found that, information of the borrower provided were false/ incorrect and unknown third party/ies are involved in committing the fraud. We also found that: 1. PANs collected were valid, however, additional demographic information available on PAN were invalid. 2. The location of application downloads was different as compared with location of live photos captured during the onboarding journey. 3. Live photos uploaded on the app didn't completely match with KYC photos, i.e., with PAN / Aadhar Card. 4. Bank accounts were found to be different as compared to actual information mentioned on mobile app by the borrower. Also, mobile numbers which were available in bank records did not match with loan applications. 5. GST for all applications were found to be active.	2.56	NIL	We have further strengthened our due diligence process by adding more robust features before onboarding. We have added features like PAN Aadhar linkage mandatory & Lat/Long capturing along with enable location based on the investigation findings.

Sl. No	Financial Year	Gross Amount	Committed by	Modus Operandi	Recovery	Provisions	Action Taken by the Company
4	2023 - 2024	14.99	Shree Renuka Traders (Proprietor: Venkappa Laxman koraddi) & Ningappa Naduvinakeri (UGRO Branch Manager)	During the post disbursal verification activities, it was found that: 1. Forged MODT was submitted by the customer with the Company ("Company MODT") at the time of availing the loan. The MODT available with SRO ("SRO MODT") does not match with the Company MODT. 2. Stamp papers have been procured mentioning different purpose (i.e. for purchase deed) 3. Suspected involvement of branch manager found since his signature on both MODT matches. 4. There is a difference in market value of property mentioned in both the MODTs. 5. In Company MODT, SRO signature at multiple places does not match with SRO MODT. 6. Second and third co applicant details and their signature is not mentioned in Company MODT but the same is mentioned in SRO MODT. 7. The Co - Applicant, Padmavathi's thumb impression found in company MODT however in SRO MODT signature found which implies that, Co applicant signature was forged in SRO MODT. 8. Document Registration Number, Challan amount, Registration fee is different in Company MODT and SRO MODT.	14.25	NIL	We have further strengthened our due diligence process by adding more robust features before onboarding the customers such as: 1. We have trained Credit team on how to check documents online. 2. We have introduced FCU check of manual property documents. 3. We have also introduced borrower based CERSAI search.
5	2023 - 2024	9.48	Laxmi Daneshwar Kirani And General Store (Proprietor: Sidlingappa Talawar) & Ningappa Naduvinakeri (UGRO Branch Manager)	The fraud perpetrator manipulated the Encumbrance Certificate documented in file before the disbursal of the loan by deleting Charge of another Financial Institution- Vistaar Finance.	NIL	NIL	We have further strengthened our due diligence process by adding more robust features before onboarding the customer such as: 1. We have trained the Credit Team on how to check

Sl. No	Financial Year	Gross Amount	Committed by	Modus Operandi	Recovery	Provisions	Action Taken by the Company
							Encumbrance Certificate online. 2. We have introduced FCU check of manual property documents. 3. We have also introduced borrower based CERSAI search.
6	2024 - 25	40.6	1) Atul PAN ANJPA6784D 2) Jay Narayan Trivedi PAN AIJPT8066G 3) Bhawna PAN CJTPB4786L 4) Gunjan PAN DIQPG6313H 5) M/S Shri Sai Enterprises PAN ANJPA6784D	This is Multiple funding case wherein the customer has prepared multiple copies of sale deed and availed the loan from IIFL, Shriram Finance & UGRO Capital Limited on the same property. Further, CERSAI charge has been created by all three financiers on the same property.	NIL	NIL	We have started additional checks of PAN based CERSAI through which multiple fundings can be stopped.
7	2024-2025	14.59	Kalai Cool Drinks Pan: CTPPC4796R Kalai Chitra P Pan: CTPPC4796R	A case involving *Kalai Cool Drinks* was logged at the Madurai Micro Branch under the Micro Secured Loan Program. The loan was a balance transfer (BT) from Jothi Housing Finance Ltd. The client had been consistently defaulting on their EMIs and missing their PTPs. Upon further investigation, we discovered that the collateral documents provided to us had been registered with a manipulated Nattham Patta.	Nil	Nil	Employees and Vendors have been trained and sensitized.

Sl. No	Financial Year	Gross Amount	Committed by	Modus Operandi	Recovery	Provisions	Action Taken by the Company
			Balachandran K Pan: MQHPK0491E				

Details of disciplinary action taken by SEBI or Stock Exchanges against the Promoters/ Group companies in the last five financial years, including outstanding action

Nil

OTHER REGULATORY AND STATUTORY DISCLOSURES

Issuer's Absolute Responsibility

"The Issuer, having made all reasonable inquiries, accepts responsibility for and confirms that this Prospectus contains all information with regard to the Issuer and the Issue which is material in the context of the Issue, that the information contained in this Prospectus is true and correct in all material aspects and is not misleading, that the opinions and intentions expressed herein are honestly stated and that there are no other facts, the omission of which make this document as a whole or any of such information or the expression of any such opinions or intentions misleading."

Authority for this Issue

The Investment and Borrowing Committee in their meeting held on March 20, 2025, approved the issuance of NCDs of the face value ₹ 1,000 each, for an amount aggregating up to ₹ 10,000 Lakh ("**Base Issue Size**") with an option to retain oversubscription up to ₹ 10,000 Lakh ("**Green Shoe Option**"), cumulatively aggregating up to 20,00,000 NCDs for an aggregate amount up to ₹ 20,000 Lakh ("**Issue Size**" or "**Issue Limit**"). Further, the present borrowing is within the borrowing limits under Section 180(1) (c) of the Companies Act, 2013 provided that the total amount which may be so borrowed and outstanding shall not exceed a sum of ₹ 10,00,000 Lakh. The aggregate value of the NCDs offered pursuant to this Issue, together with the existing borrowings of the Company, is within the approved borrowing limits as abovementioned.

Prohibition by SEBI / Eligibility of our Company for the Issue

Our Company, persons in control of our Company and/or our Directors and/or our Promoter have not been restrained, prohibited or debarred by SEBI from accessing the securities market or dealing in securities and no such order or direction is in force. None of our Directors and/or our Promoter, is a director or promoter of another company which is has been restrained, prohibited or debarred by SEBI from accessing the securities market or dealing in securities.

Our Company is not in default of payment of interest or repayment of principal amount in respect of non-convertible securities, for a period of more than six-months as on date of this Prospectus.

Our Company confirms that there are no fines or penalties levied by SEBI or the Stock Exchanges pending to be paid by the Company as on the date of this Prospectus.

No regulatory action is pending against the issuer or its promoter or directors before SEBI or the RBI.

None of our Directors and/or our Promoters have been declared as fugitive economic offenders.

Our Company confirms that there are no fines or penalties levied by SEBI or the Stock Exchanges pending to be paid by the Company as on the date of this Prospectus.

Declaration as a Fugitive Economic Offender

None of our Directors and/or our Promoter have been declared as fugitive economic offenders.

Categorisation as a Wilful Defaulter

Our Company, our Directors and/or our Promoter have not been categorised as a wilful defaulter by the RBI, ECGC, any government / regulatory authority and/or by any bank or financial institution. None of our Whole-time Directors and/or our Promoter, is a whole-time director or promoter of another company which is has been categorised as a wilful defaulter.

Disclaimer Clause of SEBI

IT IS TO BE DISTINCTLY UNDERSTOOD THAT FILING OF THE OFFER DOCUMENT TO THE SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI) SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED TO MEAN THAT THE SAME HAS BEEN CLEARED OR APPROVED

BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE OFFER DOCUMENT. THE LEAD MANAGER HAS CERTIFIED THAT THE DISCLOSURES MADE IN THE OFFER DOCUMENT ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE REGULATIONS. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING INVESTMENT IN THE PROPOSED ISSUE.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE ISSUER IS PRIMARILY RESPONSIBLE FOR CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE OFFER DOCUMENT, THE LEAD MANAGER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE ISSUER DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE LEAD MANAGER, TIPSONS CONSULTANCY SERVICES PRIVATE LIMITED HAVE FURNISHED TO SEBI A DUE DILIGENCE CERTIFICATE DATED MARCH 26, 2025, WHICH READS AS FOLLOWS:

THE LEAD MANAGER TO THE ISSUE CONFIRM THAT:

1. **NEITHER THE ISSUER NOR ITS PROMOTER OR DIRECTORS HAVE BEEN PROHIBITED FROM ACCESSING THE CAPITAL MARKET UNDER ANY ORDER OR DIRECTION PASSED BY SEBI. WE ALSO CONFIRM THAT NONE OF THE INTERMEDIARIES NAMED IN THE PROSPECTUS HAVE BEEN DEBARRED FROM FUNCTIONING BY ANY REGULATORY AUTHORITY.**

2. **ALL THE MATERIAL DISCLOSURES IN RESPECT OF THE ISSUER HAVE BEEN MADE IN THE PROSPECTUS AND CERTIFY THAT ANY MATERIAL DEVELOPMENT IN THE ISSUE OR RELATING TO THE ISSUE UP TO THE COMMENCEMENT OF LISTING AND TRADING OF THE NCDS OFFERED THROUGH THIS ISSUE SHALL BE INFORMED THROUGH PUBLIC NOTICES/ ADVERTISEMENTS IN ALL THOSE NEWSPAPERS IN WHICH PRE ISSUE ADVERTISEMENT AND ADVERTISEMENT FOR OPENING OR CLOSURE OF THE ISSUE WILL BE GIVEN.**

3. **THE PROSPECTUS CONTAINS ALL DISCLOSURES AS SPECIFIED IN THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE AND LISTING OF NON-CONVERTIBLE SECURITIES) REGULATIONS, 2021, AS AMENDED.**

4. **ALL RELEVANT PROVISIONS OF THE COMPANIES ACT, 2013, AS AMENDED AND TO THE EXTENT NOTIFIED, SECURITIES CONTRACTS (REGULATION) ACT, 1956, SECURITIES AND EXCHANGE BOARD OF INDIA ACT, 1992 AND THE RULES, REGULATIONS, GUIDELINES, CIRCULARS ISSUED THEREUNDER ARE COMPLIED WITH.**

THE LEAD MANAGER CONFIRM THAT NO COMMENTS/COMPLAINTS WERE RECEIVED ON THE DRAFT PROSPECTUS DATED MARCH 20, 2025 FILED ON THE WEBSITE OF BSE LIMITED AND NATIONAL STOCK EXCHANGE OF INDIA LIMITED. NATIONAL STOCK EXCHANGE OF INDIA LIMITED IS THE DESIGNATED STOCK EXCHANGE FOR THE ISSUE.

Disclaimer Clause of NSE

AS REQUIRED, A COPY OF THIS OFFER DOCUMENT HAS BEEN SUBMITTED TO NATIONAL STOCK EXCHANGE OF INDIA LIMITED (HEREINAFTER REFERRED TO AS NSE). NSE ("THE EXCHANGE") HAS, VIDE ITS LETTER REF.: NSE/LIST/D/2025/0091 DATED MARCH 25, 2025, GIVEN PERMISSION TO THE ISSUER TO USE THE EXCHANGE'S NAME IN THIS OFFER DOCUMENT AS ONE OF THE STOCK EXCHANGES ON WHICH THIS ISSUER'S SECURITIES ARE PROPOSED TO BE LISTED. THE EXCHANGE HAS SCRUTINIZED THIS OFFER DOCUMENT FOR ITS LIMITED INTERNAL PURPOSE OF DECIDING ON THE MATTER OF GRANTING THE AFORESAID PERMISSION TO THIS ISSUER.

IT IS TO BE DISTINCTLY UNDERSTOOD THAT THE AFORESAID PERMISSION GIVEN BY NSE SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE OFFER DOCUMENT HAS BEEN CLEARED OR APPROVED BY NSE; NOR DOES IT IN ANY MANNER WARRANT, CERTIFY OR ENDORSE THE CORRECTNESS OR COMPLETENESS OF ANY OF THE CONTENTS OF THIS OFFER DOCUMENT; NOR DOES IT WARRANT THAT THIS ISSUER'S SECURITIES WILL BE LISTED OR WILL CONTINUE TO BE LISTED ON THE EXCHANGE; NOR DOES IT TAKE ANY RESPONSIBILITY FOR THE FINANCIAL OR OTHER SOUNDNESS OF THIS ISSUER, ITS PROMOTERS, ITS MANAGEMENT OR ANY SCHEME OR PROJECT OF THIS ISSUER.

EVERY PERSON WHO DESIRES TO APPLY FOR OR OTHERWISE ACQUIRE ANY SECURITIES OF THIS ISSUER MAY DO SO PURSUANT TO INDEPENDENT INQUIRY, INVESTIGATION AND ANALYSIS AND SHALL NOT HAVE ANY CLAIM AGAINST THE EXCHANGE WHATSOEVER BY REASON OF ANY LOSS WHICH MAY BE SUFFERED BY SUCH PERSON CONSEQUENT TO OR IN CONNECTION WITH SUCH SUBSCRIPTION/ACQUISITION WHETHER BY REASON OF ANYTHING STATED OR OMITTED TO BE STATED HEREIN OR ANY OTHER REASON WHATSOEVER.

Disclaimer Clause of BSE

BSE LIMITED ("THE EXCHANGE") HAS GIVEN VIDE ITS APPROVAL LETTER DATED MARCH 25, 2025 PERMISSION TO THIS COMPANY TO USE THE EXCHANGE'S NAME IN THIS OFFER DOCUMENT AS ONE OF THE STOCK EXCHANGES ON WHICH THIS COMPANY'S SECURITIES ARE PROPOSED TO BE LISTED. THE EXCHANGE HAS SCRUTINISED THIS OFFER DOCUMENT FOR ITS LIMITED INTERNAL PURPOSE OF DECIDING ON THE MATTER OF GRANTING THE AFORESAID PERMISSION TO THIS COMPANY. THE EXCHANGE DOES NOT IN ANY MANNER:

- **A. WARRANT, CERTIFY OR ENDORSE THE CORRECTNESS OR COMPLETENESS OF ANY OF THE CONTENTS OF THIS OFFER DOCUMENT; OR**
- **B. WARRANT THAT THIS COMPANY'S SECURITIES WILL BE LISTED OR WILL CONTINUE TO BE LISTED ON THE EXCHANGE; OR**
- **C. TAKE ANY RESPONSIBILITY FOR THE FINANCIAL OR OTHER SOUNDNESS OF THIS COMPANY, ITS PROMOTER, ITS MANAGEMENT OR ANY SCHEME OR PROJECT OF THIS COMPANY;**

AND IT SHOULD NOT FOR ANY REASON BE DEEMED OR CONSTRUED THAT THIS OFFER DOCUMENT HAS BEEN CLEARED OR APPROVED BY THE EXCHANGE. EVERY PERSON WHO DESIRES TO APPLY FOR OR OTHERWISE ACQUIRES ANY SECURITIES OF THIS COMPANY MAY DO SO PURSUANT TO INDEPENDENT INQUIRY, INVESTIGATION AND ANALYSIS AND SHALL NOT HAVE ANY CLAIM AGAINST THE EXCHANGE WHATSOEVER BY REASON OF ANY LOSS WHICH MAY BE SUFFERED BY SUCH PERSON CONSEQUENT TO OR IN CONNECTION WITH SUCH SUBSCRIPTION/ACQUISITION WHETHER BY REASON OF ANYTHING STATED OR OMITTED TO BE STATED HEREIN OR FOR ANY OTHER REASON WHATSOEVER.

Disclaimer statement of RBI

THE COMPANY IS HAVING A VALID CERTIFICATE OF REGISTRATION No. 13.00325 ISSUED BY THE RESERVE BANK OF INDIA UNDER SECTION 45 IA OF THE RESERVE BANK OF INDIA ACT, 1934. A COPY OF THIS PROSPECTUS HAS NOT BEEN FILED WITH OR SUBMITTED TO THE RESERVE BANK OF INDIA ("RBI"). IT IS DISTINCTLY UNDERSTOOD THAT THIS PROSPECTUS SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED TO BE APPROVED OR VETTED BY RBI. RBI DOES NOT ACCEPT ANY RESPONSIBILITY OR GUARANTEE ABOUT THE PRESENT POSITION AS TO THE FINANCIAL SOUNDNESS OF THE ISSUER OR FOR THE CORRECTNESS OF ANY OF THE STATEMENTS OR REPRESENTATIONS MADE OR OPINIONS EXPRESSED BY THE ISSUER AND FOR DISCHARGE OF LIABILITY BY THE ISSUER. RBI NEITHER ACCEPTS ANY RESPONSIBILITY NOR GUARANTEE FOR THE PAYMENT OF ANY AMOUNT DUE TO ANY INVESTOR IN RESPECT OF THE PROPOSED NCDS.

Disclaimer statement from the Issuer

THE ISSUER ACCEPTS NO RESPONSIBILITY FOR STATEMENTS MADE OTHERWISE THAN IN THIS PROSPECTUS OR IN ANY ADVERTISEMENT OR ANY OTHER MATERIAL ISSUED BY OUR COMPANY IN CONNECTION WITH THE ISSUE OF THE NCDs AND THAT ANYONE PLACING RELIANCE ON ANY OTHER SOURCE OF INFORMATION WOULD BE DOING SO AT HIS / HER / THEIR OWN RISK.

Disclaimer statement from the Lead Manager

THE LEAD MANAGER ACCEPTS NO RESPONSIBILITY FOR STATEMENTS MADE OTHERWISE THAN IN THIS PROSPECTUS OR IN ADVERTISEMENT OR ANY OTHER MATERIAL ISSUED BY OR AT THE INSTANCE OF THE COMPANY AND THAT ANYONE PLACING RELIANCE ON ANY OTHER SOURCE OF INFORMATION WOULD BE DOING SO AT HIS / HER / THEIR OWN RISK.

Disclaimer in Respect of Jurisdiction

THE ISSUE IS BEING MADE IN INDIA, TO INVESTORS FROM CATEGORY I, CATEGORY II, CATEGORY III AND CATEGORY IV. THIS PROSPECTUS WILL NOT, HOWEVER CONSTITUTE AN OFFER TO SELL OR AN INVITATION TO SUBSCRIBE FOR THE NCDS OFFERED HEREBY IN ANY JURISDICTION OTHER THAN INDIA TO ANY PERSON TO WHOM IT IS UNLAWFUL TO MAKE AN OFFER OR INVITATION IN SUCH JURISDICTION. ANY PERSON INTO WHOSE POSSESSION THIS PROSPECTUS AND THE PROSPECTUS COMES IS REQUIRED TO INFORM HIMSELF OR HERSELF ABOUT, AND TO OBSERVE, ANY SUCH RESTRICTIONS.

Disclaimer clause of India Ratings and Research Private Limited

"*Users of India Ratings and Research Private Limited ('India Ratings") ratings should understand that neither an enhanced factual investigation nor any third-party verification can ensure that all of the information India Ratings relies on in connection with a rating will be accurate and complete. Ultimately, the issuer and its advisers are responsible for the accuracy of the information they provide to India Ratings and to the market in offering documents and other reports. In issuing its ratings India Ratings must rely on the work of experts, including independent auditors with respect to financial statements and attorneys with respect to legal and tax matters. Further, ratings are inherently forward-looking and embody assumptions and predictions about future events that by their nature cannot be verified as facts. As a result, despite any verification of current facts, ratings can be affected by future events or conditions that were not anticipated at the time a rating was issued or affirmed.*

Ratings are not a recommendation or suggestion, directly or indirectly, to you or any other person, to buy, sell, make or hold any investment, loan or security or to undertake any investment strategy with respect to any investment, loan or security or any issuer. Ratings do not comment on the adequacy of market price, the suitability of any investment, loan or security for a particular investor (including without limitation, any accounting and/or regulatory treatment), or the tax-exempt nature or taxability of payments made in respect of any investment, loan or security. The Rating Agency shall neither construed to be nor acting under the capacity or nature of an 'expert' as defined under Section 2(38) of the Companies Act, 2013. India Ratings is not your advisor, nor is India Ratings providing to you or any other party any financial advice, or any legal, auditing, accounting, appraisal, valuation or actuarial services. A rating should not be viewed as a replacement for such advice or services. Investors may find India Ratings to be important information, and India Ratings notes that you are responsible for communicating the contents of this letter, and any changes with respect to the rating, to investors."

Undertaking by the Issuer

INVESTORS ARE ADVISED TO READ THE RISK FACTORS CAREFULLY BEFORE TAKING AN INVESTMENT DECISION IN THIS ISSUE. FOR TAKING AN INVESTMENT DECISION, INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE ISSUER AND THE OFFER INCLUDING THE RISKS INVOLVED. THE NCDs HAVE NOT BEEN RECOMMENDED OR APPROVED BY ANY REGULATORY AUTHORITY IN INDIA, INCLUDING THE SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI) NOR DOES SEBI GUARANTEE THE ACCURACY OR ADEQUACY OF THIS DOCUMENT. SPECIFIC ATTENTION OF INVESTORS IS INVITED TO THE STATEMENT OF THE "RISK FACTORS" CHAPTER ON PAGE 19 OF THIS PROSPECTUS.

OUR COMPANY, HAVING MADE ALL REASONABLE INQUIRIES, ACCEPTS RESPONSIBILITY FOR, AND CONFIRMS THAT THIS PROSPECTUS CONTAINS ALL INFORMATION WITH REGARD TO THE ISSUER AND THE ISSUE, THAT THE INFORMATION CONTAINED IN THIS PROSPECTUS IS TRUE AND CORRECT IN ALL MATERIAL ASPECTS AND IS NOT MISLEADING IN ANY MATERIAL RESPECT, THAT THE OPINIONS AND INTENTIONS EXPRESSED HEREIN ARE HONESTLY HELD AND THAT THERE ARE NO OTHER FACTS, THE OMISSION OF WHICH MAKE THIS PROSPECTUS AS A WHOLE OR ANY OF SUCH INFORMATION OR THE EXPRESSION OF ANY SUCH OPINIONS OR INTENTIONS MISLEADING IN ANY MATERIAL RESPECT.

OUR COMPANY HAS NO SIDE LETTER WITH ANY DEBT SECURITIES HOLDER EXCEPT THE ONE(S) DISCLOSED IN THIS PROSPECTUS. ANY COVENANTS LATER ADDED SHALL BE DISCLOSED ON THE STOCK EXCHANGES WEBSITES WHERE THE DEBT IS LISTED.

OUR COMPANY DECLARES THAT NOTHING IN THIS PROSPECTUS IS CONTRARY TO THE PROVISIONS OF COMPANIES ACT, 2013 (18 OF 2013), THE SECURITIES CONTRACTS (REGULATION) ACT, 1956 AND THE SECURITIES AND EXCHANGE BOARD OF INDIA ACT, 1992 AND THE RULES AND REGULATIONS MADE THEREUNDER.

Disclosures in accordance with the DT Master Circular

Appointment of Debenture Trustee

The Company has appointed the Debenture Trustee in accordance with the terms of the Debenture Trustee Agreement.

Debenture Trustee Agreement

Our Company has entered into a Debenture Trustee Agreement with the Debenture Trustee which provides for, inter alia, the following terms and conditions:

Fees charged by Debenture Trustee

Separately, the Company and the Debenture Trustee have agreed the payment of an acceptance fee of ₹ 1,10,000.00 plus applicable taxes and a service charge of ₹ 50,000.00 on an annual basis, plus applicable taxes in terms of the letter dated 25th December'2024.

Debenture Trustee Agreement provides for, inter alia, the following terms and conditions:

1. The Debenture Trustee, either through itself or its agents /advisors/consultants, shall carry out requisite diligence on continuous basis to verify the status of encumbrance and valuation of the assets and whether all permissions or consents (if any) as may be required to create the security as stipulated in the Debenture Trust Deed, has been obtained. For the purpose of carrying out the due diligence as required under applicable law, the Debenture Trustee, either through itself or its agents /advisors/consultants, shall have the power to examine the books of account of the Company and to have the Company's assets inspected by its officers and/or external auditors, valuers, consultants, lawyers, technical experts or management consultants appointed by the Debenture Trustee. Prior to appointment of any agents, advisors, consultants, the Debenture Trustee shall obtain necessary confirmation from the said agents, advisors or consultants that they do not have any conflict-of-interest in conducting the diligence under the transaction and that they shall abide by the confidentiality obligations similar to those of the Debenture Trustee therein.

2. The Company shall provide all assistance to the Debenture Trustee to enable verification from the ROC, sub-registrar of assurances (as applicable), Central Registry of Securitization Asset Reconstruction and Security Interest of India ("**CERSAI**"), depositories, information utility ("**IU**") registered with Insolvency and Bankruptcy Board of India ("**IBBI"**) or any other authority, as may be required, where the assets and/or encumbrances in relation to the assets of the Company or any third-party security provider for securing the Debentures, are registered / disclosed.

3. Further, in the event that existing charge holders or any trustee on behalf of the existing charge holders, have provided conditional consent / permissions to the Company to create further charge on the assets, the Debenture Trustee shall also have the power to verify such conditions by reviewing the relevant transaction

documents or any other documents executed between existing charge holders and the Company. The Debenture Trustee shall also have the power to intimate the existing charge holders about proposal of creation of further encumbrance and seeking their comments/ objections, if any.

4. Without prejudice to the aforesaid, the Company shall ensure that it provides and procures all information, representations, confirmations and disclosures as may be required in the sole discretion of the Debenture Trustee to carry out the requisite diligence in connection with the issuance and allotment of the Debentures, in accordance with applicable law.

5. The Debenture Trustee shall have the power to independently appoint intermediaries, valuers, chartered accountant firms, practicing company secretaries, consultants, lawyers and other entities in order to assist in the diligence by the Debenture Trustee. All costs, charges, fees and expenses that are associated with and incurred in relation to the diligence as well as preparation of the reports/certificates/documentation, including all out of pocket expenses towards legal or inspection costs, traveling and other costs shall be solely borne by the Company.

6. The Debenture Trustee shall make the disclosures on its website as specified under Chapter VII of the Debenture Trustee Master Circular.

7. The Debenture Trustee shall take necessary steps to bring the Investor Charter, as provided in SEBI Circular No.: SEBI/HO/MIRSD/MIRSD_CRADT/P/CIR/2021/675 dated November 30, 2021:

   (i) Disseminating the investor charter on their website through e-mail;
   (ii) Displaying the investor charter at prominent places in offices etc.

8. The Debenture Trustee shall intimate stock exchange and depositories the status of payment of debt securities within 9 working days of the maturity / redemption date, in case the issuer fails to intimate the status of payment of the debt securities within stipulated timelines, then debenture trustee(s) shall seek status of payment from issuer and/ or conduct independent assessment (from banks, investors, rating agencies, etc.) to determine the same.

Terms of carrying out due diligence

As per the SEBI master circular bearing reference number SEBI/HO/DDHS-PoD3/P/CIR/2024/46 titled "Master Circular for Debenture Trustees" dated May 16, 2024, the Debenture Trustee is required to exercise independent due diligence to ensure that the assets of the Issuer are sufficient to discharge the interest and principal amount with respect to the debt securities of the Issuer at all times.

Accordingly, the Debenture Trustee shall exercise due diligence as per the following process, for which our Company has consented to.

(a) The Debenture Trustee, either through itself or its agents /advisors/consultants, shall carry out requisite diligence on continuous basis to verify the status of encumbrance and valuation of the assets and whether all permissions or consents (if any) as may be required to create the security as stipulated in this Prospectus and the Applicable Laws, has been obtained. For the purpose of carrying out the due diligence as required in terms of the Applicable Laws, the Debenture Trustee, either through itself or its agents /advisors/consultants, shall have the power to examine the books of account of the Company and to have the Company's assets inspected by its officers and/or external auditors/valuers/consultants/lawyers/ technical-experts/management consultants appointed by the Debenture Trustee.

(b) The Company shall provide all assistance to the Debenture Trustee to enable verification from the registrar of companies, sub-registrar of assurances (as applicable), CERSAI, depositories, information utility or any other authority, as may be required, where the assets and/or prior encumbrances in relation to the assets proposed to secure the NCDs, whether owned by the Company or any other person, are registered / disclosed.

(c) Further, in the event that existing charge holders or the concerned trustee on behalf of the existing charge holders, have provided conditional consent / permissions to the Company to create further charge on the assets, the Debenture Trustee shall also have the power to verify such conditions by reviewing the relevant transaction documents or any other documents executed between existing charge holders and the Company.

The Debenture Trustee shall also have the power to intimate the existing charge holders about proposal of creation of further encumbrance and seeking their comments/ objections, if any.

(d) Without prejudice to the aforesaid, the Company shall ensure that it provides and procures all information, representations, confirmations and disclosures as may be required in the sole discretion of the Debenture Trustee to carry out the requisite diligence in connection with the issuance and allotment of the NCDs, in accordance with the Applicable Laws.

(e) The Debenture Trustee shall have the power to either independently appoint or direct the Company to (after consultation with the Debenture Trustee) appoint intermediaries, valuers, chartered accountant firms, practicing company secretaries, consultants, lawyers and other entities in order to assist in the diligence by the Debenture Trustee. All costs, charges, fees and expenses that are associated with and incurred in relation to the diligence as well as preparation of the reports/certificates/documentation, including all out of pocket expenses towards legal or inspection costs, travelling and other costs, shall be solely borne by the Company.

In addition to the above terms of carrying out the due diligence, the Debenture Trustee Agreement provides for, inter alia, the following terms and conditions:

(a) The Company undertakes to promptly furnish all and any information as may be required by the Debenture Trustee in terms of the Companies Act and the Debenture Trust Deed on a regular basis, including without limitation the following documents, as may be applicable;

(b) The Debenture Trustee does not have the obligations of a borrower or a principal debtor or a guarantor as to the monies paid/invested by investors for the NCDs.

Process of Due Diligence to be carried out by the Debenture Trustee

Due Diligence will be carried out as per SEBI (Debenture Trustees) Regulations, 1993, SEBI NCS Regulations, as amended and circulars issued by SEBI from time to time. This would broadly include the following:

(a) An independent chartered accountant ("CA") appointed by Debenture Trustee will conduct independent due diligence as per scope provided, regarding security offered by the Issuer.

(b) CA will ascertain, verify, and ensure that the assets offered as security by the Issuer are free from any encumbrances or necessary permission / consent / NOC has been obtained from all existing charge holders.

(c) CA will conduct independent due diligence on the basis of data / information provided by the Issuer.

(d) CA will, periodically undertake due diligence as envisaged in SEBI circulars depending on the nature of security.

(e) On basis of the CA's report / finding Due Diligence certificate will be issued by Debenture Trustee and will be filed with relevant Stock Exchanges.

(f) Due Diligence conducted is premised on data / information made available to the Debenture Trustee appointed agency and there is no onus of responsibility on Debenture Trustee or its appointed agency for any acts of omission / commission on the part of the Issuer.

While the NCDs are secured as per terms of the Offer Document and charge is held in favor of the Debenture Trustee, the extent of recovery would depend upon realization of asset value and the Debenture Trustee in no way guarantees / assures full recovery / partial of either principal or interest.

Other confirmations

The Debenture Trustee undertakes that the NCDs shall be considered as secured only if the charged asset is registered with sub-registrar and Registrar of Companies or CERSAI or depository, etc., as applicable, or is independently verifiable by the Debenture Trustee.

The Debenture Trustee confirms that they have undertaken the necessary due diligence in accordance with applicable law, including the SEBI (Debenture Trustees) Regulations, 1993, read with the DT Master Circular.

MITCON CREDENTIA TRUSTEESHIP SERVICES LIMITED HAVE FURNISHED TO STOCK EXCHANGES A DUE DILIGENCE CERTIFICATE DATED MARCH 20, 2025 AS PER THE FORMAT SPECIFIED IN ANNEX-IIA OF DT MASTER CIRCULAR AND SCHEDULE IV OF SEBI NCS REGULATIONS WHICH READS AS FOLLOWS:

1. **WE HAVE EXAMINED DOCUMENTS PERTAINING TO THE SAID ISSUE AND OTHER SUCH RELEVANT DOCUMENTS, REPORTS AND CERTIFICATIONS.**
2. **ON THE BASIS OF SUCH EXAMINATION AND OF THE DISCUSSIONS WITH THE ISSUER, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES AND ON INDEPENDENT VERIFICATION OF THE VARIOUS RELEVANT DOCUMENTS, REPORTS AND CERTIFICATIONS, WE CONFIRM THAT:**

   A. THE ISSUER HAS MADE ADEQUATE PROVISIONS FOR AND/OR HAS TAKEN STEPS TO PROVIDE FOR ADEQUATE SECURITY FOR THE DEBT SECURITIES TO BE ISSUED.

   B. THE ISSUER HAS OBTAINED THE PERMISSIONS / CONSENTS NECESSARY FOR CREATING SECURITY ON THE SAID PROPERTY(IES).

   C. THE ISSUER HAS MADE ALL THE RELEVANT DISCLOSURES ABOUT THE SECURITY AND ALSO ITS CONTINUED OBLIGATIONS TOWARDS THE HOLDERS OF DEBT SECURITIES.

   D. ISSUER HAS ADEQUATELY DISCLOSED ALL CONSENTS / PERMISSIONS REQUIRED FOR CREATION OF FURTHER CHARGE ON ASSETS IN OFFER DOCUMENT OR PRIVATE PLACEMENT MEMORANDUM/ INFORMATION MEMORANDUM AND ALL DISCLOSURES MADE IN THE OFFER DOCUMENT OR PRIVATE PLACEMENT MEMORANDUM/ INFORMATION MEMORANDUM WITH RESPECT TO CREATION OF SECURITY ARE IN CONFIRMATION WITH THE CLAUSES OF DEBENTURE TRUSTEE AGREEMENT.

   E. ISSUER HAS DISCLOSED ALL COVENANTS PROPOSED TO BE INCLUDED IN DEBENTURE TRUST DEED (INCLUDING ANY SIDE LETTER, ACCELERATED PAYMENT CLAUSE ETC.), OFFER DOCUMENT / PRIVATE PLACEMENT MEMORANDUM / INFORMATION MEMORANDUM.

   F. ISSUER HAS GIVEN AN UNDERTAKING THAT CHARGE SHALL BE CREATED IN FAVOUR OF DEBENTURE TRUSTEE AS PER TERMS OF ISSUE BEFORE FILING OF LISTING APPLICATION.

   G. ALL DISCLOSURES MADE IN THE DRAFT OFFER DOCUMENT / PRIVATE PLACEMENT MEMORANDUM / INFORMATION MEMORANDUM WITH RESPECT TO THE DEBT SECURITIES ARE TRUE, FAIR AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELL-INFORMED DECISION AS TO THE INVESTMENT IN THE PROPOSED ISSUE.

   H. WE HAVE SATISFIED OURSELVES ABOUT THE ABILITY OF THE ISSUER TO SERVICE THE DEBT SECURITIES.

Our Company undertakes that it shall submit the due diligence certificate from Debenture Trustee to the Stock Exchanges as per format specified under Annexure II A of the DT Master Circular and under Schedule IV of the SEBI NCS Regulations.

Debenture Trust Deed

Our Company and the Debenture Trustee will execute a Debenture Trust Deed, inter alia, specifying the powers, authorities and obligations of the Debenture Trustee and us, as per the extant SEBI regulations applicable for the proposed NCD Issue.

Track record of past public issues handled by the Lead Manager

The track record of past issues handled by the Lead Manager, as required by SEBI circular number CIR/MIRSD/1/2012 dated January 10, 2012, is available at the following website:

Name of Lead Manager	Website
Tipsons Consultancy Services Private Limited	https://www.tipsons.com/

Listing

An application will be made to the Stock Exchanges for permission to deal in and for an official quotation of our NCDs. NSE has been appointed as the Designated Stock Exchange.

If permissions to deal in and for an official quotation of our NCDs are not granted by the Stock Exchange, our Company will forthwith repay, without interest, all moneys received from the Applicants in pursuance of this Prospectus. Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at the Stock Exchange mentioned above are taken within 6 (six) Working Days from the date of closure of the Issue. For the avoidance of doubt, it is hereby clarified that in the event of under subscription, the NCDs shall not be listed.

Our Company shall pay interest at 15% (fifteen) per annum if allotment is not made and refund orders/allotment letters are not dispatched and/or demat credits are not made to investors within five Working Days of the Issue Closing Date or date of refusal of the Stock Exchange(s), whichever is earlier. In case listing permission is not granted by the Stock Exchange(s) to our Company and if such money is not repaid within the day our Company becomes liable to repay it on such account, our Company and every officer in default shall, on and from expiry of such date, be liable to repay the money with interest at the rate of 15% per annum as prescribed under Rule 3 of Companies (Prospectus and Allotment of Securities) Rules, 2014 read with Section 26 of the 2013 Act, provided that the beneficiary particulars relating to such Applicants as given by the Applicants is valid at the time of the upload of the demat credit.

Consents

Consents in writing of: (a) our Directors, (b) Company Secretary and Compliance Officer, (c) Chief Financial Officer, (d) Lead Manager, (e) the Registrar to the Issue, (f) the Debenture Trustee to the Issue, (g) Legal Advisor to the Issue, (h) Credit Rating Agency, (j) Care Analytics & Advisory Private Limited in relation to use of the contents of the industry report, (k) Consortium Member, (l) Public Issue Account Bank, Refund Bank and Sponsor Bank, (m) lenders, wherever applicable, (n) Statutory Auditors, to act in their respective capacities, have been obtained and will be filed along with a copy of the Prospectus with the RoC as required under Section 26 of the Companies Act, 2013. Further, such consents have not been withdrawn up to the time of delivery of this Prospectus with the Stock Exchanges.

Expert Opinion

Except the following, our Company has not obtained any expert opinions in connection with this Prospectus:

Our Company has received written consent dated March 20, 2025 from M/s. Sharp & Tannan Associates, Chartered Accountants, to include their name as an "expert" (a) for inclusion of their names as the Statutory Auditors and (b) audited financial statements for FY 2023-24 (c) limited review unaudited financial results of six months period ended September 30, 2024 and quarter and nine month ended December 31, 2024, and has not withdrawn such consent and the same will be filed along with a copy of this Prospectus.

Our Company has received written consent dated March 20, 2025 from Maheshwari & Co., Chartered Accountants, to include their name as an "expert" for (a) inclusion of their names as the Independent Chartered Accountant and (b) the statement of possible tax benefits available to the debenture holders dated March 20, 2025, in this Prospectus, and has not withdrawn such consent and the same will be filed along with a copy of this Prospectus.

The above experts are not, and have not been, engaged or interested in the formation or promotion or management, of the Company and have given their written consent to the Company as stated in the paragraph above and has not withdrawn such consent before the filing of this Prospectus with the Stock Exchanges.

Common form of Transfer

The Issuer undertakes that there shall be a common form of transfer for the NCDs and the provisions of the Companies Act, 2013 and all applicable laws shall be duly complied with in respect of all transfer of debentures and registration thereof.

Minimum Subscription

In terms of the SEBI NCS Regulations for an issuer undertaking a public issue of debt securities the minimum subscription for public issue of debt securities shall be 75% of the Base Issue Size. If our Company does not receive the minimum subscription of 75% of the Base Issue Size being ₹ 7,500 lakh, prior to the Issue Closing Date, the entire Application Amount shall be unblocked in the relevant ASBA Accounts of the Applicants within eight Working Days from the Issue Closing Date or such time as maybe specified by SEBI. In the event there is a delay by our Company in unblocking the Application Amount within the prescribed time limit, our Company shall be liable to repay the money, with interest at the rate of 15 % per annum for the delayed period.

Under Section 39(3) of the Companies Act, 2013 read with Rule 11(2) of the Companies (Prospectus and Allotment of Securities) Rules, 2014 if the stated minimum subscription amount is not received within the specified period, the application money received is to be credited only to the bank account from which the subscription was remitted. To the extent possible, where the required information for making such refunds is available with our Company and/or Registrar, refunds will be made to the account prescribed. However, where our Company and/or Registrar does not have the necessary information for making such refunds, our Company and/or Registrar will follow the guidelines prescribed by SEBI in this regard included in the SEBI Master Circular.

Filing of the Draft Prospectus

Copy of the Draft Prospectus has been filed with the Stock Exchanges in terms of Regulation 27 of the SEBI NCS Regulations for dissemination on their website. The Draft Prospectus has also been displayed on the website of the Company and the Lead Manager. The Draft Prospectus has also been submitted with SEBI for record purpose.

Filing of the Prospectus with the RoC

A copy of this Prospectus has been filed with the RoC, in accordance with Section 26 of Companies Act, 2013.

Debenture Redemption Reserve

In accordance with the Companies Act, 2013, and the Companies (Share Capital and Debentures) Rules 2014, read with Rule 16 of the SEBI NCS Regulations, any non-banking finance company registered with Reserve Bank of India under section 45- IA of the RBI Act, 1934 that intends to issue debentures to the public are no longer required to create a DRR for the purpose of redemption of debentures.

Pursuant to the amendment to the Companies (Share Capital and Debentures) Rules, 2014, notified on August 16, 2019, and as on the date of filing this Prospectus, our Company is not required to create DRR for the purpose of redemption of the NCDs. Accordingly, no debenture redemption reserve shall be created by our Company for the purpose of redemption of the NCDs or in connection with the Issue. The Company shall, as per the Companies (Share Capital and Debentures) Rules 2014 and other laws applicable from time to time, invest or deposit, as the case may be, the applicable amounts, within the specified timelines, in respect of debentures maturing during the year ending on the 3lst day of March of the next year, in any one or more methods of investments or deposits stipulated under the applicable law. Provided that the amount remaining invested or deposited, as the case may be, shall not at any time fall below the specified percentage, which is presently stipulated at 15% fifteen percent) of the amount of the debentures maturing during the year ending on March 31 of the next year, in any of the following instruments or such other instruments as may be permitted under the applicable laws.

a) in deposits with any scheduled bank, free from any charge or lien
b) in unencumbered securities of the Central Government or any State Government;
c) in unencumbered securities mentioned in sub-clause (a) to (d) and (ee) of section 20 of the Indian Trusts Act, 1882;
d) in unencumbered bonds issued by any other company which is notified under sub-clause (f) of section 20 of the Indian Trusts Act, 1882:

Provided further that the amount invested or deposited as above shall not be used for any purpose other than for redemption of debentures maturing during the year referred above.

Recovery Expense Fund

The recovery expense fund has been created by our Company in the manner as specified by SEBI in DT Master Circular and Regulation 11 of SEBI NCS Regulations with the Designated Stock Exchange and informed the Debenture Trustee regarding the creation of such fund. The recovery expense fund may be utilised by Debenture Trustee, in the event of default by our Company under the terms of the Debenture Trust Deed, for taking appropriate legal action to enforce the security. Kindly note, any default committed by the Company in terms of the NCDs proposed to be issued shall be reckoned at the International Securities Identification Number level assigned to the NCDs issued under the Issue.

Issue related expenses

The expenses of this Issue include, inter alia, lead management fees and selling commission to the Lead Manager, Consortium Member, fees payable to the debenture trustee, the Registrar to the Issue, SCSBs' commission/ fees, printing and distribution expenses, legal fees, advertisement expenses and listing fees. The Issue expenses and listing fees will be paid by our Company. For details of Issue related expenses, see "*Objects of the Issue*" on page 91.

Underwriting

This Issue will not be underwritten.

Revaluation of Assets

Our Company has not revalued its loan assets in the last three Financial Years.

Group Refusal of listing of any security of the issuer during preceding three years by any of the Stock Exchanges in India or abroad

There has been no refusal of listing of any security of our Company during the preceding three years prior to the date of this Prospectus by any Stock Exchanges in India.

Reservation

No portion of this Issue has been reserved.

Utilisation of Issue Proceeds

1. All monies received pursuant to the issue of NCDs to public shall be transferred to a separate bank account as referred to in sub-section (3) of section 40 of the Companies Act, 2013 and the SEBI NCS Regulations, and our Company will comply with the conditions as stated therein, and these monies will be transferred to Company's bank account after receipt of listing and trading approvals;

2. The allotment letter shall be issued, or application money shall be refunded in accordance with the Applicable Law failing which interest shall be due to be paid to the applicants at the rate of 15% per annum for the delayed period;

3. Details of all monies utilised shall be disclosed under an appropriate separate head in our Balance Sheet indicating the purpose for which such monies had been utilised;

4. Details of all unutilised monies out of issue of NCDs, if any, shall be disclosed and continued to be disclosed under an appropriate separate head in our Balance Sheet till the time any part of the proceeds of the Issue remains unutilised indicating the form of financial assets in which such unutilised monies have been invested;

5. The Issue proceeds shall not be utilised towards full or part consideration for the purchase or any other acquisition, inter alia, by way of a lease, of any immovable property including indirect acquisition of immoveable property for which advances have been paid to third parties, or in the purchase of any business

or in the purchase of an interest in any business or anything to be done in consequence thereof, or in connection therewith the company shall become entitled to an interest in either the capital or profits and losses or both, in such business exceeding fifty per cent.

6. We shall utilise the Issue proceeds only after (i) receipt of minimum subscription, i.e., 75% of the Base Issue Size pertaining to the Issue; (ii) completion of Allotment and refund process in compliance with Section 40 of the Companies Act, 2013; (iii) creation of security; (iv) obtaining requisite permissions or consents for creation of first charge over assets sought to be provided as Security; (v) obtaining listing and trading approval as stated in this Prospectus in "*Issue Structure*" on page 218.

7. The Issue proceeds shall be utilised in compliance with various guidelines, regulations and clarifications issued by RBI, SEBI or any other statutory authority from time to time. Further the Issue proceeds shall be utilised only for the purpose and objects stated in the Offer Documents; and

8. If Allotment is not made, application monies will be refunded / unblocked in the ASBA Accounts within 6 Working days from the Issue Closing Date or such lesser time as specified by SEBI, failing which interest will be due to be paid to the Applicants in accordance with applicable laws.

Previous Issue(s)

Public issue/Private Placement of Equity Shares

Except as disclosed below, our Company have not undertaken any public issue of Equity Shares in the preceding three financial years and current financial years.

Private Placement

1. Pursuant to the offer letter dated May 12, 2023, our Company issued 1,52,38,095 Equity Shares of face value of ₹ 10 each at a price of ₹ 157.50 per equity share, including a premium of ₹ 147.50 per equity share, aggregating up to ₹ 24,000 lakh on a preferential basis.

2. Pursuant to offer letter dated June 04, 2024, our Company issued 97,70,757 compulsory convertible debentures of face value ₹ 10 per CCD aggregating to ₹ 25,795 lakh and 3,81,32,474 convertible warrants of face value ₹ 10 per share warrant aggregating to ₹ 1,00,670 lakh on preferential basis.

Qualified institutional placement

1. Pursuant to the placement document dated April 13, 2023, our Company issued 66,11,325 Equity Shares of face value ₹ 10 per equity share aggregating to ₹ 10,049.21 lakh by way of qualified institutional placement ("**QIP**").

Rights issue

Our Company have not undertaken any rights issue of Equity Shares in the preceding three years. For details in relation to the public issues of Equity Shares undertaken by our Group Company, see "*Utilisation details of previous issues*" on page 337.

Previous issues of non-convertible debentures for the last three financial years and current financial year

Utilisation details of previous issues

Previous preferential allotment of equity shares of the Company

Sr. No.	Description of instrument	Date of Opening	Date of Closing	Total issue size (₹ in lakh)	Amount raised in the issue (₹ in lakh)	Date of Allotment	Date of Listing	Purpose for the issuance and the proceeds have been utilised for	Unutilised Amount (₹ in lakh)

1	Equity shares bearing ISIN No. INE583 D01011 allotted on Preferential Basis	-	-	24,000.00	24,000.00	17-May-23	24-May-23	The Company intends to utilize the Gross Proceeds from this Preferential Issue towards the growth of MSME loan portfolio of the Company.	Nil
2	Equity shares bearing ISIN No. INE583 D01011 allotted under Qualified Institutional Placement	10-April-23	13-Apr-23	10,049.21	10,049.21	13-Apr-23	17-Apr-23	1. Augmenting our long-term resources for meeting onward-lending/ funding requirements of our business activities; and 2. General corporate purposes	Nil
3	Equity shares bearing ISIN No. INE583 D01011 allotted pursuant to conversion of Compulsory Convertible Debentures (CCDs)	N.A.	N.A.	N.A.	N.A.	11-Sep-24	Listing approval received on 30-Oct-24 & Trading approval received on 01-Jan-25	The Company shall utilize at least 80% of the proceeds of the preferential issue towards the growth of loan portfolio of the Company, at least 15% of the proceeds of the preferential issue towards repayment of debt obligations of the Company and 5% of the proceeds of the preferential issue towards general corporate	Nil

								purposes, within one year from the receipt of the funds.	
4	Equity shares bearing ISIN No. INE583D01011 allotted pursuant to conversion of Warrants	N.A.	N.A.	N.A.	375.00 (Balance 75% of the consideration payable at the time of exercise of option to convert warrants)	09-Dec-24	Listing approval received on 05-Mar-25 & trading approval received on 18-Mar-25	The Company shall utilize at least 80% of the proceeds of the preferential issue towards the growth of loan portfolio of the Company, at least 15% of the proceeds of the preferential issue towards repayment of debt obligations of the Company and 5% of the proceeds of the preferential issue towards general corporate purposes, within one year from the receipt of the funds.	Nil

Previous preferential issues (through private placement) of compulsory convertible debentures and convertible warrants by the Company

Sr. No.	Description of instrument	Date of Opening	Date of Closing	Total issue size (₹ in lakh)	Amount raised in the Issue (₹ in lakh)	Date of Allotment	Date of Listing	Purpose for the issuance and the proceeds have been utilised for	Unutilised Amount (₹ in lakh)
1	Compulsory Convertible Debentures bearing ISIN	04-Jun-24	17-Jun-24	26,755.29	24,384.81	06-Jun-24	N.A.	The Company shall utilize at	Nil

Sr. No.	Description of instrument	Date of Opening	Date of Closing	Total issue size (₹ in lakh)	Amount raised in the Issue (₹ in lakh)	Date of Allotment	Date of Listing	Purpose for the issuance and the proceeds have been utilised for	Unutilised Amount (₹ in lakh)
	No. INE583D08065							least 80% of the proceeds of the preferential issue towards the growth of loan portfolio of the Company, at least 15% of the proceeds of the preferential issue towards repayment of debt obligations of the Company and 5% of the proceeds of the preferential issue towards general corporate purposes, within one year from the receipt of the funds.	

Sr. No.	Description of instrument	Date of Opening	Date of Closing	Total issue size (₹ in lakh)	Amount raised in the Issue (₹ in lakh)	Date of Allotment	Date of Listing	Purpose for the issuance and the proceeds have been utilised for	Unutilised Amount (₹ in lakh)
2	Compulsory Convertible Debentures bearing ISIN No. INE583D08073	04-Jun-24	17-Jun-24		1,409.99	18-Jun-24	N.A.	The Company shall utilize at least 80% of the proceeds of the preferential issue towards the growth of loan portfolio of the Company, at least 15% of the proceeds of the preferential issue towards repayment of debt obligations of the Company and 5% of the proceeds of the preferential issue towards general corporate purposes, within one year from the receipt of the funds.	

Sr. No.	Description of instrument	Date of Opening	Date of Closing	Total issue size (₹ in lakh)	Amount raised in the Issue (₹ in lakh)	Date of Allotment	Date of Listing	Purpose for the issuance and the proceeds have been utilised for	Unutilised Amount (₹ in lakh)
3	Convertible Warrants bearing ISIN No. INE583D13024	04-Jun-24	17-Jun-24	1,02,870.22	11,644.94*	06-Jun-24	N.A.	The Company shall utilize at least 80% of the proceeds of the preferential issue towards the growth of loan portfolio of the Company, at least 15% of the proceeds of the preferential issue towards repayment of debt obligations of the Company and 5% of the proceeds of the preferential issue towards general corporate purposes, within one year from the receipt of	Nil

Sr. No.	Description of instrument	Date of Opening	Date of Closing	Total issue size (₹ in lakh)	Amount raised in the Issue (₹ in lakh)	Date of Allotment	Date of Listing	Purpose for the issuance and the proceeds have been utilised for	Unutilised Amount (₹ in lakh)
								the funds.	
4	Convertible Warrants bearing ISIN No. INE583D13032	04-Jun-24	17-Jun-24		13,522.50*	18-Jun-24	N.A.	The Company shall utilize at least 80% of the proceeds of the preferential issue towards the growth of loan portfolio of the Company, at least 15% of the proceeds of the preferential issue towards repayment of debt obligations of the Company and 5% of the proceeds of the preferential issue towards general corporate purposes, within one year from the	

Sr. No.	Description of instrument	Date of Opening	Date of Closing	Total issue size (₹ in lakh)	Amount raised in the Issue (₹ in lakh)	Date of Allotment	Date of Listing	Purpose for the issuance and the proceeds have been utilised for	Unutilised Amount (₹ in lakh)
								receipt of the funds.	

Note: Amount raised is 25% of subscription amount and the remaining 75% of subscription amount shall be received by the Company upon the exercise / conversion of the Warrant by the allottee, in accordance with the terms of their issuance.

Previous private placement of non-convertible debentures by the Company

Sr. No.	Description of instrument	Date of Opening	Date of Closing	Total issue size (₹ in lakh)	Date of Allotment	Date of Listing	Purpose of utilisation of proceeds	Unutilised Amount (₹ in lakh)
1	Privately placed Secured Non-Convertible Debentures bearing ISIN No. INE583D07554	19-Feb-25	19-Feb-25	26,000.00	20-Feb-25	21-Feb-25	1. At least 30% of the Debentures Subscription Amount shall be utilized towards providing financing to women-owned or women-led SMEs in compliance with the 2X Challenge Criteria. 2. At least 30% of the Debentures Subscription Amount shall be utilized towards providing financing to youth-owned or youth-led SMEs. 3. At least 30% of the Debentures Subscription Amount shall be utilized towards providing micro loans to sub borrowers. 4. At least 10% of the Debentures Subscription Amount shall be utilized towards providing financing to rural SMEs falling under the category of "Tier 3+" cities in	Unutilised Please refer note*

Sr. No.	Description of instrument	Date of Opening	Date of Closing	Total issue size (₹ in lakh)	Date of Allotment	Date of Listing	Purpose of utilisation of proceeds	Unutilised Amount (₹ in lakh)
							accordance with the circulars issued by the relevant Governmental Authorities categorizing Central Public Sector Enterprises (CPSEs).	
2	Privately placed Secured Non-Convertible Debentures bearing ISIN No. INE583D07547	06-Feb-25	06-Feb-25	5,000.00	07-Feb-25	11-Feb-25	1. General corporate purposes 2. For the ordinary course of business of the Issuer including repayment/re-financing of existing debt	Nil
3	Privately placed Secured Non-Convertible Debentures bearing ISIN No. INE583D07539	29-Jan-25	29-Jan-25	7,500.00	30-Jan-25	31-Jan-25	1. General corporate purposes 2. For the ordinary course of business of the Issuer including repayment/re-financing of existing debt	Nil
4	Privately placed Secured Non-Convertible Debentures bearing ISIN No. INE583D07497	10-Jul-24	10-Jul-24	7,500.00	11-Jul-24	15-Jul-24	The proceeds of the issuance will be utilised for the following purposes: 1. General corporate purposes 2. For the ordinary course of business of the issuer including repayment/re-financing of existing debt.	Nil
5	Privately placed Secured Non-Convertible	02-Jul-24	02-Jul-24	5,000.00	03-Jul-24	05-Jul-24	The proceeds of the issuance will be utilised for the following purposes: 1. General corporate purposes	Nil

Sr. No.	Description of instrument	Date of Opening	Date of Closing	Total issue size (₹ in lakh)	Date of Allotment	Date of Listing	Purpose of utilisation of proceeds	Unutilised Amount (₹ in lakh)
	Debentures bearing ISIN No. INE583D07489						2. For the ordinary course of business of the issuer including repayment/re-financing of existing debt.	
6	Privately placed Secured Non-Convertible Debentures bearing ISIN No. INE583D07471	25-Jun-24	25-Jun-24	3,500.00	25-Jun-24	27-Jun-24	The Debentures shall be raised and utilised for onward lending purposes (excluding any operating expenses of the company).	Nil
7	Privately placed Secured Non-Convertible Debentures bearing ISIN No. INE583D08057	14-Mar-24	14-Mar-24	3,500.00	15-Mar-24	19-Mar-24	The funds raised by the Issue shall be utilized by the Issuer for the following purposes ("Purpose"): (i) to augmenting the Issuer's Tier 2 Capital; and (ii) for general corporate purposes of the Issuer.	Nil
8	Privately placed Secured Non-Convertible Debentures bearing ISIN No. INE583D07422	30-Jan-24	30-Jan-24	24,990.00	30-Jan-24	Unlisted -	a. The Issuer shall utilize the amounts received towards subscription of the Debentures for the following purposes ("Purposes"): (i) at least 75% (Seventy Five Percent) of the subscription amount will be used for funding loans to be made to micro, small and medium enterprises (MSMEs) that are owned or co-owned by the women or are led by women or where women are coborrowers; and (ii) at least 40% (Forty Percent) of the subscription amount will be made available to	Nil

Sr. No.	Description of instrument	Date of Opening	Date of Closing	Total issue size (₹ in lakh)	Date of Allotment	Date of Listing	Purpose of utilisation of proceeds	Unutilised Amount (₹ in lakh)
							MSMEs that are operating in the lagging states (i.e. Assam, Bihar, Chhattisgarh, Jharkhand, Madhya Pradesh, Manipur, Meghalaya, Mizoram, Nagaland, Odisha Rajasthan, Sikkim, Tripura, Uttar Pradesh and West Bengal) of India; and (iii) at least 25% of the subscription amount will be used to advance loans to MSMEs for the following purposes: (a) financing solar rooftops installations; or (b) financing energy efficient machinery, where the machinery being considered as energy efficient; and/or (c) such other purposes as may be agreed between the Company and the Investor and more specifically set out in the Transaction Documents.	
9	Privately placed Secured Non-Convertible Debentures bearing ISIN No. INE583D08040	23-Jan-24	23-Jan-24	5,000.00	24-Jan-24	29-Jan-24	for the ordinary course of business of the Issuer including expansion of the Issuer's portfolio; and to originate loans to micro, small and medium enterprises ("MSME") as defined under the (Indian) Micro, Small, Medium Enterprises Development Act, 2006.	Nil
10	Privately placed Secured Non-Convertible Debentures bearing	12-Dec-23	12-Dec-23	24,960.00	12-Dec-23	Unlisted	To meet the funding requirements of the Issuer for growing its Micro Small and Medium Enterprises (MSME) loan portfolio.	Nil

Sr. No.	Description of instrument	Date of Opening	Date of Closing	Total issue size (₹ in lakh)	Date of Allotment	Date of Listing	Purpose of utilisation of proceeds	Unutilised Amount (₹ in lakh)
	ISIN No. INE583D07406							
11	Privately placed Secured Non-Convertible Debentures bearing ISIN No. INE583D07398	08-Nov-23	08-Nov-23	3,000.00	10-Nov-23	15-Nov-23	The funds raised by Issue shall be utilised by the issuer for the purpose of on lending of business loans.	Nil
12	Privately placed Secured Non-Convertible Debentures bearing ISIN No. INE583D07380	25-Sep-23	25-Sep-23	2,800.00	27-Sep-23	Unlisted.	The funds raised by the Issue shall be utilized by the Issuer for the purposes of ordinary course of business of the Company i.e. Onward Lending and not for Operating Expenses	Nil
13	Privately placed Secured Non-Convertible Debentures bearing ISIN No. INE583D07372	18-Sep-23	18-Sep-23	5,000.00	18-Sep-23	20-Sep-23	The funds raised by the Issue shall be utilized by the Issuer for the purposes of ordinary course of business of the Company including repayment / refinancing of any existing debt of the Company and the general corporate purposes of the Company in compliance with Applicable Law	Nil
14	Privately placed Secured Non-Convertible Debentures bearing ISIN No.	06-Jun-23	06-Jun-23	2,500.00	06-Jun-23	08-Jun-23	The funds raised by the Issue shall be utilized by the Issuer for the purposes of onward lending, repayment of existing Financial Indebtedness, and the general corporate purposes of the Issuer in	Nil

Sr. No.	Description of instrument	Date of Opening	Date of Closing	Total issue size (₹ in lakh)	Date of Allotment	Date of Listing	Purpose of utilisation of proceeds	Unutilised Amount (₹ in lakh)
	INE583D07364						compliance with Applicable Law	
15	Privately placed Secured Non-Convertible Debentures bearing ISIN No. INE583D07356	08-Mar-23	08-Mar-23	5,000.00	08-Mar-23	09-Mar-23	1. for on-lending to the Issuer's borrowers and clients that are classified as "micro, small, and medium enterprises" (MSMEs); 2. for general corporate purposes.	Nil
16	Privately placed Secured Non-Convertible Debentures bearing ISIN No. INE583D07349	24-Feb-23	24-Feb-23	2,000.00	24-Feb-23	28-Feb-23	1. for on-lending to the Issuer's borrowers and clients that are classified as "micro, small, and medium enterprises" (MSMEs); 2. for general corporate purposes.	Nil
17	Privately placed Secured Non-Convertible Debentures bearing ISIN No. INE583D07331	19-Dec-22	19-Dec-22	2,500.00	19-Dec-22	22-Dec-22	The funds raised by the Issue shall be utilized by the Issuer for onward lending to MSMEs	Nil
18	Privately placed Secured Non-Convertible Debentures bearing ISIN No. INE583D07273	27-Sep-22	27-Sep-22	5,000.00	27-Sep-22	Reissuance	1. for general corporate purposes of the Issuer; and 2. for utilisation in the ordinary course of business of the Issuer including for repayment or refinancing of existing Financing Indebtedness of the Issuer.	Nil

Sr. No.	Description of instrument	Date of Opening	Date of Closing	Total issue size (₹ in lakh)	Date of Allotment	Date of Listing	Purpose of utilisation of proceeds	Unutilised Amount (₹ in lakh)
19	Privately placed Secured Non-Convertible Debentures bearing ISIN No. INE583D07323	29-Aug-22	29-Aug-22	5,000.00	29-Aug-22	Unlisted	The funds raised by the Issue shall be utilized by the Issuer for onward lending to MSMEs	Nil
20	Privately placed Secured Non-Convertible Debentures bearing ISIN No. INE583D07273	23-Aug-22	23-Aug-22	5,000.00	23-Aug-22	Reissuance	1. for general corporate purposes of the Issuer; and 2. for utilisation in the ordinary course of business of the Issuer including for repayment or refinancing of existing Financing Indebtedness of the Issuer.	Nil
21	Privately placed Secured Non-Convertible Debentures bearing ISIN No. INE583D07281	15-Jul-22	15-Jul-22	2,500.00	15-Jul-22	20-Jul-22	The funds raised by the Issue shall be utilized by the Issuer for the purposes of on-lending to its clients/borrowers.	Nil
22	Privately placed Secured Non-Convertible Debentures bearing ISIN No. INE583D07273	23-May-22	23-May-22	3,000.00	23-May-22	27-May-22	1. for general corporate purposes of the Issuer; and 2. for utilisation in the ordinary course of business of the Issuer including for repayment or refinancing of existing Financing Indebtedness of the Issuer.	Nil
23	Privately placed Secured Non-	29-Mar-22	29-Mar-22	5,000.00	29-Mar-22	Unlisted	1. On-lending / disbursements of loans; and / or	Nil

Sr. No.	Description of instrument	Date of Opening	Date of Closing	Total issue size (₹ in lakh)	Date of Allotment	Date of Listing	Purpose of utilisation of proceeds	Unutilised Amount (₹ in lakh)
	Convertible Debentures bearing ISIN No. INE583D07232						2. Repayment / re-financing of any existing financial indebtedness of the Company	
24	Privately placed Unsecured Non-Convertible Debentures bearing ISIN No. INE583D08024	17-Mar-22	17-Mar-22	1,000.00	17-Mar-22	Unlisted	The funds raised by the Issue shall be utilized by the Company for the purposes of on-lending/disbursements of loans.	Nil
25	Privately placed Secured Non-Convertible Debentures bearing ISIN No. INE583D07224	18-Jan-22	18-Jan-22	2,500.00	19-Jan-22	20-Jan-22	The funds raised by the Issue shall be utilized by the Issuer for the purposes of onward lending to its clients/borrowers	Nil
26	Privately placed Secured Non-Convertible Debentures bearing ISIN No. INE583D07216	10-Jan-22	10-Jan-22	3,500.00	12-Jan-22	14-Jan-22	To meet the funding requirements of the Issuer for growing its Micro Small and Medium Enterprises (MSME) loan portfolio.	Nil
27	Privately placed Secured Non-Convertible Debentures bearing ISIN No.	26-Dec-21	26-Dec-21	2,600.00	29-Dec-21	31-Dec-21	To meet the funding requirements of the Issuer for growing its Micro Small and Medium Enterprises (MSME) loan portfolio.	Nil

Sr. No.	Description of instrument	Date of Opening	Date of Closing	Total issue size (₹ in lakh)	Date of Allotment	Date of Listing	Purpose of utilisation of proceeds	Unutilised Amount (₹ in lakh)
	INE583D07208							
28	Privately placed Secured Non-Convertible Debentures bearing ISIN No. INE583D07190	17-Dec-21	17-Dec-21	4,600.00	17-Dec-21	20-Dec-21	To meet the funding requirements of the Issuer for growing its Micro Small and Medium Enterprises (MSME) loan portfolio.	Nil
29	Privately placed Secured Non-Convertible Debentures bearing ISIN No. INE583D07182	30-Nov-21	30-Nov-21	1,500.00	30-Nov-21	03-Dec-21	1. General corporate purposes 2. In ordinary course of business of the Issuer including repayment/re-financing of existing debt	Nil
30	Privately placed Secured Non-Convertible Debentures bearing ISIN No. INE583D07166	29-Sep-21	29-Sep-21	1,000.00	29-Sep-21	04-Oct-21	1. General corporate purposes 2. In ordinary course of business of the Issuer including repayment/re-financing of existing debt	Nil
31	Privately placed Secured Non-Convertible Debentures bearing ISIN No. INE583D07158	31-Aug-21	31-Aug-21	2,000.00	31-Aug-21	06-Sep-21	1. Onward lending and the general corporate purposes 2. In ordinary course of business of the Issuer including repayment/re-financing of existing debt	Nil

Sr. No.	Description of instrument	Date of Opening	Date of Closing	Total issue size (₹ in lakh)	Date of Allotment	Date of Listing	Purpose of utilisation of proceeds	Unutilised Amount (₹ in lakh)
32	Privately placed Secured Non-Convertible Debentures bearing ISIN No. INE583D07141	06-Aug-21	06-Aug-21	5,000.00	06-Aug-21	12-Aug-21	1. General corporate purposes 2. In ordinary course of business of the Issuer including repayment/re-financing of existing debt	Nil
33	Privately placed Secured Non-Convertible Debentures bearing ISIN No. INE583D07133	20-Jul-21	20-Jul-21	2,000.00	20-Jul-21	26-Jul-21	1. General corporate purposes 2. In ordinary course of business of the Issuer including repayment/re-financing of existing debt	Nil
34	Privately placed Secured Non-Convertible Debentures bearing ISIN No. INE583D07125	25-May-21	25-May-21	2,000.00	25-May-21	31-May-21	1. General corporate purposes 2. In ordinary course of business of the Issuer including repayment/re-financing of existing debt	Nil
35	Privately placed Secured Non-Convertible Debentures bearing ISIN No. INE583D07117	30-Apr-21	30-Apr-21	2,970.00	30-Apr-21	06-May-21	1. General corporate purposes 2. Onward Lending; and 3. Ordinary course of business of the Issuer including repayment/refinancing of existing debt.	Nil

**NCDs allotted on February 20, 2025 – the proceeds will be utilised within agreed utilisation period.*

Previous public issues of non-convertible debentures by the Company

ISIN	Date of Opening	Date of Closing	Total issue size (₹ in lakh)	Amount raised in the Issue (₹ in lakh)	Date of Allotment	Date of Listing	Purpose of Utilisation of Proceeds	Unutilised Amount (₹ in lakh)
INE583D07513	10-Oct-24	18-Oct-24	3,439.42	3,439.42	24-Oct-24	28-Oct-24	a. For the purpose of onward lending and financing business of the Company in the ordinary course of business (including for repayment / refinance of existing debts of the Company)*-At least 75%. b. General corporate purposes - Not exceeding 25%.	Nil
INE583D07521	10-Oct-24	18-Oct-24	6,908.19	6,908.19	24-Oct-24	28-Oct-24	a. For the purpose of onward lending and financing business of the Company in the ordinary course of business (including for repayment / refinance of existing debts of the Company)*-At least 75%. b. General corporate purposes - Not exceeding 25%.	Nil
INE583D07505	10-Oct-24	18-Oct-24	9,652.39	9,652.39	24-Oct-24	28-Oct-24	a. For the purpose of onward lending and financing business of the Company in the ordinary course of business (including for repayment / refinance of existing debts of the Company)*-At least 75%. b. General corporate purposes - Not exceeding 25%.	Nil
INE583D07414	08-Feb-24	21-Feb-24	2,711.93	2,711.93	27-Feb-24	29-Feb-24	a. For the purpose of onward lending and financing business of the Company in the ordinary course of business (including for repayment / refinance of existing debts of the Company)*-At least 75%. b. General corporate purposes - Not exceeding 25%.	Nil
INE583D07430	08-Feb-24	21-Feb-24	6,645.71	6,645.71	27-Feb-24	29-Feb-24	a. For the purpose of onward lending and financing business of the Company in the ordinary course of business (including for repayment / refinance of existing debts of the Company)*-At least 75%. b. General corporate purposes - Not exceeding 25%.	Nil
INE583D07448	08-Feb-24	21-Feb-24	2,585.11	2,585.11	27-Feb-24	29-Feb-24	a. For the purpose of onward lending and financing business of the Company in the ordinary course of business (including for repayment / refinance of existing debts of the Company)*-At least 75%. b. General corporate purposes - Not exceeding 25%.	Nil

ISIN	Date of Opening	Date of Closing	Total issue size (₹ in lakh)	Amount raised in the Issue (₹ in lakh)	Date of Allotment	Date of Listing	Purpose of Utilisation of Proceeds	Unutilised Amount (₹ in lakh)
INE583D07455	08-Feb-24	21-Feb-24	4,641.98	4,641.98	27-Feb-24	29-Feb-24	a. For the purpose of onward lending and financing business of the Company in the ordinary course of business (including for repayment / refinance of existing debts of the Company)*-At least 75%. b. General corporate purposes - Not exceeding 25%.	Nil
INE583D07463	08-Feb-24	21-Feb-24	3,415.27	3,415.27	27-Feb-24	29-Feb-24	a. For the purpose of onward lending and financing business of the Company in the ordinary course of business (including for repayment / refinance of existing debts of the Company)*-At least 75%. b. General corporate purposes - Not exceeding 25%.	Nil
INE583D07299	05-Sep-22	20-Sep-22	3,917.00	3,917.00	26-Sep-22	27-Sep-22	a. For the purpose of onward lending and financing business of the Company in the ordinary course of business (including for repayment / refinance of existing debts of the Company)*-At least 75%. b. General corporate purposes - Not exceeding 25%.	Nil
INE583D07307	05-Sep-22	20-Sep-22	1,155.00	1,155.00	26-Sep-22	27-Sep-22	a. For the purpose of onward lending and financing business of the Company in the ordinary course of business (including for repayment / refinance of existing debts of the Company)*-At least 75%. b. General corporate purposes - Not exceeding 25%.	Nil
INE583D07315	05-Sep-22	20-Sep-22	4,928.00	4,928.00	26-Sep-22	27-Sep-22	a. For the purpose of onward lending and financing business of the Company in the ordinary course of business (including for repayment / refinance of existing debts of the Company)*-At least 75%. b. General corporate purposes - Not exceeding 25%.	Nil
INE583D07240	07-Apr-22	28-Apr-22	2,040.38	2,040.38	05-May-22	06-May-22	a. For the purpose of onward lending and financing business of the Company in the ordinary course of business (including for repayment / refinance of existing debts of the Company)*-At least 75%. b. General corporate purposes - Not exceeding 25%.	Nil

ISIN	Date of Opening	Date of Closing	Total issue size (₹ in lakh)	Amount raised in the Issue (₹ in lakh)	Date of Allotment	Date of Listing	Purpose of Utilisation of Proceeds	Unutilised Amount (₹ in lakh)
INE583D07257	07-Apr-22	28-Apr-22	780.11	780.11	05-May-22	06-May-22	a. For the purpose of onward lending and financing business of the Company in the ordinary course of business (including for repayment / refinance of existing debts of the Company)*-At least 75%. b. General corporate purposes - Not exceeding 25%.	Nil
INE583D07265	07-Apr-22	28-Apr-22	4,401.06	4,401.06	05-May-22	06-May-22	a. For the purpose of onward lending and financing business of the Company in the ordinary course of business (including for repayment / refinance of existing debts of the Company)*-At least 75%. b. General corporate purposes - Not exceeding 25%.	Nil
INE583D07174	08-Nov-21	09-Nov-21	5,000.00	5,000.00	16-Nov-21	27-Nov-21	a. For the purpose of onward lending and financing business of the Company in the ordinary course of business (including for repayment / refinance of existing debts of the Company)*-At least 75%. b. General corporate purposes - Not exceeding 25%.	Nil

Our Company has issued non-convertible debentures by way of various private placements and public issue, for which, our Company has utilised the proceeds from such issuances in accordance with the use of proceeds set out in the respective offer documents and/or information memorandums under which such non-convertible debentures were issued which include, among others, its various financing activities, to repay its existing loans and for its business operations and for general corporate purposes in accordance with the object clause of the Memorandum of Association of our Company.

Further, our company has issued equity shares by way of qualified institutional placement, for which, our Company has utilised the proceeds from such issuance in accordance with the use of proceeds set out in the placement document which includes augmenting our long-term resources for meeting onward-lending/funding requirements of our business activities and for general corporate purposes in accordance with the object clause of the Memorandum of Association of our Company.

Public issue undertaken by our Group Company

As on the date of this Prospectus, we do not have any identifiable Group Companies.

Rights issue by our Group Company

As on the date of this Prospectus, we do not have any identifiable Group Companies.

Previous issues of non-convertible debentures by our Group Company

As on the date of this Prospectus, we do not have any identifiable Group Companies.

Benefit/ interest accruing to Promoters/ Directors out of the Object of the Issue

Neither the Promoter nor the Directors of our Company are interested in the Objects of the Issue.

Details regarding the Company, its subsidiaries and other listed companies which are associate companies as described under the Companies Act, 2013, which made any capital issue during the last three years

There are no subsidiaries and/or other listed companies under the same management or associate companies as described under the Companies Act, 2013, which have made any capital issuances during the previous three years from the date of this Prospectus.

Details regarding the Company and other listed companies which are under the same management/ associate companies as described under Companies Act, 2013, which made any capital issue during the last three years

Not Applicable.

Utilisation of proceeds by our Group Companies

No proceeds of the Issue will be paid to our Group Companies.

Details regarding lending out of issue proceeds of previous issues of debt securities (whether public issue or private placement)

Lending Policy

For details of Lending Policy, please see "*Our Business*" at page 129 of this Prospectus.

Loans given by our Company

The Company has not provided any loans/advances to associates, entities / persons related to the Board, Key Managerial Personnel, Senior Management or our Promoters out of the proceeds of previous issues.

Types of loans

Classification of loans/advances given

The detailed breakup of the types of loans given by the Company as on March 31, 2024 is as follows:

Sr. No.	Type of loans	AUM (In ₹ lakh)	AUM (%)
1.	Secured	6,02,084.32	66.55%
2.	Unsecured	3,02,621.43	33.45%
Total assets under management (AUM)		**9,04,705.75**	**100.00%**

Denomination of loans outstanding by LTV as on March 31, 2024:

S. No.	LTV (at the time of origination)	Percentage of AUM
1	Upto 40%	19.80%
2	40-50%	17.80%
3	50-60%	16.03%
4	60-70%	22.17%
5	70-80%	21.84%

6	80-90%	2.05%
7	Above 90%	0.31%
Total		**100.00**

Classification of loan into several maturity profile denomination as at March 31, 2024

Particulars	**Amount (₹ in lakh)**	**% of AUM**
Less than 1 Year	1,00,949.01	11.16%
1 - 2 Years	1,24,876.90	13.80%
2 - 3 Years	2,35,006.32	25.98%
3 - 5 Years	1,35,264.59	14.95%
> 5 Years	3,08,608.93	34.11%
NA (Representing MLD and Loan Guarantees)		
Total	**9,04,705.75**	**100.00%**

Sectoral exposure

The sectoral exposure of loans given by the Company as on March 31, 2024 is as follows:

Segment wise breakup of AUM	**Percentage of AUM(%)**
Retail	
Mortgages (home loans and loans against property)	-
Gold loans	-
Vehicle finance	-
MFI	-
MSME	99.49%
Capital market funding (loans against shares, margin funding)	-
Others	0.46%
Wholesale	
Infrastructure	-
Real estate (including builder loans)	-
Promoter funding	-
Any other sector (as applicable)	-
Others	0.05%
Total	100%

Denomination of loans outstanding by ticket size as on March 31, 2024:

S. No.	**Ticket size (at the time of origination) (in ₹)**	**Percentage of AUM**
1.	Up to 2 lakh	1.54%
2.	2 - 5 lakh	5.57%
3.	5 - 10 lakh	11.89%
4.	10 - 25 lakh	22.49%
5.	25 - 50 lakh	26.18%
6.	50 - 100 lakh	10.16%
7.	100 - 500 lakh	21.94%
8.	500 - 2500 lakh	0.23%
9.	2500 - 10,000 lakh	-

10.	> 10,000 lakh	-
Total		**100.00**%

Geographical classification of borrowers as on March 31, 2024:

Sr. No.	Top Five States	Percentage of AUM
1.	Tamil Nadu	14.92%
2.	Maharashtra	14.23%
3.	Telangana	12.15%
4.	Gujarat	10.94%
5.	Rajasthan	8.70%
Total		**60.94%**

Aggregated exposure to top 20 borrowers with respect to concentration of exposure as on March 31, 2024:

Particulars	Amount (₹ in lakh)
Total Exposure to twenty largest borrowers / customers (in ₹)	11,161.21
Percentage of exposures to twenty largest borrowers / customers to total exposure of the applicable NBFC on borrowers / customers (in %)	2.06%

Aggregated advances to top 20 borrowers with respect to concentration of advances as on March 31, 2024

Particulars	Amount (₹ in lakh)
Total advances to twenty largest borrowers (in ₹)	10,962.41
Percentage of advances to twenty largest borrowers to total advances (in %)	2.21%

Details of loans overdue and classified as non-performing assets in accordance with the RBI guidelines as on March 31, 2024

Movement of gross NPAs*	Amount (in ₹ lakh)
Opening gross NPA	9,569.05
- Additions during the year	14,773.16
- Reductions during the year	7,194.30
Closing balance of gross NPA	17,147.91

**A default shall be considered to have occurred when any of the following criteria are met:*
a. An account shall be tagged as NPA once the day end process is completed for the 91st day past due.
b. If one facility of borrower is NPA, all the facilities of that borrower are to be treated as NPA.

Movement of provisions for NPAs	Amount (in ₹ lakh)
Opening balance	4,580.07
- Provisions made during the year	9,135.08
- Write-off / write -back of excess provisions	5,488.90
Closing balance	8,226.25

Segment-wise gross NPA as on March 31, 2024

Sr. No	Segment Wise break up of NPA	Percentage of NPA
1.	**Retail**	
	Mortgages (home loans and loans against property)	-
	Gold loans	-
	Vehicle finance	-
	MFI	-
	MSME	1.98%
	Capital market funding (loans against shares, margin funding)	-
	Others	-
2.	**Wholesale**	
	Infrastructure	-
	Real estate (including builder loans)	-
	Promoter funding	-
	Any other sector (as applicable)	-
	Others	0.05%
	Total	2.03%

Details of any other contingent liabilities of the issuer based on the last Audited Financial Statements including amount and nature of liability

All tax related liabilities till July 5, 2018 are covered by a deed of indemnity entered by the existing promoters of the Company with the erstwhile promoters ("**Deed of Indemnity**"). Further, there are no other contingent liabilities other than those covered under the Deed of Indemnity.

Promoters Shareholding

For details of Promoter's shareholding as on the date of this Prospectus please see, "*Capital Structure*" on page 61.

Residual maturity profile of assets and liabilities on a standalone basis as on March 31, 2024 (in ₹ lakh)

Particulars	Up to 30/31 days	Over 1 month & up to 2 months	Over 2 months & up to 3 months	Over 3 months & up to 6 months	Over 6 months & up to 1 year	Over 1 year & up to 3 years	Over 3 years & up to 5 years	Over 5 years	Total
Deposit									
Advances	49,472.28	30,241.37	41,737.26	29,539.34	53,737.04	1,71,346.86	1,19,003.91	59,892.33	5,54,970.39
Investments	-	-	-	-	-	5,919.42	-	-	5,919.42

Borrowings	11,878.06	11,018.87	17,870.80	39,773.55	88,355.41	2,15,303.62	77,624.22	3,500.00	4,65,324.53
Foreign Currency Assets	-	-	-	-	-	-	-	-	-
Foreign Currency Liabilities	-	-	-	-	-	-	-	-	-

In case the issuer is a NBFC or PFI and the objects of the public issue entail loan to any entity which is a 'Group Company', then disclosures shall be made in the following format:

Sr No	Name of Borrower	Amount of Advance/ exposure to such borrower (Group Company) (A)	Percentage of Exposure = (A/ Total AUM)
1.	NA	NA	NA

The disclosure above is not applicable to our Company as the objects of the public issue do not entail loan to any entity which is a 'Group Company'

Dividend

Our Company has formulated a dividend distribution policy in compliance with Regulation 43A of SEBI LODR Regulations. Further, the Reserve Bank of India has vide its notification bearing ref no. RBI/2021-22/59 DOR.ACC.REC.No.23/21.02.067/2021-22 dated June 24, 2021, prescribed certain additional guidelines on distribution of dividend by NBFCs. The declaration and payment of dividends on our shares will be recommended by our Board of Directors and approved by our shareholders, at their discretion, and will depend on a number of external and internal factors, including but not limited to Capital Adequacy, Net NPA, compliance with provisions of section 45IC of the Reserve Bank of India Act, 1934, adequate profits, retained earnings available with the Company, cash flows, future outlook, capital adequacy to be maintained, macro-economic environment.

Our Company has not paid any dividend on the Equity Shares in the Fiscals 2024, 2023 and 2022. Further, our Company has not declared any dividend in the current financial year till the date of this Prospectus.

Jurisdiction

Exclusive jurisdiction for the purpose of the Issue is with the competent courts of jurisdiction in New Delhi, India.

Revaluation of assets

Our Company has not revalued its assets in the preceding three Financial Years.

Mechanism for redressal of investor grievances

Link Intime Private Limited has been appointed as the Registrar to the Issue to ensure that investor grievances are handled expeditiously and satisfactorily and to effectively deal with investor complaints.

The Registrar Agreement dated March 20, 2025, between the Registrar to the Issue and our Company will provide for retention of records with the Registrar to the Issue for a period of at least eight years from the last date of dispatch of the Allotment Advice, demat credit and refund orders to enable the investors to approach the Registrar to the Issue for redressal of their grievances.

All grievances relating to the Issue may be addressed to the Registrar to the Issue, giving full details such as name, address of the Applicant, number of NCDs applied for, amount paid on application and the bank branch or collection center where the application was submitted.

All grievances relating to the ASBA process may be addressed to the Registrar to the Issue with a copy to either (a) the relevant Designated Branch of the SCSB where the Application Form was submitted by the ASBA

Applicant, or (b) the concerned Member of the Syndicate and the relevant Designated Branch of the SCSB in the event of an Application submitted by an ASBA Applicant at any of the Syndicate ASBA Centres, giving full details such as name, address of Applicant, Application Form number, series applied for, number of NCDs applied for, amount blocked on Application.

All grievances related to the UPI process may be addressed to the Stock Exchanges, which shall be responsible for addressing investor grievances arising from applications submitted online through the application based / web interface platform of stock exchanges or through their Trading Members. The Intermediaries shall be responsible for addressing any investor grievances arising from the applications uploaded by them in respect of quantity, price or any other data entry or other errors made by them.

Registrar to the Issue



MUFG Intime India Private Limited
(Formerly known as Link Intime India Private Limited)
C-101, 247 Park, L B S Marg,
Vikhroli West,
Mumbai 400 083
Tel.: +91 810 811 4949
Fax: +91-22-49186160
Email: ugrocapital.ncd2025@in.mpms.mufg.com
Investor Grievance Email: ugrocapital.ncd2025@in.mpms.mufg.com
Website: www.in.mpms.mufg.com
Contact Person: Shanti Gopalkrishnan
Compliance Officer: B.N. Ramakrishnan
SEBI Registration No.: INR000004058
CIN: U67190MH1999PTC118368

Company Secretary and Compliance Officer of our Company

Satish Chelladurai Kumar is the Company Secretary and Compliance Officer of our Company for this Issue. The contact details of the Compliance Officer for the Issue and Company Secretary are as follows:

Satish Chelladurai Kumar
Equinox Business Park,
Tower 3, Fourth Floor, Off BKC,
LBS Road, Kurla, Mumbai - 400070,
Maharashtra, India
Tel No: +91 22 4182 1600
Email: cs@ugrocapital.com

Investors may contact the Registrar to the Issue or the Company Secretary and Compliance Officer in case of any pre-issue or post Issue related issues such as non-receipt of Allotment Advice, demat credit, refund orders, non-receipt of Debenture Certificates, transfers, or interest on Application Amount etc.

Change in Auditors of our Company during the last three financial years and the current financial year

Except as disclosed below, there has been no changes in the statutory auditor of our Company in the last three financial years and current financial year:

Name of the Auditor	Address	Date of Appointment	Date of cessation if applicable	Date of resignation if applicable
Sharp & Tannan Associates	87, Nariman Bhavan, 227 Nariman Point,	August 08, 2023	N/A	N/A

	Mumbai (Bombay) 400021			
MSKA & Associates	Floor 3, Enterprise Centre, Nehru Road Near Domestic Airport, Vile Parle (E) Mumbai - 400099	August 12, 2020	August 08, 2023 *	-

** Pursuant to circular issued by RBI on Appointment of Statutory Auditors for NBFC's vide circular no. RBI/2021-22/25 Ref.No.DoS.CO.ARG/SEC.01/08.91.001/2021-22 dated April 27, 2021, MSKA & Associates, Chartered Accountants had completed a term of three years and subsequently Sharp & Tannan Associates, Chartered Accountants were appointed as the Statutory Auditors.*

Reservations / Qualifications / Adverse Remarks or Emphasis of Matter by Auditors

Except as disclosed in "*Outstanding Litigations and Defaults*" on page 306, there are no reservations or qualifications or adverse remarks in the financial statements and financial position of our Company in the preceding three Financial Years immediately preceding this Prospectus.

Pre-Issue Advertisement

Subject to Section 30 of the Companies Act 2013, our Company will issue a statutory advertisement on or before the Issue Opening Date. This advertisement will contain the information as prescribed under SEBI NCS Regulations. Material updates, if any, between the date of filing of this Prospectus with ROC and the date of release of the statutory advertisement will be included in the statutory advertisement.

Trading

Debt securities issued by our Company, which are listed on BSE's and NSE's wholesale debt market is infrequently traded with limited or no volumes. Consequently, there has been no material fluctuation in prices or volumes of such listed debt securities. Further, the Equity Shares of our Company are listed and trading on BSE and NSE.

Impersonation

Attention of the applicants is specifically drawn to the provision of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:

"Any person who:

(a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or

(b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or

(c) *otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under section 447 of the Companies Act, 2013*

Disclaimer statement from our Company, our Directors and the Lead Manager

Our Company, our Directors and the Lead Manager accept no responsibility for statements made other than in this Prospectus or in the advertisements or any other material issued by or at our Company's instance in connection with the Issue of the NCDs and anyone placing reliance on any other source of information including our Company's website, or any website of any affiliate of our Company would be doing so at their own risk. The Lead Manager accepts no responsibility, save to the limited extent as provided in the Issue Agreement.

None among our Company or the Lead Manager or any Member of the Consortium is liable for any failure in uploading the Application due to faults in any software/ hardware system or otherwise; the blocking of Application Amount in the ASBA Account on receipt of instructions from the Sponsor Bank on account of any errors,

omissions or non-compliance by various parties involved in, or any other fault, malfunctioning or breakdown in, or otherwise, in the UPI Mechanism.

Investors who make an Application in the Issue will be required to confirm and will be deemed to have represented to our Company, the Lead Manager and their respective directors, officers, agents, affiliates, and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the NCDs and will not issue, sell, pledge, or transfer the NCDs to any person who is not eligible under any applicable laws, rules, regulations, guidelines and approvals to acquire the NCDs. Our Company, the Lead Manager and their respective directors, officers, agents, affiliates, and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire the NCDs being offered in the Issue.

Latest ALM statement

The following table describes the standalone ALM of our Company as on December 31, 2024 (₹ in lakh):

Particulars	0 day to 7 days	8 days to 14 days	15 days to 30/31 days (One month)	Over one month and upto 2 months	Over two months and upto 3 months	Over 3 months and upto 6 months	Over 6 months and upto 1 year	Over 1 year and upto 3 years	Over 3 years and upto 5 years	Over 5 years	Total
Cash Inflows	49,667.68	52,377.04	37,563.74	28,035.36	24,752.42	1,10,872.32	1,13,586.20	2,13,718.54	1,43,449.43	1,34,268.25	9,08,290.98
Cash Outflows	17,909.24	8,567.72	21,883.22	25,583.38	23,129.13	65,060.23	1,17,076.61	2,91,335.41	94,388.54	2,08,828.88	8,73,762.36
Mismatch	31,758.44	43,809.32	15,680.52	2,451.98	1,623.29	45,812.09	-3,490.41	-77,616.87	49,060.89	-74,560.63	34,528.62
Cumulative mismatch	31,758.44	75,567.76	91,248.28	93,700.26	95,323.55	1,41,135.64	1,37,645.23	60,028.36	1,09,089.25	34,528.62	34,528.62

The amount of corporate guarantee issued by the Issuer along with details of the counterparty (viz. name and nature of the counterparty - subsidiary, Joint Venture entity, group company etc) on behalf of whom it has been issued

Nil

KEY REGULATIONS AND POLICIES

The regulations set out below are not exhaustive and are only intended to provide general information to investors and is neither designed nor intended to be a substitute for professional legal advice. Taxation statutes such as the Income Tax Act, 1961 and applicable local Goods and Services Tax laws, labour regulations such as the Employees State Insurance Act, 1948 and the Employees Provident Fund and Miscellaneous Act, 1952 and other miscellaneous regulations such as the Trade Marks Act 1999 and applicable shops and establishments statutes apply to us as they do to any other Indian company and therefore have not been detailed below.

The following description is a summary of certain sector specific laws and regulations in India, which are applicable to our Company. The information detailed in this chapter has been obtained from publications available in the public domain. The regulations set out below may not be exhaustive and are only intended to provide general information to the investors and are neither designed nor intended to be a substitute for professional legal advice. The statements below are based on the current provisions of the Indian law and the judicial and administrative interpretations thereof, which are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions.

Laws in relation to Non-Banking Financial Companies

A. The Reserve Bank of India Act, 1934 (the "RBI Act")

The RBI is entrusted with the responsibility of regulating and supervising the activities of Applicable Non-Banking Financial Companies ("**NBFCs**") under the RBI Act. The RBI Act defines an '*NBFC*' as:

(I) a financial institution which is a company;

(II) a non-banking institution which is a company and which has as its principal business of receiving of deposits, under any scheme or arrangement or in any other manner, or lending in any manner; or

(III) such other non-banking institution or class of such institutions as the RBI may, with the previous approval of the Central Government and by notification in the official gazette, specify.

As per the RBI Act, a financial institution is a non-banking institution, carrying on as whole or part of its business, inter alia, the financing of activities other than its own, by making loans, advances, or otherwise; the acquisition of shares, stock, bonds, debentures, securities issued by the Government or other local authorities or other marketable securities of like nature; or letting or delivering goods to a hirer under a hire-purchase agreement.

The RBI has, through a press release dated April 8, 1999, clarified that in order to identify a particular company as an NBFC, it shall consider both the assets and the income pattern as evidenced from the last audited balance sheet of the company to decide its principal business. A company shall be treated as an NBFC if its financial assets are more than 50% of its total assets (netted off by intangible assets) and income from financial assets is more than 50% of its gross income. Both these tests are required to be satisfied as the determinant factors for the principal business of a company.

NBFCs are not permitted to commence or carry on the business of a non-banking financial institution without obtaining a certificate of registration ("**CoR**") from the RBI. Further, every NBFC is required to submit to the RBI a certificate from its statutory auditor within one month from the date of finalization of its balance sheet and in any case not later than December 31st of that year, stating that it is engaged in the business of non-banking financial institution requiring it to hold a CoR. The RBI Act makes it mandatory for every NBFC to get itself registered with the RBI in order to be able to commence any of its activities.

An NBFC may be registered as a deposit-taking NBFC ("**NBFC-D**") or as a non-deposit taking NBFC ("**NBFC-ND**"). Our Company has been classified as a systemically important non-deposit taking NBFC.

B. *Regulatory Requirements of an NBFC under the RBI Act*

(I) **Net Owned Fund**

The RBI Act, read with an RBI notification dated April 20, 1999, provides that to carry on the business of an NBFC, an entity would have to be registered as an NBFC with the RBI and would be required to have a minimum net owned fund of ₹ 200 lakh. For this purpose, the RBI Act has defined '*net owned fund*' to mean:

i. the aggregate of the paid-up equity capital and free reserves as disclosed in the latest balance sheet of the company, after deducting:

   A. accumulated balance of losses;

   B. deferred revenue expenditure;

   C. other intangible assets

ii. further reduced by the amounts representing:

   A. investment by such companies in shares of:

      a) its subsidiaries;

      b) companies in the same group; and

      c) other NBFCs.

   B. the book value of debentures, bonds, outstanding loans and advances (including hire purchase and lease finance) made to, and deposits with:

      a) subsidiaries of such company; and

      b) companies in the same group, to the extent such amount exceeds 10% of point i above.

(II) **Reserve Fund**

In addition to the above, the RBI Act requires NBFCs to create a reserve fund and transfer therein a sum of not less than 20% of its net profits earned annually, as disclosed in the statement of profit and loss, before declaration of dividend. Such sum cannot be appropriated by the NBFC except for the purposes specified by the RBI from time to time and every such appropriation is required to be reported to the RBI within 21 days from the date of such withdrawal.

C. *Master Direction – Reserve Bank of India* (*Non-Banking Financial Company – Scale Based Regulation*) *Directions, 2023 in suppression of Non-Banking Financial Company–Systemically Important Non Deposit taking Company and Deposit taking Company* (*Reserve Bank*) *Directions, 2016 ("Master Directions")*

As per sub clause 2.3 of clause 2 under '*Regulatory Structure under Scale Based Regulation*' of Master Direction, our company is classified as a Middle Layer Non-Banking Financial Company, having an asset size of more than ₹ 1,000 crore and above.

(I) **Governance guidelines:**

(a) **Constitution of Committees**

All NBFCs on which Master Directions is applicable are required to constitute the committees mentioned below:

A. **Audit Committee:** An NBFC is required to constitute an audit committee consisting of not less than three members of its board of directors. The audit committee constituted by an NBFC as required under Section 177 of the Companies Act, 2013 shall be the audit committee for the purposes of the Master Directions as well, and its powers and functions shall be as provided under Section 177 of the Companies Act.

B. **Nomination and Remuneration Committee:** NBFCs are required to constitute a nomination committee to ensure the 'fit and proper' status of proposed or existing directors, which shall have the same powers and functions as the nomination and remuneration committee required to be constituted under Section 178 of the Companies Act.

(b) **Appointment of Chief Risk Officer** (**CRO**): With the increasing involvement of NBFCs in direct credit intermediation, they must enhance their risk management practices. While NBFC boards should aim to adhere to optimal risk management standards, NBFCs categorized as NBFC-ICC, NBFC-IFC, NBFC-MFI, NBFC-Factors, and IDF-NBFC, having an asset size exceeding ₹ 5,000 crore, must appoint a Chief Risk Officer ("**CRO**") with well-defined roles and responsibilities. The CRO must operate independently to uphold the highest standards of risk management.

(c) '**Fit and Proper Criteria**' **for Directors**: Applicable NBFCs must (a) uphold a board-approved policy to determine directors' fit and proper criteria during appointment and continuously, following Master Directions guidelines; (b) procure a declaration and undertaking from directors, using the format outlined in Master Directions; (c) secure a deed of covenant, adhering to the format specified in Master Directions; and (d) provide the RBI with a quarterly report on director changes, accompanied by a certification from the managing director, ensuring compliance with fit and proper criteria. This statement should be submitted to the RBI's Department of Non-Banking Supervision regional office, within 15 days after each quarter's end. The auditors must certify the statement for the quarter ending March 31.

(d) **Key Managerial Personnel**: Except for directorship in a subsidiary, Key Managerial Personnel ("**KMP**") must not hold any office, including directorships, in any other NBFC-ML or NBFC-UL. A two-year timeline, starting from October 01, 2022, is specified to ensure adherence to these regulations. It is clarified that they are allowed to take on directorship roles in NBFC-BL.

(e) **Independent Director**: Within the allowable limits per the Companies Act, 2013, an independent director may not serve on more than three NBFCs (NBFC-ML or NBFC-UL) simultaneously. The NBFC's Board must guarantee that no conflict of interest arises from their concurrent positions on other NBFC boards. A two-year timeline, effective from October 01, 2022, is stipulated for compliance. No restrictions on directorship for NBFC-BLs exist, subject to relevant provisions of the Companies Act, 2013.

(f) **Compensation Guidelines**: To tackle problems stemming from excessive risk-taking due to poorly aligned compensation packages, NBFCs must establish a board-approved compensation policy. The guidelines must, at a minimum, encompass i) the formation of a remuneration committee, ii) criteria for fixed/variable pay structures, and iii) malus/clawback provisions. The nomination and remuneration committee must verify the absence of any conflict of interest.

(g) **Guidelines on Corporate Governance**: NBFCs must establish internal guidelines on corporate governance, expanding their scope with Board of Directors' approval. The guidelines, aligned with Chapter XI, should be publicly accessible on the company's website, if available, to inform diverse stakeholders, without compromising the underlying spirit.

(II) **Prudential Regulations**

(a) **Capital Requirements**: Every Systemically Important NBFC (NBFC-ND-SI) / NBFC-ML shall maintain a minimum capital ratio consisting of Tier I and Tier II Capital which shall not be less than 15% of its aggregate risk weighted assets on-balance sheet and of the risk-adjusted value of off-balance sheet items and the Tier I Capital in respect of applicable NBFCs (other than NBFC-MFI), at any point of time, shall not be less than 10%.

(b) **Internal Capital Adequacy Assessment Process** ("**ICAAP**"): NBFCs must conduct a comprehensive internal evaluation of capital needs, aligned with business risks. This assessment mirrors the ICAAP for commercial banks under Pillar 2 (Master Circular – Basel III Capital Regulations, dated May 12, 2023, subject to amendments). Although Pillar 2 capital isn't mandatory, NBFCs must realistically appraise risks, encompassing credit, market, operational, and other residual risks internally determined. The internal capital assessment methodology should align with their Board-approved policy, proportional to scale and complexity. ICAAP aims to ensure

sufficient capital for all business risks, encouraging NBFCs to adopt robust internal risk management techniques. This fosters ongoing supervisory-NBFC dialogue on risk assessment, monitoring, and mitigation.

(c) **Asset Classification**: The NBFC-SI Directions require that every NBFC shall, after taking into account the degree of well-defined credit weaknesses and extent of dependence on collateral security for realisation, classify its lease/hire purchase assets, loans and advances, and any other forms of credit into the following classes:

(i) **Standard assets**, i.e. assets, in respect of which, no default in repayment of principal or interest is perceived, which do not disclose any problems and do not carry more than a normal risk attached to business;

(ii) **Sub-standard assets**, i.e. assets which have been classified as NPAs for a period not exceeding 12 months, or where the terms regarding repayment of the payment or interest have been renegotiated, rescheduled, or restructured, until satisfactory performance of the revised terms for a year;

(iii) **Doubtful assets**, i.e. term loans, lease assets, hire-purchase assets or any other asset that has remained substandard for a period exceeding 12 months;

(iv) **Loss assets**, i.e. assets that have been identified as such by the NBFC, its internal or external auditors, or the RBI during its inspection of the NBFC, to the extent that it has not been written off by the NBFC, or assets adversely affected by the threat of non-recoverability due to the erosion in the value of the security, non-availability of security or a fraudulent act or omission by the borrower; and

(v) **Non-Performing Assets** ("**NPAs**"): Under the NBFC-SI Directions, the following shall be considered as NPAs, if the accompanying conditions remain in existence for a period of three months or more:

A. Assets, in respect of which interest has remained overdue;

B. term loans, inclusive of unpaid interest, when the instalment is overdue, or on which interest amounts remain overdue;

C. demand or call loans, which has remained overdue, or on which interest amount remained overdue;

D. bills, which have remained overdue;

E. interest in respect of a debt or income on receivables under the head 'other current assets,' being in the nature of short-term loans / advances, which have remained overdue;

F. any dues on account of the sale of assets or services rendered, or reimbursement of expenses incurred, which have remained overdue;

G. lease rental and hire purchase instalments, which have remained overdue in respect of loans, advances, and other credit facilities (including bills purchased and discounted), the balance outstanding under the credit facilities (including accrued interest) made available to the same borrower/ beneficiary when any of the above credit facilities becomes a non-performing asset. In the case of lease and hire purchase transactions, an applicable NBFC shall classify each such account on the basis of its record of recovery.

(vi) **Guidelines on Maintenance of Liquidity Coverage Ratio** ("**LCR**"): All non-deposit taking NBFCs with an asset size of ₹ 10,000 crore and above, and all deposit-taking NBFCs irrespective of their asset size, shall maintain a liquidity buffer in terms of LCR which will promote resilience of NBFCs to potential liquidity disruptions by ensuring that

they have sufficient High-Quality Liquid Asset ("**HQLA**") to survive any acute liquidity stress scenario lasting for 30 days. The stock of HQLA to be maintained by the NBFCs shall be a minimum of 100% of total net cash outflows over the next 30 calendar days. The stock of HQLA to be maintained by the NBFCs shall be a minimum of 100 percent of total net cash outflows over the next 30 calendar days.

The LCR requirement shall be binding on NBFCs from December 1, 2020, with the minimum HQLAs to be held being 50% of the LCR, progressively reaching up to the required level of 100% by December 1, 2024, as per the timeline given below:

From	Dec 1, 2020	Dec 1, 2021	Dec1, 2022	Dec 1, 2023	Dec 1, 2024 onwards
Minimum LCR	50%	60%	70%	85%	100%

All non-deposit taking NBFCs with asset size of Rs. 5,000 crores and above but less than Rs. 10,000 crores shall also maintain the required level of LCR starting from December 1, 2020, as per the timeline mentioned below:

From	Dec 1, 2020	Dec 1, 2021	Dec1, 2022	Dec 1, 2023	Dec 1, 2024 onwards
Minimum LCR	30%	50%	60%	85%	100%

(d) Disclosure in financial statement

(a) NBFCs must conduct a comprehensive internal evaluation of capital needs, aligned with business risks. This assessment mirrors the ICAAP for commercial banks under Pillar 2 (Master Circular – Basel III Capital Regulations, dated May 12, 2023, subject to amendments). Although Pillar 2 capital isn't mandatory, NBFCs must realistically appraise risks, encompassing credit, market, operational, and other residual risks internally determined. The internal capital assessment methodology should align with their Board-approved policy, proportional to scale and complexity. ICAAP aims to ensure sufficient capital for all business risks, encouraging NBFCs to adopt robust internal risk management techniques. This fosters ongoing supervisory-NBFC dialogue on risk assessment, monitoring, and mitigation.

(b) NBFCs shall also disclose the following in their Annual Financial Statements: (i) registration/license/authorization, by whatever name called, obtained from other financial sector regulators; (ii) ratings assigned by credit rating agencies and migration of ratings during the year; (iii) penalties, if any, levied by any regulator; (iv) information namely, area, country of operation and joint venture partners with regard to joint ventures and overseas subsidiaries; and (v) Asset-Liability profile, the extent of financing of parent company products, NPAs and movement of NPAs, details of all off-balance sheet exposures, structured products issued by them and other disclosures.

(c) In addition to the above, NBFCs shall also disclose the following particulars in its Balance Sheet: (i) Capital to Risk Assets Ratio ("**CRAR**"); (ii) Exposure to real estate sector, both direct and indirect; and (iii) Maturity pattern of assets and liabilities.

(III) **Regulatory restrictions and limits**

(a) **Credit/investment concentration Norms** (**except NBFC-UL**):

(i) NBFC (except NBFC-IFC) shall not have exposure (credit/investment taken together) exceeding (a) twenty-five percent of its Tier 1 capital to a single party; and (b) forty percent of its Tier 1 capital to a single group of parties, provided that an

NBFC may exceed the exposure norm specified above, by 5 percent for any single party and by 10 percent for a single group of parties, if the additional exposure is on account of infrastructure loan and/or investment;

(ii) The ceiling on the investment in shares of another company shall not be applicable to an NBFC in respect of investment in the equity capital of an insurance company up to the extent specifically permitted, in writing, by the Reserve Bank;

(iii) Exposure norms shall not apply to any NBFC not accessing public funds in India, either directly or indirectly and not issuing guarantees. The exposure norms shall also not apply to (i) investments of NBFC in shares of (a) its subsidiaries; (b) companies in the same group, to the extent they have been reduced from Owned Funds for the calculation of NOF and (ii) the book value of debentures, bonds, outstanding loans and advances (including hire-purchase and lease finance) made to, and deposits with (a) subsidiaries of the NBFC; and (b) companies in the same group, to the extent they have been reduced from Owned Funds for the calculation of NOF; and

(iv) NBFC shall formulate a policy in respect of exposures to a single party/a single group of parties.

(b) **Sensitive Sector Exposure** (**SSE**): For Sensitive Sector exposures, NBFCs must establish Board-approved internal limits for Single Sensitive Exposures (SSE), separately addressing capital market and commercial real estate. Periodic assessments of sector vulnerabilities, along with their potential impact on business, are essential for NBFCs to determine and adjust these internal exposure limits. While the Board retains the flexibility to set sub-limits within the overall SSE internal limits, specific prescriptions include the following:

(i) A sub-limit within the commercial real estate exposure ceiling shall be fixed internally for financing land acquisition; and

(ii) There shall be a ceiling of ₹ 1 crore per borrower for financing subscription to Initial Public Offer (IPO). NBFCs can fix more conservative limits.

(c) **Regulatory restriction on loans**:

(i) **Loans and Advances to Directors**: NBFCs are prohibited from extending loans exceeding five crores to their directors, including the Chairman/Managing Director, or the relatives of directors, without approval from the Board of Directors/Committee of Directors. Additionally, loans of this magnitude are restricted for firms where directors or their relatives are involved as partners, managers, employees, or guarantors, and for companies where directors or their relatives hold significant roles as shareholders, directors, managers, employees, or guarantors unless sanctioned by the Board of Directors/Committee of Directors;

(ii) **Loans Advanced to Senior Officers of the NBFC**: NBFCs must adhere to the following guidelines when extending loans to their senior officers: (i) Loans granted to senior officers must be communicated to the Board. (ii) Senior officers or committees, including a senior officer, exercising credit sanction powers, cannot approve credit facilities for their relatives. The next higher authority in the delegation of powers must authorize such facilities; and

(iii) **Loans and Advances to Reals Estate Sector**: When evaluating loan requests related to real estate, NBFCs must verify that borrowers have secured necessary approvals from Government/local authorities, as mandated. To prevent hindrances in the loan approval process, proposals may be sanctioned initially, but disbursements will occur only after the borrower obtains the required clearances from relevant authorities.

(IV) **Miscellaneous Instructions**

(a) **Participation in Currency Options**: Non-deposit taking NBFCs can engage in designated currency options exchanges recognized by SEBI as clients, adhering to the Foreign Exchange Department of the Reserve Bank's guidelines. This participation is strictly for hedging their underlying forex exposures. Balance sheets must disclose undertaken transactions as per SEBI's guidelines.

(b) **Interest Rate Futures**: Non-deposit taking NBFCs, as trading members, are allowed to engage in the interest rate futures market on recognized stock exchanges, provided they comply with the guidelines outlined in the '*Rupee Interest Rate Derivatives (Reserve Bank) Directions, 2019*,' issued on June 26, 2019, and subsequently amended on February 10, 2022 and further amended on August 8, 2022.

(c) **Ready Forward Contracts in Debt Securities**: Non-deposit taking NBFCs may engage in repo transactions involving corporate debt securities, subject to compliance with the '*Repurchase Transactions (Repo) (Reserve Bank) Directions, 2018,*' issued on July 24, 2018. Additionally, they must adhere to the specified instructions.

(d) **Undertaking of Point of Presence ("POP") Services under Pension Fund Regulatory and Development Authority for National Pension System (NPS)**: NBFCs that adhere to the prescribed CRAR and report a net profit in the preceding financial year may be authorized to engage in PoP services under PFRDA for NPS following registration with PFRDA. Eligible NBFCs providing such services must ensure that NPS subscriptions collected from the public are promptly deposited on the day of collection (T+0 basis, where T signifies the date of receipt of clear funds, whether by cash or any other mode) into the Trustee Bank. Deposits should be made in the Trustee Bank account specifically opened for this purpose as per the regulations established by PFRDA for NPS. NBFCs conducting PoP services are required to strictly adhere to the guidelines outlined by PFRDA. Any contravention of the stipulations mentioned above may result in supervisory action, including, but not limited to, the revocation of permission to offer PoP services.

(e) **Licensing as Authorised Dealer-Category II**: To enhance the accessibility and effectiveness of forex services provided to the public for their day-to-day non-trade current account transactions, non-deposit taking NBFC-ICC may qualify for an Authorized Dealer-Category II ("**AD-Cat II**") license, contingent on meeting the subsequent conditions:

A. NBFCs providing these services must maintain a '*minimum investment grade rating*.'

B. NBFCs offering such services must establish a board-approved policy for

1. managing associated risks, including currency risk; and

2. addressing customer grievances arising from these activities.

A monitoring mechanism, conducted at least monthly, must be instituted for these services.

(f) **Appointment of Internal Ombudsman**: NBFCs fulfilling the criteria laid down under the circular on '*Appointment of Internal Ombudsman by Non-Banking Financial Companies*' dated November 15, 2021**,** shall appoint the Internal Ombudsman and adhere to the corresponding guidelines.

D. Other RBI Directions

(I) **Reserve Bank of India Know Your Customer** ("**KYC**") **Master Directions, dated February 25, 2016** ("**KYC Directions**"), **as updated on October 17, 2023**

The Department of Banking Regulation, RBI has issued the KYC Directions dated February 25, 2016, as amended from time to time, which are applicable inter alia to all NBFCs for the formulation of a KYC policy duly approved by the board of directors of the entity and ensure compliance with

the same. The KYC policy formulated is required to include four key elements, being customer acceptance policy, risk management, customer identification procedures and monitoring of transactions. The regulated entities are required to ensure compliance with the KYC policy of the entity through specifying who constitutes 'senior management' for the purpose of KYC compliance, specifying allocation of responsibility for effective implementation of policies and procedures, independent evaluation of the compliance functions of the entity's policies and procedures, including legal and regulatory requirements, implementing a concurrent / internal audit system to verify the compliance with KYC/AML policies and procedures, and the submission of quarterly audit notes and compliance to the audit committee.

(II) **Non-Banking Financial Company Returns (Reserve Bank) Directions, 2016** ("**NBFC Returns Directions, 2016**")

All NBFCs must establish a reporting system to submit various returns to RBI. A Non-Banking Financial Company - Non-Deposit Taking Systemically Important ("**NBFC-ND-SI or NBFC-ML**") is obligated to submit a quarterly return detailing essential financial parameter, encompassing asset and liability components, profit and loss accounts, exposure to sensitive sectors, etc. This includes filing NBS-7 on prudential norms, multiple returns on asset-liability management addressing concerns such as asset liability mismatches and interest rate risk, a quarterly report on branch information, and the Central Repository of Information on Large Credits ("**CRILC**") quarterly. Additionally, it necessitates submitting all Special Mention Accounts-2 ("**SMA**-2") status on a weekly basis to enable early recognition of financial distress, prompt resolution steps, and equitable recovery for lenders.

(III) **Non-Banking Financial Companies Auditor's Report (Reserve Bank) Directions, 2016** ("**Auditor Report Directions**")

In addition to the Report made by the auditor under Section 143 of the Companies Act, 2013 on the accounts of a non-banking financial company examined by him for every financial year ending on any day on or after the commencement of these Directions, for any NBFC-D, the auditor shall also make a separate report to the Board of Directors of the Company on compliances of quantum of acceptance of public deposits (compliance with Deposit Directions), minimum investment grade credit rating, determination of capital adequacy ratio, prudential norms, liquid assets requirement, submission of returns with RBI, any default in payment of the interest and/or principal amount to Depositors.

(IV) **Accounting Standards and Accounting Policies**

The Ministry of Corporate Affairs has amended the existing Indian Accounting Standards vide Companies (Indian Accounting Standards) (Amendment) Rules, 2017 on March 17, 2017 and the same is applicable to the Company from April 1, 2018. RBI has, vide notification number RBI/2019-20/170 DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 dated March 13, framed regulatory guidance on Ind AS which will be applicable on Ind AS implementing NBFCs and Asset Reconstruction Companies ("**ARCs**") for preparation of their financial statements from financial year 2019-20 onwards. These guidelines focus on the need to ensure consistency in the application of the accounting standards in specific areas, including asset classification and provisioning, and provide clarifications on regulatory capital in the light of Ind AS implementation. The guidelines cover aspects on governance framework, prudential floor and computation of regulatory capital and regulatory ratios.

(V) **Monitoring of Frauds in NBFCs (Reserve Bank) Directions, 2016** ("**Fraud Directions, 2016**")

As per Fraud Directions, 2016, NBFCs are required to put in place a reporting system for recording frauds to RBI and should fix staff accountability in respect of delays in reporting of fraud cases to the RBI. As prescribed, quarterly case-wise reports on frauds outstanding are to be submitted with the regional office of the RBI within 15 days of each quarter. For this purpose, an official of the rank of general manager or equivalent should be nominated who will be responsible for submitting all the returns to the Bank and reporting referred to in these directions. If NBFCs do not adhere to the applicable time frame for reporting fraud, they shall become liable for penal action. The Fraud Directions, 2016 classify frauds into the following categories:

i. Misappropriation and criminal breach of trust;

ii. Fraudulent encashment through forged instruments, manipulation of books of account or through fictitious accounts and conversion of property;

iii. Unauthorised credit facilities extended for reward or for illegal gratification;

iv. Negligence and cash shortages;

v. Cheating and forgery;

vi. Irregularities in foreign exchange transactions; and

vii. Any other type of fraud.

(VI) **Information Technology Framework for the NBFC Sector Directions, 2017 (the "IT Framework Directions**")

The IT Framework Directions have been notified with the view of benchmarking the information technology / information security framework, business continuity planning, disaster recovery management, information technology ("**IT**") audit and other processes to best practices for the NBFC sector. NBFC-SIs are required to comply with the IT Framework Directions by June 30, 2018. Systemically important NBFCs must bolster their information technology and security frameworks as per specified enhancement requirements. They are mandated to establish an Information Technology Strategy Committee and an Information Technology Steering Committee, alongside crafting policies for information technology policy and information security. To counter cyber threats, a cybersecurity policy and a cyber crisis management plan for intrusions must be implemented. Unusual security incidents outlined must be reported to the Reserve Bank of India (RBI) in the designated format. Annual risk assessments are obligatory to evaluate threats and vulnerabilities related to information technology assets. Internal information systems audits are also required to gauge the effectiveness of controls ensuring infrastructure confidentiality, integrity, and availability. Additionally, a Business Continuity Planning policy, sanctioned by the Board of Directors, is mandated for addressing disaster recovery in unforeseen natural or man-made disasters.

(VII) **Master Direction on Outsourcing of Information Technology Services dated April 10, 2023**

The RBI has issued the RBI Master Direction on Outsourcing of Information Technology Services, dated April 10, 2023, ("**IT Outsourcing Direction**") that will come into effect on October 1, 2023, in line with its earlier Draft Master Direction on Outsourcing of IT Services, dated June 23, 2022. The IT Outsourcing Direction is applicable to regulated entities, namely, all commercial banks, non-banking financial companies, primary co-operative banks, credit information companies, 'All India Financial Institutions' as defined under the IT Outsourcing Direction (collectively, "REs").In case of foreign banks operating in India through branch mode, reference to REs' board of directors means the head office or controlling office which has oversight over the Indian branch operations. The scope of the IT Outsourcing Direction extends to 'material outsourcing' of IT services by REs which are IT services which (i) if disrupted or compromised has the potential to significantly impact the RE's business operations, or (ii) may have material impact on the RE's customers in the event of any unauthorised access, loss or theft of customer information.

(VIII) **Reserve Bank Commercial Paper Directions, 2017** ("**Commercial Paper Directions**")

The Commercial Paper Directions regulate the issue of commercial papers. Commercial papers may be issued by companies including NBFCs, provided that any fund-based facility they have availed from banks or financial institutions are classified as standard assets by all banks and financial institutions at the time of their issue. The Commercial Paper Directions determine the form, mode of issuance, rating and documentation procedures for the issue of commercial papers. In terms of the Commercial Paper Directions, commercial papers are issued as promissory notes, and are to be held in dematerialised form. They are issued at a discount to face value, in a minimum denomination of ₹ 5 lakh or multiples thereof. Issuers, whose total commercial paper issuance in a calendar year

is ₹ 1,000 crore or more, must also obtain a credit rating for their commercial papers from at least two credit rating agencies registered with SEBI, and adopt the lower of these ratings. The minimum rating for a commercial paper shall be 'A3'. The directions further provide for secondary market trading in commercial papers, buyback of commercial papers and the obligations of the issuer, the issuing and paying agent and credit rating agencies in the issue of commercial papers.

(IX) **The Reserve Bank – Integrated Ombudsman Scheme, 2021** (**the** "**Ombudsman Scheme**") **dated November 12, 2021**

The RBI through its 'Statement on Developmental and Regulatory Policies' dated February 5, 2021, proposed the integration of the Ombudsman Scheme for Non-Banking Financial Companies, 2018 with the Banking Ombudsman Scheme, 2006 and the Ombudsman Scheme for Digital Transactions, 2019 under the 'One Nation One Ombudsman' approach for grievance redressal and has done the same through the Ombudsman Scheme effective from November 12, 2021 with the intent to make the process of redressal of grievances easier by enabling the customers of the banks, NBFCs and non-bank issuers of prepaid payment instruments to register their complaints under the integrated scheme, with one centralized reference point.

The Ombudsman Scheme was introduced by the RBI with the object of enabling resolution of complaints in respect of certain services rendered by certain categories of NBFCs, to facilitate the satisfaction or settlement of such complaints, and matters connected therewith. Further, the RBI through its notification on Appointment of Internal Ombudsman by Non-Banking Financial Companies dated November 15, 2021 has established the office of Internal Ombudsman for NBFCs along with its roles and responsibilities.

The Ombudsman Scheme, inter alia, establishes the office of the ombudsman, specifies the procedure for the redressal of grievances and the mechanism for appeals against the awards passed by the ombudsman.

Furthermore, the Integrated Ombudsman Scheme, 2021 (the Scheme) was launched on November 12, 2021, wherein the scheme integrates the existing three Ombudsman schemes of RBI namely, (i) the Banking Ombudsman Scheme, 2006; (ii) the Ombudsman Scheme for Non-Banking Financial Companies, 2018; and (iii) the Ombudsman Scheme for Digital Transactions, 2019. The Scheme adopts the 'One Nation One Ombudsman' approach by making the RBI Ombudsman mechanism jurisdiction neutral.

(X) **Reserve Bank of India** (**Prudential Framework for Resolution of Stressed Assets**) **Circular June 7, 2019.**

Reserve Bank of India (Prudential Framework for Resolution of Stressed Assets) Circular June 7, 2019, sets out a framework to ensure that there is an early recognition, reporting and time bound resolution of stressed assets. The Stressed Assets Directions apply to (a) Scheduled Commercial Banks (excluding Regional Rural Banks); (b) All India Term Financial Institutions (NABARD, NHB, EXIM Bank, and SIDBI); (c) Small Finance Banks; and (d) Systemically Important Non-Deposit Taking Non-Banking Financial Companies (NBFC-ND-SI) and NBFC-Ds. In the event of a default, the said lenders shall recognize the stress in the loan accounts and classify these loan accounts into three categories namely: (i) SMA-0, where the principal and/or interest, whether partly or wholly is overdue between 1-30 days; (ii) SMA-1, where the principal and/or interest, whether partly or wholly is overdue between 31-60 days; and (iii) SMA-2, where the principal and/or interest whether partly or wholly is overdue between 61-90 days. The said lenders shall report credit information, including classification of an account as SMA to Central Repository of Information on Large Credits ("**CRILC**"), on all borrowers having aggregate exposure of ₹ 500 lakh and above with them. Once a borrower is reported to be in default by any of the lenders mentioned at (a), (b) and (c) hereinabove, the lenders shall undertake a prima facie review of the borrower account within thirty days from such default ("**Review Period**") to inter alia decide on a resolution strategy, including nature of the Resolution Plan ("**RP**").

During the Review Period for the implementation of an RP, all lenders shall enter into an inter-creditor agreement, which shall among other things provide that any decision agreed by lenders representing 75 per cent by value of total outstanding credit facilities (fund based as well non-fund

based) and 60 per cent of lenders by number shall be binding upon all the lenders. In particular, the RPs shall provide for payment not less than the liquidation value due to the dissenting lenders, being the estimated realisable value of the assets of the relevant borrower, if such borrower were to be liquidated as on the date of commencement of the Review Period.

(XI) **Prompt Corrective Action** (**PCA**) **Framework for Non-Banking Financial Companies** (**NBFCs**) dated December 14, 2021

Reserve Bank of India has introduced a Prompt Corrective Action Framework ("**PCA**") for NBFC. The objective of the PCA Framework is to enable Supervisory intervention at an appropriate time and requires the Company to initiate and implement remedial measures in a timely manner, so as to restore its financial health. The PCA Framework is also intended to act as a tool for effective market discipline. The PCA Framework for NBFCs came into effect on October 1, 2022, based on the financial position of the Company on or after March 31, 2022.

(XII) **RBI Guidelines on Digital Lending** ("**Digital Lending Guidelines**")

The RBI issued the '*Guidelines on Digital Lending*' On September 2, 2022 following the '*Recommendations of the Working Group on Digital Lending – Implementation*' issued by the RBI on August 10, 2022. The Digital Lending Guidelines require the regulated entities to adhere to the customer protection and conduct requirements, technology and data requirements along with the prescribed regulatory framework.

(a) **Customer Protection and Conduct:** The regulated entities are required to ensure that all loan servicing, repayment and related services are executed directly by the borrower without the involvement of a third-party pool account. Further, all collection of fees and charges shall be paid directly by such regulated entity. Further, all penal interest and charges levied shall be calculated on the outstanding amount of the loan and shall be disclosed upfront on an annualized basis. All regulated entities shall provide the borrower with a standardized Key Fact Statement as prescribed in the Digital Lending Guidelines, populated with the prescribed details. In addition to the above, regulated entities shall appoint a suitable grievance redressal officer to address issues raised by borrowers including digital lending and fin tech-related complaints. Each borrower's creditworthiness is required to be ascertained in an auditable way, ahead of extending any loan;

(b) **Technology and Data Requirement:** All information collated by the regulated entities shall be on a need-based principle with prior and explicit consent of the borrower. No personal data of any of the borrowers shall be stored except as required for the purpose of carrying out their operations, as necessary. To this effect, regulated entities shall also formulate guidelines to govern data storage, privacy and usage in line with the Digital Lending Guidelines; and

(c) **Regulatory Framework:** Regulated entities are required to comply with reporting requirements to credit information companies along with other prescribed rules and regulations as laid down in the Digital Lending Guidelines.

(XIII) **Reserve Bank of India's Guidelines on Default Loss Guarantee in Digital Lending dated June 8, 2023** ("**DLG in Digital Lending Guidelines**")

The RBI released the Guidelines on Default Loss Guarantee ("**DLG**") which are applicable to DLG arrangements in digital lending operations undertaken by the regulated entities including Non-Banking Financial Companies. The guidelines lay down the eligibility conditions for DLG provider and provide for the structure of DLG arrangements. Further, the guidelines provide for the due diligence requirements in respect of the DLG provider. The guidelines further clarify that the customer protection measures and grievance redressal issues pertaining to DLG arrangements shall be guided by RBI's instructions contained in '*Guidelines on Digital Lending*' dated September 02, 2022, along with other applicable norms.

(XIV) **Guidelines for Appointment of Statutory Central Auditors** ("**SCAs**")**/Statutory Auditors** ("**SAs**") **of Commercial Banks (excluding RRBs), UCBs and NBFCs** (**including HFCs**) **dated April 27, 2021**

The circular puts in place ownership-neutral regulations, ensuring the independence of auditors, avoiding conflict of interest in auditor's appointments, and to improve the quality and standards of audit in RBI regulated entities. The guidelines streamline the procedure for the appointment of Statutory Auditors for Commercial Banks (excluding RRBs), UCBs, and NBFCs (including HFCs) and ensure that appointments are made in a timely, transparent and effective manner.

(XV) **Reserve Bank of India Circular dated February 03, 2021 on Risk Based Internal Audit for NBFC-D**

As per circular bearing reference Ref. No. DoS. CO. PPG/ SEC.05/11.01.005/ 2020-21 dated February 03, 2021, RBI has mandated the Risk Based Internal Audit Framework ("**RBIAF**") for all Deposit-taking NBFCs, irrespective of the size, before March 31, 2022.

(XVI) **Registration of Factors (Reserve Bank) Regulations, 2022**

The RBI on January 14, 2022 under section 3 read with section 31A of the Factoring Regulations, 2011 put in place a regulatory framework pertaining to the manner of granting certificate of registration to the companies which propose to do factoring business. The said regulation inter alia specifies that every company seeking registration as NBFC-Factor shall have a minimum net owned fund (NOF) of ₹5 crore, or as specified by the Reserve Bank from time to time. Further, an NBFC-Factor is required to ensure that its financial assets in the factoring business constitute at least fifty per cent of its total assets and its income derived from factoring business is not less than fifty per cent of its gross income.

E. Laws in relation to the recovery of debts

(I) **Insolvency and Bankruptcy Code, 2016** (**the** "**IB Code**")

The IB Code primarily enables time-bound reorganisation and insolvency resolution of debtors. The primary objectives of the IB Code are:

(a) to consolidate and amend the laws relating to reorganisation and insolvency resolution of corporate persons, partnership firms, and individuals in a time bound manner for maximisation of the value of assets of such persons;

(b) to promote entrepreneurship, availability of credit and balance the interests of all the stakeholders, including alteration in the order of priority of payment of Government dues; and

(c) to establish an Insolvency and Bankruptcy Board of India.

The IB Code specifies two different sets of adjudicating authorities to exercise judicial control over the insolvency and liquidation processes:

(a) In case of companies, limited liability partnerships and other limited liability entities, National Company Law Tribunals ("**NCLT**") shall act as the adjudicating authority; and appeals therefrom shall lie with the National Company Law Appellate Tribunal ("**NCLAT**").

(b) In case of individuals and partnerships, Debt Recovery Tribunal ("**DRT**") shall act as the adjudicating authority and appeals therefrom shall lie with the Debt Recovery Appellate Tribunal ("**DRAT**").

The Supreme Court of India shall have appellate jurisdiction over NCLAT and DRAT.

The IB Code governs two corporate insolvency processes, i.e. (i) insolvency resolution; and (ii) liquidation:

(a) **Insolvency resolution:** Upon a default by a corporate debtor, a creditor or the debtor itself may initiate insolvency resolution proceedings. The IB Code prescribes a timeline of 180 days for the insolvency resolution process, subject to a single extension of 90 days, during which there shall be a moratorium on the institution or continuation of suits against the debtor, or interference with its assets. During such period, the creditors and the debtor will be expected to negotiate and finalise a resolution plan, with the assistance of insolvency resolution professionals to be appointed by a committee of creditors formed for this purpose. Upon approval of such a plan by the adjudicating authority, the same shall become binding upon the creditors and the debtor.

(b) **Liquidation:** In the event that no insolvency resolution is successfully formulated, or if the adjudicating authority so decides, a liquidation process may be initiated against the debtor. A liquidator is appointed, who takes the assets and properties of the debtor in his custody and verifies claims of creditors, selling such assets and properties and distributing the proceeds therefrom to creditors.

The bankruptcy of an individual can be initiated by the debtor, the creditors (either jointly or individually) or by any partner of a partnership firm (where the debtor is a firm), only after the failure of the Insolvency Resolution Process ("**IRP**") or non-implementation of repayment plan. The bankruptcy trustee is responsible for administration of the estate of the bankrupt and for distribution of the proceeds on basis of the priority set out in the Code.

In addition, the IB Code establishes and provides for the functioning of the Insolvency and Bankruptcy Board of India ("**IBBI**") which functions as the regulator for matters pertaining to insolvency and bankruptcy. The IBBI exercises a range of legislative, administrative and quasi-judicial functions, inter alia, in relation to the registration, regulation and monitoring of insolvency professional agencies, insolvency professionals and information utilities; publish information, data, research and studies as may be specified; constitute committees as may be required; and make regulations and guidelines in relation to insolvency and bankruptcy.

While the IB Code does not apply to financial service providers such as the Issuer, Section 227 of the IB Code authorises the Central Government to notify financial service providers or categories of financial service providers for the purpose of their insolvency and liquidation proceedings being conducted under the IB Code. Pursuant to the notification no. S.O. 4139(E) dated November 18, 2019 issued by the Ministry of Corporate Affairs read with Section 227 of the IB Code and the Insolvency and Bankruptcy (Insolvency and Liquidation Proceedings of Financial Service Providers and Application to Adjudicating Authority) Rules, 2019, non-banking financial companies (including housing financial companies) with asset size of at least ₹ 500,00,00,000 (Indian Rupees Five Hundred Crore) have been notified for the purpose of their insolvency and liquidation proceedings being conducted under the IB Code.

(II) **Recovery of Debts due to Banks and Financial Institutions Act, 1993** ("**Debts Recovery Act**")

The Debts Recovery Act provides for establishment of DRTs for expeditious adjudication and recovery of debts due to a bank or financial institution, or a consortium of banks or financial institutions. The Debts Recovery Act is only applicable to such debts as are for a sum that is greater than ₹ 1 million, or in the case of particular debts that the Central Government may specify, greater than ₹ 0.1 million. A DRT established under the Debts Recovery Act exercises jurisdiction over applications from banks and financial institutions for the recovery of debts due to them, and no court or other authority can exercise jurisdiction in relation to matters covered by the Debts Recovery Act, except the higher Courts in India in certain circumstances. The Debts Recovery Act also provides for the establishment of DRATs, and any appeal from any order of a DRT lies with a DRAT. Further, the Debts Recovery Act provides for the procedure to be followed in proceedings before a DRT or DRAT.

(III) **Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002** ("**Securitisation Act**")

The Securitisation Act grants certain special rights to banks and financial institutions to enforce their security interests upon non-payment of a secured debt. The Securitisation Act provides that a secured creditor may, in the case of a default in payment of a debt or an instalment thereof, classify the account of the borrower as an NPA, and give notice in writing to the borrower requiring it to discharge its liabilities within 60 days, failing which the following rights accrue to the secured creditor:

(a) taking possession of the assets constituting the security for the loan, including the right to transfer the assets by way of lease, assignment or sale of the asset;

(b) taking over the management of the business of the borrower, including the right to sell or otherwise dispose of the assets, in case a significant portion of the debtor's business is held as security;

(c) appointment of a manager to manage the secured assets; and

(d) requiring that any person who has acquired any of the secured assets from the borrower and from whom any money is or may become due to the debtor, to pay the secured creditor instead.

Where a secured creditor seeks to take a secured asset into its possession or sell or transfer the same under the provisions of the Securitisation Act, the secured creditor may make a written request to the Chief Metropolitan Magistrate or the District Magistrate within whose jurisdiction the secured asset or relevant documents may be situated or found. Upon such request, the Chief Metropolitan Magistrate or District Magistrate may take possession of such assets and/or relevant documents and forward the same to the creditor, using or directing the use of such force as may be necessary. In addition, the secured creditor may file an application before a DRT or a competent court for recovery of balance amounts, if any, and may take any other measures for the recovery of debts.

Further, the Securitisation Act provides for the creation of a central database by the Central Government for recording rights over any property or creation, modification or satisfaction of any security interest thereon. This registry is to be integrated with registration records under various central registrations, including the Companies Act, 2013, the Registration Act, 1908 and the Motor Vehicles Act, 1988. Any registration of transactions for creation, modification or satisfaction of security interest by a creditor or filing of attachment orders shall be deemed to constitute a public notice. Where a security interest or attachment order upon property in favour of a creditor is filed for registration, the claim of such creditor has priority over any subsequent security interest, transfer or attachment order upon the property.

In addition, the Securitisation Act regulates 'asset reconstruction companies', which are companies intended to carry on the business of securitisation or asset reconstruction. An asset reconstruction company, upon being registered by the RBI, may acquire the financial assets of a bank or financial institution, whereupon it shall be deemed to become the lender in place of the bank in relation to such financial assets, and all rights of the bank or financial institution in relation to such financial assets shall vest in the asset reconstruction company. For the purposes of asset reconstruction, an asset reconstruction company may inter alia provide for the management of the business of a borrower (including a change in or takeover of its management), sale or lease of the business of a borrower, rescheduling payment of debts, settlement of dues, enforcement or possession of security interests, or conversion of debt of a borrower into shares.

F. Anti-Money Laundering laws

(I) **Prevention of Money Laundering Act, 2002** ("**PMLA**")

The PMLA was enacted to prevent money laundering and to provide for confiscation of property derived from or involved in, money laundering. The Government, under the PMLA, has issued the Prevention of Money Laundering (Maintenance of Records of the Nature and Value of Transactions, the Procedure and Manner of Maintaining and Time for Furnishing Information and Verification and Maintenance of Records of the Identity of the Clients of the Banking Companies, Financial Institutions and Intermediaries) Rules, 2005 ("**PML Rules**"). The PMLA and PML Rules place various obligations upon banks, financial institutions and other intermediaries in relation to the maintenance of records of all transactions, verification of clients and identification of beneficial owners of clients.

(II) **'Know Your Customer'** ("**KYC**") **Guidelines – Anti Money Laundering Standards** ("**AML**") **'Prevention of Money Laundering Act, 2002 - Obligations of NBFCs in terms of Rules notified thereunder'** ("**PMLA Master Circular**")

The RBI has issued the PMLA Master Circular dated July 1, 2015 to ensure that a proper policy framework for the implementation of the PMLA and PML Rules is put into place. Pursuant to the provisions of PMLA, PML Rules and the RBI guidelines, all NBFCs are advised to appoint a principal officer for internal reporting of suspicious transactions and cash transactions and to maintain a system of internal reporting for: (i) all cash transactions of value of more than ₹ 10 lakh; (ii) all series of cash transactions integrally connected to each other which have been valued below ₹ 10 lakh where such series of transactions have taken place within one month and the aggregate value of such transaction exceeds ₹ 1 million.

Under the PMLA Master Circular, all NBFCs are required to introduce a system of maintaining a proper record of certain transactions, and for the proper maintenance and preservation of account information in a manner that allows data to be retrieved easily and quickly whenever required or when requested by the competent authorities. NBFCs are also required to maintain for at least ten years from the date of transaction between the NBFCs and the client, all necessary records of transactions, both domestic or international, which will permit reconstruction of individual transactions (including the amounts and types of currency involved if any) so as to provide, if necessary, evidence for prosecution of persons involved in criminal activity. Further, NBFCs shall exercise on-going due diligence with respect to the business relationship with every client and closely examine the transactions in order to ensure that they are consistent with their knowledge of the client, his business and risk profile and where necessary, the source of funds.

G. Laws in relation to foreign investment and external commercial borrowing

(I) **Foreign Exchange Management Act, 1999** ("**FEMA**")

Foreign investment in Indian securities is regulated through the Consolidated Foreign Direct Investment ("**FDI**"), FEMA. The government bodies responsible for granting foreign investment approvals are the ministries / departments concerned of the Government of India and the RBI. The Union Cabinet has approved phasing out the Foreign Investment Promotion Board, as provided in the press release dated May 24, 2017. Accordingly, pursuant to the office memorandum dated June 5, 2017, issued by the Department of Economic Affairs, Ministry of Finance, approval of foreign investment under the FDI policy has been entrusted to ministries / departments concerned. Subsequently, the Department of Industrial Policy & Promotion ("**DIPP**") issued the Standard Operating Procedure for Processing FDI Proposals on June 29, 2017 (the "**SOP**"). The SOP provides a list of the competent authorities for granting approval for foreign investment for sectors/activities requiring Government approval. For sectors or activities that are currently under automatic route but which required Government approval earlier as per the extant policy during the relevant period, the administrative ministry/department concerned shall act as the competent authority (the "**Competent Authority**") for the grant of post facto approval of foreign investment. In circumstances where there is a doubt as to which department shall act as the Competent Authority, the DIPP shall identify the Competent Authority. The DIPP has from time to time made policy pronouncements on FDI through press notes and press releases which are notified by RBI as amendment to FEMA. In case of any conflict, FEMA prevails.

The Consolidated FDI Policy consolidates the policy framework in place as on October 15, 2020. Further, on January 4, 2018 the RBI released the Master Direction on Foreign Investment in India (updated from time to time). Under the approval route, prior approval from the FIPB or RBI is required. FDI for the items/activities that cannot be brought in under the automatic route may be brought in through the approval route. Approvals are accorded on the recommendation of the FIPB, which is chaired by the Secretary, DIPP, with the Union Finance Secretary, Commerce Secretary and other key Secretaries of the Government of India as its members.

As per the sector specific guidelines of the Government of India, 100% FDI/ Non-Resident Indian ("**NRI**") investments are allowed under the automatic route in certain NBFC activities subject to compliance with guidelines of the RBI in this regard.

(II) **External Commercial Borrowing**

External Commercial Borrowings are commercial loans raised by eligible resident entities from recognised non-resident entities. ECB transactions are governed by FEMA, and by various regulations, notifications, and RBI circulars, which have been consolidated in the RBI Master Direction on External Commercial Borrowings, Trade Credit, Structured Obligations, dated March 26, 2019 ("**ECB Master Direction**" / "**New ECB framework**"). Under the above Master Direction and New ECB framework, a permitted resident may borrow from a recognised non-resident entity through bank loans; floating / fixed rate notes / bonds / (other than fully and compulsorily convertible instruments; trade credit beyond 3 years; FCCBs: FCEBs and financial Lease. Further plain Vanilla Rupee Denominated Bonds (RDBs) which can be placed privately or listed on exchanges as per host country regulations (only for ₹ denominated ECBs).

Borrowings through ECB may be raised through one of two options:

(i) Foreign Currency denominated ECB; and

(ii) ₹ denominated ECBs

ECB may be raised by either automatic route or the approval route. Under the automatic route, ECB cases are examined by the Authorised Dealer Category-I, to whom the RBI has delegated the function of monitoring and approving ECB transactions. In borrowings through the approval route, the prospective borrowers are required to forward requests to the RBI through an authorised dealer. The ECB Master Directions prescribe individual limits of ECB that may be raised by an entity under the automatic route per Fiscal, beyond which, the ECB proposals of such entities shall come under the approval route. RBI vide Notification No. FEMA. 3(R)(3)/2022-RB, dated July 29, 2022, temporarily increased the automatic route limit from USD 750 million to equivalent to USD 1.5 billion or equivalent. This relaxation was available for ECBs raised till December 31, 2022.

H. Labour Law Regulations

We are required to comply with certain labour and industrial laws, which includes Employees' Provident Funds and Miscellaneous Provisions Act 1952, the Employees State Insurance Act, 1948, the Minimum Wages Act, 1948, the Maternity Benefit Act, 1961, the Payment of Bonus Act, 1965, the Payment of Gratuity Act, 1972, the Payment of Wages Act, 1936, Industrial Disputes Act, 1947, Industrial Employment (Standing Orders) Act, 1946, Equal Remuneration Act, 1976, Public Premises (Eviction of Unauthorized Occupants) Act, 1971, and the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, amongst others.

I. Tax Legislations

The tax related laws that are applicable to our Company include the Central Goods and Services Tax Act, 2017, the Interstate Goods and Services Tax Act, 2017, various state goods and services tax legislations, the Income Tax Act, the Income Tax Rules, local body taxes in respective states and various applicable GST notifications and circulars.

J. Laws Relating to Intellectual Property

Intellectual Property in India enjoys protection under both common law and statute. Under statute, India provides for patent protection under the Patents Act, 1970, copyright protection under the Copyright Act, 1957 and trademark protection under the Trade Marks Act, 1999. The above enactments provide for protection of intellectual property by imposing civil and criminal liability for infringement.

K. Other Laws

(I) **The Digital Personal Data Protection Act, 2023**

The DPDP Act, replacing Section 43A of the IT Act, aims to balance individuals' rights to protect personal data with the necessity of processing data for lawful purposes. All data fiduciaries, determining data processing purposes, must provide a clear notice describing the data to be collected and the processing

purpose. The Act grants data principals the right to withdraw consent, demand data erasure and correction, and introduces the concept of 'deemed consent' in specific instances. It imposes obligations on data fiduciaries, including implementing measures for compliance, ensuring security safeguards, and reporting breaches to the Data Protection Board. The Act outlines rights and duties for data principals and establishes the Data Protection Board's exclusive jurisdiction over grievances. Non-compliance results in financial penalties per Schedule I of the Act.

(II) **Aadhar** (**Target Delivery of Financial and Other Subsidies, Benefits and Services**) **Act** (**the** "**Aadhar Act**")**, 2016 and the rules and regulations made thereunder.**

The primary objective of the Aadhaar Act is to facilitate efficient, transparent, and targeted delivery of subsidies, benefits, and services funded from the Consolidated Fund of India to Indian residents. This is achieved through assigning unique identity numbers by the Unique Identification Authority of India (UIDAI), responsible for authentication and enrolment. Enrolling Agencies are appointed for the enrolment process, and requesting entities are designated to authenticate Aadhaar Numbers by submitting demographic or biometric information to the Central Identities Data Repository. The Act also ensures the confidentiality of identity information and authentication records.
The Aadhaar (Data Security) Regulations, 2016 (Data Security Regulations) outline measures to secure individuals' information, specifying service providers' obligations in maintaining security and confidentiality.

Similarly, the Aadhaar (Sharing of Information) Regulations, 2016 ("**SI Regulations**") impose restrictions on UIDAI regarding the sharing of biometric information, as well as limitations on sharing, circulating, or publishing Aadhaar numbers.

The Aadhaar (Authentication) Regulations, 2016 ("**Authentication Regulations**") provides an Aadhaar Authentication Framework, which has two kinds and four modes of authentication. Authentication Regulations also makes it mandatory for the requesting entity to obtain the consent of the aadhar number holder. Authentication Regulations list provisions and the entire process for the appointment of Requesting Entities and Authentication Service Agencies along with their roles and responsibilities and code of conduct.

(III) **The Factoring Regulation Act, 2021 (**"**Factoring Act**"**)**

The Factoring Regulation Act, 2011, was notified by the Central Government on January 22, 2012 with the objective to provide for and regulate assignment of receivables by making provision for registration, rights and obligations of parties to contract for assignment of receivables and for such other related matters. Under the Factoring Act, factoring business is defined as acquisition of receivables of assignor by an assignment for a consideration. The acquisition should be for collection of the receivables/ for financing against such assignment. The Factoring Act was amended vide notification dated August 09, 2021. The said amendment inter alia removed the threshold for an NBFC to be engaged in factoring business and a new section 31A was inserted to empower the RBI to make regulations for the manner of granting of the registration certificate to a factor and to make regulations for the manner of filing of the transactions with the Central Registry for trade receivables financed through trade receivables discounting system.

(IV) **Information Technology Act, 2000 and the rules made thereunder** ("**IT Act**")

The primary objective behind enacting the IT Act is to confer legal recognition upon electronically conducted transactions. This legislation supports electronic commerce by acknowledging contracts concluded through digital means, safeguarding intermediaries regarding third-party information, and establishing liability for the inadequate protection of sensitive personal data. It introduces mechanisms for authenticating electronic documentation through digital signatures and stipulates civil and criminal liability, including fines and imprisonment, for various offenses. An amendment in 2008 legalized the validity of contracts formed electronically. The IT Act outlines offenses such as unauthorized access to computer systems, unauthorized disclosure of confidential information, and fraud originating from computer applications. It grants the Government of India the authority to intercept, monitor, or decrypt information for the nation's sovereignty, integrity, defense, and security. Additionally, the IT Act empowers the government to formulate rules pertaining to electronic signatures, reasonable security practices, procedures, and sensitive personal data.

Exercising this authority, the Department of Electronics and Information Technology, under the Ministry of Communications & Information Technology, Government of India, promulgated the Use of Electronic Records and Digital Signatures Rules, 2004, Digital Signature (End Entity) Rules, 2015, and Information Technology (Certifying Authorities) Rules, 2000. These rules govern the issuance and creation of digital and electronic signatures, their verification, and the issuance of licenses to issue digital signature certificates.

PROVISIONS OF ARTICLES OF ASSOCIATION

1. Save as reproduced herein the regulations contained in "Table F" in the First Schedule to the Act shall not apply to the Company. Matters for which there is no provision in these Articles but is contained in Table F, the provisions of Table F shall apply only to that extent.

2. INTERPRETATION

Unless the context otherwise requires words and expressions contained in these Articles shall bear the same meaning as in the Act as defined below in force at the date at which the Articles become binding on the Company.

(i) "The Company" or this Company means UGRO Capital Limited.

(ii) "The Act" means the Companies Act, 2013 or any statutory modification or re-enactment thereof for the time being in force.

(iii) "AGM" means annual general meeting of the shareholders of the Company.

(iv) "Articles" means the articles of association of the Company from time to time.

(v) "Asset-Liability Committee" means the asset liability committee of the Board, constituted in accordance with this Articles.

(vi) "Audit Committee" means the audit committee of the Board, constituted in accordance with this Articles.

(vii) "Board" means the board of directors of the Company from time to time comprising each person appointed as a Director.

(viii) "Board Committees" means each committee of the Board constituted from time to time, including but not limited to, the Audit Committee, the Nomination and Remuneration Committee, Risk Management Committee, Stakeholders Relationship Committee and Asset - Liability Committee and any other such committee as may be constituted from time to time.

(ix) "Business day" means a day when the banks are open for business in Mumbai (India), but excluding Saturdays and Sundays.

(x) "Business plan" means the latest business plan adopted by the Board in accordance with this Articles from time to time.

(xi) "CEO" means Chief Executive Officer of the Company.

(xii) "CFO" means Chief Financial Officer of the Company.

(xiii) "CRO" means Chief Risk Officer of the Company.

(xiv) "Chairman of the Board" a person appointed pursuant to Paragraph 3.8 from time to time whose responsibilities are to conduct meetings of the Board and to oversee the functioning of the Board.

(xv) "Code" means the Corporate Governance Code adopted by the Board of Directors in the meeting of the Board held on December 31st, 2017.

(xvi) "Company Secretary" means the Company secretary of the Company.

(xvii) "Director" means each member of the Board, appointed as a director and holding such office, from time to time.

(xviii) "EGM" means extraordinary general meeting of the shareholders of the Company.

(xix) "Employees" means employees of the Company.

(xx) "Financial year" means period commencing from April 1 each year and ending on March 31 the next year or, subject to applicable law, such other period as may be determined by the Board to be the financial year for the Company.

(xxi) "Fully diluted basis" the total number of Shares of the Company assuming that all options, warrants and other securities convertible into or exercisable or exchangeable for Shares (whether or not by their terms then currently convertible, exercisable or exchangeable) have been so converted, exercised or exchanged.

(xxii) "General meeting" an AGM or EGM held in accordance with this Articles, the Act and the Listing Regulations.

(xxiii) "Independent Director" means shall have the meaning ascribed to it under the Act.

(xxiv) "Internal auditor" means Internal Auditor of the Company, appointed in accordance with the Paragraph 7.2 of this Articles and Act.

(xxv) "Key Managerial Personnel" means key managerial personnel of the Company appointed in accordance with Paragraph 5 of this Articles.

(xxvi) "Large Shareholder" any shareholder of the Company holding at least 10% (ten percent) ofthe paid-up share capital of the Company on a Fully Diluted Basis, which securities were either subscribed by that shareholder consequent to an issuance of securities by way of apreferential allotment by the Company or were issued to such shareholder by the Companyas consideration under a scheme of demerger approved by the National Company Law Tribunal directly involving the Company, (whether by itself or together with a "person acting in concert" with it as defined in the Takeover Regulations).

(xxvii) "Listing Regulation" means SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

(xxviii) "Management Team" means the Managing Director and the Key Managerial Personnel collectively

(xxix) "Managing Director" means the Managing Director of the Company.

(xxx) "Manual of Authority" means the manual of authority to be adopted in accordance with Paragraph 18 of this Articles.

(xxxi) "NBFC" non-banking financial company.

(xxxii) "Nomination and Remuneration Committee" nomination and remuneration committee ofthe Board, constituted in accordance with this Articles.

(xxxiii) "Promoters" means Promoters of the Company in accordance with the Act and the Listing Regulations.

(xxxiv) "Related Party" means shall have the meaning ascribed to it under the Act.

(xxxv) "Risk Management Committee" risk management committee of the Board, constituted in accordance with this Articles and under the Non-Banking Financial Companies - Corporate Governance (Reserve Bank) Directions, 2015 or any other direction which may be issued from time to time.

(xxxvi) "SEBI" Securities and Exchange Board of India.

(xxxvii) "Senior Employees" means any Employee having an annual compensation exceeding Rs.1,00,00,000 (Rupees One Crore only).

(xxxviii) "Shares" equity shares of the Company having a face value of Rs.10 (Rupees Ten only) perequity share.

(xxxix) "Stakeholders Relationship Committee" means stakeholder relationship committee of the Board, constituted in accordance with this Articles.

(xl) "Statutory Auditor" means the statutory auditor of the Company, appointed in accordancewith Paragraph 7.1 of this Articles and the Act.

(xli) "Takeover Regulations" means SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 (v) "Month" means Calendar month.

(xlii) "Votes" means all of the votes which are exercisable (by any person) in connection with the Shares at a General Meeting.

(xliii) "Whole time director" means a Director, other than the Managing Director, in the whole-time employment of the Company.

(xliv) Subject as aforesaid and except where the subject or context otherwise requires words or expressions contained in these regulations shall bear the same meaning as in the Companies Act as in force at the date on which these regulations become binding on the Company.

3. BOARD OF DIRECTORS

3.1 Subject to the provisions of the Act, the Board shall be entitled to exercise all such powers, and to do all such acts and things, as the Company is authorized to exercise and do. The property, business and affairs of the Company shall be managed by the Board. The Board shall act in accordance with the Code, the Articles, provisions of the Act and applicable law.

3.2 The Board shall comprise of a maximum of 15 (fifteen) Directors, which would consist of majority of Independent Directors. All the Directors shall be appointed by the shareholders ina manner contemplated under Section 152 and other applicable provisions of the Act.

3.3 The Promoter shall have the right to appoint a nominee director on the Board.

3.4 Each Large Shareholder shall have the right to nominate a representative as nonexecutive director on the Board.

3.5 The CEO of the Company (if any) shall be appointed as a Whole-Time Director on a case by case basis.

3.6 There shall be at least 1 (one) woman Director on the Board.

3.7 At least 1 (one) of the Directors on the Board shall be an Indian national.

3.8 The Chairman of the Board shall be appointed on a case by case basis and shall not have a casting vote.

3.9 Each of the nominee directors appointed by the Large Shareholder shall have the right to bea member of any committees that may be constituted by the Board including but not limitedto the Audit Committee, the Nomination and Remuneration Committee and the Asset-Liability Committee.

3.10 The First directors of the company shall be:
Mr. Ramakant R Chokhani
Mrs. Neelam R Chokhani

3.11 The Board shall appoint the person nominated by Debenture Trustee as a Director of the Company in terms of clause (e) of sub regulation (1) of regulation 15 of the SEBI (Debenture Trustees) Regulations, 1993.

3.12 Nominee Director

Notwithstanding anything to the contrary contained in the Articles and subject to provision of the Companies Act, the lenders/ regulator(s) of the Company shall have a right to appoint, from time to time, any person as a Director/Director(s) (which Director(s) is hereinafter referred to as "Nominee Director") on the Board of the Company and to remove from such office the person so appointed and to appoint any person in his or her place. The right of the lenders and terms of such appointment will be in accordance with the terms and conditions of the financing documents and right of the regulator(s) and terms of such appointment will be in accordance with the applicable provisions of the extant laws.

4. APPOINTMENT OF INDEPENDENT DIRECTORS

4.1 The Nomination and Remuneration Committee shall recommend 1 (one) candidate for each vacancy or anticipated vacancy for the position of an Independent Director on the Board. The Board shall resolve, subject to the procedures required under the Articles, whether to approve an appointment pursuant to such recommendation.

4.2 Further, an Independent Director who resigns or is removed from the Board shall be replaced by a new Independent Director by the Company at the earliest but not later than 3 (three) months from the date of such vacancy, if the constitution of the Board does not fulfil the criteria of minimum number of independent directors prescribed under the provisions of Listing Regulation, the Act or these Articles.

4.3 An Independent Director shall not hold office for more than 2 (two) consecutive 5 (five) year terms. However, an Independent Director shall be eligible for appointment after the expiration of 3 (three) years of ceasing to become an Independent Director.

4.4 The Independent Directors shall hold at least 1 (one) meeting in a year, without the presenceof non-Independent Directors and the Management Team, and all the Independent Directorsshall strive to be present at such meeting.

4.5 The Independent Directors in the meeting referred in Paragraph 4.4 above shall, *inter alia:*

a) review the performance of non-Independent Directors and the Board as a whole;

b) review the performance of the Chairman of the Board, taking into account the views of executive directors and non-executive Directors;

c) assess the quality, quantity and timeliness of flow of information between the Management team and the Board that is necessary for the Board to effectively and reasonably perform their duties.

4.6 The Independent Directors shall not be entitled to any stock option.

5. APPOINTMENT OF KEY MANAGERIAL PERSONNEL

5.1 It shall be mandatory for the Company to have the following whole-time Key Managerial Personnel: (i) Managing Director; (ii) Company Secretary; (iii) CFO; and (iv) CRO, subject to the provisions of this Articles and the approval of the Board.

5.2 The Company may appoint a CEO, subject to the provisions of this Articles and approval of the Board, who shall also be a Key Managerial Personnel.

5.3 The Managing Director, CEO and the CFO shall provide a compliance certificate to the Board on a quarterly basis, certifying that:

(a) They have reviewed financial statements and the cash flow statement for theyear/ year till date and that to the best of their knowledge and belief:

(i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading; and

(ii) these statements together present a true and fair view of the Company'saffairs and are in compliance with existing accounting standards, applicable laws and regulations;

(b) There are, to the best of their knowledge and belief, no transactions entered intoby the Company during the year/ year till date which are fraudulent, illegal or violative of the Company's code of conduct;

(c) They accept responsibility for establishing and maintaining internal controls for financial reporting and that they have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and they havedisclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which they are aware and the stepsthey have taken or propose to take to rectify these deficiencies;

(d) They have indicated to the auditors and the Audit Committee:

(i) significant changes in internal control over financial reporting during theyear/ year till date;

(ii) significant changes in accounting policies during the year/ year till date and that the same have been disclosed in the notes to the financial statements;

(iii) details pertaining to all related party transactions between Key Managerial Personnel and their Related Party(ies) on a periodic basis; and

(iv) instances of significant fraud of which they have become aware and the involvement therein, if any, of the Management Team or an Employee having

a significant role in the Company's internal control system over financial reporting.

5.4 The Company shall not appoint or re-appoint any person as its Managing Director, Whole-time Director or CEO for a term exceeding 5 (five) years at a time. Additionally, no re-appointment shall be made earlier than 1 (one) year before the expiry of the term of such Managing Director, Whole-time Director or CEO.

5.5 The appointment and replacement of, the terms and conditions for the appointment of, and the remuneration payable to, the Managing Director and CEO shall be subject to approval by the Board and the shareholders at the next General Meeting in accordance with this Articles.

5.6 The Company Secretary shall act as the secretary to all the Board Committees.

6. APPOINTMENT OF COMPLIANCE OFFICER

6.1 The Board shall appoint the Company Secretary or any other suitably qualified Employee as the Compliance Officer of the Company.

6.2 Additionally, the Board shall appoint a suitably qualified Senior Employee of the Company as an Additional Compliance Officer of the Company.

6.3 The Compliance Officer of the Company shall be responsible for:

a) ensuring conformity with the regulatory provisions applicable to the Company in letter and spirit and periodically notifying the shareholders of the Company if any lapse is identified (whether internally or by the Statutory Auditor of the Company);

b) co-ordination with and reporting to SEBI, recognized stock exchange(s) and depositories with respect to compliance with rules, regulations and other directives of these authorities in a manner as specified from time to time;

c) ensuring that the correct procedures have been followed that would result in the correctness, authenticity and comprehensiveness of the information, statements and reports filed by the Company under applicable SEBI regulations; and

d) monitoring the email address of the grievance redressal division as designated by the Company for the purpose of registering complaints by investors.

6.4 The Additional Compliance Officer of the Company shall be responsible for setting forth policies and procedures and shall monitor adherence to the applicable laws and regulations and policies and procedures including but not limited to directions of the Reserve Bank of India and other concerned statutory and governmental authorities.

7. APPOINTMENT OF STATUTORY AUDITOR AND INTERNAL AUDITOR

7.1 The Board shall appoint a Statutory Auditor having good reputation, and as per requirements, if any, laid down by the Reserve Bank of India and Ministry of Corporate Affairs, from time to time. Pursuant to approval of the Board, the appointment of the Statutory Auditor will be approved by the shareholders in accordance with provisions of the Companies Act, 2013 and rules made thereunder.

7.2 In the event Internal audit department needs assistance in conducting and carrying out the internal audit, an external firm will be appointed with appropriate skills and reputation by the Board of Directors to support the internal audit department. Any such appointment shall be in line with the requirements, if any, laid down by the Reserve Bank of India and Ministry of Corporate Affairs, from time to time.

7.3 The term of the Statutory Auditor and the Internal Auditor shall be as per provisions of Companies Act, 2013 and rules made thereunder, and/ or as per the requirements laid down by the Reserve Bank of India, from time.

7.4 The Company shall procure the rotation of the partners of the audit firm appointed as the Statutory Auditor or the internal auditor as may be prescribed by Reserve Bank of India or Ministry of Corporate Affairs from time to time.

8. NOMINATION AND REMUNERATION COMMITTEE

8.1 Role of Nomination and Remuneration Committee

The role of the Nomination and Remuneration Committee shall include the following:

(a) formulation and evaluation of the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policyrelating to, the remuneration of the Directors, Key Managerial Personnel, Senior Employees and other Employees;

(b) formulation of criteria for evaluation of the performance of Independent Directors and the Board;

(c) devising a policy on diversity of the Board;

(d) identifying persons who are qualified to become Directors and who may be appointed to the Management Team in accordance with the criteria laid down by the Nomination and Remuneration Committee, and recommending to the Board their appointment and removal;

(e) whether to extend or continue the term of appointment of the Independent Directors, on the basis of the report of performance evaluation of Independent Directors; and

(f) formulating any employee stock option plan or sweat equity plan.

8.2 Constitution of the Nomination and Remuneration Committee

8.2.1 The Board shall constitute the Nomination and Remuneration Committee which shall comprise of at least 3 (three) non-executive Directors and at least 50% (fiftypercent) of the members shall be Independent Directors. In addition to the requirements specified under the Act and the Articles, matters relating to appointment of Independent Directors and remuneration of Key Managerial Personnel would require the positive vote of a majority of non-Independent Directors.

8.2.2 The chairman of the Nomination and Remuneration Committee shall be an Independent Director elected by the members of the Nomination andRemuneration Committee present at a duly convened committee meeting.

8.2.3 The quorum for a meeting of the Nomination and Remuneration Committee shallrequire the presence of three-fourths of the members of the Nomination and Remuneration Committee. Every resolution of this committee shall require the vote of at least three-fourths of the members of the Nomination and Remuneration Committee present and voting.

8.2.4 The Chairman of the Nomination and Remuneration Committee may be presentat the

AGM to answer any questions raised by the shareholders; however, it shall be up to the Chairman to decide who shall answer the questions raised byshareholders.

9. STAKEHOLDERS RELATIONSHIP COMMITTEE

9.1 Role of the Stakeholders Relationship Committee

The Stakeholders Relationship Committee shall consider and resolve the grievances of the security holders of the Company, including complaints related to the transfer of Shares, non-receipt of annual report and non-receipt of declared dividends.

9.2 Constitution of the Stakeholders Relationship Committee

9.2.1 The Board shall constitute a Stakeholders Relationship Committee to consider and resolve the matters specified in Paragraph 9.1 above.

9.2.2 The chairman of this Stakeholders Relationship Committee shall be a nonexecutive Director and will be elected by the members of the Stakeholders Relationship Committee present at the meeting; and

9.2.3 The Board shall decide other members of the Stakeholders Relationship Committee in a manner contemplated under the Articles.

10. RISK MANAGEMENT COMMITTEE

10.1 Role of the Risk Management Committee

The Board shall define the role and responsibility of the Risk Management Committee, which shall include, but not be limited to, reviewing/ amending internal policies of the Company and monitoring compliance with such internal policies, and may delegate monitoring and reviewing of the risk management plan to the committee and such other functions as it may deem fit.

10.2 Constitution of the Risk Management Committee

10.2.1 The Board shall constitute a Risk Management Committee which shall comprise ofat least 3 (three) non-executive Directors and at least 50% (fifty percent) of the members of such committee shall be Independent Directors. If a CEO and/ or anyWhole-time Director has been appointed, then the Risk Management Committeemay choose to include such CEO and/ or Whole-time Director as additional members of the Risk Management Committee, on a case by case basis.

10.2.2 The chairman of the Risk Management Committee shall be an Independent Director who will be elected by the members of the Risk Management Committeepresent at a duly convened committee meeting. The Risk Management Committee may invite the CRO to its meetings and otherwise consult with the CRO as it seesappropriate. The Risk Management Committee may invite other members of theManagement Team of the Company and shall invite each of the Directors appointed by the Large Shareholders, to participate in discussions of the Risk Management Committee.

10.2.3 The quorum for a meeting of the Risk Management Committee shall require the presence of three-fourths of the members of the Risk Management Committee. Every resolution of this committee shall be passed with a vote of at least three- fourths of the

members of the Risk Management Committee present and voting.

11. ASSET - LIABILITY COMMITTEE

11.1 Role of the Asset - Liability Committee:

11.1.1 The Asset - Liability Committee shall be a decision-making unit responsible for balance sheet planning from a risk-return perspective including the strategic management of interest rate and liquidity risks. The Board shall have to decide on the role of the Asset -Liability Committee, its responsibilities as also the decisions to be taken by it. The business and risk management strategy of the Company shall ensure that the Company operateswithin the limits/ parameters prescribed by SEBI and the Reserve Bank of India.

11.1.2 Successful implementation of the risk management process shall require strong commitment on the part of the senior management in the Company, to integrate basic operations and strategic decision making with risk management. The Board shall have overall responsibility for management of risks and shall decide the risk management policy of the Company and set limits for liquidity, interest rate and equity price risks.

11.1.3 The Asset - Liability Committee shall be responsible for ensuring adherence to the limitsset by the Board as well as for deciding the business strategy of the Company (on the assets and liabilities sides) in line with the Company's budget and decided risk management objectives.

11.1.4 Within 3 (three) months from the approval of this Articles, the Asset - Liability Committeeshall formulate a policy for disbursal of loans including clear and identified guidelines andthresholds for granting of loans, disbursal of such loans (single asset, group exposure, guidelines for acceptance and rejection of proposals), and/or granting of commission todirect sales agents of the Company.

11.1.5 The business issues that the Asset - Liability Committee shall consider, *inter alia*, shall include product pricing for both deposits and advances, desired maturity profile and mixof the incremental assets and liabilities, prevailing interest rates offered by other peer NBFCs for similar services/ products, etc.

11.1.6 Any loan disbursed by the Company (i) exceeding 1% (one percent) of the net worth of the Company (or such enhanced threshold as may be approved by the Board in its annual review, with at least two-thirds of the Directors present voting in favour of such enhancement); or (ii) to a Related Party of the Company or any of the Key Managerial Personnel, shall require the unanimous approval of the Asset - Liability Committee and be subject to the approval of the Board.

11.1.7 In addition to monitoring the risk levels of the Company, the Asset - Liability Committeeshall review the results of and progress in implementation of the decisions made in the previous meetings of the committee.

11.1.8 The Asset - Liability Committee shall also articulate the current interest rate view of the Company and base its decisions for future business strategy on this view.

11.1.9 In respect of the funding policy, for instance, its responsibility shall be to decide on source and mix of liabilities or sale of assets. Towards this end, it will have to develop a view onfuture direction of interest rate movements and decide on funding mixes between fixedv/s floating rate funds, wholesale v/s retail deposits, money market v/s capital market funding, domestic v/s foreign currency funding, etc.

11.2 **Constitution of the Asset - Liability Committee:**

11.2.1 The Board shall constitute the Asset-Liability Committee which shall comprise of at least 3 (three) non-executive Directors and at least 50% (fifty percent) of the members shall beIndependent Directors. To ensure commitment of the Management Team and timely response to market dynamics, the Managing Director shall be the chairman of the Asset -Liability Committee and the CRO shall be a permanent invitee to the meetings of the Asset- Liability Committee.

11.2.2 The Asset-Liability Committee may invite other members of the Management Team to attend and participate in discussions of the Asset-Liability Committee.

11.2.3 The number of members of the Asset - Liability Committee shall depend on the size of theCompany, the business mix and the organizational complexity.

11.2.4 The Asset-Liability Committee may have sub-committees and support groups which shallbe constituted by the Asset-Liability Committee.

11.3 **Meetings of the Asset - Liability Committee**

The Board shall have to decide the frequency of holding meetings of the Asset - Liability Committee. The quorum for a meeting of the Asset - Liability Committee shall require the presence of three-fourths of the members of the Asset - Liability Committee. Every resolution of this committee shall be passed with a vote of at least three-fourths of the members of the Asset - Liability Committee in attendance. The chairman of the Asset - Liability Committee will be elected by the members of the Asset - Liability Committee present at a duly convened committee meeting.

12. AUDIT COMMITTEE

12.1 **Role of the Audit Committee**

12.1.1 to ensure that an information system audit of the internal systems and processes of theCompany is conducted at least once in 2 (two) years to assess the operational risks facedby the Company;

12.1.2 oversight of the Company's financial reporting process and the disclosure of its financial
information to ensure that the financial statement is correct, sufficient and credible;

12.1.3 recommendation for appointment, remuneration and terms of appointment of auditorsof

12.1.4 approval of payment to Statutory Auditor and Internal Auditor for any other services rendered by the Statutory Auditor and Internal Auditor, respectively;

12.1.5 reviewing, with the Management Team, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:

a) matters required to be included in the director's responsibility statement to beincluded in the Board's report;

b) changes, if any, in accounting policies and practices and reasons for the same;

c) major accounting entries involving estimates based on the exercise of judgment bythe Management Team;

d) significant adjustments made in the financial statements arising out of audit findings;

e) compliance with listing and other legal requirements relating to financial statements;

f) disclosure of any Related Party transactions; and

g) modified opinion(s) in the draft audit report.

12.1.6 reviewing, with the Management Team, the quarterly financial statements before submission to the Board for approval;

12.1.7 reviewing, with the Management Team, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/ prospectus/ notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;

12.1.8 reviewing and monitoring the auditor's independence and performance, and effectiveness of the audit process;

12.1.9 approval or any subsequent modification of transactions of the Company with Related Parties;

12.1.10 scrutiny of inter-corporate loans and investments;

12.1.11 valuation of undertakings or assets of the Company, wherever it is necessary;

12.1.12 evaluation of internal financial controls and risk management systems;

12.1.13 reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;

12.1.14 reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department,reporting structure coverage and frequency of internal audit;

12.1.15 discussion with internal auditors of any significant findings and following up there on;

12.1.16 reviewing the findings of any internal investigations by the internal auditors into matterswhere there is suspected fraud or irregularity or a failure of internal control systems of amaterial nature and reporting the matter to the Board;

12.1.17 discussion with the Statutory Auditor before the audit commences, about the nature andscope of audit as well as post-audit discussion to ascertain any area of concern;

12.1.18 to look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and

creditors;

12.1.19 to review the functioning of the whistle blower mechanism;

12.1.20 approval of appointment of CFO after assessing the qualifications, experience and background, etc. of the candidate;

12.1.21 to review the IT security/ data integrity/ data security policies and processes of the Company;

12.1.22 carrying out any other function as is mentioned in the terms of reference of the Audit Committee; and

12.1.23 the Audit Committee shall mandatorily review the following information:

a) management discussion and analysis of financial condition and results of operations;

b) statement of significant Related Party transactions (as defined by the Audit Committee), submitted by the Management Team;

c) management letters/ letters of internal control weaknesses issued by the Statutory Auditor;

d) internal audit reports relating to internal control weaknesses;

e) the appointment, removal and terms of remuneration of the internal auditor shall be subject to review by the Audit Committee;

f) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s); and

g) annual statement of funds utilized for purposes other than those stated in the offer document/ prospectus/ notice.

12.1.24 The Company shall establish a vigil mechanism for Directors and Employees to report genuine concerns. If any of the members of the Audit Committee have a conflict of interest

in a given case, they shall recuse themselves and the other members on the AuditCommittee shall deal with the matter in hand.

12.1.25 The vigil mechanism shall provide for adequate safeguards against victimization of persons who use such mechanism and make provision for direct access to the chairman of the Audit Committee in appropriate or exceptional cases. The details of establishment of such mechanism shall be disclosed by the Company on its website, if any, and in the Board's report.

12.2 **Constitution of the Audit Committee**

12.2.1 The Board shall constitute a qualified and independent Audit Committee which shall have a minimum of 3 (three) Directors with at least two-thirds of the members of the Audit Committee being Independent Directors.

12.2.2 All members of the Audit Committee shall be financially literate1 and at least 2 (two) members shall have accounting or related financial management expertise.

12.2.3 The chairman of the Audit Committee shall be an Independent Director who willbe elected by the members of the Audit Committee present at the committee meeting. The chairman of the Audit Committee shall be present at the AGM to answer queries from the shareholders of the Company.

12.3 **Powers of the Audit Committee**

12.3.1 The Audit Committee shall have powers to investigate any activity within its terms of reference, seek information from any Employee, obtain outside legal or other professional advice and secure attendance of outsiders with relevant expertise, ifit considers necessary.

12.3.2 The Statutory Auditor and the Key Managerial Personnel shall have a right to be heard in the meetings of the Audit Committee when it considers the auditor's report but shall not have the right to vote.

12.4 **Meetings of the Audit Committee**

12.4.1 The Audit Committee shall meet at least 4 (four) times in a year and not more than 120 (one hundred and twenty) days shall elapse between 2 (two) meetings.

12.4.2 The quorum for an Audit Committee meeting shall either be 3 (three) members or three-fourths of the members of the Audit Committee, whichever is greater, withat least 2 (two) Independent Directors. Every resolution of the Audit Committee shall be passed with a vote of at least three-fourths of the members of the AuditCommittee in attendance.

13. GRIEVANCE REDRESSAL MECHANISM

13.1 The Company shall ensure that adequate steps are taken for expeditious redressal of investor complaints.

13.2 The Company shall ensure that it is registered on the SCORES platform or such other electronic platform or system of SEBI as shall be mandated from time totime, in order to handle investor complaints electronically in the manner specified by SEBI.

13.3 The Company shall file with the recognized stock exchange(s) on a quarterly basis, within 21 (twenty one) days from the end of each quarter, a statement giving the number of investor complaints pending at the beginning of the quarter, those received during the quarter, disposed of during the quarter and those remaining unresolved at the end of the quarter. The said statement shallbe placed, on a quarterly basis, before the Board.

14. MEETINGS OF THE BOARD

14.1 The Board shall hold regular meetings at the registered office of the Company,or such other location as is agreed by a majority of the Board, at least once in every 3 (three) months, and at least 4 (four) such meetings shall be held in every calendar year. The date of the next Board meeting shall be confirmed at the previous Board meeting. A meeting of the Board may be called by any Director, and the Company Secretary shall, upon requisition by a Director convene the same in accordance with this Paragraph 14.

14.2 The notice for any Board meeting and meeting of any Board Committees shallbe sent to the Directors at least 7 (seven) Days prior to the meeting together with the agenda; provided

however, that any Board meeting may be held by providing shorter notice if consent to such Board Meeting is given in writing or by electronic mode by all the Directors entitled to vote at such meeting. Such notice shall also contain all the relevant documents and supporting information for the same.

14.3 A Board meeting may be called at shorter notice to transact urgent business subject to the condition that at least 1 (one) Independent Director shall be present at the meeting and that the decisions taken at such a meeting shall becirculated to all the Directors and shall be final only upon ratification by at leastby 2 (two) Large Shareholder nominee Directors. Further, no business shall betransacted at any Board meeting duly convened and held other than that specified in the agenda.

14.4 The quorum for a meeting of the Board shall require the presence of at least 9(nine) Directors, or a higher number of Directors, as prescribed under the Act,including the presence of at least half of the total nominee directors appointedby the Large Shareholders. However, in the event where at least half of the nominee directors appointed by the Large Shareholders are not able to attend a meeting, then presence of the remaining directors attending such meeting shall form a quorum subject to compliance with the extant provisions on quorum under the applicable laws and a written consent being obtained from such nominee directors who are not able to attend such meeting.

14.5 Each Director (an "**Original Director**"**)** shall be entitled to nominate an alternate director **(**"**Alternate Director**"**)** in his/ her place and such Alternate Director shall serve in the absence of the Original Director in accordance with the provisionsof the Act. No person shall be appointed as an Alternate Director for an Independent Director unless such a person is qualified to be appointed as an Independent Director.

14.6 Any appointment of an individual as an Alternate Director shall be done in accordance with Section 161 of the Act and shall take place as the first item ofbusiness at the Board meeting following receipt by the Company of such nomination. Upon the appointment of an Alternate Director, the Company shall ensure compliance with the provisions of the Act, including by filing necessary forms with the Registrar of Companies. The Alternate Director shall be entitledto receive notice of all meetings and to attend and vote at such meetings in place of the Original Director (including in relation to meetings of Board Committees)and generally to perform all functions of the Original Director in his absence.

14.7 Subject to the provisions of Paragraph 14.10 below and provisions of the Act, adecision made and/ or a resolution passed at a meeting of the Board shall be valid, only if passed at a validly constituted meeting, and such decisions/ resolutions are approved of by the majority of the Directors present and votingat such meeting of the Board.

14.8 A Director may attend a Board meeting through video conferencing or other audio visual means in accordance with the provisions under the Act and rules, circulars, notifications, guidelines, clarifications etc. issued thereunder.

14.9 A written resolution circulated in draft along with the necessary papers to all the Directors by email who are then members of the Board or a Board Committeeshall be valid and effective only if approved by the requisite majority asprescribed for such matters under the Articles, as if decision on such matters were taken at a duly convened meeting of the Board or Board Committee.

14.10 Notwithstanding anything to the contrary in this Articles, the Board shall not make decisions or undertake any actions in relation to the following matters, unless at least three-fourths of the Directors (present and voting at a duly convened Board meeting) vote in favour of such matter:

a) authorize or make any change in the issued, subscribed or paid-up share capital of the Company;

b) issue any Shares or other securities having structural or legal or preference over or ranking senior to (or *pari passu* with) the Shares with respect to any matter, including without limitation, dividend rights, voting rights or liquidation preference, either as a public offering or private sale or issue of any Shares or other securities of the Company;

c) reorganize the share capital of the Company, by way of fresh issuance of Shares or any securities or by redemption, retirement or repurchase/ buyback of any shares or securities;

d) issue of employee stock options or granting of similar benefits;

e) issue convertible debentures or warrants or grant any options over its shares or any stock splits or consolidation of its share capital;

f) make any changes (directly or indirectly) in class rights for Shares or share equivalents;

g) directly or indirectly declare, authorize or pay any dividend or make any distribution in relation to any Shares or share equivalents of the Company;

h) adopt, approve any new business plan in relation to the Company or any part of it or amend the Business Plan, in any material manner;

i) adopt or approve the annual budget in relation to the Company or any part of it or amend the annual budget of the Company;

j) adopt, amend or repeal any provision in the Company's constitutional documents;

k) amend or repeal or authorize any amendment or other action in respect of this Articles and/ or the Manual of Authority;

l) amend or repeal or authorize any amendment or other action in relation to the powers of the members of the Management Team, the terms of the appointment letter of the members of the Management Team, or the appointment or removal of members of the Management Team;

m) enter into derivative contracts of any kind;

n) mergers, demergers, spin-offs, amalgamations, consolidations or any other similar form of corporate restructuring of the Company and/or its subsidiary;

o) authorize or incur any financial indebtedness of the Company which is in excess of the limits set from time to time by the Asset Liability Committee with the approval of the Board;

p) authorize or incur any financial indebtedness of the Company which results in the debt/ equity of the Company exceeding 5x levels or such other limit as may be approved by the Board in its review every 2 (two) years, with at least two-thirds of the Directors present voting in favour of such enhancement;

q) incur any single item of capital or revenue expenditure by the Company (including acquiring a business or asset) greater than Rs.10,00,00,000 (Rupees Ten Crores only);

r) authorize or undertake any arrangement for the disposal by the Company of any assets not in the ordinary course of business;

s) approve the agenda for the General Meeting;

t) give or renew security for, or the guaranteeing of financial indebtedness of the Company

or any third parties, or creating any encumbrance on the assets of the Company and/ or the subsidiary;

u) divest or sell capital assets (including but not limited to a transfer, surrender, lease or exchange) by the Company, other than inter-se transfers betweenthe Company and its subsidiary, acquisition of assets under business transfer/ slump sale agreements or businesses, creation of joint ventures/ partnerships/ subsidiaries, or any other investments or entering into any such combination with any Person;

v) appoint, remove or replace any Statutory Auditor;

w) amend, extend or add to any Key Management Personnel and Senior Employees incentive arrangements;

x) enter into an agreement or arrangement between the Company and (i) anymember of the Company, (ii) Key Managerial Personnel and (iii) any Related Party to any such member or Key Managerial Personnel;

y) incorporate any subsidiary or close down, wind up or liquidate the Company or any subsidiary of the Company;

z) acquire the whole or any part of any other business or undertaking (other than the purchase of supplies and stock in the ordinary course of business)or acquire any shares or any option over shares in the capital of any company;

aa) constitute a Board Committee and finalizing the role and responsibilities of such Board Committee including the committees constituted under this Articles;

bb) formulate, adopt or amend the terms of the Manual of Authority or any policy constituted under this Articles;

cc) approve any expense (i) of Key Managerial Personnel and Senior Employees (above an agreed threshold); (ii) of an amount exceeding Rs.10,00,00,000 (Rupees Ten Crores Only); (iii) resulting in a deviation from the annual budget of the Company by more than 10% (ten percent) (or such enhanced deviation as may be approved by the Board in its annual review, with at least two-thirds of the Directors present voting in favour of such enhancement);

dd) make any treasury or other investments by the Company;

ee) withdrawal of authority to members of the Management Team;

ff) make any material change in the nature of the Company's business; (gg) disposal of all or substantially all of the assets of the Company; and(hh) any change to the listing status of the Company's Shares.

However, no Director shall vote on matters specified above, in which such a Director is interested. An interested Director shall mean a Director who in any way, whether by himself or through any of his relatives or any firm, body corporate or other association of individuals in which he or any of his relatives isa partner, director or a member, is interested in a contract or arrangement, or proposed contract or arrangement, entered into or to be entered into by or on behalf of the Company.

15. SHAREHOLDER MEETING

15.1 The Company shall hold at least 1 (one) General Meeting in any given calendaryear. The AGM shall be held in each calendar year within 6 (six) months following the end of the previous

Financial Year of the Company. All General Meetings other than the AGM shall be EGMs. All General Meetings shall be governed bythe Act and the Articles.

15.2 The prior written notice of at least 21 (twenty one) days before the GeneralMeeting shall be given to all shareholders of the Company either in writing or through electronic mode; provided however, that any General Meeting may beheld on shorter notice if consent is given in writing or by electronic mode by notless than 95% (ninety five percent) of the members entitled to vote at such meeting. All notices shall be accompanied by an agenda setting out the particular business proposed to be transacted at such General Meeting. Every notice shall specify the place, date and hour of the General Meeting and shall contain an agenda and accompanying materials with a statement of the business to be transacted thereat and where any such business consists of special business, as defined under the Act, there shall be annexed to the notice an explanatory statement in accordance with Section 102 (statement to be annexed to notice) of the Act. No business shall be transacted at any General Meeting duly convened and held other than that specified in the notice.

15.3 The following matters shall require the approval of two-thirds of the Votes castin a General Meeting:

(a) all matters in relation to a takeover of a company or acquiring a controlling orsubstantial stake in another company or purchase of the whole or substantially the whole of the undertaking of another company;

(b) appointment or removal of Independent Directors; and

(c) any matter referred to in Paragraph 14.10 and such other matters as the Board may resolve from time to time that requires the approval of two- thirds of the Votes cast at a General Meeting.

15.4 All special resolution items as per the Act shall require the approval of three- fourths of the Votes cast in a General Meeting.

16. FLOW OF AUTHORITY AND MANAGEMENT TEAM

16.1 In accordance with the Articles and this Articles, the Board may delegate certain powers of management to the Management Team led by the Managing Director.

16.2 The members of the Management Team (other than the Managing Director) shall be appointed and removed by the Managing Director, provided always that the Managing Director shall not appoint any candidate to the role of CFO unless such candidate shall have been approved by the Audit Committee.

16.3 The Nomination and Remuneration Committee shall have oversight over the Management Team.

16.4 The flow of authority with respect to the operations of the Company is set outin Paragraph 18 below.

16.5 The Managing Director shall report to the Board, and all officers of the Company including the other members of the Management Team shall report to the Managing Director.

16.6 The powers of the Managing Director shall be as set out in this Articles(approved by the Board

in accordance with the Articles). The Managing Director shall also be held accountable for due compliance of the provisions of this Articles. He shall be held responsible and accountable for any deviations from the provisions of this Articles and the Manual of Authority and any such breaches shall result in the termination of his appointment as Managing Director.

17. ROLES AND RESPONSIBILITY OF THE MANAGEMENT TEAM

17.1 Managing Director

The Managing Director will have primary responsibility for day to day operation of the Company's business and shall report to the Board.

17.2 The CEO (if appointed) shall be responsible for running the day to day functioning of the Company, under the supervision of the Managing Director and the Board.

17.3 The CFO is responsible for all financial functions of the Company including:

(a) treasury, which includes banking, investment, hedging activity, cash management etc. within the limits defined by the Manual of Authority (onceadopted);
(b) financial accounting and reporting;
(c) financial planning and control;
(d) property (i.e. fixed assets of the Company); and
(e) investor relations

However, in case the Company appoints a separate designated official(s) to discharge any of the above duties then such official shall be responsible to manage the said function under the directions of the Managing Director.

17.4 The CRO is responsible for the following functions in relation to the Companyand shall report to the Board:

(a) manage the implementation of all aspects of the risk function, including implementation of processes, tools and systems to identify, assess, measure, manage, monitor and report risks;

(b) provide an annual compliance certificate to the Board regarding the risk management practices, write off policies, credit disbursal mechanisms of the Company;

(c) assist in the development of and manage processes to identify and evaluate business areas' risks and risk and control self-assessments;

(d) manage the process for developing risk policies and procedures, risk limits and approval authorities;

(e) monitor major and critical risk issues;

(f) manage the process for elevating control risks to more senior levels whenappropriate;

(g) manage the corporate risk and control assessment reporting process as well as manage and maintain infrastructure elements (e.g. management reporting, including reporting to senior management); and

(h) conduct compliance & risk assessments.

18. AUTHORITY LIMITS OF THE MEMBERS OF THE MANAGEMENT TEAM

The Board will, within 3 (three) months of first adoption of this Articles, seek tofinalize and adopt a Manual of Authority which will specify in detail the matters in relation to which relevant categories of Employees may be authorized to approve routine decisions in connection with the Company's business. Until such policy and other required policies are approved by the Board, funds of the Company can only be invested with the approval of the Board and into government securities or AAA rated instruments. Until such policy is formulated and approved by the Board, the Company shall only use existing cash in its books for meeting expenses of the Company.

19. GENERAL GUIDELINES AND PRINCIPLES

19.1 The overall financial limits in this Articles and the Manual of Authority will apply in respect to the powers delegated to the Management Team.

19.2 In the event of a contradiction between this Articles and various other internal policies/ manuals/ standard operating procedures, this Articles shall prevail.

19.3 A position holder delegated with authority shall not approve any expenditure or disbursement of loan for his own personal benefit or for the benefit of any Related Party of the Company. If there is any requirement to approve expensesfor personal expenditure in connection with the Company's business, such approval should be obtained from higher authority only.

19.4 Authority limits contained in the Manual of Authority are determined in Indian Rupees. Expenditures in any other currency should be converted into Indian Rupees at the appropriate exchange rate as published by the Reserve Bank of India **("RBI")** on its official website to ensure that the correct level of authorityis applied to each transaction.

19.5 Any deviation from the approval requirements as set out in this Articles and theManual of Authority is considered abuse of this Articles and is prohibited. Onlythe Managing Director can approve deviations up to his authority limit and deviations in excess of such authority limit will have to be approved by the Board.

19.6 A series of transactions that should be reasonably connected with each other because of the nature of the transactions shall be considered as a single transaction for the purpose of determining the approval and authority limits envisaged in this Articles. It is prohibited to split a commitment or transaction into 2 (two) or more parts to fit within the authority limit.

19.7 It is also prohibited to receive services or goods from a supplier, direct selling agents, recruitment agencies or advisors on behalf of the Company or provide such services or goods to a person on behalf of the Company without having the proper authority to do so or complying with the applicable procedures.

19.8 The Board will, within 3 (three) months of first adoption of this Articles, seek tofinalize and adopt a Gift and Entertainment Policy which will specify in detail the gifts and entertainment that are prohibited and those that can be given or received, and other record keeping requirements for the Company.

19.9 The Board will, within 1 (one) month of first adoption of this Articles, seek to finalize and adopt a Treasury Operations and Surplus Cash Deployment Policy which will specify in detail the guidelines and policies for the treasury operations and surplus cash deployment of the

Company.

19.10 Notwithstanding anything to the contrary in this Articles, the Articles shall be subject to applicable law; and in the event any provision, clause or Paragraph of this Articles is inconsistent with or contravenes applicable law (from time to time), the Board shall take necessary steps to modify or amend the Articles in order to make such provision, clause or Paragraph consistent with applicable law.

20. TEMPORARY DELEGATION OF AUTHORITY

Temporary delegation of authority shall be allowed in circumstances where the delegator is not physically present to sign documentation due to an extended period of absence (for instance duty travel or leave). Notwithstanding the delegation of authority, the delegator will not be absolved from his responsibility. Each delegation of authority must be evidenced in writing. The signatory signingon behalf of others must sign "pp" (post of original signatory). The delegate shallnot have the authority to further delegate to a third person (e.g. signatories to whom powers have been delegated cannot delegate such powers to their subordinate staff). In the absence of such signatories, these powers move upward to the superiors of the original signatory.

21. WITHDRAWAL OF AUTHORITY

The Board may withdraw the authority granted to the Managing Director and other members of the Management Team only with the approval of the three- fourth majority of the Board in accordance with this Articles.

22. COMPLIANCE MONITORING

22.1 The Audit Committee shall verify the compliance of this Articles as a part of its regular compliance audits.

22.2 In the event of any occurrence or arising of any matter which is likely to have a material impact on the business or the financial position of the Company, or theCompany's ability to perform its obligations under this Articles, such information shall be communicated to all Directors without delay in writing, and no later than48 (forty eight) hours of the Company becoming aware of its occurrence. Any Director or the Large Shareholders have the right to appoint an advisor to conduct an audit of the Company thereafter, at the cost of the Company. The Company shall support such advisor in its audit.

23. CHANGE MANAGEMENT PROCESS

23.1 This Articles may be updated from time to time in line with the Company's requirements. The Board will be responsible for the maintenance of this Articles. Any request for a change of a particular paragraph of this Articles shall be submitted to the Board and no amendment shall be effective unless approvedby the Board in accordance with this Articles.

23.2 The Managing Director will approve any change to the authority matrix set outin this Articles, as long as it is within the authorized limits of the Managing Director to do so. Any further deviations and/ or amendments will require theapproval of the Board in the manner set out in this Articles.

23.3 Subject to Paragraph 14.10(cc), changes that do not affect the Managing Director's authority but impacts Employees below the level of the Managing Director are effective once approved

by the Managing Director. However, suchchanges need to be notified to the Board. Changes to the authority of the Managing Director, Board and Board Committees will require the approval of the Board in the manner set out in the Articles.

24. THE COMMON SEAL

The Board shall provide for the safe custody of the seal. The seal of the company shall not be affixed to any instrument except by the authority of a resolution of the Boardor of a committee of the Board authorized by it in that behalf, and except in the presence of the Managing Director or of a director and of the secretary or such otherperson as the Board or of a committee of the Board may appoint for the purpose; and such Managing Director or a director and the secretary or such other person aforesaid shall sign every instrument to which the seal of the company is so affixed in their presence.

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following contracts which are or may be deemed material have been entered or are to be entered into by our Company. These contracts and also the documents for inspection referred to hereunder, may be inspected on Working Days at the Registered Office of our Company situated at Equinox Business Park, Tower 3, Fourth Floor, Off BKC, LBS Road, Kurla, Mumbai - 400070, Maharashtra, India between 10:00 am to 5:00 pm on any Working Day from the date of the filing of this Prospectus with Stock Exchanges until the Issue closing date.

MATERIAL CONTRACTS

1. Issue Agreement dated March 20, 2025 between our Company and the Lead Manager.

2. Registrar Agreement dated March 20, 2025 between our Company and the Registrar to the Issue.

3. Debenture Trustee Agreement dated March 20, 2025 between our Company and the Debenture Trustee.

4. Agreed form of Debenture Trust Deed to be executed between our Company and the Debenture Trustee.

5. Agreed form of Deed of Hypothecation to be executed between our Company and the Debenture Trustee.

6. Public Issue Account and Sponsor Bank Agreement dated March 26, 2025, executed amongst our Company, the Registrar, the Public Issue Account Bank, Refund Bank and Sponsor Bank, and the Lead Manager.

7. Consortium Agreement dated March 26, 2025executed between our Company, the Consortium Members and the Lead Manager.

8. Tripartite Agreement dated March 20, 2019 between our Company, the Registrar to the Issue and CDSL.

9. Tripartite Agreement dated March 20, 2019 between our Company, the Registrar to the Issue and NSDL.

MATERIAL DOCUMENTS

1. Memorandum and Articles of Association of our Company, as amended to date.

2. Original Certificate of Incorporation dated February 10, 1993, issued by Registrar of Companies, Mumbai.

3. Revised Certificate of Incorporation dated September 26, 2018 on change of name from “Chokhani Securities Limited” to “UGRO Capital Limited”.

4. The Certificate of Registration number 13.00325 dated March 11, 1998 and subsequently revised on October 26, 2018 upon change of name of the Company as issued by RBI under Section 45-IA of the RBI Act.

5. The Certificate of Registration number N-13.02475 dated January 09, 2024 as issued by RBI in terms of its powers under Section 3 of the Factoring Regulation Act, 2011.

6. Copy of resolution passed at the meeting of the Board of Directors approving the overall borrowing limit and security creation limits held on May 02, 2024 .

7. Copy of shareholders resolution passed at the Annual General Meeting pursuant to section 180 (1) (c) of the Companies Act, 2013 held on August 8, 2024 approving the overall borrowing limits of the Board of Directors of our Company.

8. Copy of the resolution passed by the Investment and Borrowing Committee dated March 20, 2025 for approving the Issue Size and authorising, the authorised persons for attesting the Draft Prospectus.

9. Copy of the resolutions passed by the Investment and Borrowing Committee on March 20, 2025 approving the Draft Prospectus and creation of security for securing the Debentures.

10. Copy of the resolution passed by the Investment and Borrowing Committee on March 26, 2025 approving this Prospectus.

11. Copy of resolution appointing company secretary and compliance officer passed by our Board of Directors at its meeting held on October 26, 2023.

12. Credit rating letter dated February 25, 2025 by India Ratings and Research Private Limited assigning a rating of " IND A+/ Stable" for the Issue with rating rationale and press release dated December 30, 2024.

13. Consents of the Directors, Chief Financial Officer, Company Secretary and Compliance Officer, Lead Manager, Legal Advisor to the Issue, Credit Rating Agency, Bankers to our Company, CARE Analytics and Advisory Private Limited, Registrar to the Issue and the Debenture Trustee, Consortium Member and Banker to the Issue for the NCDs, to include their names in this Prospectus, in their respective capacities.

14. Consent of CARE Analytics & Advisory Private Limited dated March 20, 2025 as the agency issuing the industry report titled "Research Report on NBFCs" dated March' 2025 forming part of the Industry Overview chapter.

15. The consent of the Statutory Auditors, namely, M/S Sharp & Tannan Associates, Chartered Accountants dated March 20, 2025, for inclusion of their name as the Statutory Auditors and experts in respect of the report dated October 22, 2024 for half year ended September 30, 2024 and report dated January 24, 2025 for quarter and nine month ended December 31, 2024, relating to Unaudited Financial Results included in this Prospectus. The consent of the Statutory Auditors has not been withdrawn as on the date of this Prospectus.

16. The consent of the Independent Chartered Accountants, namely, Maheshwari & Co, Chartered Accountants dated March 20, 2025, for inclusion of their name as the Independent Chartered Accountants and experts in respect of the statement of tax benefits dated March 20, 2025, included in this Prospectus. The consent of the Independent Chartered Accountants has not been withdrawn as on the date of this Prospectus.

17. Investment Agreement dated April 11, 2023 executed between Danish Sustainable Development Goals Investment Fund K/S, our Company, Poshika Advisory Services LLP, Sachindra Nath and Poshika Financial Ecosystem Private Limited.

18. The Statement of Tax Benefits issued by Maheshwari & Co, Chartered Accountants dated March 20, 2025.

19. Annual Reports of our Company for the last three financial years ended March 31, 2024, March 31, 2023 and March 31, 2022.

20. Audited Financial Statements of our Company for the year ending March 31, 2024, March 31, 2023 and March 31, 2022.

21. The limited review report dated October 22, 2024, in relation to the six months period ended September 30, 2024 on the Unaudited Financial Results of our Company.

22. The limited review report dated January 24, 2025, in relation to the quarter and nine months period ended December 31, 2024 on the Unaudited Financial Results of our Company.

23. In-principle listing approval from NSE by its letter no. NSE/LIST/D/2025/0091 dated March 25, 2025.

24. In-principle listing approval from BSE by its letter no. DCS/BM/PI-BOND/40/24-25 dated March 25, 2025.

25. Due Diligence Certificate dated March 20, 2025 from Debenture Trustee to the Issue.

26. Due Diligence Certificate dated March 26, 2025 filed by the Lead Manager with SEBI.

DECLARATION

I, the Authorised Person, hereby certify and declare that all applicable legal requirements in connection with the Issue, including under the Companies Act, 2013, and the rules made thereunder, the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021, the Securities Contracts (Regulation) Act, 1956 and the rules made thereunder, the Securities and Exchange Board of India Act, 1992 and the rules and regulations made thereunder, each as amended, and the rules/regulations/guidelines/ circulars issued by the Government of India and/or the regulations/guidelines/circulars issued by the Reserve Bank of India, the Securities and Exchange Board of India and other competent authorities in this respect, from time to time, have been duly complied with and that no statement made in this Prospectus contravenes any such requirements. We hereby confirm that the compliance with the Securities and Exchange Board of India Act, 1992 or rules made there under does not imply that payment of dividend or interest or repayment of debt securities, is guaranteed by the Central Government.

I further certify that all the disclosures and statements made in this Prospectus are true, accurate, correct and complete in all material respects, are in conformity with Companies Act, 2013, Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021, the Securities Contracts (Regulation) Act, 1956, and the rules made thereunder including the Securities Contracts (Regulation) Rules, 1957, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Securities and Exchange Board of India Act, 1992 or rules made there under, regulations or guidelines or circulars issued, as the case may be and do not omit disclosure of any material information that may make the statements made herein, in the light of circumstances in which they were made, misleading and that this Prospectus does not contain any misstatements. Furthermore, all the monies received under this Issue, shall be used only for the purposes and objects indicated in this Prospectus. Whatever is stated in this Prospectus is true, correct and complete and no information material to the subject matter of this Prospectus has been suppressed or concealed and is as per the original records maintained by our Promoters subscribing to the Memorandum of Association and Articles of Association. The contents of this Prospectus have been perused by the Board of Directors, and the final and ultimate responsibility of the contents mentioned herein shall also lie with the Board of Directors.

Signed on behalf of the Company

s/d

Kishore Kumar Lodha
Chief Financial Officer
Date: March 26, 2025
Place: Mumbai

DECLARATION

I, the Authorised Person, hereby certify and declare that all applicable legal requirements in connection with the Issue, including under the Companies Act, 2013, and the rules made thereunder, the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021, the Securities Contracts (Regulation) Act, 1956 and the rules made thereunder, the Securities and Exchange Board of India Act, 1992 and the rules and regulations made thereunder, each as amended, and the rules/regulations/guidelines/ circulars issued by the Government of India and/or the regulations/guidelines/circulars issued by the Reserve Bank of India, the Securities and Exchange Board of India and other competent authorities in this respect, from time to time, have been duly complied with and that no statement made in this Prospectus contravenes any such requirements. We hereby confirm that the compliance with the Securities and Exchange Board of India Act, 1992 or rules made there under does not imply that payment of dividend or interest or repayment of debt securities, is guaranteed by the Central Government.

I further certify that all the disclosures and statements made in this Prospectus are true, accurate, correct and complete in all material respects, are in conformity with Companies Act, 2013, Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021, the Securities Contracts (Regulation) Act, 1956, and the rules made thereunder including the Securities Contracts (Regulation) Rules, 1957, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Securities and Exchange Board of India Act, 1992 or rules made there under, regulations or guidelines or circulars issued, as the case may be and do not omit disclosure of any material information that may make the statements made herein, in the light of circumstances in which they were made, misleading and that this Prospectus does not contain any misstatements. Furthermore, all the monies received under this Issue, shall be used only for the purposes and objects indicated in this Prospectus. Whatever is stated in this Prospectus is true, correct and complete and no information material to the subject matter of this Prospectus has been suppressed or concealed and is as per the original records maintained by our Promoters subscribing to the Memorandum of Association and Articles of Association. The contents of this Prospectus have been perused by the Board of Directors, and the final and ultimate responsibility of the contents mentioned herein shall also lie with the Board of Directors.

Signed on behalf of our Company

s/d

_____

Authorised Signatory
Satish Kumar Chelladurai
Company Secretary and Compliance Officer
Date: March 26, 2025
Place: Mumbai

ANNEXURE A- RATING, RATIONALE AND PRESS RELEASE

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India Ratings & Research
A Fitch Group Company

Fitch Group

Kishore Lodha
Chief Financial Officer
4th Floor, Tower 3, West Wing
Equinox Business Park
LBS Road, Kurla (West)
Mumbai - 400070

February 25, 2025

Dear Sir/Madam,

Re: Rating Letter for non-convertible debenture (NCD) programme of UGRO Capital Limited

India Ratings and Research (Ind-Ra) is pleased to communicate the rating of :

- INR 2000mn Public issue non convertible debentures*: IND A+/Stable

*Unutilised

Total rated NCD is INR 16750mn

In issuing and maintaining its ratings, India Ratings relies on factual information it receives from issuers and underwriters and from other sources India Ratings believes to be credible. India Ratings conducts a reasonable investigation of the factual information relied upon by it in accordance with its ratings methodology, and obtains reasonable verification of that information from independent sources, to the extent such sources are available for a given security.

The manner of India Ratings' factual investigation and the scope of the third-party verification it obtains will vary depending on the nature of the rated security and its issuer, the requirements and practices in India where the rated security is offered and sold, the availability and nature of relevant public information, access to the management of the issuer and its advisers, the availability of pre-existing third-party verifications such as audit reports, agreed-upon procedures letters, appraisals, actuarial reports, engineering reports, legal opinions and other reports provided by third parties, the availability of independent and competent third-party verification sources with respect to the particular security or in the particular jurisdiction of the issuer, and a variety of other factors

Users of India Ratings' ratings should understand that neither an enhanced factual investigation nor any third-party verification can ensure that all of the information India Ratings relies on in connection with a rating will be accurate and complete. Ultimately, the issuer and its advisers are responsible for the accuracy of the information they provide to India Ratings and to the market in offering documents and other reports. In issuing its ratings India Ratings must rely on the work of experts, including independent auditors with respect to financial statements and attorneys with respect to legal and tax matters. Further, ratings are inherently forward-looking and embody assumptions and predictions about future events that by their nature cannot be verified as facts. As a result, despite any verification of current facts, ratings can be affected by future events or conditions that were not anticipated at the time a rating was issued or affirmed.

India Ratings seeks to continuously improve its ratings criteria and methodologies, and periodically updates the descriptions on its website of its criteria and methodologies for securities of a given type. The criteria and methodology used to determine a rating action are those in effect at the time the rating action is taken, which for public ratings is the date of the related rating action commentary. Each rating action commentary provides information about the criteria and methodology used to arrive at the stated rating, which may differ from the general criteria and methodology for the applicable security type posted on the website at a given time. For this reason, you should always consult the applicable rating action commentary for the most accurate information on the basis of any given public rating.

Ratings are based on established criteria and methodologies that India Ratings is continuously evaluating and updating. Therefore, ratings

Pankaj

are the collective work product of India Ratings and no individual, or group of individuals, is solely responsible for a rating. All India Ratings reports have shared authorship. Individuals identified in an India Ratings report were involved in, but are not solely responsible for, the opinions stated therein. The individuals are named for contact purposes only.

Ratings are not a recommendation or suggestion, directly or indirectly, to you or any other person, to buy, sell, make or hold any investment, loan or security or to undertake any investment strategy with respect to any investment, loan or security or any issuer. Ratings do not comment on the adequacy of market price, the suitability of any investment, loan or security for a particular investor (including without limitation, any accounting and/or regulatory treatment), or the tax-exempt nature or taxability of payments made in respect of any investment, loan or security. India Ratings is not your advisor, nor is India Ratings providing to you or any other party any financial advice, or any legal, auditing, accounting, appraisal, valuation or actuarial services. A rating should not be viewed as a replacement for such advice or services. Investors may find India Ratings ratings to be important information, and India Ratings notes that you are responsible for communicating the contents of this letter, and any changes with respect to the rating, to investors.

It will be important that you promptly provide us with all information that may be material to the ratings so that our ratings continue to be appropriate. Ratings may be raised, lowered, withdrawn, or placed on Rating Watch due to changes in, additions to, accuracy of or the inadequacy of information or for any other reason India Ratings deems sufficient.

Nothing in this letter is intended to or should be construed as creating a fiduciary relationship between India Ratings and you or between India Ratings and any user of the ratings.

In this letter, “India Ratings” means India Ratings & Research Pvt. Ltd. and any successor in interest.

We are pleased to have had the opportunity to be of service to you. If we can be of further assistance, please email us at infogrp@indiaratings.co.in

Sincerely,

India Ratings



Pankaj Naik
Director

India Ratings Affirm UGRO Capital's NCDs at 'IND A+'/Stable and CP at 'IND A1+'; Rates Additional NCDs and Bank Loan

Dec 30, 2024 | Non Banking Financial Company (NBFC)

India Ratings and Research (Ind-Ra) has taken the following rating actions on UGRO Capital Limited's (UGRO) debt instruments:

Details of Instruments

Instrument Type	Date of Issuance	Coupon Rate	Maturity Date	Size of Issue (million)	Rating Assigned along with Outlook/Watch	Rating Action
Commercial paper	-		-	INR3,000	IND A1+	Affirmed
Subordinated debt#	-		-	INR500	IND A+/Stable	Affirmed
Bank loan	-		-	INR26,000	IND A+/Stable	Affirmed
Non-convertible debenture#	-		-	INR12,750 (reduced from 13000)	IND A+/Stable	Affirmed
Bank loan	-		-	INR5,000	IND A+/Stable	Assigned
Non-convertible debenture#	-		-	INR4,000	IND A+/Stable	Assigned

#Details in the annexure

Analytical Approach

Ind-Ra continues to take a standalone view of UGRO to arrive at the ratings.

Detailed Rationale of the Rating Action

The affirmation reflects the continued growth in UGRO's franchise in FY24 along with the raising of capital, providing visibility on future growth plans. The ratings also reflect the diversified funding, with a healthy share of funding from banks and development financial institutions in the overall borrowing mix, the wide product offerings for micro, small and medium enterprises (MSMEs), and its geographic and end-segment diversification. Ind-Ra has also factored in UGRO's adequate liquidity and capital base, with a modest leverage ratio, its plan to keep augmenting capital buffers to support the growing franchise, and the presence of marquee investors. The ratings also reflect UGRO's moderate-but-expanding scale and profitability during FY24, which are likely to improve further over FY25-FY26 as the operational leverage has started playing out. The ratings also factor in the moderate seasoning in the book, as nearly 61% of the assets under management (AUM) were generated over the 12 months ended September 2024.

List of Key Rating Drivers

Strengths

- Strong growth in franchise
- Adequate capital buffers
- Focused on funding MSMEs; geographically and sectorally diversified exposure across MSME value chain
- Enablers in place to drive franchise expansion
- Targeting strong off-balance growth

- Diversified funding mix and lender base

Weaknesses

- Limited track record; asset quality seasoning needs to be established
- Moderate profitability, but improvement likely once operational leverage picks up

Detailed Description of Key Rating Drivers

Strong Growth in Franchise: UGRO'S AUM grew multi-fold to INR101.6billion at end-2QFY25 from INR13.2 billion at end-FY21, largely driven by its off-book AUM, which grew to INR44.9 billion from just INR0.11 billion over the same period. The on-book AUM too grew by a strong CAGR of nearly 52% during the same period. UGRO has 12 co-lending and co-origination partnerships, of which six are public sector banks. It also has a partnership with fintech companies, which act as business correspondent partners for the company. The company also witnessed strong build-up in its capacity between FY21-2QFY25, with the branch count rising to 210 from 25. Of this, only 23 are prime branches, while 187 are micro branches. The company plans to increase its branch count to 250, with emphasis on increasing micro branches.

Adequate Capital Buffers: UGRO has a demonstrated track record of capital raising. In 1QFY24, the company raised INR3.4 billion. In addition, UGRO has approved capital raise of INR12.7 billion through compulsory convertible debt (CCD) and warrant issuance of INR2.58 billion and INR10.07 billion, respectively. While INR5.10 billion of the total capital raise of INR12.7 billion was exercised in 1QFY25, the rest will come in over 18 months from the issuance date. UGRO has built adequate capital buffers, with capital base of INR14.38 billion at FYE24 (FYE23: INR9.8 billion; FY22: INR9.7 billion; FY21: INR9.5 billion), and a capital adequacy ratio of 20.75% (20.2%; 33.61%; 65.15%). Furthermore, the leverage ratio (debt/equity) declined to 2.7x at end-1HFY25 (FY24: 3.2x; FY23: 3.2x)). It will reduce further in FY25, once the recent capital raise becomes part of the equity base. The agency believes the current capital would be adequate to support growth over the next six-to-eight quarters. That said, UGRO targets to keep its leverage within 4.0x and cap its unsecured business loan exposure at 30% (excluding the exposure that is backed by Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE)). The agency believes that this is required as the borrowing segment that it caters to is highly susceptible to economic slowdowns and has been associated with high credit costs in the past.

Focused on funding MSMEs; Geographically and Sectorally Diversified Exposure across MSME Value Chain: UGRO is a non-banking financial company focused on providing funding across the MSME segment – secured against property as collateral, funding for purchase of machinery, supply chain financing and unsecured business loans. The average ticket size of the products ranges between INR0.5 million - 9.5 million, with the upper cap being INR50 million for secured products and INR5 million for unsecured business loans. Since coming into existence in 2019, the entity has built an AUM of INR101 billion despite being impacted by the pandemic for a large part of this period. Furthermore, the entity operates out of 210 branches (23 prime and rest for micro enterprises), which are present across nine Indian states, while its customers are spread across 31 states and union territories, with none of the states accounting for more than 15% of the AUM. Furthermore, the AUM is diversified across ten key sectors, with the largest end-segment constituting 24% of the AUM. The agency opines the product, geography and end-segment diversification bodes well for UGRO, given the volatility that the customer segment is known to face through economic cycles.

UGRO has re-calibrated its strategy, and now the focus is to grow high-yielding products. It plans to expand its micro loans reach by adding more micro branches. In supply chain financing, the focus is now on running down the old book, which had exposure mainly to wholesaler distributor/dealers, and UGRO intends to target retailers henceforth. The entity has undertaken this shift mainly to improve its margins. The company also want to grow the share of the unsecured business segment, but this exposure will be backed by CGTMSE; at FYE24, 25% of the unsecured business segment was covered with CGTMSE, and UGRO intends to roll it out to the entire segment. Ind-Ra opines that the focus on improving profitability is a step in the right direction for UGRO, but the asset quality trend of this new portfolio will be a key monitorable.

Enablers in Place to Drive Franchise Expansion: UGRO has invested in technology infrastructure, data analytics, human resources and systems and processes to expand its franchisee over the near-to-medium term. It follows a blend of

physical and digital framework for sourcing, underwriting, disbursements and collections. UGRO uses a high-tech model, wherein customers are sourced through its branch network, direct sales agents, anchors for dealer financing, original equipment manufacturers, co-origination partners and digital channel. The company has developed a platform for lending and monitoring, which has a fully automated workflow and requires limited manual intervention. On the underwriting side, the company uses a data science-based credit decisioning model, which underwrites loan proposals using bureau data, banking data and goods and services tax data.

To further accelerate its digital journey, UGRO recently announced the acquisition of MyShubhLife (MSL), an embedded finance fintech platform. The company believes this acquisition will enable it to target the high-yielding retailer financing segment. UGRO expects to build an AUM of INR15 billion and generate profit after tax of INR1 billion over the next three years through the MSL platform.

Targeting Strong Off-Balance Sheet Growth: UGRO has been targeting strong growth in capital-light off-balance sheet products by increasing its lending under the co-lending and direct assignment and co-origination segments. The combined share of these segments in the AUM grew sharply to 44% in 2QFY25 from 16% in FY22, even as the AUM grew over 3.0x to INR101billion over the same period. Along with being less strenuous on the capital buffers, off-book growth has also been providing a steady source of income for UGRO. Ind-Ra opines banks, particularly public sector banks, have become more amenable to taking on assets on their balance sheet under the co-lending route as it helps them build a granular book, while operational contours are left to the partner to manage. Furthermore, through this route, banks are able to lend directly to small-ticket customers under these arrangements rather than lending directly to non-banking financial companies. The effectiveness of the model, however, is yet to be established, given the low seasoning and credit costs, which need to stabilise over a larger scale. This remains a key monitorable.

Diversified Funding Mix and Lender Base: UGRO has mobilised funds from 60 financiers, including some of the largest public sector and private sector banks. Term loans from banks, small finance banks, non-banking financial companies and financial institutions accounted for 36.6%, 3.2%, 7.8% and 9.3%, respectively, of the total borrowings at end-September 2024, with working capital loans constituting another 2.2%. NCDs and market-linked debentures constituted 27.6% and 2.0%, respectively, of the total borrowings, CPs formed 3.0%, and external commercial borrowings accounted for 7.1%. Given the scale at which UGRO operates, the number of lending relations is adequate, and the liability mix is diversified. UGRO's focus on co-lending with 12 partners also acts as an additional source of fund-raising. Also, with huge funding requirements to support its growth, UGRO consolidated its lender mix to 60 at end-2QFY25 (FY24: 57; FY23: 66); this has helped it to deepen relationships with its existing lenders.

Limited Track Record: Asset Quality Seasoning Needs to be Established: UGRO began operations in 2018 and it has built an AUM of INR101.6 billion since then. While UGRO's portfolio has been witnessing strong growth, the franchise size remains at a medium level. Also, the seasoning in the portfolio is low, as nearly 61% of AUM was generated in the 12 months ended September 2024.

The gross stage 3 for UGRO stood at 2.1% in 2QFY25 (FY24: 2.0%; FY23: 1.6%)%), with credit costs of 2.9% (on on-book AUM). However, on a one-year lagged basis, the gross NPA remained elevated at 5.1% in 2QFY25. Also, the gross stage 3 provisions coverage was 47% in 2QFY25 (FY24:48%; FY23: 49%), with total provisions at 1.0% of the AUM. In terms of the restructured portfolio too, the book remains small, with an outstanding restructured book accounting for 0.2% of the AUM at end-2QFY25, of which most is secured. However, given the limited seasoning of its business verticals, Ind-Ra believes control over softer bucket migration needs to be actively monitored with the rising scale; this will be a key monitorable for the agency.

Moderate Profitability, but Improvement Likely Once Operational Leverage Picks up: UGRO has been profitable since its first year of operations, although its profitability during FY20-FY21 was aided by tax write-backs. The entity has been reporting a positive profit before tax, though it has been at modest levels due to high operating costs. The cost-to-income ratio moderated but remained elevated at 53.3% at end-2QFY25 (FY24:53.8%; FY23: 63.3%; FY22: 71.8%, FY21: 70.8%). The operating cost-to-average-asset ratio too was high at 5.2%-6.8% over FY21-FY24, thus putting pressure on the profitability. Additionally, its plan to focus on granular portfolio and increase its branch count, mostly micro-branch, to 250 from current count of 210 will keep its opex at elevated levels over next few quarters. The investments towards

increasing capacity, if executed well, will provide a big fillip to the ROA (2QFY25: 2.0%; FY24: 2.3%; FY23:1.1%; FY22: 0.6%, FY21: 1.9%). However, Ind-Ra opines UGRO will only be fully able to capitalise on its investment if it can keep its credit costs in check across multiple cycles and product lines.

Liquidity

Adequate: At end-2QFY25, UGRO had a total liquidity of around INR6.9billion, combining unencumbered cash, liquid investments, and unutilised bank lines, which are sufficient to meet its debt obligations for three months, without considering any inflows from collections. According to the behavioural asset-liability management statement at end-September 2024, the company was in a surplus position in all time buckets, with a cumulative surplus (excess of short-term assets over short-term liabilities in the up-to-one-year bucket) of 12.7% of the total assets. Furthermore, on a steady-state basis, UGRO aims to keep on-balance sheet liquidity sufficient for three months' debt re-payment, considering nil collection. At end-September 2025, UGRO had an AUM of about INR101 billion, of which assets worth INR56.5 billion were on-balance sheet assets. Furthermore, it can raise money through securitisation transaction. The company has co-lending partners to fund borrowers for its offerings. UGRO expects the institutional co-lending model to generate significant opportunities for off-balance sheet assets with regards to liquidity and funding requirements on an ongoing basis.

Rating Sensitivities

Positive: A significant expansion of the franchisee while improving the profitability towards 3.5% ROA while maintaining the asset quality, increasing geographical diversification, improving cost of funds and bringing it in line with peer group and maintaining adequate liquidity could lead to a positive rating action.

Negative: Funding challenges, dilution in the liquidity profile, deterioration in the asset quality eroding operating buffers and the leverage exceeding 4.5x on a sustained basis, will result in a negative rating action.

ESG Issues

ESG Factors Minimally Relevant to Rating: Unless otherwise disclosed in this section, the ESG issues are credit neutral or have only a minimal credit impact on UGRO, due to either their nature or the way in which they are being managed by the entity. For more information on Ind-Ra's ESG Relevance Disclosures, please click here. For answers to frequently asked questions regarding ESG Relevance Disclosures and their impact on ratings, please click here.

About the Company

UGRO (erstwhile Chokhani Securities Limited) was acquired in 2018 by Shachindra Nath (Vice Chairman and Managing Director). UGRO focuses on lending to MSMEs by offering them multiple products with varying tenors and ticket sizes. The company operates through 210 branches (23 prime and 187 micro), with a wide geographic presence. The AUM of the entity (own and managed) stood at INR101.6 billion at end-2QFY25, with the off-book volumes constituting 44% of the overall AUM (split almost evenly between co-lending & direct assignment and co-origination). UGRO is a publicly listed entity on both the National Stock Exchange of India Limited and BSE Limited.

Key Financial Indicators

Particulars	1HFY25	FY24	FY23
Total assets (INR billion)	75.1	62.8	43.1
Total equity (INR billion)	19.6	14.38	9.8
Net profit (INR billion)	0.66	1.2	0.4
Return on average assets (%)	2.0	2.3	1.4
Equity/assets (%)	26.1	22.9	22.9
Capital adequacy ratio (%)	24.5	20.8	20.2

Gross Stage 3 (%)	2.1	2.0	1.6
Source: Ind-Ra, UGRO			

Status of Non-Cooperation with previous rating agency

Not applicable

Rating History

Instrument Type	Current Rating/Outlook			Historical Rating/Outlook							
	Rating Type	Rated Limits (million)	Rating	6 September 2024	30 July 2024	7 March 2024	8 January 2024	15 September 2023	24 July 2023	28 April 2023	24 February 2023
Bank loans	Long-term	INR31000	IND A+/Stable	IND A+/Stable	IND A+/Stable	IND A/Stable	IND A/Stable	IND A/Stable	IND A/Stable	IND A/Stable	IND A/Stable
Non-convertible debentures	Long-term	INR16750	IND A+/Stable	IND A+/Stable	IND A+/Stable	IND A/Stable	IND A/Stable	IND A/Stable	IND A/Stable	IND A/Stable	NA
Subordinate	Long-term	INR500	IND A+/Stable	IND A+/Stable	IND A+/Stable	IND A/Stable -	-	-	-	-	-
Commercial paper	Short-term	INR 3,000	IND A1+	IND A1+	IND A1+	IND A1	IND A1	IND A1	IND A1	IND A1	NA

Bank wise Facilities Details

Complexity Level of the Instruments

Instrument Type	Complexity Indicator
Bank loan	Low
Commercial paper	Low
Non-convertible debenture	Low
Subordinated debt	Medium

For details on the complexity level of the instruments, please visit https://www.indiaratings.co.in/complexity- indicators.

Annexure

NCD

ISIN	Date of Issue	Coupon (%)	Maturity Date	Rated Amount (million)	Rating/Outlook
INE583D07364	6 June 2023	10.25	6 December 2024	INR250	WD (Paid in Full)
INE583D07372	18 September 2023	8.56	18 March 2025	INR500	IND A+/Stable
INE583D07398	10 November 2023	1.0	10 May 2025	INR300	IND A+/Stable
INE583D07406	12 December 2023	10.38	12 December 2027	INR2496	IND A+/Stable
INE583D08040	24 January 2024	10.25	18 April 2026	INR500	IND A+/Stable
INE583D07455	27 February 2024	11.00	27 May 2026	INR 464.2	IND A+/Stable
INE583D07463	27 February 2024	10.50	27 May 2026	INR 341.5	IND A+/Stable
INE583D07448	27 February 2024	10.35	27 February 2026	INR 258.5	IND A+/Stable
INE583D07430	27 February 2024	10.75	27 August 2025	INR 664.6	IND A+/Stable
INE583D07414	27 February 2024	10.25	27 August 2025	INR 271.2	IND A+/Stable
INE583D07497	11 July 2024	Variable-Other	11 Jan2027	INR 750	IND A+/Stable
INE583D07489	3 July 2024	9.3	5 January 2026	INR 500	IND A+/Stable
INE583D07471	25 June 2024	10.25	25 June 2027	INR 350	IND A+/Stable
INE583D07505	24 October 2024	10.15	24 April 2026	INR 965.24	IND A+/Stable
INE583D07521	24 October 2024	10.25	24 October 2026	INR 690.82	IND A+/Stable
INE583D07513	24 October 2024	10.40	24 April 2027	343.94	IND A+/Stable
			Limit utilised	INR9396	

			Limit unutilised	INR7354	
			Total	INR16750	

Source: NSDL, Ugro Capital

Sub-Debt

ISIN	Date of Issue	Coupon (%)	Maturity Date	Rated Amount (million)	Rating/Outlook
INE583D08057	15 March 2024	12.5	15 September 2029	INR350	IND A+/Stable
			Limit unutilised	INR150	
			Total	INR500	

Source: NSDL, Ugro Capital

Contact

Primary Analyst
Vivek Singh
Analyst
India Ratings and Research Pvt Ltd
Wockhardt Towers, 4th Floor, West Wing, Bandra Kurla Complex, Bandra East,Mumbai - 400051
+91 22 40001756
For queries, please contact: infogrp@indiaratings.co.in

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Director
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Marketing Manager
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About India Ratings and Research: India Ratings and Research (Ind-Ra) is committed to providing India's credit markets accurate, timely and prospective credit opinions. Built on a foundation of independent thinking, rigorous analytics, and an open and balanced approach towards credit research, Ind-Ra has grown rapidly during the past decade, gaining significant market presence in India's fixed income market.
Ind-Ra currently maintains coverage of corporate issuers, financial institutions (including banks and insurance companies), finance and leasing companies, managed funds, urban local bodies and project finance companies.
Headquartered in Mumbai, Ind-Ra has seven branch offices located in Ahmedabad, Bengaluru, Chennai, Delhi, Hyderabad, Kolkata and Pune. Ind-Ra is recognised by the Securities and Exchange Board of India, the Reserve Bank of India and National Housing Bank.
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For more information, visit www.indiaratings.co.in.

Solicitation Disclosures

Additional information is available at www.indiaratings.co.in. The ratings above were solicited by, or on behalf of, the issuer, and therefore, India Ratings has been compensated for the provision of the ratings.
Ratings are not a recommendation or suggestion, directly or indirectly, to you or any other person, to buy, sell, make or hold any investment, loan or security or to undertake any investment strategy with respect to any investment, loan or security or any issuer.

APPLICABLE CRITERIA AND POLICIES

Non-Bank Finance Companies Criteria

Evaluating Corporate Governance

Financial Institutions Rating Criteria

The Rating Process

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ANNEXURE B- DEBENTURE TRUSTEE CONSENT LETTER

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MITCON CREDENTIA
PARTNER WITH TRUSTED CREDENTIALS

Date: March 20, 2025

To,

The Board of Directors
UGRO Capital Limited
Equinox Business Park,
Tower 3, Fourth Floor,
Off BKC, LBS Road,
Kurla, Mumbai,
Maharashtra – 400070

Dear Sir/Ma'am,

Re: Proposed public issue by UGRO Capital Limited ("Company" / "Issuer") of secured, rated, listed, redeemable, non-convertible debentures of face value of ₹ 1,000 each ("NCDs") for an amount up to ₹ 10,000 lakhs ("Base Issue Size") with an option to retain over subscription up to ₹ 10,000 lakhs ("Green Shoe Option"), aggregating to ₹ 20,000 lakhs ("Issue").

The Company proposes to file (i) the draft prospectus ("**Draft Prospectus**") to be filed with BSE Limited ("**BSE**") and/or National Stock Exchange of India Limited ("**NSE**" together with BSE, the "**Stock Exchanges**") for the purpose of receiving public comments and submitted with the Securities and Exchange Board of India ("**SEBI**") for record purposes; (ii) the prospectus ("**Prospectus**" together with Draft Prospectus, the "**Offer Documents**") proposed to filed with Registrar of Companies, Maharashtra at Mumbai ("**RoC**") and submitted to SEBI and the Stock Exchanges in relation to the Issue. NCDs are proposed to be listed on Stock Exchanges.

We, the undersigned, hereby consent to be named as the Debenture Trustee to the Issue and to our name being inserted as the Debenture Trustee to the Issue in (i) the Offer Documents; (ii) the abridged prospectus; and (iii) all related advertisements and communications sent pursuant to the Issue. The following details may, be disclosed:

Name	: MITCON Credentia Trusteeship Services Limited
Address	: 1402/1403, B wing, Dalamal Tower, 14th Floor, Press Journal Marg, 211 Nariman Point, Mumbai 400 021, Maharashtra, India
Tel	: (91) (22) 22828200
Fax	: (91) (22) 22024553
Email	: contact@mitconcredentia.in
Investor Grievance Mail	: investorgrievances@mitconcredentia.in
Website	: www.mitconcredentia.in
Contact Person	: Ms. Vaishali Urkude
SEBI Registration No	: IND000000596
Logo	: MITCON CREDENTIA PARTNER WITH TRUSTED CREDENTIALS
CIN	: U93000PN2018PLC180330

We confirm that we are registered with the SEBI as Debenture Trustee and that such registration is valid as of the date of this letter. We have enclosed a copy of our registration certificate as **Annexure A** and a declaration regarding our registration with SEBI as **Annexure B**.

We also confirm that we have not been debarred from functioning as an intermediary by any regulatory authority, court or tribunal. We further confirm that no enquiry/investigation is currently being conducted by SEBI against us.

We also confirm that we have not been prohibited by SEBI to act as an intermediary in capital market issues.

We hereby authorise you to deliver this letter of consent to the RoC, pursuant to the provisions of Section 26 of the Companies Act, 2013 and other applicable laws or any other regulatory/statutory authorities as required by law.

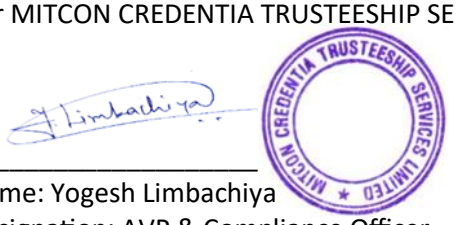
We also agree to maintain strict confidentiality regarding (i) the nature and scope of this transaction; (ii) our knowledge of the proposed transaction of the Company; and (iii) any other information in connection thereto, until such time as the proposed transaction is publicly announced by the Company in the form of a press release.

We confirm that we will immediately inform you and the appointed book running lead manager to the ssue ("**Lead Manager**") in writing of any changes to the above information until the date when the NCDs commence trading on the Stock Exchanges. In the absence of any such communication from us, the above information should be taken as updated information until the NCDs commence trading.

This certificate may be relied upon by the Company, the Lead Manager and the legal advisor to the Issue in respect of the Issue.

Yours faithfully,

For MITCON CREDENTIA TRUSTEESHIP SERVICES LIMITED



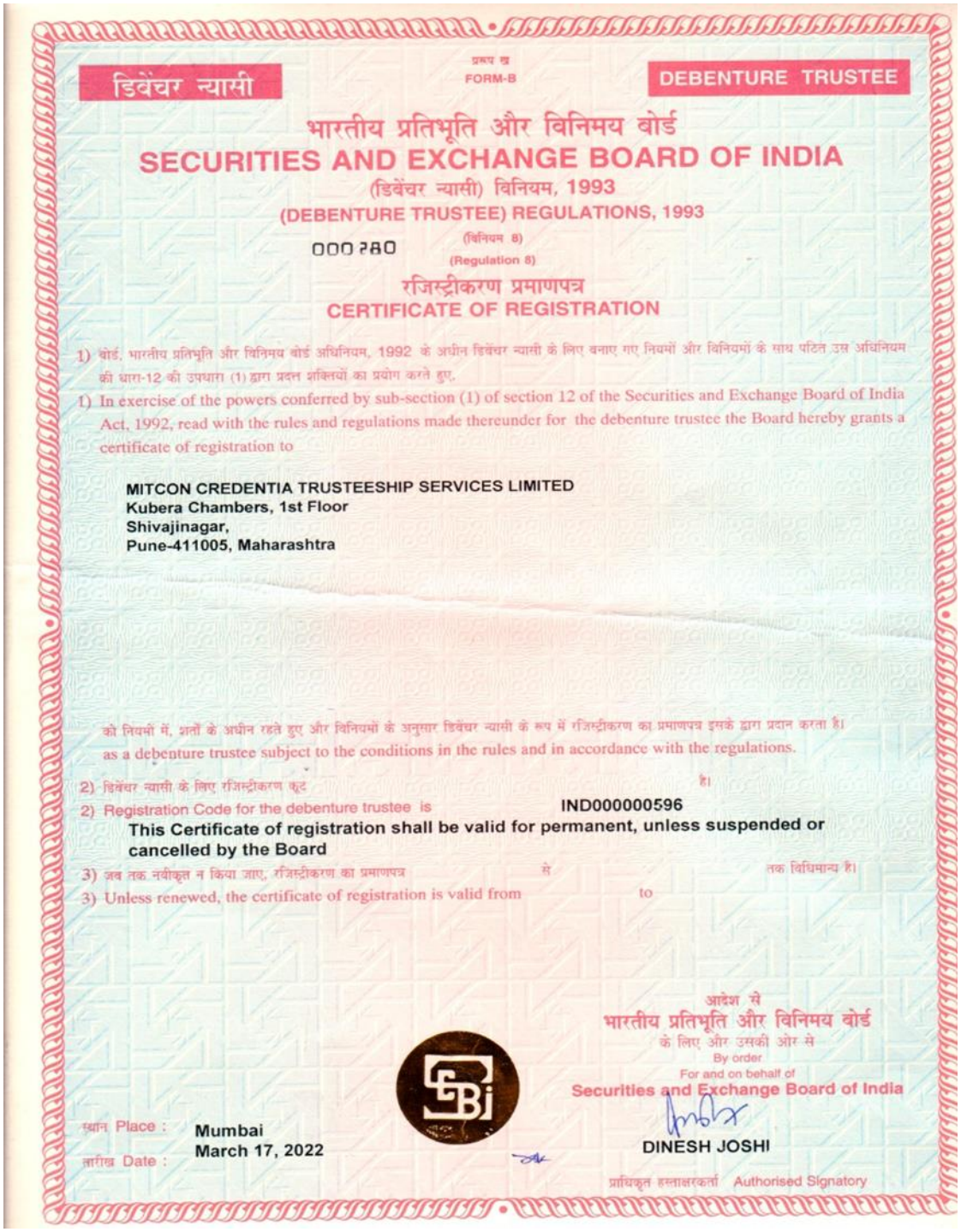
_____
Name: Yogesh Limbachiya
Designation: AVP & Compliance Officer

Copy to**:**

Tipsons Consultancy Services Private Limited
1st Floor, Sheraton House, Opp. Ketav Petrol Pump,
Polytechnic Road, Ambawadi, Polytechnic (Ahmedabad),
Ahmedabad, Gujarat – 380 015, India

SNG & Partners
Advocates & Solicitors
One Bazar Lane, Bengali Market
New Delhi – 110 001, India

Annexure A



प्ररूप ख
FORM-B

डिबेंचर न्यासी

DEBENTURE TRUSTEE

भारतीय प्रतिभूति और विनिमय बोर्ड
SECURITIES AND EXCHANGE BOARD OF INDIA
(डिबेंचर न्यासी) विनियम, 1993
(DEBENTURE TRUSTEE) REGULATIONS, 1993

000280

(विनियम 8)
(Regulation 8)

रजिस्ट्रीकरण प्रमाणपत्र
CERTIFICATE OF REGISTRATION

1) बोर्ड, भारतीय प्रतिभूति और विनिमय बोर्ड अधिनियम, 1992 के अधीन डिबेंचर न्यासी के लिए बनाए गए नियमों और विनियमों के साथ पठित उस अधिनियम की धारा-12 की उपधारा (1) द्वारा प्रदत्त शक्तियों का प्रयोग करते हुए,

1) In exercise of the powers conferred by sub-section (1) of section 12 of the Securities and Exchange Board of India Act, 1992, read with the rules and regulations made thereunder for the debenture trustee the Board hereby grants a certificate of registration to

MITCON CREDENTIA TRUSTEESHIP SERVICES LIMITED
Kubera Chambers, 1st Floor
Shivajinagar,
Pune-411005, Maharashtra

को नियमों में, शर्तों के अधीन रहते हुए और विनियमों के अनुसार डिबेंचर न्यासी के रूप में रजिस्ट्रीकरण का प्रमाणपत्र इसके द्वारा प्रदान करता है।
as a debenture trustee subject to the conditions in the rules and in accordance with the regulations.

2) डिबेंचर न्यासी के लिए रजिस्ट्रीकरण कूट है।
2) Registration Code for the debenture trustee is IND000000596

This Certificate of registration shall be valid for permanent, unless suspended or cancelled by the Board

3) जब तक नवीकृत न किया जाए, रजिस्ट्रीकरण का प्रमाणपत्र से तक विधिमान्य है।
3) Unless renewed, the certificate of registration is valid from to

आदेश से
भारतीय प्रतिभूति और विनिमय बोर्ड
के लिए और उसकी ओर से
By order
For and on behalf of
Securities and Exchange Board of India

DINESH JOSHI
प्राधिकृत हस्ताक्षरकर्ता Authorised Signatory

स्थान Place : Mumbai
तारीख Date : March 17, 2022

Annexure B

We hereby confirm that as of the date of this letter, the following details in relation to our registration with SEBI as a Debenture Trustee are true and correct:

<table>
<tr><th>Sr. No.</th><th>Particulars</th><th colspan="5">Details</th></tr>
<tr><td>1.</td><td>Registration Number</td><td colspan="5">IND000000596</td></tr>
<tr><td>2.</td><td>Date of registration/ Renewal of registration</td><td colspan="5">March 17, 2022</td></tr>
<tr><td>3.</td><td>Date of expiry of registration</td><td colspan="5">Permanent registration</td></tr>
<tr><td>4.</td><td>If applied for renewal, date of application</td><td colspan="5">Not Applicable</td></tr>
<tr><td>5.</td><td>Any communication from SEBI prohibiting the entity from acting as an intermediary</td><td colspan="5">None</td></tr>
<tr><td>6.</td><td>Any enquiry/ investigation being conducted by SEBI</td><td colspan="5">Nil at present</td></tr>
<tr><td>7.</td><td>Details of any penalty imposed by SEBI</td><td colspan="5"><table>
<tr><th>Sr. No.</th><th>Adjudication Order Date</th><th>Penalty Provision</th><th>Penalty (Rs.)</th><th>Remarks</th></tr>
<tr><td>1</td><td>March 18, 2024</td><td>15HB OF SEBI Act, 1992</td><td>Rs. 2,00,000/- (Rs. Two Lakhs Only)</td><td>In the matter of Pride Properties Private Limited</td></tr>
</table></td></tr>
</table>

ANNEXURE C- FINANCIAL STATEMENTS

Financial Statements
Unaudited Financial Results for the quarter and nine months ended December 31, 2024
Unaudited Financial Results for the six months ended September 30, 2024
Audited Financial Statements for the fiscal 2024
Audited Financial Statements for the fiscal 2023
Audited Financial Statements for the fiscal 2022

87 Nariman Bhavan
227 Nariman Point
Mumbai 400 021
India
+91 22 6153 7500; 2202 2224 / 8857
www.sharpandtannan.com

SHARP & TANNAN ASSOCIATES
chartered accountants

Independent Auditor's Limited Review Report on Unaudited Financial Results of UGRO Capital Limited for the quarter and nine-months period ended December 31, 2024, pursuant to the Regulations 33 and 52 of the Securities Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015, as amended.

To the Board of Directors of UGRO Capital Limited

Introduction

1. We have reviewed the accompanying Statement of **Unaudited Financial Results** (the 'Statement'), of **UGRO Capital Limited** (the 'Company') for the quarter ended December 31, 2024 and for the period from April 1, 2024 to December 31, 2024 being submitted by the Company pursuant to the requirement of Regulations 33 and 52 of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

2. This Statement, which is the responsibility of the Company's management and approved by the Company's Board of Directors on January 24, 2025, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard (Ind AS) 34, *Interim Financial Reporting* prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to issue a report on the Statement based on our review.

Scope of the Review

3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity,* issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of the Company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

Conclusion

4. Based on our review conducted as stated in paragraph 3 above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulations 33 and 52 of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement or that it has not been prepared in accordance with relevant prudential norms issued by the Reserve Bank of India in respect of income recognition, asset classification, provisioning other related matters.

For **Sharp & Tannan Associates**
Chartered Accountants
Firm's Registration No.109983W
by the hand of

Sharp & Tannan Associates ICAI Regn. No. 109983W Chartered Accountants

Tirtharaj Khot
Partner
Membership No. (F) 037457
UDIN: 25037457BMMBDX8274

Mumbai, January 24, 2025,

Assurance | Consulting | GRC | Tax

Ahmedabad | Bengaluru | Chennai | Coimbatore | Delhi | Goa | Mumbai | Pune | Vadodara

UGRO CAPITAL LIMITED

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CIN:L67120MH1993PLC070739

Statement of Unaudited Financial Results for the Quarter and Nine Months Ended December 31, 2024

(Rupees in lakh)

Sr. No.	Particulars	Quarter Ended			Nine Months Ended		Year Ended
		Dec 31, 2024	Sep 30, 2024	Dec 31, 2023	Dec 31, 2024	Dec 31, 2023	March 31, 2024
		Reviewed#	Reviewed	Reviewed#	Reviewed	Reviewed	Audited
1	Revenue from operations						
	(a) Interest income	25,444.86	20,798.33	18,105.60	69,437.78	51,429.49	70,463.05
	(b) Net gain / (loss) on derecognition of financial instruments under amortised cost category	10,364.75	10,954.48	7,642.92	26,359.89	18,507.87	30,746.33
	(c) Net gain on fair value changes	90.66	61.12	99.34	188.38	117.46	147.85
	(d) Fees and commission income	1,211.95	1,201.72	923.56	3,286.27	2,500.64	3,438.95
2	Other income	1,384.23	1,270.75	1,159.62	3,668.41	2,573.59	3,371.94
3	**Total income (1+2)**	**38,496.45**	**34,286.40**	**27,931.04**	**1,02,940.73**	**75,129.05**	**1,08,168.12**
4	(a) Finance costs	16,730.79	14,309.98	11,669.67	44,655.65	31,477.98	44,292.40
	(b) Net loss on fair value changes	0.06	0.74	0.07	2.75	1.35	1.54
	(c) Impairment on financial instruments	4,127.94	4,434.12	2,972.39	11,878.91	7,521.73	11,627.96
	(d) Employee benefits expenses	6,462.67	6,163.07	4,848.69	18,080.38	13,144.53	18,285.41
	(e) Depreciation, amortisation and impairment	1,249.17	1,071.21	910.63	3,314.91	2,543.27	3,533.10
	(f) Other expenses	4,629.28	3,295.80	2,891.98	10,417.39	8,158.40	12,551.46
	Total expense	**33,199.91**	**29,274.92**	**23,293.43**	**88,349.99**	**62,847.26**	**90,291.87**
5	**Profit before tax (3-4)**	**5,296.54**	**5,011.48**	**4,637.61**	**14,590.74**	**12,281.79**	**17,876.25**
6	Tax expense						
	(a) Current tax	760.78	838.30	881.50	2,055.59	2,508.76	3,647.61
	(b) Deferred tax	638.00	621.04	686.57	2,049.66	1,290.32	2,477.20
	(c) Excess/Short provision of tax of earlier years	147.26	-	(183.35)	147.26	(183.04)	(183.04)
	Total tax expense (a+b+c)	**1,546.04**	**1,459.34**	**1,384.72**	**4,252.51**	**3,616.04**	**5,941.77**
7	**Profit for the period (5-6)**	**3,750.50**	**3,552.14**	**3,252.89**	**10,338.23**	**8,665.75**	**11,934.48**
8	**Other comprehensive income**						
	Items that will not be reclassified to profit or loss						
	Remeasurements of the defined benefit plans	(20.81)	(35.05)	(13.80)	(62.42)	(41.39)	(40.71)
	Income tax relating to items that will not be reclassified to profit or loss	6.06	10.21	4.01	18.18	12.05	11.85
	Items that will be reclassified to profit or loss						
	The effective portion of gains and (loss) on hedging instrument in a cash flow hedge	(311.68)	355.21	(112.65)	20.48	(258.28)	(734.58)
	Income tax relating to items that will be reclassified to profit or loss	90.76	(103.43)	32.81	(5.96)	75.21	213.91
	Total other comprehensive income (Net of tax)	**(235.67)**	**226.94**	**(89.63)**	**(29.72)**	**(212.41)**	**(549.53)**
9	**Total comprehensive income for the period (7+8)**	**3,514.83**	**3,779.08**	**3,163.26**	**10,308.51**	**8,453.34**	**11,384.95**
10	Paid up equity share capital (Face value of Rs. 10 each)	9,194.54 *	9,175.60 *	9,136.16 *	9,194.54 *	9,136.16 *	9,159.16 *
11	**Earnings per equity share (Face Value of Rs. 10 each)**						
	Basic (in rupees)	4.09	3.87	3.56	11.27	10.70	13.39
	Diluted (in rupees)	3.78	3.61	3.51	10.64	10.55	13.20
		Not annualised	Not annualised	Not annualised	Not annualised	Not annualised	

*** Refer Note no 9 and 10**

Refer Note no 11

Sharp & Tannan Associates * Chartered Accountants * ICAI Regn. No. 109983W

UGRO CAPITAL LIMITED

Notes to the Statement of Unaudited Financial Results for the Quarter and Nine Months Ended December 31, 2024

1. UGRO Capital Limited ("the Company") is a Non-Deposit taking Non-Banking Financial Company ("NBFC-ND") registered with the Reserve Bank of India ("the RBI") and classified as NBFC- Middle Layer under the Master Direction – Reserve Bank of India (Non-Banking Financial Company– Scale Based Regulation) Directions, 2023 dated October 19, 2023, as amended read with the Scale Based Regulation (SBR): A Revised Regulatory Framework for NBFCs dated October 22, 2021 issued by RBI.

2. The above unaudited financial results for the quarter and nine months ended December 31, 2024 have been reviewed by the Audit Committee and subsequently approved by the Board of Directors of the Company at their respective meetings held on January 24, 2025. The above financial results have been subjected to limited review by the statutory auditors of the Company and have issued unmodified review conclusion on the said financial results.

3. These financial results have been prepared in accordance with the recognition and measurement principles as laid down in the Indian Accounting Standard ("Ind AS")- 34- Interim Financial Reporting as prescribed under Section 133 of the Companies Act 2013 (the "Act") read with relevant rules issued thereunder and in compliance with the requirements of Regulation 33 and Regulation 52 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.

4. The Company is engaged primarily in the business of financing and there are no separate reportable segments, as per the Ind AS 108 "Operating Segments" specified under Section 133 of the Act. The Company operates in a single segment only. There are no operations outside India and hence, there are no reportable geographical segments.

5. Disclosures pursuant to Master Direction – Reserve Bank of India (Transfer of Loan Exposures) Directions, 2021 issued by the RBI vide their Notification No. RBI/DOR/2021-22/86 Master Direction DOR.STR.REC.51/21.04.048/2021-22 dated September 24, 2021 (the "Notification").

   a. Details of transfer through assignment in respect of loans not in default during the nine months ended December 31, 2024*

Sr.No.	Particulars	To Banks / NBFCs
i.	Aggregate principal outstanding of loans transferred through assignment (Rs. in Lakh)	69,025.93
ii.	Aggregate consideration received (Rs. in Lakh)	69,025.93
iii.	Weighted average maturity of loans (in years)	6.18
iv.	Weighted average holding period of loans (in years)	1.02
v.	Retention of beneficial economic interest (in %)	11.81%
vi.	Coverage of tangible security Coverage (in %) **	207.38%
vii.	Rating wise distribution of rated loans	Non- Rated

Note

* The above table does not include loans transferred by the Company through Co-Lending arrangements.

** For computation of coverage of tangible security coverage ratio, the Company has considered only the secured loans.

Sharp & Tannan Associates Chartered Accountants ICAI Regn No. 109983W

UGRO CAPITAL LIMITED

b. The Company has not acquired loans not in default during the quarter and nine months ended December 31, 2024, under the said Notification.

c. Details of stressed loans transferred during the nine months ended December 31, 2024

Particulars	To ARC	To permitted transferees	To other transferees
No. of accounts	455	-	-
Aggregate principal outstanding of loans transferred (Rs. in Lakh)	5,003.98	-	-
Weighted average residual tenor of the loans transferred (in years)	1.27	-	-
Net book value of loans transferred (at the time of transfer) (Rs. in Lakh)	1,774.90	-	-
Aggregate consideration (Rs. in Lakh)*	1,800.00	-	-
Additional consideration realized in respect of accounts transferred in earlier years (Rs. in Lakh)	-	-	-
Excess provisions reversed to the profit and loss account on account of sale of stressed loans (Rs. in Lakh)	25.10	-	-

*The entire consideration is received in cash and not in form of Security receipts.

d. The Company has not acquired any stressed loans during the quarter and nine months ended December 31, 2024, under the said Notification.

e. The rating wise distribution of Security Receipts (SRs) held by the Company as on December 31, 2024 is given below:

Ratings	Recovery Rating*	Rating Agency	Amount (Rs. In Lakh)
IVR RR1	100% - 150%	Infomerics Valuation and Rating Private Limited	848.16
IVR RR2	75% - 100%	Infomerics Valuation and Rating Private Limited	804.98

*It indicates the present value of expected recoveries in the specified range of the face value of outstanding SRs.

6. During the quarter and nine months ended December 31, 2024, the Company has transferred loans amounting to Rs. 1,32,371.11 lakh through Co-lending arrangements to the respective participating banks under Circular No. RBI/2020-21/63 FIDD.CO.Plan.BC.No.8/04.09.01/2020-21, dated November 05, 2020 pertaining to Co-Lending by Banks and NBFCs to Priority Sector which are akin to Direct assignment transaction.

7. All secured Non-Convertible Debentures ("NCDs") issued by the Company are secured by way of an exclusive charge on receivables to the extent as stated in the respective offer document, term sheet and debenture trust deed (together referred to as "transaction documents"). Further the Company has maintained minimum 100% asset cover which is sufficient to discharge the principal amount at all times for the said NCDs as specifically stated in the transaction documents.
The asset cover available as on December 31, 2024 in respect of listed secured debt securities is 1.14 times.

8. During the quarter ended December 31, 2024, the Company had successfully raised funds through public issuance of NCDs for an amount of up to Rs. 20,000 lakh (including green shoe option of Rs. 10,000 lakh). The NCDs were allotted on October 24, 2024.

Sharp & Tannan Associates ICAI Regn. No. 109983W Chartered Accountants

UGRO CAPITAL LIMITED

9. During the nine months ended December 31, 2024, the Company has issued and allotted total 1,26,502 equity shares of face value of Rs. 10 per share at such premium as mentioned below pursuant to the exercise of options by the employees of the Company under the CSL Employee Stock Option Scheme 2017.

No. of shares	Securities premium (Rs. per share)
1,13,102	120.00
13,400	211.45

10. The Company had successfully raised funds through allotment of 97,70,757 Compulsory Convertible Debentures (CCDs) and 3,81,32,474 Share Warrants both having face value of Rs. 10 each at an issue price of Rs. 264 each aggregating to Rs. 1,26,464.53 lakh in June 2024. The allotment was made in 2 tranches on June 06, 2024 and June 18, 2024. Each of the CCD and Share Warrant is convertible into 1 (one) equity share within a period of 18 months from the date of allotment of CCD and Share Warrant. The CCDs are unsecured and shall carry a coupon of 12% per annum. Further, for Share Warrants the Company has received 25% of the total consideration towards subscription and the same may be converted into equity shares by the subscribers by paying the remaining 75% within 18 months from the date of allotment of the Share Warrants. During the nine months ended December 31, 2024, pursuant to conversion request received from the CCD holder/s, the Company has allotted 37,878 equity shares of face value of Rs. 10 per share at a conversion ratio of 1:1 and conversion price of Rs. 264 each. Further, during the quarter and nine months ended December 31, 2024, pursuant to exercise request received from the Warrant holder/s, the Company has allotted 1,89,393 equity shares of face value of Rs. 10 per share at a conversion ratio of 1:1 and conversion price of Rs. 264 each.

11. The figures for the quarter ended December 31, 2024, and December 31, 2023 are the balancing figures between reviewed figures in respect of the nine months ended December 31, 2024 and December 31, 2023 and the reviewed figures for the half year ended September 30, 2024 and September 30, 2023 respectively.

12. Information as required by Regulations 52(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), 2015 as amended, is attached as Annexure 1.

13. The figures for the period/year have been regrouped wherever necessary.

Sharp & Tannan Associates ICAI Regn No. 109983W SF1A Chartered Accountants

For and on behalf of Board of Directors of
UGRO CAPITAL LIMITED

Shachindra Nath
Vice Chairman & Managing Director
DIN: 00510618
Mumbai
January 24, 2025

UGRO CAPITAL LIMITED

Annexure 1

Disclosures in compliance with Regulations 52(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, as at and for the quarter and nine months ended December 31, 2024:

Sr. No	Particular	Quarter Ended			Nine Months Ended		Year Ended
		Dec 31, 2024	Sep 30, 2024	Dec 31, 2023	Dec 31, 2024	Dec 31, 2023	March 31, 2024
		Reviewed	Reviewed	Reviewed	Reviewed	Reviewed	Audited
1	Debt - Equity Ratio [1]	3.08	2.73	2.97	3.08	2.97	3.23
2	Debt Service Coverage Ratio [2]	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
3	Interest Service Coverage Ratio [2]	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
4	Outstanding redeemable preference shares (quantity and value)	Nil	Nil	Nil	Nil	Nil	Nil
5	Capital redemption reserve (Rs. in lakh.) [3]	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
6	Debenture redemption reserve (Rs. in lakh.) [3]	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
7	Net worth [4] (Rs. in lakh.)	1,99,760.58	1,95,781.50	1,40,491.99	1,99,760.58	1,40,491.99	1,43,836.17
8	Net profit after Tax (Rs. in lakh.)	3,750.50	3,552.14	3,252.89	10,338.23	8,665.75	11,934.48
9	Current Ratio [2]	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
10	Long term debt to working capital [2]	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
11	Bad debts to Account receivable ratio [2]	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
12	Current liability ratio [2]	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
13	Total debts to total assets [5]	0.74	0.71	0.73	0.74	0.73	0.74
14	Debtors turnover [2]	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
15	Inventory turnover [2]	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
16	Operating margin (%)[2]	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
17	Net profit margin (%)[6]	9.74%	10.36%	11.65%	10.04%	11.53%	11.03%
18	Sector specific equivalent ratios						
	a. Gross Stage 3 [7]	2.11%	2.67%	3.15%	2.11%	3.15%	3.09%
	b. Net Stage 3 [8]	1.16%	1.46%	1.67%	1.16%	1.67%	1.64%
	c. Capital to risk-weighted assets [9]	21.52%	24.45%	22.27%	21.52%	22.27%	20.75%

Notes –

1. Debt - Equity Ratio = (Debt securities + Borrowings (other than debt securities) + Subordinated Liabilities) / Total Equity.
2. The above-mentioned ratios are not relevant as the company is engaged in financing activities.
3. Capital redemption Reserve / Debenture redemption reserve is not required in respect of privately/publicly placed debentures in terms of Rule 18(7)(b)(iii) of Companies (Share Capital and Debentures) Rules, 2014.
4. Net worth = Equity Share Capital + Other Equity
5. Total debts to Total assets = (Debt securities + Borrowings (other than debt securities) + Subordinated Liabilities) / Total Assets
6. Net profit margin = Net profit after tax / Total income
7. Gross Stage 3 = Gross Stage 3 Loans Exposure at Default (EAD) / Gross Total Loans EAD
8. Net Stage 3 = (Gross Stage 3 Loans EAD - Impairment loss allowance for Stage 3) / (Gross Total Loans EAD - Impairment loss allowance)
9. Capital to Risk-weighted assets is calculated as per the RBI guidelines.

Sharp & Tannan Associates Chartered Accountants ICAI Regn. No. 109983W SMA

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SHARP & TANNAN ASSOCIATES
chartered accountants

Independent Auditor's Review Report on Quarterly and Year-to-Date Unaudited Financial Results of UGRO Capital Limited pursuant to the Regulations 33 and 52 of the Securities Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015, as amended.

To the Board of Directors of UGRO Capital Limited

Introduction

1. We have reviewed the accompanying Statement of **Unaudited Financial Results** (the 'Statement'), of **UGRO Capital Limited** (the 'Company') for the quarter ended September 30, 2024 and for the period from April 1, 2024 to September 30, 2024 being submitted by the Company pursuant to the requirement of Regulations 33 and 52 of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

2. This Statement, which is the responsibility of the Company's management and approved by the Company's Board of Directors on October 22, 2024, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard (Ind AS) 34, *Interim Financial Reporting* prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to issue a report on the Statement based on our review.

Scope of the Review

3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity,* issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of the Company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

Conclusion

4. Based on our review conducted as stated in paragraph 3 above and based on the consideration of the matter referred to in paragraph 5 below, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulations 33 and 52 of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement or that it has not been prepared in accordance with relevant prudential norms issued by the Reserve Bank of India in respect of income recognition, asset classification, provisioning other related matters.

Sharp & Tannan Associates ICAI Regn. No. 109983W Chartered Accountants

Assurance | Consulting | GRC | Tax

Ahmedabad | Bengaluru | Chennai | Coimbatore | Delhi | Goa | Mumbai | Pune | Vadodara

Other Matter

5. The numbers and details pertaining to the quarter ended June 30, 2023 which are included in the half year ended September 30, 2023 and year ended March 31, 2024 have been traced from the Statement reviewed by the predecessor auditor who has issued an unmodified review conclusion vide their report dated August 1, 2023, in terms of Regulations 33 and 52 of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

   Our conclusion is not modified in respect of this matter.

For **Sharp & Tannan Associates**
Chartered Accountants
Firm's Registration No.109983W
by the hand of

Sharp & Tannan Associates * Chartered Accountants * ICAI Regn. No. 109983W

Tirtharaj Khot
Partner
Membership No. (F) 037457
UDIN:24037457BKGIEKC8322.

Mumbai, October 22, 2024

Assurance | Consulting | GRC | Tax

Ahmedabad | Bengaluru | Chennai | Coimbatore | Delhi | Goa | Hyderabad | Mumbai | Pune | Vadodara

UGRO CAPITAL LIMITED

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CIN:L67120MH1993PLC070739

Statement of Unaudited Financial Results for the Quarter and Half Year Ended September 30, 2024

(Rupees in lakh)

Sr. No.	Particulars	Quarter Ended			Half Year Ended		Year Ended
		Sep 30, 2024	June 30, 2024	Sep 30, 2023	Sep 30, 2024	Sep 30, 2023	March 31, 2024
		Reviewed#	Reviewed	Reviewed#	Reviewed	Reviewed	Audited
	Revenue from operations						
1	(a) Interest income	20,798.33	23,194.59	17,174.03	43,992.92	33,323.88	70,463.05
	(b) Net gain / (loss) on derecognition of financial instruments under amortised cost category	10,954.48	5,040.66	6,481.29	15,995.14	10,864.95	30,746.33
	(c) Net gain on fair value changes	61.12	36.60	18.12	97.72	18.12	147.85
	(d) Fees and commission income	1,201.72	872.60	783.28	2,074.32	1,577.08	3,438.95
2	Other income	1,270.75	1,013.43	906.38	2,284.18	1,413.97	3,371.94
3	**Total income (1+2)**	**34,286.40**	**30,157.88**	**25,363.10**	**64,444.28**	**47,198.00**	**1,08,168.12**
4	(a) Finance costs	14,309.98	13,614.88	10,539.63	27,924.86	19,808.31	44,292.40
	(b) Net loss on fair value changes	0.74	1.95	0.78	2.69	1.28	1.54
	(c) Impairment on financial instruments	4,434.12	3,316.85	2,456.22	7,750.97	4,549.34	11,627.96
	(d) Employee benefits expenses	6,163.07	5,454.64	4,602.54	11,617.71	8,295.84	18,285.41
	(e) Depreciation, amortisation and impairment	1,071.21	994.53	877.49	2,065.74	1,632.63	3,533.10
	(f) Other expenses	3,295.80	2,492.31	2,806.51	5,788.11	5,266.42	12,551.46
	Total expense	**29,274.92**	**25,875.16**	**21,283.17**	**55,150.08**	**39,553.82**	**90,291.87**
5	**Profit before tax (3-4)**	**5,011.48**	**4,282.72**	**4,079.93**	**9,294.20**	**7,644.18**	**17,876.25**
6	Tax expense						
	(a) Current tax	838.30	456.51	890.42	1,294.81	1,627.26	3,647.61
	(b) Deferred tax	621.04	790.62	300.24	1,411.66	603.75	2,477.20
	(c) Excess/Short provision of tax of earlier years	-	-	-	-	0.31	(183.04)
	Total tax expense (a+b+c)	**1,459.34**	**1,247.13**	**1,190.66**	**2,706.47**	**2,231.32**	**5,941.77**
7	**Profit for the period (5-6)**	**3,552.14**	**3,035.59**	**2,889.27**	**6,587.73**	**5,412.86**	**11,934.48**
8	**Other comprehensive income**						
	Items that will not be reclassified to profit or loss						
	Remeasurements of the defined benefit plans	(35.05)	(6.56)	(19.98)	(41.61)	(27.59)	(40.71)
	Income tax relating to items that will not be reclassified to profit or loss	10.21	1.91	5.81	12.12	8.03	11.85
	Items that will be reclassified to profit or loss						
	The effective portion of gains and (loss) on hedging instrument in a cash flow hedge	355.21	(23.05)	472.73	332.16	(145.62)	(734.58)
	Income tax relating to items that will be reclassified to profit or loss	(103.43)	6.71	(137.65)	(96.72)	42.41	213.91
	Total other comprehensive income (Net of tax)	**226.94**	**(20.99)**	**320.91**	**205.95**	**(122.77)**	**(549.53)**
9	**Total comprehensive income for the period (7+8)**	**3,779.08**	**3,014.60**	**3,210.18**	**6,793.68**	**5,290.09**	**11,384.95**
10	Paid up equity share capital (Face value of Rs. 10 each)	9,175.60 *	9,165.72 *	9,126.03 *	9,175.60 *	9,126.03 *	9,159.16 *
11	**Earnings per equity share (Face Value of Rs. 10 each)**						
	Basic (in rupees)	3.87	3.31	3.17	7.19	6.23	13.39
	Diluted (in rupees)	3.61	3.22	3.12	6.85	6.16	13.20
		Not annualised	Not annualised	Not annualised	Not annualised	Not annualised	

*** Refer Note no 12 and 13**

Refer Note no 14

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UGRO CAPITAL LIMITED

Notes to the Statement of Unaudited Financial Results for the Quarter and Half Year Ended September 30, 2024

1. Statement of Assets and Liabilities as at September 30, 2024

(Rupees in lakh)

Sr. No.	Particulars	As at September 30, 2024	As at March 31, 2024
		Reviewed	Audited
	I. ASSETS		
1	**Financial assets**		
(a)	Cash and cash equivalents	21,884.06	8,835.15
(b)	Bank balances other than cash and cash equivalents above	36,939.25	36,652.91
(c)	Derivative financial instruments	446.78	-
(d)	Loans	6,35,978.36	5,43,221.03
(e)	Investments	6,780.04	5,918.60
(f)	Other financial assets	3,020.41	2,021.19
		7,05,048.90	**5,96,648.88**
2	**Non-financial assets**		
(a)	Current tax assets (net)	216.82	275.18
(b)	Deferred tax assets (net)	-	295.94
(c)	Property, plant and equipment	1,139.76	449.60
(d)	Non-current assets held for sale	17,163.79	10,142.11
(e)	Right of use assets	4,952.94	4,775.08
(f)	Capital work in progress	-	-
(g)	Intangible assets under development	523.74	-
(h)	Other intangible assets	7,507.75	7,760.87
(i)	Other non-financial assets	14,340.89	7,650.29
		45,845.69	**31,349.07**
	TOTAL ASSETS	**7,50,894.59**	**6,27,997.95**
	II. LIABILITIES AND EQUITY		
	LIABILITIES		
1	**Financial liabilities**		
(a)	Derivative financial instruments	-	65.00
(b)	Payables		
	(A) Trade payables		
	(I) total outstanding dues of micro enterprises and small enterprises	0.23	448.65
	(II) total outstanding dues of creditors other than micro enterprises and small enterprises	152.44	821.57
	(B) Other payables		
	(I) total outstanding dues of micro enterprises and small enterprises	-	-
	(II) total outstanding dues of creditors other than micro enterprises and small enterprises	146.05	89.85
(c)	Debt securities	1,66,372.82	1,39,483.13
(d)	Borrowings (other than debt securities)	3,64,649.54	3,22,322.27
(e)	Subordinated Liabilities	3,357.94	3,519.13
(f)	Other financial liabilities	6,868.87	7,654.85
		5,41,547.89	**4,74,404.45**
2	**Non-financial liabilities**		
(a)	Current tax liabilities (net)	3,322.34	2,895.67
(b)	Provisions	8,303.75	5,987.17
(c)	Deferred tax liabilities (net)	1,200.38	-
(d)	Other non-financial liabilities	738.73	874.49
		13,565.20	**9,757.33**
	TOTAL LIABILITIES	**5,55,113.09**	**4,84,161.78**
3	**Equity**		
(a)	Equity share capital	9,175.60	9,159.16
(b)	Other equity	1,86,605.90	1,34,677.01
	TOTAL EQUITY	**1,95,781.50**	**1,43,836.17**
	TOTAL LIABILITIES AND EQUITY	**7,50,894.59**	**6,27,997.95**

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UGRO CAPITAL LIMITED

Notes to the Statement of Unaudited Financial Results for the Quarter and Half Year Ended September 30, 2024

2. Statement of Cash Flows for the period ended September 30, 2024

(Rupees in lakh)

Particulars	For the period ended September 30, 2024	For the period ended September 30, 2023
	Reviewed	Reviewed
Cash flows from operating activities :		
Profit before tax	**9,294.20**	**7,644.18**
Adjustments for:		
Interest income on loans	(41,734.63)	(32,021.59)
Cash inflow from interest on loans	40,512.84	30,043.62
Interest income on debt securities	(122.11)	(123.41)
Interest on income tax	-	(7.39)
Employee stock option expense	261.09	177.08
Depreciation, amortisation and impairment	2,065.74	1,632.63
Impairment on financial instruments	7,750.97	4,549.34
Net gain on sale of financial instruments / fair valuation of financial instruments	(16,092.86)	(10,883.06)
Net loss on fair value changes	2.69	1.28
Finance cost on borrowings	24,687.21	17,378.09
Cash outflow towards finance cost borrowings	(22,818.50)	(17,268.36)
Provision for gratuity net of payment and compensated absences	315.74	222.66
Interest on other financial assets	(49.75)	(35.06)
Interest on lease liabilities	347.55	228.74
Gain on pre-closure of lease	(6.08)	(20.41)
Operating profit before working capital changes	**4,414.10**	**1,518.34**
Changes in working capital:		
(Increase)/decrease in loans	(90,311.49)	(59,356.84)
(Increase)/decrease in other non-financial assets	(6,690.60)	(1,446.91)
(Increase)/decrease in other financial assets	(1,003.62)	857.08
(Increase)/decrease in derivative financial assets	(446.78)	(162.33)
Increase/(decrease) in derivative financial liabilities	(65.00)	(9.27)
Increase/(decrease) in trade payables	(1,061.25)	(1,121.35)
Increase/(decrease) in other non-financial liabilities	(135.76)	(122.14)
Increase/(decrease) in other financial liabilities	(1,072.98)	(1,102.72)
Increase/(decrease) in provisions	1,959.23	(575.16)
Cash (used in) operating activities	**(94,414.15)**	**(61,521.30)**
Income taxes paid (net of refunds)	(809.78)	(606.17)
Net cash generated from / (used in) operating activities (A)	**(95,223.93)**	**(62,127.47)**
Cash flows from investing activities :		
Purchase of property, plant and equipment (including capital work-in-progress)	(820.12)	(183.73)
Proceeds from / (Investments in) bank deposits of maturity greater than 3 months	(287.92)	(12,253.50)
Sale/realisation of investments	60,628.77	11,549.84
Purchase of investments	(61,496.98)	(11,499.43)
Interest received from investments	223.97	224.02
Payments for intangible assets	(1,444.43)	(1,644.98)
Net cash generated from / (used in) investing activities (B)	**(3,196.76)**	**(13,807.78)**
Cash flows from financing activities :		
Proceeds from issuance of equity share capital	264.58	33,231.66
Proceeds from money received against share warrants	25,167.43	-
Proceeds from compound financial instruments (net)	22,666.91	-
Principal payment of lease liabilities	(940.18)	(556.38)
Total borrowings and debt securities repaid	(97,060.68)	(81,781.51)
Total borrowings and debt securities availed	1,61,371.54	1,46,453.37
Net cash generated from / (used in) financing activities (C)	**1,11,469.60**	**97,347.14**
Net increase /(decrease) in cash and cash equivalents (A)+(B)+(C)	**13,048.91**	**21,411.89**
Cash and cash equivalents as at the beginning of the period	**8,835.15**	**4,014.77**
Cash and cash equivalents as at the end of the period	**21,884.06**	**25,426.66**
Components of cash and cash equivalents:		
Cash on hand		
Balance with banks :		
in current accounts	21,384.00	25,426.66
in Fixed deposits (maturing within a period of three months)	500.06	-
TOTAL	**21,884.06**	**25,426.66**

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UGRO CAPITAL LIMITED

Notes to the Statement of Unaudited Financial Results for the Quarter and Half year Ended September 30, 2024

3. UGRO Capital Limited ("the Company") is a Non-Deposit taking Non-Banking Financial Company ("NBFC-ND") registered with the Reserve Bank of India ("the RBI") and classified as NBFC- Middle Layer under the Master Direction – Reserve Bank of India (Non-Banking Financial Company– Scale Based Regulation) Directions, 2023 dated October 19, 2023 read with the Scale Based Regulation (SBR): A Revised Regulatory Framework for NBFCs dated October 22, 2021 issued by RBI.

4. The above unaudited financial results for the quarter and half year ended September 30, 2024, have been reviewed by the Audit Committee and subsequently approved by the Board of Directors of the Company at their respective meetings held on October 21, 2024 and October 22, 2024. The above financial results have been subjected to limited review by the statutory auditors of the Company and have issued unmodified review conclusion on the said financial results.

5. These financial results have been prepared in accordance with the recognition and measurement principles as laid down in the Indian Accounting Standard ("Ind AS")- 34- Interim Financial Reporting as prescribed under Section 133 of the Companies Act 2013 (the "Act") read with relevant rules issued thereunder and in compliance with the requirements of Regulation 33 and Regulation 52 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.

6. The Company is engaged primarily in the business of financing and there are no separate reportable segments, as per the Ind AS 108 "Operating Segments" specified under Section 133 of the Act. The Company operates in a single segment only. There are no operations outside India and hence, there are no reportable geographical segments.

7. Disclosure pursuant to Reserve Bank of India RBI/2020-21/16 DOR.No.BP.BC/3/21.04.048/2020-21 dated August 6, 2020 pertaining to Resolution Framework for COVID-19 related stress read with RBI/2021-22/32 DOR.STR.REC.12/21.04.048/2021-22 dated May 5, 2021 pursuant to Resolution Framework 2.0 - Resolution of Covid-19 related stress of Micro, Small and Medium Enterprises (MSMEs) and disclosure pursuant to Reserve Bank of India Circular RBI/2021-22/31 DOR.STR.REC. 11/21.04.048/2021-22 dated May 5, 2021, pertaining to Resolution Framework - 2.0: Resolution of Covid-19 related stress of individuals and Small Businesses ("Resolution Framework").

(Rs. in Lakh)

Type of Borrower	Exposure to accounts classified as Standard consequent to Implementation of resolution plan - Position as at March 31, 2024 (A)	Of (A), aggregate debt that slipped into NPA during the half year ended September 30, 2024	Of (A), amount written off during the half year ended September 30, 2024	Of (A), amount paid by the borrowers during the half year ended September 30, 2024	Exposure to accounts classified as Standard consequent to Implementation of resolution plan - Position as at September 30, 2024*
Personal Loans	-	-	-	-	-
Corporate Persons					
- of which, MSMEs	1,334.76	-	-	49.77	1,284.99
- Others	-	-	-	-	-
Total	1,334.76	-	-	49.77	1,284.99

* This includes loans where, post observance of satisfactory performance, the additional provisions maintained under the Resolution Framework has been reversed in accordance with the applicable guidelines and total ECL provision for the above loans as on September 30, 2024, is Rs. 128.40 Lakh.

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8. Disclosures pursuant to Master Direction – Reserve Bank of India (Transfer of Loan Exposures) Directions, 2021 issued by the RBI vide their Notification No. RBI/DOR/2021-22/86 Master Direction DOR.STR.REC.51/21.04.048/2021-22 dated September 24, 2021 (the "Notification").

a. Details of transfer through assignment in respect of loans not in default during the half year ended September 30, 2024*

Sr.No.	Particulars	To Banks / NBFCs
i.	Aggregate principal outstanding of loans transferred through assignment (Rs. in Lakh)	29,822.83
ii.	Aggregate consideration received (Rs. in Lakh)	29,822.83
iii.	Weighted average maturity of loans (in years)	6.11
iv.	Weighted average holding period of loans (in years)	0.91
v.	Retention of beneficial economic interest (in %)	11.79%
vi.	Coverage of tangible security Coverage (in %) **	203.95%
vii.	Rating wise distribution of rated loans	Non- Rated

Note

* The above table does not include loans transferred by the Company through Co-Lending arrangements.

** For computation of coverage of tangible security coverage ratio, the Company has considered only the secured loans.

b. The Company has not acquired loans not in default during the quarter and half year ended September 30, 2024, under the said Notification.

c. Details of stressed loans transferred during the half year ended September 30, 2024

Particulars	To ARC	To permitted transferees	To other transferees
No. of accounts	455	-	-
Aggregate principal outstanding of loans transferred (Rs. in Lakh)	5,003.98	-	-
Weighted average residual tenor of the loans transferred (in years)	1.27	-	-
Net book value of loans transferred (at the time of transfer) (Rs. in Lakh)	1,774.90	-	-
Aggregate consideration (Rs. in Lakh)*	1,800.00	-	-
Additional consideration realized in respect of accounts transferred in earlier years (Rs. in Lakh)	-	-	-
Excess provisions reversed to the profit and loss account on account of sale of stressed loans (Rs. in Lakh)	25.10	-	-

*The entire consideration is received in cash and not in form of Security receipts.

d. The Company has not acquired any stressed loans during the quarter and half year ended September 30, 2024, under the said Notification.

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UGRO CAPITAL LIMITED

e. The rating wise distribution of Security Receipts (SRs) held by the Company as on September 30, 2024 is given below:

Ratings	**Recovery Rating***	**Rating Agency**	**Amount** (Rs. In Lakh)
IVR RR1	100% - 150%	Infomerics Valuation and Rating Private Limited	850.38
IVR RR2	75% - 100%	Infomerics Valuation and Rating Private Limited	804.98

*It indicates the present value of expected recoveries in the specified range of the face value of outstanding SRs.

9. During the quarter and half year ended September 30, 2024, the Company has transferred loans amounting to Rs. 95,164.52 lakh through Co-lending arrangements to the respective participating banks under Circular No. RBI/2020-21/63 FIDD.CO.Plan.BC.No.8/04.09.01/2020-21, dated November 05, 2020 pertaining to Co-Lending by Banks and NBFCs to Priority Sector which are akin to Direct assignment transaction.

10. All secured Non-Convertible Debentures ("NCDs") issued by the Company are secured by way of an exclusive charge on receivables to the extent as stated in the respective offer document, term sheet and debenture trust deed (together referred to as "transaction documents"). Further the Company has maintained minimum 100% asset cover which is sufficient to discharge the principal amount at all times for the said NCDs as specifically stated in the transaction documents.
The asset cover available as on September 30, 2024 in respect of listed secured debt securities is 1.15 times.

11. The Company has raised funds through public issuance of Non-Convertible Debentures for an amount of up to Rs. 20,000 lakh (including green shoe option of Rs. 10,000 lakh). The Prospectus was filed with Securities Exchange Board of India, BSE Limited and National Stock Exchange of India Limited on October 04, 2024. The issue opened for subscription on October 10, 2024 ("Issue Opening Date") and was closed on October 18, 2024 ("Issue Closing date").

12. During the quarter and half year ended September 30, 2024, the Company has issued and allotted total 1,26,502 equity shares of face value of Rs. 10 per share at such premium as mentioned below pursuant to the exercise of options by the employees of the Company under the CSL Employee Stock Option Scheme 2017.

No. of shares	Securities premium (Rs. per share)
1,13,102	120.00
13,400	211.45

13. The Company had successfully raised funds through allotment of 97,70,757 Compulsory Convertible Debentures (CCDs) and 3,81,32,474 share warrants both having face value of Rs. 10 each at an issue price of Rs. 264 each aggregating to Rs. 1,26,464.53 lakh in June 2024. The allotment was made in 2 tranches on June 06, 2024 and June 18, 2024. Each of the CCD and share warrant is convertible into 1 (one) equity share within a period of 18 months from the date of allotment of CCD and share warrant. The CCDs are unsecured and shall carry a coupon of 12% per annum. Further, for share warrants the Company has received 25% of the total consideration towards subscription and the same may be converted into equity shares by the subscribers by paying the remaining 75% within 18 months from the date of allotment of the share warrants. During the quarter and half year ended September 30, 2024, pursuant to conversion request received from the CCD holder/s, the Company has allotted 37,878 equity shares of face value of Rs. 10 per share at a conversion ratio of 1:1 and conversion price of Rs. 264 each.

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UGRO CAPITAL LIMITED

14. The figures for the quarter ended September 30, 2024, and September 30, 2023 are the balancing figures between reviewed figures in respect of the half year ended September 30, 2024 and September 30, 2023 and the reviewed figures for the quarter ended June 30, 2024 and June 30, 2023 respectively.

15. Information as required by Regulations 52(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), 2015 as amended, is attached as Annexure 1.

16. The figures for the period/year have been regrouped wherever necessary.

For and on behalf of Board of Directors of
UGRO CAPITAL LIMITED

Shachindra Nath
Vice Chairman & Managing Director
DIN: 00510618
Mumbai
October 22, 2024

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UGRO CAPITAL LIMITED

Annexure 1

Disclosures in compliance with Regulations 52(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, as at and for the quarter and half year ended September 30, 2024:

Sr. No	Particular	Quarter Ended			Half Year Ended		Year Ended
		Sep 30, 2024	June 30, 2024	Sep 30, 2023	Sep 30, 2024	Sep 30, 2023	March 31, 2024
		Reviewed	Reviewed	Reviewed	Reviewed	Reviewed	Audited
1	Debt - Equity Ratio [1]	2.73	2.36	2.77	2.73	2.77	3.23
2	Debt Service Coverage Ratio [2]	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
3	Interest Service Coverage Ratio [2]	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
4	Outstanding redeemable preference shares (quantity and value)	Nil	Nil	Nil	Nil	Nil	Nil
5	Capital redemption reserve (Rs. in lakh.) [3]	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
6	Debenture redemption reserve (Rs. in lakh.) [3]	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
7	Net worth [4] (Rs. in lakh.)	1,95,781.50	1,91,716.25	1,37,103.15	1,95,781.50	1,37,103.15	1,43,836.17
8	Net profit after Tax (Rs. in lakh.)	3,552.14	3,035.59	2,889.27	6,587.73	5,412.86	11,934.48
9	Current Ratio [2]	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
10	Long term debt to working capital [2]	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
11	Bad debts to Account receivable ratio [2]	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
12	Current liability ratio [2]	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
13	Total debts to total assets [5]	0.71	0.68	0.71	0.71	0.71	0.74
14	Debtors turnover [2]	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
15	Inventory turnover [2]	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
16	Operating margin (%)[2]	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
17	Net profit margin (%)[6]	10.36%	10.07%	11.39%	10.22%	11.47%	11.03%
18	Sector specific equivalent ratios						
	a. Gross Stage 3 [7]	2.67%	2.90%	2.85%	2.67%	2.85%	3.09%
	b. Net Stage 3 [8]	1.46%	1.59%	1.52%	1.46%	1.52%	1.64%
	c. Capital to risk-weighted assets [9]	24.45%	27.94%	24.84%	24.45%	24.84%	20.75%

Notes –

1. Debt - Equity Ratio = (Debt securities + Borrowings (other than debt securities) + Subordinated Liabilities) / Total Equity.
2. The above-mentioned ratios are not relevant as the company is engaged in financing activities.
3. Capital redemption Reserve / Debenture redemption reserve is not required in respect of privately/publicly placed debentures in terms of Rule 18(7)(b)(iii) of Companies (Share Capital and Debentures) Rules, 2014.
4. Net worth = Equity Share Capital + Other Equity
5. Total debts to Total assets = (Debt securities + Borrowings (other than debt securities) + Subordinated Liabilities) / Total Assets
6. Net profit margin = Net profit after tax / Total income
7. Gross Stage 3 = Gross Stage 3 Loans Exposure at Default (EAD) / Gross Total Loans EAD
8. Net Stage 3 = (Gross Stage 3 Loans EAD - Impairment loss allowance for Stage 3) / (Gross Total Loans EAD - Impairment loss allowance)
9. Capital to Risk-weighted assets is calculated as per the RBI guidelines.

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UGRO CAPITAL LIMITED

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SHARP & TANNAN ASSOCIATES
chartered accountants

INDEPENDENT AUDITOR'S REPORT

To the Members of UGRO Capital Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of **UGRO Capital Limited** (the 'Company'), which comprise the Balance Sheet as at March 31, 2024, the Statement of Profit and Loss, the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of material and other accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 (the 'Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, and its profit, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the *Code of Ethics* issued by the Institute of Chartered Accountants of India (the 'ICAI') together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current financial year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matters described below to be the key audit matter to be communicated in our report.

Key Audit Matter	How the Key Audit Matter was addressed in our audit
Impairment of loans including Expected Credit Loss (ECL)	
Total loans as at March 31, 2024 was Rs. 5,43,221.03 lakh (net of ECL), (Refer Note 5 to the financial statements) Impairment provision as at March 31, 2024: Rs. 11,749.36 lakh, (Refer Note 5 to the financial statements)	Our audit procedures were focussed on assessing the appropriateness of management's judgement and estimates used in the impairment analysis that included, but were not limited to, the following: Process understanding and Test of Controls:

Sharp & Tannan Associates ★ Chartered Accountants ★ ICAI Regn. No. 109983W

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Ind AS 109, *Financial Instruments* requires the Company to provide for impairment of its financial assets using the ECL approach. The Company has Board approved Policy on ECL to ensure the compliance with Ind AS 109 requirements and the basis of all assumptions for underlying inputs to ECL model. ECL model involves an estimation of probability of loss on financial assets over their life, considering reasonable and supportable information about past events, current conditions, and forecasts of future economic conditions which could impact the credit quality of the loans and advances. In the process, a significant degree of judgement has been applied by the management of the Company including but not limited to the following matters: a) Grouping of loan portfolio under various categories on the basis of homogeneity and thereby expected to demonstrate similar credit characteristics; b) Estimation of losses in respect of groups of loans which had no/ minimal defaults in the past; c) Staging of loans and estimation of behavioural life; d) Models developed by the Company that derive key assumptions used within the provision calculation such as Probability of Default (PD) and Loss Given Default (LGD). Since, the impairment of loans including ECL requires a significant level of estimation and given its significance to the overall audit, we have ascertained impairment of loans including ECL as a key audit matter.	1. Read the Company's Board approved Policy on ECL and accounting policies for estimation of ECL loss on financial assets (as explained in Note 2B - (14)(c) to the financial statements) and evaluated the appropriateness of the same with the principles of the Standard Ind AS 109 and Prudential Norms laid down by Reserve Bank of India (RBI). 2. Tested the design and effectiveness of internal controls over the completeness and accuracy of the Exposure At Default (EAD) and the classification thereof into stages consistent with the definitions applied in accordance with the approved Policy, including the appropriateness of the qualitative factors to be applied. Test of details: 3. Performed, on test check basis, procedures for testing of ECL model and computation of ECL amount including and not limited to the following: a. Evaluated underlying data related to estimates and judgements used for developing ECL models. b. Verified that PD is computed as per the internally developed model, which is a dynamic evaluation based on repayment history, corporate ratings, specific market estimates as applicable to the respective portfolio segments from time to time. Loss Given Default (LGD) is as per the Foundational-Internal Rating Based (F-IRB) approach and an internal model which factors post default recovery rates and collateral value in case of secured loans. c. Verified whether appropriate staging of assets have been performed basis their days past due. Ensured the assumptions used by the Company for grouping and staging of loan portfolio into various categories and default buckets for determining the PD and LGD rates. d. Verified the impairment provision for Stage 3 exposures considering the management's estimate of future cash flows for those

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	exposures and checked the resultant provision. e. Verified the adequacy of the adjustment including management's assessment of additional provision on stressed loan. f. Verified the ECL provision on restructured cases pursuant to the RBI Circular, on a sample basis. g. Verified the computation of ECL by using PD and LGD and other qualitative factors to ensure arithmetical accuracy. h. Verified the impairment provision under the Standard, Ind AS 109 and the provisioning required under Income Recognition, Asset Classification and Provisioning Norms (IRACP) (including standard asset provisioning) to determine the need to create an Impairment Reserve. i. Reconciled the total financial assets considered for ECL estimation with the books of account to ensure the completeness. j. Assessed the adequacy and appropriateness of the presentation and disclosures in compliance with the applicable Standard.

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report, Management Discussion and Analysis, Business Responsibility and Sustainability Report, Corporate Governance Report and Shareholder's Information, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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Responsibilities of Management and Those Charged with Governance for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls;

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's

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ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern; and

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

The financial statements of the Company for the year ended March 31, 2023 was audited by the predecessor auditor who has issued an unmodified opinion on the financial statements, vide report dated May 15, 2023.

Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 (the 'Order'), issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the **Annexure 'A'** a Statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143(3) of the Act, we report that:

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

   (c) The Balance Sheet, the Statement of Profit and Loss, the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account;

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(d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act read with the relevant rules thereunder;

(e) On the basis of the written representations received from the directors as on March 31, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164(2) of the Act;

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in **Annexure 'B'**;

(g) With respect to the other matters to be included in the Auditor's Report in accordance with the Section 197(16) of the Act, in our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. Further, the Ministry of Corporate Affairs has not prescribed other details under aforesaid section which are required to be commented upon by us; and

(h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

(i) The Company has no pending litigations on its financial position in its financial statements – (Refer Note 42 to the financial statements);

(ii) The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – (Refer Note 60(g)(1) to the financial statements);

(iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company;

(iv) (a) The management of the Company has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to the financial statements, during the year, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entities (the 'Intermediaries'), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (the 'Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The management of the Company has represented, that, to the best of its knowledge and belief, other than as disclosed in the notes to the financial statements, during the year, no funds have been received by the Company from any person or entity, including foreign entities (the 'Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of

the Funding Party (the 'Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

(c) Based on such audit procedures, we have considered reasonable and appropriate in the circumstances that nothing has come to our notice that has caused us to believe that the representations under paragraph (a) and (b) above, contain any material misstatement.

(v) The Company neither declared nor paid dividend during the year. Accordingly, the Company is not required to comply with Section 123 of the Act; and

(vi) In our opinion and based on our examination, which included test checks, the Company has used accounting softwares for maintaining its books of account for the financial year ended March 31, 2024 which has a feature of recording audit trail (edit log) facility and same has operated throughout the year for all relevant transactions recorded in the softwares. Further, during the course of our audit, we did not come across any instance of the audit trail feature being tampered with.

Further, as proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014, as amended is applicable from April 1, 2023 reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014, as amended, on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended March 31, 2024.

For **Sharp & Tannan Associates**
Chartered Accountants
Firm's Registration No. 109983W
by the hand of

Tirtharaj Khot
Partner
Membership No. (F) 037457
UDIN: 24037457BKGEFX9704

Mumbai, May 2, 2024

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ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT
(Referred to in paragraph 1 of our report of even date)

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

(i) In respect of the Company's property, plant and equipment and intangible assets

(a) (A) The Company is maintaining proper records showing full particulars, including quantitative details and situation of property, plant and equipment; and

(B) The Company is maintaining proper records showing full particulars of intangible assets;

(b) The Company physically verifies the property, plant and equipment to cover all items once in a period of three years considering the value and materiality involved which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Further, the Company has physically verified its property, plant and equipment in the previous financial year. No material discrepancies were noticed on such physical verification;

(c) According to the information and explanations given to us, there are no immovable properties. Accordingly, the reporting under the Paragraph 3(i)(c) of the Order is not applicable to the Company. However, the Company has repossessed properties under the Securitisation And Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 and the Arbitration and Conciliation Act, 1996 from the borrowers who have defaulted their loan repayments. Such properties are acquired to recover the loans from the borrower and accordingly, disclosed as non-current assets held for sale. (Refer Note 11 of the financial statements)

(d) The Company has not revalued any of its property, plant and equipment (including Right-of-Use assets) or intangible assets or both during the year; and

(e) According to the information and explanations given to us, there are no immovable properties. Accordingly, the reporting under the Paragraph 3(i)(e) of the Order is not applicable to the Company.

(ii) (a) The Company's principal business is to give loans. Accordingly, reporting on the Paragraph 3(ii)(a) of the Order is not applicable to the Company; and

(b) The Company has been sanctioned working capital limits in excess of five crore rupees, during the year, in aggregate from banks and/or financial institutions on the basis of security of loans. The quarterly returns / statements filed by the Company with such banks and/or financial institutions are in agreement with the books of account.

(iii)

(a) The Company's principal business is to give loans. Accordingly, reporting on the Paragraph 3(iii)(a) of the Order is not applicable to the Company.

(b) The investments made, guarantees provided, security given and the terms and conditions of the grant of all loans and advances in the nature of loans and guarantees provided by the Company during the year are, *prima facie,* not prejudicial to the Company's interest;

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(c) The Company, being a NBFC, registered under provisions of RBI Act, 1934 and rules made thereunder, in pursuance of its compliance with provisions of the said Act / Rules, particularly, the Income Recognition, Asset Classification and Provisioning Norms, monitors repayments of principal and payment of interest by its customers as stipulated. In our opinion, in respect of loans and advances in the nature of loans, the schedule of repayment of principal and payment of interest has been stipulated and in cases where repayment of principal and payment of interest are not received as stipulated, the impact thereof is taken by the Company in course of its periodic regulatory reporting;

(d) In respect of the aforesaid loans and advances, Rs. 17,147.91 lakh is overdue for more than ninety days (Refer Note 51(a)C to the financial statements), we have been informed that the Company has taken all reasonable steps, including legal actions to recover the principal and the interest, as the case may be;

(e) The Company's principal business is to give loans. Accordingly, reporting on the Paragraph 3(iii)(e) of the Order is not applicable to the Company; and

(f) The Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment during the year. Accordingly, reporting on the Paragraph 3(iii)(f) of the Order is not applicable to the Company.

(iv) The Company has neither, directly or indirectly, granted any loan, or provided guarantee for security to any of its directors or to any other persons in whom the director is interested, in accordance with the provisions of Section 185 of the Act nor made investments through more than two layers of investment companies in accordance with the provisions of Section 186 of the Act. Accordingly, reporting on the Paragraph 3(iv) of the Order is not applicable to the Company.

(v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public during the year to which the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 and other relevant provisions of the Act and the rules framed thereunder apply. Accordingly, reporting on the Paragraph 3(v) of the Order is not applicable to the Company. No order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other Tribunal.

(vi) The maintenance of cost records has not been specified by the Central Government under Section 148 of the Act for any of the products of the Company. Accordingly, reporting on the Paragraph 3(vi) of the Order is not applicable to the Company.

(vii) In respect of statutory dues:

(a) In our opinion, the Company is generally regular in depositing the undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, cess and any other statutory dues to the appropriate authorities, though there has been a slight delays in a few cases. There are no arrears of outstanding statutory dues as on the last day of the financial year for a period of more than six months from the date they became payable; and

(b) In our opinion, there are no statutory dues referred to (a) above, which have not been deposited on account of any dispute.

(viii) There are no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the

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Income Tax Act, 1961. Accordingly, reporting on the Paragraph 3(viii) of the Order is not applicable to the Company.

(ix) (a) The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender;

(b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority;

(c) The Company has, applied the term loans for the purpose for which the loans were obtained;

(d) On an verall examination of the financial statements of the Company, we report that no funds raised on short-term basis have been utilised for long-term purposes;

(e) The Company does not have subsidiaries, associates or joint ventures. Accordingly, reporting on the Paragraph 3(ix)(e) of the Order is not applicable to the Company; and

(f) The Company does not have subsidiaries, joint venturs or associate companies. Accordingly, reporting on the Paragraph 3(ix)(f) of the Order is not applicable to the Company.

(x) (a) The Company has raised monies by way of initial public offer or further public offer (debt instruments) during the year and has been applied for the purposes for which those are raised.

(b) The Company has made preferential allotment and private placement of shares during the year in accordance with the requirements of Sections 42 and 62 of the Act and the funds raised have been used for the purposes for which the funds were raised.

(xi) (a) During the course of our examination of the books and records of the Company, carried out in accordance with generally accepted auditing practices in India, we report that no material fraud by the Company nor on the Company has been noticed or reported during the year, other than the instances of fraud noticed and reported by the management to the regulator - (Refer Note 67 to the financial statements);

(b) We have not come across of any instances of material fraud by the Company or on the Company during the course of audit of the financial statements for the year ended March 31, 2024. Accordingly, reporting on the Paragraph 3(xi)(b) of the Order is not applicable to the Company; and

(c) We have taken into consideration the whistle blower complaints received by the Company during the year while determining the nature, timing and extent of audit procedures.

(xii) The Company is not a Nidhi Company. Accordingly, reporting on the Paragraph 3(xii)(a) to (c) of the Order is not applicable to the Company.

(xiii) The Company is in compliance with Sections 177 and 188 of the Act with respect to applicable transaction with the related parties and the relevant details of such related party transactions have been disclosed in the financial statements as required under the applicable Indian Accounting Standards.

(xiv) (a) The Company has an internal audit system commensurate with the size and the nature of its business; and

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(b) We have considered the internal audit reports for the period under audit issued to the Company.

(xv) In our opinion, the Company, during the year, has not entered into any non-cash transactions with directors or persons connected with its directors and accordingly, the provisions of Section 192 of the Act is not applicable. Accordingly, reporting on Paragraph 3(xv) of the Order is not applicable to the Company.

(xvi) (a) The Company is required to and has been registered under Section 45-IA of the Reserve Bank of India Act, 1934, as Non-Banking Financial Company;

(b) The Company has not conducted any Non-Banking Financial or Housing Finance activity without any valid Certificate of Registration (CoR) from the Reserve Bank of India. Accordingly, reporting on Paragraph 3(xvi)(b) of the Order is not applicable to the Company;

(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, reporting on the Paragraph 3(xvi)(c) the Order is not applicable to the Company; and

(d) The Group to which the Company belongs has no CIC as part of the Group. Accordingly, reporting on the Paragraph 3(xvi)(d) of the Order is not applicable to the Company.

(xvii) The Company has not incurred cash losses in the current financial year and in the preceding financial year. Accordingly, reporting on the Paragraph 3(xviii) of the Order is not applicable to the Company

(xviii) There has been no resignation of statutory auditors during the year. Accordingly, reporting on the Paragraph 3(xviii) of the Order is not applicable to the Company.

(xix) On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing as at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We, further state that our reporting is based on the facts upto the date of the audit report and we neither give any guarantee nor any assuarnace that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) (a) There are no unspent amounts towards Corporate Social Responsibility on other than ongoing projects requiring a transfer to a Fund specified in Schedule VII to the Act in compliance with second proviso to Section 135(5) of the Act. Accordingly, reporting on the Paragraph 3(xx)(a) of the Order is not applicable to the Company; and

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(b) There are no unspent amounts towards Corporate Social Responsibility ongoing projects requiring a transfer to a Special account in compliance with the provisions of Section 135(6) of the said Act. Accordingly, reporting on the Paragraph 3(xx)(b) of the Order is not applicable to the Company.

(xxi) The Company does not have any subsidiary, associate or joint venture. Accordingly, reporting on the Paragraph 3(xxi) of the Order is not applicable to the Company.

For **Sharp & Tannan Associates**
Chartered Accountants
Firm's Registration No.109983W
by the hand of

Tirtharaj Khot
Partner
Membership No. (F) 037457
UDIN: 24037457BKGEFX9704

Mumbai, May 2, 2024

ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT
(Referred to in paragraph 2(f) of our report of even date)

Report on the Internal Financial Controls under Section 143(3)(i) of the Companies Act, 2013 (the 'Act')

We have audited the internal financial controls over financial reporting of **URGO Capital Limited** (the 'Company'), as of March 31, 2024 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting, (the 'Guidance Note') issued by the Institute of Chartered Accountants of India (the 'ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by the ICAI and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that: (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting

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principles, and that receipts and expenditure of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not to be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2024, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For **Sharp & Tannan Associates**
Chartered Accountants
Firm's Registration No. 109983W
by the hand of

Sharp & Tannan Associates ICAI Regn. No. 109983W Chartered Accountants

Tirtharaj Khot
Partner
Membership No. (F) 037457
UDIN: 24037457BKGEFX9704

Mumbai, May 2, 2024

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UGRO CAPITAL LIMITED

Balance Sheet as at March 31, 2024 **(Rupees in lakh)**

Particulars	Note No.	As at March 31, 2024	As at March 31, 2023
I. ASSETS			
Financial assets			
Cash and cash equivalents	3	8,835.15	4,014.77
Bank balances other than cash and cash equivalents above	4	36,652.91	17,166.14
Loans	5	5,43,221.03	3,80,636.21
Investments	6	5,918.60	6,010.69
Other financial assets	7	2,021.19	2,531.23
		5,96,648.88	**4,10,359.04**
Non-financial assets			
Current tax assets (net)	8	275.18	203.78
Deferred tax assets (net)	9	295.94	2,547.36
Property, plant and equipment	10	449.60	379.30
Non-current assets held for sale	11	10,142.11	2,194.55
Right-of-use assets	12	4,775.08	3,364.08
Capital work-in-progress	13	-	2.82
Intangible assets under development	14	-	1,431.41
Other intangible assets	15	7,760.87	4,741.53
Other non-financial assets	16	7,650.29	5,334.81
		31,349.07	**20,199.64**
TOTAL ASSETS		**6,27,997.95**	**4,30,558.68**
II. LIABILITIES AND EQUITY			
LIABILITIES			
Financial liabilities			
Derivative financial instruments	17	65.00	9.27
Payables	18		
(A) Trade payables			
(I) total outstanding dues of micro enterprises and small enterprises		448.65	145.97
(II) total outstanding dues of creditors other than micro enterprises and small enterprises		821.57	1,168.80
(B) Other payables			
(I) total outstanding dues of micro enterprises and small enterprises		-	-
(II) total outstanding dues of creditors other than micro enterprises and small enterprises		89.85	96.78
Debt securities	19	1,39,483.13	1,14,434.45
Borrowings (other than debt securities)	20	3,22,322.27	2,00,459.00
Subordinated liabilities	21	3,519.13	-
Other financial liabilities	22	7,654.85	7,501.83
		4,74,404.45	**3,23,816.10**
Non-financial liabilities			
Current tax liabilities (net)	23	2,895.67	1,567.77
Provisions	24	5,987.17	6,009.73
Other non-financial liabilities	25	874.49	760.77
		9,757.33	**8,338.27**
TOTAL LIABILITIES		**4,84,161.78**	**3,32,154.37**
EQUITY			
Equity share capital	26	9,159.16	6,932.11
Other equity	27	1,34,677.01	91,472.20
TOTAL EQUITY		**1,43,836.17**	**98,404.31**
TOTAL LIABILITIES AND EQUITY		**6,27,997.95**	**4,30,558.68**

See accompanying notes forming part of the financial statements

As per our report of even date attached
For **Sharp & Tannan Associates**
Chartered Accountants
Firm's Registration No : 109983W

Tintharaj Khot
Partner
Membership No : (F) 037457

For and on behalf of the Board of Directors of
UGRO CAPITAL LIMITED

Shachindra Nath
Vice Chairman &
Managing Director
DIN : 00510618

Hemant Bhargava
Independent Director &
Chairman - Audit Committee
DIN : 01922717

Kishore Kumar Lodha
Chief Financial Officer

Satish Kumar Chelladurai
Company Secretary

Place : Mumbai
Date : May 02, 2024

Place : Mumbai
Date : May 02, 2024

UGRO CAPITAL LIMITED

Statement of Profit and Loss for the year ended March 31, 2024 **(Rupees in lakh)**

Particulars	Note No.	For the year ended March 31, 2024	For the year ended March 31, 2023
Revenue from operations			
Interest income	28	70,794.38	48,291.34
Net gain on derecognition of financial instruments under amortised cost category	29	30,746.33	15,407.22
Net gain on fair value changes	30	147.85	-
Fees and commission income	31	3,107.62	1,946.81
Total revenue from operations		**1,04,796.18**	**65,645.37**
Other income	32	3,371.94	2,730.91
Total income		**1,08,168.12**	**68,376.28**
Expenses			
Finance costs	33	44,292.40	29,327.40
Net loss on fair value changes	34	1.54	640.11
Impairment on financial instruments	35	11,627.96	5,679.99
Employee benefits expenses	36	18,285.41	14,071.48
Depreciation, amortization and impairment	37	3,533.10	1,763.74
Other expenses	38	12,551.46	8,510.72
Total expenses		**90,291.87**	**59,993.44**
Profit before exceptional items and tax		**17,876.25**	**8,382.84**
Exceptional items		-	-
Profit before tax		**17,876.25**	**8,382.84**
Tax Expense:			
(1) Current tax		3,647.61	2,298.62
(2) Deferred tax		2,477.20	1,828.08
(3) Excess/Short provision of tax of earlier years		(183.04)	278.50
Total tax expenses		**5,941.77**	**4,405.20**
Profit for the year (A)		**11,934.48**	**3,977.64**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
- Remeasurements of the defined benefit obligations		(40.71)	(24.03)
- Income tax relating to items that will not be reclassified to profit or loss		11.85	7.00
Sub-total (B)		**(28.86)**	**(17.03)**
Items that will be reclassified to profit or loss			
- The effective portion of gains and loss on hedging instrument in a cash flow hedge		(734.58)	45.33
- Income tax relating to items that will be reclassified to profit or loss		213.91	(13.20)
Sub-total (C)		**(520.67)**	**32.13**
Other comprehensive income for the year (net of tax) (D) = (B) + (C)		**(549.53)**	**15.10**
Total comprehensive income for the year (E)= (A) + (D)		**11,384.95**	**3,992.74**
Earnings per equity share (Face Value of Rs.10 each)	41		
Basic (Rs.)		**13.39**	**5.69**
Diluted (Rs.)		**13.20**	**5.66**

See accompanying notes forming part of the financial statements

As per our report of even date attached
For **Sharp & Tannan Associates**
Chartered Accountants
Firm's Registration No : 109983W

Tirtharaj Khot
Partner
Membership No : (F) 037457

For and on behalf of the Board of Directors of
UGRO CAPITAL LIMITED

Shachindra Nath
Vice Chairman &
Managing Director
DIN : 00510618

Hemant Bhargava
Independent Director &
Chairman - Audit Committee
DIN : 01922717

Kishore Kumar Lodha
Chief Financial Officer

Satish Kumar Chelladurai
Company Secretary

Place : Mumbai
Date : May 02, 2024

Place : Mumbai
Date : May 02, 2024

UGRO CAPITAL LIMITED

Statement of Cash Flows for the period ended March 31, 2024 **(Rupees in lakh)**

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Cash flow from operating activities :		
Profit before tax	**17,876.25**	**8,382.84**
Adjustments for:		
Interest income on loans	(67,587.95)	(46,850.12)
Cash inflows from interest on loans	62,972.94	44,700.75
Interest income on debt securities	(247.21)	(248.42)
Interest on income tax	(7.39)	(6.29)
Employee stock option expense	449.87	256.41
Depreciation, amortisation and impairment	3,533.10	1,763.74
Impairment on financial instruments	11,627.96	5,679.99
Net gain on sale of financial instruments / fair valuation of financial instruments	(30,894.18)	(15,407.22)
Net loss on fair value changes	1.54	640.11
Finance cost on borrowings	38,951.71	25,257.97
Cash outflow towards finance cost borrowings	(38,288.62)	(21,763.21)
Provision for gratuity net of payment and compensated absences	370.46	380.73
Property, plant and equipment written-off	-	7.17
Interest on other financial assets	(77.51)	-
Interest on lease liabilities	516.45	-
Gain on pre-closure of lease	(25.66)	-
Operating profit before working capital changes	**(828.24)**	**2,794.45**
Changes in working capital:		
(Increase)/decrease in loans	(1,46,794.71)	(1,25,753.63)
(Increase)/decrease in other non-financial assets	(2,315.48)	(2,252.98)
(Increase)/decrease in other financial assets	502.89	(1,830.23)
(Increase)/decrease in derivative financial assets	-	22.29
Increase/(decrease) in derivative financial liabilities	55.73	9.27
Increase/(decrease) in trade payables	(55.30)	702.33
Increase/(decrease) in other non-financial liabilities	113.72	396.54
Increase/(decrease) in other financial liabilities	(1,538.73)	2,120.08
Increase/(decrease) in provisions	(433.73)	2,917.76
Cash (used in) operating activities	**(1,51,293.85)**	**(1,20,874.12)**
Income taxes paid	(2,200.68)	(1,168.70)
Net cash (used in) operating activities (A)	**(1,53,494.53)**	**(1,22,042.82)**
Cash flow from investing activities :		
Purchase of property, plant and equipment (including capital work-in-progress)	(273.48)	(133.36)
Proceeds from / (Investments in) bank deposits of maturity greater than 3 months	(19,491.05)	(4,906.08)
Sale/realisation of investments	74,499.38	259.08
Purchase of investments	(74,296.29)	-
Interest received from investments	282.52	282.54
Payments for intangible assets	(3,766.11)	(3,956.38)
Net cash generated from / (used in) investing activities (B)	**(23,045.03)**	**(8,454.20)**
Cash flow from financing activities :		
Proceeds from issuance of equity share capital during the year	34,598.90	-
Payment for purchase of treasury shares	-	(2,495.26)
Share issue expense	(1,001.88)	(5.90)
Principal payment of lease liabilities	(1,270.48)	(781.38)
Total borrowing and debt securities repaid	(1,90,137.37)	(1,26,315.31)
Total borrowing and debt securities availed	3,39,170.77	2,57,534.70
Net cash generated from financing activities (C)	**1,81,359.94**	**1,27,936.85**
Net increase /(decrease) in cash and cash equivalents (A)+(B)+(C)	**4,820.38**	**(2,560.17)**
Cash and cash equivalents as at the beginning of the year	**4,014.77**	**6,574.94**
Cash and cash equivalents as at the end of the year	**8,835.15**	**4,014.77**
Components of cash and cash equivalents:		
Cash on hand		
Balance with banks :		
in current accounts	8,835.15	4,014.77
in Fixed deposits (maturing within a period of three months)	-	-
TOTAL	**8,835.15**	**4,014.77**

See accompanying notes forming part of the financial statements

As per our report of even date attached
For **Sharp & Tannan Associates**
Chartered Accountants
Firm's Registration No : 109983W

Tirthraj Khot
Partner
Membership No : (F) 037457

Place : Mumbai
Date : May 02, 2024

For and on behalf of the Board of Directors of
UGRO CAPITAL LIMITED

Shachindra Nath
Vice Chairman &
Managing Director
DIN : 00510618

Hemant Bhargava
Independent Director &
Chairman - Audit Committee
DIN : 01922717

Kishore Kumar Lodha
Chief Financial Officer
Place : Mumbai
Date : May 02, 2024

Satish Kumar Chelladurai
Company Secretary

UGRO CAPITAL LIMITED

Statement of Changes in Equity for the year ended March 31, 2024

A. Equity Share Capital (Refer Note 26)

As at March 31, 2024

(Rupees in lakh)

Balance at the beginning of the current reporting period	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the year	Balance as at the end of the current reporting period
6,932.11	-	6,932.11	2,227.05	9,159.16

As at March 31, 2023

Balance at the beginning of the previous reporting period	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the year*	Balance as at the end of the previous reporting period
7,055.94	-	7,055.94	(123.83)	6,932.11

*Treasury shares issued during the year - (Refer Note 26)

B. Other equity (Refer Note 27)

As at March 31, 2024

Particulars		Reserves & Surplus								Total
	Statutory reserve u/s 45-IC	Capital Reserve	Securities Premium	Retained Earnings	Employee stock options scheme outstanding	Debt Instruments through Other Comprehensive Income	Equity Instruments through Other Comprehensive Income	Effective portion of Cash Flow Hedges	Revaluation Surplus	
Balance at the beginning of the current reporting period	3,197.01	1,046.00	75,352.48	11,354.58	483.62	-	-	38.51	-	91,472.20
Total Comprehensive Income for the current year	-	-	-	(28.86)	-	-	-	(520.67)	-	(549.53)
Transfer to retained earnings	-	-	-	11,934.48	-	-	-	-	-	11,934.48
Transfer to Reserve Fund u/s 45-IC of Reserve Bank of India Act, 1934	2,386.90	-	-	(2,386.90)	-	-	-	-	-	-
Share based Payment for the year	-	-	-	-	449.89	-	-	-	-	449.89
Premium on ESOP exercised during the year	-	-	507.57	-	-	-	-	-	-	507.57
Transfer to securities premium on allotment of shares pursuant to ESOP Scheme	-	-	192.32	-	(192.32)	-	-	-	-	-
Transfer to Retained Earnings on lapse of options pursuant to ESOP Scheme	-	-	-	28.79	(28.79)	-	-	-	-	-
Share issue expense	-	-	(1,001.88)	-	-	-	-	-	-	(1,001.88)
Share application money pending allotment	-	-	-	-	-	-	-	-	-	-
Premium on equity shares issued	-	-	31,864.28	-	-	-	-	-	-	31,864.28
Balance at the end of the current reporting period	**5,583.91**	**1,046.00**	**1,06,914.77**	**20,902.09**	**712.40**	**-**	**-**	**(482.16)**	**-**	**1,34,677.01**

Shah Tannan Associates ICAI Regn. No. 109983W Chartered Accountants
UGRO CAPITAL LIMITED

UGRO CAPITAL LIMITED

Statement of Changes in Equity for the year ended March 31, 2024

B. Other equity (Refer Note 27) (continued)

As at March 31, 2023

(Rupees in lakh)

Particulars	Reserves & Surplus									Total
	Statutory reserve u/s 45-IC	Capital Reserve	Securities Premium	Retained Earnings	Employee stock options scheme outstanding	Debt Instruments through Other Comprehensive Income	Equity Instruments through Other Comprehensive Income	Effective portion of Cash Flow Hedges	Revaluation Surplus	
Balance at the beginning of the previous reporting period	2,401.48	1,046.00	77,723.91	7,975.75	446.86	-	-	6.38	-	89,600.38
Total Comprehensive Income for the current year	-	-	-	(17.03)	-	-	-	32.13	-	15.10
Transfer to retained earnings	-	-	-	3,977.64	-	-	-	-	-	3,977.64
Transfer to Reserve Fund u/s 45-IC of Reserve Bank of India Act, 1934	795.53	-	-	(795.53)	-	-	-	-	-	-
Share based Payment for the year	-	-	-	-	256.41	-	-	-	-	256.41
Premium on ESOP exercised during the year	-	-	-	-	-	-	-	-	-	-
Transfer to Retained Earnings on allotment of shares pursuant to ESOP Scheme	-	-	-	-	-	-	-	-	-	-
Transfer to Retained Earnings on lapse of options pursuant to ESOP Scheme	-	-	-	219.65	(219.65)	-	-	-	-	-
Share issue expense	-	-	-	(5.90)	-	-	-	-	-	(5.90)
Premium on treasury shares	-	-	(2,371.43)	-	-	-	-	-	-	(2,371.43)
Balance at the end of the previous reporting period	**3,197.01**	**1,046.00**	**75,352.48**	**11,354.58**	**483.62**	**-**	**-**	**38.51**	**-**	**91,472.20**

As required by Section 45-IC of the RBI Act,1934, the Company maintains a reserve fund and transfers there a sum not less than twenty per cent of its net profit every year as disclosed in the Statement of profit and loss and before any dividend is declared. The Company cannot appropriate any sum from the reserve fund except for the purpose specified by Reserve Bank of India from time to time. Till date RBI has not specified any purpose for appropriation of Reserve Fund maintained U/S 45-IC of RBI Act, 1934.

See accompanying notes forming part of the financial statements

As per our report of even date attached
For **Sharp & Tannan Associates**
Chartered Accountants
Firm's Registration No : 109983W

Tirtharaj Khot
Partner
Membership No : (F) 037457

Place : Mumbai
Date : May 02, 2024

For and on behalf of the Board of Directors of
UGRO CAPITAL LIMITED

Shachindra Nath
Vice Chairman & Managing Director
DIN : 00510618

Hemant Bhargava
Independent Director & Chairman - Audit Committee
DIN : 01922717

Kishore Kumar Lodha
Chief Financial Officer
Place : Mumbai
Date : May 02, 2024

Satish Kumar Chelladurai
Company Secretary

1. Corporate Information

UGRO Capital Limited ('the Company'), is a public limited company domiciled in India and incorporated under the provisions of the Companies Act, 1956. The Company is registered under Section 45-IA of the Reserve Bank of India Act, 1934 vide Certificate of registration bearing ref. no. 13.00325 as non-deposit taking Non-Banking Financial Company ('NBFC-ND') classified as NBFC – Middle Layer under the 'Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 dated October 19, 2023, issued by the Reserve Bank of India ("RBI"). The Company is also registered under Registration of Factors (Reserve Bank) Regulations, 2022 dated January 14, 2022, as NBFC – Factor, vide Certificate of registration bearing ref. no. N-13.02475 dated January 9, 2024, issued by RBI, authorizing the Company to commence and carry out the factoring business. The Company is engaged in the business of lending and primarily deals in financing MSME sector with focus on Healthcare, Education, Chemicals, Food Processing/FMCG, Hospitality, Electrical Equipment & Components, Auto Components, Micro enterprises and Light Engineering.

The financial statements are approved for issue by the Company's Board of Directors on May 02, 2024.

2A. Material Accounting Policies

(1) Statement of compliance

The financial statements have been prepared in accordance with the provisions of the Companies Act, 2013 and the Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) issued by the Ministry of Corporate Affairs in exercise of the powers conferred by Section 133 of the Companies Act, 2013. In addition, the guidance notes/ announcements issued by the Institute of Chartered Accountants of India (ICAI) are also applied along with compliance with other statutory promulgations which require a different treatment. Any directions issued by the RBI or other regulators are implemented as and when they become applicable.

The Company has complied with the disclosures as required by the Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 issued by the Reserve Bank of India (RBI) vide their Notification No. RBI/DoR/2023-24/106 DoR.FIN.REC.No.45/03.10.119/2023-24 dated October 19, 2023, as updated on March 21, 2024.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to the existing accounting standard requires a change in the accounting policy hitherto in use.

(2) Basis of preparation

The financial statements have been prepared on a historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values as at the end of each reporting period as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company considers the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/ or disclosure purposes in these financial statements is determined on this basis.

Fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety.

Sharp & Tannan Associates ICAI Regn. No. 109983W Chartered Accountants
UGRO CAPITAL LIMITED

- Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices;
- Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and place limited reliance on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2; and
- Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

(3) Presentation of financial statements

The Balance Sheet, the Statement of Changes in Equity and the Statement of Profit and Loss are prepared and presented in the format prescribed in the Division III to Schedule III to the Companies Act, 2013 (the 'Act') applicable for Non-Banking Financial Companies ("NBFC"). The Statement of Cash Flows has been prepared and presented as per the requirements of Ind AS 7, *Statement of Cash Flows*. The disclosure requirements with respect to items in the Balance Sheet and Statement of Profit and Loss, as prescribed in Division III of Schedule III to the Act, are presented by way of notes forming part of the financial statements along with the other notes required to be disclosed under the notified accounting standards and the Stock Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.

(4) Functional and presentation currency

These financial statements are presented in Indian rupees (Rs.) which is also the Company's functional currency. All accounts are rounded-off to the nearest lakh with two decimals, unless otherwise stated.

(5) Use of estimates and judgements

The preparation of financial statements in conformity with Ind AS requires management to make estimates, judgements and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities (including contingent liabilities) and disclosures as of the date of the financial statements and the reported amounts of revenue and expenses for the reporting period. Actual results could differ from these estimates. Accounting estimates and underlying assumptions are reviewed on an ongoing basis and could change from period to period. Appropriate changes in estimates are recognised in the periods in which the Company becomes aware of the changes in circumstances surrounding the estimates. Any revisions to accounting estimates are recognised prospectively in the period in which the estimate is revised and future periods.

(6) Key accounting judgements and key sources of estimation uncertainty

The preparation of financial statements in conformity with Ind AS requires that the management of the Company makes estimates and assumptions that affect the reported amounts of income and expenses of the period, the reported balances of assets and liabilities and the disclosures relating to contingent liabilities as of the date of the financial statements. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates include useful lives of property, plant and equipment and intangible assets, expected credit loss on loan books, future obligations in respect of retirement benefit plans, fair value measurement etc. Difference, if any, between the actual results and estimates is recognised in the period in which the results are known.

2B. Other Accounting Policies:

(1) Revenue recognition

Revenue (other than those items to which Ind AS 109, *Financial Instruments* is applicable) is measured based on the consideration specified in the contracts with the customers. Amounts disclosed as revenue are net of goods and services tax ('GST') and amounts collected on behalf of third parties. Ind AS 115, *Revenue from Contracts with Customers* outlines a single comprehensive model of accounting for revenue arising from contracts with customers.

Sharp & Tannan Associates ★ ICAI Regn. No. 109983W ★ Chartered Accountants
UGRO CAPITAL LIMITED

The Company recognizes revenue from contracts with customers based on a five-step model as set out in Standard.

Specific policies for the Company's different sources of revenue are explained below:

(a) Interest income:

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time proportionate basis, by reference to the principal outstanding and at the effective interest rate applicable. The effective interest rate is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

The interest income is calculated by applying the Effective Interest Rate (EIR) Method to the gross carrying amount of non-credit impaired financial assets (i.e. at the amortised cost of the financial asset before adjusting for any expected credit loss allowance). For credit-impaired financial assets the interest income is calculated by applying the Effective Interest Rate (EIR) Method to the amortised cost of the credit-impaired financial assets (i.e. the gross carrying amount less the allowance for expected credit losses (ECLs)).

(b) Other financial charges:

Cheque bouncing charges, pre- payment charges, foreclosure charges and initial margin money etc. are recognised on a point-in-time basis and are recorded when realised, since the probability of collecting such monies is established when the customer pays.

(c) Dividend income:

Dividend Income is recognised once the unconditional right to receive the dividend is established (provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably).

(d) Net gain or loss on fair value change:

Any differences between the fair values of the financial assets classified as fair value through the profit or loss, held by the Company on the balance sheet date is recognised as an unrealised gain/ loss in the statement of profit and loss. In cases there is a net gain in aggregate, the same is recognised in "Net gains on fair value changes" under revenue from operations and if there is a net loss the same is disclosed under "Expenses", in the statement of profit and loss.

(e) Advisory fees and other income:

Advisory fees and Other Income are recognised when services are provided and it is highly probable that a significant reversal of revenue is not expected to occur. The Company recognises such revenue from contracts with customers based on a five-step model as set out in Ind AS 115.

(f) Income from de-recognition of assets:

Gains arising out of de-recognition transactions comprise the difference between the interest on the loan portfolio and the applicable rate at which the transaction is entered into with the transferee, also known as the right of excess interest spread (EIS). The future EIS basis the scheduled cash flows on execution of the transaction, discounted at the applicable rate entered into with the transferee is recorded upfront in the statement of profit and loss. EIS is evaluated and adjusted for ECL and expected prepayment.

(2) Property, plant and equipment (PPE)

Tangible property, plant and equipment are stated at cost less accumulated depreciation and impairment, if any. The cost of an item of property, plant and equipment is recognised if it is probable that future economic benefits associated with the item will flow to the company and the cost thereof can be measured reliably. All property, plant and equipment are initially recognised at cost. Cost comprises the purchase price and any directly attributable cost to bring the asset to its working condition for its intended use. Subsequent expenditure incurred on assets put to use is capitalised only when it increases the future economic benefits/ functioning capability from/ of such assets. Advances paid towards acquisition of property, plant and equipment, outstanding at each balance sheet date is classified as capital advances under other non-financial assets and the cost of assets not put to use before such date are disclosed under Capital work-in-progress.

Depreciation is recognised so as to write-off the cost of assets less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each financial year, with the effect of any changes in estimate accounted for on a prospective basis. Assets purchased during the year are depreciated on the basis of actual number of days the asset has been put to use in the year. Assets individually costing Rs. 5,000 or less are fully depreciated in the year of purchase.

Estimated useful life of assets is as below:

Category of PPE	Estimated useful life as assessed by the Company	Estimated useful life under Schedule II to the Act
Office equipments	5 years	5 years
Computer	3 years	3 years
Leasehold improvements	Tenure of lease agreements	Tenure of the lease agreements
Furniture fixture and fittings	10 years	10 years

Changes in the expected useful life are accounted for by changing the depreciation period or methodology, as appropriate and treated as changes in accounting estimates.

The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the statement of profit and loss.

(3) Intangible assets

Intangible assets are recognised when it is probable that the future economic benefits that are attributable to the asset will flow to the enterprise and the cost of the asset can be measured reliably. Intangible assets are stated at original cost net of tax/ duty credits availed, if any, less accumulated amortization, and cumulative impairment. Direct expenses (including salary costs) and administrative and other general overhead expenses that are specifically attributable to acquisition of intangible assets are allocated and capitalised as a part of the cost of the intangible assets.

Intangible assets not ready for the intended use on the date of the balance sheet are disclosed as Intangible assets under development.

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each financial year, with the effect of any changes in estimate being accounted for on a prospective basis.

The estimated useful life of Softwares is considered as 5 years.

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An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, and are recognised in the statement of profit or loss when the asset is derecognised.

(4) Impairment of tangible and intangible assets

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset.

The recoverable amount is the higher of an asset's net selling price and its value in use. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the statement of profit and loss. A previously recognised impairment loss is increased or reversed depending on changes in circumstances. However, the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation/amortisation if there were no impairment.

(5) Leases

The Company follows Ind AS 116, *Leases* for accounting for contracts which are in the nature of leases. Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term, with the discount rate determined by reference to the rate inherent in the lease unless (as is typically the case) this is not readily determinable, in which case the Company's incremental borrowing rate on commencement of the lease is used. Variable lease payments are only included in the measurement of the lease liability if they depend on an index or rate. In such cases, the initial measurement of the lease liability assumes the variable element will remain unchanged throughout the lease term. Other variable lease payments are expensed in the period to which they relate.

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee

The Company accounts for each lease component within the contract as a lease separately from non-lease components of the contract and allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

The Company recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The right-of-use assets are depreciated using the straight-line method from the commencement date over the lease term. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the statement of profit and loss.

The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments.

The Company recognises the amount of the re-measurement of lease liability as an adjustment to the right-of-use asset. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognises any remaining amount of the re-measurement in the statement of profit and loss.

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The Company has elected not to apply the requirements of the Standard to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognized as an expense on a straight-line basis over the lease term.

Finance lease

The Company does not have leases that were classified as finance leases. Hence, there is no impact on application of this standard.

As a lessor

The Company does not have any lease agreement in which it is a lessor. Hence, there is no impact on application of this standard.

(6) Income taxes

Income tax expense represents the sum of the tax currently payable, deferred tax and any excess/ short provision of earlier years.

(a) Current tax

Current Tax is determined at the amount of tax payable in respect of taxable profit for the year as per the Income tax Act, 1961. Taxable profit differs from 'profit before tax' as reported in the financial statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The entity's current tax is calculated using tax rate that has been enacted by the end of the reporting period.

(b) Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflect the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set-off the current income tax assets against the current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

(c) Current and deferred tax for the year

Current and deferred tax are recognised in the statement of profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the

current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

(d) Minimum alternate tax (MAT)

Minimum alternate tax (MAT) paid in accordance with the tax laws, is recognised as an asset in the balance sheet when it is probable that the future economic benefits associated with it will flow to the Company.

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(7) Employee Benefits

(a) Retirement benefit costs and termination benefits

Defined contribution plans –

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

The state governed Provident Fund Scheme, Employee State Insurance Scheme and National Pension Scheme (NPS) are defined contribution plans.

Defined benefit plans –

For defined benefit plans in the form of gratuity, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out half yearly. Re-measurement, comprising actuarial gains and losses is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Re-measurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss. Past service cost is recognised in the statement of profit and loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);

- net interest expense or income; and

- re-measurement

The Company presents the first two components of defined benefit costs in the statement of profit and loss in the line item 'Employee benefits expense'. Curtailment gains and losses are accounted for as past service costs.

The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds.

(b) Short term and other long-term employee benefits

A liability is recognized for benefits accruing to employees in respect of salaries and annual leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognized in respect of other long-term employee benefits are measured at the present value of estimated future cash outflows expected to be made by the Company in respect of services provided by employees up to the reporting date.

The cost of short-term compensated absences is accounted as under:
(i) in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and
(ii) in case of non-accumulating compensated absences, when the absences occur.

(c) Compensatory Payments (Loss of Earned Bonus)

The company amortizes the compensatory payments over the period of twelve months, since the amount is recoverable if an employee leaves the organization within a year.

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(d) Share based Payment

The Company recognizes compensation expense relating to share-based payments in the statement of profit and loss using fair value in accordance with Ind AS 102, *Share-based payment*. The estimated fair value of the award is charged to income on a straight-line basis over the requisite service period for each separately vesting portion of the award as if the award was in-substance multiple awards with a corresponding increase to share options outstanding amount. The share price of the Company was simulated using a binomial model. The simulation was done from each valuation date to maturity of the ESOP.

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in the statement of profit and loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled employee benefits reserve. If a grant lapses after the vesting period, the cumulative discount recognised as expense in respect of such grant is transferred to the retained earnings within equity and if the grant lapses before the vesting period, the cumulative discount recognised as expense in respect of such grant is credited to the statement of profit and loss.

Equity-settled share-based payment transactions with parties other than employees are measured at the fair value of the goods or services received, except where that fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders the service.

(8) Finance costs

Finance costs include interest and other ancillary borrowing costs. Ancillary costs include issue costs such as loan processing fees, arranger fees, stamping expense and rating expense etc. The Company recognizes interest expense and other ancillary costs on the borrowings as per Effective Interest

Rate Method (EIR) which is calculated by considering any ancillary costs incurred and any premium payable on its maturity.

Finance costs are charged to the statement of profit and loss.

(9) Provisions, contingent liabilities and contingent assets

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, considering the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, it's carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

A contingent liability is disclosed unless the possibility of an outflow of resources embodying the economic benefits is remote. Contingent assets are neither recognised nor disclosed in the financial statements.

Provisions, contingent liabilities, and contingent assets are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

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(10) Commitments

Commitments are future liabilities for contractual expenditure, classified and disclosed as follows:
(a) estimated amount of contracts remaining to be executed on capital account and not provided for;
(b) uncalled liability on shares and other investments partly paid;
(c) funding related commitment to associate companies; and
(d) other non-cancellable commitments, if any, to the extent they are considered material and relevant in the opinion of the management.

(11) Foreign currencies

(i) The functional currency and presentation currency of the Company is Indian Rupee (Rs.). Functional currency of the Company has been determined based on the primary economic environment in which the Company operates considering the currency in which funds are generated, spent and retained.

(ii) Transactions in currencies other than the Company's functional currency are recorded on initial recognition using the exchange rate at the transaction date. At each balance sheet date, foreign currency monetary items are reported at the prevailing closing spot rate. Non-monetary items that are measured in terms of historical cost in foreign currency are not retranslated.

Exchange differences that arise on settlement of monetary items or on reporting of monetary items at each balance sheet date at the closing spot rate are recognised in the statement of profit and loss in the period in which they arise.

(12) Cash and cash equivalents

Cash and cash equivalents include cash at banks and cash on hand, demand deposits with banks, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(13) Segment reporting

Operating segments are those components of the business whose operating results are regularly reviewed by the chief operating decision making body in the Company to make decisions for performance assessment and resource allocation. The reporting of segment information is the same as provided to the management for the purpose of the performance assessment and resource allocation to the segments. Segment accounting policies are in line with the accounting policies of the Company.

(14) Financial instruments

(a) Recognition of financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the financial instruments.

(b) Initial measurement of financial instruments

Financial assets and financial liabilities are initially measured at fair value. However, trade receivables that do not contain a significant financing component are measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at FVTPL) are added to or deducted from their respective fair value on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in the statement of profit and loss.

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A financial asset and a financial liability is offset and presented on a net basis in the balance sheet when there is a current legally enforceable right to set-off the recognised amounts and it is intended to either settle on net basis or to realise the asset and settle the liability simultaneously.

(c) Classification and subsequent measurement of financial instruments

Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade-date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

- **Financial assets carried at amortised cost (AC)**

A financial asset is measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are subsequently measured at amortised cost (except for debt instruments that are designated as at fair value through profit or loss on initial recognition).

• the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and

• the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Effective Interest Rate Method

The Effective Interest Rate Method is a method of calculating the amortized cost of a debt instrument and of allocating interest income over the relevant period. The Effective Interest Rate is the rate that exactly discounts estimated future cash receipts (including all fees that form an integral part of the effective interest rate, transaction costs and premiums or discounts) through the expected life of the instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

- **Financial assets at fair value through other comprehensive income (FVTOCI)**

A financial asset is measured at FVTOCI if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset gives rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

• the asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets; and

• the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Movements in the carrying amount of such financial assets are recognised in other comprehensive income (OCI). When the investment is disposed-off, the cumulative gain or loss previously accumulated in this reserve is reclassified to the statement of profit and loss.

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- **Financial assets at fair value through profit or loss (FVTPL)**

A financial asset which is not classified in any of the above categories is measured at FVTPL.

Debt instruments that do not meet the amortised cost criteria or FVTOCI criteria are measured at FVTPL. In addition, debt instruments that meet the amortised cost criteria or the FVTOCI criteria but are designated at FVTPL are measured at FVTPL.

A financial asset that meets the amortised cost criteria or debt instruments that meet the FVTOCI criteria may be designated at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases. The Company has not designated any debt instrument at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'Revenue from operations' line item.

Impairment of financial assets

The Company applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, debt instruments at FVTOCI and other contractual rights to receive cash or other financial assets.

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets). The Company estimates cash flows by considering all contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) through the expected life of that financial instrument.

Category of financial instrument	**Manner of recognition of loss allowance**
Financial assets measured at amortised cost	Recognised in profit or loss with corresponding adjustment in the carrying value through a loss allowance account.
Debt investments measured at FVTOCI	Recognised in profit or loss with corresponding adjustment in OCI. The loss allowance is accumulated in the 'Reserve for debt instruments through OCI', and is not adjusted with the carrying value of the financial asset

Impairment methodology:

Overall impairment methodology

Particulars	Stage 1 (Performing)	Stage 2 (Under-performing)	Stage 3 (Non-performing)
Credit quality	Not deteriorated significantly since its initial recognition.	Deteriorated significantly since its initial recognition	Objective evidence of impairment
ECL model	PD / LGD Model	PD / LGD Model	Cash flow model
ECL	12-month ECL	Life-time ECL	Life-time ECL
ECL Computation	(PD * LGD * EAD)	(PD * LGD * EAD)	Expected Cash Flow basis

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For loans, cash credit and term loans measured at amortised cost

(1) Definition of default:

A default shall be considered to have occurred when any of the following criteria are met:
i) An account shall be tagged as NPA once the day end process is completed for the 91st day past due.
ii) If one facility of borrower is NPA, all the facilities of that borrower are to be treated as NPA.
For the purpose of counting of days past due for the assessment of default, special dispensations in respect of any class of assets, if any (e.g. under COVID-19 relief package of RBI) are applied in line with the notification by the RBI in this regard.

(2) Portfolio segmentation:

The entire portfolio is segmented into homogenous risk segments. Common factors for segmentation includes asset classes, internal rating grade, size, geography, product etc.

(3) Probability of Default (PD):

An internally developed statistical model that computes rating at a loan level and categorizes them from Least Risk to High Risk is used for the computation of PD. These internal credit score bands along with external default performance from bureau have been observed and calibrated to derive benchmarked 12-month PD rates. These benchmarked 12-month PD rates have been categorized across 5 Bands viz Risk Band 1 (RB1 – Least Risk) to Risk Band 5 (RB5 – Highest Risk) for secured and unsecured asset types respectively.

Since, PD benchmarks for each Risk band have been determined separately for "Secured" and "Unsecured" category, therefore, from a segmentation point, all the business segments are classified into either Secured or Unsecured category. Business segments, wherever risk coverage is available, is factored over and above the PD benchmarks depending on the nature of coverage.

The PD applied in the ECL (Expected Credit Loss) computation model is based on the recomputed/refreshed/updated Risk band/rating at a loan level. All the loans are rated and Risk Bands are recomputed every quarter using the latest credit bureau scrub. For the loan disbursed in the current/latest quarter, wherever the band from credit bureau scrub is not available, the Risk Band at point of origination is applied. Wherever the band is not available at a loan level (either at origination/scrub), the average PD across the 5 Risk Bands shall be applicable for the respective Secured and Unsecured categories.

The 12-month PD shall continue to be applicable in calculating expected credit loss for Stage 1 assets and Lifetime PD shall be applicable for Stage 2 assets.

Life-time PD:
Life-time PD is applied for Stage 2 accounts.
Life-time PDs are computed based on survival approach. Survival analysis is statistics for analysing the expected duration of time until default event happens.

(4) Loss given default:

Loss given default (LGD) is defined as the expected/estimated amount or percentage of exposure that may not be recovered when a loan defaults. UGRO Capital Limited calculates LGD at a loan level considering the type of advance (Secured/Unsecured) & the collateral (financial/ property/ machine/ physical) available.

Derecognition of financial assets

The Company derecognizes a financial asset when the contractual rights to the cash flows from the asset expire or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

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If the Company enters into transactions whereby it transfers assets recognised on its balance sheet but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not de-recognised, and the proceeds received are recognised as a collateralised borrowing.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in the statement of profit and loss.

Financial liabilities and equity instruments

- Classification as debt or equity

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

- Equity instruments

An Equity Instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities.

- Compound financial instruments

The component parts of compound financial instruments issued by the Company are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument. A conversion option

that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Company's own equity instruments is an equity instrument.

At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for similar non-convertible instruments. This amount is recognised as a liability on an amortised cost basis using the effective interest rate method until extinguished upon conversion or at the instrument's maturity date.

Financial liabilities

A financial liability is any liability that is:

- Contractual obligation:

  - to deliver cash or another financial asset to another entity; or
  - to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the entity; or

- a contract that will or may be settled in the entity's own equity instruments.

All financial liabilities are subsequently measured at amortised cost using the effective interest rate method or at FVTPL.

- Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new

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financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in the statement of profit and loss.

Write-off

Loans and debt securities are written-off when the Company has no reasonable expectations of recovering the financial asset (either in its entirety or a portion of it). This is the case when the Company determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. A write-off constitutes a de-recognition event. The Company may apply enforcement activities to financial assets written-off. Recoveries resulting from the Company's enforcement activities will result in impairment gains.

(15) Derivative financial instruments

The Company enters into derivative financial instruments to manage its exposure to interest rate risk and foreign exchange rate risk. Derivatives held include interest rate swaps and cross-currency interest rate swaps.

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each balance sheet date. The resulting gain/loss is recognised in the statement of profit and loss immediately unless the derivative is designated and is effective as a hedging instrument, in which event the resulting gain/loss is recognised through other comprehensive income (OCI). The Company designates certain derivatives as hedges of highly probable forecast transactions (cash flow hedges). A derivative with a positive fair value is recognised as a financial asset whereas a derivative with a negative fair value is recognised as a financial liability.

(16) Hedge

The Company makes use of derivative instruments to manage exposures to interest rate and foreign currency. In order to manage particular risks, the Company applies hedge accounting for transactions that meet specific criteria. At the inception of a hedge relationship, the Company formally designates and documents the hedge relationship to which the Company wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes the Company's risk management objective and strategy for undertaking hedge, the hedging/ economic relationship, the hedged item or transaction, the nature of the risk being hedged, hedge ratio and how the Company would assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an on-going basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

(17) Cash flow hedge

A cash flow hedge is a hedge of the exposure to variability in cash flows that is attributable to a particular risk associated with a recognised asset or liability (such as all or some future interest payments on variable rate debt) or a highly probable forecast transaction and could affect the statement of profit and loss. For designated and qualifying cash flow hedges, the effective portion of the cumulative gain or loss on the hedging instrument is initially recognised directly in OCI within equity (cash flow hedge reserve). The ineffective portion of the gain or loss on the hedging instrument is recognised immediately in finance cost in the statement of profit and loss. When the hedged cash flow affects the statement of profit and loss, the effective portion of the gain or loss on the hedging instrument is recorded in the corresponding income or expense line of the statement of profit and loss. When a hedging instrument expires, is sold, terminated, exercised, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss that has been recognised in OCI at that time remains in OCI and is recognised when the hedged forecast transaction is ultimately recognised in the statement of profit and loss. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in OCI is immediately transferred to the statement of profit and loss.

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The Company's hedging policy only allows for effective hedging relationships to be considered as hedges as per the relevant Ind AS. Hedge effectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and hedging instrument. The Company enters into hedge relationships where the critical terms of the hedging instrument match with the terms of the hedged item, and so a qualitative and quantitative assessment of effectiveness is performed.

(18) Non-current assets held for sale

Assets acquired in satisfaction of debt (SOD) are treated as non-current assets held for sale. Assets acquired in satisfaction of debts are disclosed in the balance sheet at outstanding principal loan amount or fair market value (as per valuation reports) whichever is lower. In case the fair market value of assets acquired is lower than the outstanding principal loan amount, difference is charged to the statement of profit and loss under impairment on financial instruments. In case of sale of repossessed assets, the gain/ loss on sale is adjusted in the statement of profit and loss under impairment on financial instruments.

(19) Earnings per share

Basic earnings per share is computed by dividing the profit/ (loss) after tax by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit/ (loss) after tax as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.
Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date.

(20) Statement of cash flows

The Statement of cash flows shows the changes in cash and cash equivalents arising during the year from operating activities, investing activities and financing activities.

The cash flows from operating activities are determined by using the indirect method. Net income is therefore adjusted by non-cash items, such as measurement gains or losses, changes in provisions, impairment of property, plant and equipment and intangible assets, as well as changes from receivables and liabilities. In addition, all income and expenses from cash transactions that are attributable to investing or financing activities are eliminated.

Cash and cash equivalents (including bank balances) shown in the statement of cash flows exclude items which are not available for general use as on the date of the Balance Sheet.

(21) Recent accounting pronouncements

The Ministry of Corporate Affairs has notified Companies (Indian Accounting Standards) Amendment Rules, 2023 dated 31st March 2023 to amend the following Ind-AS which are effective for annual periods beginning on or after 1st April 2023. The Company has applied these amendments for the first time in the financial statements.

(a) Amendments to Ind-AS 1 - disclosure of accounting policies

The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

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The amendments have had an impact on the disclosures of accounting policies, but not on the measurement, recognition or presentation of any items in the financial statements.

(b) Amendments to Ind-AS 8 - definition of accounting estimates

The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. It has also been clarified how entities use measurement techniques and inputs to develop accounting estimates.

The amendments had no impact on these financial statements.

(c) Amendments to Ind-AS 12 - deferred tax related to assets and liabilities arising from a single transaction

The amendments narrow the scope of the initial recognition exception under Ind-AS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences such as leases.

The Company has previously recognized deferred tax on leases on a net basis. As a result of these amendments, the Company has recognized a separate deferred tax asset in relation to its lease liabilities and a deferred tax liability in relation to its right-of-use assets. Since these balances qualify

for offset as per the requirements of paragraph 74 of Ind-AS 12, there is no impact on the balance sheet. There was also no impact on the opening retained earnings as at 1st April 2022.

(d) New standards and amendments issued but not effective

There are no such standards which are notified but not yet effective.

(e) The other amendments to Ind-AS notified by these rules are primarily in the nature of clarifications.

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3. Cash and cash equivalents

(Rupees in lakh)

Particulars	As at March 31, 2024	As at March 31, 2023
Cash on hand	-	-
Balances with banks		
- in current accounts*	8,835.15	4,014.77
Total	**8,835.15**	**4,014.77**

*Above balances exclude Escrow balances operated for Direct Assignment, Co-lending and Co-origination.

4. Bank balances other than cash and cash equivalents above

Particulars	As at March 31, 2024	As at March 31, 2023
Unclaimed dividend on equity shares	1.27	1.36
Fixed deposits with banks and financial institutions*	36,658.98	17,167.83
Less: Impairment loss allowance**	7.34	3.05
Total	**36,652.91**	**17,166.14**

*Earmarked balances with banks and financial institutions are to the tune of Rs. 34,481.21 lakh (Previous year: Rs. 17,167.83 lakh)

**Impairment loss allowance is calculated on fixed deposits with banks and financial institutions.

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5. Loans **(Rupees in lakh)**

Particulars	As at March 31, 2024	As at March 31, 2023
Loans at amortised cost		
(A)		
Supply chain receivables	57,952.22	45,887.83
Term loans	4,97,018.17	3,43,548.37
Total Gross Loans	**5,54,970.39**	**3,89,436.20**
Less: Impairment loss allowance	11,749.36	8,799.99
Total Net Loans	**5,43,221.03**	**3,80,636.21**
(B)		
Secured by book debts	63,321.39	50,686.61
Secured by property	1,86,160.58	1,31,600.04
Secured by machinery	72,365.46	56,091.96
Unsecured	2,33,122.96	1,51,057.59
Total Gross Loans	**5,54,970.39**	**3,89,436.20**
Less: Impairment loss allowance	11,749.36	8,799.99
Total Net Loans	**5,43,221.03**	**3,80,636.21**
(C)		
Loans in India		
Public sector	-	-
Others	5,54,970.39	3,89,436.20
Total Gross Loans	**5,54,970.39**	**3,89,436.20**
Less: Impairment loss allowance	11,749.36	8,799.99
Total - Net (a)	**5,43,221.03**	**3,80,636.21**
Loans outside India (b)	-	-
Total - Net (a)+(b)	**5,43,221.03**	**3,80,636.21**

Notes :
1. There are no loans due by directors or other officers of the Company or any of them either severally or jointly with any other persons or amounts due by firms or private companies respectively in which any director is a partner or a director or a member as at and for the year ended March 31, 2024 and March 31, 2023.
2. The underlying securities for the assets secured by tangible assets are property, machinery and book debts.
3. Gross loans classified as unsecured include quasi-secured loans backed by First Loss Default Guarantee (FLDG) and loans partly secured by Government Guarantee Schemes.

6. Investments

Particulars	As at March 31, 2024	As at March 31, 2023
Investments - at FVTPL		
Security receipts	1,692.13	1,748.92
Investments - at Amortised Cost		
Debt securities	4,227.29	4,262.60
Less: Impairment loss allowance	0.82	0.83
Total Net Investments	**5,918.60**	**6,010.69**
Investments in India	5,919.42	6,011.52
Investments outside India	-	-
Total – Gross	**5,919.42**	**6,011.52**
Less: Impairment loss allowance	0.82	0.83
Total – Net	**5,918.60**	**6,010.69**

Note : For valuation methodology Refer Note 54

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7. Other financial assets

(Rupees in lakh)

Particulars	As at March 31, 2024	As at March 31, 2023
Security deposits	1,280.10	730.84
Other receivables	744.26	1,803.56
Less: Impairment loss allowance	3.17	3.17
Total	**2,021.19**	**2,531.23**

8. Current tax assets (net)

Particulars	As at March 31, 2024	As at March 31, 2023
Current tax assets		
Advance tax and tax deducted at source (Net of provision for tax Rs.2,139.48 lakh (Previous year: Rs.55.96 lakh))	275.18	203.78
Total	**275.18**	**203.78**

9. Deferred tax assets (net)

Particulars	As at March 31, 2024	As at March 31, 2023
Deferred tax assets		
Tax effect of timing differences on account of -		
Unutilised minimum alternate tax credit entitlement	7,537.88	4,105.37
Income tax losses carried forward	5,905.96	3,025.64
Provision for impairment losses on financial instruments	3,488.29	2,628.18
Deferred revenue income - processing fees allowed upfront in income tax	707.18	1,740.14
Employee benefit provisions and expenses	914.50	860.69
Others	377.23	100.76
Total (A)	**18,931.04**	**12,460.78**
Deferred tax liabilities		
Tax effect of timing differences on account of -		
Receivables on EIS Direct assignment and Co-lending transactions	11,215.41	4,200.47
Deferred loan sourcing cost allowed upfront in income tax	4,244.46	3,819.62
Prepaid fees / charges on borrowings allowed upfront in income tax	2,600.10	1,533.92
Difference in written down value of property, plant and equipment and intangible assets	569.59	342.76
Others	5.54	16.65
Total (B)	**18,635.10**	**9,913.42**
Deferred tax assets (net) (A)-(B)	**295.94**	**2,547.36**

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10. Property, plant and equipment

(Rupees in lakh)

Particulars	As at March 31, 2024				As at March 31, 2023			
	IT and Office equipments	Leasehold improvements	Furniture and fixtures	Total	IT and Office equipments	Leasehold improvements	Furniture and fixtures	Total
At cost as at the beginning of the year	**570.18**	**351.33**	**103.97**	**1,025.48**	**502.23**	**375.75**	**28.30**	**906.28**
Additions during the year	245.77	11.17	19.36	276.30	74.94	-	75.86	150.79
Disposals during the year	-	-	-	-	(6.99)	(24.42)	(0.18)	(31.59)
At cost as at the end of the year	**815.95**	**362.50**	**123.33**	**1,301.78**	**570.18**	**351.33**	**103.97**	**1,025.48**
Accumulated depreciation as at the beginning of the year	**319.11**	**318.27**	**8.80**	**646.18**	**206.54**	**264.71**	**4.60**	**475.85**
Depreciation/amortisation for the year	152.89	44.08	9.03	206.00	115.02	75.46	4.27	194.75
Disposals during the year	-	-	-	-	(2.45)	(21.90)	(0.07)	(24.42)
Accumulated depreciation as at the end of the year	**472.00**	**362.35**	**17.82**	**852.18**	**319.11**	**318.27**	**8.80**	**646.18**
Net carrying amounts as at the end of the year	**343.95**	**0.15**	**105.50**	**449.60**	**251.07**	**33.06**	**95.17**	**379.30**

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11 . Non-current assets held for sale (Rupees in lakh)

Particulars	As at March 31, 2024	As at March 31, 2023
Non-current assets held for sale	10,142.11	2,194.55
Total	**10,142.11**	**2,194.55**

'Non-current assets held for sale' covers immovable property and machinery which are repossessed in satisfaction of debts. These assets are classified as 'Non-Current Assets held for sale ' till the time assets acquired are finally disposed.

Non-current assets held for sale is measured at lower of principal outstanding of the loan and fair market value of the repossessed assets against the said loan account. If fair market value is less then the principal outstanding, then impairment loss is recorded for the difference amount. Impairment loss recorded for measuring non-current assets held for sale for the year ended March 31, 2024 is Rs. 120.22 lakh (Previous year Rs. 39.79 lakh)

12 . Right-of-use assets

Particulars	As at March 31, 2024	As at March 31, 2023
At fair value as at the beginning of the year	**5,337.03**	**3,896.26**
Remeasurement of assets	25.66	43.22
Additions during the year	2,777.70	1,632.02
Deletion during the year	(243.42)	(234.47)
At fair value as at the end of the year	**7,896.97**	**5,337.03**
Accumulated depreciation as at the beginning of the year	**1,972.95**	**1,357.98**
Depreciation for the year	1,148.94	614.97
Accumulated depreciation as at the end of the year	**3,121.89**	**1,972.95**
Net carrying amount as at the end of the year	**4,775.08**	**3,364.08**

13. Capital work-in-progress

Particulars	As at March 31, 2024	As at March 31, 2023
Capital work-in-progress	-	2.82
Total	-	**2.82**

The ageing for capital work-in-progress as on March 31, 2023 is as follows

Particulars	Amount in Capital Work-in-progress for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	2.82	-	-	-	**2.82**
Projects temporarily suspended	-	-	-	-	-
TOTAL	**2.82**	-	-	-	**2.82**

14. Intangible assets under development

Particulars	As at March 31, 2024	As at March 31, 2023
Softwares	-	1,431.41
Total	-	**1,431.41**

The ageing for Intangible assets under development as on March 31, 2023 is as follows

Particulars	Amount in Intangible assets under development for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	946.07	165.89	280.19	39.26	1,431.41
Projects temporarily suspended	-	-	-	-	-
TOTAL	**946.07**	**165.89**	**280.19**	**39.26**	**1,431.41**

15. Other intangible assets

Particulars	As at March 31, 2024	As at March 31, 2023
Softwares :		
At cost as at the beginning of the year	**7,186.49**	**4,092.98**
Additions during the year	5,197.51	3,093.51
Disposal during the year	-	-
At cost as at the end of the year	**12,384.00**	**7,186.49**
Accumulated amortisation as at the beginning of the year	**2,444.96**	**1,490.94**
Amortisation for the year	2,178.17	954.02
Disposals during the year	-	-
Accumulated amortisation as at the end of the year	**4,623.13**	**2,444.96**
Net carrying amounts as at the end of the year	**7,760.87**	**4,741.53**

Note: No revaluation of any class of assets was carried out during the year.

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16. Other non-financial assets

(Rupees in lakh)

Particulars	As at March 31, 2024	As at March 31, 2023
Advances to vendors and employees	3,218.01	2,616.33
Goods and services tax input credit receivable	2,125.74	1,022.57
Prepaid expenses	2,306.54	1,695.91
Total	**7,650.29**	**5,334.81**

17. Derivative financial instruments

Particulars	As at March 31, 2024			As at March 31, 2023		
Part I	**Notional Amounts**	**Fair value - Assets**	**Fair value - Liabilities**	**Notional Amounts**	**Fair value - Assets**	**Fair value - Liabilities**
(i) Currency derivatives:						
-Currency swaps*	37,694.23	-	65.00	23,746.43	-	9.27
(ii) Interest rate derivatives	-	-	-	-	-	-
Total Derivative Financial Instruments	**37,694.23**	**-**	**65.00**	**23,746.43**	**-**	**9.27**
Part II						
Included in above (Part I) are derivatives held for hedging and risk management purposes as follows:						
(i) Fair value hedging:						
-Currency derivatives	-	-	-	-	-	-
(ii) Cash flow hedging:						
-Currency derivatives*	37,694.23	-	65.00	23,746.43	-	9.27
Total Derivative Financial Instruments	**37,694.23**	**-**	**65.00**	**23,746.43**	**-**	**9.27**

* This refers to Cross-Currency Interest Rate Swap and Full Currency Swap

The Company enters into derivatives for risk management purposes. Derivatives held for risk management purposes include hedges that either meet the hedge accounting requirements or hedges that are economic hedges. The table above shows the fair values of derivative financial instruments recorded as assets or liabilities together with their notional amounts. The notional amounts indicate the value of transactions outstanding at the year end and are not indicative of either the market risk or credit risk (Refer Note 60(c)).

18. Payables

Particulars	As at March 31, 2024	As at March 31, 2023
Trade payables		
Due to micro and small enterprises	448.65	145.97
Due to creditors other than micro and small enterprises	821.57	1,168.80
Other payables		
Due to micro and small enterprises	-	-
Due to creditors other than micro and small enterprises		
- Accrued employee benefits	54.44	78.92
- Payable to customers	35.41	17.86
Total	**1,360.07**	**1,411.55**

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18. Payables (continued) **(Rupees in lakh)**

The ageing for trade payables as on March 31, 2024 is as follows:

Particulars	Outstanding for the following periods from the due date of payment					Total
	Less than 6 months	6 Months - 1 year	1-2 years	2-3 years	More than 3 years	
MSME	448.65	-	-	-	-	448.65
Others	715.40	8.49	8.94	64.50	24.24	821.57
Disputed dues - MSME	-	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-	-
Total	**1,164.05**	**8.49**	**8.94**	**64.50**	**24.24**	**1,270.22**

The ageing for trade payables as on March 31, 2023 is as follows:

Particulars	Outstanding for the following periods from the due date of payment					Total
	Less than 6 months	6 Months - 1 year	1-2 years	2-3 years	More than 3 years	
MSME	145.97	-	-	-	-	145.97
Others	1,032.70	0.41	110.00	18.73	6.96	1,168.80
Disputed dues - MSME	-	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-	-
Total	**1,178.67**	**0.41**	**110.00**	**18.73**	**6.96**	**1,314.77**

Details of dues to micro, small and medium enterprises

The below information is required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006, and has been determined to the extent such parties have been identified on the basis of information available with the Company. The same has been relied upon by the auditors.

Particulars	As at March 31, 2024	As at March 31, 2023
1.The principal amount remaining unpaid at the end of the accounting year.	448.65	145.97
2. interest amount remaining unpaid at the end of the accounting year.	-	-
3. The amount of interest paid by the Company in terms of section 16 of The MSMED Act, 2006, along with the amounts of the payment made to the suppliers beyond the appointed day during the year	-	-
4. The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under The MSMED Act, 2006	-	-
5. The amount of interest due and payable for the period (where the principal has been paid but interest under The MSMED Act, 2006 not paid)	-	-
6. The amount of interest accrued and remaining unpaid at the end of accounting year	-	-
7. The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of The MSMED Act, 2006.	-	-
The balance of MSMED parties as at the end of the year	**448.65**	**145.97**

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19. Debt securities

(Rupees in lakh)

Particulars	As at March 31, 2024		As at March 31, 2023	
	At amortised cost	Total	At amortised cost	Total
Secured				
Redeemable non-convertible debentures	1,23,627.37	1,23,627.37	85,495.83	85,495.83
Liabilities arising out of securitization transactions	3,758.93	3,758.93	16,130.24	16,130.24
Unsecured				
Commercial Paper	6,849.59	6,849.59	12,146.52	12,146.52
Redeemable non-convertible debentures	5,247.24	5,247.24	661.86	661.86
Total	**1,39,483.13**	**1,39,483.13**	**1,14,434.45**	**1,14,434.45**
Debt securities in India	1,39,483.13	1,39,483.13	1,14,434.45	1,14,434.45
Debt securities outside India	-	-	-	-
Total	**1,39,483.13**	**1,39,483.13**	**1,14,434.45**	**1,14,434.45**

Redeemable non-convertible debentures (Secured):

Particulars	Face Value	Quantity	Date of Redemption	Date of Allotment	Terms of Repayment	As at March 31, 2024	As at March 31, 2023
10.27% Secured Unrated Unlisted Redeemable Non-Convertible Debenture	1,00,000	24,990	30-Jan-28	30-Jan-24	Half-Yearly Repayment	24,990.00	-
11.30% Secured Rated Listed Redeemable Taxable Non-Convertible Debentures	10,00,000	350	12-Jan-28	12-Jan-22	Bullet Repayment	3,500.00	3,500.00
11.30% Secured Rated Listed Redeemable Taxable Non-Convertible Debentures	10,00,000	260	29-Dec-27	29-Dec-21	Bullet Repayment	2,600.00	2,600.00
11.30% Secured Rated Listed Redeemable Taxable Non-Convertible Debentures	10,00,000	460	17-Dec-27	17-Dec-21	Bullet Repayment	4,600.00	4,600.00
10.38% Secured Rated Unlisted Redeemable Non-Convertible Debenture	1,00,000	24,960	12-Dec-27	12-Dec-23	Half-Yearly Repayment starting from June 2025 followed by moratorium of 2 instalments	24,960.00	-
10.50% Secured Unrated Unlisted Redeemable Non-Convertible Debentures	1,00,000	2,800	26-Sep-26	27-Sep-23	Half-Yearly Repayment	2,333.33	-
11% Secured Rated Listed Redeemable Non-Convertible Debenture Series V	1,000	4,64,198	27-May-26	27-Feb-24	Bullet Repayment	4,641.98	-
10.50% Secured Rated Listed Redeemable Non-Convertible Debenture Series IV	1,000	3,41,527	27-May-26	27-Feb-24	Bullet Repayment	3,415.27	-
G-SEC Linked Secured Rated Listed Redeemable Principal Protected Market Linked Non-Convertible Debentures	10,00,000	250	15-Apr-26	19-Dec-22	Bullet Repayment	2,500.00	2,500.00
10.50% Secured Rated Listed Redeemable Non-Convertible Debentures	1,00,000	5,000	08-Mar-26	08-Mar-23	Bullet Repayment	5,000.00	5,000.00
10.35% Secured Rated Listed Redeemable Non-Convertible Debenture Series III	1,000	2,58,511	27-Feb-26	27-Feb-24	Quarterly Repayment	2,585.11	-
10.50% Secured Rated Listed Redeemable Non-Convertible Debentures. Series III	1,000	4,92,811	26-Sep-25	26-Sep-22	Bullet Repayment	4,928.11	4,928.00
10.25% Secured Rated Listed Redeemable Non-Convertible Debenture Series I	1,000	2,71,193	27-Aug-25	27-Feb-24	Bullet Repayment	2,711.93	-
10.75% Secured Rated Listed Redeemable Non-Convertible Debenture Series II	1,000	6,64,571	27-Aug-25	27-Feb-24	Bullet Repayment	6,645.71	-
G-SEC Linked Secured Rated Unlisted Redeemable Taxable Principal Protected Market Linked Non-Convertible Debentures	10,00,000	500	29-May-25	29-Mar-22	Bullet Repayment	5,000.00	5,000.00
1% XIRR Secured Rated Listed Redeemable Non-Convertible Debenture	1,00,000	3,000	10-May-25	10-Nov-23	Bullet Repayment	3,000.00	-

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19. Debt securities (continued) (Rupees in lakh)

10.40% Secured Rated Listed Non-Convertible Debenture Series III	1,000	4,40,106	05-May-25	05-May-22	Bullet Repayment	4,401.06	4,401.06
8.56% Secured Rated Listed Redeemable Non-Convertible Debenture	1,00,000	5,000	18-Mar-25	18-Sep-23	Bullet Repayment	5,000.00	-
10.25% Secured Rated Listed Non-Convertible Debenture	10,00,000	250	19-Jan-25	19-Jan-22	Bullet Repayment	2,500.00	2,500.00
11.55% Rated Unlisted Secured Redeemable Taxable Non-Convertible Debentures	1,00,000	2,500	31-Dec-24	26-Mar-21	Yearly Repayment	833.33	1,666.67
10.35% Secured Rated Listed Redeemable Non-Convertible Debenture Series II	1,000	1,15,499	26-Dec-24	26-Sep-22	Bullet Repayment	1,154.99	1,155.00
10.25% Secured Rated Listed Redeemable Non-Convertible Debentures	1,00,000	2,500	06-Dec-24	06-Jun-23	Quarterly Repayment	1,249.98	-
10.35% Secured Rated Unlisted Redeemable Non-Convertible Debenture	10,000	50,000	29-Aug-24	29-Aug-22	Quarterly Repayment	1,250.00	3,750.00
10% Secured Rated Listed Redeemable Non-Convertible Debentures	1,00,000	2,000	24-Aug-24	24-Feb-23	Bullet Repayment	2,000.00	2,000.00
10.15% Secured Rated Listed Non-Convertible Debenture Series II	1,000	78,011	05-Aug-24	05-May-22	Bullet Repayment	780.11	780.11
10.15% Secured Rated Listed Redeemable Non-Convertible Debenture Series I	1,000	3,91,690	26-Mar-24	26-Sep-22	Bullet Repayment	-	3,917.00
10.03% Secured Rated Listed Non-Convertible Debenture	1,000	5,00,000	16-Feb-24	16-Nov-21	Nine-Monthly Repayment	-	3,333.35
G-SEC Linked Secured Rated Listed Non-Convertible Debenture	10,00,000	1,300	23-Jan-24	23-May-22	Bullet Repayment	-	13,000.00
10% Secured Rated Listed Non-Convertible Debenture Series I	1,000	2,04,038	04-Nov-23	05-May-22	Bullet Repayment	-	2,040.38
10.25% Secured Rated Listed Non-Convertible Debenture	10,00,000	250	15-Oct-23	15-Jul-22	Bullet Repayment	-	2,500.00
G-SEC Linked Secured Rated Listed Redeemable Taxable Market Linked Non-Convertible Debentures	10,00,000	200	05-Sep-23	31-Aug-21	Bullet Repayment	-	2,000.00
10% Secured Rated Listed Senior, Transferable, Redeemable Non-Convertible Debentures	10,00,000	500	08-Jun-23	08-Jun-20	Bullet Repayment	-	5,000.00
G-SEC Linked Secured Rated Listed Redeemable Taxable Principal Protected Market Linked Non-Convertible Debentures	10,00,000	150	30-May-23	30-Nov-21	Bullet Repayment	-	1,500.00
Base Sensex 30 Linked Secured Rated Listed Redeemable Taxable Principal Protected Market Linked Non-Convertible Debentures	10,00,000	500	15-May-23	06-Aug-21	Bullet Repayment	-	5,000.00
Total						**1,22,580.91**	**82,671.57**

Redeemable non-convertible debentures (Unsecured):

Particulars	Face Value	Quantity	Date of Redemption	Date of Allotment	Terms of Repayment	As at March 31, 2024	As at March 31, 2023
10.25% Unsecured Rated Listed Redeemable Non-Convertible Debenture	1,00,000	5,000	18-Apr-26	24-Jan-24	Quarterly Repayment	5,000.00	-
11.50% Unsecured Rated Unlisted Redeemable Taxable Non-Convertible Debentures	10,00,000	100	31-Dec-24	17-Mar-22	Yearly Repayment	333.33	666.67
Total						**5,333.33**	**666.67**

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19. Debt securities (continued) (Rupees in lakh)

Commercial papers (Unsecured):

Particulars	Face Value	Date of Redemption	Date of Allotment	Terms of Repayment	As at March 31, 2024	As at March 31, 2023
UGRO/2023-24/CP-33	5,00,000	11-Jul-24	12-Feb-24	Redeemable at PAR at the end of 150 days from the date of allotment	2,000.00	-
UGRO/2023-24/CP-32	5,00,000	09-Jul-24	12-Feb-24	Redeemable at PAR at the end of 148 days from the date of allotment	3,000.00	-
UGRO/2023-24/CP-28	5,00,000	17-Apr-24	20-Oct-23	Redeemable at PAR at the end of 180 days from the date of allotment	2,000.00	-
UGRO/2022-23/CP-19	5,00,000	07-Mar-24	10-Mar-23	Redeemable at PAR at the end of 363 days from the date of allotment	-	1,500.00
UGRO/2022-23/CP-18	5,00,000	04-Jul-23	3 Mar 23	Redeemable at PAR at the end of 123 days from the date of allotment	-	2,500.00
UGRO/2022-23/CP-17	5,00,000	30-Jun-23	2-Mar-23	Redeemable at PAR at the end of 120 days from the date of allotment	-	2,500.00
UGRO/2022-23/CP-20	5,00,000	29-Jun-23	31-Mar-23	Redeemable at PAR at the end of 90 days from the date of allotment	-	3,000.00
UGRO/2022-23/CP-15	5,00,000	28-Apr-23	2-Nov-22	Redeemable at PAR at the end of 177 days from the date of allotment	-	3,000.00
Total					**7,000.00**	**12,500.00**

Liabilities arising out of securitization transactions:

Terms of repayment	As at March 31, 2024	As at March 31, 2023
Monthly Repayment	3,843.26	16,339.99

Notes:-
1) The Rate of Interest on the securitization transactions vary from 8.00% to 12.00% for the year ended March 31, 2024 and for the year ended March 31, 2023.
2) The Rate of Interest on the Commercial Papers vary from 8.00% to 10.00% for the year ended March 31, 2024 and for the year ended March 31, 2023.
3) All Non Convertible Debentures are redeemable at par.
4) The above Secured Non-Convertible Debentures are secured by hypothecation of receivables under financing activities. The Company has maintained the required Security Cover.
5) Above borrowings were used fully for the purpose for which the same were obtained.
6) There was no defaults in the repayment of the above borrowings.
7) The amount disclosed above represent the principal outstanding as at March 31, 2024 and as at March 31, 2023.
8) The quarterly returns or statements filed by the Company with banks or financial institutions or trustees are in agreement with books of accounts.

20. Borrowings (other than debt securities)

Particulars	As at March 31, 2024		As at March 31, 2023	
	At amortised cost	Total	At amortised cost	Total
(a) Term loans				
From banks	1,91,027.83	1,91,027.83	1,29,413.27	1,29,413.27
From other parties	75,900.31	75,900.31	43,339.42	43,339.42
External Commercial Borrowings	39,019.14	39,019.14	24,228.38	24,228.38
(b) Loans repayable on demand				
Cash credit	-	-	-	-
Bank overdraft	16,374.99	16,374.99	3,477.93	3,477.93
Total	**3,22,322.27**	**3,22,322.27**	**2,00,459.00**	**2,00,459.00**
Borrowings in India	2,83,303.13	2,83,303.13	1,76,230.62	1,76,230.62
Borrowings outside India	39,019.14	39,019.14	24,228.38	24,228.38
Total	**3,22,322.27**	**3,22,322.27**	**2,00,459.00**	**2,00,459.00**
Secured	3,15,923.39	3,15,923.39	1,95,964.10	1,95,964.10
Unsecured	6,398.88	6,398.88	4,494.90	4,494.90
Total	**3,22,322.27**	**3,22,322.27**	**2,00,459.00**	**2,00,459.00**

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20. Borrowings (other than debt securities) (continued)

Term Loan from Banks (Secured):

(Rupees in lakh)

Terms of repayment	As at March 31, 2024	As at March 31, 2023
Bullet Repayment	7,053.00	5,953.00
Monthly Repayment	73,492.17	39,122.56
Quarterly Repayment	1,13,726.86	85,316.88
Half-yearly Repayment	400.00	1,200.00
Total	**1,94,672.02**	**1,31,592.44**

Term Loan from Others (Secured):

Terms of repayment	As at March 31, 2024	As at March 31, 2023
Bullet Repayment	1,100.00	-
Monthly Repayment	30,667.48	24,560.74
Quarterly Repayment	40,205.33	14,875.00
Total	**71,972.82**	**39,435.74**

Term Loan from Others (Unsecured):

Terms of repayment	As at March 31, 2024	As at March 31, 2023
Monthly Repayment	920.00	2,040.00
Quarterly Repayment	4,375.00	-
Half-yearly Repayment	-	2,500.00
Total	**5,295.00**	**4,540.00**

External Commercial Borrowings (Secured):

Terms of repayment	As at March 31, 2024	As at March 31, 2023
Bullet Repayment	25,328.80	11,381.00
Half-yearly Repayment starting from September 2025 onwards	4,095.00	4,095.00
Half-yearly Repayment starting from August 2025 onwards	8,270.00	8,270.00
Total	**37,693.80**	**23,746.00**

The Company has total External Commercial Borrowing (ECBs) of USD 21.125 million, USD 10 million and USD 15 million (previous year USD 14.125 million and USD 15 million) for financing prospective borrowers as per the ECB guidelines issued by the Reserve Bank of India ("RBI") from time to time. The borrowings have a maturity of three, four and five years respectively. In terms of the RBI guidelines, the borrowing has been swapped into rupees and fully hedged for the entire maturity by way of cross currency swaps and full currency swaps. The charges for raising of the aforesaid ECBs have been amortised over the tenure of such ECBs.

Notes:-

1) The rate of interest on the above borrowings vary from 9.00% to 14.00% for the year ended March 31, 2024 and for the year ended March 31, 2023.
2) The above secured borrowings are secured by hypothecation of receivables under financing activities. The Company has maintained the required security cover.
3) Out of the above, The Company holds sanctioned borrowings amounting to Rs.1,20,500 Lakh as at March 31, 2024 (Previous Year: 76,500 lakh) which is guaranteed by a director.
4) Term Loans were used fully for the purpose for which the same were obtained.
5) There was no defaults in the repayment of the borrowings.
6) The balance tenure on the above borrowings is upto 5 years.
7) The amount disclosed above represent the principal outstanding as at 31st March, 2024 and as at 31st March, 2023.
8) The quarterly returns or statements filed by the Company with banks or financial institutions or trustees are in agreement with books of accounts.

21. Subordinated liabilities

Particulars	As at March 31, 2024		As at March 31, 2023	
	At amortised cost	Total	At amortised cost	Total
Unsecured				
Privately placed Subordinated (Tier II) redeemable non-convertible debentures	3,519.13	3,519.13	-	-
Total	**3,519.13**	**3,519.13**	-	-
Subordinated Liabilities in India	3,519.13	3,519.13	-	-
Subordinated Liabilities outside India	-	-	-	-
Total	**3,519.13**	**3,519.13**	-	-

Subordinated debt (Unsecured):

Particulars	Face Value	Quantity	Date of Redemption	Date of Allotment	Terms of Repayment	As at 31st March, 2024	As at 31st March, 2023
12.5% Unsecured Rated Listed Redeemable Non-Convertible Debenture.	1,00,000	350	15-Sep-29	15-Mar-24	Bullet Repayment	3,500.00	-

Notes:-

1) The above non-convertible debentures (Subordinated Debt) are redeemable at par.
2) Subordinated liabilities were used fully for the purpose for which the same were obtained.
3) There is no default in repayment of subordinated liabilities.
4) The amount disclosed above represent the principal outstanding as at March 31, 2024.
5) The quarterly returns or statements filed by the Company with banks or financial institutions or trustees are in agreement with books of accounts.

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22. Other financial liabilities

(Rupees in lakh)

Particulars	As at March 31, 2024	As at March 31, 2023
Unclaimed dividend payable on equity shares	1.27	1.36
Others payables :		
Collateral margin money received	32.37	32.37
Deferred consideration on direct assignment	-	23.81
Lease liabilities (Refer Note 48)	5,209.90	3,518.15
Other liabilities	1,768.95	3,102.57
Book overdraft	417.19	598.40
Provision on unrealised gain*	225.17	225.17
Total	**7,654.85**	**7,501.83**

*The unrealised gain is on account of sale of loan to ARC

23. Current tax liabilities (net)

Particulars	As at March 31, 2024	As at March 31, 2023
Provision for tax [(net of advance tax and tax deducted at source Rs. 751.94 lakh (Previous year: Rs. 730.85 lakh)]	2,895.67	1,567.77
Total	**2,895.67**	**1,567.77**

24. Provisions

Particulars	As at March 31, 2024	As at March 31, 2023
Provision for employee benefits :		
-Provision for gratuity (Refer Note 46b)	305.33	171.83
-Provision for compensated absences (Refer Note 46c)	881.76	604.09
-Provision for bonus	600.00	1,200.00
-Long Term Incentive Plan (LTIP)	606.65	233.02
Provision for expenses	3,593.43	3,800.79
Total	**5,987.17**	**6,009.73**

25. Other non-financial liabilities

Particulars	As at March 31, 2024	As at March 31, 2023
Statutory dues payable	874.49	760.77
Total	**874.49**	**760.77**

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26. Equity **(Rupees in lakh)**

a. Details of authorised, issued and subscribed share capital:

Particulars	As at March 31, 2024		As at March 31, 2023	
	No. of Shares	Amount	No. of Shares	Amount
Authorised capital				
Equity shares of Rs.10 each	15,45,00,000	15,450.00	8,15,00,000	8,150.00
Preference shares of Rs.10 each	2,05,00,000	2,050.00	2,05,00,000	2,050.00
Issued, subscribed and fully paid-up (A)				
Equity shares of Rs.10 each, fully paid-up	9,28,29,821	9,282.99	7,05,59,319	7,055.94
Less: Treasury shares held through ESOP Trust (B)				
Equity shares of Rs.10 each, fully paid-up	(12,38,252)	(123.83)	(12,38,252)	(123.83)
Equity shares (Net of Treasury shares) (A-B)	**9,15,91,569**	**9,159.16**	**6,93,21,067**	**6,932.11**

b. Reconciliation of number of shares and amount outstanding as at the beginning and at the end of the year:

Particulars	As at March 31, 2024		As at March 31, 2023	
	No. of Shares	Amount	No. of Shares	Amount
Shares outstanding as at the beginning of the year	7,05,59,319	7,055.94	7,05,59,319	7,055.94
Add: equity shares issued during the year *	2,22,70,502	2,227.05	-	-
Shares outstanding as at the end of the year	**9,28,29,821**	**9,282.99**	**7,05,59,319**	**7,055.94**

*During the year, the company issued and allotted 66,11,325 shares through Qualified Institutions Placement (QIP), 1,52,38,095 through preferential allotment and 4,21,082 equity shares of Rs 10 each under the ESOP schemes (Previous year: Nil).

c. Reconciliation of the number of treasury shares outstanding as at the beginning and end of the year:

Particulars	As at March 31, 2024		As at March 31, 2023	
	No. of Shares	Amount	No. of Shares	Amount
Shares outstanding as at the beginning of the year	12,38,252.00	123.83	-	-
Add: equity shares acquired from secondary market	-	-	12,38,252	123.83
Shares outstanding as at the end of the year	**12,38,252**	**123.83**	**12,38,252**	**123.83**

An Employee Benefit Trust ("Trust") had been constituted. The objective of the Trust is to distribute shares to employees under the employee benefit program. The Trust is responsible for the purchase of shares of the Company from the secondary market for the purpose of this program. The Trust is treated as an extension of the Company, hence the shares held by the Trust are treated as treasury shares. Own equity instruments so reacquired (treasury shares) are recognised at face value and deducted from Equity Share Capital to the tune of Rs. 123.83 lakh. The amount received in excess of the face value is deducted from the Securities Premium Account. Pursuant to the same, the Company had granted 11,11,929 options on October 10, 2022 during the year ended March, 31 2023. During the year ended March 31, 2024, there has been no secondary market acquisition by the trust.

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26. Equity (continued)

d. Rights, preferences and restrictions attached to equity shares:

The Company has only one class of equity shares having a face value of Rs.10 each. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the company, the holders of equity shares will be entitled to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their holding.

e. Particulars of shareholders holding more than 5% of the equity share capital:

Particulars	As at March 31, 2024		As at March 31, 2023	
	No. of Shares	% of holding	No. of Shares	% of holding
Danish Sustainable Development Goals Investment Fund K/S	1,52,38,095	16.42%	-	-
Newquest Asia Investments III Limited	1,51,16,279	16.28%	1,51,16,279	21.42%
Clearsky Investment Holdings Pte Limited	1,51,16,279	16.28%	1,51,16,279	21.42%
Samena Fidem Holdings	59,56,757	6.42%	59,56,757	8.44%
Total	**5,14,27,410**	**55.40%**	**3,61,89,315**	**51.29%**

f. Shares reservation:

Particulars	As at March 31, 2024	As at March 31, 2023
	No. of Shares	No. of Shares
Equity shares of Rs.10 each Number of Shares reserved for ESOPs (Refer Note 47)	31,10,220	33,45,238

g. Objective for managing capital:

The Company maintains an actively managed capital base to cover risks inherent in the business and is meeting the capital adequacy requirements as prescribed by Reserve Bank of India (RBI). The adequacy of the Company's capital is monitored using, among other measures, the regulations issued by RBI.

h. Shareholding of promoters (including promoter group) Disclosure :

Shares held by promoters (including promoter group) as at the end of the year:

Promoter Name	As at March 31, 2024			As at March 31, 2023		
	No.of Shares	% of total shares	% Change during the year	No.of Shares	% of total shares	% Change during the year
1. Poshika Advisory Services LLP (promoter)	20,27,709	2.18%	-	20,27,709	2.87%	-
2. Shachindra Nath (person acting in concert of promoter)	46,300	0.05%	-	-	-	-
Total	**20,74,009**	**2.23%**	**-**	**20,27,709**	**2.87%**	**-**

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UGRO CAPITAL LIMITED

Notes forming part of the financial statements (continued)

For the year ended March 31, 2024

27. Other equity

(Rupees in lakh)

Particulars	As at March 31, 2024	As at March 31, 2023
(i) Securities premium account	1,06,914.77	75,352.48
(ii) Employee stock options scheme outstanding account	712.40	483.62
(iii) Reserve Fund u/s 45-IC (1) of Reserve Bank of India Act, 1934	5,583.91	3,197.01
(iv) Capital Reserve	1,046.00	1,046.00
(v) Retained Earnings - other than Remeasurement of Post-Employment Benefit Obligations	20,930.95	11,371.61
(vi) Retained Earnings - Remeasurement of Post- Employment Benefit Obligations	(28.86)	(17.03)
(vii) Cash Flow Hedges Reserve	(482.16)	38.51
Total	**1,34,677.01**	**91,472.20**

Nature and purpose of reserves :

(i) Securities Premium Account

Securities premium account is used to record the premium on issue of shares. The reserve is utilised in accordance with the provision of the Companies Act, 2013.

(ii) Employee stock options scheme outstanding

The shares options outstanding account is used to recognise the grant date fair value of options issued to employees under stock option schemes of the Company.

(iii) Statutory reserves u/s 45-IC of the RBI Act, 1934

Statutory reserve fund is required to be created by a Non-Banking Financial Company as per Section 45- IC of the Reserve Bank of India Act, 1934. The Company is not allowed to use the reserve fund except with authorisation of Reserve Bank of India.

(iv) Capital Reserve

Capital reserve comprises of the amount received on share warrants & which are forfeited by the Company for non-payment of call money.

(v) Retained earnings - other than Remeasurement of Post Employment Benefit Obligations

Retained earnings represents surplus of accumulated earnings of the Company and which are available for distribution to shareholders.

(vi) Retained earnings - Remeasurement of Post Employment Benefit Obligations

The Company recognises change on account of remeasurement of the net defined benefit liability (asset) as part of retained earnings.

(vii) Cash Flow Hedges Reserve

It represents the cumulative gains/(losses) arising on revaluation of the derivative instruments designated as cash flow hedges through OCI.

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28. Interest income

(Rupees in lakh)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
At Amortised cost:		
Interest on loans	67,587.95	46,850.12
Interest on deposits with banks	1,969.28	930.48
Interest on other financial assets	77.51	41.35
Other interest income	912.43	220.97
Interest on debt securities	247.21	248.42
Total	**70,794.38**	**48,291.34**

29. Net gain on derecognition of financial instruments under amortised cost category

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Gain on derecognition of financial instruments	30,746.33	15,407.22
Total	**30,746.33**	**15,407.22**

30. Net gain on fair value changes

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Net gain on financial instruments at fair value through profit and loss:-		
(a) On trading portfolio		
- Gain on sale of investments	147.85	-
Total	**147.85**	-
Fair value changes:		
Realised	147.85	-
Unrealised	-	-
Total	**147.85**	-

31. Fees and commission income

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Fees and commission income	3,107.62	1,946.81
Total	**3,107.62**	**1,946.81**

32. Other income

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Marketing advisory fees	265.00	707.50
Technology support fees	625.00	1,686.93
Web display fees	243.87	330.00
Insurance commission income	2,230.68	0.02
Interest on income tax refund	7.39	6.46
Total	**3,371.94**	**2,730.91**

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33. Finance costs

(Rupees in lakh)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Interest cost		
Interest expense on financial liabilities measured at amortised cost:		
(a) Interest on borrowings		
Interest on borrowings from banks and financial institutions	30,691.22	17,346.36
(b) Interest on debt securities		
Interest on redeemable non-convertible debentures/ discount on commercial paper	13,065.60	11,476.56
(c) Interest on lease liabilities		
Interest on lease liabilities	516.45	504.48
(d) Interest on subordinated liabilities		
Interest expenses on subordinated liabilities	19.13	-
Total	**44,292.40**	**29,327.40**

34. Net loss on fair value changes

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Net loss on financial instruments at fair value through profit or loss		
-On financial instruments	1.54	640.11
Total	**1.54**	**640.11**
Fair value changes:		
Realised	-	-
Unrealised	1.54	640.11
Total	**1.54**	**640.11**

35. Impairment loss on financial instruments

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
On financial instruments measured at amortised cost:		
Impairment on financial instruments		
- Loans	11,623.67	5,591.20
- Other assets	-	88.62
- Fixed deposits	4.30	0.18
- Debt securities	(0.01)	(0.01)
Total	**11,627.96**	**5,679.99**

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36. Employee benefit expenses

(Rupees in lakh)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Salaries, other allowances and bonus	16,986.36	13,186.28
Contribution to provident and other funds (Refer Note 46a)	552.13	437.82
Gratuity expenses (Refer Note 46b(ii))	99.64	64.23
Staff welfare expenses	197.41	126.74
Share based payments to employees (Refer Note 47)	449.87	256.41
Total	**18,285.41**	**14,071.48**

37. Depreciation, amortisation and impairment

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Depreciation on property, plant and equipment	207.12	194.75
Amortization on intangible assets	2,177.04	954.02
Depreciation on right of use assets	1,148.94	614.97
Total	**3,533.10**	**1,763.74**

38. Other expenses

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Rent expenses	621.44	334.00
Communication expenses	1,116.14	746.33
Printing and stationery expenses	140.06	98.70
Advertisement and publicity expenses	213.95	29.69
Directors' sitting fees	153.00	189.00
Payments to auditor**	68.78	67.80
Legal and professional expenses	3,531.95	2,612.41
Insurance expenses	507.10	285.18
Rates and taxes expenses	1,528.39	1,350.83
Computer maintenance and software expenses	877.79	588.60
Marketing and brand promotion expenses	75.59	62.29
Meeting and event expenses	318.45	113.75
Travelling, lodging and boarding expenses	881.41	669.89
Brokerage expenses	7.15	0.75
Miscellaneous expenses	2,474.82	1,309.00
CSR expenditure (Refer Note 39)	35.44	52.50
Total	**12,551.46**	**8,510.72**

**** Payments to auditor :**

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
a. As Auditor	51.50	57.00
b. For taxation matters	4.50	3.00
c. For company law matters	-	2.00
d. For other services (including reimbursement of expenses)	12.78	5.80
Total	**68.78**	**67.80**

39. Additional Information **(Rupees in lakh)**

I. Corporate Social Responsibility

The average net profit of the Company as per Section 198 of Companies Act, 2013 for the last three financial years was Rs.1,706.14 lakh, basis which the Company was required to spend Rs.34.12 lakh towards Corporate Social Responsibility (CSR) during the current financial year.

a) Amount spent during the year on :

Particulars	For the year ended March 31, 2024			For the year ended March 31, 2023		
	Amount Spent	Amount unpaid/provision	Total	Amount Spent	Amount unpaid/provision	Total
(i) Construction/acquisition of any asset	35.44	-	35.44	-	-	-
(ii) On purpose other than (i) above	-	-	-	52.50	-	52.50

b) In case of Section 135(5) unspent amount :

Opening Balance	Amount deposited in Specified Fund of Sch. VII within 6 months	Amount required to be spent during the year	Amount spent during the year	Closing Balance
-	-	-	-	-

c) In case of Section 135(5) excess amount spent :

Opening Balance	Amount deposited in Specified Fund of Sch. VII within 6 months	Amount required to be spent during the year	Amount spent during the year	Closing Balance
5.25	-	34.12	35.44	6.57

d) In case of Section 135(6) details of ongoing projects :

Opening Balance	Amount deposited in Specified Fund of Sch. VII within 6 months	Amount required to be spent during the year	Amount spent during the year	Closing Balance
-	-	-	-	-

e) The additional disclosures with regard to CSR activities are summarized below:
(i) The amount of shortfall at the end of the year out of the amount required to be spent by the Company during the year - Nil
(ii) The total of previous years' shortfall amounts - Nil
(iii) The reason for above shortfalls - Not Applicable.

f) Nature of CSR activities:

The Company is required to contribute towards corporate social responsibility activities as per CSR Rules under the Companies Act, 2013. During the year, the Company has spent Rs. 35.44 lakh against Rs. 34.12 lakh which was the required amount to be spent under CSR activities. The amount is spent towards renovation, construction and restoration of Prem Mahavidhyalaya Inter College in Vrindavan, Uttar Pradesh.

II. Disclosure in relation to Undisclosed Income

There have been no transactions which have not been recorded in the books of accounts, that have been surrendered or disclosed as income during the year ended March 31, 2024 and March 31, 2023 in tax assessments under the Income tax act, 1961. There have been no previously unrecorded income and related assets which were to be properly recorded in the books of accounts during the year ended March 31, 2024 and March 31, 2023.

III. Details of Crypto currency or Virtual currency

The Company has not traded or invested in crypto currency or virtual currency during the year ended March 31, 2024 and March 31, 2023.

40. Additional Regulatory Information (to the extent applicable and reportable) **(Rupees in lakh)**

I. Title deeds of immovable property not held in the name of the Company as at March 31, 2024:

Relevant line item in the Balance Sheet	Description of item of property	Gross carrying value	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative of promoter / director or employee of promoter / director	Property held since which date	Reason for not being held in the name of the company*
Property, Plant and Equipment	Land	-	-	-	-	-
Property, Plant and Equipment	Building	-	-	-	-	-
Investment property	Land	-	-	-	-	-
Investment property	Building	-	-	-	-	-
Non-current assets held for sale	Land	648.95	Borrower	No	Property held since the date it has come under the possession through following mode – (i) Surrender by the Customer (ii) Arbitration u/s 9 / 17 (iii) through Arbitration Award (iv) SARFAESI under section 13(4) / (14). (v) Superdari Section 457.	-
Non-current assets held for sale	Building	8,784.23	Borrower	No		-
Others	-	-	-	-	-	-

Title deeds of immovable property not held in the name of the Company as at March 31, 2023:

Relevant line item in the Balance Sheet	Description of item of property	Gross carrying value	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative of promoter / director or employee of promoter / director	Property held since which date	Reason for not being held in the name of the company*
Property, Plant and Equipment	Land	-	-	-	-	-
Property, Plant and Equipment	Building	-	-	-	-	-
Investment property	Land	-	-	-	-	-
Investment property	Building	-	-	-	-	-
Non-current assets held for sale	Land	348.88	Borrower	No	Property held since the date it has come under the possession through following mode – (i) Surrender by the Customer (ii) Arbitration u/s 9 / 17 (iii) through Arbitration Award (iv) SARFAESI under section 13(4) / (14). (v) Superdari Section 457.	-
Non-current assets held for sale	Building	1,782.95	Borrower	No		-
Others	-	-	-	-	-	-

*The borrowers had mortgaged the immovable properties with the Company to secure the loan facility. Consequent to default in repayment of secured loan upon classification of the account as Non-Performing Asset ("NPA"), the proceedings under the provisions of the Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 ("The SARFAESI Act, 2002") are initiated, whereby the immovable property mortgaged by the borrower, is taken into possession of the Company with or without intervention of the Court. The said properties will be sold to the prospective buyer(s) and the sale proceeds shall be appropriated towards the dues in the respective loan account. Meanwhile, if the borrower/co-borrower approaches to settle the dues and closes the loan account, the property may be released to them.

II. Details of Benami Property held:

No proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder, as at March 31, 2024 and March 31, 2023.

III. Wilful Defaulter:

The Company is not declared wilful defaulter by any bank or financial institution or other lender, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India during the year ended March 31, 2024 and March 31, 2023.

IV. Details pertaining to transactions with the companies struck off under section 248 of the Companies Act, 2013 or section 560 of the Companies Act, 1956 is as follows:

a. The Company does not have any transactions with the struck off companies during the year ended March 31, 2024.

b. Name of struck off company with whom Company had a transaction during the year ended March 31, 2023.

Name of the Company	Northern Aircool Private Limited*
Nature of transaction	Loan Disbursement
Balance outstanding as at March 31, 2023	Nil
Relation with struck-off company	Customer

*The Company had a transaction with the above Company before the Company was struck off as per the ROC records.

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V. Registration of charges or satisfaction with Registrar of Companies (ROC)

a. Instances of delayed filing of registration of charges or satisfaction with Registrar of Companies (ROC) during the year ended March 31, 2024.

Brief description of charge	Location of registrar	Period by which charge has been registered	Reason for delay
CHG-1 HDFC Term Loan- Rs. 50,00,00,000/- Charge ID 100721331 DOH Date-28.04.2023	Mumbai	29.05.2023 (Form Filed with MCA) 29.05.2023 (Charge Certificate Date)	The form could not be filed within the prescribed timelines due to technical and operational issues on MCA V3 portal.

b. Instances of delayed filing of registration of charges or satisfaction with Registrar of Companies (ROC) during the year ended March 31, 2023.

Brief description of charge	Location of registrar	Period by which charge has been registered	Reason for delay
CHG-1 Nabsamruddhi Term Loan- Rs. 15,00,00,000/- Charge ID 100603629 DOH Date-05.08.2022	Mumbai	06.09.2022 (Form Filed with MCA) 13.09.2022 (Charge Certificate Date)	The form could not be filed within the prescribed timelines due to technical and operational issues on newly introduced MCA V3 portal.
CHG-4 Beacon Trusteeship Limited Charge ID-100493809 NOC Date-02.08.2022	Mumbai	23.09.2022 (Form Filed with MCA) 27.09.2022 (Charge Certificate Date)	The form could not be filed within the prescribed timelines due to technical and operational issues on newly introduced MCA V3 portal.
CHG-1 Catalyst Trusteeship Limited- Rs.31,09,00,000/- Charge ID:100518344 List of Receivables Date-31.12.2022	Mumbai	02.02.2023 (Form filed with MCA) 06.02.2023 (Charge Certificate Date)	The form could not be filed within the prescribed timelines due to technical and operational issues on newly introduced MCA V3 portal.
CHG-1 Catalyst Trusteeship Limited- Rs.12,40,80,000/- Charge ID:100628374 List of Receivables Date-31.12.2022	Mumbai	01.02.2023 (Form filed with MCA) 06.02.2023 (Charge Certificate Date)	The form could not be filed within the prescribed timelines due to technical and operational issues on newly introduced MCA V3 portal.
CHG-1 Catalyst Trusteeship Limited- Rs.14,48,00,000/- Charge ID: 100628373 List of receivables:31.12.2022	Mumbai	02.02.2023 (Form filed with MCA) 06.02.2023 (Charge Certificate Date)	The form could not be filed within the prescribed timelines due to technical and operational issues on newly introduced MCA V3 portal.
CHG-1 Catalyst Trusteeship Limited- Rs. 82,70,00,000/- Charge ID: 100688034 Resubmission Date- 10-02-2023	Mumbai	21.03.2023 (Form filed with MCA) 22.03.2023 (Charge Certificate Date)	The form could not be filed within the prescribed timelines due to technical and operational issues on newly introduced MCA V3 portal.
CHG-1 Canara Bank Term Loan- Rs. 75,00,00,000/- Charge ID-100684349 DOH Date-21.01.2023	Mumbai	10.03.2023 (Form filed with MCA) 15.03.2023 (Charge Certificate Date)	The form could not be filed within the prescribed timelines due to technical and operational issues on newly introduced MCA V3 portal.
CHG-1 IDFC First Bank Term Loan- Rs. 100,00,00,000/- Charge ID-100692382 DOH Date-30.01.2023	Mumbai	24.03.2023 (Form filed with MCA) 30.03.2023 (Charge Certification Date)	The form could not be filed within the prescribed timelines due to technical and operational issues on newly introduced MCA V3 portal.

VI. Analytical Ratios

(a) Capital to risk-weighted assets ratio (CRAR) - Refer Note No. 60 (a)

(b) Tier I CRAR - Refer Note No. 60 (a)

(c) Tier II CRAR - Refer Note No. 60 (a)

(d) Liquidity Coverage Ratio - Refer Note no. 51(b). Liquidity Risk.

VII. Disclosure under rule 11(e) of the Companies (Audit and Auditors) Rules, 2014:

(a) - The Company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities (intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall
– directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (ultimate beneficiaries) or
- provide any guarantee, security or the like to or on behalf of ultimate beneficiaries;

(b) - The company has not received any fund from any person(s) or entity(ies), including foreign entities (funding party) with the understanding (whether recorded in writing or otherwise) that the company shall
– directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (ultimate beneficiaries) or
- provide any guarantee, security or the like to or on behalf of ultimate beneficiaries;

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41. Earnings per share

(Rupees in lakh)

Basic and diluted earnings per share [EPS] computed in accordance with the Indian Accounting Standard (Ind AS) 33 'Earnings per share' :

Basic EPS is calculated by dividing the net profit for the year attributable to equity holders by the weighted average number of equity shares outstanding during the year.

Diluted EPS is calculated by dividing the profit attributable to equity holders (after adjusting the profit impact of dilutive potential equity shares, if any) by the aggregate of weighted average number of equity shares outstanding during the year and the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Basic		
Profit after tax [A]	11,934.48	3,977.64
Weighted average number of equity shares outstanding during the year (Nos.) [B]	8,91,04,193	6,99,00,472
Basic earnings per share Rs. [A/B]	**13.39**	**5.69**
Diluted		
Profit after tax [A]	11,934.48	3,977.64
Weighted average number of equity shares outstanding during the year (Nos.)	8,91,04,193	6,99,00,472
Weighted average number of potential equity shares on account of employee stock options and share warrants (Nos.)	12,75,884	4,22,923
Weighted average number of shares outstanding for diluted earning per share (Nos.) [B]	9,03,80,077	7,03,23,395
Diluted earnings per share Rs. [A/B]	**13.20**	**5.66**
Face value per share Rs.	10.00	10.00

42. Contingent liabilities and capital commitments:

a. Contingent liabilities

All tax related liabilities till July 05, 2018 are covered by a deed of indemnity entered by the existing promoters of the Company with the erstwhile promoters. Further, there are no other contingent liabilities other than those covered under the deed of indemnity.

b. Capital commitments

Particulars	As at March 31, 2024	As at March 31, 2023
Commitments not provided for :		
- Commitments related to loans sanctioned but partially undrawn	4,833.02	4,477.45
- Other commitments*	3,827.53	5,141.44
- Amount of contracts remaining to be executed on capital account	517.50	760.50
Total	**9,178.05**	**10,379.39**

*Other commitments represent financial guarantees given for Co-origination arrangements entered by the Company during the year.

43. Segment Reporting

There is no separate reportable segment as per the Ind AS 108 "Operating Segments" specified under Section 133 of the Act. The Company operates in a single segment only. There are no operations outside India and hence, there are no reportable geographical segments.

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44. Related party disclosures **(Rupees in lakh)**

a. List of related parties and their relationships:

(i) Key managerial personnel (KMP)/Directors:

- Vice Chairman & Managing Director	Shachindra Nath
- Chief Financial Officer (Upto September 01, 2022)	Amit Gupta
- Chief Financial Officer (From September 15, 2022)	Kishore Kumar Lodha
- Company Secretary (Upto June 13, 2022)	Aniket Karandikar
- Company Secretary (Upto October 31, 2023)	Namrata Sajnani
- Company Secretary (From November 1, 2023)	Satish Kumar Chelladurai
- Non- Executive Chairman & Independent Director	Satyananda Mishra
- Independent Director	Karuppasamy Singam
- Independent Director	Rajeev Agarwal
- Independent Director	Karnam Sekar
- Independent Director and Chairman - Audit Committee (From August 1, 2023)	Hemant Bhargava
- Independent Director (From August 1, 2023)	Tabassum Inamdar
- Independent Director and Chairman - Audit Committee (Upto July 4, 2023)	Abhijit Sen
- Independent Director (Upto July 4, 2023)	Smita Aggarwal

(ii) Other related parties:

- Livfin India Private Limited
- Indifi Technologies Private Limited

b. Transactions with related parties are as enumerated below:

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Transactions during the year:		
Income		
Recovery of transaction fees*		
Livfin India Private Limited	63.77	94.28
Expenses		
Sourcing Fee*		
Livfin India Private Limited	29.11	33.44
Indifi Technologies Private Limited	373.00	-
Reimbursement of expenses		
Aniket Karandikar	-	0.02
Amit Gupta	-	0.03
Shachindra Nath	-	0.08
Kishore Kumar Lodha	0.28	1.34
Namrata Sajnani	0.08	-
Satish Kumar Chelladurai	0.02	-
Director sitting fees		
Hemant Bhargava	21.00	17.00
Karnam Sekar	21.00	29.00
Rajeev Agarwal	32.00	23.00
Karuppasamy Singam	29.00	26.00
Satyananda Mishra	29.00	30.00
Smita Aggarwal	5.00	25.00
Tabassum Inamdar	10.00	-
Abhijit Sen	6.00	39.00

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(Rupees in lakh)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Short-term employee benefits**		
Shachindra Nath	585.63	466.44
Amit Gupta	-	52.81
Kishore Kumar Lodha	252.17	190.39
Namrata Sajnani	27.44	25.92
Aniket Karandikar	-	9.04
Satish Kumar Chelladurai	14.37	-
Share Based Payment		
Kishore Kumar Lodha	33.24	-

* The above figures are excluding GST.

**The above figures excludes provision for gratuity and compensated absences.

The relationships disclosed above are for the entities where control exists and with whom transactions have taken place during the year ended March 31, 2024 and March 31, 2023

c. Balance outstanding:

Particulars	As at March 31, 2024	As at March 31, 2023
Other financial assets		
Livfin India Private Limited	-	11.44

d. ESOPs held by Key Managerial Personnel:

Particulars	As at March 31, 2024 (No. of options)	As at March 31, 2023 (No. of options)
Kishore Kumar Lodha	3,74,010	3,99,010

45. Expenditure in foreign currency:

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Debt securities	262.64	-
Borrowings (other than debt securities)	61.91	82.86
Other expenses	23.67	27.97
Finance costs	2,986.70	418.90
Other non-financial assets	211.83	4.08
Total	**3,546.75**	**533.81**

46. Disclosure pursuant to Ind AS 19 'Employee benefits'

a. Defined contribution plans :

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Employer's contribution to provident fund	360.68	291.18
Employer's contribution to national pension scheme	191.28	146.29
Employer's contribution to labour welfare fund	0.17	0.35
Total	**552.13**	**437.82**

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46. Disclosure pursuant to Ind AS 19 'Employee benefits' (continued) **(Rupees in lakh)**

b. Defined benefit plan (Gratuity)

The entity has a defined benefit gratuity plan (unfunded). The entity's defined benefit gratuity plan is a final salary plan for employees. Gratuity is paid from entity as and when it becomes due and is paid as per entity scheme for Gratuity. The Gratuity plan is governed by the "Payment of Gratuity Act, 1972". Under the Act, employee who has completed five years of service is entitled to specific benefit.
The following table sets out the status of the defined benefit plan as per the actuarial valuation by the independent actuary appointed by the Company :

(i). The principal assumptions used for the purposes of the actuarial valuations were as follows :

Particulars	Gratuity plans	
	As at March 31, 2024	As at March 31, 2023
Discount rate	7.16%	7.29%
Expected rate of return on plan assets	NA	NA
Salary escalation	5.00%	5.00%
Attrition rate	22.00%	22.00%
Mortality table	Indian Assured Lives Mortality 2012-14 (Urban)	Indian Assured Lives Mortality 2012-14 (Urban)

(ii). Amounts recognised in the Statement of profit and loss in respect of these defined benefit plans are as follows :

Particulars	Gratuity plans	
	For the year ended March 31, 2024	For the year ended March 31, 2023
Service cost:		
Current service cost	87.11	59.50
Net interest expense	12.53	4.73
Components of defined benefit costs recognised in the Statement of profit or loss	**99.64**	**64.23**
Remeasurement on the net defined benefit liability:		
Actuarial (Gains)/Losses on Obligations - Due to Change in Demographic Assumptions	-	-
Actuarial (Gains)/Losses on Obligations - Due to Change in Financial Assumptions	1.69	(13.06)
Actuarial (Gains)/Losses on Obligations - Due to Experience	39.01	37.09
Components of defined benefit costs recognised in other comprehensive income	**40.70**	**24.03**
Total	**140.34**	**88.26**

(iii). The amount included in the Balance Sheet arising from the Company's obligation in respect of its defined benefit plans is as follows :

Particulars	Gratuity plans	
	As at March 31, 2024	As at March 31, 2023
Present value of defined benefit obligation	305.33	171.83
Net liability arising from defined benefit obligation	**305.33**	**171.83**

(iv). Movements in the present value of the defined benefit obligation is as follows :

Particulars	Gratuity plans	
	As at March 31, 2024	As at March 31, 2023
Opening defined benefit obligation	**171.83**	**83.65**
Current service cost	87.11	59.50
Interest cost	12.53	4.73
Remeasurement (gains)/Loss	40.70	24.03
Benefits paid	(6.84)	(0.08)
Closing defined benefit obligation	**305.33**	**171.83**

(v). Maturity analysis of the benefit payments :

Projected benefits payable in future years	As at March 31, 2024	As at March 31, 2023
1st following year	33.94	17.43
2nd following year	28.00	21.55
3rd following year	36.12	18.02
4th following year	54.45	23.78
5th following year	53.67	31.80
Sum of years 6 To 10	154.95	91.83
Sum of years 11 and above	74.14	43.90

The estimates of future salary growth, factored in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market. Such estimates are very long term and are not based on limited past experience / immediate future. Empirical evidence also suggests that in very long term, consistent high salary growth rates are not possible.

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46. Disclosure pursuant to Ind AS 19 'Employee benefits' (continued) **(Rupees in lakh)**

(vi). Sensitivity analysis (defined benefit obligation) :

Particulars	As at March 31, 2024		As at March 31, 2023	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(12.59)	13.64	(7.20)	7.80
Future salary growth (1% movement)	12.27	(11.71)	7.19	(6.77)
Attrition rate (1% movement)	(5.13)	5.16	(3.03)	3.07

Note :

The sensitivity analysis have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same method as applied in calculating the defined benefit obligation as recognised in the Balance Sheet.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

c. Compensated absences

(i). The principal assumptions used for the purposes of the actuarial valuations towards Privilege Leave liability were as follows :

Particulars	Compensated absences	
	As at March 31, 2024	As at March 31, 2023
Demographic Assumptions		
Mortality Rate	Indian Assured Lives Mortality 2012-14 (Urban)	Indian Assured Lives Mortality 2012-14 (Urban)
Attrition Rate	22.00% p.a. for all service groups.	22.00% p.a. for all service groups.
Retirement Age	60 years	60 years
Financial Assumptions		
Salary Escalation Rate	5.00% p.a.	5.00% p.a.
Discount Rate	7.16% p.a.(Indicative G.Sec referenced on 28-03-2024)	7.29% p.a.(Indicative G.Sec referenced on 31-03-2023)

(ii). The amount included in the Balance Sheet arising from the Company's obligation in respect of its defined benefit plans is as follows :

Particulars	Compensated absences	
	As at March 31, 2024	As at March 31, 2023
Present value of defined benefit obligation	881.76	604.09
Net liability arising from defined benefit obligation	**881.76**	**604.09**

Particulars	Compensated absences	
	As at March 31, 2024	As at March 31, 2023
Discontinuance liability	942.59	648.30
Defined benefit obligation	881.76	604.09
Funding status	Unfunded	Unfunded
Fund balance	N.A.	N.A.
Current liability	212.10	143.95
Non-current liability	669.66	460.15

The average expected future service is 3.00 years

A distribution of the above liability over different ranges of past service intervals is provided below :

Past Service Interval	Distribution of DBO
9 and below	100%
10 to 19	0%
20 to 29	0%
30 and above	0%

(iii). Sensitivity analysis (defined benefit obligation) :

Particulars	As at March 31, 2024		As at March 31, 2023	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(24.95)	26.89	(17.01)	18.34
Future salary growth (1% movement)	27.20	(25.68)	18.57	(17.53)
Attrition rate (1% movement)	3.03	(3.26)	2.20	(2.37)

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47. Disclosure relating to employee stock option scheme

The Company has two employee stock option schemes viz. CSL Employee Stock Option Scheme 2017 ("ESOS 2017") and UGRO Capital Employee Stock Option Scheme 2022 ("ESOS 2022").

The ESOS 2017 was approved by the Board of Directors on August 13, 2018 and by the shareholders through postal ballot on May 7, 2018. Further, the shareholders of the Company at the Extraordinary General Meeting held on September 18, 2018 approved ratification of the number of Options under the ESOS 2017.

The ESOS 2022 was approved by the Board of Directors on July 22, 2022 and by the shareholders through postal ballot on September 4, 2022.

During the year, the Company had issued 6,91,980 (previous year 15,01,929) options representing equal numbers of equity shares of Rs. 10 each.

The activity in the CSL employee stock option scheme 2017 and UGRO Capital employee stock option scheme 2022 during the year ended March 31, 2024 and March 31, 2023 is set below :

Particulars	As at March 31, 2024	Exercise price range	As at March 31, 2023	Exercise price range
	In numbers		In numbers	
CSL employee stock option scheme 2017 and UGRO Capital employee stock option scheme 2022: (face value of Rs. 10 each)				
Options outstanding as at the beginning of the year	**33,45,238**	**Rs. 130 - Rs. 202**	**29,91,097**	**Rs. 130**
Add: Options granted	6,91,980	Rs. 130 - Rs. 280.05	15,01,929	Rs. 137.4 - Rs. 202
Less: Options exercised*	4,21,082	Rs. 130 - Rs. 173.85	-	-
Less: Options lapsed	5,05,916	Rs. 130 - Rs. 280.05	11,47,788	Rs. 130
Options outstanding as at the end of the year#	**31,10,220**	**Rs. 130 - Rs. 271.35**	**33,45,238**	**Rs. 130 - Rs. 202**
Exercisable as at the end of the year	**4,33,146**		**1,38,461**	

*Weighted average share price of options exercised during the year ended March 31, 2024 was Rs. 259.76.

#Weighted average remaining contractual life of options outstanding as at March 31, 2024 is 1.90 years.

The Company follows accounting policy of fair value method for employee stock options (ESOS) valuation. Accordingly, the accumulated expense of Rs. 449.87 lakh (previous year expense Rs. 256.41 lakh) has been debited to the Statement of Profit and Loss for the year ended March 31, 2024.

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47. Disclosure relating to employee stock option scheme (continued)

Particulars	CSL employee stock option scheme 2017 - Grant XXXI	CSL employee stock option scheme 2017 - Grant XXXII	CSL employee stock option scheme 2017 - Grant XXXIII	CSL employee stock option scheme 2017 - Grant XXXIV
Date of the grant	October 1, 2023	December 29, 2023	January 2, 2024	February 19, 2024
Number of options granted	1,50,000	1,00,000	50,000	1,90,000
Method of settlement	Equity shares	Equity shares	Equity shares	Equity shares
Vesting period	Graded vesting - starting from 1 year from the date of the grant	Graded vesting - starting from 1 year from the date of the grant	Graded vesting - starting from 1 year from the date of the grant	Graded vesting - starting from 1 year from the date of the grant
Vesting pattern	1) 50% (April 1, 2023 – March 31, 2024) 2) 50% (April 1, 2025 – March 31, 2026)			
Weighted average remaining contractual life				
Granted but not vested (in years)	NA	1.19	1.19	1.26
Vested but not exercised	Nil	Nil	Nil	Nil
Weighted average share price at the date of exercise for stock options exercised during the year	NA	NA	NA	NA
Exercise period	Can be exercised within a period of 3 (three) years from the date of vesting.			
Vesting conditions	Graded vesting based on fulfilment of IRR target mentioned in the scheme.			
Weighted average fair value of options as on the grant date (in Rs)	94.63	207.54	208.70	111.09

Particulars	UGRO Capital employee stock option scheme 2022 - Grant II	UGRO Capital employee stock option scheme 2022 - Grant III	UGRO Capital employee stock option scheme 2022 - Grant IV	UGRO Capital employee stock option scheme 2022 - Grant V
Date of the grant	October 1, 2023	December 29, 2023	January 2, 2024	February 19, 2024
Number of options granted	75,000	50,000	1,980	75,000
Method of settlement	Equity shares	Equity shares	Equity shares	Equity shares
Vesting period	Vesting Period shall commence from the grant date, subject to minimum of 1 (One) year from the grant date and to a maximum of 3 (Three) years from the grant date	Vesting Period shall commence from the grant date, subject to minimum of 1 (One) year from the grant date and to a maximum of 3 (Three) years from the grant date	Vesting Period shall commence from the grant date, subject to minimum of 1 (One) year from the grant date and to a maximum of 3 (Three) years from the grant date	Vesting Period shall commence from the grant date, subject to minimum of 1 (One) year from the grant date and to a maximum of 3 (Three) years from the grant date
Vesting pattern	100%	100%	100%	100%
Weighted average remaining contractual life				
Granted but not vested (in years)	NA	2.75	2.84	2.92
Vested but not exercised	Nil	Nil	Nil	Nil
Weighted average share price at the date of exercise for stock options exercised during the year	NA	NA	NA	NA
Exercise period	Options can be exercised within maximum of 6 (Six) months from the date of respective vesting.	Options can be exercised within maximum of 6 (Six) months from the date of respective vesting.	Options can be exercised within maximum of 6 (Six) months from the date of respective vesting.	Options can be exercised within maximum of 6 (Six) months from the date of respective vesting.
Vesting conditions	Time Based	Time Based	Time Based	Time Based
Weighted average fair value of options as on grant date (in Rs)	145.97	152.40	140.90	142.57

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47. Disclosure relating to employee stock option scheme (continued)

Exercise pricing formula

The exercise pricing formula for CSL employee stock option scheme 2017 and UGRO Capital employee stock option scheme 2022 is as under :

The nomination and remuneration committee shall have the authority to determine the exercise price having regard to the valuation report of an independent valuer, if any. The said committee shall in its absolute discretion, have the authority to grant the options at such discount / premium as it may deem fit.

Fair value methodology :

The binomial model of valuation is more advanced and involves the use of computational techniques. In this model, the share price is projected from the date of grant to the date of exercise using upward and downward probabilities. The probabilities are estimated from the share price volatility assumption.

The key assumptions used in Binomial model for calculating fair value under CSL employee stock option scheme 2017 and UGRO Capital employee stock option scheme 2022 with respect to various grants :

Particulars	CSL employee stock option scheme 2017 - Grant XXXI	CSL employee stock option scheme 2017 - Grant XXXII	CSL employee stock option scheme 2017 - Grant XXXIII	CSL employee stock option scheme 2017 - Grant XXXIV
Risk-free interest rate	7.19%	7.07%	7.07%	7.05%
Expected volatility of share price*	44.02%	42.89%	42.70%	40.54%
Time to maturity (in years)	NA	2.26	2.25	2.12
Dividend yield	-	-	-	-
The price of equity share as on the grant date considered for valuation (in Rs.)	277.61	275.61	275.39	271.66

*Volatilities is calculated using 3-month average market data for stock prices (Volume Weighted Average Price).

Particulars	UGRO Capital employee stock option scheme 2022 - Grant II	UGRO Capital employee stock option scheme 2022 - Grant III	UGRO Capital employee stock option scheme 2022 - Grant IV	UGRO Capital employee stock option scheme 2022 - Grant V
Risk-free interest rate	7.25%	7.08%	7.07%	7.09%
Expected volatility of share price*	46.59%	43.81%	43.68%	42.94%
Time to maturity (in years)	NA	3.00	3.00	3.00
Dividend yield	-	-	-	-
The price of equity share as on grant date considered for valuation (in Rs.)	277.61	275.61	275.39	271.66

*Volatilities is calculated using 3-month average market data for stock prices (Volume Weighted Average Price).

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48. Leases (entity as a lessee)

(Rupees in lakh)

The Company as a lessee, recognises the right-of-use asset and lease liability at the lease commencement date. The right-of-use asset is measured by applying cost model i.e. right-of-use asset at cost less accumulated depreciation/ impairment losses. The Company has entered into leasing arrangements for premises. Majority of the leases are cancellable by the Company. Right-of-use asset has been included after the line "Property, Plant & Equipment" and lease liabilities has been included under "Other Financial Liabilities" in the Balance Sheet.

a. Right of use asset :

Particulars	As at March 31, 2024	As at March 31, 2023
Office Premises :		
At fair value as at the beginning of the year	**5,337.03**	**3,896.26**
Additions during the year	2,777.70	1,632.02
Deletions during the year	(243.42)	(234.47)
Remeasurement of assets	25.66	43.22
At fair value as at the end of the year	**7,896.97**	**5,337.03**
Accumulated depreciation as at the beginning of the year	**1,972.95**	**1,357.98**
Depreciation for the year	1,148.94	614.97
Accumulated depreciation as at the end of the year	**3,121.89**	**1,972.95**
Net carrying amount as at the end of the year	**4,775.08**	**3,364.08**

b. Amount recognised in Statement of Profit and loss :

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Depreciation expense on right-of-use assets	1,148.94	614.97
Interest expense on lease liabilities	516.45	504.48
Total expenses recognised in Statement of profit and loss	**1,665.39**	**1,119.45**

The total cash outflow on account of lease rentals amounting for the current year Rs. 1,270.48 lakh (previous year : Rs. 781.38 lakh).

The average lease term for the rented office premises is ranging between 3 to 5 years.

c. Lease liabilities :

Particulars	As at March 31, 2024	As at March 31, 2023
Lease liabilities	5,209.90	3,518.15
Total	**5,209.90**	**3,518.15**

d. Maturity analysis of lease liabilities :

Particulars	As at March 31, 2024	As at March 31, 2023
Not later than 1 year	1,271.48	788.96
Later than 1 year and not later than 5 years	3,885.93	2,706.62
Later than 5 years	52.49	22.57
Total	**5,209.90**	**3,518.15**

The entity has adequate liquidity for payment of lease liabilities. The Company regularly monitors and pays lease rentals on a timely manner as per the terms of the respective leave and license agreement.

The Company has the right to extend the lease term as per mutually agreed terms laid down in the respective leave and license agreement. The Company takes into account the effect of the extended lease term while recording the lease assets and lease liabilities accordingly.

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49 Impact of hedging activities

(Rupees in lakh)

a) Disclosure of effects of hedge accounting on the financial position:

As at March 31, 2024

Type of hedge and risk	Nominal value		Carrying amount of hedging instrument		Maturity Date	Changes in fair value of hedging instruments	Change in the value of hedged item used as the basis for recognising hedge effectiveness	Line item in the Balance Sheet
Cashflow Hedge	Assets	Liabilities	Assets	Liabilities				
Currency Derivative (Cross Currency Interest Rate Swaps)	3,109.43	-	350.96	-	December 06, 2024	10.89	10.89	Borrowings (other than debt securities)
Currency Derivative (Full Currency Swap)	4,095.00	-	24.72	-	September 28, 2027	58.87	58.87	Borrowings (other than debt securities)
Currency Derivative (Full Currency Swap)	8,272.00	-	-	43.84	November 07, 2025	(154.38)	(154.38)	Borrowings (other than debt securities)
Currency Derivative (Full Currency Swap)	8,270.00	-	-	167.12	February 16, 2028	50.14	50.14	Borrowings (other than debt securities)
Currency Derivative (Full Currency Swap)	8,205.00	-	-	117.44	June 27, 2027	117.44	117.44	Borrowings (other than debt securities)
Currency Derivative (Full Currency Swap)	5,742.80	-	-	112.28	June 28, 2027	112.28	112.28	Borrowings (other than debt securities)

As at March 31, 2023

Type of hedge and risk	Nominal value		Carrying amount of hedging instrument		Maturity Date	Changes in fair value of hedging instruments	Change in the value of hedged item used as the basis for recognising hedge effectiveness	Line item in the Balance Sheet
Cashflow Hedge	Assets	Liabilities	Assets	Liabilities				
Currency Derivative (Cross Currency Interest Rate Swaps)	3,109.43	-	340.07	-	December 06, 2024	317.78	317.78	Borrowings (other than debt securities)
Currency Derivative (Full Currency Swap)	4,095.00	-	-	34.15	September 28, 2027	34.15	34.15	Borrowings (other than debt securities)
Currency Derivative (Full Currency Swap)	8,272.00	-	-	198.22	November 07, 2025	198.22	198.22	Borrowings (other than debt securities)
Currency Derivative (Full Currency Swap)	8,270.00	-	-	116.98	February 16, 2028	116.98	116.98	Borrowings (other than debt securities)

b) Disclosure of effects of hedge accounting on the financial performance:

As at March 31, 2024

Type of Hedge	Change in the value of the hedging instrument recognised in other comprehensive income	Hedge ineffectiveness recognised in the statement of profit and loss	Amount reclassified from cash flow hedge reserve to statement of profit and loss	Line item affected in the statement of profit and loss because of the reclassification
Cash flow hedge				
-Foreign exchange risk and interest rate risk	(734.58)	-	-	Finance Cost

As at March 31, 2023

Type of Hedge	Change in the value of the hedging instrument recognised in other comprehensive income	Hedge ineffectiveness recognised in the statement of profit and loss	Amount reclassified from cash flow hedge reserve to statement of profit and loss	Line item affected in the statement of profit and loss because of the reclassification
Cash flow hedge				
-Foreign exchange risk and interest rate risk	45.33	-	-	Finance Cost

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UGRO CAPITAL LIMITED

50. Summarised classification of financial assets and liabilities :

(Rupees in lakh)

Particulars	As at March 31, 2024				As at March 31, 2023			
	Amortised cost	At fair value through profit and loss account	At fair value through other comprehensive income	Total	Amortised cost	At fair value through profit and loss account	At fair value through other comprehensive income	Total
Financial assets								
Cash and cash equivalents	8,835.15	-	-	**8,835.15**	4,014.77	-	-	**4,014.77**
Bank balances other than cash and cash equivalents above	36,652.91	-	-	**36,652.91**	17,166.14	-	-	**17,166.14**
Loans	5,43,221.03	-	-	**5,43,221.03**	3,80,636.21	-	-	**3,80,636.21**
Investments	4,226.47	1,692.13	-	**5,918.60**	4,261.77	1,748.92	-	**6,010.69**
Other financial assets (Refer Note 7)	2,021.19	-	-	**2,021.19**	2,531.23	-	-	**2,531.23**
Total	**5,94,956.75**	**1,692.13**	**-**	**5,96,648.88**	**4,08,610.12**	**1,748.92**	**-**	**4,10,359.04**
Financial liabilities								
Derivative financial instruments	-	-	65.00	**65.00**	-	-	9.27	**9.27**
Payables :								
(A) Trade payables								
(I) Total outstanding dues of micro enterprises and small enterprises	448.65	-	-	**448.65**	145.97	-	-	**145.97**
(II) Total outstanding dues of creditors other than micro enterprises and small enterprises	821.57	-	-	**821.57**	1,168.80	-	-	**1,168.80**
(B) Other payables								
(I) Total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-	-	-	-
(II) Total outstanding dues of creditors other than micro enterprises and small enterprises	89.85	-	-	**89.85**	96.78	-	-	**96.78**
Debt securities	1,39,483.13	-	-	**1,39,483.13**	1,14,434.45	-	-	**1,14,434.45**
Borrowings (other than debt securities)	3,22,322.27	-	-	**3,22,322.27**	2,00,459.00	-	-	**2,00,459.00**
Subordinated Liabilities	3,519.13	-	-	**3,519.13**	-	-	-	-
Other financial liabilities (Refer Note 22)	7,429.68	225.17	-	**7,654.85**	7,276.66	225.17	-	**7,501.83**
Total	**4,74,114.28**	**225.17**	**65.00**	**4,74,404.45**	**3,23,581.66**	**225.17**	**9.27**	**3,23,816.10**

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UGRO CAPITAL LIMITED

51. Financial risk management

The Company has exposure to the following risks from financial instruments:

a. Credit Risk
b. Liquidity Risk
c. Market Risk
d. Operational Risk

The Company is exposed to a variety of risks such as credit risk, liquidity risk, market risk, operational risk etc. The Company has therefore, invested in talent, processes and emerging technologies for building advanced risk and underwriting capabilities. The Board of Directors has constituted a Risk Management Committee to address these risks. The Risk Management Committee's mandate includes periodic review of the risk management policy, risk management planning, implementation and monitoring of the risk management plan and mitigation of key risks. The risk owners are accountable to the Risk Committee for identification, assessment, aggregation, reporting and monitoring of risks. The board of directors are responsible for providing overall risk oversight, approving risk appetite, risk management policies and frameworks and providing adequate oversight for the decisions.

a. Credit Risk

Risk Management team is engaged in defining a framework, overseeing enterprise wide risks and building a portfolio within the risk appetite of the Company. The effective management of credit risk requires the establishment of appropriate credit risk policies and processes. The Company has comprehensive and well-defined credit policies across various businesses, products and segments, which encompass credit approval process for all businesses along with guidelines for mitigating the risks associated with them. Credit underwriting is driven by a deep understanding of the selected segments, which forms proprietary risk models and approaches. The Company believes in positive sector/sub-sector selection to source its business. The same is done primarily through analytics and survey. Further, the Company has also developed sophisticated sector/sub-sector scorecards, both statistical and expert. The proposals are appraised based on the understanding of these sector/sub-sectors. A fine balance of sector knowledge, data analytics, touch and feel and digital process is used for underwriting the proposals.

Given the dynamic nature of the market, the credit policies are regularly reviewed and amended.

Management of Credit Risk

Write-off policy:

Financial assets are written-off either partially or in their entirety only when the Company has stopped pursuing the recovery. Any subsequent recoveries are credited to impairment on financial instruments in the Statement of profit and loss. The write-off decisions are taken by the management which would be based on suitable justification notes presented by the responsible business / collections team.

Credit quality analysis:

The Company's policies for computation of expected credit loss (ECL) are set out below:

(I) ECL on Loans and advances

ECL is computed for loans portfolio of the Company:

Loan portfolio:

UGRO Capital Ltd is primarily engaged into SME lending and has segmented its lending portfolio based on the homogenous nature of the group of borrowers.

Definition of default:

A default shall be considered to have occurred when any of the following criteria is met:
a) An account shall be tagged as NPA once the day end process is completed for the 91st day past due.
b) If one facility of a borrower is NPA, all the facilities of that borrower are to be treated as NPA.

Significant increase in credit risk (SICR) criteria:

(a) External credit rating going below investment grade rating.
(b) Significant changes in the expected performance and behaviour of the borrower, including changes in the payment status of borrowers.
(c) Other qualitative parameters :
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant change in the borrower's ability to meet its debt obligations.
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the sector that results in a significant change in the sector's ability to meet its debt obligations.
(d) Any other qualitative parameter.

Definition of low credit risk:

A case which has scores above cut-off norms as set by the Company from time to time and current status is Stage 1 is termed as low credit risk.

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UGRO CAPITAL LIMITED

51. Financial risk management (continued)

Forward looking factors:
Forward looking factors are considered while determining the significant increase in credit risk.

Staging criteria:
Following staging criteria is used for loans:
(i) Stage 1: 0-30 DPD;
(ii) Stage 2: 31-90 DPD and
(iii) Stage 3: > 90 DPD

Any deviation to the above classification, except as per the RBI Circular RBI/2021-2022/125 DOR.STR.REC.68/21.04.048/2021-22 on Prudential norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances - Clarification dated November 12, 2021 shall be approved by the audit committee of the board (ACB).

Probability of default (PD%)
PDs are determined using internally developed model, which is a dynamic evaluation based on repayment history, corporate ratings, specific market estimates as applicable to the respective portfolio segments from time to time.

Loss given default (LGD%)
Loss given default (LGD) is defined as the expected/estimated amount or percentage of exposure that may not be recovered when a loan defaults.
LGD computation for secured loans is based on an internal model which factors post default recovery rates and collateral value; for unsecured loans, LGD is taken as a standard estimate in line with the Foundational-Internal Rating Based (F-IRB) approach. LGD for stage 1 & 2 assets, thus determined, is subject to a minimum floor of 20%. For Stage 3 loans, the Company determines ECL requirement based on cash flows expected over the future time period.

Exposure at default (EAD)
Exposure at default represents the outstanding balance at the reporting date taking into account expected drawdowns on committed facilities, including repayments of principal and interest, and accrued interest from missed payments.

(II) ECL on fixed deposits, investments, trade and other receivables
With respect to the fixed deposits and investments held by the Company, ECL provisioning has been computed taking guidance from the RBI's IRB approach.
The Company has followed simplified approach of ECL provisioning on its trade and other receivables.

Applicable provisions for NBFCs covered under Ind AS:
The Company has prepared the financial statements in accordance with Ind AS and complied with the regulatory guidance specified by the Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 issued by the Reserve Bank of India (RBI) vide their Notification No. RBI/DoR/2023-24/106 DoR.FIN.REC.No.45/03.10.119/2023-24 dated October 19, 2023, as updated on March 21, 2024.





51. Financial risk management (continued)

(Rupees in lakh)

A. Movement of expected credit loss on advances:

Particulars	Stage 1	Stage 2	Stage 3	Purchased or originated credit impaired	Management Overlay	Total
Opening balances as at April 01, 2023	**3,845.98**	**373.94**	**4,580.07**	**-**	**-**	**8,799.99**
Changes in the loss allowance during the year:						
Transfer to Stage 1	29.72	(28.84)	(0.88)	-	-	-
Transfer to Stage 2	(334.21)	334.44	(0.23)	-	-	-
Transfer to Stage 3	(4,913.81)	(1,167.30)	6,081.11	-	-	-
New loans originated during the year	1,123.18	175.97	964.22	-	-	2,263.37
Other movements (on account of changes in EAD)	3,222.50	861.53	2,090.87	-	-	6,174.90
Amounts written off during the year	-	-	(5,488.90)	-	-	(5,488.90)
Closing balance as at March 31, 2024	**2,973.36**	**549.74**	**8,226.26**	**-**	**-**	**11,749.36**
Opening balance as at April 01, 2022	**2,481.66**	**93.91**	**1,215.04**	**-**	**273.79**	**4,064.40**
Changes in the loss allowance during the year:						
Transfer to Stage 1	5.33	(3.44)	(1.89)	-	-	-
Transfer to Stage 2	(202.42)	205.34	(2.92)	-	-	-
Transfer to Stage 3	(1,727.12)	(395.09)	2,122.21	-	-	-
New loans originated during the year	2,222.79	166.92	337.66	-	-	2,727.37
Other movements (on account of changes in EAD)	1,065.74	306.30	1,176.23	-	-	2,548.27
Amounts written off during the year	-	-	(266.26)	-	-	(266.26)
Management overlay*	-	-	-	-	(273.79)	(273.79)
Closing balance as at March 31, 2023	**3,845.98**	**373.94**	**4,580.07**	**-**	**-**	**8,799.99**

* There is no reversal on account of management overlay, the same has been incorporated in the ECL Model itself during the year ended March 31, 2023.

B. Movement of expected credit loss (ECL) on loan commitments:

Particulars	Stage 1	Stage 2	Stage 3	Total
Opening balances as at April 01, 2023	-	-	-	-
Changes in the loss allowance during the year:				-
Transfer to Stage 1	-	-	-	-
Transfer to Stage 2	-	-	-	-
Transfer to Stage 3	-	-	-	-
Write off	-	-	-	-
Changes due to modifications that did not result in derecognition	-	-	-	-
New loan commitments originated during the year	-	-	-	-
Other movements (on account of changes in EAD)	-	-	-	-
Closing balance as at March 31, 2024	-	-	-	-
Opening balances as at April 01, 2022	-	-	-	-
Changes in the loss allowance during the year:				
Transfer to Stage 1	-	-	-	-
Transfer to Stage 2	-	-	-	-
Transfer to Stage 3	-	-	-	-
Write off	-	-	-	-
Changes due to modifications that did not result in derecognition	-	-	-	-
New loan commitments originated during the year	-	-	-	-
Other movements (on account of changes in EAD)	-	-	-	-
Closing balance as at March 31, 2023	-	-	-	-

C. Movement in gross carrying amount of advances:

Particulars	Stage 1	Stage 2	Stage 3	Purchased or originated credit impaired	Total
Opening balance of gross carrying amount as at April 01, 2023	**3,69,419.70**	**10,447.45**	**9,569.05**	**-**	**3,89,436.20**
Changes in the gross carrying amount during the year:					
Transfer to Stage 1	2,985.20	(2,883.02)	(102.18)	-	-
Transfer to Stage 2	(14,172.96)	14,184.18	(11.22)	-	-
Transfer to Stage 3	(10,351.30)	(1,867.91)	12,219.21	-	-
New loans originated during the year	3,36,057.80	12,242.49	2,524.48	-	3,50,824.77
Other movements (on account of changes in EAD)	(1,73,847.82)	(4,391.33)	(1,562.53)	-	(1,79,801.68)
Write offs during the year	-	-	(5,488.90)	-	(5,488.90)
Closing balance as at March 31, 2024	**5,10,090.62**	**27,731.86**	**17,147.91**	**-**	**5,54,970.39**
Opening balance of gross carrying amount as at April 01, 2022	**2,40,279.65**	**3,255.34**	**5,641.15**	**-**	**2,49,176.14**
Changes in the gross carrying amount during the year:					
Transfer to Stage 1	1,384.17	(1,164.23)	(219.94)		-
Transfer to Stage 2	(5,647.62)	5,742.82	(95.20)		-
Transfer to Stage 3	(4,284.81)	(715.97)	5,000.78		-
New loans originated during the year	2,66,582.08	4,562.11	709.85		2,71,854.04
Other movements (on account of changes in EAD)	(1,28,893.77)	(1,232.62)	(1,201.33)		(1,31,327.72)
Write offs during the year	-	-	(266.26)		(266.26)
Closing balance as at March 31, 2023	**3,69,419.70**	**10,447.45**	**9,569.05**	**-**	**3,89,436.20**

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51. Financial risk management (continued)

(Rupees in lakh)

D. Movement in loan commitments:

Particulars	Stage 1	Stage 2	Stage 3	Total
Opening balance as at April 01, 2023	**4,477.45**	-	-	**4,477.45**
Changes in loan commitments during the year:				
Transfer to Stage 1	-	-	-	-
Transfer to Stage 2	-	-	-	-
Transfer to Stage 3	-	-	-	-
Changes due to modifications that did not result in derecognition	-	-	-	-
New loan commitments originated during the year	4,833.02	-	-	4,833.02
Other changes	-	-	-	-
Other movements (on account of changes in EAD)	(4,477.45)	-	-	(4,477.45)
Closing balance as at March 31, 2024	**4,833.02**	-	-	**4,833.02**
Opening balance as at April 01, 2022	**882.60**	-	-	**882.60**
Changes in loan commitments during the year:				
Transfer to Stage 1	-	-	-	-
Transfer to Stage 2	-	-	-	-
Transfer to Stage 3	-	-	-	-
Changes due to modifications that did not result in derecognition	-	-	-	-
New loan commitments originated during the year	4,477.45	-	-	4,477.45
Other changes	-	-	-	-
Other movements (on account of changes in EAD)	(882.60)			(882.60)
Closing balance as at March 31, 2023	**4,477.45**	-	-	**4,477.45**

E. Details of collaterals received against loan portfolio:

Nature of security against advances:

Underlying securities for the assets secured by tangible assets are property, machinery, plant & equipment and book debts. The value of the collaterals for the below calculation is taken at the date of inception of the loan

Advances other than credit impaired advances (LTV band-wise):

LTV ratio	As at March 31, 2024		As at March 31, 2023	
	Gross carrying amount of advances	Cumulative loss allowance	Gross carrying amount of advances	Cumulative loss allowance
Less than 50%	62,789.13	1,336.35	51,968.44	1,247.82
51% - 70%	2,854.25	8.34	740.40	2.04
71% - 90%	2,49,651.66	825.52	1,81,887.88	933.51
> 90%	-	-	-	-

Credit impaired advances (LTV band-wise):

LTV ratio	As at March 31, 2024		As at March 31, 2023	
	Gross carrying amount of advances	Cumulative loss allowance	Gross carrying amount of advances	Cumulative loss allowance
Less than 50%	3,148.24	1,130.07	2,086.38	502.21
51% - 70%	70.63	11.78	4.89	1.43
71%-90%	3,333.52	697.75	1,690.62	299.90
> 90%	-	-	-	-

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UGRO CAPITAL LIMITED

51. Financial risk management (continued)

(Rupees in lakh)

b. Liquidity risk

Liquidity risk arises from the Company's inability to meet its cash flow commitments on time. Prudent liquidity risk management implies maintaining sufficient stock of cash and marketable securities and maintaining availability of standby funding through an adequate line-up of committed credit facilities. The Treasury team actively manages asset and liability positions in accordance with the overall guidelines laid down by the regulator in the Asset liability management framework. The Company continues to maintain a positive ALM.

The Company's ALCO monitors asset liability mismatches to ensure that there are no imbalances or excessive concentrations on either side of the Balance Sheet. The Company continuously monitors liquidity in the market and as a part of its ALCO strategy.

Undiscounted cash flows by contractual maturities for financial assets and financial liabilities as at March 31, 2024:

Particulars	Carrying amount*	Gross nominal	Not later than one month	Later than one month and not later than three months	Later than three months and not later than one year	Later than one year and not later than five years	Later than five years
Financial assets (inflow):							
Cash and cash equivalents	8,835.15	8,835.15	8,835.15	-	-	-	-
Bank balances other than cash and cash equivalents above	36,660.25	36,660.25	572.02	14,658.79	17,849.37	3,552.38	27.69
Loans	5,54,970.39	5,47,141.36	50,001.17	75,777.07	83,267.27	2,90,350.76	47,745.09
Investments	5,919.41	5,919.41	-	-	-	5,919.41	-
Other financial assets (Refer Note 7)	2,024.35	2,021.19	-	741.09	-	1,280.10	-
Financial liabilities (outflow):							
Derivative financial instruments	65.00	65.00	-	-	-	65.00	-
Payables							
(A) Trade payables							
(I) Total outstanding dues of micro enterprises and small enterprises	448.65	448.65	-	448.65	-	-	-
(II) Total outstanding dues of creditors other than micro enterprises and small enterprises	821.57	821.57	-	821.57	-	-	-
(B) Other payables							
(I) Total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-	-	-
(II) Total outstanding dues of creditors other than micro enterprises and small enterprises	89.85	89.85	-	89.85	-	-	-
Debt securities	1,39,483.13	1,42,303.09	2,858.80	4,330.95	28,469.08	1,06,644.26	-
Borrowings (other than debt securities)	3,22,322.27	3,28,431.20	9,360.75	25,272.27	1,02,224.64	1,91,573.54	-
Subordinated Liabilities	3,519.13	3,519.13	19.13	-	-	-	3,500.00
Other financial liabilities (Refer Note 22)	7,654.85	8,848.77	147.04	2,480.19	1,324.45	4,841.18	55.91

*Carrying amount reported above is on a gross basis.

Undiscounted cash flows by contractual maturities for financial assets and financial liabilities as at March 31, 2023:

Particulars	Carrying amount*	Gross Nominal	Not later than one month	Later than one month and not later than three months	Later than three months and not later than one year	Later than one year and not later than five years	Later than five years
Financial assets (Inflow):							
Cash and cash equivalents	4,014.77	4,014.77	4,014.77	-	-	-	-
Bank balance other than cash and cash equivalents	17,169.19	17,169.19	3,412.54	988.26	6,432.63	6,334.40	1.36
Derivative financial instruments	-	-	-	-	-	-	-
Loans	3,89,436.20	3,84,849.48	31,274.12	51,371.24	63,369.04	1,73,134.43	65,700.65
Investments	6,011.52	6,011.52	-	-	-	6,011.52	-
Other financial assets (Refer Note 7)	2,534.41	2,534.41	-	1,803.57	-	730.84	-
Financial liabilities (outflow):							
Derivative financial instruments	9.27	9.27	-	-	9.27	-	-
Payables							
(A) Trade payables							
(I) Total outstanding dues of micro enterprises and small enterprises	145.97	145.97	-	145.97	-	-	-
(II) Total outstanding dues of creditors other than micro enterprises and small enterprises	1,168.80	1,168.80	-	1,168.80	-	-	-
(B) Other payables							
(I) Total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-	-	-
(II) Total outstanding dues of creditors other than micro enterprises and small enterprises	96.78	96.78	-	96.78	-	-	-
Debt securities	1,14,434.45	1,16,296.98	4,134.04	17,096.13	48,270.31	46,796.50	-
Borrowings (other than debt securities)	2,00,459.00	2,03,864.05	6,151.02	20,367.12	54,704.52	1,22,546.39	95.00
Other financial liabilities (Refer Note 22)	7,501.83	8,290.98	95.20	3,877.24	859.76	3,430.89	27.89

*Carrying amount reported above is on a gross basis.

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UGRO CAPITAL LIMITED

51. Financial risk management (continued)

(Rupees in lakh)

Undiscounted cash flows by contractual maturities for off-Balance Sheet items as at March 31, 2024:

Particulars	Carrying Amount	Gross Nominal	Less than one year	Between 1 - 5 years	over 5 years
Loan commitments (outflow)	-	4,833.02	4,833.02	-	-
Other commitments	-	3,827.53	3,827.53	-	-
Capital commitments (outflow)	-	517.50	317.50	200.00	-

Undiscounted cash flows by contractual maturities for off-Balance Sheet items as at March 31, 2023:

Particulars	Carrying Amount	Gross Nominal	Less than one year	Between 1 - 5 years	over 5 years
Loan commitments (outflow)	-	4,477.45	4,477.45	-	-
Other commitments	-	5,141.44	5,141.44	-	-
Capital commitments (outflow)	-	760.50	373.50	387.00	-

The Company has disclosed the below information as stated in the RBI notification no. RBI/DoR/2023-24/106 DoR.FIN.REC.No.45/03.10.119/2023-24 dated October 19, 2023 (the "Notification"), as updated from time to time, that enables the market participants to make an informed judgment about the soundness of its liquidity risk management framework and liquidity position.

(i) Funding concentration based on significant counterparty (both deposits and borrowings):

The Company is a systemically important non-deposit taking non-banking finance company (NBFC-ND-SI).
The Company had not raised any public deposits.
The details of the borrowings are given below:

Sr.No.	Number of Significant counterparties	Amount (₹ lakh)*	% of Total Liabilities
1	29	3,65,674.17	75.53%

* The Principal outstanding amounts as on March 31, 2024 have been considered above.

(ii) Top 20 large deposits (amount in ₹ lakh and % of total deposits):

The Company is a systemically important non-deposit taking non-banking finance company (NBFC-ND-SI). The Company had not accepted any deposits during the year.

(iii) Top 10 borrowings (amount in ₹ lakh and % of total borrowings):

Particulars	As at March 31, 2024	As at March 31, 2023
Total borrowings from ten largest lenders *	2,35,275.79	1,42,894.94
Percentage of borrowings from ten largest lenders to total borrowings of the Company	50.17%	45.34%

* The Principal outstanding amount as on March 31, 2024 and as on March 31, 2023 respectively is considered above.

(iv) Funding concentration based on significant instrument/ product:

Sr No.	Name of instrument/ product	As at March 31, 2024		As at March 31, 2023	
		Amount (₹ lakh)*	% of total liabilities	Amount (₹ lakh)*	% of total liabilities
1	Term loans facilities	2,71,939.84	56.17%	1,75,568.18	52.86%
2	Cash credit / overdraft facilities	16,374.99	3.38%	3,477.93	1.05%
3	Non-convertible debentures	1,27,914.25	26.42%	83,338.23	25.09%
4	From liabilities arising out of securitization transactions resulting into recording of borrowings	3,843.26	0.79%	16,339.99	4.92%
5	Commercial paper	7,000.00	1.45%	12,500.00	3.76%
6	External Commercial borrowing	38,456.21	7.94%	23,945.67	7.21%
7	Subordinated Debt	3,500.00	0.72%	-	-
Total		**4,69,028.55**	**96.87%**	**3,15,170.00**	**94.89%**

* The Principal outstanding amount as on March 31, 2024 and as on March 31, 2023 respectively is considered above.

(v) Stock Ratios:

(a) Commercial papers as a % of total public funds, total liabilities and total assets:

Particulars	As at March 31, 2024			As at March 31, 2023		
	% of total public funds	% of total liabilities	% of total assets	% of total public funds	% of total liabilities	% of total assets
Commercial papers	1.49%	1.45%	1.11%	3.97%	3.76%	2.90%

(b) Non-convertible debentures (original maturity of less than one year) as a % of total public funds, total liabilities and total assets :

The Company does not have borrowings through non-convertible debentures with original maturity of less than one year in the current and previous year.

(c) Other short term borrowings, if any as a % of total public funds, total liabilities and total assets:

Particulars	As at March 31, 2024			As at March 31, 2023		
	% of total public funds	% of total liabilities	% of total assets	% of total public funds	% of total liabilities	% of total assets
Cash credit/ overdraft facilities	3.49%	3.38%	2.61%	1.10%	1.05%	0.81%
Working capital	1.74%	1.68%	1.30%	1.89%	1.79%	1.38%

(vi) Institutional set-up for liquidity risk management:

The Company has an asset liability management committee (ALCO) that is formed in accordance with the Directions issued by the Reserve Bank of India. The asset liability committee takes into account interest rate forecasts and spreads, the internal cost of funds, operating results, projected funding needs, projected loan disbursements, liquidity position, loan loss reserves to outstanding loans, funding strategies. This committee reviews the fund position, asset liability maturity profile, variance between forecast and actuals of the concluded quarter, analysis of sensitivity of interest rates variation in various buckets, what if scenario analysis, etc. The Company maintains a positive cumulative mismatch in all buckets.

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UGRO CAPITAL LIMITED

51. Financial risk management (continued)

(Rupees in lakh)

The Company has disclosed the below information as stated in the RBI notification no. RBI/DoR/2023-24/106 DoR.FIN.REC.No.45/03.10.119/2023-24 dated October 19, 2023 (the "Notification"), as updated from time to time, that enables the market participants to make an informed judgment about the soundness of its liquidity risk management framework and liquidity position.

Liquidity Coverage Ratio (LCR)

(A) Quantitative Disclosure

Sr. No.	Particulars	Quarter ended March 31, 2024		Quarter ended December 31, 2023	
		Total Unweighted Value (average) (refer note 2 below)	Total Weighted Value (average) (refer note 3 below)	Total Unweighted Value (average) (refer note 2 below)	Total Weighted Value (average) (refer note 3 below)
High Quality Liquid Assets					
1	Total High Quality Liquid Assets (HQLA)	8,835.15	8,835.15	21,466.65	21,466.65
Cash Outflows					
2	Deposits (for deposit taking companies)	N.A.	N.A.	N.A.	N.A.
3	Unsecured wholesale funding	2,848.44	3,275.71	3,290.07	3,783.58
4	Secured wholesale funding	10,832.23	12,457.07	26,081.04	29,993.19
5	Additional requirements, of which	-	-	-	-
(i)	Outflows related to derivative exposures and other collateral requirements	-	-	-	-
(ii)	Outflows related to loss of funding on debt products	-	-	-	-
(iii)	Credit and liquidity facilities	4,833.02	5,557.97	5,580.43	6,417.49
6	Other contractual funding obligations	6,231.86	7,166.63	6,946.15	7,988.07
7	Other contingent funding obligations	1,224.28	1,407.92	781.76	899.03
8	**TOTAL CASH OUTFLOWS**	**25,969.83**	**29,865.30**	**42,679.45**	**49,081.36**
Cash Inflows					
9	Secured lending	-	-	-	-
10	Inflows from fully performing exposures	33,486.04	25,114.53	32,638.30	24,478.72
11	Other cash inflows	22,330.68	16,748.01	20,608.78	15,456.59
12	**TOTAL CASH INFLOWS**	**55,816.72**	**41,862.54**	**53,247.08**	**39,935.31**
13	TOTAL HQLA		8,835.15		21,466.65
14	TOTAL NET CASH OUTFLOWS ***= Stressed Outflows - Minimum (stressed inflows; 75% of stressed outflows)***		7,466.33		12,270.34
15	LIQUIDITY COVERAGE RATIO (%)		118.33%		174.95%

Notes:

1 In Computing the above information, certain estimates/assumptions have been used by the Company's management.

2 Unweighted values have been calculated as outstanding balances maturing or callable within 30 days (for inflows and outflows).

3 Weighted values have been calculated after the application of respective haircuts (for HQLA) and stress factors on inflow and outflow.

- Stressed Cash Outflows is calculated as unweighted values*115%
- Stressed Cash Inflows is calculated as unweighted values*75%

(B) Qualitative Disclosure

(a) **The main drivers of the LCR results and the evolution of the contribution of inputs to the LCR's calculation over time :** RBI had introduced the liquidity coverage ratio (LCR) to ensure that NBFC has an adequate stock of unencumbered high-quality liquid assets (HQLA) to survive a significant liquidity stress lasting for a period of 30 days. LCR is defined as a ratio of HQLA to the total net cash outflows estimated for the next 30 calendar days. At March 31, 2024, the applicable minimum LCR required to be maintained by NBFC is 85%.

(b) **Intra-period changes as well as changes over time :** The details for the two quarter ended March 31, 2024 and December 31, 2023 are disclosed above. Liquidity coverage ratio was not applicable to the Company before December 31, 2023.

(c) **The composition of HQLAs**

		Quarter ended March 31, 2024		Quarter ended December 31, 2023	
		Unweighted amount	Weighted amount	Unweighted amount	Weighted amount
	High Quality Liquid Assets				
	-Cash and Cash Equivalent	8,835.15	8,835.15	5,954.44	5,954.44
	-Demand deposits with Scheduled Commercial Banks	-	-	15,512.21	15,512.21
	Total High Quality Liquid Assets	**8,835.15**	**8,835.15**	**21,466.65**	**21,466.65**

(d) **Currency mismatch in the LCR :** The Company has taken foreign currency borrowings. The Company has entered into cross currency interest rate swap and full currency swap to hedge the foreign currency risk on such borrowing.

(e) **Other inflows and outflows in the LCR calculation that are not captured in the LCR common template but which the institution considers to be relevant for its liquidity profile :** All inflows/ outflows considered relevant has been considered for LCR calculation.

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UGRO CAPITAL LIMITED

51. Financial risk management (continued) **(Rupees in lakh)**

c. Market risk:

Market risk is the risk that the fair value of the future cash flows of financial instruments will fluctuate due to changes in market variables such as interest rates.

The Company primarily deploys funds in bank deposits and liquid debt securities as a part of its liquidity management approach. The Company regularly reviews its average borrowing/ lending cost including proportion of fixed and floating rate borrowings/ loans so as to manage the impact of changes in interest rates.

Exposure to price risk:

The Company's exposure to price risk arises from investments held by the Company and is classified in the Balance Sheet through fair value through statement of Profit and Loss.

Interest rate risk:

Interest rate risk is the risk where changes in market interest rates might adversely affect the Company's financial conditions. The interest rate risk can be viewed from the two perspectives as mentioned below:
a. Earnings perspective – change in net interest income (NII) or net interest margin (NIM) due to change in interest rates.
b. Economic value perspective – change in market value of the company due to change in the company's assets, liabilities and off-balance sheet positions due to variation in interest rates.

The board has established limits on the interest rate gaps for stipulated periods. The management monitors these gaps on a regular basis to ensure that the positions are maintained within the established limits.

The exposure of the Company's borrowings to interest rate changes as at the end of the reporting period are as follows:

Particulars	As at March 31, 2024*	As at March 31, 2023*
Variable rate borrowings	2,41,834.86	1,65,035.27
Fixed rate borrowings	2,27,193.69	1,50,134.73
Total borrowings	**4,69,028.55**	**3,15,170.00**

* The Principal outstanding amount as on March 31, 2024 and as on March 31, 2023 respectively is considered above.

The Company had the following variable rate borrowings outstanding:

Particulars	As at March 31, 2024	As at March 31, 2023
Weighted average cost	10.70%	10.60%
Outstanding balance*	2,41,834.86	1,65,035.27
% of total borrowings	51.56%	52.36%
Sensitivity :	**Impact on profit or loss**	
Particulars	**As at March 31, 2024**	**As at March 31, 2023**
Interest rate - increase by 1%**	(2,055.06)	(1,166.67)
Interest rate - decrease by 1%**	2,055.06	1,166.67

* The Principal outstanding amount as on March 31, 2024 and as on March 31, 2023 respectively is considered above.

** Impact on Statement of Profit and Loss up to 1 year, holding all other variables constant.

Foreign Currency Risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. Foreign currency risk for the Company arises mainly on account of the foreign currency borrowings. The Company manages this foreign currency risk by entering into cross-currency interest rate swaps/ full currency swaps and forward contracts. When a derivative is entered into for the purpose of being as hedge, the company negotiates the terms of those derivatives to match with the terms of the hedge exposure. The Company's policy is to fully hedge its foreign currency borrowings at the time of drawdown and remain so till repayment.

The Company holds the derivative financial instruments such as cross-currency interest rate swaps, full currency swaps to mitigate the risk of changes in exchange rate in foreign currency and floating interest rate. The counterparty for these contracts is generally a bank. These derivative financial instruments are valued based on the quoted prices for similar assets and liabilities in active markets or inputs that are directly or indirectly observable in the market place.

d. Operational Risk

Operational risk is the risk of loss arising from systems failure, human error, fraud or external events. When controls fail to operate effectively, operational risks can cause damage to reputation, have legal or regulatory implications, or may lead to financial loss. The Company cannot expect to eliminate all operational risks, but it endeavours to manage these risks through a control framework and by monitoring and responding to potential risks. Controls include maker-checker controls, effective segregation of duties, access, authorisation and reconciliation procedures, staff education and assessment processes, such as the use of internal audit.

Capital Management:

The Company's capital management objective is primarily to safeguard the business continuity. The Company's capital raising policy is aligned to the macro-economic situations and incidental risk factors. The Company's cashflows are regularly monitored in sync with the annual operating plans and the long-term and other strategic investment plans. The operational funding requirements are met through debt and operating cash flows generated. The company believes that this approach would create shareholder value in the long run. Also, the company has adopted a conservative approach for ALM management with primacy to adequate liquidity. At present, a large portion of the company's resource base is equity. Therefore, the company enjoys a low gearing.

The Company maintains its capital structure in line with the economic conditions and the risk characteristics of its activities and the board reviews the capital position on a regular basis.

Gearing ratio:

Particulars	As at March 31, 2024	As at March 31, 2023
The gearing ratio at each date were as follows:		
Debt securities	1,39,483.13	1,14,434.45
Borrowings (other than debt securities)	3,22,322.27	2,00,459.00
Subordinated liabilities	3,519.13	-
Total debt	**4,65,324.53**	**3,14,893.45**
Total equity*	**1,43,836.17**	**98,404.31**
Debt to equity ratio	**3.23**	**3.20**

*Total equity = Equity share capital + Other equity

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UGRO CAPITAL LIMITED

52.Details of all collaterals used as security for liabilities **(Rupees in lakh)**

Particulars	Carrying amount of financial assets pledged	
	As at March 31, 2024	As at March 31, 2023
Assets type:		
1. Loans receivable as collateral under lending agreements	4,79,257.00	3,42,953.54
2. Loans receivable as collateral under PTC agreements	2,306.96	2,306.96
3. Fixed deposits with original maturity of less than 3 months as collateral under lending agreements	100.41	-
4. Fixed deposits as collateral under lending agreements (apart from point no. 3 above and 5 below)	23,160.36	9,124.95
5. Fixed deposits as collateral for liabilities arising out of securitization transactions resulting into recording of borrowings	2,126.73	2,096.91

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UGRO CAPITAL LIMITED

53. Income tax

(Rupees in lakh)

a. The major components of tax expense for the year ended March 31, 2024 and March 31, 2023:

Sr.	Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
1	**Statement of profit and loss:**		
	Profit and loss section:		
	Current income tax:		
	Tax for current year as per minimum alternate tax	3,647.61	2,298.62
	Deferred tax :		
	Tax expense on origination and reversal of temporary differences	2,477.20	1,828.08
	Excess/ short provision of tax of earlier years:		
	Tax expense for earlier years as per minimum alternate tax	(183.04)	278.50
	Income tax expense reported in the Statement of profit and loss	**5,941.77**	**4,405.20**
2	**Other comprehensive income (OCI) section:**		
	Deferred tax:		
	Net (loss)/ gain on remeasurement of defined benefit obligations	(11.85)	(7.00)
	The effective portion of gains and loss on hedging instrument in a cash flow hedge	(213.91)	13.20
	Income tax expense/(gain) reported in the OCI section	**(225.76)**	**6.20**

b. Reconciliation of effective tax rate:

Sr.	Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
1	Profit before tax as per books	17,876.25	8,382.84
2	Book profit as per MAT	3,000.63	13,156.03
3	Applicable income tax rate	29.12%	29.12%
4	Tax rate as per MAT	17.47%	17.47%
5	**Tax at the applicable income tax rate on profit before tax (A)**	5,205.56	2,441.08
6	**Tax effect of amounts not deductible/not taxable while calculating taxable income**		
	-Corporate social responsibility	10.32	15.29
	-Interest /penalty on TDS	2.83	-
	-Other adjustments	32.07	59.21
	-Impact on account of brought forward losses	690.99	1,889.62
	Total of adjustments (B)	**736.21**	**1,964.12**
7	**Total tax impact (excl. MAT related adjustments) (C) = (A) - (B)**	**5,941.77**	**4,405.20**
8	Tax under MAT (Current Tax)	3,464.57	2,577.12
9	**Less: MAT credit entitlement (D)**	**(3,464.57)**	**(2,577.12)**
10	**Total Deferred tax (E) = (D) - (C)**	**2,477.20**	**1,828.08**
11	**Total Tax expense/(refund)**	**5,941.77**	**4,405.20**

* The applicable tax rate is the rate prescribed under the Income tax act, 1961.

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UGRO CAPITAL LIMITED

53. Income tax (continued)

(Rupees in lakh)

c. Components of deferred tax assets and liabilities recognised in the Balance Sheet and Statement of profit and loss:

Sr.	Particulars	Balance sheet		Statement of profit and loss and other comprehensive income	
		As at March 31, 2024	As at March 31, 2023	For the year ended March 31, 2024	For the year ended March 31, 2023
A	**Deferred tax assets (DTA)**				
1	Provision for compensated absences	256.77	175.91	80.86	92.19
2	Provision for gratuity	88.91	50.04	38.87	25.68
3	Deferred revenue income - processing fees allowed upfront in income tax	707.18	1,740.14	(1,032.96)	903.77
4	Provision for impairment losses on financial instruments	3,488.29	2,628.18	860.11	1,379.06
5	Lease rentals expense under Ind AS 116	176.50	93.63	82.87	(6.62)
6	Preliminary expenses	-	7.13	(7.13)	(62.69)
7	Disallowance on account of Employee stock options scheme outstandi	217.44	217.44	-	(0.00)
8	Unutilised minimum alternate tax credit entitlement	7,537.88	4,105.37	3,432.51	2,518.03
9	Income tax losses carried forward	5,905.96	3,025.64	2,880.32	169.13
10	Provision for bonus	174.72	349.44	(174.72)	145.60
11	Provision for long term incentive plan	176.66	67.86	108.80	67.86
12	Others	200.73	-	200.73	(1.36)
13	**Total (A)**	**18,931.04**	**12,460.78**	**6,470.26**	**5,230.65**
B	**Deferred tax liabilities (DTL)**				
1	Difference in written down value of property, plant and equipment and intangible assets	569.59	342.76	226.83	123.92
2	Receivables on EIS Direct assignment and Co-lending transactions	11,215.41	4,200.47	7,014.94	3,752.72
3	Unrealised gain/ (loss) on investments	-	-	-	0.00
4	Prepaid fees/ charges on debt securities allowed upfront in income tax	821.18	542.37	278.81	194.17
5	Prepaid fees/ charges on borrowings allowed upfront in income tax	1,778.92	991.55	787.37	366.97
6	Deferred loan sourcing cost allowed upfront in income tax	4,244.46	3,819.62	424.84	2,610.51
7	Others	5.54	16.65	(11.11)	16.65
8	**Total (B)**	**18,635.10**	**9,913.42**	**8,721.68**	**7,064.94**
C	**Deferred tax asset/ (liability)**	**295.94**	**2,547.36**	-	-
D	**Deferred tax expense/ (benefit)**	-	-	**2,251.42**	**1,834.29**

d. Unrecognised deductible temporary differences, unused tax losses and unused tax credits :

There are no deductible temporary differences, unused tax losses and unused tax credits for which deferred tax assets have not been recognised.

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54. Fair value of financial instruments :

(Rupees in lakh)

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions, regardless of whether that price is directly observable or estimated using a valuation technique.

Ind AS 107, 'Financial Instruments - Disclosure' requires classification of the valuation method of financial instruments measured at fair value in the Balance sheet using a three-level fair-value-hierarchy (which reflects the significance of inputs used in the measurements). The hierarchy gives the highest priority to un-adjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair-value-hierarchy under Ind AS 107 are described below:

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and place limited reliance on the entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

a. Fair value hierarchy of financial instruments classified in amortised cost category:

Particulars	Fair value as on March 31, 2024			Carrying value as on March 31, 2024	Fair Value as on March 31, 2023			Carrying value as on March 31, 2023
	Level 1	Level 2	Level 3		Level 1	Level 2	Level 3	
Assets								
Loans	-	-	5,35,641.89	5,54,970.39	-	-	3,80,707.90	3,89,436.20
Investments	4,045.16	-	-	4,227.29	4,069.86	-	-	4,262.60
Other financial assets (Refer Note 7)	-	-	2,024.35	2,024.35	-	-	2,534.41	2,534.41
Total	**4,045.16**	**-**	**5,37,666.24**	**5,61,222.03**	**4,069.86**	**-**	**3,83,242.31**	**3,96,233.21**
Liabilities								
Debt securities	-	1,40,328.80	-	1,39,483.13	-	1,13,013.35	-	1,14,434.45
Borrowings (other than debt securities)	-	3,26,648.21	-	3,22,322.27	-	2,04,193.98	-	2,00,459.00
Subordinated Liabilities	-	3,698.41	-	3,519.13	-	-	-	-
Other financial liabilities (Refer Note 22)	-	-	7,654.85	7,654.85	-	-	7,501.83	7,501.83
Total	**-**	**4,70,675.42**	**7,654.85**	**4,72,979.38**	**-**	**3,17,207.33**	**7,501.83**	**3,22,395.28**

There were no transfers between Level 1 and Level 2 during the year.

Valuation methodologies of financial instruments not measured at fair value:

Short-term financial assets and liabilities:

For financial assets and financial liabilities that are of short-term nature, the carrying amount itself is considered as its fair value. Such instruments include: other financial assets and other financial liabilities.

Loans and advances to customers:
The fair values of loans and receivables are calculated using a portfolio-based approach, grouping loans as far as possible into homogenous groups based on similar characteristics. The fair value is then extrapolated to the portfolio using discounted cash flow models that incorporate interest rate estimates considering all significant characteristics of the loans. For loans having contractual residual maturity less than one year, the carrying value has been considered as fair value.
Impairment loss allowance and adjustments related to effective interest rate are not part of above disclosure.

Debt securities and Borrowings:

The fair values of these instruments are estimated by determining the price of the instrument taking into consideration the origination date, maturity date, coupon rate, actual or approximation of frequency of interest payments and incorporating the actual or estimated/ proxy yields of identical or similar instruments through the discounting factor. For instruments, having contractual residual maturity less than one year, the carrying value has been considered as fair value.

b. Fair value hierarchy of financial instruments classified in fair value through profit or loss (FVTPL) category:

Particulars	Fair value as on March 31, 2024			Carrying value as on March 31, 2024	Fair Value as on March 31, 2023			Carrying value as on March 31, 2023
	Level 1	Level 2	Level 3		Level 1	Level 2	Level 3	
Assets								
Investments in mutual funds	-	-	-	-	-	-	-	-
Investments in security receipts	-	1,692.13	-	1,692.13	-	1,748.92	-	1,748.92
Total	**-**	**1,692.13**	**-**	**1,692.13**	**-**	**1,748.92**	**-**	**1,748.92**

There were no transfers between Level 1 and Level 2 during the year.

c. Fair value hierarchy of financial instruments classified in fair value through other comprehensive income (FVTOCI) category:

Particulars	Fair value as on March 31, 2024			Carrying value as on March 31, 2024	Fair Value as on March 31, 2023			Carrying value as on March 31, 2023
	Level 1	Level 2	Level 3		Level 1	Level 2	Level 3	
Liabilities								
Derivative financial instruments	-	65.00	-	65.00	-	9.27	-	9.27
Total	**-**	**65.00**	**-**	**65.00**	**-**	**9.27**	**-**	**9.27**

There were no transfers between Level 1 and Level 2 during the year.

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55. Maturity profile of assets and liabilities:

(Rupees in lakh)

Particulars	As at March 31, 2024			As at March 31, 2023		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Assets:						
Financial assets:						
Cash and cash equivalents	8,835.15	-	8,835.15	4,014.77	-	4,014.77
Bank balances other than cash and cash equivalents above	33,073.54	3,579.37	36,652.91	10,831.75	6,334.39	17,166.14
Loans	2,04,727.29	3,38,493.74	5,43,221.03	1,43,460.05	2,37,176.16	3,80,636.21
Investments	-	5,918.60	5,918.60	-	6,010.69	6,010.69
Other financial assets (Refer Note 7)	741.09	1,280.10	2,021.19	1,800.39	730.84	2,531.23
Non-financial assets:						
Current tax assets (net)	275.18	-	275.18	203.78	-	203.78
Deferred tax asset (net)	-	295.94	295.94	-	2,547.36	2,547.36
Property, plant and equipment	-	449.60	449.60	-	379.30	379.30
Non-current assets held for sale	10,142.11	-	10,142.11	2,194.55	-	2,194.55
Right of use asset	1,296.02	3,479.06	4,775.08	922.46	2,441.62	3,364.08
Capital work in progress	-	-	-	2.82	-	2.82
Intangible assets under development	-	-	-	1,431.41	-	1,431.41
Other intangible assets	-	7,760.87	7,760.87	-	4,741.53	4,741.53
Other non-financial assets (Refer Note 16)	6,374.84	1,275.45	7,650.29	4,721.27	613.54	5,334.81
Total	**2,65,465.22**	**3,62,532.73**	**6,27,997.95**	**1,69,583.25**	**2,60,975.43**	**4,30,558.68**
Liabilities:						
Financial liabilities:						
Derivative financial instruments	-	65.00	65.00	9.27	-	9.27
(A) Trade payables	-	-				
(i) Total outstanding dues of micro enterprises and small enterprises	448.65	-	448.65	145.97	-	145.97
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	821.57	-	821.57	1,168.80	-	1,168.80
(B) Other payables	-	-				
(i) Total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	89.85	-	89.85	96.78	-	96.78
Debt securities	34,189.54	1,05,293.59	1,39,483.13	68,107.94	46,326.51	1,14,434.45
Borrowings (other than debt securities)	1,34,688.02	1,87,634.25	3,22,322.27	79,954.55	1,20,504.45	2,00,459.00
Subordinated Liabilities	19.13	3,500.00	3,519.13	-	-	-
Other financial liabilities (Refer Note 22)	3,491.25	4,163.60	7,654.85	4,523.66	2,978.17	7,501.83
Non-financial liabilities:						
Current tax liabilities (net)	2,895.67	-	2,895.67	1,567.77	-	1,567.77
Provisions	4,800.08	1,187.09	5,987.17	5,233.81	775.92	6,009.73
Other non-financial liabilities (Refer Note 25)	874.49	-	874.49	760.77	-	760.77
Total	**1,82,318.25**	**3,01,843.53**	**4,84,161.78**	**1,61,569.32**	**1,70,585.05**	**3,32,154.37**

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56. Changes in liabilities arising from financing activities:

(Rupees in lakh)

Disclosure pursuant to Ind AS 7, Statement of Cash Flows - changes in liabilities arising from financing activities:

Particulars	As at April 01, 2023	Cash inflow/ (outflow)	Creation of right of use assets*	As at March 31, 2024
Debt securities	1,14,434.45	25,048.68	-	1,39,483.13
Borrowings (other than debt securities)	2,00,459.00	1,21,863.27	-	3,22,322.27
Subordinated Liabilities	-	3,519.13	-	3,519.13
Other financial liabilities				
Lease liabilities	3,518.15	(1,270.48)	2,962.23	5,209.90

*The figures represent net of creation, remeasurement and deletion of right of use assets.

Particulars	As at April 01, 2022	Cash inflow/ (outflow)	Creation of right of use assets*	As at March 31, 2023
Debt securities	70,376.77	44,057.68	-	1,14,434.45
Borrowings (other than debt securities)	1,09,807.09	90,651.91	-	2,00,459.00
Other financial liabilities				
Lease liabilities	2,858.76	(781.38)	1,440.77	3,518.15

*The figures represent net of creation, remeasurement and deletion of right of use assets.

57. Financial assets are transferred but not derecognised in their entirety:

a. Securitisation

Particulars	As at March 31, 2024		As at March 31, 2023	
	Financial assets at amortised cost	Financial assets at FVTPL	Financial assets at amortised cost	Financial assets at FVTPL
Carrying amount of assets*	6,846.81	-	18,252.35	-
Carrying amount of associated Liabilities*	3,843.26	-	16,339.99	-
For those liabilities that have recourse only to the transferred financial assets				
Fair value of assets (A)	6,827.36	-	18,348.09	-
Fair value of associated liabilities (B)	3,842.74	-	16,385.17	-
Net position (C) = (A - B)	**2,984.62**	-	**1,962.92**	-

* The amount disclosed above represent the principal outstanding as on March 31, 2024 and as on March 31, 2023 respectively.

b. Assignment and Colending

The Company has sold some loans (measured at amortised cost) by way of direct bilateral assignment and co-lending, as a source of finance.
As per the terms of these deals, since substantial risk and rewards related to these assets were transferred to the buyer, the assets have been de-recognised from the Company's balance sheet.
The table below summarises the carrying amount of the derecognised financial assets measured at amortised cost and the gain/ (loss) on derecognition, per type of asset.

Particulars	As at March 31, 2024	As at March 31, 2023
Carrying amount of de-recognised financial asset	2,47,341.82	1,44,807.71
Carrying amount of retained asset at amortised cost	58,926.10	31,866.75
Net gain on sale of the de-recognised financial asset*	30,746.33	15,407.22

*It represents net gain on derecognition of financial asset for the year ended March 31, 2024 and March 31, 2023.

58. Events after the reporting period

There have been no events after the reporting date that require adjustments or disclosure in these financial statements.

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(Rupees in lakh)

59. Disclosure under Regulation 34(3) and 53(f) of the Securities And Exchange Board of India (Listing Obligations And Disclosure Requirements) Regulations, 2015:

Particulars	As at March 31, 2024	As at March 31, 2023
a) Loans and advances in the nature of loans to Subsidiaries		
Name of the Company	Not Applicable	Not Applicable
Amount	-	-
b) Loans and advances in the nature of loans to Associates		
Name of the Company	Not Applicable	Not Applicable
Amount	-	-
c) Loans and advances in the nature of loans to Firms/Companies in which directors are interested		
Name of the Company	Not Applicable	Not Applicable
Amount	-	-
d) Investments by the loanee in the shares of parent Company and subsidiary Company, when the Company has made a loan or advance in the nature of loan.	Not Applicable	Not Applicable

60. Disclosures as required by the Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 issued by the Reserve Bank of India ("RBI") vide their Notification No. RBI/DoR/2023-24/106 DoR.FIN.REC.No.45/03.10.119/2023-24 dated October 19, 2023 (the "Notification"), as updated from time to time.

a. Capital to risk assets ratio (CRAR)

Particulars		As at March 31, 2024	As at March 31, 2023
i)	CRAR (%)	20.75	20.23
ii)	CRAR - Tier I capital (%)	19.50	19.63
iii)	CRAR - Tier II capital (%)	1.25	0.60
iv)	Amount of subordinated debt raised as Tier-II capital	3,500	-
v)	Amount raised by issue of perpetual debt instruments	-	-

b. Investments

Particulars		As at March 31, 2024	As at March 31, 2023
(1)	Value of investments		
	i. Gross value of investments		
	(a) In India	5,919.42	6,011.52
	(b) Outside India,	-	-
	ii. Provision for depreciation		
	(a) In India	0.82	0.83
	(b) Outside India,	-	-
	iii. Net value of investments		
	(a) In India	5,918.60	6,010.69
	(b) Outside India.	-	-
(2)	Movement of provisions held towards depreciation on investments.		
	Opening balance	0.83	0.84
	Add : provisions made during the year	-	-
	Less : Write-off/ write-back of excess provisions during the year	0.01	0.01
	Closing balance	0.82	0.83

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(Rupees in lakh)

c. Derivatives

1. Forward Rate Agreement (FRA)/ Interest Rate Swap (IRS)

Sr No.	Particulars	As at March 31, 2024	As at March 31, 2023
I	The Notional principal of swap agreement	37,694.23	23,746.43
II	Losses which would be incurred if counterparties failed to fulfil their obligations under the agreement	-	-
III	Collateral required by the Company upon entering into swaps	-	-
IV	Concentration of credit risk arising from the swaps	-	-
V	The fair value of the swap book (Asset/(liability))	(65.00)	(9.27)

2. Exchange traded interest rate (IR) derivatives

The Company has not entered into any exchange traded derivative.

3. Disclosures on risk exposure in derivatives

Qualitative disclosures

I. The Company undertakes the derivative transactions to prudently hedge the risk in context of a particular borrowing or diversify sources of borrowing and to maintain fixed and floating borrowing mix. The Company does not indulge into any derivative trading transaction. The Company reviews the proposed transaction and outlines any consideration associated with the transaction, including identification of the benefits and potential risks (worst case scenario) ; an independent analysis of potential savings from the proposed transaction. The Company evaluates all the risks inherent in the transaction viz. , counter party risk , market risk, operational risk, basis risk etc.

II. Credit risk is controlled by restricting the counter parties that the Company deals with, to those who either have banking relationship with the Company or are internationally reowned or can provide sufficient information. Market/ price risk arising from the fluctuation of interest rates and foreign exchange rates or from other factors shall be closely monitored and controlled. Normally transaction entered for hedging, will run over the life of the underlying instrument, irrespective of profit or loss. Liquidity risk is controlled by restricting counter parties to those who have adequate facility, sufficient information and sizable trading capacity and capability to enter into transactions in any market around the world.

III. The respective functions of trading, confirmation and settlement should be performed by different personnel. The front-office and the back-office roles are well defined and segregated. All the derivative transactions are quarterly monitored and reviewed. All the derivative transactions have to be reported to the Board of Directors on every quarterly board meetings including their financial positions.

IV. Accounting policy - Refer Note No. 2B(15)

Quantitative Disclosures

Sr. No.	Particulars	As at March 31, 2024		As at March 31, 2023	
		Currency Derivatives*	Interest Rate Derivatives	Currency Derivatives*	Interest Rate Derivatives
I	Derivative (Notional Principal Amount) - For Hedging	37,694.23	-	23,746.43	-
II	Marked to market position (a) Asset [+] Estimated Gain	-	-	-	-
	(b) Liability [-] Estimated Loss	(65.00)	-	(9.27)	-
III	Credit Exposure	37,629.23	-	23,737.16	-
IV	Unhedged exposures	-	-	-	-

* Cross-currency interest rate swap and full currency swap





d. Asset liabilities management maturity pattern of certain items of asset and liabilities (at book values) as at March 31, 2024 as follow:

(Rupees in lakh)

Particulars	1 to 7 days	8 to 14 days	15 days to 30/31 days	Over 1 month & upto 2 Months	Over 2 months & upto 3 months	Over 3 months & upto 6 months	Over 6 months & upto 1 year	Over 1 year & upto 3 years	Over 3 years & upto 5 years	Over 5 years	Total
Assets											
Advances*	16,513.38	5,506.87	27,452.03	30,241.37	41,737.26	29,539.34	53,737.04	1,71,346.86	1,19,003.91	59,892.33	5,54,970.39
Investments**	-	-	-	-	-	-	-	5,919.42	-	-	5,919.42
Liabilities											
Borrowings :											
Borrowings (other than debt securities)	4,529.40	49.91	4,592.91	9,478.60	15,410.70	28,342.85	72,283.65	1,40,097.64	47,536.61	-	3,22,322.27
Debt securities	-	-	2,686.71	1,540.27	2,460.10	11,430.70	16,071.76	75,205.98	30,087.61	-	1,39,483.13
Subordinated Debt	-	-	19.13	-	-	-	-	-	-	3,500.00	3,519.13

* Impairment loss allowance of Rs 11,749.36 lakh on advances is not a part of the above disclosure.
** Impairment loss allowance of Rs 0.82 lakh on investments is not a part of the above disclosure.

Asset liabilities management maturity pattern of certain items of asset and liabilities (at book values) as at March 31, 2023 as follow :

Particulars	1 to 7 days	8 to 14 days	15 days to 30/31 days	Over 1 month & upto 2 Months	Over 2 months & upto 3 months	Over 3 months & upto 6 months	Over 6 months & upto 1 year	Over 1 year & upto 3 years	Over 3 years & upto 5 years	Over 5 years	Total
Assets											
Advances*	10,495.73	3,542.47	17,234.03	22,353.02	26,466.63	24,592.81	38,775.37	1,27,824.46	45,309.97	72,841.71	3,89,436.20
Investments								3,311.04	2,700.48		6,011.52
Liabilities											
Borrowings :											
Borrowings (other than debt securities)	2,734.91	149.66	3,153.01	9,158.79	10,977.88	19,640.91	34,139.40	94,418.75	25,991.54	94.15	2,00,459.00
Debt securities	-	-	3,917.39	4,812.51	11,922.07	8,270.72	39,185.25	33,039.57	13,286.94	-	1,14,434.45

* Impairment loss allowance of Rs 8,799.99 lakh on advances is not a part of the above disclosure.
** Impairment loss allowance of Rs 0.83 lakh on investments is not a part of the above disclosure.

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e. Exposures:

(Rupees in lakh)

Category			As at March 31, 2024	As at March 31, 2023
1	**Exposure to real estate sector:**			
	A. Direct exposure			
	(i)	**Residential mortgages:***		
		Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented. Exposure would also include non-fund based (NFB) limits.	1,81,970.19	1,25,965.38
	(ii)	**Commercial real estate:**		
		Lending secured by mortgages on commercial real estates (office buildings, retail space, multi-purpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non-fund based (NFB) limits.	-	-
	(iii)	**Investments in mortgage backed securities (MBS) and other securitised exposures:**		
		a. Residential	-	-
		b. Commercial real estate	-	-
	B. Indirect exposure			
	(i)	Fund based and non-fund-based exposures on National Housing Bank and Housing Finance Companies	-	-
Total exposure to real estate sector			**1,81,970.19**	**1,25,965.38**

* These comprise of properties held as underlying security at gross exposure at default.

Particulars			As at March 31, 2024	As at March 31, 2023
2	**Exposure to capital market:**			
	(i)	direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual fund the corpus of which is not exclusively invested in corporate debt.	-	-
	(ii)	advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds.	-	-
	(iii)	advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security.	-	-
	(iv)	advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds 'does not fully cover the advances.	-	-
	(v)	secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers.	-	-
	(vi)	loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources.	-	-
	(vii)	bridge loans to companies against expected equity flows / issues.	-	-
	(viii)	underwriting commitments taken up by the NBFCs in respect of primary issue of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds		
	(ix)	financing to stockbrokers for margin trading		
	(x)	All exposures to Alternative Investment Funds: (i) Category I (ii) Category II (iii) Category III	-	-
Total exposure to capital market			-	-

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e. Exposures (continued) :

(Rupees in lakh)

3. Sectoral exposure

Sectors	As at March 31, 2024			As at March 31, 2023		
	Total Exposure (includes on balance sheet and off-balance sheet exposure)	Gross NPAs	Percentage of Gross NPAs to total exposure in that sector	Total Exposure (includes on balance sheet and off-balance sheet exposure)	Gross NPAs	Percentage of Gross NPAs to total exposure in that sector
1. Agriculture and Allied activities	**13,307.17**	-	**0.00%**	**5,919.17**	-	**0.00%**
2. Industry						
i. Food Processing	32,861.82	1,190.38	3.62%	30,497.09	452.23	1.48%
ii. Textiles	39,390.44	1,402.10	3.56%	28,988.78	181.59	0.63%
iii. Wood & Wood Products	13,873.66	353.74	2.55%	11,023.11	60.66	
iv. Paper & Paper Products	14,388.36	192.58	1.34%	12,986.63	49.25	0.38%
v. Rubber, Plastic & their Products	21,881.92	504.40	2.31%	17,770.15	104.63	0.59%
vi. Chemicals & Chemical Products	8,507.40	451.19	5.30%	10,939.76	332.64	
vii. Basic Metal & Metal Product	33,398.34	543.46	1.63%	30,073.73	92.19	0.31%
viii. Vehicles, Vehicle Parts & Transport Equipment	9,044.46	850.59	9.40%	9,489.40	648.55	
ix. All Engineering	20,044.93	776.61	3.87%	31,274.15	871.79	2.79%
x. Others	2,45,365.66	3,797.06	1.55%	1,46,860.98	2,061.64	1.40%
Total of industry (i+ii+iii+iv+v+vi+vii+viii+ix+x)	**4,38,756.99**	**10,062.11**	**2.29%**	**3,29,903.78**	**4,855.17**	**1.47%**
3. Services						
i. Transport Operators	17,138.65	458.35	2.67%	6,335.11	22.11	0.35%
ii. Other Services	1,90,529.22	3,186.76	1.67%	1,23,725.47	1,438.51	1.16%
iii. Tourism, Hotel and Restaurants	33,222.60	641.87	1.93%	19,947.55	401.61	2.01%
iv. Professional Services	36,717.22	444.21	1.21%	19,056.02	177.41	0.93%
v. Wholesale Trade (other than Food Procurement)	82,683.58	1,457.82	1.76%	42,753.86	804.67	1.88%
vi. Retail Trade	83,892.12	1,587.67	1.89%	53,264.22	1,684.20	3.16%
vii. Others	8,377.36	644.00	7.69%	7,165.51	517.26	7.22%
Total of services (i+ii+iii+iv+v+vi+vii)	**4,52,560.75**	**8,420.68**	**1.86%**	**2,72,247.74**	**5,045.77**	**1.85%**
4. Personal Loans	-	-	**0.00%**	-	-	**0.00%**
5. Others	-	-	**0.00%**	-	-	**0.00%**

Note:-
1) The above disclosure is prepared basis the principal outstanding of total asset under management and accordingly the comparative details of the previous year is restated.
2) To ensure comparability of the disclosures, details of sectors where exposure to a particular sector or industry is less than 10% of Tier 1 capital in the relevant financial year is also disclosed.

4. Intra-group exposures

The Company is a standalone entity hence there is no intra group exposure.

5. Unhedged foreign currency exposure

The Company does not have any unhedged foreign currency exposure.

6. Details of financing of parent company products:

The Company does not have any parent company hence, this clause is not applicable.

7. Details of single borrower limit (SBL)/ group borrower limit (GBL) exceeded by the Company:

Particulars	As at March 31, 2024	As at March 31, 2023
Single borrower limit (SBL)/ group borrower limit (GBL) exceeded by the Company.	-	-

8. Unsecured advances:

Details of unsecured advances the rights, licenses, authorisations, etc. charged to the applicable NBFCs as collateral in respect of projects (including infrastructure projects) financed by the Company.

Particulars	As at March 31, 2024	As at March 31, 2023
Advances against securities of intangible assets	-	-

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f. Miscellaneous:

(Rupees in lakh)

1. Registration obtained from other financial sector regulators:

Particulars	Type	Number Reference
Insurance Regulatory And Development Authority of India	Corporate Agent	CA0733

2. Disclosure of penalties imposed by RBI and other regulators:

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Securities and Exchange Board of India*	1.17	-

*the penalties were levied prima facie for instances of delayed submissions of intimations with stock exchanges about certain routine matters like CP redemption, record date intimation etc. which does not have material impact on the Company.

During the previous year, there are no penalties imposed by the RBI and other regulators.

3. Related party transactions:

Details of all material transactions with related parties has been given in note 44 of the financial statements.

4. Ratings assigned by credit rating agencies and migration of ratings for the year ended March 31, 2024:

Rating agency	Type	Rating FY 23-24	Rating FY 22-23
India Ratings & Research Private Limited	Bank loans (long term)	IND A/Stable	IND A/Stable
India Ratings & Research Private Limited	Non-Convertible Debentures	IND A/Stable	-
India Ratings & Research Private Limited	Sub-debt	IND A/Stable	-
India Ratings & Research Private Limited	Commercial Paper	IND A1	-
CRISIL Ratings Limited	Bank loans (long term)	CRISIL A/Stable	CRISIL A-/Positive
CRISIL Ratings Limited	Non-Convertible Debentures	CRISIL A/Stable	CRISIL A-/Positive
CRISIL Ratings Limited	Principal Protected Market Linked Debentures (Long Term)	CRISIL PPMLD A/Stable	CRISIL PPMLD A-/Positive
CRISIL Ratings Limited	Commercial paper	CRISIL A1	CRISIL A1
CRISIL Ratings Limited	Tier II Bond	-	CRISIL A-/Positive
Acuite Rating & Research Limited	Bank loans (long term)	-	ACUITE A/Stable
Acuite Rating & Research Limited	Commercial paper (short term)	-	ACUITE A1
Acuite Rating & Research Limited	Non- convertible debentures (long term) (Market Linked Debentures)	PP-MLD/ACUITE AA-/CE/Stable	PP-MLD/ACUITE AA-/CE/Stable
Acuite Rating & Research Limited	Non- convertible debentures (long term) (Market Linked Debentures)	PP-MLD/ACUITE A/Stable	PP-MLD/ACUITE A/Stable
Acuite Rating & Research Limited	Non- convertible debentures (long term)	ACUITE A / stable	ACUITE A / stable

5. Remuneration of directors:

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Transactions with the Independent directors Directors' Sitting Fees	153.00	189.00

Refer Note 44 for remuneration to executive directors.

6. During the year there are no changes in the accounting policies and no prior period items (refer note no. 2A and 2B).

7. Revenue recognition:

There is no postponement of revenue due to pending resolution of significant uncertainties.

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g. Additional disclosures:

(Rupees in lakh)

1. Provisions and contingencies:

Break up of 'Provisions and Contingencies' shown under the head Expenditure in Profit and Loss Account

Particulars	As at March 31, 2024	As at March 31, 2023
Provision for depreciation on investments	(0.01)	(0.01)
Provision towards NPA	3,646.18	3,091.24
Provision made towards income tax	3,647.61	2,298.62
Provision for depreciation on fixed deposits	4.30	0.18
Provision for standard assets	(696.80)	1,644.35

2. Draw down from reserves:

During the year, the Company has not drawn any amount from the reserves.

3. Concentration of deposits, advances, exposures and NPAs:

(i) Concentration of advances:

Particulars	As at March 31, 2024	As at March 31, 2023
Total advance to twenty largest borrowers	10,962.41	12,050.35
Percentage of advances to twenty largest borrowers to total advances of the Company	2.21%	3.32%

(ii) Concentration of exposures:

Particulars	As at March 31, 2024	As at March 31, 2023
Total exposure to twenty largest borrowers	11,161.21	12,079.77
Percentage of Exposures to twenty largest borrowers to Total Exposure of the Company on borrowers	2.06%	3.20%

(iii) Concentration of NPAs:

Particulars	As at March 31, 2024	As at March 31, 2023
Total exposure to top four NPA accounts	1,562.57	1,447.12

(iv). Sector-wise NPAs:

Sl. No.	Sector	Percentage of NPAs to total advances in that sector	
		As at March 31, 2024	As at March 31, 2023
1	Agriculture & allied activities	-	-
2	MSME	3.07%	2.41%
3	Corporate borrowers	100.00%	100.00%
4	Services	-	-
5	Unsecured personal loans	-	-
6	Auto loans	-	-
7	Other personal loans	-	-

Note: Sector-wise NPA for Corporate borrowers consist of one customer thus resulting in 100% NPA.

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g. Additional disclosures (continued) : **(Rupees in lakh)**

4. Movement of NPAs:

Particulars			As at March 31, 2024	As at March 31, 2023
(i)	Net NPAs to net advances (%)		1.64%	1.31%
(ii)	Movement of NPAs (gross)			
	(a)	Opening balance	9,569.05	5,641.15
	(b)	Additions during the year	14,773.16	5,720.50
	(c)	Reductions during the year	7,194.30	1,792.60
	(d)	Closing balance	17,147.91	9,569.05
(iii)	Movement of Net NPAs			
	(a)	Opening balance	4,988.98	4,152.32
	(b)	Additions during the year	7,821.47	3,530.19
	(c)	Reductions during the year	3,888.79	2,693.53
	(d)	Closing balance	8,921.66	4,988.98
(iv)	Movement of provisions for NPAs (excluding provisions on standard assets)			
	(a)	Opening balance	4,580.07	1,488.83
	(b)	Provisions made during the year	9,135.08	3,357.50
	(c)	Write-off / write-back of excess provisions	5,488.90	266.26
	(d)	Closing balance	8,226.25	4,580.07

5. Overseas assets (for those with joint ventures and subsidiaries abroad):
There are no overseas assets.

6. Off-Balance Sheet SPVs sponsored (which are required to be consolidated as per accounting norms):
There are no off-balance sheet SPVs sponsored by the Company which are required to be consolidated as per accounting norms.

h. Customer complaints:

Sr No.	Particulars	As at March 31, 2024	As at March 31, 2023
(a)	No. of complaints pending at the beginning of the year	5	1
(b)	No. of complaints received during the year	444	175
(c)	No. of complaints redressed during the year	430	171
(d)	No. of complaints pending at the end of the year	19	5

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UGRO CAPITAL LIMITED

i. Disclosure of complaints

(Rupees in lakh)

a. Summary information on complaints received by the NBFCs from customers and from the Offices of Ombudsman:

Particulars	As at March 31, 2024	As at March 31, 2023
Complaints received by the NBFC from its customers		
1. Number of complaints pending at beginning of the year	4	1
2. Number of complaints received during the year	344	148
3. Number of complaints disposed during the year	337	145
3.1 Of which, number of complaints rejected by the NBFC	-	-
4. Number of complaints pending at the end of the year	11	4
Maintainable complaints received by the NBFC from Office of Ombudsman		
5. Number of maintainable complaints received by the NBFC from Office of Ombudsman	100	27
5.1 Of 5, number of complaints resolved in favour of the NBFC by Office of Ombudsman	87	23
5.2 Of 5, number of complaints resolved through conciliation/mediation/advisories issued by Office of Ombudsman	5	3
5.3 Of 5, number of complaints resolved after passing of Awards by Office of Ombudsman against the NBFC	-	-
6. Number of Awards unimplemented within the stipulated time (other than those appealed)	-	-

b. Top five grounds of complaints received by the NBFCs from customers.#

Grounds of complaints, (i.e. complaints relating to)	Number of complaints pending at the beginning of the year	Number of complaints received during the year	% increase/ decrease in the number of complaints received over the previous year	Number of complaints pending at the end of the year	Of 5, number of complaints pending beyond 30 days
1	2	3	4	5	6
Current Year					
Loans and advances	1	95	121%	-	-
Levy of charges without prior notice/ excessive charges/ foreclosure charges	1	104	108%	5	1
Difficulty in operation of accounts	-	9	125%	-	-
Recovery Agents/ Direct Sales Agents	-	43	378%	1	-
Other	3	193	180%	13	-
Total	5	444	154%	19	1
Previous Year					
Loans and advances	1	43	438%	1	1
Levy of charges without prior notice/ excessive charges/ foreclosure charges	-	50	900%	1	1
Difficulty in operation of accounts	-	4	(20%)	-	-
Recovery Agents/ Direct Sales Agents	-	9	800%	-	-
Other	-	69	527%	3	1
Total	1	175	483%	5	3

This also includes complaints raised with RBI.

j. Corporate Governance (refer Corporate Governance section in the annual report)

k. Breach of covenant

During the year ended March 31, 2024 there is no breach of covenant.

Breach in terms of covenant in respect of loan availed by the Company for the year ended March 31, 2023 is as follows:
JM Financial Products Limited had sanctioned a Term Loan of Rs. 4,000 lakh and had stipulated to maintain a CRAR of >20.24%, which was marginally breached by 0.01%, since the CRAR of the Company stood at 20.23% as of March 31, 2023. However, the Company has raised fresh Equity in April 2023 and therefore considering the impact of this event occurring after the Balance Sheet date (Refer Note 60 of Annual Report FY 2022-2023), there is no breach of the covenant. The maturity of the term loan is due on September 29, 2023. There is no material impact on the cost or liquidity of the Company as the Company has already complied with the covenant on a post balance sheet event basis.

l. Divergence in asset classification and provisioning

During the year ended March 31, 2024 no divergence in asset classification and provisioning has been reported.

During the year ended March 31, 2023 the Company underwent routine RBI supervision for the year ended March 31, 2019, March 31, 2020 and March 31, 2021 and no divergence in asset classification and provisioning has been reported.

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UGRO CAPITAL LIMITED

m. Schedule to the Balance Sheet of a NBFC:

(Rupees in lakh)

Particulars			As at March 31, 2024		As at March 31, 2023	
			Amount outstanding	Amount overdue	Amount outstanding	Amount overdue
Liabilities side:						
1	**Loans and advances availed by the non- banking financial company inclusive of interest accrued thereon but not paid:**					
	a	Debentures:				
	i	Secured	1,23,627.37	-	85,495.83	-
	ii	Unsecured	5,247.24	-	661.86	-
		(other than falling within the meaning of public deposits)				
	b	Deferred credits	-	-	-	-
	c	Term loans	3,05,947.29	-	1,96,981.07	-
	d	Inter - corporate loans and borrowings	-	-	-	-
	e	Commercial paper	6,849.59	-	12,146.52	-
	f	Public deposits	-	-	-	-
	g	Other loans	-	-	-	-
	i	Liabilities arising out of securitization transactions	3,758.93	-	16,130.24	-
	ii	Bank overdraft	16,374.99	-	3,477.93	-
	iii	Subordinated Liabilities	3,519.13	-	-	-
2	**Break - up of (1) (f) above (outstanding public deposits inclusive of interest accrued thereon but not paid):**					
	a	In the form of unsecured debentures	-	-	-	-
	b	In the form of partly secured debentures i.e. debentures where there is a shortfall in the value of security	-	-	-	-
	c	Other public deposits	-	-	-	-
Assets Side :			**Amount outstanding**		**Amount outstanding**	
3	**Break - up of gross loans and advances including bills receivables (other than those included in (4) below):**					
	a	Secured	3,21,847.43		2,38,378.61	
	b	Unsecured	2,33,122.96		1,51,057.59	
4	**Break - up of leased assets and stock on hire and other assets counting towards asset financing activities:**					
	a	Lease assets including lease rentals under sundry debtors				
		i. Finance lease	NA		NA	
		ii. Operating lease	NA		NA	
	b	Stock on hire including hire charges under sundry debtors				
		i. Assets on hire	NA		NA	
		ii. Repossessed assets	NA		NA	
	c	Other loans counting towards asset financing activities				
		i. Loans where assets have been repossessed	NA		NA	
		ii. Loans other than (a) above	NA		NA	
5	**Break - up of investments:**					
	Current investments					
	a	Quoted				
		(i) Shares				
		a. Equity	-		-	
		b. Preference	-		-	
		(ii) Debentures and bonds	-		-	
		(iii) Units of mutual funds	-		-	
		(iv) Government securities	-		-	
		(v) Others	-		-	

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UGRO CAPITAL LIMITED

m. Schedule to the Balance Sheet of a NBFC (continued): **(Rupees in lakh)**

Assets Side			**As at March 31, 2024**		**As at March 31, 2023**	
			Amount outstanding		**Amount outstanding**	
5	b	Unquoted				
		(i) Shares				
		a. Equity	-			-
		b. Preference	-			-
		(ii) Debentures and bonds	-			-
		(iii) Units of mutual funds	-			-
		(iv) Government securities	-			-
		(v) Others	-			-
	Long term investments					
	a	Quoted				
		(i) Shares				
		a. Equity	-			-
		b. Preference	-			-
		(ii) Debentures and bonds	4,226.47			4,261.77
		(iii) Units of mutual funds	-			-
		(iv) Government securities	-			-
		(v) Others	-			-
	b	Unquoted				
		(i) Shares				
		a. Equity	-			-
		b. Preference	-			-
		(ii) Debentures and bonds	-			-
		(iii) Units of mutual funds	-			-
		(iv) Government securities	-			-
		(v) Others	1,692.13			1,748.92
6	**Borrower group wise classification of assets financed in (3) and (4) above (gross):**					
	Category		**Amount net of provisions**			
			Secured	**Unsecured**	**Secured**	**Unsecured**
	a	Related parties **				
		i. Subsidiaries	-	-	-	-
		ii. Companies in the same group	-	-	-	-
		iii. Other related parties	-	-	-	-
	b	Other than related parties	3,17,837.63	2,25,383.40	2,35,378.47	1,45,257.74
		Total	**3,17,837.63**	**2,25,383.40**	**2,35,378.47**	**1,45,257.74**
	** As per accounting standard issued by ICAI.					
7	**Investor group wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted):**		**Market Value / Break up or fair value or NAV**	**Book Value (Net of Provisions)**	**Market Value / Break up or fair value or NAV**	**Book Value (Net of Provisions)**
	Category					
	1	Related parties **				
		a. Subsidiaries	-	-	-	-
		b. Companies in the same group	-	-	-	-
		c. Other related parties	-	-	-	-
	2	Other than related parties	5,737.29	5,918.60	5,818.78	6,010.69
		Total	**5,737.29**	**5,918.60**	**5,818.78**	**6,010.69**
	** As per accounting standard issued by ICAI.					
8	**Other information**					
	Particulars		**Amount**		**Amount**	
	a	**Gross non-performing assets:**		**17,147.91**		**9,569.05**
		i. Related parties		-		-
		ii. Other than related parties		17,147.91		9,569.05
	b	**Net non-performing assets:**		**8,921.66**		**4,988.98**
		i. Related parties		-		-
		ii. Other than related parties		8,921.66		4,988.98
	c	**Assets acquired in satisfaction of debt**		**10,142.11**		**2,194.55**

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Notes forming part of the financial statements (continued)
For the year ended March 31, 2024

n. Restructured accounts for the year ended March 31, 2024:

(Rupees in lakh)

Sr.	Type of restructuring		Under CDR Mechanism/ SME Debt Restructuring Mechanism					Others				
	Asset classification		Standard	Sub-standard	Doubtful	Loss	Total	Standard	Sub-standard	Doubtful	Loss	Total
1.	Restructured accounts as on April 1, 2023	No. of borrowers	-	-	-	-	-	-	4	-	-	**4**
		Amount outstanding	-	-	-	-	-	-	604.03	-	-	**604.03**
		Provision thereon	-	-	-	-	-	-	220.79	-	-	**220.79**
2.	Fresh restructuring during the year	No. of borrowers	-	-	-	-	-	-	-	-	-	-
		Amount outstanding	-	-	-	-	-	-	-	-	-	-
		Provision thereon	-	-	-	-	-	-	-	-	-	-
3.	Upgradations to restructured standard category during the year	No. of borrowers	-	-	-	-	-	-	-	-	-	-
		Amount outstanding	-	-	-	-	-	-	-	-	-	-
		Provision thereon	-	-	-	-	-	-	-	-	-	-
4.	Restructured standard advances which cease to attract higher provisioning and/or additional risk weight at the end of the year and hence need not be shown as restructured advances at the beginning of the next year	No. of borrowers	-	-	-	-	-	-	1	-	-	**1**
		Amount outstanding	-	-	-	-	-	-	57.87	-	-	**57.87**
		Provision thereon	-	-	-	-	-	-	6.45	-	-	**6.45**
5.	Downgradation of restructured accounts during the year	No. of borrowers	-	-	-	-	-	-	(2)	2	-	-
		Amount outstanding	-	-	-	-	-	-	(75.02)	74.52	-	**(0.50)**
		Provision thereon	-	-	-	-	-	-	(58.08)	57.71	-	**(0.37)**
6.	Write-offs of restructured accounts during the year	No. of borrowers	-	-	-	-	-	-	-	-	-	-
		Amount outstanding	-	-	-	-	-	-	-	-	-	-
		Provision thereon	-	-	-	-	-	-	-	-	-	-
7.	Others*	No. of borrowers	-	-	-	-	-	-	1	-	-	**1**
		Amount outstanding	-	-	-	-	-	-	5.99	-	-	**5.99**
		Provision thereon	-	-	-	-	-	-	160.82	-	-	**160.82**
8.	Restructured accounts as on March 31, 2024	No. of borrowers	-	-	-	-	-	-	**1**	**2**	-	**3**
		Amount outstanding	-	-	-	-	-	-	**477.13**	**74.52**	-	**551.65**
		Provision thereon	-	-	-	-	-	-	**317.08**	**57.71**	-	**374.79**

* It represents change in amount outstanding on account of adjustment of unapplied receipts and increase in provision thereon.

Restructured accounts For the year ended March 31, 2023:

Sr.	Type of restructuring		Under CDR Mechanism/ SME Debt Restructuring Mechanism					Others				
	Asset classification		Standard	Sub-standard	Doubtful	Loss	Total	Standard	Sub-standard	Doubtful	Loss	Total
1.	Restructured accounts as on April 1, 2022	No. of borrowers	-	-	-	-	-	-	4	-	-	**4**
		Amount outstanding	-	-	-	-	-	-	636.34	-	-	**636.34**
		Provision thereon	-	-	-	-	-	-	79.14	-	-	**79.14**
2.	Fresh restructuring during the year	No. of borrowers	-	-	-	-	-	-	-	-	-	-
		Amount outstanding	-	-	-	-	-	-	-	-	-	-
		Provision thereon	-	-	-	-	-	-	-	-	-	-
3.	Upgradations to restructured standard category during the year	No. of borrowers	-	-	-	-	-		-	-	-	-
		Amount outstanding	-	-	-	-	-		-	-	-	-
		Provision thereon	-	-	-	-	-		-	-	-	-
4.	Restructured standard advances which cease to attract higher provisioning and/or additional risk weight at the end of the year and hence need not be shown as restructured advances at the beginning of the next year	No. of borrowers	-	-	-	-	-	-	-	-	-	-
		Amount outstanding	-	-	-	-	-	-	-	-	-	-
		Provision thereon	-	-	-	-	-	-	-	-	-	-
5.	Downgradation of restructured accounts during the year	No. of borrowers	-	-	-	-	-	-	-	-	-	-
		Amount outstanding	-	-	-	-	-	-	-	-	-	-
		Provision thereon	-	-	-	-	-	-	-	-	-	-
6.	Write-offs of restructured accounts during the year	No. of borrowers	-	-	-	-	-	-	-	-	-	-
		Amount outstanding	-	-	-	-	-	-	-	-	-	-
		Provision thereon	-	-	-	-	-	-	-	-	-	-
7.	Others*	No. of borrowers	-	-	-	-	-	-	4	-	-	**4.00**
		Amount outstanding	-	-	-	-	-	-	(32.31)	-	-	**(32.31)**
		Provision thereon	-	-	-	-	-		141.65	-	-	**141.65**
8	Restructured accounts as on March 31, 2023	No. of borrowers	-	-	-	-	-	-	4	-	-	**4**
		Amount outstanding	-	-	-	-	-	-	**604.03**	-	-	**604.03**
		Provision thereon	-	-	-	-	-	-	**220.79**	-	-	**220.79**

* It represents recovery against the existing 4 accounts and increase in provision thereon.

(Rupees in lakh)

o. Provision under prudential norms of income recognition, asset classification and provisioning (IRACP) as at March 31,2024:

Asset classification as per RBI norms	Asset classification as per Ind AS 109	Gross carrying amount as per Ind AS*	Loss allowances (provisions) as required under Ind AS 109	Net carrying amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
(1)	(2)	(3)	(4)	(5)=(3)-(4)	(6)	(7) = (4)-(6)
Performing assets						
Standard	Stage 1	4,97,943.36	2,973.37	4,94,969.99	1,809.76	1,163.61
	Stage 2	27,731.86	549.74	27,182.12	190.25	359.49
Subtotal		**5,25,675.22**	**3,523.11**	**5,22,152.11**	**2,000.01**	**1,523.10**
Non-performing assets (NPA)						
Substandard	Stage 3	15,446.37	7,532.62	7,913.75	1,554.63	5,977.99
Doubtful - up to 1 year	Stage 3	351.28	146.19	205.09	77.48	68.71
1 to 3 years	Stage 3	1,350.26	547.44	802.82	1,288.95	(741.51)
More than 3 years	Stage 3	-	-	-	-	-
Subtotal for doubtful		**1,701.54**	**693.63**	**1,007.91**	**1,366.43**	**(672.80)**
Loss	Stage 3	-	-	-	-	-
Subtotal for NPA		**17,147.91**	**8,226.25**	**8,921.66**	**2,921.06**	**5,305.19**
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current income recognition, asset classification and provisioning (IRAC) norms	Stage 1	8,660.55	-	8,660.55	-	-
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
Total	**Stage 1**	**5,06,603.91**	**2,973.37**	**5,03,630.54**	**1,809.76**	**1,163.61**
	Stage 2	**27,731.86**	**549.74**	**27,182.12**	**190.25**	**359.49**
	Stage 3	**17,147.91**	**8,226.25**	**8,921.66**	**2,921.06**	**5,305.19**
	Total	**5,51,483.68**	**11,749.36**	**5,39,734.32**	**4,921.07**	**6,828.29**

*The above numbers are reported at gross excluding effective interest rate impact on the same.

Provision under prudential norms of income recognition, asset classification and provisioning (IRACP) as at March 31,2023:

Asset classification as per RBI norms	Asset classification as per Ind AS 109	Gross carrying amount as per Ind AS*	Loss allowances (provisions) as required under Ind AS 109	Net carrying amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
(1)	(2)	(3)	(4)	(5)=(3)-(4)	(6)	(7) = (4)-(6)
Performing assets						
Standard	Stage 1	3,62,278.62	3,845.98	3,58,432.64	1,780.62	2,065.36
	Stage 2	10,447.45	373.94	10,073.51	109.34	264.60
Subtotal		**3,72,726.07**	**4,219.92**	**3,68,506.15**	**1,889.96**	**2,329.96**
Non-performing assets (NPA)						
Substandard	Stage 3	6,740.56	2,893.34	3,847.22	715.05	2,178.29
Doubtful - up to 1 year	Stage 3	2,711.80	1,648.58	1,063.22	2,674.13	(1,025.55)
1 to 3 years	Stage 3	-	-	-	-	-
More than 3 years	Stage 3	-	-	-	-	-
Subtotal for doubtful		**2,711.80**	**1,648.58**	**1,063.22**	**2,674.13**	**(1,025.55)**
Loss	Stage 3	116.68	38.15	78.53	115.99	(77.84)
Subtotal for NPA		**9,569.04**	**4,580.07**	**4,988.97**	**3,505.17**	**1,074.90**
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current income recognition, asset classification and provisioning (IRAC) norms	Stage 1	9,618.89	-	9,618.89	-	-
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
Total	**Stage 1**	**3,71,897.51**	**3,845.98**	**3,68,051.53**	**1,780.62**	**2,065.36**
	Stage 2	**10,447.45**	**373.94**	**10,073.51**	**109.34**	**264.60**
	Stage 3	**9,569.04**	**4,580.07**	**4,988.97**	**3,505.17**	**1,074.90**
	Total	**3,91,914.00**	**8,799.99**	**3,83,114.01**	**5,395.13**	**3,404.86**

*The above numbers are reported at gross excluding effective interest rate impact on the same.

p. Liquidity Risk Management: Refer Note no. 51(b). Liquidity Risk.

q. Loans to Directors, Senior Officers and Relatives of Directors

Particulars	As at March 31, 2024	As at March 31, 2023
Directors and their relatives	-	-
Entities associated with directors and their relatives	-	-
Senior Officers and their relatives*	-	60.00

*This represent aggregate amount of sanctioned loans and advances during the said period.

Sharp & Tannan Associates
ICAI Regn. No. 109983W
Chartered Accountants
UGRO CAPITAL LIMITED

(Rupees in lakh)

61. Disclosures as required by the Master Direction – Reserve Bank of India (Securitisation of Standard Assets) Directions, 2021 issued by the Reserve Bank of India ("RBI") vide their Notification No. RBI/DOR/2021-22/85 DOR.STR.REC.53/21.04.177/2021-22 dated September 24, 2021 (the "Notification"), as updated from time to time.

Details of securitization:

Sr No.	Particulars	As at March 31, 2024	As at March 31, 2023
1	No of SPEs holding assets for securitisation transactions originated by the originator*	10.00	10.00
2	Total amount of securitized assets as per books of the SPEs	6,846.81	18,252.35
3	Total amount of exposures retained by the originator to comply with MRR as on the date of balance sheet		
	a. Off - Balance Sheet exposures		
	First loss	-	-
	Others	-	-
	b. On - balance sheet exposures		
	First loss	2,306.96	2,306.96
	Others	-	-
4	Amount of exposures to securitization transactions other than MRR		
	a. Off - balance sheet exposures		
	i) Exposure to own securitizations		
	First loss	-	-
	Others	-	-
	ii) Exposure to third party securitization		
	First loss	-	-
	Others	-	-
	b. On - balance sheet exposures		
	i) Exposure to own securitizations		
	First loss	2,126.73	2,096.91
	Others	-	-
	ii) Exposure to third party securitization		
	First loss	-	-
	Others	-	-
5	Sale consideration received for the securitised assets and gain/loss on sale on account of securitisation	-	-
	a. Sale consideration received for the securitised assets	-	21,113.89
	b. Gain/loss on sale on account of securitisation	-	-
6	Form and quantum (outstanding value) of services provided by way of, liquidity support, post-securitisation asset servicing, etc	-	-
7	Performance of facility provided.	-	-
	a. Cash Collateral (CC)		
	i) Amount paid	2,050.37	2,050.37
	ii) Repayment received	-	-
	iii) Outstanding amount	2,050.37	2,050.37
	b. Over-Collateralization (OC)		
	i) Amount paid	2,306.96	2,306.96
	ii) Repayment received	-	-
	iii) Outstanding amount	2,306.96	2,306.96
	c. Equity		
	i) Amount paid	515.00	515.00
	ii) Repayment received	-	-
	iii) Outstanding amount	515.00	515.00
8	Average default rate of portfolios observed in the past.	-	-
9	Amount and number of additional/top up loan given on same underlying asset.	-	-
10	Investor complaints (a) Directly/Indirectly received and; (b) Complaints outstanding	-	-

*Only the SPVs relating to outstanding securitization transactions.

Sharp & Tannan Associates ICAI Regn. No. 109983W S91A Chartered Accountants

UGRO CAPITAL LIMITED

(Rupees in lakh)

62 The Company has neither purchased any credit impaired financial assets nor has the company transferred any credit impaired assets to the Asset Reconstruction Company during the financial year 2023-2024 and 2022-2023 in terms of guidelines issued by RBI circular number RBI/DOR/2021-22/86 DOR.STR.REC.51/21.04.048/2021-22 dated September 24, 2021 as updated from time to time. Further, the Company has also not sold any credit impaired financial asset to institutions other than to securitization/reconstruction company (SC/RC).

63 Gold Loans

The Company does not provide any loans on collateral of gold and gold jewellery.

64 RBI circular RBI/2021-22/17 DOR.STR.REC.4/21.04.048/2021-22 dated April 07, 2021.

Under the Circular all the lending institutions were required to refund/adjust the "interest on interest" charged to the borrower during the moratorium period i.e. March 1, 2020 to August 31, 2020 in conformity with the Supreme Court judgement. The status of the same is mentioned in below table.

Sr. No	Particulars	March 31, 2024	March 31, 2023
1	Aggregate amount	14.59	14.59
2	Refunded/adjusted	-	-
3	Outstanding balance	14.59	14.59

65 Disclosures pursuant to Master Direction – Reserve Bank of India (Transfer of Loan Exposures) Directions, 2021 issued by the Reserve Bank of India ("RBI") vide their Notification No. RBI/DOR/2021-22/86 Master Direction DOR.STR.REC.51/21.04.048/2021-22 dated September 24, 2021 (the "Notification") as updated from time to time.

a. Details of transfer through Assignment in respect of loans not in default during the year ended March 31, 2024*:

Sr. No	Particulars	To Banks/ NBFCs
1	Aggregate principal outstanding of loans transferred through assignment (Rs. in lakh)	64,076.75
2	Aggregate consideration received (Rs. in lakh)	64,076.75
3	Weighted average Maturity of Loans (in years)	7.79
4	Weighted average Holding period of Loans (in years)	0.91
5	Retention of Beneficial economic interest (in %)	13.32%
6	Coverage of Tangible security (in %) **	230.21%
7	Rating- wise distribution of rated loans	Non-Rated

Note

* The above table does not include loans transferred by the Company through Co-Lending arrangements.

** For computation of coverage of Tangible Security coverage ratio, the Company has considered only the secured loans

b. The Company has not acquired loans not in default during the year ended March 31, 2024, under the said Notification.

c. The Company has neither transferred nor acquired any stressed loans during the year ended March 31, 2024, under the said Notification.

d. The rating wise distribution of Security Receipts (SRs) held by the Company as on March 31, 2024 is given below:

Ratings	Recovery Rating*	Rating Agency	Amount (in Lakh)
IVR RR1	100% - 150%	Infomerics Valuation and Ratings Private Limited	887.15
BW RR3	100% - 150%	Infomerics Valuation and Ratings Private Limited	804.98

*It indicates the present value of expected recoveries in the specified range of the face value of outstanding SRs.

66 During the year ended March 31, 2024, the Company has transferred loans amounting to Rs. 1,83,265.07 lakh through Co-lending arrangements to the respective participating banks under circular no. RBI/2020-21/63 FIDD.CO.Plan.BC.No.8/04.09.01/2020-21, dated November 05, 2020 pertaining to Co-Lending by Banks and NBFCs to Priority Sector which are akin to Direct assignment transaction.

67 Disclosure on frauds pursuant to the RBI Master Direction- Monitoring of Frauds in NBFCs, Master Direction DNBS. PPD.01/66.15.001/2016-17 dated September 29, 2016 detected and reported to RBI:

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Number of Frauds	3.00	-
Amount involved (Rs. in Lakh)	122.90	-

Sharp & Tannan Associates ICAI Regn. No. 109983W S41A Chartered Accountants

UGRO CAPITAL LIMITED

(Rupees in lakh)

68 Disclosure pursuant to Reserve Bank of India RBI/2020-21/16 DOR.No.BP.BC/3/21.04.048/2020-21 dated August 06, 2020 pertaining to Resolution Framework for COVID-19 related stress read with RBI/2021-22/32 DOR.STR.REC.12/21.04.048/2021-22 dated May 5, 2021 pursuant to Resolution Framework 2.0 - Resolution of Covid-19 related stress of Micro, Small and Medium Enterprises (MSMEs) and disclosure pursuant to Reserve Bank of India Circular RBI/2021-22/31 DOR.STR.REC. 11/21.04.048/2021-22 dated May 5, 2021, pertaining to Resolution Framework - 2.0: Resolution of Covid-19 related stress of individuals and Small Businesses.

Type of borrower	Exposure to accounts classified as Standard consequent to Implementation of resolution plan - Position as at September 30, 2023 (A)	Of (A), aggregate debt that slipped into NPA during the half year ended March 31, 2024	Of (A), amount written off during the half year ended March 31, 2024	Of (A), amount paid by the borrowers during the half year ended March 31, 2024	Exposure to accounts classified as Standard consequent to Implementation of resolution plan - Position as at March 31, 2024*
Personal loans	-	-	-	-	-
Corporate persons	-	-	-	-	-
Of which, MSMEs					
Others	2,907.62	5.89	-	1,566.97	1,334.76
Total	**2,907.62**	**5.89**	**-**	**1,566.97**	**1,334.76**

* Total ECL Provision for the above loans as on March 31, 2024 is Rs 133.48 Lakh.

69 Disclosure as per the format prescribed as per the notification no. RBI/2020-21/17 DOR.NO.BP BC/4/21.04.048/2020-21 dated August 06, 2020 and RBI/2021-22/32 DOR.STR.REC.12/21.04.048/2021-22 dated May 5, 2021 on "Resolution Framework 2.0 – Resolution of Covid-19 related stress of Micro, Small and Medium Enterprises (MSMEs)":

Type of borrower	Year	No. of accounts restructured	Amount outstanding
MSMEs	As at March 31, 2024	47	2,130.50
	As at March 31, 2023	144	4,121.34

70 Previous year figures have been reclassified/ regrouped wherever necessary to conform to/ with the current year classification/ disclosure.

The accompanying notes are an integral part of the financial statements.

For **Sharp & Tannan Associates**
Chartered Accountants
Firm's Registration Number : 109983W

Tirtharaj Khot
Partner
Membership No : (F) 037457

Place : Mumbai
Date : May 02 , 2024

For and on behalf of the Board of Directors of
UGRO CAPITAL LIMITED

Shachindra Nath
Vice Chairman &
Managing Director
DIN : 00510618

Hemant Bhargava
Independent Director &
Chairman - Audit Committee
DIN : 01922717

Kishore Kumar Lodha
Chief Financial Officer
Place : Mumbai
Date : May 02 , 2024

Satish Kumar Chelladurai
Company Secretary

MSKA & Associates
Chartered Accountants

HO
602, Floor 6, Raheja Titanium,
Western Express Highway,
Geetanjali Railway Colony, Ram Nagar,
Goregaon (E), Mumbai 400063, INDIA
Tel: +91 22 6831 1600

INDEPENDENT AUDITOR'S REPORT

To the Members of **UGRO Capital Limited**

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of UGRO Capital Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2023, and the Statement of Profit and Loss (Including Other Comprehensive Income), the Statement of Changes in Equity and the Cash Flow Statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015 ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, and its profit, other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("the ICAI") together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the year ended March 31, 2023. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Sr. No	Key Audit Matter	How the Key Audit Matter was addressed in our audit
1.	**Impairment of loans including Expected Credit Losses** Total Loans as at March 31, 2023: Rs 3806.36 crores (net of ECL) Impairment Provision as at March 31, 2023: Rs. 87.99 crores (Refer Note 6 of the Ind AS financial statements) Ind AS 109 requires the Company to provide for impairment of its financial	In view of the significance of the matter, our audit procedures performed included and not limited to the following: Process understanding and Test of Controls: 1. Read the Company's Board approved ECL Policy and accounting policies for estimation of expected credit loss on financial assets as explained in Note 1 Para (20.4) and evaluated the appropriateness of the same with the principles of Ind AS 109 - 'Financial Instruments' and prudential norms laid down by Reserve Bank of India ("'RBI").

Sr. No	Key Audit Matter	How the Key Audit Matter was addressed in our audit
	assets using the expected credit loss (ECL) approach. The Company has Board approved policy on ECL to ensure the compliance with Ind AS 109 requirements and the basis of all assumptions for underlying inputs to ECL model. ECL model involves an estimation of probability of loss on financial assets over their life, considering reasonable and supportable information about past events, current conditions, and forecasts of future economic conditions which could impact the credit quality of the loans and advances. In the process, a significant degree of judgement has been applied by the Management of the Company including but not limited to the following matters: a) Grouping of loan portfolio under various categories on the basis of homogeneity and thereby expected to demonstrate similar credit characteristics; b) Estimation of losses in respect of groups of loans which had no/ minimal defaults in the past; c) Staging of loans and estimation of behavioural life; d) Models developed by the Company that derive key assumptions used within the provision calculation such as probability of default (PD) and loss given default (LGD). Since the impairment of loans including ECL requires a significant level of estimation and given its significance to the overall audit , we have ascertained impairment of loans including ECL as a key audit matter.	2. Tested the design and effectiveness of internal controls over the completeness and accuracy of the Exposure at Default ("EAD") and the classification thereof into stages consistent with the definitions applied in accordance with the policy approved by the Board of Directors including the appropriateness of the qualitative factors to be applied. Test of details: 3. Performed, on test check basis, procedures for testing of ECL model and computation of ECL amount including and not limited to the following: a. Evaluated underlying data related to estimates and judgements used for developing ECL models. b. Verified that PD is computed as per the internally developed model, which is a dynamic evaluation based on repayment history, corporate ratings, specific market estimates as applicable to the respective portfolio segments from time to time. Loss Given Default (LGD) is as per the Foundational-Internal Rating Based (F-IRB) approach and an internal model which factors post default recovery rates and collateral value in case of secured loans. c. Verified whether appropriate staging of assets have been performed basis their days past due. Ensured the assumptions used by the Company for grouping and staging of loan portfolio into various categories and default buckets for determining the probability of default ("PD") and loss given default ("LGD") rates. d. Verified the impairment provision for Stage 3 exposures considering the Management's estimate of future cash flows for those exposures and checked the resultant provision. e. Verified the adequacy of the adjustment including Management's assessment of additional provision on stressed loan. f. Verified the ECL provision on restructured cases pursuant to the RBI circular on a sample basis. g. Verified the computation of ECL by using PD and LGD and other qualitative factors to ensure arithmetical accuracy.

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Sr. No	Key Audit Matter	How the Key Audit Matter was addressed in our audit
		h. Verified the impairment provision under Ind AS 109 and the provisioning required under Income Recognition, Asset Classification and Provisioning norms (IRACP) (including standard asset provisioning) to determine the need to create an Impairment Reserve. i. Reconciled the total financial assets considered for ECL estimation with the books of accounts to ensure the completeness. j. Assessed the adequacy and appropriateness of the presentation and disclosures in compliance with the applicable Ind AS.

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the Annual Report but does not include the financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance under SA 720 'The Auditor's responsibilities Relating to Other Information'.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

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Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

- Conclude on the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements for the year ended March 31, 2023 and are therefore, the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143(3) of the Act, we report that:

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   (c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

   (d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.

   (e) On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164 (2) of the Act.

   (f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

   (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

      i. The Company does not have any pending litigations which would impact its financial position - Refer Note 40 of the financial statements;

      ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts - Refer Note 58 (p) to the financial statements;

      iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company;

      iv.

         A. The Management has represented that, to the best of its knowledge and belief, other than as disclosed in Note 71(a) to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

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B. The Management has represented, that, to the best of its knowledge and belief, other than as disclosed in Note 71(b) to the financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities (Funding Parties), with the understanding, whether recorded in writing or otherwise, as on the date of this audit report, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

C. Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, and according to the information and explanations provided to us by the Management in this regard nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) as provided under (1) and (2) above, contain any material mis-statement.

v. The Company has neither declared nor paid any dividend during the year.

vi. As proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Company only w.e.f. April 1, 2023, reporting under this clause is not applicable during the year.

3. In our opinion, according to information, explanations given to us, the remuneration paid by the Company to its directors is within the limits laid prescribed under Section 197 of the Act and the rules thereunder.

For **M S K A & Associates**
Chartered Accountants
ICAI Firm Registration Number: 105047W



Swapnil Kale
Partner
Membership Number: 117812
UDIN: 23117812BGXQVA6117

Mumbai
May 15, 2023

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ANNEXURE A TO INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF UGRO CAPITAL LIMITED FOR THE YEAR ENDED MARCH 31, 2023

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditor's Report]

i.

(a)

A. The Company has maintained proper records showing full particulars including quantitative details and situation of Property, Plant and Equipment and relevant details of right-of-use assets.
B. The Company has maintained proper records showing full particulars of intangible assets.

(b) Property, Plant and Equipment and right of use assets have been physically verified by the Management at reasonable intervals during the year and no material discrepancies were identified on such verification.

(c) According to the information and explanations given to us, there are no immovable properties, and accordingly, the requirements under paragraph 3(i)(c) of the Order are not applicable to the Company. However, the Company has repossessed properties under the Securitisation And Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 and the Arbitration and Conciliation Act, 1996 from the borrowers who have defaulted their loan repayments. Such properties are acquired to recover the loans from the borrower and accordingly disclosed as non-current assets held for sale. Refer Note 12 of the financial statements.

(d) According to the information and explanations given to us, the Company has not revalued its property, plant and Equipment (including Right of Use assets) or intangible assets or both during the year. Accordingly, the requirements under paragraph 3(i)(d) of the Order are not applicable to the Company.

(e) According to the information and explanations given to us, no proceeding has been initiated or pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988, as amended and rules made thereunder. Accordingly, the provisions stated in paragraph 3(i)(e) of the Order are not applicable to the Company.

ii.

(a) The Company is involved in the business of rendering services. Accordingly, the provisions stated in paragraph 3(ii) (a) of the Order are not applicable to the Company.

(b) During the year the Company has been sanctioned working capital limits in excess of Rupees Five crores in aggregate from Banks/financial institutions on the basis of security of loans. Quarterly returns/ statements filed with such Banks/ financial institutions are in agreement with the unaudited books of account.

iii.

(a) Since the Company's principal business is to give loans, the provisions stated in paragraph 3(iii)(a) of the Order are not applicable to the Company.

(b) According to the information and explanations given to us and based on the audit procedures performed by us, we are of the opinion that the terms and conditions in relation to investments made, guarantees provided, securities given and/ or grant of all loans and advances in the nature of loans and guarantees are not prejudicial to the interest of the Company.

(c) The Company, being a Non-Banking Financial Company, is registered under provisions of the Reserve Bank of India Act, 1934 and rules made thereunder, in pursuance of its compliance with provisions of the said Act, particularly, the Income Recognition, Asset Classification and Provisioning Norms and generally accepted business practices by the lending institutions, repayments schedules are stipulated

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basis the nature of the loan products. Having regard to the voluminous nature of loan transactions, it is not practicable to furnish entity-wise details of the amount, due date for repayment or receipt and extent of delay in this report (as suggested in the Guidance Note on CARO 2020, issued by the Institute of Chartered Accountants of India for reporting under this clause), in respect of loans and advances which were not repaid/paid when they were due or were repaid/ paid with a delay, in the normal course of lending business. - Refer Note 51(a) C to the financial statements.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the details of amount overdue for more than ninety days are as follows:

No. of Cases*	Total overdue (Rs. In Lakhs)	Remarks (specify whether reasonable steps have been taken by the Company for recovery of principal amount and interest)
909	9,569.05	Yes#

* Amount overdue classified under stage 3 - Refer Note 51(a) C to the financial statements.
The Company has taken all reasonable steps including legal actions to ensure recovery of the principal and interest.

(e) Since the Company's principal business is to give loans, the provisions stated in paragraph 3(ii)(e) of the order are not applicable to the Company.

(f) According to the information and explanations provided to us, the Company has not granted any loans and / or advances in the nature of loans which are either repayable on demand or without specifying any terms or period of repayment. Hence, the requirements under paragraph 3(iii)(f) of the Order are not applicable to the Company.

iv. According to the information and explanations given to us, the Company has neither, directly or indirectly, granted any loan, or provided guarantee or security to any of its directors or to any other person in whom the director is interested, in accordance with the provisions of Section 185 of the Act nor made investments through more than two layers of investment companies in accordance with the provisions of Section 186 of the Act. Accordingly, provisions stated in paragraph 3(iv) of the Order are not applicable to the Company.

v. According to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the rules framed there under.

vi. The provisions of sub-Section (1) of Section 148 of the Act are not applicable to the Company as the Central Government of India has not specified the maintenance of cost records for any of the products of the Company. Accordingly, the provisions stated in paragraph 3 (vi) of the Order are not applicable to the Company.

vii.

(a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax and cess have generally been regularly deposited with the appropriate authorities though there has been a slight delay in a few cases.

(b) According to the information and explanation given to us and the records of the Company examined by us, there are no dues relating to Goods and Services Tax, Provident Fund, Employees State Insurance, Income-Tax, cess or other statutory dues which have not been deposited on account of any dispute. Refer Note 40(a) to the financial statements.

viii. According to the information and explanations given to us, there are no transactions which are not accounted in the books of account which have been surrendered or disclosed as income during the year in Tax Assessment of the Company. Also, there are no previously unrecorded income which has been now recorded in the books of account. Hence, the provision stated in paragraph 3(viii) of the Order is not applicable to the Company.

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ix.

(a) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings or in payment of interest thereon to any lender.

(b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(c) In our opinion and according to the information and explanations provided to us, money raised by way of term loans during the year have been applied for the purpose for which they were raised.

(d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the financial statements of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.

(e) The Company does not have any subsidiary, associate, or joint venture. Hence reporting under the clause (ix)(e) of the order is not applicable to the Company.

(f) The Company does not have any subsidiary, associate, or joint venture. Hence, reporting under the clause 3(ix)(f) of the order is not applicable to the Company.

x.

(a) In our opinion and according to the information explanation given to us, money raised by way of initial public offer or further public offer (including debt instruments) during the year have been applied for the purpose for which they were raised.

(b) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully, partly, or optionally convertible debentures during the year. Hence, the provisions stated in paragraph 3 (x)(b) of the Order are not applicable to the Company.

xi.

(a) Based on our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we report that no material fraud by the Company nor on the Company has been noticed or reported during the course of our audit.

(b) We have not come across of any instance of material fraud by the Company or on the Company during the course of audit of the financial statements for the year ended March 31, 2023, accordingly the provisions stated in paragraph (xi)(b) of the Order is not applicable to the Company.

(c) We have taken into consideration the whistle blower complaints received by the Company during the year while determining the nature, timing, and extent of audit procedures.

xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, the provisions stated in paragraph 3(xii) (a) to (c) of the Order are not applicable to the Company.

xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act, where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable Ind AS.

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xiv.

(a) In our opinion and based on our examination, the Company has an internal audit system commensurate with the size and nature of its business.

(b) We have considered internal audit reports issued by internal auditors during our audit in accordance with the guidance provided in SA 610 - 'Using the work of Internal Auditors'.

xv. According to the information and explanations given to us, in our opinion, during the year the Company has not entered into non-cash transactions with directors or persons connected with its directors and hence, provisions of Section 192 of the Act are not applicable to Company. Accordingly, the provisions stated in paragraph 3(xv) of the Order are not applicable to the Company.

xvi.

(a) The Company is required to and has been registered under Section 45-IA of the Reserve Bank of India Act, 1934 as Non-Banking Financial Company.

(b) In our opinion, the Company has not conducted any Non-Banking Financial activities without any valid Certificate of Registration from Reserve Bank of India. Hence, the reporting under paragraph 3 (xvi)(b) of the Order are not applicable to the Company.

(c) The Company is not a Core investment Company (CIC) as defined in the regulations made by Reserve Bank of India. Hence, the reporting under paragraph 3 (xvi)(c) of the Order are not applicable to the Company.

(d) The Company does not have any Group (in accordance with Core Investment Companies (CICs) (Reserve Bank) Directions, 2016). Hence the provisions stated in paragraph clause 3 (xvi) (d) of the order are not applicable to the Company.

xvii. According to the information and explanations provided to us, the Company has not incurred cash losses in the current financial year and in the immediately preceding financial year. Hence, the provisions stated in paragraph 3 (xvii) of the Order are not applicable to the Company.

xviii. There has been no resignation of the statutory auditors during the year. Hence, the provisions stated in paragraph 3 (xviii) of the Order are not applicable to the Company.

xix. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

xx. According to the information and explanations given to us and based on our verification, the provisions of Section 135 of the Act are applicable to the Company. The Company has made the required contributions during the year and there are no unspent amounts which are required to be transferred either to a Fund or to a Special Account as per the provisions of Section 135 of the Act read with schedule VII. Accordingly, reporting under Clause 3(xx)(a) and Clause 3(xx)(b) of the Order is not applicable to the Company.

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xxi. According to the information and explanations given to us, the Company does not have any Subsidiary, Associate or Joint Venture. Accordingly, reporting under Clause 3(xxi) of the Order is not applicable.

For **M S K A & Associates**
Chartered Accountants
ICAI Firm Registration Number: 105047W

Swapnil Kale
Partner
Membership Number: 117812
UDIN: 23117812BGXQVA6117

Mumbai
May 15, 2023

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ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF UGRO CAPITAL LIMITED

[Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditor's Report of even date to the Members of UGRO Capital Limited on the Financial Statements for the year ended March 31, 2023]

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

Opinion

We have audited the internal financial controls with reference to financial statements of UGRO Capital Limited ("the Company") as of March 31, 2023 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2023, based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI) (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

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Meaning of Internal Financial Controls With reference to Financial Statements

A Company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of Management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls With reference to financial statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For **M S K A & Associates**
Chartered Accountants
ICAI Firm Registration Number: 105047W

Swapnil Kale
Partner
Membership Number: 117812
UDIN: 23117812BGXQVA6117

Mumbai
May 15, 2023

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UGRO CAPITAL LIMITED
CIN:L67120MH1993PLC070739

Balance Sheet as at March 31, 2023

(Rupees in lakh)

Particulars	Note No.	As at March 31, 2023	As at March 31, 2022
I. ASSETS			
Financial assets			
Cash and cash equivalents	3	4,014.77	6,574.94
Bank balances other than cash and cash equivalents above	4	17,166.14	12,260.25
Derivative financial instruments	5	-	22.29
Loans	6	3,80,636.21	2,45,111.74
Investments	7	6,010.69	6,943.99
Other financial assets	8	2,531.23	789.62
		4,10,359.04	**2,71,702.83**
Non-financial assets			
Current tax assets (net)	9	203.78	164.23
Deferred tax assets (net)	10	2,547.36	4,381.63
Property, plant and equipment	11	379.30	430.43
Non-current assets held for sale	12	2,194.55	-
Right of use assets	13	3,364.08	2,538.28
Capital work in progress	14	2.82	20.25
Intangible assets under development	15	1,431.41	568.54
Other intangible assets	16	4,741.53	2,602.04
Other non-financial assets	17	5,334.81	3,081.83
		20,199.64	**13,787.23**
TOTAL ASSETS		**4,30,558.68**	**2,85,490.06**
II. LIABILITIES AND EQUITY			
LIABILITIES			
Financial liabilities			
Derivative financial instruments	18	9.27	-
Payables	19		
(A) Trade payables			
(I) total outstanding dues of micro enterprises and small enterprises		145.97	0.08
(II) total outstanding dues of creditors other than micro enterprises and small enterprises		1,168.80	666.93
(B) Other payables			
(I) total outstanding dues of micro enterprises and small enterprises		-	-
(II) total outstanding dues of creditors other than micro enterprises and small enterprises		96.78	42.21
Debt securities	20	1,14,434.45	70,441.43
Borrowings (other than debt securities)	21	2,00,459.00	1,09,783.21
Other financial liabilities	22	7,734.85	4,722.36
		3,24,049.12	**1,85,656.22**
Non-financial liabilities			
Current tax liabilities (net)	23	1,567.77	126.07
Provisions	24	5,776.71	2,687.22
Other non-financial liabilities	25	760.77	364.23
		8,105.25	**3,177.52**
TOTAL LIABILITIES		**3,32,154.37**	**1,88,833.74**
Equity			
Equity share capital	26	6,932.11	7,055.94
Other equity	27	91,472.20	89,600.38
TOTAL EQUITY		**98,404.31**	**96,656.32**
TOTAL LIABILITIES AND EQUITY		**4,30,558.68**	**2,85,490.06**

Significant accounting policies 1
Corporate information 2
See accompanying notes forming part of the financial statements
The notes referred to above form an integral part of the financial statements
As per our report of even date attached

For **M S K A & Associates**
Chartered Accountants
Firm's Registration Number : 105047W

Swapnil Kale
Partner

Membership Number : 117812
Place : Mumbai
Date : May 15, 2023

For and on behalf of the Board of Directors of
UGRO CAPITAL LIMITED

Shachindra Nath
Vice Chairman &
Managing Director

DIN : 00510618
Mumbai
May 15, 2023

Abhijit Sen
Independent Director &
Chairman - Audit
Committee
DIN : 00002593
Mumbai
May 15, 2023

Kishore Kumar Lodha
Chief Financial Officer
Mumbai
May 15, 2023

Namrata Sajnani
Company Secretary
Mumbai
May 15, 2023

UGRO CAPITAL LIMITED
CIN:L67120MH1993PLC070739

Statement of Profit and Loss for the year ended March 31, 2023

(Rupees in lakh)

Particulars	Note No.	For the year ended March 31, 2023	For the year ended March 31, 2022
Revenue from operations			
Interest income	28	48,291.34	27,207.62
Net gain on derecognition of financial instruments under amortised cost category	29	15,407.22	2,693.46
Net gain on fair value changes	30	-	49.46
Fees and commission income	31	1,946.81	680.35
Total revenue from operations		**65,645.37**	**30,630.89**
Other Income	32	2,730.91	580.32
Total income		**68,376.28**	**31,211.21**
Expenses			
Finance costs	33	29,327.40	13,725.68
Net loss on fair value changes	34	640.11	15.79
Impairment on financial instruments	35	5,679.99	2,941.54
Employee benefits expenses	36	14,071.48	7,289.06
Depreciation, amortization and impairment	37	1,763.74	1,233.26
Other expenses	38	8,510.72	3,988.10
Total expenses		**59,993.44**	**29,193.43**
Profit before exceptional items and tax		**8,382.84**	**2,017.78**
Exceptional items		-	-
Profit before tax		**8,382.84**	**2,017.78**
Tax Expense:			
(1) Current tax:			
-Tax as per minimum alternate tax		2,298.62	660.90
(2) Deferred tax benefit (Net)		1,828.08	(98.18)
(3) Excess/ short provision of tax of earlier years		278.50	-
Total tax expenses		**4,405.20**	**562.72**
Profit for the year (A)		**3,977.64**	**1,455.06**
Other comprehensive income			
Items that will not be reclassified to profit and loss:			
- Remeasurements of the defined benefit obligations		(24.03)	25.67
- Income tax relating to items that will not be reclassified to profit and loss		7.00	(7.47)
Subtotal (B)		**(17.03)**	**18.20**
Items that will be reclassified to profit and loss:			
- The effective portion of gains and loss on hedging instrument in a cash flow hedge		45.33	9.00
- Income tax relating to items that will be reclassified to profit and loss		(13.20)	(2.62)
Subtotal (C)		**32.13**	**6.38**
Other comprehensive income for the year (net of tax) (D) = (B) + (C)		**15.10**	**24.58**
Total comprehensive income for the year (E)= (A) + (D)		**3,992.74**	**1,479.64**
Earnings per equity share of face value of Rs.10 each	39		
Basic (Rs.)		**5.69**	**2.06**
Diluted (Rs.)		**5.66**	**2.05**

Significant accounting policies 1
Corporate information 2
See accompanying notes forming part of the financial statements
The notes referred to above form an integral part of the financial statements
As per our report of even date attached

For **M S K A & Associates**
Chartered Accountants
Firm's Registration Number : 105047W

Swapnil Kale
Partner

Membership Number : 117812
Place : Mumbai
Date : May 15, 2023

For and on behalf of the Board of Directors of
UGRO CAPITAL LIMITED

Shachindra Nath
Vice Chairman &
Managing Director

DIN : 00510618
Mumbai
May 15, 2023

Abhijit Sen
Independent Director &
Chairman - Audit Committee
DIN : 00002593
Mumbai
May 15, 2023

Kishore Kumar Lodha
Chief Financial Officer
Mumbai
May 15, 2023

Namrata Sajnani
Company Secretary
Mumbai
May 15, 2023

UGRO CAPITAL LIMITED

CIN:L67120MH1993PLC070739

Cash Flow Statement for the year ended March 31, 2023

(Rupees in lakh)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Cash flow from operating activities :		
Profit before tax	**8,382.84**	**2,017.78**
Adjustments for:		
Interest income on loans	(46,850.12)	(26,129.70)
Cash inflow from interest on loans	44,700.75	24,227.62
Interest income on debt securities	(248.42)	(214.29)
Interest on income tax	(6.29)	-
Employee stock option expense	256.41	(107.15)
Depreciation, amortisation and impairment	1,763.74	1,233.26
Impairment on financial instruments	5,679.99	2,941.54
Net gain on sale of financial instruments / fair valuation of financial instruments	(15,407.22)	(2,742.92)
Net loss on fair value changes	640.11	15.79
Finance cost on borrowings	25,257.97	11,066.91
Cash outflow towards finance costs	(21,763.21)	(10,116.46)
Provision for gratuity (net of payment)	64.15	38.19
Provision for compensated absences	316.58	116.66
Property, plant and equipment written-off	7.17	-
Operating profit before working capital changes	**2,794.45**	**2,347.23**
Changes in working capital:		
(Increase)/decrease in loans	(1,25,753.63)	(1,15,181.26)
(Increase)/decrease in other non-financial assets	(2,252.98)	(1,987.92)
(Increase)/decrease in other financial assets	(1,830.23)	(111.91)
(Increase)/decrease in derivative financial assets	22.29	(22.29)
Increase/(decrease) in derivative financial liabilities	9.27	-
Increase/(decrease) in trade payables	702.33	383.61
Increase/(decrease) in other non-financial liabilities	396.54	226.59
Increase/(decrease) in other financial liabilities	2,353.10	1,086.35
Increase/(decrease) in provisions	2,684.74	1,618.35
Cash (used in) operating activities	**(1,20,874.12)**	**(1,11,641.25)**
Income taxes paid	(1,168.70)	(843.21)
Net cash (used in) operating activities (A)	**(1,22,042.82)**	**(1,12,484.46)**
Cash flow from investing activities :		
Purchase of property, plant and equipment (including capital work in progress)	(133.36)	(154.09)
Proceeds from / (Investments in) bank deposits of maturity greater than 3 months	(4,906.08)	6,975.88
Sale/realisation of investments	259.08	4,327.30
Purchase of investments	-	(5,610.75)
Interest received from investments	282.54	109.33
Payments for intangible assets	(3,956.38)	(1,300.32)
Net cash generated from / (used in) investing activities (B)	**(8,454.20)**	**4,347.35**
Cash flow from financing activities :		
Proceeds from issuance of equity share capital during the year	-	40.00
Payment for purchase of treasury shares	(2,495.26)	-
Share issue expense	(5.90)	-
Principal payment of lease liabilities	(781.38)	(407.19)
Total borrowings and debt securities repaid	(1,26,315.31)	(65,300.15)
Total borrowings and debt securities availed	2,57,534.70	1,68,013.84
Net cash generated from financing activities (C)	**1,27,936.85**	**1,02,346.50**

MSKA & ASSOCIATES Chartered Accountants

UGRO CAPITAL LIMITED

UGRO CAPITAL LIMITED

CIN:L67120MH1993PLC070739

Statement of changes in equity for the year ended March 31, 2023

A. Equity Share Capital (Refer Note 26)

As at March 31, 2023

(Rupees in lakh)

Balance at the beginning of the year	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the year*	Balance as at the end of the year
7,055.94	-	7,055.94	(123.83)	6,932.11

*Treasury shares issued during the year - refer note 26

As at March 31, 2022

Balance at the beginning of the year	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the year (issued during the year)	Balance as at the end of the year
7,052.86	-	7,052.86	3.08	7,055.94

B. Other equity (Refer Note 27)

As at March 31, 2023

(Rupees in lakh)

Particulars	Reserves & Surplus									Total
	Statutory reserve u/s 45-IC*	Capital Reserve	Securities Premium	Retained Earnings	Employee stock options scheme outstanding	Debt Instruments through Other Comprehensive Income	Equity Instruments through Other Comprehensive Income	Effective portion of Cash Flow Hedges	Revaluation Surplus	
Balance at the beginning of the current reporting period	2,401.48	1,046.00	77,723.91	7,975.75	446.86	-	-	6.38	-	89,600.38
Total Other Comprehensive Income for the current year	-	-	-	(17.03)	-	-	-	32.13	-	15.10
Transfer to retained earnings	-	-	-	3,977.64	-	-	-	-	-	3,977.64
Transfer to Reserve Fund u/s 45-IC of the Reserve Bank of India Act, 1934	795.53	-	-	(795.53)	-	-	-	-	-	-
Share based payment for the year	-	-	-	-	256.41	-	-	-	-	256.41
Premium on ESOP exercised during the year	-	-	-	-	-	-	-	-	-	-
Transfer to Retained Earnings on allotment of shares pursuant to ESOP Scheme	-	-	-	-	-	-	-	-	-	-
Transfer to Retained Earnings on lapse of vested options pursuant to ESOP Scheme	-	-	-	219.65	(219.65)	-	-	-	-	-
Share issue expenses on treasury shares	-	-	-	(5.90)	-	-	-	-	-	(5.90)
Premium on treasury shares	-	-	(2,371.43)	-	-	-	-	-	-	(2,371.43)
Balance at the end of the current reporting period	**3,197.01**	**1,046.00**	**75,352.48**	**11,354.58**	**483.62**	**-**	**-**	**38.51**	**-**	**91,472.20**

UGRO CAPITAL LIMITED

CIN:L67120MH1993PLC070739

Cash Flow Statement for the year ended March 31, 2023

(Rupees in lakh)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Net increase /(decrease) in cash and cash equivalents (A)+(B)+(C)	**(2,560.17)**	**(5,790.61)**
Cash and cash equivalents as at the beginning of the year	**6,574.94**	**12,365.55**
Cash and cash equivalents as at the end of the year (Refer Note 3)	**4,014.77**	**6,574.94**
Components of cash and cash equivalents:		
Cash on hand	-	-
Balance with banks :		
in current accounts	4,014.77	6,174.61
in Fixed deposits (maturing within a period of three months)	-	400.33
TOTAL	**4,014.77**	**6,574.94**

Significant accounting policies	1
Corporate information	2

See accompanying notes forming part of the financial statements

The notes referred to above form an integral part of the financial statements

As per our report of even date attached

For **M S K A & Associates**
Chartered Accountants
Firm's Registration Number : 105047W

Swapnil Kale
Partner

Membership Number : 117812
Place : Mumbai
Date : May 15, 2023

For and on behalf of the Board of Directors of
UGRO CAPITAL LIMITED

Shachindra Nath
Vice Chairman &
Managing Director
DIN : 00510618
Mumbai
May 15, 2023

Abhijit Sen
Independent Director &
Chairman - Audit
Committee
DIN : 00002593
Mumbai
May 15, 2023

Kishore Kumar Lodha
Chief Financial Officer
Mumbai
May 15, 2023

Namrata Sajnani
Company Secretary
Mumbai
May 15, 2023

UGRO CAPITAL LIMITED
CIN:L67120MH1993PLC070739

Statement of changes in equity for the year ended March 31, 2023

B. Other equity (Refer Note 27)
As at March 31, 2022

(Rupees in lakh)

Particulars	Reserves & Surplus									
	Statutory reserve u/s 45-IC*	Capital Reserve	Securities Premium	Retained Earnings	Employee stock options scheme outstanding	Debt Instruments through Other Comprehensive Income	Equity Instruments through Other Comprehensive Income	Effective portion of Cash Flow Hedges	Revaluation Surplus	Total
Balance at the beginning of the current reporting period	2,110.47	1,046.00	77,673.45	6,507.18	853.86	-	-	-	-	88,190.96
Total Other Comprehensive Income for the current year	-	-	-	18.20	-	-	-	6.38	-	24.58
Transfer to retained earnings	-	-	-	1,455.06	-	-	-	-	-	1,455.06
Transfer to Reserve Fund u/s 45-IC of the Reserve Bank of India Act, 1934	291.01	-	-	(291.01)	-	-	-	-	-	-
Share based payment for the year	-	-	-	-	(107.15)	-	-	-	-	(107.15)
Premium on ESOP exercised during the year	-	-	36.93	-	-	-	-	-	-	36.93
Transfer to Retained Earnings on allotment of shares pursuant to ESOP Scheme	-	-	13.53	-	(13.53)	-	-	-	-	-
Transfer to Retained Earnings on lapse of vested options pursuant to ESOP Scheme	-	-	-	286.32	(286.32)	-	-	-	-	-
Balance at the end of the current reporting period	**2,401.48**	**1,046.00**	**77,723.91**	**7,975.75**	**446.86**	**-**	**-**	**6.38**	**-**	**89,600.38**

*As required by section 45-IC of the RBI Act,1934, the Company maintains a reserve fund and transfers there a sum not less than twenty per cent of its net profit every year as disclosed in the statement of profit and loss and before any dividend is declared. The Company cannot appropriate any sum from the reserve fund except for the purpose specified by the Reserve Bank of India from time to time. Till date, the RBI has not specified any purpose for appropriation of Reserve Fund maintained U/S 45-IC of RBI Act, 1934.

Significant accounting policies 1
Corporate information 2
See accompanying notes forming part of the financial statements
The notes referred to above form an integral part of the financial statements
As per our report of even date attached

For **M S K A & Associates**
Chartered Accountants
Firm's Registration Number : 105047W

Swapnil Kale
Partner
Membership Number : 117812
Place : Mumbai
Date : May 15, 2023

For and on behalf of the Board of Directors of
UGRO CAPITAL LIMITED

Shachindra Nath
Vice Chairman & Managing Director
DIN : 00510618
Mumbai
May 15, 2023

Abhijit Sen
Independent Director & Chairman - Audit Committee
DIN : 00002593
Mumbai
May 15, 2023

Kishore Kumar Lodha
Chief Financial Officer
Mumbai
May 15, 2023

Namrata Sajnani
Company Secretary
Mumbai
May 15, 2023

1. Significant Accounting Policies

(1) Statement of compliance

The financial statements have been prepared in accordance with the provisions of the Companies Act, 2013 and the Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) issued by the Ministry of Corporate Affairs in exercise of the powers conferred by section 133 of the Companies Act, 2013. In addition, the guidance notes/ announcements issued by the Institute of Chartered Accountants of India (ICAI) are also applied along with compliance with other statutory promulgations which require a different treatment. Any directions issued by the RBI or other regulators are implemented as and when they become applicable.

Further, the Company has complied with all the directions related to Implementation of Indian Accounting Standards prescribed for Non-Banking Financial Companies (NBFCs) in accordance with the RBI notification no. RBI/2019-20/170 DOR NBFC).CC.PD.No.109/22.10.106/2019-20 dated March 13,2020.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to the existing accounting standard requires a change in the accounting policy hitherto in use.

(2) Basis of preparation

The financial statements have been prepared on a historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values as at the end of each reporting period as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company considers the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/ or disclosure purposes in these financial statements is determined on this basis.

Fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety.

- Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices;
- Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and place limited reliance on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2; and
- Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

(3) Application of new and revised Ind AS

All the Ind ASs issued and notified by the Ministry of Corporate Affairs under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) till the financial statements are authorised for issue have been considered in preparing these financial statements.

(4) Presentation of financial statements

The Balance Sheet, the Statement of Changes in Equity and the Statement of Profit and Loss are prepared and presented in the format prescribed in the Division III to Schedule III to the Companies Act, 2013 ("the Act") applicable for Non-Banking Financial Companies ("NBFC"). The Cash Flow Statement has been prepared and presented as per the requirements of Ind AS 7 "Statement of Cash Flows". The disclosure requirements with respect to items in the Balance Sheet and Statement of Profit and Loss, as prescribed in the Schedule III to the Act, are presented by way of notes forming part of the financial statements along with the other notes required to be disclosed under the notified accounting Standards and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

(5) Functional and presentation currency

These financial statements are presented in Indian rupees (INR or Rs.) which is also the Company's functional currency. All accounts are rounded-off to the nearest lakh with two decimals, unless otherwise stated.

(6) Use of estimates and judgements

The preparation of financial statements in conformity with Ind AS requires management to make estimates, judgements and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities (including contingent liabilities) and disclosures as of the date of the financial statements and the reported amounts of revenue and expenses for the reporting period. Actual results could differ from these estimates. Accounting estimates and underlying assumptions are reviewed on an ongoing basis and could change from period to period. Appropriate changes in estimates are recognised in the periods in which the Company becomes aware of the changes in circumstances surrounding the estimates. Any revisions to accounting estimates are recognised prospectively in the period in which the estimate is revised and future periods.

(7) Property, plant and equipment (PPE)

Tangible property, plant and equipment are stated at cost less accumulated depreciation and impairment, if any. The cost of an item of property, plant and equipment is recognised if it is probable that future economic benefits associated with the item will flow to the company and the cost thereof can be measured reliably. All property, plant and equipment are initially recognised at cost. Cost comprises the purchase price and any directly attributable cost to bring the asset to its working condition for its intended use. Subsequent expenditure incurred on assets put to use is capitalised only when it increases the future economic benefits/ functioning capability from/ of such assets. Advances paid towards acquisition of property, plant and equipment, outstanding at each balance

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sheet date is classified as capital advances under other non-financial assets and the cost of assets not put to use before such date are disclosed under Capital work-in-progress.

Depreciation is recognised so as to write-off the cost of assets less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each financial year, with the effect of any changes in estimate accounted for on a prospective basis. Assets purchased during the year are depreciated on the basis of actual number of days the asset has been put to use in the year. Assets individually costing Rs. 5,000/- or less are fully depreciated in the year of purchase.

Estimated useful life of assets is as below:

Category of PPE	**Estimated useful life as assessed by the Company**	**Estimated useful life under Schedule II to the Act**
Office Equipments	5 years	5 years
Computer	3 years	3 years
Leasehold improvements	Tenure of lease agreements	Tenure of the lease agreements
Furniture fixture and fittings	10 years	10 years

Changes in the expected useful life are accounted for by changing the depreciation period or methodology, as appropriate and treated as changes in accounting estimates.

The Management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the statement of profit and loss.

(8) Intangible assets

Intangible assets are recognised when it is probable that the future economic benefits that are attributable to the asset will flow to the enterprise and the cost of the asset can be measured reliably. Intangible assets are stated at original cost net of tax/ duty credits availed, if any, less accumulated amortization, and cumulative impairment. Direct expenses (including salary costs) and administrative and other general overhead expenses that are specifically attributable to acquisition of intangible assets are allocated and capitalised as a part of the cost of the intangible assets.

Intangible assets not ready for the intended use on the date of the Balance Sheet are disclosed as "Intangible assets under development".

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each financial year, with the effect of any changes in estimate being accounted for on a prospective basis.

The estimated useful life of Softwares is considered as 5 years.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, and are recognised in the statement of profit or loss when the asset is derecognised.

(9) Impairment of tangible and intangible assets

The Company assesses at each Balance Sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. The recoverable amount is the higher of an asset's net selling price and its value in use. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the Statement of Profit and Loss. A previously recognised impairment loss is increased or reversed depending on changes in circumstances. However, the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation/amortisation if there were no impairment.

(10) Revenue recognition

Revenue (other than those items to which Ind AS 109 Financial Instruments is applicable) is measured based on the consideration specified in the contracts with the customers. Amounts disclosed as revenue are net of goods and services tax ('GST') and amounts collected on behalf of third parties. Ind AS 115 Revenue from Contracts with Customers outlines a single comprehensive model of accounting for revenue arising from contracts with customers.

The Company recognizes revenue from contracts with customers based on a five-step model as set out in Ind AS 115:

Step 1: Identify contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

Step 2: Identify performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

Step 3: Determine the transaction price: The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Step 4: Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Company allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Company expects to be entitled in exchange for satisfying each performance obligation.

Step 5: Recognise revenue when (or as) the Company satisfies a performance obligation.

Specific policies for the Company's different sources of revenue are explained below:

(i) Interest Income:
Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time proportionate basis, by reference to the principal outstanding and at the effective interest rate applicable. The effective interest rate is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

The interest income is calculated by applying the Effective Interest Rate (EIR) Method to the gross carrying amount of non-credit impaired financial assets (i.e. at the amortised cost of the financial asset before adjusting for any expected credit loss allowance). For credit-impaired financial assets the interest income is calculated by applying the Effective Interest Rate (EIR) Method to the amortised cost of the credit-impaired financial assets (i.e. the gross carrying amount less the allowance for expected credit losses (ECLs)).

(ii) Other Financial Charges
Cheque bouncing charges, pre- payment charges, foreclosure charges and initial margin money etc. are recognised on a point-in-time basis and are recorded when realised, since the probability of collecting such monies is established when the customer pays.

(iii) Dividend Income:
Dividend Income is recognised once the unconditional right to receive the dividend is established (provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably).

(iv) Net gain or loss on fair value change:
Any differences between the fair values of the financial assets classified as fair value through the profit or loss, held by the Company on the balance sheet date is recognised as an unrealised gain/ loss in the statement of profit and loss. In cases there is a net gain in aggregate, the same is recognised in "Net gains on fair value changes" under revenue from operations and if there is a net loss the same is disclosed under "Expenses", in the statement of profit and loss.

(v) Advisory Fees and Other Income:
Advisory fees and Other Income are recognised when services are provided and it is highly probable that a significant reversal of revenue is not expected to occur. The Company recognises such revenue from contracts with customers based on a five-step model as set out in Ind AS 115.

(vi) Income from de-recognition of assets:
Gains arising out of de-recognition transactions comprise the difference between the interest on the loan portfolio and the applicable rate at which the transaction is entered into with the transferee, also known as the right of excess interest spread (EIS). The future EIS basis the scheduled cash flows on execution of the transaction, discounted at the applicable rate entered into with the transferee is recorded upfront in the statement of profit and loss. EIS is evaluated and adjusted for ECL and expected prepayment.





(11) Leases

The Company follows Ind AS 116-Leases for accounting for contracts which are in the nature of leases. Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term, with the discount rate determined by reference to the rate inherent in the lease unless (as is typically the case) this is not readily determinable, in which case the Company's incremental borrowing rate on commencement of the lease is used. Variable lease payments are only included in the measurement of the lease liability if they depend on an index or rate. In such cases, the initial measurement of the lease liability assumes the variable element will remain unchanged throughout the lease term. Other variable lease payments are expensed in the period to which they relate.

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee

The Company accounts for each lease component within the contract as a lease separately from non-lease components of the contract and allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

The Company recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The right-of-use assets are depreciated using the straight-line method from the commencement date over the lease term. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the statement of profit and loss.

The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments.

The Company recognises the amount of the re-measurement of lease liability as an adjustment to the right-of-use asset. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognises any remaining amount of the re-measurement in the statement of profit and loss.

The Company has elected not to apply the requirements of Ind AS 116 to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognized as an expense on a straight-line basis over the lease term.

Finance Lease

The Company does not have leases that were classified as finance leases. Hence, there is no impact on application of this standard.

As a lessor

The Company does not have any lease agreement in which it is a lessor. Hence, there is no impact on application of this standard.

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(12) Taxation

Income tax expense represents the sum of the tax currently payable, deferred tax and any excess/ short provision of earlier years.

(12.1) Current tax

Current Tax is determined at the amount of tax payable in respect of taxable profit for the year as per the Income tax Act, 1961. Taxable profit differs from 'profit before tax' as reported in the financial statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The entity's current tax is calculated using tax rate that has been enacted by the end of the reporting period.

(12.2) Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflect the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set-off the current income tax assets against the current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

(12.3) Current and deferred tax for the year

Current and deferred tax are recognised in the statement of profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

(12.4) Minimum alternate tax (MAT)

Minimum alternate tax (MAT) paid in accordance with the tax laws, is recognised as an asset in the Balance Sheet when it is probable that the future economic benefits associated with it will flow to the Company.

(13) Employee Benefits

(13.1) Retirement benefit costs and termination benefits

Defined contribution plans –
Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

The state governed Provident Fund Scheme, Employee State Insurance Scheme and National Pension Scheme (NPS) are defined contribution plans.

Defined benefit plans –
For defined benefit plans in the form of gratuity, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Re-measurement, comprising actuarial gains and losses is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Re-measurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss. Past service cost is recognised in the statement of profit and loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- re-measurement

The Company presents the first two components of defined benefit costs in the statement of profit and loss in the line item 'Employee benefits expense'. Curtailment gains and losses are accounted for as past service costs.

The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds.

(13.2) Short term and other long-term employee benefits

A liability is recognized for benefits accruing to employees in respect of salaries and annual leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognized in respect of other long-term employee benefits are measured at the present value of estimated future cash outflows expected to be made by the Company in respect of services provided by employees up to the reporting date.

The cost of short-term compensated absences is accounted as under:
(i) in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and
(ii) in case of non-accumulating compensated absences, when the absences occur.

(13.3) Compensatory Payments (Loss of Earned Bonus)

The company amortizes the compensatory payments over the period of twelve months, since the amount is recoverable if an employee leaves the organization within a year.

(13.4) Share based payments

The Company recognizes compensation expense relating to share-based payments in the statement of profit and loss using fair value in accordance with Ind AS 102 – Share-based payments. The estimated fair value of the award is charged to income on a straight-line basis over the requisite service period for each separately vesting portion of the award as if the award was in-substance multiple awards with a corresponding increase to share options outstanding amount. The share price of the Company was simulated using a binomial model. The simulation was done from each valuation date to maturity of the ESOP.

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in the statement of profit and loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled employee benefits reserve. If a grant lapses after the vesting period, the cumulative discount recognised as expense in respect of such grant is transferred to the retained earnings within equity and if the grant lapses before the vesting period, the cumulative discount recognised as expense in respect of such grant is credited to the statement of profit and loss

Equity-settled share-based payment transactions with parties other than employees are measured at the fair value of the goods or services received, except where that fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders the service.

(14) Finance costs

Finance costs include interest and other ancillary borrowing costs. Ancillary costs include issue costs such as loan processing fees, arranger fees, stamping expense and rating expense etc. The Company recognizes interest expense and other ancillary costs on the borrowings as per Effective Interest Rate Method, which is calculated by considering any ancillary costs incurred and any premium payable on its maturity.

Finance costs are charged to the Statement of Profit and Loss.

(15) Provisions, contingent liabilities and contingent assets

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, considering the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

A Contingent liability is disclosed unless the possibility of an outflow of resources embodying the economic benefits is remote. Contingent assets are neither recognised nor disclosed in the Financial Statements.

Provisions, contingent liabilities, and contingent assets are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.

(16) Commitments

Commitments are future liabilities for contractual expenditure, classified and disclosed as follows:
(a) estimated amount of contracts remaining to be executed on capital account and not provided for;
(b) uncalled liability on shares and other investments partly paid;
(c) funding related commitment to associate companies; and
(d) other non-cancellable commitments, if any, to the extent they are considered material and relevant in the opinion of the management.

(17) Foreign Currencies

(i) The functional currency and presentation currency of the Company is Indian Rupee (INR/ Rs.). Functional currency of the Company has been determined based on the primary economic environment in which the Company operates considering the currency in which funds are generated, spent and retained.

(ii) Transactions in currencies other than the Company's functional currency are recorded on initial recognition using the exchange rate at the transaction date. At each Balance Sheet date, foreign currency monetary items are reported at the prevailing closing spot rate. Non-monetary items that are measured in terms of historical cost in foreign currency are not retranslated.

Exchange differences that arise on settlement of monetary items or on reporting of monetary items at each Balance Sheet date at the closing spot rate are recognised in the Statement of Profit and Loss in the period in which they arise.

(18) Cash and cash equivalents

Cash and cash equivalents include cash at banks and cash on hand, demand deposits with banks, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(19) Segment reporting

Operating segments are those components of the business whose operating results are regularly reviewed by the chief operating decision making body in the Company to make decisions for performance assessment and resource allocation. The reporting of segment information is the same as provided to the management for the purpose of the performance assessment and resource allocation to the segments. Segment accounting policies are in line with the accounting policies of the Company.

(20) Financial Instruments

(20.1) Recognition of financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the financial instruments.

(20.2) Initial measurement of financial instruments

Financial assets and financial liabilities are initially measured at fair value. However, trade receivables that do not contain a significant financing component are measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at FVTPL) are added to or deducted from their respective fair value on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in the statement of profit and loss.

A financial asset and a financial liability is offset and presented on a net basis in the balance sheet when there is a current legally enforceable right to set-off the recognised amounts and it is intended to either settle on net basis or to realise the asset and settle the liability simultaneously.

(20.3) Classification and subsequent measurement of financial instruments

(20.3.1) Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade-date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

(20.3.1.1) Financial assets carried at amortised cost (AC)

A financial asset is measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are subsequently measured at amortised cost (except for debt instruments that are designated as at fair value through profit or loss on initial recognition).

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and

- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Effective Interest Rate Method

The Effective Interest Rate Method is a method of calculating the amortized cost of a debt instrument and of allocating interest income over the relevant period. The Effective Interest Rate is the rate that exactly discounts estimated future cash receipts (including all fees that form an integral part of the effective interest rate, transaction costs and premiums or discounts) through the expected life of the instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

(20.3.1.2) Financial assets at fair value through other comprehensive income (FVTOCI)

A financial asset is measured at FVTOCI if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset gives rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

• the asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets; and

• the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Movements in the carrying amount of such financial assets are recognised in other comprehensive income (OCI). When the investment is disposed-off, the cumulative gain or loss previously accumulated in this reserve is reclassified to the statement of profit and loss.

(20.3.1.3) Financial assets at fair value through profit or loss (FVTPL)

A financial asset which is not classified in any of the above categories is measured at FVTPL.

Debt instruments that do not meet the amortised cost criteria or FVTOCI criteria are measured at FVTPL. In addition, debt instruments that meet the amortised cost criteria or the FVTOCI criteria but are designated at FVTPL are measured at FVTPL.

A financial asset that meets the amortised cost criteria or debt instruments that meet the FVTOCI criteria may be designated at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases. The Company has not designated any debt instrument at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'Revenue from operations' line item.





(20.4) Impairment of financial asset

The Company applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, debt instruments at FVTOCI and other contractual rights to receive cash or other financial assets.

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets). The Company estimates cash flows by considering all contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) through the expected life of that financial instrument.

Category of financial instrument	**Manner of recognition of loss allowance**
Financial assets measured at amortised cost	Recognised in profit or loss with corresponding adjustment in the carrying value through a loss allowance account.
Debt investments measured at FVTOCI	Recognised in profit or loss with corresponding adjustment in OCI. The loss allowance is accumulated in the 'Reserve for debt instruments through OCI', and is not adjusted with the carrying value of the financial asset

Impairment methodology:

Overall impairment methodology

Particulars	Stage 1 (Performing)	Stage 2 (Under-performing)	Stage 3 (Non-performing)
Credit quality	Not deteriorated significantly since its initial recognition.	Deteriorated significantly since its initial recognition	Objective evidence of impairment
ECL model	PD / LGD Model	PD / LGD Model	Cash flow model
ECL	12-month ECL	Life-time ECL	Life-time ECL
ECL Computation	(PD * LGD * EAD)	(PD * LGD * EAD)	Expected Cash Flow basis

A) For loans, cash credit and term loans measured at amortised cost

a) Definition of default:

A default shall be considered to have occurred when any of the following criteria are met:

a) An account shall be tagged as NPA once the day end process is completed for the 91st day past due.

b) If one facility of borrower is NPA, all the facilities of that borrower are to be treated as NPA.

For the purpose of counting of days past due for the assessment of default, special dispensations in respect of any class of assets, if any (e.g. under COVID-19 relief package of RBI) are applied in line with the notification by the RBI in this regard.

b) Portfolio segmentation:

The entire portfolio is segmented into homogenous risk segments. Common factors for segmentation includes asset classes, internal rating grade, size, geography, product etc.

c) Probability of Default (PD):

An internally developed statistical model that computes rating at a loan level & categorizes them from Least Risk to High Risk is used for the computation of PD. These internal credit score bands along with external default performance from bureau have been observed & calibrated to derive benchmarked 12-month PD rates. These benchmarked 12-month PD rates have been categorized across 5 Bands viz Risk Band 1 (RB1 – Least Risk) to Risk Band 5 (RB5 – Highest Risk) for secured & unsecured asset types respectively.

Since PD benchmarks for each Risk band have been determined separately for "Secured" and "Unsecured" category, therefore, from a segmentation point, all the business segments are classified into either Secured or Unsecured category. Business segments, wherever risk coverage is available, is factored over and above the PD benchmarks depending on the nature of coverage.

The PD applied in the ECL (Expected Credit Loss) computation model is based on the recomputed/refreshed/updated Risk band/rating at a loan level. All the loans are rated & Risk Bands are recomputed every quarter using the latest credit bureau scrub. For the loan disbursed in the current/latest quarter, wherever the band from credit bureau scrub is not available, the Risk Band at point of origination is applied. Wherever the band is not available at a loan level (either at origination/scrub), the average PD across the 5 Risk Bands shall be applicable for the respective Secured & Unsecured categories.

The 12-month PD shall continue to be applicable in calculating expected credit loss for Stage 1 assets & Lifetime PD shall be applicable for Stage 2 assets.

Life-time PD:
Life-time PD is applied for Stage 2 accounts.
Life-time PDs are computed based on survival approach. Survival analysis is statistics for analysing the expected duration of time until default event happens.
Life-time PD is computed = (1 – (Probability of surviving in year 1) ^ remaining tenure)

d) Loss given default:

Loss given default (LGD) represents recovery from defaulted assets. Foundational-Internal Rating Based (F-IRB) approach is used for the LGD computation.

(20.5) Derecognition of financial assets

The Company derecognizes a financial asset when the contractual rights to the cash flows from the asset expire or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

If the Company enters into transactions whereby it transfers assets recognised on its balance sheet but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not de-recognised and the proceeds received are recognised as a collateralised borrowing.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss

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that had been recognised in other comprehensive income and accumulated in equity is recognised in the statement of profit and loss.

(20.6) Financial liabilities and equity instruments

(20.6.1) Classification as debt or equity

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

(20.6.2) Equity instruments

An Equity Instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities.

(20.6.3) Compound financial instruments

The component parts of compound financial instruments issued by the Company are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument. A conversion option that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Company's own equity instruments is an equity instrument.

At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for similar non-convertible instruments. This amount is recognised as a liability on an amortised cost basis using the effective interest rate method until extinguished upon conversion or at the instrument's maturity date.

(20.6.4) Financial Liabilities

A financial liability is any liability that is:

- Contractual obligation:

  - to deliver cash or another financial asset to another entity; or
  - to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the entity; or

- a contract that will or may be settled in the entity's own equity instruments.

All financial liabilities are subsequently measured at amortised cost using the effective interest rate method or at FVTPL.

(20.6.4.1) Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in the statement of profit and loss.

(20.6.5) Write-off

Loans and debt securities are written-off when the Company has no reasonable expectations of recovering the financial asset (either in its entirety or a portion of it). This is the case when the Company determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. A write-off constitutes a de-recognition event. The Company may apply enforcement activities to financial assets written-off. Recoveries resulting from the Company's enforcement activities will result in impairment gains.

(21) Derivative financial instruments

The Company enters into derivative financial instruments to manage its exposure to interest rate risk and foreign exchange rate risk. Derivatives held include interest rate swaps and cross-currency interest rate swaps.

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each balance sheet date. The resulting gain/loss is recognised in the statement of profit and loss immediately unless the derivative is designated and is effective as a hedging instrument, in which event the resulting gain/loss is recognised through other comprehensive income (OCI). The Company designates certain derivatives as hedges of highly probable forecast transactions (cash flow hedges). A derivative with a positive fair value is recognised as a financial asset whereas a derivative with a negative fair value is recognised as a financial liability.

(22) Hedge accounting policy

The Company makes use of derivative instruments to manage exposures to interest rate and foreign currency. In order to manage particular risks, the Company applies hedge accounting for transactions that meet specific criteria. At the inception of a hedge relationship, the Company formally designates and documents the hedge relationship to which the Company wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes the Company's risk management objective and strategy for undertaking hedge, the hedging/ economic relationship, the hedged item or transaction, the nature of the risk being hedged, hedge ratio and how the Company would assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an on-going basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

(23) Cash flow Hedges

A cash flow hedge is a hedge of the exposure to variability in cash flows that is attributable to a particular risk associated with a recognised asset or liability (such as all or some future interest payments on variable rate debt) or a highly probable forecast transaction and could affect the statement of profit and loss. For designated and qualifying cash flow hedges, the effective portion of the cumulative gain or loss on the hedging instrument is initially recognised directly in OCI within equity (cash flow hedge reserve). The ineffective portion of the gain or loss on the hedging instrument is recognised immediately in Finance Cost in the statement of profit and loss. When the hedged cash flow affects the statement of profit and loss, the effective portion of the gain or loss on the hedging instrument is recorded in the corresponding income or expense line of the statement of profit and loss. When a hedging instrument expires, is sold, terminated, exercised, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss that has been recognised in OCI at that time remains in OCI and is recognised when the hedged forecast transaction is ultimately recognised in the statement of profit and loss. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in OCI is immediately transferred to the statement of profit and loss.

The Company's hedging policy only allows for effective hedging relationships to be considered as hedges as per the relevant Ind AS. Hedge effectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and hedging instrument. The Company enters into hedge relationships where the critical terms of the hedging instrument match with the terms of the hedged item, and so a qualitative and quantitative assessment of effectiveness is performed.

(24) Non-current assets held for sale

Assets acquired in satisfaction of debt (SOD) are treated as non-current assets held for sale. Assets acquired in satisfaction of debts are disclosed in the Balance Sheet at outstanding principal loan amount or fair market value (as per valuation reports) whichever is lower. In case the fair market value of assets acquired is lower than the outstanding principal loan amount, difference is charged to the statement of Profit and loss under impairment on financial instruments. In case of sale of repossessed assets, the gain/ loss on sale is adjusted in the statement of profit and loss under impairment on financial instruments.

(25) Key accounting judgements and key sources of estimation uncertainty

The preparation of financial statements in conformity with Ind AS requires that the management of the Company makes estimates and assumptions that affect the reported amounts of income and expenses of the period, the reported balances of assets and liabilities and the disclosures relating to contingent liabilities as of the date of the financial statements. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates include useful lives of property, plant and equipment & intangible assets, expected credit loss on loan books, future obligations in respect of retirement benefit plans, fair value measurement etc. Difference, if any, between the actual results and estimates is recognised in the period in which the results are known.

(26) Earnings per share

Basic earnings per share is computed by dividing the profit/ (loss) after tax by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit/ (loss) after tax as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all

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dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary

operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date.

(27) Cash Flow Statement

The Cash Flow Statement shows the changes in cash and cash equivalents arising during the year from operating activities, investing activities and financing activities.

The cash flows from operating activities are determined by using the indirect method. Net income is therefore adjusted by non-cash items, such as measurement gains or losses, changes in provisions, impairment of property, plant and equipment and intangible assets, as well as changes from receivables and liabilities. In addition, all income and expenses from cash transactions that are attributable to investing or financing activities are eliminated.

Cash and cash equivalents (including bank balances) shown in the Cash Flow Statement exclude items which are not available for general use as on the date of the Balance Sheet.

(28) Standards issued but not yet effective

No new standard as notified by the Ministry of Corporate Affairs ("MCA"), through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules are effective for the current year.

2. Corporate Information

UGRO Capital Limited ('the Company'), is a public limited company domiciled in India and incorporated under the provisions of the Companies Act, 1956. The Company is a systemically important non-deposit taking Non-Banking Financial Company ('NBFC-ND-SI') as defined under Section 45-IA of the Reserve Bank of India Act, 1934 under registration no. 13.00325. The Company is engaged in the business of lending and primarily deals in financing MSME sector with focus on Healthcare, Education, Chemicals, Food Processing/FMCG, Hospitality, Electrical Equipment & Components, Auto Components and Light Engineering segments.

(Rupees in lakh)

3. Cash and cash equivalents

Particulars	As at March 31, 2023	As at March 31, 2022
Cash on hand	-	-
Balances with banks		
- in current accounts*	4,014.77	6,174.61
- in fixed deposits with banks (original maturity less than 3 months)	-	400.33
Total	**4,014.77**	**6,574.94**

*Above balances exclude Escrow balances operated for Direct Assignment, Co-lending and Co-origination.

4. Bank balances other than cash and cash equivalents above

Particulars	As at March 31, 2023	As at March 31, 2022
Unclaimed dividend on equity shares	1.36	1.43
Fixed deposits with banks*	17,167.83	12,261.68
Less: Impairment loss allowance**	3.05	2.86
Total	**17,166.14**	**12,260.25**

*Earmarked balances with Banks and Financial Institutions are to the tune of Rs. 17,167.83 lakh (previous year: Rs. 12,255.37 lakh)

**Impairment loss allowance is calculated on fixed deposits with Banks and Financial Institutions.

5. Derivative financial instruments

Particulars	As at March 31, 2023			As at March 31, 2022		
Part I	**Notional Amounts**	**Fair value - Assets**	**Fair value - Liabilities**	**Notional Amounts**	**Fair value - Assets**	**Fair value - Liabilities**
(i) Currency derivatives:						
-Currency swaps*	-	-	-	3,109.43	22.29	-
(ii) Interest rate derivatives	-	-	-	-	-	-
Total Derivative Financial Instruments	**-**	**-**	-	**3,109.43**	**22.29**	**-**
Part II						
Included in above (Part I) are derivatives held for hedging and risk management purposes as follows:						
(i) Fair value hedging:						
-Currency derivatives	-	-	-	-	-	-
(ii) Cash flow hedging:						
-Currency derivatives*	-	-	-	3,109.43	22.29	-
Total Derivative Financial Instruments	**-**	**-**	-	**3,109.43**	**22.29**	**-**

* This refers to Cross Currency Interest Rate Swap

The Company enters into derivatives for risk management purposes. Derivatives held for risk management purposes include hedges that either meet the hedge accounting requirements or hedges that are economic hedges.The notional amounts indicate the value of transactions outstanding at the year end and are not indicative of either the market risk or credit risk.

(Rupees in lakh)

6. Loans

Particulars	As at March 31, 2023	As at March 31, 2022
Loans at amortised cost		
(A)		
Supply chain receivables	45,887.83	25,021.38
Term loans	3,43,548.37	2,24,154.76
Total Gross Loans	**3,89,436.20**	**2,49,176.14**
Less: Impairment loss allowance	8,799.99	4,064.40
Total Net Loans	**3,80,636.21**	**2,45,111.74**
(B)		
Secured by book debts	50,686.61	27,988.88
Secured by property	1,31,600.04	1,04,885.65
Secured by machinery	56,091.96	23,066.06
Unsecured	1,51,057.59	93,235.55
Total Gross Loans	**3,89,436.20**	**2,49,176.14**
Less: Impairment loss allowance	8,799.99	4,064.40
Total Net Loans	**3,80,636.21**	**2,45,111.74**
(C)		
Loans in India		
Public sector	-	-
Others	3,89,436.20	2,49,176.14
Total Gross Loans	**3,89,436.20**	**2,49,176.14**
Less: Impairment loss allowance	8,799.99	4,064.40
Total - Net (a)	**3,80,636.21**	**2,45,111.74**
Loans outside India (b)	-	-
Total - Net (a)+(b)	**3,80,636.21**	**2,45,111.74**

Note :
1. There are no Loans due by directors or other officers of the Company or any of them either severally or jointly with any other persons or amounts due by firms or private companies respectively in which any director is a partner or a director or a member as at and for the year ended March 31, 2023 and March 31, 2022.
2. The underlying securities for the assets secured by tangible assets are property, machinery and book debts.

7. Investments

Particulars	As at March 31, 2023	As at March 31, 2022
Investments - at FVTPL		
Security Receipts	1,748.92	2,648.11
Investments - at amortised cost		
Debt securities	4,262.60	4,296.72
Less: Impairment loss allowance	0.83	0.84
Total net investments	**6,010.69**	**6,943.99**
Investments in India	6,011.52	6,944.83
Investments outside India	-	-
Total – Gross investments	**6,011.52**	**6,944.83**
Less: Impairment loss allowance	0.83	0.84
Total – Net investments	**6,010.69**	**6,943.99**

Note : For valuation methodology Refer Note 54

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(Rupees in lakh)

8. Other financial assets

Particulars	As at March 31, 2023	As at March 31, 2022
Security deposits	730.84	551.15
Other receivables	1,803.56	241.64
Less: Impairment loss allowance	3.17	3.17
Total	**2,531.23**	**789.62**

9. Current tax assets (net)

Particulars	As at March 31, 2023	As at March 31, 2022
Current tax assets		
Advance tax and tax deducted at source (Net of provision for tax Rs.55.96 lakh (Previous year: Rs.926.44 lakh))	203.78	164.23
Total	**203.78**	**164.23**

10. Deferred tax assets (net)

Particulars	As at March 31, 2023	As at March 31, 2022
Deferred tax assets		
Tax effect of timing differences on account of:		
Provision for compensated absences	175.91	83.72
Provision for gratuity	50.04	24.36
Processing fees received	1,740.14	836.37
Provision for impairment losses on financial instruments	2,628.18	1,249.12
Lease rentals expense under Ind AS 116	93.63	100.25
Preliminary expenses	7.13	69.81
Disallowance on account of Employee stock options scheme outstanding	217.44	217.44
Unutilised minimum alternate tax credit entitlement	4,105.37	1,587.34
Income tax losses carried forward	3,025.64	2,856.51
Provision for bonus	349.44	203.84
Provision for long term incentive plan	67.86	-
Others	-	1.36
Total (A)	**12,460.78**	**7,230.12**
Deferred tax liabilities		
Tax effect of timing differences on account of:		
Difference in written down value of property, plant and equipment and intangible assets	342.76	218.84
Direct assignment and Co-lending transactions	4,200.47	447.75
Prepaid fees / charges on debt securities allowed upfront in income tax	542.37	348.20
Prepaid fees / charges on borrowings allowed upfront in income tax	991.55	624.58
Deferred loan sourcing cost allowed upfront in income tax	3,819.62	1,209.12
Others	16.65	-
Total (B)	**9,913.42**	**2,848.49**
Deferred tax assets (net) (A-B)	**2,547.36**	**4,381.63**

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CIN:L67120MH1993PLC070739

Notes forming part of the financial statements (continued)

For the year ended March 31, 2023

(Rupees in lakh)

11. Property, plant and equipment

Particulars	As at March 31, 2023				As at March 31, 2022			
	IT and Office equipments	Leasehold improvements	Furniture and fixtures	Total	IT and Office equipments	Leasehold improvements	Furniture and fixtures	Total
At cost as at the beginning of the year	**502.23**	**375.75**	**28.30**	**906.28**	**381.99**	**375.75**	**14.70**	**772.44**
Additions during the year	74.94	-	75.85	150.79	120.24	-	13.60	133.84
Disposals/adjustments during the year	6.99	24.42	0.18	31.59	-	-	-	-
At cost as at the end of the year	**570.18**	**351.33**	**103.97**	**1,025.48**	**502.23**	**375.75**	**28.30**	**906.28**
Accumulated depreciation as at the beginning of the year	**206.54**	**264.71**	**4.60**	**475.85**	**118.71**	**182.10**	**3.03**	**303.84**
Depreciation/amortisation for the year	115.02	75.46	4.27	194.75	87.83	82.61	1.57	172.01
Disposals/adjustments during the year	2.45	21.90	0.07	24.42	-	-	-	-
Accumulated depreciation as at the end of the year	**319.11**	**318.27**	**8.80**	**646.18**	**206.54**	**264.71**	**4.60**	**475.85**
Net carrying amounts as at the end of the year	**251.07**	**33.06**	**95.17**	**379.30**	**295.69**	**111.04**	**23.70**	**430.43**

Note: No revaluation of any class of asset was carried out during the year.

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(Rupees in lakh)

12 . Non-current assets held for sale

Particulars	As at March 31, 2023	As at March 31, 2022
Non-current assets held for sale	2,194.55	-
Total	**2,194.55**	-

'Non-Current Assets held for sale' cover immovable properties and machinery which are repossessed in lieu of satisfaction of debts. These assets are classified as 'Non-Current Assets held for sale ' till the assets acquired are finally disposed-off.

13 . Right of use assets

Particulars	As at March 31, 2023	As at March 31, 2022
At fair value as at the beginning of the year	**3,896.26**	**1,971.28**
Remeasurement of assets	43.22	10.42
Additions during the year	1,632.02	1,914.56
Deletions during the year	(234.47)	-
At fair value as at the end of the year	**5,337.03**	**3,896.26**
Accumulated depreciation as at the beginning of the year	**1,357.98**	**876.97**
Depreciation for the year	614.97	481.01
Accumulated depreciation as at the end of the year	**1,972.95**	**1,357.98**
Net carrying amount as at the end of the year	**3,364.08**	**2,538.28**

14. Capital work in progress

Particulars	As at March 31, 2023	As at March 31, 2022
Capital work in progress	2.82	20.25
Total	**2.82**	**20.25**

The ageing for capital work in progress as at March 31, 2023 is as follows

Particulars	Amount in Capital Work-in-progress for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	2.82	-	-	-	**2.82**
Projects temporarily suspended	-	-	-	-	-
TOTAL	**2.82**	-	-	-	**2.82**

The ageing for capital work in progress as at March 31, 2022 is as follows

Particulars	Amount in Capital Work-in-progress for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	20.25	-	-	-	**20.25**
Projects temporarily suspended	-	-	-	-	-
TOTAL	**20.25**	-	-	-	**20.25**





Notes forming part of the financial statements (continued)
For the year ended March 31, 2023

(Rupees in lakh)

15. Intangible assets under development

Particulars	As at March 31, 2023	As at March 31, 2022
Softwares	1,431.41	568.54
Total	**1,431.41**	**568.54**

The ageing for Intangible assets under development as at March 31, 2023 is as follows

Particulars	Amount in Intangible assets under development for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	946.07	165.89	280.19	39.26	1,431.41
Projects temporarily suspended	-	-	-	-	-
TOTAL	**946.07**	**165.89**	**280.19**	**39.26**	**1,431.41**

The ageing for Intangible assets under development as at March 31, 2022 is as follows

Particulars	Amount in Intangible assets under development for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	208.85	276.94	72.33	10.42	568.54
Projects temporarily suspended	-	-	-	-	-
TOTAL	**208.85**	**276.94**	**72.33**	**10.42**	**568.54**

16. Other intangible assets

Particulars	As at March 31, 2023	As at March 31, 2022
Software :		
At cost as at the beginning of the year	**4,092.98**	**2,972.79**
Additions during the year	3,093.51	1,136.78
Disposal/ adjustments during the year	-	(16.59)
At cost as at the end of the year	**7,186.49**	**4,092.98**
Accumulated amortisation as at the beginning of the year	**1,490.94**	**910.77**
Amortisation for the year	954.02	588.76
Disposals/ adjustments during the year	-	(8.59)
Accumulated amortisation as at the end of the year	**2,444.96**	**1,490.94**
Net carrying amount as at the end of the year	**4,741.53**	**2,602.04**

Note: No revaluation of any class of asset was carried out during the year.

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(Rupees in lakh)

17. Other non-financial assets

Particulars	As at March 31, 2023	As at March 31, 2022
Advances to vendors and employees	2,616.33	1,190.04
Goods and services tax input credit receivable	1,022.57	693.63
Prepaid expenses	1,695.91	1,198.14
Deferred staff loan cost	-	0.02
Total	**5,334.81**	**3,081.83**

18. Derivative financial instruments

Particulars	As at March 31, 2023			As at March 31, 2022		
Part I	Notional Amounts	Fair value - Assets	Fair value - Liabilities	Notional Amounts	Fair value - Assets	Fair value - Liabilities
(i) Currency derivatives:						
-Currency swaps*	23,746.43	-	9.27	-	-	-
(ii) Interest rate derivatives	-	-	-	-	-	-
Total Derivative Financial Instruments	**23,746.43**	-	**9.27**	-	-	-
Part II						
Included in above (Part I) are derivatives held for hedging and risk management purposes as follows:						
(i) Fair value hedging:						
-Currency derivatives	-	-	-	-	-	-
(ii) Cash flow hedging:						
-Currency derivatives*	23,746.43	-	9.27	-	-	-
Total Derivative Financial Instruments	**23,746.43**	-	**9.27**	-	-	-

* This refers to Cross Currency Interest rate Swap and Full Currency Swap.

The Company enters into derivatives for risk management purposes. Derivatives held for risk management purposes include hedges that either meet the hedge accounting requirements or hedges that are economic hedges.The notional amounts indicate the value of transactions outstanding at the year end and are not indicative of either the market risk or credit risk.

Notes forming part of the financial statements (continued)
For the year ended March 31, 2023

(Rupees in lakh)

19. Payables

Particulars	As at March 31, 2023	As at March 31, 2022
Trade payables		
Due to micro and small enterprises	145.97	0.08
Due to others	1,168.80	666.93
Other payables		
Due to micro and small enterprises	-	-
Due to others		
- Accrued employee benefits	78.92	27.17
- Payable to customers	17.86	15.04
Total	**1,411.55**	**709.22**

The ageing for trade payables as at March 31, 2023 is as follows:

Particulars	Outstanding for the following periods from the due date of payment					Total
	Less than 6 months	6 Months - 1 year	1-2 years	2-3 years	More than 3 years	
MSME	145.97	-	-	-	-	145.97
Others	1,032.70	0.41	110.00	18.73	6.96	1,168.80
Disputed dues - MSME	-	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-	-
Total	**1,178.67**	**0.41**	**110.00**	**18.73**	**6.96**	**1,314.77**

The ageing for trade payables as at March 31, 2022 is as follows:

Particulars	Outstanding for the following periods from the due date of payment					Total
	Less than 6 months	6 Months - 1 year	1-2 years	2-3 years	More than 3 years	
MSME	-	0.08	-	-	-	0.08
Others	530.84	38.59	53.80	39.60	4.10	666.93
Disputed dues - MSME	-	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-	-
Total	**530.84**	**38.67**	**53.80**	**39.60**	**4.10**	**667.01**

Details of dues to micro, small and medium enterprises

The Company has sent confirmations to suppliers to confirm whether they are covered under The Micro, Small and Medium Enterprises Development Act 2006 (MSMED Act, 2006) as well as they have filled the required memorandum with the prescribed authorities. Out of the confirmations sent to the parties, some confirmations have been received till the date of finalisation of the Balance Sheet. Based on the confirmations received, the outstanding amounts payable to vendors covered under the Micro, Small and Medium Enterprises Development Act 2006 are given below :

Particulars	As at March 31, 2023	As at March 31, 2022
1.The principal amount remaining unpaid at the end of the accounting year.	145.97	0.08
2. interest amount remaining unpaid at the end of the accounting year.	-	-
3. The amount of interest paid by the Company in terms of section 16 of The MSMED Act, 2006, along with the amounts of the payment made to the suppliers beyond the appointed day during the year	-	-
4. The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under The MSMED Act, 2006	-	-
5. The amount of interest due and payable for the period (where the principal has been paid but interest under The MSMED Act, 2006 not paid)	-	-
6. The amount of interest accrued and remaining unpaid at the end of accounting year	-	-
7. The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of The MSMED Act, 2006.	-	-
The balance of MSMED parties as at the end of the year	**145.97**	**0.08**

Notes forming part of the financial statements (continued)
For the year ended March 31, 2023

(Rupees in lakh)

20. Debt securities

Particulars	As at March 31, 2023		As at March 31, 2022	
	At amortised cost	Total	At amortised cost	Total
Secured				
Redeemable non-convertible debentures	85,495.83	85,495.83	54,621.07	54,621.07
Liabilities arising out of securitization transactions	16,130.24	16,130.24	3,358.04	3,358.04
Unsecured				
Commercial Paper	12,146.52	12,146.52	11,472.03	11,472.03
Redeemable non-convertible debentures	661.86	661.86	990.29	990.29
Total	**1,14,434.45**	**1,14,434.45**	**70,441.43**	**70,441.43**
Debt securities in India	1,14,434.45	1,14,434.45	70,441.43	70,441.43
Debt securities outside India	-	-	-	-
Total	**1,14,434.45**	**1,14,434.45**	**70,441.43**	**70,441.43**

Security and other terms of debt securities :

(i) Terms of repayment (repayment schedule mentioned below represents principal outstanding) as at March 31, 2023:

Rate of Interest	0-12 months	12-24 months	24-36 months	36-60 months	More than 60 Months	Total
6.75 - 8.99 %	7,000.00	-	-	-	-	**7,000.00**
9.00 - 10.99 %	46,290.63	5,185.10	9,401.06	2,500.00	-	**63,376.79**
11.00 - 13.00 %	1,166.67	3,666.67	9,928.11	10,700.00	-	**25,461.45**
Total	**54,457.30**	**8,851.77**	**19,329.17**	**13,200.00**	-	**95,838.24**

(ii) Terms of repayment (repayment schedule mentioned below represents principal outstanding) as at March 31, 2022:

Rate of Interest	0-12 months	12-24 months	24-36 months	36-60 months	More than 60 Months	Total
6.75 - 8.99 %	8,000.00	2,000.00	-	-	-	**10,000.00**
9.00 - 10.99 %	18,136.65	16,833.35	2,500.00	-	-	**37,470.00**
11.00 - 13.00 %	1,166.66	1,166.66	1,166.68	5,000.00	10,700.00	**19,200.00**
Total	**27,303.31**	**20,000.01**	**3,666.68**	**5,000.00**	**10,700.00**	**66,670.00**

The above secured debt securities are secured by specific charge on receivables under financing activities. The Company has maintained the required security cover with respect to its debt securities. Minimum security cover of 1.1 times is required to be maintained throughout the year.

(i) Terms of repayment of borrowings under Securitization (repayment schedule mentioned below represents principal outstanding) as at March 31, 2023:

Rate of Interest	0-12 months	12-24 months	24-36 months	36-60 months	More than 60 Months	Total
Rate of Interest 8.50 % to 11.50%*	11,618.47	4,316.18	405.34	-	-	**16,339.99**
Total	**11,618.47**	**4,316.18**	**405.34**	-	-	**16,339.99**

(ii) Terms of repayment of borrowings under Securitization (repayment schedule mentioned below represents principal outstanding) as at March 31, 2022:

Rate of Interest	0-12 months	12-24 months	24-36 months	36-60 months	More than 60 Months	Total
Rate of Interest 9.75 % to 11.04%*	1,036.54	927.10	924.94	531.03	-	**3,419.61**
	1,036.54	**927.10**	**924.94**	**531.03**	-	**3,419.61**

* Rate of interest is considered on an annualised basis payable monthly for reporting purpose.

Security and other terms of debt securities are as follows :

(a) Out of the the above, Non-convertible debentures as at March 31, 2023 are not guaranteed by directors. Non-convertible debentures amounting to Rs 5,000 lakh as at March 31, 2022 are guaranteed by directors.

(b) Debt Securities were used fully for the purpose for which the same were obtained.

(c) There are no default in repayment of debt securities.

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(Rupees in lakh)

21. Borrowings (other than debt securities)

Particulars	As at March 31, 2023		As at March 31, 2022	
	At amortised cost	Total	At amortised cost	Total
(a) Term loans				
From banks	1,39,220.73	1,39,220.73	67,444.47	67,444.47
From other parties	33,531.96	33,531.96	36,657.03	36,657.03
External Commercial borrowings	24,228.38	24,228.38	3,137.88	3,137.88
(b) Loans repayable on demand				
Cash credit	-	-	-	-
Bank overdraft	3,477.93	3,477.93	2,543.83	2,543.83
Total	**2,00,459.00**	**2,00,459.00**	**1,09,783.21**	**1,09,783.21**
Borrowings in India	1,76,230.62	1,76,230.62	1,06,645.33	1,06,645.33
Borrowings outside India	24,228.38	24,228.38	3,137.88	3,137.88
Total	**2,00,459.00**	**2,00,459.00**	**1,09,783.21**	**1,09,783.21**
Secured	1,95,964.10	1,95,964.10	1,03,778.60	1,03,778.60
Unsecured	4,494.90	4,494.90	6,004.61	6,004.61
Total	**2,00,459.00**	**2,00,459.00**	**1,09,783.21**	**1,09,783.21**

Terms of repayment of the term loans

(i) Terms of repayment (repayment schedule mentioned below represents principal outstanding) as at March 31, 2023:

Rate of Interest	0-12 months	12-24 months	24-36 months	36-60 months	More than 60 Months	Total
For Banks :						
Rate of Interest 8.10 % to 13.75%*	55,269.39	45,217.53	23,584.60	17,425.92	95.00	**1,41,592.44**
For Other Parties :						
Rate of Interest 10.50 % to 13.20%*	21,603.07	8,856.23	2,246.31	1,270.13	-	**33,975.74**
Total	**76,872.46**	**54,073.76**	**25,830.91**	**18,696.05**	**95.00**	**1,75,568.18**

(ii) Terms of repayment of External commercial borrowings in foreign currency as at March 31, 2023:

Rate of Interest	0-12 months	12-24 months	24-36 months	36-60 months	More than 60 Months	Total
Rate of Interest 11.12% to 12.67%*	-	3,391.45	12,616.36	7,937.87	-	**23,945.68**
Total	**-**	**3,391.45**	**12,616.36**	**7,937.87**	**-**	**23,945.68**

The Company had availed total External Commercial Borrowings (ECBs) of USD 14.125 million and USD 15 million for financing prospective borrowers as per the ECB guidelines issued by the Reserve Bank of India ("RBI") from time to time.The borrowings have a maturity of three years and five years respectively. In terms of the RBI guidelines, the borrowings have been swapped into rupees and fully hedged for the entire maturity by way of cross currency swaps and full currency swaps. The charges for raising of the aforesaid ECB have been amortised over the tenure of the ECBs.

(iii) Terms of repayment (repayment schedule mentioned below represents principal outstanding) as at March 31, 2022:

Rate of Interest	0-12 months	12-24 months	24-36 months	36-60 months	More than 60 Months	Total
For Banks :						
Rate of Interest 6 % to 12.00%*	25,303.53	19,848.93	15,402.65	7,695.37	250.00	**68,500.48**
For Other Parties :						
Rate of Interest 10.85 % to 12.75%*	18,696.31	13,737.48	3,456.02	1,238.08	-	**37,127.89**
Total	**43,999.84**	**33,586.41**	**18,858.67**	**8,933.45**	**250.00**	**1,05,628.37**

(iv) Terms of repayment of External commercial borrowings in foreign currency as at March 31, 2022:

Rate of Interest	0-12 months	12-24 months	24-36 months	36-60 months	More than 60 Months	Total
Rate of Interest 11.12%*	-	-	3,131.29	-	-	**3,131.29**
Total	**-**	**-**	**3,131.29**	**-**	**-**	**3,131.29**

The Company had availed total External Commercial Borrowing (ECB) of USD 4.125 million for financing prospective borrowers as per the ECB guidelines issued by the Reserve Bank of India ("RBI") from time to time.The borrowing has a maturity of three years. In terms of the RBI guidelines, the borrowing has been swapped into rupees and fully hedged for the entire maturity by way of cross currency swaps .The charges for raising of the aforesaid ECB have been amortised over the tenure of the ECB.

*Rate of interest on term loans considered on an annualised basis payable monthly for reporting purpose.

Security and other terms of borrowings are as follows :

(a) Rate of interest of the bank overdraft ranges from 4.65% per annum to 10.60% per annum and the same is secured against fixed deposits and book debt.

(b) The above borrowings other than Bank overdraft and unsecured borrowings are secured by specific charge on receivables under financing activities. The Company has maintained the required security cover with respect to its secured borrowings.

(c) Out of the the above, borrowings amounting to Rs. 76,500 lakh as at March 31, 2023 (Previous Year: 30,714 lakh) is guaranteed by a director.

(d) Term Loans were used fully for the purpose for which the same were obtained.

(e) There were no default in the repayment of borrowings.

(f) Periodic statements of securities filed with the lending institutions are as per the books of accounts.

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(Rupees in lakh)

22. Other financial liabilities

Particulars	As at March 31, 2023	As at March 31, 2022
Unclaimed dividend payable on equity shares	1.36	1.43
Others payables :		
Collateral margin money received	32.37	1.67
Deferred consideration on direct assignment	23.81	23.81
Lease liabilities (Refer Note 47)	3,518.15	2,858.76
Other liabilities	3,335.59	1,437.51
Book overdraft	598.40	174.01
Provision on unrealised gain*	225.17	225.17
Total	**7,734.85**	**4,722.36**

*The unrealised gain is on account of sale of loan to ARC.

23. Current tax liabilities (net)

Particulars	As at March 31, 2023	As at March 31, 2022
Provision for tax (net of advance tax and tax deducted at source Rs. 730.85 lakh (Previous year: Rs. 534.81 lakh))	1,567.77	126.07
Total	**1,567.77**	**126.07**

24. Provisions

Particulars	As at March 31, 2023	As at March 31, 2022
Provision for employee benefits :		
-Provision for gratuity (Refer Note 45b(iii))	171.83	83.65
-Provision for compensated absences (Refer Note 45c(ii))	604.09	287.52
-Provision for bonus	1,200.00	700.00
Provision for expenses	3,800.79	1,616.05
Total	**5,776.71**	**2,687.22**

25. Other non-financial liabilities

Particulars	As at March 31, 2023	As at March 31, 2022
Statutory dues payable	760.77	364.23
Total	**760.77**	**364.23**





(Rupees in lakh)

26. Equity

a. Details of authorised, issued and subscribed share capital:

Particulars	As at March 31, 2023		As at March 31, 2022	
	No. of Shares	Amount	No. of Shares	Amount
Authorised capital				
Equity shares of Rs.10 each	8,15,00,000	8,150.00	8,15,00,000	8,150.00
Preference shares of Rs.10 each	2,05,00,000	2,050.00	2,05,00,000	2,050.00
Issued, subscribed and fully paid-up (A)				
Equity shares of Rs.10 each, fully paid-up	7,05,59,319	7,055.94	7,05,59,319	7,055.94
Less:Treasury shares held through ESOP Trust (B)				
Equity shares of Rs.10 each, fully paid-up	(12,38,252)	(123.83)	-	-
Equity shares (Net of Treasury shares) (A-B)	**6,93,21,067**	**6,932.11**	**7,05,59,319**	**7,055.94**

b. Reconciliation of number of shares and amount outstanding as at the beginning and as at the end of the year:

Particulars	As at March 31, 2023		As at March 31, 2022	
	No. of Shares	Amount	No. of Shares	Amount
Shares outstanding as at the beginning of the year	7,05,59,319	7,055.94	7,05,28,550	7,052.86
Add: equity shares issued during the year *	-	-	30,769	3.08
Shares outstanding as at the end of the year	**7,05,59,319**	**7,055.94**	**7,05,59,319**	**7,055.94**

*During the year, the Company has not allotted equity shares (Previous year: 30,769 equity shares of Rs. 10 each) under the ESOP schemes.

c. Reconciliation of the number of treasury shares outstanding as at the beginning and end of the year:

Particulars	As at March 31, 2023		As at March 31, 2022	
	No. of Shares	Amount	No. of Shares	Amount
Shares outstanding as at the beginning of the year	-	-	-	-
Add: equity shares acquired from secondary market	12,38,252	123.83	-	-
Shares outstanding as at the end of the year	**12,38,252**	**123.83**	-	-

An Employee Benefit Trust ("Trust") has been constituted. The objective of the Trust is to distribute shares to employees under the employee benefit program. The Trust is responsible for the purchase of shares of the Company from the secondary market for the purpose of this program. The Trust is treated as an extension of the Company, hence the shares held by the Trust are treated as treasury shares. Own equity instruments so reacquired (treasury shares) are recognised at face value and deducted from the equity share capital to the tune of Rs. 123.83 lakh. The amount received in excess of the face value is deducted from the securities premium account. Pursuant to the same, the Company has granted 11,11,929 options on October 10, 2022.

d. Rights, preferences and restrictions attached to equity shares:

The Company has only one class of equity shares having a face value of Rs.10 each. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive the remaining assets of the Company after distribution of all preferential amounts, in the proportion of their holding.

e. Particulars of shareholders holding more than 5% of the equity share capital:

Particulars	As at March 31, 2023		As at March 31, 2022	
	No. of Shares	% of holding	No. of Shares	% of holding
Newquest Asia Investments III Limited	1,51,16,279	21.42%	1,51,16,279	21.42%
Clearsky Investment Holdings Pte Limited	1,51,16,279	21.42%	1,51,16,279	21.42%
DBZ (Cyprus) Limited	26,79,758	3.80%	65,07,687	9.22%
Samena Fidem Holdings	59,56,757	8.44%	59,56,757	8.44%
Total	**3,88,69,073**	**55.08%**	**4,26,97,002**	**60.50%**





(Rupees in lakh)

26. Equity (continued)

f. Shares reservation:

Particulars	As at March 31, 2023	As at March 31, 2022
	No. of Shares	No. of Shares
Equity shares of Rs.10 each		
Number of Shares reserved for ESOPs (Refer Note 46)	33,45,238	29,91,097

g. Objective for managing capital:

The Company maintains an actively managed capital base to cover risks inherent in the business and is meeting the capital adequacy requirements as prescribed by the Reserve Bank of India (RBI). The adequacy of the Company's capital is monitored using, among other measures, the regulations issued by RBI.

h. Shareholding of Promoters Disclosure:

Shares held by promoters as at the end of the year:

Promoter Name	As at March 31, 2023			As at March 31, 2022		
	No.of Shares	% of total shares	% Change during the year	No.of Shares	% of total shares	% Change during the year
1. Poshika Advisory Services LLP	20,27,709	2.87%	-	20,27,709	2.87%	-
Total	**20,27,709**	**2.87%**	**-**	**20,27,709**	**2.87%**	**-**

(Rupees in lakh)

27. Other equity

Particulars	As at March 31, 2023	As at March 31, 2022
(i) Securities premium account	75,352.48	77,723.91
(ii) Employee stock options scheme outstanding account	483.62	446.86
(iii) Reserve Fund u/s 45-IC (1) of the Reserve Bank of India Act, 1934	3,197.01	2,401.48
(iv) Capital reserve	1,046.00	1,046.00
(v) Retained earnings - other than remeasurement of post-employment benefit obligations	11,371.61	7,957.55
(vi) Retained earnings - Remeasurement of post- employment benefit obligations	(17.03)	18.20
(vii) Cash flow hedges reserve	38.51	6.38
Total	**91,472.20**	**89,600.38**

Nature and purpose of reserves :

(i) Securities premium account:

Securities premium account is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Companies Act, 2013.

(ii) Employee stock options scheme outstanding:

The shares options outstanding account is used to recognise the grant date fair value of options issued to employees under the stock option schemes of the Company.

(iii) Statutory reserves u/s 45-IC of The RBI Act, 1934:

Statutory reserve fund is required to be created by a Non-Banking Financial Company as per Section 45- IC of the Reserve Bank of India Act, 1934. The Company is not allowed to use the reserve fund except with authorisation of the Reserve Bank of India.

(iv) Capital Reserve:

Capital reserve comprises of the amount received on share warrants and which are forfeited by the Company for non-payment of call money.

(v) Retained earnings - other than remeasurement of post employement benefit obligations:

Retained earnings represents surplus of accumulated earnings of the Company and which are available for distribution to shareholders.

(vi) Retained earnings - Remeasurement of post employement benefit obligations:

The Company recognises change on account of remeasurement of the net defined benefit liability (asset) as a part of the retained earnings.

(vii) Cash Flow Hedges Reserve:

It represents the cumulative gains/ (losses) arising on revaluation of the derivative instruments designated as cash flow hedges through OCI.

(Rupees in lakh)

28. Interest income

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
At Amortised Cost:		
Interest on loans	46,850.12	26,129.70
Interest on deposits with banks	930.48	696.50
Interest on other financial assets	41.35	61.70
Other interest income	220.97	105.43
Interest on debt securities	248.42	214.29
Total	**48,291.34**	**27,207.62**

29. Net gain on derecognition of financial instruments under amortised cost category

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Gain on derecognition of financial instruments	15,407.22	2,693.46
Total	**15,407.22**	**2,693.46**

30. Net gain on fair value changes

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Net gain on financial instruments at fair value through profit and loss:		
(a) On trading portfolio		
- Gain on sale of investments	-	49.46
Total	**-**	**49.46**
Fair value changes:		
Realised	-	62.89
Unrealised	-	(13.43)
Total	**-**	**49.46**

31. Fees and commission income

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Fees and commission income	1,946.81	680.35
Total	**1,946.81**	**680.35**

32. Other income

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Marketing advisory fees	707.50	-
Technology support fees	1,686.93	400.00
Web display fees	330.00	180.00
Insurance commission income	0.02	0.32
Interest on income tax refund	6.46	-
Total	**2,730.91**	**580.32**

(Rupees in lakh)

33. Finance costs

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Interest cost		
Interest expense on financial liabilities measured at amortised cost:		
(a) Interest on borrowings		
Interest on borrowings from banks and financial institutions	17,346.36	8,090.88
(b) Interest on debt securities		
Interest on redeemable non-convertible debentures/ discount on commercial paper	11,476.56	5,403.56
(c) Interest on lease liabilities		
Interest on lease liabilities	504.48	225.38
(d) Other interest expenses		
Interest on other financial liabilities	-	5.86
Total	**29,327.40**	**13,725.68**

34. Net loss on fair value changes

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Net Loss on financial instruments at fair value through profit or loss		
-On financial instruments	640.11	15.79
Total	**640.11**	**15.79**
Fair value changes:		
Realised	-	-
Unrealised	640.11	15.79
Total	**640.11**	**15.79**

35. Impairment on financial instruments

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
On financial instruments measured at amortised cost:		
Impairment on financial instruments		
- Loans	5,591.20	2,934.67
- Other assets	88.62	3.17
- Fixed deposits	0.18	2.86
- Debt securities	(0.01)	0.84
Total	**5,679.99**	**2,941.54**

36. Employee benefits expenses

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Salaries, other allowances and bonus	13,186.28	7,074.49
Contribution to provident and other funds (Refer Note 45a)	437.82	236.77
Gratuity expenses (Refer Note 45b(ii))	64.23	38.19
Staff welfare expenses	126.74	46.76
Share based payments to employees (Refer Note 46)	256.41	(107.15)
Total	**14,071.48**	**7,289.06**

(Rupees in lakh)

37. Depreciation, amortisation and impairment

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Depreciation on property, plant and equipment	194.75	172.08
Amortization on intangible assets	954.02	580.17
Depreciation on right of use assets	614.97	481.01
Total	**1,763.74**	**1,233.26**

38. Other expenses

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Rent	334.00	222.22
Rates and taxes	1,350.83	598.97
Directors' sitting fees	189.00	171.00
Legal and professional fees	2,612.41	1,248.09
Computer maintenance and software	588.60	580.38
Communication	746.33	229.19
Payments to auditor **	67.80	75.20
Advertisement and publicity	29.69	15.95
Printing and stationery	98.70	49.71
Insurance	285.18	152.29
Marketing and brand promotion	62.29	36.95
Meeting and event expenses	113.75	18.02
Travelling, lodging and boarding	669.89	151.81
Brokerage	0.75	2.85
CSR expenditure (Refer Note 42)	52.50	39.12
Miscellaneous	1,309.00	396.35
Total	**8,510.72**	**3,988.10**

**** Payments to auditor includes :**

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
a. As Auditor	57.00	47.00
b. For taxation matters	3.00	2.00
c. For company law matters	2.00	7.00
d. For other services	5.80	17.70
e. For reimbursement of expenses	-	1.50
Total	**67.80**	**75.20**

(Rupees in lakh)

39. Earnings per share

Basic and diluted earnings per share [EPS] computed in accordance with the Indian Accounting Standard (Ind AS) 33 'Earnings per share' :

Basic EPS is calculated by dividing the net profit for the year attributable to equity holders by the weighted average number of equity shares outstanding during the year.

Diluted EPS is calculated by dividing the profit attributable to equity holders (after adjusting the profit impact of dilutive potential equity shares, if any) by the aggregate of weighted average number of equity shares outstanding during the year and the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Basic		
Profit after tax [A]	3,977.64	1,455.06
Weighted average number of equity shares outstanding during the year (Nos.) [B]	69,900,472	70,535,715
Basic earnings per share Rs. [A/B]	**5.69**	**2.06**
Diluted		
Profit after tax [A]	3,977.64	1,455.06
Weighted average number of equity shares outstanding during the year (Nos.)	69,900,472	70,535,715
Weighted average number of potential equity shares on account of employee stock options and share warrants	422,923	573,817
Weighted average number of shares outstanding for diluted earning per share [B]	70,323,395	71,109,532
Diluted earnings per share Rs. [A/B]	**5.66**	**2.05**
Face value per share Rs.	10.00	10.00

40. Contingent liabilities and capital commitments:

a. Contingent liabilities

All tax related liabilities till July 05, 2018 are covered by a deed of indemnity entered by the existing promoters of the Company with the erstwhile promoters. Further, there are no other contingent liabilities other than those covered under the deed of indemnity.

b. Capital commitments

Particulars	As at March 31, 2023	As at March 31, 2022
Commitments not provided for :		
- Commitments related to loans sanctioned but partially undrawn	4,477.45	882.60
- Other commitments*	5,141.44	872.99
- Amount of contracts remaining to be executed on capital account	760.50	185.00
Total	**10,379.39**	**1,940.59**

*Other commitments represent financial guarantees given for Co-origination arrangements entered by the Company during the year.

41. Segment Reporting

There is no separate reportable segment as per the Ind AS 108 "Operating Segments" specified under Section 133 of the Act. The Company operates in a single segment only. There are no operations outside India and hence, there are no reportable geographical segments.

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UGRO CAPITAL LIMITED

(Rupees in lakh)

42. Corporate Social Responsibility

The average net profit as per Section 198 of Companies Act, 2013 of the Company for the last three financial years was Rs.2,362.46 lakh, basis which the Company was required to spend Rs.47.25 lakh towards Corporate Social Responsibility (CSR) during the current financial year.

a) Amount spent during the year on :

Particulars	For the year ended March 31, 2023			For the year ended March 31, 2022		
	Amount Spent	Amount unpaid/provision	Total	Amount Spent	Amount unpaid/provision	Total
(i) Construction/acquisition of any asset	-	-	-	-	-	-
(ii) On purpose other than (i) above	52.50	-	52.50	39.12	-	39.12

b) In case of Section 135(5) unspent amount :

Opening Balance	Amount deposited in Specified Fund of Sch. VII within 6 months	Amount required to be spent during the year	Amount spent during the year	Closing Balance
-	-	-	-	-

c) In case of Section 135(5) excess amount spent :

Opening Balance	Amount deposited in Specified Fund of Sch. VII within 6 months	Amount required to be spent during the year	Amount spent during the year	Closing Balance
-	-	47.25	52.50	5.25

d) In case of Section 135(6) details of ongoing projects :

Opening Balance	Amount deposited in Specified Fund of Sch. VII within 6 months	Amount required to be spent during the year	Amount spent during the year	Closing Balance
-	-	-	-	-

e) The additional disclosures with regard to CSR activities are summarized below:
(i) The amount of shortfall at the end of the year out of the amount required to be spent by the Company during the year - Nil
(ii) The total of previous years' shortfall amounts - Nil
(iii) The reason for above shortfalls - Not applicable.

f) Nature of CSR activities:

The Company is required to contribute to corporate social responsibility activities as per CSR Rules under the Companies Act, 2013. During the year the Company has spent Rs. 52.50 lakh against the Rs. 47.25 lakh which was the required amount to be spent under CSR activities. The amount is spent towards healthcare and education of the under-privileged through NGOs.

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(Rupees in lakh)

43. Related party

a. List of related parties and their relationships:

(i) Key managerial personnel (KMP):

- Vice Chairman & Managing Director	Shachindra Nath
- Chief Financial Officer (upto September 01, 2022)	Amit Gupta
- Chief Financial Officer (from September 15, 2022)	Kishore Kumar Lodha
- Company Secretary (upto June 13, 2022)	Aniket Karandikar
- Company Secretary (from July 22, 2022)	Namrata Sajnani

(ii) Enterprises over which KMP has control:

- Poshika Financial Ecosystem Private Limited
- Poshika Advisory Services LLP

(iii) Other related parties:

- Livfin India Private Limited
- Orbis Financial Corporation Limited
- Qwazent Health Search Private Limited

b. Transactions with related parties are as enumerated below:

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Transactions during the year:		
Income		
Recovery of transaction fees *		
Livfin India Private Limited	94.28	33.81
Expenses		
Arranger Fees Paid *		
Livfin India Private Limited	33.44	20.57
Reimbursement of expenses		
Aniket Karandikar	0.02	0.17
Amit Gupta	0.03	0.99
Shachindra Nath	0.08	9.43
Kishore Kumar Lodha	1.34	-
Remuneration paid **		
Shachindra Nath	466.22	295.60
Abhijit Ghosh	-	11.38
Sandeepkumar Zanvar	-	44.48
Amit Gupta	50.60	53.68
Kishore Kumar Lodha	180.19	-
Namrata Sajnani	25.77	-
Aniket Karandikar	8.76	30.49

* The above figures are excluding GST.
**The above figures do not include provision towards gratuity.

c. Balance outstanding:

Particulars	As at March 31, 2023	As at March 31, 2022
Other financial assets		
Livfin India Private Limited	11.44	7.89

d. ESOPs held with Key Managerial Personnel:

Particulars	As at March 31, 2023 (No. of options)	As at March 31, 2022 (No. of options)
Amit Gupta	-	3,00,000
Kishore Kumar Lodha	3,99,010	-
Aniket Karandikar	-	15,000

44. Expenditure in foreign currency:

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Other expenses	533.81	79.49
Total	**533.81**	**79.49**

45. Disclosure pursuant to Ind AS 19 'Employee benefits'

a. Defined contribution plans :

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Employer's contribution to provident fund	291.18	140.11
Employer's contribution to national pension scheme	146.29	96.61
Employer's contribution to labour welfare fund	0.35	0.05
Total	**437.82**	**236.77**

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(Rupees in lakh)

45. Disclosure pursuant to Ind AS 19 'Employee benefits' (continued)

b. Defined benefit plan (Gratuity)

The following table sets out the status of the defined benefit plan as per the actuarial valuation by the independent actuary appointed by the Company :

(i). The principal assumptions used for the purposes of the actuarial valuations were as follows :

Particulars	Gratuity plans	
	As at March 31, 2023	As at March 31, 2022
Discount rate	7.29%	5.66%
Expected rate of return on plan assets	NA	NA
Salary escalation	5.00%	5.00%
Attrition rate	22.00%	22.00%
Mortality table	Indian Assured Lives Mortality 2012-14 (Urban)	Indian Assured Lives Mortality 2012-14 (Urban)

(ii). Amounts recognised in the Statement of profit and loss in respect of these defined benefit plans are as follows :

Particulars	Gratuity plans	
	For the year ended March 31, 2023	For the year ended March 31, 2022
Service cost:		
Current service cost	59.50	34.50
Net interest expense	4.73	3.69
Components of defined benefit costs recognised in the Statement of profit or loss	**64.23**	**38.19**
Remeasurement on the net defined benefit liability:		
Actuarial (Gains)/Losses on Obligations - Due to Change in Demographic Assumptions	-	(0.02)
Actuarial (Gains)/Losses on Obligations - Due to Change in Financial Assumptions	(13.06)	(1.94)
Actuarial (Gains)/Losses on Obligations - Due to Experience	37.09	(23.71)
Components of defined benefit costs recognised in other comprehensive income	**24.03**	**(25.67)**
Total	**88.26**	**12.52**

(iii). The amount included in the Balance Sheet arising from the Company's obligation in respect of its defined benefit plans is as follows :

Particulars	Gratuity plans	
	As at March 31, 2023	As at March 31, 2022
Present value of defined benefit obligation	171.83	83.65
Net liability arising from defined benefit obligation	**171.83**	**83.65**

(iv). Movements in the present value of the defined benefit obligation is as follows :

Particulars	Gratuity plans	
	As at March 31, 2023	As at March 31, 2022
Opening defined benefit obligation	**83.65**	**71.13**
Current service cost	59.50	34.50
Interest cost	4.73	3.69
Remeasurement (gains)/Loss	24.03	(25.67)
Benefits paid	(0.08)	-
Closing defined benefit obligation	**171.83**	**83.65**

(v). Maturity analysis of the benefit payments :

Projected benefits payable in future years	As at March 31, 2023	As at March 31, 2022
1st following year	17.43	0.39
2nd following year	21.55	11.55
3rd following year	18.02	14.19
4th following year	23.78	11.81
5th following year	31.80	14.28
Sum of years 6 To 10	91.83	40.89
Sum of years 11 and above	43.90	19.52

The estimates of future salary growth, factored in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market. Such estimates are very long term and are not based on limited past experience / immediate future. Empirical evidence also suggests that in very long term, consistent high salary growth rates are not possible.

(Rupees in lakh)

45. Disclosure pursuant to Ind AS 19 'Employee benefits' (continued)

(vi). Sensitivity analysis (defined benefit obligation) :

Particulars	As at March 31, 2023		As at March 31, 2022	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(7.20)	7.80	(3.81)	4.13
Future salary growth (1% movement)	7.19	(6.77)	3.67	(3.44)
Attrition rate (1% movement)	(3.03)	3.07	(1.88)	1.91

Note :

The sensitivity analysis has been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same method as applied in calculating the defined benefit obligation as recognised in the Balance Sheet.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

c. Compensated absences

(i). The principal assumptions used for the purposes of the actuarial valuations towards Privilege Leave liability were as follows :

Particulars	Compensated absences	
	As at March 31, 2023	As at March 31, 2022
Demographic Assumptions		
Mortality Rate	Indian Assured Lives Mortality 2012-14 (Urban)	Indian Assured Lives Mortality 2012-14 (Urban)
Attrition Rate	22.00% p.a. for all service groups.	22.00% p.a. for all service groups.
Retirement Age	60 years	60 years
Financial Assumptions		
Salary Escalation Rate	5.00% p.a.	5.00% p.a.
Discount Rate	7.29% p.a.(Indicative G.Sec referenced on 31-03-2023)	5.66% p.a.(Indicative G.Sec referenced on 31-03-2022)

(ii). The amount included in the Balance Sheet arising from the Company's obligation in respect of its defined benefit plans is as follows :

Particulars	Compensated absences	
	As at March 31, 2023	As at March 31, 2022
Present value of defined benefit obligation	604.09	287.52
Net liability arising from defined benefit obligation	**604.09**	**287.52**

Particulars	Compensated absences	
	As at March 31, 2023	As at March 31, 2022
Discontinuance liability	648.30	293.61
Defined benefit obligation	604.09	287.52
Funding status	Unfunded	Unfunded
Fund balance	N.A.	N.A.
Current liability	143.95	67.38
Non-current liability	460.15	220.14

The average expected future service is 3.00 years

A distribution of the above liability over different ranges of past service intervals is provided below :

Past Service Interval	Distribution of DBO
9 and below	100%
10 to 19	0%
20 to 29	0%
30 and above	0%

(iii). Sensitivity analysis (defined benefit obligation) :

Particulars	As at March 31, 2023		As at March 31, 2022	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(17.01)	18.34	(8.64)	9.36
Future salary growth (1% movement)	18.57	(17.53)	9.32	(8.77)
Attrition rate (1% movement)	2.20	(2.37)	(0.32)	0.34

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UGRO CAPITAL LIMITED

(Rupees in lakh)

46. Disclosure relating to employee stock option scheme

The Company has two employee stock option schemes viz. CSL Employee Stock Option Scheme 2017 ("ESOS 2017") and UGRO Employee Stock Option Scheme 2022 ("ESOS 2022").

The ESOS 2017 was approved by the board of directors on August 13, 2018 and by the shareholders through postal ballot on May 7, 2018. Further, the shareholders of the Company at the Extra Ordinary General Meeting held on September 18, 2018 approved ratification of the number of Options under the ESOS 2017.

The ESOS 2022 was approved by the board of directors on July 22, 2022 and by the shareholders through postal ballot on September 4, 2022.

During the year, the Company had issued 15,01,929 (previous year 270,769) options representing equal numbers of equity shares of Rs. 10 each.

The activity in the CSL employee stock option scheme 2017 and CSL employee stock option scheme 2022 during the year ended March 31, 2023 and March 31, 2022 is set below :

Particulars	As at March 31, 2023	Exercise price range	As at March 31, 2022	Exercise price range
	In numbers		In numbers	
CSL employee stock option scheme 2017 and CSL employee stock option scheme 2022: (face value of Rs. 10 each)				
Options outstanding as at the beginning of the year	**29,91,097**	**Rs. 130**	**32,57,033**	**Rs. 130 - Rs. 180**
Add: Options granted	15,01,929	Rs. 137.4 - Rs. 202	13,78,039	Rs. 130
Less: Options exercised	-	-	30,769	Rs. 130
Less: Options lapsed	11,47,788	-	16,13,206	-
Options outstanding as at the end of the year	**33,45,238**	**Rs. 130 - Rs. 202**	**29,91,097**	**Rs. 130**
Exercisable as at the end of the year	**1,38,461**		**2,17,949**	

The Company follows accounting policy of fair value method for employee stock options (ESOPs) valuation. Accordingly, the accumulated expense of Rs. 256.41 lakh (previous year expense reversal Rs. 107.15 lakh) has been debited (previous year credited) to the Statement of profit and loss for the year ended March 31, 2023.

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(Rupees in lakh)

46. Disclosure relating to employee stock option scheme (continued)

Particulars	CSL employee stock option scheme 2017 - Grant XXVI	CSL employee stock option scheme 2017 - Grant XXVII	CSL employee stock option scheme 2017 - Grant XXVIII	CSL employee stock option scheme 2017 - Grant XXIX	CSL employee stock option scheme 2017 - Grant XXX
Date of the grant	April 19, 2022	June 9, 2022	July 1, 2022	September 9, 2022	October 18, 2022
Number of options granted	30,000	30,000	10,000	300,000	20,000
Method of settlement	Equity shares	Equity shares	Equity shares	Equity shares	Equity shares
Vesting period	Graded vesting - starting from 1 year from the date of the grant	Graded vesting - starting from 1 year from the date of the grant	Graded vesting - starting from 1 year from the date of the grant	Graded vesting - starting from 1 year from the date of the grant	Graded vesting - starting from 1 year from the date of the grant
Vesting pattern	1) 50% (April 1st, 2023 – March 31st, 2024) 2) 50% (April 1st, 2025 – March 31st, 2026)				
Weighted average remaining contractual life					
Granted but not vested (in years)	2.00	2.00	2.00	2.00	2.00
Vested but not exercised	Nil	Nil	Nil	Nil	Nil
Weighted average share price at the date of exercise for stock options exercised during the year	NA	NA	NA	NA	NA
Exercise period	Can be exercised within a period of 3 (three) years from the date of vesting.				
Vesting conditions	Graded vesting based on fulfilment of IRR target mentioned in the scheme.				
Weighted average fair value of options as on the grant date (in Rs)	84.23	73.36	86.04	66.07	134.11

46. Disclosure relating to employee stock option scheme (continued)

Particulars	UGRO Capital employee stock option scheme 2022 - Grant I
Date of the grant	October 10, 2022
Number of options granted	1,111,929
Method of settlement	Equity shares
Vesting period	Vesting Period shall commence from the grant date, subject to minimum of 1 (One) year from the grant date and to a maximum of 3 (Three) years from the grant date
Vesting pattern	100%
Weighted average remaining contractual life	
Granted but not vested (in years)	2.53
Vested but not exercised	Nil
Weighted average share price at the date of exercise for stock options exercised during the year	NA
Exercise period	Options can be exercised within maximum of 6 (Six) months from the date of respective vesting.
Vesting conditions	Time Based
Weighted average fair value of options as on grant date (in Rs)	75.15

(Rupees in lakh)

46. Disclosure relating to employee stock option scheme (continued)

Exercise pricing formula

The exercise pricing formula for CSL employee stock option scheme 2017 and employee stock option scheme 2022 is as under :

The nomination and remuneration committee shall have the authority to determine the exercise price having regard to the valuation report of an independent valuer if any. The said committee shall in its absolute discretion, have the authority to grant the options at such discount / premium as it may deem fit.

Fair value methodology :

The binomial model of valuation is more advanced and involves the use of computational techniques. In this model, the share price is projected from the date of grant to the date of exercise using upward and downward probabilities. The probabilities are estimated from the share price volatility assumption.

The key assumptions used in Binomial model for calculating fair value under CSL employee stock option scheme 2017 and CSL employee stock option scheme 2022 with respect to various grants :

Particulars	CSL employee stock option scheme 2017 - Grant XXVI	CSL employee stock option scheme 2017 - Grant XXVII	CSL employee stock option scheme 2017 - Grant XXVIII	CSL employee stock option scheme 2017 - Grant XXIX	CSL employee stock option scheme 2017 - Grant XXX
Risk-free interest rate	6.60%	7.24%	7.10%	6.91%	7.43%
Expected volatility of share price*	56.88%	56.29%	55.59%	55.10%	54.91%
Time to maturity (in years)	4.03	3.89	3.83	3.89	3.79
Dividend yield	-	-	-	-	-
The price of equity share as on the grant date considered for valuation (Rs.)	191.82	165.59	156.7	164.05	182.43

*The daily volatility of the stock prices on BSE, over a period prior to the date of grant, corresponding with the expected life of the Options has been considered to calculate the fair value.

Particulars	UGRO Capital employee stock option scheme 2022 - Grant I
Risk-free interest rate	7.41%
Expected volatility of share price*	54.56%
Time to maturity (in years)	3.25
Dividend yield	-
The price of equity share as on grant date considered for valuation in (Rs.)	180.25

*The daily volatility of the stock prices on BSE, over a period prior to the date of grant, corresponding with the expected life of the Options has been considered to calculate the fair value.

(Rupees in lakh)

47. Leases (entity as a lessee)

The Company as a lessee, recognises the right-of-use asset and lease liability at the lease commencement date. The right-of-use asset is measured by applying cost model i.e. right-of-use asset at cost less accumulated depreciation/ impairment losses. The Company has entered into leasing arrangements for premises. Majority of the leases are cancellable by the Company. ROU asset has been included after the line "Property, Plant & Equipment" and lease liabilities has been included under "Other Financial Liabilities" in the Balance Sheet.

a. Right of use asset :

Particulars	As at March 31, 2023	As at March 31, 2022
Office Premises :		
At fair value as at the beginning of the year	**3,896.26**	**1,971.28**
Additions during the year	1,632.02	1,914.56
Deletions during the year	(234.47)	
Remeasurement of assets	43.22	10.42
At fair value as at the end of the year	**5,337.03**	**3,896.26**
Accumulated depreciation as at the beginning of the year	**1,357.98**	**876.97**
Depreciation for the year	614.97	481.01
Accumulated depreciation as at the end of the year	**1,972.95**	**1,357.98**
Net carrying amount as at the end of the year	**3,364.08**	**2,538.28**

b. Amount recognised in Statement of Profit and loss :

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Depreciation expense on right-of-use assets	614.97	481.01
Interest expense on lease liabilities	504.48	225.38
Total expenses recognised in Statement of profit and loss	**1,119.45**	**706.39**

The total cash outflow on account of lease rentals amounting for the current year Rs. 781.38 lakh (previous year : Rs. 407.19 lakh).

The average lease term for the rented office premises is ranging between 3 to 5 years.

c. Lease liabilities :

Particulars	As at March 31, 2023	As at March 31, 2022
Lease liabilities	3,518.15	2,858.76
Total	**3,518.15**	**2,858.76**

d. Maturity analysis of lease liabilities :

Particulars	As at March 31, 2023	As at March 31, 2022
Not later than 1 year	788.96	597.97
Later than 1 year and not later than 5 years	2,706.62	2,185.39
Later than 5 years	22.57	75.40
Total	**3,518.15**	**2,858.76**

The entity has adequate liquidity for payment of lease liabilities. The Company regularly monitors and pays lease rentals on a timely manner as per the terms of the respective leave and license agreement.

The Company has the right to extend the lease term as per mutually agreed terms laid down in the respective leave and license agreement. The Company takes into account the effect of the extended lease term while recording the lease assets and lease liabilities accordingly.

(Rupees in lakh)

48. Disclosure under Clause 28 of the Listing Agreement for Debt Securities :

Particulars	March 31, 2023	March 31, 2022
a) Loans and advances in the nature of loans to Subsidiaries		
Name of the Company	Not Applicable	Not Applicable
Amount	-	-
b) Loans and advances in the nature of loans to Associates		
Name of the Company	Not Applicable	Not Applicable
Amount	-	-
c) Loans and advances in the nature of loans to Firms/Companies in which directors are interested		
Name of the Company	Not Applicable	Not Applicable
Amount	-	-
d) Investments by the loanee in the shares of parent Company and subsidiary Company, when the Company has made a loan or advance in the nature of loan.	Not Applicable	Not Applicable

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(Rupees in lakh)

49 Impact of Hedging activities

a) Disclosure of effects of hedge accounting on the financial position:

As at March 31, 2023

Type of hedge and risk	Nominal value		Carrying amount of hedging instrument		Maturity Date	Changes in fair value of hedging instruments	Change in the value of hedged item used as the basis for recognising hedge effectiveness	Line item in the Balance Sheet
Cashflow Hedge	**Assets**	**Liabilities**	**Assets**	**Liabilities**				
Currency Derivative (Cross Currency Interest Rate Swaps)	3,109.43	-	340.07	-	December 06, 2024	317.78	317.78	Borrowings (other than debt securities)
Currency Derivative (Full Currency Swap)	4,095.00	-	-	34.15	September 28, 2027	34.15	34.15	Borrowings (other than debt securities)
Currency Derivative (Full Currency Swap)	8,272.00	-	-	198.22	November 07, 2025	198.22	198.22	Borrowings (other than debt securities)
Currency Derivative (Full Currency Swap)	8,270.00	-	-	116.98	February 16, 2028	116.98	116.98	Borrowings (other than debt securities)

As at March 31, 2022

Type of hedge and risk	Nominal value		Carrying amount of hedging instrument		Maturity Date	Changes in fair value of hedging instruments	Change in the value of hedged item used as the basis for recognising hedge effectiveness	Line item in the Balance Sheet
Cashflow Hedge	**Assets**	**Liabilities**	**Assets**	**Liabilities**				
Currency Derivative (Cross Currency Interest Rate Swaps)	3,109.43	-	22.29	-	December 06, 2024	22.29	22.29	Borrowings (other than debt securities)

b) Disclosure of effects of hedge accounting on the financial performance:

As at March 31, 2023

Type of Hedge	Change in the value of the hedging instrument recognised in other comprehensive income	Hedge ineffectiveness recognised in the statement of profit and loss	Amount reclassified from cash flow hedge reserve to statement of profit and loss	Line item affected in the statement of profit and loss because of the reclassification
Cash flow hedge				
-Foreign exchange risk and interest rate risk	45.33	-	-	Finance Cost

As at March 31, 2022

Type of Hedge	Change in the value of the hedging instrument recognised in other comprehensive income	Hedge ineffectiveness recognised in the statement of profit and loss	Amount reclassified from cash flow hedge reserve to statement of profit and loss	Line item affected in the statement of profit and loss because of the reclassification
Cash flow hedge				
-Foreign exchange risk and interest rate risk	9.00	-	-	Finance Cost

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(Rupees in lakh)

50. Summarised classification of financial assets and liabilities :

Particulars	As at March 31, 2023				As at March 31, 2022			
	Amortised cost	At fair value through profit and loss account	At fair value through other comprehensive income	Total	Amortised cost	At fair value through profit and loss account	At fair value through other comprehensive income	Total
Financial assets								
Cash and cash equivalents	4,014.77	-	-	**4,014.77**	6,574.94	-	-	**6,574.94**
Bank balances other than cash and cash equivalents above	17,166.14	-	-	**17,166.14**	12,260.25	-	-	**12,260.25**
Derivative financial instruments	-	-	-	**-**	-	-	22.29	**22.29**
Loans	380,636.21	-	-	**380,636.21**	245,111.74	-	-	**245,111.74**
Investments	4,261.77	1,748.92	-	**6,010.69**	4,295.88	2,648.11		**6,943.99**
Other financial assets (Refer Note 8)	2,531.23	-	-	**2,531.23**	789.62	-	-	**789.62**
Total	**408,610.12**	**1,748.92**	**-**	**410,359.04**	**269,032.43**	**2,648.11**	**22.29**	**271,702.83**
Financial liabilities								
Derivative financial instruments	-	-	9.27	**9.27**	-	-	-	**-**
Payables :								
(A) Trade payables								
(I) Total outstanding dues of micro enterprises and small enterprises	145.97	-	-	**145.97**	0.08	-	-	**0.08**
(II) Total outstanding dues of creditors other than micro enterprises and small enterprises	1,168.80	-	-	**1,168.80**	666.93	-	-	**666.93**
(B) Other payables							-	
(I) Total outstanding dues of micro enterprises and small enterprises	-	-	-	**-**	-	-	-	**-**
(II) Total outstanding dues of creditors other than micro enterprises and small enterprises	96.78	-	-	**96.78**	42.21	-	-	**42.21**
Debt securities	114,434.45	-	-	**114,434.45**	70,441.43	-	-	**70,441.43**
Borrowings (other than debt securities)	200,459.00	-	-	**200,459.00**	109,783.21	-	-	**109,783.21**
Other financial liabilities (Refer Note 22)	7,509.68	225.17	-	**7,734.85**	4,497.19	225.17	-	**4,722.36**
Total	**323,814.68**	**225.17**	**9.27**	**324,049.12**	**185,431.05**	**225.17**	**-**	**185,656.22**

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UGRO CAPITAL LIMITED

(Rupees in lakh)

51. Financial risk management

The Company has exposure to the following risks from financial instruments:

a. Credit Risk
b. Liquidity Risk
c. Market Risk
d. Operational Risk

The Company is exposed to a variety of risks such as credit risk, liquidity risk, market risk, operational risk etc. The Company has therefore, invested in talent, processes and emerging technologies for building advanced risk and underwriting capabilities. The Board of Directors has constituted a Risk Management Committee to address these risks. The Risk Management Committee's mandate includes periodic review of the risk management policy, risk management planning, implementation and monitoring of the risk management plan and mitigation of key risks. The risk owners are accountable to the Risk Committee for identification, assessment, aggregation, reporting and monitoring of risks. The board of directors are responsible for providing overall risk oversight, approving risk appetite, risk management policies and frameworks and providing adequate oversight for the decisions.

a. Credit Risk

Risk Management team is engaged in defining a framework, overseeing enterprise wide risks and building a portfolio within the risk appetite of the Company. The effective management of credit risk requires the establishment of appropriate credit risk policies and processes. The Company has comprehensive and well-defined credit policies across various businesses, products and segments, which encompass credit approval process for all businesses along with guidelines for mitigating the risks associated with them. Credit underwriting is driven by a deep understanding of the selected segments, which forms proprietary risk models and approaches. The Company believes in positive sector/sub-sector selection to source its business. The same is done primarily through analytics and survey. Further, the Company has also developed sophisticated sector/sub-sector scorecards, both statistical and expert. The proposals are appraised based on the understanding of these sector/sub-sectors. A fine balance of sector knowledge, data analytics, touch and feel and digital process is used for underwriting the proposals.

Given the dynamic nature of the market, the credit policies are regularly reviewed and amended.

Management of Credit Risk

Write-off policy:

Financial assets are written-off either partially or in their entirety only when the Company has stopped pursuing the recovery. Any subsequent recoveries are credited to impairment on financial instruments in the Statement of profit and loss. The write-off decisions are taken by the management which would be based on suitable justification notes presented by the responsible business / collections team.

Credit quality analysis:

The Company's policies for computation of expected credit loss (ECL) are set out below:

(I) ECL on Loans and advances

ECL is computed for loans and investments portfolio of the Company:

Loan portfolio:

UGRO Capital Ltd is primarily engaged into SME lending and has segmented its lending portfolio based on the homogenous nature of the group of borrowers.

Definition of default:

A default shall be considered to have occurred when any of the following criteria is met:
a) An account shall be tagged as NPA once the day end process is completed for the 91st day past due.
b) If one facility of a borrower is NPA, all the facilities of that borrower are to be treated as NPA.

Significant increase in credit risk (SICR) criteria:

(a) External credit rating going below investment grade rating.
(b) Significant changes in the expected performance and behaviour of the borrower, including changes in the payment status of borrowers.
(c) Other qualitative parameters :
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant change in the borrower's ability to meet its debt obligations.
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the sector that results in a significant change in the sector's ability to meet its debt obligations.
(d) Any other qualitative parameter.

Definition of low credit risk:

A case which has scores above cut-off norms as set by the Company from time to time and current status is Stage 1 is termed as low credit risk.

Forward looking factors:

Forward looking factors are considered while determining the significant increase in credit risk.

Staging criteria:

Following staging criteria is used for loans:
(i) Stage 1: 0-30 DPD;
(ii) Stage 2: 31-90 DPD and
(iii) Stage 3: > 90 DPD

Any deviation to the above classification, except as per the RBI Circular RBI/2021-2022/125 DOR.STR.REC.68/21.04.048/2021-22 on Prudential norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances - Clarification dated November 12, 2021 shall be approved by the audit committee of the board (ACB).

(Rupees in lakh)

51. Financial risk management (continued)

Probability of default (PD%)

PDs are determined using internally developed model, which is a dynamic evaluation based on repayment history, corporate ratings, specific market estimates as applicable to the respective portfolio segments from time to time.

Loss given default (LGD%)

Loss given default (LGD) represents recovery from defaulted assets.
LGD computation for secured loans is based on an internal model which factors post default recovery rates and collateral value; for unsecured loans, LGD is taken as a standard estimate in line with the Foundational-Internal Rating Based (F-IRB) approach. LGD for stage 1 & 2 assets, thus determined, is subject to a minimum floor of 20%. For Stage 3 loans, the Company determines ECL requirement based on cash flows expected over the future time period.

Exposure at default (EAD)

Exposure at default represents the outstanding balance at the reporting date taking into account expected drawdowns on committed facilities, including repayments of principal and interest, and accrued interest from missed payments.

(II) ECL on fixed deposits, investments, trade and other receivables

With respect to the fixed deposits and investments held by the Company, ECL provisioning has been computed taking guidance from the RBI's IRB approach. The Company has followed simplified approach of ECL provisioning on its trade and other receivables.

Applicable provisions for NBFCs covered under Ind AS:

RBI vide circular no. RBI/2019-20/170 DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 dated March 13, 2020, provides that NBFCs which are required to comply with Indian Accounting Standards (Ind As) shall, as hitherto, continue to be guided by the guidelines duly approved by their board and as per the ICAI guidelines for recognition of the impairments. The Company follows the aforesaid circular.





(Rupees in lakh)

51. Financial risk management (continued)

A. Movement of expected credit loss on advances:

Particulars	Stage 1	Stage 2	Stage 3	Purchased or originated credit impaired	Management Overlay	Total
Opening balances as at April 01, 2022	**2,481.66**	**93.91**	**1,215.04**	-	**273.79**	**4,064.40**
Changes in the loss allowance during the year:						
Transfer to Stage 1	5.33	(3.44)	(1.89)	-	-	-
Transfer to Stage 2	(202.42)	205.34	(2.92)	-	-	-
Transfer to Stage 3	(1,727.12)	(395.09)	2,122.21	-	-	-
New loans originated during the year	2,222.79	166.92	337.66	-	-	2,727.37
Other movements (on account of changes in EAD)	1,065.74	306.30	909.97	-	-	2,282.01
Management overlay*	-	-	-	-	(273.79)	(273.79)
Closing balance as at March 31, 2023	**3,845.98**	**373.94**	**4,580.07**	**-**	**-**	**8,799.99**
Opening balance as at April 01, 2021	**1,197.28**	**75.03**	**1,011.00**	**-**	**270.00**	**2,553.31**
Changes in the loss allowance during the year:						
Transfer to Stage 1	2.95	(2.44)	(0.51)	-	-	-
Transfer to Stage 2	(64.73)	64.90	(0.17)	-	-	-
Transfer to Stage 3	(887.16)	(34.09)	921.25	-	-	-
New loans originated during the year	2,156.49	28.68	168.15	-	-	2,353.32
Other movements (on account of changes in EAD)	76.83	(38.17)	(884.68)	-	-	(846.02)
Management overlay	-	-	-	-	3.79	3.79
Closing balance as at March 31, 2022	**2,481.66**	**93.91**	**1,215.04**	**-**	**273.79**	**4,064.40**

* There is no reversal on account of management overlay, the same has been incorporated in the ECL Model itself during the year ended March 31, 2023.

B. Movement of expected credit loss (ECL) on loan commitments:

Particulars	Stage 1	Stage 2	Stage 3	Total
Opening balances as at April 01, 2022	-	-	-	-
Changes in the loss allowance during the year:				-
Transfer to Stage 1	-	-	-	-
Transfer to Stage 2	-	-	-	-
Transfer to Stage 3	-	-	-	-
Write off	-	-	-	-
Changes due to modifications that did not result in derecognition	-	-	-	-
New loan commitments originated during the year	-	-	-	-
Other movements (on account of changes in EAD)	-	-	-	-
Closing balance as at March 31, 2023	-	-	-	-
Opening balances as at April 01, 2021	**8.69**	-	-	**8.69**
Changes in the loss allowance during the year:				
Transfer to Stage 1	-	-	-	-
Transfer to Stage 2	-	-	-	-
Transfer to Stage 3	-	-	-	-
Write off	-	-	-	-
Changes due to modifications that did not result in derecognition	-	-	-	-
New loan commitments originated during the year	-	-	-	-
Other movements (on account of changes in EAD)	(8.69)	-	-	(8.69)
Closing balance as at March 31, 2022	-	-	-	-

C. Movement in gross carrying amount of advances:

Particulars	Stage 1	Stage 2	Stage 3	Purchased or originated credit impaired	Total
Opening balance of gross carrying amount as at April 01, 2022	**240,279.65**	**3,255.34**	**5,641.15**	-	**249,176.14**
Changes in the gross carrying amount during the year:					
Transfer to Stage 1	1,384.17	(1,164.23)	(219.94)		-
Transfer to Stage 2	(5,647.62)	5,742.82	(95.20)		-
Transfer to Stage 3	(4,284.81)	(715.97)	5,000.78		-
New loans originated during the year	266,582.08	4,562.11	709.85		271,854.04
Other movements (on account of changes in EAD)	(128,893.77)	(1,232.62)	(1,467.59)		(131,593.98)
Closing balance as at March 31, 2023	**369,419.70**	**10,447.45**	**9,569.05**		**389,436.20**
Opening balance of gross carrying amount as at April 01, 2021	**124,036.19**	**3,751.00**	**3,044.42**	-	**130,831.61**
Changes in the gross carrying amount during the year:					
Transfer to Stage 1	430.59	(289.11)	(141.48)		-
Transfer to Stage 2	(2,004.44)	2,010.61	(6.17)		-
Transfer to Stage 3	(4,175.51)	(277.22)	4,452.73		-
New loans originated during the year	194,318.04	1,198.16	843.55		196,360.75
Other movements (on account of changes in EAD)	(72,326.22)	(3,138.10)	(2,551.90)		(78,016.22)
Closing balance as at March 31, 2022	**240,279.65**	**3,255.34**	**5,641.15**	-	**249,176.14**

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(Rupees in lakh)

51. Financial risk management (continued)

D. Movement in loan commitments:

Particulars	Stage 1	Stage 2	Stage 3	Total
Opening balance as at April 01, 2022	**882.60**	-	-	**882.60**
Changes in loan commitments during the year:				
Transfer to Stage 1	-	-	-	-
Transfer to Stage 2	-	-	-	-
Transfer to Stage 3	-	-	-	-
Changes due to modifications that did not result in derecognition	-	-	-	-
New loan commitments originated during the year	4,477.45	-	-	4,477.45
Other changes	-	-	-	-
Other movements (on account of changes in EAD)	(882.60)			(882.60)
Closing balance as at March 31, 2023	**4,477.45**	-	-	**4,477.45**
Opening balance as at April 01, 2021	**1,381.88**	-	-	**1,381.88**
Changes in loan commitments during the year:				
Transfer to Stage 1	-	-	-	-
Transfer to Stage 2	-	-	-	-
Transfer to Stage 3	-	-	-	-
Changes due to modifications that did not result in derecognition	-	-	-	-
New loan commitments originated during the year	882.60	-	-	882.60
Other changes	-	-	-	-
Other movements (on account of changes in EAD)	(1,381.88)			(1,381.88)
Closing balance as at March 31, 2022	**882.60**	-	-	**882.60**

E. Details of collaterals received against loan portfolio:

Nature of security against advances:

Underlying securities for the assets secured by tangible assets are property, machinery, plant & equipment and book debts. The value of the collaterals for the below calculation is taken at the date of inception of the loan

Advances other than credit impaired advances (LTV band-wise):

LTV ratio	As at March 31, 2023		As at March 31, 2022	
	Gross carrying amount of advances	Cumulative loss allowance	Gross carrying amount of advances	Cumulative loss allowance
Less than 50%	51,968.44	1,247.82	152,906.62	1,563.92
51% - 70%	740.40	2.04	-	-
71%-90%	181,887.88	933.51	-	-
> 90%	-	-	-	-

Credit impaired advances (LTV band-wise):

LTV ratio	As at March 31, 2023		As at March 31, 2022	
	Gross carrying amount of advances	Cumulative loss allowance	Gross carrying amount of advances	Cumulative loss allowance
Less than 50%	2,086.38	502.21	3,033.97	325.26
71%-90%	4.89	1.43	-	-
> 90%	1,690.62	299.90	-	-

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(Rupees in lakh)

51. Financial risk management (continued)

b. Liquidity risk

Liquidity risk arises from the Company's inability to meet its cash flow commitments on time. Prudent liquidity risk management implies maintaining sufficient stock of cash and marketable securities and maintaining availability of standby funding through an adequate line-up of committed credit facilities. The Treasury team actively manages asset and liability positions in accordance with the overall guidelines laid down by the regulator in the Asset liability management framework. The Company continues to maintain a positive ALM.

The Company's ALCO monitors asset liability mismatches to ensure that there are no imbalances or excessive concentrations on either side of the Balance Sheet. The Company continuously monitors liquidity in the market and as a part of its ALCO strategy.

Undiscounted cash flows by contractual maturities for financial assets and financial liabilities as at March 31, 2023:

Particulars	Carrying amount*	Gross nominal	Not later than one month	Later than one month and not later than three months	Later than three months and not later than one year	Later than one year and not later than five years	Later than five years
Financial assets (inflow):							
Cash and cash equivalents	4,014.77	4,014.77	4,014.77	-	-	-	-
Bank balances other than cash and cash equivalents above	17,169.19	17,169.19	3,412.54	988.26	6,432.63	6,334.40	1.36
Derivative financial instruments	-	-	-	-	-	-	-
Loans	389,436.20	384,849.48	31,274.12	51,371.24	63,369.04	173,134.43	65,700.65
Investments	6,011.52	6,011.52	-	-	-	6,011.52	-
Other financial assets (Refer Note 8)	2,534.41	2,534.41	-	1,803.57	-	730.84	-
Financial liabilities (outflow):							
Derivative financial instruments	9.27	9.27	-	-	9.27	-	-
Payables							
(A) Trade payables							
(I) Total outstanding dues of micro enterprises and small enterprises	145.97	145.97	-	145.97	-	-	-
(II) Total outstanding dues of creditors other than micro enterprises and small enterprises	1,168.80	1,168.80	-	1,168.80	-	-	-
(B) Other payables							
(I) Total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-	-	-
(II) Total outstanding dues of creditors other than micro enterprises and small enterprises	96.78	96.78	-	96.78	-	-	-
Debt securities	114,434.45	116,296.98	4,134.04	17,096.13	48,270.31	46,796.50	-
Borrowings (other than debt securities)	200,459.00	203,864.05	6,151.02	20,367.12	54,704.52	122,546.39	95.00
Other financial liabilities (Refer Note 22)	7,734.85	8,524.00	95.20	4,110.26	859.76	3,430.89	27.89

*Carrying amount reported above is on a gross basis.

Undiscounted cash flows by contractual maturities for financial assets and financial liabilities as at March 31, 2022:

Particulars	Carrying amount*	Gross Nominal	Not later than one month	Later than one month and not later than three months	Later than three months and not later than one year	Later than one year and not later than five years	Later than five years
Financial assets (Inflow):							
Cash and cash equivalents	6,574.94	6,574.94	6,574.94	-	-	-	-
Bank balance other than cash and cash equivalents	12,263.11	12,263.11	562.29	5,061.49	755.98	5,881.92	1.43
Derivative financial instruments	22.29	22.29	-	-	22.29	-	-
Loans	249,176.14	244,841.52	14,557.20	18,930.32	46,775.13	123,644.55	40,934.32
Investments	6,944.83	6,854.27	-	-	2,663.90	4,190.37	-
Other financial assets (Refer Note 8)	792.79	792.79	-	139.20	228.38	425.21	-
Financial liabilities (outflow):							
Payables							
(A) Trade payables							
(I) Total outstanding dues of micro enterprises and small enterprises	0.08	0.08	-	0.08	-	-	-
(II) Total outstanding dues of creditors other than micro enterprises and small enterprises	666.93	666.93	-	666.93	-	-	-
(B) Other payables							
(I) Total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-	-	-
(II) Total outstanding dues of creditors other than micro enterprises and small enterprises	42.21	15.04	-	15.04	-	-	-
Debt securities	70,441.43	71,924.34	5,479.87	6,255.99	18,438.72	31,049.76	10,700.00
Borrowings (other than debt securities)	109,783.21	111,572.30	3,242.70	10,458.32	33,111.47	64,509.81	250.00
Other financial liabilities (Refer Note 22)	4,722.36	5,470.75	78.07	1,753.94	639.48	2,902.39	96.87

*Carrying amount reported above is on a gross basis.

(Rupees in lakh)

51. Financial risk management (continued)

Undiscounted cash flows by contractual maturities for off-Balance Sheet items as at March 31, 2023:

Particulars	Carrying Amount	Gross Nominal	Less than one year	Between 1 - 5 years	over 5 years
Loan commitments (outflow)	-	4,477.45	4,477.45	-	-
Other commitments	-	5,141.44	5,141.44	-	-
Capital commitments (outflow)	-	760.50	373.50	387.00	-

Undiscounted cash flows by contractual maturities for off-Balance Sheet items as at March 31, 2022:

Particulars	Carrying Amount	Gross Nominal	Less than one year	Between 1 - 5 years	over 5 years
Loan commitments (outflow)	-	882.60	882.60	-	-
Other commitments	-	872.99	-	872.99	-
Capital commitments (outflow)	-	185.00	185.00	-	-

The Company has disclosed the below information as stated in the RBI circular no. RBI/2019-20/88 DOR.NBFC (PD) CC. No.102/03.10.001/2019-20 dated November 04, 2019 that enables the market participants to make an informed judgment about the soundness of its liquidity risk management framework and liquidity position.

(i) Funding concentration based on significant counterparty (both deposits and borrowings):

The Company is a systemically important non-deposit taking non-banking finance company (NBFC-ND-SI).
The Company had not raised any public deposits.
The details of the borrowings are given below:

Sr.No.	Number of Significant counterparties	Amount (₹ lakh)*	% of Total Liabilities
1	27	230,164.77	69.29%

* The Principal outstanding amounts as on March 31, 2023 have been considered above.

(ii) Top 20 large deposits (amount in ₹ lakh and % of total deposits):

The Company is a systemically important non-deposit taking non-banking finance company (NBFC-ND-SI). The Company had not accepted any deposits during the year.

(iii) Top 10 borrowings (amount in ₹ lakh and % of total borrowings):

Particulars	As at March 31, 2023	As at March 31, 2022
Total borrowings from ten largest lenders *	142,894.94	84,607.78
Percentage of borrowings from ten largest lenders to total borrowings of the Company	45.34%	46.62%

* The amount considered above excludes unamortised borrowing costs.

(iv) Funding concentration based on significant instrument/ product:

Sr No.	Name of instrument/ product	As at March 31, 2023		As at March 31, 2022	
		Amount (₹ lakh)	% of total liabilities	Amount (₹ lakh)	% of total liabilities
1	Term loans facilities	175,568.18	52.86%	105,628.37	55.96%
2	Cash credit / overdraft facilities	3,477.93	1.05%	2,567.71	1.36%
3	Non-convertible debentures	83,338.23	25.09%	54,670.00	28.96%
4	From liabilities arising out of securitization transactions resulting into recording of borrowings	16,339.99	4.92%	3,419.61	1.81%
5	Commercial paper	12,500.00	3.76%	12,000.00	6.36%
6	External Commercial borrowing	23,945.67	7.21%	3,131.29	1.66%
Total		**315,170.00**	**94.89%**	**181,416.98**	**96.11%**

(v) Stock Ratios:

(a) Commercial papers as a % of total public funds, total liabilities and total assets:

Particulars	As at March 31, 2023			As at March 31, 2022		
	% of total public funds	% of total liabilities	% of total assets	% of total public funds	% of total liabilities	% of total assets
Commercial papers	3.97%	3.76%	2.90%	6.61%	6.36%	4.20%

(b) Non-convertible debentures (original maturity of less than one year) as a % of total public funds, total liabilities and total assets :

The Company does not have borrowings through non-convertible debentures with original maturity of less than one year in the current and previous year.

(c) Other short term borrowings, if any as a % of total public funds, total liabilities and total assets:

Particulars	As at March 31, 2023			As at March 31, 2022		
	% of total public funds	% of total liabilities	% of total assets	% of total public funds	% of total liabilities	% of total assets
Cash credit/ overdraft facilities	1.10%	1.05%	0.81%	1.42%	1.36%	0.90%
Working capital	1.89%	1.79%	1.38%	0.00%	0.00%	0.00%

The Principal outstanding amounts as on March 31, 2023 and March 31, 2022 have been considered above.

(vi) Institutional set-up for liquidity risk management:

The Company has an asset liability management committee (ALCO) that is formed in accordance with the Directions issued by the Reserve Bank of India. The asset liability committee takes into account interest rate forecasts and spreads, the internal cost of funds, operating results, projected funding needs, projected loan disbursements, liquidity position, loan loss reserves to outstanding loans, funding strategies. This committee reviews the fund position, asset liability maturity profile, variance between forecast and actuals of the concluded quarter, analysis of sensitivity of interest rates variation in various buckets, what if scenario analysis, etc. The Company maintains a positive cumulative mismatch in all buckets.

(Rupees in lakh)

51. Financial risk management (continued)

c. Market risk:

Market risk is the risk that the fair value of the future cash flows of financial instruments will fluctuate due to changes in market variables such as interest rates.

The Company primarily deploys funds in bank deposits and liquid debt securities as a part of its liquidity management approach. The Company regularly reviews its average borrowing/ lending cost including proportion of fixed and floating rate borrowings/ loans so as to manage the impact of changes in interest rates.

Exposure to price risk:

The Company's exposure to price risk arises from investments held by the Company and is classified in the Balance Sheet through fair value through statement of Profit and Loss.

Interest rate risk:

Interest rate risk is the risk where changes in market interest rates might adversely affect the Company's financial conditions. The interest rate risk can be viewed from the two perspectives as mentioned below:
a. Earnings perspective – change in net interest income (NII) or net interest margin (NIM) due to change in interest rates.
b. Economic value perspective – change in market value of the company due to change in the company's assets, liabilities and off-balance sheet positions due to variation in interest rates.

The board has established limits on the interest rate gaps for stipulated periods. The management monitors these gaps on a regular basis to ensure that the positions are maintained within the established limits.

The exposure of the Company's borrowings to interest rate changes as at the end of the reporting period are as follows:

Particulars	**As at March 31, 2023**	**As at March 31, 2022**
Variable rate borrowings	165,035.27	69,642.00
Fixed rate borrowings	150,134.73	111,774.98
Total borrowings	**315,170.00**	**181,416.98**

The Company had the following variable rate borrowings outstanding:

Particulars	**As at March 31, 2023**	**As at March 31, 2022**
Weighted average cost	10.60%	9.78%
Outstanding balance	165,035.27	69,642.00
% of total borrowings	52.36%	38.39%
Sensitivity :	**Impact on profit or loss**	
Particulars	**As at March 31, 2023**	**As at March 31, 2022**
*Interest rate - increase by 1%	(1,166.67)	(602.80)
*Interest rate - decrease by 1%	1,166.67	602.80

* Impact on Statement of Profit and Loss up to 1 year, holding all other variables constant.

Foreign Currency Risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. Foreign currency risk for the Company arises mainly on account of the foreign currency borrowings. The Company manages this foreign currency risk by entering into cross-currency interest rate swaps/ full currency swaps and forward contracts. When a derivative is entered into for the purpose of being as hedge, the company negotiates the terms of those derivatives to match with the terms of the hedge exposure. The Company's policy is to fully hedge its foreign currency borrowings at the time of drawdown and remain so till repayment.

The Company holds the derivative financial instruments such as cross-currency interest rate swaps, full currency swaps to mitigate the risk of changes in exchange rate in foreign currency and floating interest rate. The counterparty for these contracts is generally a bank. These derivative financial instruments are valued based on the quoted prices for similar assets and liabilities in active markets or inputs that are directly or indirectly observable in the market place.

d. Operational Risk

Operational risk is the risk of loss arising from systems failure, human error, fraud or external events. When controls fail to operate effectively, operational risks can cause damage to reputation, have legal or regulatory implications, or may lead to financial loss. The Company cannot expect to eliminate all operational risks, but it endeavors to manage these risks through a control framework and by monitoring and responding to potential risks. Controls include maker-checker controls, effective segregation of duties, access, authorisation and reconciliation procedures, staff education and assessment processes, such as the use of internal audit.

Capital Management:

The Company's capital management objective is primarily to safeguard the business continuity. The Company's capital raising policy is aligned to the macro-economic situations and incidental risk factors. The Company's cashflows are regularly monitored in sync with the annual operating plans and the long-term and other strategic investment plans. The operational funding requirements are met through debt and operating cash flows generated. The company believes that this approach would create shareholder value in the long run. Also, the company has adopted a conservative approach for ALM management with primacy to adequate liquidity. At present, a large portion of the company's resource base is equity. Therefore, the company enjoys a low gearing.

The Company maintains its capital structure in line with the economic conditions and the risk characteristics of its activities and the board reviews the capital position on a regular basis.

Gearing ratio:

Particulars	**As at March 31, 2023**	**As at March 31, 2022**
The gearing ratio at each date were as follows:		
*Debt (I)	318,411.60	183,083.40
Less: Cash and cash equivalents (II) (Refer Note 3)	4,014.77	6,574.94
Net debt (I - II)	**314,396.83**	**176,508.46**
Total equity	**98,404.31**	**96,656.32**
Net debt to equity ratio	**3.19**	**1.83**

* Debt includes debt securities, borrowings and lease liabilities.

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(Rupees in lakh)

52.Details of all collaterals used as security for liabilities

Particulars	Carrying amount of financial assets pledged	
	As at March 31, 2023	As at March 31, 2022
Assets type:		
Loans receivable as collateral under lending agreements	342,953.54	180,756.52
Loans receivable as collateral under PTC agreements	2,306.96	348.88
Fixed deposits with original maturity of less than 3 months as collateral under lending agreements	-	100.30
Fixed deposits as collateral under lending agreements	9,124.95	11,493.08
Fixed deposits as collateral for liabilities arising out of securitization transactions resulting into recording of borrowings	2,096.91	762.29

(Rupees in lakh)

53. Income tax

a. The major components of tax expense for the year ended March 31, 2023 and March 31, 2022:

Sr.	Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
1	**Statement of profit and loss:**		
	Profit and loss section:		
	Current income tax:		
	Tax for current year as per minimum alternate tax	2,298.62	660.90
	Deferred tax :		
	Tax expense on origination and (elimination) of temporary differences	1,828.08	(98.18)
	Excess/ short provision of tax of earlier years:		
	Tax expense for earlier years as per minimum alternate tax	278.50	-
	Income tax expense reported in the Statement of profit and loss	**4,405.20**	**562.72**
2	**Other comprehensive income (OCI) section:**		
	Deferred tax:		
	Net (loss)/ gain on remeasurement of defined benefit obligations	(7.00)	7.47
	The effective portion of gains and loss on hedging instrument in a cash flow hedge	13.20	2.62
	Income tax expense reported in the OCI section	**6.20**	**10.09**

b. Reconciliation of effective tax rate:

Sr.	Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
1	Profit before tax as per books	8,382.84	2,017.78
2	Book profit as per MAT	13,156.03	3,782.60
3	Applicable income tax rate	29.12%	29.12%
4	Tax rate as per MAT	17.47%	17.47%
5	**Tax at the applicable income tax rate on profit before tax (A)**	2,441.08	587.58
6	**Tax effect of amounts not deductible/not taxable while calculating taxable income**		
	-Corporate social responsibility	15.29	5.70
	-Excess interest spread receivable on direct assignment and Co-lending transactions	-	(20.48)
	-Interest /penalty on TDS	-	0.02
	-Other adjustments	59.21	(10.10)
	-Impact on account of brought forward losses	1,889.62	-
	Total of adjustments (B)	**1,964.12**	**(24.86)**
7	**Total tax impact (excl. MAT related adjustments) (C) = (A) - (B)**	**4,405.20**	**562.72**
8	Tax under MAT (Current Tax)	2,577.12	660.90
9	**Less: MAT credit entitlement (D)**	**(2,577.12)**	**(660.90)**
10	**Total Deferred tax (E) = (D) - (C)**	**1,828.08**	**(98.17)**
11	**Total Tax expense/(refund)**	**4,405.20**	**562.72**

* The applicable tax rate is the rate prescribed under the Income tax act, 1961.

(Rupees in lakh)

53. Income tax (continued)

c. Components of deferred tax assets and liabilities recognised in the Balance Sheet and Statement of profit and loss:

Sr.	Particulars	Balance sheet		Statement of profit and loss and other comprehensive income	
		As at March 31, 2023	As at March 31, 2022	For the year ended March 31, 2023	For the year ended March 31, 2022
A	**Deferred tax assets (DTA)**				
1	Provision for compensated absences	175.91	83.72	92.19	33.97
2	Provision for gratuity	50.04	24.36	25.68	3.65
3	Deferred revenue income - processing fees allowed upfront in income tax	1,740.14	836.37	903.77	478.03
4	Provision for impairment losses on financial instruments	2,628.18	1,249.12	1,379.06	503.07
5	Lease rentals expense under Ind AS 116	93.63	100.25	(6.62)	28.26
6	Preliminary expenses (gross)	7.13	69.81	(62.69)	(62.69)
7	ESOS expenses disallowance	217.44	217.44	(0.00)	(31.20)
8	Unutilised minimum alternate tax credit entitlement	4,105.37	1,587.34	2,518.03	660.90
9	Income tax losses carried forward	3,025.64	2,856.51	169.13	107.59
10	Others	417.30	205.20	212.10	176.33
11	**Total (A)**	**12,460.78**	**7,230.12**	**5,230.65**	**1,897.91**
B	**Deferred tax liabilities (DTL)**				
1	Difference in written down value of property, plant and equipment and intangible assets	342.76	218.84	123.92	61.05
2	Receivables on EIS Direct assignment and Co-lending transactions	4,200.47	447.75	3,752.72	425.48
3	Unrealised gain/ (loss) on investments	-	(0.00)	0.00	(3.91)
4	Prepaid fees/ charges on debt securities allowed upfront in income tax	542.37	348.20	194.17	234.59
5	Prepaid fees/ charges on borrowings allowed upfront in income tax	991.55	624.58	366.97	263.46
6	Deferred loan sourcing cost allowed upfront in income tax	3,819.62	1,209.12	2,610.51	829.15
7	Others	16.65	-	16.65	-
8	**Total (B)**	**9,913.42**	**2,848.49**	**7,064.94**	**1,809.82**
C	**Deferred tax asset/ (liability)**	**2,547.36**	**4,381.63**	-	-
D	**Deferred tax expense/ (benefit)**	-	-	**1,834.29**	**(88.09)**

d. **Unrecognised deductible temporary differences, unused tax losses and unused tax credits :**

There are no deductible temporary differences, unused tax losses and unused tax credits for which deferred tax assets have not been recognised.

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(Rupees in lakh)

54. Fair value of financial instruments :

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions, regardless of whether that price is directly observable or estimated using a valuation technique.

Ind AS 107, 'Financial Instruments - Disclosure' requires classification of the valuation method of financial instruments measured at fair value in the Balance sheet using a three-level fair-value-hierarchy (which reflects the significance of inputs used in the measurements). The hierarchy gives the highest priority to un-adjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair-value-hierarchy under Ind AS 107 are described below:

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and place limited reliance on the entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

a. Fair value hierarchy of financial instruments classified in amortised cost category:

Particulars	Fair value as on March 31, 2023			Carrying value as on March 31, 2023	Fair Value as on March 31, 2022			Carrying value as on March 31, 2022
	Level 1	Level 2	Level 3		Level 1	Level 2	Level 3	
Assets								
Loans	-	-	380,707.90	389,436.20	-	-	240,905.99	249,176.14
Investments	4,069.86	-	-	4,262.60	3,972.12	-	-	4,296.72
Other financial assets (Refer Note 8)	-	-	2,534.41	2,534.41	-	-	792.79	792.79
Total	**4,069.86**	**-**	**383,242.31**	**396,233.21**	**3,972.12**	**-**	**241,698.78**	**254,265.65**
Liabilities								
Debt securities	-	113,013.35	-	114,434.45	-	74,189.29	-	70,441.43
Borrowings (other than debt securities)	-	204,193.98	-	200,459.00	-	101,864.90	-	109,783.21
Other financial liabilities (Refer Note 22)	-	-	7,734.85	7,734.85	-	-	4,722.36	4,722.36
Total	**-**	**317,207.33**	**7,734.85**	**322,628.30**	**-**	**176,054.19**	**4,722.36**	**184,947.00**

There were no transfers between Level 1 and Level 2 during the year.

Valuation methodologies of financial instruments not measured at fair value:

Short-term financial assets and liabilities:

For financial assets and financial liabilities that have a short-term nature, the carrying amounts, are a reasonable approximation of their fair value. Such instruments include: other financial assets and other financial liabilities.

Loans and advances to customers:

The fair values of loans and receivables are calculated using a portfolio-based approach, grouping loans as far as possible into homogenous groups based on similar characteristics. The fair value is then extrapolated to the portfolio using discounted cash flow models that incorporate interest rate estimates considering all significant characteristics of the loans.
Impairment loss allowance and adjustments related to effective interest rate are not part of above disclosure.

Debt securities and Borrowings:

The fair values of these instruments are estimated by determining the price of the instrument taking into consideration the origination date, maturity date, coupon rate, actual or approximation of frequency of interest payments and incorporating the actual or estimated/ proxy yields of identical or similar instruments through the discounting factor. For instruments, having contractual residual maturity less than one year, the carrying value has been considered as fair value.

b. Fair value hierarchy of financial instruments classified in FVTPL category:

Particulars	Fair value as on March 31, 2023			Carrying value as on March 31, 2023	Fair Value as on March 31, 2022			Carrying value as on March 31, 2022
	Level 1	Level 2	Level 3		Level 1	Level 2	Level 3	
Assets								
Investments in mutual funds	-	-	-	-	-	-	-	-
Investments in security receipts	-	1,748.92	-	1,748.92	-	2,648.11	-	2,648.11
Total	**-**	**1,748.92**	**-**	**1,748.92**	**-**	**2,648.11**	**-**	**2,648.11**

There were no transfers between Level 1 and Level 2 during the year.

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55. Maturity profile of assets and liabilities:

Particulars	As at March 31, 2023			As at March 31, 2022		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Assets:						
Financial assets:						
Cash and cash equivalents	4,014.77	-	4,014.77	6,574.94	-	6,574.94
Bank balances other than cash and cash equivalents above	10,831.75	6,334.39	17,166.14	6,379.17	5,881.08	12,260.25
Derivative financial instruments	-	-	-	22.29	-	22.29
Loans	143,460.05	237,176.16	380,636.21	77,786.65	167,325.09	245,111.74
Investments	-	6,010.69	6,010.69	2,648.11	4,295.88	6,943.99
Other financial assets (Refer Note 8)	1,800.39	730.84	2,531.23	364.41	425.21	789.62
Non-financial assets:						
Current tax assets (net)	203.78	-	203.78	164.23	-	164.23
Deferred tax asset (net)	-	2,547.36	2,547.36	-	4,381.63	4,381.63
Property, plant and equipment	-	379.30	379.30	-	430.43	430.43
Non-current assets held for sale	2,194.55	-	2,194.55			
Right of use asset	922.46	2,441.62	3,364.08	631.68	1,906.60	2,538.28
Capital work in progress	2.82	-	2.82	20.25	-	20.25
Intangible assets under development	1,431.41	-	1,431.41	568.54	-	568.54
Other intangible assets	-	4,741.53	4,741.53	-	2,602.04	2,602.04
Other non-financial assets (Refer Note 17)	4,721.27	613.54	5,334.81	278.27	2,803.56	3,081.83
Total	**169,583.25**	**260,975.43**	**430,558.68**	**95,438.54**	**190,051.52**	**285,490.06**
Liabilities:						
Financial liabilities:						
Derivative financial instruments	9.27	-	9.27	-	-	-
(A) Trade payables						
(i) Total outstanding dues of micro enterprises and small enterprises	145.97	-	145.97	0.08	-	0.08
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	1,168.80	-	1,168.80	569.43	97.50	666.93
(B) Other payables						
(i) Total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	96.78	-	96.78	15.04	27.17	42.21
Debt securities	68,107.94	46,326.51	114,434.45	29,037.79	41,403.64	70,441.43
Borrowings (other than debt securities)	79,954.55	120,504.45	200,459.00	46,027.44	63,755.77	109,783.21
Other financial liabilities (Refer Note 22)	4,756.68	2,978.17	7,734.85	2,212.59	2,509.77	4,722.36
Non-financial liabilities:						
Provisions	5,000.79	775.92	5,776.71	2,316.05	371.17	2,687.22
Current tax liabilities (net)	1,567.77	-	1,567.77	126.07	-	126.07
Other non-financial liabilities (Refer Note 25)	760.77	-	760.77	364.23	-	364.23
Total	**161,569.32**	**170,585.05**	**332,154.37**	**80,668.72**	**108,165.02**	**188,833.74**

(Rupees in lakh)

56. Disclosure pursuant to IndAS 7 ' Statement of Cash Flows' - changes in liabilities arising from financing activities:

Particulars	As at April 01, 2022	Cash inflow/ (outflow)	Creation of right of use assets*	As at March 31, 2023
Debt securities	70,376.77	44,057.68	-	114,434.45
Borrowings (other than debt securities)	109,807.09	90,651.91	-	200,459.00
Other financial liabilities				
Lease liabilities	2,858.76	(781.38)	1,440.77	3,518.15

*The figures represent net of creation, remeasurement and deletion of right of use assets.

Particulars	As at April 01, 2021	Cash inflow/ (outflow)	Creation of right of use assets	As at March 31, 2022
Debt securities	31,557.55	38,819.22	-	70,376.77
Borrowings (other than debt securities)	45,011.94	64,795.15	-	109,807.09
Other financial liabilities				
Lease liabilities	1,340.97	(407.17)	1,924.96	2,858.76

57. Financial assets are transferred but not derecognised in their entirety:
a. Securitisation

Particulars	As at March 31, 2023		As at March 31, 2022	
	Financial assets at amortised cost	Financial assets at FVTPL	Financial assets at amortised cost	Financial assets at FVTPL
Carrying amount of assets	18,252.35	-	3,633.76	-
Carrying amount of associated Liabilities	16,339.99	-	3,419.61	-
For those liabilities that have recourse only to the transferred financial assets				
Fair value of assets (A)	18,348.09	-	3,657.84	-
Fair value of associated liabilities (B)	16,385.17	-	3,426.42	-
Net position (C) = (A - B)	**1,962.92**	-	**231.42**	-

b. Assignment and Colending

The Company has sold some loans (measured at amortised cost) by way of direct bilateral assignment and colending, as a source of finance.
As per the terms of these deals, since substantial risk and rewards related to these assets were transferred to the buyer, the assets have been de-recognised from the Company's balance sheet.
The table below summarises the carrying amount of the derecognised financial assets measured at amortised cost and the gain/ (loss) on derecognition, per type of asset.

Particulars	As at March 31, 2023	As at March 31, 2022
Carrying amount of de-recognised financial asset	144,807.71	50,558.53
Carrying amount of retained asset at amortised cost	31,866.75	6,945.20
Net gain on sale of the de-recognised financial asset*	15,407.22	2,693.46

*It represents net gain on derecognition of financial asset for the year ended March 31, 2023 and March 31, 2022.

(Rupees in lakh)

58. Disclosures as required by the Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 issued by the Reserve Bank of India ("RBI") vide their Notification No. RBI/DNBR/2016-17/45 Master Direction DNBR. PD. 008/03.10.119/2016-17 dated September 1, 2016 (the "Notification"), as updated from time to time.

a. Capital to risk assets ratio (CRAR)

Particulars		As at March 31, 2023	As at March 31, 2022
i)	CRAR (%)	20.23	34.37
ii)	CRAR - Tier I capital (%)	19.63	33.61
iii)	CRAR - Tier II capital (%)	0.60	0.76
iv)	Amount of subordinated debt raised as Tier-II capital	-	-
v)	Amount raised by issue of perpetual debt instruments	-	-

b. Investments

Particulars		As at March 31, 2023	As at March 31, 2022
(1)	Value of investments		
	i. Gross value of investments		
	(a) In India	6,011.52	6,944.83
	(b) Outside India,	-	-
	ii. Provision for depreciation		
	(a) In India	0.83	0.84
	(b) Outside India,	-	-
	iii. Net value of investments		
	(a) In India	6,010.69	6,943.99
	(b) Outside India.	-	-
(2)	Movement of provisions held towards depreciation on investments.		
	Opening balance	0.84	
	Add : provisions made during the year	-	0.84
	Less : Write-off/ write-back of excess provisions during the year	0.01	-
	Closing balance	0.83	0.84

c. Derivatives

1. Forward Rate Agreement (FRA)/ Interest Rate Swap (IRS)

Sr No.	Particulars	As at March 31, 2023	As at March 31, 2022
I	The Notional principal of swap agreement	23,746.43	3,109.43
II	Losses which would be incurred if counterparties failed to fulfil their obligations under the agreement	-	-
III	Collateral required by the Company upon entering into swaps	-	-
IV	Concentration of credit risk arising from the swaps	-	-
V	The fair value of the swap book (Asset/(liability))	(9.27)	22.29

2. Exchange traded interest rate (IR) derivatives

The Company has not entered into any exchange traded derivative.

3. Disclosures on risk exposure and derivatives

Qualitative disclosures

I. The Company undertakes the derivative transactions to prudently hedge the risk in context of a particular borrowing or diversify sources of borrowing and to maintain fixed and floating borrowing mix. The Company does not indulge into any derivative trading transaction. The Company reviews the proposed transaction and outlines any consideration associated with the transaction, including identification of the benefits and potential risks (worst case scenario) ; an independent analysis of potential savings from the proposed transaction. The Company evaluates all the risks inherent in the transaction viz. , counter party risk , market risk, operational risk, basis risk etc.

II. Credit risk is controlled by restricting the counter parties that the Company deals with, to those who either have banking relationship with the Company or are internationally reowned or can provide sufficient information. Market/ price risk arising from the fluctuation of interest rates and foreign exchange rates or from other factors shall be closely monitored and controlled. Normally transaction entered for hedging, will run over the life of the underlying instrument, irrespective of profit or loss. Liquidity risk is controlled by restricting counter parties to those who have adequate facility, sufficient information and sizable trading capacity and capability to enter into transactions in any market around the world.

III. The respective functions of trading, confirmation and settlement should be performed by different personnel. The front-office and the back-office roles are well defined and segregated. All the derivative transactions are quarterly monitored and reviewed. All the derivative transactions have to be reported to the Board of Directors on every quarterly board meetings including their financial positions.

(Rupees in lakh)

Quantitative Disclosures

Sr. No.	Particulars	As at March 31, 2023		As at March 31, 2022	
		Currency Derivatives**	Interest Rate Derivatives	Currency Derivatives*	Interest Rate Derivatives
I	Derivative (Notional Principal Amount) - For Hedging	23,746.43	-	3,109.43	-
II	Market to market position (a) Asset [+] Estimated Gain	-	-	22.29	-
	(b) Liability [-] Estimated Loss	(9.27)	-	-	-
III	Credit Exposure	23,737.16	-	3,131.72	-
IV	Unhedged exposures	-	-	-	-

* Cross-currency interest rate swap

** Cross-currency interest rate swap and full currency swap

d. Disclosures as required by the Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 issued by the Reserve Bank of India ("RBI") vide their Notification No. RBI/DOR/2021-22/85 Master Direction DOR.STR.REC.53/21.04.177/2021-22 dated September 24, 2021 (the "Notification"), as updated from time to time.

Details of securitization:

Sr No.	Particulars	As at March 31, 2023	As at March 31, 2022
1	No of SPVs sponsored by the applicable NBFC for securitization transactions*	10.00	3.00
2	Total amount of securitized assets as per books of the SPVs sponsored	18,252.35	3,633.76
3	Total amount of exposures retained by the applicable NBFC to comply with MRR as on the date of Balance Sheet		
	a. Off - Balance Sheet exposures		
	First loss	-	-
	Others	-	-
	b. On - balance sheet exposures		
	First loss	2,306.96	348.88
	Others	-	-
4	Amount of exposures to securitization transactions other than MRR		
	a. Off - balance sheet exposures		
	i) Exposure to own securitizations		
	First loss	-	-
	Others	-	-
	ii) Exposure to third party securitization		
	First loss	-	-
	Others	-	-
	b. On - balance sheet exposures		
	i) Exposure to own securitizations		
	First loss	2,096.91	762.29
	Others	-	-
	ii) Exposure to third party securitization		
	First loss	-	-
	Others	-	-

*Only the SPVs relating to outstanding securitization transactions.

(Rupees in lakh)

d. Disclosures relating to securitization (continued)

Details of financial assets sold to securitization/ reconstruction company for assets reconstruction:

During the current and previous year, the Company has not entered into any sale of financial assets to any securitization/ reconstruction company for assets reconstruction.

Details of assignment transactions undertaken during the year:

Sr No.	Particulars	As at March 31, 2023	As at March 31, 2022
1.	No. of accounts	2,641	1,853
2.	Aggregate value (net of provisions) of accounts assigned*	47,746.89	29,135.80
3.	Aggregate consideration*	47,746.89	29,135.80
4.	Additional consideration realized in respect of accounts transferred in earlier years	-	-
5.	Aggregate gain/ loss over net book value	-	-

*Details pertaining to direct assignment transactions entered during the year.

Details of non-performing financial assets purchased/ sold:

During the current and previous year the Company has not entered into any purchase or sale of any non performing financial assets. Also Refer Note no. 63.

e. Asset liabilities management maturity pattern of certain items of asset and liabilities (at book values) as at March 31, 2023 as follow:

Particulars	1 to 7 days	8 to 14 days	15 days to 30/31 days	Over 1 month & upto 2 Months	Over 2 months & upto 3 months	Over 3 months & upto 6 months	Over 6 months & upto 1 year	Over 1 year & upto 3 years	Over 3 years & upto 5 years	Over 5 years	Total
Assets											
Advances*	10,495.73	3,542.47	17,234.03	22,353.02	26,466.63	24,592.81	38,775.37	127,824.46	45,309.97	72,841.71	389,436.20
Investments**								3,311.04	2,700.43		6,011.52
Liabilities											
Borrowings :											
Borrowings from banks and financial Institutions	2,734.91	149.66	3,153.01	9,158.79	10,977.88	19,640.91	34,139.40	94,418.75	25,991.54	94.15	200,459.00
Market borrowings (Debt Securities)	-	-	3,917.39	4,812.51	11,922.07	8,270.72	39,185.25	33,039.57	13,286.94	-	114,434.45

* Impairment loss allowance of Rs 8,799.99 lakh on advances is not a part of the above disclosure.
** Impairment loss allowance of Rs 0.83 lakh on investments is not a part of the above disclosure.

Asset liabilities management maturity pattern of certain items of asset and liabilities (at book values) as at March 31, 2022 as follow :

Particulars	1 to 7 days	8 to 14 days	15 days to 30/31 days	Over 1 month & upto 2 Months	Over 2 months & upto 3 months	Over 3 months & upto 6 months	Over 6 months & upto 1 year	Over 1 year & upto 3 years	Over 3 years & upto 5 years	Over 5 years	Total
Assets											
Advances*	7,819.67	2,199.02	4,609.91	7,962.82	10,994.70	20,887.39	26,011.27	89,636.76	30,686.00	48,368.60	249,176.14
Investments	-	-	-	-	-	-	2,648.11	-	4,296.72	-	6,944.83
Liabilities											
Borrowings :											
Borrowings from banks and financial Institutions	542.51	992.33	1,651.26	5,588.46	4,673.27	12,406.70	20,172.91	54,633.62	8,874.21	247.94	109,783.21
Market borrowings (Debt Securities)	1,801.10	76.83	3,459.12	4.27	6,003.58	6,529.34	11,163.56	25,173.80	5,530.86	10,698.97	70,441.43

* Impairment loss allowance of Rs 4,064.40 lakh on advances is not a part of the above disclosure.
** Impairment loss allowance of Rs 0.84 lakh on investments is not a part of the above disclosure.

(Rupees in lakh)

f. Exposures:

Category				As at March 31, 2023	As at March 31, 2022
a)	**Exposure to real estate sector:**				
	A. Direct exposure				
	(i)	**Residential mortgages:**			
		Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented. Exposure would also include non-fund based (NFB) limits.		1,25,965.38*	100,526.69*
	(ii)	**Commercial real estate:**			
		Lending secured by mortgages on commercial real estates (office buildings, retail space, multi-purpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non-fund based (NFB) limits.		-	-
	(iii)	**Investments in mortgage backed securities (MBS) and other securitised exposures:**			
		a.	Residential	-	-
		b.	Commercial real estate	-	-
	B. Indirect exposure				
	(i)	Fund based and non-fund-based exposures on National Housing Bank and Housing Finance Companies		-	-
Total exposure to real estate sector				**125,965.38**	**100,526.69**

* These comprise of properties held as underlying security at gross exposure at default.

Particulars			As at March 31, 2023	As at March 31, 2022
b)		**Exposure to capital market:**		
	(i)	direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual fund the corpus of which is not exclusively invested in corporate debt.	-	-
	(ii)	advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds.	-	-
	(iii)	advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security.	-	-
	(iv)	advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds 'does not fully cover the advances.	-	-
	(v)	secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers.	-	-
	(vi)	loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources.	-	-
	(vii)	bridge loans to companies against expected equity flows / issues.	-	-
	(viii)	all exposures to venture capital funds (both registered and unregistered).	-	-
Total exposure to capital market			-	-

g. Details of financing of parent company products:

The Company does not have any parent company hence, this clause is not applicable.

h. Details of single borrower limit (SBL)/ group borrower limit (GBL) exceeded by the Company:

Particulars	As at March 31, 2023	As at March 31, 2022
Single borrower limit (SBL)/ group borrower limit (GBL) exceeded by the Company.	-	-

(Rupees in lakh)

i. Unsecured advances:

Details of unsecured advances the rights, licenses, authorisations,etc.charged to the applicable NBFCs as collateral in respect of projects (including infrastructure projects) financed by the Company.

Particulars	As at March 31, 2023	As at March 31, 2022
Advances against securities of intangible assets	-	-

j. Registration obtained from other financial sector regulators:

Particulars	Type	Number Reference
IRDA	Corporate Agent	CA0733

k. Disclosure of penalties imposed by RBI and other regulators:

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Nil	-	-

During the current year and the previous year, there are no penalties imposed by the RBI and other regulators.

l. Related party transactions:

Details of all material transactions with related parties has been given in note 43 of the financial statements.

m. Ratings assigned by credit rating agencies and migration of ratings for the year ended March 31, 2023:

Rating agency	Type	Rating FY 22-23	Rating FY 21-22
India Ratings & Research Private Limited	Bank loans (long term)	IND A/Stable	-
CRISIL Ratings Limited	Bank loans (long term)	CRISIL A-/Positive	-
CRISIL Ratings Limited	Tier II Bond	CRISIL A-/Positive	-
CRISIL Ratings Limited	Non-Convertible Debentures	CRISIL A-/Positive	-
CRISIL Ratings Limited	Principal Protected Market Linked Debentures (Long Term)	CRISIL PPMLD A-/Positive	-
CRISIL Ratings Limited	Commercial paper	CRISIL A1	-
Acuite Rating & Research Limited	Bank loans (long term)	ACUITE A/Stable	ACUITE A+/Stable
Acuite Rating & Research Limited	Commercial paper (short term)	ACUITE A1	ACUITE A1+
Acuite Rating & Research Limited	Non- convertible debentures (long term) (Market Linked Debentures)	PP-MLD/ACUITE AA-/CE/Stable	PP-MLD/ACUITE AA+/CE/Stable
Acuite Rating & Research Limited	Non- convertible debentures (long term) (Market Linked Debentures)	PP-MLD/ACUITE A/Stable	PP-MLD/ACUITE A+/Stable
Acuite Rating & Research Limited	Non- convertible debentures (long term)	ACUITE A / stable	ACUITE A+ / stable

n. Remuneration of directors:

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Transactions with the Independent directors Directors' Sitting Fees	189.00	171.00

Refer Note 43 for remuneration to executive directors.

o. During the year there are no changes in the accounting policies and no prior period items (Refer Note 1).

p. Provisions and contingencies:

Particulars	As at March 31, 2023	As at March 31, 2022
Provision towards NPA	4,580.07	1,488.83
Provision made towards income tax	1,567.77	126.07
Provision for depreciation on investments	0.83	0.84
Provision for depreciation on fixed deposits	3.05	2.86
Provision for depreciation on other receivables	3.17	3.17
Provision for gratuity	171.83	83.65
Provision for compensated absences	604.09	287.52
Provision for bonus	1,200.00	700.00
Provision for expenses	3,800.79	1,616.05
Provision for standard assets	4,219.92	2,575.57

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UGRO CAPITAL LIMITED

(Rupees in lakh)

q. Draw down from reserves:

During the year, the Company has not drawn any amount from the reserves.

r. Concentration of deposits, advances, exposures and NPAs:

(i) Concentration of advances:

Particulars	As at March 31, 2023	As at March 31, 2022
Total advance to twenty largest borrowers	12,050.35	12,099.18
Percentage of advances to twenty largest borrowers to total advances of the Company	3.32%	4.98%

(ii) Concentration of exposures:

Particulars	As at March 31, 2023	As at March 31, 2022
Total exposure to twenty largest borrowers	12,079.77	12,099.18
Percentage of exposures to twenty largest borrowers to total exposure of the Company	3.20%	4.98%

(iii) Concentration of NPAs:

Particulars	As at March 31, 2023	As at March 31, 2022
Total exposure to top four NPA accounts	1,447.12	1,454.67

s. Sector-wise NPAs:

Sl. No.	Sector	Percentage of NPAs to total advances in that sector	
		As at March 31, 2023	As at March 31, 2022
1	Agriculture & allied activities	-	-
2	MSME	2.41%	2.11%
3	Corporate borrowers	100.00%	87.07%
4	Services	-	-
5	Unsecured personal loans	-	-
6	Auto loans	-	-
7	Other personal loans	-	-

Note :The base considered for calculation of sector-wise NPA for Corporate borrowers has decreased from 2 customers amounting to Rs 547.88 lakh as at March 31, 2022 to 1 customer amounting to Rs 471.14 lakh as at March 31, 2023 resulting in a higher percentage of NPA as at March 31, 2023.

t. Movement of NPAs:

Particulars			As at March 31, 2023	As at March 31, 2022
(i)	Net NPAs to net advances (%)		1.31%	1.70%
(ii)	Movement of NPAs (gross)			
	(a)	Opening balance	5,641.15	3,647.71
	(b)	Additions during the year	5,720.50	4,671.57
	(c)	Reductions during the year	1,792.60	2,678.13
	(d)	Closing balance	9,569.05	5,641.15
(iii)	Movement of Net NPAs			
	(a)	Opening balance	4,152.32	2,297.45
	(b)	Additions during the year	3,530.19	3,364.96
	(c)	Reductions during the year	2,693.53	1,510.09
	(d)	Closing balance	4,988.98	4,152.32
(iv)	Movement of provisions for NPAs (excluding provisions on standard assets)			
	(a)	Opening balance	1,488.83	1,350.25
	(b)	Provisions made during the year	3,357.50	242.63
	(c)	provisions	266.26	104.05
	(d)	Closing balance	4,580.07	1,488.83

(Rupees in lakh)

u. Overseas assets (for those with joint ventures and subsidiaries abroad):

There are no overseas assets.

v. Off-Balance Sheet SPVs sponsored (which are required to be consolidated as per accounting norms):

There are no off-balance sheet SPVs sponsored by the Company which are required to be consolidated as per accounting norms.

w. Customer complaints:

Sr No.	Particulars	As at March 31, 2023	As at March 31, 2022
(a)	No. of complaints pending as at the beginning of the year	1	Nil
(b)	No. of complaints received during the year	175	30
(c)	No. of complaints redressed during the year	171	29
(d)	No. of complaints pending as at the end of the year	5	1

x. Revenue recognition:

There is no postponement of revenue due to pending resolution of significant uncertainties.

(Rupees in lakh)

y. Restructured accounts for the year ended March 31, 2023:

Sr.	Type of restructuring		Under CDR Mechanism/ SME Debt Restructuring Mechanism					Others				
	Asset classification		Standard	Sub-standard	Doubtful	Loss	Total	Standard	Sub-standard	Doubtful	Loss	Total
1.	Restructured accounts as on April 1, 2022	No. of borrowers	-	-	-	-	-	-	4	-	-	**4**
		Amount outstanding	-	-	-	-	-	-	636.34	-	-	**636.34**
		Provision thereon	-	-	-	-	-	-	79.14	-	-	**79.14**
2.	Fresh restructuring during the year	No. of borrowers	-	-	-	-	-	-	-	-	-	-
		Amount outstanding	-	-	-	-	-	-	-	-	-	-
		Provision thereon	-	-	-	-	-	-	-	-	-	-
3.	Upgradation	No. of borrowers	-	-	-	-	-	-	-	-	-	-
		Amount outstanding	-	-	-	-	-	-	-	-	-	-
		Provision thereon	-	-	-	-	-	-	-	-	-	-
4.	Restructured standard advances which cease to attract higher provisioning and/or additional risk weight at the end of the year and hence need not be shown as restructured advances at the beginning of the next year	No. of borrowers	-	-	-	-	-	-	-	-	-	-
		Amount outstanding	-	-	-	-	-	-	-	-	-	-
		Provision thereon	-	-	-	-	-	-	-	-	-	-
5.	Downgradation of restructured accounts during the year	No. of borrowers	-	-	-	-	-	-	-	-	-	-
		Amount outstanding	-	-	-	-	-	-	-	-	-	-
		Provision thereon	-	-	-	-	-	-	-	-	-	-
6.	Write-offs of restructured accounts during the year	No. of borrowers	-	-	-	-	-	-	-	-	-	-
		Amount outstanding	-	-	-	-	-	-	-	-	-	-
		Provision thereon	-	-	-	-	-	-	-	-	-	-
7.	Others*	No. of borrowers	-	-	-	-	-	-	4	-	-	**4.00**
		Amount outstanding	-	-	-	-	-	-	(32.31)	-	-	**(32.31)**
		Provision thereon	-	-	-	-	-	-	141.65	-	-	**141.65**
8.	Restructured accounts as on March 31, 2023	No. of borrowers	-	-	-	-	-	-	**4**	-	-	**4**
		Amount outstanding	-	-	-	-	-	-	**604.03**	-	-	**604.03**
		Provision thereon	-	-	-	-	-	-	**220.79**	-	-	**220.79**

* It represents recovery against the existing 4 accounts and increase in provision thereon.

Restructured accounts For the year ended March 31, 2022:

Sr.	Type of restructuring		Under CDR Mechanism/ SME Debt Restructuring Mechanism					Others				
	Asset classification		Standard	Sub-standard	Doubtful	Loss	Total	Standard	Sub-standard	Doubtful	Loss	Total
1.	Restructured accounts as on April 1, 2021	No. of borrowers	-	-	-	-	-	5	-	-	-	**5**
		Amount outstanding	-	-	-	-	-	597.76	-	-	-	**597.76**
		Provision thereon	-	-	-	-	-	69.25	-	-	-	**69.25**
2.	Fresh restructuring during the year	No. of borrowers	-	-	-	-	-	-	3	-	-	**3**
		Amount outstanding	-	-	-	-	-	-	159.29	-	-	**159.29**
		Provision thereon	-	-	-	-	-	-	23.24	-	-	**23.24**
3.	Upgradation	No. of borrowers	-	-	-	-	-		-	-	-	-
		Amount outstanding	-	-	-	-	-		-	-	-	-
		Provision thereon	-	-	-	-	-		-	-	-	-
4.	Restructured standard advances which cease to attract higher provisioning and/or additional risk weight at the end of the year and hence need not be shown as restructured advances at the beginning of the next year	No. of borrowers	-	-	-	-	-	4	-	-	-	**4**
		Amount outstanding	-	-	-	-	-	101.63	-	-	-	**101.63**
		Provision thereon	-	-	-	-	-	6.87	-	-	-	**6.87**
5.	Downgradation of restructured accounts during the year	No. of borrowers	-	-	-	-	-	(1)	1	-	-	-
		Amount outstanding	-	-	-	-	-	(496.13)	477.05	-	-	**(19.08)**
		Provision thereon	-	-	-	-	-	(62.38)	55.90	-	-	**(6.48)**
6.	Write-offs of restructured accounts during the year	No. of borrowers	-	-	-	-	-	-	-	-	-	-
		Amount outstanding	-	-	-	-	-	-	-	-	-	-
		Provision thereon	-	-	-	-	-	-	-	-	-	-
7.	Restructured accounts as on March 31, 2022	No. of borrowers	-	-	-	-	-	-	**4**	-	-	**4**
		Amount outstanding	-	-	-	-	-	-	**636.34**	-	-	**636.34**
		Provision thereon	-	-	-	-	-	-	**79.14**	-	-	**79.14**

(Rupees in lakh)

z. Schedule to the Balance Sheet of a NBFC:

Particulars			As at March 31, 2023		As at March 31, 2022	
			Amount outstanding	Amount overdue	Amount outstanding	Amount overdue
Liabilities side:						
1	**Loans and advances availed by the non- banking financial company inclusive of interest accrued thereon but not paid:**					
	a	Debentures:				
	i	Secured	85,495.83	-	54,621.07	-
	ii	Unsecured	661.86	-	990.29	-
		(other than falling within the meaning of public deposits)				
	b	Deferred credits	-	-	-	-
	c	Term loans	196,981.07	-	107,239.38	-
	d	Inter - corporate loans and borrowings	-	-	-	-
	e	Commercial paper	12,146.52	-	11,472.03	-
	f	Public deposits	-	-	-	-
	g	Other loans	19,608.17	-	5,901.87	-
2	**Break - up of (1) (f) above (outstanding public deposits inclusive of interest accrued thereon but not paid):**					
	a	In the form of unsecured debentures	-	-	-	-
	b	In the form of partly secured debentures i.e. debentures where there is a shortfall in the value of security	-	-	-	-
	c	Other public deposits	-	-	-	-
Assets Side :			**As at March 31, 2023**		**As at March 31, 2022**	
3	**Break - up of gross loans and advances including bills receivables (other than those included in (4) below):**					
	a	Secured	238,378.61		155,940.59	
	b	Unsecured	151,057.59		93,235.55	
4	**Break - up of leased assets and stock on hire and other assets counting towards asset financing activities:**					
	a	Lease assets including lease rentals under sundry debtors				
		i. Finance lease	NA		NA	
		ii. Operating lease	NA		NA	
	b	Stock on hire including hire charges under sundry debtors				
		i. Assets on hire	NA		NA	
		ii. Repossessed assets	NA		NA	
	c	Other loans counting towards asset financing activities				
		i. Loans where assets have been repossessed	NA		NA	
		ii. Loans other than (a) above	NA		NA	
5	**Break - up of investments:**					
	Current investments					
	a	Quoted				
		(i) Shares				
		a. Equity	-		-	
		b. Preference	-		-	
		(ii) Debentures and bonds	-		-	
		(iii) Units of mutual funds	-		-	
		(iv) Government securities	-		-	
		(v) Others	-		-	

(Rupees in lakh)

z. Schedule to the Balance Sheet of a NBFC (continued):

Assets Side			**As at March 31, 2023**	**As at March 31, 2022**
5	b	Unquoted		
		(i) Shares		
		a. Equity	-	-
		b. Preference	-	-
		(ii) Debentures and bonds	-	-
		(iii) Units of mutual funds	-	-
		(iv) Government securities	-	-
		(v) Others	-	-
	Long term investments			
	a	Quoted		
		(i) Shares		
		a. Equity	-	-
		b. Preference	-	-
		(ii) Debentures and bonds	4,261.77	4,295.88
		(iii) Units of mutual funds	-	-
		(iv) Government securities	-	-
		(v) Others	-	-
	b	Unquoted		
		(i) Shares		
		a. Equity	-	-
		b. Preference	-	-
		(ii) Debentures and bonds	-	-
		(iii) Units of mutual funds	-	-
		(iv) Government securities	-	-
		(v) Others	1,748.92	2,648.11

6	**Borrower group wise classification of assets financed in (3) and (4) above (gross):**		**As at March 31, 2023**		**As at March 31, 2022**	
	Category		**Amount**			
			Secured	**Unsecured**	**Secured**	**Unsecured**
	a	Related parties **				
		i. Subsidiaries	-	-	-	-
		ii. Companies in the same group	-	-	-	-
		iii. Other related parties	-	-	-	-
	b	Other than related parties	238,378.61	151,057.59	155,940.59	93,235.55
		Total	**238,378.61**	**151,057.59**	**155,940.59**	**93,235.55**
	** As per accounting standard issued by ICAI.					

7	**Investor group wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted):**			
	Category			
	1	Related parties **		
		a. Subsidiaries	-	-
		b. Companies in the same group	-	-
		c. Other related parties	-	-
	2	Other than related parties	6,010.69	6,943.99
		Total	**6,010.69**	**6,943.99**
	** As per accounting standard issued by ICAI.			

8	**Other information**			
	Particulars			
	a	**Gross non-performing assets:**	**9,569.05**	**5,641.15**
		i. Related parties		-
		ii. Other than related parties	9,569.05	5,641.15
	b	**Net non-performing assets:**	**4,988.98**	**4,152.32**
		i. Related parties		-
		ii. Other than related parties	4,988.98	4,152.32
	c	**Assets acquired in satisfaction of debt**	**2,194.55**	-

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Notes forming part of the financial statements (continued)
For the year ended March 31, 2023

(Rupees in lakh)

aa. Provision under prudential norms of income recognition, asset classification (IRAC) as at March 31,2023:

Asset classification as per RBI norms	Asset classification as per Ind AS 109	Gross carrying amount as per Ind AS*	Loss allowances (provisions) as required under Ind AS 109	Net carrying amount	Provisions required as per IRAC norms	Difference between Ind AS 109 provisions and IRAC norms
(1)	(2)	(3)	(4)	(5)=(3)-(4)	(6)	(7) = (4)-(6)
Performing assets						
Standard	Stage 1	362,278.62	3,845.98	358,432.64	1,780.62	2,065.36
	Stage 2	10,447.45	373.94	10,073.51	109.34	264.60
Non-performing assets (NPA)						
Substandard	Stage 3	6,740.56	2,893.34	3,847.22	715.05	2,178.29
Doubtful - up to 1 year	Stage 3	2,711.80	1,648.58	1,063.22	2,674.13	(1,025.55)
1 to 3 years	Stage 3	-	-	-	-	-
More than 3 years	Stage 3	-	-	-	-	-
Loss	Stage 3	116.68	38.15	78.53	115.99	(77.84)
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current income recognition, asset classification and provisioning (IRAC) norms	Stage 1	4,477.45	-	4,477.45	-	-
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
Total	**Stage 1**	**366,756.07**	**3,845.98**	**362,910.09**	**1,780.62**	**2,065.36**
	Stage 2	**10,447.45**	**373.94**	**10,073.51**	**109.34**	**264.60**
	Stage 3	**9,569.04**	**4,580.07**	**4,988.97**	**3,505.17**	**1,074.90**
	Total	**386,772.56**	**8,799.99**	**377,972.57**	**5,395.13**	**3,404.86**

*The above numbers are reported at gross excluding effective interest rate impact on the same.

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Notes forming part of the financial statements (continued)
For the year ended March 31, 2023

(Rupees in lakh)

aa. Provision under prudential norms of income recognition, asset classification (IRAC) as at March 31,2022 (Continued):

Asset classification as per RBI norms	Asset classification as per Ind AS 109	Gross carrying amount as per IndAS*	Loss allowances (provisions) as required under Ind AS 109	Net carrying amount	Provisions required as per IRAC norms	Difference between Ind AS 109 provisions and IRAC norms
(1)	**(2)**	**(3)**	**(4)**	**(5)=(3)-(4)**	**(6)**	**(7) = (4)-(6)**
Performing assets						
Standard	Stage 1	239,025.36	2,481.66	236,543.70	1,856.21	625.45
	Stage 2	3,255.34	93.91	3,161.43	50.52	43.39
Non-performing assets (NPA)						
Substandard	Stage 3	5,451.73	1,299.41	4,152.32	623.40	676.01
Doubtful - up to 1 year	Stage 3	189.42	189.42	-	184.06	5.36
1 to 3 years	Stage 3	-	-	-	-	-
More than 3 years	Stage 3	-	-	-	-	-
Loss	Stage 3	-	-	-	-	-
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current income recognition, asset classification and provisioning (IRAC) norms	Stage 1	882.60	-	882.60	-	-
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
Total	**Stage 1**	**239,907.96**	**2,481.66**	**237,426.30**	**1,856.21**	**625.45**
	Stage 2	**3,255.34**	**93.91**	**3,161.43**	**50.52**	**43.39**
	Stage 3	**5,641.15**	**1,488.83**	**4,152.32**	**807.46**	**681.37**
	Total	**248,804.45**	**4,064.40**	**244,740.05**	**2,714.19**	**1,350.21**

*The above numbers are reported at gross excluding effective interest rate impact on the same.

(Rupees in lakh)

59.Disclosures as required by Scale Based Regulation (SBR): A Revised Regulatory Framework for NBFCs issued by the Reserve Bank of India ("RBI") vide their Notification No. RBI/2021-22/112 DOR.CRE.REC.No.60/03.10.001/2021-22 dated October 22, 2021 and Disclosures in Financial Statements- Notes to Accounts of NBFCs vide Notification No. DOR.ACC.REC.No.20/21.04.018/2022-23 dated April 19, 2022.

A. Exposure

1 Exposure to real estate sector (Refer Note 58f)

2. Exposure to capital market

The Company does not have any capital market exposure.

3. Sectoral exposure

Sectors	As at March 31, 2023			As at March 31, 2022		
	Total Exposure (includes on balance sheet and off-balance sheet exposure)	Gross NPAs	Percentage of Gross NPAs to total exposure in that sector	Total Exposure (includes on balance sheet and off-balance sheet exposure)	Gross NPAs	Percentage of Gross NPAs to total exposure in that sector
1. Agriculture and Allied activities	**6,095.31**	-	**0.00%**	-	-	**0.00%**
2. Industry						
i. Food processing	19,182.57	431.00	2.25%	8,243.71	184.24	2.23%
ii. Textiles	15,220.40	171.76	1.13%	1,317.10	-	0.00%
iii. Paper & paper products	7,612.24	49.89	0.66%	376.68	-	0.00%
iv. Rubber, plastic & their products	10,023.23	95.40	0.95%	2,208.10	102.61	4.65%
v. Basic metal & metal product	16,957.80	93.31	0.55%	681.52	1.76	0.26%
vi. All engineering	20,177.70	859.32	4.26%	35,982.95	658.76	1.83%
vii.Others	116,225.46	3,070.15	2.64%	62,745.24	2,780.61	4.43%
Total of industry (i+ii+iii+iv+v+vi+vii)	**205,399.40**	**4,770.83**	**2.32%**	**111,555.30**	**3,727.98**	**3.34%**
3. Services						
i. Tourism, hotel and restaurants	12,913.13	406.24	3.15%	5,884.55	265.92	4.52%
ii.Professional services	12,200.10	160.00	1.31%	6,004.10	46.76	0.71%
iii. Wholesale trade (other than food procurement)	26,388.21	767.44	2.91%	12,808.36	41.87	0.33%
iv. Retail trade	33,668.87	1,577.76	4.69%	44,768.92	687.01	1.53%
v. Others	85,543.64	1,886.70	2.21%	63,540.45	882.54	1.39%
Total of services (i+ii+iii+iv+v)	**170,714.03**	**4,798.22**	**2.81%**	**133,606.46**	**1,924.10**	**1.44%**

4. Intra-group exposures

The Company is a standalone entity hence there is no intra group exposure.

5. Unhedged foreign currency exposure

The Company does not have any unhedged foreign currency exposure.

B. Related Party (Refer Note 43 for KMP and other related parties except directors)

The Company has not granted loans or advances to promoters, directors and KMPs , either severally or jointly with any other person, that is repayable on demand or without specifying any terms or period of repayment for the financial year ended March 31, 2023 and March 31, 2022.

(Rupees in lakh)

C. Disclosure of complaints

1. Summary information on complaints received by the NBFCs from customers and from the Offices of Ombudsman:

Particulars	As at March 31, 2023	As at March 31, 2022
Complaints received by the NBFC from its customers		
1. Number of complaints pending at beginning of the year	1	-
2. Number of complaints received during the year	148	24
3. Number of complaints disposed during the year	145	23
3.1 Of which, number of complaints rejected by the NBFC	-	-
4. Number of complaints pending at the end of the year	4	1
5. Number of maintainable complaints received by the NBFC from Office of Ombudsman	27	6
5.1 Of 5, number of complaints resolved in favour of the NBFC by Office of Ombudsman	26	6
5.2 Of 5, number of complaints resolved through conciliation/mediation/advisories issued by Office of Ombudsman	3	-
5.3 Of 5, number of complaints resolved after passing of Awards by Office of Ombudsman against the NBFC	-	-
6. Number of Awards unimplemented within the stipulated time (other than those appealed)	-	-

1. Top five grounds of complaints received by the NBFCs from customers.#

Grounds of complaints, (i.e. complaints relating to)	Number of complaints pending at the beginning of the year	Number of complaints received during the year	% increase/ decrease in the number of complaints received over the previous year	Number of complaints pending at the end of the year	Of 5, number of complaints pending beyond 30 days
1	2	3	4	5	6
Current Year					
Loans and advances	1	43	438.00%	1	1
Levy of charges without prior notice/ excessive charges/ foreclosure charges	-	50	900.00%	1	1
Difficulty in operation of accounts	-	4	(20.00%)	-	-
Recovery Agents/ Direct Sales Agents	-	9	800.00%	-	-
Other	-	69	527.00%	3	1
Previous Year					
Loans and advances	-	8	NA*	1	-
Levy of charges without prior notice/ excessive charges/ foreclosure charges	-	5	NA*	-	-
Difficulty in operation of accounts	-	5	NA*	-	-
Recovery Agents/ Direct Sales Agents	-	1	NA*	-	-
Other	-	11	NA*	-	-

* There were nil complaints during FY 2020-21.

This also includes complaints raised with RBI.

D. Corporate Governance (refer Corporate Governance section in the annual report)

E. Breach of covenant

Breach in terms of covenant in respect of loan availed by the Company is as follows:

JM Financial Products Limited had sanctioned a Term Loan of Rs. 4,000 lakh and had stipulated to maintain a CRAR of >20.24%, which was marginally breached by 0.01%, since the CRAR of the Company stood at 20.23% as of March 31, 2023. However, the Company has raised fresh Equity in April 2023 and therefore considering the impact of this event occurring after the Balance Sheet date (Refer Note 60), there is no breach of the covenant. The maturity of the term loan is due on September 29, 2023. There is no material impact on the cost or liquidity of the Company as the Company has already complied with the covenant on a post balance sheet event basis.

F. Divergence in asset classification and provisioning

During the current year the Company underwent routine RBI supervision for the year ended March 31, 2019, March 31, 2020 and March 31, 2021 and no divergence in asset classification and provisioning has been reported.

G. There is no modification of opinion expressed by the auditors.

H. There are no items of income and expenditure of exceptional nature.

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60 Events after the reporting period

Non-adjusting events after the reporting period that require disclosure are as follows:

The Company raised equity share capital through Qualified Institutional Placement (QIP) in April 2023. The issue remained open from April 10, 2023, to April 13, 2023, and Rs. 10,049.21 lakh was raised in lieu of the same. The Company issued and allotted 66,11,325 equity shares (face value of Rs. 10 per share) at a premium of Rs. 142 per share. These shares were allotted on April 13, 2023.

The Company has entered into definitive investment agreement interalia with Danish Sustainable Development Goals Investment Fund K/S, a limited liability partnership incorporated under the laws of Denmark, represented by Investment Fund for Developing Countries, an investment fund incorporated under the laws of Kingdom of Denmark, to the tune of Rs. 24,000 lakh ('Issue'). It is a Danish Development Finance Institution (independent Denmark government owned fund) and an impact investor which invests to support sustainable development in developing countries and contributes to the realization of the sustainable development goals (SDGs) by creating better opportunities for people in low and middle-income countries. The said Issue has been approved by the Board on April 11, 2023, and the shareholders through postal ballot on May 11, 2023. The allotment of shares under the said issue will be done within 15 days from the date of passing resolution by the shareholders.

61 Total Fixed deposits stand at Rs 2,096.91 lakh as at March 31, 2023 (previous year Rs 762.29 lakh) on account of securitisation transactions.

62 Disclosure on frauds pursuant to the RBI Master direction- Monitoring of Frauds in NBFCs, Master Direction DNBS. PPD.01/66.15.001/2016-17 dated September 29, 2016 detected and reported to RBI:

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Number of Frauds	-	1
Amount involved (Rs. in Lakh)	-	400.14

63 The Company has neither purchased any credit impaired financial assets nor has the company transferred any credit impaired assets to the Asset Reconstruction Company during the financial year 2022-23 in terms of guidelines issued by RBI circular number DOR.STR.REC.51/21.04.048/2021-22 dated September 24, 2021. Further, the Company has also not sold any credit impaired financial asset to institutions other than to securitization/reconstruction company (SC/RC).

64 Title deeds of immovable property not held in the name of the Company as at March 31, 2023:

Relevant line item in the Balance Sheet	Description of item of property	Gross carrying value	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative of promoter / director or employee of promoter / director	Property held since which date	Reason for not being held in the name of the company*
PPE	Land	-	-	-	-	-
PPE	Building	-	-	-	-	-
Investment property	Land	-	-	-	-	-
Investment property	Building	-	-	-	-	-
Non-current assets held for sale	Land	348.88	Borrower	No	-	-
Non-current assets held for sale	Building	1,782.95	Borrower	No	-	-
Others	-	-	-	-	-	-

*The Borrowers had mortgaged the immovable properties with the Company to secure the loan facility. Consequent to default in repayment of secured loan upon classification of the account as Non-Performing Asset ("NPA"), the proceedings under the provisions of the Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 ("The SARFAESI Act, 2002") are initiated, whereby the immovable property mortgaged by the Borrower, is taken into possession of the Company with or without intervention of Court. The said properties will be sold to the prospective buyer(s) and the sale proceeds shall be appropriated towards the dues in the respective loan account. Meanwhile, if the borrower/co-borrower approaches to settle the dues and closes the loan account, the property may be released to them.

65 During the year ended March 31, 2023, there was one company with whom the Company had a transaction whose status is reflected as "struck-off" as at March 31, 2023 as shown below under section 248 of the Companies Act, 2013 or section 560 of the Companies Act, 1956. Further the Company did not have any such transactions during the year ended March 31, 2022.

Name of struck-off company with whom Company had transaction during FY 2022-23

Name of the Company	Northern Aircool Private Limited*
Nature of transaction	Loan Disbursement
Balance outstanding as at March 31, 2023	Nil
Relation with struck-off company	Customer

*The Company had transaction with the above Company before the Company was struck-off as per the ROC records.

66 No proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder, as at March 31, 2023 and March 31, 2022.

67 The Company is not declared wilful defaulter by any bank or financial institution or other lender, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India during the year ended March 31, 2023 and March 31, 2022.

68 a.The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

b. Instances of delayed filing of registration of charges or satisfaction with Registrar of Companies (ROC) during the year ended March 31, 2023.

Brief description of charge	Location of registrar	Period by which charge has been registered	Reason for delay
CHG-1 Nabsamruddhi Term Loan- Rs. 15,00,00,000/- Charge ID 100603629 DOH Date-05.08.2022	Mumbai	06.09.2022 (Form Filed with MCA) 13.09.2022 (Charge Certificate Date)	The form could not be filed within the prescribed timelines due to technical and operational issues on newly introduced MCA V3 portal.

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CHG-4 Beacon Trusteeship Limited Charge ID-100493809 NOC Date-02.08.2022	Mumbai	23.09.2022 (Form Filed with MCA) 27.09.2022 (Charge Certificate Date)	The form could not be filed within the prescribed timelines due to technical and operational issues on newly introduced MCA V3 portal.
CHG-1 Catalyst Trusteeship Limited- Rs.31,09,00,000/- Charge ID:100518344 List of Receivables Date-31.12.2022	Mumbai	02.02.2023 (Form filed with MCA) 06.02.2023 (Charge Certificate Date)	The form could not be filed within the prescribed timelines due to technical and operational issues on newly introduced MCA V3 portal.
CHG-1 Catalyst Trusteeship Limited- Rs.12,40,80,000/- Charge ID:100628374 List of Receivables Date-31.12.2022	Mumbai	01.02.2023 (Form filed with MCA) 06.02.2023 (Charge Certificate Date)	The form could not be filed within the prescribed timelines due to technical and operational issues on newly introduced MCA V3 portal.
CHG-1 Catalyst Trusteeship Limited- Rs.14,48,00,000/- Charge ID: 100628373 List of receivables:31.12.2022	Mumbai	02.02.2023 (Form filed with MCA) 06.02.2023 (Charge Certificate Date)	The form could not be filed within the prescribed timelines due to technical and operational issues on newly introduced MCA V3 portal.
CHG-1 Catalyst Trusteeship Limited- Rs. 82,70,00,000/- Charge ID: 100688034 Resubmission Date- 10-02-2023	Mumbai	21.03.2023 (Form filed with MCA) 22.03.2023 (Charge Certificate Date)	The form could not be filed within the prescribed timelines due to technical and operational issues on newly introduced MCA V3 portal.
CHG-1 Canara Bank Term Loan- Rs. 75,00,00,000/- Charge ID-100684349 DOH Date-21.01.2023	Mumbai	10.03.2023 (Form filed with MCA) 15.03.2023 (Charge Certificate Date)	The form could not be filed within the prescribed timelines due to technical and operational issues on newly introduced MCA V3 portal.
CHG-1 IDFC First Bank Term Loan- Rs. 100,00,00,000/- Charge ID-100692382 DOH Date-30.01.2023	Mumbai	24.03.2023 (Form filed with MCA) 30.03.2023 (Charge Certification Date)	The form could not be filed within the prescribed timelines due to technical and operational issues on newly introduced MCA V3 portal.

69 There have been no transactions which have not been recorded in the books of accounts, that have been surrendered or disclosed as income during the year ended 31 March 2023 and 31 March 2022 in tax assessments under the Income tax act, 1961. There have been no previously unrecorded income and related assets which were to be properly recorded in the books of accounts during the year ended March 31, 2023 and March 31, 2022.

70 The Company has not traded or invested in crypto currency or virtual currency during the year ended March 31, 2023 and March 31, 2022.

71 Disclosure under rule 11(e) of the Companies (Audit and Auditors) Rules, 2014:

(a) - The Company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities (intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall
- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (ultimate beneficiaries) or
- provide any guarantee, security or the like to or on behalf of ultimate beneficiaries;

(b) - The company has not received any fund from any person(s) or entity(ies), including foreign entities (funding party) with the understanding (whether recorded in writing or otherwise) that the company shall
- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (ultimate beneficiaries) or
- provide any guarantee, security or the like to or on behalf of ultimate beneficiaries;





(Rupees in lakh)

72 Gold Loans

The Company does not provide any loans on collateral of gold and gold jewellery.

73 RBI circular RBI/2021-22/17 DOR.STR.REC.4/21.04.048/2021-22 dated April 07, 2021.

Under the Circular all the lending institutions were required to refund/adjust the "interest on interest" charged to the borrower during the moratorium period i.e. March 1, 2020 to August 31, 2020 in conformity with the Supreme Court judgement. The status of the same is mentioned in below table.

Sr. No	Particulars	March 31, 2023	March 31, 2022
1	Aggregate amount	14.59	54.71
2	Refunded/adjusted	-	40.12
3	Outstanding balance	14.59	14.59

74 Disclosures pursuant to Master Direction – Reserve Bank of India (Transfer of Loan Exposures) Directions, 2021 issued by the Reserve Bank of India ("RBI") vide their Notification No. RBI/DOR/2021-22/86 Master Direction DOR.STR.REC.51/21.04.048/2021-22 dated September 24, 2021 (the "Notification")

a. Details of transfer through Assignment in respect of loans not in default during the year ended March 31, 2023*:

Sr. No	Particulars	To Banks/ NBFCs
1	Aggregate principal outstanding of loans transferred through assignment (Rs. in lakh)	47,746.89
2	Aggregate consideration received (Rs. in lakh)	47,746.89
3	Weighted average Maturity of Loans (in years)	7.95
4	Weighted average Holding period of Loans (in years)	1.03
5	Retention of Beneficial economic interest (in %)	11.16%
6	Coverage of Tangible security (in %) **	228.90%
7	Rating- wise distribution of rated loans	Non- Rated

Note

* The above table does not include loans transferred by the Company through Co-Lending arrangements.

** For computation of coverage of Tangible Security coverage ratio, the Company has considered only the secured loans

b.The Company has not acquired loans not in default during the year ended March 31, 2023.

c.The Company has neither transferred nor acquired any stressed loans during the year ended March 31, 2023.

d. The rating wise distribution of Security Receipts (SRs) held by the Company as on March 31, 2023 is given below:

Ratings	Rating Agency	Amount (in Lakh)
IVR RR1	Infomerics Valuation and Ratings Private Limited	943.48
BW RR3	Brick Works Rating India Private Limited	805.44

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UGRO CAPITAL LIMITED

(Rupees in lakh)

75 **Disclosure pursuant to Reserve Bank of India RBI/2020-21/16 DOR.No.BP.BC/3/21.04.048/2020-21 dated August 06, 2020 pertaining to Resolution Framework for COVID-19 related stress read with RBI/2021-22/32 DOR.STR.REC.12/21.04.048/2021-22 dated May 5, 2021 pursuant to Resolution Framework 2.0 - Resolution of Covid-19 related stress of Micro, Small and Medium Enterprises (MSMEs) and disclosure pursuant to Reserve Bank of India Circular RBI/2021-22/31 DOR.STR.REC. 11/21.04.048/2021-22 dated May 5, 2021, pertaining to Resolution Framework - 2.0: Resolution of Covid-19 related stress of individuals and Small Businesses.**

Type of borrower	Exposure to accounts classified as Standard consequent to Implementation of resolution plan - Position as at September 30, 2022 (A)	Of (A), aggregate debt that slipped into NPA during the half year ended March 31, 2023	Of (A), amount written off during the half year ended March 31, 2023	Of (A), amount paid by the borrowers during the half year ended March 31, 2023	Exposure to accounts classified as Standard consequent to Implementation of resolution plan - Position as at March 31, 2023*
Personal loans	-	-	-	-	-
Corporate persons	-	-	-	-	-
Of which, MSMEs	5,646.45	39.77	-	1,465.73	4,140.95
Others	-	-	-	-	-
Total	5,646.45	39.77	-	1,465.73	4,140.95

* Total ECL Provision for the above loans as on March 31, 2023 is Rs 414.09 Lakh.

76 **Disclosure as per the format prescribed as per the notification no. RBI/2020-21/17 DOR.NO.BP BC/4/21.04.048/2020-21 dated August 06, 2020 and RBI/2021-22/32 DOR.STR.REC.12/21.04.048/2021-22 dated May 5, 2021 on "Resolution Framework 2.0 – Resolution of Covid-19 related stress of Micro, Small and Medium Enterprises (MSMEs)":**

Type of borrower	Year	No. of accounts restructured	Amount outstanding
MSMEs	As at March 31, 2023	144	4,121.34
	As at March 31, 2022	184	6,623.10

77 Previous year figures have been reclassified/ regrouped wherever necessary to conform to/ with the current year classification/ disclosure.

As per our report of even date attached

For **M S K A & Associates**
Chartered Accountants
Firm's Registration Number : 105047W

Swapnil Kale
Partner

Membership Number : 117812
Place : Mumbai
Date : May 15, 2023

For and on behalf of the Board of Directors of
UGRO CAPITAL LIMITED

Shachindra Nath
Vice Chairman &
Managing Director
DIN : 00510618
Mumbai
May 15, 2023

Abhijit Sen
Independent Director &
Chairman - Audit Committee
DIN : 00002593
Mumbai
May 15, 2023

Kishore Kumar Lodha
Chief Financial Officer
Mumbai
May 15, 2023

Namrata Sajnani
Company Secretary
Mumbai
May 15, 2023

MSKA & Associates
Chartered Accountants

HO
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Western Express Highway,
Geetanjali Railway Colony, Ram Nagar,
Goregaon (E), Mumbai 400063, INDIA
Tel: +91 22 6831 1600

INDEPENDENT AUDITOR'S REPORT

To the Members of **UGRO Capital Limited**

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of UGRO Capital Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2022, and the Statement of Profit and Loss, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards ("the Ind AS") prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015 as amended and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, and its profit, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (the "ICAI") together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the year ended March 31, 2022. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Sr. No.	Key Audit Matter	How the Key Audit Matter was addressed in our audit
1	Impairment of loans including Expected Credit Losses Total Loans as at March 31, 2022: Rs 2,450.48 Crores Impairment Provision as at March 31, 2022: Rs. 40.64 Crores (Refer Note 6 of the Ind AS financial statements)	In view of the significance of the matter, our audit procedures performed included, but not limited to the following: 1. Understood the Company's accounting policies for impairment of loan and other receivables and evaluate the appropriateness of the same with the principle of Ind AS 109 - 'Financial Instruments'.

Sr. No.	Key Audit Matter	How the Key Audit Matter was addressed in our audit
	Ind AS 109 - 'Financial Instruments', requires the Company to provide for impairment of its financial assets using the expected credit loss (the "ECL") approach involving an estimation of probability of loss on financial assets over their life, considering reasonable and supportable information about past events, current conditions, and forecasts of future economic conditions which could impact the credit quality of the Company's loans and advances. In the process, a significant degree of judgement has been applied by the management including but not limited to the following matters: a) Qualitative and quantitative factors used in staging the loan assets; b) Basis used for estimating Probabilities of Default ("PD") and Loss Given Default ("LGD"); and c) Staging of loans and estimation of behavioural life. The Company has Board approved policy on ECL to ensure the compliance with Ind AS 109 requirements and the basis of all assumptions for underling inputs to ECL model. The Company has developed models that derive key assumptions used within the provision calculation such as probability of default and loss given default. The output of these models is then applied to the provision calculation with other information including the exposure at default (the "EAD"). Given the high degree of management's judgement involved in estimation of ECL, it is a key audit matter.	2. Verified the assumptions used by the Company for grouping and staging of loan portfolio into various categories according to the internal rating grade, size and geography of the loan and then determining the probability of default and loss given default rates. 3. Obtained an understanding of Management's process of ECL computation and verified the design and effectiveness of internal controls over the: ▪ completeness and accuracy of the Exposure at Default and the classification thereof into stages consistent with the definitions applied in accordance with the policy approved by the Board of Directors including the appropriateness of the qualitative factors to be applied. ▪ scorecards developed by the Company using Probability of Default rates sent by the external credit rating agencies. 4. Verified on a test check basis underlying data related to estimates and judgements: ▪ completeness and accuracy of information used in the estimation of the ECL for the different stages depending on the nature of the portfolio. ▪ PD is as per the scorecards provided by the External Credit Rating agency. ▪ Loss Given Default is as per the Foundational-Internal Rating Based (F-IRB) approach, including the appropriateness of the use of collateral and the resultant arithmetical calculations. ▪ Exposures determined to be individually impaired, examined management's estimate of future cash flows, assessed their reasonableness and checked the resultant provision calculations. ▪ Verified the computation of ECL to ensure arithmetical accuracy. ▪ Reconciled the total financial assets considered for ECL estimation with the books of account to ensure the completeness. 5. Verified, on test check basis, whether appropriate staging of assets have been performed basis their days past due.

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Sr. No.	Key Audit Matter	How the Key Audit Matter was addressed in our audit
		6. Verified the adequacy of the adjustment including management's assessment of additional provision on stressed loan. 7. Performed inquiries with the Company's management and its risk management function to assess the impact of Covid-19 including the fourth wave on the business activities of the Company. 8. Verified the ECL provision on restructured cases pursuant to the Reserve Bank of India ("the RBI") circular on a sample basis. 9. Assessed the adequacy and appropriateness of the related presentation disclosures in accordance with the requirements of applicable Ind AS.

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors are responsible for the other information. The other information comprises the Director's Report but does not include the financial statements and our auditor's report thereon. The Director's report is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the Director's report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Ind AS specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements for the year ended March 31, 2022 and are therefore, the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



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Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143(3) of the Act, we report that:

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   (c) The Balance Sheet, the Statement of Profit and Loss, the Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account.

   (d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2015.

   (e) On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act.

   (f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

   (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

      i. The Company does not have any pending litigations which would impact its financial position.

      ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts - Refer Note 55 (p) to the financial statements; and

      iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.



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iv.

(1) The Management has represented that, to the best of it's knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries - Refer Note 68 (a) to the financial statements;

(2) The Management has represented that, to the best of it's knowledge and belief, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities (Funding Parties), with the understanding, whether recorded in writing or otherwise, as on the date of this audit report, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries - Refer Note 68(b) the financial statements; and

(3) Based on the audit procedures which we have considered reasonable and appropriate in the circumstances and according to the information and explanations provided to us by the Management in this regard, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) as provided under (1) and (2) above, contain any material misstatement.

v. The Company has neither declared nor paid any dividend during the year.

3. As required by the Companies (Amendment) Act, 2017, in our opinion, according to information and explanations given to us, the remuneration paid by the Company to its directors is within the limits laid prescribed under Section 197 of the Act and the rules thereunder.

For **M S K A & Associates**
Chartered Accountants
ICAI Firm Registration Number: 105047W

Swapnil Kale
Partner
Membership Number: 117812
UDIN: 22117812AJMCIV7951

Mumbai
May 24, 2022

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ANNEXURE A TO INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF UGRO CAPITAL LIMITED FOR THE YEAR ENDED MARCH 31, 2022

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditor's Report]

i.

(a)

A) The Company has maintained proper records showing full particulars including quantitative details and situation of Property, Plant and Equipment.

B) The Company has maintained proper records showing full particulars of intangible assets.

(b) The Company is in the process of conducting the physical verification of all the Property, Plant and Equipment of the Company as on the date of this report. Accordingly, material discrepancies, if any, could not be ascertained and therefore, we are unable to comment on whether such material discrepancies have been properly dealt with in the books of account.

(c) According to the information and explanations given to us, there are no immovable properties, and accordingly, the requirements under paragraph 3(i)(c) of the Order are not applicable to the Company.

(d) According to the information and explanations given to us, the Company has not revalued its property, plant and Equipment (including Right of Use assets) and its intangible assets. Accordingly, the requirements under paragraph 3(i)(d) of the Order are not applicable to the Company.

(e) According to the information and explanations given to us, no proceeding has been initiated or pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder. Accordingly, the provisions stated in paragraph 3(i)(e) of the Order are not applicable to the Company.

ii.

(a) The Company is involved in the business of rendering services. Accordingly, the provisions stated in paragraph 3(ii)(a) of the Order are not applicable to the Company.

(b) The Company has been sanctioned working capital limits in excess of Rs. 5 crores in aggregate from banks on the basis of security of loans. Quarterly returns / statements are filed with such banks/ financial institutions are in agreement with the books of account.

iii.

(a) Since the Company's principle business is to give loans, the provisions stated in paragraph 3(iii)(a) of the Order are not applicable to the Company.

(b) According to the information and explanations given to us and based on the audit procedures performed by us, we are of the opinion that the investments made, guarantees provided, securities given and the terms and conditions of all loans and advances in the nature of loans and guarantees provided are not prejudicial to the interest of the Company.

(c) The Company, being a Non-Banking Financial Company, is registered under provisions of the RBI Act, 1934, in pursuance of its compliance with provisions of the said Act, particularly, the Income Recognition, Asset Classification and Provisioning Norms and generally accepted business practices by the lending institutions, repayments scheduled are stipulated basis the nature of the loan products. The repayment of the principal and the payment of interest by the borrower's are as per the stipulated repayment schedule except in case of default cases.



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(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the details of amount overdue for more than ninety days are as follows:

No. of Cases *	Total overdue (Rs. In lakh)	Remarks (specify whether reasonable steps have been taken by the Company for recovery of principal amount and interest)
606	5641.15	Yes#

* Amount overdue classified under stage 3 - Refer Note 48 (a) C to the financial statements.
The Company has taken all reasonable steps including legal actions to ensure recovery of the principal and interest.

(e) Since the Company's principle business is to give loans, the provisions stated in paragraph 3(ii)(e) of the order are not applicable to the Company.

(f) According to the information and explanations provided to us, the Company has not granted any loans and / or advances in the nature of loans which are either repayable on demand or without specifying any terms or period of repayment. Hence, the requirements under paragraph 3(iii)(f) of the Order are not applicable to the Company.

iv. In our opinion and according to the information and explanations given to us, the Company has not either directly or indirectly, granted any loan to any of its directors or to any other person in whom the director is interested, in accordance with the provisions of section 185 of the Act and the Company has not made investments through more than two layers of investment companies in accordance with the provisions of section 186 of the Act. Accordingly, provisions stated in paragraph 3(iv) of the Order are not applicable to the Company.

v. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the rules framed there under. Hence, the provision stated in paragraph 3(v) of the Order are not applicable to the Company.

vi. The provisions of sub-section (1) of section 148 of the Act are not applicable to the Company as the Central Government of India has not specified the maintenance of cost records for any of the products of the Company. Accordingly, the provisions stated in paragraph 3 (vi) of the Order are not applicable to the Company.

vii.

(a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax and cess have generally been regularly deposited with the appropriate authorities though there has been a slight delay in a few cases.

(b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of income tax, goods and service tax, cess and any other statutory dues which have not been deposited on account of any dispute. Refer Note 37(a) to the financial statements.

viii. According to the information and explanations given to us, there are no transactions which are not accounted in the books of account which have been surrendered or disclosed as income during the year in Tax Assessment of the Company. Also, there are no previously unrecorded income which has been now recorded in the books of account. Hence, the provision stated in paragraph 3(viii) of the Order is not applicable to the Company.



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ix.

(a) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings or in payment of interest thereon to any lender.

(b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company has not been declared wilful defaulter by any bank or financial institution or other lender.

(c) In our opinion and according to the information and explanations provided to us, money raised by way of term loans during the year have been applied for the purpose for which they were raised.

(d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the financial statements of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.

(e) The Company does not have any subsidiaries, associates or joint ventures. Accordingly, the provisions stated in paragraph 3(ix)(e) of the Order are not applicable to the Company.

(f) The Company does not have any subsidiaries, associates or joint ventures. Accordingly, the provisions stated in paragraph 3(ix)(f) of the Order are not applicable to the Company.

x.

(a) In our opinion, according to the information and explanations provided to us, money raised by way of initial public offer or further public offer (including debt instruments) during the year have been applied for the purpose for which they were raised. Hence there are no such instances.

(b) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully, partly or optionally convertible debentures during the year. Accordingly, the provisions stated in paragraph 3 (x)(b) of the Order are not applicable to the Company.

xi.

(a) During the course of our audit, examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company nor on the Company.

(b) In our opinion and according to the information and explanations given to us, no report under section 143(12) of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) As represented to us by the management, there are no whistle-blower complaints received by the Company during the course of audit. Accordingly, the provisions stated in paragraph 3(xi)(c) of the Order is not applicable to company.

xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, the provisions stated in paragraph 3(xii) (a) to (c) of the Order are not applicable to the Company.

xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act, where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable Ind AS.



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xiv.

(a) In our opinion and based on our examination, the Company has an internal audit system commensurate with the size and nature of its business.

(b) We have considered internal audit reports issued by internal auditors during our audit in accordance with the guidance provided in SA 610 - 'Using the work of Internal Auditors'.

xv. According to the information and explanations given to us, in our opinion during the year the Company has not entered into non-cash transactions with directors or persons connected with its directors and hence, provisions of section 192 of the Act are not applicable to Company. Accordingly, the provisions stated in paragraph 3(xv) of the Order are not applicable to the Company.

xvi.

(a) The Company is required to and has been registered under Section 45-IA of the Reserve Bank of India Act, 1934 as Non-Banking Financial Company.

(b) In our opinion, the Company has not conducted any Non-Banking Financial activity without any valid Certificate of Registration from Reserve Bank of India. Hence, the reporting under paragraph clause 3 (xvi)(b) of the Order are not applicable to the Company.

(c) The Company is not a Core investment Company (CIC) as defined in the regulations made by Reserve Bank of India. Hence, the reporting under paragraph clause 3 (xvi)(c) of the Order are not applicable to the Company.

(d) The Company does not have any group. Hence the provisions stated in paragraph clause 3 (xvi) (d) of the order are not applicable to the Company.

xvii. According to the information and explanations provided to us, the Company has not incurred cash losses in the current financial year and in the immediately preceding financial year. Hence, the provisions stated in paragraph 3 (xvii) of the Order are not applicable to the Company.

xviii. There has been no resignation of the statutory auditors during the year. Hence, the provisions stated in paragraph 3 (xviii) of the Order are not applicable to the Company.

xix. According to the information and explanations given to us and based on our examination of financial ratios, ageing and expected date of realisation of financial assets and payment of liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans, we are of the opinion that no material uncertainty exists as on the date of audit report and the Company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

xx. According to the information and explanations given to us, the provisions of section 135 of the Act are applicable to the Company. The Company has made the required contributions during the year and there are no unspent amounts which are required to be transferred to the special account as on the date of our audit report. Accordingly, the provisions of paragraph 3(xx)(a) to (b) of the Order are not applicable to the Company.



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xxi. According to the information and explanations given to us, the Company does not have any Subsidiary, Associate or Joint Venture. Accordingly, reporting under clause 3(xxi) of the Order is not applicable.

For **M S K A & Associates**
Chartered Accountants
ICAI Firm Registration Number: 105047W

Swapnil Kale
Partner
Membership Number: 117812
UDIN: 22117812AJMCIV7951

Mumbai
May 24, 2022

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ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF UGRO CAPITAL LIMITED

[Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditor's Report of even date to the Members of UGRO Capital Limited on the Financial Statements for the year ended March 31, 2022]

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

Opinion

We have audited the internal financial controls with reference to financial statements of UGRO Capital Limited ("the Company") as of March 31, 2022 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2022, based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "ICAI") (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether an adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

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Meaning of Internal Financial Controls With reference to Financial Statements

A Company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls With reference to financial statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For **M S K A & Associates**
Chartered Accountants
ICAI Firm Registration Number: 105047W

Swapnil Kale
Partner
Membership Number: 117812
UDIN: 22117812AJMCIV7951

Mumbai
May 24, 2022

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UGRO CAPITAL LIMITED

CIN:L67120MH1993PLC070739

Balance Sheet as at March 31, 2022

(Rupees in lakh)

Particulars	Note No.	As at March 31, 2022	As at March 31, 2021
I. ASSETS			
Financial assets			
Cash and cash equivalents	3	6,574.94	12,365.55
Bank balances other than cash and cash equivalents above	4	12,260.25	19,238.99
Derivative financial instruments	5	22.29	-
Loans	6	2,45,048.34	1,28,269.61
Investments	7	6,943.99	5,522.75
Other financial assets	8	789.62	680.88
		2,71,639.43	**1,66,077.78**
Non-financial assets			
Current tax assets (net)	9	164.23	-
Deferred tax assets (net)	10	4,381.63	4,293.55
Property, plant and equipment	11	430.43	468.60
Right of use assets	12	2,538.28	1,094.31
Capital work in progress	13	20.25	-
Intangible assets under development	14	568.54	388.41
Other intangible assets	15	2,602.04	2,062.02
Other non-financial assets	16	3,077.73	1,093.91
		13,783.13	**9,400.80**
TOTAL ASSETS		**2,85,422.56**	**1,75,478.58**
II. LIABILITIES AND EQUITY			
LIABILITIES			
Financial liabilities			
Payables	17		
(A) Trade payables			
(I) total outstanding dues of micro enterprises and small enterprises		0.08	0.01
(II) total outstanding dues of creditors other than micro enterprises and small enterprises		666.93	218.24
(B) Other payables			
(I) total outstanding dues of micro enterprises and small enterprises		-	-
(II) total outstanding dues of creditors other than micro enterprises and small enterprises		15.04	107.36
Debt securities	18	70,376.77	31,557.55
Borrowings (other than debt securities)	19	1,09,807.09	45,011.94
Other financial liabilities	20	4,722.81	2,118.22
		1,85,588.72	**79,013.32**
Non-financial liabilities			
Current tax liabilities (net)	21	126.07	144.13
Provisions	22	2,607.22	939.67
Other non-financial liabilities	23	364.23	137.64
		3,177.52	**1,221.44**
TOTAL LIABILITIES		**1,88,766.24**	**80,234.76**
Equity			
Equity share capital	24	7,055.94	7,052.86
Other equity	25	89,600.38	88,190.96
TOTAL EQUITY		**96,656.32**	**95,243.82**
TOTAL LIABILITIES AND EQUITY		**2,85,422.56**	**1,75,478.58**

Significant accounting policies 1

Corporate information 2

See accompanying notes forming part of the financial statements

The notes referred to above form an integral part of the financial statements

As per our report of even date attached
For **M S K A & Associates**
Chartered Accountants
Firm's Registration No : 105047W

Swapnil Kale
Partner

Membership No : 117812
Place : Mumbai
Date : May 24, 2022

For and on behalf of the Board of Directors of
UGRO CAPITAL LIMITED

Shachindra Nath
Executive Chairman
& MD
DIN : 00510618
Mumbai
May 24, 2022

Abhijit Sen
Independent Director & Chairman - Audit Committee
DIN : 00002593
Mumbai
May 24, 2022

Amit Gupta
Chief Financial Officer
Mumbai
May 24, 2022

Aniket Karandikar
Company Secretary
Mumbai
May 24, 2022

UGRO CAPITAL LIMITED
CIN:L67120MH1993PLC070739

Statement of Profit and Loss for the year ended March 31, 2022

(Rupees in lakh)

Particulars	Note No.	For the year ended March 31, 2022	For the year ended March 31, 2021
Revenue from operations			
Interest income	26	27,215.28	14,683.43
Net gain on derecognition of financial instruments under amortised cost category	27	2,852.50	129.42
Net gain on fair value changes	28	33.67	34.68
Fees and commission income	29	626.01	133.54
Total revenue from operations		**30,727.46**	**14,981.07**
Other Income	30	614.13	352.77
Total income		**31,341.59**	**15,333.84**
Expenses			
Finance costs	31	13,738.92	4,456.24
Impairment on financial instruments	32	2,941.54	1,961.71
Employee benefits expenses	33	7,289.06	4,532.67
Depreciation, amortization and impairment	34	1,233.26	1,173.91
Other expenses	35	4,121.03	1,996.40
Total expenses		**29,323.81**	**14,120.93**
Profit before exceptional items and tax		**2,017.78**	**1,212.91**
Exceptional items		-	-
Profit before tax		**2,017.78**	**1,212.91**
Tax Expense:			
(1) Current tax			
-Tax as per minimum alternate tax		660.90	482.99
(2) Deferred tax benefit (Net)		(98.18)	(2,142.83)
Total tax expenses		**562.72**	**(1,659.84)**
Profit for the year (A)		**1,455.06**	**2,872.75**
Other comprehensive income			
Items that will not be reclassified to profit and loss			
-Remeasurements of the defined benefit obligations		25.67	19.19
-Income tax relating to items that will not be reclassified to profit and loss		(7.47)	(5.59)
Subtotal (B)		**18.20**	**13.60**
Items that will be reclassified to profit and loss			
-The effective portion of Gains and Loss on hedging instrument in a cash flow hedge		9.00	-
-Income tax relating to items that will be reclassified to profit and loss		(2.62)	-
Subtotal (C)		**6.38**	**-**
Other comprehensive income for the year (net of tax) (D) = (B) + (C)		**24.58**	**13.60**
Total comprehensive income for the year (E)= (A) + (D)		**1,479.64**	**2,886.35**
Earnings per equity share (face value of Rs 10 each)	36		
Basic (Rs)		**2.06**	**4.07**
Diluted (Rs)		**2.05**	**4.07**

Significant accounting policies 1

Corporate information 2

See accompanying notes forming part of the financial statements

The notes referred to above form an integral part of the financial statements

As per our report of even date attached
For **M S K A & Associates**
Chartered Accountants
Firm's Registration No : 105047W

Swapnil Kale
Partner

Membership No : 117812
Place : Mumbai
Date : May 24, 2022

For and on behalf of the Board of Directors of
UGRO CAPITAL LIMITED

Shachindra Nath
Executive Chairman
& MD
DIN : 00510618
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Chief Financial Officer
Mumbai
May 24, 2022

Aniket Karandikar
Company Secretary
Mumbai
May 24, 2022

UGRO CAPITAL LIMITED
CIN:L67120MH1993PLC070739

Cash Flow Statement for the year ended March 31, 2022

(Rupees in lakh)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Cash flow from operating activities :		
Net profit before tax	**2,017.78**	**1,212.91**
Adjustments for:		
Employee stock option expense	(107.15)	205.11
Depreciation, amortisation and impairment	1,233.26	1,173.91
Impairment on financial instruments	2,941.54	1,961.71
Net gain on sale of financial instruments / fair valuation of financial instruments	(33.67)	(34.68)
Provision for gratuity	38.20	37.62
Provision for compensated absences	116.66	23.84
Operating profit before working capital changes	**6,206.62**	**4,580.42**
Change in working capital:		
Increase in Loans	(1,19,713.41)	(46,950.53)
Increase in Other Non-Financial Assets	(1,983.82)	(452.85)
(Increase)/Decrease in Other Financial Assets	(137.91)	8,305.18
Increase/(Decrease) in Trade payables	356.44	(495.70)
Increase/(Decrease) in other non-financial liabilities	226.59	(11.29)
Increase in other financial liabilities	1,086.80	409.36
Increase in provisions	1,618.35	98.50
Cash (used in) operating activities	**(1,12,340.34)**	**(34,516.91)**
Income taxes paid	(841.33)	(195.14)
Net cash (used in) operating activities (A)	**(1,13,181.67)**	**(34,712.05)**
Cash flow from investing activities :		
Purchase of property, plant and equipment	(133.85)	(34.74)
Proceeds from / (Investments in) bank deposits of maturity greater than 3 months	6,978.74	(5,147.68)
Sale of investments	4,327.30	7,285.50
Purchase of investments	(5,733.91)	(5,522.75)
Payments for intangible assets	(1,300.33)	(1,172.06)
Net cash generated from / (used in) investing activities (B)	**4,137.95**	**(4,591.73)**
Cash flow from financing activities :		
Proceeds from issuance of equity share capital during the year	36.92	-
Principal payment of lease liabilities	(407.17)	(320.89)
Net proceeds from borrowings through secured NCDs and Commercial paper	38,828.21	27,563.88
Net proceeds from borrowings from banks and financial institutions	64,795.15	23,551.70
Net cash generated from financing activities (C)	**1,03,253.11**	**50,794.69**
Net increase / (decrease) in cash and cash equivalents (A)+(B)+(C)	**(5,790.61)**	**11,490.91**
Cash and cash equivalents at the beginning of the year	**12,365.55**	**874.64**
Cash and cash equivalents at the end of the year	**6,574.94**	**12,365.55**
Components of cash and cash equivalents		
Cash on hand	-	-
Balance with banks :		
in current accounts	6,174.61	6,764.51
in Fixed deposits (maturing within a period of three months)	400.33	5,601.04
TOTAL	**6,574.94**	**12,365.55**

Significant accounting policies 1
Corporate information 2
See accompanying notes forming part of the financial statements
The notes referred to above form an integral part of the financial statements.

As per our report of even date attached
For **M S K A & Associates**
Chartered Accountants
Firm's Registration No : 105047W

Swapnil Kale
Partner

Membership No : 117812
Place : Mumbai
Date : May 24, 2022

For and on behalf of the Board of Directors of
UGRO CAPITAL LIMITED

Shachindra Nath
Executive Chairman
& MD
DIN : 00510618
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Amit Gupta
Chief Financial Officer
Mumbai
May 24, 2022

Aniket Karandikar
Company Secretary
Mumbai
May 24, 2022

UGRO CAPITAL LIMITED
CIN:L67120MH1993PLC070739

Statement of changes in equity for the year ended March 31, 2022

A. Equity Share Capital (Refer Note 24 below)

As at March 31, 2022

(Rupees in lakh)

Balance at the beginning of the year	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the year (Issued during the year)	Balance as at the end of the year
7,052.86	-	7,052.86	3.08	7,055.94

As at March 31, 2021

Balance at the beginning of the year	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the year (Issued during the year)	Balance as at the end of the year
7,052.86	-	7,052.86	-	7,052.86

B. Other equity (Refer Note 25 below)

As at March 31, 2022

(Rupees in lakh)

Particulars	Reserves & Surplus									Total
	Statutory reserve u/s 45-IC	Capital Reserve	Securities Premium	Retained Earnings	Employee stock options scheme outstanding	Debt Instruments through Other Comprehensive Income	Equity Instruments through Other Comprehensive Income	Effective portion of Cash Flow Hedges	Revaluation Surplus	
Balance at the beginning of the current reporting period	2,110.47	1,046.00	77,673.45	6,507.18	853.86	-	-	-	-	88,190.96
Total Comprehensive Income for the current year	-	-	-	18.20	-	-	-	6.38	-	24.58
Dividends	-	-	-		-	-	-	-	-	-
Transfer to retained earnings	-	-	-	1,455.06	-	-	-	-	-	1,455.06
Transfer to Reserve Fund u/s 45 IC of Reserve Bank of India Act, 1934	291.01	-	-	(291.01)	-	-	-	-	-	-
Share based payment for the year	-	-	-	-	(107.15)	-	-	-	-	(107.15)
Premium on ESOP exercised during the year	-	-	36.93	-	-	-	-	-	-	36.93
Transfer to Retained Earnings on allotment of shares persuant to ESOP Scheme			13.53		(13.53)					-
Transfer to Retained Earnings on lapse of options persuant to ESOP Scheme	-	-	-	286.32	(286.32)	-	-	-	-	-
Balance at the end of the current reporting period	**2,401.48**	**1,046.00**	**77,723.91**	**7,975.75**	**446.86**	**-**	**-**	**6.38**	**-**	**89,600.38**

MSKA & ASSOCIATES Chartered Accountants

UGRO CAPITAL LIMITED

UGRO CAPITAL LIMITED
CIN:L67120MH1993PLC070739

Statement of changes in equity for the year ended March 31, 2022

B. Other equity (Refer Note 25 below)

As at March 31, 2021

(Rupees in lakh)

Particulars	Reserves & Surplus									Total
	Statutory reserve u/s 45-IC	Capital Reserve	Securities Premium	Retained Earnings	Employee stock options scheme outstanding	Debt Instruments through Other Comprehensive Income	Equity Instruments through Other Comprehensive Income	Effective portion of Cash Flow Hedges	Revaluation Surplus	
Balance at the beginning of the current reporting period	1,535.92	1,046.00	77,673.45	4,195.38	648.75	-	-	-	-	85,099.50
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-	-	-	-
Restated balances at the beginning of the current reporting period	-	-	-	-	-	-	-	-	-	-
Total Comprehensive Income for the current year	-	-	-	13.60	-	-	-	-	-	13.60
Dividends	-	-	-		-	-	-	-	-	-
Transfer to retained earnings	-	-	-	2,872.75	-	-	-	-	-	2,872.75
Transfer on allotment of shares persuant to ESOP Scheme		-	-		205.11	-	-	-	-	205.11
Transfer to Reserve Fund u/s 45-IC of Reserve Bank of India Act, 1934	574.55			(574.55)						
Balance at the end of the current reporting period	**2,110.47**	**1,046.00**	**77,673.45**	**6,507.18**	**853.86**	**-**	**-**	**-**	**-**	**88,190.96**

As required by section 45-IC of the RBI Act,1934, the Company maintains a reserve fund and transfers there a sum not less than twenty per cent of its net profit every year as disclosed in the statement of profit and loss and before any dividend is declared. The Company cannot appropriate any sum from the reserve fund except for the purpose specified by Reserve Bank of India from time to time. Till date RBI has not specified any purpose for appropriation of Reserve Fund maintained U/S 45-IC of RBI Act, 1934.

Significant accounting policies 1
Corporate information 2

See accompanying notes forming part of the financial statements

The notes referred to above form an integral part of the financial statements

As per our report of even date attached
For **M S K A & Associates**
Chartered Accountants

Swapnil Kale
Partner
Membership No : 117812
Place : Mumbai
Date : May 24, 2022

For and on behalf of the Board of Directors of
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Executive Chairman & MD
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DIN : 00002593
Mumbai
May 24, 2022

Amit Gupta
Chief Financial Officer
Mumbai
May 24, 2022

Aniket Karandikar
Company Secretary
Mumbai
May 24, 2022

1. Significant Accounting Policies

(1) Statement of compliance

The financial statements have been prepared in accordance with the provisions of the Companies Act, 2013 and the Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) issued by the Ministry of Corporate Affairs in exercise of the powers conferred by section 133 of the Companies Act, 2013. In addition, the guidance notes/announcements issued by the Institute of Chartered Accountants of India (ICAI) are also applied along with compliance with other statutory promulgations which require a different treatment. Any directions issued by the RBI or other regulators are implemented as and when they become applicable.
Further, the Company has complied with all the directions related to Implementation of Indian Accounting Standards prescribed for Non-Banking Financial Companies (NBFCs) in accordance with the RBI notification no. RBI/2019-20/170 DOR NBFC).CC.PD.No.109/22.10.106/2019-20 dated 13 March 2020.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to the existing accounting standard requires a change in the accounting policy hitherto in use.

(2) Basis of preparation

The financial statements have been prepared on a historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values at the end of each reporting period as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company considers the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and / or disclosure purposes in these financial statements is determined on this basis.

Fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety.

- Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices.;
- Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and place limited reliance on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.; and
- Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level.

(3) Application of new and revised Ind AS

All the Ind AS issued and notified by the Ministry of Corporate Affairs under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) till the financial statements are authorised for issue have been considered in preparing these financial statements.

(4) Presentation of financial statements

The Balance Sheet, the Statement of Changes in Equity and the Statement of Profit and Loss are prepared and presented in the format prescribed in the Division III to Schedule III to the Companies Act, 2013 ("the Act") applicable for Non-Banking Financial Companies ("NBFC"). The Statement of Cash Flows has been prepared and presented as per the requirements of Ind AS 7 "Statement of Cash Flows". The disclosure requirements with respect to items in the Balance Sheet and Statement of Profit and Loss, as prescribed in the Schedule III to the Act, are presented by way of notes forming part of the financial statements along with the other notes required to be disclosed under the notified accounting Standards and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

(5) Functional and presentation currency

These financial statements are presented in Indian rupees (INR or Rs.) which is also the Company's functional currency. All accounts are rounded-off to the nearest lakh with two decimals, unless otherwise stated.

(6) Use of estimates and judgements

The preparation of financial statements in conformity with Ind AS requires management to make estimates, judgements and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities (including contingent liabilities) and disclosures as of the date of the financial statements and the reported amounts of revenue and expenses for the reporting period. Actual results could differ from these estimates. Accounting estimates and underlying assumptions are reviewed on an ongoing basis and could change from period to period. Appropriate changes in estimates are recognised in the periods in which the Company becomes aware of the changes in circumstances surrounding the estimates. Any revisions to accounting estimates are recognised prospectively in the period in which the estimate is revised and future periods.

(7) Property, plant and equipment

Tangible property, plant and equipment are stated at cost less accumulated depreciation and impairment, if any. The cost of an item of property, plant and equipment is recognised if it is probable that future economic benefits associated with the item will flow to the company and the cost thereof can be measured reliably. All property, plant and equipment are initially recognised at cost. Cost comprises the purchase price and any directly attributable cost to bring the asset to its working condition for its intended use. Subsequent expenditure incurred on assets put to use is capitalised only when it increases the future economic benefits/ functioning capability from/ of such assets. Advances paid towards acquisition of property, plant and equipment, outstanding at each balance sheet date is classified as capital advances under other non-financial assets and the cost of assets not put to use before such date are disclosed under Capital work-in-progress.

Depreciation is recognised so as to write-off the cost of assets less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each financial year, with the effect of any changes in estimate accounted for on a prospective basis. Assets purchased during the year are depreciated on the basis of actual number of days the asset has been put to use in the year. Assets individually costing Rs. 5,000/- or less are fully depreciated in the year of purchase.

Estimated useful life of assets is as below:

Category of PPE	**Estimated useful life as assessed by the Company**	**Estimated useful life under Schedule II to the Act**
Office Equipments	5 years	5 years
Computer	3 years	3 years
Leasehold improvements	Tenure of lease agreements	Tenure of the lease agreements
Furniture fixture and fittings	10 years	10 years

The residual values, useful life and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.
Changes in the expected useful life are accounted for by changing the depreciation period or methodology, as appropriate and treated as changes in accounting estimates.

The Management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the statement of profit and loss.

(8) Intangible assets

Intangible assets are recognised when it is probable that the future economic benefits that are attributable to the asset will flow to the enterprise and the cost of the asset can be measured reliably. Intangible assets are stated at original cost net of tax/ duty credits availed, if any, less accumulated amortisation and cumulative impairment. Direct expenses (including salary costs) and administrative and other general overhead expenses that are specifically attributable to acquisition of intangible assets are allocated and capitalised as a part of the cost of the intangible assets.

Intangible assets not ready for the intended use on the date of the Balance Sheet are disclosed as "Intangible assets under development".

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each financial year, with the effect of any changes in estimate being accounted for on a prospective basis.

Estimated useful life of Software is 5 years.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, and are recognised in the statement of profit or loss when the asset is derecognised.

(9) Impairment of tangible and intangible assets

The Company assesses at each Balance Sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. The recoverable amount is the higher of an asset's net selling price and its value in use. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the Statement of Profit and Loss. A previously recognised impairment loss is increased or reversed depending on changes in circumstances. However, the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation/amortisation if there were no impairment.

(10) Revenue recognition

Revenue (other than those items to which Ind AS 109 Financial Instruments is applicable) is measured at fair value for the consideration received or receivable. Amounts disclosed as revenue are net of goods and services tax ('GST') and amounts collected on behalf of third parties. Ind AS 115 Revenue from Contracts with Customers outlines a single comprehensive model of accounting for revenue arising from contracts with customers.

The Company recognizes revenue from contracts with customers based on a five-step model as set out in Ind AS 115:

Step 1: Identify contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

Step 2: Identify performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

Step 3: Determine the transaction price: The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Step 4: Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Company allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Company expects to be entitled in exchange for satisfying each performance obligation.

Step 5: Recognise revenue when (or as) the Company satisfies a performance obligation.

Specific policies for the Company's different sources of revenue are explained below:

(i) Interest Income:
Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time proportionate basis, by reference to the principal outstanding and at the effective interest rate applicable. The effective interest rate is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

The interest income is calculated by applying the Effective Interest Rate (EIR) Method to the gross carrying amount of non-credit impaired financial assets (i.e. at the amortised cost of the financial asset before adjusting for any expected credit loss allowance). For credit-impaired financial assets the interest income is calculated by applying the Effective Interest Rate (EIR) Method to the amortised cost of the credit-impaired financial assets (i.e. the gross carrying amount less the allowance for expected credit losses (ECLs)).

(ii) Other Financial Charges
Cheque bouncing charges, pre- payment charges, foreclosure charges and initial margin money etc. are recognised on a point-in-time basis and are recorded when realised, since the probability of collecting such monies is established when the customer pays.

(iii) Dividend Income:
Dividend Income is recognised once the unconditional right to receive the dividend is established (provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably).

(iv) Net gain or fair value change:

Any differences between the fair values of the financial assets classified as fair value through the profit or loss, held by the Company on the balance sheet date is recognised as an unrealised gain / loss in the statement of profit and loss. In cases there is a net gain in aggregate, the same is recognised in "Net gains or fair value changes" under revenue from operations and if there is a net loss the same is disclosed under "Expenses", in the statement of profit and loss.





(v) Advisory Fees and Other Income:

Advisory fees and Other Income are recognised when the company satisfies the performance obligation at fair value of the consideration received or receivable. The Company recognises such revenue from contracts with customers based on a five-step model as set out in Ind AS 115.

(vi) Income from de-recognition of assets:

Gains arising out of de-recognition transactions comprise the difference between the interest on the loan portfolio and the applicable rate at which the transaction is entered into with the transferee, also known as the right of excess interest spread (EIS). The future EIS basis the scheduled cash flows on execution of the transaction, discounted at the applicable rate entered into with the transferee is recorded upfront in the statement of profit and loss. EIS is evaluated and adjusted for ECL and expected prepayment.

(11) Leases

The Company follows Ind AS 116-Leases for accounting for contracts which are in the nature of leases. Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term, with the discount rate determined by reference to the rate inherent in the lease unless (as is typically the case) this is not readily determinable, in which case the Company's incremental borrowing rate on commencement of the lease is used. Variable lease payments are only included in the measurement of the lease liability if they depend on an index or rate. In such cases, the initial measurement of the lease liability assumes the variable element will remain unchanged throughout the lease term. Other variable lease payments are expensed in the period to which they relate.

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee

The Company accounts for each lease component within the contract as a lease separately from non-lease components of the contract and allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

The Company recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The right-of-use assets are depreciated using the straight-line method from the commencement date over the lease term. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the statement of profit and loss.

The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments.

The Company recognises the amount of the re-measurement of lease liability as an adjustment to the right-of-use asset. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognises any remaining amount of the re-measurement in the statement of profit and loss.

The Company has elected not to apply the requirements of Ind AS 116 to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognized as an expense on a straight-line basis over the lease term.

Finance Lease
The Company does not have leases that were classified as finance leases. Hence, there is no impact on application of this standard.

As a lessor

The Company does not have any lease agreement in which it is a lessor. Hence, there is no impact on application of this standard.

(12) Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

(12.1) Current tax

Current Tax is determined at the amount of tax payable in respect of taxable profit for the year as per the Income tax Act, 1961. Taxable profit differs from 'profit before tax' as reported in the financial statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The entity's current tax is calculated using tax rate that has been enacted by the end of the reporting period.

(12.2) Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflect the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set-off the current tax assets against the current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

(12.3) Current and deferred tax for the year

Current and deferred tax are recognised in the statement of profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

(12.4) Minimum alternate tax (MAT)

Minimum alternate tax (MAT) paid in accordance with the tax laws, is recognised as an asset in the Balance Sheet when it is probable that the future economic benefit associated with it will flow to the Company.

(13) Employee Benefits

(13.1) Retirement benefit costs and termination benefits

Defined contribution plans –
Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

The state governed provident fund scheme, employee state insurance scheme and National Pension Scheme (NPS) are defined contribution plans.

Defined benefit plans –
For defined benefit plans in the form of gratuity, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Re-measurement, comprising actuarial gains and losses is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Re-measurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss. Past service cost is recognised in the statement of profit and loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:
- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- re-measurement

The Company presents the first two components of defined benefit costs in the statement of profit and loss in the line item 'Employee benefits expense'. Curtailment gains and losses are accounted for as past service costs.

The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds.

(13.2) Short term and other long-term employee benefits

A liability is recognized for benefits accruing to employees in respect of salaries and annual leave in the period, the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognized in respect of other long-term employee benefits are measured at the present value of estimated future cash outflows expected to be made by the Company in respect of services provided by employees up to the reporting date.

The cost of short-term compensated absences is accounted as under:
(i) in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and
(ii) in case of non-accumulating compensated absences, when the absences occur.

(13.3) Compensatory Payments (Loss of Earned Bonus)

The company amortizes the compensatory payments over the period of twelve months, since amount is recoverable if an employee leaves the organization within a year.

(13.4) Share based payments

The Company recognizes compensation expense relating to share-based payments in the statement of profit and loss using fair value in accordance with Ind AS 102 – Share-based payments. The estimated fair value of the award is charged to income on a straight-line basis over the requisite service period for each separately vesting portion of the award as if the award was in-substance, multiple awards with a corresponding increase to share options outstanding amount. The Company has switched from Black-Scholes Model to the Binomial Model for assessing the fair value of the options on the grant date during the year. The share price of the Company was simulated using a binomial model. The simulation was done from each valuation date to maturity of the ESOP.

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in the statement of profit and loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled employee benefits reserve. If a grant lapses after the vesting period, the cumulative discount recognised as expense in respect of such grant is transferred to the general reserve within equity.

Equity-settled share-based payment transactions with parties other than employees are measured at the fair value of the goods or services received, except where that fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders the service.

(14) Finance costs

Finance costs include interest and other ancillary borrowing costs. Ancillary costs include issue costs such as loan processing fee, arranger fee, stamping expense and rating expense etc. The Company recognises interest expense and other ancillary cost on the borrowings as per Effective Interest Rate Method, which is calculated by considering any ancillary costs incurred and any premium payable on its maturity.

Finance costs are charged to the Statement of Profit and Loss.

(15) Provisions, contingent liabilities and contingent assets

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, considering the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

A Contingent liability is disclosed unless the possibility of an outflow of resources embodying the economic benefits is remote. Contingent assets are neither recognised nor disclosed in the Financial Statements.

Provisions, contingent liabilities, and contingent assets are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.

(16) Commitments

Commitments are future liabilities for contractual expenditure, classified and disclosed as follows:
(a) estimated amount of contracts remaining to be executed on capital account and not provided for;
(b) uncalled liability on shares and other investments partly paid;
(c) funding related commitment to associate companies; and
(d) other non-cancellable commitments, if any, to the extent they are considered material and relevant in the opinion of management.

(17) Foreign Currencies

(i) The functional currency and presentation currency of the Company is Indian Rupee (INR). Functional currency of the Company has been determined based on the primary economic environment in which the Company operates considering the currency in which funds are generated, spent and retained.

(ii) Transactions in currencies other than the Company's functional currency are recorded on initial recognition using the exchange rate at the transaction date. At each Balance Sheet date, foreign currency monetary items are reported at the prevailing closing spot rate. Non-monetary items that are measured in terms of historical cost in foreign currency are not retranslated.

Exchange differences that arise on settlement of monetary items or on reporting of monetary items at each Balance Sheet date at the closing spot rate are recognised in the Statement of Profit and Loss in the period in which they arise.

(18) Cash and cash equivalents

Cash and cash equivalents include cash at banks and cash on hand, demand deposits with banks, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to know amounts of cash and which are subject to an insignificant risk of changes in value.

(19) Segment reporting

Operating segments are those components of the business whose operating results are regularly reviewed by the chief operating decision making body in the Company to make decisions for performance assessment and resource allocation. The reporting of segment information is the same as provided to the management for the purpose of the performance assessment and resource allocation to the segments. Segment accounting policies are in line with the accounting policies of the Company.





(20) Financial Instruments

(20.1) Recognition of financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the financial instruments.

(20.2) Initial measurement of financial instruments

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at FVTPL) are added to or deducted from their respective fair value on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in the statement of profit and loss.

A financial asset and a financial liability is offset and presented on a net basis in the balance sheet when there is a current legally enforceable right to set-off the recognised amounts and it is intended to either settle on net basis or to realise the asset and settle the liability simultaneously.

(20.3) Classification and subsequent measurement of financial instruments

(20.3.1) Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade-date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

(20.3.1.1) Financial assets carried at amortised cost (AC)

A financial asset is measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are subsequently measured at amortised cost (except for debt instruments that are designated as at fair value through profit or loss on initial recognition)
• the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
• the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Effective Interest Rate Method

The Effective Interest Rate Method is a method of calculating the amortized cost of a debt instrument and of allocating interest income over the relevant period. The Effective Interest Rate is the rate that exactly discounts estimated future cash receipts (including all fees that form an integral part of the effective interest rate, transaction costs and premiums or discounts) through the expected life of the instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.





(20.3.1.2) Financial assets at fair value through other comprehensive income (FVTOCI)

A financial asset is measured at FVTOCI if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Movements in the carrying amount of such financial assets are recognised in other comprehensive income (OCI). When the investment is disposed of, the cumulative gain or loss previously accumulated in this reserve is reclassified to the statement of profit and loss.

(20.3.1.3) Financial assets at fair value through profit or loss (FVTPL)

A financial asset which is not classified in any of the above categories is measured at FVTPL.

Debt instruments that do not meet the amortised cost criteria or FVTOCI criteria are measured at FVTPL. In addition, debt instruments that meet the amortised cost criteria or the FVTOCI criteria but are designated at FVTPL are measured at FVTPL.

A financial asset that meets the amortised cost criteria or debt instruments that meet the FVTOCI criteria may be designated at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases. The Company has not designated any debt instrument at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'Revenue from operations' line item.

(20.4) Impairment of financial asset

The Company applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, debt instruments at FVTOCI and other contractual rights to receive cash or other financial assets.

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets). The Company estimates cash flows by considering all contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) through the expected life of that financial instrument.





Category of financial instrument	Manner of recognition of loss allowance
Financial assets measured at amortised cost	Recognised in profit or loss with corresponding adjustment in the carrying value through a loss allowance account.
Debt investments measured at FVTOCI	Recognised in profit or loss with corresponding adjustment in OCI. The loss allowance is accumulated in the 'Reserve for debt instruments through OCI', and is not adjusted with the carrying value of the financial asset

Impairment methodology:

Overall impairment methodology

Particulars	Stage 1 (Performing)	Stage 2 (Under-performing)	Stage 3 (Non-performing)
Credit quality	Not deteriorated significantly since its initial recognition.	Deteriorated significantly since its initial recognition	Objective evidence of impairment
ECL model	PD / LGD Model	PD / LGD Model	Cash flow model
ECL	12-month ECL	Life-time ECL	Life-time ECL
ECL Computation	(PD * LGD * EAD)	(PD * LGD * EAD)	Expected Cash Flow basis

A) For loans, cash credit and term loans measured at amortised cost

a) Definition of default:

A default shall be considered to have occurred when any of the following criteria are met:
a) An asset is more than 90 days past due
b) If one facility of borrower is NPA, all the facilities of that borrower are to be treated as NPA.

For the purpose of counting of days past due for the assessment of default, special dispensations in respect of any class of assets, if any (e.g. under COVID-19 relief package of RBI) are applied in line with the notification by the RBI in this regard.

b) Portfolio segmentation:

The entire portfolio is segmented into homogenous risk segments. Common factors for segmentation includes asset classes, internal rating grade, size, geography, product etc.

c) Probability of Default (PD):

12-month PD for all the sectors except Onward Lending to NBFCs:
PD is the likelihood of a borrower defaulting on its obligations within a given interval of time. PD is computed based on the default analysis conducted by external credit bureau for all the sectors (except onward lending) at individual facility level and 12 months default percentage arrived score wise and sector wise for all the sectors.

To compute a 12-month PD for each sector, sector-wise and score-wise default rates as provided by the external credit bureau which is taken as base and calibration model is used to derive the default rates score-wise on the basis of decreasing ranks of scores. The above process is followed for all the sectors to derive score-wise and sector specific default rates which will be used as 12-month PD.

12-month PD for Onward Lending to NBFCs:
For Onward Lending, average of PD above investment grades provided by CRISIL for NBFC specific sector has been considered as PD.

Life-time PD:
Life-time PD is applied for Stage 2 accounts.

Life-time PDs are computed based on survival approach. Survival analysis is statistics for analyzing the expected duration of time until default event happens.
Life-time PD is computed = (1 – (Probability of surviving in year 1) ^ remaining tenure)

d) Loss given default:

Loss given default (LGD) represents recovery from defaulted assets. Foundational-Internal Rating Based (F-IRB) approach is used for the LGD computation.

(20.5) Derecognition of financial assets

The Company derecognizes a financial asset when the contractual rights to the cash flows from the asset expire or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

If the Company enters into transactions whereby it transfers assets recognised on its balance sheet but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not de-recognised and the proceeds received are recognised as a collateralised borrowing.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in the statement of profit and loss.

(20.6) Financial liabilities and equity instruments

(20.6.1) Classification as debt or equity

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

(20.6.2) Equity instruments

An Equity Instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities.

(20.6.3) Compound financial instruments

The component parts of compound financial instruments issued by the Company are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument. A conversion option that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Company's own equity instruments is an equity instrument.





At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for similar non-convertible instruments. This amount is recognised as a liability on an amortised cost basis using the effective interest rate method until extinguished upon conversion or at the instrument's maturity date.

(20.6.4) Financial Liabilities

A financial liability is any liability that is:

- Contractual obligation:

  - to deliver cash or another financial asset to another entity; or
  - to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the entity; or

- a contract that will or may be settled in the entity's own equity instruments

All financial liabilities are subsequently measured at amortised cost using the effective interest rate method or at FVTPL.

The Company has not designated any financial liabilities at FVTPL.

(20.6.4.1) Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in the statement of profit and loss.

(20.6.5) Write-off

Loans and debt securities are written-off when the Company has no reasonable expectations of recovering the financial asset (either in its entirety or a portion of it). This is the case when the Company determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. A write-off constitutes a de-recognition event. The Company may apply enforcement activities to financial assets written-off. Recoveries resulting from the Company's enforcement activities will result in impairment gains.

(21) Derivative financial instruments

The Company enters into derivative financial instruments to manage its exposure to interest rate risk and foreign exchange rate risk. Derivatives held include interest rate swaps and cross currency interest rate swaps.

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each balance sheet date. The resulting gain/loss is recognised in the statement of profit and loss immediately unless the derivative is designated and is effective as a hedging instrument, in which event the resulting gain/loss is recognised through other comprehensive income (OCI). The Company designates certain derivatives as hedges of highly probable forecast transactions (cash flow hedges). A derivative with a positive fair value is recognised as a financial asset whereas a derivative with a negative fair value is recognised as a financial liability.





(22) Hedge accounting policy

The Company makes use of derivative instruments to manage exposures to interest rate and foreign currency. In order to manage particular risks, the Company applies hedge accounting for transactions that meet specific criteria. At the inception of a hedge relationship, the Company formally designates and documents the hedge relationship to which the Company wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes the Company's risk management objective and strategy for undertaking hedge, the hedging / economic relationship, the hedged item or transaction, the nature of the risk being hedged, hedge ratio and how the Company would assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an on-going basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

(23) Cash flow Hedges

A cash flow hedge is a hedge of the exposure to variability in cash flows that is attributable to a particular risk associated with a recognised asset or liability (such as all or some future interest payments on variable rate debt) or a highly probable forecast transaction and could affect the statement of profit and loss. For designated and qualifying cash flow hedges, the effective portion of the cumulative gain or loss on the hedging instrument is initially recognised directly in OCI within equity (cash flow hedge reserve). The ineffective portion of the gain or loss on the hedging instrument is recognised immediately in Finance Cost in the statement of profit and loss. When the hedged cash flow affects the statement of profit and loss, the effective portion of the gain or loss on the hedging instrument is recorded in the corresponding income or expense line of the statement of profit and loss. When a hedging instrument expires, is sold, terminated, exercised, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss that has been recognised in OCI at that time remains in OCI and is recognised when the hedged forecast transaction is ultimately recognised in the statement of profit and loss. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in OCI is immediately transferred to the statement of profit and loss.

The Company's hedging policy only allows for effective hedging relationships to be considered as hedges as per the relevant Ind AS. Hedge effectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and hedging instrument. The Company enters into hedge relationships where the critical terms of the hedging instrument match with the terms of the hedged item, and so a qualitative and quantitative assessment of effectiveness is performed.

(24) Key accounting judgements and key sources of estimation uncertainty

The preparation of financial statements in conformity with Ind AS requires that the management of the Company makes estimates and assumptions that affect the reported amounts of income and expenses of the period, the reported balances of assets and liabilities and the disclosures relating to contingent liabilities as of the date of the financial statements. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates include useful lives of property, plant and equipment & intangible assets, expected credit loss on loan books, future obligations in respect of retirement benefit plans, fair value measurement etc. Difference, if any, between the actual results and estimates is recognised in the period in which the results are known.





(25) Earnings per share

Basic earnings per share is computed by dividing the profit/ (loss) after tax by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit/ (loss) after tax as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date.

(26) Cash flow statement

The statement of cash flows shows the changes in cash and cash equivalents arising during the year from operating activities, investing activities and financing activities.

The cash flows from operating activities are determined by using the indirect method. Net income is therefore adjusted by non-cash items, such as measurement gains or losses, changes in provisions, impairment of property, plant and equipment and intangible assets, as well as changes from receivables and liabilities. In addition, all income and expenses from cash transactions that are attributable to investing or financing activities are eliminated.

Cash and cash equivalents (including bank balances) shown in the Statement of Cash Flows exclude items which are not available for general use as on the date of Balance Sheet.

(27) Standards issued but not yet effective

No new standard as notified by Ministry of Corporate Affairs ("MCA"), through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules are effective for the current year.

2. Corporate Information

UGRO Capital Limited ('the Company'), is a public limited company domiciled in India and incorporated under the provisions of Companies Act, 1956. The Company is a systemically important non-deposit taking Non-Banking Financial Company ('NBFC-ND-SI') as defined under Section 45-IA of the Reserve Bank of India Act, 1934. The Company is registered with effect from March 11, 1998 having Registration No. 13.00325. The Company is engaged in the business of lending and primarily deals in financing MSME sector with focus on Healthcare, Education, Chemicals, Food Processing/FMCG, Hospitality, Electrical Equipment & Components, Auto Components and Light Engineering segments.





(Rupees in lakh)

3. Cash and cash equivalents

Particulars	As at March 31, 2022	As at March 31, 2021
Cash on hand	-	-
Balances with banks		
- in current accounts	6,174.61	6,764.51
- in fixed deposits with banks (original maturity less than 3 months)	400.33	5,601.04
Total	**6,574.94**	**12,365.55**

4. Bank balances other than cash and cash equivalents above

Particulars	As at March 31, 2022	As at March 31, 2021
Unclaimed dividend on equity shares	1.43	1.43
Fixed deposits with Banks and Financial Institution*	12,261.68	19,237.56
Less: Impairment loss allowance**	2.86	-
Total	**12,260.25**	**19,238.99**

* Earmarked balances with Banks and Financial Institution are to the tune of Rs 12,255.37 lakh (previous year : Rs 871.21 lakh)
**Impairment Loss allowance is calculated on Fixed Deposits with Banks and Financial Institution

(Rupees in lakh)

5. Derivative financial instruments

	As at March 31, 2022			As at March 31, 2021		
Part I	**Notional Amounts**	**Fair value - Assets**	**Fair value - Liabilities**	**Notional Amounts**	**Fair value - Assets**	**Fair value - Liabilities**
(i)Currency derivatives:						
-Currency swaps*	3,109.43	22.29	-	-	-	-
(ii)Interest rate derivatives	-	-	-	-	-	-
Total Derivative Financial Instruments	**3,109.43**	**22.29**	-	-	-	-
Part II						
Included in above (Part I) are derivatives held for hedging and risk management purposes as follows:						
(i)Fair value hedging:						
-Currency derivatives	-	-	-	-	-	-
(ii)Cash flow hedging:						
-Currency derivatives*	3,109.43	22.29	-	-	-	-
Total Derivative Financial Instruments	**3,109.43**	**22.29**	-	-	-	-

* This refers to Cross Currency Interest rate swaps

The Company enters into derivatives for risk management purposes. Derivatives held for risk management purposes include hedges that either meet the hedge accounting requirements or hedges that are economic hedges. The table above shows the fair values of derivative financial instruments recorded as assets or liabilities together with their notional amounts. The notional amounts indicate the value of transactions outstanding at the year end and are not indicative of either the market risk or credit risk.





(Rupees in lakh)

6. Loans

Particulars	As at March 31, 2022	As at March 31, 2021
Loans at amortised cost		
(A)		
Supply chain receivables	25,021.38	18,660.24
Term loans	2,24,090.54	1,12,159.42
Loans to employees	0.82	11.95
Total Gross Loans	**2,49,112.74**	**1,30,831.61**
Less: Impairment loss allowance	4,064.40	2,562.00
Total Net Loans	**2,45,048.34**	**1,28,269.61**
(B)		
Secured by book debts	27,925.48	24,983.39
Secured by property	1,04,885.65	56,383.46
Secured by machinery	23,066.06	7,089.63
Unsecured	93,235.55	42,375.13
Total Gross Loans	**2,49,112.74**	**1,30,831.61**
Less: Impairment loss allowance	4,064.40	2,562.00
Total Net Loans	**2,45,048.34**	**1,28,269.61**
(C)		
Loans in India		
Public sector	-	-
Others	2,49,112.74	1,30,831.61
Total Gross Loans	**2,49,112.74**	**1,30,831.61**
Less: Impairment loss allowance	4,064.40	2,562.00
Total - Net (a)	**2,45,048.34**	**1,28,269.61**
Loans outside India (b)	-	-
Total - Net (a)+(b)	**2,45,048.34**	**1,28,269.61**

Note :
1. There are no loans due by directors or other officers of the Company or any of them either severally or jointly with any other persons or amounts due by firms or private companies respectively in which any director is a partner or a director or a member as at and for the year ended March 31, 2022 and March 31, 2021.
2. The underlying securities for the assets secured by tangible assets are property, machinery and book debts.

7. Investments

Particulars	As at March 31, 2022	As at March 31, 2021
Investments - at FVTPL		
Mutual funds (unquoted)	-	4,014.54
Security Receipts	2,648.11	-
Investments - at amortised cost		
Debt securities	4,296.72	1,508.21
Less: Impairment loss allowance	0.84	-
Total Net Investments	**6,943.99**	**5,522.75**
Investments in India	6,944.83	5,522.75
Investments outside India	-	-
Total – Gross Investments	**6,944.83**	**5,522.75**
Less: Impairment loss allowance	0.84	-
Total – Net Investments	**6,943.99**	**5,522.75**

Note : For valuation methodology Refer Note 51

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UGRO CAPITAL LIMITED

(Rupees in lakh)

8. Other financial assets

Particulars	As at March 31, 2022	As at March 31, 2021
Security deposits	551.15	323.11
Other receivables	241.64	357.77
Less: Impairment loss allowance	3.17	-
Total	**789.62**	**680.88**

9. Current tax assets (net)

Particulars	As at March 31, 2022	As at March 31, 2021
Current tax assets		
Advance tax and tax deducted at source (Net of provision for tax Rs.926.44 lakh (Previous year: Nil))	164.23	-
Total	**164.23**	**-**

10. Deferred tax assets (net)

Particulars	As at March 31, 2022	As at March 31, 2021
Deferred tax assets		
Tax effect of timing differences on account of -		
Provision for compensated absences	83.72	49.75
Provision for gratuity	24.36	20.71
Processing fees received	836.37	358.33
Provision for impairment loss on financial instruments	1,249.12	746.06
Lease rentals expense under Ind AS 116	100.25	71.99
Preliminary expense	69.81	132.50
Disallowance on account of Employee stock options scheme outstanding	217.44	248.64
Unutilised minimum alternate tax credit entitlement	1,587.34	926.44
Income tax losses carried forward	2,856.51	2,748.92
Others	205.20	28.88
Total (A)	**7,230.12**	**5,332.22**
Deferred tax liabilities		
Tax effect of timing differences on account of -		
Difference in written down value of property, plant and equipment and intangible assets	218.84	157.79
Adjustment on account of direct assignment transactions	447.75	22.27
Unrealised gains on investments	-	3.91
Prepaid fees / charges on debt securities allowed upfront in income tax	348.20	113.61
Prepaid fees / charges on borrowings allowed upfront in income tax	624.58	361.12
Deferred loan sourcing cost allowed upfront in income tax	1,209.12	379.97
Total (B)	**2,848.49**	**1,038.67**
Deferred tax assets (net) (A-B)	**4,381.63**	**4,293.55**





Notes forming part of the financial statements (continued)
For the year ended March 31, 2022

(Rupees in lakh)

11. Property, plant and equipment

Particulars	As at March 31, 2022				As at March 31, 2021			
	IT and Office equipments	Leasehold improvements	Furniture and fixtures	Total	IT and Office equipments	Leasehold improvements	Furniture and fixtures	Total
At cost at the beginning of the year	**381.99**	**375.75**	**14.70**	**772.44**	**347.36**	**375.64**	**14.70**	**737.70**
Additions during the year	120.24	-	13.60	133.84	34.63	0.11	-	**34.74**
Disposals/adjustments during the year	-	-	-		-	-	-	-
At cost at the end of the year	**502.23**	**375.75**	**28.30**	**906.28**	**381.99**	**375.75**	**14.70**	**772.44**
Accumulated depreciation as at the beginning of the year	**118.71**	**182.10**	**3.03**	**303.84**	**54.12**	**95.13**	**1.63**	**150.88**
Depreciation/amortisation for the year	87.83	82.61	1.57	172.01	64.59	86.97	1.40	**152.96**
Disposals/adjustments during the year	-	-	-	-	-	-	-	-
Accumulated depreciation as at the end of the year	**206.54**	**264.71**	**4.60**	**475.85**	**118.71**	**182.10**	**3.03**	**303.84**
Net carrying amounts as at the end of the year	**295.69**	**111.04**	**23.70**	**430.43**	**263.28**	**193.65**	**11.67**	**468.60**

Note: No revaluation of any class of asset was carried out during the year.

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UGRO CAPITAL LIMITED

(Rupees in lakh)

12 . Right of use assets

Particulars	As at March 31, 2022	As at March 31, 2021
At fair value at the beginning of the year	**1,971.28**	**1,854.97**
Remeasurement of assets	10.42	24.21
Additions during the year	1,914.56	92.10
At fair value at the end of the year	**3,896.26**	**1,971.28**
Accumulated depreciation as at the beginning of the year	**876.97**	**510.96**
Depreciation for the year	481.01	366.01
Accumulated depreciation as at the end of the year	**1,357.98**	**876.97**
Net carrying amount as at the end of the year	**2,538.28**	**1,094.31**

13. Capital work in progress

Particulars	As at March 31, 2022	As at March 31, 2021
Capital work in progress	20.25	-
Total	**20.25**	-

The ageing for capital work in progress as on 31 March, 2022 is as follows

Particulars	Amount in Capital Work-in-progress for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	20.25	-	-	-	**20.25**
Projects temporarily suspended	-	-	-	-	-
Total	**20.25**	-	-	-	**20.25**

14. Intangible assets under development

Particulars	As at March 31, 2022	As at March 31, 2021
Softwares	568.54	388.41
Total	**568.54**	**388.41**

The ageing for Intangible assets under development as on 31 March, 2022 is as follows

Particulars	Amount in Capital Work-in-progress for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	208.85	276.94	72.33	10.42	568.54
Projects temporarily suspended	-	-	-	-	-
Total	**208.85**	**276.94**	**72.33**	**10.42**	**568.54**

The ageing for Intangible assets under development as on 31 March, 2021 is as follows

Particulars	Amount in Capital Work-in-progress for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	305.66	72.33	10.42	-	388.41
Projects temporarily suspended	-	-	-	-	-
Total	**305.66**	**72.33**	**10.42**	-	**388.41**

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(Rupees in lakh)

15. Other intangible assets

Particulars	As at March 31, 2022	As at March 31, 2021
Software* :		
At cost at the beginning of the year	**2,972.79**	**2,095.18**
Additions during the year	1,136.78	877.61
Disposal/ adjustments during the year	(16.59)	-
At cost at the end of the year	**4,092.98**	**2,972.79**
Accumulated amortisation as at the beginning of the year	**910.77**	**255.84**
Amortisation for the year	588.76	654.93
Disposals/ adjustments during the year	(8.59)	-
Accumulated amortisation as at the end of the year	**1,490.94**	**910.77**
Net carrying amounts as at the end of the year	**2,602.04**	**2,062.02**

* No revaluation of any class of asset was carried out during the year.

16. Other non-financial assets

Particulars	As at March 31, 2022	As at March 31, 2021
Advances to vendors and employees	1,162.05	410.07
Goods and services tax input credit receivable	693.63	468.40
Prepaid expenses	1,222.03	215.14
Deferred staff loan cost	0.02	0.30
Total	**3,077.73**	**1,093.91**





(Rupees in lakh)

17. Payables

Particulars	As at March 31, 2022	As at March 31, 2021
Trade payables		
Due to micro and small enterprises	0.08	0.01
Due to others	666.93	218.24
Other payables		
Due to micro and small enterprises	-	-
Due to others		
- Accrued employee benefits	-	52.65
- Payable to Customers	15.04	54.71
Total	**682.05**	**325.61**

The ageing for trade payables as on 31 March, 2022 is as follows:

Particulars	Outstanding for the following periods from the due date of payment					
	Less than 6 months	6 Months - 1 year	1-2 years	2-3 years	More than 3 years	Total
MSME	-	0.08	-	-	-	0.08
Others	530.84	38.59	53.80	39.60	4.10	666.93
Disputed dues - MSME	-	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-	-
Total	**530.84**	**38.67**	**53.80**	**39.60**	**4.10**	**667.01**

The ageing for trade payables as on 31 March, 2021 is as follows:

Particulars	Outstanding for the following periods from the due date of payment					
	Less than 6 months	6 Months - 1 year	1-2 years	2-3 years	More than 3 years	Total
MSME	0.01	-	-	-	-	0.01
Others	206.67	8.73	0.62	2.22		218.24
Disputed dues - MSME	-	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-	-
Total	**206.68**	**8.73**	**0.62**	**2.22**	**-**	**218.25**

Details of dues to micro, small and medium enterprises

The Company has sent confirmations to suppliers to confirm whether they are covered under The Micro, Small and Medium Enterprises Development Act 2006 (MSMED Act, 2006) as well as they have filled the required memorandum with the prescribed authorities. Out of the confirmations sent to the parties, some confirmations have been received till the date of finalisation of the Balance Sheet. Based on the confirmations received, the outstanding amounts payable to vendors covered under the Micro, Small and Medium Enterprises Development Act 2006 are given below :

Particulars	As at March 31, 2022	As at March 31, 2021
1. The principal amount remaining unpaid at the end of the accounting year.	0.08	0.01
2. The interest amount remaining unpaid at the end of the accounting year.	-	-
3. The amount of interest paid by the Company in terms of section 16 of The MSMED Act, 2006, along with the amounts of the payment made to the suppliers beyond the appointed day during the year.	-	-
4. The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under The MSMED Act, 2006.	-	-
5. The amount of interest due and payable for the period (where the principal has been paid but interest under The MSMED Act, 2006 not paid)	-	-
6. The amount of interest accrued and remaining unpaid at the end of accounting year	-	-
7. The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of The MSMED Act, 2006.	-	-
The balance of MSMED parties as at the end of the year	**0.08**	**0.01**

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UGRO CAPITAL LIMITED

(Rupees in lakh)

18. Debt securities

Particulars	As at March 31, 2022		As at March 31, 2021	
	At amortised cost	Total	At amortised cost	Total
Secured				
Redeemable non-convertible debentures	54,621.07	54,621.07	24,670.81	24,670.81
Liabilities arising out of securitization transactions	3,293.38	3,293.38	1,616.85	1,616.85
Unsecured				
Commercial paper	11,472.03	11,472.03	5,269.88	5,269.88
Redeemable non-convertible debentures	990.29	990.29	-	-
Total	**70,376.77**	**70,376.77**	**31,557.55**	**31,557.55**
Debt securities in India	70,376.77	70,376.77	31,557.55	31,557.55
Debt securities outside India	-	-	-	-
Total	**70,376.77**	**70,376.77**	**31,557.55**	**31,557.55**

Security and other terms of debt securities :

(i) Terms of repayment (repayment schedule mentioned below represents principal outstanding) as on 31 March 2022:

Rate of Interest	0-12 months	12-24 months	24-36 months	36-60 months	More than 60 Months	Total
6.75 - 8.99 %	8,000.00	2,000.00	-	-	-	10,000.00
9.00 - 10.99 %	18,136.65	16,833.35	2,500.00	-	-	37,470.00
11.00 - 13.00 %	1,166.66	1,166.66	1,166.68	5,000.00	10,700.00	19,200.00
Total	**27,303.31**	**20,000.01**	**3,666.68**	**5,000.00**	**10,700.00**	**66,670.00**

(ii) Terms of repayment (repayment schedule mentioned below represents principal outstanding) as on 31 March 2021:

Rate of Interest	0-12 months	12-24 months	24-26 months	36-60 months	More than 60 Months	Total
6.75 - 8.99 %*	5,600	-	-	-	-	5,600.00
9.00 - 10.99 %*	10,000	6,500	5,000	-	-	21,500.00
11.00 - 13.00 %*	-	833.33	833.33	833.34	-	2,500.00
Total	**15,600.00**	**7,333.33**	**5,833.33**	**833.34**	**-**	**29,600.00**

The above secured debt securities are secured by specific charge on receivables under financing activities. The Company has maintained the required security cover with respect to its debt securities. Minimum security cover of 1.1 times is required to be maintained throughout of the year.

(i) Terms of repayment of borrowings under Securitization (repayment schedule mentioned below represents principal outstanding) as on 31 March 2022:

Rate of Interest	0-12 months	12-24 months	24-26 months	36-60 months	More than 60 Months	Total
Rate of Interest 9.75 % to 11.04%*	1,036.54	927.10	924.94	531.03	-	**3,419.61**
Total	**1,036.54**	**927.10**	**924.94**	**531.03**	**-**	**3,419.61**

(ii) Terms of repayment of borrowings under Securitization (repayment schedule mentioned below represents principal outstanding) as on 31 March 2021:

Rate of Interest	0-12 months	12-24 months	24-26 months	36-60 months	More than 60 Months	Total
Rate of Interest 10.00 % to 10.48%*	1,330.02	319.38	-	-	-	**1,649.40**
	1,330.02	**319.38**	**-**	**-**	**-**	**1,649.40**

* Rate of interest on term loans considered on an annualised basis payable monthly for reporting purpose.

Security and other terms of loans are as follows :

(a) Out of the the above, Non-convertible debentures amounting to Rs 5,000 lakh as at March 31, 2022 are guaranteed by directors.

(b) Debt Securities were used fully for the purpose for which the same were obtained.

(c) There are no default in repayment of debt securities.





(Rupees in lakh)

19. Borrowings (other than debt securities)

Particulars	As at March 31, 2022		As at March 31, 2021	
	At amortised cost	Total	At amortised cost	Total
(a) Term loans				
From banks	67,444.47	67,444.47	18,223.33	18,223.33
From other parties	36,657.03	36,657.03	22,702.07	22,702.07
External commercial borrowings	3,137.88	3,137.88	-	-
(b) Loans repayable on demand	-	-	-	-
Bank overdraft	2,567.71	2,567.71	4,086.54	4,086.54
Total	**1,09,807.09**	**1,09,807.09**	**45,011.94**	**45,011.94**
Borrowings in India	**1,06,669.21**	**1,06,669.21**	**45,011.94**	**45,011.94**
Borrowings outside India	**3,137.88**	**3,137.88**	**-**	**-**
Total	**1,09,807.09**	**1,09,807.09**	**45,011.94**	**45,011.94**
Secured	1,03,802.48	1,03,802.48	43,637.23	43,637.23
Unsecured	6,004.61	6,004.61	1,374.71	1,374.71
Total	**1,09,807.09**	**1,09,807.09**	**45,011.94**	**45,011.94**

Terms of repayment of the term loans

(i) Terms of repayment (repayment schedule mentioned below represents principal outstanding) as on 31 March 2022:

Redeemable within (Payable in monthly instalments)	0-12 months	12-24 months	24-36 months	36-60 months	More than 60 Months	Total
For Banks :						
Rate of Interest 6 % to 12.00%*	25,303.53	19,848.93	15,402.65	7,695.37	250.00	68,500.48
For Other Parties :						
Rate of Interest 10.85 % to 12.75%*	18,696.31	13,737.48	3,456.02	1,238.08	-	37,127.89
Total	**43,999.84**	**33,586.41**	**18,858.67**	**8,933.45**	**250.00**	**1,05,628.37**

(ii) Terms of repayment of External commercial borrowings in foreign currency as on 31 March 2022:

Rate of Interest	0-12 months	12-24 months	24-36 months	36-60 months	More than 60 Months	Total
Rate of Interest 11.12%*	-	-	3,131.29	-	-	3,131.29
Total	**-**	**-**	**3,131.29**	**-**	**-**	**3,131.29**

The Company had availed total External Commercial Borrowing (ECBs) of USD 4.125 million for financing prospective borrowers as per the ECB guidelines issued by the Reserve Bank of India ("RBI") from time to time.The borrowing has a maturity of three years. In terms of the RBI guidelines, the borrowing has been swapped into rupees and fully hedged for the entire maturity by way of cross currency swaps .The charges for raising of the aforesaid ECB have been amortised over the tenure of the ECB.

(iii) Terms of repayment (repayment schedule mentioned below represents principal outstanding) as on 31 March 2021:

Redeemable within (Payable in monthly instalments)	0-12 months	12-24 months	24-36 months	36-60 months	More than 60 Months	Total
For Banks :						
Rate of Interest 10.78 % to 12.75%*	5,763.63	5,656.27	4,946.00	2,159.72	-	18,525.62
For Other Parties :						
Rate of Interest 11.75 % to 12.00%*	10,078.59	8,961.55	3,965.72	-	-	23,005.86
Total	**15,842.22**	**14,617.82**	**8,911.72**	**2,159.72**	**-**	**41,531.48**

*Rate of interest on term loans considered on an annualised basis payable monthly for reporting purpose.

Security and other terms of the loans are as follows :

(a) Rate of interest of the bank overdraft ranges from 7.30% per annum to 9.70% per annum and the same is secured against fixed deposits.

(b) The above borrowings other than Bank overdraft and unsecured borrowings are secured by specific charge on receivables under financing activities. The Company has maintained the required security cover with respect to its secured borrowings.

(c) Out of the the above, borrowings amounting to Rs 30,714 lakh as at March 31, 2022 are guaranteed by directors.

(d) Term Loans were used fully for the purpose for which the same were obtained.

(e) There were no default in the repayment of borrowings.

(f) Periodic statements of securities filed with the lending institutions are as per the books of accounts.





(Rupees in lakh)

20. Other financial liabilities

Particulars	As at March 31, 2022	As at March 31, 2021
Unclaimed dividend payable on equity shares	1.43	1.43
Others payables :		
Collateral margin money received	1.67	199.67
Deferred consideration on direct assignments	23.81	156.87
Lease liabilities (Refer Note 44)	2,858.76	1,340.97
Other liabilities	1,437.96	389.09
Book overdraft	174.01	30.19
Provision on unrealised gain*	225.17	-
Total	**4,722.81**	**2,118.22**

*The unrealised gain is on account of sale of loan to ARC.

21. Current tax liabilities (net)

Particulars	As at March 31, 2022	As at March 31, 2021
Provision for Tax (Net of advance tax and tax deducted at source Rs. 534.81 lakh (Previous year: Rs. 782.31 lakh))	126.07	144.13
Total	**126.07**	**144.13**

22. Provisions

Particulars	As at March 31, 2022	As at March 31, 2021
Provision for employee benefits :		
-Provision for gratuity (Refer Note 42b)	83.65	71.13
-Provision for compensated absences (Refer Note 42c)	287.52	170.85
-Provision for bonus	700.00	180.00
Provision for Expenses	1,616.05	517.69
Total	**2,687.22**	**939.67**

23. Other non-financial liabilities

Particulars	As at March 31, 2022	As at March 31, 2021
Statutory dues payable	364.23	137.64
Total	**364.23**	**137.64**





(Rupees in lakh)

24. Equity

a. Details of authorised, issued and subscribed share capital :

Particulars	As at March 31, 2022		As at March 31, 2021	
	No. of Shares	Amount	No. of Shares	Amount
Authorised capital				
Equity shares of Rs 10 each	8,15,00,000	8,150.00	8,15,00,000	8,150.00
Preference shares of Rs 10 each	2,05,00,000	2,050.00	2,05,00,000	2,050.00
Issued, subscribed and fully paid-up				
Equity shares of Rs 10 each, fully paid-up	7,05,59,319	7,055.94	7,05,28,550	7,052.86
Total	**7,05,59,319**	**7,055.94**	**7,05,28,550**	**7,052.86**

b. Reconciliation of number of shares and amount outstanding at the beginning and at the end of the year :

Particulars	As at March 31, 2022		As at March 31, 2021	
	No. of Shares	Amount	No. of Shares	Amount
Shares outstanding at the beginning of the year	7,05,28,550	7,052.86	7,05,28,550	7,052.86
Add: Shares issued during the year*	30,769	3.08	-	-
Outstanding at the end of the year	**7,05,59,319**	**7,055.94**	**7,05,28,550**	**7,052.86**

*During the year the Company has allotted 30,769 equity shares of Rs 10 each under the ESOP scheme.

c. Rights, preferences and restrictions attached to equity shares :

The Company has only one class of equity shares having a face value of Rs 10 each. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the company, the holders of equity shares will be entitled to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their holding.

d. Particulars of shareholders holding more than 5% of the equity share capital :

Particulars	As at March 31, 2022		As at March 31, 2021	
	No. of Shares	% of holding	No. of Shares	% of holding
Newquest Asia Investments III Limited	1,51,16,279.00	21.42%	1,51,16,279.00	21.43%
Clearsky Investment Holdings Pte Limited	1,51,16,279.00	21.42%	1,51,16,279.00	21.43%
DBZ (Cyprus) Limited	65,07,687.00	9.22%	1,35,65,891.00	19.23%
Samena Fidem Holdings	59,56,757.00	8.44%	59,56,757.00	8.45%
Total	**4,26,97,002.00**	**60.50%**	**4,97,55,206.00**	**70.54%**

e. Shares reservation :

Particulars	As at March 31, 2022	As at March 31, 2021
	No. of Shares	No. of Shares
Equity shares of Rs 10 each Number of Shares reserved for ESOPs (Refer Note 43)	29,91,097	32,57,033

f. Objectives for managing capital :

The Company maintains an actively managed capital base to cover risks inherent in the business and is meeting the capital adequacy requirements as prescribed by the Reserve Bank of India (RBI). The adequacy of the Company's capital is monitored using, among other measures, the regulations issued by the RBI.

g. Shareholding of Promoters Disclosure :

Shares held by promoters at the end of the year			% Change during the year
Promoter Name	**No.of Shares**	**% of total shares**	
1. Poshika Advisory Services LLP	20,27,709	2.87%	-
Total	**20,27,709**	**2.87%**	





(Rupees in lakh)

25. Other equity

Particulars	As at March 31, 2022	As at March 31, 2021
(i) Securities premium account	77,723.91	77,673.45
(ii) Employee stock options scheme outstanding account	446.86	853.86
(iii) Reserve Fund u/s 45-IC (1) of Reserve Bank of India Act, 1934	2,401.48	2,110.47
(iv) Capital Reserve	1,046.00	1,046.00
(v) Retained Earnings - other than Remeasurement of Post Employment Benefit Obligations	7,957.55	6,493.58
(vi) Retained Earnings - Remeasurement of Post Employment Benefit Obligations	18.20	13.60
(vii) Cash Flow Hedges Reserve	6.38	-
Total	**89,600.38**	**88,190.96**

Nature and purpose of reserves :

(i) Securities Premium Account

Securities premium account is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Companies Act, 2013.

(ii) Employee stock options scheme outstanding

The shares options outstanding account is used to recognise the grant date fair value of options issued to employees under the stock option schemes of the Company.

(iii) Statutory reserves u/s 45-IC of the RBI Act, 1934

Statutory reserve fund is required to be created by a Non-Banking Financial Company as per Section 45- IC of the Reserve Bank of India Act, 1934. The Company is not allowed to use the reserve fund except with the authorisation of the Reserve Bank of India.

(iv) Capital Reserve

Capital reserve comprises of the amount received on share warrants & which are forfeited by the Company for non-payment of call money.

(v) Retained earnings - other than Remeasurement of Post Employment Benefit Obligations

Retained earnings represents surplus of accumulated earnings of the Company and which are available for distribution to shareholders.

(vi) Retained earnings - Remeasurement of Post Employment Benefit Obligations

The Company recognises the change on account of remeasurement of the net defined benefit liabilities (assets) as a part of the retained earnings.

(vii) Cash Flow Hedges Reserve

It represents the cumulative gains/(losses) arising on revaluation of the derivative instruments designated as cash flow hedges through the other comprehensive income (OCI).

(Rupees in lakh)

26. Interest income

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
At Amortised Cost:		
Interest on loans	26,137.36	13,214.00
Interest on deposits with Banks	696.50	1,425.78
Interest on other financial assets	61.70	25.42
Other interest income	105.43	16.85
Interest on debt securities	214.29	1.38
Total	**27,215.28**	**14,683.43**

27. Net gain on derecognition of financial instruments under amortised cost category

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Gain on derecognition of financial instruments	2,852.50	129.42
Total	**2,852.50**	**129.42**

28. Net gain on fair value changes

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Net gain on financial instruments at fair value through profit and loss :-		
(a) On trading portfolio		
- Gain on sale of investments	49.46	34.68
(b) On financial instruments	(15.79)	-
Total	**33.67**	**34.68**
Fair value changes:		
Realised	62.89	153.65
Unrealised	(29.22)	(118.97)
Total	**33.67**	**34.68**

29. Fees and commission income

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Fees and commission income	626.01	133.54
Total	**626.01**	**133.54**

30. Other income

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Technology support fees	433.81	300.00
Web display fees	180.00	50.00
Insurance commission income	0.32	2.77
Total	**614.13**	**352.77**

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UGRO CAPITAL LIMITED

(Rupees in lakh)

31. Finance costs

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Interest Costs		
Interest expense on financial liabilities measured at amortised cost:		
(a) Interest on borrowings		
Interest on borrowings from banks and financial institutions	8,090.88	2,331.37
(b) Interest on debt securities		
Interest on redeemable non-convertible debentures / Discount on Commercial paper	5,416.80	1,934.05
(c) Interest on lease liabilities		
Interest on lease liabilities	225.38	171.20
(d) Other interest expense		
Interest expense on other financial liabilities	5.86	19.62
Total	**13,738.92**	**4,456.24**

32. Impairment losses on financial instruments

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
On financial instruments measured at amortised cost:		
Impairment on financial instruments		
- Loans	2,934.67	1,961.71
- Other receivables	3.17	-
- Fixed deposits	2.86	-
- Investments	0.84	-
Total	**2,941.54**	**1,961.71**

33. Employee benefits expenses

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Salaries, other allowances and bonus	7,074.49	4,159.92
Contribution to provident and other funds (Refer Note 42a)	236.77	120.15
Gratuity expenses (Refer Note 42b)	38.19	37.62
Staff welfare expenses	46.76	9.87
Share based payments to employees (Refer Note 43)	(107.15)	205.11
Total	**7,289.06**	**4,532.67**

34. Depreciation, amortisation and impairment

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Depreciation on property, plant and equipment	172.08	152.96
Amortization on intangible assets	580.17	654.93
Depreciation on right of use assets	481.01	366.02
Total	**1,233.26**	**1,173.91**

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(Rupees in lakh)

35. Other expenses

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Rent expenses	222.22	92.82
Communication expenses	229.19	71.04
Printing and stationery expenses	49.71	14.20
Advertisement and publicity expenses	15.95	3.03
Directors' sitting fees	171.00	123.38
Payments to auditor *	75.20	46.03
Legal and professional fees	1,393.88	741.84
Insurance expenses	152.29	46.82
Rates and taxes	598.97	256.35
Computer maintenance and software expenses	580.38	320.39
Marketing and brand promotion expenses	36.95	6.73
Power and fuel expenses	12.97	10.65
Meeting and events expenses	18.02	14.91
Travelling, lodging and boarding expenses	151.81	35.24
Brokerage expenses	2.85	0.09
Miscellaneous expenses	370.52	193.83
CSR expenditure (Refer Note 39)	39.12	19.05
Total	**4,121.03**	**1,996.40**

* Payments to auditor includes:

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
a. Statutory audit	24.00	23.21
b. Limited review	19.00	15.77
c. Certification matters	30.70	7.05
d. Out-of-pocket expenses	1.50	-
Total	**75.20**	**46.03**

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UGRO CAPITAL LIMITED

(Rupees in lakh)

36. Earnings per share

Basic and diluted earnings per share [EPS] computed in accordance with Indian Accounting Standard (Ind AS) 33 'Earnings per share' :

Basic EPS is calculated by dividing the net profit for the year attributable to equity holders by the weighted average number of equity shares outstanding during the year.

Diluted EPS is calculated by dividing the profit attributable to equity holders (after adjusting the profit impact of dilutive potential equity shares, if any) by the aggregate of weighted average number of equity shares outstanding during the year and the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Basic		
Profit after tax [A]	1,455.06	2,872.75
Weighted average number of equity shares outstanding during the year (Nos.) [B]	7,05,35,715	7,05,28,550
Basic earnings per share Rs. [A/B]	**2.06**	**4.07**
Diluted		
Profit after tax [A]	1,455.06	2,872.75
Weighted average number of equity shares outstanding during the year (Nos.)	7,05,35,715	7,05,28,550
Weighted average number of potential equity shares on account of employee stock options and share warrants	5,73,817	-
Weighted average number of shares outstanding for diluted earning per share [B]	7,11,09,532	7,05,28,550
Diluted earnings per share Rs. [A/B]	**2.05**	**4.07**
Face value per share Rs.	10.00	10.00

The dilutive effect on the earnings per share is caused by the potential shares that would be issued upon the exercise of the ESOP options. As a result of the dilution, the denominator increased by 5,73,817 shares (Previous year : nil). During the year ended March 31, 2021 the potential equity shares were anti-dilutive in nature, hence the impact of the same was ignored for the purpose of computation of the diluted earnings per share.

37. Contingent liabilities and capital commitments:

a. Contingent liabilities

All tax related liabilities till July 05, 2018 are covered by a deed of indemnity entered by the existing promoters with the erstwhile promoters. Further, there are no other contingent liabilities other than those covered under the deed of indemnity.

b. Capital commitments

Particulars	As at March 31, 2022	As at March 31, 2021
Commitments not provided for :		
- Commitments related to loans sanctioned but partially undrawn	882.60	1,381.88
- Other commitments*	872.99	-
- Amount of contracts remaining to be executed on capital account	185.00	47.00
Total	**1,940.59**	**1,428.88**

*Other commitments represent financial guarantees given for Co-lending arrangement entered by the Company during the year.

38. Segment Reporting

There is no separate reportable segment as per the Ind AS 108 "Operating Segments" specified under Section 133 of the Act. The Company operates in a single segment only. There are no operations outside India and hence, there are no reportable geographical segments.

(Rupees in lakh)

39. Corporate Social Responsibility

The average profit before tax of the Company for the last three financial years was Rs.1,956.03 lakh, basis which the Company was required to spend Rs.39.12 lakh towards Corporate Social Responsibility (CSR) during the current financial year.

a) Amount spent during the year on :

Particulars	31-Mar-22			31-Mar-21		
	Amount Spent	Amount unpaid/provision	Total	Amount Spent	Amount unpaid/provision	Total
(i) Construction/acquisition of any asset	-	-	-	-	-	-
(ii) On purpose other than (i) above	39.12	-	39.12	19.05	-	19.05

b) In case of Section 135(5) unspent amount :

Opening Balance	Amount deposited in Specified Fund of Sch. VII within 6 months	Amount required to be spent during the year	Amount spent during the year	Amount required to be spent during the year
-	-	39.12	39.12	-

c) In case of Section 135(5) excess amount spent :

Opening Balance	Amount deposited in Specified Fund of Sch. VII within 6 months	Amount required to be spent during the year	Amount spent during the year	Amount required to be spent during the year
-	-	39.12	39.12	-

d) In case of Section 135(6) details of ongoing projects :

Opening Balance	Amount deposited in Specified Fund of Sch. VII within 6 months	Amount required to be spent during the year	Amount spent during the year	Amount required to be spent during the year
-	-	-	-	-

e) The additional disclosure with regard to CSR activities are summarized below:
(i) The amount of shortfall at the end of the year out of the amount required to be spent by the Company during the year - Nil
(ii) The total of previous years' shortfall amounts - Nil
(iii) The reason for above shortfalls - Not applicable.

f) Nature of CSR activities

The Company is required to contribute to corporate social responsibility activities as per CSR Rules under the Companies Act, 2013. During the year the Company has spent ₹ 39.12 lakh which was the required amount to be spent under CSR activity. The amount is spent towards healthcare and education of the under-privileged through an NGO.

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(Rupees in lakh)

40. Related party

a. List of related parties and their relationship :

(i) Key managerial personnel (KMP) :

- Executive Chairman & Managing Director	Shachindra Nath
- Whole Time Director & Chief Executive Officer (upto 30th April 2021)	Abhijit Ghosh
- Chief Financial Officer (upto 2nd November 2021)	Sandeepkumar Zanvar
- Chief Financial Officer (from 3rd November 2021)	Amit Gupta
- Company Secretary	Aniket Karandikar

(ii) Enterprises over which KMP has control :

- Poshika Financial Ecosystem Private Limited
- Poshika Advisory Services LLP
- Livfin India Private Limited

b. Transactions with related parties are as enumerated below:

Particulars	**As at March 31, 2022**	**As at March 31, 2021**
Transactions during the year		
Expenses		
Arranger Fees Paid		
Livfin India Private Limited	20.57	-
Arranger Fees Received		
Livfin India Private Limited	33.81	-
Reimbursement of expenses		
Aniket Karandikar	0.17	-
Amit Gupta	0.99	-
Shachindra Nath	9.43	-
Remuneration paid *		
Shachindra Nath	295.60	269.35
Abhijit Ghosh	11.38	136.52
Kalpeshkumar Ojha	-	65.04
Sandeepkumar Zanvar	44.48	23.87
Amit Gupta	53.68	-
Aniket Karandikar	30.49	23.83

*The above figures do not include provision towards gratuity.

c. Balance outstanding

Particulars	**As at March 31, 2022**	**As at March 31, 2021**
Other financial assets		
Livfin India Private Limited	7.89	-

d. ESOPs held with Key Managerial Personnel

Particulars	**As at March 31, 2022 (No. of options)**	**As at March 31, 2021 (No. of options)**
Abhijit Ghosh	-	7,24,615
Sandeepkumar Zanvar	-	1,00,000
Amit Gupta	3,00,000	-
Aniket Karandikar	15,000	-

41. Expenditure in foreign currency

Particulars	**For the year ended March 31, 2022**	**For the year ended March 31, 2021**
Other expenses	79.49	0.87
Total	**79.49**	**0.87**

42. Disclosure pursuant to Ind AS 19 'Employee benefits'

a. Defined contribution plans :

Particulars	**As at March 31, 2022**	**As at March 31, 2021**
Employer's contribution to provident fund	140.11	84.44
Employer's contribution to national pension scheme	96.61	35.58
Employer's contribution to labour welfare fund	0.05	0.13
Total	**236.77**	**120.15**

(Rupees in lakh)

42. Disclosure pursuant to Ind AS 19 'Employee benefits' (continued)

b. Defined benefit plan (Gratuity)

The following table sets out the status of the defined benefit plan as per the actuarial valuation by the independent actuary appointed by the Company :

(i). The principal assumptions used for the purposes of the actuarial valuations were as follows :

Particulars	Gratuity plans	
	As at March 31, 2022	As at March 31, 2021
Discount rate	5.66%	5.18%
Expected rate of return on plan asset	NA	NA
Salary escalation	5.00%	5.00%
Attrition rate	22.00%	22.00%
Mortality table	Indian Assured Lives Mortality 2012-14 (Urban)	Indian Assured Lives Mortality (2006-08)

(ii). Amounts recognised in the Statement of profit and loss in respect of these defined benefit plans are as follows :

Particulars	Gratuity plans	
	As at March 31, 2022	As at March 31, 2021
Service cost:		
Current service cost	34.50	34.75
Net interest expense	3.69	2.87
Components of defined benefit costs recognised in the Statement of profit or loss	**38.19**	**37.62**
Remeasurement on the net defined benefit liability:		
Actuarial (Gains)/Losses on Obligations - Due to Change in Demographic Assumptions	(0.02)	-
Actuarial (Gains)/Losses on Obligations - Due to Change in Financial Assumptions	(1.94)	(5.85)
Actuarial (Gains)/Losses on Obligations - Due to Experience	(23.71)	(13.34)
Components of defined benefit costs recognised in other comprehensive income	**(25.67)**	**(19.19)**
Total	**12.52**	**18.43**

(iii). The amount included in the Balance Sheet arising from the Company's obligation in respect of its defined benefit plans is as follows :

Particulars	Gratuity plans	
	As at March 31, 2022	As at March 31, 2021
Present value of defined benefit obligation	83.65	71.13
Net liability arising from defined benefit obligation	**83.65**	**71.13**

(iv). Movements in the present value of the defined benefit obligation is as follows :

Particulars	Gratuity plans	
	As at March 31, 2022	As at March 31, 2021
Opening defined benefit obligation	**71.13**	**52.70**
Current service cost	34.50	34.75
Interest cost	3.69	2.87
Remeasurement (gains)	(25.67)	(19.19)
Closing defined benefit obligation	**83.65**	**71.13**

(v). Maturity analysis of the benefit payments :

Projected benefits payable in future years	As at March 31, 2022	As at March 31, 2021
1st following year	0.39	0.41
2nd following year	11.55	0.37
3rd following year	14.19	12.70
4th following year	11.81	15.13
5th following year	14.28	12.87
Sum of years 6 To 10	40.89	37.21
Sum of years 11 and above	19.52	16.45

The estimates of future salary growth, factored in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market. Such estimates are very long term and are not based on limited past experience / immediate future. Empirical evidence also suggests that in very long term, consistent high salary growth rates are not possible.

(Rupees in lakh)

42. Disclosure pursuant to Ind AS 19 'Employee benefits' (continued)

(vi). Sensitivity analysis (defined benefit obligation) :

Particulars	As at March 31, 2022		As at March 31, 2021	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(3.81)	4.13	(3.53)	3.83
Future salary growth (1% movement)	3.67	(3.44)	3.37	(3.21)
Attrition rate (1% movement)	(1.88)	1.91	(2.05)	2.09

Note :

The sensitivity analysis has been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

The sensitivity analysis presented above may not be representative of the actual change in the projected benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the projected benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same method as applied in calculating the projected benefit obligation as recognised in the Balance Sheet.

c. Compensated absences

(i). The principal assumptions used for the purposes of the actuarial valuations towards Privilege Leave liability were as follows :

Particulars	Compensated absences	
	As at March 31, 2022	As at March 31, 2021
Demographic Assumptions		
Mortality Rate:	Indian Assured Lives Mortality 2012-14 (Urban)	Indian Assured Lives Mortality (2006-08) Ultimate
Attrition Rate:	22.00% p.a. for all service groups.	22.00% p.a. for all service groups.
Retirement Age:	60 years	60 years
Financial Assumptions		
Salary Escalation Rate:	5.00% p.a.	5.00% p.a.
Discount Rate:	5.66% p.a.(Indicative G.Sec referenced on 31-03-2022)	5.18% p.a.(Indicative G.Sec referenced on 31-03-2021)

(ii). The amount included in the Balance Sheet arising from the Company's obligation in respect of its defined benefit plans is as follows :

Particulars	Compensated absences	
	As at March 31, 2022	As at March 31, 2021
Present value of defined benefit obligation	287.52	170.85
Net liability arising from defined benefit obligation	**287.52**	**170.85**

Particulars	Compensated absences	
	As at March 31, 2022	As at March 31, 2021
Discontinuance Liability	293.61	171.84
Defined Benefit Obligation	287.52	170.85
Funding Status	Unfunded	Unfunded
Fund Balance	N.A.	N.A.
Current Liability	67.38	38.23
Non-Current Liability	220.14	132.62

The average expected future service is 3.00 years

A distribution of the above liability over different ranges of past service intervals is provided below :

Past Service Interval	Distribution of DBO
9 and below	100%
10 to 19	-
20 to 29	-
30 and above	-

(iii). Sensitivity analysis (defined benefit obligation) :

Particulars	As at March 31, 2022	
	Increase	Decrease
Discount rate (1% movement)	(8.64)	9.36
Future salary growth (1% movement)	9.32	(8.77)
Attrition rate (1% movement)	(0.32)	0.34

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(Rupees in lakh)

43. Disclosure relating to employee stock option scheme

The Company has one stock option scheme 'CSL Employee Stock Option Scheme 2017'. The said scheme was approved by the board of directors on August 13, 2018 and by the shareholders in the EGM dated September 18, 2018. During the year the Company has issued 270,769 (previous year 3,530,759) options representing equal numbers of equity shares of Rs. 10 each.

The activity in the CSL employee stock option scheme 2017 during the year ended March 31, 2022 and March 31, 2021 is set below :

Particulars	As at March 31, 2022	Exercise price range	As at March 31, 2021	Exercise price range
	In numbers		In numbers	
CSL employee stock option scheme 2017 : (face value of Rs. 10 each)				
Options outstanding at the beginning of the year	**32,57,033**	**Rs. 130 - Rs. 180**	**38,01,528**	**Rs. 130**
Add: Granted	13,78,039	Rs. 130	5,97,617	Rs. 130
Less: Exercised	30,769	Rs. 130	-	-
Less: Lapsed	16,13,206	-	11,42,112	-
Option outstanding at the end of the year	**29,91,097**	**Rs. 130**	**32,57,033**	**Rs. 130 - Rs. 180**
Exercisable at the end of the year	**29,91,097**		**32,57,033**	

The Company follows accounting policy of fair value method for employee stock options (ESOPs) valuation. Accordingly, the accumulated expense reversal of Rs. 107.15 lakh (previous year expense Rs. 205.11 lakh) has been credited (previous year debited) to the Statement of profit and loss of the year ended March 31, 2022.

Particulars	CSL employee stock option scheme 2017 - Grant XVI	CSL employee stock option scheme 2017 - Grant XVII	CSL employee stock option scheme 2017 - Grant XVIII	CSL employee stock option scheme 2017 - Grant XIX	CSL employee stock option scheme 2017 - Grant XX
Date of the grant	April 1, 2021	September 08, 2021	October 7 ,2021	October 21 ,2021	November 1, 2021
Number of options granted	65,000	50,000	25,90,328	35,000	40,000
Method of settlement	Equity shares	Equity shares	Equity shares	Equity shares	Equity shares
Vesting period	Graded vesting - starting from 1 year from the date of the grant	Graded vesting - starting from 1 year from the date of the grant	Graded vesting - starting from 1 year from the date of the grant	Graded vesting - starting from 1 year from the date of the grant	Graded vesting - starting from 1 year from the date of the grant
Vesting pattern	16.66:16.66:16.66:50	16.66:16.66:16.66:50	50:50:00	50:50:00	50:50:00
Weighted average remaining contractual life					
Granted but not vested (in years)	2.00	2.44	1.02	1.06	1.09
Vested but not exercised	Nil	Nil	Nil	Nil	Nil
Weighted average share price at the date of exercise for stock options exercised during the year	Nil	Nil	Nil	Nil	Nil
Exercise period	Within a period of three years from the date of vesting		Tranche 1 can be vested within one year and Tranche can be vested within two years from date of vesting		
Vesting conditions	Graded vesting based on fulfillment of IRR target mentioned in the scheme.				
Weighted average fair value of options as on grant date (in Rs)	42.11	48.83	33.06	41.31	47.54

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(Rupees in lakh)

43. Disclosure relating to employee stock option scheme (continued)

Particulars	CSL employee stock option scheme 2017 - Grant XXI	CSL employee stock option scheme 2017 - Grant XXII	CSL employee stock option scheme 2017 - Grant XXIII	CSL employee stock option scheme 2017 - Grant XXIV	CSL employee stock option scheme 2017 - Grant XXV
Date of the grant	December 13, 2021	January 06, 2022	January 21, 2022	January 25, 2022	January 27, 2022
Number of options granted	40,000	40,000	40,000	30,769	60,000
Method of settlement	Equity shares	Equity shares	Equity shares	Equity shares	Equity shares
Vesting period	Graded vesting - starting from 1 year from the date of the grant	Graded vesting - starting from 1 year from the date of the grant	Graded vesting - starting from 1 year from the date of the grant	Graded vesting - starting from 1 year from the date of the grant	Graded vesting - starting from 1 year from the date of the grant
Vesting pattern	50:50:00	50:50:00	50:50:00	50:50:00	50:50:00
Weighted average remaining contractual life					
Granted but not vested (in years)	1.20	1.27	1.31	1.32	1.33
Vested but not exercised	Nil	Nil	Nil	Nil	Nil
Weighted average share price at the date of exercise for stock options exercised during the year	Nil	Nil	Nil	Nil	Nil
Exercise period	Tranche 1 can be vested within one year and Tranche 2 can be vested within two years from date of vesting				
Vesting conditions	Graded vesting based on fulfillment of IRR target mentioned in the scheme.				
Weighted average fair value of options as on grant date (in Rs)	106.63	107.53	131.27	133.67	135.32

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(Rupees in lakh)

43. Disclosure relating to employee stock option scheme (continued)

Exercise pricing formula

The exercise pricing formula for CSL employee stock option scheme 2017 is as under :

The nomination and remuneration committee shall have the authority to determine the exercise price having regard to the valuation report of an independent valuer if any. The said committee shall in its absolute discretion, have the authority to grant the options at such discount / premium as it may deem fit.

Fair value methodology :

The binomial model of valuation is more advanced and involves the use of computational techniques. In this model, the share price is projected from the date of grant to the date of exercise using upward and downward probabilities. The probabilities are estimated from the share price volatility assumption.
Keeping in view the multiple rules and events during vesting period, the Company switched to binomial method for valuation of it's Share Options as the model is robust model and allows for more complicated rules and events during the vesting period.
The fair value of options have been estimated on the date of the grant using Black-Scholes Model (For Grants XVI and XVII) and Binomial model(For Grants XVIII onwards) :

The key assumptions used in Black-Scholes and Binomial models for calculating fair value under CSL employee stock option scheme 2017 with respect to various grants :

Particulars	CSL employee stock option scheme 2017 - Grant XVI	CSL employee stock option scheme 2017 - Grant XVII	CSL employee stock option scheme 2017 - Grant XVIII	CSL employee stock option scheme 2017 - Grant XIX	CSL employee stock option scheme 2017 - Grant XX
Risk-free interest rate	4.80%	4.60%	5.53%	5.53%	5.57%
Expected volatility of share price*	55.50%	53.60%	58.76%	59.17%	59.56%
Time to maturity (in years)	2.50	2.50	3.30	3.30	3.30
Dividend yield	-	-	-	-	-
The price of equity share as on grant date considered for valuation (in Rs)	106.10 **	116.50 **	130 **	130 **	130 **
*The daily volatility of the stock prices on BSE, over a period prior to the date of grant, corresponding with the expected life of the Options has been considered to calculate the fair value.					
** The QIP issue price has been considered as the current market price for computing the fair value of ESOP since the market value on the date of grant of ESOP was not representative of the fair value of the share.					

Particulars	CSL employee stock option scheme 2017 - Grant XXI	CSL employee stock option scheme 2017 - Grant XXII	CSL employee stock option scheme 2017 - Grant XXIII	CSL employee stock option scheme 2017 - Grant XXIV	CSL employee stock option scheme 2017 - Grant XXV
Risk-free interest rate	5.46%	6.03%	6.10%	6.09%	6.14%
Expected volatility of share price*	59.37%	58.82%	58.50%	58.43%	58.40%
Time to maturity (in years)	3.30	3.30	3.30	3.30	3.30
Dividend yield	-	-	-	-	-
The price of equity share as on grant date considered for valuation in (Rs.)	130 **	130 **	130 **	130 **	130 **

*The daily volatility of the stock prices on BSE, over a period prior to the date of grant, corresponding with the expected life of the Options has been considered to calculate the fair value.

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(Rupees in lakh)

44. Leases (entity as a lessee)

The Company as a lessee, recognises the right-of-use asset and lease liability at the lease commencement date. The right-of-use asset is measured by applying cost model i.e. right-of-use asset at cost less accumulated depreciation /impairment losses. The Company has entered into leasing arrangements for premises. Majority of the leases are cancellable by the Company. ROU asset has been included after the line "Property, Plant & Equipment" and lease liabilities has been included under "Other Financial Liabilities" in the Balance Sheet.

a. Right of use asset :

Particulars	As at March 31, 2022	As at March 31, 2021
Office Premises :		
At cost at the beginning of the year	**1,971.28**	**1,854.97**
Additions during the year	1,914.56	92.10
Remeasurement of assets	10.42	24.21
At cost at the end of the year	**3,896.26**	**1,971.28**
Accumulated depreciation as at the beginning of the year	**876.97**	**510.96**
Depreciation for the year	481.01	366.01
Accumulated depreciation as at the end of the year	**1,357.98**	**876.97**
Net carrying amounts as at the end of the year	**2,538.28**	**1,094.31**

b. Amount recognised in Statement of Profit and loss :

Particulars	As at March 31, 2022	As at March 31, 2021
Depreciation expense for the year on right-of-use assets	481.01	366.01
Interest expense for the year on lease liabilities	225.38	171.20
Total expenses recognised in Statement of profit and loss	**706.39**	**537.21**

The total cash outflow on account of lease rentals amounting for the current year Rs. 587.61 lakh (previous year : Rs. 447.99 lakh).
The average lease term for the rented office premises is ranging between 5 to 12 years.

c. Lease liabilities :

Particulars	As at March 31, 2022	As at March 31, 2021
Lease liabilities	2,858.76	1,340.97
Total	**2,858.76**	**1,340.97**

d. Maturity analysis of lease liabilities :

Particulars	As at March 31, 2022	As at March 31, 2021
Not later than 1 year	597.97	404.82
Later than 1 year and not later than 5 years	2,185.39	884.64
Later than 5 years	75.40	51.51
Total	**2,858.76**	**1,340.97**

The entity has adequate liquidity for payment of lease liabilities. The Company regularly monitors and pays lease rentals on a timely manner as per the terms of the respective leave and license agreement.

The Company has the right to extend lease term as per mutually agreed terms laid down in the respective leave and license agreement. The Company takes into account effect of extended lease term while recording the lease assets and lease liabilities accordingly.

(Rupees in lakh)

45. Disclosure under Clause 28 of the Listing Agreement for Debt Securities :

Particulars	March 31, 2022	March 31, 2021
a) Loans and advances in the nature of loans to Subsidiaries		
Name of the Company	Not Applicable	Not Applicable
Amount	-	-
b) Loans and advances in the nature of loans to Associates		
Name of the Company	Not Applicable	Not Applicable
Amount	-	-
c) Loans and advances in the nature of loans to Firms/Companies in which director are interested		
Name of the Company	Not Applicable	Not Applicable
Amount	-	-
d) Investments by the loanee in the shares of parent Company and subsidiary Company, when the Company has made a loan or advance in the nature of loan.	Not Applicable	Not Applicable





(Rupees in lakh)

46 Impact of Hedging activities

a) Disclosure of effects of hedge accounting on the financial position:

March 31, 2022

Type of hedge and risk	Nominal value		Carrying amount of hedging instrument		Maturity Date	Changes in fair value of hedging instruments	Change in the value of hedged item used as the basis for recognising hedge effectiveness	Line item in the Balance Sheet
Cashflow Hedge	**Assets**	**Liabilities**	**Assets**	**Liabilities**				
Currency Derivative (Cross Currency Interest Rate Swaps)	3,109.43	-	22.29	-	December 06, 2024	22.29	22.29	Borrowings (other than debt securities)

March 31, 2021

Type of hedge and risk	Nominal value		Carrying amount of hedging instrument		Maturity Date	Changes in fair value of hedging instruments	Change in the value of hedged item used as the basis for recognising hedge effectiveness	Line item in the Balance Sheet
Cashflow Hedge	**Assets**	**Liabilities**	**Assets**	**Liabilities**				
Currency Derivative (Cross Currency Interest Rate Swaps)	-	-	-	-	-	-	-	-

b) Disclosure of effects of hedge accounting on the financial performance:

March 31, 2022

Type of Hedge	Change in the value of the hedging instrument recognised in other comprehensive income	Hedge ineffectiveness recognised in the statement of profit and loss	Amount reclassified from cash flow hedge reserve to statement of profit and loss	Line item affected in the statement of profit and loss because of the reclassification
Cash flow hedge				
-Foreign exchange risk and interest rate risk	9.00	-	(61.58)	Finance Cost

March 31, 2021

Type of Hedge	Change in the value of the hedging instrument recognised in other comprehensive income	Hedge ineffectiveness recognised in the statement of profit and loss	Amount reclassified from cash flow hedge reserve to statement of profit and loss	Line item affected in the statement of profit and loss because of the reclassification
Cash flow hedge				
-Foreign exchange risk and interest rate risk	-	-	-	N.A.

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(Rupees in lakh)

47. Summarised classification of financial assets and liabilities :

Particulars	As at March 31, 2022				As at March 31, 2021			
	Amortised cost	At fair value through profit and loss account	At fair value through other comprehensive income	Total	Amortised cost	At fair value through profit and loss account	At fair value through other comprehensive income	Total
Financial assets								
Cash and cash equivalents	6,574.94	-	-	**6,574.94**	12,365.55	-	-	**12,365.55**
Bank balances other than cash and cash equivalents above	12,260.25	-	-	**12,260.25**	19,238.99	-	-	**19,238.99**
Derivative financial instruments	-	-	22.29	**22.29**	-	-	-	**-**
Loans	2,45,048.34	-	-	**2,45,048.34**	1,28,269.61	-	-	**1,28,269.61**
Investments	4,295.88	2,648.11		**6,943.99**	1,508.21	4,014.54	-	**5,522.75**
Other financial assets (Refer Note 8)	789.62	-	-	**789.62**	680.88	-	-	**680.88**
Total	**2,68,969.03**	**2,648.11**	**22.29**	**2,71,639.43**	**1,62,063.24**	**4,014.54**	-	**1,66,077.78**
Financial liabilities								
Payables :								
(A) Trade payables								
(I) Total outstanding dues of micro enterprises and small enterprises	0.08	-	-	**0.08**	0.01	-	-	**0.01**
(II) Total outstanding dues of creditors other than micro enterprises and small enterprises	666.93	-	-	**666.93**	218.24	-	-	**218.24**
(B) Other payables			-					
(I) Total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-	-	-	-
(II) Total outstanding dues of creditors other than micro enterprises and small enterprises	15.04	-	-	**15.04**	107.36	-	-	**107.36**
Debt securities	70,376.77	-	-	**70,376.77**	31,557.55	-	-	**31,557.55**
Borrowings (other than debt securities)	1,09,807.09	-	-	**1,09,807.09**	45,011.94	-	-	**45,011.94**
Other financial liabilities (Refer Note 20)	4,497.64	225.17	-	**4,722.81**	2,118.22	-	-	**2,118.22**
Total	**1,85,363.54**	**225.17**	-	**1,85,588.72**	**79,013.32**	-	-	**79,013.32**

(Rupees in lakh)

48. Financial risk management

The Company has exposure to the following risks from financial instruments:

a. Credit Risk
b. Liquidity Risk
c. Market Risk
d. Operational Risk

The Company is exposed to a variety of risks such as credit risk, liquidity risk, market risk, operational risk, etc. The Company has therefore, invested in talent, processes and emerging technologies for building advanced risk and underwriting capabilities. The Board of Directors has constituted a Risk Management Committee to address these risks. The Risk Management Committee's mandate includes periodic review of the risk management policy, risk management planning, implementation and monitoring of the risk management plan and mitigation of key risks. The risk owners are accountable to the Risk Committee for identification, assessment, aggregation, reporting and monitoring of risks. The board of directors are responsible for providing overall risk oversight, approving risk appetite, risk management policies and frameworks and providing adequate oversight for the decisions.

a. Credit Risk

Risk Management team is engaged in defining a framework, overseeing enterprise wide risks and building a portfolio within the risk appetite of the company. The effective management of credit risk requires the establishment of appropriate credit risk policies and processes. The company has comprehensive and well-defined credit policies across various businesses, products and segments, which encompass credit approval process for all businesses along with guidelines for mitigating the risks associated with them. Credit underwriting is driven by a deep understanding of the selected segments, which forms proprietary risk models and approaches. The company believes in positive sector/sub-sector selection to source its business. The same is done primarily through analytics and survey. Further, the company has also developed sophisticated sector/sub-sector scorecards, both statistical and expert. The proposals are appraised based on the understanding of these sector/sub-sectors. A fine balance of sector knowledge, data analytics, touch and feel and digital process is used for underwriting the proposals.

Given the dynamic nature of the market, the credit policies are regularly reviewed and amended.

Management of Credit Risk

Write-off policy :

Financial assets are written-off either partially or in their entirety only when the Company has stopped pursuing the recovery. Any subsequent recoveries are credited to impairment on financial instruments in the Statement of profit and loss. The write-off decisions are taken by the management which would be based on suitable justification notes presented by the responsible business / collections team.

Credit quality analysis :

The Company's policies for computation of expected credit loss (ECL) are set out below:

(I) ECL on Loans and advances

ECL is computed for loans and investments portfolio of the Company :

Loan portfolio :

UGRO Capital Ltd is primarily engaged into SME lending and has segmented its lending portfolio based on the homogenous nature of the group of borrowers.

Definition of default :

A default shall be considered to have occurred when any of the following criteria is met:
a) An asset is more than 90 DPD.
b) If one facility of borrower is NPA, all the facilities of that borrower are to be treated as NPA.

Significant increase in credit risk (SICR) criteria :

(a) External credit rating going below investment grade rating.
(b) Significant changes in the expected performance and behaviour of the borrower, including changes in the payment status of borrowers.
(c) Other Qualitative parameters :
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant change in the borrower's ability to meet its debt obligations.
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the sector that results in a significant change in the sector's ability to meet its debt obligations.
(d) Any other qualitative parameter.

Definition of low credit risk :

A case which has scores above cut-off norms as set by the Company from time to time and current status is Stage 1 is termed as low credit risk.

Forward looking factors :

Forward looking factors are considered while determining the significant increase in credit risk.

Staging criteria :

Following staging criteria is used for loans :
(i) Stage 1: 0-30 DPD;
(ii) Stage 2: 31-89 DPD and
(iii) Stage 3: >= 90 DPD
Any deviation to the above classification shall be approved by the audit committee of the board (ACB).

(Rupees in lakh)

48. Financial risk management (continued)

Probability of Default (PD%)

PDs are determined depending on the risk profile of the pool of loans based on the internal rating models, credit bureau models, corporate ratings, specific market estimates as applicable to the respective portfolio segments.

Loss given default (LGD%)

Loss given default (LGD) represents recovery from defaulted assets.
LGD computation is based on the Foundational-Internal Rating Based (F-IRB) approach or basis cashflows from post default workout and collections, as applicable to the respective portfolio segments.

LGD is determined based on F-IRB approach for Stage 1 and Stage 2 loans. For Stage 3, loans the Company estimates the cash flows expected over a time period.

Exposure at Default (EAD)

Exposure at default represents the outstanding balance at the reporting date plus expected drawdowns on committed facilities. UGRO Capital Ltd has considered the following for EAD computation :
a.On books principal exposure
b.Accumulated interest exposure
c.Excluding FLDG amount, if any
The Company actively participates in co-lending with other NBFC partners. In many of these deals there is a FLDG in the form of FD (or equivalent) or corporate guarantee. In such scenarios, while arriving at EAD, FLDG amount is subtracted. In case of default in such arrangements, if the trigger event occurs for both unsecured and secured loans on the 89th day, the POS plus accumulated interest would be adjusted from the FLDG. The interest accumulation to stop in the accounting books for such assets in case there is no principal outstanding.

(II) ECL on fixed deposits, investments, trade and other receivables

With respect to the Fixed Deposits and Investments held by the Company, ECL provisioning has been computed taking guidance from the RBI's IRB approach. The Company has followed Simplified Approach of ECL provisioning on its Trade and other receivables.

Applicable provisions for NBFCs covered under Ind AS:

RBI vide circular no. RBI/2019-20/170 DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 dated 13 March, 2020 provides that NBFCs which are required to comply with Indian Accounting Standards (Ind AS) shall, as hitherto, continue to be guided by the guidelines duly approved by their board and as per the ICAI guidelines for recognition of the impairments. The Company follows the aforesaid circular.

Portfolio default and loss estimates :

To arrive at an early estimation of loss, an internally developed methodology has been adopted.

i) For term loans, the method combines macroeconomic outlook of the sector demand, entities' cash in hand and losses incurred during/immediately after the lockdown period, to arrive at a projection of delinquency and loss.

ii) For SCF portfolio, the assessment is based on evaluation of anchors basis personal interviews conducted by the Company officers, focusing on the key business aspects such as capacity utilization, production impact, fixed costs v/s cash flow.

iii) For onward lending , the estimates are based on a client level assessment.

iv) For direct assignment, the estimates are based on partner assessment and high-level multipliers.

Further, the management will continue to review the situation and do this analysis at regular intervals during FY 2023 as the Company will have more data points and keep updating the analysis and make appropriate adjustments, as warranted and reflect the same in the financials also considering further regulatory guidance as may be forthcoming.

Impact of Covid – 19 on expected credit loss :

The impact of COVID-19, including changes in customer behaviour and pandemic fears, as well as restrictions on business and individual activities, led to significant volatility in global and Indian financial markets and a significant decrease in global and local economic activities. The disruptions following the outbreak, impacted loan originations, MSME lending and the efficiency in collection efforts resulting in increase in the delinquency rates and consequent increase in provisions therefor.

India has now emerged from the COVID-19 pandemic and we have witnessed significant revival in the MSME sector in terms of demand resulting in increased disbursements and improved collection efficiency. The extent to which any new wave of COVID-19 will impact the Company's results is estimated to be minimal with the increasing vaccination coverage in the country which will help in mitigating the risks associated with the pandemic and its impact thereof.

In view of the above, the Management estimates that in future there would be minimal impact of the pandemic on the Company.

Management Overlay :

The Company has maintained management overlay of Rs. 273.79 lakh towards its restructured loans and advances as at March 31, 2022.





(Rupees in lakh)

48. Financial risk management (continued)

A. Movement of expected credit loss on advances :

Particulars	Stage 1	Stage 2	Stage 3	Purchased or originated credit impaired	Management Overlay	Total
Opening balances as at April 01, 2021	**1,197.28**	**75.03**	**1,011.00**	**-**	**270.00**	**2,553.31**
Changes in the loss allowance during the year :						
Transfer to Stage 1	2.95	(2.44)	(0.51)	-	-	-
Transfer to Stage 2	(64.73)	64.90	(0.17)	-	-	-
Transfer to Stage 3	(887.16)	(34.09)	921.25	-	-	-
New loans originated during the year	2,156.49	28.68	168.15	-	-	2,353.32
Other movements (on account of changes in EAD)	76.83	(38.17)	(884.68)	-	-	(846.02)
Management overlay	-	-	-	-	3.79	3.79
Closing balance as at March 31, 2022	**2,481.66**	**93.91**	**1,215.04**	**-**	**273.79**	**4,064.40**
Opening balance as at April 01, 2020	**633.25**	**52.10**	**359.68**	**-**	**-**	**1,045.03**
Changes in the loss allowance during the year :						
Transfer to Stage 1	2.56	(2.30)	(0.26)	-	-	-
Transfer to Stage 2	(43.87)	43.89	(0.02)	-	-	-
Transfer to Stage 3	(669.50)	(165.61)	835.11	-	-	-
New loans originated during the year	920.10	30.62	56.60	-	-	1,007.32
Other movements (on account of changes in EAD)	354.74	116.33	(240.11)	-	-	230.96
Management overlay	-	-	-		270.00	270.00
Closing balance as at March 31, 2021	**1,197.28**	**75.03**	**1,011.00**	**-**	**270.00**	**2,553.31**

B. Movement of expected credit loss (ECL) on loan commitments :

Particulars	Stage 1	Stage 2	Stage 3	Total
Opening balances as at April 01, 2021	**8.69**	**-**	**-**	**8.69**
Changes in the loss allowance during the year :				-
Transfer to Stage 1	-	-	-	-
Transfer to Stage 2	-	-	-	-
Transfer to Stage 3	-	-	-	-
Write off	-	-	-	-
Changes due to modifications that did not result in derecognition	-	-	-	-
New loan commitments originated during the year	-	-	-	-
Other movements (on account of changes in EAD)	(8.69)	-	-	(8.69)
Closing balance as at March 31, 2022	**-**	**-**	**-**	**-**
Opening balances as at April 01, 2020	**2.77**	**-**	**-**	**2.77**
Changes in the loss allowance during the year :				
Transfer to Stage 1	-	-	-	-
Transfer to Stage 2	-	-	-	-
Transfer to Stage 3	-	-	-	-
Write off	-	-	-	-
Changes due to modifications that did not result in derecognition	-	-	-	-
New loan commitments originated during the year	8.69	-	-	8.69
Other movements (on account of changes in EAD)	(2.77)	-	-	(2.77)
Closing balance as at March 31, 2021	**8.69**	**-**	**-**	**8.69**

C. Movement in gross carrying amount of advances :

Particulars	Stage 1	Stage 2	Stage 3	Purchased or originated credit impaired	Total
Opening balance of gross carrying amount as at April 01, 2021	**1,24,036.19**	**3,751.00**	**3,044.42**	**-**	**1,30,831.61**
Changes in the gross carrying amount during the year :					
Transfer to Stage 1	430.59	(289.11)	(141.48)		-
Transfer to Stage 2	(2,004.44)	2,010.61	(6.17)		-
Transfer to Stage 3	(4,175.51)	(277.22)	4,452.73		-
New loans originated during the year	1,94,319.04	1,198.16	843.55		1,96,360.75
Other movements (on account of changes in EAD)	(72,389.62)	(3,138.10)	(2,551.90)		(78,079.62)
Closing balance as at March 31, 2022	**2,40,216.25**	**3,255.34**	**5,641.15**		**2,49,112.74**
Opening balance of gross carrying amount as at April 01, 2020	**82,372.14**	**1,820.71**	**817.76**	**-**	**85,010.61**
Changes in the gross carrying amount during the year :					
Transfer to Stage 1	74.76	(64.58)	(10.18)	-	-
Transfer to Stage 2	(1,641.66)	1,651.52	(9.86)	-	-
Transfer to Stage 3	(1,932.42)	(525.88)	2,458.30	-	-
New loans originated during the year	81,548.14	2,023.61	286.61	-	83,858.36
Other movements (on account of changes in EAD)	(36,384.77)	(1,154.38)	(498.21)	-	(38,037.36)
Closing balance as at March 31, 2021	**1,24,036.19**	**3,751.00**	**3,044.42**		**1,30,831.61**

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(Rupees in lakh)

48. Financial risk management (continued)

D. Movement in loan commitments :

Particulars	Stage 1	Stage 2	Stage 3	Total
Opening balance as at April 01, 2021	**1,381.88**	-	-	**1,381.88**
Changes in loan commitments during the year :				
Transfer to Stage 1	-	-	-	-
Transfer to Stage 2	-	-	-	-
Transfer to Stage 3	-	-	-	-
Changes due to modifications that did not result in derecognition	-	-	-	-
New loan commitments originated during the year	882.60	-	-	882.60
Other changes	-	-	-	-
Other movements (on account of changes in EAD)	(1,381.88)			(1,381.88)
Closing balance as at March 31, 2022	**882.60**	-	-	**882.60**
Opening balance as at April 01, 2020	**593.91**	-	-	**593.91**
Changes in loan commitments during the year :				
Transfer to Stage 1	-	-	-	-
Transfer to Stage 2	-	-	-	-
Transfer to Stage 3	-	-	-	-
Changes due to modifications that did not result in derecognition	-	-	-	-
New loan commitments originated during the year	1,381.88	-	-	1,381.88
Other changes				
Other movements (on account of changes in EAD)	(593.91)	-	-	(593.91)
Closing balance as at March 31, 2021	**1,381.88**	-	-	**1,381.88**

E. Details of collaterals received against loan portfolio :

Nature of security against advances :

Underlying securities for the assets secured by tangible assets are property, machinery, plant & equipment and book debts. The value of the collaterals for the below calculation is taken at the date of inception of the loan

Advances (LTV band-wise) :

LTV ratio	As at March 31, 2022		As at March 31, 2021	
	Gross carrying amount of advances	Cumulative loss allowance	Gross carrying amount of advances	Cumulative loss allowance
Less than 50%	1,52,843.22	1,563.92	20,109.68	132.49
51% - 70%	-	-	21,100.79	183.50
71%-90%	-	-	17,935.08	126.71
> 90%	-	-	28,256.91	419.90

Credit impaired advances (LTV band-wise) :

LTV ratio	As at March 31, 2022		As at March 31, 2021	
	Gross carrying amount of advances	Cumulative loss allowance	Gross carrying amount of advances	Cumulative loss allowance
Less than 50%	3,033.97	325.26	374.80	30.30
71%-90%	-	-	99.29	5.08
> 90%	-	-	579.93	89.59

There is no collateral repossessed by the Company during the year.

(Rupees in lakh)

48. Financial risk management (continued)

b. Liquidity risk

Liquidity risk arises from the Company's inability to meet its cash flow commitments on time. Prudent liquidity risk management implies maintaining sufficient stock of cash and marketable securities and maintaining availability of standby funding through an adequate line-up of committed credit facilities. The Treasury team actively manages asset and liability positions in accordance with the overall guidelines laid down by the regulator in the Asset Liability Management framework. The Company continues to maintain a positive ALM.

The Company's ALCO monitors asset liability mismatches to ensure that there are no imbalances or excessive concentrations on either side of the Balance Sheet. The Company continuously monitors liquidity in the market and as a part of its ALCO strategy.

Undiscounted cash flows by contractual maturities for financial assets and financial liabilities as at March 31, 2022 :

Particulars	Carrying amount*	Gross Nominal	Not later than one month	Later than one month and not later than three months	later than three months and not later than one year	later than one year and not later than five years	later than five years
Financial assets (inflow) :							
Cash and cash equivalents	6,574.94	6,574.94	6,574.94	-	-	-	-
Bank balances other than cash and cash equivalents above	12,263.11	12,263.11	562.29	5,061.49	755.98	5,881.92	1.43
Derivative financial instruments	22.29	22.29	-	-	22.29	-	-
Loans	2,49,112.74	2,44,841.52	14,557.20	18,930.32	46,775.13	1,23,644.55	40,934.32
Investments	6,944.83	6,854.27	-	-	2,663.90	4,190.37	-
Other financial assets (Refer Note 8)	792.79	792.79	-	139.20	228.38	425.21	-
Financial liabilities (outflow) :							
Payables							
(A) Trade payables							
(I) Total outstanding dues of micro enterprises and small enterprises	0.08	0.08	-	0.08	-	-	-
(II) Total outstanding dues of creditors other than micro enterprises and small enterprises	666.93	666.93	-	666.93	-	-	-
(B) Other payables							
(I) Total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-	-	-
(II) Total outstanding dues of creditors other than micro enterprises and small enterprises	15.04	15.04	-	15.04	-	-	-
Debt securities	70,376.77	71,924.34	5,479.87	6,255.99	18,438.72	31,049.76	10,700.00
Borrowings (other than debt securities)	1,09,807.09	1,11,572.30	3,242.70	10,458.32	33,111.47	64,509.81	250.00
Other financial liabilities (Refer Note 20)	4,722.81	5,470.75	78.07	1,753.94	639.48	2,902.39	96.87

*Carrying amount reported above is on gross basis.

Undiscounted cash flows by contractual maturities for financial assets and financial liabilities as at March 31, 2021 :

Particulars	Carrying amount*	Gross Nominal	Not later than one month	Later than one month and not later than three months	later than three months and not later than one year	later than one year and not later than five years	later than five years
Financial assets (Inflow) :							
Cash and cash equivalents	12,365.55	12,365.55	12,365.55	-	-	-	-
Bank balance other than cash and cash equivalents	19,238.99	19,987.06	7,110.55	5,054.95	6,835.16	986.40	-
Loans	1,30,831.61	1,61,434.82	3,347.20	8,853.06	30,334.89	82,615.22	36,284.45
Investments	5,522.75	6,033.90	4,055.46	-	66.83	1,397.95	513.66
Other financial assets (Refer Note 8)	680.88	680.88	-	357.77	94.97	222.88	5.26
Financial liabilities (outflow) :							
Payables							
(A) Trade payables							
(I) Total outstanding dues of micro enterprises and small enterprises	0.01	0.01	0.01	-	-	-	-
(II) Total outstanding dues of creditors other than micro enterprises and small enterprises	218.24	228.20	32.64	62.39	133.17	-	-
(B) Other payables							
(I) Total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-	-	-
(II) Total outstanding dues of creditors other than micro enterprises and small enterprises	107.36	107.36	-	-	107.36	-	-
Debt securities	31,557.55	35,885.48	242.92	1,581.38	18,023.08	16,038.10	-
Borrowings (other than debt securities)	45,011.94	48,288.24	1,951.34	3,274.99	14,501.89	28,560.02	-
Other financial liabilities (Refer Note 20)	2,118.22	2,408.11	47.41	498.44	408.22	1,381.66	72.38

*Carrying amount reported above is on gross basis.

(Rupees in lakh)

48. Financial risk management (continued)

Undiscounted cash flows by contractual maturities for off-Balance Sheet items as at March 31, 2022 :

Particulars	Carrying Amount	Gross Nominal	Less than one year	Between 1 - 5 years	over 5 years
Loan commitments (outflow)	-	882.60	882.60	-	-
Other commitments	-	872.99	-	872.99	-
Capital commitments (outflow)	-	185.00	185.00	-	-

Undiscounted cash flows by contractual maturities for off-Balance Sheet items as at March 31, 2021 :

Particulars	Carrying Amount	Gross Nominal	Less than one year	Between 1 - 5 years	over 5 years
Loan commitments (outflow)	-	1,381.88	1,381.88	-	-
Other commitments	-	-	-	-	-
Capital commitments (outflow)	-	47.00	47.00	-	-

The Company has disclosed the below information as stated in RBI circular no. RBI/2019-20/88 DOR.NBFC (PD) CC. No.102/03.10.001/2019-20 dated November 04, 2019 that enables the market participants to make an informed judgment about the soundness of its liquidity risk management framework and liquidity position.

(i) Funding concentration based on significant counterparty (both deposits and borrowings) :

The Company is a systemically important non-deposit taking non-banking finance company (NBFC-ND-SI).
The Company had not raised any public deposit.
The details of the borrowings are given below:

Sr.No.	Number of Significant counterparties	Amount*	% of Total Liabilities
1	35	1,64,579.97	87.19%

* The Principal outstanding amounts as on March 31, 2022 have been considered above.

(ii) Top 20 large deposits (amount in ₹ lakh and % of total deposits) :

The Company is a systemically important non-deposit taking non-banking finance company (NBFC-ND-SI). The Company has not accepted any deposit during the year.

(iii) Top 10 borrowings (amount in ₹ lakh and % of total borrowings) :

Particulars	As at March 31, 2022	As at March 31, 2021
Total borrowings from ten largest lenders	84607.78*	54,775.47*
Percentage of borrowings from ten largest lenders to total borrowings of the Company	46.62%	71.26%

* The amount considered above excludes unamortised borrowing costs.

(iv) Funding concentration based on significant instrument/ product :

Sr No.	Name of instrument/ product	As at March 31, 2022		As at March 31, 2021	
		Amount	% of total liabilities	Amount	% of total liabilities
1	Term loans facilities	1,05,628.37	55.96%	40,925.39	51.26%
2	Cash credit / overdraft facilities	2,567.71	1.36%	4,086.54	5.12%
3	Non-convertible debentures	54,670.00	28.96%	24,670.81	30.90%
4	From liabilities arising out of securitization transactions resulting into recording of borrowings	3,419.61	1.81%	1,616.85	2.02%
5	Commercial paper	12,000.00	6.36%	5,269.88	6.60%
6	External Commercial borrowing	3,131.29	1.66%	-	-
Total		**1,81,416.98**	**96.11%**	**76,569.47**	**95.90%**

(v) Stock Ratios:

(a) Commercial papers as a % of total public funds, total liabilities and total assets :

Particulars	As at March 31, 2022			As at March 31, 2021		
	% of total public funds	% of total liabilities	% of total assets	% of total public funds	% of total liabilities	% of total assets
Commercial papers	6.61%	6.36%	4.20%	5.88%	7.01%	3.20%

(b) Non-convertible debentures (original maturity of less than one year) as a % of total public funds, total liabilities and total assets :

The Company does not have borrowings through non-convertible debentures with original maturity of less than one year in the current and previous years.

(c) Other short term borrowings, if any as a % of total public funds, total liabilities and total assets :

Particulars	As at March 31, 2022			As at March 31, 2021		
	% of total public funds	% of total liabilities	% of total assets	% of total public funds	% of total liabilities	% of total assets
Cash credit / overdraft facilities	1.42%	1.36%	0.90%	4.29%	5.12%	2.33%

The Principal outstanding amounts as on March 31, 2022 have been considered above.

(vi) Institutional set-up for liquidity risk management :

The Company monitors its inflows and outflows in various buckets and ensures that there are no major mismatches in the assets and liabilities in various buckets. The ALM is tabled and evaluated in the ALCO on a monthly basis. The Company ensures that there is adequate liquidity cushion available in the form of investments in G-Secs/ T-Bills/ Mutual Funds etc. and unavailed Bank lines. The Company issues various instruments including Term Loans, Lines of Credit, Non-Convertible Debentures, External Commercial Borrowings and other market instruments.

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(Rupees in lakh)

48. Financial risk management (continued)

c. Market risk

Market risk is the risk that the fair value of the future cash flows of financial instruments will fluctuate due to changes in market variables such as interest rates. The Company does not have any direct exposure to foreign currency (refer foreign currency risk note below).

The Company primarily deploys funds in bank deposits and liquid debt securities as a part of its liquidity management approach. The Company regularly reviews its average borrowing / lending cost including proportion of fixed and floating rate borrowings / loans so as to manage the impact of changes in interest rates.

Exposure to price risk :

The Company's exposure to price risk arises from investments held by the Company and is classified in the Balance Sheet through fair value through profit and loss account.

Sensitivity :

The table below summarises the impact of increases / decreases of the NAV of the Company's investments in mutual fund schemes on profit for the period.

Sensitivity :	**Impact on Statement of Profit and Loss**	
Particulars	**As at March 31, 2022**	**As at March 31, 2021**
Liquid plus scheme - NAV rate - increase by 0.50% respectively at the reporting period *	-	-
Liquid plus scheme - NAV rate - decrease by 0.50% respectively at the reporting period *	-	-
Liquid scheme - NAV rate - increase by 1.15% and 1% respectively at reporting period *	-	46.17
Liquid scheme - NAV rate - increase by 1.15% and 1% respectively at reporting period *	-	(46.17)
* Impact on Statement of profit and loss up to 1 year, holding all other variables constant.		

Interest rate risk :

Interest rate risk is the risk where changes in market interest rates might adversely affect the Company's financial conditions. The interest rate risk can be viewed from the two perspectives as mentioned below:
a. Earnings perspective – change in net interest income (NII) or net interest margin (NIM) due to change in interest rates.
b. Economic value perspective – change in market value of the company due to change in the company's assets, liabilities and off-Balance Sheet positions due to variation in interest rates.

The board has established limits on the interest rate gaps for stipulated periods. The management monitors these gaps on a regular basis to ensure that the positions are maintained within the established limits.

The exposure of the Company's borrowings to interest rate changes as at the end of the reporting period are as follows :

Particulars	**As at March 31, 2022**	**As at March 31, 2021**
Variable rate borrowings	69,642.00	30,331.48
Fixed rate borrowings	1,11,774.98	46,535.94
Total borrowings	**1,81,416.98**	**76,867.42**

The Company had the following variable rate borrowings outstanding :

Particulars	**As at March 31, 2022**	**As at March 31, 2021**
Weighted average cost	9.78%	11.03%
Outstanding balance	69,642.00	30,331.48
% of total borrowings	38.39%	39.46%
Sensitivity :	**Impact on profit or loss**	
Particulars	**For the year ended March 31, 2022**	**For the year ended March 31, 2021**
*Interest rate - increase by 1%	(602.80)	(262.85)
*Interest rate - decrease by 1%	602.80	262.85

* Impact on Statement of profit and loss up to 1 year, holding all other variables constant.

Foreign Currency Risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. Foreign currency risk for the company arises mainly on account of the foreign currency borrowings. The company manages this foreign currency risk by entering into cross currency interest rate swaps and forward contract. When a derivative is entered into for the purpose of being as hedge, the company negotiates the terms of those derivatives to match with the terms of the hedge exposure. The company's policy is to fully hedge its foreign currency borrowings at the time of drawdown and remain so till repayment.

The company holds the derivative financial instruments such as cross currency interest rate swaps to mitigate the risk of changes in exchange rate in foreign currency and floating interest rate. The counterparty for these contracts is generally a bank. These derivative financial instruments are valued based on the quoted prices for similar assets and liabilities in active markets or inputs that are directly or indirectly observable in the market place.

d. Operational Risk

Operational risk is the risk of loss arising from systems failure, human error, fraud or external events. When controls fail to operate effectively, operational risks can cause damage to reputation, have legal or regulatory implications, or may lead to financial loss. The Company cannot expect to eliminate all operational risks, but it endeavors to manage these risks through a control framework and by monitoring and responding to potential risks. Controls include maker-checker controls, effective segregation of duties, access, authorisation and reconciliation procedures, staff education and assessment processes, such as the use of internal audit.

Capital Management :

The Company's capital management objective is primarily to safeguard the business continuity. The Company's capital raising policy is aligned to the macro-economic situations and incidental risk factors. The Company's cashflows are regularly monitored in sync with the annual operating plans and the long-term and other strategic investment plans. The operational funding requirements are met through debt and operating cash flows generated. The company believes that this approach would create shareholder value in the long run. Also, the company has adopted a conservative approach for ALM management with primacy to adequate liquidity. At present, a large portion of the company's resource base is equity. Therefore, the company enjoys a low gearing.

The Company maintains its capital structure in line with the economic conditions and the risk characteristics of its activities and the board reviews the capital position on a regular basis.

Gearing ratio :

Particulars	**As at March 31, 2022**	**As at March 31, 2021**
The gearing ratio at each date were as follows :		
*Debt (I)	1,83,042.62	77,910.47
Less: Cash and cash equivalents (II) (Refer Note 3)	6,574.94	12,365.55
Net debt (I - II)	**1,76,467.68**	**65,544.92**
Total equity	**96,656.32**	**95,243.82**
Net debt to equity ratio	**1.83**	**0.69**

* Debt includes debt securities, borrowings and lease liabilities.

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(Rupees in lakh)

49. Details of all collaterals used as security for liabilities

Particulars	Carrying amount of financial assets pledged	
	As at 31st March, 2022	As at 31st March, 2021
Assets type		
Loans receivable as collateral under lending agreements	1,80,756.52	84,052.22
Loans receivable as collateral under PTC agreements	348.88	582.12
Fixed deposits with original maturity of less than 3 months as collateral under lending agreements	100.30	-
Fixed deposits as collateral under lending agreements	11,493.08	241.11
Fixed deposits as collateral for liabilities arising out of securitization transactions resulting into recording of borrowings	762.29	630.10





(Rupees in lakh)

50. Income tax

a. The major components of tax expense for the year ended March 31, 2022 and March 31, 2021 :

Sr.	Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
1	**Statement of profit and loss :**		
	Profit and loss section :		
	Current income tax :		
	Tax for current year as per minimum alternate tax	660.90	482.99
	Deferred tax :		
	Tax expense on origination and reversal of temporary differences	(98.18)	(2,142.83)
	Income tax expense reported in the Statement of profit and loss	**562.72**	**(1,659.84)**
2	**Other comprehensive income (OCI) section :**		
	Deferred tax :		
	Net loss on remeasurement of defined benefit obligations	7.47	5.59
	- The effective portion of Gains and Loss on hedging instrument in a cash flow hedge	2.62	-
	Income tax expense reported in the OCI section	**10.09**	**5.59**

b. Reconciliation of effective tax rate :

Sr.	Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
1	Profit before tax as per books	2,017.78	1,212.91
2	Taxable Income	(369.47)	(634.90)
3	Book profit as per MAT	3,782.60	2,764.68
4	Applicable income tax rate	29.12%	29.12%
5	Tax rate as per MAT	17.47%	17.47%
6	**Tax at the applicable income tax rate on profit before tax (A)**	587.58	353.20
7	**Tax effect of amounts not deductible/not taxable while calculating taxable income**		
	-Corporate Social Responsibility	5.70	2.77
	-Excess Interest Spread receivable on direct assignment transactions	(20.48)	-
	-Interest /penalty on TDS	0.02	0.11
	-Differences on account of WDV	-	(179.32)
	-Bonus Disallowed	-	(32.19)
	-Preliminary Expenses	-	207.28
	-Other adjustments	-	1.75
	-Impact on account of brought forward losses	-	(1,927.82)
	-Impact on account of change in surcharge rate	-	(80.03)
	- Tax impact on Other Comprehensive Income	(10.10)	(5.59)
	Total of adjustments (B)	**(24.86)**	**(2,013.04)**
8	**Total Tax Impact (Excl. MAT related adjustments) (C) = (A) - (B)**	**562.72**	**(1,659.84)**
9	Tax under MAT (Current Tax)	660.90	482.99
10	**Less: MAT credit entitlement (D)**	**(660.90)**	**(482.99)**
11	**Total Deferred tax (E) = (D) - (C)**	**(98.18)**	**(2,142.83)**
12	**Total Tax expense/(refund)**	**562.72**	**(1,659.84)**

* The applicable tax rate is the rate prescribed under the Income Tax Act, 1961.

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(Rupees in lakh)

50. Income tax (continued)

c. Components of deferred tax assets and liabilities recognised in the Balance Sheet and Statement of profit and loss :

Sr.	Particulars	Balance Sheet		Statement of profit and loss and other comprehensive income	
		As at March 31, 2022	As at March 31, 2021	For the year ended March 31, 2022	For the year ended March 31, 2021
A	**Deferred tax assets (DTA)**				
1	Provision for compensated absences	83.72	49.75	33.97	8.85
2	Provision for gratuity	24.36	20.71	3.65	6.05
3	Others	205.20	28.88	176.33	27.36
4	Deferred revenue income - processing fees allowed upfront in income tax	836.37	358.33	478.03	163.24
5	Provision for impairment losses on financial instruments	1,249.12	746.06	503.07	454.56
6	Lease rentals expense under IndAS 116	100.25	71.99	28.26	15.76
7	Preliminary expense (gross)	69.81	132.50	(62.69)	117.34
8	ESOS expenses disallowance	217.44	248.64	(31.20)	68.16
9	Unutilised minimum alternate tax credit entitlement	1,587.34	926.44	660.90	482.99
10	Income tax losses carried forward	2,856.51	2,748.92	107.59	1,357.92
11	**Total (A)**	**7,230.12**	**5,332.22**	**1,897.91**	**2,702.23**
B	**Deferred tax liabilities (DTL)**				
1	Difference in written down value of property, plant and equipment and intangible assets	218.84	157.79	61.05	134.53
2	Receivable On EIS DA	447.75	22.27	425.48	22.27
3	Unrealised gain / (loss) on investments	(0.00)	3.91	(3.91)	(32.92)
4	Prepaid fees / charges on debt securities allowed upfront in income tax	348.20	113.61	234.59	102.91
5	Prepaid fees / charges on borrowings allowed upfront in income tax	624.58	361.12	263.46	233.71
6	Deferred loan sourcing cost allowed upfront income tax	1,209.12	379.97	829.15	104.49
7	**Total (B)**	**2,848.49**	**1,038.67**	**1,809.82**	**564.99**
C	**Deferred tax asset / (liability)**	**4,381.63**	**4,293.55**	-	-
D	**Deferred tax expense / (benefit)**		-	**(88.09)**	**(2,137.24)**

Unrecognised deductible temporary differences, unused tax losses and unused tax credits :

There are no deductible temporary differences, unused tax losses and unused tax credits for which no deferred tax assets have been recognised.





(Rupees in lakh)

51. Fair value of financial instruments :

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions, regardless of whether that price is directly observable or estimated using a valuation technique.

Ind AS 107, 'Financial Instruments - Disclosure' requires classification of the valuation method of financial instruments measured at fair value in the Balance Sheet using a three-level fair-value-hierarchy (which reflects the significance of inputs used in the measurements). The hierarchy gives the highest priority to un-adjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair-value-hierarchy under Ind AS 107 are described below:

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and place limited reliance on the entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

a. Fair value hierarchy of financial instruments classified in amortised cost category :

Particulars	Fair value as on March 31, 2022			Carrying value as on March 31, 2022	Fair Value as on March 31, 2021			Carrying value as on March 31, 2021
	Level 1	Level 2	Level 3		Level 1	Level 2	Level 3	
Assets								
Loans	-	-	2,40,905.99	2,49,112.74	-	-	1,32,300.59	1,30,831.61
Investments	3,972.12	-	-	4,296.72	1,476.71	-	-	1,508.21
Other financial assets (Refer Note 8)	-	-	792.79	792.79	-	-	680.88	680.88
Total	**3,972.12**	**-**	**2,41,698.78**	**2,54,202.25**	**1,476.71**	**-**	**1,32,981.47**	**1,33,020.70**
Liabilities								
Debt securities	-	74,189.29	-	70,376.77	-	31,812.13	-	31,557.55
Borrowings (other than debt securities)	-	1,01,864.90	-	1,09,807.09	-	45,693.66	-	45,011.94
Other financial liabilities (Refer Note 20)	-	-	4,497.64	4,497.64	-	-	2,118.22	2,118.22
Total	-	**1,76,054.19**	**4,497.64**	**1,84,681.49**	**-**	**77,505.79**	**2,118.22**	**78,687.71**

There were no transfers between Level 1 and Level 2 during the year.

Valuation methodologies of financial instruments not measured at fair value :

Short-term financial assets and liabilities :

For financial assets and financial liabilities that have a short-term nature, the carrying amounts, which are net of impairment, are a reasonable approximation of their fair value. Such instruments include: cash and bank balances, trade receivables, other receivables, balances other than cash and cash equivalents ,payables, debt securities, other financial assets and other financial liabilities .

Loans and advances to customers :

The fair values of loans and receivables are calculated using a portfolio-based approach, grouping loans as far as possible into homogenous groups based on similar characteristics. The fair value is then extrapolated to the portfolio using discounted cash flow models that incorporate interest rate estimates considering all significant characteristics of the loans.
Impairment loss allowance and adjustments related to effective interest rate are not part of above disclosure.

Borrowings :

The fair values of these instruments are estimated by determining the price of the instrument taking into consideration the origination date, maturity date, coupon rate, actual or approximation of frequency of interest payments and incorporating the actual or estimated / proxy yields of identical or similar instruments through the discounting factor. For instruments, having contractual residual maturity less than one year, the carrying value has been considered as fair value.

b. Fair value hierarchy of financial instruments classified in FVTPL category :

Particulars	Fair value as on March 31, 2022			Carrying value as on March 31, 2022	Fair Value as on March 31, 2021			Carrying value as on March 31, 2021
	Level 1	Level 2	Level 3		Level 1	Level 2	Level 3	
Assets								
Investments in mutual funds	-	-	-	-	4,014.54	-	-	4,014.54
Investments in security receipts	-	2,648.11	-	2,648.11	-	-	-	-
Total	**-**	**2,648.11**	**-**	**2,648.11**	**4,014.54**	**-**	**-**	**4,014.54**

There were no transfers between Level 1 and Level 2 during the year.

Valuation methodologies of financial instruments measured at fair value :

Mutual Funds are measured based on the published net asset value (NAV) by AMFI and are classified as level 1.

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(Rupees in lakh)

52. Maturity profile of assets and liabilities :

Particulars	As at March 31, 2022			As at March 31, 2021		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Assets :						
Financial assets :						
Cash and cash equivalents	6,574.94	-	6,574.94	12,365.55	-	12,365.55
Bank balances other than cash and cash equivalents above	6,379.17	5,881.08	12,260.25	18,480.05	758.94	19,238.99
Derivative financial instruments	22.29	-	22.29	-	-	-
Loans	77,762.41	1,67,285.93	2,45,048.34	44,719.27	83,550.34	1,28,269.61
Investments	2,648.11	4,295.88	6,943.99	4,014.54	1,508.21	5,522.75
Other financial assets (Refer note 8)	364.41	425.21	789.62	452.74	228.14	680.88
Non-financial assets :						
Current tax assets (net)	164.23	-	164.23	-	-	-
Deferred tax asset (net)	-	4,381.63	4,381.63	-	4,293.55	4,293.55
Property, plant and equipment	-	430.43	430.43	-	468.60	468.60
Right of use asset	631.68	1,906.60	2,538.28	-	1,094.31	1,094.31
Capital work in progress	20.25	-	20.25	-	-	-
Intangible assets under development	568.54	-	568.54	-	388.41	388.41
Other intangible assets	-	2,602.04	2,602.04	-	2,062.02	2,062.02
Other non-financial assets (Refer note 16)	301.34	2,776.39	3,077.73	1,093.91	-	1,093.91
Total	**95,437.37**	**1,89,985.19**	**2,85,422.56**	**81,126.06**	**94,352.52**	**1,75,478.58**
Liabilities :						
Financial liabilities :						
(A) Trade payables						
(i) Total outstanding dues of micro enterprises and small enterprises	0.08	-	0.08	0.01	-	0.01
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	569.43	97.50	666.93	215.40	2.84	218.24
(B) Other payables						
(i) Total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	15.04	-	15.04	107.36	-	107.36
Debt securities	29,012.29	41,364.48	70,376.77	17,420.49	14,137.06	31,557.55
Borrowings (other than debt securities)	46,051.32	63,755.77	1,09,807.09	19,795.67	25,216.27	45,011.94
Other financial liabilities (Refer note 20)	2,213.04	2,509.77	4,722.81	825.53	1,292.69	2,118.22
Non-financial liabilities :						
Provisions	2,316.05	371.17	2,687.22	735.90	203.77	939.67
Current tax liabilities (net)	126.07	-	126.07	144.13	-	144.13
Other non-financial liabilities (Refer note 23)	364.23	-	364.23	137.64	-	137.64
Total	**80,667.55**	**1,08,098.69**	**1,88,766.24**	**39,382.13**	**40,852.63**	**80,234.76**

(Rupees in lakh)

53. Disclosure pursuant to IndAS 7 ' Statement of Cash Flows' - changes in liabilities arising from financing activities :

Particulars	As at April 01, 2021	Cash inflow / (outflow)	Creation of right of use assets	As at March 31, 2022
Debt securities	31,557.55	38,819.22	-	70,376.77
Borrowings (other than debt securities)	45,011.94	64,795.15	-	1,09,807.09
Other financial liabilities				
Lease liabilities	1,340.97	(407.17)	1,924.96	2,858.76

Particulars	As at April 01, 2020	Cash inflow / (outflow)	Creation of right of use assets	As at March 31, 2021
Debt securities	5,009.41	26,548.14	-	31,557.55
Borrowings (other than debt securities)	20,444.46	24,567.48	-	45,011.94
Other financial liabilities				
Lease liabilities	1,545.55	(320.89)	116.31	1,340.97





(Rupees in lakh)

54. Financial assets are transferred but not derecognised in their entirety :

a. Securitisation

Particulars	As at March 31, 2022		As at March 31, 2021	
	Financial assets at amortised cost	Financial assets at FVTPL	Financial assets at amortised cost	Financial assets at FVTPL
Carrying amount of Assets	3,633.76	-	2,089.55	-
Carrying amount of associated Liabilities	3,419.61	-	1,649.40	-
For those liabilities that have recourse only to the transferred financial assets				
Fair value of assets (A)	3,657.84	-	2,050.63	-
Fair value of associated liabilities (B)	3,426.42	-	1,632.39	-
Net Position (C) = (A - B)	**231.42**	-	**418.24**	-

b. Assignment

The Company has sold some loans (measured at amortised cost) by way of direct bilateral assignment, as a source of finance.
As per the terms of these deals, since substantial risk and rewards related to these assets were transferred to the buyer, the assets have been de-recognised from the Company's Balance Sheet.
The table below summarises the carrying amount of the derecognised financial assets measured at amortised cost and the gain/(loss) on derecognition, per type of asset.

Particulars	As at March 31, 2022	As at March 31, 2021
Carrying amount of de-recognised financial asset	50,558.53	1,251.63
Carrying amount of retained asset at amortised cost	6,945.20	312.91
Gain on sale of the de-recognised financial asset	2,852.50	129.42





(Rupees in lakh)

55. Disclosures as required by the Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 issued by the Reserve Bank of India ("RBI") vide their Notification No. RBI/DNBR/2016-17/45 Master Direction DNBR. PD. 008/03.10.119/2016-17 dated September 1, 2016 (the "Notification"), as updated from time to time.

a. Capital to risk assets ratio (CRAR)

Particulars		As at March 31, 2022	As at March 31, 2021
i)	CRAR (%)	34.37	65.55
ii)	CRAR - Tier I capital (%)	33.61	65.15
iii)	CRAR - Tier II capital (%)	0.76	0.40
iv)	Amount of subordinated debt raised as Tier-II capital	-	-
v)	Amount raised by issue of perpetual debt instruments	-	-

b. Investments

Particulars				As at March 31, 2022	As at March 31, 2021
(1)	Value of investments				
	(i)	Gross value of investments			
		(a)	In India	6,944.83	5,522.75
		(b)	Outside India,	-	-
	(ii)	Provisions for depreciation			
		(a)	In India	0.84	-
		(b)	Outside India,	-	-
	(iii)	Net value of investments			
		(a)	In India	6,943.99	5,522.75
		(b)	Outside India.	-	-
(2)	Movement of provisions held towards depreciation on investments.				
	(i)	Opening balance			-
	(ii)	Add : provisions made during the year		0.84	-
	(iii)	Less : write-off / write-back of excess provisions during the year		-	-
	(iv)	Closing balance		0.84	-

c. Derivatives

1. Forward Rate Agreement (FRA) / Interest Rate Swap (IRS)

Sr No.	Particulars	31st March 2022	31st March 2021
I	The Notional Principal of swap agreement	3,109.43	-
II	Losses which would be incurred if counter parties failed to fulfill their obligations under the agreement	-	-
III	Collateral required by the Company upon entering into swaps	-	-
IV	Concentration of credit risk arising from the swaps	-	-
V	The fair value of the swap book (Asset/(Liability))	22.29	-

2. Exchange traded interest rate (IR) derivatives

The Company has not entered into any exchange traded derivative.

3. Disclosures on risk exposure and derivatives

Qualitative Disclosures

I. The Company undertakes the derivative transactions to prudently hedge the risk in context of a particular borrowing or diversify sources of borrowing and to maintain fixed and floating borrowing mix. The Company does not indulge into any derivative trading transaction. The Company reviews the proposed transaction and outlines any consideration associated with the transaction, including identification of the benefits and potential risks (worst case scenario) ; an independent analysis of potential savings from the proposed transaction. The Company evaluates all the risks inherent in the transaction viz. , counter party risk , market risk, operational risk, basis risk, etc.

II. Credit risk is controlled by restricting the counter parties that the Company deals with, to those who either have banking relationship with the Company or are internationally reowned or can provide sufficient information. Market/ price risk arising from the fluctuation of interest rates and foreign exchange rates or from other factors shall be closely monitored and controlled. Normally transaction entered for hedging, will run over the life of the underlying instrument, irrespective of profit or loss. Liquidity risk is controlled by restricting counter parties to those who have adequate facility, sufficient information and sizable trading capacity and capability to enter into transactions in any market around the world.

III. The respective functions of trading, confirmation and settlement shall be performed by different personnel. The front-office and the back-office roles are well defined and segregated. All the derivative transactions are quarterly monitored and reviewed. All the derivative transactions have to be reported to the Board of Directors on every quarterly board meetings including their financial positions.

(Rupees in lakh)

Quantitaive Disclosures

Sr. No.	Particulars	31 March 2022		31 March 2021	
		Currency Derivatives*	Interest Rate Derivatives	Currency Derivatives*	Interest Rate Derivatives
I	Derivative (Notional Principal Amount) - For Hedging	3,109.43	-	-	-
II	Market to market position (a) Asset [+] Estimated Gain	22.29	-	-	-
	(b) Liability [-] Estimated Loss	-	-	-	-
III	Credit Exposure	3,131.72	-	-	-
IV	Unhedged exposures	-	-	-	-

* Cross currency interest rate swap

d. Disclosures as required by the Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 issued by the Reserve Bank of India ("RBI") vide their Notification No. RBI/DOR/2021-22/85 Master Direction DOR.STR.REC.53/21.04.177/2021-22 dated September 24, 2021 (the "Notification"), as updated from time to time.

Details of securitization :

Sr No.	Particulars	As at March 31, 2022	As at March 31, 2021
1	No of SPVs sponsored by the applicable NBFC for securitization transactions*	3.00	2.00
2	Total amount of securitized assets as per books of the SPVs sponsored	3,633.76	2,055.74
3	Total amount of exposures retained by the applicable NBFC to comply with MRR as on the date of Balance Sheet		
	a. Off - Balance Sheet exposures		
	First loss	-	-
	Others	-	-
	b. On - Balance Sheet exposures		
	First loss	348.88	582.12
	Others	-	-
4	Amount of exposures to securitization transactions other than MRR		
	a. Off - Balance Sheet exposures		
	i) Exposure to own securitizations		
	First loss	-	-
	Others	-	-
	ii) Exposure to third party securitization		
	First loss	-	-
	Others	-	-
	b. On - Balance Sheet exposures		
	i) Exposure to own securitizations		
	First loss	762.29	630.10
	Others	-	-
	ii) Exposure to third party securitization		
	First loss	-	-
	Others	-	-

*Only the SPVs relating to outstanding securitization transactions.

(Rupees in lakh)

d. Disclosures relating to securitization (continued)

Details of financial assets sold to securitization / reconstruction company for assets reconstruction :

During the current and previous year, the Company has not entered into any sale of financial assets to any securitization / reconstruction company for assets reconstruction.

Details of assignment transactions undertaken during the year :

Sr No.	Particulars	As at March 31, 2022	As at March 31, 2021
1.	No. of accounts	1,853	107
2.	Aggregate value (net of provisions) of accounts assigned*	29,135.80	1,439.68
3.	Aggregate consideration*	29,135.80	1,439.68
4.	Additional consideration realized in respect of accounts transferred in earlier years	-	-
5.	Aggregate gain / loss over net book value	-	-

*Details pertaining to direct assignment transactions entered during the year.

Details of non-performing financial assets purchased / sold :

During the current and previous year the Company has not entered into any purchase or sale of any non performing financial assets, except for those mentioned in note no. 60.

e. Asset liabilities management maturity pattern of certain items of asset and liabilities (at book values) as at March 31, 2022 as follow :

Particulars	1 to 7 days	8 to 14 days	Over 14 days to one month	Over 1 month & upto 2 Months	Over 2 months & upto 3 months	Over 3 months & upto 6 months	Over 6 months & upto 1 year	Over 1 year & upto 3 years	Over 3 years & upto 5 years	Over 5 years	Total
Assets											
Advances*	7,820.00	2,198.53	4,608.79	7,960.65	10,993.05	20,880.96	25,998.58	89,597.59	30,686.00	48,368.60	2,49,112.74
Investments**	-	-	-	-	-	-	2,648.11	-	4,296.72	-	6,944.83
Liabilities											
Borrowings :											
Borrowings from banks and financial Institutions	542.51	992.33	1,651.26	5,612.34	4,673.27	12,406.70	20,172.91	54,633.62	8,874.21	247.94	1,09,807.09
Market borrowings (Debt Securities)	1,800.61	76.34	3,458.01	2.10	6,001.48	6,522.91	11,150.85	25,134.64	5,530.86	10,698.97	70,376.77

* Impairment loss allowance of Rs 4,064.40 lakh on advances is not a part of the above disclosure.
** Impairment loss allowance of Rs 0.84 lakh on investments is not a part of the above disclosure.

Asset liabilities management maturity pattern of certain items of asset and liabilities (at book values) as at March 31, 2021 as follow :

Particulars	1 to 7 days	8 to 14 days	Over 14 days to one month	Over 1 month & upto 2 Months	Over 2 months & upto 3 months	Over 3 months & upto 6 months	Over 6 months & upto 1 year	Over 1 year & upto 3 years	Over 3 years & upto 5 years	Over 5 years	Total
Assets											
Advances*	2,275.34	1,882.51	3,018.98	10,560.36	6,218.19	9,540.61	12,690.69	42,035.32	14,774.32	27,835.29	1,30,831.61
Investments	4,014.54	-	-	-	-	-	-	-	1,017.87	490.34	5,522.75
Liabilities											
Borrowings :											
Borrowings from banks and financial Institutions	4,256.32	731.67	818.42	1,199.99	1,255.50	3,674.88	7,858.90	23,115.78	2,100.48	-	45,011.94
Market borrowings (Debt Securities)	-	192.82	37.16	180.25	960.50	3,720.54	12,329.22	13,326.68	810.38	-	31,557.55

*Impairment loss allowance of Rs 2,562 lakh is not a part of the above disclosure.

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(Rupees in lakh)

f. Exposures :

Category				As at March 31, 2022	As at March 31, 2021
a)	**Exposure to real estate sector :**				
	Direct exposure				
	(i)	**Residential mortgages :**			
		Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented		100,526.69*	56,012.71*
	(ii)	**Commercial real estate :**			
		Lending secured by mortgages on commercial real estates (office buildings, retail space, multi-purpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure shall also include non-fund based limits.		-	-
	(iii)	**Investments in mortgage backed securities (MBS) and other securitised exposures :**			
		a.	Residential	-	-
		b.	Commercial real estate	-	-
Total exposure to real estate sector				**1,00,526.69**	**56,012.71**

* These include properties held as underlying security

Particulars			As at March 31, 2022	As at March 31, 2021
b)		**Exposure to capital market :**		
	(i)	direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual fund the corpus of which is not exclusively invested in corporate debt.	-	-
	(ii)	advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds.	-	-
	(III)	advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security.	-	-
	(iv)	advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds 'does not fully cover the advances.	-	-
	(v)	secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers.	-	-
	(vi)	loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources.	-	-
	(vii)	bridge loans to companies against expected equity flows / issues.	-	-
	(viii)	all exposures to venture capital funds (both registered and unregistered).	-	-
Total exposure to capital market			-	-

g. Details of financing of parent company products :

The Company does not have any parent company hence, this clause is not applicable.

h. Details of single borrower limit (SGL) / group borrower limit (GBL) exceeded by the Company :

Particulars	As at March 31, 2022	As at March 31, 2021
Single borrower limit (SGL) / group borrower limit (GBL) exceeded by the Company.*	-	-

*The Company had acquired ("acquisition") from Avanse Financial services limited ("Avanse"), by way of assignment it's unsecured MSME financing business, for a consideration of Rs 6,793.97 lakh in respect of 391 loan agreements vide transaction document executed between the Company and Avanse on July 8, 2019. Due to Ind AS 109 implication the same has been treated as single loan to Avanse. The Company has not exceeded exposure towards single borrower / group borrower limit.

(Rupees in lakh)

i. Unsecured advances :

Details of unsecured advances the rights, licenses, authorisations,etc.charged to the applicable NBFCs as collateral in respect of projects (including infrastructure projects) financed by the Company.

Particulars	As at March 31, 2022	As at March 31, 2021
Advances against securities of intangible assets	-	-

j. Registration obtained from other financial sector regulators :

Particulars	Type	Number Reference
IRDA	Corporate Agent	CA0733

k. Disclosure of penalties imposed by RBI and other regulators :

Particulars	As at March 31, 2022	As at March 31, 2021
	-	-

During the current year and the previous year, there are no penalties imposed by RBI and other regulators.

l. Related party transactions :

Details of all material transactions with related parties has been given in note 40 of the financial statements

m. Ratings assigned by credit rating agencies and migration of ratings for the year ended March 31, 2022 :

Rating agency	Type	Rating FY 21-22	Rating FY 20-21
Acuite Rating & Research Limited	Bank loans (long term)	ACUITE A+	ACUITE A / stable
Acuite Rating & Research Limited	Commercial paper (short term)	ACUITE A1+/ Upgraded	ACUITE A1
Acuite Rating & Research Limited	Non- convertible debentures (long term) (Market Linked Debentures)	PP-MLD/ACUITE AA+/CE/Reaffirmed	-
Acuite Rating & Research Limited	Non- convertible debentures (long term) (Market Linked Debentures)	PP-MLD/ACUITE A+/Stable/Reaffirmed	-
Acuite Rating & Research Limited	Non- convertible debentures (long term)	ACUITE A+ / stable / assigned	ACUITE A / stable
Acuite Rating & Research Limited	Non- convertible debentures (long term)	ACUITE A+ / stable / reaffirmed	ACUITE A / stable
Acuite Rating & Research Limited	PTC (long term) for SME190930 – Series 1	-	Acuite A - (SO)
Acuite Rating & Research Limited	PTC (long term) for SME200130 – Series 2	-	Acuite AA -(SO)

n. Remuneration of directors :

Particulars	As at March 31, 2022	As at March 31, 2021
Transactions with the Independent directors* Director Sitting Fees	171.00	123.38

* Payment to non-executive directors is NIL during the year ended March 31, 2022 and March 31, 2021 .

Refer Note 40 for remuneration to executive directors.

o. During the year there are no changes in the accounting policies and no prior period items (Refer Note 1)

p. Provisions and contingencies :

Particulars	As at March 31, 2022	As at 31st March, 2021
Provision towards NPA	1,488.83	1,350.25
Provision made towards income tax	126.07	144.13
Provision for depreciation on investments	0.84	-
Provision for depreciation on fixed deposits	2.86	-
Provision for depreciation on other receivables	3.17	-
Provision for gratuity	83.65	71.13
Provision for compensated absences	287.52	170.85
Provision for bonus	700.00	180.00
Provision for expenses	1,616.05	517.68
Provision for standard assets	2,575.57	1,211.75

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q. Draw down from reserves :

During the year, the Company has drawn down Rs 107.15 lakh on account of change in the method for ESOPs option valuation from Black-Scholes Model to Binomial model. On account of same the Employee Stock Option Scheme Outstanding Account has been drawn down to the Statement of Profit & Loss.

r. Concentration of deposits, advances, exposures and NPAs :

(i) Concentration of advances :

Particulars	As at March 31, 2022	As at March 31, 2021
Total advance to twenty largest borrowers	12,099.18	12,055.60
Percentage of advances to twenty largest borrowers to total advances of the company	4.98%	8.98%

(ii) Concentration of exposures :

Particulars	As at March 31, 2022	As at March 31, 2021
Total exposure to twenty largest borrowers	12,099.18	12,055.60
Percentage of exposures to twenty largest borrowers to total exposure of the company	4.98%	8.98%

(iii) Concentration of NPAs :

Particulars	As at March 31, 2022	As at March 31, 2021
Total Exposure to top four NPA accounts	1,454.67	763.01

s. Sector-wise NPAs :

Sl. No.	Sector	Percentage of NPAs to total advances in that sector	
		As at March 31, 2022	As at March 31, 2021
1	Agriculture & allied activities	-	-
2	MSME	2.11%	2.40%
3	Corporate borrowers	87.07%	16.82%
4	Services	-	-
5	Unsecured personal loans	-	-
6	Auto loans	-	-
7	Other personal loans	-	-

Note :The base considered for calculation of sector-wise NPA for Corporate borrowers has decreased from Rs 2,974.52 Lakh in FY21 to Rs 547.88 lakh in FY22 resulting in a higher percentage of NPA as at 31st March, 2022.

t. Movement of NPAs :

Particulars			As at March 31, 2022	As at March 31, 2021
(i)	Net NPAs to Net Advances (%)		1.70%	1.75%
(ii)	Movement of NPAs (gross)			
	(a)	Opening balance	3,647.71	817.76
	(b)	Additions during the year	4,671.57	3,328.15
	(c)	Reductions during the year	2,678.13	498.21
	(d)	Closing balance	5,641.15	3,647.71
(iii)	Movement of Net NPAs			
	(a)	Opening balance	2,297.45	458.08
	(b)	Additions during the year	3,364.96	2,097.47
	(c)	Reductions during the year	1,510.09	258.10
	(d)	Closing balance	4,152.32	2,297.45
(iv)	Movement of provisions for NPAs (excluding provisions on standard assets)			
	(a)	Opening balance	1,350.25	359.68
	(b)	Provisions made during the year	242.63	1,212.21
	(c)	provisions	104.05	221.64
	(d)	Closing balance	1,488.83	1,350.25

MSKA & ASSOCIATES Chartered Accountants

UGRO CAPITAL LIMITED

(Rupees in lakh)

u. Overseas assets (for those with joint ventures and subsidiaries abroad) :
There are no overseas assets.

v. Off- Balance Sheet SPVs sponsored (which are required to be consolidated as per accounting norms) :
There are no off-Balance Sheet SPVs sponsored by the Company which are required to be consolidated as per accounting norms.

w. Customer complaints :

Sr No.	Particulars	As at March 31, 2022	As at March 31, 2021
(a)	No. of complaints pending at the beginning of the year	Nil	Nil
(b)	No. of complaints received during the year	30	Nil
(c)	No. of complaints redressed during the year	29	Nil
(d)	No. of complaints pending at the end of the year	1	Nil

x. Revenue recognition :
There are no postponement of revenue due to pending resolution of significant uncertainties.





(Rupees in lakh)

y. Restructured accounts :

Sr.	Type of restructuring		Under CDR Mechanism / SME Debt Restructuring Mechanism					Others				
	Asset classification		Standard	Sub- standard	Doubtful	Loss	Total	Standard	Sub- standard	Doubtful	Loss	Total
1.	Restructured accounts as on April 1, 2021	No. of borrowers	-	-	-	-	-	5	-	-	-	**5**
		Amount outstanding	-	-	-	-	-	597.76	-	-	-	**597.76**
		Provision thereon	-	-	-	-	-	69.25	-	-	-	**69.25**
2.	Fresh restructuring during the year	No. of borrowers	-	-	-	-	-	-	3	-	-	**3**
		Amount outstanding	-	-	-	-	-	-	159.29	-	-	**159.29**
		Provision thereon	-	-	-	-	-	-	23.24	-	-	**23.24**
3.	Upgradation	No. of borrowers	-	-	-	-	-		-	-	-	-
		Amount outstanding	-	-	-	-	-		-	-	-	-
		Provision thereon	-	-	-	-	-		-	-	-	-
4.	Restructured standard advances which cease to attract higher provisioning and/or additional risk weight at the end of the year and hence need not be shown as restructured advances at the beginning of the next year	No. of borrowers	-	-	-	-	-	4	-	-	-	**4**
		Amount outstanding	-	-	-	-	-	101.63	-	-	-	**101.63**
		Provision thereon	-	-	-	-	-	6.87	-	-	-	**6.87**
5.	Downgradation of restructured accounts during the year	No. of borrowers	-	-	-	-	-	(1)	1	-	-	-
		Amount outstanding	-	-	-	-	-	(496.13)	477.05	-	-	**(19.08)**
		Provision thereon	-	-	-	-	-	(62.38)	55.90	-	-	**(6.48)**
6.	Write-offs of restructured accounts during the year	No. of borrowers	-	-	-	-	-	-	-	-	-	-
		Amount outstanding	-	-	-	-	-	-	-	-	-	-
		Provision thereon	-	-	-	-	-	-	-	-	-	-
7.	Restructured accounts as on March 31 , 2022	No. of borrowers	-	-	-	-	-	-	**4**	-	-	**4**
		Amount outstanding	-	-	-	-	-	-	**636.34**	-	-	**636.34**
		Provision thereon	-	-	-	-	-	-	**79.14**	-	-	**79.14**





Notes forming part of the financial statements (continued)
For the year ended March 31, 2022

(Rupees in lakh)

z. Schedule to the Balance Sheet of a NBFC :

Particulars			As at March 31, 2022		As at March 31, 2021	
			Amount outstanding	Amount overdue	Amount outstanding	Amount overdue
Liabilities side :						
1	**Loans and advances availed by the non- banking financial company inclusive of interest accrued thereon but not paid :**					
	a	Debentures :				
	i	Secured	54,621.07	-	24,670.81	-
	ii	Unsecured	990.29	-	-	-
		(other than falling within the meaning of public deposits)				
	b	Deferred credits		-	-	-
	c	Term loans	1,07,239.38	-	40,925.40	-
	d	Inter - corporate loans and borrowings		-	-	-
	e	Commercial paper	11,472.03	-	5,269.88	-
	f	Public deposits	-	-	-	-
	g	Other Loans	5,861.09	-	5,703.39	-
2	**Break - up of (1) (f) above (outstanding public deposits inclusive of interest accrued thereon but not paid) :**					
	a	In the form of unsecured debentures	-	-	-	-
	b	In the form of partly secured debentures i.e. debentures where there is a shortfall in the value of security	-	-	-	-
	c	Other public deposits	-	-	-	-
Assets Side :			**As at March 31, 2022**		**As at March 31, 2021**	
3	**Break - up of gross loans and advances including bills receivables (other than those included in (4) below) :**					
	a	Secured	1,55,877.19		88,456.48	
	b	Unsecured	93,235.55		42,375.13	
4	**Break - up of leased assets and stock on hire and other assets counting towards asset financing activities :**					
	a	Lease assets including lease rentals under sundry debtors				
		i. Finance lease	-		-	
		ii. Operating lease	-		-	
	b	Stock on hire including hire charges under sundry debtors				
		i. Assets on hire	-		-	
		ii. Repossessed assets	-		-	
	c	Other loans counting towards asset financing activities				
		i. Loans where assets have been repossessed	-		-	
		ii. Loans other than (a) above	-		-	
5	**Break - up of investments :**					
	Current investments					
	a	Quoted				
		(i) Shares				
		a. Equity	-		-	
		b. Preference	-		-	
		(ii) Debentures and bonds	-		-	
		(iii) Units of mutual funds	-		-	
		(iv) Government securities	-		-	
		(v) Others	-		-	

(Rupees in lakh)

z. Schedule to the Balance Sheet of a NBFC (continued) :

Assets Side			**As at March 31, 2022**	**As at March 31, 2021**
5	b	Unquoted		
		(i) Shares		
		a. Equity	-	-
		b. Preference	-	-
		(ii) Debentures and bonds	-	-
		(iii) Units of mutual funds	-	4,014.54
		(iv) Government securities	-	-
		(v) Others	-	-
	Long term investments			
	a	Quoted		
		(i) Shares		
		a. Equity	-	-
		b. Preference	-	-
		(ii) Debentures and bonds	4,295.88	1,508.21
		(iii) Units of mutual funds	-	-
		(iv) Government securities	-	-
		(v) Others	2,648.11	-
	b	Unquoted		
		(i) Shares		
		a. Equity	-	-
		b. Preference	-	-
		(ii) Debentures and bonds	-	-
		(iii) Units of mutual funds	-	-
		(iv) Government securities	-	-
		(v) Others	-	-

			As at March 31, 2022		**As at March 31, 2021**	
6	**Borrower group wise classification of assets financed in (3) and (4) above (gross) :**					
	Category		**Amount**			
			Secured	**Unsecured**	**Secured**	**Unsecured**
	a	Related parties **				
		i. Subsidiaries	-	-	-	-
		ii. Companies in the same group	-	-	-	-
		iii. Other related parties	-	-	-	-
	b	Other than related parties	1,55,877.19	93,235.55	88,456.48	42,375.13
		Total	**1,55,877.19**	**93,235.55**	**88,456.48**	**42,375.13**
	** As per accounting standard issued by ICAI.					

7	**Investor group wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted) :**			
	Category			
	1	Related parties **		
		a. Subsidiaries	-	-
		b. Companies in the same group	-	-
		c. Other related parties	-	-
	2	Other than related parties	6,943.99	5,522.75
		Total	**6,943.99**	**5,522.75**
	** As per accounting standard issued by ICAI.			

8	Other information			
	Particulars			
	a	**Gross non performing assets :**	**5,641.15**	**3,647.71**
		i. Related parties	-	-
		ii. Other than related parties	5,641.15	3,647.71
	b	**Net non performing assets :**	**4,152.32**	**2,297.45**
		i. Related parties	-	-
		ii. Other than related parties	4,152.32	2,297.45
	c	**Assets acquired in satisfaction of debt**	-	-

UGRO CAPITAL LIMITED
CIN:L67120MH1993PLC070739

Notes forming part of the financial statements (continued)
For the year ended March 31, 2022

(Rupees in lakh)

aa. Provision under prudential norms of income recognition, asset classification (IRAC) as at March 31,2022 :

Asset classification as per RBI norms	Asset classification as per Ind AS 109	Gross carrying amount as per Ind AS*	Loss allowances (provisions) as required under Ind AS 109	Net carrying amount	Provisions required as per IRAC norms	Difference between Ind AS 109 provisions and IRAC norms
(1)	**(2)**	**(3)**	**(4)**	**(5)=(3)-(4)**	**(6)**	**(7) = (4)-(6)**
Performing assets						
Standard	Stage 1	2,39,025.36	2,481.66	2,36,543.70	1,856.21	625.45
	Stage 2	3,255.34	93.91	3,161.43	50.52	43.39
Non-performing assets (NPA)						
Substandard	Stage 3	5,451.73	1,299.41	4,152.32	623.40	676.01
Doubtful - up to 1 year	Stage 3	189.42	189.42	-	184.06	5.36
1 to 3 years	Stage 3	-	-	-	-	-
More than 3 years	Stage 3	-	-	-	-	-
Loss	Stage 3	-	-	-	-	-
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current income recognition, asset classification and provisioning (IRAC) norms	Stage 1	882.60	-	882.60	-	-
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
Total	**Stage 1**	**2,39,907.96**	**2,481.66**	**2,37,426.30**	**1,856.21**	**625.45**
	Stage 2	**3,255.34**	**93.91**	**3,161.43**	**50.52**	**43.39**
	Stage 3	**5,641.15**	**1,488.83**	**4,152.32**	**807.46**	**681.37**
	Total	**2,48,804.45**	**4,064.40**	**2,44,740.05**	**2,714.19**	**1,350.21**

*The above numbers are reported at gross excluding effective interest rate impact on the same.

MASKA & ASSOCIATES * Chartered Accountants *

UGRO CAPITAL LIMITED

UGRO CAPITAL LIMITED
CIN:L67120MH1993PLC070739

Notes forming part of the financial statements (continued)
For the year ended March 31, 2022

(Rupees in lakh)

aa. Provision under prudential norms of income recognition, asset classification (IRAC) as at March 31,2021 :

Asset classification as per RBI norms	Asset classification as per Ind AS 109	Gross carrying amount as per IndAS*	Loss allowances (provisions) as required under Ind AS 109	Net carrying amount	Provisions required as per IRAC norms	Difference between Ind AS 109 provisions and IRAC norms
(1)	(2)	(3)	(4)	(5)=(3)-(4)	(6)	(7) = (4)-(6)
Performing assets						
Standard	Stage 1	1,25,395.07	1,128.03	1,24,267.04	497.85	630.18
	Stage 2	3,751.00	75.03	3,675.98	14.94	60.08
Non-performing assets (NPA)						
Substandard	Stage 1	603.27	69.25	534.02	62.17	7.08
Substandard	Stage 3	3,044.42	1,281.00	1,763.41	1,109.58	171.41
Doubtful - up to 1 year	Stage 3	-	-	-	-	-
1 to 3 years	Stage 3	-	-	-	-	-
More than 3 years	Stage 3	-	-	-	-	-
Loss	Stage 3	-	-	-	-	-
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current income recognition, asset classification and provisioning (IRAC) norms	Stage 1	1,381.88	8.69	1,373.19	-	8.69
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
Total	**Stage 1**	**1,27,380.22**	**1,205.97**	**1,26,174.25**	**560.02**	**645.95**
	Stage 2	**3,751.00**	**75.03**	**3,675.97**	**14.94**	**60.09**
	Stage 3	**3,044.42**	**1,281.00**	**1,763.42**	**1,109.58**	**171.42**
	Total	**1,34,175.64**	**2,562.00**	**1,31,613.64**	**1,684.54**	**877.46**

*The above numbers are reported at gross excluding effective interest rate impact on the same.

BASKA & ASSOCIATES * Chartered Accountants *

UGRO CAPITAL LIMITED

(Rupees in lakh)

56 Note on Social Security Code

The Code on Social Security 2020 ('the Code') relating to employee benefits, during the employment and post-employment, has received Presidential assent on September 28, 2020. The Code has been published in the Gazette of India. Further, the Ministry of Labour and Employment has released draft rules for the Code on November 13, 2020. However, the effective date from which the changes are applicable is yet to be notified and rules for quantifying the financial impact are also not yet issued. The Company will assess the impact of the Code and will give appropriate impact in the financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.

57 Events after the reporting period

There have been no events after the reporting date that require disclosure in these financial statements.

58 Total Fixed Deposits stand at Rs 762.29 lakh as at March 31, 2022 (Previous year Rs 630.10 lakh) on account of securitisation transactions.

59 Disclosure on frauds pursuant to RBI Master direction detected and reported to RBI:

Particulars	As at March 31, 2022	As at March 31, 2021
Number of Frauds	4	1
Amount involved (Rs in Lakh)	400.14	500.00

60 The company has not purchased any credit impaired financial assets during the financial year 2021-22. However, the company has transferred certain credit impaired assets to the Asset Reconstruction Company in terms of guidelines issued by RBI circular number DOR.STR.REC.51/21.04.048/2021-22 dated September 24, 2021. Further, the company has not sold any credit impaired financial asset to institutions other than to securitization/reconstruction Company (SC/RC) [refer note no. 71(c)].

61 The Company does not hold any immovable property as at 31st March 2022 and 31st March 2021. All the lease agreements are duly executed in the favour of the Company for properties where the Company is the lessee.

62 The Company does not have any transactions with the Companies struck off under section 248 of Companies Act, 2013 or section 560 of Companies Act, 1956 during the year ended 31 March 2022 and 31 March 2021.

63 No proceedings have been initiated or pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder, as at 31 March 2022 and 31 March 2021.

64 The Company is not a declared wilful defaulter by any bank or financial institution or other lender, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India, during the year ended 31 March 2022 and 31 March 2021.

65 Registration of charges or satisfaction with Registrar of Companies (ROC)

Brief Description of Charge	Location of Registrar	Period by which charge has been registered	Reason for delay
Canara Bank- Term Loan- Rs. 25,00,00,000/- Charge ID- 100480997 DOH Date- 18/08/2021	Mumbai	22-09-2021 (form filed with MCA) 24-09-2021 (Charge certificate date)	There was delay from the bank's end in providing signed form. Therefore there was delay in filing of the Form.
ECB Charge Form-. Rs. 31,09,42,500/- Charge ID- 100518344 DOH Date- 02/12/2021	Mumbai	06-01-2022 (form filed with MCA) 06-01-2022 (Charge certificate date)	The list of receivable (mandatory part of form) could not be finalized within prescribed timeline of filing of form by the investors who are based out of India. Hence there was delay in filing of Form.
NCD- Rs. 15,00,00,000/- Charge ID- 100542449 DOH Date- 30/11/2021	Mumbai	28-02-2022 (form filed with MCA) 09-03-2022 (Charge certificate date)	The delay in filing form was inadvertent.

66 There have been no transactions which have not been recorded in the books of accounts, that have been surrendered or disclosed as income during the year ended 31 March 2022 and 31 March 2021, in tax assessments under the Income Tax Act, 1961. There have been no previously unrecorded income and related assets which were to be properly recorded in the books of account during the year ended 31 March 2022 and 31 March 2021.

67 The Company has not traded or invested in crypto currency or virtual currency during the year ended 31 March 2022 and 31 March 2021.

68 Disclosure under rule 11(e) of the Companies (Audit and Auditors) Rules, 2014:

(a) - The Company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall
- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or
- Provide any guarantee, security or the like to or on behalf of Ultimate Beneficiaries;

(b) - The company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the company shall
- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or
- Provide any guarantee, security or the like to or on behalf of Ultimate Beneficiaries;

MSKA & ASSOCIATES Chartered Accountants
UGRO CAPITAL LIMITED

(Rupees in lakh)

69 Gold Loans

The Company does not provide any loans on collateral of gold and gold jewellery.

70 RBI circular RBI/2021-22/17 DOR.STR.REC.4/21.04.048/2021-22 dated 07 April 2021.

Under the circular all the lending institutions were required to refund/adjust the "interest on interest" charged to the borrower during the moratorium period i.e. March 1, 2020 to August 31, 2020 in conformity with the Supreme Court judgement. The status of the same is mentioned in below table.

Sr. No	Particulars	31 March 2022	31 March 2021
1	Aggregate amount	54.71	54.71
2	Refunded/Adjusted	40.12	-
3	Outstandlng Balance	14.59	54.71

71 Disclosures pursuant to Master Direction – Reserve Bank of India (Transfer of Loan Exposures) Directions, 2021 issued by the Reserve Bank of India ("RBI") vide their Notification No. RBI/DOR/2021-22/86 Master Direction DOR.STR.REC.51/21.04.048/2021-22 dated September 24, 2021 (the "Notification").

a. Details of transfer through Assignment in respect of loans not in default during the year ended March 31, 2022*

Sr. No	Particulars	To Banks / NBFCs
1	Aggregate principal outstanding of loans transferred through assignment (Rs. in Lakh)	33,372.84
2	Aggregate consideration received (Rs. in Lakh)	33,372.84
3	Weighted average residual tenor of loans sold (in years)	3.74
4	Weighted average Maturity of Loans (in years)	4.97
5	Weighted average Holding period of Loans (in years)	1.23
6	Retention of Beneficial economic interest (in %)	11.10%
7	Coverage of Tangible security (in %) **	188.22%
8	Rating- wise distribution of rated loans	Non- Rated

Note

* a. The above table includes Special Mention Account ("SMA") Loans

b. The above table does not include loans transferred by the Company through Co-Lending arrangements

** For computation of coverage of Tangible Security coverage ratio, the Company has considered only the secured loans

b. Details of loans acquired in respect of loans not in default during the year ended March 31, 2022

Sr. No	Particulars	From NBFCs
1	Aggregate principal outstanding of loans acquired (Rs. in Lakh)	12,199.68
2	Aggregate consideration paid (Rs. in Lakh)	12,199.68
3	Weighted average residual tenor of loans acquired (in years)	1.35
4	Weighted average Maturity of Loans (in years)	1.96
5	Weighted average Holding period of Loans (in years)	0.67
6	Retention of Beneficial economic interest (in %)	88.57%
7	Coverage of Tangible security (in %) *	709%
8	Rating- wise distribution of rated loans (in Lakh)	a. A-(SO) – 1,438.79
		b. BBB+(SO) – 8,456.59
		c. BBB (SO) – 2,304.30

Note * - For computation of coverage of Tangible Security coverage ratio, the Company has considered only the secured loans.

c. Details of stressed loans transferred during the year ended March 31, 2022
NPAs as on the date of Transfer **

Sr. No	Particulars	To Assest Reconstruction Companies (ARCs)
1	No. of accounts	3,377
2	Aggregate principal outstanding of loans transferred (Rs. In Lakh)	4,385.77
3	Weighted average residual tenor of the loans transferred (in years)	0.81
4	Net book value of loans transferred (at the time of transfer) (Rs. in Lakh)	3,264.50
5	Aggregate consideration (Rs. in Lakh)	3,394.00
6	Additional consideration realized in respect of accounts transferred in earlier years	-
7	Excess Provision reversed on account of sale	-

** The Company has not transferred any SMA loans in the above category during the year ended 31 March 2022.

d. The Company has not acquired any Stressed loans during the year ended March 31, 2022.

e. The rating wise distribution of Security Receipts (SRs) held by the Company as on March 31, 2022 is given below:

Ratings	Rating Agency	Amount (in Lakh)
BW RR1	Brick Works Rating India Private Limited	1,217.47
In Process	Brick Works Rating India Private Limited	1,430.64

(Rupees in lakh)

72 a. Disclosure as per the format prescribed under circular no. RBI/2020-21/16 DOR.No.BP.BC/3/21.04.048/2020-21 dated August 06, 2020 and RBI/2021-22/31 DOR.STR.REC.11/21.04.048/2021-22 dated May 05, 2021

Type of borrower	Exposure to accounts classified as Standard consequent to Implementation of resolution plan - Position as at September 30, 2021 (A)	Of (A), aggregate debt that slipped into NPA during the half year ended March 31, 2022	Of (A), amount written off during the half year ended March 31, 2022	Of (A), amount paid by the borrowers during the half year ended March 31, 2022	Exposure to accounts classified as Standard consequent to Implementation of resolution plan - Position as at March 31, 2022*
Personal Loans	Nil	Nil	Nil	Nil	Nil
Corporate persons	Nil	Nil	Nil	Nil	Nil
Of which, MSMEs	6,297.90	Nil	Nil	7.59	6,290.31
Others	Nil	Nil	Nil	Nil	Nil
Total	Nil	Nil	Nil	Nil	Nil

* Total ECL Provision for the above loans as on March 31, 2022 is Rs 629.03 Lakh.

72 b. Disclosure as per the format prescribed as per the notification no. RBI/2020-21/17 DOR.NO.BP.BC/4/21.04.048/2020-21 on "Micro, Small and Medium Enterprises (MSME) sector – Restructuring of Advances" having exposure less than or equal to Rs. 25 crores for the year ended March 31, 2022:

Type of borrower	Year	(A) Number of accounts where resolution plan has been implemented under this window	(B) exposure to accounts mentioned at (A) before implementation of the plan
MSMEs	Current Year	184	6,623.10
	Previous Year	156	7,356.11

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UGRO CAPITAL LIMITED

73 Previous year figures have been reclassified / regrouped wherever necessary to conform to / with the current year classification / disclosure.

As per our report of even date attached
For **M S K A & Associates**
Chartered Accountants
Firm's Registration No : 105047W

Swapnil Kale
Partner

Membership No : 117812
Place : Mumbai
Date : May 24, 2022

For and on behalf of the Board of Directors of
UGRO CAPITAL LIMITED

Shachindra Nath
Executive Chairman
& MD
DIN : 00510618
Mumbai
May 24, 2022

Abhijit Sen
Independent Director &
Chairman - Audit Committee
DIN : 00002593
Mumbai
May 24, 2022

Amit Gupta
Chief Financial Officer
Mumbai
May 24, 2022

Aniket Karandikar
Company Secretary
Mumbai
May 24, 2022

ANNEXURE D- ILLUSTRATIVE CASH FLOW

Series I										
Deemed Date of Allotment	Friday, 25 April, 2025									
Issue Price	1,000									
Coupon					10.00%			10.47%		
Period	**Coupon**	**Redemption Due Date**	**Date of Payment**	**No of Days**	**Opening Principal Outstanding**	**Principal paid**	**Interest paid**	**Total P+I paid**	**Closing Principal Outstanding**	
0	Deemed Date of Allotment	Friday, 25 April, 2025				**(1,000)**		**(1,000)**	**1,000**	
1	1st Coupon	Sunday, 25 May, 2025	Monday, 26 May, 2025	30	1,000	-	8.22	8.22	**1,000**	-1
2	2nd Coupon	Wednesday, 25 June, 2025	Wednesday, 25 June, 2025	31	1,000	-	8.49	8.49	**1,000**	0
3	3rd Coupon	Friday, 25 July, 2025	Friday, 25 July, 2025	30	1,000	-	8.22	8.22	**1,000**	0
4	4th Coupon	Monday, 25 August, 2025	Monday, 25 August, 2025	31	1,000	-	8.49	8.49	**1,000**	0
5	5th Coupon	Thursday, 25 September, 2025	Thursday, 25 September, 2025	31	1,000	-	8.49	8.49	**1,000**	0
6	6th Coupon	Saturday, 25 October, 2025	Monday, 27 October, 2025	30	1,000	-	8.22	8.22	**1,000**	-2

7	7th Coupon	Tuesday, 25 November, 2025	Tuesday, 25 November, 2025	31	1,000		8.49	8.49	**1,000**	0
8	8th Coupon	Thursday, 25 December, 2025	Friday, 26 December, 2025	30	1,000		8.22	8.22	**1,000**	-1
9	9th Coupon	Sunday, 25 January, 2026	Monday, 26 January, 2026	31	1,000		8.49	8.49	**1,000**	-1
10	10th Coupon	Wednesday, 25 February, 2026	Wednesday, 25 February, 2026	31	1,000		8.49	8.49	**1,000**	0
11	11th Coupon	Wednesday, 25 March, 2026	Wednesday, 25 March, 2026	28	1,000		7.67	7.67	**1,000**	0
12	12th Coupon	Saturday, 25 April, 2026	Monday, 27 April, 2026	31	1,000		8.49	8.49	**1,000**	-2
13	13th Coupon	Monday, 25 May, 2026	Monday, 25 May, 2026	30	1,000		8.22	8.22	**1,000**	0
14	14th Coupon	Thursday, 25 June, 2026	Thursday, 25 June, 2026	31	1,000		8.49	8.49	**1,000**	0
15	15th Coupon	Saturday, 25 July, 2026	Monday, 27 July, 2026	30	1,000		8.22	8.22	**1,000**	-2
16	16th Coupon	Tuesday, 25 August, 2026	Tuesday, 25 August, 2026	31	1,000		8.49	8.49	**1,000**	0

17	17th Coupon	Friday, 25 September, 2026	Friday, 25 September, 2026	31	1,000		8.49	8.49	**1,000**	0
18	18th Coupon	Sunday, 25 October, 2026	Friday, 23 October, 2026	30	1,000	1,000.00	8.22	1,008.22	-	2

Series II									
Deemed Date of Allotment	Friday, 25 April, 2025								
Issue Amount	1,000								
Coupon					10.39%			10.47%	
Period	**Coupon**	**Payment Date/Redemption date**	**Date of Payment**	**No of Days**	**Opening Principal Outstanding**	**Principal paid**	**Interest paid**	**Total P+I paid**	**Closing Principal Outstanding**
0	Deemed Date of Allotment	Friday, 25 April, 2025				**(1,000)**		**(1,000)**	**1,000**
1	1st Coupon	Saturday, 25 April, 2026	Monday, 27 April, 2026	365	1,000	-	103.90	103.90	1,000
2	2nd Coupon	Sunday, 25 October, 2026	Friday, 23 October, 2026	183	1,000	1,000.00	52.09	1,052.09	-

Series III									
Deemed Date of Allotment	Friday, 25 April, 2025								
Issue Amount	1,000								
Coupon					10.15%			10.64%	
Period	**Coupon**	**Payment Date/Redemption date**	**Date of Payment**	**No of Days**	**Opening Principal Outstanding**	**Principal paid**	**Interest paid**	**Total P+I paid**	**Closing Principal Outstanding**
0	Deemed Date of	Friday, 25 April, 2025				**(1,000)**		**(1,000)**	**1,000**

	Allotment								
1	1st Coupon	Sunday, 25 May, 2025	Monday, 26 May, 2025	30	1,000	-	8.34	8.34	1,000
2	2nd Coupon	Wednesday, 25 June, 2025	Wednesday, 25 June, 2025	31	1,000	-	8.62	8.62	1,000
3	3rd Coupon	Friday, 25 July, 2025	Friday, 25 July, 2025	30	1,000	-	8.34	8.34	1,000
4	4th Coupon	Monday, 25 August, 2025	Monday, 25 August, 2025	31	1,000	-	8.62	8.62	1,000
5	5th Coupon	Thursday, 25 September, 2025	Thursday, 25 September, 2025	31	1,000	-	8.62	8.62	1,000
6	6th Coupon	Saturday, 25 October, 2025	Monday, 27 October, 2025	30	1,000	-	8.34	8.34	1,000
7	7th Coupon	Tuesday, 25 November, 2025	Tuesday, 25 November, 2025	31	1,000	-	8.62	8.62	1,000
8	8th Coupon	Thursday, 25 December, 2025	Friday, 26 December, 2025	30	1,000	-	8.34	8.34	1,000
9	9th Coupon	Sunday, 25 January, 2026	Monday, 26 January, 2026	31	1,000	-	8.62	8.62	1,000
10	10th Coupon	Wednesday, 25 February, 2026	Wednesday, 25 February, 2026	31	1,000	-	8.62	8.62	1,000
11	11th Coupon	Wednesday, 25	Wednesday, 25	28	1,000	-	7.79	7.79	1,000

		March, 2026	March, 2026						
12	12th Coupon	Saturday, 25 April, 2026	Monday, 27 April, 2026	31	1,000	-	8.62	8.62	1,000
13	13th Coupon	Monday, 25 May, 2026	Monday, 25 May, 2026	30	1,000	-	8.34	8.34	1,000
14	14th Coupon	Thursday, 25 June, 2026	Thursday, 25 June, 2026	31	1,000	-	8.62	8.62	1,000
15	15th Coupon	Saturday, 25 July, 2026	Monday, 27 July, 2026	30	1,000	-	8.34	8.34	1,000
16	16th Coupon	Tuesday, 25 August, 2026	Tuesday, 25 August, 2026	31	1,000	-	8.62	8.62	1,000
17	17th Coupon	Friday, 25 September, 2026	Friday, 25 September, 2026	31	1,000	-	8.62	8.62	1,000
18	18th Coupon	Sunday, 25 October, 2026	Monday, 26 October, 2026	30	1,000	-	8.34	8.34	1,000
19	19th Coupon	Wednesday, 25 November, 2026	Wednesday, 25 November, 2026	31	1,000	-	8.62	8.62	1,000
20	20th Coupon	Friday, 25 December, 2026	Monday, 28 December, 2026	30	1,000	-	8.34	8.34	1,000
21	21st Coupon	Monday, 25 January, 2027	Monday, 25 January, 2027	31	1,000	-	8.62	8.62	1,000

22	22nd Coupon	Thursday, 25 February, 2027	Thursday, 25 February, 2027	31	1,000	-	8.62	8.62	1,000
23	23rd Coupon	Thursday, 25 March, 2027	Thursday, 25 March, 2027	28	1,000	-	7.79	7.79	1,000
24	24th Coupon	Sunday, 25 April, 2027	Friday, 23 April, 2027	31	1,000	1,000.00	8.62	1,008.62	-

Series IV									
Deemed Date of Allotment	Friday, 25 April, 2025								
Issue Amount	1,000								
Coupon					10.25%			10.75 %	
Period	**Coupon**	**Payment Date/Redemption date**	**Date of Payment**	**No of Days**	**Opening Principal Outstanding**	**Principal paid**	**Interest paid**	**Total P+I paid**	**Closing Principal Outstanding**
0	Deemed Date of Allotment	Friday, 25 April, 2025				**(1,000)**		**(1,000)**	**1,000**
1	1st Coupon	Sunday, 25 May, 2025	Monday, 26 May, 2025	30	1,000	-	8.42	8.42	1,000
2	2nd Coupon	Wednesday, 25 June, 2025	Wednesday, 25 June, 2025	31	1,000	-	8.71	8.71	1,000
3	3rd Coupon	Friday, 25 July, 2025	Friday, 25 July, 2025	30	1,000	-	8.42	8.42	1,000
4	4th Coupon	Monday, 25 August, 2025	Monday, 25 August, 2025	31	1,000	-	8.71	8.71	1,000
5	5th Coupon	Thursday, 25 September, 2025	Thursday, 25 Septe	31	1,000	-	8.71	8.71	1,000

			mber, 2025						
6	6th Coupon	Saturday, 25 October, 2025	Monday, 27 October, 2025	30	1,000	-	8.42	8.42	1,000
7	7th Coupon	Tuesday, 25 November, 2025	Tuesday, 25 November, 2025	31	1,000	-	8.71	8.71	1,000
8	8th Coupon	Thursday, 25 December, 2025	Friday, 26 December, 2025	30	1,000	-	8.42	8.42	1,000
9	9th Coupon	Sunday, 25 January, 2026	Monday, 26 January, 2026	31	1,000	-	8.71	8.71	1,000
10	10th Coupon	Wednesday, 25 February, 2026	Wednesday, 25 February, 2026	31	1,000	-	8.71	8.71	1,000
11	11th Coupon	Wednesday, 25 March, 2026	Wednesday, 25 March, 2026	28	1,000	-	7.86	7.86	1,000
12	12th Coupon	Saturday, 25 April, 2026	Monday, 27 April, 2026	31	1,000	-	8.71	8.71	1,000
13	13th Coupon	Monday, 25 May, 2026	Monday, 25 May, 2026	30	1,000	-	8.42	8.42	1,000
14	14th Coupon	Thursday, 25 June, 2026	Thursday, 25 June, 2026	31	1,000	-	8.71	8.71	1,000
15	15th Coupon	Saturday, 25 July, 2026	Monday, 27 July, 2026	30	1,000	-	8.42	8.42	1,000
16	16th Coupon	Tuesday, 25 August, 2026	Tuesday, 25 August, 2026	31	1,000	-	8.71	8.71	1,000
17	17th Coupon	Friday, 25 September, 2026	Friday, 25 Septe	31	1,000	-	8.71	8.71	1,000

			mber, 2026						
18	18th Coupon	Sunday, 25 October, 2026	Monday, 26 October, 2026	30	1,000	-	8.42	8.42	1,000
19	19th Coupon	Wednesday, 25 November, 2026	Wednesday, 25 November, 2026	31	1,000	-	8.71	8.71	1,000
20	20th Coupon	Friday, 25 December, 2026	Monday, 28 December, 2026	30	1,000	-	8.42	8.42	1,000
21	21st Coupon	Monday, 25 January, 2027	Monday, 25 January, 2027	31	1,000	-	8.71	8.71	1,000
22	22nd Coupon	Thursday, 25 February, 2027	Thursday, 25 February, 2027	31	1,000	-	8.71	8.71	1,000
23	23rd Coupon	Thursday, 25 March, 2027	Thursday, 25 March, 2027	28	1,000	-	7.86	7.86	1,000
24	24th Coupon	Sunday, 25 April, 2027	Monday, 26 April, 2027	31	1,000	-	8.71	8.71	1,000
25	25th Coupon	Tuesday, 25 May, 2027	Tuesday, 25 May, 2027	30	1,000	-	8.42	8.42	1,000
26	26th Coupon	Friday, 25 June, 2027	Friday, 25 June, 2027	31	1,000	-	8.71	8.71	1,000
27	27th Coupon	Sunday, 25 July, 2027	Monday, 26 July, 2027	30	1,000	-	8.42	8.42	1,000
28	28th Coupon	Wednesday, 25 August, 2027	Wednesday, 25 August, 2027	31	1,000	-	8.71	8.71	1,000
29	29th Coupon	Saturday, 25	Monday, 27 Septe	31	1,000	-	8.71	8.71	1,000

		September, 2027	mber, 2027						
30	30th Coupon	Monday, 25 October, 2027	Monday, 25 October, 2027	30	1,000	1,000.00	8.42	1,008.42	-

Series V									
Deemed Date of Allotment	Friday, 25 April, 2025								
Issue Amount	1,000								
Coupon					10.50%			11.01%	
Period	**Coupon**	**Payment Date/Redemption date**	**Date of Payment**	**No of Days**	**Opening Principal Outstanding**	**Principal paid**	**Interest paid**	**Total P+I paid**	**Closing Principal Outstanding**
0	Deemed Date of Allotment	Friday, 25 April, 2025				**(1,000)**		**(1,000)**	**1,000**
1	1st Coupon	Sunday, 25 May, 2025	Monday, 26 May, 2025	30	1,000	-	8.63	8.63	1,000
2	2nd Coupon	Wednesday, 25 June, 2025	Wednesday, 25 June, 2025	31	1,000	-	8.92	8.92	1,000
3	3rd Coupon	Friday, 25 July, 2025	Friday, 25 July, 2025	30	1,000	-	8.63	8.63	1,000
4	4th Coupon	Monday, 25 August, 2025	Monday, 25 August, 2025	31	1,000	-	8.92	8.92	1,000
5	5th Coupon	Thursday, 25 September, 2025	Thursday, 25 September, 2025	31	1,000	-	8.92	8.92	1,000
6	6th Coupon	Saturday, 25 October, 2025	Monday, 27 October, 2025	30	1,000	-	8.63	8.63	1,000
7	7th Coupon	Tuesday, 25 November, 2025	Tuesday, 25 Nove	31	1,000	-	8.92	8.92	1,000

			mber, 2025						
8	8th Coupon	Thursday, 25 December, 2025	Friday, 26 December, 2025	30	1,000	-	8.63	8.63	1,000
9	9th Coupon	Sunday, 25 January, 2026	Monday, 26 January, 2026	31	1,000	-	8.92	8.92	1,000
10	10th Coupon	Wednesday, 25 February, 2026	Wednesday, 25 February, 2026	31	1,000	-	8.92	8.92	1,000
11	11th Coupon	Wednesday, 25 March, 2026	Wednesday, 25 March, 2026	28	1,000	-	8.05	8.05	1,000
12	12th Coupon	Saturday, 25 April, 2026	Monday, 27 April, 2026	31	1,000	-	8.92	8.92	1,000
13	13th Coupon	Monday, 25 May, 2026	Monday, 25 May, 2026	30	1,000	-	8.63	8.63	1,000
14	14th Coupon	Thursday, 25 June, 2026	Thursday, 25 June, 2026	31	1,000	-	8.92	8.92	1,000
15	15th Coupon	Saturday, 25 July, 2026	Monday, 27 July, 2026	30	1,000	-	8.63	8.63	1,000
16	16th Coupon	Tuesday, 25 August, 2026	Tuesday, 25 August, 2026	31	1,000	-	8.92	8.92	1,000
17	17th Coupon	Friday, 25 September, 2026	Friday, 25 September, 2026	31	1,000	-	8.92	8.92	1,000
18	18th Coupon	Sunday, 25 October, 2026	Monday, 26 October, 2026	30	1,000	-	8.63	8.63	1,000
19	19th Coupon	Wednesday, 25 November, 2026	Wednesday, 25 Nove	31	1,000	-	8.92	8.92	1,000

			mber, 2026						
20	20th Coupon	Friday, 25 December, 2026	Monday, 28 December, 2026	30	1,000	-	8.63	8.63	1,000
21	21st Coupon	Monday, 25 January, 2027	Monday, 25 January, 2027	31	1,000	-	8.92	8.92	1,000
22	22nd Coupon	Thursday, 25 February, 2027	Thursday, 25 February, 2027	31	1,000	-	8.92	8.92	1,000
23	23rd Coupon	Thursday, 25 March, 2027	Thursday, 25 March, 2027	28	1,000	-	8.05	8.05	1,000
24	24th Coupon	Sunday, 25 April, 2027	Monday, 26 April, 2027	31	1,000	-	8.92	8.92	1,000
25	25th Coupon	Tuesday, 25 May, 2027	Tuesday, 25 May, 2027	30	1,000	-	8.63	8.63	1,000
26	26th Coupon	Friday, 25 June, 2027	Friday, 25 June, 2027	31	1,000	-	8.92	8.92	1,000
27	27th Coupon	Sunday, 25 July, 2027	Monday, 26 July, 2027	30	1,000	-	8.63	8.63	1,000
28	28th Coupon	Wednesday, 25 August, 2027	Wednesday, 25 August, 2027	31	1,000	-	8.92	8.92	1,000
29	29th Coupon	Saturday, 25 September, 2027	Monday, 27 September, 2027	31	1,000	-	8.92	8.92	1,000
30	30th Coupon	Monday, 25 October, 2027	Monday, 25 October, 2027	30	1,000	-	8.63	8.63	1,000
31	31st Coupon	Thursday, 25 November, 2027	Thursday, 25 Nove	31	1,000	-	8.92	8.92	1,000

			mber, 2027						
32	32nd Coupon	Saturday, 25 December, 2027	Monday, 27 December, 2027	30	1,000	-	8.63	8.63	1,000
33	33rd Coupon	Tuesday, 25 January, 2028	Tuesday, 25 January, 2028	31	1,000	-	8.89	8.89	1,000
34	34th Coupon	Friday, 25 February, 2028	Friday, 25 February, 2028	31	1,000	-	8.89	8.89	1,000
35	35th Coupon	Saturday, 25 March, 2028	Monday, 27 March, 2028	29	1,000	-	8.32	8.32	1,000
36	36th Coupon	Tuesday, 25 April, 2028	Tuesday, 25 April, 2028	31	1,000	-	8.89	8.89	1,000
37	37th Coupon	Thursday, 25 May, 2028	Thursday, 25 May, 2028	30	1,000	-	8.61	8.61	1,000
38	38th Coupon	Sunday, 25 June, 2028	Monday, 26 June, 2028	31	1,000	-	8.89	8.89	1,000
39	39th Coupon	Tuesday, 25 July, 2028	Tuesday, 25 July, 2028	30	1,000	-	8.61	8.61	1,000
40	40th Coupon	Friday, 25 August, 2028	Friday, 25 August, 2028	31	1,000	-	8.89	8.89	1,000
41	41st Coupon	Monday, 25 September, 2028	Monday, 25 September, 2028	31	1,000	-	8.89	8.89	1,000
42	42nd Coupon	Wednesday, 25 October, 2028	Wednesday, 25 October, 2028	30	1,000	1,000.00	8.61	1,008.61	-